

## Mortgage Loan No. 17 – Southlake Corners

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	JPMCB
<b>Original Principal Balance:</b>	\$20,945,000
<b>Cut-off Date Principal Balance:</b>	\$20,945,000
<b>% of Pool by IPB:</b>	1.8%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	Inland Western Southlake Corners Kimball Limited Partnership
<b>Sponsor:</b>	Retail Properties of America, Inc.
<b>Interest Rate:</b>	4.88800%
<b>Note Date:</b>	3/22/2012
<b>Maturity Date:</b>	4/1/2022
<b>Interest-only Period:</b>	120 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	0 months
<b>Amortization Type:</b>	Interest Only
<b>Call Protection:</b>	L(25),Grtr1%orYM(92),O(3)
<b>Lock Box:</b>	Springing
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset/Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Retail - Anchored
<b>Net Rentable Area (SF):</b>	134,894
<b>Location:</b>	Southlake, TX
<b>Year Built/Renovated:</b>	2004, 2006 / N/A
<b>Occupancy:</b>	98.5%
<b>Occupancy Date:</b>	2/16/2012
<b>Number of Tenants:</b>	21
<b>2009 NOI:</b>	\$1,873,049
<b>2010 NOI:</b>	\$1,566,603
<b>2011 NOI<sup>(1)</sup>:</b>	\$1,222,738
<b>UW Economic Occupancy:</b>	95.0%
<b>UW Revenues:</b>	\$3,214,975
<b>UW Expenses:</b>	\$947,738
<b>UW NOI<sup>(1)</sup>:</b>	\$2,267,237
<b>UW NCF:</b>	\$2,132,022
<b>Appraised Value:</b>	\$36,000,000
<b>Appraisal Date:</b>	2/27/2012

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	Springing	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$0	N/A
<b>TI/LC:</b>	\$0	Springing	N/A
<b>Other<sup>(2)</sup>:</b>	\$203,880	\$0	N/A

### Financial Information

<b>Cut-off Date Loan/SF:</b>	\$155
<b>Maturity Date Loan/SF:</b>	\$155
<b>Cut-off Date LTV:</b>	58.2%
<b>Maturity Date LTV:</b>	58.2%
<b>UW NCF DSCR:</b>	2.05x
<b>UW NOI Debt Yield:</b>	10.8%

(1) UW NOI is higher than historical NOI's primarily due to lease up of property. UW NOI includes full contractual rent for HomeGoods.

(2) The Initial Other Escrows and Reserves represents the HomeGoods reserve fund. The HomeGoods reserve fund will be released to the borrower upon satisfaction certain terms and conditions including, but not limited to: (i) no event of default has occurred or is continuing; (ii) borrower has delivered to lender an acceptable estoppel letter from HomeGoods and (iii) HomeGoods is paying full unabated rent under its lease.

**The Loan.** The approximately \$20.9 million first mortgage loan was used to recapitalize Southlake Corners, a 134,894 square foot anchored retail property located in Southlake, Texas. The sponsor, Retail Properties of America, Inc. ("RPA") has owned the property since 2006 in a joint venture with the state Board of Florida ("Florida JV"). The Florida JV hired HFF, L.P. to market the property for sale in the open market. RioCan Holdings USA, Inc. ("RioCan") was the winning bidder with a bid of approximately \$35.4 million. As a result of RPA and RioCan already having a joint venture partnership in place (the "RPA-RioCan JV"), the decision was made to contribute the asset to the RPA-RioCan JV. The RPA-RioCan JV is structured such that RPA contributed 20% equity and RioCan contributed 80% equity.

**The Property.** Southlake Corners is located at the intersection of Interstate Highway 114 and North Kimball Avenue with frontage along Southlake Boulevard, a retail corridor in Southlake, Texas. Southlake is located approximately 25 miles northwest of Dallas. The property was constructed in 2004 and is currently 98.5% occupied by 21 tenants including HomeGoods, who is expected to open for business in May 2012. Southlake Corners is shadow anchored by Lowe's and additional retail tenants in the vicinity of Southlake Boulevard include Home Depot, Costco, HEB's Central Market and Kroger. The property has suffered from below market stabilized occupancy levels since 2009 after Circuit City declared bankruptcy and moved out of the property and dropped from an occupancy of 96.7% in 2008 to as low as 65.3% in 2010. Toys/Babies "R" Us replaced the vacant Circuit City space and HomeGoods is going to occupy two spaces that were formerly occupied by American Backyard and Home Depot Flooring.

**The Market.** According to the appraiser, the population and average household income as of 2011 within a three-mile radius from the property was approximately 58,356 and \$121,633, respectively. According to the appraiser, the property is located within the Southlake City submarket of the Dallas/Fort Worth retail market. As of year end 2011, the Southlake City submarket had an inventory of approximately 2.1 million square feet with an average occupancy rate of 84.8% and an average asking rent of \$26.70.

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Tenant Summary <sup>(1)</sup>						
Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Sales PSF <sup>(3)</sup>	Lease Expiration Date
Toys/Babies "R" Us	NA / B / B	33,812	25.1%	\$12.75	NAV	1/31/2027
HomeGoods	A3 / A / NA	28,098	20.8%	\$10.50	NAV	2/28/2022
Staples	Baa2 / BBB / BBB	20,825	15.4%	\$13.00	\$212	9/30/2015
Colonial Bank (BB&T)	A2 / A- / A+	5,098	3.8%	\$34.50	NAV	5/31/2020
Kincaid's Hamburgers	NA / NA / NA	5,046	3.7%	\$31.00	\$272	4/30/2015
McAlisters Deli	NA / NA / NA	4,556	3.4%	\$27.50	NAV	3/31/2016
Planet Tan	NA / NA / NA	4,320	3.2%	\$25.75	\$318	4/30/2016
Mattress Firm	NA / NA / NA	4,000	3.0%	\$33.60	\$440	12/31/2014
Massage Envy	NA / NA / NA	3,222	2.4%	\$28.00	\$482	2/28/2017
Leather Sofa Co.	NA / NA / NA	3,200	2.4%	\$28.00	\$102	1/31/2013

(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 except for Staples, Massage Envy and Leather Sofa Co. For Staples, Sales PSF represents sales per square foot as of trailing twelve months ending September 30, 2011. For Massage Envy and Leather Sofa Co., sales PSF represent sales per square foot as of 2010.

Operating History and Underwritten Net Cash Flow						
	2009	2010	2011	Underwritten	Per Square Foot	% <sup>(1)</sup>
Rents in Place	\$2,180,461	\$1,904,108	\$1,660,651	\$2,455,486	\$18.20	72.6%
Vacant Income	0	0	0	56,000	0.42	1.7
<b>Gross Potential Rent</b>	<b>\$2,180,461</b>	<b>\$1,904,108</b>	<b>\$1,660,651</b>	<b>\$2,511,486</b>	<b>\$18.62</b>	<b>74.2%</b>
Total Reimbursements	739,287	647,927	534,177	872,699	6.47	25.8
<b>Net Rental Income</b>	<b>\$2,919,748</b>	<b>\$2,552,035</b>	<b>\$2,194,828</b>	<b>\$3,384,185</b>	<b>\$25.09</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	(152,983)	(169,209)	(1.25)	(5.0)
Other Income	41,806	0	68,917	0	0.00	0.0
<b>Effective Gross Income</b>	<b>\$2,961,555</b>	<b>\$2,552,035</b>	<b>\$2,110,762</b>	<b>\$3,214,975</b>	<b>\$23.83</b>	<b>95.0%</b>
<b>Total Expenses</b>	<b>\$1,088,506</b>	<b>\$985,432</b>	<b>\$888,023</b>	<b>\$947,738</b>	<b>\$7.03</b>	<b>29.5%</b>
<b>Net Operating Income<sup>(2)</sup></b>	<b>\$1,873,049</b>	<b>\$1,566,603</b>	<b>\$1,222,738</b>	<b>\$2,267,237</b>	<b>\$16.81</b>	<b>70.5%</b>
Total TI/LC, Capex/RR	0	0	0	135,215	1.00	4.2
<b>Net Cash Flow</b>	<b>\$1,873,049</b>	<b>\$1,566,603</b>	<b>\$1,222,738</b>	<b>\$2,132,022</b>	<b>\$15.81</b>	<b>66.3%</b>
<b>Occupancy</b>	<b>72.8%</b>	<b>65.3%</b>	<b>80.5%</b>	<b>98.5%</b>		

(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 primarily due to lease up of property. UW NOI includes full contractual rent for HomeGoods.