



## **Corporate Partners Buys 21 Rite Aids in \$55M Leaseback**

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*By Bob Howard*

LOS ANGELES-Corporate Partners Capital Group Inc., a locally based private investment group, has acquired 21 Rite Aid stores in nine states in a sale-leaseback, with Rite Aid signing separate 20-year leases for the properties. Corporate Partners bought the retail sites from the publicly held drug chain on behalf of CPCG Fund I LLC, a \$300-million fund backed by private capital. The fund was created to specialize in transactions like the Rite Aid sale-leaseback.

The acquired portfolio totals 260,786 sf, consists of 21 newer stores with drive-thru formats and traded in a direct deal between buyer and seller. Michael Katz, president of REF Advisory LLC, which serves as Rite Aid's financial adviser for sale-leaseback transactions, says the drug store chain was attracted to the deal because of its competitive economics, the reduced closing costs involved and other advantages offered by the transaction.

Howard Sands, founding principal of Corporate Partners, reports that the properties are in Alabama, California, Maryland, Michigan, New Jersey, Ohio, Pennsylvania, Tennessee and Utah. "The stores are all strong performers," Sands says.

Rite Aid Corp. is one of the nation's largest drug store chains with annual revenues of \$16.6 billion and approximately 3,400 stores in 28 states and the District of Columbia.

Corporate Partners Capital Group specializes in the acquisition and financing of corporate real estate. The principals of Corporate Partners have structured sale-leaseback transactions with Circuit City, EDS, Limited Brands and Sierra Health Services and build-to-suit/take-outs with various developers. In 2003 Corporate Partners acquired a 31-property portfolio of auto part stores secured by long term leases with CSK Auto and O'Reilly Automotive.