

Mortgage Loan No. 11 – Commons at Temecula

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$25,665,000
Cut-off Date Principal Balance:	\$25,665,000
% of Pool by IPB:	2.3%
Loan Purpose:	Refinance
Borrower:	Inland Western Temecula Commons, L.L.C.
Sponsor:	Retail Properties of America, Inc.
Interest Rate:	4.73900%
Note Date:	3/1/2012
Maturity Date:	3/1/2022
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(25),Grtr1%orYM(92),O(3)
Lock Box:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset/Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail - Anchored
Net Rentable Area (SF):	292,545
Location:	Temecula, CA
Year Built/Renovated:	1999 / N/A
Occupancy⁽¹⁾:	96.3%
Occupancy Date:	2/20/2012
Number of Tenants⁽¹⁾:	14
2009 NOI:	\$1,679,827
2010 NOI:	\$1,815,327
2011 NOI:	\$2,115,288
UW Economic Occupancy:	93.7%
UW Revenues⁽¹⁾:	\$3,930,334
UW Expenses:	\$933,776
UW NOI⁽¹⁾:	\$2,996,558
UW NCF⁽¹⁾:	\$2,682,629
Appraised Value:	\$43,500,000
Appraisal Date:	2/7/2012

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	Springing	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	\$0	N/A
TI/LC:	\$0	Springing	N/A
Other⁽²⁾:	\$518,875	\$0	N/A

Financial Information

Cut-off Date Loan/SF:	\$88
Maturity Date Loan/SF:	\$88
Cut-off Date LTV:	59.0%
Maturity Date LTV:	59.0%
UW NCF DSCR:	2.18x
UW NOI Debt Yield:	11.7%

(1) Occupancy, Number of Tenants, UW Revenues, UW NOI and UW NCF include Nordstrom Rack, which has executed its lease, but is not yet in occupancy or paying rent and Cost Plus World Market, which is currently paying percentage rent in lieu of base rent as a result of a co-tenancy provision related to a pre-existing co-tenancy provision that was triggered and is expected to be cured upon Nordstrom Rack taking occupancy. Nordstrom Rack, which represents 12.2% of the Net Rentable Area, is expected to take occupancy and commence rent payments May 3, 2012. Cost Plus World Market, which represents 6.2% of the Net Rentable Area, will commence full contractual rent payments upon Nordstrom Rack taking occupancy. UW NOI is higher than historical NOI's primarily due to lease up of the property related to Nordstrom Rack and other tenants.

(2) The Initial Other Escrows and Reserves represents (i) the World Market reserve fund of \$310,500, (ii) the Nordstrom Rack reserve fund of \$205,250 and (iii) \$3,125 for deferred maintenance.

The Loan. The approximately \$25.7 million first mortgage loan is secured by the Commons at Temecula, an approximately 292,545 square foot retail center located in Temecula, California. Proceeds from the loan were used to pay down a line of credit held by the sponsor. The property was acquired by the sponsor in 2005 for approximately \$51.5 million, resulting in a loan to original cost of 49.8%. The borrower is sponsored by Retail Properties of America, Inc., a self-managed REIT with a portfolio of 259 properties totaling in excess of 34 million square feet as of December 31, 2011, and a repeat JPMCB borrower.

The Property. The property is a 292,545 square foot retail center that is currently occupied by 14 tenants including Jo Ann Fabrics (sales of \$156 per square foot, lease expiration of January 31, 2016), Sports Chalet, Inc. (sales of \$135 per square foot, lease expiration of December 31, 2015) and Nordstrom Rack (sales NAV, lease expiration of March 31, 2022). Sales figures in 2011 for reporting tenants were approximately \$178 per square foot with occupancy costs of 8.0%. The property is located in a predominantly retail corridor adjacent to the Promenade Mall, which is anchored by JCPenney, Macy's and Sears. At closing, \$310,500 was reserved for Cost Plus World Market, which is currently paying percentage rent in lieu of base rent due to a pre-existing co-tenancy provision that was triggered and is expected to be cured upon Nordstrom Rack taking occupancy. Additionally, \$205,250 was reserved for Nordstrom Rack and will not be released until the tenant is in occupancy, conducting business and paying rent.

The Market. As of the fourth quarter of 2011, the South Riverside submarket had an average vacancy rate of approximately 8.6% with a quoted rental rate of approximately \$17.55. The property currently has a vacancy of 3.7% with rental rates ranging from \$10.00 for anchors to \$29.00 for in-line tenants.

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Tenant Summary ⁽¹⁾							
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Sales PSF ⁽³⁾	Occupancy Costs	Lease Expiration Date
Jo Ann Fabrics	NA / NA / NA	46,553	15.9%	\$11.99	\$155	9.6%	1/31/2016
Sports Chalet, Inc.	NA / NA / NA	41,408	14.2%	\$10.30	\$134	9.9%	12/31/2015
Nordstrom Rack	Baa1 / A- / A-	35,700	12.2%	\$11.50	NAV	NAV	3/31/2022
Buy Buy Baby	NA / BBB+ / NA	28,897	9.9%	\$9.50	NAV	NAV	1/31/2022
Pacific Sales ⁽⁴⁾	NA / NA / NA	28,445	9.7%	\$8.25	NAV	NAV	1/31/2022
Office Depot Inc.	NA / NA / NA	25,127	8.6%	\$12.00	NAV	NAV	9/30/2014
Health Zone	NA / NA / NA	18,537	6.3%	\$12.00	\$336	3.8%	1/31/2022
Cost Plus World Market	NA / NA / NA	18,000	6.2%	\$12.00	\$129	9.3%	1/31/2016
Petco	NA / NA / NA	15,961	5.5%	\$11.50	NAV	NAV	1/31/2015
Party City	NA / NA / NA	12,000	4.1%	\$12.00	\$104	12.9%	1/31/2015

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

(3) Sales PSF represents 2011 sales for all tenants.

(4) Pacific Sales may terminate its lease with no less than 180 days notice prior to October 31, 2015.

Operating History and Underwritten Net Cash Flow						
	2009	2010	2011	Underwritten	Per Square Foot	% ⁽¹⁾
Rents in Place	\$1,970,517	\$2,172,761	\$2,449,350	\$3,235,211	\$11.06	77.1%
Vacant Income	0	0	0	192,217	0.66	4.6
Gross Potential Rent	\$1,970,517	\$2,172,761	\$2,449,350	\$3,427,428	\$11.72	81.7%
Total Reimbursements	655,559	461,214	537,853	767,165	2.62	18.3
Net Rental Income	\$2,626,077	\$2,633,975	\$2,987,203	\$4,194,593	\$14.34	100.0%
(Vacancy/Credit Loss)	(18,482)	(17,120)	(7,407)	(264,259)	(0.90)	(6.3)
Other Income	242,248	92,088	59,462	0	0.00	0.0
Effective Gross Income	\$2,849,843	\$2,708,943	\$3,039,258	\$3,930,334	\$13.43	93.7%
Total Expenses	\$1,170,016	\$893,616	\$923,969	\$933,776	\$3.19	23.8%
Net Operating Income⁽²⁾	\$1,679,827	\$1,815,327	\$2,115,288	\$2,996,558	\$10.24	76.2%
Total TI/LC, Capex/RR	0	0	0	313,929	1.07	8.0
Net Cash Flow	\$1,679,827	\$1,815,327	\$2,115,288	\$2,682,629	\$9.17	68.3%
Occupancy	67.3%	64.7%	83.2%	96.3%		

(1) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(2) UW NOI is higher than historical NOI's due to lease up of the property related to Nordstrom Rack and other tenants.