

## **Frequently Asked Questions Kroger Shopping Center in Alcoa, TN**

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1) What are the sales figures for the Kroger?

A - \$21,175,000 is the approximate sales for 2009 from March to March. These sales are not inclusive of fuel sales. Kroger's is not required to report the fuel sales to the landlord. We have not been provided any prior sales figures. **(Please refer to 2008 Fiscal Sales Report)**

2) What is Kroger's percentage of sales rent?

A – They are required to pay 1% of sales after \$36MM up to maximum of \$75,000. **(Please refer to Lease Modification Agreement No. 4, Page 1)**

3) What other retailers and centers are nearby in the area?

A – Other retailers in the immediate area are CVS, Walgreens & a Hollywood Video. Approximately 1 mile west of the Kroger shopping center includes retail chains such as Wal-Mart Supercenter, Target, Lowe's, Home Depot, HH Gregg, Old Navy, PetSmart, Foothills Mall, restaurant chains, and more.

4) Is this the main shopping area?

A – The “main” shopping area is located in the same area as the above mentioned area, approximately 1 mile west of the Kroger Shopping Center, situated along Highway 129.

5) Who is responsible for the building maintenance?

A – Kroger **(Please refer to Lease Modification Agreement No. 3, Page 7, Section 10)**

6) Who owns the parking lot?

A – The landlord owns what is in front of the Kroger and has use of other areas via “cross-view” easements. Landlord is responsible for the upkeep, such as resurfacing and cleaning. Kroger reimburses for those expenses. **(Please refer to the Kroger Site Survey and Title Commitment)**

7) Is there a survey and/or environmental report available?

A – There is a survey available on our website. **(Please refer to the Kroger Site Survey)** An environmental report has not been done on the Kroger Shopping Center **(Please refer to Kroger Lease Modification No. 5, Page 1, Section 3 for Kroger's**

**Responsibility for the Fuel Center**), but one is being conducted on the Auto Express Car Wash by S&ME and will be posted to our website upon completion.

8) Is the original Kroger Lease available?

A – The original Kroger Lease along with all Amendments and Modifications are available on our website. **(Please refer to Kroger Lease Agreement – March 1980 as well as the subsequent Amendments & Modifications)**

9) Did Kroger pay for their 2003 renovations?

A – Kroger paid for their improvements in 2003 where they installed the Fuel Station at their expense. **(Please refer to Lease Modification Agreement No. 5 – November 2003 as well as the Title Commitment which shows no outstanding mechanic’s or materialman’s Liens against the property)**

10) How long has the car wash been vacant?

A – The car wash has been vacant since February 1<sup>st</sup>, 2009.

11) How does Regal Investments fit into this?

A – Regal Investments is the “King Family” – just another name/related entity to the current owner.

12) What happens if Kroger exercises their option?

A – If Kroger exercises their option(s) to continue leasing the property then the landlord & Kroger will have to abide by said terms of lease.

13) What is the status of the CVS space? Is Kroger going to expand?

A – The CVS is currently “dark/empty” and they are continuing to honor the terms in their lease which is summarized on our website. (Please refer to the copies of the CVS Original Lease, CVS Lease Modification Agreement No. 1, CVS Lease Modification No. 2 & a Subordination, Non-Disturbance and Attornment Agreement)

14) Is there any available information on the Hollywood Video (Lease terms, owner, etc.)?

A – The Hollywood Video is a totally separate property that has totally different ownership and is NOT a part of the auction.

15) Do you have an estoppel letter signed by Kroger?

A – We do not have this letter at this time.

16) Would Kroger be willing to sign a lease extension and for how long?

A – We have not had any correspondence with Kroger regarding this matter.

17) Does Kroger have a first right of refusal?

A – Yes. **(Please refer to Lease Modification No. 3 – Page 5 – Section 8 for more details)**