

Westminster Mall

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance⁽¹⁾:	\$30,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$29,926,839
% of Pool by IPB:	3.4%
Loan Purpose:	Refinance
Borrower:	Westminster Mall, LLC
Sponsor:	Simon Property Group, L.P.
Interest Rate:	4.65000%
Note Date:	3/26/2014
Maturity Date:	4/1/2024
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection⁽⁴⁾:	L(26),Def(87),O(7)
Lockbox:	CMA
Additional Debt:	Yes
Additional Debt Balance:	\$54,865,871
Additional Debt Type:	Pari Passu

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail – Regional Mall
Net Rentable Area (SF):	771,844
Location:	Westminster, CA
Year Built / Renovated:	1974 / 2008
Occupancy⁽²⁾:	92.2%
Occupancy Date:	2/21/2014
Number of Tenants⁽²⁾:	126
2011 NOI:	\$12,146,569
2012 NOI:	\$12,252,041
2013 NOI⁽³⁾:	\$12,193,609
UW Economic Occupancy:	75.4%
UW Revenues:	\$16,854,539
UW Expenses:	\$6,623,182
UW NOI⁽³⁾:	\$10,231,358
UW NCF:	\$9,575,290
Appraised Value / Per SF⁽⁵⁾:	\$171,000,000 / \$222
Appraisal Date:	2/27/2014

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	Springing	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	Springing	\$578,883
TI/LC:	\$0	Springing	\$2,315,532
Other:	\$0	\$0	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / SF:	\$110
Maturity Date Loan / SF:	\$90
Cut-off Date LTV⁽⁵⁾:	49.6%
Maturity Date LTV:	40.4%
UW NCF DSCR:	1.82x
UW NOI Debt Yield:	12.1%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan ⁽¹⁾	\$85,000,000	100.0%	Return of Equity	\$84,383,698	99.3%
			Closing Costs	616,302	0.7
Total Sources	\$85,000,000	100.0%	Total Uses	\$85,000,000	100.0%

(1) Westminster Mall is part of a loan evidenced by two *pari passu* notes with an aggregate original principal balance of \$85.0 million. The Financial Information presented in the chart above reflects the Cut-off Date balance of the \$85.0 million Westminster Mall Whole Loan.

(2) Occupancy and Number of Tenants include temporary tenants. 22 tenants accounting for 66,803 square feet are considered temporary tenants by the borrower and have an average occupancy of over four years. Excluding temporary tenants, occupancy is 83.6%.

(3) UW NOI is lower than 2013 NOI due to a mark-to-market rent adjustment to reduce the weighted-average occupancy cost for comparable tenants to 15%. The total mark-down is equal to approximately \$1.1 million.

(4) The lockout period will be at least 26 payment dates beginning with and including the first payment date of May 1, 2014. Defeasance of the full \$85.0 million Westminster Mall Whole Loan is permitted after the date that is the earlier to occur of (i) two years from the closing date of the securitization that includes the last *pari passu* note to be securitized and (ii) May 1, 2018.

(5) The appraisal concluded land value is \$60.9 million, which represents 71.6% of the original principal balance of the Westminster Mall Whole Loan amount.

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The Loan. The Westminster Mall loan is secured by a first mortgage lien on 771,844 square feet of an approximately 1.4 million square foot regional mall located in Westminster, California. The whole loan has an outstanding principal balance as of the Cut-off Date of approximately \$84.8 million (the “Westminster Mall Whole Loan”) and is comprised of two *pari passu* notes, Note A-1 and Note A-2. Note A-2 has an outstanding principal balance as of the Cut-off Date of approximately \$29.9 million and is being contributed to the JPMCC 2014-C20 Trust. Note A-1, with an outstanding principal balance as of the Cut-off Date of approximately \$54.9 million, is currently being held by JPMCB and is expected to be contributed to a future securitized trust. Prior to securitization of Note A-1, the Trustee of the JPMCC 2014-C20 Trust, as the holder of Note A-2, will be the controlling noteholder of the Westminster Mall Whole Loan and the Trustee of the JPMCC 2014-C20 Trust (or, prior to the occurrence and continuance of a Control Event, the Directing Certificateholder) will be entitled to exercise all of the rights of the controlling noteholder with respect to the Westminster Mall Whole Loan. Following the securitization of Note A-1, the trustee with respect to such other securitization, as the holder of Note A-1, will be the controlling noteholder of the Westminster Mall Whole Loan and the trustee for that securitization (or, prior to the occurrence and continuance of a control event thereunder, the directing certificateholder with respect to such other securitization) will be entitled to exercise all of the rights of the controlling noteholder with respect to the related Westminster Mall Whole Loan; however, the holder of Note A-2 will be entitled, under certain circumstances, to consult with respect to certain major decisions. The loan has a 10-year term and amortizes on a 30-year schedule.

The loan sponsor and nonrecourse carve-out guarantor is Simon Property Group, L.P., an affiliate of Simon Property Group, Inc. (“SPG”). SPG was founded in 1960 and is headquartered in Indianapolis, Indiana. SPG (NYSE: SPG, rated A3 / A by Moody’s / S&P) is an S&P 100 company and the largest public real estate company in the world. SPG currently owns or has an interest in 325 retail real estate properties in North America and Asia comprising approximately 243.0 million square feet. In December 2013, SPG announced plans to spin off all of its strip center business and smaller enclosed malls into an independent, publicly traded REIT and Westminster Mall was on the list of assets to be included in the spin-off. SPG has the right to transfer sponsorship to its proposed spin-off REIT, to be known as Washington Prime Group Inc. (“WPG”). WPG is expected to own or have an interest in 54 strip centers and 44 malls totaling 53.0 million square feet in 23 states. As of September 30, 2013, occupancy at these prospective strip centers and malls was 94.2% and 90.4%, respectively. WPG will be led by CEO Mark Ordan, who held prior leadership roles with Fresh Fields, Federal Realty Investment Trust, Sunrise Senior Living and The Mills Corporation. For additional detail see “*Spin-off*” below.

The Property. Westminster Mall is an approximately 1.4 million square foot enclosed regional mall, of which 771,844 square feet serve as collateral for the loan. The property was constructed in 1974 and most recently renovated and expanded in 2008, and is situated on approximately 53.7 acres in Westminster, California, within the Los Angeles metropolitan statistical area. The appraisal concluded land value is \$60.9 million, which represents 71.6% of the original principal balance of the Westminster Mall Whole Loan amount. The property is anchored by Macy’s (199,839 square feet), Sears (197,100 square feet), Target (175,000 square feet) and JCPenney (157,000 square feet). Macy’s and Sears each own their own land and improvements, while Target and JCPenney own their own improvements and ground lease the land from the borrower. The Macy’s and Sears sites are excluded from the collateral for the Westminster Mall Whole Loan. Additionally, there are 5,486 surface parking spaces at the property, resulting in a parking ratio of 4.35 spaces per 1,000 square feet of net rentable area.

As of February 21, 2014, the portion of the property serving as collateral for the loan was approximately 92.2% occupied by 126 tenants (83.6% occupied excluding temporary tenants). In addition to its anchors, the property’s in-line tenants generally consist of national tenants such as Old Navy, Forever 21, Victoria’s Secret, Hollister Co., Express and The Limited. Annual gross mall sales as of June 2013 were approximately \$255 million. In-line sales per square foot for comparable stores less than 10,000 square feet were approximately \$303, \$313 and \$304 in 2011, 2012 and 2013, respectively. Occupancy costs for comparable in-line tenants occupying less than 10,000 square feet for the same time periods were approximately 17.3%, 16.7% and 16.6%, respectively.

The Market. The property is located in the city of Westminster, California in the West County retail submarket, approximately 12 miles east of Long Beach and approximately seven miles north of Huntington Beach. Primary access to the property is provided by Interstate 405 (San Diego Freeway), which crosses California State Route 22 (Garden Grove Freeway) approximately two miles north of the property. According to the appraisal, the property lies within a densely populated trade area consisting of a five-mile radius that contains approximately 498,896 people, with a median household income of \$63,576, as of 2013. There is only one competing retail property, Bella Terra Mall, within the property’s trade area. The 800,000 square foot Bella Terra Mall is an outdoor lifestyle center located approximately two miles to the southeast of the property, and is approximately 95% occupied. Bella Terra Mall was constructed in 2006 on the site of the former Huntington Center, a previously existing enclosed mall that was demolished. Bella Terra Mall is anchored by Century 20 Theatres, Costco, Kohl’s, Burlington Coat Factory and Whole Foods. As of the end of the fourth quarter of 2013, the West County retail submarket had an average overall vacancy rate of approximately 5.0% and average asking rents of \$23.03 per square foot.

Historical In-line Sales and Occupancy Costs ⁽¹⁾			
	2011	2012	2013
In-line Sales PSF	\$303	\$313	\$304
Occupancy Costs	17.3%	16.7%	16.6%

(1) In-line Sales PSF and Occupancy Costs are for comparable tenants less than 10,000 square feet.

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Tenant Summary ⁽¹⁾							
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	UW Base Rent PSF	Sales PSF ⁽³⁾	Occupancy Costs ⁽³⁾	Lease Expiration Date
Non-Collateral Anchors							
Macy's ⁽⁴⁾	Baa2 / BBB+ / BBB	199,839	N/A	N/A	N/A	N/A	N/A
Sears ⁽⁴⁾	Caa1 / CCC+ / CCC	197,100	N/A	N/A	N/A	N/A	N/A
Top 10 Collateral Tenants							
Target ⁽⁵⁾	A2 / A / A-	175,000	22.7%	N/A	N/A	N/A	1/28/2023
JCPenney ⁽⁵⁾	Caa1 / CCC+ / CCC	157,000	20.3%	N/A	\$102	N/A	1/31/2021
Old Navy	Baa3 / BBB- / BBB-	22,064	2.9%	\$8.67	\$156	11.4%	4/30/2015
DSW Shoe Warehouse	NA / NA / NA	17,796	2.3%	\$18.82	\$202	11.9%	6/30/2017
Chuze Fitness	NA / NA / NA	17,253	2.2%	\$20.01	N/A	N/A	12/31/2023
Forever 21	NA / NA / NA	10,346	1.3%	\$31.58	\$292	23.4%	8/31/2017
Victoria's Secret	Ba1 / BB+ / BB+	8,826	1.1%	\$33.00	\$519	11.8%	1/31/2019
Todai Restaurant	NA / NA / NA	8,000	1.0%	\$25.50	\$239	19.1%	9/30/2014
Hollister Co.	NA / NA / NA	7,956	1.0%	\$30.00	\$254	23.8%	1/31/2017
U.S. Bank ⁽⁵⁾	A1 / A+ / AA-	7,500	1.0%	\$5.32	N/A	N/A	12/31/2023

(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 December 31, 2013 for all tenants.

(4) Each tenant owns its own land and improvements and is excluded from the collateral for the Westminster Mall Whole Loan.

(5) Each tenant owns its own improvements but ground leases the land from the borrower. Sales PSF for JCPenney is based on the square footage of the tenant owned improvements, and Lease Expiration Date represents the ground lease expiration date.

Operating History and Underwritten Net Cash Flow						
	2011	2012	2013	Underwritten	Per Square Foot	% ⁽¹⁾
Rents in Place	\$9,204,872	\$9,660,148	\$9,253,664	\$9,222,873	\$11.95	47.5%
Vacant Income	0	0	0	3,684,752	4.77	19.0
Gross Potential Rent	\$9,204,872	\$9,660,148	\$9,253,664	\$12,907,625	\$16.72	66.4%
Total Reimbursements Income	7,114,300	6,627,313	6,604,909	6,522,320	8.45	33.6
Net Rental Income	\$16,319,172	\$16,287,461	\$15,858,573	\$19,429,945	\$25.17	100.0%
(Vacancy/Credit Loss) ⁽²⁾	0	0	0	(4,783,406)	(6.20)	(24.6)
Other Income ⁽³⁾	2,292,237	2,219,659	2,239,344	2,208,000	2.86	11.4
Effective Gross Income	\$18,611,409	\$18,507,120	\$18,097,917	\$16,854,539	\$21.84	86.7%
Total Expenses	\$6,464,840	\$6,255,079	\$5,904,308	\$6,623,182	\$8.58	39.3%
Net Operating Income	\$12,146,569	\$12,252,041	\$12,193,609	\$10,231,358	\$13.26	60.7%
Total TI/LC, Capex/RR	0	0	0	656,067	0.85	3.9
Net Cash Flow	\$12,146,569	\$12,252,041	\$12,193,609	\$9,575,290	\$12.41	56.8%
Occupancy⁽⁴⁾	85.3%	85.6%	90.8%	75.4%		

(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) Vacancy/Credit Loss includes a mark-to-market rent adjustment to reduce occupancy costs for comparable tenants to 15%. The total mark-down is equal to approximately \$1.1 million.

(3) Other Income consists of rents related to temporary tenants as well as other miscellaneous income.

(4) Historical occupancy includes temporary tenants. Historical occupancy excluding temporary tenants is 70.4%, 70.8% and 73.9% for 2011, 2012 and 2013, respectively.

Lockbox / Cash Management. The loan is structured with a CMA lockbox. Within 30 days of origination, the borrower was required to send tenant direction letters to tenants at the property instructing them to deposit all rents and payments directly to the lockbox account. Unless a Lockbox Event is continuing, all funds in the lockbox account are disbursed to an account controlled by the borrower. During a Lockbox Event, all funds in the lockbox account will be swept weekly to a segregated cash management account to be established upon the occurrence of a Lockbox Event and all excess cash flow after payment of debt service, required reserves, and budgeted operating expenses will be held in trust for the benefit of the lender in accordance with a cash management agreement executed at closing. The lender will have a first priority security interest in the cash management account.

A "Lockbox Event" means: (i) the occurrence of an event of default; (ii) any bankruptcy action of the borrower or property manager or (iii) a DSCR Trigger Event.

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A “DSCR Trigger Event” means the DSCR as calculated in the loan documents based on the trailing four calendar quarters falls below 1.70x for two consecutive calendar quarters.

Spin-off. SPG intends to spin off its strip center properties and smaller enclosed malls that is expected to be completed in the second quarter of 2014 (the “Spin-off”). Westminster Mall will be one of the properties included in the Spin-off. In connection with the Spin-off, SPG intends to transfer all of its indirect interests in the borrower to WPG and/or Washington Prime Group, L.P. (“Washington LP”) through certain distributions of common shares and limited partnership units. Any transfers of interest in connection with the Spin-off are permitted without the consent of the lender under the loan documents if certain conditions set forth in the loan documents are satisfied, including, without limitation that within 15 days of the Spin-off, the borrower delivers a replacement guaranty agreement from a Washington Key Principal in the same form as was delivered at origination (such replacement guaranty agreement is required to cover any liability arising from and after the origination date and upon delivery of such replacement guaranty, the lender is required to release the guaranty agreement delivered by the nonrecourse carve-out guarantor at origination).

A “Washington Key Principal” means one or more of (i) WPG, (ii) Washington LP, (iii) such other entity that is the resulting real estate investment trust entity upon completion of the Spin-off, so long as, in the case of any entity under clauses (i) – (iii) above, such entity is substantially similar with respect to the number of assets owned and total asset value, all as contemplated in the Form 10 filed by WPG on December 24, 2013 (each entity described in clauses (i), (ii) and (iii) of this definition, as the context may require, “Washington”), and (iv) any subsidiary of Washington; provided that Washington directly or indirectly owns at least 51% of such subsidiary and controls the day-to-day decision making of such subsidiary, notwithstanding that one or more third parties may have rights to participate in major decisions of such subsidiary.