

United States Bankruptcy Court Northern District of Illinois (Eastern Division) PROOF OF CLAIM

In re (Name of Debtor) Kmart Corporation Case Number 02-B02474

NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503

Name of Creditor(The person or entity to whom the debtor owes money or property) CAPREALTY 01- EDINBURG, LLC

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars

Name and Addresses Where Notices Should be Sent C/O THE CAPSTONE GROUP 205 EAST 42ND STREET, SUITE 1916 NEW YORK, NEW YORK 10017 ATTN: JOHN F. LAGEN

Check box if you have never received any notices from the bankruptcy court in this case

Check box if the address differs from the address on the envelope sent to you by the court

THIS SPACE IS FOR COURT USE ONLY

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR. STORE NO. 9700

Check here if this claim replaces amends a previously filed claim dated

1. BASIS FOR CLAIM Goods sold Services performed Money loaned Personal injury/wrongful death Taxes Other (Describe briefly) LEASE REJECTION DAMAGES AND RELATED AMOUNTS AS SET FORTH ON ATTACHMENT

Retiree benefits as defined in 11 U.S.C. § 1114(a) Wages, salaries, and compensation (Fill out below) Your social security number Unpaid compensations for services performed from (date) to (date)

2 DATE DEBT WAS INCURRED Various

3 IF COURT JUDGMENT, DATE OBTAINED

4. CLASSIFICATION OF CLAIM Under the Bankruptcy Code all claims are classified as one or more of the following (1) Unsecured Nonpriority, (2) Unsecured Priority, (3) Secured It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM

SECURED CLAIM \$ Attach evidence of perfection of security interest Brief Description of Collateral: Real Estate Motor Vehicle Other (Describe briefly) Amount of arrearage and other charges included in secured claim above, if any \$ UNSECURED NONPRIORITY CLAIM \$ 583,870.00 A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim

UNSECURED PRIORITY CLAIM \$ Specify the priority of the claim Wages, salaries, or commissions (up to \$2,000), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3) Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4) Up to \$900 of deposits toward purchase, lease or rental of property or services for personal, family or household use - 11 U.S.C. § 507(a)(6) Taxes or penalties of governmental units - 11 U.S.C. § 507(a)(7) Other

5. TOTAL AMOUNT OF CLAIM AT TIME \$ 583,870.00 CASE FILED (Unsecured) (Secured) (Priority) \$ 583,870.00 Check this box if claim includes prepetition charges in addition to the principal amount of the claim Attach itemized statement of all additional charges

6 CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim, in filing this claim, claimant has deducted all amounts that claimant owes to debtor. 7 SUPPORTING DOCUMENTS: Attach copies of supporting documents such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests If the documents are not available, explain. If the documents are voluminous, attach a summary 8. TIME STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim

THIS SPACE IS FOR COURT USE ONLY

Date. March 25, 2002

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) Caprealty 01- Edinburg LLC BY: [Signature], authorized signatory

RECEIVED BANKRUPTCY MAR 25 PM 3:25

7Cd ML3/25/02

Case No. 02-B02474

Debtor: Kmart Corporation

Creditor: CAPREALTY 01 - EDINBURG, L.L.C.

Creditor No.: _____

KMART STORE SITE # 6474

2802 U.S. HIGHWAY #281

Edinburg, Texas

LEASE TERMINATION DAMAGE CLAIM

That certain lease dated September 11, 1980, as amended April 10, 1981 and April 24, 1981, by and between CAPREALTY 01 - EDINBURG, L.L.C., Landlord by assignment dated March 20, 2001, from FOREST PARK-GRACE ASSOCIATES, by assignment dated April 28, 1994, from TEXAS INDELA HOLDING, INC., by assignment dated XXX, from CLARK DEVELOPMENT VENTURES, and KMART CORPORATION, as Tenant.

Caprealty 01 - Edinburg, L.L.C., is owner in fee simple of that certain plot, piece or parcel of real property commonly known as 2802 U.S. Highway #281, situate in the City of Edinburg, County of Hidalgo, State of Texas, consisting of approximately 6.54 acres of land and the improvements appurtenant thereto consistently primarily of one (1) single story building containing approximately 55,552 square feet leasable space, plus a garden shop area comprised of approximately 5,624 square feet.

The term of the Lease was Twenty-five (25) years (Lease Article 2), with rent commencing on or about November 1, 1980, and terminating October 31, 2005. The Annual Rent set forth in the lease is \$237,500.00 (\$19,791.67 per month)(Lease Article 3), and Tenant paid as additional rent percentage rent (Lease Article 4), all real estate taxes and special assessments (Lease Article 5). In addition, the Lease required Tenant to maintain and repair the Premises (Lease Article 15), and maintain fire insurance with extended coverage at full replacement cost, personal injury and property damage insurance (Lease Article 20).

11 U.S.C. § 502 states:

(a) A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, including a creditor of a general partner in a partnership that is a debtor in a case under chapter 7 of this title, objects.

(b) Except as provided in subsections (e)(2), (f), (g), (h) and (i) of this section, if such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that -

* * * * *

(6) if such claim is the claim of a lessor for damages resulting from the termination of a lease of real property, such claim exceeds -

(A) the rent reserved by such lease, without acceleration, for the greater of one year, or 15 percent, not to exceed three years, of the remaining term of such lease, following the earlier of -

(i) the date of the filing of the petition; and

(ii) the date on which such lessor repossessed, or the lessee surrendered, the leased property; plus

(B) any unpaid rent due under such lease, without acceleration, on the earlier of such dates

Pursuant to the above, CapRealty 01 - Edinburg, L.L.C., will make a Lease Termination Claim based upon the annual rent, plus Tenant's obligations outstanding at the time the petition was filed.

Term of Lease: 25 years commencing October 30, 1980
Remaining at 01/10/02: 3.81 years
15% x 3.81 years = .57 years
.57 years x \$237,500/year = \$135,574.95 plus real estate taxes, insurance, and repairs
Annual Rent: \$237,500 plus real estate taxes, insurance, and repairs

Lease Termination Claim

Base Rent: \$ 237,500.00
Real Estate Taxes: 27,276.00
Insurance: 13,394.00
Deferred Maintenance: 305,700.00

Total Lease Termination Claim: \$ \$583,870.00

Case Name: In Re Kmart Corporation
Case No. 02-B02474

Supplement to Proof of Claim of Caprealty 01- Edinburg, LLC
Store No. 9700

Deferred Maintenance Costs

Item	Description	Amount/Estimated Cost
Exterior		
	Walls	\$228.00
	Roof	\$5,036.00
	Signs	\$6,364.00
	Paint	\$47,154.00
	Exterior Metal Doors	\$3,129.00
Parking Lot		
	Paving	\$1,235.00
	Curbing	\$402.00
	Striping	\$14,361.00
Landscaping		
	Sprinkler system and associated items	\$6,428.00
Interior		
	Wall/Partition Demolition	\$13,534.00
	Ceiling	\$3,650.00
	Electrical	\$63,043.00
	Fire Alarm Inspection Fee	\$300.00
	Flooring removal	\$9,293.00
	Flooring Installation	\$76,279.00
	Asbestos Inspection	\$3,938.00

	Paint	\$10,026.00
	Fire Sprinkler System	\$300.00
	Plumbing	\$5,000.00
	HVAC	\$17,991.00
	Pest Control	\$3,940.00
	Removal of Abandoned Property	\$11,076.00
	Garden Center	\$2,000.00
Permits/Fees		\$993.00
Total		\$305,700.00¹

¹ NOTE: Amounts set forth above do not include:

- (1) Fire Alarm system other than inspection fee
- (2) Fire Sprinkler System other than inspection fee
- (3) All work other than electrical in automotive section
- (4) Traffic control sign, traffic direction arrows, speed bumps or car stops
- (5) Telephone system
- (6) Public Address system
- (7) Repairs to cardboard baler
- (8) Floor tile removal, ceiling tile removal or wall demolition if any of the foregoing are found to contain asbestos

SBC FINANCE
222 S. RABSDALE #410/PO BOX 842 (903) 586-0859
JACKSONVILLE, TX 76766

FINANCE RATE QUOTATION

AGENT : MOOK/SHEPHERD/BAKER INS.

CONTACT: _____

INSURED: CAP REALTY

STATE : TX

DATE : 02/13/02

TOTAL PREMIUMS :\$ 26381.28
ANNUAL % RATE : 10.00 %
PERCENTAGE DOWN : 25.25 %
DOWN PAYMENT AMT :\$ 6932.88

AMOUNT FINANCED :\$ 19449.00
FINANCE CHARGE + IS 406.88
TOTAL OF PAYMENTS :\$ 19855.88

4 MONTHLY PAYMENTS @ \$ 4963.97

INTEREST CHARGE: \$ 406.88
SERVICE CHARGE : +
TOTAL F/C : = 406.88

ABSENCE OF INTEREST
INDICATES F/C CHARGE
EQUALS INTEREST CHG.

CITY OF EDINBURG 2001 TAX STATEMENT

ANGELITA B. ZURITA, RTA

PHONE: 956-292-2054

TAXES ARE DUE UPON RECEIPT. TAXES WILL BECOME DELINQUENT FEBRUARY 1, 2002. PENALTY AND INTEREST WILL BE ADDED MONTHLY BEGINNING FEB. 1, 2002 AS FOLLOWS

FEBRUARY ----7% APRIL -----11% JUNE -----15%
 MARCH -----9% MAY -----13% JULY -----18% + 15%
 PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO: CITY OF EDINBURG TAX OFFICE

OWNER NAME AND ADDRESS	ACCOUNT NUMBER	PROPERTY DESCRIPTION
CAPREALTY 01-EDINBURG LLC 205 E 42ND ST RM 1916 NEW YORK NY 10017-5706	C1250-00-000-0002-00 R130615 12/14/01	CANTON PLAZA LOT 2
PARCEL ADDRESS 2802 S HWY 281		

Appraisal and Exemptions (2001)	CITY OF EDINBURG	PLEASE REMIT THE TOTAL TAX BY THE DUE DATE SHOWN TO AVOID PENALTY AND INTEREST
LAND	427,323	IF YOUR MORTGAGE COMPANY PAYS YOUR TAXES AND YOU RECEIVED THIS STATEMENT, PLEASE FORWARD IT IMMEDIATELY TO THEM AND NOTIFY OUR OFFICE.
IMPROVEMENTS	568,115	
TOTAL ASSESSED	995,438	
LESS EXEMPTIONS	0	
NET TAXABLE VALUE	995,438	PLEASE ENCLOSE THE BOTTOM PORTION OF THIS STATEMENT FOR IDENTIFICATION, NOTING ANY ADDRESS CORRECTION. THE TAX OFFICE IS LOCATED AT 121 N. 10TH., EDINBURG, TX. THE HOURS ARE 8:00 AM TO 5:00 PM MON - FRI
2001 TAX RATE	\$0.635000	
2001 CURRENT TAX	6,321.03	
		EXEMPTION CODES
		H homestead O over 65 V disabled veteran D disabled B abatement E exempt A agricultural use F freeport R tax deferral C capped homestead

YR	UNIT	EXEMPTIONS	TAXABLE	TAX RATE	TAX LEVY	PAY ONE AMOUNT FOR MONTH OF PAYMENT	
01	CITY		995,438	0.635000	6,321.03	December 2001	\$6,321.03
						January 2002	\$6,321.03
						February 2002	\$6,763.50
						March 2002	\$6,889.92
						April 2002	\$7,016.34

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT - DO NOT STAPLE

PAY ONE AMOUNT FOR MONTH OF PAYMENT	CITY OF EDINBURG TAX OFFICE	(956)292-2054
EC 01	6,321.03	
AN 02	6,321.03	
EB 02	6,763.50	
AR 02	6,889.92	
PR 02	7,016.34	

ACCOUNT NUMBER	CAD NUMBER	AMOUNT OF CHECK
C1250-00-000-0002-00	R130615	

Check here for New Address Info

R130615

CITY OF EDINBURG TAX OFFICE
 P O BOX 1169
 EDINBURG, TX. 78540-1169

CAPREALTY 01-EDINBURG LLC
 205 E 42ND ST RM 1916
 NEW YORK NY 10017-5706

if signature required to authorize change

Payable To:
ANDO BARRERA JR RTA
 ASSESSOR-COLLECTOR
 HIDALGO COUNTY TEXAS
 P.O. BOX 178
 EDINBURG, TX 78540-0178
 PHONE (956) 318-2157
 www.hidalgocountytx.org

2001 TAX STATEMENT

Statement No. **34267**

XREF ID : C1250-00-000-0002-00
 PROPERTY: R130615
 CANTON PLAZA LOT 2, SITUS
 ADDRESS 2802 S HWY 281

34267.2001.GND



590776
 CAPREALTY 01-EDINBURG LLC
 STE 1916
 205 E 42ND ST
 NEW YORK, NY 10017

OCT 02	20,954.97
NOV 02	20,954.97
DEC 02	20,954.97
JAN 03	20,954.97
FEB 03	20,954.97
TOTAL TAX DUE	82,818.85

000R13061500000002095497
 *** PLEASE RETURN THIS PORTION WITH PAYMENT *** RETURN SERVICE REQUESTED ***

2001 TAX STATEMENT

Statement No. **34267**

LAND-MS	LAND-MS	AG-AGT	AG-USE	IMPM-MS	IMPM-USE	APPRAISED
0	427,323	0	0	0	568,115	995,438
JURISDICTION	VALUE LISTED TO HOMESTEAD EXEMPT	TOTAL ASSESSED (ACTS 1990)	EXEMPTIONS	TAXABLE VALUE	TAX RATE	TAX AMOUNT
HIDALGO COUNTY		995,438	0	995,438	0.5195	5,171.30
SOUTH TEXAS ISD		995,438	0	995,438	0.3392	339.21
DRAIN DIST #1		995,438	0	995,438	0.0458	453.92
EDINBURG CISD		995,438	0	995,438	1.4111	14,046.63
STCC, COLLEGE		995,438	0	995,438	0.0897	892.91

XREF ID : C1250-00-000-0002-00
 PROPERTY: R130615
 CANTON PLAZA LOT 2, SITUS
 ADDRESS 2802 S HWY 281
 590776
 CAPREALTY 01-EDINBURG LLC
 STE 1916
 205 E 42ND ST
 NEW YORK, NY 10017

IF TAXES ARE PAID IN	LESS CREDITS OR PLUS ADJUSTMENTS	TOTAL TAX DUE
OCT 02	0	20,954.97
NOV 02	0	20,954.97
DEC 02	0	20,954.97
JAN 03	0	20,954.97
FEB 03	1,411.11	22,366.08
MAR 03	1,883.00	24,249.08
APR 03	2,305.00	26,944.08
MAY 03	2,724.00	29,668.08
JUN 03	3,143.00	32,511.08

ADDITIONAL TAXES	
PENALTY	INTEREST
12.00	12.00

CITY OF EDINBURG				CITY OF WESLACO			
PERMITS	FEES	TAXES	OTHER	PERMITS	FEES	TAXES	OTHER
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

AD VALOREM TAXES OVERDUE DELINQUENT PER TEST
 This is your 2001 Hidalgo County Consolidated Tax Statement. Please return the top portion along with your check or money order for the amount due in the enclosed pre-addressed envelope. You may pay in person at the Hidalgo County Tax Office located at 100 E. Cano (First Floor) in Edinburg, Texas, Telephone (956) 318-2157, Weslaco Sub-Station, 1802 Joe Stephens Avenue Ste #201 (Proctor #1 Complex Bldg.) Weslaco, Texas telephone (956) 447-8819 and/or First National Bank locations listed below, through January 31, 2002. Your 2001 Tax Statement will be required when paying at any of the bank locations. If you mail your payment, your cashed check or money order will be your receipt. If you need a tax office receipt, please send a self-addressed stamped envelope with your payment. To avoid paying penalty and interest, please pay by January 31, 2002. If you no longer own this property, please return statement to our office with name and address of new owner, if possible. PAYMENT MUST BE MADE IN U.S. CURRENCY. Questions regarding property valuation and all exemptions should be directed to the Hidalgo County Appraisal District at (956) 381-8468, 565-2481 or P.O. Box 208 Edinburg, Texas 78540-0208. Hidalgo County Tax Office, Internet Web Site: WWW.HIDALGOCOUNTYTX.ORG

IMPORTANT NOTICE
 YOU MAY NOW PAY YOUR 2001 HIDALGO COUNTY, EDINBURG C.I.S.D., MCALLEN I.S.D., MERCEDES I.S.D., MISSION C.I.S.D., MONTE ALTO I.S.D., SHARYLAND I.S.D., WESLACO I.S.D., LA VILLA I.S.D., CITY OF ALTON, CITY OF MERCEDES, CITY OF MISSION, CITY OF LA VILLA, CITY OF PENTAS, CITY OF PROGRESO AND CITY OF WESLACO TAXES IN PERSON AT THE FOLLOWING FIRST NATIONAL BANK LOCATIONS:

- 100 W. Cano Edinburg, TX
- 1820 B Cloister Edinburg, TX
- 330 E. University Edinburg, TX
- 301 South Texas Mercedes, TX
- 621 S. International Weslaco, TX
- 503 N. D. Bellas Blvd. Donna, TX
- 900 E Highway 107 Elba, TX
- 1821 G. 10th Street McAllen, TX
- 7201 N. 10th McAllen, TX
- 212 N. 23rd McAllen, TX
- US Hwy 89 & Coyote Drive La Joya, TX
- 524 S. Bridge Hidalgo, TX
- 1311 S. Cape Pharr, TX
- 1705 N. Conway Mission, TX

Bank Lobby Hours: Mon-Thur 9:00 AM to 5:00 PM, Fri 9:00 AM to 4:00 PM, Drive Thru Mon-Fri 7:30 AM to 6:00 PM. (Lobby Hours), Sat 9:00 AM to 12:00 PM, Drive Thru: 8:00 AM to 1:00 PM, Sun 12:00 PM to 3:00 PM, only location open on Sunday at South 10th, McAllen, TX

Esta es su cuantía consolidada de impuestos del condado de Hidalgo para el año 2001. Por favor entregue la porción de arriba con su cheque o giro postal por la cantidad que aparece en la cuenta. Si no utiliza el correo puede pagar personalmente en la oficina del Asesor y Recaudador de impuestos del condado de Hidalgo en las oficinas de impuestos, situada en 100 E. Cano, Cd de Edinburg, Texas teléfono (956) 318-2157 o también en Weslaco, 1802 Joe Stephens Avenue Ste #201 (Oficina en el Proctor #1) Weslaco, Texas (956) 447-8819 o en cualquier oficina del First National Bank situada en las localidades que aparecen arriba. Si paga en el banco, sea la regular su estado de cuenta. El envío su pago por correo, su cheque cancelado o comprobante postal será su recibo. Si desea un recibo de impuestos, favor de incluir un sobre sellado con su dirección, y se le regresará a vuelta de correo. Evite pagar recargos de impuestos pagando sus impuestos antes del 31, de enero de 2002. PAGO DEBERA HACERSE EN MONEDA AMERICANA. Cualquier pregunta respecto a valuación y exenciones de propiedad se debe comunicar directamente a Hidalgo County Appraisal District, teléfono (956) 381-8468, 565-2481 o al P.O. Box 208 Edinburg, Texas 78540-0208. Hidalgo County Tax Office, Internet Web Site: WWW.HIDALGOCOUNTYTX.ORG

NOTICIA IMPORTANTE
 USTED PUEDE PAGAR LOS IMPUESTOS DE LA OFICINA DEL CONDADO DE HIDALGO Y LOS DISTRITOS ESCOLARES DE EDINBURG, LA VILLA, MCALLEN, MERCEDES, MISSION, MONTE ALTO, SHARYLAND, WESLACO Y LAS CIUDADES DE ALTON, LA VILLA, MERCEDES, MISSION, PENTAS, PROGRESO Y WESLACO EN EL BANCO FIRST NATIONAL BANK EN PERSONA EN LAS LOCALIDADES QUE APARECEN ARRIBA.

ROBINSON BROG LEINWAND GREENE GENOVESE & GLUCK P.C.

1345 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10105-0143

(212) 603-6300

TELECOPIER (212) 956-2164

Fred B. Ringel

March 22, 2002

WRITER'S DIRECT DIAL 603-6301
NUMBER
E-MAIL FBR@robinsonbrog.com
FAX 581-5981

VIA EXPRESS OVERNIGHT MAIL

Trumbull Services
P.O. Box 426
Windsor, Connecticut 06095

RE: Kmart Corporation, et al.
Chapter 11 Case No. 02-B02474
(Jointly Administered)

Gentlemen:

I enclose herewith and original and one (1) copy of Proof of Claim on behalf of Cap Realty 01-Edinburgh, LLC and an original and one (1) copy of Proof of Claim on behalf of 2020 Stringtown Road, LLC against Kmart Corporation. Please cause the original to be filed and return a "FILE STAMPED" copy to me in the enclosed self-addressed stamped envelopes.

Please contact me with any questions.

Very truly yours,



Fred B. Ringel

FBR/tef
Enclosures

cc: John F. Lagan, Esq. —w/o enclosures
The Capstone Group