

Mt. Shasta Mall

Mortgage Loan Information

Mortgage Loan Seller:	Barclays
Original Principal Balance:	\$31,850,000
Cut-off Date Principal Balance:	\$31,850,000
% of Pool by IPB:	2.8%
Loan Purpose:	Acquisition
Borrower:	RPI Shasta Mall, LP
Sponsor:	Rouse Properties, LP
Interest Rate:	4.19300%
Note Date:	2/18/2015
Maturity Date:	3/6/2025
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox:	CMA
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)⁽¹⁾:	318,946
Location:	Redding, CA
Year Built / Renovated:	1975 / 2001
Occupancy:	97.8%
Occupancy Date:	1/16/2015
Number of Tenants:	67
2012 NOI:	\$3,683,521
2013 NOI:	\$3,854,493
2014 NOI⁽²⁾:	\$3,866,473
UW Economic Occupancy:	84.2%
UW Revenues:	\$6,475,037
UW Expenses:	\$2,968,303
UW NOI:	\$3,506,733
UW NCF:	\$3,280,282
Appraised Value / Per SF:	\$50,000,000 / \$157
Appraisal Date:	1/5/2015

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	\$46,071	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	\$5,316	\$63,789
TI/LC:	\$0	\$13,289	\$159,473
Other⁽³⁾:	\$0	Springing	N/A

Financial Information

Cut-off Date Loan / SF:	\$100
Maturity Date Loan / SF:	\$87
Cut-off Date LTV:	63.7%
Maturity Date LTV:	55.4%
UW NCF DSCR:	1.76x
UW NOI Debt Yield:	11.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$31,850,000	64.5%	Purchase Price	\$49,000,000	99.3%
Sponsor Equity	17,520,173	35.5	Closing Costs	370,173	0.7
Total Sources	\$49,370,173	100.0%	Total Uses	\$49,370,173	100.0%

(1) Net Rentable Area (SF) excludes Macy's (103,500 square feet) and Sears (99,094 square feet), which are not collateral for the Mt. Shasta Mall loan.

(2) 2014 NOI represents the trailing 12-month period ended on November 30, 2014. At the time of acquisition, year-end 2014 financials were unavailable.

(3) The Monthly Other Escrows and Reserves includes a springing anchor lease reserve. In the event that JCPenney (i) fails to renew or extend its lease by the earlier of its renewal notice period under its respectable lease, (ii) declares bankruptcy, (iii) goes "dark" or (iv) defaults under its lease, the lender is required to reserve 1/12 of \$10.00 per square foot of space demised less the aggregate amount of any lease termination payment deposited into the TI/LC reserve.

The Loan. The Mt. Shasta Mall loan has an outstanding principal balance of \$31.85 million and is secured by a first mortgage lien on the fee simple interest in 318,946 square feet of a regional mall totaling 521,540 square feet located in Redding, California. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule. The loan sponsor and nonrecourse carve-out guarantor is Rouse Properties, LP, an affiliate of Rouse Properties, Inc. ("RSE"). RSE is a publicly-traded real estate investment trust headquartered in New York City, with a geographically diverse portfolio that includes 36 malls in 22 states encompassing over 25 million square feet of retail space.

Mt. Shasta Mall

The Property. Mt. Shasta Mall is a 521,540 square foot single-story regional mall, of which 318,946 square feet serve as collateral for the loan. The mall is located in Redding, California, approximately 160 miles north of Sacramento and 120 miles south of the Oregon border, and is the only regional mall within a 70-mile radius. As of January 16, 2015, Mt. Shasta Mall was approximately 98.6% occupied by 69 tenants. For the same period, the collateral was 97.8% occupied by 67 tenants. Since 2011, collateral occupancy at the mall has never fallen below 94.8%.

Mt. Shasta Mall was originally built in 1975 and renovated and expanded in 2001 on an approximately 40.0-acre site and is the only regional mall within a 70-mile radius. Mt. Shasta Mall is anchored by JCPenney (130,444 square feet, collateral), Macy's (103,500 square feet, non-collateral) and Sears (99,094 square feet, non-collateral). In February 2015, JCPenney exercised an early option to extend its lease through July 2021. JCPenney has been at the property since 1976 and has three five-year extension options remaining. JCPenney recently remodeled its space adopting the "store-within-a-store" concept, incorporating retailers such as, Sephora, Joe Fresh, Mango, Izod, Disney and Home Goods into its store. The Mt. Shasta Mall property's major and in-line tenants include national brands such as Old Navy, American Eagle, Victoria's Secret, Pac Sun, Bath & Body Works, Hot Topic and Famous Footwear. As of the trailing 12-month period ended on November 30, 2014, total sales for the property, excluding Sears and Macy's, were approximately \$54.3 million and in-line sales per square foot and occupancy costs for comparable tenants less than 10,000 square feet were \$358 and 10.1%, respectively. There are 2,478 surface parking spaces at Mt. Shasta Mall resulting in a parking ratio of 4.8 spaces per 1,000 square feet of gross leasable area.

The Market. Mt. Shasta Mall is located at the confluence of two major highways: Interstate 5 and State Route 44. According to the appraisal, traffic counts at the intersection of Interstate 5, State Route 44 and State Route 299 average approximately 252,000 vehicles per day. As of 2014, the property had a primary trade area that consists of a 40-mile radius containing 224,304 people with an average household income of \$57,230. The appraisal concluded per square foot market rents of \$35.00 for in-line space less than 1,200 square feet, \$32.00 for in-line space between 1,201 and 2,000 square feet, \$25.00 for in-line space between 2,001 and 3,500 square feet, \$20.00 for in-line space between 3,501 and 5,000 square feet, \$18.00 for in-line space greater than or equal to 5,000 square feet and \$65.00 for jewelry tenants. The appraisal did not identify any primary competitors, which are regional malls, to Mt. Shasta Mall, as it is the only regional mall within a 70-mile radius. However, the appraisal listed primary and secondary competitors outside of a 70-mile radius, as detailed below.

Competitive Set Summary ⁽¹⁾				
Property	Year Built / Renovated	Total GLA	Proximity (miles)	Anchor Tenants
Primary Competition				
Shasta Crossroads	1989 / N/A	297,657	<1	Target, Sports Authority, FoodMaxx
Redding Hilltop Center	2007 / N/A	161,507	<1	Kohl's, Trader Joe's
Chico Mall	1990 / 1993	543,769	72	JCPenney, Sears, Forever 21
Bayshore Mall	1987 / 2013	575,000	153	Sears, Walmart, Kohl's
Rogue Valley Mall	1986 / 2002	639,867	152	Macy's, JCPenney, Kohl's, Sports Authority
Secondary Competition				
Yuba Sutter Mall	1981 / 2005	456,995	115	JCPenney, Sears, Forever 21, Ross
Galleria at Roseville	2000 / N/A	1,017,393	152	JCPenney, Macy's, Nordstrom, Sears, Crate & Barrel
Arden Fair Mall	1957 / 1989	1,119,503	163	JCPenney, Macy's, Nordstrom, Sears
Total		4,811,691		

(1) Per the appraisal.

Historical In-line Sales and Occupancy Costs ⁽¹⁾			
	2012	2013	2014 ⁽²⁾
In-line Sales PSF	\$357	\$362	\$358
Occupancy Costs	10.3%	10.0%	10.1%

(1) In-line Sales PSF and Occupancy Costs are for comparable tenants less than 10,000 square feet located at the Mt. Shasta Mall property.

(2) 2014 In-line Sales PSF and Occupancy Costs represent the trailing 12-month period ended on November 30, 2014.

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Tenant Summary⁽¹⁾

Tenant	Lease Type	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⁾								
Macy's	Non-collateral	Baa2 / BBB+ / BBB	103,500	N/A	N/A	\$193	N/A	N/A
Sears	Non-collateral	Caa1 / CCC+ / CCC	99,094	N/A	N/A	\$126	N/A	N/A
Top 10 Collateral Tenants								
JCPenney ⁽⁶⁾	Anchor	Caa1 / CCC+ / CCC	130,444	40.9%	\$2.88	\$112.63	2.6%	7/31/2021
Old Navy	Major	Baa3 / BBB- / BBB-	22,246	7.0%	\$8.00	\$141.00	5.7%	7/31/2016
Xtreme Fitness	Major	NA / NA / NA	10,666	3.3%	\$12.00	N/A	N/A	1/31/2016
Famous Footwear	In-Line	B1 / BB- / BB+	9,071	2.8%	\$16.22	\$193.24	8.4%	10/31/2016
Outback Steakhouse	Outparcel	NA / BB / NA	6,163	1.9%	\$15.66	N/A	N/A	9/30/2018
Chase Bank	Outparcel	A3 / A / A+	6,000	1.9%	\$16.10	N/A	N/A	1/31/2016
Maurices	In-Line	NA / NA / NA	5,761	1.8%	\$15.62	\$163.22	9.6%	1/31/2022
American Eagle	In-Line	NA / NA / NA	5,366	1.7%	\$20.00	\$327.20	6.1%	1/31/2017
The Buckle	In-Line	NA / NA / NA	5,084	1.6%	\$22.00	\$503.47	4.4%	1/31/2022
Zumiez	In-Line	NA / NA / NA	5,000	1.6%	\$30.00	\$386.07	7.8%	9/30/2017

(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 trailing 12-month period ended on November 30, 2014.

(4) Macy's and Sears own their respective land and improvements and are excluded from the collateral for the Mt. Shasta Mall loan.

(5) Per the appraisal, Macy's and Sears' Sales PSF are estimates for the trailing 12-month period ended on September 30, 2014.

(6) In February 2015, JCPenney exercised an early option to extend its lease through July 2021.

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	7,090	2.2%	NAP	NAP	7,090	2.2%	NAP	NAP
2015 & MTM	22	38,988	12.2	\$527,527	14.6%	46,078	14.4%	\$527,527	14.6%
2016	15	64,431	20.2	927,540	25.6	110,509	34.6%	\$1,455,067	40.1%
2017	10	26,476	8.3	629,877	17.4	136,985	42.9%	\$2,084,944	57.5%
2018	4	12,850	4.0	191,931	5.3	149,835	47.0%	\$2,276,875	62.8%
2019	3	5,343	1.7	169,564	4.7	155,178	48.7%	\$2,446,439	67.5%
2020	1	3,750	1.2	63,756	1.8	158,928	49.8%	\$2,510,195	69.3%
2021	5	138,271	43.4	573,025	15.8	297,199	93.2%	\$3,083,220	85.1%
2022	3	13,764	4.3	271,904	7.5	310,963	97.5%	\$3,355,124	92.6%
2023	3	5,483	1.7	181,558	5.0	316,446	99.2%	\$3,536,682	97.6%
2024	0	0	0.0	0	0.0	316,446	99.2%	\$3,536,682	97.6%
2025	0	0	0.0	0	0.0	316,446	99.2%	\$3,536,682	97.6%
2026 & Beyond	1	2,500	0.8	87,996	2.4	318,946	100.0%	\$3,624,678	100.0%
Total	67	318,946	100.0%	\$3,624,678	100.0%				

(1) Based on the underwritten rent roll.

Mt. Shasta Mall

Operating History and Underwritten Net Cash Flow

	2012	2013	2014 ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$3,221,255	\$3,292,977	\$3,309,877	\$3,747,810	\$11.75	56.2%
Vacant Income	0	0	\$0	1,056,799	3.31	15.8
Gross Potential Rent	\$3,221,255	\$3,292,977	\$3,309,877	\$4,804,609	\$15.06	72.0%
Total Reimbursements	2,450,199	2,447,243	2,490,210	1,863,924	5.84	28.0
Net Rental Income	\$5,671,454	\$5,740,220	\$5,800,088	\$6,668,532	\$20.91	100.0%
(Vacancy/Credit Loss)	0	0	0	(1,056,799)	(3.31)	(15.8)
Other Income ⁽⁴⁾	900,233	889,228	903,734	863,303	2.71	12.9
Effective Gross Income	\$6,571,687	\$6,629,448	\$6,703,822	\$6,475,037	\$20.30	97.1%
Total Expenses	\$2,888,166	\$2,774,956	\$2,837,348	\$2,968,303	\$9.31	45.8%
Net Operating Income	\$3,683,521	\$3,854,493	\$3,866,473	\$3,506,733	\$10.99	54.2%
Total TI/LC, Capex/RR	0	0	0	226,452	0.71	3.5
Net Cash Flow	\$3,683,521	\$3,854,493	\$3,866,473	\$3,280,282	\$10.28	50.7%
Occupancy⁽⁵⁾	94.8%	96.0%	97.8%	84.2%		

(1) 2014 column represents the trailing 12-month period ended on November 30, 2014. At the time of acquisition, year-end 2014 financials were unavailable.

(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 January 16, 2015 rent roll, contractual rent increases through December 31, 2015 (\$21,597) and the borrower's budget for temporary tenant rents (\$123,132).

(4) Other Income is primarily attributable to overage rent, specialty leasing, gift certificate income and miscellaneous promotional income.

(5) Historical Occupancies for 2012 and 2013 are as of December 31 of each respective year. The 2014 Occupancy is as of January 16, 2015.

Section 1031 Exchange. The Mt. Shasta Mall property is part of a reverse Section 1031 exchange to be completed by October 18, 2015. Until the exchange is completed, the property is owned by an exchange intermediary who is 100% owned by First American Exchange Company, LLC, as accommodation title holder. The exchange intermediary, in turn, leases the property to a wholly-owned subsidiary of the loan sponsor. Under the terms of the lease to the loan sponsor, the exchange intermediary merely holds title to the property and the loan sponsor receives all the benefits of ownership. The lease terminates automatically upon completion of the reverse 1031 exchange.

Affiliated Permitted Subordinate Interim Debt. If the borrower elects, the borrower may be permitted to obtain a loan in connection with the Section 1031 Exchange, of which the proceeds may be utilized, at the lender's discretion, as the borrower's equity in the property, provided that the loan be (i) unsecured, (ii) in all respects subordinate to the terms and lien of the loan documents, (iii) in an amount not to exceed the difference between the purchase price for the property, inclusive of closing costs and the original principal balance of the Mt. Shasta Mall loan and (iv) repaid by the borrower not later than 210 days after the origination date.