DEAL SUMMARY OF SANDWICH LEASE BETWEEN KROGER AND BUYER

Seller:

Acadia Realty

Suite 260

1311 Mamaroneck Aveue White Plains, NY 10605

Robert Masters (O) 914-288-8139

(P) 914-213-4642

Rebecca Rosen (P) 818-203-4086

rrosen@acadiarealty.com

Joel Braun, EVP

(P) 262-5461 (O) 288-8146

ib@acadiarealty.com

Seller:

AMCAP Acadia Indianapolis LLC

Seller is the ground lessee of a leasehold estate pursuant to a ground lease between ground lessor Twin Aire Associates Realty, Inc. and tenant lessee The Kroger

Company, dated 7/27/82.

Buyer:

680 Twin Aire Associates LLC

EIN# 47-7233384

Buying a leasehold interest as tenant under a ground lease agreement dated 7/27/82

between Landlord and Kroger.

Property:

Twin Plaza

2900 Southeastern Avenue 680 Twin Aire Drive Indianapolis, IN 46203

Title Co.:

Jeffrey R. Lade

Fidelity National Title Insurance Company

Suite 710

135 N. Pennsylvania Street Indianapolis, IN 46204 (O) 317-615-2013 (P) 317-633-6280 jeff.lade@fnt.com

Our Attorney: Bryan Woodruff

(317) 684-5271

bwoodruff@boselaw.com Bose McKinney & Evans

Suite 2700, 111 Monument Circle

Indianapolis, IN 46204

DEAL TERMS

1) LEASE MODIFICATION AND RENEWAL AGREEMENT DATED FEBRUARY 1, 2009 BETWEEN THEN-LESSOR (MALEASE 5 DK CORP.) AND THE KROGER COMPANY

If Lessee (Kroger) does not want to renew their lease, then they must advise lessee <u>in writing</u> 180 days prior to the termination of the then-current lease term by July 31, 2018. Current lease term expires on January 31, 2019.

Kroger has three 5-year renewal options and one 15-year renewal option ending on February 1, 2049.

Lease Terms

Time Period	Annual Rent
Now – January 31, 2019	\$103,050

Option Terms

Time Period	Annual Rent
February 1, 2019 – January 31, 2024	\$103,050
February 1, 2024 – January 31, 2029	\$103,050
February 1, 2029 – January 31, 2034	\$103,050
February 1, 2034 – January 31, 2049	Market Rent

Rents are paid in arrears as of February 1 and August 1 of each year in the amount of \$51,525 each time.

Background

This Kroger store was recently renovated which is a good sign that they wish to keep it. The store makes money for them, but the Landlord does not maintain the center well.

Tenant's (Kroger's) interest as ground lessee in the ground lease was assigned by tenant to Kansiana Properties Corp. recorded February 7, 1984 and further assigned by Kansiana Associates, LP as assignee by assignment recorded June 20, 1984.

Kansiana Associates, LP's interest as ground lessee assigned to Seller by an agreement dated January 16, 2003 and recorded January 22, 2003.

Seller is assigning and conveying to us Seller's interest as ground lessee in the ground lease.

Kroger lease obligation to Landlord:

Time PeriodMonthly Base RentJanuary 1, 2018 – September 30, 2023\$6379October 1, 2023 – September 30, 2028\$7087October 1, 2028 – September 30, 2033\$7796October 1, 2033 – September 30, 2038\$8505October 1, 2038 – September 30, 2043\$9213October 1, 2043 – September 30, 2048\$9922

If Kroger vacates at the end of their lease obligation which they currently have (January 31, 2019), we would inherit this lease obligation as of February 1, 2019.

If we have no tenant for this space, we would close our single-purpose owning entity.

2) MEMO OF LEASE OF JANUARY 15, 1984

Kroger has the option to purchase our sandwich ground lease position at any time during their lease term and option periods. Kroger needs to advise us in writing 360 days prior equal to the then fair market value of the lease. At this point, we each choose appraisers and value the lease to come up with a fair purchase price. (See Paragraph 35.1 – Lessee's Purchase Order)

This may only take place effective the beginning of a new lease term - so not before January 31, 2019.

Landlord of the Center is:

Mr. Mervyn A. Dukatt 739 Ivy Lane Glencoe, IL 60022

Leasing Agents of Shopping Center: (Leasing Brochure Attached)

Sitehawk Larry Davis & Tom English 317-844-5313

Deal Terms:

Purchase Price

\$286,412.50

Closing By:

July 31, 2015

Contract Deposit:

\$50,000

Total Rental Payments from August 1, 2015 – January 31, 2019 =

 $$8587.50 \times 43 \text{ months} = $369,262.90$

Store #2100116 **Kroger Contacts:**

- 7th Floor 1) 1014 Vine Street Cincinnati, OH 45202
- 2) Kroger Indianapolis Manager Mr. Keith Rudemiller (317) 579-8392