## North Riverside Park Mall


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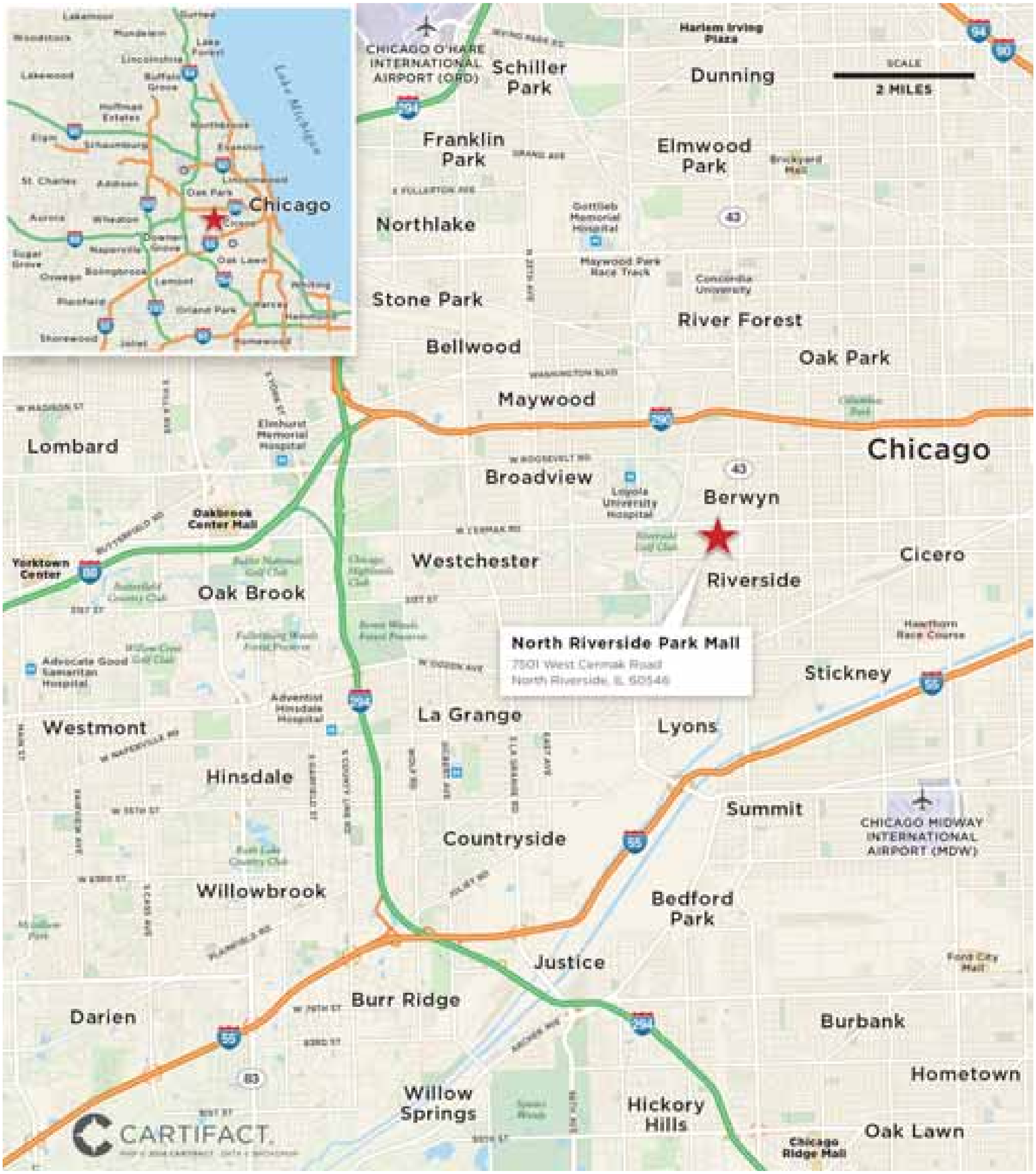

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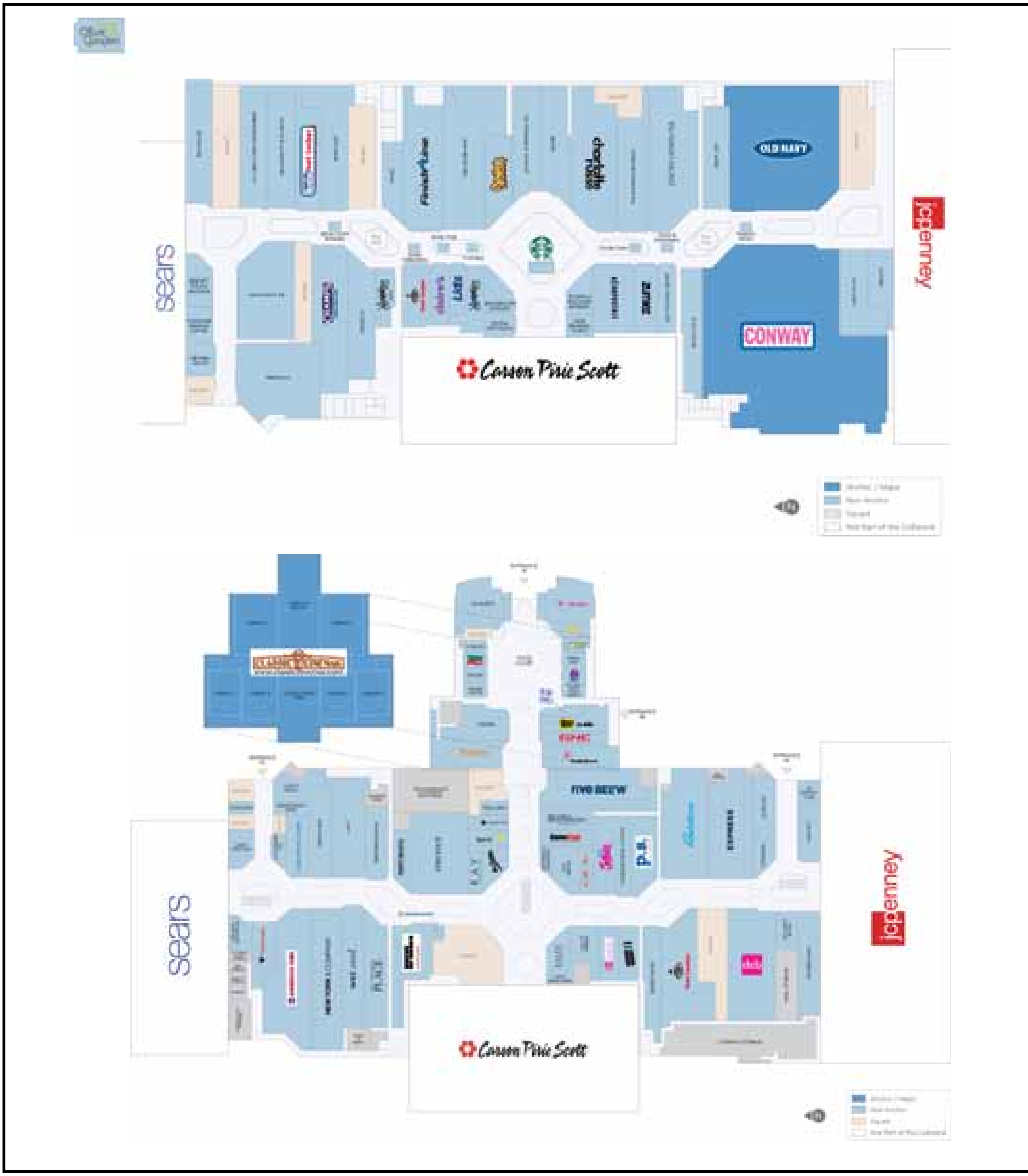

# North Riverside Park Mall

## Mortgage Loan Information

| | |
|---|---|
| **Mortgage Loan Seller:** | Barclays |
| **Original Principal Balance:** | $75,000,000 |
| **Cut-off Date Principal Balance:** | $75,000,000 |
| **% of Pool by IPB:** | 5.9% |
| **Loan Purpose:** | Refinance |
| **Borrower:** | North Riverside Park Associates, LLC |
| **Sponsors[(1)]:** | Various |
| **Interest Rate:** | 4.93500% |
| **Note Date:** | 9/15/2014 |
| **Maturity Date:** | 10/6/2019 |
| **Interest-only Period:** | None |
| **Original Term:** | 60 months |
| **Original Amortization:** | 360 months |
| **Amortization Type:** | Balloon |
| **Call Protection:** | L(24),Def(32),O(4) |
| **Lockbox:** | Hard |
| **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 - Regional Mall |
| **Net Rentable Area (SF):** | 429,038 |
| **Location:** | North Riverside, IL |
| **Year Built / Renovated:** | 1974 / 2010 |
| **Occupancy[(2)]:** | 94.1% |
| **Occupancy Date:** | 7/1/2014 |
| **Number of Tenants[(2)]:** | 126 |
| **2011 NOI:** | $7,308,177 |
| **2012 NOI:** | $7,215,211 |
| **2013 NOI:** | $7,173,983 |
| **TTM NOI (as of 6/2014):** | $7,649,693 |
| **UW Economic Occupancy:** | 91.9% |
| **UW Revenues:** | $18,665,676 |
| **UW Expenses:** | $11,255,210 |
| **UW NOI:** | $7,410,466 |
| **UW NCF:** | $7,027,826 |
| **Appraised Value / Per SF:** | $129,000,000 / $301 |
| **Appraisal Date:** | 7/16/2014 |

## Escrows and Reserves[(3)]

| | Initial | Monthly | Initial Cap |
|---|---|---|---|
| **Taxes:** | $0 | $413,295 | N/A |
| **Insurance:** | $0 | Springing | N/A |
| **Replacement Reserves:** | $900,000 | $17,973 | N/A |
| **TI/LC:** | $2,925,805 | $44,931 | N/A |
| **Other:** | $715,848 | $0 | N/A |

## Financial Information

| | |
|---|---|
| **Cut-off Date Loan / SF:** | $175 |
| **Maturity Date Loan / SF:** | $161 |
| **Cut-off Date LTV:** | 58.1% |
| **Maturity Date LTV:** | 53.6% |
| **UW NCF DSCR:** | 1.47x |
| **UW NOI Debt Yield:** | 9.9% |

## Sources and Uses

| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
|---|---|---|---|---|---|
| Mortgage Loan | $75,000,000 | 93.9% | Payoff Existing Debt | $74,937,099 | 93.8% |
| Sponsor Equity | 4,874,398 | 6.1 | Upfront Reserves | 4,541,653 | 5.7 |
| | | | Closing Costs | 395,646 | 0.5 |
| **Total Sources** | **$79,874,398** | **100.0%** | **Total Uses** | **$79,874,398** | **100.0%** |

(1) For a full description of the sponsors, please refer to "*The Sponsors*" below.
(2) Occupancy and Number of Tenants include temporary tenants, which occupy 55,470 square feet. Occupancy excluding temporary tenants is 81.2%.
(3) For a full description of Escrows and Reserves, please refer to "*Escrows and Reserves*" below.

***The Loan.*** The North Riverside Park Mall loan has an outstanding principal balance of $75.0 million and is secured by a first mortgage lien on 429,038 square feet of a super regional mall totaling 1,075,445 square feet located in North Riverside, Illinois. The loan has a five-year term and amortizes on a 30-year schedule. The previously existing debt was securitized in the WBCMT 2004-C10 transaction.

***The Borrower.*** The borrowing entity for the loan is North Riverside Park Associates, LLC, a New York limited liability company and special purpose entity.

***The Sponsors.*** The loan sponsors and nonrecourse carve-out guarantors are Jeffrey J. Feil and Lloyd Goldman. The sponsors acquired the property in 2004 for approximately $108.0 million and after other project costs has a reported total cost basis of approximately $113.8 million. The sponsors will have approximately $38.8 million of equity remaining which includes approximately $4.9 million of fresh equity being contributed as part of the refinancing. Jeffrey J. Feil is and has been the President and CEO of The Feil Organization for the past 20 years. The Feil Organization is an established investment, development and management firm in New

## North Riverside Park Mall

York City. Active in many facets of the industry, The Feil Organization owns, develops and manages over 26 million square feet of retail, commercial and industrial properties, over 5,000 residential units, as well as hundreds of net leased properties and thousands of acres of undeveloped land across the country. Lloyd Goldman is a Principal and the President of BLDG Management Co., Inc. and its affiliated entities, which own and operate considerable real estate throughout the United States.

***The Property.*** North Riverside Park Mall is a 1,075,445 square foot two-story super regional mall, of which 429,038 square feet serve as collateral for the loan. The property was constructed in 1974, renovated in 2010 and is situated on approximately 27.8 acres in North Riverside, Illinois, approximately nine miles southwest of Chicago's central business district. There are 5,410 surface and garage parking spaces at the property which are included in the collateral, resulting in a parking ratio of 5.05 spaces per 1,000 square feet of gross leasable area. The property is anchored by JCPenney (266,275 square feet, of which 178,404 square feet is being utilized), Sears (199,544 square feet, of which 149,658 square feet is being utilized) and Carson Pirie Scott (180,588 square feet). Each of the anchors owns their respective land and improvements and is excluded from the collateral of the loan. Based on 2013 loan sponsor estimates, JCPenney generated sales of approximately $26.0 million ($146 per utilized square foot), Sears generated sales of approximately $21.0 million ($140 per utilized square foot) and Carson Pirie Scott generated sales of approximately $21.0 million ($116 per square foot). Each of the anchors is outperforming the chain-wide national average on a gross sales basis. The JCPenney space at the property is a modern prototype store that includes boutiques such as Sephora, Disney, Claiborne and IZOD. According to the appraisal, the anchors at the property are primarily targeted toward middle-income consumers, which fits well with the demographic profile of the property's immediate trade area.

As of July 1, 2014, the property, inclusive of non-collateral anchors, was approximately 97.6% occupied by 129 tenants and 92.5% occupied excluding 18 temporary tenants. For the same period, the collateral was 94.1% occupied by 126 tenants and 81.2% occupied excluding the 18 temporary tenants. The property's major and in-line tenants generally consist of national tenants such as Forever 21, Old Navy, Aeropostale, Foot Locker, Charlotte Russe, Champs Sports, Victoria's Secret and Express. One of the property's larger tenants, Classic Cinema, a six-screen theater at the property, will reportedly be investing over $500,000 in their space to include new seating and other upgrades. Other recent leasing at the property has been strong and since December 2013, the borrower has successfully executed leases for seven major and in-line tenants accounting for 11.2% of the collateral square feet and 13.7% of the underwritten base rent. As of June 2014, gross mall sales for reporting tenants were approximately $97.6 million. In-line sales per square foot for comparable stores less than 10,000 square feet were approximately $427, $451, $461 and $459 in 2011, 2012, 2013 and as of June 2014, respectively. As of June 2014, occupancy costs for comparable tenants occupying less than 10,000 square feet were 12.8%.

North Riverside Park Mall is located in the village of North Riverside, Illinois, a near west suburb of Chicago and approximately nine miles southwest of Chicago's central business district. The property is located along West Cermak Road to the north and one block west of Harlem Avenue. West Cermak Road is the neighborhood's primary east-west roadway and Harlem Avenue is the neighborhood's primary north-south roadway. Additionally, the property is located approximately 1.6 miles south of I-290 which is the primary interstate serving downtown Chicago and the western suburbs. According to the appraisal, traffic counts bordering the mall are in excess of 30,000 vehicles per day, which is above average for the area.

According to the appraisal, the property has a primary trade area consisting of a five-mile radius that contains 619,512 people, with an average household income of $64,763. The secondary trade area, defined as being within a seven-mile radius of the property, contains 1,247,872 people, with an average household income of $61,572. The appraisal concluded per square foot market rents of $63.00 for in-line space less than 1,000 square feet, $36.00 for in-line space between 1,000 and 2,500 square feet, $26.00 for in-line space between 2,501 and 5,000 square feet, $18.00 for in-line space greater than 5,000 square feet, $90.00 for food court space, $500.00 for kiosk space, $35.00 for major tenant space, $10.00 for junior anchor space, $15.00 for the theater space and $16.50 for outparcel space. According to the appraisal, the property's primary competition consists of the five properties detailed in the table below.

**Competitive Set Summary**[(1)]

| Property | Year Built / Renovated | Total GLA | Est. Occ. | Proximity | Anchor Tenants |
|---|---|---|---|---|---|
| Ford City Mall | 1965 / 1989 | 1,346,430 | 80.0% | 7.0 | JCPenney, Carson Pirie Scott, AMC 14, Marshalls, HHGregg, Old Navy |
| Harlem Irving Plaza | 1956 / 2004 | 700,000 | 99.0% | 7.4 | Carson Pirie Scott, Target, Kohl's, Best Buy |
| Oak Brook Center | 1962 / 1991 | 2,068,092 | 96.0% | 7.2 | Crate & Barrel, Lord & Taylor, Macy's, Neiman Marcus, Nordstrom, Sears |
| Yorktown Center & Shops | 2007 | 1,324,450 | 89.0% | 10.1 | JCPenney, Carson Pirie Scott, Von Maur, AMC Theater, Sports Authority |
| Chicago Ridge Mall | 1981 / 2004 | 885,841 | 95.0% | 9.0 | Sears, Carson Pirie Scott, Kohl's, Bed Bath & Beyond, Michael's, Aldi |
| **Total / Weighted Average** | | **6,324,813** | **91.3%** | | |

(1) Per the appraisal.

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| Historical and Current Occupancy[1][2] | | | |
|---|---|---|---|
| 2011 | 2012 | 2013 | Current[3] |
| 96.4% | 96.3% | 95.8% | 94.1% |

(1) Historical Occupancies are as of December 31 of each respective year.
(2) Current and Historical Occupancy includes temporary tenants. Excluding temporary tenants, 2011, 2012, 2013 and Current Occupancy is 84.5%, 85.0%, 82.3% and 81.2%, respectively.
(3) Current Occupancy is as of July 1, 2014.

| Historical In-line Sales and Occupancy Costs[1] | 2011 | 2012 | 2013 | TTM[2] |
|---|---|---|---|---|
| In-line Sales PSF | $427 | $451 | $461 | $459 |
| Occupancy Costs[3] | N/A | N/A | N/A | 12.8% |

(1) In-line Sales PSF and Occupancy Costs are for comparable tenants less than 10,000 square feet.
(2) TTM In-line Sales PSF and Occupancy Costs represent the trailing twelve months ending June 30, 2014.
(3) Historical Occupancy Costs were not provided by the borrower.

**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[3] | Lease Expiration Date |
|---|---|---|---|---|---|---|---|
| **Non-Collateral Anchor[4][5]** | | | | | | | |
| JCPenney[6] | Caa1 / CCC+ / CCC | 266,275 | N/A | N/A | $98 | N/A | N/A |
| Sears[7] | Caa1 / CCC+ / CCC | 199,544 | N/A | N/A | $105 | N/A | N/A |
| Carson Pirie Scott[8] | Caa2 / B- / NA | 180,588 | N/A | N/A | $116 | N/A | N/A |
| | | 646,407 | | | | | |
| **Top 10 Collateral Tenants** | | | | | | | |
| Conway Store | NA / NA / NA | 33,324 | 7.8% | $9.90 | $75 | 13.1% | 11/30/2019 |
| Classic Cinema[9] | NA / NA / NA | 30,000 | 7.0% | $6.67 | $345,450 | 10.3% | 10/31/2016 |
| Forever 21 | NA / NA / NA | 16,000 | 3.7% | $33.75 | N/A | N/A | 6/30/2024 |
| Old Navy[10] | Baa3 / BBB- / BBB- | 14,949 | 3.5% | $30.00 | $371 | 9.0% | 3/31/2019 |
| Deb Shop | NA / NA / NA | 10,275 | 2.4% | $20.25 | $109 | 18.7% | 1/31/2016 |
| America's Kids | NA / NA / NA | 9,579 | 2.2% | $22.88 | $131 | 17.8% | 3/31/2021 |
| Olive Garden | Baa3 / BBB- / BBB- | 9,100 | 2.1% | $14.41 | $532 | 3.1% | 1/31/2016 |
| The Mister Shop[11] | NA / NA / NA | 8,442 | 2.0% | $28.43 | $240 | 11.8% | MTM |
| Rainbow | NA / NA / NA | 8,151 | 1.9% | $28.22 | $157 | 18.0% | 1/31/2021 |
| Champs Sports[12] | Ba2 / BB+ / NA | 8,119 | 1.9% | $28.00 | $332 | 16.9% | 4/30/2024 |

(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 and Occupancy Costs represent sales for the twelve-month period ending on June 30, 2014 for all collateral tenants.
(4) Non-Collateral Anchor tenants own their respective land and improvements and are excluded from the collateral for the North Riverside Park Mall loan.
(5) Non-Collateral Anchor tenants Sales PSF are based on 2013 loan sponsor estimates.
(6) JCPenney Sales PSF reflects JCPenney's total space and gross sales of approximately $26.0 million. Sales PSF based on 178,404 square feet of utilized space is approximately $146.
(7) Sears Sales PSF reflects Sears' total space and gross sales of approximately $21.0 million. Sales PSF based on 149,658 square feet of utilized space is approximately $140.
(8) Gross sales for Carson Pirie Scott were approximately $21.0 million.
(9) Sales PSF reflects sales per screen for Classic Cinema. Sales per screen is based on a total of six screens.
(10) Old Navy Sales PSF reflects Old Navy's current space (effective 4/2014) of 14,949 square feet. Old Navy's prior space consisted of 20,068 square feet.
(11) According to the loan sponsor, The Mister Shop is currently negotiating a new five-year lease. The Mister Shop has been in occupancy at the property since 1981.
(12) Champ Sports Sales PSF reflects Champs Sports' current space (effective 4/2014) of 8,119 square feet. Champ Sports' prior space consisted of 5,927 square feet.

## North Riverside Park Mall

| Lease Rollover Schedule[1] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Number of Leases Expiring | Net Rentable Area Expiring | % of NRA Expiring | Base Rent Expiring | % of Base Rent Expiring | Cumulative Net Rentable Area Expiring | Cumulative % of NRA Expiring | Cumulative Base Rent Expiring | Cumulative % of Base Rent Expiring |
| Vacant | NAP | 25,347 | 5.9% | NAP | NAP | 25,347 | 5.9% | NAP | NAP |
| 2014 & MTM[2] | 28 | 70,821 | 16.5 | $555,590 | 5.3% | 96,168 | 22.4% | $555,590 | 5.3% |
| 2015 | 17 | 34,573 | 8.1 | 1,400,850 | 13.3 | 130,741 | 30.5% | $1,956,440 | 18.6% |
| 2016 | 24 | 95,644 | 22.3 | 2,288,582 | 21.7 | 226,385 | 52.8% | $4,245,022 | 40.3% |
| 2017 | 19 | 38,103 | 8.9 | 1,738,555 | 16.5 | 264,488 | 61.6% | $5,983,576 | 56.8% |
| 2018 | 6 | 13,437 | 3.1 | 482,499 | 4.6 | 277,925 | 64.8% | $6,466,075 | 61.4% |
| 2019 | 5 | 54,673 | 12.7 | 1,000,583 | 9.5 | 332,598 | 77.5% | $7,466,658 | 70.9% |
| 2020 | 1 | 7,500 | 1.7 | 105,000 | 1.0 | 340,098 | 79.3% | $7,571,658 | 71.9% |
| 2021 | 9 | 28,458 | 6.6 | 784,501 | 7.5 | 368,556 | 85.9% | $8,356,160 | 79.4% |
| 2022 | 7 | 9,571 | 2.2 | 494,604 | 4.7 | 378,127 | 88.1% | $8,850,764 | 84.1% |
| 2023 | 4 | 11,582 | 2.7 | 273,934 | 2.6 | 389,709 | 90.8% | $9,124,698 | 86.7% |
| 2024 | 4 | 32,253 | 7.5 | 1,176,512 | 11.2 | 421,962 | 98.4% | $10,301,210 | 97.9% |
| 2025 & Beyond | 2 | 7,076 | 1.6 | 225,995 | 2.1 | 429,038 | 100.0% | $10,527,205 | 100.0% |
| **Total** | **126** | **429,038** | **100.0%** | **$10,527,205** | **100.0%** | | | | |

(1) Based on the underwritten rent roll.
(2) 2014 & MTM includes the 55,470 square feet leased to temporary tenants.

| Operating History and Underwritten Net Cash Flow | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | TTM[1] | Underwritten | Per Square Foot | %[2] |
| Rents in Place[3][4] | $10,633,670 | $8,963,550 | $9,585,991 | $10,074,289 | $10,527,205 | $24.54 | 55.7% |
| Vacant Income | 0 | 0 | 0 | 0 | 1,534,206 | 3.58 | 8.1 |
| **Gross Potential Rent** | **$10,633,670** | **$8,963,550** | **$9,585,991** | **$10,074,289** | **$12,061,411** | **$28.11** | **63.9%** |
| Total Reimbursements | 6,714,920 | 7,097,783 | 7,223,998 | 6,983,636 | 6,827,092 | 15.91 | 36.1 |
| **Net Rental Income** | **$17,348,590** | **$16,061,333** | **$16,809,989** | **$17,057,925** | **$18,888,503** | **$44.03** | **100.0%** |
| (Vacancy/Credit Loss)[5] | (696,745) | 534,801 | (104,977) | (104,977) | (1,534,206) | (3.58) | (8.1) |
| Other Income[6] | 1,555,295 | 1,787,788 | 1,561,677 | 1,564,586 | 1,311,379 | 3.06 | 6.9 |
| **Effective Gross Income** | **$18,207,140** | **$18,383,922** | **$18,266,689** | **$18,517,534** | **$18,665,676** | **$43.51** | **98.8%** |
| **Total Expenses** | **$10,898,963** | **$11,168,711** | **$11,092,706** | **$10,867,841** | **$11,255,210** | **$26.23** | **60.3%** |
| **Net Operating Income** | **$7,308,177** | **$7,215,211** | **$7,173,983** | **$7,649,693** | **$7,410,466** | **$17.27** | **39.7%** |
| Total TI/LC, Capex/RR | 0 | 0 | 0 | 0 | 754,380 | 1.76 | 4.0 |
| TI/LC Adjustment[7] | 0 | 0 | 0 | 0 | (371,740) | (0.87) | (2.0) |
| **Net Cash Flow** | **$7,308,177** | **$7,215,211** | **$7,173,983** | **$7,649,693** | **$7,027,826** | **$16.38** | **37.7%** |

(1) TTM column represents the trailing twelve-month period ending on June 30, 2014.
(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.
(3) Underwritten Rents in Place are based on the July 1, 2014 rent roll, with rent bumps underwritten through August 31, 2015.
(4) Underwritten Rents in Place is higher than TTM primarily due to $297,740 of rent bumps.
(5) The 2012 credit loss figure is positive due to previous amounts written off to bad debt which were subsequently collected and were recognized as income in a later year.
(6) Other Income is primarily attributable to temporary tenants and overage rent.
(7) The Underwritten TI/LC Adjustment reflects straight-lining of the $1,858,699 upfront reserve (*see below*) for future tenant improvements and leasing commissions over the five-year loan term.

***Property Management.*** The property is managed by Jeffrey Management Corp., an affiliate of the loan sponsor.

***Escrows and Reserves.*** At origination, the borrower is required to deposit $1,858,699 for future tenant improvements and leasing commissions, $1,067,106 for outstanding tenant improvement obligations, $900,000 for replacement reserves and $715,848 for immediate repairs.

*Leasing Obligation* - Of the $1,858,699 escrow for future tenant improvements and leasing commissions, $716,339 of such amount may be used by the borrower to pay tenant improvement obligations, tenant work allowance and leasing commission obligations with respect to any lease entered into by and between the borrower and H & M Hennes & Mauritz L.P. ("H&M") or any affiliated brand. This lease has not been underwritten. Any additional H&M lease obligations in excess of the $716,339, is guaranteed to be funded by the borrower up to an additional $1,421,161.

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*Tax Escrows* - On a monthly basis, the borrowers are required to escrow 1/12 of the annual estimated tax payments, which currently equates to $413,295.

*Insurance Escrows* - The requirement for the borrowers to make monthly deposits into the insurance escrow is waived so long as no event of default exists and the borrowers provide satisfactory evidence that the property is insured as part of a blanket policy in accordance with the loan documents.

*Replacement Reserves* - On a monthly basis, the borrower is required to escrow $17,973 (approximately $0.50 per square foot annually) for replacement reserves.

*TI/LC Reserves* - On a monthly basis, the borrower is required to escrow $44,931 (approximately $1.26 per square foot annually) for TI/LC reserves.

***Lockbox / Cash Management.*** The loan is structured with a hard lockbox and in-place cash management. The borrower is required to send tenant direction letters to tenants instructing them to deposit all rents and payments into the lockbox account controlled by the lender. All funds in the lockbox account are swept daily to a cash management account under the control of the lender and disbursed during on the business day preceding each monthly payment date of the term of the loan in accordance with the loan documents. To the extent that there is a Triggering Event, all excess cash flow after payment of debt service, required reserves and operating expenses will be held as additional collateral for the loan.

A "Triggering Event" means: the period commencing upon the earlier of (i) an event of default or (ii) the date on which the DSCR is less than 1.25x for any calendar quarter and ending on the date the DSCR equals or exceeds 1.30x for two consecutive calendar quarters.