

Case Studies - Retail Disposition

**Point View Shopping Center  
Wayne, NJ**

Acquisition: Point View Shopping Center, Wayne, NJ  
Price: \$22.00 million

In August 2007 Cofinance Inc. (“Cofinance”) sold the Point View Shopping Center (“Point View”) to a Clifton, NJ supermarket retailer (“Retailer”), in an off-market transaction for \$22.00 million. At the time, Cofinance was sixteen months into its 5-year plan and had already negotiated an early access agreement with Kings Supermarket, the former anchor tenant, to gain possession of its store to accelerate its leasing effort. In addition, Cofinance completed the interior demolition of the space and the installation of a new store front.

Several leases for major portions of the space were close to being finalized when Cofinance contacted the Retailer. The Retailer had always been interested in Point View as a purchaser, not a tenant. However, Cofinance proposed to lease the entire store to the Retailer making it clear that the opportunity would be gone once Cofinance signed the pending leases. The Retailer respectfully declined the lease offer and proposed a purchase.

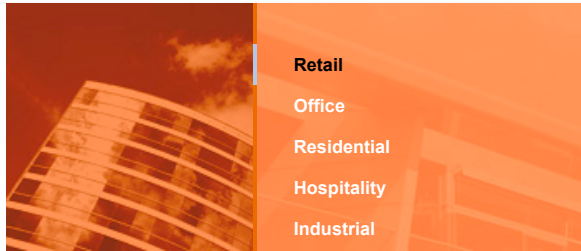
**Acquisition Assumptions**

- Total capitalization projected to be \$16.55m.
- Secured variable rate debt for 75% of the total capitalization at projected rates beginning at 5.52% escalating to 7.25%.
- Hold Period of 60 months.
- Renew in-line stores at \$23 PSF and release the Kings Store once its lease expired at \$25 PSF for 60% of the store and \$10 PSF for the remaining back of the store.
- The leveraged IRR for the Base Case was projected to be 20.12% with an equity multiple of 2.0.

**Disposition Results**

- Total actual capitalization was \$16.73m.
- Secured fixed rate debt representing 75% of the total capitalization with a fixed interest rate of 6.33% with flexible prepayment terms.
- Hold Period of 19 months.
- Renewed in-line tenants at \$25 PSF and sold property to user.
- The realized IRR was 67.45% at a profit representing a multiple of 2.3 times.

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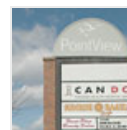
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