<u>הערכות שווי</u>

5. Capital Mall
6. Southlake Mall

5. Capital Mall

Capital Mall
625 Black Lake Boulevard SW
Olympia, Thurston County, Washington 98502

Appraisal Report

Date(s) of Value
September 30, 2017 – As Is

Date of Report
January 2, 2018

Prepared for
Starwood West Limited
591 West Putnam Avenue
Greenwich, CT 06830

Prepared by
National Property Valuation Advisors, Inc.
1001 4th Avenue, Suite 3200
Seattle, Washington 98154

NPV Advisors No. 17-12124-007

February 5, 2018

Starwood West Limited
591West Putnam Avenue
Greenwich, CT 06830

Subject: **Capital Mall**
625 Black Lake Boulevard SW
Olympia, Thurston County, Washington 98502

To Whom it May Concern:

In accordance with your request and authorization, we have prepared an appraisal estimating the "as is" fair value of the leased fee interest in the subject as of September 30, 2017. We have also provided valuations of the leased fee interest in the subject property as of the following retrospective dates: June 30, 2017; December 31, 2016; September 30, 2016; June 30, 2016; December 31, 2015, December 31, 2014 and December 31, 2013. The retrospective valuations are provided within the addenda of this report. The intended use of the report will be the preparation of a public bond prospectus in Israel and public financial statements and subsequent public reporting in Israel. Our analysis and report is being prepared for Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD and prospective bondholders. Our analysis and/or report will be included in the bond prospectus and made publicly available.

The subject is a Class A-/B+ regional mall, known as Capital Mall, located in Olympia, Thurston County, Washington. The single-story mall is anchored by JC Penney and Macy's, both of which are ground leases. Other significant tenants include Best Buy, Century Theaters, Dick's Sporting Goods, and REI. The mall includes an adjacent community center which includes TJ Maxx, Cost Plus World Market, and Party City. The property was originally constructed in 1977, and has been renovated throughout the years. A brief summary of the subject center is presented on the following page.

CAPITAL MALL			
	GLA	**Owned?**	**Owned SF**
Anchors			
Macy's	113,190	Yes (GL)	113,190
JC Penney	93,481	Yes (GL)	93,481
Dick's Sporting Goods	51,060	Yes	51,060
Subtotal Anchor	**257,731**		**257,731**
Mall Shop			
Leased	306,207	Yes	306,207
Vacant	23,262	Yes	23,262
Subtotal Inline	**329,469**		**329,469**
Theater/Outparcel (1)			
Leased	213,657	Yes	213,657
Vacant	0	Yes	0
Subtotal	**213,657**		**213,657**
Total Mall	**800,857**		
Total Mall Owned			**800,857**
Occupancy Summary			
Total Mall			97.1%
Total Mall Owned			97.1%
Total Mall Shop			92.9%
Total Theater/Outparcel			100.0%
Retail Sales Summary			
TTM Mall Shop Retail Sales PSF <10,000 SF			$428.08
TTM Mall Shop Occupancy Cost			12.30%

(1) Includes movie theater, restauarant pads, 24 Hour Fitness, and adjacent community center also refered to as "Capital Land".

Analysis prepared by NPV Advisors

The subject is more fully described, legally, physically, and economically, in the report that follows. Throughout our analysis, we have relied on information provided by our client, all of which is assumed to be accurate. Should it be discovered that any of this information is incorrect, we reserve the right to amend the value conclusion rendered herein.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The Report includes further information as will be required in order to comply with the disclosure requirements of the Israeli Securities Authority and the Tel Aviv Stock Exchange.

Based on the research and analysis contained in this report, it is our opinion that the "as is" market value of the leased fee interest in the subject as of September 30, 2017 will be:

ONE HUNDRED NINETY-NINE MILLION DOLLARS
($199,000,000)

The value estimate is based on the assumptions, limiting conditions, and certification in the report. The report in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

It has been a pleasure to assist you on this assignment. If you have any questions concerning the analysis, or if we can be of further service, please do not hesitate to contact us.

Respectfully submitted,

NATIONAL PROPERTY VALUATIONS ADVISORS, INC.

David R. Walden, CRE, FRICS, MAI, CCIM
Managing Principal
Certified General Real Estate Appraiser
State of WA No. 1102356
Expiration Date – November 30, 2018

(312) 587-3224
david.walden@npvadvisors.com

Molly D. Hartsock, MAI
Director
Certified General Real Estate Appraiser
State of WA No. 1102049
Expiration Date – July 30, 2019

(310) 880-1427
molly.hartsock@npvadvisors.com

CERTIFICATION

The signer(s) of this appraisal report do by their signature(s) certify that to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are Complete and limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
7. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the International Financial Reporting Standards(IFRS).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. David R. Walden, MAI, and Molly D. Hartsock, MAI, have completed requirements of the continuing education program of the Appraisal Institute.
10. As of the date of this report, Paul N. Hartsock has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
11. Molly D. Hartsock, MAI, and Paul N. Hartsock made a personal inspection of the property that is the subject of this report.
12. David R. Walden, MAI, and Molly D. Hartsock, MAI, have extensive experience in the appraisal/review of similar property types.
13. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
14. We have performed. no services as an appraiser, or in any other capacity within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,

NATIONAL PROPERTY VALUATIONS ADVISORS, INC.

David R. Walden, CRE, FRICS, MAI, CCIM
Managing Principal
Certified General Real Estate Appraiser
State of WA No. 1102356
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PROPERTY DATA & ANALYSIS

VALUATION

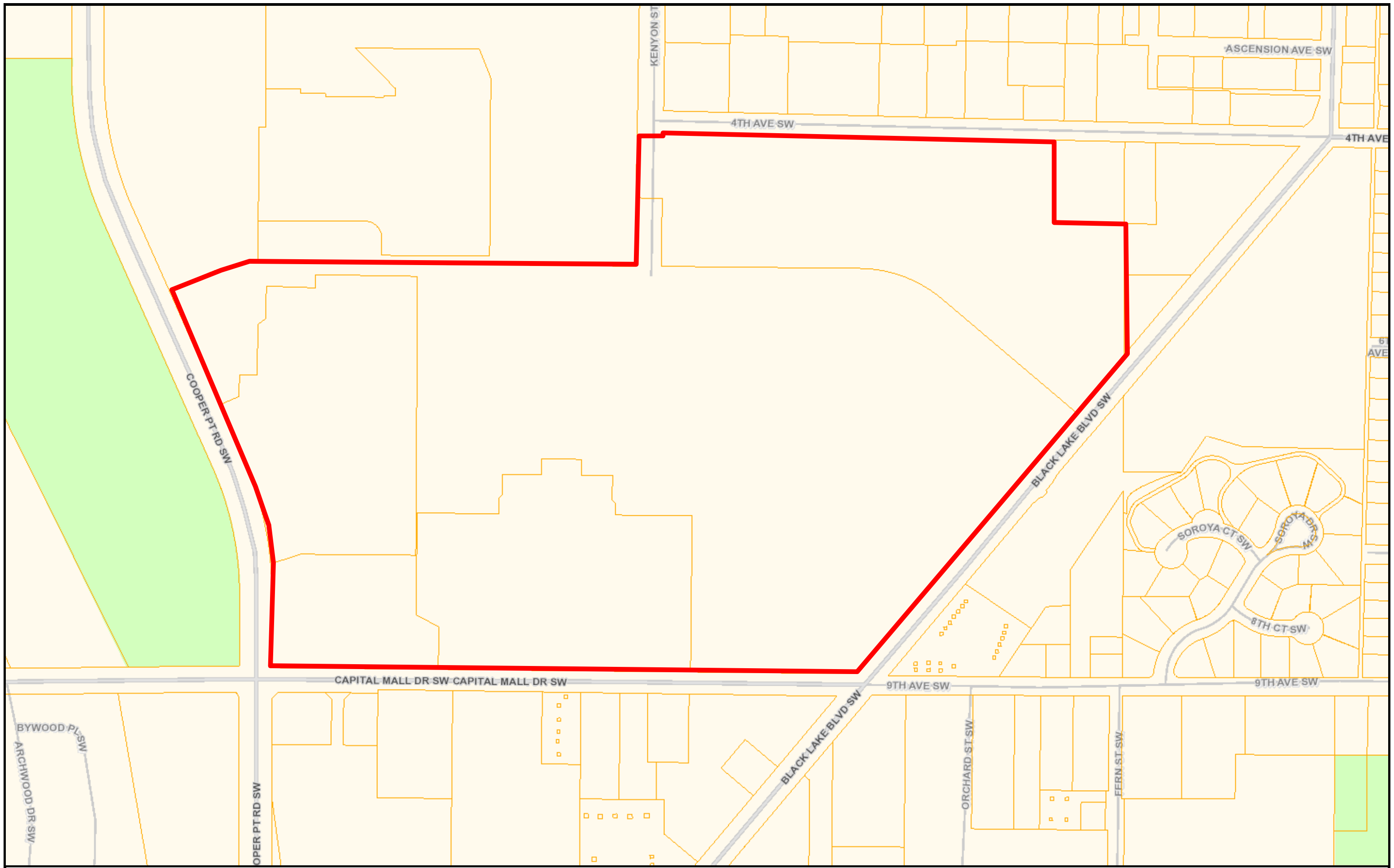
ADDENDA

SUMMARY OF SALIENT FACTS

Property Name:	Capital Mall
Property Type:	Class A Regional Mall
Property Address:	625 Black Lake Boulevard SW, Olympia, Thurston County, Washington 98502
Owner of Property:	Capital Mall Co.
Interest Appraised:	Leased Fee
Intended Use and User:	The intended use of the report will be the preparation of a public bond prospectus in Israel and public financial statements and subsequent public reporting in Israel. Our analysis and report is being prepared for Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD and prospective bondholders. Our analysis and/or report will be included in the bond prospectus and made publicly available.
Date of Inspection:	December 12, 2017
Dates of Value	
As Is:	September 30, 2017
Retrospective Values as of:	June 30, 2017; December 31, 2016; September 30, 2016; June 30, 2016; December 31, 2015, December 31, 2014 and December 31, 2013. These valuations are presented in the addenda of the report.
Property Description	
Site Area:	85.17 acres or 3,710,005 square feet of owned land area.
Improvements:	The subject is an existing Class A regional mall. The mall is anchored by JC Penney and Macy's (both ground leases). Other significant tenants include Best Buy, Century Theaters, Dick's Sporting Goods, REI, and 24 Hour Fitness. The collateral also includes an adjacent community center anchored by TJ Maxx, Cost Plus World Market, and Party City. In total, the property measures 800,857 square feet, including ground leases. As of the date of value, the subject will be 97.1 percent leased and occupied. The

	improvements were originally completed in 1977. Overall, the improvements are in good condition.
Zoning:	HDC-4, "High Density Corridor 4"
Highest and Best Use	
As Though Vacant:	Development of a retail project subject to substantial pre-leasing activity
As Improved:	Current and continued use as Class A regional mall
Method of Valuation:	The reported value was determined via the income approach with support provided by the sales comparison approach. Although considered, the cost approach was not utilized in our analysis.
Investment Rate Assumptions	
Market Rent Growth Rate:	3.00 percent
Expense Growth Rate:	3.00 percent
Real Estate Tax Growth Rate:	3.00 percent
Base Inflationary Rate:	3.00 percent
Overall Capitalization Rate:	5.75 percent
Terminal Capitalization Rate:	6.75 percent
Selling Costs at Reversion:	0.75 percent
Discount Rate (IRR):	7.75 percent
"As Is" Market Value Conclusion	
Income Approach:	$199,000,000
Sales Comparison Approach:	$200,000,000
Cost Approach:	Not Applicable
Final Value Conclusion:	$199,000,000
Per Square Foot of Owned GLA:	$248.48
Marketing Period	
Estimated Exposure Time:	12 months or less
Estimated Marketing Time:	12 months or less
Most Probable Buyer:	Institutional Investor

SUBJECT'S AERIAL PHOTOGRAPH (OUTLINE IS APPROXIMATE – INCLUDES MACYS & JCPENNEY)



SUBJECT PARCEL MAP

NPV advisors national property valuation

EXTERIOR VIEW

EXTERIOR VIEW

EXTERIOR VIEW (STRIP CENTER)

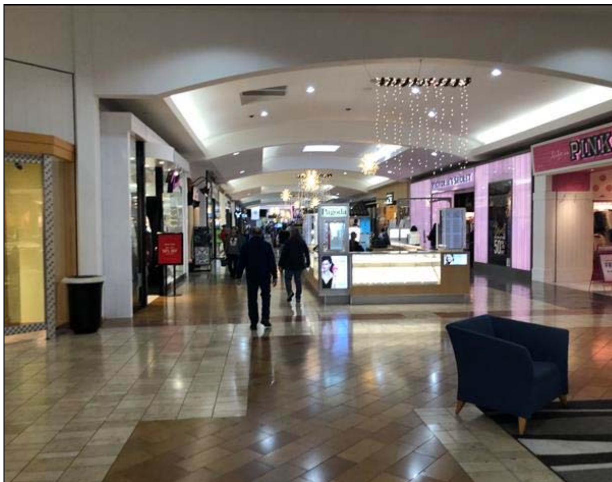
EXTERIOR VIEW (STRIP CENTER)

EXTERIOR VIEW

INTERIOR VIEW

INTERIOR VIEW

INTERIOR VIEW



INTERIOR VIEW

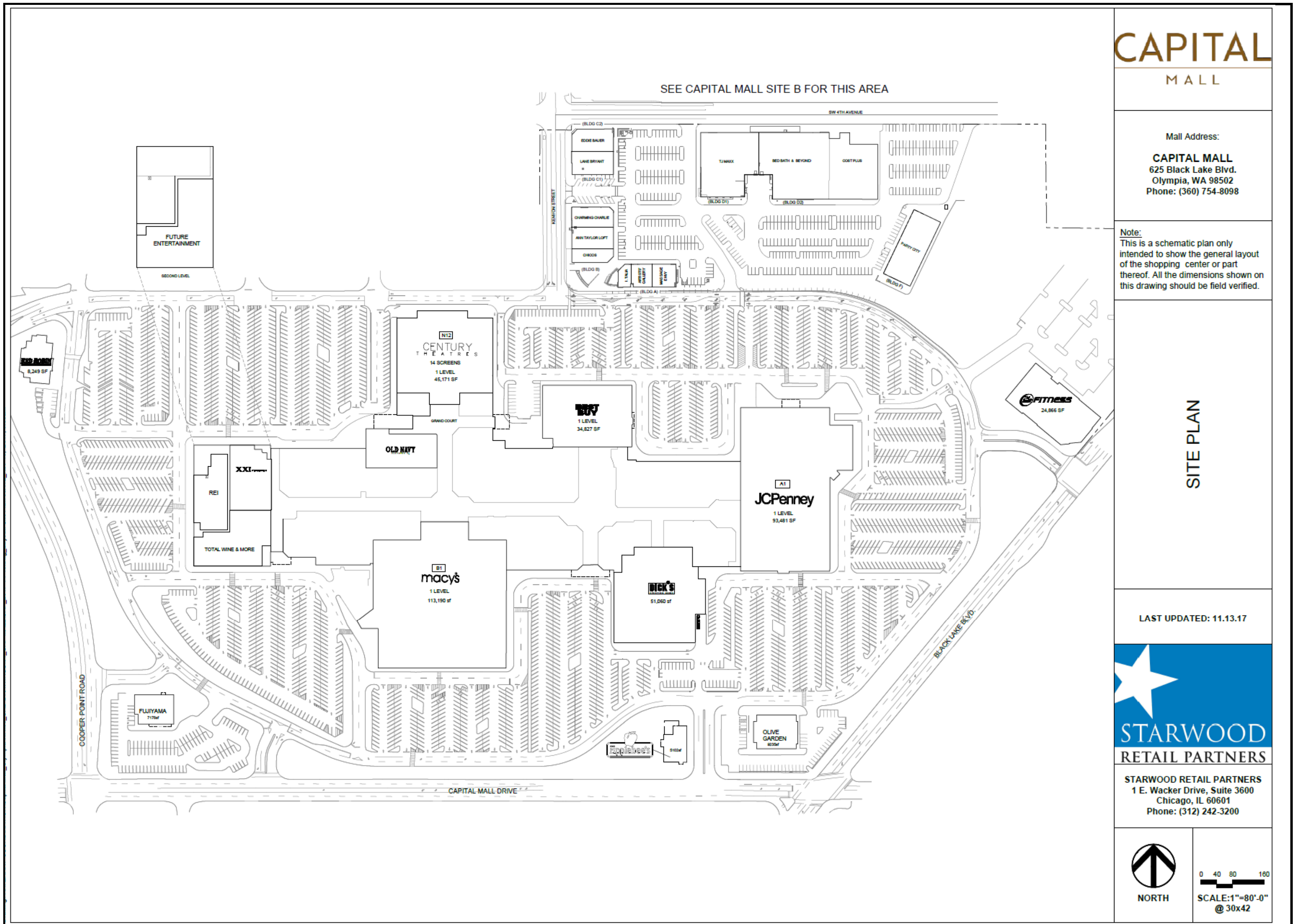
INTERIOR VIEW

INTERIOR VIEW

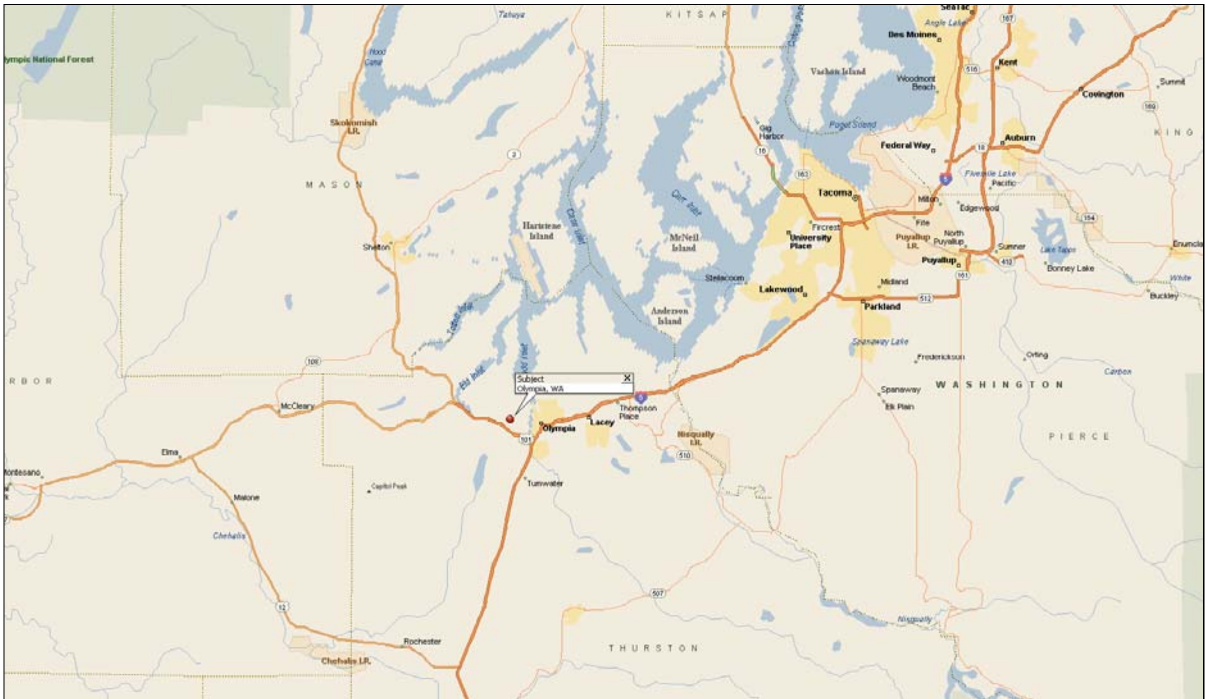
INTERIOR VIEW

STREET VIEW

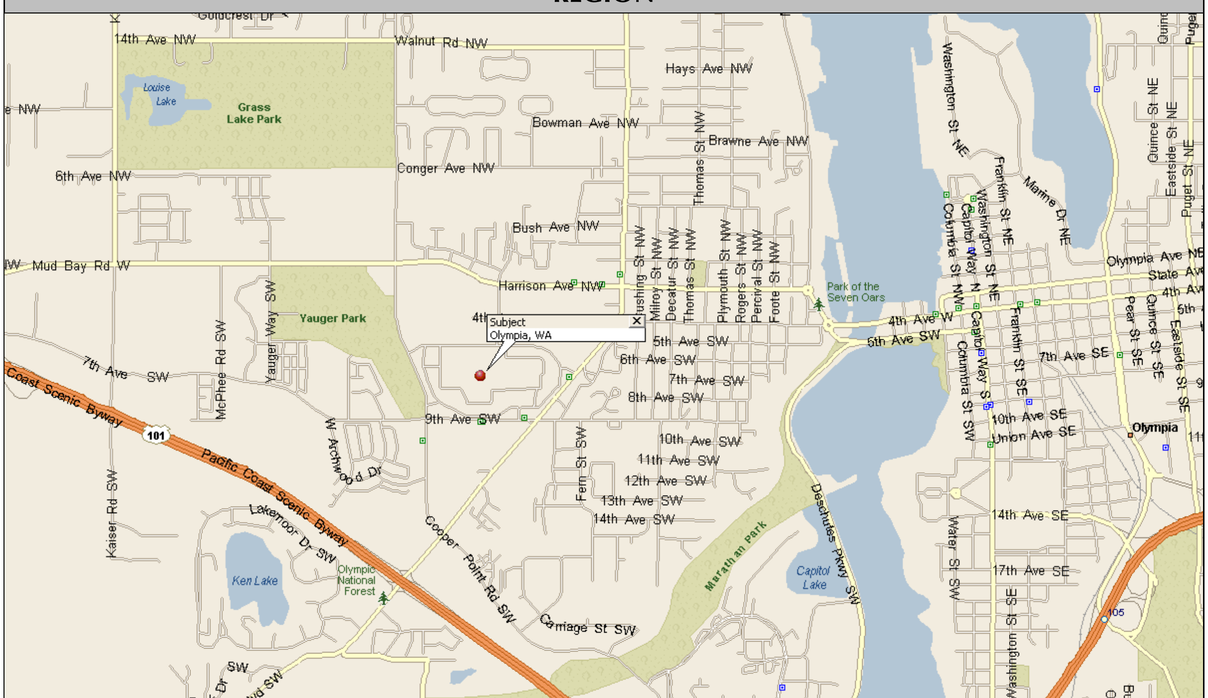
STREET VIEW



SUBJECT'S SITE PLAN



REGION



LOCAL

NPV advisors
national property valuation

INTRODUCTION

PROPERTY IDENTIFICATION

The subject is a Class A-/B+ regional mall, known as Capital Mall, located in Olympia, Thurston County, Washington. The single-story mall is anchored by JC Penney and Macy's, both of which are ground leases. Other significant tenants include Best Buy, Century Theaters, Dick's Sporting Goods, and REI. The mall includes an adjacent community center which includes TJ Maxx, Cost Plus World Market, and Party City. The property was originally constructed in 1977, and has been renovated throughout the years. A brief summary of the subject center is presented on the following page.

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(1) Includes movie theater, restauarant pads, 24 Hour Fitness, and adjacent community center also refered to as "Capital Land".

Analysis prepared by NPV Advisors

The subject is further identified by the Thurston County Assessor's Office as account numbers: 10-12816430304, 1281640300, 12816430303, and 12816410000. While requested, we were not provided with a legal description of the subject.

OWNERSHIP AND PROPERTY HISTORY

Title to the subject property is currently vested in the name of Capital Mall Co. (Starwood). The subject property along with six other regional malls was acquired by current ownership from Westfield for $1,644,407 on November 14, 2013. The purchase price as allocated as follows:

WESTFIELD II PURCHASE PRICE ALLOCATION	
Property	Purchase Price
Belden Mall	$202,343,000
Capital Mall	$179,377,000
Franklin Park Mall	$319,707,000
Great Northern Mall	$139,900,000
Parkway Mall	$237,499,000
Southlake Mall	$273,340,000
West Covina Mall	$292,241,000

Source: Audited Financial Statements

As part of the transaction, Westfield initially retained a 10 percent common equity interest and a $67,450 preferred equity interest in the joint venture. The subject is not being marketed for sale and to the best of our knowledge there have been no sales involving the subject property in the past three years.

CLIENT OF THE REPORT

The client of this appraisal assignment is Starwood West Limited.

INTENDED USE AND USER(S) OF THE REPORT

The intended use of the report will be the preparation of a public bond prospectus in Israel and public financial statements and subsequent public reporting in Israel. Our analysis and report is being prepared for Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD and prospective bondholders. Our analysis and/or report will be included in the bond prospectus and made publicly available.

PREMISE OF THE APPRAISAL

The premise of this appraisal valuation is "as is" as of the date of value.

PROPERTY RIGHTS APPRAISED

The interest appraised is the leased fee estate, which is defined as follows:

> The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.[1]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an estimate of the fair value of the subject. Fair value is defined as follows, according to IFRS 13:

[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th edition, (Chicago: Appraisal Institute, 2015).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

DATE OF INSPECTION

The subject was inspected by Molly Hartsock, MAI and Paul N. Hartsock on December 12, 2017.

DATE(S) OF VALUE

The date of "as is" value is September 30, 2017 based on property attributes and market conditions as of the site inspection date.

DATE OF REPORT

The date of report is the date indicated on the letter of transmittal.

APPRAISAL DEVELOPMENT AND REPORTING

There are four main aspects to the development and reporting of this appraisal. First, there are certain necessary procedures that were followed to derive a credible value estimate. Second, the report scope and content reflects the specific needs of the client. In other words, certain procedures and analyses may have been included or excluded to the extent that they were requested by the client and did not prevent a credible value estimate from being reported. Third, the development of the appraisal is limited to the extent that specific data items may not have been available. Lastly, there is the type of report, or level of detail, in which the appraisal has been communicated.

Professional Procedures/Analysis: The following checklist summarizes the procedures and analyses performed in conjunction with this appraisal assignment and deemed necessary in order to arrive at a credible value estimate for the appraised property.

PROCEDURES & ANALYSES	Yes	No
Researched		
Regional and local area data	√	
Market trends	√	
Comparable site sales		√
Comparable improved sales	√	
Comparable asking rents/recent leases	√	
Inspected		
Subject	√	
Surrounding neighborhood/market area	√	
Analyzed		
Site data (taxes, zoning, utilities, etc.)	√	
Site/building improvements	√	
Marketing/exposure times	√	
Highest and best use	√	

Developed/Performed		
Income Approach	√	
Sales Comparison Approach	√	
Cost Approach		√
Reconciliation	√	

Client Requirements: In preparing this appraisal, we have complied with all of the client's specific requirements and guidelines.

Availability of Data: The only data of significance not provided for use in this appraisal is a title report and/or legal description, Phase I Environmental Report, and five-year capital expenditure budget. In our opinion, the quality of the information we received was sufficient to arrive at a credible opinion of value for the client's intended use.

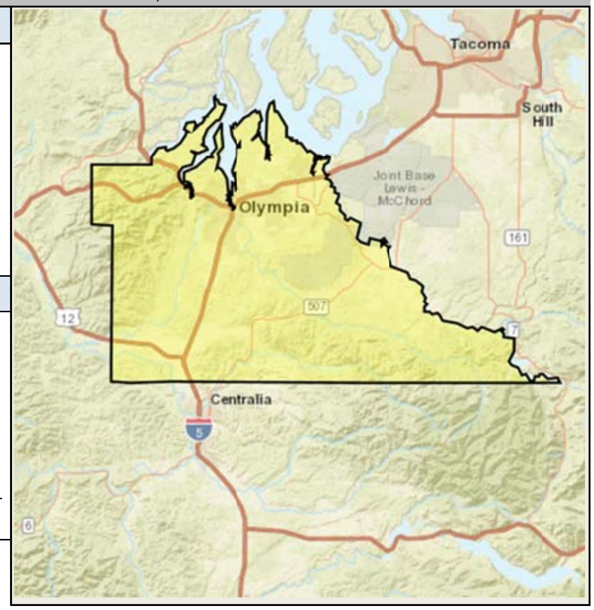
Report Type: The results of the appraisal process are being conveyed in the form of an appraisal report. The depth of reporting was established at the time of engagement with the intent of complying with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice and the client's specific requirements.

REGIONAL ANALYSIS

OLYMPIA-TUMWATER, WASHINGTON, MSA

Location

The subject is located within the Olympia-Tumwater, Washington Metropolitan Statistical Area (Olympia MSA). The MSA comprises solely of Thurston County and is also part of the larger Seattle-Tacoma Combined Statistical Area. The region is the smallest county in the state of Washington, but ranked the sixth most populous in terms of per square mile. The MSA is largely driven by the government sector, accounting for over one-fourth of all employment.



Access

Overview: The Olympia MSA is located at the southern end of Puget Sound within western Washington. The area has strong accessibility and is located south of Canada and Seattle, north of Portland, and east of Spokane. The MSA does not possess an international airport. According to the Washington State Department of Transportation Study, the region's Olympia Regional Airport is identified as a potential location to alleviate the increasing congestion at the Seattle-Tacoma International Airport.

Road System: Interstate 5; US Highways 12 and 101

Rail System: Tacoma Rail Mountain, BNSF, Tacoma Municipal Belt

Air System: Olympia Regional Airport

Water System: Port of Olympia

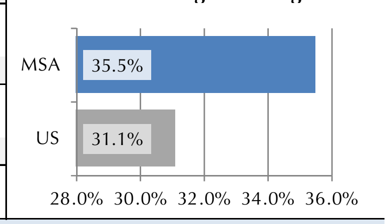
Public Transportation: Intercity Transit, Greyhound, Amtrak, and Coast Starlight (operated by Amtrak)

Demographic Trends[1]

Population Trends	Census 2010	Estimated 2017	Projected 2022	CAGR '10 to '17	CAGR '17 to '22
Olympia MSA	252,264	273,662	290,436	1.17%	1.20%
National	308,745,538	327,514,334	341,323,594	0.85%	0.83%
Household Trends					
Olympia MSA	100,650	108,672	115,095	1.10%	1.16%
National	116,716,292	123,158,887	128,069,416	0.77%	0.79%
Average Household Income Trends					
Olympia MSA		$87,612	$99,382	--	2.55%
National		$71,842	$83,667	--	3.09%

Educational Attainment

Bachelor's Degree or Higher

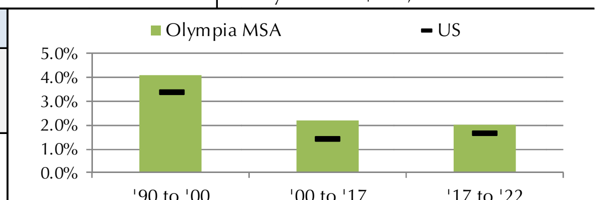


Home Price Trends[2]

Home Price Trends	May-17	Y-o-Y Change	Q-o-Q Change	Peak Date	Peak	Peak to Current
Olympia MSA	$270,900	7.29%	1.50%	Apr-17	$270,900	0.00%
US	$197,200	7.00%	1.39%	May-17	$197,200	0.00%

Retail Sales Trends[3]

CAGR/ $Millions	Olympia MSA $3,903.0
'90 to '00	4.11%
'00 to '17	2.19%
'17 to '22	2.02%



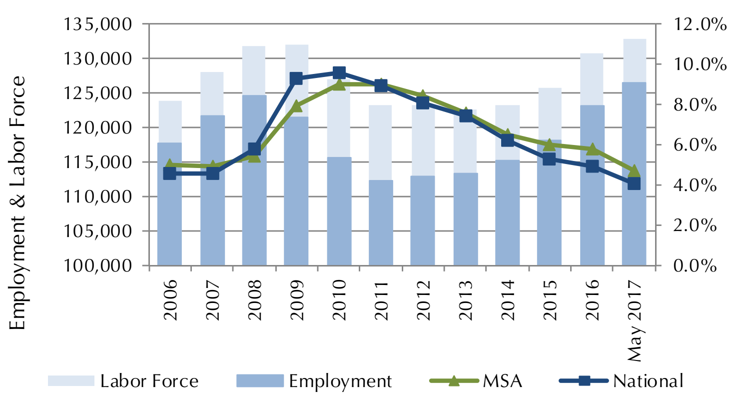
Education

The Olympia MSA is home to South Puget Sound Community College, The Evergreen State College, and Saint Martin's University. Of these institutions, the South Puget Sound Community College has the greatest economic impact to the region. According to Esri, 35.5 percent of the MSA residents above age 25 possess a bachelor's degree or higher. The region has an above-average education attainment level compared to the nation.

Employment Trends[3]

Sector	Industry Weight	Location Quotient	2000 to 2017	Forecast Sector Trends 2017 to 2022
Agricultural	2.17%	1.16	0.29%	0.83%
Trade	13.90%	1.02	1.69%	1.78%
Manufacturing	2.90%	0.43	1.17%	0.70%
Transportation & Utilities	2.13%	0.60	3.21%	1.96%
FIRE	7.19%	0.73	2.28%	2.11%
Professional Services	6.20%	0.72	1.80%	1.91%
Health Care	11.95%	1.05	2.64%	2.74%
Construction, Mining	4.64%	0.75	0.57%	2.00%
Tourism	8.37%	0.88	2.48%	1.66%
Other Services	14.41%	0.91	2.87%	2.22%
Government	26.12%	2.04	0.38%	0.80%
Total Employment	**100.00%**	0.00	**1.59%**	**1.69%**

Employment & Labor Force Trends[4]



MSA	May 2017	Y-o-Y Change
Labor Force	132,810	2.82%
Employment	126,502	3.95%
Unemployment Rate	4.7%	-110 bps

Major Employers[5]

Employer	Employees
State Government	24,400
Local Government	12,200
Providence St. Peter Hospital	1,600
Walmart	1,023
Safeway	876
Federal Government	700

Port Activity

The Port of Olympia promotes economic development through private businesses and government entities that facilitate global connection. The port's bulk cargo mainly consists of raw logs exported to Asia and ceramic proppants that it imports from China. The cargo movement within the area is not regulated by the Port of Commission and, as such, port traffic is not reported. Situated within the Foreign Trade Area, the port allows foreign products to undergo the same custom treatment as domestic products, waving tariffs and ad valorem taxes. Additionally, the port is one of the 11 ports in the state that features deep-draft facilities, accommodating freight and passenger vessels. Marine terminal, one of the biggest source of revenue generators for the port, is forecasted to reach a revenue of $11.8 in 2017. Nevertheless, this level of revenue trends lower than the peak of $13 million attained in 2014. Market participants anticipate the revenue gap to close up in the coming years.

Economy

The Olympia MSA is driven by the government sector, as over 28 percent of the total employment is attributed to the state and local government jobs. The region was hit hard with the onset of the Great Recession, and the loss of tax revenues took a toll on the state's revenue and translated to a period of budget cuts. Recently, the state government has been stabilizing. The local government, coupled with highly educated skilled labor available in the area, has been actively attracting and retaining businesses. Furthermore, in 2012, the state legalized use of recreational marijuana, which has brought in new tax dollars in the years since. In fiscal 2016, Washington's cannabis retail tax brought in $185 million, and this number is expected to increase to $233 million in fiscal 2017.

Government & Public Policy

The MSA and the state of Washington have a pro-business climate. The state levies no personal income and corporate income taxes. According to 2017 Tax Foundation, Washington was ranked as the 17th most friendly tax climate overall for businesses that attract new companies and encourage expansion of existing ones. Over the past several years, the state has seen an above average number of businesses open per capita, contributing to a culture of innovation and a spike in venture capital spending. Additional attraction to the area includes lower energy costs, prime location with its Seattle-Tacoma port, and a highly educated workforce. Finally, it is the birthplace of several notable companies, including Microsoft, Amazon, Starbucks, and Boeing. There remain concerns regarding the state's financial health. According to Truth in Accounting, the State of Washington incurred a $25.9 billion shortfall in 2016 and per taxpayer burden increased to $10,200. Reforms to pension programs and state debt are necessary for long-term sustainability.

Conclusion

The Olympia MSA is characterized by a modestly growing population base, below-average costs of living and doing business, and affordable housing. Companies are drawn to the area by the easy access to raw materials and low operating costs. The region's location gives it relatively easy access to markets in Seattle and Portland. The MSA has regained much of its labor force after experiencing losses during the recession, and home prices are currently sitting at new peaks. From 2000 to 2017, the employment sectors that grew the most in the region were Transportation & Utilities, Other Services, and Tourism. The region's improving economic health, as well as the MSA's strong transportation linkages, diverse industry sectors, highly educated workforce, and incentives for businesses, contributes to a long-term positive outlook.

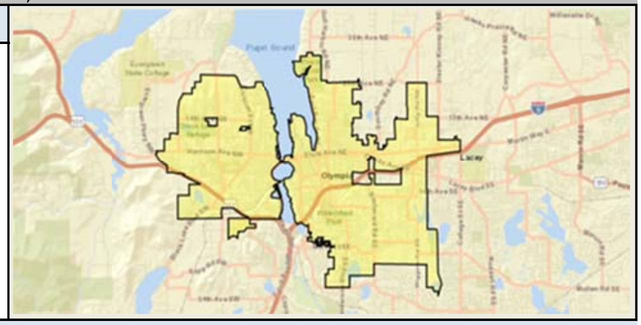
Source Information: [1] Esri, [2] Zillow Home Value Index, [3] Woods & Poole,[4] Bureau of Labor Statistics, and [5] Thurston County CAFR 2015
Compiled by: NPV Advisors as of July 2017

LOCAL AREA ANALYSIS

CITY OF OLYMPIA, WASHINGTON

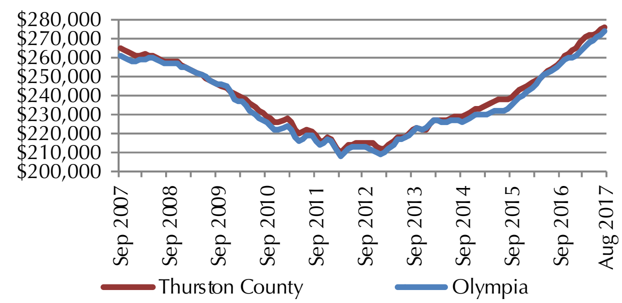
Location

The subject is located in the city of Olympia, the capital of the State of Washington. The city is located at the southern tip of Puget Sound and spans approximately 19.68 square miles of land and water. Incorporated in 1859, the city boasts low crime rates and excellent schools. The local economy was formerly rooted in the logging, farming, and coal mining industries but transitioned into more of a service-based economy over the past decades.

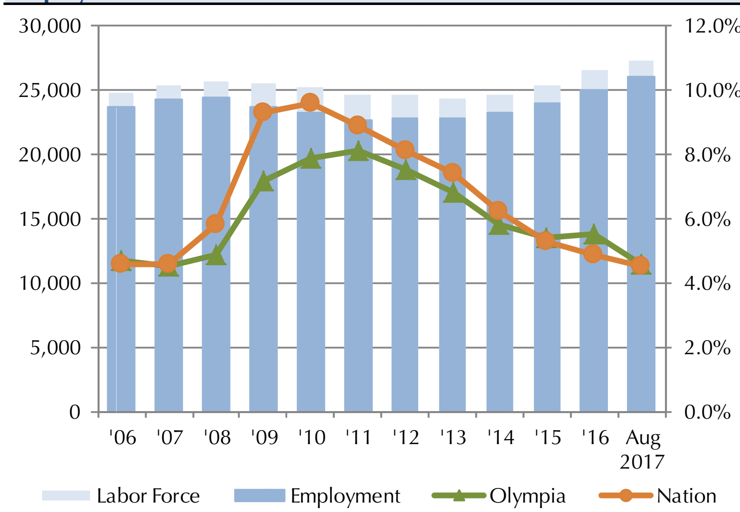


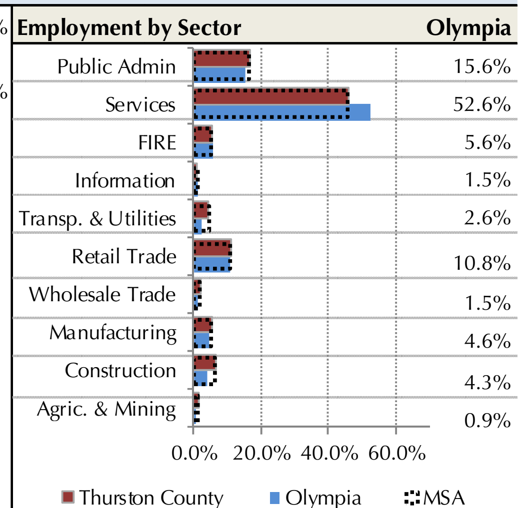
Home Price Trends[1]

Period		Home Value		% Change to Aug-17
Most Recent	Aug-17	$273,400		--
Prior Month	Jul-17	$272,200	⇧	0.44%
Prior Year	Aug-16	$254,600	⇧	7.38%
Peak	Aug-17	$273,400	⇨	0.00%



Employment Trends[2&3]





Daytime Population Olympia 75,897

According to the city of Olympia's 2016 Comprehensive Annual Financial Report (CAFR), Olympia's top three principal employers are the State Government, Local Government, and Providence St Peter Hospital, employing approximately 25,600, 16,500, and 1,600 members of the city's workforce, respectively.

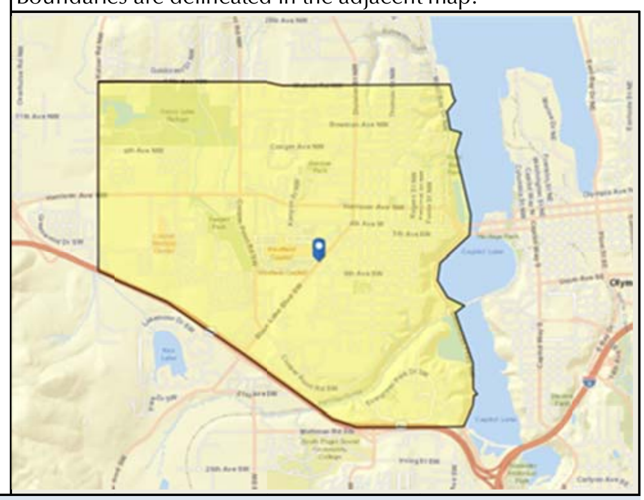
Recent Development

The city of Olympia has recently received a number of new commercial developments including multifamily, retail, office, and hospitality deliveries. Currently there are three projects under construction in the city. The largest project under construction is the second phase of Woodbury Crossings, a 142-unit luxury multifamily apartment building set to deliver in February 2018. The next largest project is the second phase of Silver Leaf Residences, a 100-unit Class B multifamily apartment complex. Silver Leaf is intended for residents age 55 and older. The second phase is expected to deliver in March 2018. The smallest of the three projects underway are the two office buildings located at 822-830 Sleater Kinney Road SE, with 3,200 square feet each and delivering in fourth quarter 2017. Furthermore, there are roughly nine developments in the proposal stage. The largest of these is Cleanwater Plaza, a 73,952-square foot Class B office building which will be leased by government entities. Cleanwater Plaza currently does not have a set date to break ground. The second largest proposed project is Copper Leaf Apartments. The Class B, multifamily low-rise apartment building is expected to have 74 units and will reportedly begin construction in January 2018. Another notable project in the proposal stage is Annie's Artist Flats. The project consists of a rehab of the existing Montgomery Ward building into an artists' space with 11 studios, open gallery space, and 18 residential units, as well as a new building with 48 units. Construction of the new building within Annie's Artist Flats is expected to begin in January 2018.

Neighborhood Overview

Land Use: The subject's neighborhood is situated on the southwestern end of Puget Sound and is bounded by US-101 to the south, which connects with IH-5 just southeast of the neighborhood. Uses in the neighborhood consist mostly of multifamily, retail, and office. The retail corridor of Western Olympia forms the subject's immediate area, surrounded by various multifamily and single-family neighborhoods. Office uses are found mainly in the southern portion of the neighborhood along Cooper Point Road SW and along Harrison Avenue NW. Capital Medical Center, a 110-bed full-service hospital, is located on the west side of the neighborhood. Much of the neighborhood is dedicated to recreational space, encompassing Grass Lake Nature Reserve and Yauger Park. The neighborhood is expected to remain relatively unchanged over the near-term as it is mostly built-out or dedicated to nature and open space.

Boundaries are delineated in the adjacent map.



Access

Primary Thoroughfares:	US-101, IH-5, Harrison Avenue, and Black Lake Boulevard
Secondary Thoroughfares:	Cooper Point Road, Division Street, and Deschutes Parkway
Public Transportation:	Intercity Transit and Amtrak
Rail Linkages:	BNSF and Union Pacific
Airport:	The subject is located approximately 4.8 miles northwest of the Olympia Regional Airport.
Traffic Counts:	Approximately 25,168 cars pass by the subject on Black Lake Boulevard each day.

Demographic Trends[3]					
	Census	Estimated	Projected	Compound Annual Growth Rate	
Area	2010	2017	2022	2010 to 2017	2017 to 2022
Population Trends					
1-Mile Radius	11,091	12,145	12,887	1.31%	1.19%
3-Mile Radius	45,840	50,733	54,034	1.46%	1.27%
5-Mile Radius	90,931	98,602	104,388	1.16%	1.15%
Neighborhood	**13,534**	**14,499**	**15,460**	**0.99%**	**1.29%**
Olympia	46,478	50,403	53,242	1.16%	1.10%
Thurston County	252,264	273,662	290,436	1.17%	1.20%
Household Formation Trends					
1-Mile Radius	5,102	5,640	6,001	1.44%	1.25%
3-Mile Radius	20,483	22,493	23,905	1.35%	1.23%
5-Mile Radius	39,221	42,307	44,723	1.09%	1.12%
Neighborhood	**6,031**	**6,677**	**7,135**	**1.46%**	**1.34%**
Olympia	20,761	22,606	23,870	1.22%	1.09%
Thurston County	100,650	108,672	115,095	1.10%	1.16%
Average Household Income					
1-Mile Radius	--	$59,660	$68,052	--	2.67%
3-Mile Radius	--	$82,808	$94,752	--	2.73%
5-Mile Radius	--	$85,561	$97,061	--	2.55%
Neighborhood	**--**	**$62,496**	**$71,434**	**--**	**2.71%**
Olympia	--	$80,669	$91,754	--	2.61%
Thurston County	--	$87,612	$99,382	--	2.55%

Conclusion

The subject is located in the city of Olympia, the capital city in the state of Washington. The city boasts low unemployment and growing household incomes. The subject's neighborhood has a stable and moderately growing population. The subject is situated in a major retail corridor that serves the surrounding population. The subject is well-located in proximity to two major highways. The subject's convenience-oriented location should allow the subject to succeed over the near and long term.

Source: [1] Zillow Home Price Values, [2] Bureau of Labor Statistics and US Census Bureau, and [3] Esri

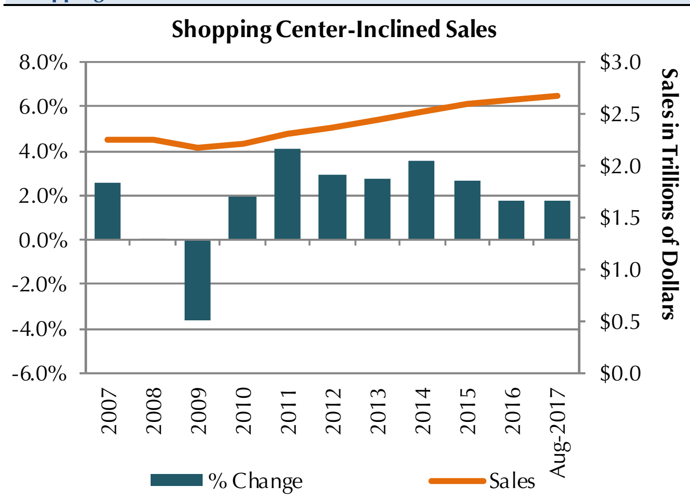
Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

MARKET ANALYSIS

NATIONAL RETAIL MARKET OVERVIEW

The slowdown in transaction volume across most core property sectors during the first half of 2017 relative to 2016 continued into the third quarter. However, these declines are somewhat inflated due to a boom in transaction activity over the course of 2015 and early 2016, with analysts noting that sales volumes are falling back toward the averages witnessed prior to the boom. Several factors are also playing into this decreased activity. Pricing in certain markets and sectors has surpassed pre-recessionary peak, making underwriting large deals more difficult. In addition, persistent uncertainty regarding the timing and expanse of tax code and trade agreement alterations proposed by the Trump Administration continues to give some investors pause, but the impacts of said reservations appear to be waning relative to those seen over the past several quarters. Retail transaction volume dove 32 percent in the third quarter relative to one year prior, as the recent spate of retail closure announcements have tempered investor thirst for centers occupied by these tenants. Concerns persist regarding the rise of e-commerce and fast-fashion retailers, both of which continue to put pressure on brick-and-mortar operations, particularly the mid-market apparel retailers and department stores that comprise a strong proportion of shopping center tenants. Nevertheless, prospects remain favorable for value-add plays, which comprised the majority of mall transactions over the past quarter, as well as necessity-based retailers, such as grocery stores, and service/experiential retail operations whose value propositions are sheltered from the impacts of e-commerce. Despite structural concerns, market participants remain guardedly optimistic regarding the near-term health of the retail sector, and we continue to see certain retailers expand existing footprints while foreign-based firms, such as Lidl, begin to push in the US market. Overall, the near-term health of retail sector will be largely dependent on the contours of regional markets and investor appetite for specific property types.

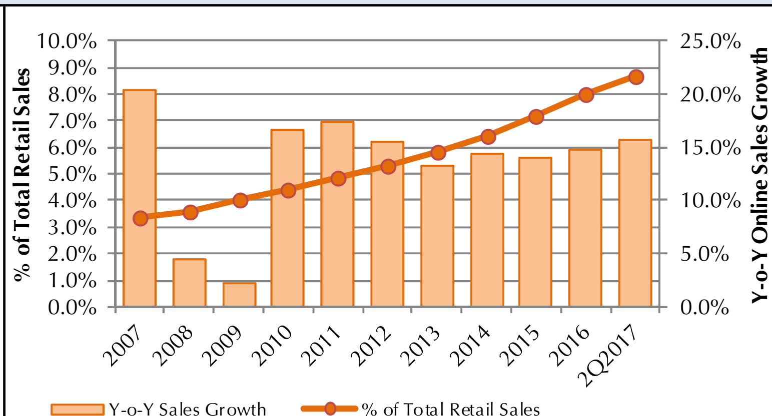
Shopping Center-Inclined Sales[1]



Shopping center sales over the 12-month period ending in August 2017 rose 1.77 percent, a modest decline from a 2.01 percent increase in the prior 12-month period. Market participants suggest that the cooldown in sales was due in part to the unseasonably warm weather's impact on winter apparel sales and cheaper gasoline. However, retailers are hopeful that the upcoming holiday will bring additional dollars into brick-and-mortar locations, with shoppers anticipated to spend roughly $728 per person, and nearly half of shoppers planning to spend more than they did last year. The largest share of consumers plan to make holiday purchases in November and December. Roughly 91 percent of shoppers intend to browse and buy in-store, while the majority of shoppers prefer to research online prior to purchasing goods either online or in-store.

E-Commerce Sales & Trends[2]

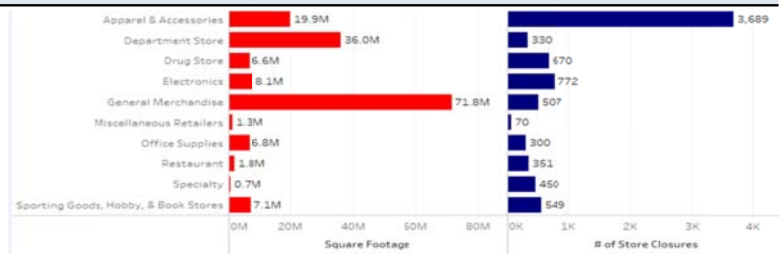
From 2006 to mid-year 2017, e-commerce sales grew at a compound annual rate of 13.3 percent compared to a growth rate of 2.3 percent for all retail sales. Online platforms are continuing to put pressure on brick-and-mortar retailers and e-commerce has been cited as a major cause of the spate of retailer difficulties as of late. Over the first half of 2017, e-commerce accounted for 8.7 percent of all retail sales and market share is expected to rise. However, some analysts forecast e-commerce market share to ultimately cap out at 15 to 20 percent, with growth decelerating as online sales approach this threshold.



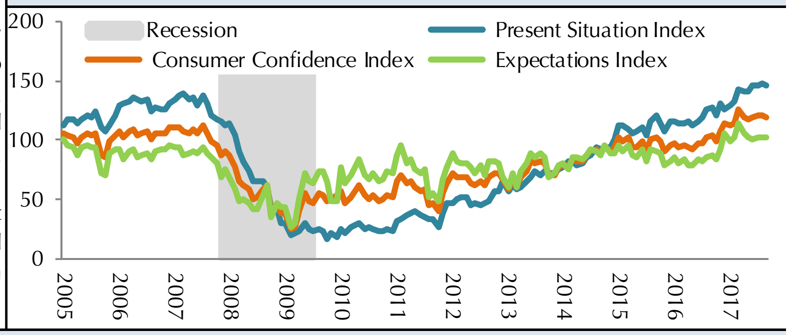
Retailer Expansions & Closures[3]

Numerous retailers have filed for bankruptcy or witnessed declines in quarterly sales and the majority of recent retail sector growth has been attributable to online sales. Per our running survey of store closures, major retailer have announced a combined total of more than 6,100 store closures. This number is expected to reach more than 8,000 stores by year-end 2017 and Credit Suisse estimates that between 20 and 25 percent of all malls in the US will close by 2022. In addition, 600 Rite Aid and/or Walgreens locations will be shuttered due to their recent merger. Investors are paying particular attention to the department store and apparel segments, as these represent a strong proportion of shopping center tenant mixes. However, owners also note a broader shift toward restaurant and entertainment users, and this may deleverage landlords' dependence on traditional tenants in the longer term.

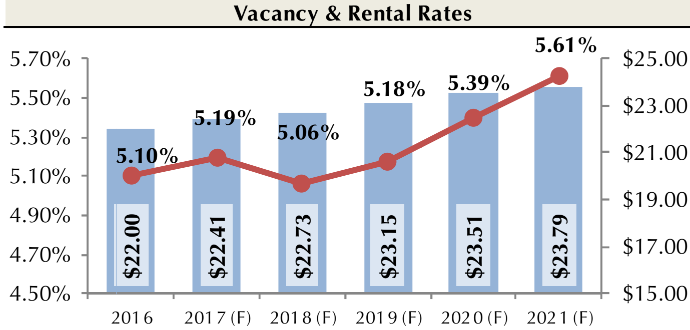
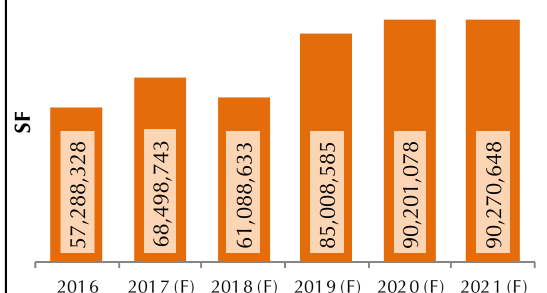
Store Closures[3]



Consumer Confidence[4]



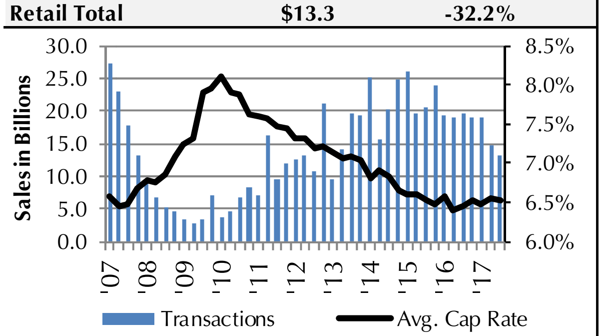
Market Forecast[5]

Vacancy & Rental Rates	Supply Change
	

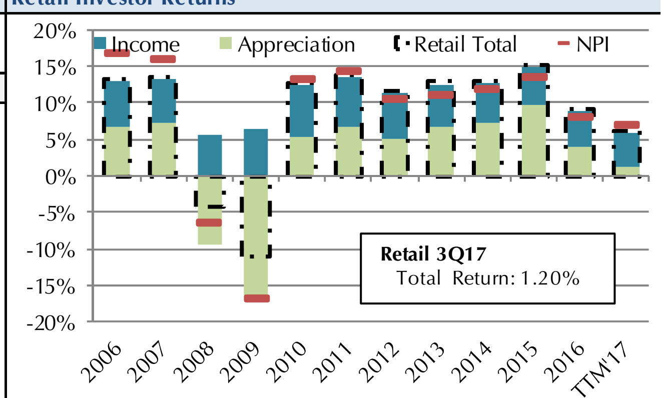
Average Rent CAGR	Average Vacancy	Supply Change CAGR
1.58%	5.26%	0.93%

Transaction Volume[6]

	2017 3Q	
	$ billions	Y-o-Y Change
Retail Total	$13.3	-32.2%



Retail Investor Returns[7]

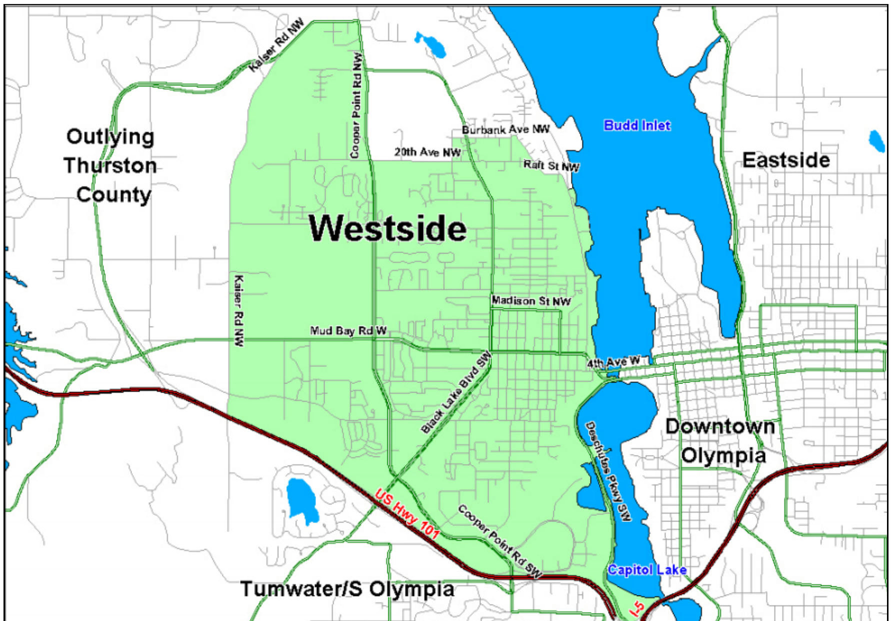


Notes and Sources: [1] I ICSC US Shopping-Center Inclined Sales Seasonally Adjusted, [2] US Census Bureau, [3]NPV Advisors' Retail Store Closure Tracking, [4] The Conference Board, [5] CoStar Market Analytics, [6] Real Capital Analytics, and [7] NCREIF

Compiled by NPV Advisors as of November 2017

OLYMPIA RETAIL MARKET

In this section of the report, consideration is given to the marketability of the subject based on our analyses of past, current, and future patterns of regional and submarket retail development, and other market variables that influence the supply and demand for this type of real estate. CoStar and CoStar Market Analytics track the Olympia retail market and divide the inventory into submarkets, with the subject located in the Westside submarket. The following discussion is based on data and forecasts compiled by CoStar Market Analytics at the end of the third quarter of 2017, information from CoStar retrieved in December 2017 (that would have been available as of September 30, 2017), and on our independent market research and discussions with local market participants. The following map from CoStar highlights the subject's Westside submarket.



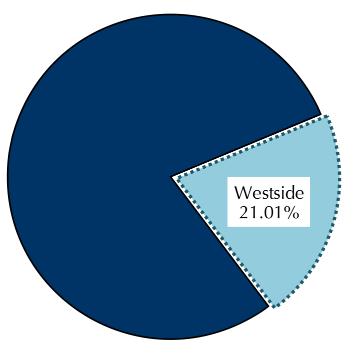
WESTSIDE SUBMARKET

SUPPLY ANALYSIS

Current Inventory & Growth Trends: The Olympia retail market comprised approximately 12.9 million square feet of retail space at the end of the third quarter of 2017. At that time, the subject's Westside submarket contained over 2.7 million square feet of retail space, accounting for 21.01 percent of the region's total inventory. The following table summarizes inventory and growth trends for the Olympia retail market and the subject's Westside submarket dating back to the first quarter of 2006.

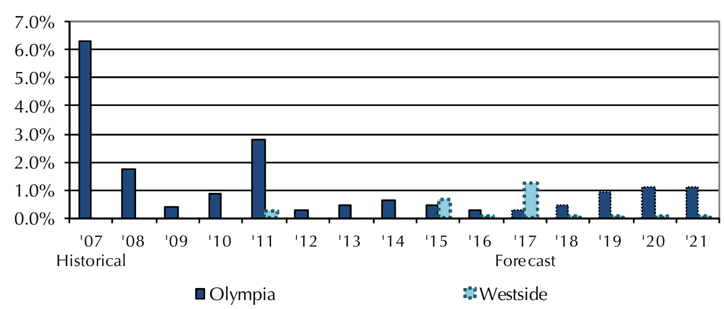
RETAIL SUPPLY IN THE MARKET AND SUBMARKET							
	Total Existing Square Feet (000s)				Net Completions (000s)		
Year	Olympia	Y-o-Y % Change	Westside	Y-o-Y % Change	Olympia	Westside	Submarket as % of Total Inventory
Historical							
2006	11,198	--	2,679	--	642	223	23.92%
2007	11,906	6.32%	2,679	0.00%	708	0	22.50%
2008	12,116	1.76%	2,679	0.00%	210	0	22.11%
2009	12,167	0.42%	2,679	0.00%	50	0	22.02%
2010	12,269	0.85%	2,679	0.00%	103	0	21.84%
2011	12,612	2.79%	2,687	0.28%	342	8	21.30%
2012	12,646	0.27%	2,687	0.00%	35	0	21.24%
2013	12,706	0.47%	2,687	0.00%	60	0	21.14%
2014	12,786	0.63%	2,687	0.00%	80	0	21.01%
2015	12,842	0.44%	2,705	0.69%	57	19	21.06%
2016	12,882	0.31%	2,707	0.06%	39	2	21.01%
CAGR/Averages		**1.41%**		**0.10%**	**211**	**23**	
2017 Q3	12,882	0.01%	2,707	0.06%	0	0	21.01%
YTD					**0**	**0**	**--**
Forecast							
2017	12,916	0.26%	2,741	1.25%	34	34	21.22%
2018	12,978	0.48%	2,742	0.03%	62	1	21.12%
2019	13,100	0.94%	2,743	0.06%	122	2	20.94%
2020	13,242	1.09%	2,745	0.07%	142	2	20.73%
2021	13,391	1.12%	2,748	0.08%	148	2	20.52%
CAGR/Averages		**0.78%**		**0.30%**	**102**	**8**	

Inventory Overview



Snapshot of Change in Inventory

	Olympia	Westside
Prior Quarter	0.00%	0.00%
Prior Year	0.01%	0.06%



Notes: All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate. Source: CoStar Market Analytics; Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

The Olympia retail market grew in size from nearly 11.2 million square feet at year-end 2006 to roughly 12.9 million square feet at year-end 2016, representing a compound annual growth rate of 1.41 percent over this period. During the same time, the Westside submarket grew at a much slower rate of 0.10 percent. New construction slowed greatly in the wake of the Great Recession, with less than 100,000 square feet of retail space delivering in each year since 2012. Submarket construction has been even more limited, with a total of only 21,000 square feet delivering since 2007. There was no retail space added to the market or submarket through the third quarter of 2017. However, CoStar Market Analytics projects the market to add an average of 102,000 square feet in each year through 2021, representing a compound annual growth rate of 0.78 percent during this time. During the same period, the submarket is forecasted to average only 8,000 square feet of deliveries, representing a slower compound annual growth rate of 0.30 percent.

Construction Activity: As previously mentioned, there have not been any retail deliveries to the Olympia market thus far in 2017. In addition, there are few projects in the development pipeline. According to CoStar, there is only one project currently under construction in the Olympia market. This development is a 35,000-square foot Cost Plus, which is part of The Promenade lifestyle center. This project is located in the subject's Westside submarket and is expected to deliver in November 2017. There are, however, two relatively large retail projects that have been proposed for development. The larger proposal is the Outlets at Lacey, a 320,000-square foot outlet center to be located in the Lacey submarket. This project is expected to include over 184,000 square feet of anchor space, though developers have not set a groundbreaking date. The other major proposal is Britton Plaza, a mixed-use retail and medical office development in the Lacey submarket. The first phase of this development was completed in 2015 and includes an 18,500-square foot medical office building, along with shop spaces. A second phase is expected to include approximately 85,000 square feet of additional retail space, effectively turning the development into a neighborhood center. Developers hope to break ground on this next phase in late 2018. Development activity within the subject's Westside submarket is anticipated to be minimal going forward, as there are no retail projects currently proposed for construction.

DEMAND ANALYSIS

Absorption and Vacancy: The following chart demonstrates historical vacancy and absorption trends in the Olympia retail market and the subject's submarket, along with projections for the broader market through 2021.

RETAIL DEMAND IN THE MARKET AND SUBMARKET				
	Net Absorption Square Feet (000s)		Vacancy Rate	
Year	Olympia	Westside	Olympia	Westside
Historical				
2006	--	223	--	--
2007	649	-141	3.92%	5.25%
2008	103	-1	4.74%	5.29%
2009	-7	-62	5.19%	7.61%
2010	8	-3	5.92%	7.72%
2011	367	17	5.56%	7.34%
2012	47	-29	5.45%	8.41%
2013	-124	50	6.87%	6.53%
2014	148	-9	6.29%	6.86%
2015	234	61	4.88%	5.25%
2016	99	7	4.40%	5.04%
Averages	**152**	**10**	**5.32%**	**6.53%**
2017 Q3	16	-5	4.49%	5.11%
YTD	**-11**	**-2**	**4.49%**	**5.11%**
Forecast				
2017	27	29	4.45%	5.15%
2018	122	9	3.97%	4.87%
2019	116	0	3.98%	4.93%
2020	110	0	4.18%	5.00%
2021	112	0	4.41%	5.08%
Averages	**97**	**8**	**4.20%**	**5.01%**

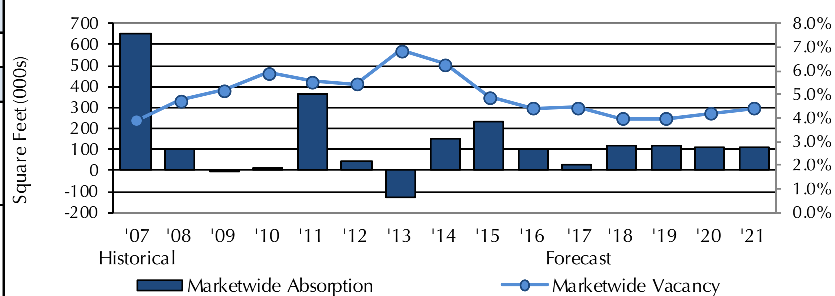
Olympia Market

Absorption YTD

Vacancy

Prior Quarter (2017Q2)
-12 bps
4.61%

Prior Year (2016Q3)
-72 bps
5.21%



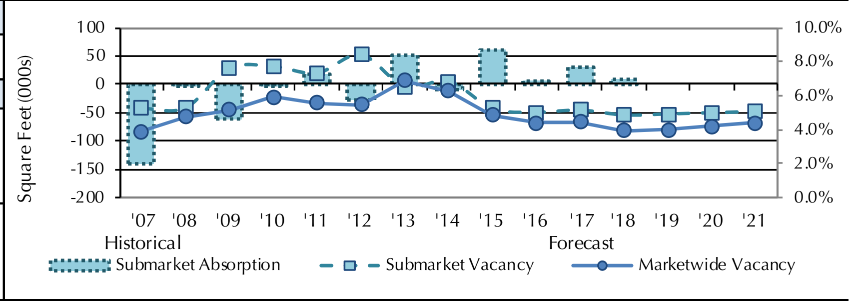
Westside Submarket

Absorption YTD

Vacancy

Prior Quarter (2017Q2)
18 bps
4.93%

Prior Year (2016Q3)
-50 bps
5.61%



Notes: All annual statistics are as of year end. CAGR is compound annual growth rate. Source: CoStar Market Analytics; Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

Net absorption was negative in the Olympia retail market in both 2009 and 2013, but was positive in the remainder of the past decade. The market recorded 234,000 square feet of positive absorption in 2015, the strongest mark since 2011. This was followed by 99,000 square feet of positive absorption in 2016 and 11,000 square feet of negative absorption through the third quarter of 2017. Strong absorption in recent years has allowed vacancy rates to approach pre-recessionary lows. As of third quarter 2017, vacancy stood at 4.49 percent in the market, 12 basis points below the prior quarter and 72 basis points below the previous year. CoStar Market Analytics expects demand to be roughly in line with new construction going forward, keeping vacancy rates relatively stable. As such, an average vacancy rate of 4.20 percent is projected through 2021.

Vacancy rates in the subject's Westside submarket have historically been weaker than the broader Olympia market over the past decade, averaging 6.53 percent. Submarket demand has been much more inconsistent, with negative absorption in six out of the past 11 years. The submarket recorded 61,000 square feet of positive absorption in 2015, which was followed by 7,000 square feet of positive absorption in 2016. However, absorption was negative through the third quarter of 2017 at 2,000 square feet. As of third quarter 2017, submarket vacancy was recorded at 5.11 percent, up 18 basis points from the prior quarter and down 50 basis points from the previous year. It should be noted that the submarket's relatively small size makes it vulnerable to large swings in vacancy, as large tenants entering or exiting the area can have an outsized impact. CoStar Market Analytics expects the vacancy to fall to 4.87 percent in 2018 and then slightly increase into 2021, averaging 5.01 percent from year-end 2016 to 2021. Overall, the submarket is forecasted to average only 8,000 square feet of positive net absorption annually through year-end 2021, keeping pace with new supply in the submarket.

Rental Rates: The following table summarizes historical and projected asking rents for the Olympia retail market along with rental rate data for the subject's Westside submarket since year-end 2007. It is worth noting that the rents detailed in the following chart reflect asking rents, which typically trend above effective rents due to the fact that the latter include concessions such as free rent and tenant improvement allowances.

RENTAL RATES				
	Quoted Rent			
	Olympia		Westside	
Year	Rent/SF/ Yr	Y-o-Y % Change	Rent/SF/ Yr	Y-o-Y % Change
Historical				
2006	N/A	--	N/A	--
2007	$19.82	--	$20.56	--
2008	$19.31	-2.54%	$19.87	-3.33%
2009	$17.96	-7.02%	$18.55	-6.67%
2010	$17.20	-4.19%	$17.96	-3.21%
2011	$16.62	-3.39%	$17.25	-3.94%
2012	$16.43	-1.15%	$16.95	-1.69%
2013	$16.52	0.57%	$17.06	0.62%
2014	$16.86	2.04%	$17.51	2.64%
2015	$17.18	1.89%	$18.00	2.78%
2016	$17.62	2.59%	$18.51	2.85%
CAGR/Averages	**$17.55**	**-1.29%**	**$18.22**	**-1.16%**
2017 Q3	$17.93	2.29%	$19.09	3.53%
Forecast				
2017	$17.98	2.00%	$19.13	3.38%
2018	$18.19	1.18%	$19.37	1.23%
2019	$18.52	1.84%	$19.72	1.84%
2020	$18.83	1.66%	$20.05	1.65%
2021	$19.07	1.28%	$20.31	1.27%
CAGR		**1.59%**		**1.87%**

Comparison to Prior Quarter

Olympia

$17.71

Westside

$18.62

Comparison to Prior Year

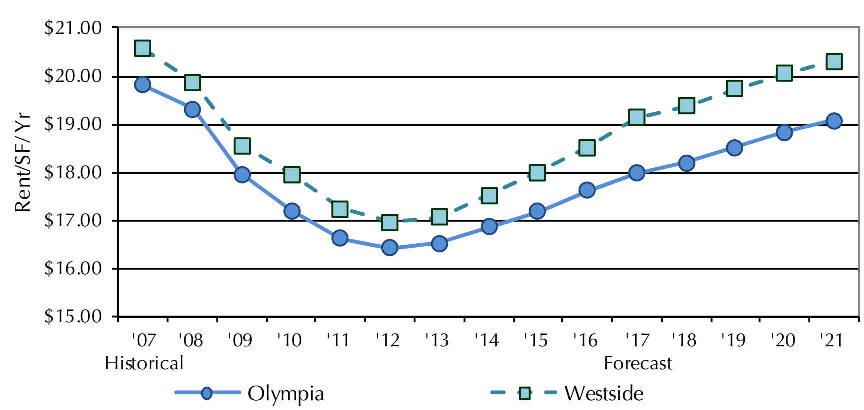
Olympia

$17.53

Westside

$18.44

Rental Rates



Notes: Quoted rents are asking/listing rates, not achieved. All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate. Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

While rental rates in the Olympia retail market declined in each year from 2008 through 2012, rents began to show signs of stabilization in 2013. Moderate rent growth of over 1.80 percent in each of the past three years has allowed rents to recover most of the recessionary losses. As of the third quarter of 2017, the average quoted asking rate stood at $17.93 per square foot per year, triple net, up 2.29 percent year-over-year. CoStar Market Analytics expects rental rates to grow at a compound annual rate of 1.59 percent through 2021, reaching $19.07 per square foot by year-end 2021.

Asking rents in the Westside submarket trended above the broader Olympia market over the past decade, with rents averaging $18.22 per square foot during this time. However, growth trends have been similar during this period, including strong rent growth over the past three years. As of the third quarter of 2017, the submarket's average asking rent stood at $19.09 per square foot per year, triple net. This represents a 3.53 percent decline year-over-year, though it remains 8.83 percent below the historical high witnessed in first quarter 2007. Through year-end 2021, CoStar Market Analytics forecasts the average asking rental rate in the submarket to grow at a compound annual rate of 1.87 percent, reaching $20.31 per square foot by the end of the forecast period.

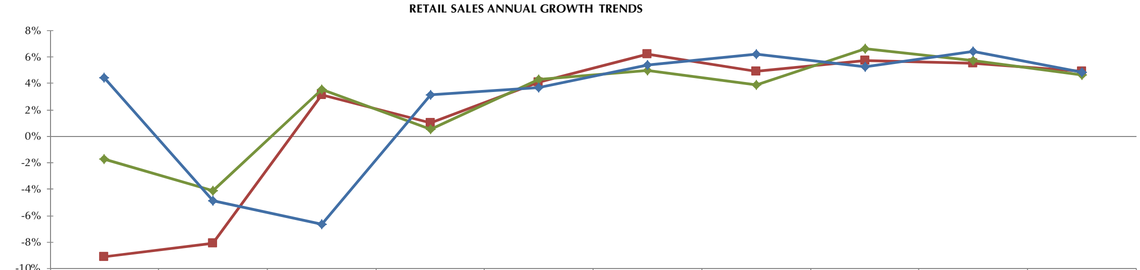
RETAIL SALES

The subject is located within the city of Olympia in Thurston County in the state of Washington. The following table details the retail sales for the city as compared to the county and state.

RETAIL SALES PERFORMANCE ($1,000s)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Avg. Annual Growth 2007-2017	Avg. Annual Growth 2016-2017
City of Olympia	**$1,151,099**	**$1,045,932**	**$961,696**	**$991,891**	**$1,001,750**	**$1,042,950**	**$1,107,628**	**$1,162,423**	**$1,229,429**	**$1,297,539**	**$1,361,767**	**1.8%**	**4.9%**
Thurston County	$2,275,836	$2,236,068	$2,144,694	$2,220,787	$2,232,232	$2,328,972	$2,444,455	$2,539,471	$2,707,093	$2,862,891	$2,996,015	3.2%	4.6%
State of Washington	$58,055,035	$60,620,517	$57,661,930	$53,845,960	$55,523,122	$57,570,396	$60,662,784	$64,429,114	$67,800,733	$72,171,863	$75,672,198	3.0%	4.8%

RETAIL SALES ANNUAL GROWTH TRENDS



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
City of Olympia	-9.14%	-8.05%	3.14%	0.99%	4.11%	6.20%	4.95%	5.76%	5.54%	4.95%
Thurston County	-1.75%	-4.09%	3.55%	0.52%	4.33%	4.96%	3.89%	6.60%	5.76%	4.65%
State of Washington	4.42%	-4.88%	-6.62%	3.11%	3.69%	5.37%	6.21%	5.23%	6.45%	4.85%

Source: Washington Retail Survey 2017 Edition
Compiled by NPV Advisors

Due to the national recession, the city, county, and state all experienced significant decreases in retail sales. However, they have all seen positive growth trends since 2010. Over the past decade, the city's sales growth rate lagged that of the county and state. From 2007 through 2017, the city averaged sales growth of 1.8 percent, while the county grew at 3.2 percent and the state grew at 3.0 percent. However, the 2016 to 2017 growth rates for the city outpaced the county and state. During this period, the city, county, and state grew at rate of 4.9 percent, 4.6 percent, and 4.8 percent, respectively.

CONCLUSION

Overall, the Olympia retail market indicators have been mixed in recent years, but are expected to improve over the long term. Strong demand over the past three years has pushed vacancy rates to relatively low levels. As a result, rent growth has been strong during this period. However, the market is still in the recovery phase and appears to be several years away from entering the expansionary cycle. The submarket has historically outperformed the broader market with regards to rental rates, though vacancy rates are typically higher. The lack of retail development in the pipeline should allow the market and submarket to perform well for the foreseeable future, as there is little risk of overexpansion. The subject benefits from being located in a slowly growing submarket, and should benefit from tight submarket conditions with growing rental rates.

TRADE AREA ANALYSIS

TRADE AREA ANALYSIS

This overview of the trade area for the subject will discuss the supply and demand characteristics of those elements of the local demographic profile and retail market that are likely to influence the retail sales, rents, and occupancy of retail development in the area. A retail property's trade area contains people who are most likely to patronize that particular tenant or tenant mix. A property's fundamental drawing power comes from the strength of its tenancy, though other factors including location and accessibility are also critical to a property's success.

The determination of the subject's trade area is generally subjective in the absence of an extensive empirical study and a current market interview of existing customers or other informal surveys. Our interviews with local leasing agents and managers as well as representatives of ownership helped us to form initial boundaries. They were further refined and shaped by our inspection including drive times and linkages and a study of shopping habits of shoppers of other similar retail properties in the relevant marketplace.

SHOPPING CENTER CLASSIFICATION

The International Council of Shopping Centers (ICSC) classifies shopping centers based on general tenancy, size, and anchor ratio specifications. Trends in shopping center development and definitions have changed over the years and numerous hybrids of the standard definitions have emerged. The following table provides an overview of the typical center classifications and their trade areas as determined by the International Council of Shopping Centers.

ICSC SHOPPING CENTER DEFINITIONS - US

Type of Center	Concept	Square Footage	Acreage	# of Anchors	Types of Anchors	Anchor Ratio	Primary Trade Area
General Purpose Centers							
Super-Regional Mall	Similar to regional center but has more variety and assortment	800,000 +	60 - 120	3 or more	Full-line department store, Jr. department store, mass merchant, discount department store, and/or fashion apparel	50 - 70%	5 - 25 miles
Regional Mall	General merchandise, fashion	400,000 - 800,000	40 - 100	2 or more	Full-line department store, Jr. department store, mass merchant, discount department store, and/or fashion apparel	50 - 70%	5 - 15 miles
Community	General merchandise, convenience	125,000 - 400,000	10 - 40	2 or more	Discount department store, supermarket, drug, home improvement, large specialty/discount apparel	40 - 60%	3 - 6 miles
Neighborhood	Convenience	30,000 - 125,000	3 -5	1 or more	Supermarket	30 -50%	3 miles
Strip	Narrow mix of goods & personal	< 30,000	<3	None	Convenience store	N/A	< 1 mile

Specialized Purpose Centers							
Power	Category dominant anchors, few small tenants	250,000 - 600,000	25 - 80	3 or more	Category killer, home improvement, discount department store, warehouse club, off-price	75 - 90%	5 -10 miles
Lifestyle	Upscale national chain specialty stores, dining and entertainment in outdoor setting	150,000 - 500,000	10 -40	0 - 2	Not usually anchored in the traditional sense but may include book store, other large format specialty retailers, multiplex cinema, small department store	0 - 50%	8 -12 miles
Factory Outlet	Manufacturers' outlet stores	50,000 - 400,000	10 -50	N/A	Manufacturer's outlet stores	N/A	25 - 75 miles
Theme/Festival	Leisure, tourist-oriented, retail and service	80,000 - 250,000	5 -20	N/A	Restaurants, entertainment	N/A	25 - 75 miles

Primary Trade Area denotes the region from which 60 - 80% of the center's sales originate.
Source: ICSC as of April 2017; Compiled by NPV Advisors

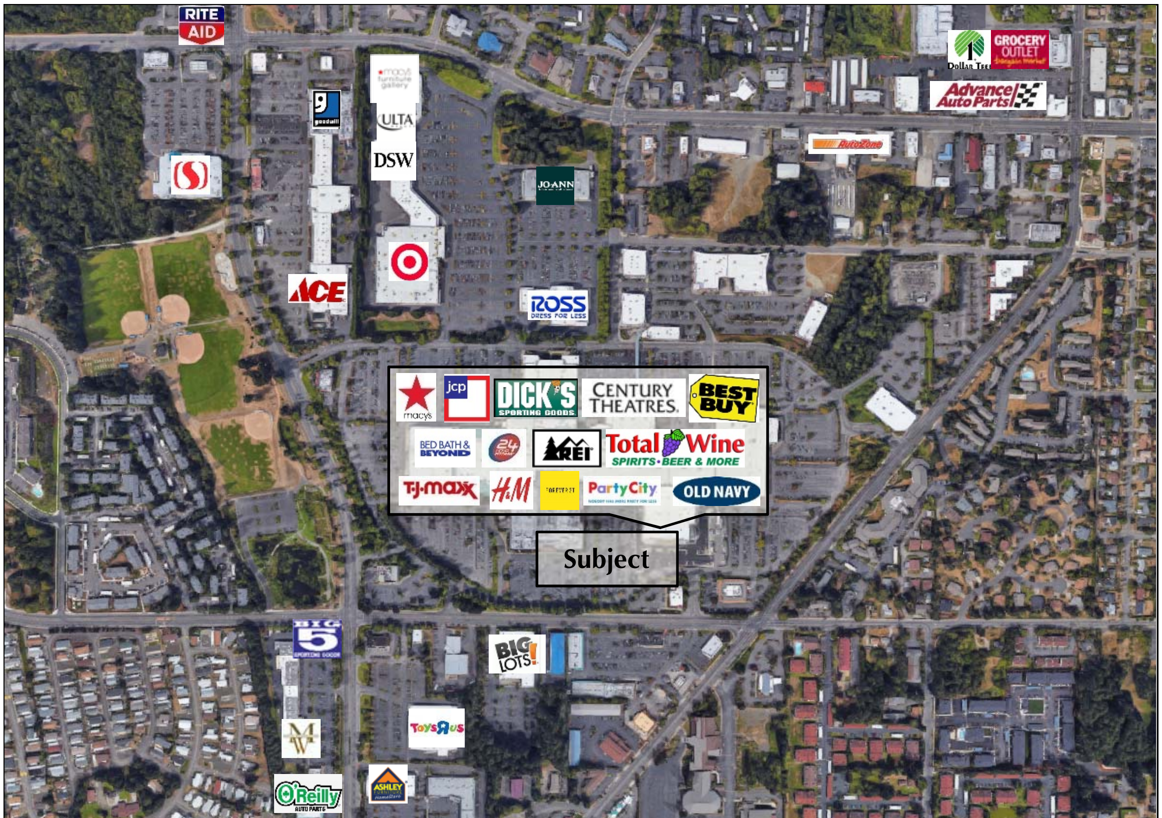
Based on the subject's physical traits and tenant mix, it would most accurately be classified as a regional mall. ICSC's *Dictionary of Shopping Center Terms* defines the core features of a regional center:

> This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant or discount department stores, or fashion specialty stores. A typical regional center is usually enclosed, with an inward orientation of the stores connected by a common walkway, and parking surrounds the outside perimeter.

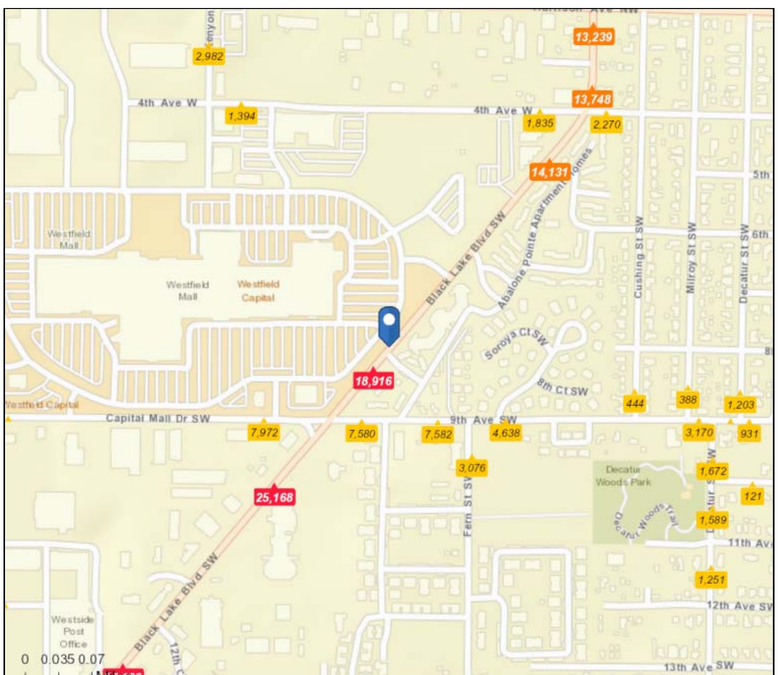
The typical trade area for regional malls is five to 15 miles. Numerous other factors can impact a property's trade area including overall commercial and residential density, accessibility, traffic profile, social influences, shopping patterns, and competition. These are discussed in further detail in the following analysis.

TRADE AREA DETERMINATION

Shopping Patterns and Traffic Profile: Existing shopping patterns can impact a center's drawing power. Shoppers who already frequent a location for their entertainment and goods can be hard to shift. The subject is located in a mixed-use area with residential and retail uses. In addition, the subject is located along a primary retail corridor, Copper Point Road, and is adjacent to several complementary retail uses. The subject should also benefit from strong traffic patterns along the nearby US-101 highway. The immediate market (up to two miles) currently shops in the subject's neighborhood for their daily needs. Current shopping patterns in the subject's local area are considered good and this trend should continue for the foreseeable future. The following maps detail major retail uses and traffic patterns near the subject.

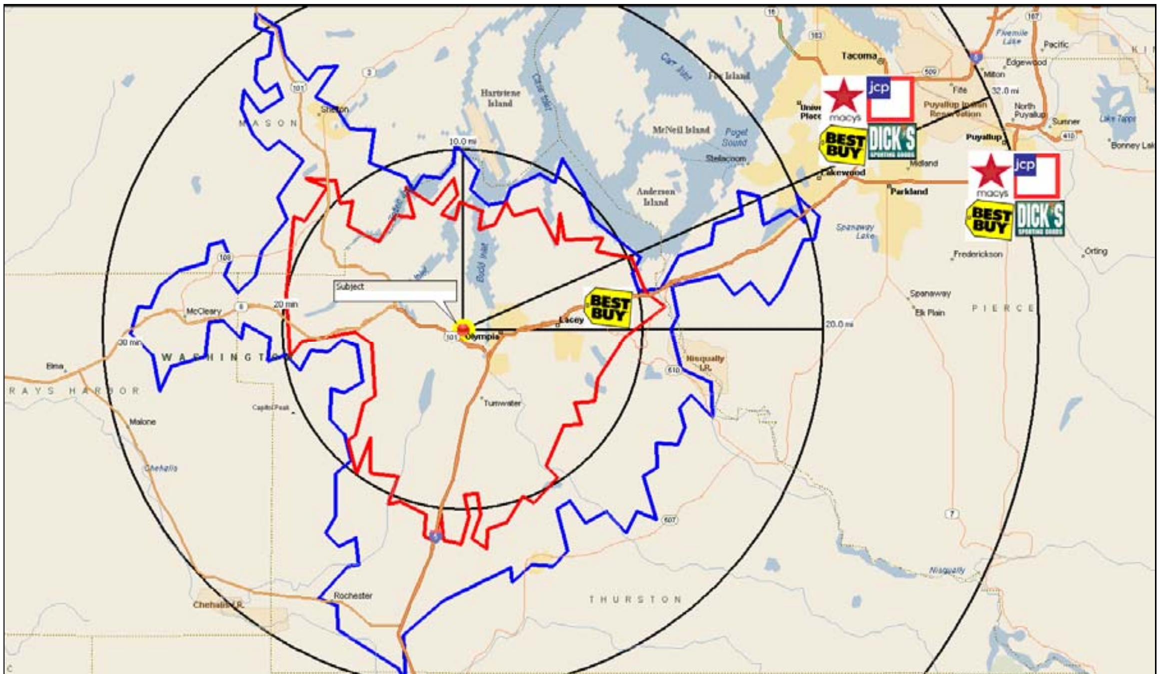


LOCAL RETAIL NODE



LOCAL TRAFFIC COUNT MAP

Tenant Drawing Power: The subject is a regional mall anchored by Macy's JCPenney, Best Buy, Dick's Sporting Goods, and Cinemark Theatres. In order to measure the drawing potential for these tenants, we have reviewed the locations of the nearest same-store competition. Further analysis for the subject's movie theater is included later in this report. The following map details same-store competition for the subject's non-theater anchors, along with a corresponding drive-time analysis of 20 and 30 minutes.



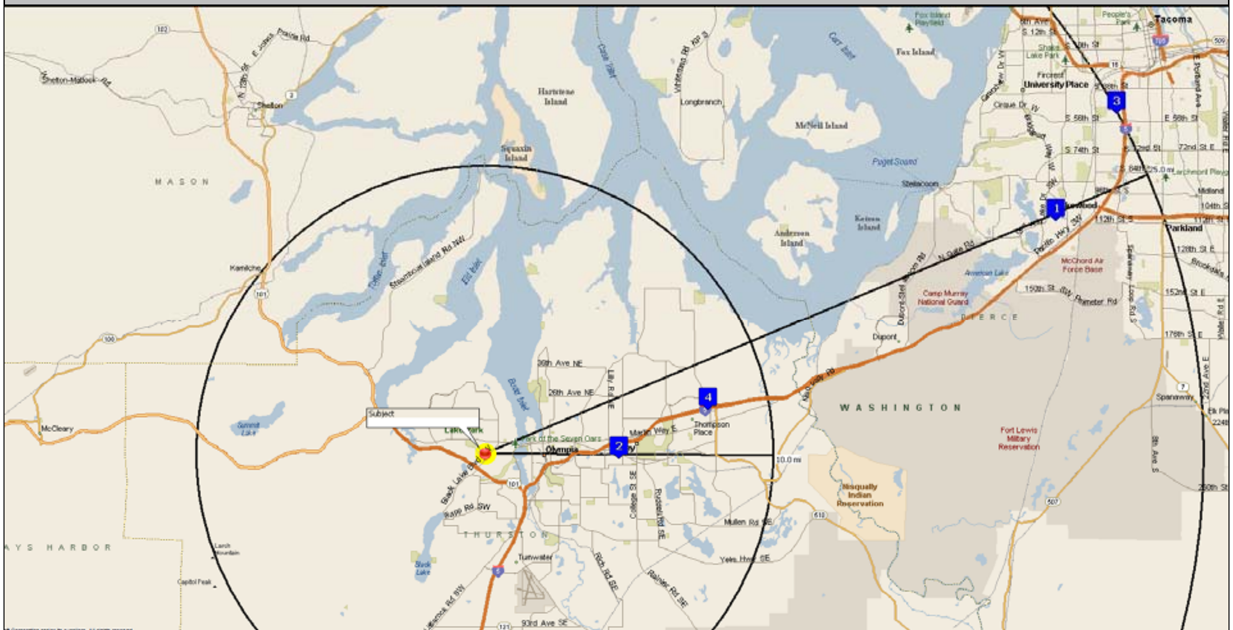
MACY'S, JCPENNEY, BEST BUY, AND DICK'S SPORTING GOODS COMPETITION MAP

The subject faces relatively light competition from its anchor stores in the nearby area. Within 10 miles of the subject, Best Buy faces one same-store competitor. In addition, competition is almost nonexistent to the north, south, and west of the subject. However, the subject faces most of its competition between 20 and 30 miles to the northeast, where Tacoma Mall and South Hill Mall each have four competing anchors. Competition in the area is constrained somewhat by several inlets to the north of the subject, along with wooded, mountainous terrain in other directions. The surrounding areas are generally sparsely populated, with the exception of the northeast.

Drive Time Analysis: In correlation with our anchor analysis, we have examined drive times of 20 and 30 minutes from the subject. The critical mass of retailers and proper tenant mix will determine if a center is able to achieve the maximum drive time influence. Based on the subject's tenant mix and the competitive landscape, a drive-time zone of no more than 30 minutes is projected in all directions. This indicates a potential trade area of approximately 20 miles in most directions.

Competing Centers: In order to examine the subject in its proper context, we must examine the nature of its competition with emphasis on analyzing what is likely the primary and secondary competition of the subject. The subject is a regional mall and the most germane competition within the marketplace would include similar centers. Therefore we have surveyed the local centers which will compete with the subject. The following map and table present details of the subject's competition.

COMPETING SHOPPING CENTERS



			
COMP 1 Lakewood Towne Center	**COMP 2** South Sound Center	**COMP 3** Tacoma Mall	**COMP 4** Outlets at Lacey

COMPETITIVE PROPERTY SURVEY					
Item	**Subject**	**1**	**2**	**3**	**4**
Name/Location	Capital Mall 625 Black Lake Blvd SW Olympia, WA	Lakewood Towne Center 6111 Lakewood Towne Center Blvd SW Lakewood, WA	South Sound Center 525 Sleater Kinney Rd SE Lacey, WA	Tacoma Mall 4502 S Steele St Tacoma, WA	Outlets at Lacey Britton Pkwy & Marvin Rd Lacey, WA
Property Overview					
Classification	Regional Mall	Power Center	Power Center	Super Regional Mall	Factory Outlet
Completion/Renovation	1978	1956/2007(R)	1947/2007(R)	1964/2000(R)	Proposed
Center GLA	800,857	870,749	621,978	1,401,326	320,000
Anchor	337,902	537,505	386,264	1,044,402	184,600
Shop & Pad Space	462,955	333,244	235,714	356,924	135,400
Total Occupancy	96.3%	90.8%	91.0%	100.0%	N/A
Anchor Space Occupancy	91.0%	87.6%	93.7%	100.0%	--
Shop Space Occupancy	100.0%	93.3%	86.5%	100.0%	--
Anchor Tenants	Macy's, JCPenney, Best Buy, Dick's Sporting Goods, Cinemark Theatres	24 Hour Fitness, AMC Theatres, Bed Bath & Beyond, Burlington Coat Factory, Marshalls, Michaels, Office Depot, Old Navy, PetSmart, Pier 1 Imports, Ross Dress for Less, Safeway, Target, Barnes & Noble, Crunch	Kohl's, Marshalls, Michaels, PetSmart, Sears, Target	Best Buy, JCPenney, MAC, Nordstrom, Sears, Babies R Us, Dick's Sporting Goods, Forever 21, H&M, Old Navy, Toys R Us	Unknown
Demographics (10 Miles)					
2017 Households	89,428	194,634	91,037	247,850	88,850
2017 Avg. Household Income	$80,257	$70,527	$80,465	$74,263	$79,072
Aggregate Income Index	1.00	1.91	1.02	2.56	0.98
Daytime Employment	118,961	234,673	119,330	299,380	120,019
Leasing Metrics					
Asking Rates Anchor	Withheld	Withheld	$8.00	N/A	N/A
Asking Rates Shop Space	N/A	$15.00 - $26.00	$16.00	N/A	N/A
Contract Rates Shop Space	Withheld	Withheld	Withheld	Withheld	Withheld
Escalations	Annual or Scheduled	Annual or Scheduled	Annual or Scheduled	Annual or Scheduled	Annual or Scheduled
Expense Treatment	NNN	NNN	NNN	NNN	NNN
Expenses	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Free Rent	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Term of Lease	3 - 20 years	1 - 5 years	1 - 5 years	Negotiable	Negotiable
Available Spaces (square feet)	30,369	89,086	70,325	0	320,000
TI Allowance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Date of Survey		Dec-17	Dec-17	Dec-17	Dec-17

Source: Market Survey by NPV Advisors

PRIMARY COMPETITION

The competition represents the most similar centers serving this general area. The subject is the most dominant retail destination within the Olympia market. The nearest competing mall is 25 miles northeast in Tacoma, which is included as Competition 3. Competition 1 and 2 are actually power centers with a similar tenant base compared to the subject. They have been included because they are also domain retail centers for the market. It should be noted that the Competition 4, Outlets at Lacey is a proposed development, which has not yet announced a groundbreaking date. However, this center is likely to compete with the subject if/when it is completed.

The competing centers generally offer similar tenant mixes. In addition, the competing centers generally report strong occupancy rates. Overall, the subject benefits from its size and tenant mix, and it is well-positioned to compete in the market.

We note that the nearest mall to the west, Shoppes at Riverside, is over 50 miles away in the small town of Aberdeen, and is substantially inferior in quality, tenancy and size. It features a Sears, movie theater, and a modest amount of shop space. The nearest mall to the south, Three Rivers Mall, is over 50 miles away in Longview, WA. It features a Target and JC Penney and a modest amount of shop space, and is also vastly inferior to the subject in condition, tenancy and size.

MOVIE THEATER TRADE AREA ANALYSIS

As discussed previously in this section, a retail center's trade area contains people who are likely to patronize that particular retail center. The same can be said for a movie theater's trade area. Also, the center's fundamental drawing power comes from the strength of the major tenants. The same could be said for movie theaters, wherein the larger, better-capitalized theater operators can construct state-of-the-art megaplex theaters that are more in demand by moviegoers. In this respect, the movie theater becomes an "anchor" and a destination center in its own right. In that regard, theaters are closely associated with retail properties with respect to location, economic trends, and consumer behavior. Many times they are freestanding, but due to the synergy, they are often merged with a shopping center.

In order to define and analyze the market potential for the subject's theater, it is important to first establish the boundaries of the trade area from which the subject will draw its customers. Defining the trade area may be complicated by the existence of other theaters whose trade areas overlap with that of the subject. The subject's theater is generally considered to be superior to the general market in terms of technology and luxury features. Furthermore, the subject's theater could potentially create a significant amount of drawing power for the subject property.

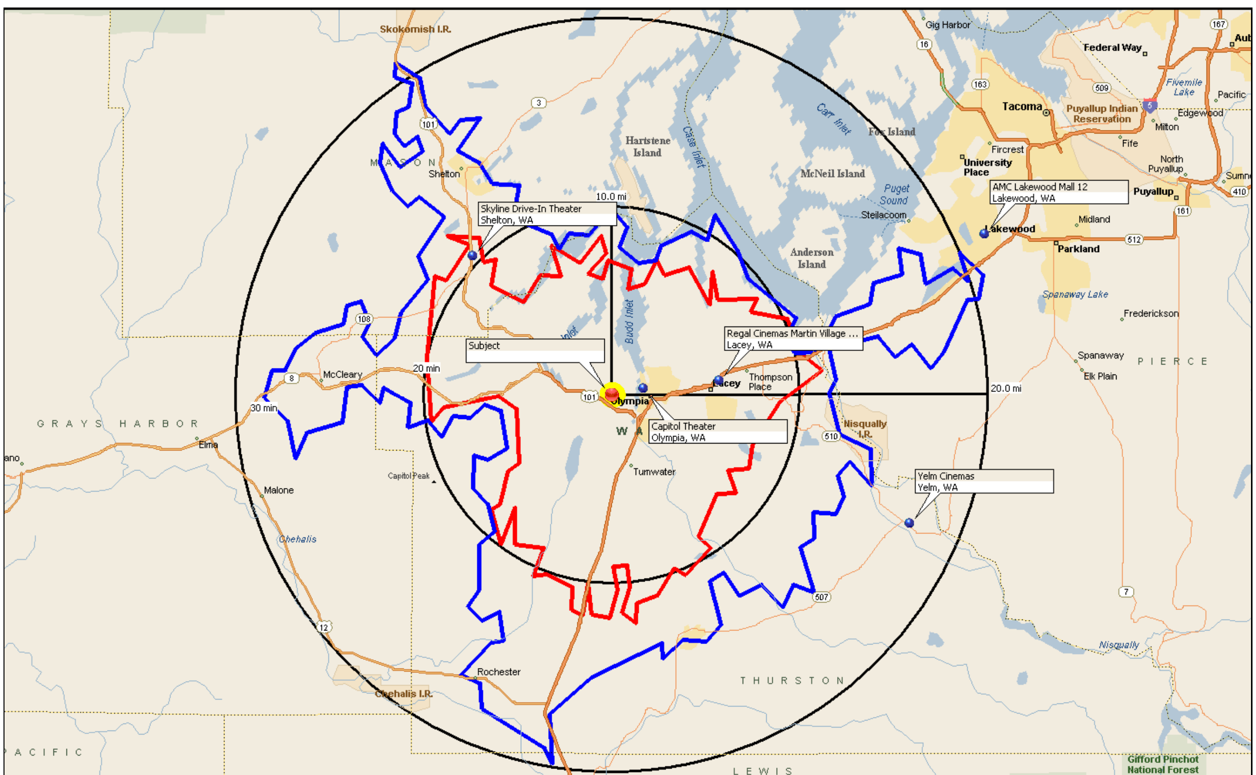
Within 10 miles of the subject, there are two existing theaters, only one of which, however, will directly compete with the subject. Capitol Theater is located only 1.7 miles east of the subject and is a historic, single-screen theater. This theater is unlikely to compete with the subject, however, as it primarily shows independent films, classic films, and also some musical performances. The other theater within 10 miles of the subject is Regal Cinemas Martin Village 16 & IMAX, which is located 5.7 miles east of the subject. This theater features amenities such as stadium seating and and IMAX screen, along with reserved seating on some screens. Like the subject, this theater is situated within a larger shopping center, namely Martin Village, which is home to Burlington Coat Factory, Payless ShoeSource, and Furniture Factory Direct. However, the subject has a much stronger tenant mix compared to Regal Cinemas Martin Village 16 & IMAX.

Within 20 miles of the subject, there are a total of nine additional competitive screens within two theaters. The nearest of these theaters is Skyline Drive-In Theater, which is located 10.3 miles northwest of the subject. This drive-in theater includes one screen and is only open seasonally. Yelm Cinemas, which has eight screens, is located 17.3 miles southeast of the subject and includes luxury recliners and reserved seating. Overall, the subject should boast amenities that are superior to most theaters in the trade area, and it will likely capture its fair share of the market. It should be noted that competition is particularly limited to the north, south, and west of the subject, suggesting that the potential trade area could extend much further in these directions. The following table and map summarize the subject's competition.

THEATER COMPETITION

Theater	City	Comments	Distance & Direction	No. of Screens
		10-Mile Radius Competition		
Capitol Theater	Olympia, WA	Independent theater	1.7 miles east	1
Regal Cinemas Martin Village 16 & IMAX	Lacey, WA	3D, stadium seating, IMAX screen, reserved seating	5.7 miles east	16
			10-Mile Radius Sub Total	**17**
		20-Mile Radius Competition		
Skyline Drive-In Theater	Shelton, WA	Drive-in, open seasonally	10.3 miles northwest	1
Yelm Cinemas	Yelm, WA	Luxury recliners, reserved seating	17.3 miles southeast	8
			20-Mile Radius Sub Total	**9**
Subject - Cinemark Century Olympia	Olympia, WA	Digital, 3D, stadium seating, luxury recliners, reserved seating, arcade		14
			Total Including Subject	40
			Total Including Subject - Within 10 Miles	31
			Total Including Subject - Within 20 Miles	23

Source: Field Survey by NPV Advisors



THEATER COMPETITION MAP

NPV advisors national property valuation

Theater Feasibility: Cinemark Century Olympia occupies 45,171 square feet of building area with 14 screens. Cinemark's total rent is $10.50 per square foot per year. It is a gross lease. Dividing this by acceptable range of occupancy cost of 20 to 23 percent for theaters indicates a required sales level of $45.65 to $52.50 per square foot for the theater to operate at a healthy level. We note that the theater's current sales of $138 per square foot exceed the required level.

The movie theater industry's longstanding "rule of thumb" for the amount of population that it takes to economically support a movie screen has dropped in recent years from 10,000 per screen, to a range of 7,000 to 8,000 people per screen. This drop in the number of people required to support a movie screen has been fueled primarily by a significantly stronger percentage increase in movie screens added over the past decade, in relation to the more modest percentage increase in attendance growth. There are 31 first-run screens within 10 miles of the subject (including the subject). There are nine additional screens within a 20-mile radius from the subject. The following table depicts the population per screen within a 10- and 20-mile radius of the subject.

POPULATION PER SCREEN		
Radius	**10 Miles**	**20 Miles**
Population	217,089	379,116
Subject Screens	14	14
Alternative Screens	17	26
Population Per Screen	7,003	9,478

The 10-mile radius, including the subject theater, appears to be slightly oversupplied with movie screens, in terms of screens per person compared to the national levels. The 20-mile radius, however, appears to be moderately undersupplied. Using a rate of 7,500 people per screen, the local market could support a minimum of 29 screens within a 10-mile radius and 51 screens within a 20-mile radius. The 31 screens within a 10-mile radius and 40 screens within a 20-mile radius appear to have slightly undersupplied the market.

According to the National Association of Theatre Owners, the US ticket revenue in 2016 was $11.4 billion, up from $11.1 billion in 2015. The US population was reported to be 323,580,626 in 2016 and there were 40,174 screens nationally, implying ticket revenue of $35.14 per capita or $283,069 per screen. Ticket revenue represents approximately 70 percent of total theater revenue, including concessions. This indicates total revenues of $50.21 per capita, or $404,384 per screen. Our capture rate analysis is summarized in the following table.

THEATER REVENUE ANALYSIS					
	National	Local Area		Local Area 2022	
Item	2016	10 Mile Radius	20 Mile Radius	10 Mile Radius	20 Mile Radius
Total Ticket Revenue Per Capita					
Total Ticket Revenue	$11,372,000,000	$7,629,431	$13,323,749	$8,087,853	$14,034,401
Population	323,580,626	217,089	379,116	230,133	399,337
Total Ticket Revenue Per Capita (Trade Area is based on the national figure)	$35.14	$35.14	$35.14	$35.14	$35.14
Total Ticket Revenue Per Screen					
Number of Screens (including the subject)	40,174	31	40	31	40
Average Ticket Revenue Per Screen	$283,069	$246,111	$333,094	$260,898	$350,860
Total Theater Revenue Per Capita					
Total Ticket Revenue	$11,372,000,000	$7,629,431	$13,323,749	$8,087,853	$14,034,401
Ticket Revenue as Percent of Total Theater Revenue	70%	70%	70%	70%	70%
Total Theater Revenue	$16,245,714,286	$10,899,187	$19,033,928	$11,554,075	$20,049,145
Population	323,580,626	217,089	379,116	230,133	399,337
Total Revenue Per Capita (Trade Area is Based on the National Figure)	$50.21	$50.21	$50.21	$50.21	$50.21
Total Theater Revenue Per Screen					
Number of Screens (including the subject)	40,174	31	40	31	40
Average Revenue Per Screen	$404,384	$351,587	$475,848	$372,712	$501,229
Minimum Theater Revenue at the Subject Per Screen					
Minimum Required Theater Revenue at the Subject		$2,062,154	$2,062,154	$2,062,154	$2,062,154
Number of Screens at Subject		14	14	14	14
Minimum Theater Revenue at Subject Per Screen		$147,297	$147,297	$147,297	$147,297
Capture Rate					
Minimum Theater Revenue at Subject		$2,062,154	$2,062,154	$2,062,154	$2,062,154
Total Potential Theater Revenue in Trade Area		$10,899,187	$19,033,928	$11,554,075	$20,049,145
Subject Capture Rate		18.92%	10.83%	17.85%	10.29%
Subject Screens/Total Screens		45.16%	35.00%	45.16%	35.00%

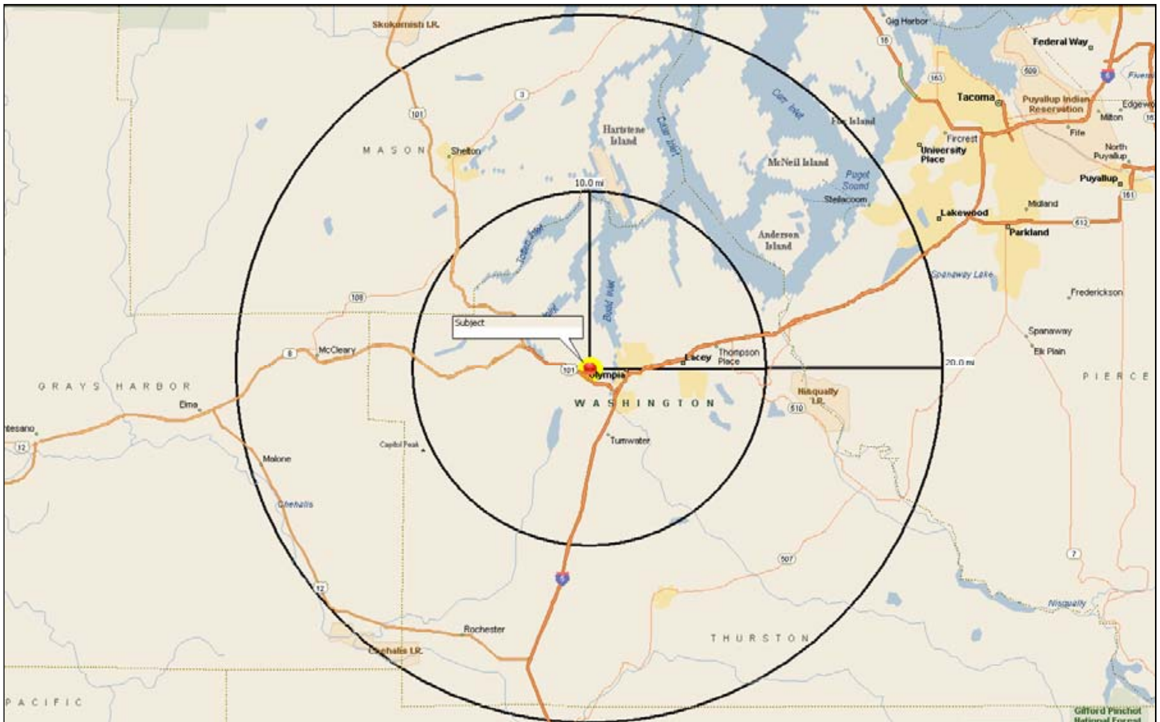
Source: NPV Advisors

Based on the above analysis, the subject needs to capture 18.92 percent of the demand from within 10 miles and 10.83 percent of the demand within 20 miles. The subject has 45.16 percent of the competitive screens within 10 miles and 35.00 percent of the screens within 20 miles. There is limited change considering projected population levels in 2022. The subject recorded $6,231,694 in sales over the trailing 12 months. At this level, the subject captured 57.2 percent of the market potential in 10 miles and 32.7 percent of the market in 10 miles. The capture rate is well above the fair share, which is positive for the subject's long-term success.

Regional Theater Market Conclusion: The subject's theater is a core theater in the trade area and it offers the best physical appeal in the market. This will also directly contribute to the success of shops at the subject. The immediate market is slightly undersupplied with screens, which should further emphasize the subject's superior amenities compared to other theaters in the area. In addition, competition is extremely limited to the north, west, and south of the subject, suggesting that the subject should be able to draw from a larger area. Due to the subject's size, location, and design, it is expected to have the physical attributes to compete.

TRADE AREA DETERMINATION CONCLUSION

Based on our review of area traffic patterns, accessibility, geographical constraints, competitive supply, and surrounding residential developments, we believe that the subject's primary trade area is a 10.0 mile radius and the subject's secondary trade area is a 20.0 mile radius. However, we note that the trade area could extend much further to the west, north, and south. Due to competition to the northeast, the subject is unlikely to draw customers from over 10 miles in this direction. The following map illustrates the subject's trade area.



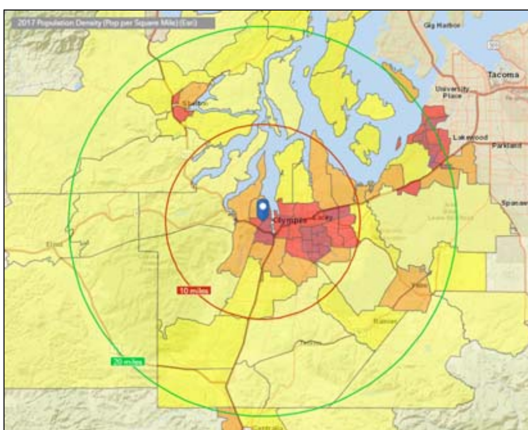
TRADE AREA MAP

TRADE AREA DEMOGRAPHICS

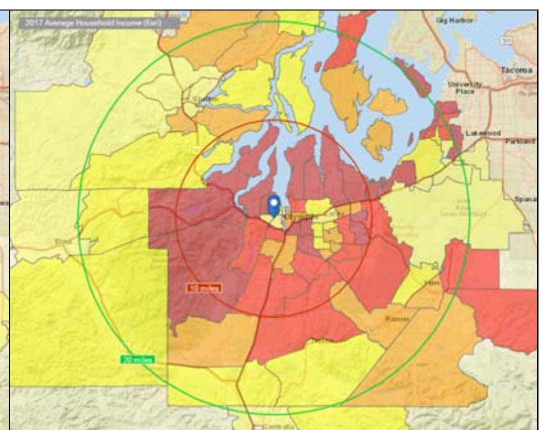
Once the trade area is defined, the area's demographic and economic profile can be analyzed. This will provide key insight into the area's dynamics as it relates to the subject. Selected trade area demographics within the subject's primary and secondary trade areas are shown in the following table, along with county and national statistics.

TRADE AREA DEMOGRAPHICS				
	Primary	Secondary	Comparison	
Item	10 -Mile Radius	20 -Mile Radius	Thurston County	Nation
Population				
2010 Actual	200,210	351,018	252,264	308,745,538
2017 Estimate	217,089	379,116	273,662	327,514,334
2022 Projected	230,133	399,337	290,436	341,323,594
2010 - 2017 CAGR	1.16%	1.11%	1.17%	0.85%
2017 - 2022 CAGR	1.17%	1.04%	1.20%	0.83%
Median Age	38.5	37.4	38.4	37.9
Daytime Population	213,074	359,606	254,812	--
Households				
2010 Actual	81,578	135,840	100,650	116,716,292
2017 Estimate	88,001	145,154	108,672	123,158,887
2022 Projected	93,130	152,761	115,095	128,069,416
2010 - 2017 CAGR	1.09%	0.95%	1.10%	0.77%
2017 - 2022 CAGR	1.14%	1.03%	1.16%	0.79%
Avg. Household Size	2.43	2.51	2.48	2.59
Per Capita Income				
2017 Estimate	$37,056	$33,190	$35,264	$30,820
2022 Projected	$41,787	$37,679	$39,829	$34,828
2017 - 2022 CAGR	2.43%	2.57%	2.46%	2.48%
Average Household Income				
2017 Estimate	$90,131	$84,459	$87,612	$80,675
2022 Projected	$102,041	$96,386	$99,382	$91,585
2017 - 2022 CAGR	2.51%	2.68%	2.55%	2.57%
Households with Income ≥ $50,000	66.10%	63.00%	65.70%	55.90%
Households with Income ≥ $75,000	47.50%	43.60%	46.40%	38.10%
Households with Income ≥ $100,000	31.60%	28.00%	30.10%	25.70%

Source: Esri; Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017



POPULATION DENSITY



AVERAGE HOUSEHOLD INCOME

PULL FACTORS

Initially consideration is given to the local demographic composition and the existing pull of the area. To quantify reasonable draw for the trade area, we have calculated total trade area capture (TAC). Community economic development organizations use this methodology to determine retail sale surplus and leakage. Trade Area Capture utilizes household, income, and retail expenditure information to analyze the drawing power of a given area in comparison to the broader area. This model of analysis incorporates an underlying assumption that preferences are similar across the areas examined. If a trade area capture in total households is higher than the number of existing local households, then a couple of factors can be at play: the local retail attracts customers outside of the local area and/or residents of the city are spending more than the broader area average. Indexing the trade area capture to the local population, we have determined a retail sales gap, or pull factor for the area analyzed. The following table details the interpretation of a pull factor.

PULL FACTORS DEFINED		
Pull Factor		Interpretation
> 1.0	Pull	Attracts spending from households outside of the trade area
= 1.0	Balanced	Spending from local residential base
< 1.0	Gap	Spending leakage as local households travel outside the trade area to shop

We note that the larger the geographic area considered, the greater the ability of the area to supply and meet its consumer demand. This smoothing affect for larger geographic areas causes the pull factor to yield toward 1.0 as the residential base and trade area capture align more closely. The following table details pull factors by segment for the primary and secondary trade areas.

TRADE AREA PULL FACTORS BY SEGMENT		
	Pull Factor	
Segment	Primary	Secondary
Furniture & Home Furnishings	0.64	0.34
Electronics & Appliance Stores	0.85	0.41
Building Materials, Garden & Supply	1.26	0.67
Food & Beverage Stores	1.29	0.70
Health & Personal Care	1.26	0.77
Gas Station	0.70	0.62
Clothing & Accessories	0.62	0.29
Sporting Goods, Hobby, Book, and Music Stores	1.55	0.74
General Merchandise	2.18	1.08
Miscellaneous Store Retailers	0.88	0.50
Food Service and Drinking Places	1.07	0.63
Overall Sales (excluding automotive and nonstore retailers)	1.24	0.68

Notes: Pull Factor = Trade Area Capture / Trade Area Households
Source: Esri; Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017

According to the preceding analysis, the primary trade area has an overall pull factor of 1.24. The three strongest segments within the trade area are General Merchandise; Sporting Goods, Hobby, Book, & Music Stores; and Food & Beverage Stores. These segments have pull factors of 2.18, 1.55, and 1.29, respectively. Clothing & Accessories, the mainstay of mall properties, has a pull factor of 0.62, suggesting that many people travel outside the primary trade area for these products. Other weak segments include Miscellaneous Store Retailers, Electronics & Appliance

Stores, Gas Stations, and Furniture & Home Furnishings. Each of these segments, along with the aforementioned Clothing & Accessories segment, recorded pull factors of less than 1.0.

Meanwhile, the secondary trade area has a pull factor of 0.68, meaning the secondary area is less heavily concentrated with retail goods than the immediate trade area. This comparatively weaker pull is likely influenced by the limited retail draws outside of the immediate trade area, as well as the relatively strong draw of retail centers closer to Tacoma and Seattle. This is particularly true for the Clothing & Accessories segment, which has a pull factor of just 0.29. Leakages in the secondary trade area are present in all segments, except for the General Merchandise segment.

TRADE AREA ANALYSIS CONCLUSION

The subject is located in an established, relatively affluent market in the city of Olympia. It is located along primary arteries in the area and offers a unique tenant mix for the area. There are no foreseeable changes in shopping patterns in the local market. It is clear that tenant interest is up significantly compared to recessionary lows, and retailers are again seeking to expand within the market. Over the long term, the subject should be able to maintain its position in the market due to its location, physical appeal, and overall tenant mix.

PROPERTY DESCRIPTION

SITE ANALYSIS

The description of the site can be detailed as follows.

Location			
Address:	625 Black Lake Blvd. SW, Olympia, Washington 98502		
Descriptive Location:	NWC of Black Lake Boulevard SW and Capital Mall Drive SW		
Parcel Summary			
Parcel No.	Notes	Acres	Square Feet
12816430304	Macy's	10.10	439,956
12816430300	Main Mall/Parking	49.48	2,155,349
12816430303	Western parcel	9.64	419,918
12816410000	Community Center	15.95	694,782
Total Site Area		85.17	3,710,005
Site Area Source:	Thurston County Assessor		
Shape:	Irregular, functional		
Frontage:	Capital Mall Drive SW, Black Lake Boulevard SW, 4th Avenue W, Cooper Point Road SW		
Depth:	1200 ft.		
Topography:	Level		
Drainage:	Adequate		
Visibility:	Very Good		
Excess Land:	None		
Surplus Land:	None		
Flood Map			
Map No(s).:	53067C0166E		
Zone Code:	X		
Date:	October 16, 2012		

FEMA defines Zone X as "Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones."

Surrounding Land Uses	
North:	Retail centers and commercial uses along Harrison Avenue NW
South:	Retail and small scale commercial, including some medical use
East:	Small-scale commercial and multifamily use along Black Lake Boulevard, followed by single-family residential
West:	Public park, multifamily residential

Accessibility	**Yes**	**No**	**Utilities**	**Yes**	**No**
Traffic Signal	✓		Underground	✓	

Alley		✓	Electric	✓
Paved Streets	✓		Gas	✓
Corner Lot	✓		Sewer	✓
Sidewalks	✓		Storm/Drain	✓
Curb Cuts	✓		Water	✓
Curb & Gutters	✓			
Rail Spur		✓		

Site Issues

Easements/Restrictions:	Yes	We were not provided with a title report. The subject is encumbered by utilities and related easements. It is specifically assumed that these and any other easements, restrictions, or encroachments that might appear against the title have no adverse impact on the marketability or value.
Assume Adequate Soils:	Yes	No adverse subsoil was observed at the time of inspection.
Environmental Issues:	No	We were not provided with an environmental assessment of the property. Our value estimate is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was apparent at the time of our inspection. We have no knowledge of the existence of additional substances on or in the subject. However, we are not qualified to detect hazardous waste or toxic materials.
Earthquake Zone:	No	We are not qualified to determine if fault lines do or do not affect the property. We recommend that the client obtain an engineering study related to the geological stability of the subject and surrounding areas if additional information is required.
Endangered Species:	No	The value estimate rendered herein is predicated on the assumption that there are no endangered species on site that would measurably impact the value. We have no knowledge of the existence of any endangered species on the subject. However, we are not qualified to detect these.
Wetland Restrictions:	No	To the best of our knowledge, the site is unencumbered by wetlands restriction.

Site Advantages and Disadvantages

The site is well-located with good frontage along a primary commercial artery for the area. Access and visibility is good. There are no known disadvantages to the site.

Source Information

The preceding description of the site is based on a review of the assessor's records as well as our physical inspection of the subject site and other information provided.

ZONING ANALYSIS

Subject's Zoning	
Zoning Jurisdiction:	City of Olympia
Current Zoning:	HDC-4, High Density Corridor 4
Legally Conforming:	Yes
Zoning Change:	Not likely
Ordinance Requirements	
Source:	City of Olympia Municipal Code
Uses Permitted:	This area is intended for high-intensity commercial, offices, and high-density multifamily residential uses. Permitted uses include apparel & accessory stores, home furnishings stores, restaurants, general merchandise stores, pharmacies, and specialty stores.
Uses Prohibited:	Industrial uses
Minimum Setbacks	
Front:	0 to 10 feet
Rear:	10 feet; 10 feet, plus 5 feet for each building floor above 2 stories if adjacent to MR7-13/MR10-18/RM-18/RM-24/RMH district
Side:	10 feet plus five feet for each building floor above 2 stories if adjacent to MR7-13/MR10-18/RM-18/RM-24/RMH district. Otherwise, none.
Upper Story:	Building floors above three stories which abut a street or residential district must be stepped back at least eight feet.
Maximum Height:	Up to 60 feet; Up to 70 feet if at least 50 percent of the required parking is under the building; Up to 75 feet if at least one story is residential. An additional 30 feet is permitted for a tower element at Capital Mall.
Minimum Lot Area:	1,600 square feet
Maximum Coverage:	70 percent for all structures; 85 percent of the site if at least 50 percent of the required parking is under the building.
Parking Requirements	
Markets, Shopping Centers and Large Retail/Wholesale Outlets:	Less than 15,000 sq. ft = 3.5 spaces for each 1000 sq. ft. of gross floor areas. 15,001 to 400,000 sq. ft = 4 spaces for each 1000 sq. ft. of gross floor area. More than 400,001 sq. ft. = 4.5 spaces per 1000 sq. ft. of gross floor area.
Other Retail Uses:	3.5 spaces per 1,000 SF
Zoning Conclusion	
Based on our site inspection and review of the zoning ordinance, the subject appears to be a legal and conforming use. Our valuation is predicated upon this assumption.	

IMPROVEMENT DESCRIPTION

The following is a more detailed description of the subject improvements based on information provided by representatives of ownership, our physical inspection, and our knowledge of similar properties.

Overview	
Property Type:	Regional Shopping Mall/Strip Mall
No. of Buildings:	10
No. of Stories:	1
Gross Leasable Area (Owned):	800,857 SF (Includes ground lease anchors)
LEED Certified:	No
Economic Age and Life	
Year Built:	1977, renovated throughout the years
Actual Age:	40
Condition:	Good
MVS Expected Life:	50
Effective Age:	20
Remaining Economic Life:	30
Density Summary	
Total Appraised Land Area:	3,710,005 SF
Gross Leasable Area:	800,857 SF
Land-to-Building Ratio:	4.63
Parking Summary	
Total Parking Spaces:	3500 spaces
Gross Leasable Area:	800,857 SF
Ratio (per 1,000 SF):	4.37
Comments: Parking is adequately distributed with good traffic flow	

Appraised Space Summary			
Space Category	No. of Suites	GLA	% of Total
Anchor (Macy's & JCPenney)	2	206,671 SF	25.8%
Jr. Anchor	6	184,787 SF	23.1%
Mall Shop > 10,000 SF	5	85,931 SF	10.7%
Mall Shop 5,000 - 9,999 SF	8	48,092 SF	6.0%
Mall Shop 2,000 - 4,999 SF	20	60,400 SF	7.5%
Mall Shop 1,000 - 1,999 SF	25	37,146 SF	4.6%
Mall Shop < 1,000 SF	4	2,764 SF	0.3%
Food Court	4	2,615 SF	0.3%
Kiosk	7	1,068 SF	0.1%
Theater	1	45,171 SF	5.6%
Jewelry	3	4,543 SF	0.6%
Inline Food	8	13,365 SF	1.7%

Pad Restaurant	4	28,297 SF	3.5%
Exterior Shop	7	32,397 SF	4.0%
Exterior Shop > 10,000 SF	2	31,917 SF	4.0%
Temp Tenants (Inline Specialty Leasing)(1)	10	15,693 SF	2.0%
Center Total	116	800,857 SF	
Appraised Center	116	800,857 SF	

Construction Features	
Construction Type:	C&D
Foundation:	Concrete
Structural System:	Concrete (mall and majors) and wood frame (pad space and inline space in community center)
Exterior Walls:	Stucco, masonry
Floor Construction:	Slab on grade
Roof:	Flat with compositional coverings
Windows/Doors:	Typical for retail use
Property Features	
General Layout:	The main mall structure runs generally east/west, with anchor stores at both ends and along the northern and southern sides. Pad restaurants are generally located in the corners of the main mall's parking lot area. The community center's in-line space is L-shaped, with additional anchors located in separate buildings.
Interior Finishes	
Floor Covering:	Commercial-grade tile
Interior Walls:	Painted sheetrock
Ceilings:	Suspended acoustical tile ceilings, with open truss in some anchor suites. Portions of the main mall hallway feature skylights.
Lighting:	Commercial-grade fluorescent or incandescent fixtures.
Mechanical Equipment	
HVAC:	Roof-mounted HVAC units
Electrical Service:	Adequate
Plumbing:	Standard commercial-grade fixtures. Adequate lavatories.
Fire Protection:	This appraisal assumes all space has adequate fire alarm systems, fire extinguishers, and/or other protection measures to meet local fire marshal requirements.
Elevator/Escalator:	None
Other Improvements	
Landscaping:	Good
Ancillary Structure:	None
Other Improvements:	None
Additional Property Information	

ADA Compliance:	The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. We are not qualified to determine compliance with the requirements of ADA. As such, the value(s) reported herein do not consider any possible noncompliance issues related to the ADA. Please refer to the specific limiting condition regarding ADA compliance.
Quality/Condition:	The subject is in good condition and is similar in design and appeal compared to competing properties in the relevant marketplace. It is inferior to newer construction.
Capital Expenditures:	We were not provided with a 5-year capital plan. The subject appears to be in good condition, and any upcoming capital items should be covered through a typical reserve allowance.
Functional Utility:	Overall, the subject has good functional utility.

Source Information

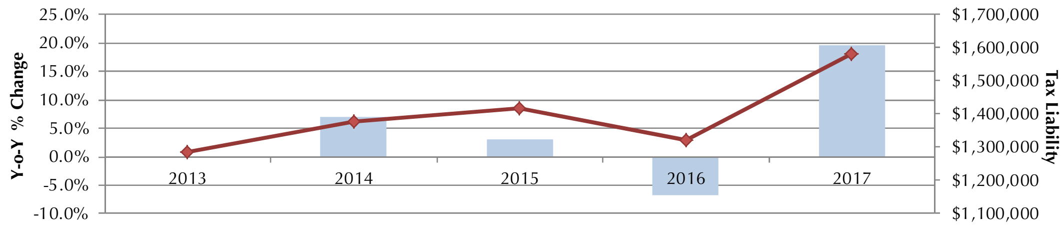
The preceding description of the improvements is based on a review of the assessor's records as well as our physical inspection of the subject improvements and other information provided.

REAL ESTATE TAX ANALYSIS

The following table provides an overview of assessment and taxation procedures and current real estate liability for the subject.

ASSESSMENT & TAX SNAPSHOT			
Assessment Overview			
Assessing Authority:	Thurston County Assessor		
Assessment Methodology:	Combination of sales comparison, income, and cost approaches		
Assessment Schedule:	Properties are required to be valued at a minimum of every four years; however, properties		
Assessment Ratio:	Washington state requires that county assessors appraise each property at 100 percent of its true and fair market value. However, in practice, most properties are assessed at 70 to 90 percent of market value.		
Equalization Ratio:	Not applicable		
	Yes	**No**	**Details**
Reassessed upon Sale:		✓	
Appeal Underway:		✓	
Assessment Caps:		✓	
Special Assessments:	✓		Noxious weed, conservation
Tax Liability Overview			
Taxes Levied By:	Thurston County Treasurer		
Billing Schedule:	Taxes are payable biannually in April and October		
Discounts:	No		
Delinquent Taxes:	No		

2017 TAX LIABILITY									
Current Detail									
			Assessed Value			Property	Direct	Total	Taxes
Tax ID	Component	Land	Improvements	Total	Tax Rate	Taxes	Assessments	Taxes	PSF
12816410000	Capital Mall Land - Owned	$5,222,750	$20,089,800	$25,312,550	1.246473%	$315,514	$15	$315,529	$0.39
12816430300	Main Parcel - Owned	$15,440,300	$55,069,300	$70,509,600	1.246473%	$878,883	$23	$878,906	$1.10
12816430303	REI/Forever 21 - Owned	$5,266,900	$12,421,000	$17,687,900	1.246473%	$220,475	$13	$220,488	$0.28
12816430304	Macy's - Unowned	$5,404,450	$8,118,500	$13,522,950	1.246473%	$168,560	$13	$168,573	$0.21
Subtotal	**--**	**$31,334,400**	**$95,698,600**	**$127,033,000**	**1.246473%**	**$1,583,432**	**$63**	**$1,583,496**	**$1.98**
Historical Comparison									
			Assessed Value			Property	Direct	Total	
Tax Year		Land	Improvements	Total	Tax Rate	Taxes	Assessments	Taxes	%Change
2013	--	$23,787,350	$71,270,500	$95,057,850	1.354603%	$1,287,656	$59	$1,287,716	--
2014	--	$28,876,350	$79,145,300	$108,021,650	1.275889%	$1,378,237	$59	$1,378,296	7.0%
2015	--	$32,814,050	$80,975,600	$113,789,650	1.247601%	$1,419,641	$59	$1,419,700	3.0%
2016	--	$32,814,050	$76,546,600	$109,360,650	1.209985%	$1,323,248	$63	$1,323,311	-6.8%
2017	--	$31,334,400	$95,698,600	$127,033,000	1.246473%	$1,583,432	$63	$1,583,496	19.7%
Compound Annual Growth Rate				**7.52%**				**5.31%**	



Sources: Thurston County Treasurer
Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017

The figures displayed above represent taxes for 2017. The subject's 2017 taxes are based on an assessed value of $127,033,000. Thurston County has not disclosed the subject's 2018 taxes or the assessed values on which 2018 taxes have been based. Taxes in Washington state have fluctuated over the past few years, with a 6.8 percent decrease in 2016 and a 19.7 percent increase in 2017. Assessed values have grown at a compound annual average rate of 7.52 percent per year, while total taxes have increased at a rate of $5.31 percent per year. Often tax rates will vary inversely compared to assessed values, with tax rates decreasing as assessed values increase. We have projected tax for each parcel at a 3.0 percent increase from current taxes, rounded. This results total property tax of $1,635,000 in year one of our analysis. Further, we have projected an annual tax growth rate of 3.0 percent for the duration of our analysis. These projections are in line with typical investor underwriting in the market.

HIGHEST AND BEST USE

Highest and best use analysis involves determining "the reasonably probable use that produces the most benefits and highest land value at any given time."[2] The analysis presented in this appraisal is not intended to be exhaustive. Rather, it is intended to provide sufficient analysis of the most likely and most reasonable alternatives for the subject. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds the total value of the property under its existing use plus the cost of removing or altering the existing structure. We have examined four criteria in our determination of highest and best use.

Legally Permissible: The first issue concerns legal permissibility, which is closely tied to zoning. The subject site is zoned HDC-4, "High Density Corridor 4" by the County. This district allows a variety of uses, including restaurants, hotels, medical and professional offices, and multifamily. Based on our site inspection and review of the zoning ordinance, the subject appears to be a legal and conforming use. Our valuation is predicated upon this assumption.

Physically Possible: The site contains approximately 85.17 acres of land area. Land use within the immediate vicinity of the site is maximized with a primary concentration of commercial development. The site is located along a primary artery and has good access and visibility. It is served by necessary utilities. There are no adverse soil conditions of which we are aware. The topography poses no specific development limitations. Thus, from a physical standpoint, the site is considered adequate for many types of development.

Financially Feasible: The economic and competitive forces prevailing in the local market shape financial feasibility. An indication of financial feasibility is whether there is an active market for land and/or the presence of new construction in the local area. As discussed in the *Market Analysis* section of this report, the Washington retail market continues to outperform many of the other major metropolitan markets across the nation. New retail development is being seen throughout the region in prime, dense in-fill locations. As such, retail development is considered financially feasible on a pre-leased basis. We note that office and multifamily development has been even stronger over the past two to three years in the region, and is also considered financially feasible.

Maximally Productive: The preceding discussion has been oriented around probable uses relative to the subject's physical characteristics, regulatory limitations, and financial feasibility. Another factor considered is maximum productivity. In the case of existing or proposed developments, this criterion often involves assessing whether the existing or proposed use of the subject is that which would reasonably result in maximum productivity of the land, as compared with an alternative use. Based on the uses considered reasonable, the maximally productive use would appear to develop the site with a large-scale retail development on a pre-leased basis, most likely as part of a mixed-use project with office and/or multifamily.

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[2] *The Appraisal of Real Estate,* 14th Edition, Chicago, Appraisal Institute: 2013.

Highest And Best Use Of The Site As Vacant: The highest and best use of the subject, as vacant, is for the development of a large-scale retail project on a partially pre-leased basis, most likely as part of a mixed-use project with complimentary multifamily and/or office use.

Highest And Best Use Of The Site As Improved: The highest and best use of the subject property, as improved, is its current and continued use as a regional retail development.

Most Probable Buyer: The most probable buyer is an institutional investor.

APPRAISAL METHODOLOGY

The appraisal process is defined as an organized procedure by which an asset is valued. There are three traditional approaches that can be employed in establishing the market value or prospective future values of the subject. In practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available in the marketplace. These approaches and their significance and applicability to the valuation of the subject are summarized as follows.

THE INCOME APPROACH

The income approach is based on the principle that value is created by the expectation of future income. This approach is particularly applicable in the case of income-producing properties. One technique to convert income to value is direct capitalization, which involves dividing the net operating income (NOI) by a market capitalization rate. A second technique is the discounted cash flow (DCF) analysis, in which projected cash flows (NOI less periodic capital expenditures and reversion value at the conclusion of the holding period) are converted to a present value by applying a discount rate. In both techniques, NOI and cash flow are estimated based on an analysis of rent and occupancy levels and forecast property expenses.

THE SALES COMPARISON APPROACH

The sales comparison approach is based upon the proposition than an informed purchaser would pay no more for a property than the cost of acquiring a similar property with the same utility. In this approach, similar properties that have recently sold are compared to the subject and appropriate adjustments are applied to determine a logical value conclusion. Comparisons made are typically based upon terms of sale, financing, market conditions, location, physical characteristics, and economic characteristics.

THE COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

RECONCILIATION

The valuation procedure is concluded via a review of the approaches to value employed. The reliability of the market data utilized and the overall applicability of each approach are re-examined. Based upon this analysis, the value indications are reconciled and a final estimate of value is concluded.

INCOME APPROACH

DISCOUNTED CASH FLOW VS. DIRECT CAPITALIZATION

The discounted cash flow (DCF) analysis is typically utilized when the future income is expected to significantly fluctuate usually as result of numerous lease obligations and/or anticipated changes in income and expenses. The DCF analysis forecasts the quantity, variability, timing and duration of NOI and cash flow during the holding period. Investors utilizing this methodology typically make a forecast of net operating income and cash flow over a period of time ranging from five to fifteen years and then determine a purchase price, which will provide a return on and of the asset and justify the degree of risk inherent in the proposed investment.

In comparison, direct capitalization is the method used to convert a single year's estimate of income into a value indication. Within this analysis, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not developed. Direct capitalization is most appropriate when analyzing a stable income stream and in estimating the reversion at the end of the holding period.

APPROPRIATE CAPITALIZATION METHOD

A number of factors are considered in evaluating the appropriateness of using the DCF technique and/or the direct capitalization method. These considerations include the occupancy status of the property, the structure of the existing leases, the existence of above or below market rents, the presence of ground leases, and the preferences of purchasers/investors in the regional market for the subject's property type. Discounted cash flow analysis is the most commonly utilized methodology for investment grade retail properties. However, given the stability of the subject's cash flow upon stabilization, direct capitalization is also considered relevant.

DISCOUNTED CASH FLOW ASSUMPTIONS

Based upon the methodology and investment considerations already discussed and our first year revenue and expense projections forecast through the investment period, we have developed the discounted cash flow methodology. However, as the direct capitalization method is considered relevant, we have also developed it, primarily as a parameter against which to check the value produced by the discounted cash flow method. The following assumptions are employed in our analysis of the subject property.

GROSS LEASEABLE AREA (GLA)

The subject currently contains 800,857 square feet of GLA. This includes the retail located on the Capital Land (the community center adjacent to the mall), as well as the mall anchors (Macy's and JC Penney). Total Mall Shop GLA (which excludes the adjacent community center and Macys and JC Penney) is 453,997 square feet. The following table summarizes the GLA of the subject, based on our concluded market rent categories.

CAPITAL MALL SPACE SUMMARY					
	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
Anchor	206,671	206,671	0	100.0%	0.0%
Jr. Anchor	184,787	184,787	0	100.0%	0.0%
Mall Shop > 10,000 SF	85,931	85,931	0	100.0%	0.0%
Mall Shop 5,000 - 9,999 SF	48,092	43,043	5,049	89.5%	10.5%
Mall Shop 2,000 - 4,999 SF	60,400	55,752	4,648	92.3%	7.7%
Mall Shop 1,000 - 1,999 SF	37,146	24,231	12,915	65.2%	34.8%
Mall Shop < 1,000 SF	2,764	2,764	0	100.0%	0.0%
Food Court	2,615	2,615	0	100.0%	0.0%
Kiosk	1,068	418	650	39.1%	60.9%
Theater	45,171	45,171	0	100.0%	0.0%
Jewelry	4,543	4,543	0	100.0%	0.0%
Inline Food	13,365	13,365	0	100.0%	0.0%
Pad Restaurant	28,297	28,297	0	100.0%	0.0%
Exterior Shop	32,397	32,397	0	100.0%	0.0%
Exterior Shop > 10,000 SF	31,917	31,917	0	100.0%	0.0%
Temp Tenants (Inline Specialty Leasing)(1)	15,693	15,693	0	100.0%	0.0%
Total Mall	800,857	777,595	23,262	97.1%	2.9%
Total Mall-Owned	800,857	777,595	23,262	97.1%	2.9%
Total Mall Shop (2)	453,997	430,735	23,262	94.9%	5.1%

(1) Currently occupied by temp tenants, treated as vacant in analysis with income included within Other Income line item

(2) Excludes Anchor, and excludes retail at the adjacent community center, also referred to as "Capital Mall Land"

Analysis prepared by NPV Advisors

RENT ROLL

The following pages summarize the subject's rent roll. A more detailed rent roll is included in the addenda of the report.

CAPITAL MALL - RENT ROLL (1 of 2)												
				Lease Term			Remaining		Current Rent (1)			Expense
Tenant Name	Space Category	Suite No.	GLA (SF)	Start	End	Years	Term	Annual	PSF	Monthly	PSF	Basis (2)
JC Penney	Anchor	A001	93,481	Nov-78	Nov-18	40.1	1.2	$336,324	$3.60	$28,027	$0.30	Net
Macy's	Anchor	B001	113,190	Apr-79	Feb-24	44.9	6.5	$105,720	$0.93	$8,810	$0.08	Net
Best Buy	Jr. Anchor	BEST	35,000	Sep-03	Jan-19	15.4	1.4	$388,500	$11.10	$32,375	$0.93	Net
Century Theatres	Theater	N12	45,171	Jun-17	May-22	5.0	4.7	$474,300	$10.50	$39,525	$0.88	Gross
Dick's Sporting Goods	Jr. Anchor	H012	51,060	Nov-16	Jan-27	10.3	9.5	$778,668	$15.25	$64,889	$1.27	Net
H&M	Mall Shop > 10,000 SF	G006	20,137	Sep-17	Jan-28	10.4	10.5	$375,000	$18.62	$31,250	$1.55	Gross
Old Navy	Mall Shop > 10,000 SF	E018	16,275	Apr-11	Mar-21	10.0	3.6	$314,760	$19.34	$26,230	$1.61	Net
REI	Jr. Anchor	C020	24,651	May-11	May-21	10.1	3.7	$151,848	$6.16	$12,654	$0.51	Net
Total Wine & More	Mall Shop > 10,000 SF	C8	21,520	Aug-13	Jul-23	10.0	5.9	$344,100	$15.99	$28,675	$1.33	Net
XXI Forever	Mall Shop > 10,000 SF	C004	16,452	Aug-10	Jun-18	7.9	0.8	$28,956	$1.76	$2,413	$0.15	Gross
*Vacant - Temp Tenant	Temp Tenant	E7	1,230	-	-	-	-	-	-	-	-	-
AT&T Mobility	Mall Shop 2,000 - 4,999 SF	J18	3,000	Dec-13	Jun-20	6.6	2.8	$147,516	$49.17	$12,293	$4.10	Net
American Eagle Outfitte	Mall Shop 5,000 - 9,999 SF	J007	6,784	Jan-17	Jan-27	10.1	9.5	$305,280	$45.00	$25,440	$3.75	Net
B. Natural Nails & Spa	Mall Shop 1,000 - 1,999 SF	G015	1,356	Nov-08	Jan-18	9.3	0.3	$34,356	$25.34	$2,863	$2.11	Net
Bath & Body Works	Mall Shop 2,000 - 4,999 SF	H006	2,610	Nov-11	Jan-21	9.3	3.4	$84,876	$32.52	$7,073	$2.71	Net
Ben Bridge Jewelers	Jewelry	E016	1,814	Feb-17	Jan-22	5.0	4.4	$137,868	$76.00	$11,489	$6.33	Net
*Vacant - Temp Tenant	Temp Tenant	H010	1,508	-	-	-	-	-	-	-	-	-
Box Lunch	Mall Shop 1,000 - 1,999 SF	J004	1,590	Dec-17	Jan-23	5.2	5.4	$0	$0.00	$0	$0.00	Net
Braganza Tea	Mall Shop < 1,000 SF	J16	558	Jun-13	Apr-19	5.9	1.6	$29,268	$52.45	$2,439	$4.37	Net
Buckle, The	Mall Shop 5,000 - 9,999 SF	E005	5,075	Aug-07	Jan-18	10.5	0.3	$115,560	$22.77	$9,630	$1.90	Net
Champs Sports	Mall Shop 5,000 - 9,999 SF	F008	5,850	Oct-16	Sep-26	10.0	9.1	$443,544	$75.82	$36,962	$6.32	Net
Charlotte Russe	Mall Shop 5,000 - 9,999 SF	K005	6,603	Feb-14	Jan-18	4.0	0.3	$107,892	$16.34	$8,991	$1.36	Gross
Chipotle	Inline Food	J022	2,200	Jun-11	Mar-21	9.8	3.6	$54,204	$24.64	$4,517	$2.05	Net
Chuck E Cheese	Mall Shop > 10,000 SF	H016	11,547	Feb-15	Jan-19	4.0	1.4	$219,852	$19.04	$18,321	$1.59	Net
Claire's	Mall Shop 1,000 - 1,999 SF	J001	1,346	Feb-16	Jan-23	7.0	5.4	$122,964	$91.36	$10,247	$7.61	Net
Earthbound Trading Comp	Mall Shop 2,000 - 4,999 SF	G010	3,615	Aug-17	Jul-19	2.0	1.9	$97,248	$26.90	$8,104	$2.24	Net
Foot Locker	Mall Shop 2,000 - 4,999 SF	K002B	3,460	Feb-16	Jan-18	2.0	0.3	$50,376	$14.56	$4,198	$1.21	Net
Francesca's	Mall Shop 1,000 - 1,999 SF	E15	1,373	May-13	May-23	10.1	5.7	$40,788	$29.71	$3,399	$2.48	Net
Fuego	Mall Shop 1,000 - 1,999 SF	H5	1,606	Jun-14	May-21	7.0	3.7	$71,076	$44.26	$5,923	$3.69	Net
*Vacant - Temp Tenant	Temp Tenant	F001	2,411	-	-	-	-	-	-	-	-	-
GameStop	Mall Shop 2,000 - 4,999 SF	G011	2,160	Mar-15	Jan-18	2.9	0.3	$74,784	$34.62	$6,232	$2.89	Net
General Nutrition Cente	Mall Shop 1,000 - 1,999 SF	E006	1,920	Feb-14	Jan-19	5.0	1.4	$81,828	$42.62	$6,819	$3.55	Net
*Vacant - Temp Tenant	Temp Tenant	J010	2,200	-	-	-	-	-	-	-	-	-
*Vacant - Temp Tenant	Temp Tenant	F009	3,250	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	J013	1,607	-	-	-	-	-	-	-	-	-
Hollister	Mall Shop 5,000 - 9,999 SF	F010	6,400	Feb-17	Feb-20	3.1	2.4	$158,976	$24.84	$13,248	$2.07	Gross
Hot Topic	Mall Shop 1,000 - 1,999 SF	K007	1,889	Oct-07	Jan-18	10.3	0.3	$82,176	$43.50	$6,848	$3.63	Net
*Vacant - Temp Tenant	Temp Tenant	N27	1,089	-	-	-	-	-	-	-	-	-
Journeys	Mall Shop 2,000 - 4,999 SF	E012	2,010	Mar-08	Apr-19	11.2	1.6	$101,844	$50.67	$8,487	$4.22	Net
Just Sports	Mall Shop 1,000 - 1,999 SF	J11	1,170	Jul-14	Dec-19	5.5	2.3	$97,380	$83.23	$8,115	$6.94	Net
Justice	Mall Shop 2,000 - 4,999 SF	G009	3,625	Feb-10	Jan-18	8.0	0.3	$40,740	$11.24	$3,395	$0.94	Net
Kay Jewelers	Jewelry	F015	1,424	Nov-11	Jan-21	9.3	3.4	$157,752	$110.78	$13,146	$9.23	Net
*Vacant - Temp Tenant	Temp Tenant	F2	1,311	-	-	-	-	-	-	-	-	-
Lids	Mall Shop < 1,000 SF	E010	855	Sep-07	Jan-18	10.4	0.3	$68,760	$80.42	$5,730	$6.70	Net
Livit Mobile	Mall Shop < 1,000 SF	J15	619	Dec-13	Nov-18	5.0	1.2	$20,292	$32.78	$1,691	$2.73	Net
Mastercuts Family Hairc	Mall Shop 1,000 - 1,999 SF	F001A	1,126	Aug-12	Jul-22	10.0	4.9	$49,596	$44.05	$4,133	$3.67	Net
Maurices	Mall Shop 5,000 - 9,999 SF	E003	5,251	May-12	Apr-22	10.0	4.6	$81,336	$15.49	$6,778	$1.29	Net
Menchie's Frozen Yogurt	Inline Food	J20	1,453	Dec-12	Feb-23	10.2	5.5	$45,780	$31.51	$3,815	$2.63	Net
*Vacant - Temp Tenant	Temp Tenant	J014	639	-	-	-	-	-	-	-	-	-
PacSun	Mall Shop 2,000 - 4,999 SF	K003	3,200	Mar-17	Jan-18	0.9	0.3	$8,676	$2.71	$723	$0.23	Net
Payless Shoesource	Mall Shop 2,000 - 4,999 SF	G014	2,983	Jul-17	Jan-20	2.6	2.4	$101,808	$34.13	$8,484	$2.84	Net
Pearle Vision Express	Mall Shop 2,000 - 4,999 SF	G012	4,597	Feb-16	Jan-19	3.0	1.4	$118,788	$25.84	$9,899	$2.15	Net
Pints & Quarts	Inline Food	N10	4,853	Jun-07	Jan-27	19.7	9.5	$148,500	$30.60	$12,375	$2.55	Net
Pita Pit	Inline Food	N1	1,100	Jun-15	Jun-20	5.1	2.8	$39,048	$35.50	$3,254	$2.96	Net
Playlive	Mall Shop 2,000 - 4,999 SF	K1	3,331	Feb-17	Jan-27	10.0	9.5	$68,616	$20.60	$5,718	$1.72	Net
Regis Salon	Mall Shop 1,000 - 1,999 SF	E9	1,293	Feb-15	Jan-18	3.0	0.3	$36,204	$28.00	$3,017	$2.33	Net
Seattle Team Shop	Mall Shop 2,000 - 4,999 SF	K8	2,010	May-13	May-23	10.1	5.7	$66,408	$33.04	$5,534	$2.75	Net
*Vacant - Temp Tenant	Temp Tenant	J003	825	-	-	-	-	-	-	-	-	-
Shiekh Shoes	Mall Shop 2,000 - 4,999 SF	E014	2,070	Nov-09	Jan-20	10.3	2.4	$76,920	$37.16	$6,410	$3.10	Net
Sleep Number	Mall Shop 1,000 - 1,999 SF	K6	1,600	May-17	Apr-19	2.0	1.6	$94,788	$59.24	$7,899	$4.94	Net
Spencer Gifts	Mall Shop 2,000 - 4,999 SF	K005B	2,193	Feb-17	Jan-22	5.0	4.4	$122,808	$56.00	$10,234	$4.67	Net
Sprint Store by Arch	Mall Shop 1,000 - 1,999 SF	K012	1,587	Oct-16	Nov-19	3.2	2.2	$98,400	$62.00	$8,200	$5.17	Net
Starbucks	Inline Food	H001	1,200	Oct-14	Jun-24	9.7	6.8	$54,000	$45.00	$4,500	$3.75	Net
Sunglass Hut	Mall Shop < 1,000 SF	E017	732	Feb-07	Dec-17	10.9	0.3	$51,996	$71.03	$4,333	$5.92	Net
T-Mobile	Mall Shop 2,000 - 4,999 SF	E013	2,070	Nov-16	Jan-22	5.3	4.4	$144,900	$70.00	$12,075	$5.83	Net
*Vacant - Temp Tenant	Temp Tenant	E008	1,230	-	-	-	-	-	-	-	-	-

(1) Includes percentage rent when applicable

(2) The majority of tenants pay fixed CAM and pro rata share of taxes, but there are many variations ofrecovery methods.

Source: Rent roll and lease abstracts, compiled by NPV Advisors

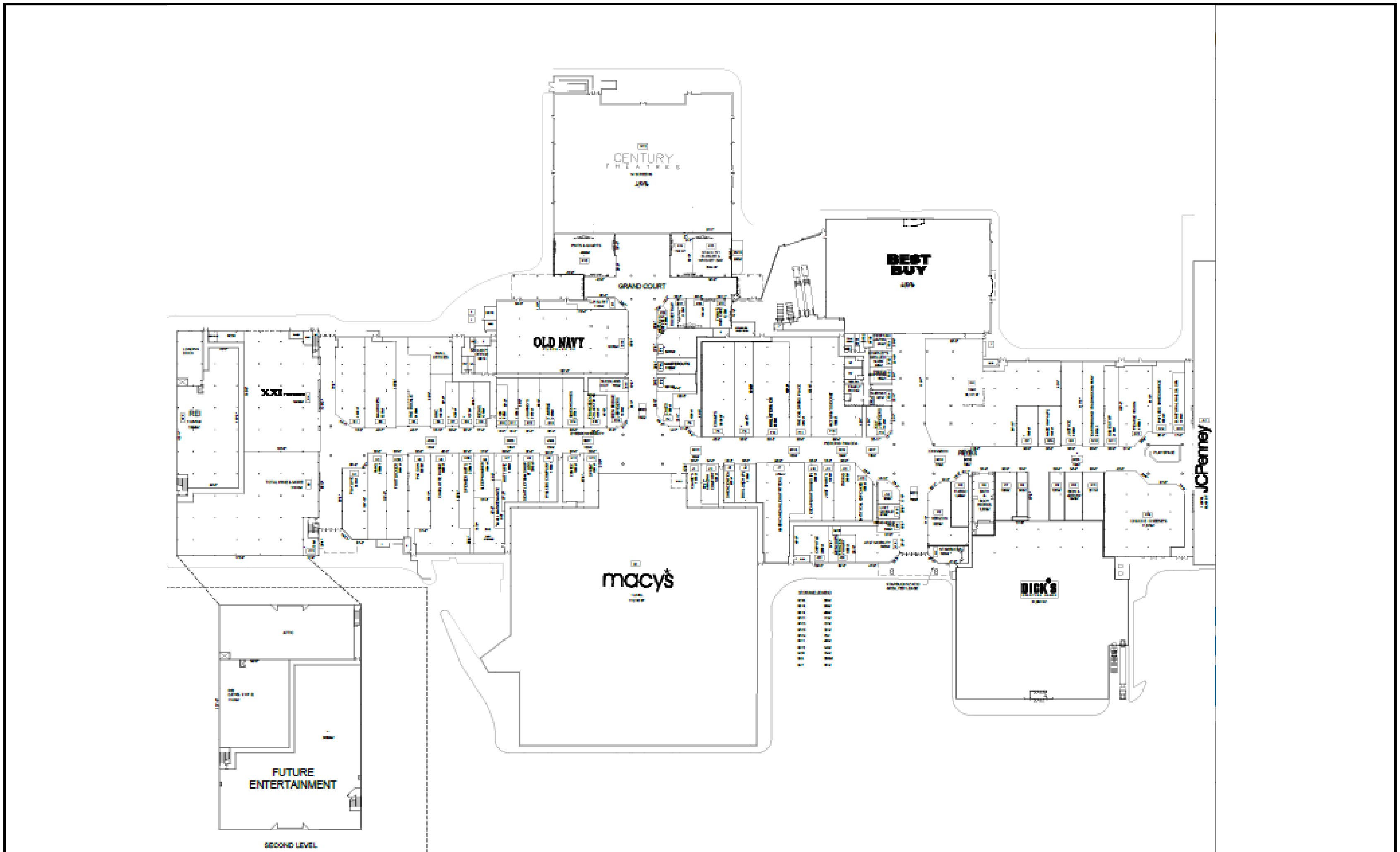
CAPITAL MALL - RENT ROLL (2 of 2)												
				Lease Term			Remaining		Current Rent (1)			Expense
Tenant Name	Space Category	Suite No.	GLA (SF)	Start	End	Years	Term	Annual	PSF	Monthly	PSF	Basis (2)
The Children's Place	Mall Shop 2,000 - 4,999 SF	F011	4,252	Feb-17	Jan-19	2.0	1.4	$94,944	$22.33	$7,912	$1.86	Net
Tony's Hair Care	Mall Shop 1,000 - 1,999 SF	N021	1,239	Feb-12	Jan-19	7.0	1.4	$17,952	$14.49	$1,496	$1.21	Net
Torrid	Mall Shop 2,000 - 4,999 SF	J012	2,340	Oct-07	Jan-18	10.3	0.3	$102,960	$44.00	$8,580	$3.67	Net
Vans	Mall Shop 2,000 - 4,999 SF	K002	3,000	Aug-12	Aug-19	7.1	1.9	$90,420	$30.14	$7,535	$2.51	Net
Verizon Wireless	Mall Shop 2,000 - 4,999 SF	H002	3,226	Jun-16	May-21	5.0	3.7	$245,880	$76.22	$20,490	$6.35	Net
Victoria's Secret	Mall Shop 5,000 - 9,999 SF	F012	7,080	Oct-11	Jan-22	10.3	4.4	$205,392	$29.01	$17,116	$2.42	Net
The Walking Company	Mall Shop 1,000 - 1,999 SF	K009	1,560	Jul-12	Jan-21	8.6	3.4	$92,604	$59.36	$7,717	$4.95	Net
Wetzels Pretzels	Inline Food	N029	484	Aug-11	Jul-19	8.0	1.9	$49,344	$101.95	$4,112	$8.50	Net
Zales Jewelers	Jewelry	F4	1,305	Mar-16	Feb-21	5.0	3.5	$104,124	$79.79	$8,677	$6.65	Net
Zumiez	Mall Shop 1,000 - 1,999 SF	K011	1,969	Jun-07	Jan-23	15.7	5.4	$109,668	$55.70	$9,139	$4.64	Net
Charley's Grilled Subs	Food Court	FC2	696	May-04	Jun-18	14.2	0.8	$81,780	$117.50	$6,815	$9.79	Net
Panda Express	Food Court	FC3	703	Sep-03	Jun-23	19.8	5.8	$94,944	$135.06	$7,912	$11.25	Net
Subway	Food Court	FC4	600	Jul-13	Jun-23	10.0	5.8	$101,904	$169.84	$8,492	$14.15	Net
Terriyaki Japan	Food Court	FC1	616	Dec-09	Jan-21	11.2	3.4	$54,672	$88.75	$4,556	$7.40	Net
Eyebrow Beauty	Kiosk	4,550	150	Nov-10	Sep-18	7.9	1.0	$72,624	$484.16	$6,052	$40.35	Net
Piercing Pagoda	Kiosk	4,608	168	Jul-16	Dec-21	5.5	4.3	$45,900	$273.21	$3,825	$22.77	Net
Wetzel's Pretzels	Kiosk	4,642	100	Sep-17	Aug-20	3.0	3.0	$48,000	$480.00	$4,000	$40.00	Net
Cinnabon	Inline Food	4,626	276	Oct-13	Jan-24	10.3	6.4	$30,600	$110.87	$2,550	$9.24	Net
Applebee's	Pad Restaurant	P004	4,997	Dec-05	Jan-26	20.2	8.5	$127,020	$25.42	$10,585	$2.12	Net
Fujiyama	Pad Restaurant	R008	7,000	Dec-13	Jan-19	5.2	1.4	$216,792	$30.97	$18,066	$2.58	Net
Olive Garden	Pad Restaurant	P003	9,100	Jul-14	Jun-19	5.0	1.8	$148,560	$16.33	$12,380	$1.36	Net
Red Robin	Pad Restaurant	P001	7,200	Jul-15	Jun-25	10.0	7.9	$274,968	$38.19	$22,914	$3.18	Net
VACANT - Kiosk	Kiosk	9014	150	-	-	-	-	-	-	-	-	-
VACANT - Kiosk	Kiosk	9017	150	-	-	-	-	-	-	-	-	-
VACANT - Kiosk	Kiosk	9025	200	-	-	-	-	-	-	-	-	-
VACANT - Kiosk	Kiosk	9032	150	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 2,000 - 4,999 SF	E001	4,648	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	E011	1,185	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	F006	1,329	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	G008	1,589	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	H007	1,508	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	H008	1,508	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	H009	1,650	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	H11	1,508	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	J2	1,294	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 1,000 - 1,999 SF	N023	1,344	-	-	-	-	-	-	-	-	-
VACANT	Mall Shop 5,000 - 9,999 SF	N15	5,049	-	-	-	-	-	-	-	-	-
24 Hour Fitness	Jr. Anchor	U001	24,866	Sep-07	May-22	14.8	4.7	$677,352	$27.24	$56,446	$2.27	Net
Artist's Gallery Co-Op	Exterior Shop	P2	2,974	May-17	Apr-18	1.0	0.6	$4,488	$1.51	$374	$0.13	Gross
Bed, Bath & Beyond	Jr. Anchor	R001	28,000	Feb-17	Jan-27	10.0	9.5	$363,720	$12.99	$30,310	$1.08	Net
Charming Charlie	Exterior Shop	P011	5,243	Sep-15	Jan-26	10.4	8.5	$150,000	$28.61	$12,500	$2.38	Gross
Chico's	Exterior Shop	P007	3,585	Feb-17	Jan-22	5.0	4.4	$109,272	$30.48	$9,106	$2.54	Net
Eddie Bauer	Exterior Shop	P020	5,983	Feb-17	Jan-20	3.0	2.4	$78,972	$13.20	$6,581	$1.10	Gross
Lane Bryant	Exterior Shop	P015	5,612	Feb-17	Jan-22	5.0	4.4	$112,236	$20.00	$9,353	$1.67	Net
Loft	Exterior Shop	P009	5,500	Feb-17	Jan-18	1.0	0.3	$55,272	$10.05	$4,606	$0.84	Net
Massage Envy	Exterior Shop	P1	3,500	Oct-12	Jan-23	10.3	5.4	$112,596	$32.17	$9,383	$2.68	Net
Party City	Exterior Shop > 10,000 SF	T1	13,600	Dec-12	Jan-23	10.2	5.4	$163,200	$12.00	$13,600	$1.00	Net
TJ Maxx	Jr. Anchor	R5	21,210	Sep-12	Sep-22	10.1	5.1	$233,316	$11.00	$19,443	$0.92	Net
i.talia Pizzeria	Inline Food	P003	1,799	Feb-17	Jan-22	5.0	4.4	$65,820	$36.59	$5,485	$3.05	Net
Cost Plus World Market	Exterior Shop > 10,000 SF	R003	18,317	Dec-17	Jan-28	10.2	10.5	$237,938	$12.99	$19,828	$1.08	Net
	Total	**116**	**800,857**									

(1) Includes percentage rent when applicable

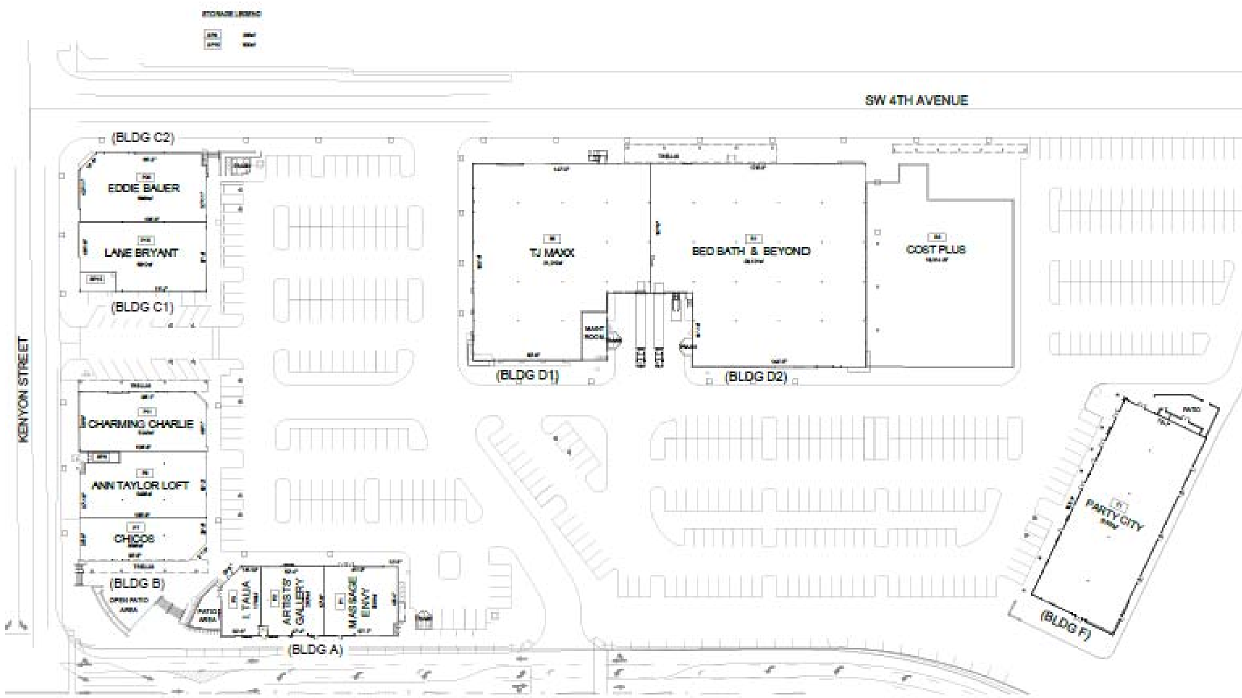
(2) The majority of tenants pay fixed CAM and pro rata share of taxes, but there are many variations ofrecovery methods.

Source: Rent roll and lease abstracts, compiled by NPV Advisors

The following pages present the current lease plan.



LEASE PLAN – MAIN MALL



LEASE PLAN – ADJACENT COMMUNITY CENTER ("CAPITAL LAND")

POTENTIAL GROSS AND RENTAL INCOME

Potential gross income is generated by a number of distinct components: minimum rent determined by leases, additional overage rent based upon a percent of retail sales, reimbursement income in which certain expenses incurred in the ownership and operation of the mall are recovered, and other miscellaneous income including temporary tenant leasing. We first examine the subject's potential rental income via an analysis of market rent and the subject tenancy and contractual income.

ESTIMATE OF MARKET RENT

Regional malls typically earn a majority of income from the fixed base, or minimum rent charged for the rental of mall-owned anchor and major spaces and inline stores. Generally, the configuration and total gross leasable area is continually changing as tenants move in, expand, downsize, and relocate throughout the mall. For the purposes of our appraisal, the breakdown of gross leasable tenant space by size and use category is illustrated in the following table. In addition, the percent of occupancy and vacancy by space category is also displayed.

CAPITAL MALL SPACE SUMMARY

	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
Anchor	206,671	206,671	0	100.0%	0.0%
Jr. Anchor	184,787	184,787	0	100.0%	0.0%
Mall Shop > 10,000 SF	85,931	85,931	0	100.0%	0.0%
Mall Shop 5,000 - 9,999 SF	48,092	43,043	5,049	89.5%	10.5%
Mall Shop 2,000 - 4,999 SF	60,400	55,752	4,648	92.3%	7.7%
Mall Shop 1,000 - 1,999 SF	37,146	24,231	12,915	65.2%	34.8%
Mall Shop < 1,000 SF	2,764	2,764	0	100.0%	0.0%
Food Court	2,615	2,615	0	100.0%	0.0%
Kiosk	1,068	418	650	39.1%	60.9%
Theater	45,171	45,171	0	100.0%	0.0%
Jewelry	4,543	4,543	0	100.0%	0.0%
Inline Food	13,365	13,365	0	100.0%	0.0%
Pad Restaurant	28,297	28,297	0	100.0%	0.0%
Exterior Shop	32,397	32,397	0	100.0%	0.0%
Exterior Shop > 10,000 SF	31,917	31,917	0	100.0%	0.0%
Temp Tenants (Inline Specialty Leasing)(1)	15,693	0	0	0.0%	0.0%
Total Mall	800,857	761,902	23,262	95.1%	2.9%
Total Mall-Owned	800,857	777,595	23,262	97.1%	2.9%
Total Mall Shop (2)	453,997	430,735	23,262	94.9%	5.1%

(1) Currently occupied by temp tenants, treated as vacant in analysis with income included within Other Income line item

(2) Excludes Anchor, and excludes retail at the adjacent community center, also referred to as "Capital Mall Land"

Analysis prepared by NPV Advisors

The three most widely accepted techniques for estimating market rent for retail space at regional centers are:

1. Perform a cost-of-occupancy analysis relating retail sales levels for reporting tenants by size or use categories to achievable market rents. This is referred to as *Occupancy Cost Analysis*.
2. Group recent leases within the subject into various sizes and use categories and calculate a market rent based on weighted averages. This includes an analysis of average rent, recent leasing, and current leasing activity. This is referred to as *Subject Lease Analysis*.
3. Compare leases signed by the same or similar types of tenants on a space category basis in regional centers on a regional basis. This is referred to as *Comparative Lease Analysis*.

In estimating a market rent for the subject, we employed all three techniques when appropriate. It should be noted that the *Comparative Lease Analysis* methodology is most widely used by developers, owners and property managers. These individuals have greater accessibility to this type of data, which includes rent rolls or lease documents from other regional malls. Appraisers typically do not have access to this information as it is generally considered propriety in nature. Nonetheless, we were able to compile a number of recent lease deals in comparable regional malls throughout the United States.

OCCUPANCY COST ANALYSIS

It is a widely held retail industry belief that retail sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the pro rata share of recoverable expenses (common area maintenance, real estate taxes, etc.) tenants can afford to pay. In their entirety, these charges are known as occupancy cost or health ratio and are expressed as a percentage of sales volume.

In an *Occupancy Cost Analysis*, a reasonable cost of occupancy range is established by applying industry occupancy cost ranges to projected retail sales levels. In this regard, it is generally believed that inline tenants can pay approximately ten to 20 percent of total retail sales for occupancy costs. Costs of occupancy above 25 percent send out a red flag and may signal a tenant's inability to meet lease obligations. Most inline retailers will not lease space unless the occupancy cost is under 20 percent. We note that many retailers have become more comfortable with higher health ratios due to the synergy between the retailer's "brick and mortar" store and online sales as consumers like having a physical store to support internet purchases. Thus, the metrics have begun to shift upwards. Based on discussions with management/ownership of regional- and super-regional malls and our general knowledge of retailer's operations, the following occupancy cost guidelines are established.

OCCUPANCY COST GUIDELINES

Shop (Inline) Sales Levels	Supportable Occupancy Cost
Less than $250 PSF	9.0% - 11.0%
$250 to $300 PSF	11.0% - 13.0%
$300 to $350 PSF	13.0% - 14.0%
Over $350 PSF	14.0% - 20.0%

Analysis prepared by NPV Advisors

Furthermore, based on a survey of Class A-/B malls located throughout the country, we have established the following average sales levels and occupancy cost statistics.

CLASS A-/B REGIONAL MALL REGIONAL MALL AVERAGE COMP STORE SALE / OCCUPANCY COSTS		
Property Location	Average Comp Store Sales PSF	Occupancy Cost
Salt Lake City Metro Area	$309.31	12.7%
Chicago Metro Area	$314.00	10.2%
Denver Metro Area	$316.22	12.3%
Southern California	$328.23	16.9%
Mobile Metro Area	$341.05	11.4%
Detroit Metro Area	$348.67	10.4%
Outlying Bay Area	$383.00	15.1%
Houston Metro Area	$408.42	12.8%
Knoxville Metro Area	$421.26	16.4%
Chicago Metro Area	$458.00	12.5%
Minneapolis Metro Area	$482.36	14.0%
Chicago Metro Area	$505.91	13.6%
Analysis prepared by NPV Advisors		

As indicated current occupancy costs range from 10.2 percent to 16.9 percent. In general, the higher cost-of living markets tend to have higher health ratios. This includes New York, Washington DC, San Francisco, Southern California, and Chicago Cook County (with high real estate taxes). These malls typically have higher occupancy costs. Similarly, malls with higher retail sales volumes, typically have above average occupancy costs, as operators are able to push gross rents due to retailer's productivity in these malls.

PORTFOLIO OCCUPANCY COST SUMMARY - YEAR-END 2016						
Company / REIT	No. Of Malls	Total Mall GLA (000)	Average Occupancy	Average Rent/SF	Comp Mall Shop Sales / SF	Occupancy Cost Ratio
General Growth Properties	127	125,225	97.2%	$76.38	$569	13.4%
Simon Property Group	175	151,979	96.8%	$51.59	$614	12.3%
Macerich Company	57	54,518	95.4%	$53.51	$630	13.7%
CBL & Associates	74	63,531	94.2%	$32.96	$376	12.3%
Pennsylvania REIT	30	21,670	95.9%	$39.73	$464	12.5%
Taubman Centers	23	23,009	94.7%	$61.07	$792	14.4%
Total/Weighted Average	486	439,932	96.2%	$56.11	$571	12.9%

Notes:
Average Occupancy - Percent of inline mall shop leased
Occupancy Cost Ratio - Ratio of rent and reimbursement to sales for inline tenants. Does not include overage rent.
SPG - Occupancy cost ratio is an estimate
We note that the data presented above represents the last complete year of information available.
Source: Annual 10K filings and various analyst reports

The subject's reported total sales and comparable store sales are discussed in the following pages. Note that the comparable sub-set sales group includes ***ONLY*** tenants that have reported sales and occupancy costs between 2014 and the Trailing 12 months ending September 2017. Total mall sales includes all reporting tenants on any given year. As such, the total sales figures are not a comparable sub-set. *Further, please note that our methodology* *is based on a weighted average by category reported, which differs from SRP management's sales metrics and therefore is not comparable to their reported figures.*

We have provided a table of average occupancy costs per space category.

SURVEY OF OCCUPANCY COST BY MARKET RENT CATEGORY											
Category	Mall A	Mall B	Mall C	Mall D	Mall E	Mall F	Mall G	Mall H	Mall I	Mall J	Average
Mall Shop <1,000 SF	17.21%	20.70%	24.80%	18.60%	16.00%	18.48%	23.51%	23.21%	20.80%	26.57%	20.99%
Mall Shop 1,000 to 2,499 SF	23.20%	20.92%	18.00%	13.90%	24.00%	19.37%	16.27%	25.62%	20.10%	22.78%	20.42%
Mall Shop 2,500 to 4,999 SF	26.10%	20.63%	18.80%	18.40%	23.00%	22.39%	17.73%	23.00%	18.90%	27.03%	21.60%
Mall Shop 5,000 to 10,000 SF	21.60%	22.47%	18.00%	12.20%	25.00%	15.02%	14.26%	23.04%	16.70%	20.55%	18.88%
Mall Shop >10,000 SF	9.80%	23.79%	n/a	22.60%	18.67%	15.24%	13.50%	27.36%	17.00%	23.92%	19.10%
Restaurant	17.80%	n/a	7.60%	8.20%	9.00%	13.59%	7.46%	n/a	11.45%	12.30%	10.93%
Jewelry	13.30%	11.67%	12.80%	10.00%	12.00%	11.95%	11.68%	12.23%	10.00%	14.03%	11.97%
Kiosk	n/a	15.43%	16.90%	n/a	8.00%	17.33%	24.89%	22.17%	n/a	18.40%	17.59%
Food Court	28.90%	22.56%	22.50%	14.40%	n/a	22.52%	18.51%	n/a	n/a	n/a	21.57%
Owned Anchor	n/a	0.69%	n/a	n/a	n/a	n/a	19.72%	0.21%	n/a	0.27%	5.22%
Analysis prepared by NPV Advisors											

The next table summarizes the average occupancy cost at the subject property for mall shop space less than 10,000 square feet as well as total mall shop sales and occupancy costs. This is the metric utilized by investors when pricing assets such as the subject.

CAPITAL MALL RETAIL SALES ANALYSIS								
Year End	**2014 Sales**	**COO**	**2015 Sales**	**COO**	**2016 Sales**	**COO**	**T-12 2017 Sales**	**COO**
Mall Shop < 10,000 SF	$406.72	14.50%	$422.70	14.50%	$427.88	13.90%	$428.08	12.87%
Total Mall Shop	$354.09	14.30%	$367.57	14.30%	$373.93	13.70%	$376.09	12.30%
Theater	n/a	n/a	$118.20	8.90%	$119.38	8.80%	$137.96	7.60%
Source: Management reports								
Analysis prepared by NPV Advisors								

The next table summarizes the average occupancy costs and sales by market rent category. We will then follow this with a comparison of the average comparable sub-set analysis, tenant by tenant.

CAPITAL MALL OCCUPANCY COST AND SALES ANALYSIS BY RENT CATEGORY						
Space Category		Year End 2014	Year End 2015	Year End 2016	T-12 2017	% Change
Sales PSF	Anchor	n/a	n/a	n/a	n/a	n/a
Occ Cost %	Anchor	n/a	n/a	n/a	n/a	
Sales PSF	Jr. Anchor	n/a	$121.82	$221.25	$223.19	83.22%
Occ Cost %	Jr. Anchor	n/a	16.1%	11.4%	13.0%	
Sales PSF	Mall Shop > 10,000 SF	$163.85	$168.31	$278.50	$284.71	73.77%
Occ Cost %	Mall Shop > 10,000 SF	13.6%	19.5%	10.3%	10.1%	
Sales PSF	Mall Shop 5,000 - 9,999 SF	$302.74	$329.57	$334.09	$333.71	10.23%
Occ Cost %	Mall Shop 5,000 - 9,999 SF	17.2%	15.5%	15.9%	11.3%	
Sales PSF	Mall Shop 2,000 - 4,999 SF	$305.22	$308.05	$316.97	$311.40	2.03%
Occ Cost %	Mall Shop 2,000 - 4,999 SF	16.7%	16.7%	14.4%	13.4%	
Sales PSF	Mall Shop 1,000 - 1,999 SF	$450.61	$428.51	$425.98	$422.56	-6.22%
Occ Cost %	Mall Shop 1,000 - 1,999 SF	19.4%	19.7%	19.0%	19.5%	
Sales PSF	Mall Shop < 1,000 SF	$567.88	$621.48	$636.50	$652.63	14.92%
Occ Cost %	Mall Shop < 1,000 SF	14.5%	14.0%	14.5%	14.4%	
Sales PSF	Food Court	$896.53	$1,007.47	$1,058.70	$1,133.45	26.43%
Occ Cost %	Food Court	19.4%	16.9%	16.9%	16.1%	
Sales PSF	Kiosk	$1,387.36	$1,600.86	$1,717.54	$1,815.34	30.85%
Occ Cost %	Kiosk	53.0%	56.0%	49.1%	29.4%	
Sales PSF	Theater	n/a	$118.20	$119.38	$137.96	16.72%
Occ Cost %	Theater	n/a	8.9%	8.8%	7.6%	
Sales PSF	Jewelry	$1,010.11	$949.17	$1,074.70	$1,012.99	0.29%
Occ Cost %	Jewelry	9.6%	10.2%	11.8%	12.1%	
Sales PSF	Inline Food	$491.89	$522.09	$470.54	$481.46	-2.12%
Occ Cost %	Inline Food	9.7%	10.4%	10.5%	10.6%	
Sales PSF	Pad Restaurant	$577.02	$607.85	$609.18	$615.47	6.66%
Occ Cost %	Pad Restaurant	3.7%	5.0%	5.1%	5.1%	
Sales PSF	Exterior Shop	$175.42	$157.38	$157.19	$149.99	-14.50%
Occ Cost %	Exterior Shop	18.2%	34.3%	21.3%	13.8%	
Sales PSF	Exterior Shop > 10,000 SF	$164.59	$172.38	$172.38	$150.43	-8.60%
Occ Cost %	Exterior Shop > 10,000 SF	10.8%	10.5%	10.5%	12.1%	
Total Comparable Mall Shop Sales		**$406.72**	**$422.70**	**$427.88**	**$428.08**	**5.25%**
Occ. Cost % for Comp Mall Shops		**14.5%**	**14.5%**	**13.9%**	**12.9%**	
Compiled by: NPV Advisors						

The next table summarizes a comparable sub-set sales and occupancy cost for all tenants in occupancy that reported sales between 2014 and the trailing 12 months ending September 30, 2017. Sales have increased since 2014 based on the comparable sub-set.

COMPARABLE MALL SALES ANALYSIS							
	SF	Category	2014	2015	2016	2017	% Change from 2014 - T-12
Subway	600	Food Court	$601	$628	$613	$663	10.4%
Teriyaki Japan	616	Food Court	$757	$857	$945	$1,008	33.1%
Panda Express	703	Food Court	$1,271	$1,404	$1,434	$1,619	27.4%
Cinnabon	276	Inline Food	$1,311	$1,278	$1,410	$1,548	18.0%
Wetzels Pretzels	484	Inline Food	$576	$710	$702	$822	42.8%
Starbucks	1,200	Inline Food	$765	$805	$845	$829	8.4%
Menchie's Frozen Yogurt	1,453	Inline Food	$260	$287	$272	$272	4.9%
i.talia Pizzeria	1,799	Inline Food	$413	$440	$449	$423	2.3%
Chipotle Mexican Grill	2,200	Inline Food	$788	$927	$589	$643	-18.4%
Pints & Quarts	4,853	Inline Food	$334	$333	$355	$358	7.4%
Kay Jewelers	1,424	Jewelry	$1,838	$1,643	$1,778	$1,727	-6.0%
Zales Jewelers	1,755	Jewelry	$570	$553	$761	$642	12.7%
Ben Bridge Jewelers	1,814	Jewelry	$786	$787	$826	$811	3.2%
Wetzels Pretzels Kiosk	100	Kiosk	$2,525	$3,092	$3,124	$3,414	35.2%
Eyebrow Beauty	150	Kiosk	$629	$607	$771	$1,130	79.6%
Braganza Tea	558	Mall Shop < 1,000SF	$506	$599	$674	$794	56.9%
Livit Mobile	619	Mall Shop < 1,000SF	$728	$914	$1,011	$989	36.0%
Sunglass Hut	732	Mall Shop < 1,000SF	$459	$496	$478	$475	3.4%
Lids	855	Mall Shop < 1,000SF	$586	$532	$477	$469	-20.0%
Mastercuts Family Haircutters	1,126	Mall Shop 1,000 - 1,999 SF	$371	$368	$358	$360	-2.9%
Just Sports	1,170	Mall Shop 1,000 - 1,999 SF	$838	$458	$406	$407	-51.4%
Tony's Hair Care	1,239	Mall Shop 1,000 - 1,999 SF	$201	$176	$175	$184	-8.5%
Claire's	1,346	Mall Shop 1,000 - 1,999 SF	$419	$425	$484	$519	24.1%
B. Natural Nails & Spa	1,356	Mall Shop 1,000 - 1,999 SF	$107	$104	$111	$113	5.6%
Francesca's	1,373	Mall Shop 1,000 - 1,999 SF	$282	$279	$282	$280	-0.8%
Walking Company, The	1,560	Mall Shop 1,000 - 1,999 SF	$371	$423	$488	$443	19.3%
Sleep Number by Select Comfort	1,600	Mall Shop 1,000 - 1,999 SF	$1,043	$1,178	$1,062	$1,084	3.9%
Fuego	1,606	Mall Shop 1,000 - 1,999 SF	$256	$305	$318	$330	29.3%
Hot Topic	1,889	Mall Shop 1,000 - 1,999 SF	$463	$504	$542	$548	18.3%
General Nutrition Center	1,920	Mall Shop 1,000 - 1,999 SF	$337	$263	$224	$229	-32.2%
Zumiez	1,969	Mall Shop 1,000 - 1,999 SF	$638	$648	$643	$609	-4.5%
Seattle Team Shop	2,010	Mall Shop 2,000 - 4,999 SF	$953	$792	$611	$546	-42.7%
Journeys	2,010	Mall Shop 2,000 - 4,999 SF	$396	$452	$501	$500	26.2%
Shiekh Shoes	2,070	Mall Shop 2,000 - 4,999 SF	$361	$389	$387	$336	-7.0%
GameStop	2,160	Mall Shop 2,000 - 4,999 SF	$339	$375	$512	$545	60.5%
Spencer Gifts	2,193	Mall Shop 2,000 - 4,999 SF	$309	$320	$319	$318	3.0%
Torrid	2,340	Mall Shop 2,000 - 4,999 SF	$318	$395	$432	$423	33.2%
Bath & Body Works	2,610	Mall Shop 2,000 - 4,999 SF	$722	$716	$719	$747	3.4%
Payless Shoesource	2,983	Mall Shop 2,000 - 4,999 SF	$235	$242	$225	$193	-17.6%
Vans	3,000	Mall Shop 2,000 - 4,999 SF	$289	$321	$363	$408	41.1%
Foot Locker	3,460	Mall Shop 2,000 - 4,999 SF	$188	$184	$198	$182	-3.4%
Massage Envy of South Sound	3,500	Mall Shop 2,000 - 4,999 SF	$261	$267	$254	$253	-3.1%
Chico's	3,585	Mall Shop 2,000 - 4,999 SF	$289	$281	$282	$266	-7.8%
Earthbound Trading Company	3,615	Mall Shop 2,000 - 4,999 SF	$143	$149	$167	$175	22.5%
Justice	3,625	Mall Shop 2,000 - 4,999 SF	$184	$161	$164	$161	-12.4%
The Children's Place	4,252	Mall Shop 2,000 - 4,999 SF	$179	$189	$205	$212	18.0%
Pearle Vision Express	4,597	Mall Shop 2,000 - 4,999 SF	$227	$215	$233	$208	-8.7%
Buckle, The	5,075	Mall Shop 5,000 - 9,999 SF	$433	$434	$385	$336	-22.3%
Maurices	5,251	Mall Shop 5,000 - 9,999 SF	$175	$188	$179	$156	-11.1%
Champs Sports	5,781	Mall Shop 5,000 - 9,999 SF	$254	$257	$297	$333	31.1%
Hollister	6,400	Mall Shop 5,000 - 9,999 SF	$156	$204	$219	$248	59.1%
Charlotte Russe	6,603	Mall Shop 5,000 - 9,999 SF	$178	$171	$177	$163	-8.2%
Fujiyama	7,000	Mall Shop 5,000 - 9,999 SF	$238	$277	$323	$354	49.2%
Victoria's Secret	7,080	Mall Shop 5,000 - 9,999 SF	$693	$752	$724	$678	-2.2%
American Eagle Outfitters	7,190	Mall Shop 5,000 - 9,999 SF	$267	$312	$315	$336	25.6%
Applebees	4,997	Pad Restaurant	$526	$549	$543	$520	-1.1%
Red Robin	7,200	Pad Restaurant	$600	$616	$616	$633	5.6%
Olive Garden	9,100	Pad Restaurant	$587	$634	$640	$653	11.3%
Total Mall Sales	160,032		$407	$423	$428	$428	5.3%

It is generally accepted that the higher the sales volume (on a per square foot basis) the higher the health ratio. Based on the sales volumes generated, we have considered an occupancy cost range between 13 and 15 percent for mall shops at the subject (with slight variations for anchor and theater tenants). The OCR is applied to the average retail sales per square foot for each leasing category to derive a sustainable tenant leasing cost (rent plus expense recovery). To isolate the base rent, we deduct the market expense recovery per leasing category. The following table summarizes our analysis. We have utilized our pro forma sales volumes based on all tenants reporting sales per category.

CAPITAL MALL
RETAIL SALES LEVEL / COST OF OCCUPANCY ANALYSIS

Space Category	Pro Forma Yr Sales/SF[1]	Occupancy Cost %		Total Available Rent/SF		Pro Forma Yr.[1] Recoveries/SF[2]	Pro Forma Minimum Rent/ SF Range		Average Rent/SF
Anchor	n/a	-	-	-	-	-	-	-	-
Jr. Anchor	$223	6%	8%	$13.38	$17.84	$5.00	$8.38	$12.84	$10.61
Mall Shop > 10,000 SF	$285	13%	15%	$37.01	$42.71	$7.00	$30.01	$35.71	$32.86
Mall Shop 5,000 - 9,999 SF	$334	13%	15%	$43.42	$50.10	$15.00	$28.42	$35.10	$31.76
Mall Shop 2,000 - 4,999 SF	$311	13%	15%	$40.43	$46.65	$28.08	$12.35	$18.57	$15.46
Mall Shop 1,000 - 1,999 SF	$423	13%	15%	$54.93	$63.38	$28.08	$26.85	$35.30	$31.08
Mall Shop < 1,000 SF	$653	13%	15%	$84.89	$97.95	$28.08	$56.81	$69.87	$63.34
Food Court	$1,133	13%	15%	$147.35	$170.02	$28.08	$119.27	$141.94	$130.60
Kiosk	$1,815	13%	15%	$235.99	$272.30	$28.08	$207.91	$244.22	$226.07
Theater	$138	20%	23%	$27.59	$31.73	$0.00	$27.59	$31.73	$29.66
Jewelry	$1,013	13%	15%	$131.69	$151.95	$28.08	$103.61	$123.87	$113.74
Inline Food	$481	13%	15%	$62.59	$72.22	$28.08	$34.51	$44.14	$39.33
Pad Restaurant	$615	13%	15%	$79.95	$92.25	$5.00	$74.95	$87.25	$81.10
Exterior Shop	$150	13%	15%	$19.50	$22.50	$4.80	$14.70	$17.70	$16.20
Exterior Shop > 10,000 SF	$150	13%	15%	$19.56	$22.57	$4.80	$14.76	$17.77	$16.26

[1] Based on the projected stabilized sales levels per leasing category.
[2] Based on anticipated expense recovery of CAM and real estate taxes per leasing category.
Complied by NPV Advisors

SUBJECT LEASE ANALYSIS

This methodology involves estimating market rent via the analysis of the subject's recent leasing activity. This is typically done by separating the leases into size and use categories and then calculating the average rental rate in each category. The following table summarizes the recent leasing activity for the subject property by space type.

CAPITAL MALL - RECENT LEASING

				Lease Term			Current Rent (1)		Expense	Annual
Tenant Name	Space Category	Suite No.	GLA (SF)	Start	End	Years	Annual	PSF	Basis (2)	Gross Rent PSF (3)
Charming Charlie	Exterior Shop	P011	5,243	Sep-15	Jan-26	10.4	$150,000	$28.61	Gross	$28.61
Chico's	Exterior Shop	P007	3,585	Feb-17	Jan-22	5.0	$109,272	$30.48	Net	$36.13
Eddie Bauer	Exterior Shop	P020	5,983	Feb-17	Jan-20	3.0	$78,972	$13.20	Gross	$13.20
Lane Bryant	Exterior Shop	P015	5,612	Feb-17	Jan-22	5.0	$112,236	$20.00	Net	$25.65
Loft	Exterior Shop	P009	5,500	Feb-17	Jan-18	1.0	$55,272	$10.05	Net	$17.82
Artist's Gallery Co-Op	Exterior Shop	P2	2,974	May-17	Apr-18	1.0	$4,488	$1.51	Gross	$1.51
Cost Plus World Market	Exterior Shop > 10,000 SF	R003	18,317	Dec-17	Jan-28	10.2	$237,938	$12.99	Net	$15.49
Pita Pit	Inline Food	N1	1,100	Jun-15	Jun-20	5.1	$39,048	$35.50	Net	$37.58
i.talia Pizzeria	Inline Food	P003	1,799	Feb-17	Jan-22	5.0	$65,820	$36.59	Net	$42.57
Zales Jewelers	Jewelry	F4	1,305	Mar-16	Feb-21	5.0	$104,124	$79.79	Net	$81.87
Ben Bridge Jewelers	Jewelry	E016	1,814	Feb-17	Jan-22	5.0	$137,868	$76.00	Net	$78.08
Dick's Sporting Goods	Jr. Anchor	H012	51,060	Nov-16	Jan-27	10.3	$778,668	$15.25	Net	$19.90
Bed, Bath & Beyond	Jr. Anchor	R001	28,000	Feb-17	Jan-27	10.0	$363,720	$12.99	Net	$17.96
Piercing Pagoda	Kiosk	4,608	168	Jul-16	Dec-21	5.5	$45,900	$273.21	Net	$302.07
Wetzel's Pretzels	Kiosk	4,642	100	Sep-17	Aug-20	3.0	$48,000	$480.00	Net	$485.16
Chuck E Cheese	Mall Shop > 10,000 SF	H016	11,547	Feb-15	Jan-19	4.0	$219,852	$19.04	Net	$25.49
H&M	Mall Shop > 10,000 SF	G006	20,137	Sep-17	Jan-28	10.4	$375,000	$18.62	Gross	$18.62
Regis Salon	Mall Shop 1,000 - 1,999 SF	E9	1,293	Feb-15	Jan-18	3.0	$36,204	$28.00	Net	$30.07
Claire's	Mall Shop 1,000 - 1,999 SF	J001	1,346	Feb-16	Jan-23	7.0	$122,964	$91.36	Net	$97.80
Sprint Store by Arch	Mall Shop 1,000 - 1,999 SF	K012	1,587	Oct-16	Nov-19	3.2	$98,400	$62.00	Net	$64.08
Sleep Number	Mall Shop 1,000 - 1,999 SF	K6	1,600	May-17	Apr-19	2.0	$94,788	$59.24	Net	$88.37
Box Lunch	Mall Shop 1,000 - 1,999 SF	J004	1,590	Dec-17	Jan-23	5.2	$0	$0.00	Net	$83.48
GameStop	Mall Shop 2,000 - 4,999 SF	G011	2,160	Mar-15	Jan-18	2.9	$74,784	$34.62	Net	$36.70
Foot Locker	Mall Shop 2,000 - 4,999 SF	K002B	3,460	Feb-16	Jan-18	2.0	$50,376	$14.56	Net	$34.43
Pearle Vision Express	Mall Shop 2,000 - 4,999 SF	G012	4,597	Feb-16	Jan-19	3.0	$118,788	$25.84	Net	$25.84
Verizon Wireless	Mall Shop 2,000 - 4,999 SF	H002	3,226	Jun-16	May-21	5.0	$245,880	$76.22	Net	$101.74
T-Mobile	Mall Shop 2,000 - 4,999 SF	E013	2,070	Nov-16	Jan-22	5.3	$144,900	$70.00	Net	$72.07
Playlive	Mall Shop 2,000 - 4,999 SF	K1	3,331	Feb-17	Jan-27	10.0	$68,616	$20.60	Net	$22.67
Spencer Gifts	Mall Shop 2,000 - 4,999 SF	K005B	2,193	Feb-17	Jan-22	5.0	$122,808	$56.00	Net	$62.45
The Children's Place	Mall Shop 2,000 - 4,999 SF	F011	4,252	Feb-17	Jan-19	2.0	$94,944	$22.33	Net	$53.34
PacSun	Mall Shop 2,000 - 4,999 SF	K003	3,200	Mar-17	Jan-18	0.9	$8,676	$2.71	Net	$2.71
Payless Shoesource	Mall Shop 2,000 - 4,999 SF	G014	2,983	Jul-17	Jan-20	2.6	$101,808	$34.13	Net	$60.02
Earthbound Trading Comp	Mall Shop 2,000 - 4,999 SF	G010	3,615	Aug-17	Jul-19	2.0	$97,248	$26.90	Net	$57.93
Champs Sports	Mall Shop 5,000 - 9,999 SF	F008	5,850	Oct-16	Sep-26	10.0	$443,544	$75.82	Net	$95.09
American Eagle Outfitte	Mall Shop 5,000 - 9,999 SF	J007	6,784	Jan-17	Jan-27	10.1	$305,280	$45.00	Net	$70.30
Hollister	Mall Shop 5,000 - 9,999 SF	F010	6,400	Feb-17	Feb-20	3.1	$158,976	$24.84	Gross	$24.84
Red Robin	Pad Restaurant	P001	7,200	Jul-15	Jun-25	10.0	$274,968	$38.19	Net	$40.42
Century Theatres	Theater	N12	45,171	Jun-17	May-22	5.0	$474,300	$10.50	Gross	$10.50

RECENT LEASING SUMMARY BY SPACE CATEGORY

Category	No. Leases	SF	Total Rent	Wtd. Average	Wtd. Average
Anchor	0	0	n/a	n/a	n/a
Jr. Anchor	2	79,060	$571,194	$7.22	$9.61
Mall Shop > 10,000 SF	2	31,684	$297,426	$9.39	$10.56
Mall Shop 5,000 - 9,999 SF	3	19,034	$302,600	$15.90	$20.88
Mall Shop 2,000 - 4,999 SF	11	35,087	$102,621	$2.92	$4.23
Mall Shop 1,000 - 1,999 SF	5	7,416	$70,471	$9.50	$14.73
Mall Shop < 1,000 SF	0	0	n/a	n/a	n/a
Food Court	0	0	n/a	n/a	n/a
Kiosk	2	268	$46,950	$175.19	$185.19
Theater	1	45,171	$474,300	$10.50	$10.50
Jewelry	2	3,119	$120,996	$38.79	$39.83
Inline Food	2	2,899	$52,434	$18.09	$20.34
Pad Restaurant	1	7,200	$274,968	$38.19	$40.42
Exterior Shop	6	28,897	$85,040	$2.94	$3.49
Exterior Shop > 10,000 SF	1	18,317	$237,938	$12.99	$15.49

(1) Includes percentage rent when applicable

(2) The majority of tenants pay fixed CAM and pro rata share of taxes, but there are many variations of recovery methods.

(3) Includes base rent, percentage rent if applicable, and recoveries

Source: Rent roll and lease abstracts, compiled by NPV Advisors

Average Rent Per Category: We also provide an analysis of the average contract rent per leasing category. The following table summarizes the average rent per leasing category.

AVERAGE RENT BY CATEGORY			
Space Category	Wtd. Average Base Rent PSF	Expense Basis (1)	Gross Rent PSF (2)
Anchor	$2.10	Gross	$3.44
Jr. Anchor	$14.03	Fixed CAM; Prorat	$18.83
Mall Shop > 10,000 SF	$14.93	Fixed CAM; Prorat	$19.04
Mall Shop 5,000 - 9,999 SF	$31.59	Fixed CAM; Prorat	$47.61
Mall Shop 2,000 - 4,999 SF	$33.79	Fixed CAM; Prorat	$52.34
Mall Shop 1,000 - 1,999 SF	$46.96	Fixed CAM; Prorat	$62.54
Mall Shop < 1,000 SF	$52.54	Fixed CAM; Prorat	$84.16
Food Court	$117.69	Fixed CAM; Prorat	$151.55
Kiosk	$398.38	Fixed CAM; Prorat	$427.55
Theater	$10.50	Gross	$10.50
Jewelry	$87.99	Fixed CAM; Prorat	$99.14
Inline Food	$35.97	Fixed CAM; Prorat	$44.60
Pad Restaurant	$26.75	Fixed CAM; Prorat	$29.85
Exterior Shop	$19.23	Fixed CAM; Prorat	$22.87
Exterior Shop > 10,000 SF	$12.57	Fixed CAM; Prorat	$16.08

(1) Typical recovery structure, there is some variance within each category

(2) Rents including base rent, percentage rent and recoveries

Analysis prepared by NPV Advisors

COMPARABLE LEASE ANALYSIS

This method involves estimating market rent via an analysis of recent leasing activity at comparable malls throughout the nation. Given the confidential nature of these lease comparables, we have not identified the center at which the retailers are located, but this information is maintained in our work files. The following table provides a summary of the average rent for recent leases (last 24 months) by space category. It should be noted that the space categories vary somewhat from those utilized in our analysis but in our opinion provide a reasonable proxy for estimating market rent.

CLASS A-/B SUPER-REGIONAL MALL LEASE COMPARABLE SUMMARY								
Location		**Inline > 20,000 SF**	**Inline 10,000 - 19,999 SF**	**Inline 5,000 - 9,999 SF**	**Inline 2,000 - 4,999 SF**	**Inline 1,000 - 1,999 SF**	**Inline < 1,000 SF**	**Food Court**
Mobile, AL	Range	NAV	NAV	$9.14 - $42.00	$16.00 - $62.78	$27.32 - $50.00	$21.00 - $68.95	NAV
	Average	$20.00	NAV	$24.84	$32.57	$42.62	$55.14	NAV
Provo, UT	Range	$52.00 - $67.89	$20.00 - $68.32	$8.59 - $24.00	$11.00 - $24.01	$18.00 - $47.99	$25.12 - $117.42	$60.81 - $240.52
	Average	$60.69	$41.86	$13.80	$19.41	$33.27	$49.34	$113.95
Salt Lake City, UT	Range	NAV	$32.25 - $40.40	$10.78 - $17.95	$9.31 - $24.71	$16.14 - $35.00	$16.34 - $40.62	$38.00 - $58.17
	Average	NAV	$36.44	$16.69	$19.28	$26.65	$27.88	$51.56
Denver, CO	Range	NAV	$52.00 - $60.00	$11.36 - $27.33	$9.00 - $35.70	$15.80 - $52.17	$39.14 - $110.00	$32.18 - $198.00
	Average	NAV	$55.92	$20.41	$20.34	$33.36	$71.78	$80.79
Houston, TX	Range	NAV	NAV	$2.05 - $29.83	$2.25 - $29.85	$30.91 - $98.61	$9.11 - $126.95	$85.74 - $191.54
	Average	NAV	NAV	$41.84	$48.10	$54.66	$77.03	$136.96
San Diego, CA	Range	NAV	$29.00 - $57.05	$6.70 - $34.46	$5.29 - $38.84	$5.00 - $88.21	$6.59 - $189.91	NAV
	Average	NAV	$43.03	$19.26	$24.30	$43.65	$54.59	NAV
Detroit, MI	Range	NAV	$15.00 - $24.37	$17.00 - $30.00	$9.86 - $33.00	$18.42 - $39.00	$34.72 - $124.61	NAV
	Average	NAV	$20.02	$22.99	$19.46	$31.57	$40.66	NAV
Knoxville, TN	Range	$52.00 - $67.89	$20.00 - $68.32	$18.86 - $56.81	$29.13 - $61.93	$7.08 - $90.42	$33.90 - $170.00	$60.81 - $240.52
	Average	$60.69	$41.86	$35.80	$43.02	$55.29	$87.78	$113.95
Fairfield, CA	Range	$19.39	$20.00	$26.00 - $31.91	$7.96 - $44.11	$24.09 - $87.55	$48.76 - $131.84	$64.63 - $197.24
	Average	$19.39	$20.00	$28.73	$33.30	$255.13	$81.78	$130.48
Chicago, IL	Range	NAV	NAV	$21.00 - $65.00	$23.00 - $65.00	$33.09 - $85.20	$32.00 - $90.00	$76.00 - $132.44
	Average	NAV	$27.00	$40.76	$45.66	$50.11	$56.19	$106.97
Chicago, IL	Range	NAV	$0.00-$20.00	$5.15-$26.50	NAV	NAV	NAV	$45.10-$81.00
	Average	$11.54	$13.00	$15.37	NAV	NAV	NAV	$54.28
Chicago, IL	Range	NAV	$21.25-$24.48	$30.74-$48.80	$25.69-$76.96	$24.69-$56,71	$37.50-$125.00	$79.84-$88.00
	Average	NAV	$23.50	$42.21	$29.16	$47.41	$87.88	$83.81
	Total average	**$31.95**	**$31.15**	**$26.89**	**$30.42**	**$61.25**	**$62.73**	**$96.97**

Source: Independent research performed by NPV Advisors

MARKET RENT CONCLUSION

Based on the preceding discussions, the following table summarizes our conclude market rent terms.

MARKET RENT CONCLUSION								
	Occupancy Cost Rent Average	Average Contact Rent Per Category	Recent Leasing	Concluded Market Rent		Base Rent		Tenant Allowances
Space Category	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Year	Rate/SF/Yr	Term (Yrs)	Escalation	Expense Reimbursements	PSF
Anchor	-	$2.10	n/a	$3.50	10	Mid-term 10%	Gross	$25.00
Jr. Anchor	$10.61	$14.03	$7.22	$14.00	10	Mid-term 10%	Fixed CAM; Prorata RET	$25.00
Mall Shop > 10,000 SF	$32.86	$14.93	$9.39	$18.00	10	Mid-term 10%	Fixed CAM; Prorata RET	$25.00
Mall Shop 5,000 - 9,999 SF	$31.76	$31.59	$15.90	$16.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Mall Shop 2,000 - 4,999 SF	$15.46	$33.79	$2.92	$24.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Mall Shop 1,000 - 1,999 SF	$31.08	$46.96	$9.50	$35.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Mall Shop < 1,000 SF	$63.34	$52.54	n/a	$51.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Food Court	$130.60	$117.69	n/a	$121.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Kiosk	$226.07	$398.38	$175.19	$370.00	7	3.0% Annual	Fixed CAM; Prorata RET	$0.00
Theater	$29.66	$10.50	$10.50	$24.00	10	Mid-term 10%	Gross	$25.00
Jewelry	$113.74	$87.99	$38.79	$71.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Inline Food	$39.33	$35.97	$18.09	$36.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Pad Restaurant	$81.10	$26.75	$38.19	$30.00	10	Mid-term 10%	Fixed CAM; Prorata RET	$25.00
Exterior Shop	$16.20	$19.23	$2.94	$20.00	7	3.0% Annual	Fixed CAM; Prorata RET	$25.00
Exterior Shop > 10,000 SF	$16.26	$12.57	$12.99	$13.00	10	Mid-term 10%	Fixed CAM; Prorata RET	$25.00

Compiled by: NPV Advisors

Our concluded market rents take into consideration that the existing leases are on a variety of recovery structures.

The estimated market rents will be employed upon turnover of existing leases and upon lease-up of vacant space and are based on a ten-year term for all rent categories other than kiosk space. The majority of the market rents will be modeled on a fixed CAM and pro rata tax reimbursement but several of the larger space categories are modeled as gross rents.

The next table analyzes the average contract rent versus our concluded market rent.

CONTRACT VERSUS MARKET RENT

Space Category	Contract Rent	Market Rent	% Difference
Anchor	$2.10	$3.50	66.83%
Jr. Anchor	$14.03	$14.00	-0.25%
Mall Shop > 10,000 SF	$14.93	$18.00	20.59%
Mall Shop 5,000 - 9,999 SF	$31.59	$16.00	-49.35%
Mall Shop 2,000 - 4,999 SF	$33.79	$24.00	-28.98%
Mall Shop 1,000 - 1,999 SF	$46.96	$35.00	-25.47%
Mall Shop < 1,000 SF	$52.54	$51.00	-2.93%
Food Court	$117.69	$121.00	2.81%
Kiosk	$398.38	$370.00	-7.12%
Theater	$10.50	$24.00	128.57%
Jewelry	$87.99	$71.00	-19.31%
Inline Food	$35.97	$36.00	0.09%
Pad Restaurant	$26.75	$30.00	12.15%
Exterior Shop	$19.23	$20.00	4.03%
Exterior Shop > 10,000 SF	$12.57	$13.00	3.44%
Weighted Average	$16.34	$15.94	-2.43%

Analysis prepared by NPV Advisors

Our concluded market rents are just slightly below the average in-place rents. However, this is partially due to the fact that many of the leases in place are paying lower recoveries as compared to our market recovery projections. Comparing gross contract rent to our concluded gross market rent indicates that our market rent is 5.62 percent above contract rent in place, which is reasonable given that some leases in place are older and below market.

CONTRACT RENT

The existing contract rent for all spaces with signed leases is processed in accordance with existing lease terms since it represents a contractual obligation.

ANCHOR ANALYSIS

The subject property is anchored by Macy's and JC Penney.

Macy's: The 113,190-square foot anchor has been a tenant since 1979. This anchor reported sales of $374 per square foot for the trailing 12-months. Macy's does not report retail sales.

Their rent is flat at $0.93 per square foot per year through 2024, with three more 5-year options at the same rental rate. This is considered significantly below market.

JC Penney: This 93,481-square foot anchor has been in place since 1978. Their current term expires in February 2024, with four, 5-year options remaining. Their current rent is $3.50 per square foot per year. Rent during the options is also flat at $3.50 per square foot. The trailing 12-month sales were reported at $185 per square foot, which is above the national average for this chain of $120 per square foot.

Both Macy's and JC Penney have struggled overall as a chain over the past few years. There is potential for ownership to buy out the leases for either of these tenants, in order to redevelop or re-lease the space to stronger tenants. However, any potential buyout and/or redevelopment is highly speculative at this point, and has not been processed in our analysis. Our pricing assumptions generally consider the potential upside from such a move, as well as the costs and the risk that would be undertaken in redevelopment.

The subject benefits from the draw of its junior anchor tenants, particularly the movie theater and 24 Hour Fitness. The 24-Hour Fitness serves to bring daily visitors the mall site. The mall provides an important entertainment element, which works in conjunction with restaurant tenants to draw traffic to the center.

ANALYSIS OF TENANCY

The following chart provides a brief synopsis of the subject's tenants over 4,000 square feet, accounting for 78.9 percent of the subject's total gross leasable area, followed by a brief description of the tenants over 90,000 square feet.

CAPITAL MALL - TENANCY PROFILE

			Moody's[1]			Retail Maxim			
Tenant	GLA	Market Coverage	Bond Rating	Outlook	Grade/ Quality	MAX - WL Ranking[2]	Index Value[3]	Bond Rating Equivalent	Degree of Risk[2]
Macy's	113,190	National	Baa3	Stable	Investment	Negative: Challenged	5.54	Ba/B	High
JC Penney	93,481	National	B1	Stable	Speculative	Positive: Competitive	14.98	Aa/A	Low
Dick's Sporting Goods	51,060	National	NR	--	--	Positive: Competitive	18.18	Aa/A	Low
Century Theatres (Cinemark Holdings, Inc.)	45,171	National	B1	Stable	Speculative	--	--	--	--
Best Buy	35,000	National	Baa1	Stable	Investment	Positive: Competitive	20.35	Aa/A	Low
Bed, Bath, & Beyond	28,000	National	Baa1	Stable	Investment	Positive: Competitive	15.93	Aa/A	Low
24 Hour Fitness	24,866	National	B2	Negative	Speculative	--	--	--	--
REI	24,651	National	NR	--	--	Positive: Competitive	18.98	Aa/A	Low
Total Wine & More	21,520	National	NR	--	--	--	--	--	--
TJ Maxx (TJX)	21,200	national	A2	Stable	Investment	Positive: Competitive	22.12	Aa/A	Low
H&M (Hennes & Mauritz)	20,137	National	NR	--	--	Positive: On-the-Cusp	11.75	Baa	Moderate
Forever 21	16,452	National	NR	--	--	--	--	--	--
Old Navy (The Gap)	16,275	National	Baa2	Stable	Investment	Positive: Competitive	20.01	Aa/A	Low
Party City	13,600	National	Ba3	Stable	Speculative	Negative: Challenged	7.43	Ba/B	High
Olive Garden (Darden)	9,100	National	Baa3	Positive	Investment	Positive: Competitive	14.07	Aa/A	Low
Red Robin	7,200	National	NR	--	--	Negative: Challenged	7.80	Ba/B	High
Victoria's Secret (L Brands)	7,080	National	Ba1	Stable	Speculative	Positive: On-the-Cusp	12.64	Baa	Moderate
Fujiyama Steakhouse	7,000	Local	NR	--	--	--	--	--	--
American Eagle	6,784	National	NR	--	--	Positive: Competitive	16.10	Aa/A	Low
Charlotte Russe	6,603	National	Caa1	Negative	Speculative	Negative: Sinkhole	-8.53	B/Caa	High
Hollister Co. (Abercrombie & Fitch)	6,400	National	B1	Stable	Speculative	Negative: Sinkhole	-2.34	B/Caa	High
Eddie Bauer (Men's Wearhouse)	5,983	National	NR	--	--	--	--	--	--
Champs Sports (Foot Locker)	5,850	National	Ba1	Stable	Speculative	--	--	--	--
Lane Bryant (Ascena)	5,612	National	Ba3	Negative	Speculative	Negative: Sinkhole	-0.85	B/Caa	High
LOFT (Ascena)	5,500	National	Ba3	Negative	Speculative	Negative: Challenged	9.66	Ba/B	High
Charming Charlie	5,253	National	Caa1	Negative	Speculative	--	--	--	--
Maurices (Ascena)	5,251	National	Ba3	Negative	Speculative	Negative: Challenged	7.05	Ba/B	High
The Buckle	5,075	National	NR	--	--	Positive: On-the-Cusp	13.35	Baa	Moderate
Applebees Grill & Bar (Dine Equity)	4,997	National	NR	--	--	Negative: Sinkhole	0.98	B/Caa	High
Pints & Quarts	4,853	Local	NR	--	--	--	--	--	--
Pearle (Luxottica Group)	4,597	National	A2	Positive	Investment	Positive: Competitive	16.82	Aa/A	Low
The Children's Place	4,252	National	NR	--	--	Positive: Competitive	22.75	Aa/A	Low

Overview	GLA	% of GLA
Retail Maxim Rated	495,045	61.8%
Retail Maxim Positive Rated	326,692	40.8%
Moody's Rated	452,029	56.4%
Moody's Investment Grade	227,362	28.4%

[1]Moody's credit ratings are designed to provide relative rankings and denote forward-looking creditworthiness. Ratings are primarily based on likelihood of default, but additionally consider payment priority, projected recovery, and credit stability. In general, an issuer credit rating addresses the ability and willingness to meet senior, unsecured obligations. Numerical modifiers range from 1 (higher end) to 3 (lower end) for Aa to Caa ratings.

[2]The MAX-WL Index Fundamental Value (formerly the MAXIM Watch List) is a structural index that assesses the overall competitiveness of a retailer's business. The index is a composite of 250 public retail companies from 38 sub-sectors. Values represent the absolute and relative competitiveness for the business and individual segments of operations ranging from merchandising, real estate and capital positions.

[3]Degree of Risk consists of the following components: Market Risk, Operating Risk, Event Risk, Credit Risk and Asset Risk.

Source: Retail Maxim: Alternative Retail Risk Analysis for Alternative Capital May 2017 and Moody's; Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30,2017.

This subject is tenanted by a variety of national and local retailers. Moody's has assigned an Investment grade credit rating to multiple tenants, accounting for 28.4 percent of the subject's total gross leasable area. Retail Maxim has given multiple tenants a positive rating, accounting for 40.8 percent of the subject's total gross leasable area.

Macy's: Macy's is one of the nation's premier department store chains, offering family apparel, accessories, home furnishings, cosmetics, and other consumer goods in 45 states, the District of Columbia, Guam, and Puerto Rico, as well as from accompanying web sites for each banner. As of January 2017, Macy's operated 673 Macy's locations, 55 Bloomingdale's locations, and 101 Bluemercury locations, and seven Macy's Backstage locations. Macy's Backstage, a concept unveiled in May 2015, offers merchandise from full-line Macy's stores at discounts ranging from 20 percent to 80 percent. More recently, the company has been focusing on its online division and is further developing its omnichannel retail strategy in which physical and online inventories become fully integrated. Macy's offers in-store pickups across all full-line stores and same-day delivery in 17 markets.

For the entirety of fiscal 2016, Macy's reported sales of nearly $25.78 billion, down 4.80 percent from the prior year. Throughout the year, the company opened 27 stores and shuttered 66 stores. Macy's has reported six straight quarters of revenue decline and, as a result, announced in late 2016 that roughly 15 percent of its physical locations were slated for closure. An additional 68 store closures were announced in early 2017. One potential bright spot for Macy's is their expansive real estate holdings; in fiscal 2016, the company generated $673 million from real estate asset sales, over one-third of which came from its Union Square Men's location in San Francisco. The company has identified a further 50 locations where it will attempt to leverage its real estate assets, including the downtown Minneapolis flagship location. Moody's assigns Macy's a Baa3 credit rating with a stable outlook, reflecting the company's good liquidity and clearly stated balance sheet targets, but taking into account the continued weakness in apparel demand within the department store channel.

JCPenney: JCPenney is an apparel retailer that currently sells its merchandise at 1,095 department stores in 49 states and Puerto Rico, as well as through its ecommerce platform. While many of its competitors draw a mixture of youthful, fashion-conscious shoppers, JCPenney has traditionally attracted older, middle-market consumers with average to slightly below-average incomes, a demographic that remains vulnerable to the lingering effects of the recession. JCPenney is recovering from a rebranding attempt in which it introduced a three-tiered "everyday low prices" strategy that eliminated discounts and coupons. After this failed to resonate with consumers, the retailer did away with the strategy in early 2013. In the second quarter of fiscal 2017, JCPenney reported revenue of $2.96 billion, up 1.37 percent from the previous year. Moody's assigns JCPenney a B3 rating with no outlook. Moody's notes the company's improving market share and operating margins as positive indicators of the JCPenney's performance, but notes that the department store market continues to face challenges including weak mall traffic and market share losses to off-price retailers.

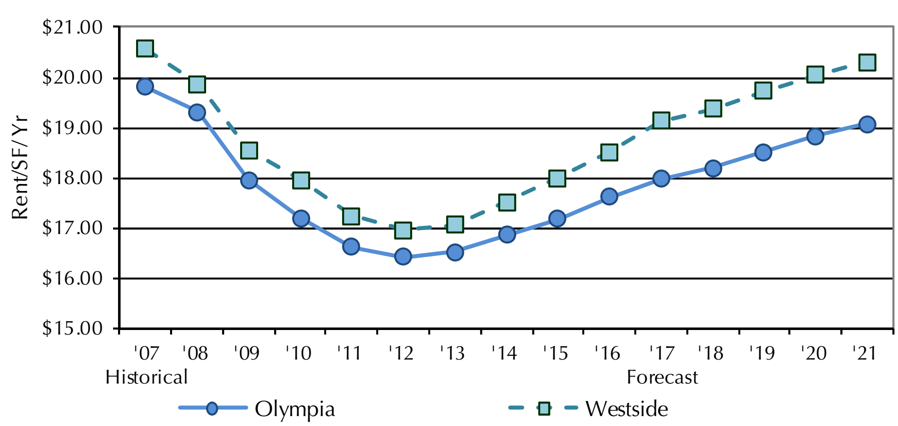
RENTAL RATE GROWTH

We have considered rental rate forecasts by Costar Analytics, which tracks neighborhood and community retail centers in the region. The following table details projected asking and effective rental rates for the subject's market and submarket.

RENTAL RATES				
	Quoted Rent			
	Olympia		Westside	
Year	Rent/SF/ Yr	Y-o-Y % Change	Rent/SF/ Yr	Y-o-Y % Change
Historical				
2006	N/A	--	N/A	--
2007	$19.82	--	$20.56	--
2008	$19.31	-2.54%	$19.87	-3.33%
2009	$17.96	-7.02%	$18.55	-6.67%
2010	$17.20	-4.19%	$17.96	-3.21%
2011	$16.62	-3.39%	$17.25	-3.94%
2012	$16.43	-1.15%	$16.95	-1.69%
2013	$16.52	0.57%	$17.06	0.62%
2014	$16.86	2.04%	$17.51	2.64%
2015	$17.18	1.89%	$18.00	2.78%
2016	$17.62	2.59%	$18.51	2.85%
CAGR/Averages	**$17.55**	**-1.29%**	**$18.22**	**-1.16%**
2017 Q3	$17.93	2.29%	$19.09	3.53%
YTD	**$17.93**		**$19.09**	
Forecast				
2017	$17.98	2.00%	$19.13	3.38%
2018	$18.19	1.18%	$19.37	1.23%
2019	$18.52	1.84%	$19.72	1.84%
2020	$18.83	1.66%	$20.05	1.65%
2021	$19.07	1.28%	$20.31	1.27%
CAGR		**1.59%**		**1.87%**

Comparison to Prior Quarter	
Olympia	$17.71
Westside	$18.62
Comparison to Prior Year	
Olympia	$17.53
Westside	$18.44

Rental Rates



Notes: Quoted rents are asking/listing rates, not achieved. All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate. Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

Through 2021, Costar forecasts that asking rents in the submarket will grow at a compound annual rate of 1.87 percent, below our concluded market growth of three percent. However, our review of current investor underwriting indicates institutional buyers are still underwriting rent growth for Class A/B malls at 3.0 percent. We have concluded to a 3.0 percent inflationary growth rate beginning in year two of our analysis for all tenant spaces. This is typical for regional mall underwriting in the current market.

CONTRACT RENT

The existing contract rent is processed in accordance with existing lease terms since it represents a contractual obligation.

SPECIAL LEASE PROVISIONS AND ASSUMPTIONS

The following discussion summarizes unusual lease provisions and assumptions of special note.

Renewal Options: Options to renew at below-market rent may have an impact on the valuation. If such renewals are exercised, they may result in a downward impact on value. To the extent that re-tenanting costs are saved (rent loss during downtime, tenant improvements, and leasing commissions), there may be an advantage in having a tenant renew at a rate below market in order to avoid these costs. Options for certain tenants have been exercised within our analysis when considered favorable and likely to be exercised.

First Rights of Refusal: First rights of refusal on specified space may be provided to a large tenant or tenants expected to have expansion needs. As such space becomes vacant, it may be difficult to market it to a new tenant if an existing tenant is considering exercising a first right of refusal for the space. However, this problem can usually be minimized if management keeps current on anticipated tenant expansion needs with regard to space affected by first rights of refusal and negotiates early to accommodate the needs of the tenant. For the purposes of this assignment, we have assumed that management will effectively monitor any first right of refusal clauses and as such there will be no material impact on the marketability of vacant space.

Contraction/Termination Options and Co-Tenancy Provisions: We were provided with a co-tenancy and kick-out report for the subject. The subject is currently 95.1 percent leased, and no tenants are paying reduced rent due to co-tenancy clauses. Based on our review of the leases provided, many tenants do have co-tenancy clauses that could be triggered by one or more department stores vacating. If triggered, tenants typically have the option of paying lower base rent or percentage rent only for a certain period of time, after which some tenants have the option to terminate, or remain in place with their rent going back up to contract levels. We assume ownership will effectively manage and monitor these tenants for minimal impact on revenue. Overall, co-tenancy risk is considered average compared to similar malls, and this risk is considered in our pricing assumptions.

Some tenants also have kick-out clauses, in which the tenants can terminate if their sales do not reach a certain threshold. Per our review of kick-out clauses, most tenants have already passed their possible deadline for termination, or have surpassed the required sales level. Two exceptions are Francesca's and Charming Charlies. Based on their current sales levels, these two tenants could have the option to terminate over the next few years. However, any termination is speculative and has not been processed in our analysis. Risk from kick-out clauses is considered in our vacancy and collection loss conclusions, as well as our pricing assumptions.

TOTAL RENTAL REVENUE

The total rental income estimate includes the rental income generated from the permanent tenants as well as minor miscellaneous rent (storage) modeled as a separate rent for several tenants. The following table summarizes the historical rental revenue and our pro forma projection.

TOTAL RENTAL REVENUE		
Year	Total Rental Revenue	PSF
2014	$11,999,822	$14.98
2015	$12,064,340	$15.06
2016	$11,747,622	$14.67
2017 Reforecast	$11,710,211	$14.62
2018 Budget	$12,341,079	$15.41
Pro Forma	$12,234,738	$15.28

As indicated, our year one projection falls between the 2017 Reforecast and the 2018 Budget, which is reasonable given that our analysis runs from October 2017 through September 2018. Our projection is in-line with rental growth trends at the subject and is reflective of all of the new leasing activity over the past 12 months.

MISCELLANEOUS REVENUE

Other income includes overage rent, expense reimbursements generated from reimbursement of operating expenses by current and hypothetical lease tenants and other miscellaneous income.

Percentage and Overage Rent: Percentage and o verage rent has trended upward over the past few years. This is partially due to new leases that pay percentage rent only. As indicated, our year one projection falls between the 2017 Reforecast and the 2018 Budget, which is reasonable given that our analysis runs from October 2017 through September 2018. Note that several of the tenants are percent in lieu deals, as detailed within the rent roll herein. It should be noted that *Argus Enterprise* does not separate overage rent from tenants that strictly pay percentage rent in lieu of base rent.

OVERAGE RENTAL REVENUE		
Year	Total Rental Revenue	PSF
2014	$172,893	$0.22
2015	$293,675	$0.37
2016	$310,755	$0.39
2017 Reforecast	$604,069	$0.75
2018 Budget	$735,643	$0.92
Pro Forma	$723,421	$0.90

Expense Recoveries: The majority of tenants pay their pro rata share of real estate taxes and fixed CAM. CAM expense includes insurance expense and property management fees. Recovery structures vary from tenant to tenant, with a few tenants on gross leases, and a few tenants paying their pro rata share of CAM. Recoveries were modeled per the abstracts and CAM/tax reconciliations provided.

Other Income: Other income includes miscellaneous income from the cart program, specialty leasing (tenants included as "*Vacant – Temp Tenants" within our Argus model), business development, storage rent, parking income, utility recovery income outside of CAM, lease terminations and similar items. Other income has declined over the past few years, from $1,366,021 in 2014 to $1,062,552 in the 2017 Reforecast. The 2018 Budget includes Other Income at $1,168,774. We have concluded to other income at $1,170,000 during year one, weighing both the 2018 budget as well as the historical statements.

RENEWAL PROBABILITY

According to the latest "*PwC Real Estate Investor Survey*," investors are generally projecting renewal probabilities between 65 and 75 percent for similar types of retail properties. Our review of actual underwriting in the local market indicates most investors are using renewal probabilities within this range. We also considered tenant history at the subject and the tenant demand in the market. Further, we have also considered the overall occupancy costs and historical turnover at the property. As a result, we have applied a 70 percent renewal probability to all tenant spaces.

VACANCY LOSS

Vacancy is one measure that reflects demand for space at regional shopping destinations. The subject property's total occupancy rate is approximately 97.1 percent, and the mall shop occupancy rate is approximately 94.9 percent. An additional 3.5 percent of Mall Shop space is occupied by temporary tenants. The following table summarizes the vacancy within each of the separate market rent categories for mall shop space.

CAPITAL MALL SPACE SUMMARY					
	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
Anchor	206,671	206,671	0	100.0%	0.0%
Jr. Anchor	184,787	184,787	0	100.0%	0.0%
Mall Shop > 10,000 SF	85,931	85,931	0	100.0%	0.0%
Mall Shop 5,000 - 9,999 SF	48,092	43,043	5,049	89.5%	10.5%
Mall Shop 2,000 - 4,999 SF	60,400	55,752	4,648	92.3%	7.7%
Mall Shop 1,000 - 1,999 SF	37,146	24,231	12,915	65.2%	34.8%
Mall Shop < 1,000 SF	2,764	2,764	0	100.0%	0.0%
Food Court	2,615	2,615	0	100.0%	0.0%
Kiosk	1,068	418	650	39.1%	60.9%
Theater	45,171	45,171	0	100.0%	0.0%
Jewelry	4,543	4,543	0	100.0%	0.0%
Inline Food	13,365	13,365	0	100.0%	0.0%
Pad Restaurant	28,297	28,297	0	100.0%	0.0%
Exterior Shop	32,397	32,397	0	100.0%	0.0%
Exterior Shop > 10,000 SF	31,917	31,917	0	100.0%	0.0%
Temp Tenants (Inline Specialty Leasing)(1)	15,693	15,693	0	100.0%	0.0%
Total Mall	800,857	777,595	23,262	97.1%	2.9%
Total Mall-Owned	800,857	777,595	23,262	97.1%	2.9%
Total Mall Shop (2)	453,997	430,735	23,262	94.9%	5.1%

(1) Currently occupied by temp tenants, treated as vacant in analysis with income included within Other Income line item

(2) Excludes Anchor, and excludes retail at the adjacent community center, also referred to as "Capital Mall Land"

Analysis prepared by NPV Advisors

In order to estimate vacancy at the subject property, a general assumption was made that 70 percent of the subject's tenants will renew their leases and 30 percent will vacate at expiration. A 9-month or 12-month vacancy is taken on turnover (depending on the space category), thus a rounded average of approximately three to four months vacancy was incurred on turnover of every mall shop tenant. The following table summarizes the concluded downtime vacancy and credit loss conclusions for the discounted cash flow analysis.

DOWNTIME VACANCY AND CREDIT LOSS ANALYSIS							
				A	B	C	D
Space Type	GLA	Months Downtime	Renewal Probability	Rounded No. Months Weighted Avg. Downtime[1]	Lease Term (Months)	Months Between Leases[2]	Turnover Vacancy Factor[3]
Anchor	206,671	12	70%	4	120	124	3.2%
Jr. Anchor	184,787	12	70%	4	120	124	3.2%
Mall Shop > 10,000 SF	85,931	12	70%	4	120	124	3.2%
Mall Shop 5,000 - 9,999 SF	48,092	9	70%	3	84	87	3.4%
Mall Shop 2,000 - 4,999 SF	60,400	9	70%	3	84	87	3.4%
Mall Shop 1,000 - 1,999 SF	37,146	9	70%	3	84	87	3.4%
Mall Shop < 1,000 SF	2,764	9	70%	3	84	87	3.4%
Food Court	2,615	9	70%	3	84	87	3.4%
Kiosk	1,068	9	70%	3	84	87	3.4%
Theater	45,171	12	70%	4	120	124	3.2%
Jewelry	4,543	9	70%	3	84	87	3.4%
Inline Food	13,365	9	70%	3	84	87	3.4%
Pad Restaurant	28,297	12	70%	4	120	124	3.2%
Exterior Shop	32,397	9	70%	3	84	87	3.4%
Exterior Shop > 10,000 SF	31,917	12	70%	4	120	124	3.2%
Weighted Turnover Vacancy							3.3%
General Credit/Collection Loss							2.0%
Implied Stabilized Vacancy & Collection Loss							5.3%

ECONOMIC AND PHYSICAL VACANCY COMPARISON	
Economic Vacancy	
As Is	
Subject's Absorption & Turnover	2.8%
Subject's General Vacancy	0.0%
Subject's Avg. Credit/Collection Loss	2.0%
Subject's Economic Vacancy & Credit Loss over Holding Period - As Is	4.6%
Physical Vacancy	
Avg. Physical Vacancy over Holding Period - As Is	3.7%
Stabilized Vacancy & Collection Loss Conclusion (Rounded)	**5.0%**

[1]A=Non-renewal probability x number of months downtime if tenant vacates, [2]C=A+B, and [3]D=A/C

Source: NPV Advisors

We have concluded to a weighted average vacancy and collection loss of 5.0 percent, which is applied in the reversion year of the DCF and in our direct capitalization analysis. The above table indicates that a concluded vacancy and collection loss between 4.6 percent and 5.3 percent is considered reasonable for the subject.

We note that an additional 15,963 square feet (approximately 2.0 percent of total mall square footage) are short-term specialty tenants, modeled as perpetually vacant. Income for these suites is included within the Other Income line item in our analysis.

LEASE-UP ASSUMPTIONS

We have leased-up the vacant spaces at the subject property over a 24 month time period. Our lease up projections take into consideration any pending deals. We note that we do not project any increase in current kiosk occupancy. Vacant kiosks are expected to remain vacant throughout the holding period.

NEAR TERM LEASE EXPIRATION

YEAR ONE LEASE EXPIRATIONS SUMMARY					
Tenant	Suite	Square Feet	Lease Expiration Date	Management Comments / Leasing Status	Leasing Assumptions
Sunglass Hut	E017	732	12/31/17		Speculative renewal
B. Natural Nails & Spa	G015	1,356	1/31/18	Negotiating renewal	80% Renewal modeled
Buckle, The	E005	5,075	1/31/18	Renewal has been signed	Renewal modeled
Charlotte Russe	K005	6,603	1/31/18	Tenant is negotiating renewal	85% Renewal modeled
Foot Locker	K002B	3,460	1/31/18	REC has approved 1-year renewal	Renewal modeled
GameStop	G011	2,160	1/31/18		Option modeled
Hot Topic	K007	1,889	1/31/18	REC has approved 2-year renewal	Renewal modeled
Justice	G009	3,625	1/31/18		Speculative renewal
Lids	E010	855	1/31/18	REC has approved 3-year renewal	Renewal modeled
PacSun	K003	3,200	1/31/18	Tenant will vacate	Vacate
Regis Salon	E9	1,293	1/31/18	REC has approved 1-year renewal	Renewal modeled
Torrid	J012	2,340	1/31/18	REC has approved 2-year renewal	Renewal modeled
Loft	P009	5,500	1/31/18		Speculative renewal
Artist's Gallery Co-Op	P2	2,974	4/30/18		Speculative renewal
XXI Forever	C004	16,452	6/30/18	Tenant will vacate, exact date not provided	Vacate 6/30/2018
Charley's Grilled Subs	FC2	696	6/30/18		Speculative renewal
Eyebrow Beauty	4550	150	9/30/18		Speculative renewal

We also point out that a number of the renewals are on a short term basis. This is considered slight additional risk as retailers are not willing to commit long-term.

Rent Relief: Based on data provided by property management, Forever XXI is on rent relief. They are paying percentage rent only throughout the remainder of their lease term (they are expected to vacate in 2018).

HOLDOVER TENANTS

For any tenants that are in occupancy in a holdover status, we have assumed that they remain at the center for one year and then roll to market.

NEAR-TERM ROLLOVER

The following table summarizes the actual projected tenant turnover for the first five years of the cash flow.

LEASE EXPIRATION SCHEDULE						
	Annual Expiration			Cumulative Expiration		
Year	No. of Tenants	SF	% of Total	No. of Tenants	SF	% of Total
1	11	43,448	5.4%	11	43,448	5.4%
2	14	40,194	5.0%	25	83,642	10.4%
3	10	27,522	3.4%	35	111,164	13.9%
4	11	31,762	4.0%	46	142,926	17.8%
5	9	25,086	3.1%	55	168,012	21.0%
Note: Excludes tenants with favorable options						

There is below average turnover vacancy for the subject's property type and class. The highest rollover occurs in year one, primarily due to Forever XXI vacating. A replacement tenant is currently in negotiations, which mitigates some risk.

OPERATING EXPENSE ANALYSIS

We have utilized historical operating statements and the 2018 budget. The following table summarizes the subject's operating data.

INCOME & EXPENSE SUMMARY	Actual 2014		Actual 2015		Actual 2016		Reforecast 2017		Budget 2018		NPV Advisors Pro Forma	
	Total	PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF
REVENUE												
Rental Revenue	$11,999,822	$14.98	$12,064,340	$15.06	$11,747,622	$14.67	$11,710,211	$14.62	$12,341,079	$15.41	$12,234,738	$15.28
Percentage Rent	$172,893	$0.22	$293,675	$0.37	$310,755	$0.39	$604,069	$0.75	$735,643	$0.92	$723,421	$0.90
Base Rent Abatements	($247,755)	($0.31)	($501,194)	($0.63)	($473,438)	($0.59)	$0	$0.00	$0	$0.00	($401,934)	($0.50)
Recoveries	$5,970,377	$7.45	$5,543,936	$6.92	$4,923,056	$6.15	$4,379,562	$5.47	$4,284,707	$5.35	$4,571,321	$5.71
Other Revenue	$1,366,021	$1.71	$1,218,653	$1.52	$1,189,497	$1.49	$1,062,552	$1.33	$1,168,774	$1.46	$1,170,000	$1.46
Vacancy & Credit Loss	($335,706)	($0.42)	($334,074)	($0.42)	$52,304	$0.07	($107,094)	($0.13)	($186,324)	($0.23)	($342,551)	($0.43)
Total Revenue	**$18,925,653**	**$23.63**	**$18,285,335**	**$22.83**	**$17,749,795**	**$22.16**	**$17,649,300**	**$22.04**	**$18,343,880**	**$22.91**	**$17,954,995**	**$22.42**
OPERATING EXPENSES												
Recoverable Expenses												
Real Estate Taxes	$1,230,323	$1.54	$1,247,220	$1.56	$1,138,829	$1.42	$1,339,284	$1.67	$1,451,957	$1.81	$1,635,000	$2.04
Insurance	$411,175	$0.51	$305,546	$0.38	$244,827	$0.31	$228,839	$0.29	$231,288	$0.29	$230,000	$0.29
CAM	$1,469,397	$1.83	$1,590,143	$1.99	$1,616,001	$2.02	$1,679,225	$2.10	$1,672,261	$2.09	$1,675,000	$2.09
Utilities	$1,011,754	$1.26	$1,077,164	$1.35	$965,345	$1.21	$1,052,991	$1.31	$1,092,196	$1.36	$1,100,000	$1.37
Marketing	$407,227	$0.51	$436,565	$0.55	$395,017	$0.49	$503,307	$0.63	$511,715	$0.64	$500,000	$0.62
Specialty Leasing Expense	$174,655	$0.22	$152,452	$0.19	$183,900	$0.23	$254,524	$0.32	$314,506	$0.39	$300,000	$0.37
Administration	$403,410	$0.50	$464,209	$0.58	$464,561	$0.58	$460,430	$0.57	$516,673	$0.65	$500,000	$0.62
Property Management	$448,486	$0.56	$431,013	$0.54	$415,707	$0.52	$401,421	$0.50	$407,443	$0.51	$448,875	$0.56
Recoverable Operating Expense Subtotal	$5,556,427	$6.94	$5,704,312	$7.12	$5,424,187	$6.77	$5,920,020	$7.39	$6,198,039	$7.74	$6,388,875	$7.98
Non-Recoverable Operating Expenses	$158,360	$0.20	$207,852	$0.26	$233,425	$0.29	$127,399	$0.16	$99,596	$0.12	$100,000	$0.12
Total Operating Expenses	**$5,714,787**	**$7.14**	**$5,912,165**	**$7.38**	**$5,657,612**	**$7.06**	**$6,047,420**	**$7.55**	**$6,297,636**	**$7.86**	**$6,488,875**	**$8.10**
NET OPERATING INCOME	**$13,210,866**	**$16.50**	**$12,373,171**	**$15.45**	**$12,092,184**	**$15.10**	**$11,601,880**	**$14.49**	**$12,046,244**	**$15.04**	**$11,466,120**	**$14.32**
Recovery % of Total Expenses		104.5%		93.8%		87.0%		72.4%		68.0%		70.4%
Operating Expense Ratio		30.2%		32.3%		31.9%		34.3%		34.3%		36.1%
Recovery % of Total Recoverable Expenses		107.4%		97.2%		90.8%		74.0%		69.1%		71.6%
Management Fee (% of EGI)		2.4%		2.4%		2.3%		2.3%		2.2%		2.5%

Source: Property Management's Income & Expense Statements

Compiled by: NPV Advisors

Within our analysis there is a logical relationship within each expense category between management's budget and our forecast. For expense categories, in which there is a significant variance from year-to-year or the relationship between historical expenses and our forecast is not straightforward we have provided a detailed discussion in the paragraphs below.

Real Estate Taxes – The real estate taxes were discussed in depth in the *Property Description* section of the report.

CAM – This expense includes security, cleaning, repairs and maintenance, and landscaping and grounds. This expense increased by 1.63 percent in 2016, 3.91 percent in 2017, and a modest 0.41 percent decrease projected for 2018. We concluded to a CAM expense of $1,675,000, which falls between the 2017 reforecast at $1,679,225 and the 2018 Budget at $1,672,261. The bulk of this expense is tied to the main mall. Within our analysis, approximately 6.0 percent of this expense is tied solely to the adjacent community center (also referred to as "Capital Land").

Management Fee – Management fees in the subject market are typically calculated as a percentage of the effective gross income (EGI) generated by the property. Management fees at similar properties in the market typically range from 2.0 to 5.0 percent of the EGI based on their size, complexity, quality, and tenancy. Historically, the management expense remained relatively stable, ranging between 2.3 and 2.4 percent of EGI. We view this as market-oriented and concluded to a management fee of 2.5 percent in our analysis.

OPERATING EXPENSE RATIOS – TEST OF REASONABLENESS

As a test to the reasonableness of income and expense levels at the subject center, we also looked at operating expense ratios for regional mall portfolios, as well as comparable and competing centers, in order to support the projections utilized. With an operating expense ratio of 36.1 percent, the subject reflects an average level of expenses as compared to operating income.

The following table presents a summary of operating expense levels for a number of retail REITs and publically traded companies.

PORTFOLIO OPERATING EXPENSE RATIO SUMMARY									
Company / REIT	No. Of Malls	Total Mall GLA (000)	Average Occupancy	Average Rent/SF	Comp Mall Shop Sales / SF	Occupancy Cost Ratio	Operating Revenue ($000)	Operating Expenses ($000)	Operating Expense Ratio
General Growth Properties	127	125,225	97.2%	$76.38	$569	13.4%	$2,346,446	$756,663	32.2%
Simon Property Group	175	151,979	96.8%	$51.59	$614	12.3%	$5,435,229	$1,396,646	25.7%
Macerich Company	57	54,518	95.4%	$53.51	$630	13.7%	$1,041,271	$404,237	38.8%
CBL & Associates	74	63,531	94.2%	$32.96	$376	12.3%	$1,028,257	$301,782	29.3%
Pennsylvania REIT	30	21,670	95.9%	$39.73	$464	12.5%	$399,946	$156,218	39.1%
Taubman Centers	23	23,009	94.7%	$61.07	$792	14.4%	$612,557	$209,163	34.1%

Average Occupancy - Percent of mall shops leased
Operating Expenses - Excludes general and administrative expense, depreciation, interest
Year End 2016
Source: Annual 10K filings and various analysis reports; Analysis prepared by NPV Advisors

The above table represents a mix of Class A and B malls. We also examined the operating expense ratio for some of the highest quality regional malls within the nation. The operating expense ratio comparables are presented as follows:

REGIONAL MALL OPERATING EXPENSE RATIO			
Property Location	Class Ranging	Year	Expense Ratio
Knoxville Metro Area	A-	2015	22.00%
Chicago Metro Area	A-	2016	44.80%
Chicago Metro Area	A-	2016	45.10%
Chicago Metro Area	B	2016	38.80%
Mobile Metro Area	B+	2015	25.10%
Denver Metro Area	A-	2015	28.40%
Salt Lake City Metro Area	B	2015	33.20%
Southern California	B	2014	33.70%
San Francisco Metro Area	B+	2015	34.10%
Houston Metro Area	B	2014	36.00%
Denver Metro Area	B	2014	42.70%
Salt Lake City Metro Area	B+	2015	43.90%
Detroit Metro Area	B	2015	51.00%
Analysis prepared by NPV Advisors			

The operating expense ratio comparables exhibit a range from 22.00 to 51.00 percent and average 36.83 percent. The high end of the range includes a regional mall encumbered by a ground lease and a regional mall located in a high tax municipality. The subject's operating expense ratio is at near the middle of the range, which is considered reasonable given the location of the property, the rents achieved and the age of the improvements.

EXPENSE AND OTHER COSTS GROWTH ASSUMPTIONS

The concluded expenses are projected to grow in the following manner, over a typical holding period. Except where noted, our forecast growth rates generally do not attempt to reflect growth rates for any individual year, but rather reflect the long-term trend over the expected or typical holding period.

EXPENSE AND OTHER COSTS GROWTH RATES	
Expense	Annual Growth
Operating Expenses	3.00%
Real Estate Taxes	3.00%
Management Fee	Based on % of GRI
Reserves for Replacements	3.00%
Leasing Commissions ($ PSF)	3.00%
Tenant Improvements	3.00%
Analysis prepared by NPV Advisors	

CAPITAL EXPENDITURES

Non-operating or capital expense includes tenant improvement allowances, leasing commissions, planned capital expenditures and replacement reserves. Each of these items is discussed below.

Tenant Improvements: The amount of tenant allowances varies greatly within the subject property based retail tenant type, quality of the retailer, location within the mall and term of the lease. Renewals are vastly signed without an allowance at the subject. Recent leasing for new deals has been between "as is" to approximately $100 per square foot. Almost all of the renewal leases indicate no tenant allowance. We have concluded to a tenant allowance of $25.00 per square foot for second generation space, with $0.00 per square foot for renewals.

Leasing Commissions: We have concluded to leasing costs of $8.00 per square foot for new deals and $5.00 per square foot for renewal deals.

Planned Capital Expenditures: We were not informed of any upcoming planned capital expenditures. The mall appeared in good condition at the time of our inspection. Any upcoming items should be covered by an adequate reserve allowance.

Replacement Reserves: Replacement reserves represent an estimate of an annual allocation of funds toward the replacement of items such as roofs and other building systems or components. The amount of annual reserves and whether or not they are deducted in either the direct capitalization or DCF analyses is a function of the market. Based upon NPV Advisors' examination of the market, the following table summarizes the treatment of reserves:

REPLACEMENT RESERVES	
	PSF
Concluded Amount	$0.25
Deducted As An Operating Expense	No
Deducted As A Capital Expenditure	Yes

Reserves are applied to all tenants except Macy's and JCPenney.

REGIONAL MALL INVESTMENT CONSIDERATIONS

Stabilized regional malls are typically viewed as institutional grade assets that attract a wide range of investors, including foreign and domestic insurance companies, large retail developers, pension funds, and real estate investment trusts (REITs). The large capital requirements necessary to participate in this market, and the expertise demanded to successfully operate an investment of this caliber, both limit the number of active participants and, at the same time, expand the geographic boundaries of the marketplace. Due to the relatively small number of market participants and the moderate amount of quality centers typically available in the market, strong demand exists for the nation's quality and core retail developments.

Most institutional grade assets are seasoned centers with good inflation protection. These centers offer stability in income and are strongly positioned to the extent that there are formidable barriers to new competition. They tend to be characterized as having three to five department store anchors, most of which are dominant in the market. Mall shop sales are at least $350 per square foot and the trade area offers good growth potential in terms of population and income levels. Equally important are centers which offer good upside potential after face-lifts, renovations or expansion. With little new construction, owners have accelerated their renovation and re-merchandizing programs.

Due to the massive store closures that occurred in 2017 and a downward trend on sales, the regional mall market is in a re-building phase as landlords learn to navigate the millennial shopper. Best in class centers will continue to thrive but Class A- on down have experienced increases in pricing parameters due to the relative "unknown" in the current retail cycle. Online shopping continues to grow and omni-channel sales and marketing techniques are being worked out by retailers. Landlords still have not learned how to capitalize on omni-channel sales.

To better understand where investors stand in today's marketplace, we surveyed active participants in the retail investment market. Based on our discussions, the following points are of paramount concern to regional mall investors.

LOCATIONAL CRITERIA

- ***Market Dominance***: The regional mall should be the dominant mall in the market, affording it a strong barrier to entry for new competition. Some respondents feel this is more important than the size of the trade area.

  The subject anchors the Olympia retail market. The mall is considered a primary retail destination within the MSA. The Olympia retail market is considered a secondary market; however, there is an affluent and educated consumer base. The mall is considered to have a good location within the United States from an investor perspective. The property does enjoy strong transportation linkages.

  The social media reach at the property is considered average. The Facebook platform has approximately 15,821 followers while the Instagram page has only a couple hundred. However, it appears that mall marketing is teaming up with social influencers to engage the targeted consumer and social reach should improve with this strategy.

- ***Dense Marketplace:*** Institutional investors favor markets of 300,000 to 500,000 people or greater with a five to seven mile radius. Population growth in the trade area is also important, with some participants looking for growth of 50 percent or better than the US average. Others look for trade areas of 200,000 or more but if there is no or limited growth, the cap rate is adjusted upward to compensate for the potential eroding of the marketplace.

  The subject's primary trade area has a 2017 population base of 217,089 with a 5-year annual population growth of 1.14 percent. The trade area is capturing above its fair share of sales with a pull factor of 1.24 for primary trade area, which indicates that the subject si capturing sales from beyond its trade area. This is likely due to th lack of competition within the secondary trade area, particularly to the south and west.

- ***Income Levels**:* Investors seek markets with household incomes of $75,000+, which tends to be limited to the top CBSA locations. Real growth with spreads of 200 to 300 basis points over inflation is ideal.

  The subject's primary trade area has a current average household income of $90,131, which is above the national average at $80,675. The overall buying power in the market currently indicates that the retail inventory is undersupplied. Given that some of the retail space in the trade area is outmoded and should be redeveloped, this supports additional retail development and low vacancy levels in the market.

- ***Good Access:*** Interstate access with good visibility and a location within or proximate to the growth path of the community is ideal.

  The subject has overall good access from the regional highway system.

OPERATING CRITERIA

- ***Occupancy Costs:*** This "health ratio" measure is of fundamental concern today. The typical range for total occupancy cost-to-sale ratios falls between 14 and 20 percent. With operating costs growing faster than sales in many malls, this issue has become even more important. The following table provides industry rule of thumb.

OCCUPANCY COST GUIDELINES	
Shop (Inline) Sales Levels	**Supportable Occupancy Cost**
Less than $250 PSF	9.0%-11.0%
$250 to $300 PSF	11.0% - 13.0%
$300 to $350 PSF	13.0%- 14.0%
Over $350 PSF	14.0%- 17.0%
Analysis prepared by NPV Advisors	

  Experience and research show that most tenants will resist occupancy costs that exceed 20-25 percent of sales. However, ratios of upwards to 20 percent are sometimes achieved for certain higher margin tenants. This appears to be by far the most important issue to an investor today. Investors are looking for long term growth in cash flow and want to realize this growth through real rent increases. High occupancy costs limit the amount of upside through lease rollovers.

  The subject property has average mall shop sales (<10,000 SF) of approximately $428 with occupancy costs of approximately 12.87 percent. This is considered a healthy occupancy cost profile. Further, the comparable subset of tenants reporting sales between 2014 and T-12 has gradually increased over the past few years, which is very positive for the subject, as many malls have seen declining sales.

- ***Retail Sales Volume Growth:*** Investors closely monitor the retail sales generated to ascertain the viability of individual tenants as well as the overall center. In addition, to monitoring "heath ratios" retail sales growth is an important barometer. Strong retail sales growth portents to rent increases and potential expansion / redevelopment opportunities.

CAPITAL MALL RETAIL SALES ANALYSIS								
Year End	**2014 Sales**	**COO**	**2015 Sales**	**COO**	**2016 Sales**	**COO**	**T-12 2017 Sales**	**COO**
Mall Shop < 10,000 SF	$406.72	14.50%	$422.70	14.50%	$427.88	13.90%	$428.08	12.87%
Total Mall Shop	$354.09	14.30%	$367.57	14.30%	$373.93	13.70%	$376.09	12.30%
Theater	n/a	n/a	$118.20	8.90%	$119.38	8.80%	$137.96	7.60%
Source: Management reports								
Analysis prepared by NPV Advisors								

  Overall, sales volumes have increased at the property since 2014.

- ***Average Rent Levels and Lease Expiration Schedule:*** Investors closely examine current contract rents compared to market levels and lease rollover to ascertain opportunities to increase rents. This is a primary reason that most inline leases do not have specific renewal options.

  Our concluded weighted average market rent is approximately 5.6 percent above the in-place contract rent (when comparing gross rent). This is reasonable considering there are some older below-market leases in place.

  The subject's lease expiration schedule indicates that over the next five years, turnover vacancy is slightly below-average for a super-regional mall.

  It should be noted that many retailers are not committing to long-term renewals at this time. They are taking a "wait and see" attitude on consumer spending habits all the while malls try to up their game with increased experiential offerings and entertainment tenants.

- ***Strong Anchor Alignment:*** It is desirable to have at least three department stores (four are ideal), two of which are dominant in the market. The importance of the traditional department stores as an anchor tenant has returned to favor after several years of weak performance and confusion as to the direction of the industry. As a general rule, most institutional investors would not be attracted to a two-anchor mall, unless the two anchors are strong performers or include better department stores such as Nordstrom or Bloomingdale's, for example. Another exception is urban markets with upscale tenants, strong trade area and tourist trade, and high barriers to entry, such as Water Tower Place in Chicago.

  The anchor tenancy at the subject is considered average at this time. Macy's and JC Penney are performing with healthy occupancy costs. Macy's does not report sales, but JC Penney is reporting sales above their national average. Should Macy's or JC Penny close, the subject would have the potential to re-lease to stronger tenants or redevelop the anchor spaces.

  Century Square Theaters adds to the appeal of the subject. A former Mervyn's anchor has been re-tenanted with Total Wine & More, REI, and Forever XXI (However, the Forever XXI store is closing and is expected to be replaced with a shoe tenant).

- ***Tenant Mix:*** A complementary tenant mix is important. Mall shop ratios of 35 percent of total GLA are considered average with 75 to 80 percent allocated to national tenants. Mall shop sales of at least $350 per square foot with a demonstrated positive trend in sales are considered to be important factor.

  The subject has a good tenant mix of traditional and contemporary retailers and restaurants. The movie theater is a strong positive for the subject, as entertainment components are considered an important draw for malls, benefiting restaurant and other tenants. The new lease to H&M is also a good indication that the subject continues to attract strong tenants. The adjacent community center, which features 24-Hour Fitness, Bed, Bath & Beyond, Party City, and TJ Maxx also benefits the subject. The subject is located in the primary retail hub for the region, and also benefits from the draw of adjacent retail centers which feature anchors such as Target and grocery stores which draw daily shopping traffic to the neighborhood.

- ***Entertainment:*** Entertainment has become a critical element at larger centers as it is designed to increase customer traffic and extend customer staying time. This loosely defined term covers a myriad of concepts available ranging from mini-amusement parks, to multiplex theater and restaurant themes, to interactive virtual reality applications. The capacity of regional and super-regional malls to provide a balanced entertainment experience will serve to distinguish these properties from less distinctive formats such as power and small outlet centers.

The subject mall has a number of national chain restaurants as well as a movie Theater. Overall, the entertainment options are considered average for a property of the subject's size.

- ***Potential Upside Considerations:*** Investors look at the potential to increase contract rent, lower operating expenses and re-merchandise assets such as the subject upon acquisition. We have considered the following in terms of future potential upside at the subject:

  (a) Continue to bring national retailers to the mall that fit well with the local demographic.
  (b) Potential upside if Macy's or Sears can be recaptured. However, investors are not willing to pay significantly for potential redevelopment upside without signed tenants or a redevelopment plan well into being completed with vertical construction. As a result, it is highly complex to place significant material potential for the potential changes at the property given the number of unknowns at this time.

  Operating Covenants: Some investors will not acquire a regional mall if the anchor store operating covenants were to expire over the initial holding period. Others weigh each situation on its own merit. If it is a dominant center with little likelihood of a competitor coming into the market with a new regional center, investors are not as concerned about the prospect of losing a department store. If there is a chance of losing an anchor, the cost of keeping it must be weighed against the benefit.

  Our analysis forecasts that all of anchor tenants will remain at the property through the holding period.

PHYSICAL CRITERIA

- ***Physical Condition:*** Malls that have good sight lines, an updated interior appearance and a physical plant in good shape are looked upon more favorably. While several developers are interested in turn-around situations, the risks associated with large capital infusion can add at least 200 to 300 basis points on the capitalization rate.

  The subject is a good quality regional mall with limited functional issues. The subject has been well maintained and is considered to be in good condition.

INVESTMENT CRITERIA

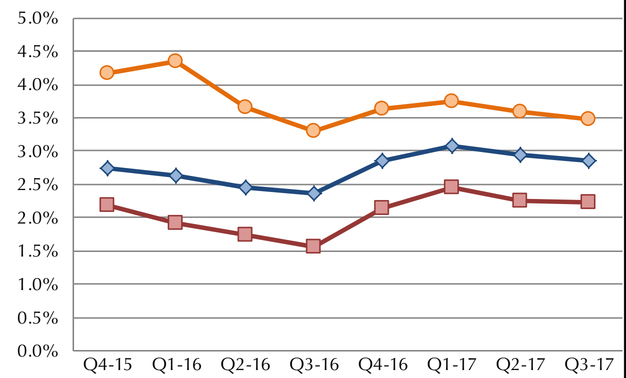
In order to perform the discounted cash flow analysis, investment rates must be selected. This includes the selection of an appropriate terminal capitalization rate as well as an appropriate discount rate or yield rate, also referred to as the internal rate of return (IRR). By its nature, this is a judgmental process, however, selected rates should approximate the investment criteria anticipated by the most probable buyer of the subject property.

Several approaches are typically followed in selecting the investment parameters; review and analysis of alternative non-real estate investments; review and analysis of published real estate investor surveys; derivation of rates from empirical market data; and use of in-house experience with similar types of investments.

Alternative Investments: Since real estate returns are or should be competitive with other investment alternatives in the marketplace, we consider non-real estate investment alternatives in our rate selection process. Our focus is on comparable bond investments such as treasury bonds and corporate bonds. For real estate investments, rates may be influenced by risk, degree of liquidity, burden of management, tax benefits, and future appreciation or depreciation. Adjustments must be made to the safe rate to compensate for these factors. Consequently, required real estate yields are typically higher than those for treasuries or corporate bonds. The following table details historical trends for alternative investments as well as an indication of an average discount rate by historical spread. This analysis provides only a general basis for comparison and does not take into account property type, location, asset quality, or property specific features.

SUMMARY OF ALTERNATIVE INVESTMENTS

Historical Trends[1]

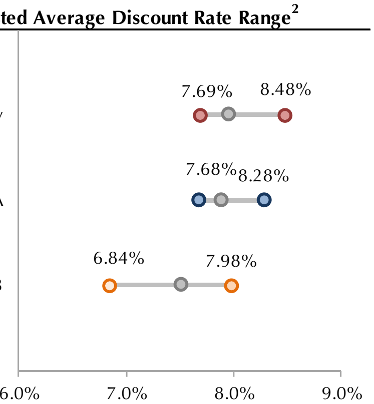


	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
10-Year Treasury	2.2	1.9	1.8	1.6	2.1	2.5	2.3	2.2
US Corporate AAA Effective Yield	2.7	2.6	2.5	2.4	2.9	3.1	2.9	2.9
US Corporate BBB Effective Yield	4.2	4.3	3.7	3.3	3.6	3.7	3.6	3.5

Historical Spread Range (Q4-15 to Q3-17)

10-Year US Treasury	545	to	624 bps
Corporate AAA	483	to	543 bps
Corporate BBB	336	to	450 bps

Suggested Average Discount Rate Range[2]



Sources: Federal Reserve Statistical Release H.15 and Real Estate Research Coporation;

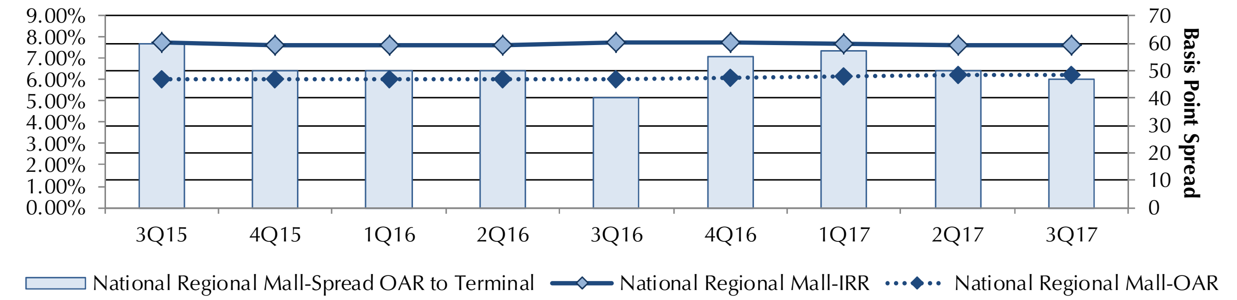
[1]Data includes composite average daily metric for return on BofA Merrill Lynch US Corporate AAA and BBB Effective Yields, and 10-Year Treasury Constant Maturity.

[2]Suggested discount rate range utilizes trailing 8-quarter observations of spreads to current real estate yield by Real Estate Research Corporation for an all property composite

Compiled by NPV Advisors

Investor Surveys: The most useful approach used to estimate an approximate rate of return required by the most probable buyer is to analyze the current investment parameters applied by institutional investors and advisors to real estate pension and portfolio funds when acquiring real estate. The following table presents the results the *PwC Real Estate Investor Survey, National Regional Mall Market – Third Quarter 2017,* published by PriceWaterhouseCoopers. This survey comprises investors' assumptions and return requirements, which provide a national basis for comparison. Investors surveyed include pension funds, pension fund advisors, investment advisors, direct advisors, direct investors, and investment bankers.

DISCOUNT & CAPITALIZATION RATE TRENDS	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
National Regional Mall									
Yield Rates	7.78%	7.65%	7.63%	7.65%	7.75%	7.75%	7.70%	7.60%	7.60%
BPS Change From Prior Quarter		-13	-2	2	10	0	-5	-10	0
BPS Change to Current Period	-18	-5	-3	-5	-15	-15	-10	0	--
Overall Cap Rates	6.03%	6.03%	6.00%	6.00%	6.05%	6.10%	6.13%	6.20%	6.23%
BPS Change From Prior Quarter		0	-3	0	5	5	3	7	3
BPS Change to Current Period	20	20	23	23	18	13	10	3	--
Terminal Cap Rates	6.63%	6.53%	6.50%	6.50%	6.45%	6.65%	6.70%	6.70%	6.70%
BPS Change From Prior Quarter		-10	-3	0	-5	20	5	0	0
BPS Change to Current Period	7	17	20	20	25	5	0	0	--
Spread from Avg OAR	+60	+50	+50	+50	+40	+55	+57	+50	+47



Source: PwC Real Estate Investor Survey; Compiled by: NPV Advisors

RATE SNAPSHOT - 3Q17	Discount Rate (IRR)	Overall Cap Rate (OAR)	Terminal Cap Rate	Market Rent Changes	Expense Change Rate
National Regional Mall					
Range (3Q17)	5.00% - 11.50%	4.00% - 10.00%	4.00% - 10.00%	1.00% - 4.00%	2.00% - 5.00%
Average (3Q17)	7.60%	6.23%	6.70%	2.50%	3.00%
Change from Prior Qtr (2Q17)	0 bps	+3 bps	0 bps	+5 bps	0 bps
Change from Prior Yr (3Q16)	-15 bps	+18 bps	+25 bps	-35 bps	0 bps

Source: PwC Real Estate Investor Survey; Compiled by: NPV Advisors

The latest PwC survey data suggests that over the last year investment rates in the national mall market have displayed declines in IRRs, but an increase in OAR and terminal rates as the mall market continues to struggle with store closing and an uncertain future.

Comparable Sales: In the sales comparison approach we present a number of Class A and B regional mall sales and one Class C sale that transferred between February 2015 and December March 2017, and exhibit overall capitalization rates between 4.60 percent to 7.25 percent. The average cap rate is 6.15 percent. The mall sales are summarized as follows. The subject should achieve a rate close to the average of the comparable sales.

COMPARABLE CAPITALIZATION RATE SUMMARY			
Sale	Property Name | Location	Date of Sale	OAR
1	Forest City- QIC Portfolio	Pending	5.75%
2	Northgate Mall	Jan-17	6.50%
3	Hilltop Mall	Apr-16	6.53%
4	The Shoppes at Gateway	Mar-17	7.25%
5	Flatiron Crossing	Jan-16	4.60%
6	Westfield - O'Connor	Feb-15	6.20%
7	Monmouth Mall	Aug-15	6.25%
Minimum		Feb-15	4.60%
Maximum		Mar-17	7.25%
Mean		Mar-16	6.15%
Source: Survey by NPV Advisors			

MARKET PARTICIPANT SURVEY

We spoke with a number of active market participants with in-depth knowledge of the regional mall market. Our discussions are summarized in the table below.

REGIONAL MALL INVESTOR SURVEY	
Participant Type	Discussions
National Mall Broker	The retail marketplace is shifting and retailers are now faced with a number of challenges from online giants such as Amazon. The best of the best regional malls are holding steady in terms of pricing while lesser quality mall properties are now experiencing tenant fallout and rent reduction requests. Maintaining high occupancy levels is a key factor to fend off co-tenancy clauses as department stores continue to close at mall properties. OARs for the Best of the Best are around 3.75 to 4.25% based on the demographic, location and sales trends. Class A-/B+ malls are now being priced between 5.00 and 7.00 percent.
Institutional Investor	This participant indicated that the downturn for Class B malls is occurring but the overall risk of some properties is not equivalent to the investor expectation in terms of pricing. An example of this is the Starwood portfolio that was priced to sell with some assets considered Class A-/B+ properties at mid 5 percent capitalization rates but the market rejected this pricing and instead offered pricing terms around the mid 6 percent level. Best in class retail remains strong but occupancy cost metric are changing as some mall owners feel that they can push rents to higher occupancy costs due to online sales generated by the presence of a physical store. Occupancy costs for $600+ per square foot properties can be over 20 percent with no risk considered. In terms of growing NOI outside of mall shop revenue, business development, cart and kiosk growth are key trends that mall operators are pushing at their properties.
Broker	This broker indicated that trade area issues are becoming more important in pricing of an asset as some retailers plan to downsize the store count in some markets. Pricing for Class A+ malls has not changed but all other property classes have seen increases up to 200 basis points. The investor pool is very opportunistic for Class B malls and significant discounts are currently being priced into these assets.
Retail Advisor	Pricing A-/B+ malls is very diffucult due to lack of quality product in the market and lack of a strong buyer pool looking at these assets. Currently the institutional investors want safe havens and the value add players are only willing to buy centers for steep discounts. Core properties in major markets will continue to be high in demand as investors flock to quality during the downturn. However, core properties in secondary markets will feel the impact as the buyer pool for these assets is significantly less than the "gateways". Non core properties investment rates have already been negatively impacted between 75 and 200 basis points triggered by the high level of store closures and anchor store closures in 2017. Millennials are not traditional shoppers and this is also impacting traditional shopping patterns. Institutional investors and foreign investors will be the sources of capital in the coming year due to lack of real estate allocation on the institutional side and geopolitical risk on the foreign investor side.

Regional Mall Advisor	The cycle hit the downturn in 4Q2017/1Q2017 and if sales don't rebound, investment parameters will remain static. The upward pressure on B assets has occurred with huge discounts being offers by sellers that are not willing to risk the capital to redevelop this asset type. Class A+ retail and lifestyle centers are still highly in demand and will continue to be in demand through the downturn. OARs for the very best retail are around 4% and sub-4% rates are being achieved on properties that offer potential upside. Trade area issues are a larger concern than secondary market locations for Class A product. Occupancy costs at 20% are the considered normal for gateway markets, malls with sales over $500 PSF and some select Class B properties based on location. The newest trend in growing NOI outside of mall shop revenue is from the addition of Media Towers.
Institutional Fund Manager	The fund has joint venture interest in dozens of regional malls and life style centers across the county and continues to be active in pursuing acquisition and lending opportunities. The participants indicated that there is a dearth of quality product being marketed and the few core institutional deals that are offered have produced a flurry of bids from the institutional investors, which has contributed to continued rate compression to historically low levels. The fund recently lost the acquisition of a Class A – value add regional mall in the northeast despite aggressive pricing. The yields have continued to compress and are quoted in the high 5 to mid-6 percent range for core, institutional product that has upside associated with expansion and increased density. Overall capitalization rates hover in the 4.0 percent range for best in class centers. The spread between the overall and terminal capitalization rates is typically near 50 basis points range with higher levels of capital included in the reversion year. The focus is on "super zip codes" – properties located in healthy trade areas with high levels of disposable income. The participants indicated that the investment landscape is expected to remain the same. Other retail investments they are looking at include high street retail, quality life style centers, and power centers located adjacent to regional malls.
Institutional Investor	This institutional investor indicated that they were currently pricing the GGP portfolio recently brought to market but their appetite for large regional malls has diminished in the recent past as large mall shop GLA centers could face store closures and they do not want to take on that risk. Further, this investor also indicated that they would not likely price Class A malls below a 4.0 percent in-place OAR at this time. The GGP portfolio was being priced sub- 4.0 percent OAR after considering below the line fees.

Independent Survey by NPV Advisors

OVERALL RATE SELECTION

Capitalization rates express relationships between net income and total value. The rate employed must be consistent with and reflective of those rates currently employed by investors active in the market place. The previous cap rate indications via investment surveys and sales comparables are summarized in the following table.

OVERALL CAP RATE SUMMARY				
	Range			Average
Investor Survey				
PwC Regional Mall	4.00%	-	10.00%	6.23%
Comparable Sales	4.60%	-	7.25%	6.15%
Market Participants	5.50%	-	6.50%	6.00%
Concluded Overall Capitalization Rate				**5.75%**

The physical, location and economic attributes of the subject would warrant a rate towards the low-to-middle end of the range indicated by the comparable properties. In consideration of current market conditions as well as future risk and the property specific factors as previously discussed, an overall capitalization rate of 5.75 percent is considered appropriate for the subject and has been applied to in-place income.

DISCOUNT RATE ANALYSIS

The factors discussed would warrant average pricing in the market for the property. Considering the investment quality of the property, our previous assumptions, and considerate of the risk associated with the cash flow, a discount rate of 7.75 percent has been selected for the property and factors in the growth in the NOI over the holding period.

DISCOUNT RATE SUMMARY				
	Range			Average
Investor Survey				
PwC Regional Mall	5.00%	-	11.50%	7.60%
Market Participants	7.50%	-	8.50%	8.00%
Concluded Discount Rate				**7.75%**

TERMINAL CAPITALIZATION RATE

The terminal capitalization rate is typically determined as a function of the appropriate initial capitalization rate for the property. Terminal capitalization rates are generally higher than initial capitalization rates to reflect the general risk and uncertainty of forecast property performance and to account for the physical aging of the property over the holding period. In a stable or an upward trending market, the relationship of a higher terminal capitalization rate to a lower initial rate usually holds true. The degree of difference between initial and terminal capitalization rates is determined by the markets anticipation of future values relative to current values. In a market with depressed values due to limited market participation, terminal capitalization rates may be less than initial rates as investors anticipate more normalized market conditions at the end of the holding period.

TERMINAL CAP RATE SUMMARY		
	Range	Average
Investor Survey		
PwC Regional Mall	4.00% - 10.00%	6.70%
Spread to Avg OAR -PwC Regional Mall		+47 bps
Concluded Terminal Capitalization Rate		**6.75%**
Spread from Concluded OAR		+100 bps

In the case of the subject, an above-average spread between the terminal rate and overall rate is considered reasonable given the below-market rent and recoveries currently in place and the growth in income over the holding period.

PROJECTION PERIOD

In order to estimate a value for the subject property via the discounted cash flow, we have calculated an 11-year cash flow projection with a 10-year holding period. Since a typical investor is concerned not only with the return on capital but also with the return of capital, our analysis takes into account the re sale of the property at the termination of the investment holding period. The investment period is considered reasonable due to the variability of the subject's cash flow. The effective "as is" date of value is September 30, 2017.

SELLING EXPENSE

Selling costs at reversion include commissions and closing costs. Commissions are individually negotiated between the seller and the broker on each transaction. Generally, the percentage of commission charged varies in inverse proportion to the anticipated sale amount. Selling costs are estimated to be 0.75 percent of the gross sale proceeds within our analysis.

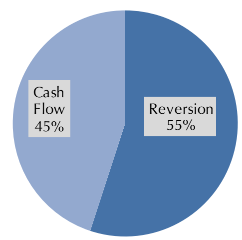
DISCOUNTED CASH FLOW CONCLUSION – AS IS

Based on the discounted cash flow analysis presented on the subsequent page, "as is" market value of the leased fee interest in the subject property as of September 30, 2017 is estimated at $199,000,000, rounded. Our cash flow and DCF calculations are set forth on the following pages.

CASH FLOW REPORT - AS IS											
Year	1	2	3	4	5	6	7	8	9	10	11
For Years Ending	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	Sep-2028
Potential Gross Revenue											
Base Rental Revenue	$13,119,615	$13,509,342	$13,517,499	$13,432,212	$13,065,306	$12,642,953	$12,929,952	$13,260,777	$13,536,469	$13,300,339	$13,572,640
Absorption & Turnover Vacancy	-$884,877	-$734,839	-$193,391	-$303,528	-$183,823	-$226,085	-$327,197	-$200,453	-$217,820	-$393,961	-$414,749
Base Rent Abatements	-$401,934	-$139,196									
Scheduled Base Rental Revenue	$11,832,804	$12,635,307	$13,324,108	$13,128,684	$12,881,483	$12,416,868	$12,602,755	$13,060,324	$13,318,649	$12,906,378	$13,157,891
CPI & Other Adjustment Revenue		$1,566	$17,160	$43,458	$70,544	$90,132	$42,824	$1,274	$6,410	$11,699	$17,148
Retail Sales Percent Revenue	$723,421	$653,403	$565,206	$537,897	$525,466	$514,228	$517,711	$540,773	$564,525	$588,991	$636,590
Expense Reimbursement Revenue	$4,571,321	$5,505,007	$6,325,299	$6,881,749	$7,469,170	$7,944,095	$8,265,590	$8,564,524	$8,917,084	$9,304,183	$10,133,777
Other Revenue	$1,170,000	$1,205,100	$1,241,253	$1,278,491	$1,316,845	$1,356,351	$1,397,041	$1,438,952	$1,482,121	$1,526,585	$1,572,382
Total Potential Gross Revenue	$18,297,546	$20,000,383	$21,473,026	$21,870,279	$22,263,508	$22,321,674	$22,825,921	$23,605,847	$24,288,789	$24,337,836	$25,517,788
Collection Loss	-$342,551	-$375,906	-$404,635	-$411,836	-$418,933	-$419,306	-$428,578	-$443,338	-$456,133	-$456,225	-$478,908
Effective Gross Revenue	**$17,954,995**	**$19,624,477**	**$21,068,391**	**$21,458,443**	**$21,844,575**	**$21,902,368**	**$22,397,343**	**$23,162,509**	**$23,832,656**	**$23,881,611**	**$25,038,880**
Operating Expenses											
Real Estate Tax	$1,635,000	$1,684,050	$1,734,572	$1,786,608	$1,840,206	$1,895,413	$1,952,275	$2,010,844	$2,071,169	$2,133,304	$2,197,303
Insurance	$230,000	$236,900	$244,007	$251,327	$258,867	$266,633	$274,632	$282,871	$291,357	$300,098	$309,101
CAM	$1,675,000	$1,725,250	$1,777,008	$1,830,318	$1,885,227	$1,941,784	$2,000,038	$2,060,039	$2,121,840	$2,185,495	$2,251,060
Utilities	$1,100,000	$1,133,000	$1,166,990	$1,202,000	$1,238,060	$1,275,201	$1,313,458	$1,352,861	$1,393,447	$1,435,251	$1,478,308
Marketing	$500,000	$515,000	$530,450	$546,363	$562,754	$579,637	$597,026	$614,937	$633,385	$652,387	$671,958
Specialty Leasing Expense	$300,000	$309,000	$318,270	$327,818	$337,653	$347,782	$358,216	$368,962	$380,031	$391,432	$403,175
Administration	$500,000	$515,000	$530,450	$546,363	$562,754	$579,637	$597,026	$614,937	$633,385	$652,387	$671,958
Property Management	$448,875	$490,612	$526,710	$536,461	$546,114	$547,559	$559,934	$579,063	$595,816	$597,040	$625,972
Non-Recoverable	$100,000	$103,000	$106,090	$109,273	$112,551	$115,927	$119,405	$122,987	$126,677	$130,477	$134,392
Total Operating Expenses	**$6,488,875**	**$6,711,812**	**$6,934,547**	**$7,136,531**	**$7,344,186**	**$7,549,573**	**$7,772,010**	**$8,007,501**	**$8,247,107**	**$8,477,871**	**$8,743,227**
Net Operating Income	**$11,466,120**	**$12,912,665**	**$14,133,844**	**$14,321,912**	**$14,500,389**	**$14,352,795**	**$14,625,333**	**$15,155,008**	**$15,585,549**	**$15,403,740**	**$16,295,653**
Leasing & Capital Costs											
Tenant Improvements	$591,074	$1,026,637	$250,803	$325,457	$200,837	$177,117	$250,008	$261,178	$213,368	$562,476	$2,229,545
Leasing Commissions	$219,540	$451,252	$197,301	$256,670	$159,107	$139,332	$198,617	$205,462	$168,971	$442,482	$329,000
Reserves	$148,547	$153,003	$157,593	$162,321	$167,190	$172,206	$177,372	$182,693	$188,174	$193,819	$199,634
Total Leasing & Capital Costs	**$959,161**	**$1,630,892**	**$605,697**	**$744,448**	**$527,134**	**$488,655**	**$625,997**	**$649,333**	**$570,513**	**$1,198,777**	**$2,758,179**
Cash Flow Before Debt Service	**$10,506,959**	**$11,281,773**	**$13,528,147**	**$13,577,464**	**$13,973,255**	**$13,864,140**	**$13,999,336**	**$14,505,675**	**$15,015,036**	**$14,204,963**	**$13,537,474**

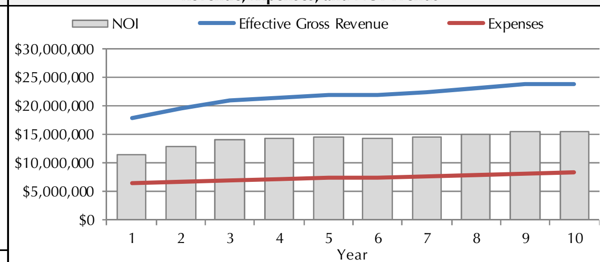
CASH FLOW REPORT - TRENDS AND METRICS (AS IS)												
Year	1	2	3	4	5	6	7	8	9	10	Holding Period	Reversion - 11
For Years Ending	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	CAGR/Avg	Sep-2028
Avg. Occupied SF	748,779	755,286	776,809	773,963	778,336	778,626	776,564	777,966	779,071	770,706	771,611	771,892
Physical Vacancy	6.5%	5.7%	3.0%	3.4%	2.8%	2.8%	3.0%	2.9%	2.7%	3.8%	3.7%	3.6%
Effective Gross Revenue	$17,954,995	$19,624,477	$21,068,391	$21,458,443	$21,844,575	$21,902,368	$22,397,343	$23,162,509	$23,832,656	$23,881,611	3.22%	$25,038,880
Total Operating Expenses	$6,488,875	$6,711,812	$6,934,547	$7,136,531	$7,344,186	$7,549,573	$7,772,010	$8,007,501	$8,247,107	$8,477,871	3.02%	$8,743,227
Net Operating Income	$11,466,120	$12,912,665	$14,133,844	$14,321,912	$14,500,389	$14,352,795	$14,625,333	$15,155,008	$15,585,549	$15,403,740	3.33%	$16,295,653
Total Leasing & Capital Costs	$959,161	$1,630,892	$605,697	$744,448	$527,134	$488,655	$625,997	$649,333	$570,513	$1,198,777	2.51%	$2,758,179
Cash Flow Before Debt Service	$10,506,959	$11,281,773	$13,528,147	$13,577,464	$13,973,255	$13,864,140	$13,999,336	$14,505,675	$15,015,036	$14,204,963	3.41%	$13,537,474
Y-o-Y % Change												
Effective Gross Revenue	N/A	9.3%	7.4%	1.9%	1.8%	0.3%	2.3%	3.4%	2.9%	0.2%	3.3%	4.8%
Total Operating Expenses	N/A	3.4%	3.3%	2.9%	2.9%	2.8%	2.9%	3.0%	3.0%	2.8%	3.0%	3.1%
Net Operating Income	N/A	12.6%	9.5%	1.3%	1.2%	-1.0%	1.9%	3.6%	2.8%	-1.2%	3.4%	5.8%
Total Leasing & Capital Costs	N/A	70.0%	-62.9%	22.9%	-29.2%	-7.3%	28.1%	3.7%	-12.1%	110.1%	13.7%	130.1%
Cash Flow	N/A	7.4%	19.9%	0.4%	2.9%	-0.8%	1.0%	3.6%	3.5%	-5.4%	3.6%	-4.7%
Metrics												
Operating Expense Ratio	36.1%	34.2%	32.9%	33.3%	33.6%	34.5%	34.7%	34.6%	34.6%	35.5%	34.4%	34.9%
Economic Vacancy	8.6%	7.3%	3.3%	4.1%	3.3%	3.7%	4.4%	3.4%	3.5%	4.8%	4.6%	4.9%
NOI Return	5.8%	6.5%	7.1%	7.2%	7.3%	7.2%	7.3%	7.6%	7.8%	7.7%	7.2%	8.2%
Cash-on-Cash Return	5.3%	5.7%	6.8%	6.8%	7.0%	7.0%	7.0%	7.3%	7.5%	7.1%	6.8%	6.8%

Yield Composition

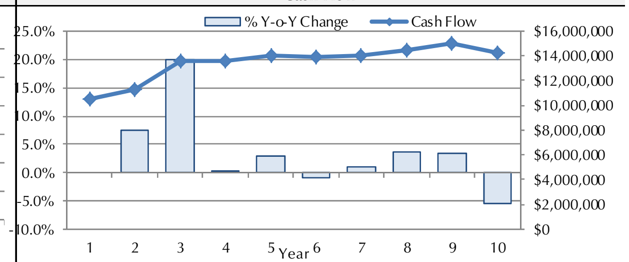


Value Change over Holding Period $32,141,946 16.2%

Revenue, Expenses, and NOI Trends

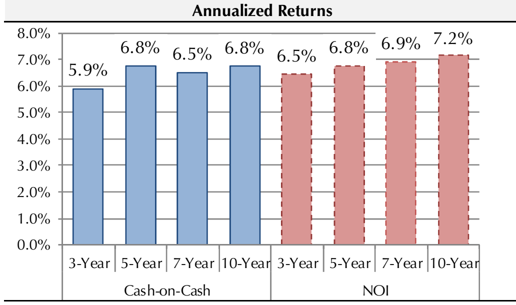


Cash Flow

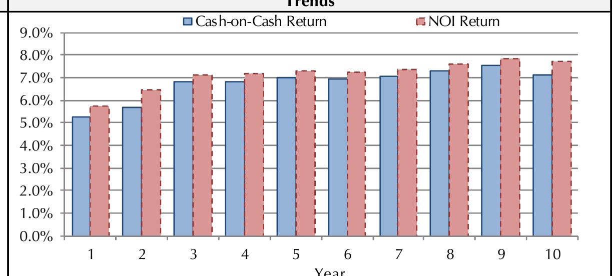


NOI and Cash-on-Cash Return

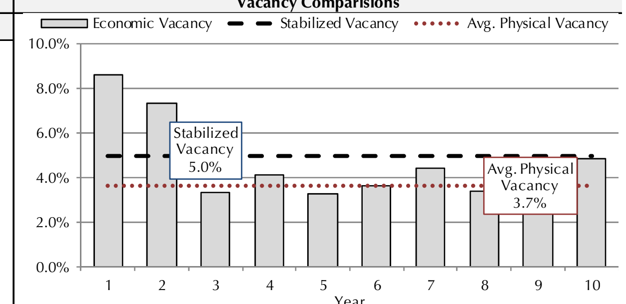
Annualized Returns



Trends



Vacancy Comparisons



PRESENT VALUE ANALYSIS AS IS VALUATION			
Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.75%
Year 1	Sep-2018	$10,506,959	$9,751,238
Year 2	Sep-2019	$11,281,773	$9,717,237
Year 3	Sep-2020	$13,528,147	$10,814,003
Year 4	Sep-2021	$13,577,464	$10,072,784
Year 5	Sep-2022	$13,973,255	$9,620,801
Year 6	Sep-2023	$13,864,140	$8,859,093
Year 7	Sep-2024	$13,999,336	$8,302,071
Year 8	Sep-2025	$14,505,675	$7,983,618
Year 9	Sep-2026	$15,015,036	$7,669,567
Year 10	Sep-2027	$14,204,963	$6,733,910
Total Cash Flow		$134,456,748	$89,524,322
Property Resale @ 6.75% Cap		$231,141,946	$109,573,612
Total Property Present Value			$199,097,934

REVERSION CALCULATION	
Method	Grossed Up to Stabilized
Stabilized NOI	$15,892,683
Terminal Capitalization Rate	6.75%
Terminal Value Indication	$235,447,156
Less Adjustments	-$2,558,545
Gross Proceeds from Sale	$232,888,611
Less: Commissions	-$1,746,665
Net Proceeds from Sale	$231,141,946
PV of Resale	$109,573,612

DIRECT CAPITALIZATION ANALYSIS

Direct Capitalization is a method utilized to convert a single year's estimate of net operating income (before debt service) into an indication of value by the application of an overall capitalization rate. Buyers typically capitalize the year one in-place NOI and we have mirrored this method in our concluded direct capitalization analysis.

DIRECT CAPITALIZATION CONCLUSION

The following table summarizes the direct capitalization analysis that capitalizes in-place NOI. We have concluded to a 5.75 percent OAR.

CAPITAL MALL DIRECT CAPITALIZATION ANALYSIS	
Effective Gross Income	$17,954,995
Total Operating Expenses	$6,488,875
Net Operating Income	$11,466,120
Capitalization Rate	5.75%
Indicated "As Is" Value	**$199,410,783**
As Is Value	**$199,000,000**
Indicated "As Is" Value PSF (1)	**$334.91**
(1) SF excluding anchor tenants Macys and JCPenney	
Analysis prepared by NPV Advisors	

INCOME APPROACH CONCLUSION

The preceding analyses indicate the following conclusions. We placed greater emphasis on the DCF model as this is consistent with the methodology of our most probable buyer, an investor.

INCOME APPROACH VALUE	
	Indicated Value
Discounted Cash Flow	$199,000,000
Direct Capitalization	$199,000,000
Reconciled	$199,000,000
Source: NPV Advisors	

SALES COMPARISON APROACH

The sales comparison approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to acquire an existing one with the same utility. This approach, therefore, utilizes a process of comparing market data including comparing prices actually paid as well as prices asked and/or offers made for similar type properties. Comparable sales data are analyzed according to similarities and differences with the subject.

By analyzing sales that qualify as arm's length transactions between willing and knowledgeable buyers and sellers, market value and price trends can be identified. Properties considered similar to the subject, giving consideration to the time of sale, change in economic conditions which may have occurred since the date of sale, and other physical, functional, or locational factors are analyzed and appropriate adjustments are made to determine a logical value conclusion.

The reliance on substitute properties produces shortcomings in the validity of this approach. Geographic and demographic characteristics from each submarket restrict which sales may be selected. While recent sales with similar leasing structure, tenancy, income level, and location can provide a foundation for comparison they remain unique assets. Nonetheless, the sales identified are considered to provide a sound basis for estimating market value.

The most widely used, market-oriented unit of comparison for regional malls, similar to the subject, is the sale price per square foot of purchased GLA. However, to accurately adjust prices to satisfy the requirements of the sales comparison approach, numerous calculations and highly subjective judgments would be required including consideration of numerous income and expense details of which information may be unreliable or unknown. As such, the sales price per square foot comparison is considered relevant to the investment decision, but primarily as a parameter against which value estimates derived through the income approach can be judged and compared.

COMPARABLE SALES DATA

The subject is a good quality super regional shopping center that is classified as a A-/B+ mall. Based on conversations with market participants, the investment market for Class A-/B+ malls is very static at the moment with few offerings for good quality assets over the past several years.

Investors typically do not utilize the Sales Comparison Approach in deriving value for this asset class given the unique nature of each regional/super regional mall. Investors generally track sales of malls for the investment parameters only. There are too many variables from property to property that would require extensive adjustments and thus result in a fairly unreliable value. Nevertheless, we have completed a qualitative adjustment analysis for the subject at the request of the client. The following table summarizes the comparable sales used in our analysis to derive an "as is" fair value indication for the subject.

REGIONAL MALL SALES SUMMARY

#	Name/Location	Sale Date	Built/Last Renovated	Sale Price[1]	Grantor/ Grantee	Total GLA	Sold GLA	Mall Shop GLA	Mall Shop Ratio	Price/SF Total GLA	Shop Occ.	Mall Shop Sales/SF	NOI/ SF	OAR	Mall Class
1	Forest City - QIC Portfolio	Under Contract	Multiple Years	$3,180,000,000	Forest City/ QIC	10,898,849	10,898,849	5,988,465	52%	$291.77	88.9%	$570 (est)	$16.78	5.75%	A-B
	Shops at Northfield Stapleton, Denver, CO					1,118,000	1,118,000	672,000	60%		89%	$525	$15.74		A
	Antelope Valley Mall, Palmdale, CA					1,184,000	1,184,000	653,000	55%		87%	$385	$23.51		B
	The Mall at Robinson, Pittsburg, PA					900,000	900,000	383,000	43%		88%	$395	$30.93		B
	South Bay Galleria, Redondo Beach, CA					959,247	959,247	477,000	50%		87%	$395	$29.02		A-
	Galleria at Sunset, Henderson, NV					1,048,081	1,048,081	444,000	42%		88%	$395	$26.56		A-
	Promenade Temecula, Temecula, CA					1,139,000	1,139,000	544,000	48%		88%	$455	$20.51		A-
	Short Pump Town Center, Richmond, VA					1,341,000	1,341,000	717,000	53%		90%	$485	$13.12		A-
	Victoria Gardens, Rancho Cucamonga, CA					1,326,978	1,326,978	862,000	65%		92%	$815	$16.94		A+
	Shops at Wiregrass, Wesley Chapel, FL					742,294	742,294	358,000	48%		90%	N/A	N/A		A-
	Westchester's Ridge Hill, Yonkers, NY					1,140,249	1,140,249	878,465	N/A		90%	N/A	N/A		A
2	Northgate Mall San Rafael, CA	Jan-17	1964/ 2010	$145,000,000	Macerich Merlone Geier Management	1,029,000	749,331	466,791	45%	$140.91	95%	$421	$9.16	6.50%	A-
3	Hilltop Mall Richmond, CA	Jul-17	1976/ 1990	$23,750,000	US Bank Series 2005-HQ7 LBG Hilltop	1,093,874	575,884	331,244	30%	$21.71	75.0%	$200	$1.42	6.53%	C
4	The Shoppes at Gateway Springfield, OR	Mar-17	1990/ 2015	$107,500,000	Rouse Properties/ Balboa Retail Partners	821,564	609,451	85,446	14%	$130.85	97%	$214	$9.49	7.25%	B+
5	Flatiron Crossing Broomfield, CO	Jan-16	2000	$678,000,000	Macerich Heitman	1,432,995	886,495	568,632	40%	$473.13	$90	$545.00	$21.76	4.60%	A
6	Westfield - O'Connor Portfolio	Feb-15	Multiple Years	$925,000,000	Westfield/ O'Connor Mall Partners	3,747,000	3,354,238	1,873,500	50%	$246.86	78%	$388	$15.31	6.20%	B
	Palm Desert Mall, Palm Desert, CA					980,000	799,011	N/A			95%	$357			B
	Trumbull Mall, Trumbull, CT					1,128,000	1,002,607	N/A			97%	$433			B+
	Wheaton Mall, Wheaton, MD					1,639,000	1,552,620	N/A			98%	$374			B
7	Monmouth Mall Eatontown, NJ	Aug-15	Multiple Years	$229,000,000	Vornado/ Kushner Company	1,435,000	1,435,000	834,042	58%	$159.58	80%	$350 (est)	$9.97	6.25%	B
	Average			$755,464,286		1,755,207	1,638,117	949,211	47%	$209	535%	$428	$17.35	6.15%	
	Low			$23,750,000		742,294	575,884	85,446	14%	$22	75%	$200	$1.42	4.60%	
	High			$3,180,000,000		10,898,849	10,898,849	5,988,465	65%	$473	9000%	$815	$30.93	7.25%	

Compiled by: NPV Advisors

Improved Sale 1 – Forest City – QIC Portfolio

The Forest City – QIC Portfolio consists of 10 malls throughout the country. Forest City is transferring their remaining interest in this portfolio to their joint venture partner. Initially, six malls are set to close by the end of the year with the remaining four properties transferred to QIC under a fixed-price option while Forest City looks for replacement assets to re-deploy the capital from the sale. The assets were priced individually with the Class A properties being priced in terms of OARs in the low 4.00 percent range while the B malls were priced in the mid 6.00 percent range. Overall, the portfolio traded between a 5.50 and 6.00 percent OAR. The following table summarizes some property specific characteristics.

FOREST CITY - QIC MALL PORTFOLIO					
Mall	Location	Year Built	Total GLA	Anchor GLA	Anchors
Shops at Northfield Stapleton	Denver, Co	2006	1,118,000	529,09	Macy's, Target, JC Penny, Bass Pro, Hawkings Theaters
Westchester's Ridge Hill	Yonkers, NY	2011	1,140,249	261,784	Lord & Taylor, LA Fitness, National Amusement, Dick's Sporting Goods, Whole Foods
Sohps at Wiregrass	Tampa, FL	2008	742,294	349,583	JC Penny, Dillard's, Macy's, Barnes & Noble
Mall at Robinson	Pittsburgh, PA	2011	900,000	568,363	JC Penny, Macy's, Sears, Dick's Sporting Goods
Antelope Valley Mall	Palmdale, CA	1990/2007	1,184,000	562,782	Dillard's, JC Penny, Macy's, Sears, Cinemark
South Bay Galleria	Redondo Beach, CA	1984	959,247	631,684	Macy's, Kohl's, AMC, Vacant
Victoria Gardens	Rancho Cucamonga, CA	2004	1,326,978	526,752	BassPro, JC Penny, Macy's (2), AMC
Galleria at Sunset	Henderson, NV	1966/2002	1,048,081	723,548	Dillard's, JC Penny, Kohl's, Macy's, Dick's Sporting Goods
Promenade Temecula	Temecula, CA	1999/2002	1,139,000	451,872	JC Penny, Macy's (2), Sears, Edward Cinema
Short Pump Town Centre	Richmond, VA	2003	1,341,000	764,332	Dillard's, Macy's, Nordstrom, Dick's Sporting Goods
Total			10,898,849	4,840,700	

QIC will also take over the Forest City regional mall management operations with key personal transferring to QIC from Forest City, which is somewhat unusual. Further, QIC and Forest City have had a successful relationship since 2013, when QIC initially formed a joint venture with Forest City. The motivation for the sale was to expand QIC's US operations they see the market as very stable.

The transaction will be completed in two tranches with the transfer of interests in the first six malls expected to be completed by the end of the year, subject to third party consents. The assets in the first tranche include The Shops at Northfield Stapleton in Denver, CO; Westchester's Ridge Hill in Yonkers, NY; The Shops at Wiregrass in Tampa, FL; The Mall at Robinson in Pittsburgh, PA; Antelope Valley Mall in Palmdale, CA; and South Bay Galleria in Redondo Beach, CA. QIC has the benefit of an option over the following four malls in the second tranche, which are expected to transact as the parties satisfy certain conditions: Victoria Gardens in Rancho Cucamonga, CA; Galleria at Sunset in Henderson, NV; Promenade Temecula in Temecula, CA; and Short Pump Town Center in Richmond, VA. We were able to obtain Green Street's estimated NOI per square foot but this information has not been verified. The total portfolio NOI is based on discussions with a market participant with intimate knowledge of the deal.

Improved Sale 2 – Northgate Mall

Macerich Company sold this asset as part of a two-property portfolio to a private investment firm. The total purchase price for the two assets was approximately $169,000,000. This property is located in Marin County, one of the most affluent areas of the country but the property has some physical setbacks as it does not have highway frontage. The property reported sales volumes at $421 per square foot. The property is anchored by Sears, Macy's, Kohls and Century Theaters. Major tenants include Forever 21, HomeGoods and H&M. The property was in average condition at the time of sale. The seller is actively trying to divest of their lower quality assets.

Improved Sale 3 – Hilltop Mall

This mall transferred in July 2017 from a special servicer of a CMBS loan that was REO to a Value Add investor group. The buyer has already begun to transform the mall and it will remerchandised to appeal to the East Bay mall is being largely redeveloped with new retail that will incorporate vibrate entertainment space. Further, the site has the potential for up to 9,600 housing units, office and hotel uses. The mall renovation is anticipated to be completed in 2019. The buyers motivation was the value add benefit of one of the best locations in the East Bay neighborhood. The mall is anchored by Macy's, Walmart and Sears. Mall shop tenancy is considered average at best and the property was in average condition as of the date of sale. The property was generally neglected due to being REO with no capital. As such, tenancy and occupancy declined significantly and the current tenant roster is less than ideal.

Improved Sale 4 – The Shoppes at Gateway

This mall was partially redeveloped from an enclosed center to a regional mall and power center. The property is anchored by Sears, Target (shadow anchor), Kohl's, Cinemark 17, Cabela's and Hobby Lobby. The mall shop space is tenanted with average mall retailers and local retailers. Significant portions of the property were "de-malled" in 2014 as part of a value add strategy for Rouse. The occupancy levels for the mall shop space were approximately 50 percent before the redevelopment. The property is now 97 percent leased. The total cost of the renovation/redevelopment was reported at $42,000,000. The property was actively marketed for five months before the sale. There is additional potential upside to add several other junior boxes to the property.

Improved Sale 5 – Flatiron Crossing

Flatiron Crossing is a 1,432,995-square foot super-regional mall located in the northwest Denver suburb of Bloomfield, Colorado. In addition to the enclosed regional mall component, Flatiron Crossing contains an adjoining outdoor area known as Flatiron Village, which houses several restaurant tenants and an AMC Theatre. Finally, a set of outparcel buildings housing a McDonalds, First National Bank, and Waterway Gas & Wash are located across West Flatiron Crossing Drive from the enclosed mall. Construction of the on-site improvements to the mall component were completed in 2000, while the construction of the outparcel improvements were completed in 2002. The center is anchored by three department stores – Dillard's, Macy's, and Nordstrom. Notable major tenants include Dick's Sporting Goods, H&M, Forever 21, Apple, Crate & Barrel, Pottery Barn, The Container Store, Express and Banana Republic. Overall retail sales average $545 per square foot, with an average occupancy cost of 14.6 percent.

Heitman purchased a 49 percent interest in two regional malls, including Flatiron Crossing and Deptford Mall, as well as a lifestyle center known as Twenty Ninth Street. The transaction closed in January 2016. The allocated purchase price to Flatiron Crossing totaled $678 million, or $764.81 per square foot. The year capitalization rate was reported at 4.60 percent.

Improved Sale 6 – Westfield – O'Connor Portfolio

The Westfield – O'Connor Portfolio consists of three Class B malls. Westfield originally marketed these malls within a larger portfolio but were not successful in fully selling the assets in 2013. O'Connor owned a state in the three properties via a joint venture with Westfield. The seller was looking to divest of their Class B malls and joint ventures to focus capital on high returning development opportunities at their Class A malls. The portfolio was priced near the book value.

Desert Palm is anchored by two Macy's, Dick's Sporting Goods, JC Penney and Sears. Trumbull Mall is anchored by Macy's, Target and JC Penney. The mall has been partially renovated with the addition of a new Cheesecake Factory and Panera Bread. Westfield Wheaton is anchored by Macy's, Costco, Target, Dick's Sporting Goods and JC Penney. There is also a freestanding AMC Theater and an adjacent strip center. Other major tenants include H&M, Forever 21 and Elevation Burger.

Improved Sale 7 – Monmouth Mall

Monmouth Mall is a Class B mall that sold in 2015 to the joint venture partner. The mall was actively marketed with pricing coming in around 7.00 percent on in-place NOI. However, the buyer (an existing joint venture partner in the property) offered well above the others based on a capitalization rate in the low 6.00 percent range, or say 6.25 percent. The seller was looking to divest from the retail market and the buyer sought the asset as a value add investment. Since acquisition, the buyer has begun a $500 million redevelopment project that will take the space from an older mall to a new walkable town center property. The Eatontown borough council approved zoning changes for the site to include up to 700 residential units, medical office, indoor and outdoor dining, a food hall and entertainment uses. To date, the medical office piece has been completed and the return on investment was over 20 percent.

OTHER CONSIDERATIONS

In addition to individual mall sales as well as the smaller portfolios summarized above, there are two major mall operators that are being sold at this time. Westfield has agreed to sell itself to UniBail-Rodamco for $15.7 billion. The deal brings together two of the largest mall companies. Westfield owns 35 shopping centers in the United States and United Kingdom. The London properties were reportedly priced at a 3.5 percent OAR based on in-place NOI while the US assets were priced around 4.00 percent. Market participants see the pricing as very aggressive. It is important to note that Westfield has actively divested of their non-core holdings and the portfolio is largely comprised of only Class A and Class A+ assets.

Brookfield Property Partners has bid approximately $14.8 billion to acquire the stake it doesn't already own in US mall owner GGP Inc. Brookfield seeks to repurpose struggling centers within the portfolio. Brookfield currently owns a 34 percent interest in GGP. Reportedly, the pricing for the sale based on total NOI of the portfolio is in the 6.00 percentage range, which many market participants feel is generally conservative. GGP recently rejected a bid from Brookfield because they felt it was too low.

ANALYSIS OF COMPARABLE SALES

Adjustments have been made to the comparable sales for the following factors.

Property Rights: To the best of our knowledge, all of the sales included herein involved property rights that were similar to those being appraised. Therefore, no adjustments are required for this factor.

Financing Terms: All of the comparable sales were either all cash transactions or involved typical financing terms; therefore no adjustments are warranted for this factor.

Conditions of Sale: To the best of our knowledge, all the sales were arm's length transactions; therefore no adjustments are warranted for this factor.

Market Conditions: The comparable sales closed between February 2015 and July 2017 with one portfolio under contract and set to partially close by the end of the year. Mall pricing peeked post-recession within the fourth quarter 2015 to second quarter 2016 for assets such as the subject. We have applied downward adjustments to Sales 5 through 7 for this factor. No other adjustments are warranted.

Location: We have made various adjustments based on the subject's market and location compared to the comparable sales.

Age/Quality/Condition: The subject was constructed in 1977 and has been renovated throughout the years. It is considered to be of good quality and in good overall condition. We have applied various adjustments for this factor.

Tenancy: We have considered the subject's anchor and mall shop tenancy with the comparable sales have made various adjustments based on the overall quality of the anchors and merchandising plans.

ADJUSTMENT GRID

The following table summarizes the adjustments made to the comparable sales. Please note, we were not able to confirm with an appropriate degree of accuracy the total owned GLA by property, particularly in terms of the QIC portfolio. As such, we have utilized total GLA as the standard factor to adjust despite unowned anchors being included in the GLA. This is the only alternative due to confidential nature of all of the sales presented herein, and in particular the pending sale.

IMPROVED SALES ADJUSTMENT GRID

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Unadjusted Price/SF	**$291.77**	**$140.91**	**$21.71**	**$130.85**	**$473.13**	**$246.86**	**$159.58**
Property Rights	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Financing Terms	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Market Conditions	0%	0%	0%	0%	-5%	-5%	-5%
Subtotal	$291.77	$140.91	$21.71	$130.85	$449.48	$234.52	$151.60
Interim Adjusted Sales Price	**$291.77**	**$140.91**	**$21.71**	**$130.85**	**$449.48**	**$234.52**	**$151.60**
Other Adjustments							
Location							
- Overall	Downward	Downward	Downward	Upward	Downward	Downward	Downward
- Access/Visibility	=	Upward	Downward	Upward	=	=	=
Physical Characteristics							
- Overall Condition	=	Upward	Significant Upward	Downward	Downward	Upward	Upward
- Anchor Tenancy	=	=	Upward	=	Downward	=	=
- Merchandise Strategy	=	=	Upward	=	Downward	=	
Overall Adjustment	Downward	Upward	Significant Upward	Upward	Downward	=	Upward
Value Indication for Subject	**<$291.77**	**>$140.91**	**>$21.71**	**<$130.85**	**<$449.48**	**=$234.52**	**>$151.60**
Value Conclusion/SF	**$250.00**						

[1]The adjustment grid summarizes the direction and magnitude judged appropriate to the comparable sales. In some cases, adjustments may be derived directly from quantifiable data. However, in many instances the adjustments involve judgment of NPV Advisors.

NET OPERATING INCOME RATIO ANALYSIS

While price levels on a per square foot basis implicitly contain both the physical and economic factors affecting real estate, these statistics do not explicitly convey many of the details surrounding a specific property. While comparability of both physical and location characteristics are important criteria in analyzing these sales in relation to the subject, it is also extremely important to recognize that these sales are distinct entities by virtue of age and design, location and accessibility, tenancy, amenities, and competency of management.

Given these considerations, we have extracted a significant unit of comparison from the improved properties after analyzing each property and have then applied the appropriate unit of comparison to the subject. In this instance, we have identified a relationship between the net operating income and the sale price of the property. Typically, a higher net operating income per square foot corresponds to a higher sale price per square foot.

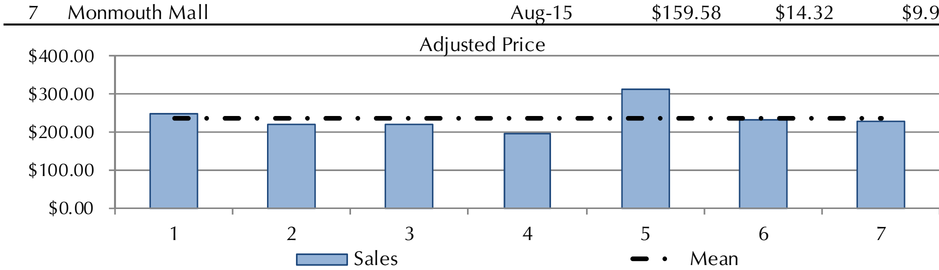
Occasionally a sale will display a comparatively lower NOI per square foot, but a higher price on a per square foot basis. This circumstance is produced by the perceived quality, stability, and/or upside potential of the associated income stream or by the high image and desirability of a particular property. Other variations in the general relationship can occur when properties are in a distressed condition when purchased, or there is an inordinately high leasing risk associated with a given property.

As a basis for comparison, we have utilized the stabilized pro forma net operating income forecast for the subject as developed in the *Income Approach*. The subject's pro forma net operating income levels fall within the range as the sale report NOI' ranging from \$1.42 to \$21.76 per square foot.

The following table provides a summary method of adjustment that accounts for the disparity of the net operating incomes (NOIs) per square foot between the sales and the subject. Within this technique, each of the comparable unit sales prices is multiplied by the NOI per square foot of the subject, and then divided by the sales' corresponding NOI per square foot, which produces an indication of value for the subject.

NET OPERATING INCOME RATIO ANALYSIS

Sale No.	Property	Sale Date	Sale Price ($/SF)	Subject NOI ($/SF)	Sale NOI ($/SF)	NOI Ratio	Adjusted Price ($/SF)
1	Forest City - QIC Portfolio	Under Contract	$291.77	$14.32	$16.78	0.8534	$249.00
2	Northgate Mall	Jan-17	$140.91	$14.32	$9.16	1.5633	$220.29
3	Hilltop Mall	Jul-17	$21.71	$14.32	$1.42	10.0845	$218.93
4	The Shoppes at Gateway	Mar-17	$130.85	$14.32	$9.49	1.5090	$197.45
5	Flatiron Crossing	Jan-16	$473.13	$14.32	$21.76	0.6581	$311.36
6	Westfield - O'Connor	Feb-15	$246.86	$14.32	$15.31	0.9353	$230.90
7	Monmouth Mall	Aug-15	$159.58	$14.32	$9.97	1.4363	$229.21



Low	$197.45
High	$311.36
Mean	$236.73
Median	$229.21
Conclusion	**$250.00**

CAPITAL MALL SALES COMPARISON APPROACH	
Indicated Price/SF	$250.00
Total GLA	800,857
As Is Total	$200,214,250
As Is Value (Rounded)	**$200,000,000**

OWNED NOI ANALYSIS

Within the above analysis, our unit of adjustment is the total property GLA due to the fact that we could not 100 percent verify the total owned or sold GLA for Sale 1 and Sale 7, both of which we consider important and relevant sale comparables. The total property GLA included un-owed anchor stores. Our conclusions within the report are based on this metric in order to be consistent with the data we could independently verify.

However, total owned GLA is typically utilized as the metric for comparison. As such, we have presented the NOI adjustment tables based on owned/sold GLA for price per square foot, NOI per square foot as well as the Starwood mall NOI per square foot of owned GLA. The following tables summarize this analysis by asset. You will note that Sales 1 and 7 are omitted from this analysis.

OWNED/SOLD GLA SALES SUMMARY - CAPITAL MALL						
Sale No.	Property	Sale Date	Sale NOI on Owned/Sold GLA	Subject NOI on Owned GLA	NOI Ratio	Adjusted Price ($/SF)
1	Forest City - QIC Portfolio	Under Contract	N/A	N/A	N/A	N/A
2	Northgate Mall	Jan-17	$12.58	$14.32	1.1385	$220.31
3	Hilltop Mall	Jul-17	$2.69	$14.32	5.3174	$219.30
4	The Shoppes at Gateway	Mar-17	$12.79	$14.32	1.1198	$197.52
5	Flatiron Crossing	Jan-16	$35.18	$14.32	0.4070	$311.30
6	Westfield - O'Connor	Feb-15	$17.10	$14.32	0.8375	$230.97
7	Monmouth Mall	Aug-15	N/A	N/A	N/A	N/A
	Average		$16.07			$235.88

We previously concluded to a value of $250 per square foot of owned GLA (total GLA and owned GLA at the subject are the same figure). This is within the adjusted range indicated by the comparable sales based on their owned NOI.

COST APPROACH

The application of the cost approach is based on the principle of substitution. This principle states that an informed buyer would pay no more for a property than it would cost to acquire a comparable site and build an improvement of similar quality and utility. The methodology of the cost approach consists of the following steps:

1. The subject's land value, as though vacant and unencumbered, is developed from an analysis of comparable land sales;
2. Typical direct (hard) and indirect (soft) costs and an appropriate entrepreneurial incentive are estimated;
3. The total depreciation is deducted from the replacement cost new, resulting in the depreciated value of the improvements; and
4. The depreciated value of the improvements is added to the land value to relate a value for the subject in its present condition.

Based on our analysis of the subject's location and property type, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the cost approach to establish the value. Additionally, the cost approach is felt to provide the least reliable indication of value due to the imprecision of determining an appropriate developer's entrepreneurial incentive, estimating depreciation, and assessing economic obsolescence. As such, we have not developed a value indication via the cost approach herein.

RECONCILIATION OF VALUE

We were instructed to estimate the "as is" fair value of the leased fee estate interest in the subject as of September 30, 2017. In analyzing the subject, the three traditional approaches to value were considered. The values estimated via each approach considered applicable are summarized below.

SUMMARY OF VALUE CONCLUSION	
	As Is
Income Approach	$199,000,000
Sales Comparison Approch	$200,000,000
Cost Approach	Not Prepared
"As Is" Value Conclusion	**$199,000,000**
Source: NPV Advisors	

The income approach is considered the most persuasive method for valuing the subject property's values. This approach is predicated on the principle of anticipated economic benefits and therefore best reflects the investment characteristics of the subject. Investors typically acquire properties such as the subject. Interviews with market participants indicate that investors in valuing properties such as the subject most commonly use the discount cash flow analysis, and we have placed the most weight on this methodology in our value estimation. However, we have also considered our value rendered via the direct capitalization approach.

The sales comparison approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The data developed was considered sufficiently reliable to reach a value conclusion by the sales comparison approach. This method is given secondary consideration in the reconciliation.

The cost approach is predicated on the principle that an investor would pay no more for an existing property than it would cost to acquire land and construct a building with similar utility. The cost approach was not developed.

In arriving at the final value conclusions, greatest weight was placed on the income approach. The final value conclusions and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

Based on the research and analysis contained in this report, it is estimated that the "as is" market value of the leased fee interest in the subject as of September 30, 2017 will be:

ONE HUNDRED NINETY-NINE MILLION DOLLARS
($199,000,000)

The value estimate is based on the assumptions, limiting conditions, and certification in the report. The report in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

EXPOSURE AND MARKETING TIME

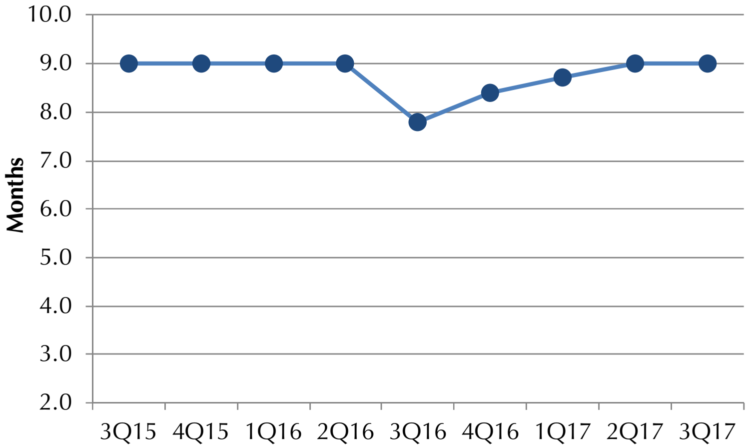
Reasonable Exposure Time: Exposure time precedes the effective date of the appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of the appraisal. It is a retrospective estimate based on an analysis of recent events, assuming a competitive and open market and a reasonable marketing effort. Exposure time and the appraisal's conclusion of value are therefore interrelated.

The amount of time that a property will require to be marketed varies greatly depending on a number of factors including market conditions, listing price, terms of sale offered, and competitive listing inventory. All things considered, we estimate the reasonable exposure time at our estimate of market value to be 6.0 months.

Reasonable Marketing Time: A reasonable marketing time is the period a prospective investor would forecast to sell the subject immediately after the date of value, at the value estimated. Anticipated marketing time is essentially a measure of the perceived level of risk associated with the marketability or liquidity of the subject. The sources for this information include those used in estimating the reasonable exposure time along with an analysis of the anticipated changes in market and property conditions following the date of appraisal. In other words, the reasonable marketing time is the number of months required to sell the subject from the date of value, into the future, at the appraised value.

The reader must understand, however, that the future price for the subject may or may not equal the appraised estimate. The future price depends on unpredictable changes in the physical real estate, demographic and economic trends, real estate markets in general, supply and demand characteristics for the property type, and many other factors. The following chart details marketing time for the national regional mall market according to the *PwC Real Estate Investor Survey*.

MARKETING TIME - NATIONAL REGIONAL MALL



Period	Average Months	Range Low		High
3Q15	9.0	3.0	to	24.0
4Q15	9.0	3.0	to	24.0
1Q16	9.0	3.0	to	24.0
2Q16	9.0	3.0	to	24.0
3Q16	7.8	3.0	to	12.0
4Q16	8.4	3.0	to	18.0
1Q17	8.7	3.0	to	18.0
2Q17	9.0	3.0	to	18.0
3Q17	9.0	3.0	to	18.0
3Q17 Change				
Prior Quarter	⇨	0.0%		
Prior Year	⇧	15.4%		

Source: PwC Real Estate Investor Survey; Compiled by NPV Advisors

The value conclusion reported here assumes a marketing period of less than one year. *The PwC Real Estate Investor Survey* indicates that marketing time for the national regional mall market times range from 3.0 to 18.0 months and averages 9.0 months as of the third quarter of 2017. The assumptions utilized within the income approach are consistent with the investment criteria drawn from the various published surveys. Based on these factors, we have projected a marketing period of 12.0 months or less for the subject.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised are clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. National Property Valuation Advisors, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. National Property Valuation Advisors, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of the title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject' titles should be sought from a qualified title company that issues or insures title to real property. National Property Valuation Advisors, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.

2. Unless otherwise specifically noted in the body of this report, it is assumed: that the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. National Property Valuation Advisors, Inc.'s professionals are not engineers and are not competent to judge matters of an engineering nature. National Property Valuation Advisors, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of National Property Valuation Advisors, Inc. by ownership or management; National Property Valuation Advisors, Inc. inspected less than 100 percent of the entire interior and exterior portions of the improvements; and National Property Valuation Advisors, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and or building system problems may not be visually detectable. If engineering consultants retained should report negative factors, of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, National Property Valuation Advisors, Inc. reserves the right to amend the appraisal conclusions reported herein, if engineering consultants report negative findings.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated ground water or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

4. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, National Property Valuation Advisors, Inc. has no reason to believe that any of the data furnished contains any material error. Information and data referred to in this paragraph include, without being limited to, numerical street address, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historic operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, National Property Valuation Advisors, Inc. reserves the right to amend conclusions reported if made aware of any such error.

Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify National Property Valuation Advisors, Inc. of any questions or errors.

5. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in this appraisal and that there are no air or development rights of value that may be transferred.

6. Unless otherwise noted in the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered.

7. It is assumed that all information and data furnished by third parties in connection with the preparation of this report are accurate and correct, and National Property Valuation Advisors, Inc. has no reason to believe to the contrary unless such is specifically noted in the body of the report. Information included in this context refers to zoning data comparable rental and sales data, verification of factual data, and general market data.

8. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal, except as specifically noted.

9. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of National Property Valuation Advisors, Inc. to buy, sell, or hold the property or properties at the value or values stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

10. If included in the analysis, cash flow are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. Any projections of income, expenses, and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections contained herein. National Property Valuation Advisors, Inc. does not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of National Property Valuation Advisors, Inc.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, National Property Valuation Advisors, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the values estimated herein. Since National Property Valuation Advisors, Inc. has no specific information relating to this issue, nor is National Property Valuation Advisors, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

12. Unless otherwise noted, the value conclusion represents a 100 percent interest in the property appraised free and clear of any mortgage debt that may be outstanding.

13. The research and preparation of this appraisal took place prior to our date of value. The reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different than it was as of the date of National Property Valuation Advisors, Inc.'s last inspection of the subject. The appraisal is based on real estate and economic conditions and projections as best perceived as of the date of this report.

ADDENDA

HISTORICAL FAIR VALUE ANALYSIS

HISTORICAL VALUATION ANALYSIS

As part of this assignment we have been requested to provide opinions of the retrospective value of the subject property as of several historical dates as summarized in the chart below.

HISTORICAL DATES OF VALUE							
Dec-13	Dec-14	Dec-15	Dec-16	June-16	Sep-16	Jun-17	Sep-17

For this analysis we were provided the copies of the audited year-end financial statements for the Retail Co-Invest Holdings, LP, Retail Co-Invest Holdings 2, LP, Retail Co-Invest Holdings 3, LP and Retail Co-Invest Holdings 4, LP. Within these statements Fair Value of the subject property is presented. The Fair Value as of December 31, 2013 was based on the recent acquisition price of the property at that time. For subsequent years, the General Partner determined the fair value using methods considered by the General Partner to be most appropriate for the type of investment. These methods include, but are not limited to (i) internally-prepared discounted cash flow estimates (ii) third party appraisals or valuations by qualified real estate appraisers or investment banks, (iii) contractual sales of properties that are subject to bona fide purchase contracts. The valuation process is conducted on a quarterly basis by the General Partner and primarily relies on the values generated by the General Partner's asset managers assigned to the particular investment. These valuations, the financial models, and the significant assumptions and other pertinent factors used in the valuations are reviewed and approved by senior management. A valuation committee comprised of senior members of asset management, portfolio management, accounting and the Chief Financial Officer of the General Partner, provide final review and approval of all valuations. The following table summarizes the property's historical fair values. Although requested, quarterly estimates were not provided.

CAPITAL MALL								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Fair Value[1]	$ 179,377,000	$193,267,000	$ 190,993,000	$ 198,605,000	N/A	N/A	N/A	N/A
NOI[2]	N/A	$ 13,210,866	$ 12,373,171	$ 12,092,184	$ 12,145,349	$ 11,898,263	$ 11,873,728	$ 12,117,161
Implied OAR	N/A	6.84%	6.48%	6.09%	N/A	N/A	N/A	N/A

[1] Source: Audited Financial Statements
[2] Source: Operating Statements provided by Starwood Capital Group

As shown, the subject property's value as estimated by the General Partner has fluctuated between $179,377,000 and $198,605,000, increasing $19,228,000 or 10.7 percent between 2013 and 2016. During this same time period (2013 to 2016), a total of $57,632,000 of capital costs were incurred as summarized in the following table.

CAPITAL EXPENDITURE SUMMARY								
Capital Type	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17	Total
TI/LC	$ -	$ 1,595,000	$ 834,000	$ 1,283,000	$ 726,000	$ 1,252,000	$ 627,000	$ 39,000	$ 6,356,000
Ordinary Capital	$ -	$ 673,000	$ 557,000	$ 777,000	$ 750,000	$ 733,000	$ 545,000	$ 236,000	$ 4,271,000
Refresh Capital	$ -	$ 136,000	$ 402,000	$ -	$ 291,000	$ 127,000	$ (14,000)	$ -	$ 942,000
Development Capital	$ -	$ 2,000	$ 506,000	$ 11,457,000	$ 4,974,000	$ 8,774,000	$ 12,019,000	$ 8,331,000	$ 46,063,000
Total Capital	$ -	$ 2,406,000	$ 2,299,000	$ 13,517,000	$ 6,741,000	$ 10,886,000	$ 13,177,000	$ 8,606,000	$ 57,632,000

Source: Starwood Capital Group

VALUATION METHODOLOGY

In order to determine the historical fair value of the subject we have analyzed a number of key factors that impact a regional mall's net operating income and consequently value. Based on our extensive experience and discussions with institutional investors, these are considered the primary factors that impact a property's value. It should be recognized that this analysis focuses on backward looking trends in the property's fundamentals and pricing from the prospective of investors. As such, our current valuation serves as the initial data point in the analysis.

The following paragraphs briefly discuss these factors:

Trade Area Trends: As discussed previously the subject's trade area is considered strong and the property faces limited competition.

Retail Sales Trends: The following table summarizes the subject's retail sales trend over the past five years.

RETAIL SALES TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Retail Sales/SF - All Tenants:	$381.19	$380.47	$417.82	$425.73	$432.42	$421.11	$422.42	$430.67
% Change from Prior Year:	N/A	-0.2%	9.8%	1.9%	N/A	N/A	-2.4%	1.2%
Source: Starwood Capital Group								

The percent change reflected in the table represents year over year change. As shown, retail sales volumes have remained relatively steady over the past five years, fluctuating from $380.47 to $430.67 per square foot and averaging $413.98 per square foot. It should be noted that after initial acquisition, ownership was able to significantly improve the property's retail sales and since 2015 have stayed in a relatively tight range of $417.82 to $432.42 per square foot. This demonstrates the strength and stability of the center.

Occupancy Cost Trends: As previously discussed, occupancy cost is primary indicator of a mall's overall health. We note that many retailers have become more comfortable with higher health ratios due to the synergy created between the retailer's "brick and mortar" store and online sales as consumers like having a physical store to support internet purchases. Thus, the metrics have begun to shift upwards. The subject is a Class A-/B+ regional mall located in Washington state. It is generally accepted that the higher the sales volume (on a per square foot basis) the higher the health ratio. Further, the higher cost-of-living markets tend to have higher health ratios.

OCCUPANCY COST TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Occupancy Cost	12.5%	12.4%	11.9%	11.4%	11.5%	11.7%	11.1%	10.9%
% Change from Prior Year:	N/A	-1.1%	-3.5%	-4.4%	N/A	N/A	-3.6%	-4.1%
Source: Starwood Capital Group								

Similar to retail sales, occupancy cost has remained relatively steady ranging from 10.9 to 12.5 percent, averaging 11.7 percent over the past five years. This is considered healthy for a mall generating mall shop sales in the $400 to $450 range.

Occupancy Trends: In light of the ever evolving retail landscape and as a result of the tenant fallout that has occurred in recent years, a property's occupancy trend is considered a key factor in determining a property's competitive position in the market.

OCCUPANCY TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Occupancy Mall Shop <50,000 SF:	99.1%	100.0%	98.1%	97.7%	95.3%	92.9%	95.0%	95.0%
Occupancy LL Owned:	99.1%	98.6%	98.7%	98.4%	97.0%	96.3%	97.9%	97.9%
Source: Starwood Capital Group								

As shown, mall shop occupancy (the primary indictor) has remained relatively steady over the past five years ranging from 92.9 to 100.0 percent and averaging 96.6 percent. In comparison, the occupancy of all landlord space has ranged less widely from 96.3 to 99.1 percent.

Investor Survey Trends: The most useful approach used to estimate an approximate rate of return required by the most probable buyer is to analyze the current investment parameters applied by institutional investors and advisors to real estate pension and portfolio funds when acquiring real estate. The following table presents the results the *PwC Real Estate Investor Survey, National Regional Mall Market* and the *Situs RERC Real Estate Report* market for regional malls. This survey comprises investors' assumptions and return requirements, which provide a national basis for comparison. Investors surveyed include pension funds, pension fund advisors, investment advisors, direct advisors, direct investors, and investment bankers.

INVESTOR SURVEY TRENDS

	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
PWC Real Estate Investor Survey - National Regional Mall Market								
Overall Cap Rate (OAR) Range:	4.3% - 10.0%	4.0% - 10.0%	4.0% - 9.0%	4.0% - 10.0%	4.00% - 9.00%	4.00% - 9.00%	4.00% - 10.00%	4.00% - 10.00%
Average	6.60%	6.21%	6.03%	6.10%	6.00%	6.05%	6.20%	6.23%
Average for Class B+	6.70%	6.67%	6.28%	6.35%	6.25%	6.25%	6.59%	6.59%
Situs RERC Real Estate Report - First Tier Regional Mall - West								
Going-In Cap Rate Range:	5.5% - 11.0%	4.5% - 8.0%	4.0% - 8.0%	4.8% - 8.0%	4.5% - 8.0%	3.5% - 9.0%	4.0% - 8.0%	5.5% - 8.3%
Average:	6.9%	6.4%	6.2%	6.3%	6.5%	6.3%	6.8%	6.8%
Situs RERC Real Estate Report - Second Tier Regional Mall - West								
Going-In Cap Rate Range:	5.8% - 12.0%	5.0% - 9.3%	4.5% - 8.5%	4.5% - 8.3%	5.0% - 8.0%	5.0% - 7.5%	5.0% - 8.5%	6.0% - 8.8%
Average:	7.5%	7.1%	6.8%	6.7%	6.8%	6.7%	7.0%	7.4%

Source: PWC and RERC

As indicated, pricing trends have remained relatively steady over the past five years. The market was relatively steady in 2013 and 2014. In 2015 and 2016 regional mall pricing became modestly more aggressive and most recently has trended upward slightly. On the whole, average pricing over the past five years has maintained a general range of 50 basis points.

Conclusion: After consideration of the four factors previously discussed and Investor Survey Trends we have developed the following retrospective value conclusions for the subject property.

Capital Mall - HISTORICAL (RETROSPECTIVE) VALUE CONCLUSIONS

	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Fair Value Conclusions:	179,000,000	196,000,000	190,000,000	193,000,000	194,000,000	190,000,000	190,000,000	199,000,000
T-12 NOI:	N/A	13,210,866	12,373,171	12,092,184	12,145,349	11,898,263	11,873,728	12,117,161
Implied OAR:	N/A	6.75%	6.50%	6.25%	6.25%	6.25%	6.25%	6.09%

Source: NPV Advisors

PROOF OF LICENSURE

State of Washington
DEPARTMENT OF LICENSING
APPRAISER PROGRAM
P O Box 9021
Olympia, WA 98507

ADDRESS SERVICE REQUESTED REAA 580

DAVID R WALDEN
980 N. MICHIGAN AVE
SUITE 1000
CHICAGO IL 60611

STATE OF WASHINGTON
CERTIFIED GENERAL REAL ESTATE APPRAISER

DAVID R WALDEN
980 N. MICHIGAN AVE
SUITE 1000
CHICAGO IL 60611

1102356	**11/30/2018**	Pat Kohler
License Number	Expiration Date	Pat Kohler, Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

DAVID R WALDEN
980 N. MICHIGAN AVE
SUITE 1000
CHICAGO IL 60611

1102356	**11/12/2015**	**11/30/2018**	Pat Kohler
License Number	Issued Date	Expiration Date	Pat Kohler, Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

THE SEAL OF THE STATE OF WASHINGTON 1889

CERTIFIED GENERAL REAL ESTATE APPRAISER

MOLLY D HARTSOCK
4451 46TH AVENUE SW
SEATTLE WA 98116

1102049	03/26/2010	07/30/2019	Pat Kohler
License Number	Issued Date	Expiration Date	Pat Kohler, Director

PL-630-159 (R/3/16)

PROFESSIONAL QUALIFICATIONS

DAVID R. WALDEN, CRE, FRICS, MAI, CCIM
Managing Principal

EXPERIENCE:

David R. Walden, Principal and co-founder of National Property Valuation Advisors, Inc., has been active in the real estate industry since the early-1990s. Under the continuing leadership of the four principals, the company has grown from a single office with three employees in Chicago to a national practice with a professional staff of over 65 and regional offices throughout North America.

Immediately preceding the company's formation, Mr. Walden was employed by Koeppel Tener Real Estate Services, Inc. (KTR) as Vice President managing the Chicago branch of the Retail Services division. Mr. Walden was responsible for a wide range of valuation, consulting, and purchase price allocation (PPA) assignments involving institutional assets for major commercial banks, pension funds, and other similar clients. Further, as a Senior Analyst and member of the National Hospitality Group while employed by CB/Richard Ellis, Mr. Walden specialized in the analysis of large, high-profile office, resort, and hospitality properties.

Throughout his career, Mr. Walden has specialized in the analysis of under-performing and troubled assets, working with a range of institutional clients and providing real estate services on a national basis. Mr. Walden's consulting experience includes feasibility, highest and best use analysis, loan underwriting, due diligence, and litigation support.

EDUCATION:

Indiana University
Bloomington & Indianapolis, Indiana

- Graduated with a BS from the Kelley School of Business with a Finance-Real Estate Major
- While attending Indiana University, Mr. Walden also pursued a concentration in English

AFFILIATIONS:

American Society of Real Estate Counselors

- Counselor of Real Estate (CRE)
- Former member of the CRE Real Estate Issues Editorial Board
- Midwest Chapter Chair

Fellow of the Royal Institute of Chartered Surveyors

- Fellow (FRICS)

Appraisal Institute

- Designated Member of the Appraisal Institute (MAI)

International Council of Shopping Centers (ICSC)

- Associate Member

Urban Land Institute (ULI)

- Associate Member

National Council of Real Estate Investment Fiduciaries (NCREIF)

- Professional Member

CCIM Institute

- Member

Pension Real Estate Association (PREA)

- Professional Member

LICENSING:

General Certified Real Estate Appraiser

- Currently licensed in multiple states

MOLLY D. HARTSOCK, MAI
Director

EXPERIENCE:

Molly D. Hartsock, Director, has been active in the commercial real estate industry since 2003.

Prior to joining NPV Advisors, Ms. Hartsock spent a year with the Magellan Group, an industrial developer based in Century City, CA.

Since joining NPV Advisors in 2004, Ms. Hartsock has been active in general real estate consulting with an emphasis in the valuation and financial analysis of income-producing properties for pension funds, financial institutions, developers, and corporations. She has extensive experience in Argus and DYNA cash flow lease analysis software.

EDUCATION:

University of Southern California
Los Angeles, California

- Graduated with Bachelors in Business Administration, with an emphasis in Real Estate Development

Appraisal Institute

- Uniform Standards of Professional Appraisal Practice (USPAP)
- General Applications
- Market Analysis & Highest and Best Use
- Advanced Sales Comparison & Cost
- Advanced Income Capitalization
- Advanced Applications
- General Appraisal Reporting & Case Studies

Various annual Appraisal Institute, ICSC, ULI, and CREW seminars

AFFILIATIONS:

Appraisal Institute

- Designated Member of the Appraisal Institute (MAI)

International Council of Shopping Centers (ICSC)

- Member

Urban Land Institute

- Member

Commercial Real Estate Women (CREW)

- Member

LICENSING:

Certified General Real Estate Appraiser

- Currently licensed in multiple states including California, Oregon, and Washington

Southlake Mall .6

Southlake Mall
2109 Southlake Mall
Merrillville, Lake County, Indiana 46410

Appraisal Report

Prepared by
National Property Valuation Advisors, Inc.
980 North Michigan Avenue
Suite 1000
Chicago, Illinois 60611

NPV Advisors No. 17-12124-002-Q4

NPV advisors
national property valuation

February 2, 2018

Starwood West Limited
591 West Putnam Avenue
Greenwich, CT 06830

Subject: **Southlake Mall**
2109 Southlake Mall
Merrillville, Lake County, Indiana 46410

Dear Starwood West Limited:

In accordance with your request and authorization, we have prepared an appraisal estimating the "as is" fair value of the leased fee interest in the subject as of September 30, 2017. In addition, we have also included retrospective values as of June 30, 2017, December 31, 2016, September 30, 2016, June 30, 2016, December 31, 2015, December 31, 2014, and January 1, 2014. This analysis is contained within a separate section in the Addenda of this report. The intended use of the appraisal is to fulfill reporting requirements for the preparation of a public bond prospectus in Israel and pubic financial statements and subsequent public reporting in Israel. The intended user is Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD, and prospective bond holders.

The subject is a Class A- super regional mall, known as Southlake Mall, located in Merrillville, Lake County, Indiana. The mall is positioned at the intersection of Interstate 65 and US Route 30. The two-story mall is anchored by Macy's, Sear's, JC Penney, Carson Pirie Scott, Dick's Sporting Goods, Kohl's (outparcel) and AMC Cinema. The property was originally constructed in 1974 and has been renovated multiple times since, most recently in 2015 when a minor refresh of the property was complete. The mall is well-located within the Indiana region. A brief summary of the subject center is presented on the following page.

NPV advisors
national property valuation

SOUTHLAKE MALL			
	GLA	**Owned?**	**Owned SF**
Anchors			
JC Penney	166,145	Yes	166,145
Macy's	164,574	No	0
Carson	138,640	No	0
Sears	216,982	No	0
Dick's (Jr. Anchor)	50,000	Yes	50,000
Subtotal Anchor	**736,341**		**216,145**
Outparcel Anchor & Theater			
Kohl's (Outparcel Anchor)	90,356	Yes	90,356
AMC (Theater Anchor)	45,476	Yes	45,476
Subtotal Other Anchor	**135,832**		**135,832**
Mall Shop			
Leased	338,485	Yes	338,485
Vacant	49,934	Yes	49,934
Subtotal Inline	**388,419**		**388,419**
Outparcels			
Leased	55,081	Yes	55,081
Vacant	12,788	Yes	12,788
Subtotal Outparcels	**67,869**		**67,869**
Medical Office			
Vacant (Outparcel)	39,996	Yes	39,996
Subtotal Inline	**39,996**		**39,996**
Total Mall	**1,368,457**		
Total Mall Owned			**848,261**
Occupancy Summary			
Total Mall			92.5%
Total Mall Owned			87.9%
Total Mall Shop			87.1%
Retail Sales Summary			
TTM Mall Shop Retail Sales PSF <10,000 SF			$439.58
TTM Mall Shop Occupancy Cost (Excludes Apple)			20.74%
Analysis prepared by NPV Advisors			

The subject is more fully described, legally, physically, and economically, in the report that follows. Throughout our analysis, we have relied on information provided by our client, all of which is assumed to be accurate. Should it be discovered that any of this information is incorrect, we reserve the right to amend the value conclusion rendered herein.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the requirements of the International Financial Reporting Standards (IFRS), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Based on the research and analysis contained in this report, it is our opinion that the "as is" fair value of the leased fee interest in the subject as of September 30, 2017:

THREE HUNDRED TWO MILLION DOLLARS
($302,000,000)

The value estimate is based on the assumptions, limiting conditions, and certification in the report. The report in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

It has been a pleasure to assist you on this assignment. If you have any questions concerning the analysis, or if we can be of further service, please do not hesitate to contact us.

Respectfully submitted,

NATIONAL PROPERTY VALUATION ADVISORS, INC.

David R. Walden, CRE, FRICS, MAI, CCIM
Principal
Certified General Real Estate Appraiser
Indiana License No: CG40600019
Expires: June 30, 2018
Phone: 312-587-3224
E-Mail: drw@npvadvisors.com

CERTIFICATION

The signer(s) of this appraisal report do by their signature(s) certify that to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) and the requirements of the state of Colorado.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standard of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, David R. Walden, CRE, FRICS, MAI, CCIM has completed the continuing education program of Designated Members of the Appraisal Institute.
11. Heidi L. Thatcher provided significant assistance to the person(s) signing this report through financial modeling and lease analysis, valuation and market research.
12. David R. Walden, MAI, CRE, FRICS made a personal inspection of the property that is the subject of this appraisal.
13. David R. Walden, CRE, FRICS, MAI, CCIM and Heidi L. Thatcher have extensive experience in the appraisal/review of similar property types.
14. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
15. We have not performed appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,

NATIONAL PROPERTY VALUATION ADVISORS, INC.

David R. Walden, CRE, FRICS, MAI, CCIM
Principal
Certified General Real Estate Appraiser
Indiana License No: CG40600019
Expires: June 30, 2018
Phone: 312-587-3224
E-Mail: drw@npvadvisors.com

TABLE OF CONTENTS

OVERVIEW & EXHIBITS

PROPERTY DATA & ANALYSIS

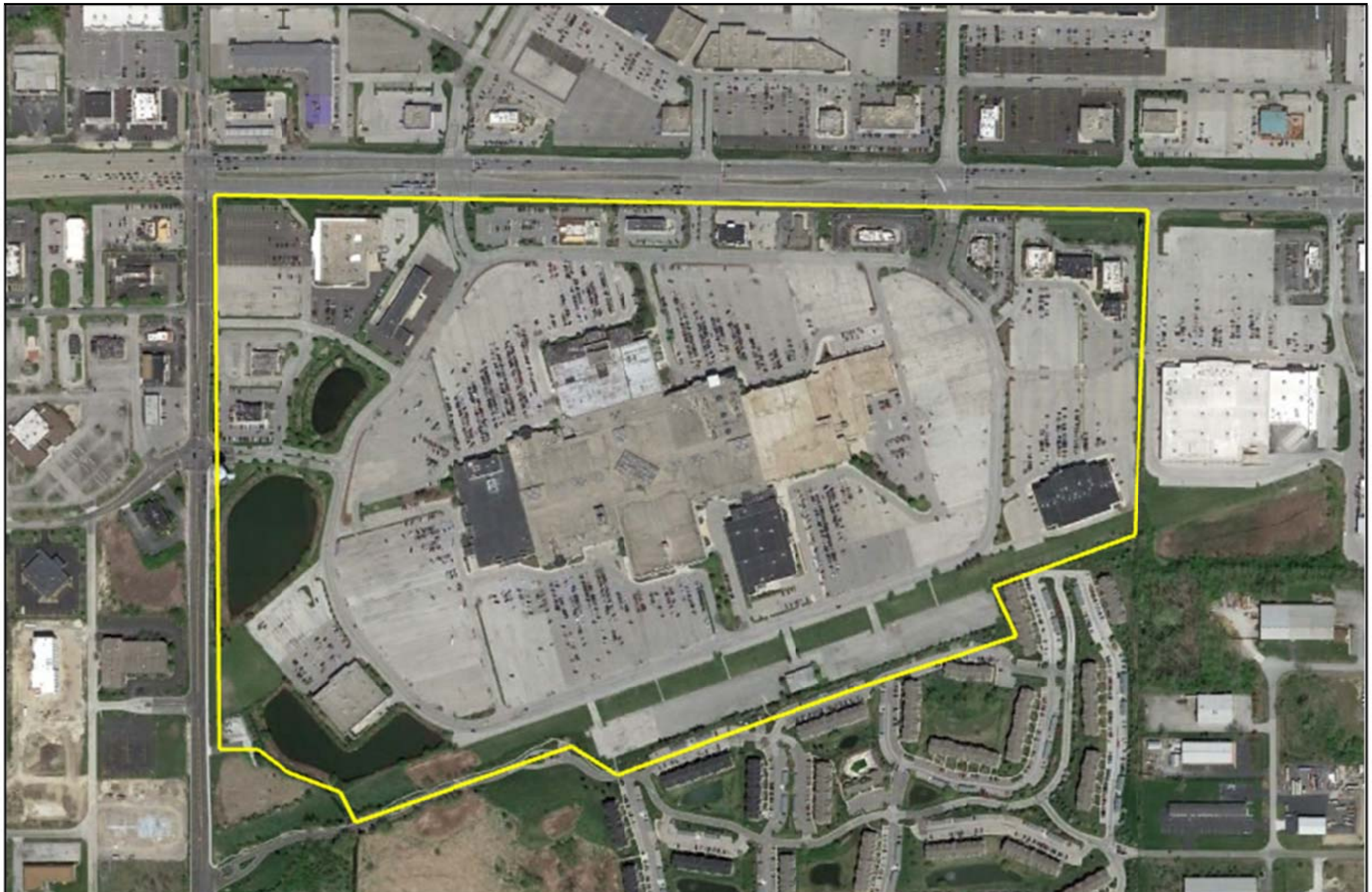
VALUATION

ADDENDA

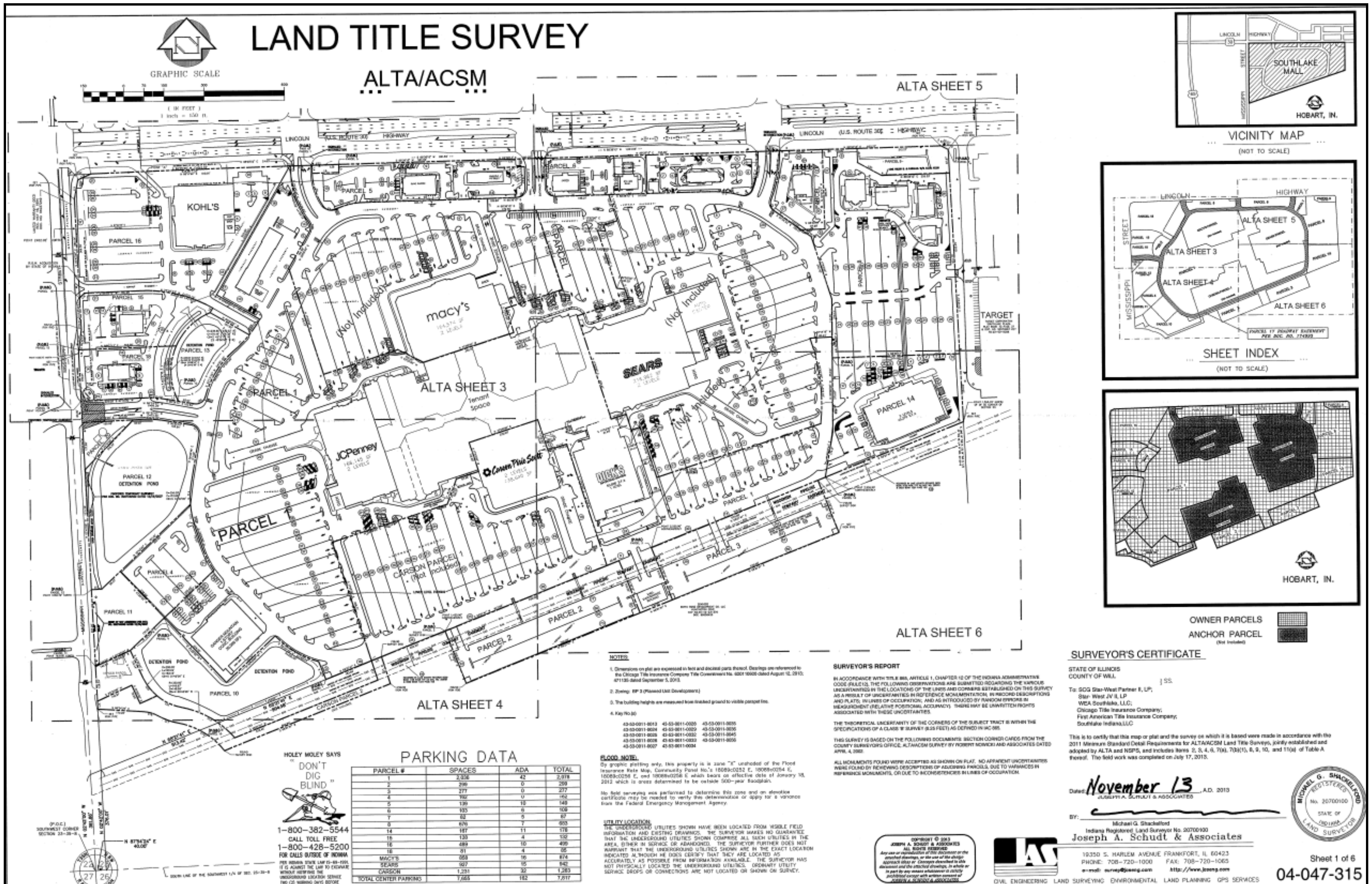
SUMMARY OF SALIENT FACTS

Property Name:	Southlake Mall
Property Type:	Class A- Regional Mall
Property Address:	2109 Southlake Mall, Merrillville, Lake County, Indiana 46410
Owner of Property:	Southlake Indiana LLC
Interest Appraised:	Leased Fee
Intended Use and User:	The intended use of the appraisal is to fulfill reporting requirements for the preparation of a public bond prospectus in Israel and pubic financial statements and subsequent public reporting in Israel. The intended user is Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD, and prospective bond holders.
Date of Inspection:	December 17, 2017
Dates of Value	
As Is:	September 30, 2017
Property Description	
Site Area:	127.94 acres or 5,573,241 square feet of owned land area.
Improvements:	The subject is an existing 1,368,457-square foot Class A- super regional mall, of which 848,261 square feet are mall-owned. The center is anchored by five mall department stores – Macy's, Sears, JC Penney, Dick's Sporting Goods, and Carson. Further, Kohl's is an outparcel anchor store. Notable major tenants include H&M, Forever 21, and AMC Theater. As of the date of value, the subject will be 87.9 percent leased and occupied based on owned GLA. The improvements were originally completed in 1974 and renovated multiple times over the years. Overall, the improvements are in good condition.
Zoning:	PUD, "Planned Unit Development District"

Highest and Best Use	
As Though Vacant:	Development of a large-scale retail and mixed-use development on a partially pre-leased basis
As Improved:	Current and continued use as Class A- regional mall
Method of Valuation:	The reported value was determined via the income approach with support provided by the sales comparison approach. Although considered, the cost approach was not utilized in our analysis.
Investment Rate Assumptions	
Market Rent Growth Rate:	3.00 percent
Expense Growth Rate:	3.00 percent
Real Estate Tax Growth Rate:	3.00 percent
Base Inflationary Rate:	3.00 percent
Overall Capitalization Rate:	5.75 percent
Terminal Capitalization Rate:	6.00 percent
Selling Costs at Reversion:	0.50 percent
Discount Rate (IRR)	
As Is:	7.25 percent
"As Is" Fair value Conclusion	
Income Approach:	$302,000,000
Sales Comparison Approach:	$294,000,000
Cost Approach:	Not Applicable
Final Value Conclusion:	$302,000,000
Per Square Foot of total GLA:	$220.69
Marketing Period	
Estimated Exposure Time:	12 months
Estimated Marketing Time:	12 months
Most Probable Buyer:	Institutional Investor



SUBJECT'S AERIAL PHOTOGRAPH OWNED AND UNOWNED PARCELS (OUTLINE IS APPROXIMATE)



SUBJECT'S ALTA SURVEY

EXTERIOR VIEW

EXTERIOR VIEW

EXTERIOR VIEW - JC PENNEY

EXTERIOR VIEW - SEARS

EXTERIOR VIEW OF THEATER

EXTERIOR VIEW

STREET VIEW LOOKING WEST

STREET VIEW LOOKING EAST

INTERIOR VIEW

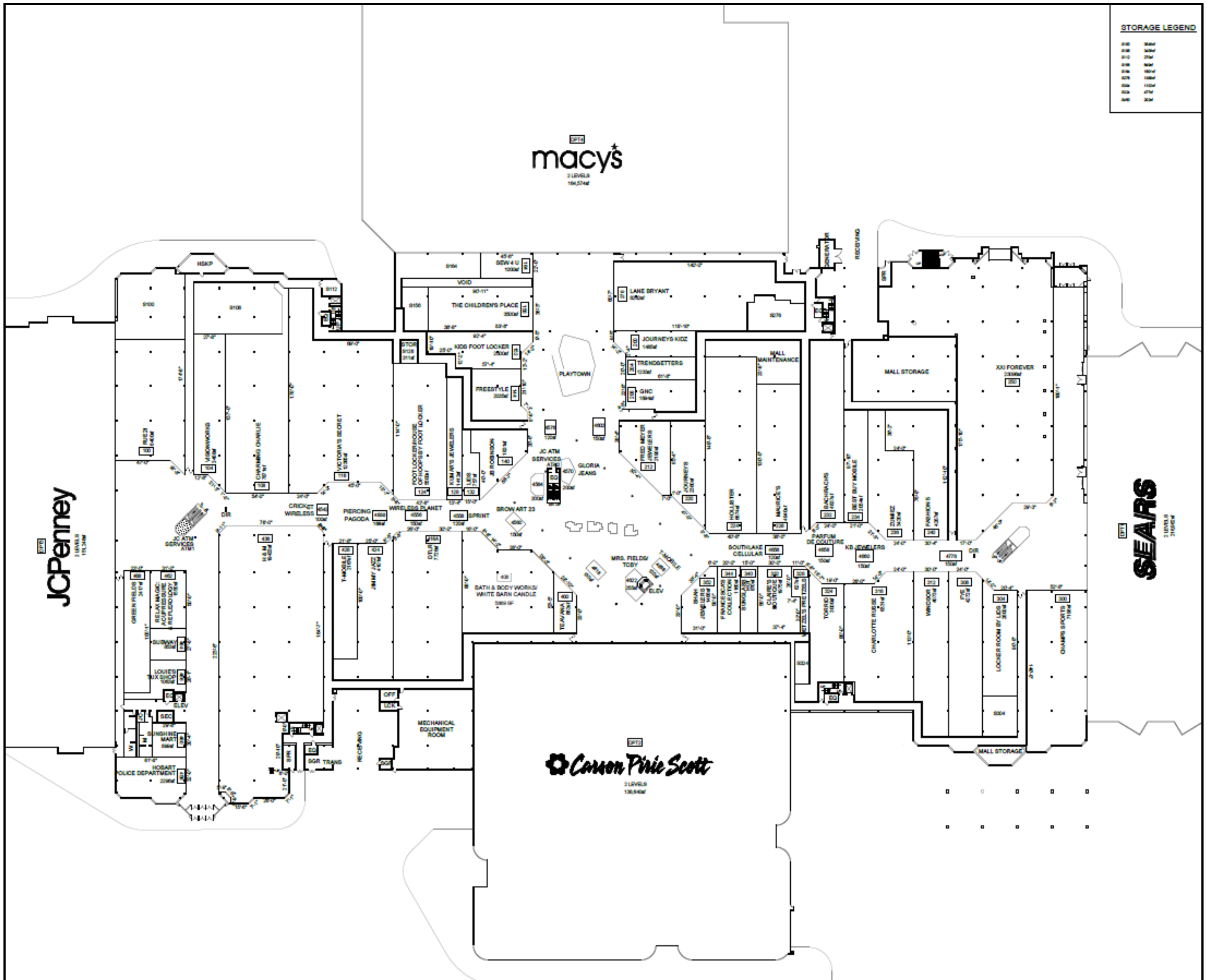

INTERIOR VIEW

INTERIOR VIEW

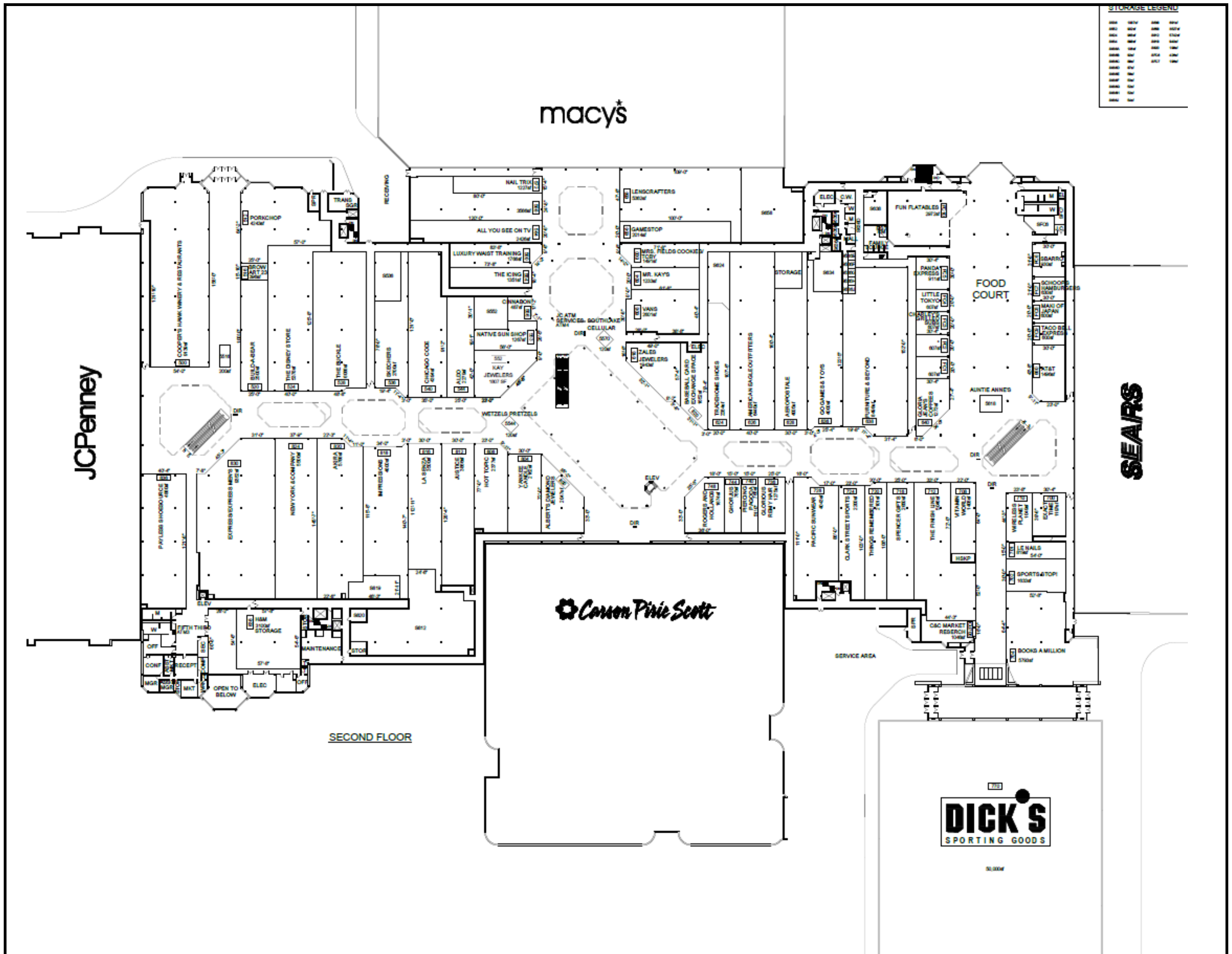
INTERIOR VIEW

INTERIOR VIEW


INTERIOR VIEW

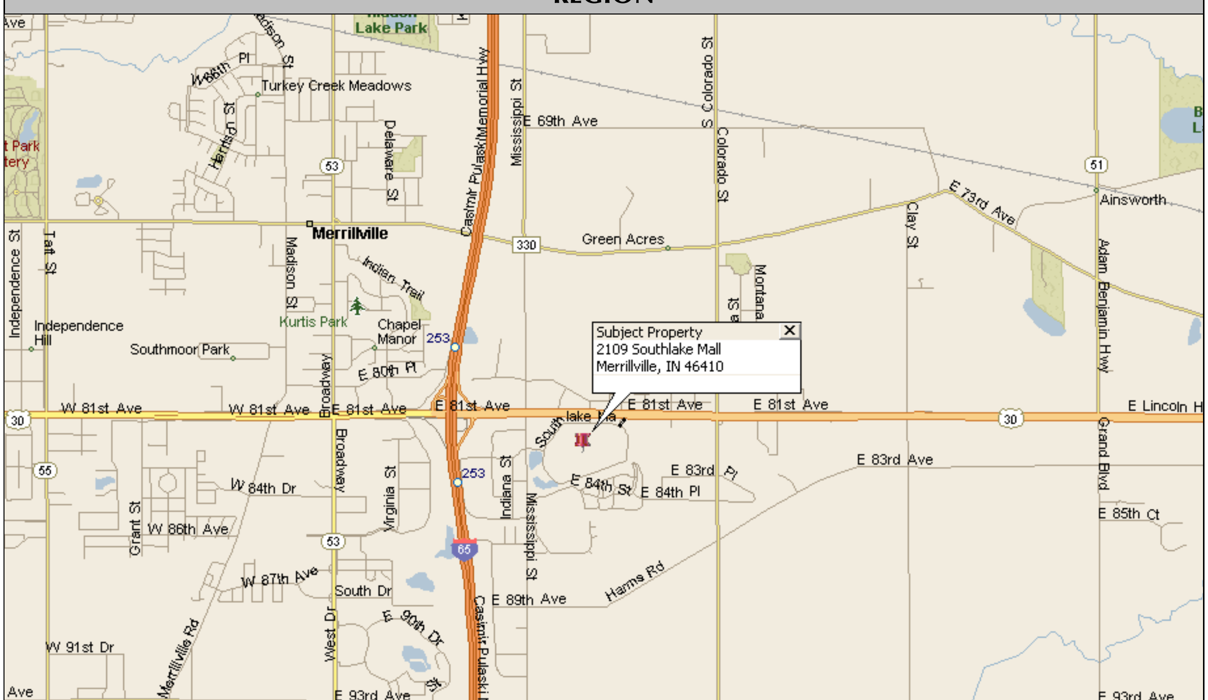


SUBJECT'S LOWER LEVEL LEASE PLAN



SUBJECT'S UPPER LEVEL LEASE PLAN

REGION



LOCAL

NPV advisors
national property valuation

INTRODUCTION

PROPERTY IDENTIFICATION

The subject is a Class A- super regional mall, known as Southlake Mall, located in Merrillville, Lake County, Indiana. The mall is positioned at the intersection of Interstate 65 and US Route 30. The two-story mall is anchored by Macy's, Sear's, JC Penney, Carson Pirie Scott, Dick's Sporting Goods, Kohl's (outparcel) and AMC Cinema. The property was originally constructed in 1974 and has been renovated multiple times since, most recently in 2015 when a minor refresh of the property was complete. The mall is well-located within the Indiana region. A brief summary of the subject center is presented on the following page.

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Total Mall Shop			87.1%
Retail Sales Summary			
TTM Mall Shop Retail Sales PSF <10,000 SF			$439.58
TTM Mall Shop Occupancy Cost (Excludes Apple)			20.74%
Analysis prepared by NPV Advisors			

The subject is further identified by the Lake County Assessor's Office as the 19 account numbers identified in the site description in this report.

OWNERSHIP AND PROPERTY HISTORY

Title to the subject property is currently vested in the name of Southlake Indiana LLC. The subject property along with six other regional malls was acquired by current ownership from Westfield for $1,644,407 on November 14, 2013. The purchase price as allocated as follows:

WESTFIELD II PURCHASE PRICE ALLOCATION	
Property	Purchase Price
Belden Mall	$202,343,000
Capital Mall	$179,377,000
Franklin Park Mall	$319,707,000
Great Northern Mall	$139,900,000
Parkway Mall	$237,499,000
Southlake Mall	$273,340,000
West Covina Mall	$292,241,000
Source: Audited Financial Statements	

As part of the transaction, Westfield initially retained a 10 percent common equity interest and a $67,450 preferred equity interest in the joint venture. The subject is not being marketed for sale and to the best of our knowledge there have been no sales involving the subject property in the past three years.

CLIENT OF THE REPORT

The client of this appraisal assignment is Starwood West Limited.

INTENDED USE AND USER(S) OF THE REPORT

The intended use of the appraisal is to fulfill reporting requirements for the preparation of a public bond prospectus in Israel and pubic financial statements and subsequent public reporting in Israel. The intended user is Starwood West Limited for the benefit of SCG and its affiliates (collectively, "SCG"), Poalim IBI Underwriting LTD, Leumi Partners Underwriters LTD, and prospective bond holders.

PREMISE OF THE APPRAISAL

The premise of this appraisal valuation is "as is" as of the date of value.

PROPERTY RIGHTS APPRAISED

The interest appraised is the leased fee estate, which is defined as follows:

> The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.[1]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an estimate of the fair value of the subject. Fair value is defined as follows, according to IFRS 13:

> IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th edition, (Chicago: Appraisal Institute, 2015).

DATE OF INSPECTION

The subject was inspected by David Walden, MAI on December 17, 2017.

DATE(S) OF VALUE

The date of "as is" value is September 30, 2017 based on property attributes and market conditions as of the site inspection date.

DATE OF REPORT

The date of report is the date indicated on the letter of transmittal.

APPRAISAL DEVELOPMENT AND REPORTING

There are four main aspects to the development and reporting of this appraisal. First, there are certain necessary procedures that were followed to derive a credible value estimate. Second, the report scope and content reflects the specific needs of the client. In other words, certain procedures and analyses may have been included or excluded to the extent that they were requested by the client and did not prevent a credible value estimate from being reported. Third, the development of the appraisal is limited to the extent that specific data items may not have been available. Lastly, there is the type of report, or level of detail, in which the appraisal has been communicated.

Professional Procedures/Analysis: The following checklist summarizes the procedures and analyses performed in conjunction with this appraisal assignment and deemed necessary in order to arrive at a credible value estimate for the appraised property.

PROCEDURES & ANALYSES		
	Yes	No
Researched		
Regional and local area data	√	
Market trends	√	
Comparable site sales	√	
Comparable improved sales	√	
Comparable asking rents/recent leases	√	
Inspected		
Subject	√	
Surrounding neighborhood/market area	√	
Analyzed		
Site data (taxes, zoning, utilities, etc.)	√	
Site/building improvements	√	
Marketing/exposure times	√	
Highest and best use	√	
Developed/Performed		
Income Approach	√	
Sales Comparison Approach	√	
Cost Approach		√
Reconciliation	√	

Client Requirements: In preparing this appraisal, we have complied with all of the client's specific requirements and guidelines.

Availability of Data: The only data of significance not provided for use in this appraisal is a title report and/or legal description, Phase I Environmental Report, and five-year capital expenditure budget. In our opinion, the quality of the information we received was sufficient to arrive at a credible opinion of value for the client's intended use.

Report Type: The results of the appraisal process are being conveyed in the form of an appraisal report. The depth of reporting was established at the time of engagement with the intent of complying with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice, the requirements of the International Financial Reporting Standards, and the client's specific requirements.

REGIONAL ANALYSIS

CHICAGO-NAPERVILLE-ELGIN, ILLINOIS-INDIANA-WISCONSIN MSA

Location

The subject is located in the Chicago MSA, a 14-county region including nine counties in Illinois, four counties in Indiana, and one county in Wisconsin. Chicago serves as the MSA's principal city and acts as the economic and cultural hub of the Midwest, housing some of the finest educational institutions and entertainment venues in the nation.

Access

Overview: The Chicago MSA benefits from a Midwestern location that is served by comprehensive infrastructure consisting of numerous major interstates, extensive railroad connections with service from several Class I rail operators, and two international airports that serve as global ports of entry. Additionally, the region takes advantage of its position along Lake Michigan with an intermodal, international port.

Road System: Interstates 55, 57, 65, 80, 88, 90/94, 290, 294, 355

Rail System: Amtrak, Metra; Canadian National, Canadian Southern, CSX Transportation, Norfolk Southern, Union Pacific

Air System: Chicago Midway International Airport, Chicago O'Hare International Airport

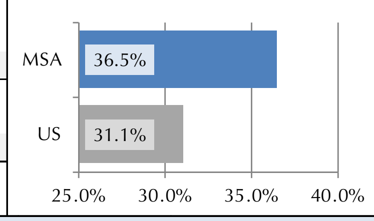
Water System: Port of Chicago, Illinois Waterway

Demographic Trends[1]

Population Trends	Census 2010	Estimated 2017	Projected 2022	CAGR '10 to '17	CAGR '17 to '22
Chicago MSA	9,461,105	9,680,659	9,828,394	0.33%	0.30%
National	308,745,538	327,514,334	341,323,594	0.85%	0.83%
Household Trends					
Chicago MSA	3,475,726	3,559,253	3,613,968	0.34%	0.31%
National	116,716,292	123,158,887	128,069,416	0.77%	0.79%
Average Household Income Trends					
Chicago MSA		$92,004	$103,650	--	2.41%
National		$71,842	$83,667	--	3.09%

Educational Attainment

Bachelor's Degree or Higher

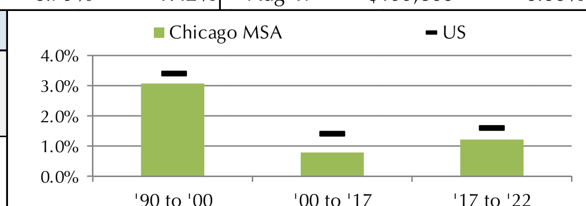


Home Price Trends[2]

Home Price Trends	Aug-17	Y-o-Y Change	Q-o-Q Change	Peak Date	Peak	Peak to Current
Chicago MSA	$222,200	4.81%	0.41%	Oct-07	$254,500	-12.69%
US	$199,800	6.79%	1.42%	Aug-17	$199,800	0.00%

Retail Sales Trends[3]

CAGR/ $Millions	Chicago MSA $148,064.3
'90 to '00	3.06%
'00 to '17	0.81%
'17 to '22	1.22%



Education

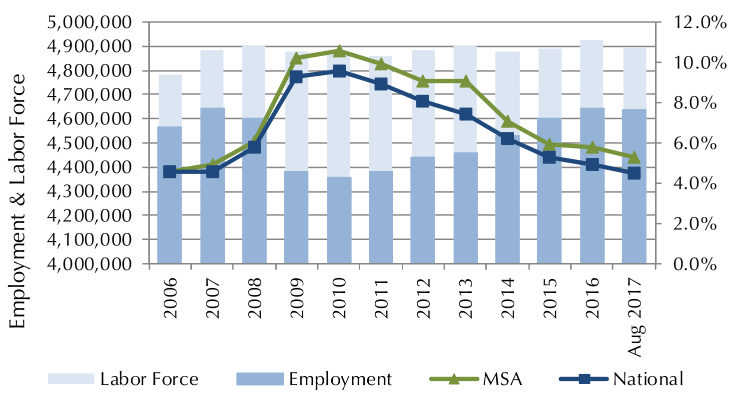
There are over 450 post-secondary institutions within the Chicago MSA, many of which are consistently ranked among the top national universities by US News & World Report. Notable four-year institutions within the MSA include the University of Chicago, Northwestern University, Loyola University Chicago, Illinois Institute of Technology, DePaul University, and University of Illinois at Chicago. World Business Chicago reports that more than 136 institutions throughout the MSA generate approximately 145,000 college and university degrees annually. The South Side of Chicago was selected in April 2015 as the location of the Barack Obama Presidential Center, which will be built in partnership with the University of Chicago.

Employment Trends[3]

Sector	Industry Weight	Location Quotient	2000 to 2017	Forecast Sector Trends 2017 to 2022
Agricultural	0.21%	0.11	-1.41%	0.60%
Trade	13.56%	1.00	-0.03%	0.71%
Manufacturing	7.12%	1.05	-2.30%	-0.28%
Transportation & Utilities	4.63%	1.31	0.68%	0.76%
FIRE	10.82%	1.10	1.17%	1.62%
Professional Services	9.74%	1.14	0.29%	0.80%
Health Care	11.38%	1.00	1.96%	1.89%
Construction, Mining	4.47%	0.72	-0.31%	1.80%
Tourism	8.93%	0.94	1.55%	1.32%
Other Services	18.99%	1.20	1.81%	1.54%
Government	10.14%	0.79	0.09%	0.96%
Total Employment	**100.00%**	1.00	**0.59%**	**1.17%**

-0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5%

Employment & Labor Force Trends[4]



MSA	Aug 2017	Y-o-Y Change
Labor Force	4,893,175	-0.85%
Employment	4,636,012	-0.32%
Unemployment Rate	5.3%	-50 bps

Top Fortune 500 Firms[5]

Employer	Industry	Employees
Walgreens	17	$117.4 bill.
Boeing	24	$94.6 bill.
Archer Daniels Midland	45	$62.3 bill.
United Continental	83	$36.6 bill.
Allstate	84	$36.5 bill.
Exelon	89	$31.4 bill.

Government & Public Policy

The state of Illinois has a business environment generally in line with that of the broader nation. The state has relatively low personal income taxes and the 11th-lowest state and local income tax collections per person. However, state and local property taxes in Illinois are the ninth-highest in the nation. Overall, the state of Illinois ranks 29th in the Tax Foundation's 2018 Business Tax Climate Index, down from its ranking of 23rd in the prior year's report. Despite boasting an enviable institutional base, including premier universities, health care systems, and cultural assets, in addition to expansive transportation infrastructure and natural resources, has found itself in dire financial straits. According to Truth in Accounting in the 2016 Financial State of the States Report, which assigned Illinois the ranking of second-worst state in terms of debt, Illinois reached a burden equivalent to $50,400 per taxpayer, which is largely the result of structural issues with the state's numerous pension funds. Although the legislature enacted a pension overhaul in 2013, the Illinois Supreme Court overturned the plan in May 2015, citing stature that public pensions may not be diminished or impaired.

Following a record 736 days without a state budget, the legislature passed a budget in July 2017. While the budget does not include structural reforms necessary to right the state's fiscal meltdown, it provides the temporary stability necessary to begin undertaking such efforts. The major provisions in the budget include permanent income and corporate tax increases, an expansion of the earned income tax credit, and modest reforms to state pensions which are anticipated to save $1.5 billion. During the two years that Illinois was operating without a budget, the state's unpaid bills increased to roughly $15 billion. Although the budget anticipates the state could reduce this backlog by roughly $8 billion in the next fiscal year, experts believe a more realistic expectation would be in the $3 to $5 billion dollar range. In terms of pension reform, the budget provides the necessary state approval for plans that put two of Chicago's local pension funds on track to be 90.0 percent funded by 2058. Governor Rauner vetoed a similar bill in March 2017, and with this action, all of Chicago's pension funds now have legally adopted plans to become fully-funded. However, as contributions to the funds ramp up to actuarially required levels through 2023, further revenue will need to be identified.

In July 2017, Moody's downgraded the city of Chicago's credit rating to Ba1, which equates to junk status. At the same time, Moody's affirmed its rating for the broader state of Illinois of Baa3, with a negative outlook.

While Illinois, the primary driver of the regional economy, is primarily driven by the policies in place within the state of Illinois, the MSA extends into neighboring Indiana and Wisconsin. These portions of the region generally benefit from more favorable incentives and tax structures, making them increasingly attractive to investors, residents, and tenants.

Corporate Headquarters & Major Companies

Chicago is the economic epicenter of the Midwest and is a popular headquarters location for national and international companies seeking a relatively low-cost, central destination for operations. Fortune Magazine reported that the Chicago metro housed 36 Fortune 500 company headquarters in 2017, 11 of which are located within the city of Chicago. According to World Business Chicago, there are over 400 major corporations headquartered in the Chicago area. Site Selection magazine awarded the Chicago MSA the distinction of being the nation's top metropolitan area in terms of corporate investment for the fourth straight year, with 350 expansion or relocation projects recorded in 2016, resulting in $2.8 billion in investment and nearly 14,000 new jobs. Notable companies which have relocated in recent years to Chicago include Kraft Heinz, ConAgra, Motorola Solutions, McDonald's, GE Healthcare, Mars Wrigley, and Wilson Sporting Goods.

In addition to a strong corporate presence, Chicago is the nation's second-most important financial center and the world leader in commodities. Chicago is the national leader in stock options trading, currency trading, currency futures, and interest rate futures. Trading of these commodities is done at three Chicago-based exchanges: the Chicago Board Options Exchange, the Chicago Stock Exchange, and the Chicago Mercantile Exchange Group. Chicago is a growing center for tech-related jobs as well, outpacing Silicon Valley from 2010 to 2013 in the rate of job growth. In March 2017, KPMG, which in the prior month announced plans to hire an additional 500 employees in their Chicago office by 2020, ranked the city as the 6th top technology innovation hub worldwide, moving up 12 spots in the rankings year-over-year.

Conclusion

Like the nation, the Chicago MSA has charted a measured economic recovery over the past few quarters. However, Chicago's recovery remains uneven and weak relative to that of other major metros across the nation. While some improvement has been observed, the regional housing market recovery and employment growth remain tepid. Economic forecasts call for the region to continue to improve at a modest pace over the next few quarters. Over the long term, however, forecasts indicate that the region should continue to grow, as the Chicago metropolitan area has made a successful transition from manufacturing to a service-based economy over the past two decades. Of particular concern are the state's massive debts and underfunded pension programs. While many are concerned over Chicago's ongoing and extensive fiscal crisis, the MSA has the ability to recover based on its vibrant, diverse economy and flexibility in taxing.

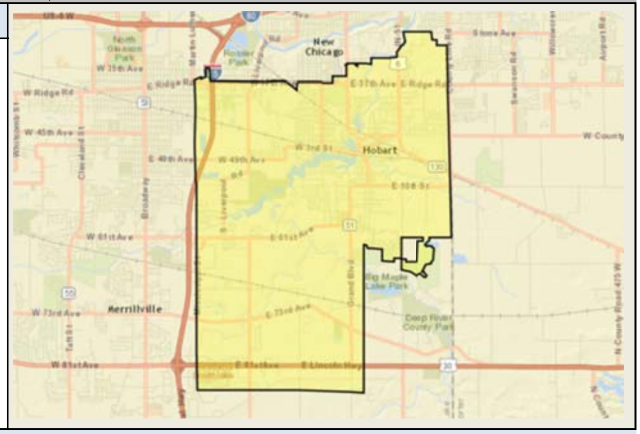
Source Information: [1] Esri, [2] Zillow Home Value Index, [3] Woods & Poole,[4] Bureau of Labor Statistics, and [5] Fortune 500 - 2017
Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

LOCAL AREA ANALYSIS

CITY OF HOBART, INDIANA

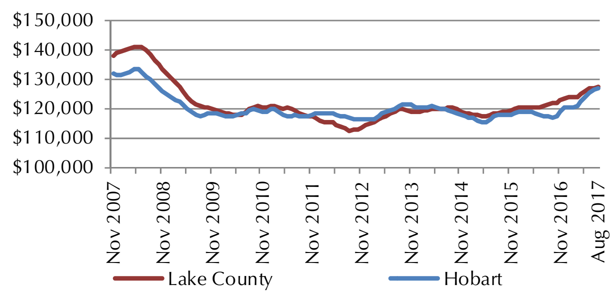
Location

The city of Hobart is located in Lake County, Indiana. The city is about 38 miles southeast of Chicago, Illinois, situated within the eastern portion of the Chicago MSA. We note that although the subject's mailing address is in Merrillville, Indiana, it is officially located in Hobart, Indiana.

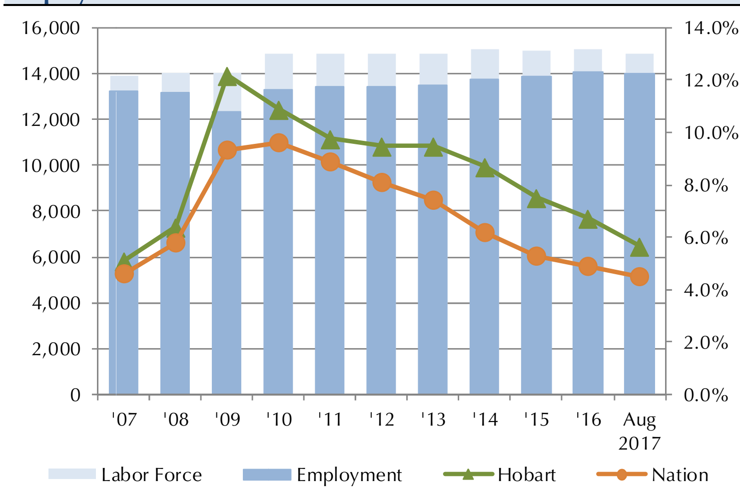


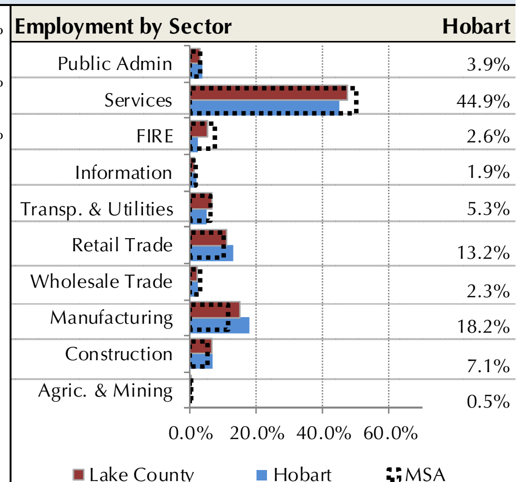
Home Price Trends[1]

Period		Home Value		% Change to Aug-17
Most Recent	Aug-17	$127,000		--
Prior Month	Jul-17	$126,500	⇧	0.40%
Prior Year	Aug-16	$117,200	⇧	8.36%
Peak	Apr-08	$133,200	⇩	-4.65%



Employment Trends[2&3]





Daytime Population	Hobart	30,985

The city of Hobart, like broader northwest Indiana, houses a significant manufacturing presence. The city also is home to a large retail trade sector due to the presence of a regional retail corridor along Lincoln Highway.

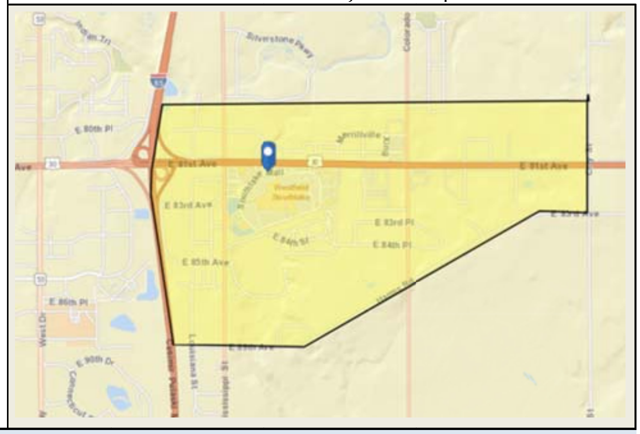
Recent Development

The city of Hobart has seen minimal recent development. Deliveries for the year are at a stand still and CoStar tracks only one project currently underway, a Class B multifamily apartment building at 1111 West 10th Street, slated to deliver in February 2018. CoStar does not track any proposed developments for the city.

Neighborhood Overview

Land Use: The subject is located within a regional retail corridor, situated along US Route 30 and abutting Interstate 65. The neighborhood is anchored by the subject and features a heavy concentration of complementary retail uses including Target, Home Depot, Walmart Supercenter, Costco Wholesale, and Sam's Club. Adjacent to I-65 are numerous hospitality and restaurant uses. There are multifamily uses primarily located in the southern portion of the neighborhood. The southern portion of the neighborhood also contains industrial uses and undeveloped land.

Boundaries are delineated in the adjacent map.



Demographic Trends[3]

Area	Census 2010	Estimated 2017	Projected 2022	Compound Annual Growth Rate 2010 to 2017	2017 to 2022
Population Trends					
1-Mile Radius	2,182	2,208	2,257	0.17%	0.44%
3-Mile Radius	24,189	25,051	25,153	0.50%	0.08%
5-Mile Radius	91,998	93,635	93,425	0.25%	-0.04%
Neighborhood	**1,897**	**1,921**	**1,962**	**0.18%**	**0.42%**
Hobart	29,059	28,694	28,273	-0.18%	-0.30%
Lake County	496,005	495,069	491,870	-0.03%	-0.13%
Chicago MSA	9,461,105	9,680,659	9,828,394	0.33%	0.30%
Household Formation Trends					
1-Mile Radius	1,103	1,124	1,153	0.27%	0.51%
3-Mile Radius	10,150	10,578	10,652	0.59%	0.14%
5-Mile Radius	35,125	35,925	35,893	0.32%	-0.02%
Neighborhood	**976**	**995**	**1,019**	**0.28%**	**0.48%**
Hobart	11,650	11,536	11,392	-0.14%	-0.25%
Lake County	188,157	187,941	186,787	-0.02%	-0.12%
Chicago MSA	3,475,726	3,559,253	3,613,968	0.34%	0.31%
Average Household Income					
1-Mile Radius	--	$58,859	$65,574	--	2.18%
3-Mile Radius	--	$64,732	$72,412	--	2.27%
5-Mile Radius	--	$69,509	$78,054	--	2.35%
Neighborhood	**--**	**$59,509**	**$66,215**	**--**	**2.16%**
Hobart	--	$66,445	$75,056	--	2.47%
Lake County	--	$67,913	$76,226	--	2.34%
Chicago MSA	--	$92,004	$103,650	--	2.41%

Access	
Primary Thoroughfares:	US Route 30 (West Lincoln Highway/East 81st Street)), Interstate 65
Secondary Thoroughfares:	Mississippi Street, South Colorado Street
Traffic Counts:	US Route 30 has a daily traffic count of about 65,432 cars. Interstate 65 sees about 64,878 cars per day. Mississippi Street sees about 14,509 vehicles per day and South Colorado Street sees about 4,112 cars per day.

Government & Public Policy

The city of Hobart's redevelopment commission offers several incentives to attract new business and development to the area. Two key programs offered by the commission are the Façade and Signage Grant program, which encourages the renovation of downtown commercial buildings and the Riverfront Liquor License program which offers low cost liquor licenses. The city also offers a tax abatement for qualifying vacant buildings.

Conclusion

The city of Hobart has a relatively stable population base with average household incomes on par with the broader county. Housing prices in the city of Hobart have witnessed a recent uptick, but have remained relatively depressed since the Great Recession. The city has also struggled with high unemployment rates over the past decade, hovering above that of the national average. Although the city is forecast to see a slight loss in population over the next few years, an increase in the average household income is projected. The subject's neighborhood benefits from the heavy concentration of retail centers and complementary restaurant and hospitality uses. The area is a major shopping destination in Lake County, replete with a variety of restaurants, entertainment, and retailers. Overall, the city of Hobart and the subject's neighborhood should remain a good retail location for the foreseeable future.

Source: [1] Zillow Home Price Values, [2] Bureau of Labor Statistics and US Census Bureau, and [3] Esri

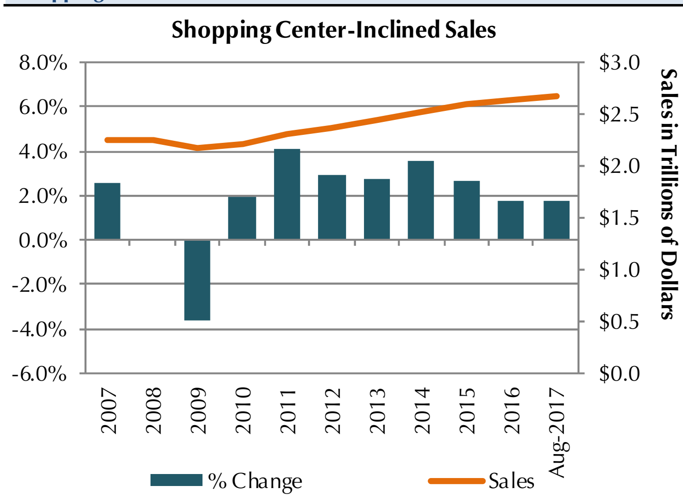
Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

MARKET AND TRADE AREA ANALYSIS

NATIONAL RETAIL MARKET OVERVIEW

The slowdown in transaction volume across most core property sectors during the first half of 2017 relative to 2016 continued into the third quarter. However, these declines are somewhat inflated due to a boom in transaction activity over the course of 2015 and early 2016, with analysts noting that sales volumes are falling back toward the averages witnessed prior to the boom. Several factors are also playing into this decreased activity. Pricing in certain markets and sectors has surpassed pre-recessionary peak, making underwriting large deals more difficult. In addition, persistent uncertainty regarding the timing and expanse of tax code and trade agreement alterations proposed by the Trump Administration continues to give some investors pause, but the impacts of said reservations appear to be waning relative to those seen over the past several quarters. Retail transaction volume dove 32 percent in the third quarter relative to one year prior, as the recent spate of retail closure announcements have tempered investor thirst for centers occupied by these tenants. Concerns persist regarding the rise of e-commerce and fast-fashion retailers, both of which continue to put pressure on brick-and-mortar operations, particularly the mid-market apparel retailers and department stores that comprise a strong proportion of shopping center tenants. Nevertheless, prospects remain favorable for value-add plays, which comprised the majority of mall transactions over the past quarter, as well as necessity-based retailers, such as grocery stores, and service/experiential retail operations whose value propositions are sheltered from the impacts of e-commerce. Despite structural concerns, market participants remain guardedly optimistic regarding the near-term health of the retail sector, and we continue to see certain retailers expand existing footprints while foreign-based firms, such as Lidl, begin to push in the US market. Overall, the near-term health of retail sector will be largely dependent on the contours of regional markets and investor appetite for specific property types.

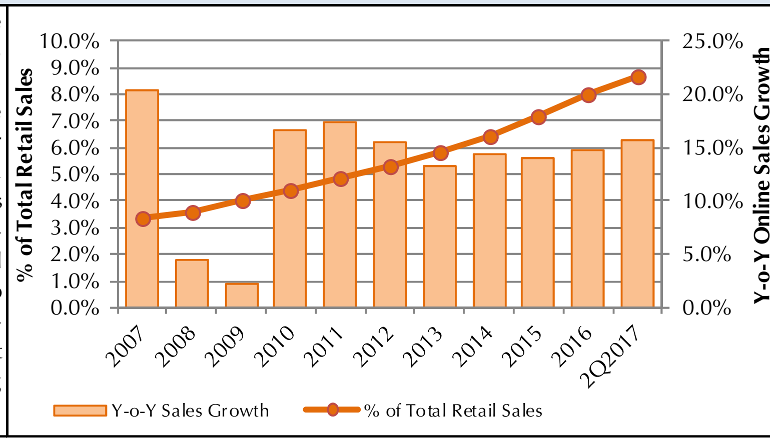
Shopping Center-Inclined Sales[1]



Shopping center sales over the 12-month period ending in August 2017 rose 1.77 percent, a modest decline from a 2.01 percent increase in the prior 12-month period. Market participants suggest that the cooldown in sales was due in part to the unseasonably warm weather's impact on winter apparel sales and cheaper gasoline. However, retailers are hopeful that the upcoming holiday will bring additional dollars into brick-and-mortar locations, with shoppers anticipated to spend roughly $728 per person, and nearly half of shoppers planning to spend more than they did last year. The largest share of consumers plan to make holiday purchases in November and December. Roughly 91 percent of shoppers intend to browse and buy in-store, while the majority of shoppers prefer to research online prior to purchasing goods either online or in-store.

E-Commerce Sales & Trends[2]

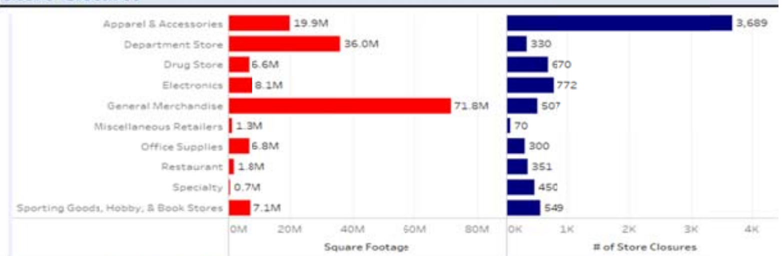
From 2006 to mid-year 2017, e-commerce sales grew at a compound annual rate of 13.3 percent compared to a growth rate of 2.3 percent for all retail sales. Online platforms are continuing to put pressure on brick-and-mortar retailers and e-commerce has been cited as a major cause of the spate of retailer difficulties as of late. Over the first half of 2017, e-commerce accounted for 8.7 percent of all retail sales and market share is expected to rise. However, some analysts forecast e-commerce market share to ultimately cap out at 15 to 20 percent, with growth decelerating as online sales approach this threshold.



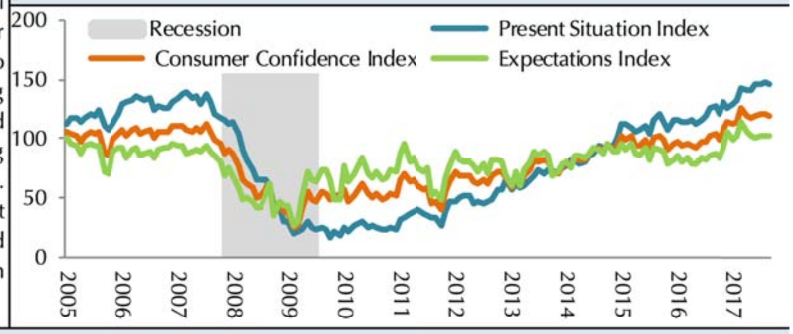
Retailer Expansions & Closures[3]

Numerous retailers have filed for bankruptcy or witnessed declines in quarterly sales and the majority of recent retail sector growth has been attributable to online sales. Per our running survey of store closures, major retailer have announced a combined total of more than 6,100 store closures. This number is expected to reach more than 8,000 stores by year-end 2017 and Credit Suisse estimates that between 20 and 25 percent of all malls in the US will close by 2022. In addition, 600 Rite Aid and/or Walgreens locations will be shuttered due to their recent merger. Investors are paying particular attention to the department store and apparel segments, as these represent a strong proportion of shopping center tenant mixes. However, owners also note a broader shift toward restaurant and entertainment users, and this may deleverage landlords' dependence on traditional tenants in the longer term.

Store Closures[3]

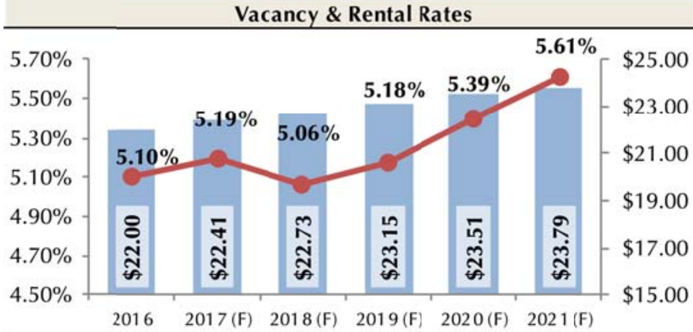


Consumer Confidence[4]

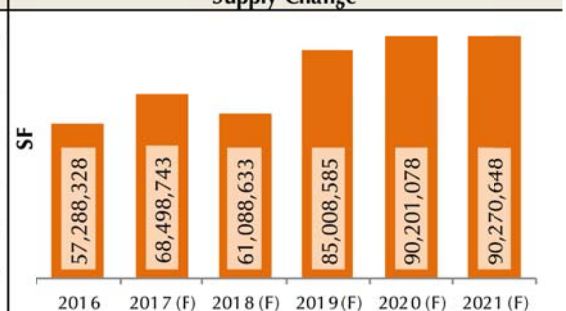


Market Forecast[5]

Vacancy & Rental Rates



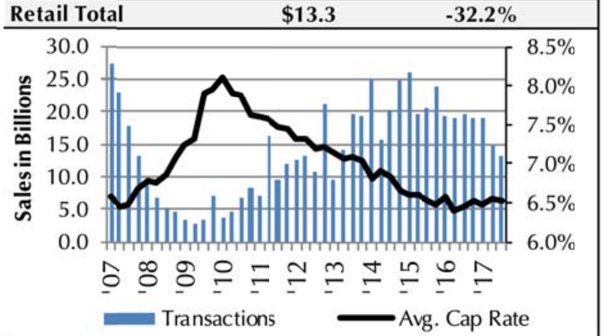
Supply Change



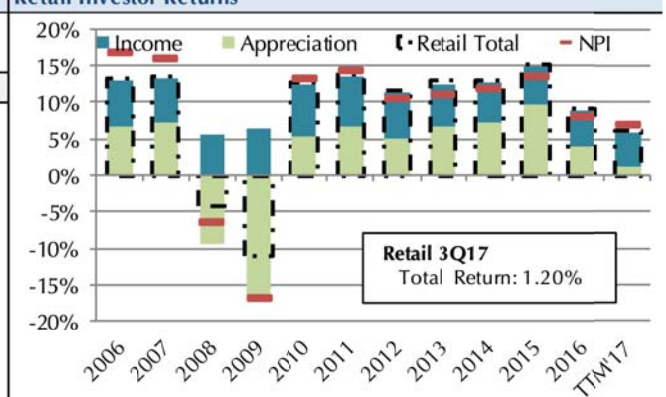
Average Rent CAGR	Average Vacancy	Supply Change CAGR
1.58%	5.26%	0.93%

Transaction Volume[6]

	2017 3Q	
	$ billions	Y-o-Y Change
Retail Total	$13.3	-32.2%



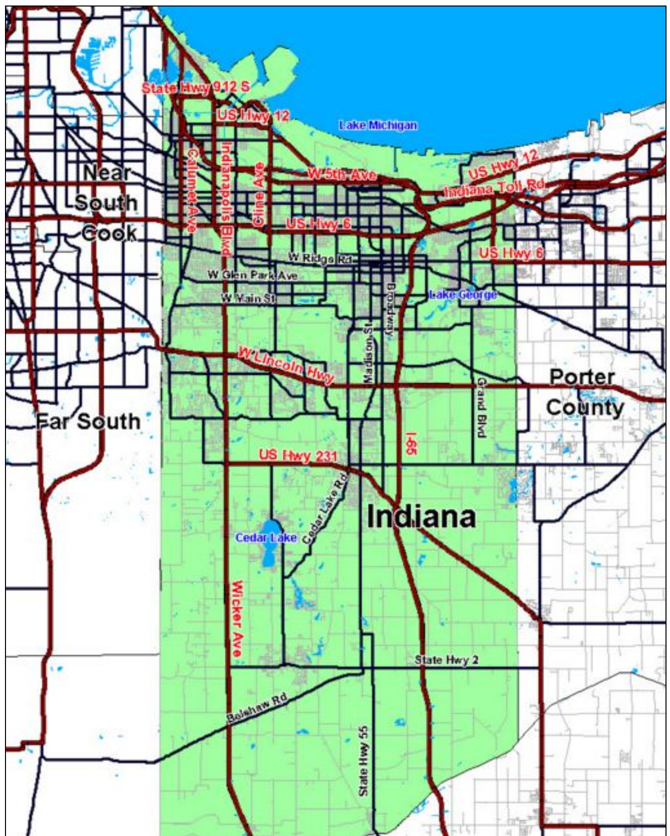
Retail Investor Returns[7]



Notes and Sources: [1] ICSC US Shopping-Center Inclined Sales Seasonally Adjusted, [2] US Census Bureau, [3]NPV Advisors' Retail Store Closure Tracking, [4] The Conference Board, [5] CoStar Market Analytics, [6] Real Capital Analytics, and [7] NCREIF
Compiled by NPV Advisors as of November 2017

CHICAGO RETAIL MARKET

In this section of the report, consideration is given to the marketability of the subject based on our analyses of past, current, and future patterns of regional and submarket retail development and other market variables that influence the supply and demand for this type of real estate. CoStar and CoStar Market Analytics track the Chicago retail market and divide the inventory into submarkets, with the subject located in the Indiana submarket. The following discussion is based on data and forecasts compiled by CoStar Market Analytics at the end of the third quarter of 2017, information from CoStar retrieved in December 2017 utilizing data that would have been available as of September 30, 2017, and our independent market research and discussions with local market participants. The following map from CoStar highlights the subject's Indiana submarket.



INDIANA SUBMARKET

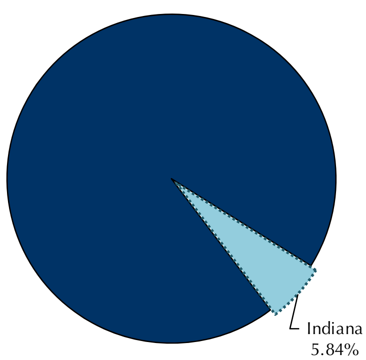
SUPPLY ANALYSIS

Current Inventory & Growth Trends: The Chicago retail market comprised approximately 512.0 million square feet of space at the end of the third quarter of 2017. At the same time, the subject's Indiana submarket contained nearly 30.0 million square feet of retail space, accounting for just 5.84 percent of the broader market's total inventory. The following table summarizes inventory and growth trends for the Chicago retail market and the subject's Indiana submarket dating back to the first quarter of 2006.

RETAIL SUPPLY IN THE MARKET AND SUBMARKET

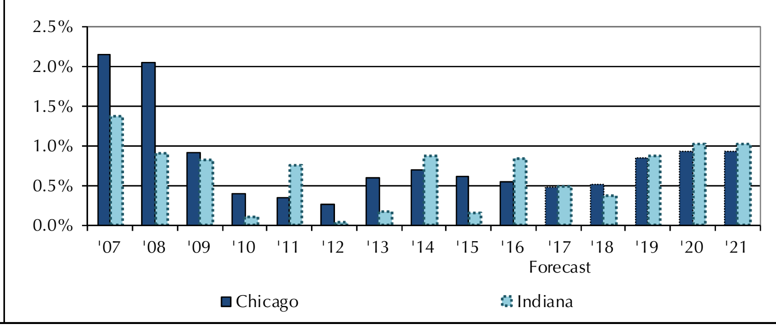
	Total Existing Square Feet (000s)				Net Completions (000s)		
Year	Chicago	Y-o-Y % Change	Indiana	Y-o-Y % Change	Chicago	Indiana	Submarket as % of Total Inventory
Historical							
2006	468,370	--	28,048	--	11,998	966	5.99%
2007	478,445	2.15%	28,431	1.37%	10,076	384	5.94%
2008	488,234	2.05%	28,688	0.90%	9,789	256	5.88%
2009	492,734	0.92%	28,923	0.82%	4,500	235	5.87%
2010	494,669	0.39%	28,954	0.11%	1,936	31	5.85%
2011	496,344	0.34%	29,172	0.75%	1,674	218	5.88%
2012	497,686	0.27%	29,181	0.03%	1,342	8	5.86%
2013	500,652	0.60%	29,230	0.17%	2,966	49	5.84%
2014	504,103	0.69%	29,487	0.88%	3,451	257	5.85%
2015	507,180	0.61%	29,533	0.16%	3,077	46	5.82%
2016	509,955	0.55%	29,782	0.85%	2,775	250	5.84%
CAGR/Averages		**0.85%**		**0.60%**	**4,871**	**246**	
2017 Q3	511,950	0.52%	29,908	0.70%	710	14	5.84%
YTD					**1,995**	**125**	**--**
Forecast							
2017	512,408	0.48%	29,927	0.49%	2,453	145	5.84%
2018	515,047	0.52%	30,039	0.37%	2,639	111	5.83%
2019	519,406	0.85%	30,301	0.87%	4,359	262	5.83%
2020	524,257	0.93%	30,612	1.03%	4,850	311	5.84%
2021	529,139	0.93%	30,925	1.02%	4,882	313	5.84%
CAGR/Averages		**0.74%**		**0.76%**	**3,837**	**228**	

Inventory Overview



Snapshot of Change in Inventory

	Chicago	Indiana
Prior Quarter	0.14%	0.05%
Prior Year	0.52%	0.70%



Notes: All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate.

Source: Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

The Chicago retail market grew in size from approximately 468.4 million square feet at year-end 2006 to nearly 510.0 million square feet at year-end 2016, representing a compound annual growth rate of 0.85 percent over the decade. As is true of the national market, construction in the Chicago retail market has remained muted since 2009. Nevertheless, development activity has increased moderately since 2012 and is expected to continue trending upward over the near term.

Construction Activity: As of September 2017, CoStar tracked nearly 2.5 million square feet of space under construction, 328,059 square feet of space under renovation, and over 14.1 million square feet of space proposed for development. In 2016, nearly 2.8 million square feet of retail space was added to the Chicago market, representing a modest decline from the prior year. An additional 2.0 million square feet of space came online in the first three quarters of 2017, with the largest delivery during that period being the 200,000-square foot Kildeer Village Square in the Central Northwest submarket. Other notable deliveries include 174,482-square foot Evergreen Plaza at 9500 S Western Avenue in the Near South Cook submarket that came online in August 2017, the 123,746-square foot Buyer's Flea market building at 4545 W Division that was delivered in August 2017, and Fletcher Jones Audi, a 95,032-square foot auto dealership that came online in March 2017. Inventory gains throughout 2017 have largely been driven by big-box retailers with a strong focus on grocery, entertainment, and healthcare. The largest project under construction in the market, the 629,601-square foot Addison & Clark development in the Lincoln Park submarket, recently broke ground following the resolution of several foreclosure suits brought against the property in early 2016. Upon completion in October 2018, Addison & Clark will feature 148 multifamily units and roughly 146,000 square feet of commercial space. Other notable projects under construction include Woodman's Market, a 236,000-square foot retail supermarket in the Central North submarket slated to deliver in September 2018, Northside Toyota Dealership, a 225,000-square foot to be delivered to the Northwest City submarket in November 2017, and a 223,775-square foot Menards in Central North submarket scheduled for completion in March 2018. Further, several large projects are in the pipeline including the 450,000-square foot Ironworks at Willow Brook Farms in the I-39 Corridor/Winnebago County submarket and a 400,000-square foot power center at 10606 Route 47 in the Far Northwest submarket scheduled to begin construction in September 2017. New deliveries to the market are expected to increase moderately in 2018 and beyond while remaining below pre-recessionary norms. CoStar Market Analytics predicts that an average of more than 3.8 million square feet of retail space will be completed annually through 2021, equating to a modest compound annual growth rate of 0.74 percent over the forecast period.

Over the past decade, the subject's Indiana submarket saw the majority of its growth between 2006 and 2009 before construction activity declined notably. During 2014, the submarket saw a brief resurgence in development activity, with the delivery of 257,000 square feet of retail inventory, which was largely attributable to the delivery of the Shops on Main power center. The 214,092-square foot center includes DSW, Ross, and Whole Foods anchors and is situated along US Route 41. Additions declined once again over the course of 2015, when just 46,000 square feet was added to the submarket. However, during 2016, the submarket gained 250,000 square feet of new retail space with the delivery of a 64,055-square foot addition to the Shops at Main, the 54,006-square foot Southlake Point shopping center, and 48,000-square feet of space at Merrillville Crossings. During the first three quarters of 2017, the submarket saw 124,000 square feet of net completions with deliveries including the Ross and Dollar Tree-anchored, 55,000-square foot Hammond Marina District shopping center which delivered in March. According to CoStar, just 45,800 square feet of retail development is underway in the submarket. Current construction includes the 25,600-square foot Centennial Village, scheduled to come online in Munster in March 2018, an Anytime Fitness at 821 Main Street, and a retail development at 324-344 Indianapolis Boulevard both scheduled to come online in January 2018. Additionally, the 85,000-square foot Woodmar Wellness Center is anticipated to begin construction at the Woodmar Mall in January 2018. Through year-end 2021, CoStar Market Analytics forecasts the submarket to gain an annual average of 228,000 square feet of new retail space, with total inventory growing at a compound annual rate of 0.76 percent, slightly faster than the marketwide projection. The following chart highlights major development activity in the subject's Indiana submarket.

MAJOR SUBMARKET DEVELOPMENT ACTIVITY				
Name/Address	SF	Anticipated Completion	Pre-leasing	Notes
Under Construction				
9505 Claumet Avenue	25,600	Mar-18	100.0%	Centennial Village in Munster
821 Main Street	10,200	Jan-18	73.0%	Retail featuring Anytime Fitness
324-344 Indianapolis Blvd.	10,000	Jan-18	62.2%	Retail storefront
Weighted Average	**15,267**	**--**	**85.7%**	
Proposed				
9601 Wicker Avenue	165,200	--	10.9%	Not yet scheduled for construction
Woodmar Wellness Center	85,000	--	100.0%	Anticipated to break ground in January 2018
Interstate Plaza Dr & Industrial Blvd	83,400	--	0.0%	Anticipated to break ground in December 2017
Weighted Average	**111,200**	**--**	**30.9%**	

Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

Not tracked by Costar but revealed via our independent analysis is that several larger retail boxes and additional street level retail is proposed for the Centennial Village in Munster, which is a large mixed-use project.

DEMAND ANALYSIS

Absorption and Vacancy: The following chart demonstrates historical vacancy and absorption trends in the Chicago retail market and the subject's Indiana submarket, along with projections for the broader market and submarket through 2021.

RETAIL DEMAND IN THE MARKET AND SUBMARKET				
	Net Absorption Square Feet (000s)		Vacancy Rate	
Year	Chicago	Indiana	Chicago	Indiana
Historical				
2006	9,392	-1,219	6.83%	7.79%
2007	8,459	888	7.02%	5.91%
2008	4,311	164	8.00%	6.18%
2009	1,604	-253	8.52%	7.82%
2010	2,272	166	8.41%	7.34%
2011	2,440	72	8.23%	7.79%
2012	1,923	-109	8.09%	8.19%
2013	-839	287	8.81%	7.36%
2014	7,217	252	8.00%	7.32%
2015	4,123	9	7.74%	7.43%
2016	5,073	449	7.25%	6.70%
Averages	**4,180**	**64**	**7.90%**	**7.26%**
2017 Q3	523	-70	7.02%	7.21%
YTD	**3,053**	**-36**	**7.02%**	**7.21%**
Forecast				
2017	3,889	15	6.94%	7.10%
2018	3,533	201	6.73%	6.78%
2019	3,391	242	6.86%	6.78%
2020	3,162	248	7.11%	6.92%
2021	3,037	241	7.40%	7.08%
Averages	**3,402**	**190**	**7.01%**	**6.93%**

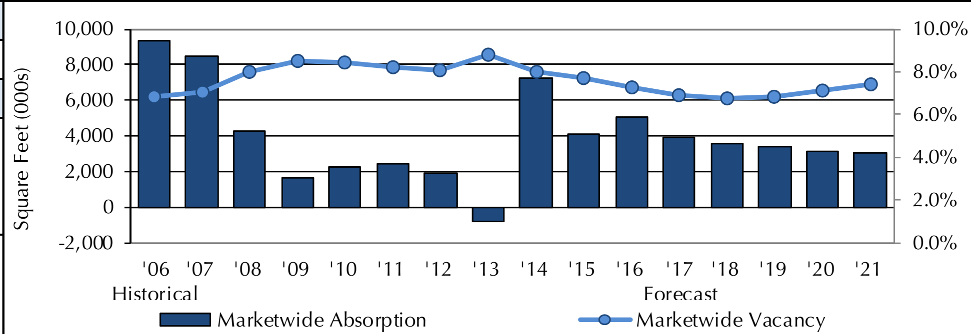
Chicago Market

Absorption YTD

Vacancy

Prior Quarter (2017Q2)
3 bps
6.99%

Prior Year (2016Q3)
-31 bps
7.33%



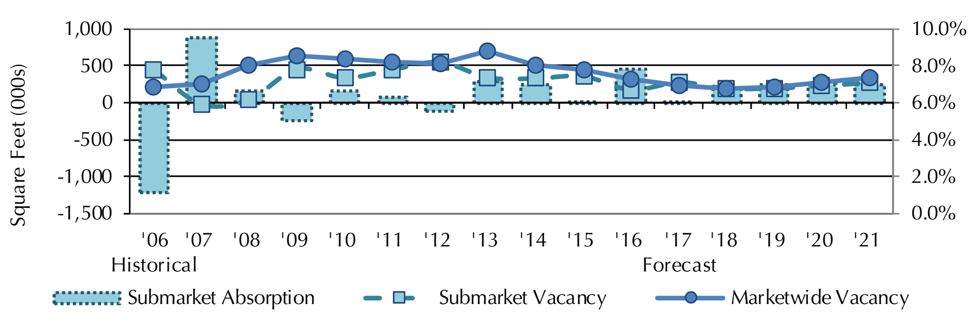
Indiana Submarket

Absorption YTD

Vacancy

Prior Quarter (2017Q2)
28 bps
6.93%

Prior Year (2016Q3)
59 bps
6.62%



Notes: All annual statistics are as of year end. CAGR is compound annual growth rate.
Source: Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

The Chicago retail market has witnessed a robust spike in demand over the past several years that has fostered persistent vacancy compression. The market witnessed nearly 5.1 million square feet of positive net absorption in 2015 followed by approximately 3.1 million square feet absorbed on a net basis over the first three quarters of 2017. This outpaced concurrent supply side activity, pushing the marketwide vacancy rate further downward to 7.02 percent, 31 basis points below the prior-year level and representing the market's lowest recorded vacancy rate since the first quarter of 2008. Notable signings in the Chicago retail market throughout the first three quarters of 2017 include Round 1 Bowling & Amusement's 45,000-square foot lease at 7503 West Cermak Road scheduled to move in early 2018, Advocate Healthcare's move into a 50,500-square foot big box space at 3154 North Clark Street, and La-Z-Boy's 30,036-square foot lease in Schaumburg. Over the long term, the outlook for the Chicago retail market is cautiously optimistic. Through year-end 2021, CoStar Market Analytics anticipates an average of approximately 3.4 million square feet of positive net absorption annually with vacancy expected to maintain an annual average of 7.01 percent.

The Indiana submarket has historically maintained a vacancy rate slightly below that of the broader Chicago market. Fundamentals softened during 2011 and 2012 as a relatively large amount of space was vacated, but the submarket saw improved demand in the following years, which allowed for continuous vacancy compression. After posting just 9,000 square feet of positive net absorption in 2015, the submarket absorbed an impressive 449,000 square feet of retail space on a net basis over the course of 2016, significantly outpacing supply additions. However, during the third quarter of 2017, the submarket posted 70,000 square feet of negative net absorption, causing a modest vacancy jump. By the end of the third quarter of 2017, the submarket's average vacancy rate stood at 7.21 percent, up 59 basis points from the prior year. CoStar tracks several recently penned leases in the submarket, including The Times' 21,910-square foot deal at Crossroads Plaza, Ross Dress for Less's 25,000-square foot signing at Hammond Marina District, and a 100,000-square foot lease at Broadway Center in Merrillville. Although strong demand is expected to resume during 2017, supply is projected to outpace net absorption beginning midway through the forecast, causing modest occupancy erosion. Through year-end 2021, CoStar Market Analytics expects the submarket to post an annual average 190,000 square feet of positive net absorption, causing vacancy to gradually trend upwards, ending the forecast at an average rate of 7.08 percent, modestly below the marketwide projection.

Rental Rates: The following table summarizes historical and projected asking rents for the Chicago retail market along with rental rate data for the subject's Indiana submarket since the first quarter of 2006. It is worth noting that the rents detailed in the following chart reflect asking rents, which typically trend above effective rents due to the fact that the latter include concessions such as free rent and tenant improvement allowances.

RENTAL RATES				
	Quoted Rent			
	Chicago		Indiana	
Year	Rent/SF/ Yr	Y-o-Y % Change	Rent/SF/ Yr	Y-o-Y % Change
Historical				
2006	$20.56	--	$14.31	--
2007	$20.89	1.62%	$14.65	2.33%
2008	$20.60	-1.40%	$14.43	-1.48%
2009	$19.48	-5.44%	$13.61	-5.68%
2010	$18.54	-4.80%	$13.03	-4.28%
2011	$18.12	-2.26%	$12.71	-2.49%
2012	$17.96	-0.92%	$12.42	-2.29%
2013	$18.21	1.40%	$12.45	0.32%
2014	$18.25	0.24%	$12.44	-0.08%
2015	$18.60	1.91%	$12.63	1.50%
2016	$18.84	1.28%	$12.58	-0.42%
CAGR/Averages	**$19.09**	**-0.87%**	**$13.21**	**-1.29%**
2017 Q3	$18.76	0.12%	$12.32	-1.70%
Forecast				
2017	$18.80	-0.18%	$12.32	-2.06%
2018	$19.11	1.64%	$12.42	0.83%
2019	$19.53	2.18%	$12.60	1.42%
2020	$19.88	1.79%	$12.73	1.07%
2021	$20.10	1.14%	$12.79	0.42%
CAGR		**1.31%**		**0.33%**

Comparison to Prior Quarter

Chicago
$18.86

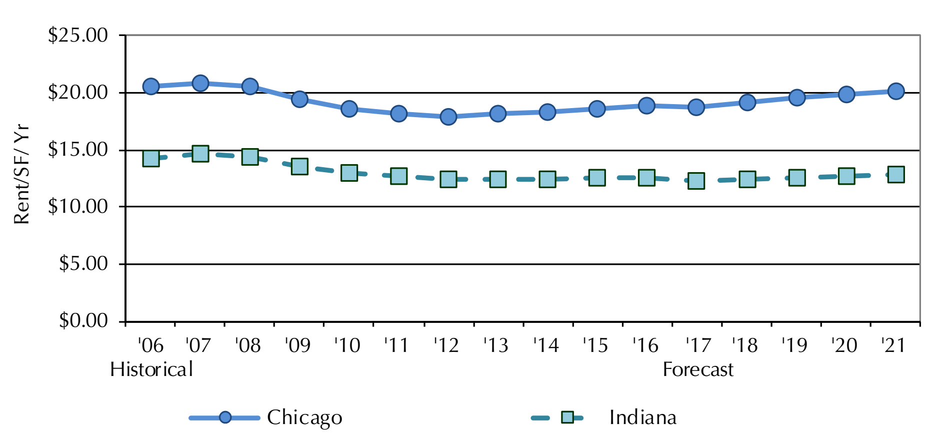
Indiana
$12.48

Comparison to Prior Year

Chicago
$18.74

Indiana
$12.53

Rental Rates



Notes: Quoted rents are asking/listing rates, not achieved. All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate.
Source: Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

Asking rents in the Chicago retail market have struggled to gain traction since rent losses began in 2008. By the end of the third quarter of 2017, the average quoted asking rate stood at $18.76 per square foot, triple net, up 0.12 percent on a year-over-year basis. CoStar Market Analytics expects asking rents to remain relatively stable over the remainder of 2017 before steady demand helps stabilize fundamentals allowing for moderate growth over the remainder of the forecast. Overall, asking rents are projected to grow at a compound annual rate of 1.31 percent through year-end 2021, ending the period with an asking rent of $20.10 per square foot, triple net.

Asking rents in the Indiana submarket have historically trended well below comparable marketwide rates and have exhibited a general downward trend over the past decade. At the end of the third quarter of 2017, the average asking rent in the submarket was quoted at $12.32 per square foot, triple net, down 1.70 percent from the prior year. Through 2021, minimal growth is projected in the submarket, with rents appreciating at a compound annual rate of 0.33 percent, ending the forecast at $12.79 per square foot, triple net.

CONCLUSION

Overall, the Chicago retail market's city and core suburban retail corridors continue to outperform secondary outlying suburban submarkets, contributing to a slow and steady recovery. Occupancy rates are approaching peak levels and demand is anticipated to more or less keep pace with the steady stream of new supply projected to come online over the next several years. Market fundamentals for the Indiana submarket have weakened over the past year as vacancy witnessed a moderate increase and rental rates declined. Over the forecast, an increase in supply-side activity is expected to modestly improve fundamentals in the submarket. On the whole, fundamentals for the Chicago retail market and the subject's Indiana submarket will likely improve at a modest to moderate pace over the next several years given the favorable tax base of real estate and income tax as residents continue to relocate to Northwest Indiana.

TRADE AREA ANALYSIS

OVERVIEW

This overview of the trade area for the subject will discuss the supply and demand characteristics of those elements of the local demographic profile and retail market that are likely to influence the retail sales, rents, and occupancy of retail development in the area. A retail property's trade area contains people who are most likely to patronize that particular tenant or tenant mix. A property's fundamental drawing power comes from the strength of its tenancy, though other factors including location and accessibility are also critical to a property's success.

The determination of the subject's trade area is generally subjective in the absence of an extensive empirical study and a current market interview of existing customers or other informal surveys. Our interviews with local leasing agents and managers as well as representatives of ownership helped us to form initial boundaries. They were further refined and shaped by our inspection including drive times and linkages and a study of shopping habits of shoppers of other similar retail properties in the relevant marketplace.

SHOPPING CENTER CLASSIFICATION

The International Council of Shopping Centers (ICSC) classifies shopping centers based on general tenancy, size, and anchor ratio specifications. Trends in shopping center development and definitions have changed over the years and numerous hybrids of the standard definitions have emerged. The following table provides an overview of the typical center classifications and their trade areas as determined by the International Council of Shopping Centers.

ICSC SHOPPING CENTER DEFINITIONS - U.S.

Type of Shopping Center	Concept	Square Footage (Including Anchor)	Acreage	Typical Anchors Number	Typical Anchors Type	Anchor Ratio*	Primary Trade
General Purpose Centers							
Super-Regional Mall	Similar to regional center but has more variety and assortment	800,000+	60 - 120	3 or more	Full-line department store, jr. department store, mass merchant, fashion apparel	50 - 70%	5 - 25 miles
Regional Mall	General merchandise, fashion	400,000 - 800,000	40 - 100	2 or more	Full-line department store; jr. department store, mass merchant, discount department store, fashion apparel	50 - 70%	5 - 15 miles
Community	General merchandise, convenience	125,000 - 400,000	10 - 40	2 or more	Discount department store, supermarket, drug, home improvement, large specialty / discount apparel	40 - 60%	3 - 6 miles
Neighborhood	Convenience	30,000 - 125,000	3 - 15	1 or more	Supermarket	30 - 50%	3 miles
Strip	Narrow mix of goods & personal	< 30,000	< 3	None	Convenience store	N/A	< 1 mile

Specialized Purpose Centers							
Power	Category dominant anchors, few small tenants	250,000 - 600,000	25 - 80	3 or more	Category killer, home improvement, discount department store, warehouse club, off-price	75 - 90%	5 - 10 miles
Lifestyle	Upscale national chain specialty stores, dining and entertainment in outdoor setting.	150,000 - 500,000	10 - 40	None - 2	Not usually anchored in the traditional sense but may include book store, other large-format specialty retailers, multi-plex cinema, small department store	0 - 50%	8 -12 miles
Factory Outlet	Manufacturers' outlet stores	50,000 - 400,000	10 - 50	N/A	Manufacturers' outlet stores	N/A	25 - 75 miles
Theme/Festival	Leisure, tourist oriented, retail and service	80,000 - 250,000	5 - 20	N/A	Restaurants; entertainment	N/A	25 - 75 miles

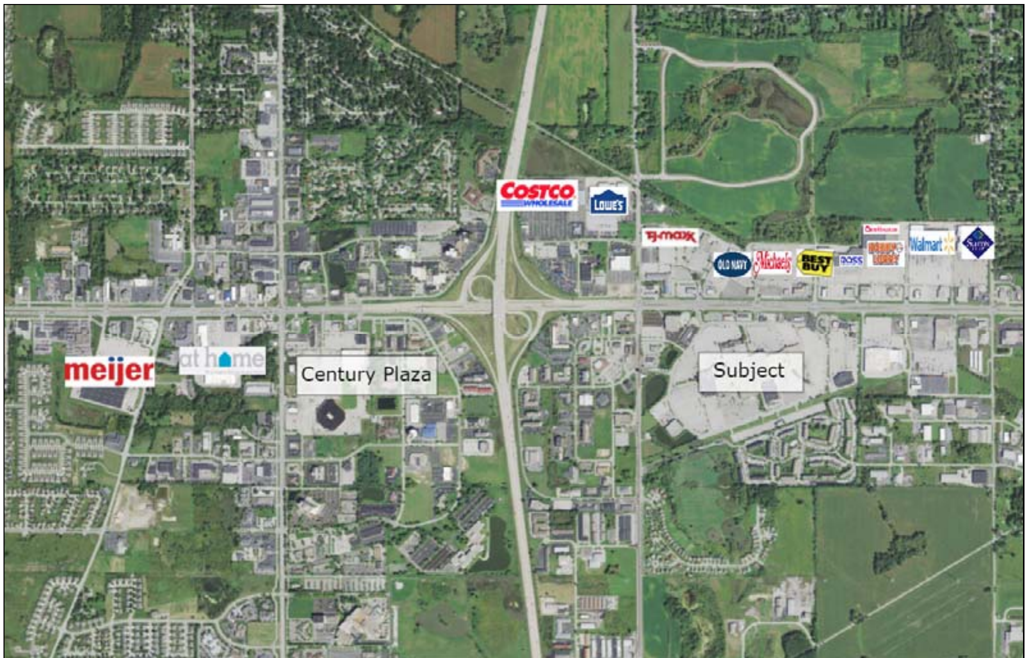
* The share of a center's total square footage that is attributed to its anchors.
** The area from which 60 - 80% of the center's sales originate.
Source: International Council of Shopping Centers as of January 2015: Compiled by NPV Advisors

Based on the subject's physical traits and tenant mix, it would most accurately be classified as a super-regional mall. ICSC's *Dictionary of Shopping Center Terms* defines the core features of a super-regional mall:

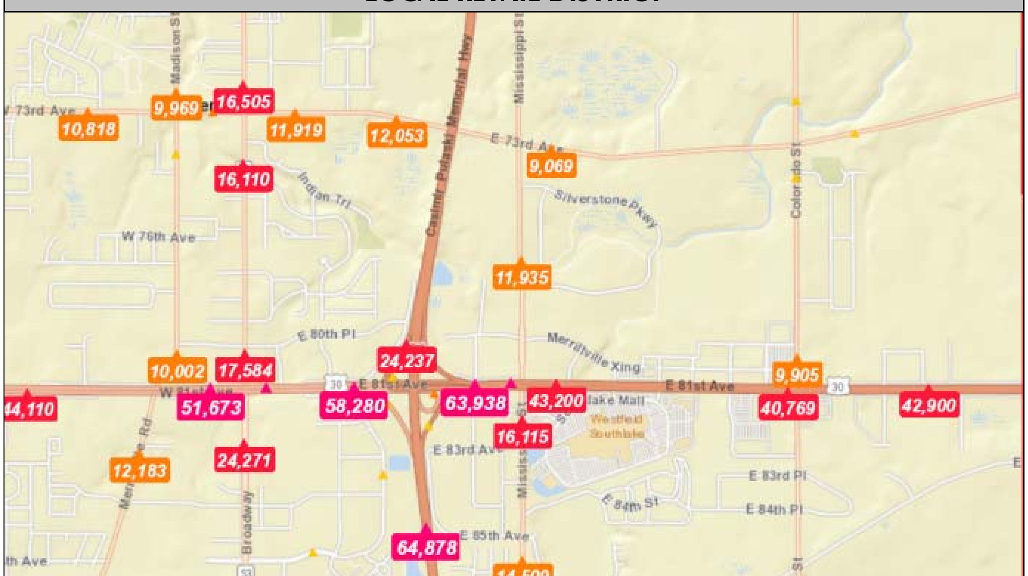
> This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant or discount department stores, or fashion specialty stores…Similar to the regional center, but because of its larger size, a super-regional center has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional centers, the typical configuration is as an enclosed mall, frequently with multi-levels.

TRADE AREA DETERMINATION

Shopping Patterns and Traffic Profile: Existing shopping patterns can impact a center's drawing power. Shoppers who already frequent a location for their entertainment and goods can be hard to shift. The subject is an established super-regional mall located within an established, middle-class suburb in the southeastern portion of the Chicago MSA. The subject is situated at the crux of two major, regional roadways: Interstate 65 and US Route 30. This intersection houses a dominant retail node, anchored by the subject, as well as Merrillville Plaza, a Costco, and Century Plaza. Over the last decade, lifestyle centers have emerged as a popular alternative to the traditional regional mall and shopping patterns have shifted accordingly. However, a number of traditional malls within the area have continued to re-invent themselves to strengthen shopping patterns and provide consumers with an modern shopping experience. For example, the subject itself has seen some tenancy changes to better reflect consumer tastes, in addition to handful of renovation projects, such as a digital, interactive river installation. The following maps detail traffic counts and other major retail uses near the subject.

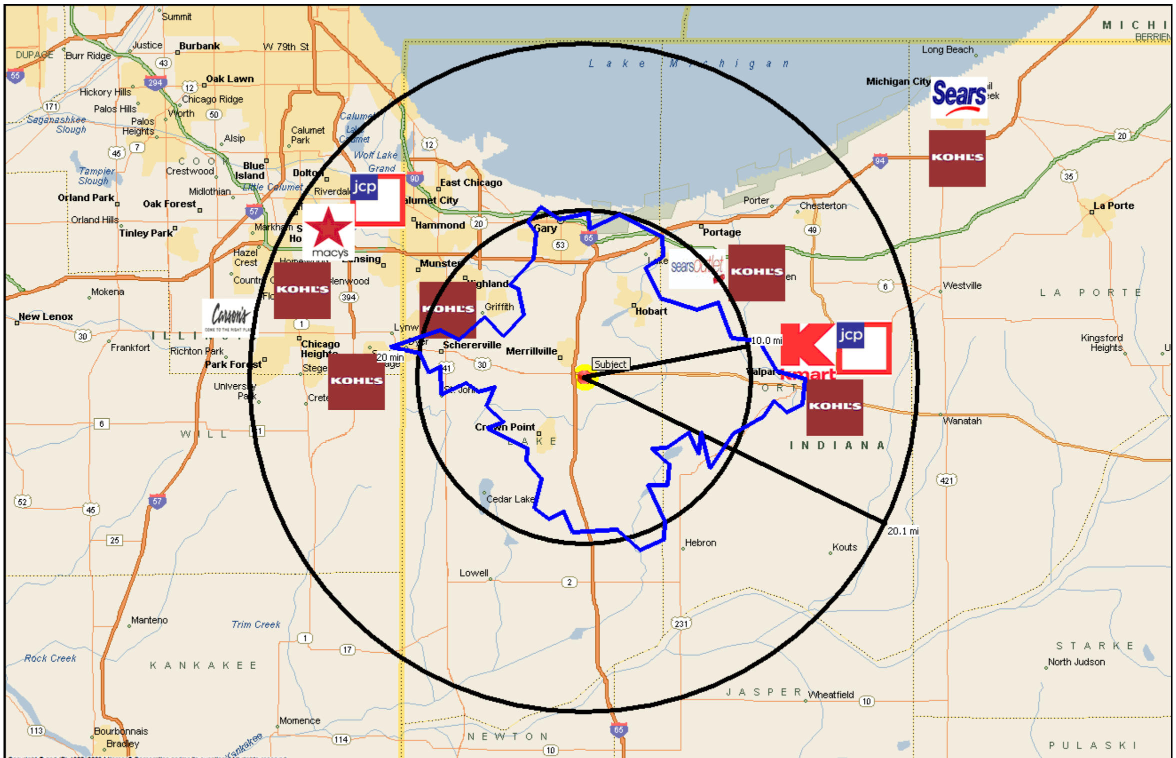


LOCAL RETAIL DISTRICT



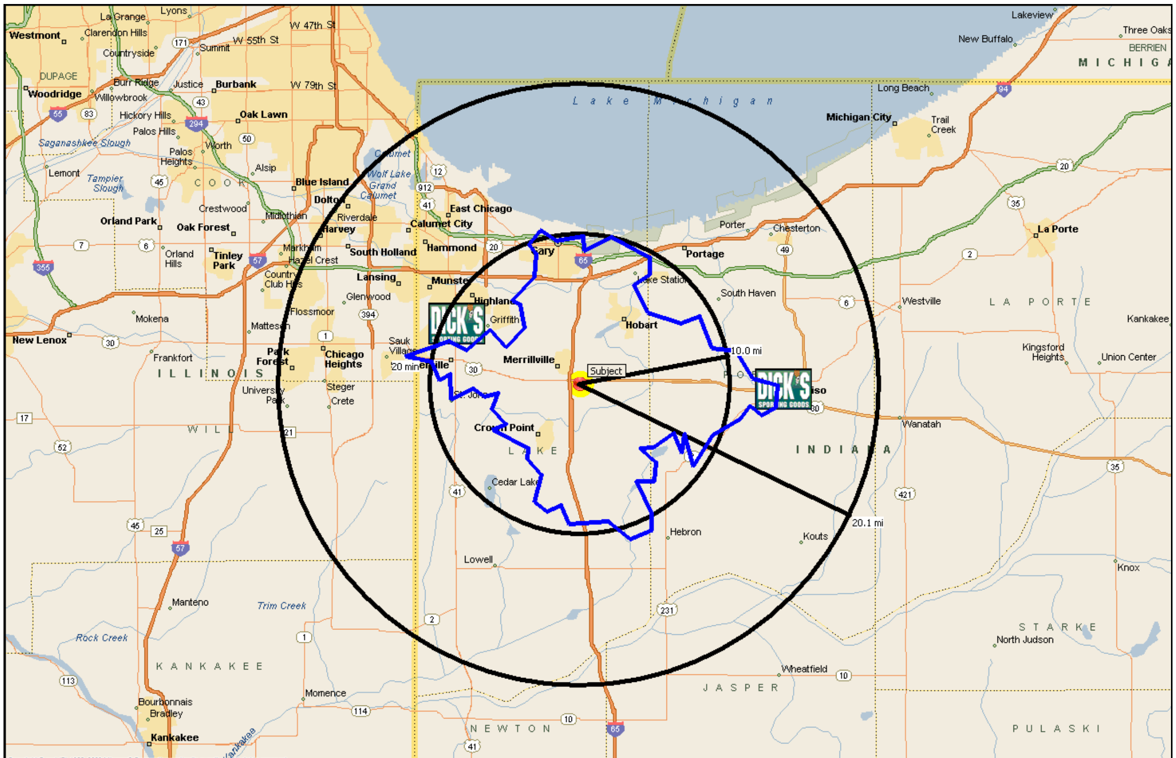
TRAFFIC COUNTS

Tenant Drawing Power: The subject is a super-regional mall currently anchored by Sears, JC Penney, Macy's, Carson's, Kohl's, Dick's Sporting Goods, and AMC Theatres. The subject's drawing power benefits from its location in an established retail node, with significant cross-draw from middle-market big-box stores and an array of dining options. In order to measure the subject's drawing potential, we have reviewed the locations of the nearest competing stores for the subject's current anchor tenants. The following maps show the nearest competing same- and similar-brand stores in the local marketplace.



COMPETING DEPARTMENT STORE LOCATIONS

As demonstrated in the preceding map, the closest competitor to the subject's Kohl's is situated roughly 8.7 miles to the northwest of the subject in Highland, Indiana. There is a high concentration of competing department stores approximately 15 miles northwest of the subject, which contains a Kohl's, J.C. Penney, Macy's, and just beyond the secondary trade area, a Carson's. The nearest same-name competing Sears store can be found 25 miles northeast of the subject, however a Sears Outlet is located 8.6 miles northeast of the subject in Portage, Indiana. There is only one competing Macy's which is located 15.4 miles northwest in Calumet City, Illinois. The nearest J.C. Penney sits 15.1 miles east of the subject in Valparaiso, near a Kmart and Kohl's. Overall, the subject faces only a modest level of competition for its department store anchors, although we note that competition is largely clustered to the west and east of the subject, allowing the Southlake Mall higher potential draw to the south.

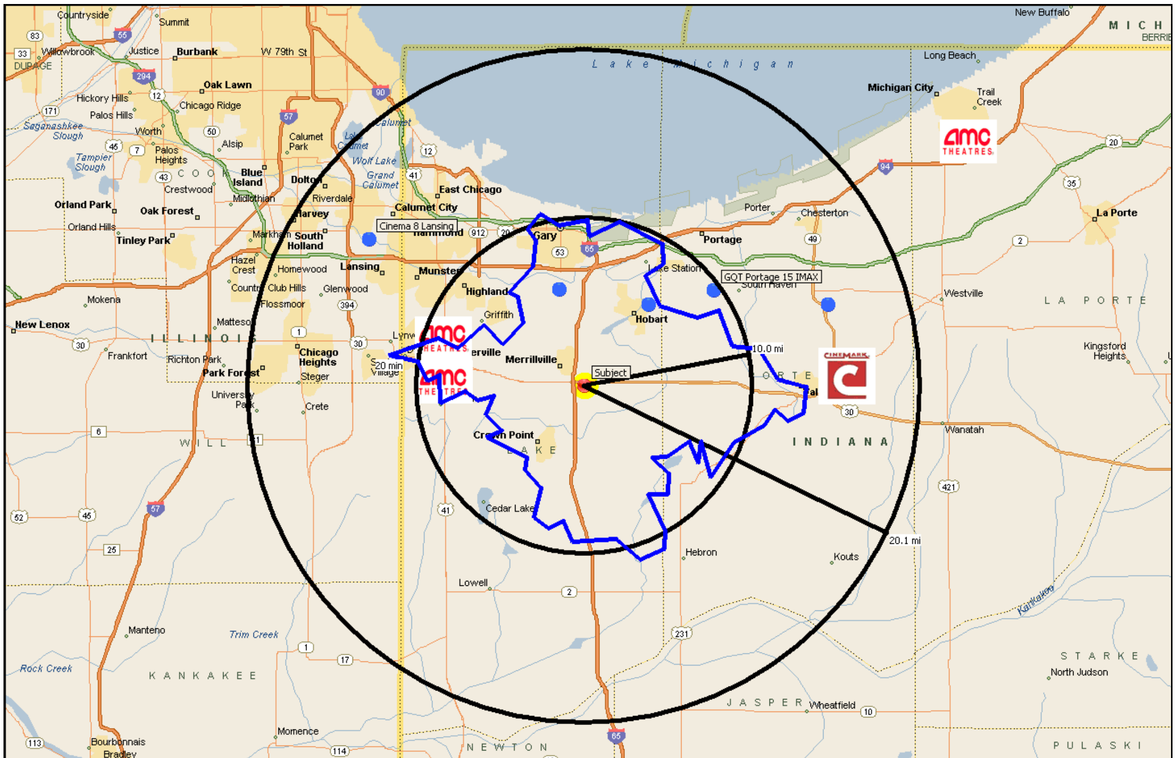


COMPETING SPORTING GOODS STORE LOCATIONS

As a result of Sports Authority's recent wave of closures, the market is currently dominated by Dick's Sporting Goods, with competing stores located approximately 9.0 northwest in Highland, Indiana and 15.3 miles to the west of the subject in Valparaiso. Overall, there are a limited number of competing large-format sporting goods retailers in the subject's immediate area, with the subject having no competition to the south.

MOVIE THEATER TRADE AREA ANALYSIS

In order to define and analyze the drawing power of the subject's theater, it is important to analyze the competitive marketplace. The subject property features a 12-screen theater, commonly known as the AMC Showplace Hobart, which comprises approximately 45,476 square feet of GLA and is under a long-term lease. The theater, which is now owned and operated by AMC Holdings, features the latest major motion pictures and ticket prices range from $8.19 per child or senior ticket to $14.69 per adult ticket for a 3D screening. The theater is RealD 3D enabled and provides stadium seating. The following table highlights the various cinemas in proximity to the subject.



COMPETING MOVIE THEATER LOCATIONS

COMPETITIVE MOVIE THEATERS

Theater	Distance			No. of Screens	Relative to Subject	Notes
Subject (AMC Showplace Hobart 12)	--	--	--	12	--	RealD 3D, Stadium seating
AMC Showplace Schererville 12	8.9	Miles	W	12		RealD 3D, Stadium Seating
AMC Showplace Schererville 16	8.9	Miles	W	16		IMAX, RealD 3D, Stadium Seating
GQT Portage 16 IMAX	9.7	Miles	NW	16		IMAX, GDX, Bar
Cinemark Valparaiso	15.0	Miles	E	12		Stadium Seating
New Vision Cinema 8 Lansing	15.6	Miles	NW	8		--
Subtotals					**Population per Screen**	
Screens within 10 Miles (including Subject)				56	6,252	
Screens within 20 Miles (including Subject)				76	12,939	
Compiled by: NPV Advisors as of December 2017						

As illustrated in the preceding map and table, there is a moderate amount of theatre competition within a 10-mile radius of the subject, but very minimal competition within a five-mile radius. The movie theater industry's longstanding competitive metric has declined in recent years from 10,000 persons per screen to 7,000 to 8,000 persons per screen. The industry is highly competitive and development of new theaters has outpaced attendance growth. Based on a review of the competition within 10 and 20 miles of the subject, the former area is oversupplied, but the latter area is undersupplied, boding well for the subject. Overall, the subject represents a middle-of-the-market theatre that is comparable to many of the competing theaters in the area. We note that there are a handful of local movie theaters in the subject's trade area, which are mapped for reference. The highest levels of competition in the local marketplace come from the nearby AMC Showplace Schererville 16, which boasts higher caliber amenities and more screens than the subject. The following table presents a capture analysis for the subject's theater. Mild degrees of variance are attributed to the differing periods of analysis, locational factors, and the availability of data.

THEATER REVENUE ANALYSIS			
	National	Local Area	
Item	2016	10-Mile Radius	20-Mile Radius
Total Ticket Sales Per Capita			
Total Ticket Sales	$11,400,000,000	$12,365,052	$34,732,626
Population (US)	322,762,018	350,085	983,366
Total Ticket Revenue per Capita[1]	$35.32	$35.32	$35.32
Total Ticket Revenue per Screen			
Number of Screens (including the subject)	40,392	56	76
Average Ticket Revenue per Screen[2]	$282,000	$220,804	$457,008
Total Theater Revenue per Capita			
Total Ticket Sales	$11,400,000,000	$12,365,052	$34,732,626
Ticket Sales as % of Total Theater Revenue	70%	70%	70%
Total Theater Revenue	$16,285,714,286	$17,664,359.40	$49,618,037
Population	322,762,018	350,085	983,366
Total Revenue Per Capita[1]	$50.46	$50.46	$50.46
Total Theater Revenue per Screen			
Number of Screens (including the subject)	40,392	56	76
Average Revenue Per Screen	$403,192	$315,435	$652,869
Minimum Theater Revenue at the Subject per Screen			
Minimum Required Theater Revenue at the Subject		$2,965,826	$2,965,826
Number of Screens at Subject		12	12
Minimum Theater Revenue at Subject Per Screen		$247,152	$247,152
Capture Rate			
Approximate Subject Revenue		$4,901,000	$4,901,000
Total Potential Theater Revenue in Trade Area		$17,664,359	$49,618,037
Subject Capture Rate		27.75%	9.88%
Subject Screens/Total Screens		21.43%	15.79%

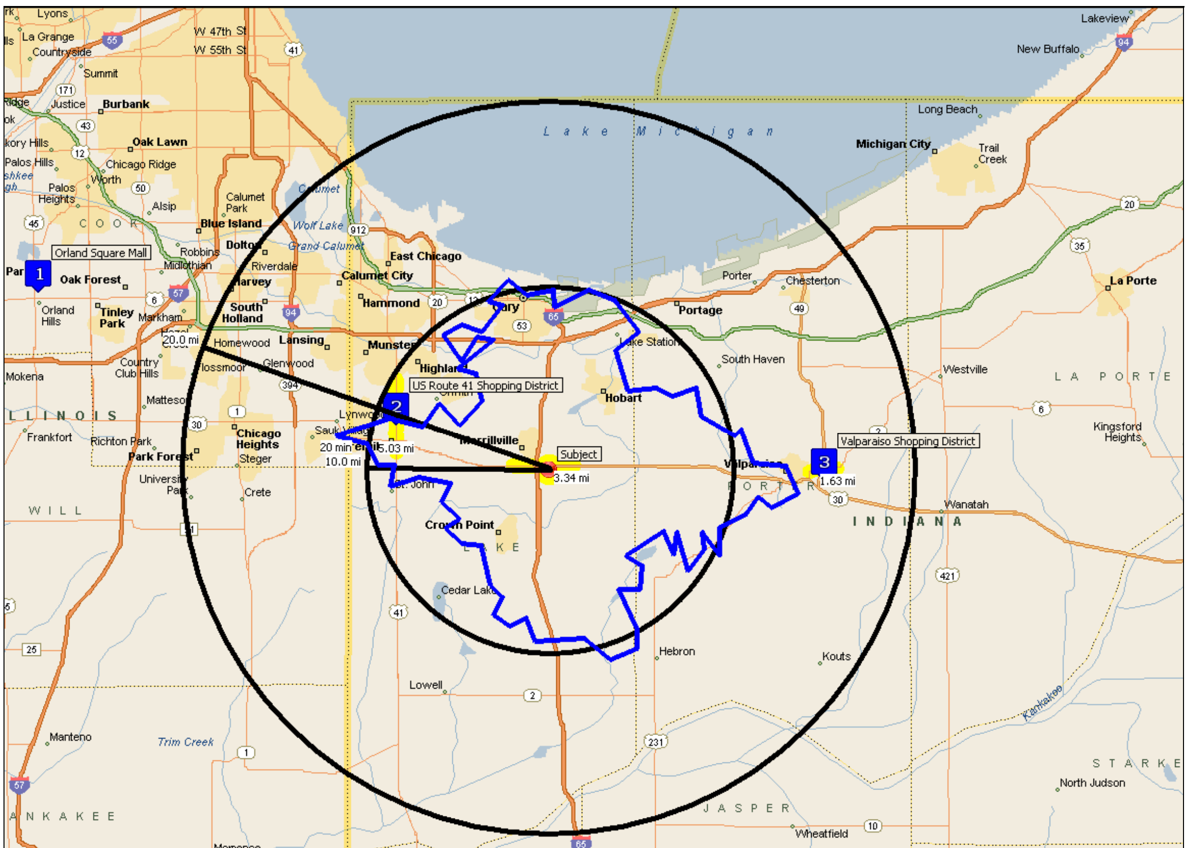
Notes & Source Information: Esri and MPAA Theatrical Market Statistics - 2016; [1]Trade Area figures are based on the national average and are considered estimates and ticket sales are approximately 70 % of theater revenue nationwide

Compiled by NPV Advisors as of December 2017

According to the preceding analysis, the subject captures approximately 27.75 percent of total revenue within a 10-mile radius despite accounting for a moderately lower 21.43 percent of total screens within that area. Based on our analysis of the surrounding movie theater inventory, and the fact that most people like to go to the movies near where they live, we believe the drawing power of the subject's theater suggests a trade area of approximately 10 miles, although this may extend further to the south where the subject faces limited competition and has excellent accessibility along Interstate 65.

All things considered, the theater component at the subject is a complement to both the retail and restaurant components of the subject. AMC Showplace Hobart 12 represents a relatively standard theater that offers moviegoers standard amenities within the theater industry. There are a number of competitive theaters beyond the subject's theater trade area that attract customers with vintage décor, bargain prices, or full-service dining offerings, in addition to a number of small-scale, local theaters. Nevertheless, the subject theater is well located to draw moviegoers from within its primary trade area who are looking for convenience in their movie-going experience.

Competing Centers/Retail Corridors: By and large, consumers are attracted to the agglomeration of high-quality retailers typically contained within the super-regional center. As such, other super-regional malls and retail uses with similar tenant synergies represent the strongest competition for consumer traffic. In the case of the subject, this includes other malls as well as major shopping districts in Northwest Indiana. The following map and discussion highlights the subject's primary competition with the competitive retail corridors highlighted in yellow.



COMPETITIVE CENTERS

Shopping in Northwest Indiana is largely concentrated in three retail corridors: the subject's US 30 corridor, US 41 corridor to the west, and Valparaiso to the east. The only competitive mall in direct competition with the subject is Orland Square Mall.

US Route 30 Shopping Corridor (Subject Anchored): The subject anchors this shopping corridor and benefits from the strong cross draw with complementary retailers and dining establishments. The corridor is located at the nexus of Interstate 65 and US Route 30 and spans the communities of Merrillville and Hobart. The corridor houses numerous community and power centers including

Merrillville Plaza, Merrillville Crossings, Crossings at Hobart, and Century Plaza. In total the corridor houses approximately 7.3 million square feet of retail space with the subject's tenants as well as DSW, Walmart, Target, Costco, Lowes, Sam's Club. Dining options along the corridor include Portillo's, Joe's Crab Shack, Chuck E Cheese, TGI Fridays, Boston Market, Chick-fil-A, Red Lobster, and Outback Steakhouse.

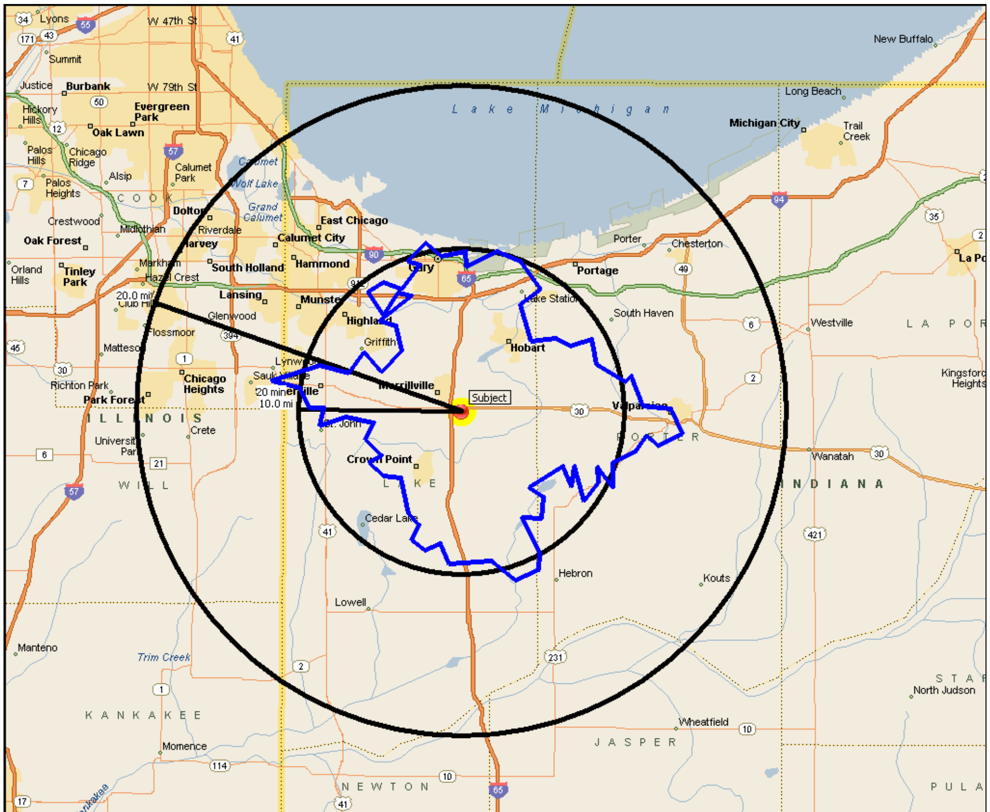
Orland Square Mall: This 1.4 million-square foot super-regional mall operated by Simon is anchored by Macy's, JC Penney, Carson's and Sears. The property presents the only direct competition to the subject's department store anchors. Constructed in 1976, the mall has been renovated a number of times, including most recently in 2014 with cosmetic improvements as well as number of new tenants, dining establishments, and a new food court. While similar, if not superior to the subject, the Orland Square Mall is a relatively distant competitor. Located over 30 miles northwest of the subject, the mall limits the subject's consumer draw from the south Chicago Illinois suburbs.

US Route 41 Shopping Corridor: The US Route 41 shopping corridor spans the communities of Schererville and Highland. The corridor is replete with numerous shopping centers, auto dealerships, and freestanding retail and restaurants. In total the corridor houses approximately 2.5 million square feet of retail space. Major tenants in the corridor include AMC Showplace Schererville 12, AMC Showplace Schererville 16, the Walmart-anchored Crossroads Shopping Center, Menard's, Kohl's, Meijer, Best Buy, Whole Foods, and Home Depot. The corridor does not feature the same scope of dining options at the subject nor does it have any of the subject's anchor tenancy or soft goods retailers. However, it does compete for consumer spending with big-box retailers that provide the subject with cross draw. The corridor lies approximately 8 miles to the west of the subject and is considered inferior in terms of tenancy, but pulls from similarly attractive demographics as the subject.

Valparaiso Retail District: Downtown Valparaiso features secondary competition to the subject and is located approximately 11.5 miles to the east of the subject. The district features a comparatively moderate amount of retail space but has many similar big-box retailers. The area is anchored by Target, Home Depot, Marshalls, Menards, Kirkland's, JC Penney, Dick's Sporting Goods, and Cinemark at Valparaiso. These retail establishments and complementary restaurant and smaller retailers provide commercial opportunities to the students of Valparaiso University and Ivy Technical State College Northwest and may limit the subject's draw to the east. However, the district does not compete directly with the subject due to its tenancy.

TRADE AREA DETERMINATION CONCLUSION

The subject's market position, tenant mix and drive time influence generally indicate a trade area of up to 10 miles, limited by retail options to the west and a cluster of retail uses in more-populated Valparaiso. However, there is a dearth of retail options to the south of the subject, providing further potential draw in that direction. As a result, the subject's primary trade area has been determined to be 10 miles, with a secondary trade area of 20 miles. The following map illustrates the subject's primary and secondary trade area with a drive-time of 20 minutes.



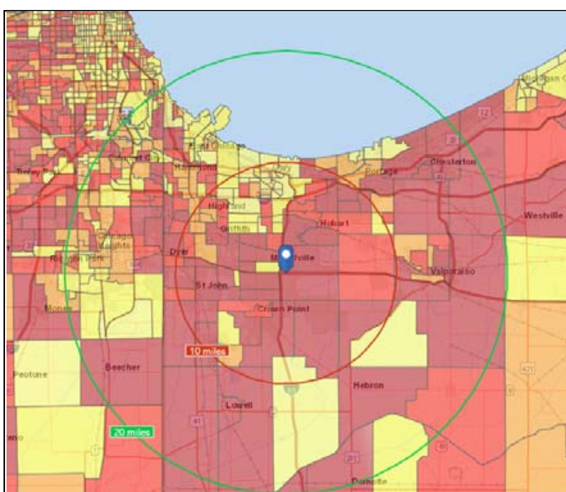
PRIMARY AND SECONDARY TRADE AREAS

TRADE AREA DEMOGRAPHICS

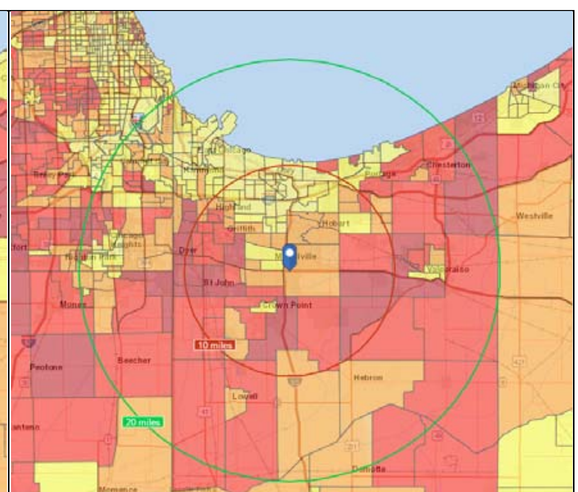
Once the trade area is defined, the area's demographic and economic profile can be analyzed. This will provide key insight into the area's dynamics as it relates to the subject. Demographics within the subject's trade area are moderately well-suited for retail sales. Average household income within the trade area falls modestly above that of broader Lake County and 54.80 percent of households in the subject's primary trade area earn over $50,000 per year. Selected trade area demographics within the subject's trade area are shown in the following table along with county and national statistics.

TRADE AREA DEMOGRAPHICS				
	Primary	Secondary	Comparison	
Item	10 -Mile Radius	20 -Mile Radius	Lake County	Nation
Population				
2010 Actual	347,703	977,686	496,005	308,745,538
2017 Estimate	350,085	983,366	495,069	327,514,334
2022 Projected	349,722	985,679	491,870	341,323,594
2010 - 2017 CAGR	0.10%	0.08%	-0.03%	0.85%
2017 - 2022 CAGR	-0.02%	0.05%	-0.13%	0.83%
Median Age	38.1	37.2	37.4	37.9
Daytime Population	324,251	919,541	480,467	--
Households				
2010 Actual	132,795	363,549	188,157	116,716,292
2017 Estimate	133,839	365,307	187,941	123,158,887
2022 Projected	133,682	366,036	186,787	128,069,416
2010 - 2017 CAGR	0.11%	0.07%	-0.02%	0.77%
2017 - 2022 CAGR	-0.02%	0.04%	-0.12%	0.79%
Avg. Household Size	2.58	2.65	2.60	2.59
Per Capita Income				
2017 Estimate	$27,469	$26,443	$26,020	$30,820
2022 Projected	$30,835	$29,561	$29,187	$34,828
2017 - 2022 CAGR	2.34%	2.25%	2.32%	2.48%
Average Household Income				
2017 Estimate	$71,365	$70,341	$67,913	$80,675
2022 Projected	$80,209	$78,761	$76,226	$91,585
2017 - 2022 CAGR	2.36%	2.29%	2.34%	2.57%
Households with Income ≥ $50,000	54.80%	53.70%	51.90%	55.90%
Households with Income ≥ $75,000	36.20%	35.10%	33.30%	38.10%
Households with Income ≥ $100,000	22.70%	22.00%	20.70%	25.70%

Source: Esri; Compiled by NPV Advisors as of December 2017



POPULATION DENSITY



AVERAGE HOUSEHOLD INCOME

Pull Factors: Initially consideration is given to the local demographic composition and the existing pull of the area. To quantify reasonable draw for the trade area, we have calculated total trade area capture (TAC). Community economic development organizations use this methodology to determine retail sales surplus and leakage. Trade area capture utilizes household, income, and retail expenditure information to analyze the drawing power of a given area in comparison to the broader region. This model of analysis incorporates an underlying assumption that preferences are similar across the areas examined. If a trade area capture in total households is higher than the number of existing local households then a couple of factors can be at play: the local retail attracts customers outside of the trade area and/or residents are spending more than the broader area average.

Indexing the TAC to the local population, we have determined a retail sales gap, or pull factor for the area analyzed. The following table details the interpretation of a pull factor.

PULL FACTORS DEFINED		
Pull Factor		**Interpretation**
> 1.0	Pull	Attracts spending from households outside of the trade area
= 1.0	Balanced	Spending from local residential base
< 1.0	Gap	Spending leakage as local households travel outside the trade area to shop

We note that the larger the geographic area considered, the greater the ability of the area to supply and meet its consumer demand. This smoothing affect for larger geographic areas causes the pull factor to yield toward 1.0 as the residential base and trade area capture align more closely. The following table details pull factors by segment for the immediate, primary, and secondary trade areas.

TRADE AREA PULL FACTORS BY SEGMENT			
		Pull Factor	
Segment	Immediate	Primary	Secondary
Furniture & Home Furnishings	38.39	1.09	0.89
Electronics & Appliance Stores	9.92	0.90	0.86
Blding Materials, Garden & Supply	20.84	1.05	1.08
Food & Beverage Stores	1.06	1.15	1.14
Health & Personal Care	10.36	1.19	1.09
Gas Station	4.45	1.86	1.58
Clothing and Accessories	63.83	1.12	0.84
Sporting Goods, Hobby, Book, and Music Stores	50.30	1.49	1.26
General Merchandise	81.51	1.40	0.99
Miscellaneous Store Retailers	10.45	0.65	0.54
Food Service and Drinking Places	16.41	1.12	1.02
Overall Sales (excluding automotive and nonstore retailers)	26.79	1.28	1.11

Notes: Pull Factor = Trade Area Capture / Trade Area Households

Source: Esri; Compiled by NPV Advisors as of December 2017

According to the preceding analysis, the primary trade area, defined as a 10-mile radius from the subject, has an overall pull factor of 1.28, indicating that the area draws in 28 percent more retail dollars than that which would be expected based on the demographic profile of the primary trade area alone. The three strongest segments within the trade area, aside from Gas Station, are Sporting Goods/Hobby/Book/Music Stores, General Merchandise, and Health & Personal Care. Several sectors report modest to moderate leakages: Electronics & Appliance Stores and Miscellaneous Store Retailers. The secondary trade area has an overall pull factor of 1.11 with the strongest sectors being Sporting Goods/Hobby/Book/Music Stores, Food & Beverage, and Health & Personal Care. The secondary trade area demonstrates moderate leakage in Clothing and Accessories, Furniture & Home Furnishings, and Electronics & Appliances. Aside from Miscellaneous Store Retailers, none of the segments within the primary trade area indicate significant leakages and none of the pull factors in the immediate, primary, or secondary trade areas suggest that the areas are too oversaturated in any of the analyzed segments. The pull factor analysis supports our concluded trade area and underpins the subject's strong position in the market.

TRADE AREA ANALYSIS CONCLUSION

The subject represents an established super-regional mall that generates slightly above-average drawing power based on its positioning and its mix of national tenants, bolstered by the presence of a movie theater. While competition in the immediate area is relatively minimal, it escalates quickly as one moves west towards Chicago. The subject's consumer base consists of middle class households, and both population and retail supply is anticipated to remain relatively stable over the foreseeable future. The subject also benefits from its position near major regional roadways, namely Interstate 65 and US Route 30. While the subject's tenancy profile is imbued with moderate risk due to its dependence on declining department store retailers, namely Sears, which is the subject's largest tenant, it benefits from the presence of a movie theater and strong retailer cross-draw. Given the general stability of the subject's trade area, we believe that it will continue to provide good support for the subject over the near term.

PROPERTY DESCRIPTION

SITE ANALYSIS

The description of the site can be detailed as follows.

Location		
Address:	2109 Southlake Mall, Merrillville, Lake County, Indiana 46410	
Descriptive Location:	The subject site is located on the south side of US Highway 30, just east of its intersection with Interstate 65, in the eastern portion of Merrillville, Indiana. Please note: the subject is technically in Hobart but has a mailing address of Merrillville.	
Parcel Summary		
Parcel No.	Acres	Square Feet
45-12-23-326-004.000-046	17.50	762,300
45-12-23-326-003.000-046	11.00	479,160
45-12-23-301-010.000-046	11.50	500,940
45-12-23-301-011.000-046	39.61	1,725,324
45-12-23-401-012.000-046	8.65	376,576
45-12-23-401-002.000-046	3.82	166,399
45-12-23-401-011.000-046	1.14	49,441
45-12-23-326-002.000-046	2.54	110,817
45-12-23-326-001.000-046	0.89	38,594
45-12-23-301-009.000-046	1.67	72,745
45-12-23-301-001.000-046	7.24	315,157
45-12-23-301-002.000-046	3.44	149,846
45-12-23-301-003.000-046	1.70	73,878
45-12-23-301-004.000-046	0.36	15,856
45-12-23-301-005.000-046	3.83	167,009
45-12-23-301-006.000-046	3.35	146,057
45-12-23-301-008.000-046	3.11	135,472
45-12-23-376-001.000-046	3.37	146,971
45-12-23-376-002.000-046	3.23	140,699
Total Site Area	127.94	5,573,241
Site Area Source:	Lake County's public records	
Shape:	Slightly irregular	
Frontage:	Approximately 2,500 feet along US Highway 30	
Depth:	Approximately 2,000 feet along the west edge of the site	
Topography:	Generally level	
Drainage:	Adequate; no drainage issues were noted at the time of our inspection	
Visibility:	Good along US Highway 30	
Excess Land:	None	
Surplus Land:	None	
Flood Map		

Map No(s).:	18089C0256E
Zone Code:	X
Date:	January 18, 2012

FEMA defines Zone X as "Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones."

Surrounding Land Uses	
North:	Merrillville Plaza shopping center
South:	Single-family residences
East:	Various commercial/retail uses
West:	Various commercial/retail uses

Accessibility	**Yes**	**No**	**Utilities**	**Yes**	**No**
Traffic Signal	✓		Underground	✓	
Alley		✓	Electric	✓	
Paved Streets	✓		Gas	✓	
Corner Lot	✓		Sewer	✓	
Sidewalks	✓		Storm/Drain	✓	
Curb Cuts	✓		Water	✓	
Curb & Gutters	✓				

Site Issues		
Easements/Restrictions:	Yes	We were not provided with a title report. The subject is encumbered by utilities and related easements. It is specifically assumed that these and any other easements, restrictions, or encroachments that might appear against the title have no adverse impact on the marketability or value.
Assume Adequate Soils:	Yes	No adverse subsoil was observed at the time of inspection.
Environmental Issues:	No	We were not provided with an environmental assessment of the property. Our value estimate is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was apparent at the time of our inspection. We have no knowledge of the existence of additional substances on or in the subject. However, we are not qualified to detect hazardous waste or toxic materials.
Earthquake Zone:	No	We are not qualified to determine if fault lines do or do not affect the property. We recommend that the client obtain an engineering study related to the geological stability of the subject and surrounding areas if additional information is required.

Endangered Species:	No	The value estimate rendered herein is predicated on the assumption that there are no endangered species on site that would measurably impact the value. We have no knowledge of the existence of any endangered species on the subject. However, we are not qualified to detect these.
Wetland Restrictions:	No	To the best of our knowledge, the site is unencumbered by wetlands restriction.

Site Advantages and Disadvantages

The subject site is slightly irregular in shape but poses no specific limitations to its development ability. The site is generally level in topography, situated along paved roads, and is served by all necessary utilities. There are no known disadvantages to the subject site.

Source Information

The preceding description of the site is based on a review of the assessor's records as well as our physical inspection of the subject site and other information provided.

ZONING ANALYSIS

The subject is situated in a Planned Unit Development (PUD) District by the City of Hobart. Properties within the district are required to submit building plans for approval by the local Zoning Board. As such, we specifically assume that the subject's improvements represent a legal and conforming use. Our valuation is based on this assumption.

IMPROVEMENT DESCRIPTION

The following is a more detailed description of the subject improvements based on information provided by representatives of ownership and our physical inspection, as well as our knowledge of similar properties.

Overview	
Property Type:	Class A- super regional shopping center
No. of Buildings:	20
No. of Stories:	One to two
Total GLA:	1,368,457 SF
Mall Shop GLA:	415,269 SF
LEED Certified:	No
Economic Age and Life	
Year Built:	1974 R 1999
Actual Age:	43
Condition:	Very Good
MVS Expected Life:	55
Effective Age:	25
Remaining Economic Life:	30
Density Summary	
Total Appraised Land Area:	5,573,241 SF
Total GLA:	1,368,457 SF
Land-to-Building Ratio:	4.07
Parking Summary	
Total Parking Spaces:	7655 spaces
Total GLA:	1,368,457 SF
Ratio (per 1,000 SF):	5.59
Appraised Space Summary	

SOUTHLAKE MALL SPACE SUMMARY					
	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
<1,500 SF	30,851	23,389	7,462	75.8%	24.2%
1,500-2,499 SF	43,170	31,264	11,906	72.4%	27.6%
2,500-4,999 SF	96,462	75,850	20,612	78.6%	21.4%
5,000-9,999 SF	125,445	116,947	8,498	93.2%	6.8%
Over 10,000 SF	58,176	58,176	0	100.0%	0.0%
Jewelry	11,491	11,491	0	100.0%	0.0%
Food Court	6,947	5,733	1,214	82.5%	17.5%
Kiosk	2,495	2,253	242	90.3%	9.7%
Restaurant	13,382	13,382	0	100.0%	0.0%
Outparcel Restaurant	26,850	26,850	0	100.0%	0.0%
Jr. Anchor	50,000	50,000	0	100.0%	0.0%
Theater	45,476	45,476	0	100.0%	0.0%
Fast Casual	17,800	17,800	0	100.0%	0.0%
Outparcel	19,419	6,631	12,788	34.1%	65.9%
Medical Office	39,996	0	39,996	0.0%	100.0%
Owned Anchor including Kohl's	256,501	256,501	0	100.0%	0.0%
Unowned Anchor	520,196	520,196	0	100.0%	0.0%
Bank Outparcel	3,800	3,800	0	100.0%	0.0%
Total Mall	1,368,457	1,265,739	102,718	92.5%	7.5%
Total Mall-Owned	848,261	745,543	102,718	87.9%	12.1%
Total Mall Shop (Less outparcels, anchors)	388,419	338,485	49,934	87.1%	12.9%
Analysis prepared by NPV Advisors					

Construction Features	
Construction Type:	Class B regional shopping center
Foundation:	Concrete spread footing
Structural System:	Structural steel frame
Exterior Walls:	Stucco, or exterior insulation and finish system
Floor Construction:	Concrete slab
Roof:	Built-up roof
Windows/Doors:	Tempered and/or insulated glass in aluminum frames
Property Features	
General Layout:	Enclosed regional mall.
Interior Finishes	
Floor Covering:	Mixture of carpet, stone, rubber or vinyl tile, and wood in retail areas and concrete slab in storage areas.
Interior Walls:	Drywall with a combination of paint, vinyl and wood coverings.
Ceilings:	Combination of suspended acoustic tile, painted drywall and exposed ceiling.
Lighting:	Combination of fluorescent fixtures and incandescent fixtures.

Mechanical Equipment	
HVAC:	Assumed to be adequate
Electrical Service:	Assumed to be adequate
Plumbing:	Water and sanitary sewer connections are installed in each tenant space. Assumed to conform to local and national building codes.
Fire Protection:	All tenant spaces are reportedly wet-sprinklered for fire protection. This appraisal assumes that the property will have adequate fire alarm systems, fire exits, extinguishers and/or other protection measures to meet local Fire Marshall requirements.

Other Improvements	
Landscaping:	Trees, shrubbery, and grass along periphery of site.
Ancillary Structure:	None
Other Improvements:	19 outparcel improvements, including a movie theater and various restaurants

Additional Property Information	
ADA Compliance:	The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. We are not qualified to determine compliance with the requirements of ADA. As such, the value(s) reported herein do not consider any possible noncompliance issues related to the ADA. Please refer to the specific limiting condition regarding ADA compliance.
Environmental Issues:	We were not provided with an environmental assessment of the property. Our value estimate is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. We are, however, not qualified to detect such substances.
Quality/Condition:	The subject is in good overall condition. Overall, the subject's shopping opportunities and physical appearance create a quality shopping experience.

Capital Expenditures:

	FY 2014	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
TI / LC	(2,036)	(2,540)	(152)	(372)	(411)	(872)	(31)	(15)	(808)
Ordinary Capital	(1,253)	(1,207)	(10)	(12)	(299)	(141)	(6)	(5)	(48)
Leasing NR	0	0	0	0	0	0	0	0	0
Refresh	(203)	(1,568)	(0)	1	(2)	0	0	0	0
Dev. Capital	(2,854)	0	0	(9)	(13)	(12)	(2)	0	(1)
Partnership Costs / Other	(170)	(94)	(72)	(58)	(38)	(96)	(26)	(44)	(59)

As indicated above, only minor capital, with the exception of development capital, has been incurred at the property. The numbers indicated above are the total amount for the specified quarter or year.

Functional Utility:	The subject property is a functional enclosed regional shopping center. The overall design of the center is similar if not superior to the other regional malls in the market.

Source Information
The preceding description of the improvements is based on a review of the assessor's records as well as our physical inspection of the subject improvements and other information provided.

REAL ESTATE TAX ANALYSIS

The following table provides an overview of assessment and taxing processes and current and historical real estate tax liability for the subject.

ASSESSMENT & TAX SNAPSHOT			
Assessment Overview			
Assessing Authority:	Lake County Assessor		
Assessment Methodology:	Combination of Sales Comparison, Income, and Cost approaches		
Assessment Schedule:	Per Indiana State Law, real property must be assessed every five years. In Lake County, properties are generally reassessed annually.		
Assessment Ratio:	100 percent of market value		
Equalization Ratio:	Not Applicable		
	Yes	No	Details
Reassessed upon Sale:		✓	
Appeal Underway:		✓	Not to our knowledge
Assessment Caps:		✓	
Special Assessments:	✓		Hobart Storm Water
			Little Cal River Basin
			Merrillville Conservancy
Tax Liability Overview			
Taxes Levied By:	Lake County Treasurer		
Tax Schedule:	Real estate taxes for properties located in Lake County are levied one year in arrears (i.e. 2016 real estate taxes are payable in 2017).		
Billing Schedule:	Taxes are payable in two installments, due in May and November of the following year.		
Discounts:	A property tax relief/reform bill was signed in 2008 that created an annual property tax cap based on a maximum tax rate. Taxes are capped at three percent of total gross assessed value for non-residential and non-agricultural properties. Taxes may be higher than three percent if voters approve such action via referendum. The subject has a local		
Delinquent Taxes:	No		

2016 PAYABLE 2017 REAL ESTATE TAX LIABILITY										
			Assessed Value		Tax	Gross	Tax	Special	Total Tax
Property Number	Component	Land	Improvements	Total	Rate	Taxes	Credit	Assessment	Liability
45-12-23-326-004.000-046	Sears - Unowned	$1,988,200	$7,584,700	$9,572,900	2.8233%	$270,272	($35,162)	$27,624	$262,734
45-12-23-326-003.000-046	Bon Ton - Unowned	$1,504,800	$6,331,600	$7,836,400	2.8233%	$221,245	($28,783)	$20,223	$212,685
45-12-23-301-010.000-046	Macy's - Unowned	$1,570,700	$6,161,600	$7,732,300	2.8233%	$218,306	($28,401)	$21,232	$211,137
45-12-23-301-011.000-046	Mall Parcel - Owned	$15,600,000	$179,400,000	$195,000,000	2.8233%	$5,505,435	($716,241)	$320,148	$5,109,343
45-12-23-401-012.000-046	Retail Center - Owned	$2,697,000	$6,603,000	$9,300,000	2.8233%	$262,567	($34,159)	$18,372	$246,779
45-12-23-401-002.000-046	Showplace Theater - Owned	$3,100,000	$9,300,000	$12,400,000	2.8233%	$350,089	($45,546)	$24,081	$328,625
45-12-23-401-011.000-046	Retail/Dining - Owned	$552,000	$248,000	$800,000	2.8233%	$22,586	($2,938)	$2,385	$22,033
45-12-23-326-002.000-046	Retail - Owned	$6,386,000	$3,914,000	$10,300,000	2.8233%	$290,800	($37,832)	$18,349	$271,317
45-12-23-326-001.000-046	Potbelly & Chipotle - Owned	$1,274,000	$1,326,000	$2,600,000	2.8233%	$73,406	($9,550)	$4,908	$68,764
45-12-23-301-009.000-046	Olive Garden -Owned	$1,560,000	$840,000	$2,400,000	2.8233%	$67,759	($8,815)	$5,483	$64,427
45-12-23-301-001.000-046	Retail - Owned	$4,900,000	$8,800,000	$13,700,000	2.8233%	$386,792	($50,321)	$26,640	$363,111
45-12-23-301-002.000-046	Retail/Dining - Owned	$1,824,000	$1,376,000	$3,200,000	2.8233%	$90,346	($11,754)	$7,761	$86,353
45-12-23-301-003.000-046	Lake Par 3 - Owned	$8,400	$4,400	$12,800	2.8233%	$361	($47)	$317	$632
45-12-23-301-004.000-046	Water Tower - Owned	$223,700	$0	$223,700	2.8233%	$6,316	($822)	$696	$6,190
45-12-23-301-005.000-046	Lake Par 2 - Owned	$104,000	$7,800	$111,800	2.8233%	$3,156	($411)	$466	$3,212
45-12-23-301-006.000-046	Parking Lot - Owned	$2,040,000	$1,960,000	$4,000,000	2.8233%	$112,932	($14,692)	$10,007	$108,247
45-12-23-301-008.000-046	Lake Par 1 - Owned	$106,100	$5,700	$111,800	2.8233%	$3,156	($411)	$466	$3,212
45-12-23-376-001.000-046	Parking Lot - Owned	$1,753,200	$36,200	$1,789,400	2.8233%	$50,520	($6,573)	$5,632	$49,579
45-12-23-376-002.000-046	Parking Lot - Owned	$1,642,900	$34,600	$1,677,500	2.8233%	$47,361	($6,162)	$5,343	$46,543
Subtotal	**--**	**$48,835,000**	**$233,933,600**	**$282,768,600**	**2.8233%**	**$7,983,406**	**($1,038,617)**	**$520,133**	**$7,464,922**

The subject's 2016, payable 2017 total tax liability equated to $7,464,922 with a liability of $6,778,366 for owned parcels. We note that the total tax liability includes all parcels which comprise the subject, including those owned by anchor tenants. We also note the total square footage of the subject property is 1,360,000 square feet. According to the Lake County Treasurer, there are no delinquent taxes associated with the subject.

Based on discussions with ownership, the mall will be granted a successful appeal to their assessment lowering the tax burden by approximately $1,400,000. We have considered this but have tempered our concluded tax burden since the appeal has yet to be granted. As such, we have concluded to pro forma taxes of $7,000,000 in year one of our cash flow.

HIGHEST AND BEST USE

Highest and best use analysis involves determining "the reasonably probable use that produces the most benefits and highest land value at any given time."[2] The analysis presented in this appraisal is not intended to be exhaustive. Rather, it is intended to provide sufficient analysis of the most likely and most reasonable alternatives for the subject. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds the total value of the property under its existing use plus the cost of removing or altering the existing structure. We have examined four criteria in our determination of highest and best use.

Legally Permissible: The first issue concerns legal permissibility, which is closely tied to zoning. The subject site is zoned PUD, "Planned Unit Development District" by the City of Hobart, Indiana. This district allows a variety of uses, including most retail uses. Properties within the district are required to submit building plans for approval by the local Zoning Board. As such, we specifically assume that the subject's improvements represent a legal and conforming use. Our valuation is predicated upon this assumption.

Physically Possible: The site contains approximately 127.94 acres of land area. Land use within the immediate vicinity of the site is nearly maximized with a primary concentration of commercial development. The site is located along a primary infrastructure artery and has good access and visibility. It is served by all necessary utilities. There are no adverse soil conditions of which we are aware. The parcel has a slightly irregular shape due to the unowned anchor parcels, which does slightly inhibit development. The topography poses no specific development limitations. Thus, from a physical standpoint, the site is considered adequate for many types of development.

Financially Feasible: The economic and competitive forces prevailing in the local market shape financial feasibility. An indication of financial feasibility is whether there is an active market for land and/or the presence of new construction in the local area. As discussed in the *Market Analysis* section of this report, the Chicago retail market continues to outperform many of the other major metropolitan markets across the nation. As such, some form of mixed-use including retail development is considered financially feasible on a substantially pre-leased basis.

Maximally Productive: The preceding discussion has been oriented around probable uses relative to the subject's physical characteristics, regulatory limitations, and financial feasibility. Another factor considered is maximum productivity. In the case of existing or proposed developments, this criterion often involves assessing whether the existing or proposed use of the subject is that which would reasonably result in maximum productivity of the land, as compared with an alternative use. Based on the uses considered reasonable, the maximally productive use would appear to develop the site with a large-scale retail or mixed-use development on a partially pre-leased basis.

Highest And Best Use Of The Site As Vacant: The highest and best use of the subject, as vacant, is for the development of a large-scale retail and mixed-use development on a partially pre-leased basis.

[2] *The Appraisal of Real Estate,* 14th Edition, Chicago, Appraisal Institute: 2013.

Highest And Best Use Of The Site As Improved: The highest and best use of the subject property, as improved, is its current and continued use.

Most Probable Buyer: The most probable buyer is an institutional investor.

APPRAISAL METHODOLOGY

The appraisal process is defined as an organized procedure by which an asset is valued. There are three traditional approaches that can be employed in establishing the fair value or prospective future values of the subject. In practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available in the marketplace. These approaches and their significance and applicability to the valuation of the subject are summarized as follows.

THE INCOME APPROACH

The income approach is based on the principle that value is created by the expectation of future income. This approach is particularly applicable in the case of income-producing properties. One technique to convert income to value is direct capitalization, which involves dividing the net operating income (NOI) by a market capitalization rate. A second technique is the discounted cash flow (DCF) analysis, in which projected cash flows (NOI less periodic capital expenditures and reversion value at the conclusion of the holding period) are converted to a present value by applying a discount rate. In both techniques, NOI and cash flow are estimated based on an analysis of rent and occupancy levels and forecast property expenses.

THE SALES COMPARISON APPROACH

The sales comparison approach is based upon the proposition than an informed purchaser would pay no more for a property than the cost of acquiring a similar property with the same utility. In this approach, similar properties that have recently sold are compared to the subject and appropriate adjustments are applied to determine a logical value conclusion. Comparisons made are typically based upon terms of sale, financing, market conditions, location, physical characteristics, and economic characteristics.

THE COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

RECONCILIATION

The valuation procedure is concluded via a review of the approaches to value employed. The reliability of the market data utilized and the overall applicability of each approach are re-examined. Based upon this analysis, the value indications are reconciled and a final estimate of value is concluded.

INCOME APPROACH

DISCOUNTED CASH FLOW VS. DIRECT CAPITALIZATION

The discounted cash flow (DCF) analysis is typically utilized when the future income is expected to significantly fluctuate usually as result of numerous lease obligations and/or anticipated changes in income and expenses. The DCF analysis forecasts the quantity, variability, timing and duration of NOI and cash flow during the holding period. Investors utilizing this methodology typically make a forecast of net operating income and cash flow over a period of time ranging from five to fifteen years and then determine a purchase price, which will provide a return on and of the asset and justify the degree of risk inherent in the proposed investment.

In comparison, direct capitalization is the method used to convert a single year's estimate of income into a value indication. Within this analysis, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not developed. Direct capitalization is most appropriate when analyzing a stable income stream and in estimating the reversion at the end of the holding period.

APPROPRIATE CAPITALIZATION METHOD

A number of factors are considered in evaluating the appropriateness of using the DCF technique and/or the direct capitalization method. These considerations include the occupancy status of the property, the structure of the existing leases, the existence of above or below market rents, the presence of ground leases, and the preferences of purchasers/investors in the regional market for the subject's property type. Discounted cash flow analysis is the most commonly utilized methodology for investment grade retail properties. However, given the stability of the subject's cash flow upon stabilization, direct capitalization is also considered relevant.

DISCOUNTED CASH FLOW ASSUMPTIONS

Based upon the methodology and investment considerations already discussed and our first year revenue and expense projections forecast through the investment period, we have developed the discounted cash flow methodology. However, as the direct capitalization method is considered relevant, we have also developed it, primarily as a parameter against which to check the value produced by the discounted cash flow method. The following assumptions are employed in our analysis of the subject property.

GROSS LEASEABLE AREA (GLA)

The subject currently contains 1,368,457 square feet of GLA inclusive of the unowned anchors. Total mall shop GLA is 415,269 square feet. The following table summarizes the GLA of the subject (owned and unowned).

SOUTHLAKE MALL SPACE SUMMARY					
	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
<1,500 SF	30,851	23,389	7,462	75.8%	24.2%
1,500-2,499 SF	43,170	31,264	11,906	72.4%	27.6%
2,500-4,999 SF	96,462	75,850	20,612	78.6%	21.4%
5,000-9,999 SF	125,445	116,947	8,498	93.2%	6.8%
Over 10,000 SF	58,176	58,176	0	100.0%	0.0%
Jewelry	11,491	11,491	0	100.0%	0.0%
Food Court	6,947	5,733	1,214	82.5%	17.5%
Kiosk	2,495	2,253	242	90.3%	9.7%
Restaurant	13,382	13,382	0	100.0%	0.0%
Outparcel Restaurant	26,850	26,850	0	100.0%	0.0%
Jr. Anchor	50,000	50,000	0	100.0%	0.0%
Theater	45,476	45,476	0	100.0%	0.0%
Fast Casual	17,800	17,800	0	100.0%	0.0%
Outparcel	19,419	6,631	12,788	34.1%	65.9%
Medical Office	39,996	0	39,996	0.0%	100.0%
Owned Anchor including Kohl's	256,501	256,501	0	100.0%	0.0%
Unowned Anchor	520,196	520,196	0	100.0%	0.0%
Bank Outparcel	3,800	3,800	0	100.0%	0.0%
Total Mall	1,368,457	1,265,739	102,718	92.5%	7.5%
Total Mall-Owned	848,261	745,543	102,718	87.9%	12.1%
Total Mall Shop (Less outparcels, anchors)	388,419	338,485	49,934	87.1%	12.9%
Analysis prepared by NPV Advisors					

*Please note, the former Gander Mountain Outparcel will be reconfigured into medical office. We will discuss this in the market rent discussion herein. Further, the total indicated above includes the Kohl's outparcel anchor as an anchor space and excludes the Dick's Sporting Goods from anchor space as we have concluded to a separate market rent for this suite. As such, while mall anchor tenants include Dick's in our summary table presented in the beginning of the report, the above table summarizes the market rent categories breakdown.

RENT ROLL

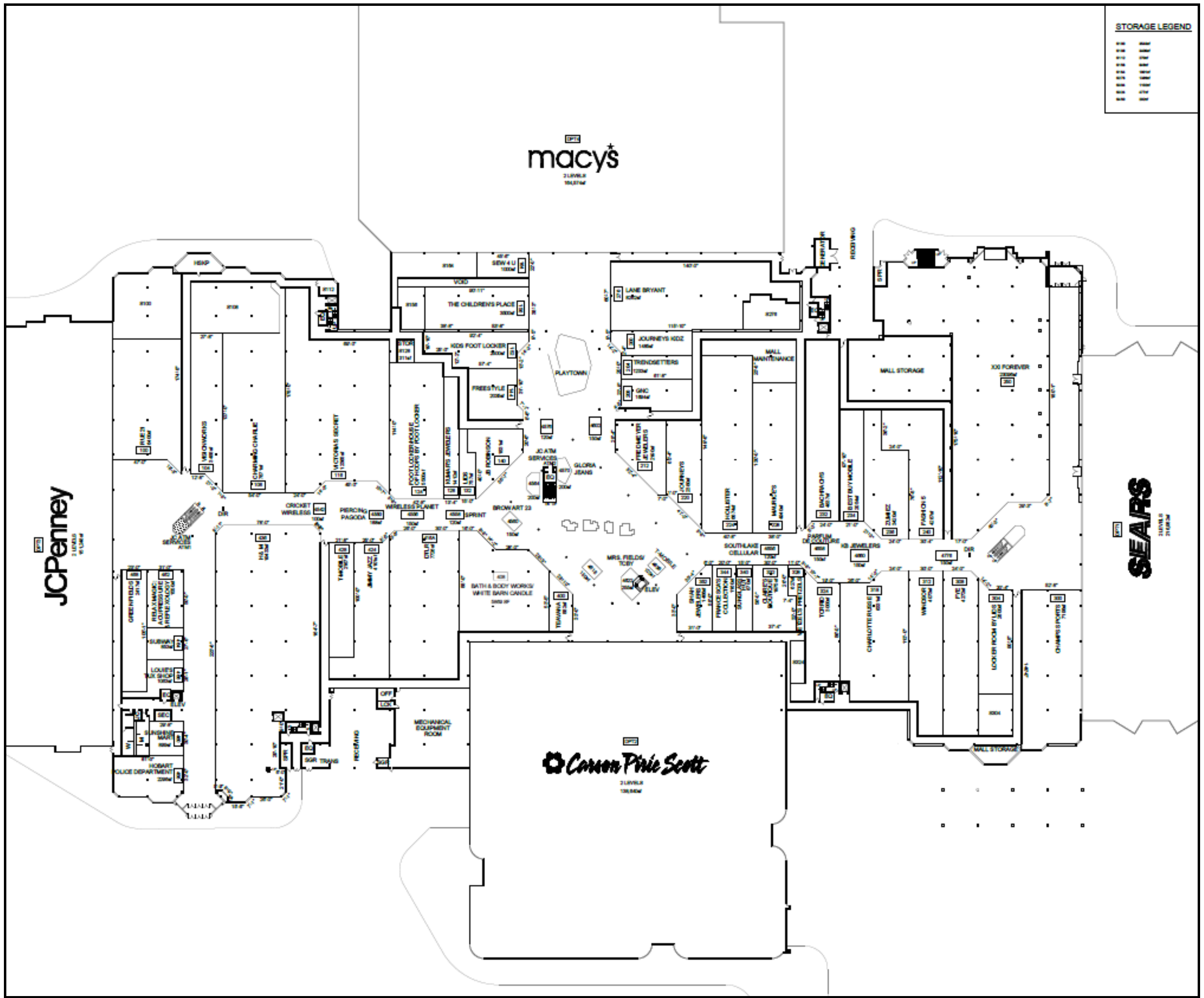
The following pages summarize the subject's rent roll and is followed by the current lease plans.

SOUTHLAKE MALL - RENT ROLL									
				Lease Term			Remaining	Current Gross Rent	
Tenant Name	Space Category	Suite No.	GLA (SF)	Start	End	Years	Term	Annual	PSF
rue21	5,000-9,999 SF	100	6,803	3/1/2013	1/1/2024	10.8	7.4	108,280	$15.92
Visionworks	2,500-4,999 SF	104	3,488	4/1/2008	1/1/2018	9.8	1.3	242,367	$69.49
Charming Charlies	5,000-9,999 SF	108	7,871	9/1/2011	10/1/2021	10.1	5.1	256,538	$32.59
Victoria's Secret	Over 10,000 SF	116	12,365	11/1/2012	1/1/2023	10.2	6.3	962,585	$77.85
Foot Locker	5,000-9,999 SF	124	5,500	8/1/2013	6/1/2023	9.8	6.8	369,153	$67.12
TEMP TENANT - PERPETUAL VA	<1,500 SF	128	876						
Lids	<1,500 SF	132	757	2/1/2008	1/1/2018	9.9	1.3	98,718	$130.41
J.B. Robinson Jewelers	Jewelry	140	1,830	2/1/2016	1/1/2021	4.9	4.3	262,142	$143.25
TEMP TENANT - PERPETUAL VA	1,500-2,499 SF	144	2035						
Kids Foot Locker	2,500-4,999 SF	152	2,500	5/1/2014	4/1/2024	9.9	7.6	172,973	$69.19
The Children's Place	2,500-4,999 SF	156	3,500	6/1/2012	1/1/2022	9.6	5.3	208,592	$59.60
(OUT) Portrait Innovations	Outparcel	1,619	2,227	2/1/2015	1/1/2018	2.9	1.3	121,437	$54.53
TEMP TENANT - PERPETUAL VA	<1,500 SF	164	1000						
Journeys Kids	<1,500 SF	200	1,485	12/1/2012	11/1/2022	9.9	6.2	102,026	$68.70
TEMP TENANT - PERPETUAL VA	<1,500 SF	204	1233						
GNC	1,500-2,499 SF	208	1,673	7/1/2016	6/1/2019	2.9	2.7	131,683	$78.71
Fred Meyer Jewelers	Jewelry	212	2,190	11/1/2009	6/1/2019	9.6	2.7	209,057	$95.46
Journeys	1,500-2,499 SF	220	2,380	9/1/2016	7/1/2026	9.8	9.9	165,896	$69.70
Hollister	5,000-9,999 SF	224	6,874	2/1/2016	1/1/2019	2.9	2.3	109,984	$16.00
Maurices	2,500-4,999 SF	228	4,940	8/1/2015	1/1/2026	10.4	9.4	160,144	$32.42
Bachrach	2,500-4,999 SF	232	4,837						
Best Buy Mobile	1,500-2,499 SF	234	2,054	10/1/2008	1/1/2019	10.3	2.3	165,873	$80.76
Zumiez	2,500-4,999 SF	236	3,420	5/1/2007	1/1/2023	15.7	6.3	175,455	$51.30
Victoria's Secret	2,500-4,999 SF	240	4,253	11/1/2012	1/1/2023	10.2	6.3	331,086	$77.85
(OUT) VACANT - SPEC TENANT	Outparcel	2495OU	1300						
(MAJ) Forever 21	Over 10,000 SF	250	23,096	11/1/2014	1/1/2025	10.2	8.4	399,253	$17.29
(OUT) VACANT - SPEC TENANT	Outparcel	2503OU	5538						
(OUT) Sleep Number	Outparcel	2,535	2,903	4/1/2007	1/1/2020	12.8	3.3	223,706	$77.06
Lane Bryant	5,000-9,999 SF	276	8,107	4/1/2017	3/1/2018	0.9	1.4	200,586	$24.74
Champs Sports	5,000-9,999 SF	300	7,149	7/1/2008	6/1/2018	9.9	1.7	522,487	$73.09
Locker Room by Lids	2,500-4,999 SF	304	2,800	10/1/2013	8/1/2023	9.8	6.9	178,325	$63.69
fye	2,500-4,999 SF	308	4,272	2/1/2014	1/1/2021	6.9	4.3	243,853	$57.08
Windsor Fashion	2,500-4,999 SF	312	4,073	11/1/2010	1/1/2025	14.2	8.4	202,970	$49.83
Charlotte Russe	5,000-9,999 SF	318	6,331	2/1/2014	10/1/2021	7.7	5.1	456,271	$72.07
Torrid	2,500-4,999 SF	324	3,000	9/1/2015	1/1/2026	10.3	9.4	174,118	$58.04
Wetzel's Pretzels	<1,500 SF	328	627	2/1/2017	1/1/2027	9.9	10.4	83,140	$132.60
Claire's	1,500-2,499 SF	332	1,975	11/1/2003	6/1/2024	20.6	7.8	234,359	$118.66
Sunglass Hut	<1,500 SF	340	870	7/1/2015	6/1/2020	4.9	3.7	87,714	$100.82
Francesca's	<1,500 SF	344	1,160	4/1/2016	4/1/2026	10.0	9.6	71,461	$61.60
Shah Jewelers	<1,500 SF	352	1,486	12/1/2016	11/1/2026	9.9	10.2	139,633	$93.97
Teavana	<1,500 SF	400	882	5/1/2012	4/1/2022	9.9	5.6	68,103	$77.21
Bath & Body Works	5,000-9,999 SF	408	5,869	10/1/2016	1/1/2027	10.3	10.4	396,275	$67.52
DTLR	5,000-9,999 SF	416	7726	12/1/2017	11/1/2027	9.9	11.2	274,968	$35.59
TEMP TENANT - PERPETUAL VA	2,500-4,999 SF	420	3852						
Jimmy Jazz	2,500-4,999 SF	424	4,101	11/1/2016	9/1/2026	9.8	10.1	146,406	$35.70
T-Mobile	1,500-2,499 SF	428	2,167	10/1/2015	8/1/2020	4.8	3.9	333,266	$153.79
(MAJ) H&M	Over 10,000 SF	438	22,715	2/1/2015	1/1/2026	10.9	9.4	465,885	$20.51
Cricket Authorized	Kiosk	4542KSK	100	3/1/2017	1/1/2020	2.8	3.3	39,056	$390.56
Piercing Pagoda	Kiosk	4550KSK	168	5/1/2016	4/1/2021	4.9	4.6	65,102	$387.51
Wireless Planet	Kiosk	4556KSK	120	9/1/2017	8/1/2022	4.9	5.9	68,087	$567.39
(PEX) TEMP TENANT - PERPETU/	1,500-2,499 SF	456	2296						
Brow Art 23	Kiosk	4560KSK	150	10/1/2011	8/1/2020	8.8	3.9	64,540	$430.27
Icy Bar	Kiosk	4564KSK	200	5/1/2018	4/1/2023	4.9	6.6	41,671	$208.36
Gloria Jean's Coffee	Kiosk	4570KSK	200	2/1/2011	1/1/2020	8.9	3.3	67,345	$336.73
TEMP TENANT - PERPETUAL VA	Kiosk	4576KSK	120						
Sunshine Mart	<1,500 SF	460	899	3/1/2016	2/1/2020	3.9	3.4	57,338	$63.78
Relax Magic	1,500-2,499 SF	462	1,550	10/1/2015	9/1/2018	2.9	1.9	77,868	$50.24
Mrs. Fields Cookies/TCBY	Kiosk	4622KSK	255	4/1/2012	4/1/2022	10.0	5.6	12,979	$50.90
T-Mobile	Kiosk	4636KSK	120	7/1/2017	6/1/2018	0.9	1.7	104,936	$874.47
Subway	Food Court	464	853	8/1/2016	7/1/2019	2.9	2.8	72,002	$84.41
Sunshine Cellular	Kiosk	4656KSK	120	11/1/2015	7/1/2020	4.7	3.8	80,492	$670.77
Parfum De Couture	Kiosk	4658KSK	150	6/1/2017	4/1/2023	5.8	6.6	57,792	$385.28
Louie's Tux Shop	<1,500 SF	466	1,063	2/1/2017	1/1/2020	2.9	3.3	40,249	$37.86
KB Jewelery	Kiosk	4660KSK	150	4/1/2013	4/1/2023	10.0	6.6	65,275	$435.17
VACANT - SPEC TENANT	Kiosk	4670KSK	120	5/1/2018	4/1/2025	6.9	8.6	2,227	$18.56
Geen Fields	1,500-2,499 SF	468	2,417	3/1/2005	1/1/2018	12.8	1.3	156,498	$64.75
(PEX) Cooper's Hawk Winery & I	Restaurant	500	9,139	8/1/2012	1/1/2028	15.4	11.4	477,980	$52.30
(PEX) Porkchop	Restaurant	512	4,243	7/1/2007	1/1/2027	19.5	10.4	167,683	$39.52
Brow Art 23	<1,500 SF	516	396	2/1/2016	1/1/2021	4.9	4.3	52,158	$131.71

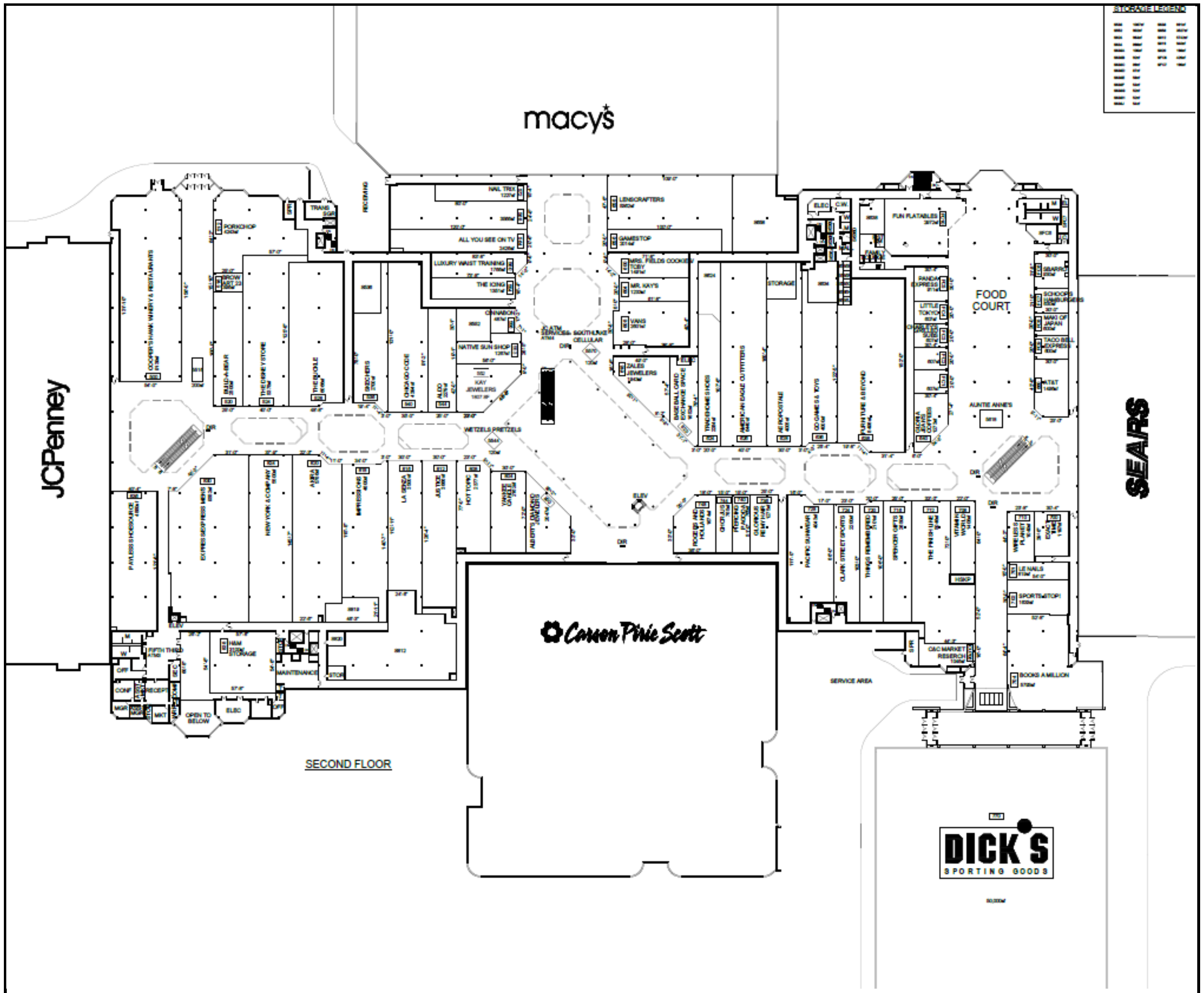
Build a Bear Workshop	2,500-4,999 SF	520	2,500	7/1/2014	6/1/2024	9.9	7.8	223,389	$89.36
Disney Store	5,000-9,999 SF	524	5,378	2/1/2016	1/1/2019	2.9	2.3	223,295	$41.52
The Buckle	5,000-9,999 SF	528	6,066	12/1/2013	1/1/2025	11.1	8.4	437,597	$72.14
Sketchers	2,500-4,999 SF	536	2,700	5/1/2011	4/1/2021	9.9	4.6	161,987	$60.00
TEMP TENANT - PERPETUAL VA	2,500-4,999 SF	540	4394						
Aldo	1,500-2,499 SF	544	2,279	2/1/2011	1/1/2018	6.9	1.3	175,143	$76.85
Kay Jewelers	Jewelry	552	1,807	11/1/2016	1/1/2026	9.2	9.4	279,822	$154.85
TEMP TENANT - PERPETUAL VA	<1,500 SF	553	1267						
Icing	<1,500 SF	554	1,326	2/1/2017	1/1/2021	3.9	4.3	60,431	$45.57
Wetzel's Pretzels	Kiosk	5544KSK	100	9/1/2016	8/1/2019	2.9	2.9	34,382	$343.82
Cinnabon	<1,500 SF	556	480	2/1/2015	1/1/2025	9.9	8.4	166,054	$345.95
Southlake Cellular	Kiosk	5570KSK	120	8/1/2016	6/1/2021	4.8	4.7	61,877	$515.64
TEMP TENANT - PERPETUAL VA	Kiosk	5590KSK	1						
TEMP TENANT - PERPETUAL VA	1,500-2,499 SF	560	1766						
Auntie Anne's	Kiosk	5618KSK	300	5/1/2003	6/1/2023	20.1	6.8	87,310	$291.03
TEMP TENANT - PERPETUAL VA	1,500-2,499 SF	564	2410						
TEMP TENANT - PERPETUAL VA	1,500-2,499 SF	5,650	1766						
TEMP TENANT - PERPETUAL VA	2,500-4,999 SF	568	3566						
Nail Trix	<1,500 SF	572	1,227	6/1/2014	1/1/2021	6.6	4.3	96,908	$78.98
(MAJ) Dick's Sporting Goods	Jr. Anchor	5,860	50,000	10/1/2006	1/1/2022	15.3	5.3	775,000	$15.50
(ANC) JC Penney (LL owned)	Owned Anchor	5,877	166,145	10/1/2014	9/1/2019	4.9	3.0	1,413,894	$8.51
(ANC) Macy's (unowned)	Unowned Anchor	5,890	164,574	11/1/1978	1/1/2036	57.2	19.5	149,763	$0.91
(ANC) Carson (LL owned)	Owned Anchor	5,903	138,640	10/1/1976	1/1/2036	59.3	19.5	69,320	$0.50
(ANC) Sears (unowned)	Unowned Anchor	5,907	216,982	10/1/1974	1/1/2036	61.3	19.5	18,274	$0.08
Mrs Fields Cookies/TCBY	<1,500 SF	600	1,491	5/1/2012	4/1/2022	9.9	5.6	104,776	$70.27
Mr Kay's	<1,500 SF	604	1233	11/1/2017	12/1/2020	3.1	4.2	43,544	$35.32
Vans	2,500-4,999 SF	608	2,601	4/1/2013	4/1/2023	10.0	6.6	202,526	$77.86
Zales Jewelers	Jewelry	618	1,943	5/1/2003	1/1/2018	14.7	1.3	310,776	$159.95
Gymboree	1,500-2,499 SF	620	1,646	2/1/2016	1/1/2019	2.9	2.3	82,004	$49.82
Tradeshow Shoes	1,500-2,499 SF	624	2,284	10/1/2011	1/1/2022	10.3	5.3	110,448	$48.36
American Eagle Outfitters	5,000-9,999 SF	626	6,440	2/1/2011	1/1/2021	9.9	4.3	588,396	$91.37
Aeropostale	2,500-4,999 SF	628	4,005	1/1/2017	1/1/2019	2.0	2.3	137,011	$34.21
TEMP TENANT - PERPETUAL VA	5,000-9,999 SF	638	8498						
Gloria Jean's Coffee	<1,500 SF	640	1,273	2/1/2015	1/1/2019	3.9	2.3	127,110	$99.85
GameStop	1,500-2,499 SF	656	2,000	2/1/2017	1/1/2020	2.9	3.3	114,186	$57.09
Lenscrafters	5,000-9,999 SF	658	5,359	5/1/2008	1/1/2018	9.7	1.3	386,733	$72.17
AT&T	<1,500 SF	660	1,496	12/1/2015	1/1/2026	10.1	9.4	149,130	$99.69
Exact Time	<1,500 SF	700	1,197	10/1/2008	6/1/2018	9.7	1.7	118,279	$98.81
Le Nails	<1,500 SF	701	819	6/1/2003	6/1/2018	15.0	1.7	66,581	$81.30
TEMP TENANT - PERPETUAL VA	1,500-2,499 SF	702	1633						
(PEX) Books a Million	5,000-9,999 SF	704	5,793	9/1/2014	10/1/2019	5.1	3.0	138,820	$23.96
TEMP TENANT - PERPETUAL VA	<1,500 SF	706	1046						
Vitamin World	<1,500 SF	708	1,408	2/1/2002	1/1/2023	20.9	6.3	113,654	$80.72
Wireless Planet	<1,500 SF	710	1,049	6/1/2017	7/1/2022	5.1	5.8	104,030	$99.17
Finish Line	5,000-9,999 SF	712	5,043	7/1/2015	6/1/2025	9.9	8.8	333,720	$66.17
Spencer Gifts	2,500-4,999 SF	716	2,650	8/1/2010	7/1/2020	9.9	3.8	213,959	$80.74
Things Remembered	1,500-2,499 SF	720	2,101	2/1/2017	1/1/2018	0.9	1.3	72,378	$34.45
Clark Street Sports	1,500-2,499 SF	724	2,200	9/1/2017	9/1/2022	5.0	6.0	121,302	$55.14
PacSun	2,500-4,999 SF	728	3,998	4/1/2016	1/1/2021	4.8	4.3	179,990	$45.02
TEMP TENANT - PERPETUAL VA	<1,500 SF	736	1275						
Piercing Pagoda	<1,500 SF	740	765	2/1/2016	1/1/2019	2.9	2.3	94,413	$123.42
TEMP TENANT - PERPETUAL VA	<1,500 SF	744	765						
Rogers & Holland Jewelers	Jewelry	750	1,674	10/1/2015	12/1/2025	10.2	9.3	31,018	$18.53
Albert's Diamond Jewelers	Jewelry	800	2,047	8/1/2012	6/1/2019	6.8	2.7	232,914	$113.78
Yankee Candle	1,500-2,499 SF	804	2,162	2/1/2012	1/1/2022	9.9	5.3	237,878	$110.03
Hot Topic	1,500-2,499 SF	808	2,376	12/1/2007	1/1/2018	10.1	1.3	202,242	$85.12
Justice	2,500-4,999 SF	812	3,866	6/1/2008	6/1/2018	10.0	1.7	239,391	$61.92
La Senza	2,500-4,999 SF	816	3,500	10/1/2016	1/1/2027	10.3	10.4	246,820	$70.52
TEMP TENANT - PERPETUAL VA	2,500-4,999 SF	818	4800						
Akira	5,000-9,999 SF	820	5,786	3/1/2015	2/1/2020	4.9	3.4	216,107	$37.35
New York & Co	5,000-9,999 SF	824	5,500	6/1/2011	4/1/2021	9.8	4.6	396,454	$72.08
Express and Express Men	5,000-9,999 SF	830	9,352	12/1/2002	1/1/2023	20.1	6.3	724,871	$77.51
Payless Shoesource	2,500-4,999 SF	836	4,846	7/1/2017	1/1/2020	2.5	3.3	262,248	$54.12
TEMP TENANT - PERPETUAL VA	Kiosk	9032KSK	1						
VACANT - SPEC TENANT	2,500-4,999 SF	BU636	4000						
(OUT) VACANT GANDER	Medical Office	DFLP-1A	39996						
VACANT - SPEC TENANT	Food Court	FC1	607						
VACANT - SPEC TENANT	Food Court	FC2	607						
Charley's Philly Steaks	Food Court	FC3	607	9/1/2017	6/1/2022	4.8	5.8	86,811	$143.02
Little Tokyo	Food Court	FC4	607	2/1/2017	9/1/2026	9.6	10.1	93,085	$153.35
Panda Express	Food Court	FC5	911	2/1/2012	1/1/2022	9.9	5.3	145,843	$160.09
Sbarro	Food Court	FC6	925	11/1/2015	10/1/2020	4.9	4.1	183,467	$198.34
Schoop's Hamburgers	Food Court	FC7	630	6/1/2015	5/1/2025	9.9	8.7	83,031	$131.80
Maki of Japan	Food Court	FC8	600	2/1/2014	1/1/2024	9.9	7.4	149,389	$248.98
Taco Bell Express	Food Court	FC9	600	3/1/2009	6/1/2019	10.3	2.7	78,966	$131.61

(OUT) Kohl's	Owned Anchor	FL2A	90,356	3/1/1993	2/1/2023	29.9	6.4	351,183	$3.89
(OUT) Potbelly Sandwich Works	Fast Casual	FL381	2,200	2/1/2016	1/1/2021	4.9	4.3	124,146	$56.43
(OUT) Chipotle Mexican Grill	Fast Casual	FL382	2,787	2/1/2017	1/1/2022	4.9	5.3	171,680	$61.60
(OUT) Chili's Grill & Bar	Restaurant	FL5A	5,450	2/1/1994	6/1/2024	30.3	7.8	116,031	$21.29
(OUT) Scottrade	Outparcel	FLS128	1,751	2/1/2016	1/1/2019	2.9	2.3	135,870	$77.60
(OUT) Buffalo Wild Wings	Restaurant	FSU14	6,000	3/1/2007	1/1/2027	19.8	10.4	240,100	$40.02
(OUT) VACANT - SPEC TENANT	Fast Casual	FSU2OL	5950						
(OUT) Olive Garden	Restaurant	Ground	8,900	11/1/1988	3/1/2029	40.3	12.6	185,032	$20.79
(OUT) Jared's	Outparcel	Ground-	5,700	10/1/2005	1/1/2026	20.3	9.4	507,642	$89.06
(OUT) AMC	Theater	Ground-2	45,476	5/1/2006	5/1/2021	15.0	4.7	682,140	$15.00
(OUT) Fifth Third Bank	Bank Outparcel	LAND01	3,800	7/1/2006	1/1/2027	20.5	10.4	292,410	$76.95
(OUT) Chick-Fil-A	Fast Casual	LAND48	4,863	10/1/2011	1/1/2022	10.3	5.3	211,102	$43.41
(OUT) Red Robin	Restaurant	REST01	6,500	10/1/2006	1/1/2027	20.3	10.4	246,529	$37.93
(OUT) Starbucks	Fast Casual	REST05A	2,000	2/1/2017	1/1/2022	4.9	5.3	109,300	$54.65
	<1,500 SF	29	30,851			8.06	5.20	$92,975	$98.08
	1,500-2,499 SF	21	43,170			7.54	3.72	$158,735	$75.56
	2,500-4,999 SF	26	96,462			9.29	6.01	$205,181	$59.90
	5,000-9,999 SF	19	125,445			8.65	5.21	$341,141	$53.27
	Over 10,000 SF	3	58,176			10.42	8.04	$609,241	$38.55
	Jewelry	6	11,491			9.22	4.95	$220,955	$114.30
	Food Court	10	6,947			7.77	5.85	$111,574	$156.45
	Kiosk	18	2,495			6.77	4.99	$56,871	$393.76
	Restaurant	6	40,232			24.28	10.50	$238,893	$35.31
	Jr. Anchor	1	50,000			15.25	5.33	$775,000	$15.50
	Theater	1	45,476			15.00	4.65	$682,140	$15.00
	Fast Casual	5	17,800			6.25	5.08	$154,057	$54.02
	Outparcel	6	19,419			9.71	4.06	$247,164	$74.56
	Medical Office	1	39,996			n/a	n/a	n/a	n/a
	Owned Anchor	3	395,141			31.36	9.64	$611,466	$4.30
	Unowned Anchor	2	381,556			59.21	19.53	$84,019	$0.50
	Bank Outparcel	1	3,800			20.50	10.40	$292,410	$76.95
	Total	**158**	**1,368,457**						

The following pages present the current lease plan.



LEVEL ONE LEASE PLAN



LEVEL TWO LEASE PLAN

POTENTIAL GROSS AND RENTAL INCOME

Potential gross income is generated by a number of distinct components: minimum rent determined by leases, additional overage rent based upon a percent of retail sales, reimbursement income in which certain expenses incurred in the ownership and operation of the mall are recovered, and other miscellaneous income including temporary tenant leasing. We first examine the subject's potential rental income via an analysis of market rent and the subject tenancy and contractual income.

ESTIMATE OF MARKET RENT

Regional malls typically earn a majority of income from the fixed base, or minimum rent charged for the rental of mall-owned anchor and major spaces and inline stores. Generally, the configuration and total gross leasable area is continually changing as tenants move in, expand, downsize, and relocate throughout the mall. For the purposes of our appraisal, the breakdown of gross leasable tenant space by size and use category is illustrated in the following table. In addition, the percent of occupancy and vacancy by space category is also displayed.

SOUTHLAKE MALL SPACE SUMMARY

	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
<1,500 SF	30,851	23,389	7,462	75.8%	24.2%
1,500-2,499 SF	43,170	31,264	11,906	72.4%	27.6%
2,500-4,999 SF	96,462	75,850	20,612	78.6%	21.4%
5,000-9,999 SF	125,445	116,947	8,498	93.2%	6.8%
Over 10,000 SF	58,176	58,176	0	100.0%	0.0%
Jewelry	11,491	11,491	0	100.0%	0.0%
Food Court	6,947	5,733	1,214	82.5%	17.5%
Kiosk	2,495	2,253	242	90.3%	9.7%
Restaurant	13,382	13,382	0	100.0%	0.0%
Outparcel Restaurant	26,850	26,850	0	100.0%	0.0%
Jr. Anchor	50,000	50,000	0	100.0%	0.0%
Theater	45,476	45,476	0	100.0%	0.0%
Fast Casual	17,800	17,800	0	100.0%	0.0%
Outparcel	19,419	6,631	12,788	34.1%	65.9%
Medical Office	39,996	0	39,996	0.0%	100.0%
Owned Anchor including Kohl's	256,501	256,501	0	100.0%	0.0%
Unowned Anchor	520,196	520,196	0	100.0%	0.0%
Bank Outparcel	3,800	3,800	0	100.0%	0.0%
Total Mall	1,368,457	1,265,739	102,718	92.5%	7.5%
Total Mall-Owned	848,261	745,543	102,718	87.9%	12.1%
Total Mall Shop (Less outparcels, anchors)	388,419	338,485	49,934	87.1%	12.9%

Analysis prepared by NPV Advisors

The three most widely accepted techniques for estimating market rent for retail space at regional centers are:

1. Perform a cost-of-occupancy analysis relating retail sales levels for reporting tenants by size or use categories to achievable market rents. This is referred to as *Occupancy Cost Analysis*.
2. Group recent leases within the subject into various sizes and use categories and calculate a market rent based on weighted averages. This includes an analysis of average rent, recent leasing, and current leasing activity. This is referred to as *Subject Lease Analysis*.
3. Compare leases signed by the same or similar types of tenants on a space category basis in regional centers on a regional basis. This is referred to as *Comparative Lease Analysis*.

In estimating a market rent for the subject, we employed all three techniques when appropriate. It should be noted that the *Comparative Lease Analysis* methodology is most widely used by developers, owners and property managers. These individuals have greater accessibility to this type of data, which includes rent rolls or lease documents from other regional malls. Appraisers typically do not have access to this information as it is generally considered propriety in nature. Nonetheless, we were able to compile a number of recent lease deals in comparable regional malls throughout the United States.

OCCUPANCY COST ANALYSIS

It is a widely held retail industry belief that retail sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the pro rata share of recoverable expenses (common area maintenance, real estate taxes, etc.) tenants can afford to pay. In their entirety, these charges are known as occupancy cost or health ratio and are expressed as a percentage of sales volume.

In an *Occupancy Cost Analysis*, a reasonable cost of occupancy range is established by applying industry occupancy cost ranges to projected retail sales levels. In this regard, it is generally believed that inline tenants can pay approximately ten to 20 percent of total retail sales for occupancy costs. Costs of occupancy above 25 percent send out a red flag and may signal a tenant's inability to meet lease obligations. Most inline retailers will not lease space unless the occupancy cost is under 20 percent. We note that many retailers have become more comfortable with higher health ratios due to the synergy between the retailer's "brick and mortar" store and online sales as consumers like having a physical store to support internet purchases. Thus, the metrics have begun to shift upwards. Based on discussions with management/ownership of regional- and super-regional malls and our general knowledge of retailer's operations, the following occupancy cost guidelines are established.

OCCUPANCY COST GUIDELINES	
Shop (Inline) Sales Levels	**Supportable Occupancy Cost**
Less than $250 PSF	9.0% - 11.0%
$250 to $300 PSF	11.0% - 13.0%
$300 to $350 PSF	13.0% - 14.0%
Over $350 PSF	14.0% - 20.0%
Analysis prepared by NPV Advisors	

Furthermore, based on a survey of Class A-/B malls located throughout the country, we have established the following average sales levels and occupancy cost statistics.

CLASS A-/B REGIONAL MALL REGIONAL MALL AVERAGE COMP STORE SALE / OCCUPANCY COSTS		
Property Location	Average Comp Store Sales PSF	Occupancy Cost
Salt Lake City Metro Area	$309.31	12.7%
Chicago Metro Area	$314.00	10.2%
Denver Metro Area	$316.22	12.3%
Southern California	$328.23	16.9%
Mobile Metro Area	$341.05	11.4%
Detroit Metro Area	$348.67	10.4%
Outlying Bay Area	$383.00	15.1%
Houston Metro Area	$408.42	12.8%
Knoxville Metro Area	$421.26	16.4%
Chicago Metro Area	$458.00	12.5%
Minneapolis Metro Area	$482.36	14.0%
Chicago Metro Area	$505.91	13.6%
Analysis prepared by NPV Advisors		

The current occupancy cost for Class A-/B regional malls range from 10.2 percent to 16.9 percent.

SUBJECT SALES AND OCCUPANCY COST ANALYSIS

The subject's reported total sales and comparable store sales are shown in the following tables. The comparable sub-set sales group includes ***ONLY*** tenants that have reported sales and occupancy costs between 2014 and the Trailing 12 months ending September 2017. Total mall sales includes all reporting tenants on any given year. As such, the total sales figures are not a comparable sub-set. *Further, please note that our methodology is based on a weighted average by category reported, which differs from SRP management's sales metrics and therefore is not comparable to their reported figures.*

The next table summarizes the total mall, total mall shop <10,000 square feet and the comparable sub-set (all tenants reporting for all periods).

SOUTHLAKE MALL RETAIL SALES ANALYSIS								
Year End	**2014**	**COO**	**2015**	**COO**	**2016**	**COO**	**2017 T-12**	**COO**
Mall Total	$352.14	14.39%	$353.60	14.41%	$369.69	14.79%	$364.10	20.21%
Mall Shop < 10,000 SF	$429.04	16.25%	$431.33	17.70%	$463.73	18.35%	$439.58	20.74%
Comparable Subset	$355.37	14.24%	$377.31	14.02%	$381.88	14.03%	$365.41	14.34%

Source: Management reports
T-12 Month as of September 2017
Analysis prepared by NPV Advisors

Overall, Sales have increased at the mall since 2014. However, sales volumes have declined since year-end 2016 figures, in-line with national trends. The next table summarizes the average occupancy costs and sales by market rent category. We will then follow this with a comparison of the average comparable sub-set analysis, tenant by tenant.

SOUTHLAKE MALL OCCUPANCY COST AND SALES ANALYSIS BY RENT CATEGORY					
Space Category	2014	2015	2016	T-12 September	% Change
Sales PSF for Mall Shop <1,499 SF	$420.52	$470.45	$493.36	$477.80	13.62%
Occ. Cost % for Mall Shop <1,499 SF	22.38%	23.12%	21.62%	21.26%	
Sales PSF for Mall Shop 1,500 - 2,499 SF	$364.48	$379.67	$358.87	$338.10	-7.24%
Occ. Cost % for Mall Shop 1,500 - 2,499 SF	24.3%	25.4%	26.3%	25.5%	
Sales PSF for Mall Shop 2,500 - 4,999 SF	$374.35	$378.43	$364.75	$345.87	-7.61%
Occ. Cost % for Mall Shop 2,500 - 4,999 SF	15.7%	18.4%	17.2%	15.6%	
Sales PSF for Mall Shop 5,000 - 9,999 SF	$331.92	$332.19	$328.41	$320.15	-3.55%
Occ. Cost % for Mall Shop 5,000 - 9,999 SF	15.4%	16.8%	16.9%	16.5%	
Sales PSF for Mall Shop Over 10,000 SF	$346.60	$471.82	$492.93	$426.03	22.92%
Occ. Cost % for Mall Shop Over 10,000 SF	19.7%	9.0%	8.9%	9.6%	
Sales PSF for Restaurant	$503.76	$513.96	$514.05	$376.18	-25.33%
Occ. Cost % for Restaurant	6.4%	6.7%	6.7%	6.4%	
Sales PSF for Jewelry	$978.70	$1,089.18	$1,244.81	$1,217.15	24.36%
Occ. Cost % Jewelry	10.8%	11.4%	10.2%	10.7%	
Sales PSF for Food Court	$734.48	$752.14	$787.88	$753.80	2.63%
Occ. Cost % for Food Court	22.0%	22.9%	22.0%	23.1%	
Sales PSF for Kiosk	$2,476.26	$2,382.15	$2,533.75	$2,013.95	-18.67%
Occ. Cost % for Kiosk	34.7%	22.2%	40.0%	39.1%	
Sales PSF for Fast Casual	$499.22	$515.15	$511.08	$250.14	-49.89%
Occ. Cost % for Fast Casual	9.8%	11.1%	11.6%	4.5%	
Sales PSF for Outparcel	$158.78	$220.94	$202.78	$183.05	15.29%
Occ. Cost % for Outparcel	20.2%	13.3%	15.1%	17.3%	
Sales PSF for Jr. Anchor	$208.77	$197.38	$197.76	$199.04	-4.66%
Occ. Cost % for Jr. Anchor	6.9%	7.4%	7.3%	7.8%	
Total Comparable Mall Shop Sales	**$355.37**	**$377.31**	**$381.88**	**$365.41**	**2.82%**
Occ. Cost % for Total Mall	**14.2%**	**14.0%**	**14.0%**	**14.3%**	
Compiled by: NPV Advisors					

The next table summarizes a comparable sub-set sales and occupancy cost for all tenants in occupancy that reported sales between 2014 and the trailing 12 months. Sales have increased since 2014 for all tenants in occupancy and reporting sales between 2014 and the trailing 12 months. This is a positive sign since a number of national retailers have posted sales declines.

HISTORICAL SALES AND OCCUPANCY COST BY COMPARABLE SUB-SET												
Name	Space No.	SF	Sales T-12 9/17	Occ Cost T-12 9/17	Sales 2016	Occ Cost 2016	Sales 2015	Occ Cost 2015	Sales 2014	Occ Cost 2014	% Change Sales	% Change COO
Lane Bryant	276	8,107	$78.46	3.16%	$86.70	15.49%	$91.10	14.74%	$104.92	12.80%	-25.2%	-75.3%
Chilis Grill & Bar	FL5A	5,450	$511.45	5.02%	$507.56	5.06%	$512.49	5.01%	$529.43	5.43%	-3.4%	-7.5%
Albert's Diamond Jewelers	800	2,047	$1,928.46	5.96%	$1,948.31	5.80%	$1,772.55	6.19%	$1,615.52	6.00%	19.4%	-0.6%
Hollister	224	6,874	$233.22	6.86%	$218.63	7.32%	$217.05	13.28%	$213.59	29.62%	9.2%	-76.8%
Jareds	GROUND-	5,700	$1,229.87	7.39%	$1,222.71	7.43%	$1,218.75	6.94%	$1,082.11	6.92%	13.7%	6.7%
Kay Jewelers	AL140	1,830	$1,948.83	7.76%	$1,744.80	8.54%	$1,387.70	9.85%	$1,152.95	10.83%	69.0%	-28.3%
Dicks Sporting Goods	GROUND-	50,000	$199.04	7.79%	$197.76	7.33%	$197.38	7.35%	$208.77	6.95%	-4.7%	12.1%
Cooper's Hawk Winery & Restaura	500	9,139	$629.61	8.15%	$631.36	7.52%	$623.25	7.47%	$587.37	7.77%	7.2%	4.9%
Victoria's Secret	116	12,365	$910.50	8.55%	$1,045.79	7.44%	$1,040.38	7.41%	$877.88	7.82%	3.7%	9.3%
rue21	100	6,803	$176.93	8.88%	$177.64	8.59%	$194.55	7.62%	$227.35	6.33%	-22.2%	40.4%
Aeropostale	628	4,005	$382.58	8.94%	$432.06	0.0%	$408.28	18.08%	$491.51	12.32%	-22.2%	-27.4%
Buffalo Wild Wings	FSU14	6,000	$409.13	9.85%	$416.15	9.54%	$427.76	9.14%	$404.01	8.25%	1.3%	19.4%
Forever 21	250	23,096	$166.66	10.11%	$181.59	9.28%	$167.43	9.88%	$62.16	26.12%	168.1%	-61.3%
Potbelly Sandwich Works	FL3B1	2,200	$567.02	10.25%	$575.76	10.09%	$548.03	9.95%	$493.85	9.40%	14.8%	9.0%
Bath & Body Works	DU816	3,500	$621.12	10.39%	$802.33	13.17%	$898.45	8.61%	$865.42	8.00%	-28.2%	29.9%
Red Robin	REST01	6,500	$391.08	10.39%	$376.47	10.58%	$365.03	10.71%	$367.53	9.01%	6.4%	15.3%
Foot Locker	124	5,500	$644.20	10.55%	$609.96	10.89%	$590.98	10.99%	$503.95	11.37%	27.8%	-7.2%
DTLR	416	3,874	$471.82	10.90%	$466.17	10.71%	$444.83	10.89%	$342.12	14.14%	37.9%	-22.9%
Akira	820	5,786	$317.79	11.62%	$306.97	11.83%	$295.80	11.82%	$236.13	14.58%	34.6%	-20.3%
Disney Store, The	524	5,378	$305.81	12.26%	$332.20	11.29%	$354.73	15.76%	$379.92	12.33%	-19.5%	-0.6%
Electronics Boutique	656	2,000	$479.64	12.51%	$512.18	12.04%	$556.43	10.87%	$533.01	8.81%	-10.0%	41.9%
Champs Sports	CL300	7,149	$580.21	12.69%	$613.85	11.79%	$544.63	12.70%	$547.89	11.07%	5.9%	14.6%
J. B. Robinson Jewelers	552	2,862	$1,098.05	12.73%	$1,394.41	9.88%	$916.43	15.40%	$930.61	14.07%	18.0%	-9.5%
Things Remembered	720	2,101	$267.82	12.86%	$256.43	19.49%	$246.14	20.30%	$284.97	27.49%	-6.0%	-53.2%
Lids	AL132	757	$1,039.35	12.93%	$1,051.82	12.63%	$914.88	14.26%	$819.93	14.49%	26.8%	-10.8%
Visionworks	AL104	3,488	$541.55	13.03%	$523.94	13.30%	$599.41	11.31%	$547.94	10.36%	-1.2%	25.8%
Gloria Jean's Coffees Kiosk	9018	200	$2,669.23	13.09%	$2,764.34	12.25%	$2,670.19	12.56%	$2,592.08	12.42%	3.0%	5.4%
T-Mobile 4636	9025	120	$6,561.48	13.27%	$11,159.04	7.80%	$9,227.79	9.17%	$10,265.98	7.51%	-36.1%	76.8%
Books-A-Million	704	5,793	$176.58	13.30%	$194.38	11.73%	$201.41	11.00%	$97.78	21.99%	80.6%	-39.5%
Gymboree	BU620	1,646	$358.71	13.89%	$333.98	14.92%	$326.39	22.51%	$348.58	18.96%	2.9%	-26.7%
AMC	GROUND-	45,476	$107.76	13.92%	$115.18	12.15%	$123.52	11.33%	$120.32	11.64%	-10.4%	19.6%
Teavana	400	882	$765.06	13.95%	$735.63	14.27%	$598.24	17.04%	$675.04	12.49%	13.3%	11.6%
Piercing Pagoda	CU740	765	$858.43	14.01%	$848.66	13.97%	$882.03	13.25%	$699.24	15.34%	22.8%	-8.7%
Finish Line	CU712	5,043	$450.65	14.79%	$503.14	12.95%	$478.72	12.63%	$462.17	11.49%	-2.5%	28.7%
Vans	608	2,601	$526.49	14.80%	$488.34	15.78%	$483.42	15.47%	$477.98	13.33%	10.1%	11.0%
Kids Foot Locker	152	2,500	$485.06	14.88%	$535.32	13.19%	$572.14	12.07%	$472.98	12.84%	2.6%	15.9%
LensCrafters	BU658	5,359	$477.92	14.96%	$499.78	14.13%	$526.74	13.05%	$548.42	10.45%	-12.9%	43.2%
PacSun	CU728	3,998	$300.25	14.99%	$284.71	15.81%	$330.77	19.66%	$398.87	14.20%	-24.7%	5.6%
Rogers & Hollands Jewelers	750	1,674	$662.28	15.02%	$653.18	14.98%	$586.72	16.68%	$480.24	11.92%	37.9%	26.0%
Schoop's Hamburgers	FC7	630	$866.41	15.06%	$890.58	14.23%	$854.76	14.39%	$853.77	13.71%	1.5%	9.9%
Journeys	DL412	1,918	$451.93	15.51%	$545.67	30.14%	$640.59	12.18%	$520.41	13.09%	-13.2%	18.5%
Hot Topic	DU808	2,376	$578.11	15.61%	$681.70	13.10%	$703.27	12.43%	$634.93	11.52%	-8.9%	35.4%
Exact Time	700	1,197	$656.12	15.74%	$674.53	15.10%	$649.95	15.22%	$529.78	16.05%	23.8%	-1.9%
Zumiez	236	3,420	$395.10	16.12%	$404.03	15.62%	$420.70	14.73%	$410.19	12.93%	-3.7%	24.7%
Charley's Grilled Subs	FC3	607	$880.42	16.12%	$817.19	22.04%	$793.35	22.05%	$756.85	21.25%	16.3%	-24.1%
Wetzel's Pretzels	328	627	$788.24	16.49%	$908.39	13.72%	$932.68	13.36%	$835.04	13.66%	-5.6%	20.7%
Sunglass Hut	340	870	$587.75	17.11%	$583.47	16.83%	$593.00	16.17%	$534.42	15.82%	10.0%	8.1%
Louie's Tux Shop	466	1,063	$395.94	17.26%	$400.84	16.59%	$304.76	21.22%	$279.21	16.63%	41.8%	3.8%
The Children's Place	156	3,500	$362.86	17.37%	$350.53	17.84%	$316.77	19.15%	$330.88	15.40%	9.7%	12.8%
fye	CL308	4,272	$308.98	17.84%	$334.06	16.41%	$320.05	16.57%	$305.23	14.62%	1.2%	22.1%
Gloria Jean's Coffees	640	1,273	$491.18	18.16%	$518.60	16.75%	$510.47	25.03%	$488.27	16.82%	0.6%	7.9%
Parfum De Couture	9022	150	$2,114.57	18.51%	$2,079.91	22.17%	$2,005.82	21.90%	$2,070.59	20.20%	2.1%	-8.4%
Express and Express Men	830	9,352	$397.29	19.42%	$399.49	19.06%	$456.20	16.67%	$424.63	15.78%	-6.4%	23.0%
Fred Meyer Jewelers	212	2,190	$487.58	19.97%	$483.74	19.80%	$473.58	19.64%	$412.52	20.11%	18.2%	-0.7%

Icing, The	554	1,326	$222.93	20.04%	$243.15	32.71%	$251.82	31.57%	$270.23	26.00%	-17.5%	-22.9%
Windsor Fashions	312	4,073	$241.22	20.13%	$252.60	18.87%	$231.15	20.24%	$212.46	20.11%	13.5%	0.1%
Tradehome Shoes	624	2,284	$264.24	21.23%	$266.91	20.91%	$291.10	18.60%	$281.66	15.85%	-6.2%	34.0%
Auntie Anne's	9250	300	$1,367.21	21.36%	$1,540.23	18.54%	$1,728.74	15.96%	$1,644.86	16.22%	-16.9%	31.7%
Payless Shoesource	836	4,846	$189.96	21.58%	$208.54	28.40%	$228.71	25.30%	$227.14	23.01%	-16.4%	-6.2%
Taco Bell Express	FC9	600	$862.47	21.66%	$895.24	20.21%	$850.54	20.47%	$854.42	18.31%	0.9%	18.3%
Subway	464	853	$387.46	21.79%	$445.09	18.96%	$442.99	22.22%	$415.75	19.86%	-6.8%	9.7%
Panda Express	FC5	911	$922.95	22.40%	$948.52	21.45%	$882.50	22.36%	$842.67	21.63%	9.5%	3.6%
American Eagle Outfitters	626	6,440	$402.93	22.59%	$425.53	21.18%	$435.17	20.72%	$401.70	19.52%	0.3%	15.8%
Spencer Gifts	716	2,650	$365.25	22.86%	$384.99	21.41%	$409.99	19.54%	$417.17	16.44%	-12.4%	39.0%
Cinnabon	556	480	$1,470.16	23.01%	$1,537.60	21.39%	$1,519.17	21.06%	$1,434.13	21.06%	2.5%	9.2%
Justice	812	3,866	$268.62	23.30%	$283.98	22.03%	$307.12	20.11%	$373.97	14.25%	-28.2%	63.5%
Journeys Kidz	200	1,485	$306.32	23.47%	$328.14	21.91%	$313.64	22.25%	$222.99	23.82%	37.4%	-1.5%
Aldo	544	2,279	$338.83	23.55%	$343.61	22.95%	$345.99	22.15%	$334.85	19.29%	1.2%	22.1%
Nail Trix	572	1,227	$340.08	24.15%	$310.44	26.19%	$235.28	33.57%	$125.67	50.85%	170.6%	-52.5%
Sunshine Mart	460	899	$128.72	24.24%	$126.28	23.76%	$103.91	29.20%	$120.55	23.97%	6.8%	1.1%
Mrs. Fields Cookies/TCBY	600	1,491	$275.04	24.70%	$310.69	25.75%	$317.02	24.54%	$289.55	22.29%	-5.0%	10.8%
Vitamin World	708	1,408	$293.22	25.88%	$324.20	23.09%	$360.16	21.97%	$303.51	23.05%	-3.4%	12.3%
Locker Room by Lids	304	2,800	$252.72	26.09%	$249.04	26.25%	$233.15	27.23%	$214.64	24.42%	17.7%	6.8%
KB Jewelers	9050	150	$1,701.95	26.28%	$1,733.50	24.78%	$1,465.20	27.92%	$1,573.81	25.15%	8.1%	4.5%
Charming Charlie	108	7,871	$124.74	26.43%	$145.54	22.66%	$158.20	19.85%	$206.20	11.63%	-39.5%	127.3%
Green Fields	468	2,417	$250.49	27.46%	$244.89	27.86%	$241.35	27.79%	$237.86	22.09%	5.3%	24.3%
Portrait Innovations	1619	2,227	$199.89	27.58%	$224.65	23.96%	$271.75	19.34%	$317.47	15.67%	-37.0%	76.0%
Le Nails	701	819	$305.83	28.33%	$304.02	28.20%	$300.90	27.67%	$293.35	23.13%	4.3%	22.5%
Maki Of Japan	FC8	600	$865.04	29.20%	$968.85	25.61%	$863.68	27.78%	$824.05	27.08%	5.0%	7.8%
Skechers	536	2,700	$222.49	29.21%	$220.64	29.22%	$246.57	25.38%	$233.44	22.08%	-4.7%	32.3%
General Nutrition Center	BL208	1,673	$271.01	31.38%	$302.13	27.84%	$357.49	30.50%	$348.99	26.62%	-22.3%	17.9%
Sbarro	FC6	925	$622.63	31.90%	$669.60	29.67%	$675.74	28.62%	$690.03	29.78%	-9.8%	7.1%
Claire's	CL332	1,975	$362.23	33.73%	$353.76	33.97%	$364.12	32.47%	$359.36	29.59%	0.8%	14.0%
New York & Company	824	5,500	$219.56	33.95%	$224.13	32.84%	$224.38	32.70%	$242.70	25.59%	-9.5%	32.7%
Charlotte Russe	CL318	6,331	$211.76	33.97%	$198.56	35.44%	$203.80	33.78%	$255.82	22.80%	-17.2%	49.0%
Yankee Candle	804	2,162	$289.31	39.33%	$309.35	36.15%	$343.51	31.61%	$366.35	26.26%	-21.0%	49.8%
Brow Art 23	516	396	$222.12	55.68%	$237.00	50.63%	$243.63	46.71%	$258.35	42.20%	-14.0%	32.0%
Comp Set		**4,345**	**$365.41**	**14.34%**	**$381.88**	**14.03%**	**$377.31**	**14.02%**	**$355.37**	**14.24%**	**2.8%**	**0.7%**

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The next table summarizes occupancy costs comps by market rent category and also serves at a data point in our concluded occupancy cost percentages.

SURVEY OF OCCUPANCY COST BY MARKET RENT CATEGORY											
Category	Mall A	Mall B	Mall C	Mall D	Mall E	Mall F	Mall G	Mall H	Mall I	Mall J	Average
Mall Shop <1,000 SF	17.21%	20.70%	24.80%	18.60%	16.00%	18.48%	23.51%	23.21%	20.80%	26.57%	20.99%
Mall Shop 1,000 to 2,499 SF	23.20%	20.92%	18.00%	13.90%	24.00%	19.37%	16.27%	25.62%	20.10%	22.78%	20.42%
Mall Shop 2,500 to 4,999 SF	26.10%	20.63%	18.80%	18.40%	23.00%	22.39%	17.73%	23.00%	18.90%	27.03%	21.60%
Mall Shop 5,000 to 10,000 SF	21.60%	22.47%	18.00%	12.20%	25.00%	15.02%	14.26%	23.04%	16.70%	20.55%	18.88%
Mall Shop >10,000 SF	9.80%	23.79%	n/a	22.60%	18.67%	15.24%	13.50%	27.36%	17.00%	23.92%	19.10%
Restaurant	17.80%	n/a	7.60%	8.20%	9.00%	13.59%	7.46%	n/a	11.45%	12.30%	10.93%
Jewelry	13.30%	11.67%	12.80%	10.00%	12.00%	11.95%	11.68%	12.23%	10.00%	14.03%	11.97%
Kiosk	n/a	15.43%	16.90%	n/a	8.00%	17.33%	24.89%	22.17%	n/a	18.40%	17.59%
Food Court	28.90%	22.56%	22.50%	14.40%	n/a	22.52%	18.51%	n/a	n/a	n/a	21.57%
Owned Anchor	n/a	0.69%	n/a	n/a	n/a	n/a	19.72%	0.21%	n/a	0.27%	5.22%

Analysis prepared by NPV Advisors

It is generally accepted that the higher the sales volume (on a per square foot basis) the higher the health ratio. Based on the sales volumes generated, we have considered an occupancy cost range between 13 and 19 percent for mall shops at the subject. We have utilized 20 to 25 percent ratios for the food court, kiosk and theater. Restaurants, junior anchor, outparcel and fast casual space types have been processed with 10 to 12 percent OCR. The OCR is applied to the average retail sales per square foot for each leasing category to derive a sustainable tenant leasing cost (rent plus expense recovery). To isolate the base rent, we deduct the market expense recovery per leasing category. The following table summarizes our analysis. We have utilized our pro forma sales volumes based on all tenants reporting sales per category.

SOUTHLAKE MALL RETAIL SALES LEVEL / COST OF OCCUPANCY ANALYSIS									
Space Category	Pro Forma Yr Sales/SF[1]	Occupancy Cost %		Total Available Rent/SF		Pro Forma Yr.[1] Recoveries/SF[2]	Pro Forma Minimum Rent/ SF Range		Average Rent/SF
<1,500 SF	$478	13%	15%	$62.11	$71.67	$21.00	$41.11	$50.67	$45.89
1,500-2,499 SF	$338	13%	15%	$43.95	$50.71	$21.00	$22.95	$29.71	$26.33
2,500-4,999 SF	$346	13%	19%	$44.96	$65.72	$21.00	$23.96	$44.72	$34.34
5,000-9,999 SF	$320	13%	19%	$41.62	$60.83	$21.00	$20.62	$39.83	$30.22
Over 10,000 SF	$426	13%	19%	$55.38	$80.95	$21.00	$34.38	$59.95	$47.17
Jewelry	$1,217	13%	19%	$158.23	$231.26	$21.00	$137.23	$210.26	$173.74
Food Court	$754	20%	25%	$150.76	$188.45	$21.00	$129.76	$167.45	$148.61
Kiosk	$2,014	20%	25%	$402.79	$503.49	$0.00	$402.79	$503.49	$453.14
Restaurant	$376	10%	12%	$37.62	$45.14	$10.00	$27.62	$35.14	$31.38
Jr. Anchor	$199	10%	12%	$19.90	$23.88	$0.00	$19.90	$23.88	$21.89
Theater	$108	20%	25%	$21.60	$27.00	$0.00	$21.60	$27.00	$24.30
Fast Casual	$250	10%	12%	$25.01	$30.02	$10.00	$15.01	$20.02	$17.52
Outparcel	$183	10%	12%	$18.31	$21.97	$10.00	$8.31	$11.97	$10.14
Owned Anchor	$143	3%	5%	$4.29	$7.15	$0.00	$4.29	$7.15	$5.72

[1] Based on the projected stabilized sales levels per leasing category.
[2] Based on anticipated expense recovery of CAM and real estate taxes per leasing category.
Complied by NPV Advisors

SUBJECT LEASE ANALYSIS

This methodology involves estimating market rent via the analysis of the subject's recent leasing activity. This is typically done by separating the leases into size and use categories and then calculating the average rental rate in each category. The following table summarizes the recent leasing activity for the subject property by space type.

SOUTHLAKE - RECENT LEASE TABLE												
					Lease Term		Remaining	Current Gross Rent		Current Net Rent		Expense
Tenant Name	Space Category	Suite No.	GLA (SF)	Start	End	Years	Term	Annual	PSF	Annual	PSF	Basis
Wetzel's Pretzels	<1,500 SF	328	627	2/1/2017	1/1/2027	9.9	10.4	$83,140	$132.60	$83,140	$132.60	Gross
Sunglass Hut	<1,500 SF	340	870	7/1/2015	6/1/2020	4.9	3.7	$87,714	$100.82	$71,114	$81.74	Tax Only
Francesca's	<1,500 SF	344	1,160	4/1/2016	4/1/2026	10.0	9.6	$71,461	$61.60	$49,973	$43.08	Tax Only
Shah Jewelers	<1,500 SF	352	1,486	12/1/2016	11/1/2026	9.9	10.2	$139,633	$93.97	$107,973	$72.66	Tax Only
Teavana	<1,500 SF	400	882	5/1/2012	4/1/2022	9.9	5.6	$68,103	$77.21	$51,756	$58.68	Fixed Cam + Pro Rata Tax
Sunshine Mart	<1,500 SF	460	899	3/1/2016	2/1/2020	3.9	3.4	$57,338	$63.78	$28,705	$31.93	Fixed Cam + Pro Rata Tax
Louie's Tux Shop	<1,500 SF	466	1,063	2/1/2017	1/1/2020	2.9	3.3	$40,249	$37.86	$17,603	$16.56	Tax Only
Brow Art 23	<1,500 SF	516	396	2/1/2016	1/1/2021	4.9	4.3	$52,158	$131.71	$44,087	$111.33	Tax Only
Icing	<1,500 SF	554	1,326	2/1/2017	1/1/2021	3.9	4.3	$60,431	$45.57	$60,426	$45.57	Gross
Cinnabon	<1,500 SF	556	480	2/1/2015	1/1/2025	9.9	8.4	$166,054	$345.95	$155,827	$324.64	Tax Only
Mr Kay's	<1,500 SF	604	1233	11/1/2017	12/1/2020	3.1	4.2	$43,544	$35.32	$17,410	$14.12	Tax Only
Gloria Jean's Coffee	<1,500 SF	640	1,273	2/1/2015	1/1/2019	3.9	2.3	$127,110	$99.85	$103,520	$81.32	Tax Only
AT&T	<1,500 SF	660	1,496	12/1/2015	1/1/2026	10.1	9.4	$149,130	$99.69	$121,415	$81.16	Tax Only
Wireless Planet	<1,500 SF	710	1,049	6/1/2017	7/1/2022	5.1	5.8	$104,030	$99.17	$39,726	$37.87	Fixed Cam + Pro Rata Tax
Piercing Pagoda	<1,500 SF	740	765	2/1/2016	1/1/2019	2.9	2.3	$94,413	$123.42	$67,213	$87.86	Fixed Cam + Pro Rata Tax
(OUT) Portrait Innovations	1,500-2,499 SF	1,619	2,227	2/1/2015	1/1/2018	2.9	1.3	$121,437	$54.53	$99,235	$44.56	Tax Only
GNC	1,500-2,499 SF	208	1,673	7/1/2016	6/1/2019	2.9	2.7	$131,683	$78.71	$53,820	$32.17	Fixed Cam + Pro Rata Tax
Journeys	1,500-2,499 SF	220	2,380	9/1/2016	7/1/2026	9.8	9.9	$165,896	$69.70	$130,019	$54.63	Tax Only
T-Mobile	1,500-2,499 SF	428	2,167	10/1/2015	8/1/2020	4.8	3.9	$333,266	$153.79	$293,108	$135.26	Tax Only
Relax Magic	1,500-2,499 SF	462	1,550	10/1/2015	9/1/2018	2.9	1.9	$77,868	$50.24	$54,390	$35.09	Tax Only
Gymboree	1,500-2,499 SF	620	1,646	2/1/2016	1/1/2019	2.9	2.3	$82,004	$49.82	$82,004	$49.82	Gross
GameStop	1,500-2,499 SF	656	2,000	2/1/2017	1/1/2020	2.9	3.3	$114,186	$57.09	$77,120	$38.56	Tax Only
Things Remembered	1,500-2,499 SF	720	2,101	2/1/2017	1/1/2018	0.9	1.3	$72,378	$34.45	$72,379	$34.45	Gross
Clark Street Sports	1,500-2,499 SF	724	2,200	9/1/2017	9/1/2022	5.0	6.0	$121,302	$55.14	$121,308	$55.14	Gross
Maurices	2,500-4,999 SF	228	4,940	8/1/2015	1/1/2026	10.4	9.4	$160,144	$32.42	$160,155	$32.42	Gross
Torrid	2,500-4,999 SF	324	3,000	9/1/2015	1/1/2026	10.3	9.4	$174,118	$58.04	$116,850	$38.95	Tax Only
Jimmy Jazz	2,500-4,999 SF	424	4,101	11/1/2016	9/1/2026	9.8	10.1	$146,406	$35.70	$146,406	$35.70	Gross
Aeropostale	2,500-4,999 SF	628	4,005	1/1/2017	1/1/2019	2.0	2.3	$137,011	$34.21	$137,011	$34.21	Gross
PacSun	2,500-4,999 SF	728	3,998	4/1/2016	1/1/2021	4.8	4.3	$179,990	$45.02	$179,990	$45.02	Gross
La Senza	2,500-4,999 SF	816	3,500	10/1/2016	1/1/2027	10.3	10.4	$246,820	$70.52	$143,500	$41.00	Fixed Cam + Pro Rata Tax
Payless Shoesource	2,500-4,999 SF	836	4,846	7/1/2017	1/1/2020	2.5	3.3	$262,248	$54.12	$198,638	$40.99	Tax Only
Hollister	5,000-9,999 SF	224	6,874	2/1/2016	1/1/2019	2.9	2.3	$109,984	$16.00	$109,984	$16.00	Gross
Lane Bryant	5,000-9,999 SF	276	8,107	4/1/2017	3/1/2018	0.9	1.4	$200,586	$24.74	$0	$0.00	Tax Only
Bath & Body Works	5,000-9,999 SF	408	5,869	10/1/2016	1/1/2027	10.3	10.4	$396,275	$67.52	$223,022	$38.00	Fixed Cam + Pro Rata Tax
DTLR	5,000-9,999 SF	416	7726	12/1/2017	11/1/2027	9.9	11.2	$274,968	$35.59	$274,968	$35.59	Gross
Disney Store	5,000-9,999 SF	524	5,378	2/1/2016	1/1/2019	2.9	2.3	$223,295	$41.52	$223,295	$41.52	Gross
Finish Line	5,000-9,999 SF	712	5,043	7/1/2015	6/1/2025	9.9	8.8	$333,720	$66.17	$257,697	$51.10	Tax Only
Akira	5,000-9,999 SF	820	5,786	3/1/2015	2/1/2020	4.9	3.4	$216,107	$37.35	$125,209	$21.64	Tax Only
(OUT) Potbelly Sandwich Works	Fast Casual	FL381	2,200	2/1/2016	1/1/2021	4.9	4.3	$124,146	$56.43	$93,126	$42.33	Tax Only
(OUT) Chipotle Mexican Grill	Fast Casual	FL382	2,787	2/1/2017	1/1/2022	4.9	5.3	$171,680	$61.60	$132,383	$47.50	Tax Only
(OUT) Starbucks	Fast Casual	REST05A	2,000	2/1/2017	1/1/2022	4.9	5.3	$109,300	$54.65	$91,960	$45.98	Tax Only
Subway	Food Court	464	853	8/1/2016	7/1/2019	2.9	2.8	$72,002	$84.41	$72,002	$84.41	Gross
Charley's Philly Steaks	Food Court	FC3	607	9/1/2017	6/1/2022	4.8	5.8	$86,811	$143.02	$75,565	$124.49	Tax Only
Little Tokyo	Food Court	FC4	607	2/1/2017	9/1/2026	9.6	10.1	$93,085	$153.35	$81,836	$134.82	Tax Only
Panda Express	Food Court	FC5	911	2/1/2012	1/1/2022	9.9	5.3	$145,843	$160.09	$106,423	$116.82	Fixed Cam + Pro Rata Tax
Sbarro	Food Court	FC6	925	11/1/2015	10/1/2020	4.9	4.1	$183,467	$198.34	$166,324	$179.81	Tax Only
Schoop's Hamburgers	Food Court	FC7	630	6/1/2015	5/1/2025	9.9	8.7	$83,031	$131.80	$83,034	$131.80	Gross
J.B. Robinson Jewelers	Jewelry	140	1,830	2/1/2016	1/1/2021	4.9	4.3	$262,142	$143.25	$198,610	$108.53	Fixed Cam + Pro Rata Tax
Kay Jewelers	Jewelry	552	1,807	11/1/2016	1/1/2026	9.2	9.4	$279,822	$154.85	$216,515	$119.82	Fixed Cam + Pro Rata Tax

Rogers & Holland Jewelers	Jewelry	750	1,674	10/1/2015	12/1/2025	10.2	9.3	$136,598	$81.60	$102,851	$61.44	Tax Only
Cricket Authorized	Kiosk	4542KSK	100	3/1/2017	1/1/2020	2.8	3.3	$39,056	$390.56	$38,497	$384.97	Tax Only
Piercing Pagoda	Kiosk	4550KSK	168	5/1/2016	4/1/2021	4.9	4.6	$65,102	$387.51	$58,368	$347.43	Fixed Cam + Pro Rata Tax
Wireless Planet	Kiosk	4556KSK	120	9/1/2017	8/1/2022	4.9	5.9	$68,087	$567.39	$61,085	$509.04	Fixed Cam + Pro Rata Tax
Icy Bar	Kiosk	4564KSK	200	5/1/2018	4/1/2023	4.9	6.6	$41,671	$208.36	$32,000	$160.00	Fixed Cam + Pro Rata Tax
T-Mobile	Kiosk	4636KSK	120	7/1/2017	6/1/2018	0.9	1.7	$104,936	$874.47	$102,491	$854.09	Tax Only
Sunshine Cellular	Kiosk	4656KSK	120	11/1/2015	7/1/2020	4.7	3.8	$80,492	$670.77	$78,046	$650.38	Tax Only
Parfum De Couture	Kiosk	4658KSK	150	6/1/2017	4/1/2023	5.8	6.6	$57,792	$385.28	$48,932	$326.21	Fixed Cam + Pro Rata Tax
Wetzel's Pretzels	Kiosk	5544KSK	100	9/1/2016	8/1/2019	2.9	2.9	$34,382	$343.82	$33,823	$338.23	Tax Only
Southlake Cellular	Kiosk	5570KSK	120	8/1/2016	6/1/2021	4.8	4.7	$61,877	$515.64	$59,431	$495.26	Tax Only
(OUT) Scottrade	Outparcel	FLS128	1,751	2/1/2016	1/1/2019	2.9	2.3	$135,870	$77.60	$116,547	$66.56	Tax Only
(MAJ) H&M	Over 10,000 SF	438	22,715	2/1/2015	1/1/2026	10.9	9.4	$465,885	$20.51	$465,885	$20.51	Gross
	<1,500 SF	15	15,005			6.36	5.82	$89,634	$103.23	$67,993	$81.41	
	1,500-2,499 SF	9	17,944			3.91	3.62	$135,558	$67.05	$109,265	$53.30	
	2,500-4,999 SF	7	28,390			7.15	7.02	$186,677	$47.15	$154,650	$38.33	
	5,000-9,999 SF	7	44,783			5.96	5.69	$250,705	$41.27	$173,454	$29.12	
	Over 10,000 SF	1	22,715			10.92	9.39	$465,885	$20.51	$465,885	$20.51	
	Jewelry	3	5,311			8.08	7.67	$226,187	$126.57	$172,658	$96.60	
	Food Court	6	4,533			7.00	6.12	$110,707	$145.17	$97,531	$128.69	
	Kiosk	9	1,198			4.08	4.45	$61,488	$482.64	$56,964	$451.73	
	Restaurant											
	Jr. Anchor											
	Theater											
	Fast Casual	3	6,987			4.92	4.99	$135,042	$57.56	$105,823	$45.27	
	Outparcel	1	1,751			2.92	2.29	$135,870	$77.60	$116,547	$66.56	
	Medical Office											
	Owned Anchor											
	Unowned Anchor											
	Bank Outparcel											

Average Rent Per Category: We also provide an analysis of the average contract rent per leasing category. In the instance of the subject, we have projected the gross rent as the majority of the tenants are only paying pro rata share of taxes with the CAM charges built into the base rent. The following table summarizes the average rent per leasing category.

AVERAGE GROSS RENT SUMMARY			
	Average Gross Contact Rent Per Category	Average Adjusted Gross Rent after Standard Deduction	
Space Category	Rate/SF/Yr	Rate/SF/Yr	Expense Reimbursements
<1,500 SF	$98.08	$76.08	Prorate RET
1,500 - 2,499 SF	$75.56	$53.56	Prorate RET
2,500-4,999 SF	$59.90	$37.90	Prorate RET
5,000-9,999 SF	$53.27	$31.27	Prorate RET
Over 10,000 SF	$38.55	$16.55	Prorate RET
Jewelry	$114.30	$92.30	Prorate RET
Food Court	$156.45	$134.45	Prorate RET
Kiosk	$393.76	$371.76	Gross
Restaurant	$35.31	$25.31	Fixed RET
Jr. Anchor	$15.50	$55.00	Gross
Theater	$15.00	$450.00	Gross
Fast Casual	$54.02	$44.02	Fixed RET
Outparcel	$74.56	$64.56	Fixed RET
Medical Office	N/A	N/A	Gross
Owned Anchor	$4.30	$4.30	Gross
Bank Outparcel	$76.95	$66.95	Fixed RET

*The average adjusted gross rent after standard deduction is equal to gross rent less the standard RET only recovery.

Compiled by: NPV Advisors

COMPARABLE LEASE ANALYSIS

This method involves estimating market rent via an analysis of recent leasing activity at comparable malls throughout the nation. Given the confidential nature of these lease comparables, we have not identified the center at which the retailers are located, but this information is maintained in our work files. The following table provides a summary of the average rent for recent leases (last 24 months) by space category.

CLASS A-/B SUPER-REGIONAL MALL LEASE COMPARABLE SUMMARY								
Location		**Inline > 20,000 SF**	**Inline 10,000 - 19,999 SF**	**Inline 5,000 - 9,999 SF**	**Inline 2,000 - 4,999 SF**	**Inline 1,000 - 1,999 SF**	**Inline < 1,000 SF**	**Food Court**
Mobile, AL	Range	NAV	NAV	$9.14 - $42.00	$16.00 - $62.78	$27.32 - $50.00	$21.00 - $68.95	NAV
	Average	$20.00	NAV	$24.84	$32.57	$42.62	$55.14	NAV
Provo, UT	Range	$52.00 - $67.89	$20.00 - $68.32	$8.59 - $24.00	$11.00 - $24.01	$18.00 - $47.99	$25.12 - $117.42	$60.81 - $240.52
	Average	$60.69	$41.86	$13.80	$19.41	$33.27	$49.34	$113.95
Salt Lake City, UT	Range	NAV	$32.25 - $40.40	$10.78 - $17.95	$9.31 - $24.71	$16.14 - $35.00	$16.34 - $40.62	$38.00 - $58.17
	Average	NAV	$36.44	$16.69	$19.28	$26.65	$27.88	$51.56
Denver, CO	Range	NAV	$52.00 - $60.00	$11.36 - $27.33	$9.00 - $35.70	$15.80 - $52.17	$39.14 - $110.00	$32.18 - $198.00
	Average	NAV	$55.92	$20.41	$20.34	$33.36	$71.78	$80.79
Houston, TX	Range	NAV	NAV	$2.05 - $29.83	$2.25 - $29.85	$30.91 - $98.61	$9.11 - $126.95	$85.74 - $191.54
	Average	NAV	NAV	$41.84	$48.10	$54.66	$77.03	$136.96
San Diego, CA	Range	NAV	$29.00 - $57.05	$6.70 - $34.46	$5.29 - $38.84	$5.00 - $88.21	$6.59 - $189.91	NAV
	Average	NAV	$43.03	$19.26	$24.30	$43.65	$54.59	NAV
Detroit, MI	Range	NAV	$15.00 - $24.37	$17.00 - $30.00	$9.86 - $33.00	$18.42 - $39.00	$34.72 - $124.61	NAV
	Average	NAV	$20.02	$22.99	$19.46	$31.57	$40.66	NAV
Knoxville, TN	Range	$52.00 - $67.89	$20.00 - $68.32	$18.86 - $56.81	$29.13 - $61.93	$7.08 - $90.42	$33.90 - $170.00	$60.81 - $240.52
	Average	$60.69	$41.86	$35.80	$43.02	$55.29	$87.78	$113.95
Fairfield, CA	Range	$19.39	$20.00	$26.00 - $31.91	$7.96 - $44.11	$24.09 - $87.55	$48.76 - $131.84	$64.63 - $197.24
	Average	$19.39	$20.00	$28.73	$33.30	$255.13	$81.78	$130.48
Chicago, IL	Range	NAV	NAV	$21.00 - $65.00	$23.00 - $65.00	$33.09 - $85.20	$32.00 - $90.00	$76.00 - $132.44
	Average	NAV	$27.00	$40.76	$45.66	$50.11	$56.19	$106.97
Chicago, IL	Range	NAV	$0.00-$20.00	$5.15-$26.50	NAV	NAV	NAV	$45.10-$81.00
	Average	$11.54	$13.00	$15.37	NAV	NAV	NAV	$54.28
Chicago, IL	Range	NAV	$21.25-$24.48	$30.74-$48.80	$25.69-$76.96	$24.69-$56,71	$37.50-$125.00	$79.84-$88.00
	Average	NAV	$23.50	$42.21	$29.16	$47.41	$87.88	$83.81
	Total average	**$31.95**	**$31.15**	**$26.89**	**$30.42**	**$61.25**	**$62.73**	**$96.97**

Source: Independent research performed by NPV Advisors

LOCAL LEASE COMPARABLES

We have also considered local lease comparables for the subject's outparcels. The former Gander Mountain will be re-tenanted with medical office users and the following asking rents and actual leases were utilized in our analysis.

SUMMARY OF MEDICAL OFFICE RENT COMPARABLES								
No.	Property/Location	List Date	Year Built	Building Size (SF)	Available Area (SF)	Rent $ PSF/Yr.	Expense Basis	Term (Yrs.)
1	521 East 86th Avenue Merrillville, IN	4Q17	1979	32,792	2,670	$16.00	Gross	Neg.
	Comments: This comparable represents a 2,670-square foot medical office with five exam rooms, reception area, waiting room, and private offices.							
2	8500 Broadway Merrillville, IN	4Q17	1975	12,300	5,200	$13.00	Gross	3 - 5 years
	Comments: This comparable represents a 5,200-square foot space that was previously occupied by a chiropractic practice.							
3	8528 Broadway Merrillville, IN	4Q17	1992	13,437	8,500	$12.00	Gross	3 - 5 years
	Comments: This 8,500-square foot space is currently demised into 10 exam rooms, nurses stations, and private							
4	8300 Broadway Merrillville, IN	4Q17	1980	17,000	2,250	$12.00	Gross	Neg.
	Comments: This space includes a total of seven rooms. Asking rent includes all utilities except electricity.							
5	8691 Connecticut Street Merrillville, IN	4Q17	1978	7,118	2,170	$16.00	Gross	1 - 5 years
	Comments: This first-floor space is located in close proximity to Methodist Southlake Hospital.							
	Minimum	---	1975	7,118	2,170	$12.00	---	
	Maximum	---	1992	32,792	8,500	$16.00	---	
	Average	---	1981	16,529	4,158	$13.80	---	---

Source: Independent market study performed by NPV Advisors

LEASE COMPARABLES									
Property	Location	Tenant	Lease Type	Building Square Feet	Office SF	Start Date	Term (Years)	NNN Rent	Steps
2150 Gettler Street	Dyer, IN	Franciscan Physicians Network	Direct	67,658	3,221	Dec-17	5.00	$19.50	--
2150 Gettler Street	Dyer, IN	Cardio Specialist Group	Direct	67,658	3,261	Mar-17	10.00	$19.50	--
322 Indianapolis Boulevard	Schererville, IN	Jay Platt Oral Surgery & Dental	Direct	23,459	3,582	Jun-16	5.00	$16.50	--
1310-1340 Wisconsin Street	Hobart, IN	Michiana Hematology Oncology	Direct	16,300	3,500	Apr-16	7.00	$15.00	2.0%
11400-11426 Broadway	Crown Point, IN	Center for Pain Control	Direct	13,192	1,922	Jan-16	2.00	$15.00	--
Minimum				**13,192**			**2.00**	**$15.00**	**2.0%**
Maximum				**67,658**			**10.00**	**$19.50**	**2.0%**
Averages				**37,653**			**5.80**	**$17.10**	**2.0%**

Notes: Tenants noted with * are NNN equivalent rental rates. Compiled by NPV Advisors

Based on the actual and asking rents, we feel that a market rent for the medical office would be reasonable estimated at $15.00 per square foot, gross.

The next table summarizes outparcel comparables of retail and restaurant space throughout the region.

SUMMARY OF RENT COMPARABLES									
No.	Property/Location	List Date	Year Built	Building Size (SF)	Available Area (SF)	Annual Rent $ PSF/Yr.	Expense Basis	Term (Yrs.)	Escalations
1	28-33 East Sibley Boulevard Hammond, IN	4Q17	2004	10,010	2,257	$15.00	NNN	Neg.	Neg.
	Comments: This space is a unit located in an out parcel of a Strack & Van Til's grocery store. The building is also occupied by BMO Harris Bank.								
2	9939 Wicker Avenue Saint John, IN	4Q17	2007	9,604	1,300	$21.00	NNN	Neg.	Neg.
	Comments: This 1,300-square foot space is located in an out parcel building that also includes Starbucks and Jimmy John's.								
3	2710 Laporte Avenue Valparaiso, IN	4Q17	2006	17,890	1,820	$35.00	NNN	Neg.	Neg.
	Comments: This comparable is an outparcel of the Valparaiso Marketplace. Other retailers in the building include Panera Bread and American Mattress.								
4	6129 US Highway 6 Portage, IN	4Q17		7,500	3,000	$30.00	NNN	Neg.	Neg.
	Comments: This comparable is an outparcel of a shopping center anchored by Wal-Mart and Lowe's.								
	Minimum	---	2004	7,500	1,300	$15.00	---		---
	Maximum	---	2007	17,890	3,000	$35.00	---		---
	Average	---	2006	11,251	2,094	$25.25	---	---	---

Source: Independent market study performed by NPV Advisors

MARKET RENT CONCLUSION

Based on the preceding discussions, the following table summarizes our conclude market rent terms.

SOUTHLAKE MARKET RENT CONCLUSION

	Occupancy Cost Rent Average	Average Gross Contact Rent Per Category	Average Adjusted Gross Rent after Standard Deduction	Gross Recent Leases at Subject			Net Recent Lease Average	Concluded Market Rent		Base Rent		Tenant Allowances
				Low	High	Average						
Space Category	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Rate/SF/Yr	Term (Yrs)	Escalation	Expense Reimbursements	PSF
<1,500 SF	$45.89	$98.08	$76.08	$37.86	$345.95	$103.23	$81.41	$80.00	7	2.5%	Prorate RET	$20.00
1,500 - 2,499 SF	$26.33	$75.56	$53.56	$34.45	$153.79	$67.05	$53.30	$50.00	7	2.5%	Prorate RET	$20.00
2,500-4,999 SF	$34.34	$59.90	$37.90	$13.00	$155.76	$47.15	$38.33	$30.00	7	2.5%	Prorate RET	$20.00
5,000-9,999 SF	$30.22	$53.27	$31.27	$16.00	$67.52	$41.27	$29.12	$25.00	7	2.5%	Prorate RET	$20.00
Over 10,000 SF	$47.17	$38.55	$16.55	$20.51	$20.51	$20.51	$20.51	$20.00	7	2.5%	Prorate RET	$20.00
Jewelry	$173.74	$114.30	$92.30	$131.80	$154.85	$126.57	$96.60	$125.00	7	2.5%	Prorate RET	$20.00
Food Court	$148.61	$156.45	$134.45	$84.41	$198.34	$145.17	$128.69	$130.00	7	2.5%	Prorate RET	$20.00
Kiosk	$453.14	$393.76	$371.76	$208.36	$874.47	$482.64	$451.73	$400.00	7	2.5%	Gross	$20.00
Restaurant	$31.38	$35.31	$25.31	N/A	N/A	N/A	N/A	$28.00	10	10% Mid-term	Fixed RET	$75.00
Jr. Anchor	$21.89	$15.50	$55.00	N/A	N/A	N/A	N/A	$15.00	10	10% Mid-term	Gross	$20.00
Theater	$24.30	$15.00	$450.00	N/A	N/A	N/A	N/A	$20.00	5	10% Mid-term	Gross	$20.00
Fast Casual	$17.52	$54.02	$44.02	$54.65	$61.60	$57.56	$61.80	$40.00	10	10% Mid-term	Fixed RET	$75.00
Outparcel	$10.14	$74.56	$64.56	$77.60	$77.60	$77.60	$66.56	$50.00	10	10% Mid-term	Fixed RET	$75.00
Medical Office	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$15.00	5	Flat	Gross	$20.00
Owned Anchor	$5.72	$4.30	$4.30	N/A	N/A	N/A	$32.78	$5.50	10	10% Mid-term	Gross	$20.00
Bank Outparcel	N/A	$76.95	$66.95	N/A	N/A	N/A	N/A	$80.00	10	10% Mid-term	Fixed RET	$75.00

*The average adjusted gross rent after standard deduction is equal to gross rent less the standard RET only recovery.

The estimated market rents will be employed upon turnover of existing leases and upon lease-up of vacant space and are based on a ten-year term for all rent categories other than kiosk space. The majority of the market rents will be modeled on a fixed CAM and tax reimbursement but several of the larger space categories are modeled as gross rents. Further, all categories include 3.0 percent annual rent escalations.

The next table analyzes the average contract rent versus our concluded market rent.

CONTRACT VERSUS MARKET RENT

Space Category	Average Gross Contact Rent Per Category Rate/SF/Yr	Concluded Gross Market Rent Rate/SF/Yr	Percent Difference
<1,500 SF	$98.08	$102.00	4.0%
1,500 - 2,499 SF	$75.56	$72.00	-4.7%
2,500-4,999 SF	$59.90	$52.00	-13.2%
5,000-9,999 SF	$53.27	$47.00	-11.8%
Over 10,000 SF	$38.55	$42.00	9.0%
Jewelry	$114.30	$147.00	28.6%
Food Court	$156.45	$152.00	-2.8%
Kiosk	$393.76	$400.00	1.6%
Restaurant	$35.31	$38.00	7.6%
Jr. Anchor	$15.50	$15.00	-3.2%
Theater	$15.00	$20.00	33.3%
Fast Casual	$54.02	$50.00	-7.4%
Outparcel	$74.56	$60.00	-19.5%
Bank Outparcel	$76.95	$90.00	17.0%
Weighted Average	$54.29	$52.45	-3.39%

Compiled by: NPV Advisors

CONTRACT RENT

The existing contract rent for all spaces with signed leases is processed in accordance with existing lease terms since it represents a contractual obligation.

ANCHOR ANALYSIS

The subject property is anchored by multiple department stores including Kohl's (ground lease), Carson Pirie Scott, Macy's, JC Penney and Sear's.

Kohl's: This ground lease anchor tenant has been in occupancy at the subject since 1993 and the current term of their lease expires in February 2018. There are multiple options available for this ground lease and they are paying well below market rent. We have assumed that they will remain in occupancy through the investment holding period. Kohl's sales volumes are strong at $175 per square foot and occupancy costs are approximately 2.0 percent. While this retail has recently indicated that they may change there floorplate going forward, based on the strong sales volumes at this location, we feel that there is little risk with this anchor.

Carson Pirie Scott: This anchor tenant is retailer owned and only pays very minimal rent at $0.50 per square foot. This anchor has been at the property since 1976. The current sales are $138 per square foot, or $19,200,000 million. The occupancy cost for this tenant is only 0.4 percent. While Bon Ton credit is not considered strong, this anchor is generating adequate sales. Recapturing this anchor would provide good redevelopment potential for a tenant that is generated very little ($69,000) revenue per year and redevelop with mixed-use that would greatly increase the property's NOI.

Macy's: This anchor is retailer owned and has been an anchor since 1978. The anchor pays fixed CAM of $0.91 per square foot. Macy's does not report sales.

JC Penney: This anchor tenant is landlord owned but only pays very minimal rent at $2.87 per square foot. This anchor has been at the property since 1974 and has a lease expiration of 2019. The anchor has multiple five-year options. The current sales are $129 per square foot, or $21,500,000 million. The occupancy cost for this tenant is 2.4 percent. JC Penney has experienced some modest resurgence and we have assumed that they will remain at the property through the investment holding period.

Sears: This anchor tenant is retailer owned and has been an in occupancy at the property since 1974. The anchor pays very little fixed CAM at $0.09 per square foot. While Sears has not given any indication that they will close this location, there is potential upside in gaining back this anchor, which is considered the least desirable anchor at the property given its outmoded size, appearance and economic contribution. There is significant potential for redevelopment if this store closes and the landlord is successful in taking control of the space.

ANALYSIS OF TENANCY

The following table provides a synopsis of the subject's tenancy profile for tenants over 3,500 square feet accounting for 84 percent of the subject's total gross leasable area followed by a brief discussion of the subject's tenants over 90,000 square feet.

SOUTHLAKE MALL - TENANCY PROFILE

			Moody's[1]			Retail Maxim			
Tenant	GLA	Market Coverage	Bond Rating	Outlook	Grade/ Quality	MAX - WL Ranking[2]	Index Value[3]	Bond Rating Equivalent	Degree of Risk[2]
Sears	216,982	National	Caa3	Negative	Speculative	Negative: Sinkhole	-6.84	B/Caa	High
JC Penney	166,145	National	B1	Stable	Speculative	Positive: Competitive	15.45	Aa/A	Low
Macy's	164,574	National	Baa3	Stable	Investment	Negative: Challenged	5.54	Ba/B	High
Carson's (Bon-Ton Stores, Inc.)	138,640	National	Caa1	Stable	Speculative	Negative: Sinkhole	-4.77	B/Caa	High
Kohl's	90,356	National	Baa2	Stable	Investment	Positive: On-the-Cusp	11.15	Baa	Moderate
Dick's Sporting Goods	50,000	National	NR	--	--	Positive: Competitive	18.18	Aa/A	Low
AMC Entertainment	45,476	National	B2	No Outlook	Speculative	Positive: Competitive	15.02	Aa/A	Low
Forever 21	23,096	National	NR	--	--	--	--	--	--
H&M (Hennes & Mauritz)	22,715	National	NR	--	--	Positive: On-the-Cusp	11.75	Baa	Moderate
Victoria's Secret (L Brands)	12,365	National	Ba1	Stable	Speculative	Positive: On-the-Cusp	12.64	Baa	Moderate
Express and Express Men (Express Inc.)	9,352	National	NR	--	--	Negative: Sinkhole	-1.58	B/Caa	High
Cooper's Hawk Winery & Restaurant	9,139	Regional	NR	--	--	--	--	--	--
Olive Garden (Darden Restaurants)	8,900	National	Baa3	Positive	Investment	Positive: Competitive	14.89	Aa/A	Low
Furniture & Beyond	8,498	Regional	NR	--	--	--	--	--	--
Charming Charlie	7,871	National	Caa1	Negative	Speculative	--	--	--	--
Champs Sports (Foot Locker)	7,149	National	Ba1	Stable	Speculative	--	--	--	--
Hollister Co. (Abercrombie & Fitch)	6,874	National	B1	Stable	Speculative	Negative: Sinkhole	-2.34	B/Caa	High
Rue21	6,803	National	NR	--	--	--	--	--	--
Red Robin	6,500	National	NR	--	--	Negative: Challenged	7.80	Ba/B	High
American Eagle	6,440	National	NR	--	--	Positive: Competitive	16.10	Aa/A	Low
Charlotte Russe	6,331	National	Caa1	Negative	Speculative	Negative: Sinkhole	-8.53	B/Caa	High
The Buckle	6,066	National	NR	--	--	Positive: On-the-Cusp	13.35	Baa	Moderate
Buffalo Wild Wings	6,000	National	NR	--	--	Negative: Challenged	9.19	Ba/B	High
Bath and Body Works (L-Brands)	5,869	National	Ba1	Stable	Speculative	Positive: Competitive	17.95	Aa/A	Low
Books-A-Million	5,793	National	NR	--	--	--	--	--	--
Akira	5,786	Regional	NR	--	--	--	--	--	--
Jared (Signet Jeweler)	5,700	National	NR	--	--	Positive: On-the-Cusp	13.84	Baa	Moderate
Foot Locker	5,500	National	Ba1	Stable	Speculative	Positive: Competitive	15.58	Aa/A	Low
New York & Company	5,500	National	NR	--	--	--	--	--	--
Chili's Grill & Bar (Darden Restaurants)	5,450	Naitonal	Baa3	Positive	Investment	Positive: Competitive	14.89	Aa/A	Low
The Disney Store	5,378	National	A2	Stable	Investment	--	--	--	--
LensCrafters (Luxottica)	5,359	National	A2	Positive	Investment	Positive: Competitive	16.82	Aa/A	Low
Finish Line	5,043	National	NR	--	--	Negative: Challenged	6.87	Ba/B	High
Maurices (Ascena)	4,940	National	Ba3	Negative	Speculative	Negative: Challenged	7.05	Ba/B	High
Chick-fil-a	4,863	National	NR	--	--	--	--	--	--
Payless Inc.	4,846	National	Caa1	Stable	Speculative	Negative: Sinkhole	0.00	B/Caa	High
Bachrach	4,837	National	NR	--	--	--	--	--	--
Impressions	4,800	Local	NR	--	--	--	--	--	--
FYE (Transworld Enert)	4,272	National	NR	--	--	Negative: Sinkhole	1.43	B/Caa	High
Porkchop	4,243	Local	NR	--	--	--	--	--	--
Jimmy Jazz	4,101	National	NR	--	--	--	--	--	--
Aeropostale	4,005	National	NR	--	--	--	--	--	--
PacSun	3,998	National	NR	--	--	Negative: Sinkhole	-8.42	B/Caa	High
DTLR	3,874	Regional	NR	--	--	--	--	--	--
Justice (Ascena)	3,866	National	Ba3	Negative	Speculative	Negative: Sinkhole	-6.84	B/Caa	High
Southlake Bridal	3,852	Local	NR	--	--	--	--	--	--
Fifth Third Bank	3,800	Regional	Baa1	Stable	Investment	--	--	--	--
Fashion 5	3,566	Regional	NR	--	--	--	--	--	--
La Senza	3,500	Regional	NR	--	--	--	--	--	--
The Children's Place	3,500	National	NR	--	--	Positive: Competitive	22.75	Aa/A	Low

Overview	**GLA**	**% of GLA**
Retail Maxim Rated	1,022,059	75.0%
Retail Maxim Positive Rated	439,841	32.3%
Moody's Rated	916,671	67.3%
Moody's Investment Grade	283,817	20.8%

[1]Moody's credit ratings are designed to provide relative rankings and denote forward-looking creditworthiness. Ratings are primarily based on likelihood of default, but additionally consider payment priority, projected recovery, and credit stability. In general, an issuer credit rating addresses the ability and willingness to meet senior, unsecured obligations. Numerical modifiers range from 1 (higher end) to 3 (lower end) for Aa to Caa ratings.

[2]The MAX-WL Index Fundamental Value (formerly the MAXIM Watch List) is a structural index that assesses the overall competitiveness of a retailer's business. The index is a composite of 250 public retail companies from 38 sub-sectors. Values represent the absolute and relative competitiveness for the business and individual segments of operations ranging from merchandising, real estate and capital positions.

[3]Degree of Risk consists of the following components: Market Risk, Operating Risk, Event Risk, Credit Risk and Asset Risk.

Source: Retail Maxim: Alternative Retail Risk Analysis for Alternative Capital May 2017 and Moody's; Compiled by NPV Advisors as of December 2017

The subject is tenanted by a variety of national, regional, and local tenants. Moody's assigns multiple tenants an Investment grade rating, accounting for 20.8 percent of the total gross leasable area. Retail Maxim assigns a positive rating to multiple tenants, accounting for 31.7 percent of the subject's total gross leasable area.

Sears: Sears, a subsidiary of the Sears Holdings Corporation, was founded in 1886 in Chicago by Richard Sears. The company originally sold merchandise via mail order catalogs and opened its first brick-and-mortar store in 1925. Sears merged with Kmart in 2005 following the latter retailer's bankruptcy, and the resultant firm rebranded itself as Sears Holdings Corporation and moved its headquarters to Hoffman Estates, Illinois. Sears Holdings currently operates under the Kmart and Sears brand segments. Over the past several years, Sears has divested or spun off its Sears Canada, Sears Hometown, Sears Outlet, and Lands' End operations. As of July 2017, Sears Holdings operated 1,250 full-line and specialty stores, including 610 Kmart stores and 640 Sears stores. In the first two quarters of fiscal year 2017, Sears Holdings has closed approximately 180 stores and an additional 150 stores are expected to be closed by the end of the 2017 third quarter.

Although it represents the fourth-largest broadline retailer in the US, Sears Holdings was particularly susceptible to the impact of the Great Recession due to its reliance on working-class consumers and its historical strengths in home appliances and other housing-related products. As such, the firm continues to struggle with poor sales and has reported comparable store sales declines for seven consecutive years. Sears has expressed doubt in its ability to stay in business and is attempting to generate liquidity. In fiscal 2016, Sears reported revenue of $22.1 billion, down a significant 12.0 percent from the prior year due in part to a comparable store sales decline of 7.4 percent. Over the same period, the company reported a net loss of over $2.2 billion. In the second quarter of fiscal 2017, Sears reported $4.4 billion in revenue, down 22.8 percent year-over-year. In January 2017, Moody's gave Sear's a Caa2 credit rating with a stable outlook.

JCPenney: JCPenney is an apparel retailer that currently sells its merchandise at 1,095 department stores in 49 states and Puerto Rico, as well as through its ecommerce platform. While many of its competitors draw a mixture of youthful, fashion-conscious shoppers, JCPenney has traditionally attracted older, middle-market consumers with average to slightly below-average incomes, a demographic that remains vulnerable to the lingering effects of the recession. JCPenney is recovering from a rebranding attempt in which it introduced a three-tiered "everyday low prices" strategy that eliminated discounts and coupons. After this failed to resonate with consumers, the retailer did away with the strategy in early 2013. In the second quarter of fiscal 2017, JCPenney reported revenue of $2.96 billion, up 1.37 percent from the previous year. Moody's assigns JCPenney a B3 rating with no outlook. Moody's notes the company's improving market share and operating margins as positive indicators of the JCPenney's performance, but notes that the department store market continues to face challenges including weak mall traffic and market share losses to off-price retailers.

Macy's: Macy's is one of the nation's premier department store chains, offering family apparel, accessories, home furnishings, cosmetics, and other consumer goods in 45 states, the District of Columbia, Guam, and Puerto Rico, as well as from accompanying web sites for each banner. As of January 2017, Macy's operated 673 Macy's locations, 55 Bloomingdale's locations, and 101 Bluemercury locations, and seven Macy's Backstage locations. Macy's Backstage, a concept unveiled in May 2015, offers merchandise from full-line Macy's stores at discounts ranging from 20 percent to 80 percent. More recently, the company has been focusing on its online division and is further developing its omnichannel retail strategy in which physical and online inventories become fully integrated. Macy's offers in-store pickups across all full-line stores and same-day delivery in 17 markets.

For the entirety of fiscal 2016, Macy's reported sales of nearly $25.78 billion, down 4.80 percent from the prior year. Throughout the year, the company opened 27 stores and shuttered 66 stores. Macy's has reported six straight quarters of revenue decline and, as a result, announced in late 2016 that roughly 15 percent of its physical locations were slated for closure. An additional 68 store closures were announced in early 2017. One potential bright spot for Macy's is their expansive real estate holdings; in fiscal 2016, the company generated $673 million from real estate asset sales, over one-third of which came from its Union Square Men's location in San Francisco. The company has identified a further 50 locations where it will attempt to leverage its real estate assets, including the downtown Minneapolis flagship location. Moody's assigns Macy's a Baa3 credit rating with a stable outlook, reflecting the company's good liquidity and clearly stated balance sheet targets, but taking into account the continued weakness in apparel demand within the department store channel.

Carson's (Bon-Ton Stores, Inc.): Founded in 1898 and headquartered in York, Pennsylvania and Milwaukee, Wisconsin, The Bon-Ton Stores operated 260 department stores, including nine furniture galleries, across 24 states in the Northeast, Midwest, and upper Great Plains regions as of 2017. Banners owned by the firm include Younkers, Bergner's, Elder-Beerman, Herberger's, and Carson's. In the second quarter of 2017, Bon-Ton Stores, Inc. reported total sales of $504.4 million, compared to $542.4 million in the second quarter of 2016. The company showed sales growth in their eCommerce platform and Let Us Find It customer service program. There was an increase of $4.8 million in other income to a total of $21.0 million. Bon-Ton Stores, Inc. sites an increase in income with gift card breakage as well as high revenues in the company's proprietary credit card sales. Although Moody's does not assign Carson's a rating, Moody's assigns Carson's parent company, The Bon-Ton Stores Inc. a credit rating of Caa1 with a stable outlook.

Kohl's: Based in Menomonee Falls, Wisconsin, Kohl's is a family-focused, value-oriented specialty department store offering moderately priced exclusive- and national-brand apparel, shoes, and accessories, as well as home and beauty products. As of third quarter 2017, the retailer operated over 1,156 stores in 49 states and employed over 140,000 associates. While typical stores average 88,000 square feet, most of the stores opened in fiscal 2012 ranged from 55,000 to 68,000 square feet. It should be noted in 2016, Kohl's piloted its first 35,000-square foot micro format store. Kohl's is trading in some of the larger cavernous stores into smaller shops in order to maintain its presence in different markets while operating more profitably. Unlike those of its top department store competitors, the majority of Kohl's locations are either freestanding or anchor regional shopping centers. Not only is the retailer's off-mall format more convenient and less costly to operate than mall stores, but it also offers a wider selection of brand-name apparel than discounters such as Target, thereby allowing Kohl's to compete effectively in a very competitive and highly saturated market

In fiscal 2016, Kohl's reported net sales of $18.7 billion, down 2.7 percent from prior-year levels and reflecting comparable store sales growth of negative 2.4 percent. As of April 2016, Moody's assigns the retailer a Baa2 credit rating with a stable outlook, citing the company's weaker performance as off-price retailers continue absorbing more of the company's consumer base, which they expect to continue over the near term.

RENTAL RATE GROWTH

We have considered rental rate forecasts by Costar Analytics, which tracks neighborhood and community retail centers in the region. The following table details projected asking and effective rental rates for the subject's market and submarket.

RENTAL RATES

	Quoted Rent			
	Chicago		Indiana	
Year	Rent/SF/ Yr	Y-o-Y % Change	Rent/SF/ Yr	Y-o-Y % Change
Historical				
2006	$20.56	--	$14.31	--
2007	$20.89	1.62%	$14.65	2.33%
2008	$20.60	-1.40%	$14.43	-1.48%
2009	$19.48	-5.44%	$13.61	-5.68%
2010	$18.54	-4.80%	$13.03	-4.28%
2011	$18.12	-2.26%	$12.71	-2.49%
2012	$17.96	-0.92%	$12.42	-2.29%
2013	$18.21	1.40%	$12.45	0.32%
2014	$18.25	0.24%	$12.44	-0.08%
2015	$18.60	1.91%	$12.63	1.50%
2016	$18.84	1.28%	$12.58	-0.42%
CAGR/Averages	**$19.09**	**-0.87%**	**$13.21**	**-1.29%**
2017 Q3	$18.76	0.12%	$12.32	-1.70%
Forecast				
2017	$18.80	-0.18%	$12.32	-2.06%
2018	$19.11	1.64%	$12.42	0.83%
2019	$19.53	2.18%	$12.60	1.42%
2020	$19.88	1.79%	$12.73	1.07%
2021	$20.10	1.14%	$12.79	0.42%
CAGR		**1.31%**		**0.33%**

Comparison to Prior Quarter

Chicago
$18.86

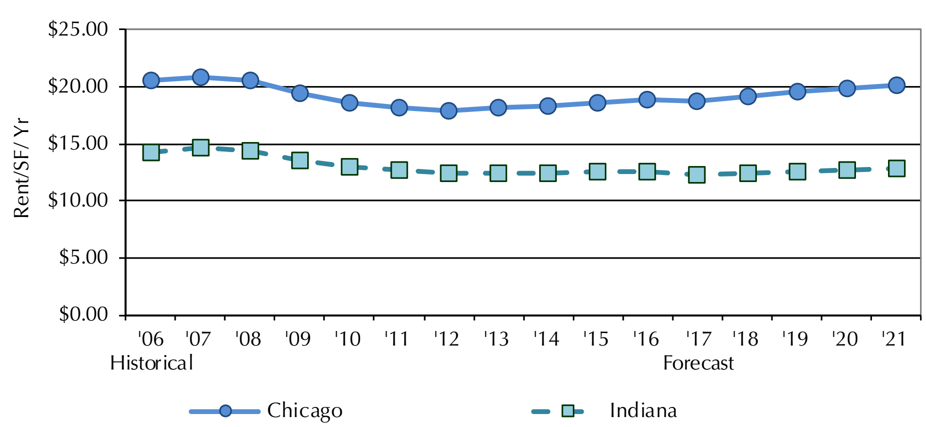
Indiana
$12.48

Comparison to Prior Year

Chicago
$18.74

Indiana
$12.53

Rental Rates



Notes: Quoted rents are asking/listing rates, not achieved. All annual statistics are as of year end. Percent change denotes change from the same period one year prior. CAGR is compound annual growth rate.
Source: Compiled by NPV Advisors as of December 2017 utilizing data that would have been available as of September 30, 2017.

Through 2021, Costar forecasts that asking rents in the submarket will grow at a compound annual rate of 0.33 percent, well above our concluded market growth of three percent. However, it is important to note that this includes outmoded retail space that significantly drags down the growth rate in the market.

PwC Survey indicates market rent growth between 1.00 and 4.00 percent, averaging 2.50 percent. We have concluded to a 3.0 percent inflationary growth rate beginning in year two of our analysis for all tenant spaces. This is the typical rate utilized by investors for this asset class.

SPECIAL LEASE PROVISIONS AND ASSUMPTIONS

The following discussion summarizes unusual lease provisions and assumptions of special note.

Renewal Options: Options to renew at below-market rent may have an impact on the valuation. If such renewals are exercised, they may result in a downward impact on value. To the extent that re-tenanting costs are saved (rent loss during downtime, tenant improvements, and leasing commissions), there may be an advantage in having a tenant renew at a rate below market in order to avoid these costs. Options for only a handful of tenants have been exercised within our analysis.

First Rights of Refusal: First rights of refusal on specified space may be provided to a large tenant or tenants expected to have expansion needs. As such space becomes vacant, it may be difficult to market it to a new tenant if an existing tenant is considering exercising a first right of refusal for the space. However, this problem can usually be minimized if management keeps current on anticipated tenant expansion needs with regard to space affected by first rights of refusal and negotiates early to accommodate the needs of the tenant. For the purposes of this assignment, we have assumed that management will effectively monitor any first right of refusal clauses and as such there will be no material impact on the marketability of vacant space.

Contraction/Termination Options and Co-Tenancy Provisions: We were provided with detailed co-tenancy and kick-out reports for the subject. A number of tenants are subject to co-tenancy clauses ranging between 2 anchors and 65 percent of GLA being occupied to three anchors and 75 percent of GLA being occupied. The subject has five anchors and the current occupancy rate well exceeds the co-tenancy clauses. Further, in the future, if the landlord would redevelop an anchor with a better use for the property, most mall shop tenants would likely amend their leases given the potential to increase mall traffic with better retailers.

The next table summarizes the kick-out clauses that may be triggered in the near future.

SOUTHLAKE MALL KICK-OUT							
Tenant	Leased GLA	Annual Sales Threshold	PSF Sales Threshold	Measuring Period	Remedy	T-12 Month Sales	Risk Level
Forever 21	23,096	$4,000,000	$173	4th Lease Year	If sales threshold is not met, tenant can terminate with 90 days notice.	$3,849,000	Low
Francesca's	1,160	$575,000	$496	5th Lease Year	If sales threshold is not met, tenant can terminate with 90 days notice.	$454,000	Moderate
H&M	22,715	$4,543,000	$200	4th Lease Year	If sales threshold is not met, tenant can terminate with 90 days notice.	$3,975,125	Moderate
Maurices	4,940	$1,250,000	$253	4th Lease Year	If sales threshold is not met, tenant can terminate with 90 days notice.	$881,000	Moderate

Source: Analysis prepared by NPV Advisors

TOTAL RENTAL REVENUE

The total rental income estimate includes the rental income generated from the permanent tenants and does not include overage/percent in lieu rent or specialty leasing income. The following table summarizes the historical rental revenue and our pro forma projection.

TOTAL RENTAL REVENUE		
Year	Total Rental Revenue	PSF
2014	$14,486,641	$14.68
2015	$15,617,047	$15.82
2016	$16,546,932	$16.77
2017 Reforecast	$16,896,798	$17.12
2018 Budget	$17,497,616	$17.73
Pro Forma	$17,521,396	$17.75
NPV Advisors		

As indicated, our conclusion is in-line with rental growth trends at the subject and is reflective of all of the new leasing activity over the past 12 months.

MISCELLANEOUS REVENUE

Other income includes overage rent, expense reimbursements generated from reimbursement of operating expenses by current and hypothetical lease tenants and other miscellaneous income.

Percentage and Overage Rent: Historically, overage rent has ranged between $588,415 and $493,374, and indicate an overall downward trend. This is in-line with the sales decline between year-end 2016 and the T-12 month sales. Further, several of the tenants are percent in lieu deals, as detailed within the rent roll herein. It should be noted that *Argus* does not separate overage rent from tenants that strictly pay percentage rent in lieu of base rent.

OVERAGE/PERCENT IN LIEU RENT		
Year	Overage Rent	PSF
2014	$583,231	$0.59
2015	$579,961	$0.59
2016	$588,415	$0.60
2017 Reforecast	$493,374	$0.50
2018 Budget	$402,451	$0.41
Pro Forma	$563,883	$0.57
NPV Advisors		

Expense Recoveries: The majority of the subject tenants are paying either only pro rata share of RET or are paying fixed CAM and pro rata share of real estate tax. Further, the recent leasing indicates that most common recovery method is pro rata share of taxes only for mall shop tenants. We have concluded to similar structure.

Other Income: Typically includes miscellaneous income from the cart program, specialty leasing, business development, storage rent, parking income, utility recovery income outside of CAM, lease terminations and similar items. The following tables summarize other income by category.

OTHER INCOME SUMMARY												
	Actual 2014		Actual 2015		Actual 2016		Reforecast 2017		Budget 2018		NPV Advisors Pro Forma	
	Total	PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF
REVENUE												
Speciality Leasing Revenue	$2,048,543	$2.08	$2,253,356	$2.28	$2,211,935	$2.24	$2,245,279	$2.28	$2,275,057	$2.31	$2,275,000	$2.31
Marketing Revenue	$503,497	$0.51	$392,472	$0.40	$321,349	$0.33	$307,578	$0.31	$256,460	$0.26	$250,000	$0.25
Consumables	$2,137,048	$2.17	$2,079,234	$2.11	$1,966,733	$1.99	$2,033,789	$2.06	$2,035,789	$2.06	$2,035,000	$2.06
Other Revenue	$18,126	$0.02	$104,625	$0.11	$283,692	$0.29	$4,954	$0.01	$0	$0.00	$25,000	$0.03
Total Revenue	**$4,707,215**	**$4.77**	**$4,829,686**	**$4.89**	**$4,783,709**	**$4.85**	**$4,591,600**	**$4.65**	**$4,567,306**	**$4.63**	**$4,585,000**	**$4.65**

We have concluded to other income at $4,585,000 during year one, weighing both the 2018 budget as well as the historical statements.

RENEWAL PROBABILITY

According to the latest "*PwC Real Estate Investor Survey*," investors are generally projecting renewal probabilities between 65 and 75 percent for similar types of retail properties. Our review of actual underwriting in the local market indicates most investors are using renewal probabilities within this range. We also considered tenant history at the subject and the tenant demand in the market. Further, we have also considered the overall occupancy costs and historical turnover at the property. As a result, we have applied a 70 percent renewal probability to all tenant spaces.

VACANCY LOSS

Vacancy is one measure that reflects demand for space at regional shopping destinations. The subject property's mall shop occupancy rate is approximately 77.5 percent, excluding temporary tenants. The following table summarizes the vacancy within each of the separate market rent categories for mall shop space.

SOUTHLAKE MALL SPACE SUMMARY					
	Total SF	Occupied SF	Vacant SF	Occupancy Rate	Vacancy Rate
<1,500 SF	30,851	23,389	7,462	75.8%	24.2%
1,500-2,499 SF	43,170	31,264	11,906	72.4%	27.6%
2,500-4,999 SF	96,462	75,850	20,612	78.6%	21.4%
5,000-9,999 SF	125,445	116,947	8,498	93.2%	6.8%
Over 10,000 SF	58,176	58,176	0	100.0%	0.0%
Jewelry	11,491	11,491	0	100.0%	0.0%
Food Court	6,947	5,733	1,214	82.5%	17.5%
Kiosk	2,495	2,253	242	90.3%	9.7%
Restaurant	13,382	13,382	0	100.0%	0.0%
Outparcel Restaurant	26,850	26,850	0	100.0%	0.0%
Jr. Anchor	50,000	50,000	0	100.0%	0.0%
Theater	45,476	45,476	0	100.0%	0.0%
Fast Casual	17,800	17,800	0	100.0%	0.0%
Outparcel	19,419	6,631	12,788	34.1%	65.9%
Medical Office	39,996	0	39,996	0.0%	100.0%
Owned Anchor including Kohl's	256,501	256,501	0	100.0%	0.0%
Unowned Anchor	520,196	520,196	0	100.0%	0.0%
Bank Outparcel	3,800	3,800	0	100.0%	0.0%
Total Mall	1,368,457	1,265,739	102,718	92.5%	7.5%
Total Mall-Owned	848,261	745,543	102,718	87.9%	12.1%
Total Mall Shop (Less outparcels, anchors)	388,419	338,485	49,934	87.1%	12.9%
Analysis prepared by NPV Advisors					

In order to estimate vacancy at the subject property, a general assumption was made that 70 percent of the subject's tenants will renew their leases and 30 percent will vacate at expiration. A nine-month vacancy is taken on turnover, thus a rounded average of approximately two months vacancy was incurred on turnover of every mall shop tenant. The following table summarizes the concluded downtime vacancy and credit loss conclusions for the discounted cash flow analysis. It should be noted that this analysis excludes anchor tenants as they are all assumed to remain open at the subject through the cash flow holding period.

MALL SHOP DOWNTIME VACANCY AND CREDIT LOSS				
Type	A Rounded # Mos. Weighted Avg. Downtime	B No. of Months Lease Term	C Total No. of Months Between Leases	D Turnover Vacancy Factor (A/C)
Mall Shop Space	3	84	87	3.4%
Average Turnover Vacancy				2.0%

[1] A = Non-renewal probability x # months downtime if tenant vacates; [2] C = A+B; and [3] D = A/C
Source: NPV Advisors

We have processed a 2.0 percent collection loss to all of the subject tenants with the exception of high risk tenants, which have been applied a credit loss of 5.0 percent.

LEASE-UP ASSUMPTIONS

We have leased-up the vacant spaces at the subject property over a 24 month time period. The space that is currently available for lease is considered largely the least desirable spaces at the subject.

NEAR TERM LEASE EXPIRATION

NEAR-TERM TENANT LEASE EXPIRATIONS SUMMARY

Tenant	Suite	Square Feet	Lease Expiration	Management Comments / Leasing Status	Leasing Assumptions
Lids	132	757	01/31/18	Renewal OFS	Renewal modeled per deal sheet
Zales Jewelers	618	1,943	01/31/18	1 year extension under negotiation	Speculative renewal
Things Remembered	720	2,101	01/31/18	In renewal negotiations	80% Renewal modeled
Portrait Innovations	1619	2,227	01/31/18	Tenant will vacate; marketing space	Vacate upon rollover
Aldo	544	2,279	01/31/18	3 year renewal signed.	Renewal modeled per deal sheet
Hot Topic	808	2,376	01/31/18	2 year renewal under negotiation	Speculative renewal
Green Fields	468	2,417	01/31/18	5 year renewal signed	Modeled per rent roll/status sheet
Visionworks	104	3,488	01/31/18	Renewal OFS	Renewal modeled per deal sheet
Lenscrafters	658	5,359	01/31/18	Renewal under negotiation	80% Renewal modeled
Zumzies	236	3,420	01/31/18	5 year renewal signed	Modeled per rent roll/status sheet
Kohl's	FL2A	90,356	02/28/18	5 year renewal signed	Modeled per rent roll/status sheet
Lane Bryant	276	8,107	03/31/18	% rent renew under negotiation	80% Renewal modeled
T-Mobile	4636	120	06/30/18	Update not provided	Speculative renewal
Le Nails	701	819	06/30/18	5 year renewal OFS	Renewal modeled per deal sheet
Exact Time	700	1,197	06/30/18	Update not provided	Speculative renewal
Justice	812	3,866	06/30/18	Renewal under negotiation	80% Renewal modeled
Champs Sports	300	7,149	06/30/18	2 year extension under negotiation	Speculative renewal
Relax Magic	462	1,550	09/30/18	3 year renewal signed.	Modeled per rent roll/status sheet

SPECIFIC TENANT ASSUMPTIONS

The following table summarizes the specific tenant assumptions utilized in our valuation.

SPECIFIC TENANT ASSUMPTIONS

Tenant	Suite	Square Feet	Management Comments / Leasing Status	NPV Argus Model Assumptions
Lids	132	757	Renewal is out for signature.	Renewal modeled per deal sheet
Portrait Innovations	1619	2,227	Tenant will vacate. Space is being marketed.	Vacate upon rollover
Visionworks	104	3,488	Renewal is out for signature.	Renewal modeled per deal sheet
Le Nails	701	819	5 year renewal is out for signature.	Renewal modeled per deal sheet
DTLR	416	7,726	Tenant comments received for expansion.	Modeled expansion per deal sheet.
Icy Bar	4564	200	New lease out for signature.	Modeled per deal sheet.
Locker Room by Lids	304	2,800	Rent relief signed to 9/19.	Assume relief to end of term 8/23.

NEAR-TERM ROLLOVER

The following table summarizes the actual projected tenant turnover for the holding period of the cash flow.

LEASE EXPIRATION SCHEDULE

	Annual Expiration			Cumulative Expiration		
Year	No. of Tenants	SF	% of Total	No. of Tenants	SF	% of Total
1	12	38,412	3.9%	12	38,412	3.9%
2	15	36,046	3.7%	27	74,458	7.5%
3	14	29,547	3.0%	41	104,005	10.5%
4	15	34,614	3.5%	56	138,619	14.0%
5	14	31,663	3.2%	70	170,282	17.3%

Note: Excludes tenants with favorable options or renewals processed.

Overall, due to significant renewal negotiations underway, there is only modest turnover vacancy during the first several years of the cash flow. We have considered this in our investment rate selection herein.

OPERATING EXPENSE ANALYSIS

We have utilized historical operating statements and the 2018 budget. The following table summarizes the subject's operating data.

INCOME & EXPENSE SUMMARY - SOUTHLAKE MALL	Actual 2014 Total	Actual 2014 PSF	Actual 2015 Total	Actual 2015 PSF	Actual 2016 Total	Actual 2016 PSF	Reforecast 2017 Total	Reforecast 2017 PSF	Budget 2018 Total	Budget 2018 PSF	NPV Advisors Pro Forma Total	NPV Advisors Pro Forma PSF
REVENUE												
Rental Revenue	$14,486,641	$17.08	$15,617,047	$18.41	$16,546,932	$19.51	$16,896,798	$19.92	$17,497,616	$20.63	$17,521,396	$20.66
Overage Rent	$583,231	$0.69	$579,961	$0.68	$588,415	$0.69	$493,374	$0.58	$402,451	$0.47	$563,883	$0.66
Recoveries	$11,773,076	$13.88	$11,030,371	$13.00	$10,211,429	$12.04	$9,871,498	$11.64	$9,241,473	$10.89	$8,777,896	$10.35
Other Revenue	$4,707,215	$5.55	$4,829,686	$5.69	$4,783,709	$5.64	$4,591,600	$5.41	$4,567,306	$5.38	$4,585,000	$5.41
Vacancy & Credit Loss	($119,078)	($0.14)	($79,702)	($0.09)	($341,199)	($0.40)	($326,925)	($0.39)	($320,244)	($0.38)	($470,106)	($0.55)
Total Revenue	**$31,431,085**	**$37.05**	**$31,977,363**	**$37.70**	**$31,789,286**	**$37.48**	**$31,526,345**	**$37.17**	**$31,388,603**	**$37.00**	**$30,978,069**	**$36.52**
OPERATING EXPENSES												
Recoverable Expenses												
Real Estate Taxes	$6,832,750	$8.06	$6,738,869	$7.94	$6,896,091	$8.13	$7,271,319	$8.57	$7,130,352	$8.41	$7,000,000	$8.25
CAM	$3,557,119	$4.19	$3,562,288	$4.20	$3,504,666	$4.13	$3,642,183	$4.29	$3,846,348	$4.53	$3,850,000	$4.54
Utilities Non CAM	$1,385,822	$1.63	$1,309,107	$1.54	$1,329,956	$1.57	$1,402,763	$1.65	$1,405,667	$1.66	$1,400,000	$1.65
Marketing	$391,148	$0.46	$565,030	$0.67	$477,538	$0.56	$519,619	$0.61	$530,013	$0.62	$530,000	$0.62
Property Management	$762,175	$0.90	$751,711	$0.89	$753,228	$0.89	$732,883	$0.86	$727,785	$0.86	$774,452	$0.91
Recoverable Operating Expense Subtotal	$12,929,014	$15.24	$12,927,006	$15.24	$12,961,479	$15.28	$13,568,766	$16.00	$13,640,165	$16.08	$13,554,452	$15.98
Non-Recoverable & Specialty Leasing Expense	$493,021	$0.58	$430,822	$0.51	$536,139	$0.63	$504,512	$0.59	$551,120	$0.65	$500,000	$0.59
Total Operating Expenses	**$13,422,035**	**$15.82**	**$13,357,828**	**$15.75**	**$13,497,618**	**$15.91**	**$14,073,278**	**$16.59**	**$14,191,285**	**$16.73**	**$14,054,452**	**$16.57**
NET OPERATING INCOME	**$18,009,049**	**$21.23**	**$18,619,535**	**$21.95**	**$18,291,669**	**$21.56**	**$17,453,067**	**$20.58**	**$17,197,318**	**$20.27**	**$16,923,617**	**$19.95**
Recovery % of Total Expenses		87.7%		82.6%		75.7%		70.1%		65.1%		62.5%
Operating Expense Ratio		42.7%		41.8%		42.5%		44.6%		45.2%		45.4%
Recovery % of Total Recoverable Expenses		91.1%		85.3%		78.8%		72.8%		67.8%		64.8%
Management Fee (% of EGI)		2.4%		2.4%		2.4%		2.3%		2.3%		2.5%

Source: Property Management's Income & Expense Statements

Compiled by: NPV Advisors

Within our analysis there is a logical relationship within each expense category between management's budget and our forecast. For expense categories, in which there is a significant variance from year-to-year or the relationship between historical expenses and our forecast is not straightforward we have provided a detailed discussion in the paragraphs below.

Real Estate Taxes – The real estate taxes were discussed in depth in the *Property Description* section of the report.

Management Fee – Management fees in the subject market are typically calculated as a percentage of the effective gross income (EGI) generated by the property. Management fees at similar properties in the market typically range from 2.0 to 5.0 percent of the EGI based on their size, complexity, quality, and tenancy. Historically, the management expense remained relatively stable, ranging between 2.3 and 2.4 percent of EGI. The 2018 budget forecasts this expense at 2.3 percent of total revenue. We view this as market-oriented and concluded to a management fee of 2.5 percent in our analysis.

OPERATING EXPENSE RATIOS – TEST OF REASONABLENESS

As a test to the reasonableness of income and expense levels at the subject center, we also looked at operating expense ratios for regional mall portfolios, as well as comparable and competing centers, in order to support the projections utilized. With an operating expense ratio of 45.4 percent, the subject reflects a above average level of expenses as compared to operating income.

The following table presents a summary of operating expense levels for a number of retail REITs and publically traded companies.

PORTFOLIO OPERATING EXPENSE RATIO SUMMARY

Company / REIT	No. Of Malls	Total Mall GLA (000)	Average Occupancy	Average Rent/SF	Comp Mall Shop Sales / SF	Occupancy Cost Ratio	Operating Revenue ($000)	Operating Expenses ($000)	Operating Expense Ratio
General Growth Properties	127	125,225	97.2%	$76.38	$569	13.4%	$2,346,446	$756,663	32.2%
Simon Property Group	175	151,979	96.8%	$51.59	$614	12.3%	$5,435,229	$1,396,646	25.7%
Macerich Company	57	54,518	95.4%	$53.51	$630	13.7%	$1,041,271	$404,237	38.8%
CBL & Associates	74	63,531	94.2%	$32.96	$376	12.3%	$1,028,257	$301,782	29.3%
Pennsylvania REIT	30	21,670	95.9%	$39.73	$464	12.5%	$399,946	$156,218	39.1%
Taubman Centers	23	23,009	94.7%	$61.07	$792	14.4%	$612,557	$209,163	34.1%

Average Occupancy - Percent of mall shops leased
Operating Expenses - Excludes general and administrative expense, depreciation, interest
Year End 2016
Source: Annual 10K filings and various analysis reports; Analysis prepared by NPV Advisors

The below table represent a mix of Class A and B malls. As a result, we also examined the operating expense ratio for some of the highest quality regional malls within the nation. The operating expense ratio comparables are presented as follows:

REGIONAL MALL OPERATING EXPENSE RATIO			
Property Location	Class Ranging	Year	Expense Ratio
Knoxville Metro Area	A-	2015	22.00%
Chicago Metro Area	A-	2016	44.80%
Chicago Metro Area	A-	2016	45.10%
Chicago Metro Area	B	2016	38.80%
Mobile Metro Area	B+	2015	25.10%
Denver Metro Area	A-	2015	28.40%
Salt Lake City Metro Area	B	2015	33.20%
Southern California	B	2014	33.70%
San Francisco Metro Area	B+	2015	34.10%
Houston Metro Area	B	2014	36.00%
Denver Metro Area	B	2014	42.70%
Salt Lake City Metro Area	B+	2015	43.90%
Detroit Metro Area	B	2015	51.00%
Analysis prepared by NPV Advisors			

The operating expense ratio comparables exhibit a range from 22.00 to 51.00 percent and average 36.83 percent. The high end of the range includes a regional mall encumbered by a ground lease and a regional mall located in a high tax municipality. The subject's operating expense ratio is at the upper end of the range, which is considered reasonable given the location of the property, the rents achieved and the age of the improvements.

EXPENSE AND OTHER COSTS GROWTH ASSUMPTIONS

The concluded expenses are projected to grow in the following manner, over a typical holding period. Except where noted, our forecast growth rates generally do not attempt to reflect growth rates for any individual year, but rather reflect the long-term trend over the expected or typical holding period.

EXPENSE AND OTHER COSTS GROWTH RATES	
Expense	Annual Growth
Operating Expenses	3.00%
Real Estate Taxes	3.00%
Management Fee	Based on % of GRI
Reserves for Replacements	3.00%
Leasing Commissions ($ PSF)	3.00%
Tenant Improvements	3.00%
Analysis prepared by NPV Advisors	

CAPITAL EXPENDITURES

Non-operating or capital expense includes tenant improvement allowances, leasing commissions, planned capital expenditures and replacement reserves. Each of these items is discussed below.

Tenant Improvements: The amount of tenant allowances varies greatly within the subject property based retail tenant type, quality of the retailer, location within the mall and term of the lease. Renewals are vastly signed without an allowance at the subject. Recent leasing for new deals has been between "as is" to approximately $100 per square foot. Almost all of the renewal leases indicate no tenant allowance. The following table summarizes our concluded tenant allowance by rent category.

TENANT ALLOWANCE		
Category	New TI PSF	Renewal TI PSF
Mall Shop	$20.00	$0.00
Restaurant	$75.00	$25.00
Outparcels	$20.00	$0.00

Leasing Commissions: We have concluded to leasing costs of $8.00 per square foot for new deals and $5.00 per square foot for renewal deals, in-line with management's recent leasing activity.

Planned Capital Expenditures: As discussed in the *Property Description* section, over the past several year, the mall has undergone a refresh. We were not provided with a long-term capital budget outside of tenant allowances and lease up costs.

REPLACEMENT RESERVES: Replacement reserves represent an estimate of an annual allocation of funds toward the replacement of items such as roofs and other building systems or components. The amount of annual reserves and whether or not they are deducted in either the direct capitalization or DCF analyses is a function of the market. Based upon NPV Advisors' examination of the market, the following table summarizes the treatment of reserves:

REPLACEMENT RESERVES	
	PSF
Concluded Amount	$0.50
Deducted As An Operating Expense	No
Deducted As A Capital Expenditure	Yes

REGIONAL MALL INVESTMENT CONSIDERATIONS

Stabilized regional malls are typically viewed as institutional grade assets that attract a wide range of investors, including foreign and domestic insurance companies, large retail developers, pension funds, and real estate investment trusts (REITs). The large capital requirements necessary to participate in this market, and the expertise demanded to successfully operate an investment of this caliber, both limit the number of active participants and, at the same time, expand the geographic boundaries of the marketplace. Due to the relatively small number of market participants and the moderate amount of quality centers typically available in the market, strong demand exists for the nation's quality and core retail developments.

Most institutional grade assets are seasoned centers with good inflation protection. These centers offer stability in income and are strongly positioned to the extent that there are formidable barriers to new competition. They tend to be characterized as having three to five department store anchors, most of which are dominant in the market. Mall shop sales are at least $350 per square foot and the trade area offers good growth potential in terms of population and income levels. Equally important are centers which offer good upside potential after face-lifts, renovations or expansion. With little new construction, owners have accelerated their renovation and re-merchandizing programs.

Due to the massive store closures that occurred in 2017 and a downward trend on sales, the regional mall market is in a re-building phase as landlords learn to navigate the millennial shopper. Best in class centers will continue to thrive but Class A- on down have experienced significant increases in pricing parameters due to the relative “unknown” in the current retail cycle. Online shopping continues to grow and omni-channel sales and marketing techniques are being worked out by retailers. Landlords still haven’t learned how to capitalize on omni-channel sales.

To better understand where investors stand in today’s marketplace, we surveyed active participants in the retail investment market. Based on our discussions, the following points are of paramount concern to regional mall investors.

LOCATIONAL CRITERIA

- ***Market Dominance***: The regional mall should be the dominant mall in the market, affording it a strong barrier to entry for new competition. Some respondents feel this is more important than the size of the trade area.

  The subject anchors the Northwest Indiana retail market and is the only enclosed mall within the region. Therefore, the subject is the dominate enclosed regional mall in the market. There is little risk that a new regional mall will be developed within the trade area. The mall serves the market well and is well received. Overall, the subject is the dominate retail center in the trade area.

  The social media reach at the property is considered average to good.

  - Facebook: 33,890 Likes, 32,971 followers, 4.1 stars
  - Instagram: 898 followers, 122 following, 620 posts
  - Yelp: 3.5 stars, 43 reviews

  The Facebook platform has approximately 34,000 followers while the Instagram page has less than 1,000, which could be improved with implementing the use of social influencers to engage the targeted consumer, especially within the millennial demographic.

- ***Dense Marketplace:*** Institutional investors favor markets of 300,000 to 500,000 people or greater with a five to seven mile radius. Population growth in the trade area is also important, with some participants looking for growth of 50 percent or better than the US average. Others look for trade areas of 200,000 or more but if there is no or limited growth, the cap rate is adjusted upward to compensate for the potential eroding of the marketplace.

  The subject’s primary trade area has a 2017 population base of 350,085 with a 5-year annual population growth of 0.10 percent. The trade area is capturing above its fair share of sales with a pull factor of 26.79 for the immediate area and 1.28 for the primary trade area, outperforming the region overall. The pull factor suggests that there is some additional capture available in the categories of Electronics & Appliance Stores and Miscellaneous Store Retailers.

- ***Income Levels**:* Investors seek markets with household incomes of $75,000+, which tends to be limited to the top CBSA locations. Real growth with spreads of 200 to 300 basis points over inflation is ideal.

  The subject's primary trade area has a current average household income of $71,365, which is above the county average of $67,913. Given the p population density, the demographics provide an adequate consumer base and buying power for the trade area.

- ***Good Access:*** Interstate access with good visibility and a location within or proximate to the growth path of the community is ideal.

  The subject has overall good access from the regional highway system.

OPERATING CRITERIA

- ***Occupancy Costs:*** This "health ratio" measure is of fundamental concern today. The typical range for total occupancy cost-to-sale ratios falls between 14 and 20 percent. With operating costs growing faster than sales in many malls, this issue has become even more important. The following table provides industry rule of thumb.

OCCUPANCY COST GUIDELINES	
Shop (Inline) Sales Levels	**Supportable Occupancy Cost**
Less than $250 PSF	9.0% - 11.0%
$250 to $300 PSF	11.0% - 13.0%
$300 to $350 PSF	13.0% - 14.0%
Over $350 PSF	14.0% - 20.0%
Analysis prepared by NPV Advisors	

  Experience and research show that most tenants will resist occupancy costs that exceed 20-25 percent of sales. However, ratios of upwards to 20 percent are sometimes achieved for certain higher margin tenants. This appears to be by far the most important issue to an investor today. Investors are looking for long term growth in cash flow and want to realize this growth through real rent increases. High occupancy costs limit the amount of upside through lease rollovers.

  The subject property has average mall shop sales of approximately $439.58 with occupancy costs of approximately 20.74 percent. Further, the comparable subset of tenants reporting sales between 2014 and T-12 indicates an increase over the past several years, which is indicative of a mall outperforming the retail market in general.

  Further, occupancy costs continue to increase as retailers benefit from brick and mortar stores that support their on-line presence. While retailers currently aren't reporting the on-line sales revenues in terms of a brick and mortar location, landlords are aware that the physical presence of a store in a market can significantly alter internet sales for a retailer. Long-term, the landlord may be able to push occupancy costs further if the benefit of a brick and mortar store can be captured based on internet sales by location.

- ***Retail Sales Volume Growth:*** Investors closely monitor the retail sales generated to ascertain the viability of individual tenants as well as the overall center. In addition, to monitoring "heath ratios" retail sales growth is an important barometer. Strong retail sales growth portents to rent increases and potential expansion / redevelopment opportunities.

Overall, sales volumes have increased at the property since 2014.

SOUTHLAKE MALL RETAIL SALES ANALYSIS								
Year End	**2014**	**COO**	**2015**	**COO**	**2016**	**COO**	**2017 T-12**	**COO**
Mall Total	$352.14	14.39%	$353.60	14.41%	$369.69	14.79%	$364.10	20.21%
Mall Shop < 10,000 SF	$429.04	16.25%	$431.33	17.70%	$463.73	18.35%	$439.58	20.74%
Comparable Subset	$355.37	14.24%	$377.31	14.02%	$381.88	14.03%	$365.41	14.34%

Source: Management reports
T-12 Month as of September 2017
Analysis prepared by NPV Advisors

- ***Average Rent Levels and Lease Expiration Schedule:*** Investors closely examine current contract rents compared to market levels and lease rollover to ascertain opportunities to increase rents. This is a primary reason that most inline leases do not have specific renewal options.

  Our concluded weighted average market rent is approximately 3.39 percent below the in-place contract rent. However, this is due to the high occupancy costs at the subject.

  The subject's lease expiration schedule indicates that over the next 12 months, there is very modest turnover risk. T

  It should be noted that retailers are not committing to long-term renewals at this time. They are taking a "wait and see" attitude on consumer spending habits all the while malls try to up their game with increased experiential offerings and entertainment tenants.

- ***Strong Anchor Alignment:*** It is desirable to have at least three department stores (four are ideal), two of which are dominant in the market. The importance of the traditional department stores as an anchor tenant has returned to favor after several years of weak performance and confusion as to the direction of the industry. As a general rule, most institutional investors would not be attracted to a two-anchor mall, unless the two anchors are strong performers or include better department stores such as Nordstrom or Bloomingdale's, for example. Another exception is urban markets with upscale tenants, strong trade area and tourist trade, and high barriers to entry, such as Water Tower Place in Chicago.

  The subject property has five anchor tenants and a theater anchor. We feel that long-term, the mall could consolidate one of the anchor tenants and still captures the same drawing power. This is considered in the long-term potential upside, especially since the anchor tenants are paying very little rental income.

  Tenant Mix: A complementary tenant mix is important. Mall shop ratios of 35 percent of total GLA are considered average with 75 to 80 percent allocated to national tenants. Mall shop sales of at least $350 per square foot with a demonstrated positive trend in sales are considered to be important factor.

  The subject has a good tenant mix of traditional, contemporary and value retailers as well as a number of restaurants and outparcel fast casual restaurants. Overall, the landlord is actively replacing older restaurant concepts with new, fresh offerings and this trend is expected to continue.

Additional entertainment concepts to drive night-time traffic would also benefit the subject. The subject's movie theater could be updated with upscale food offerings in the future as well.

- ***Entertainment:*** Entertainment has become a critical element at larger centers as it is designed to increase customer traffic and extend customer staying time. This loosely defined term covers a myriad of concepts available ranging from mini-amusement parks, to multiplex theater and restaurant themes, to interactive virtual reality applications. The capacity of regional and super-regional malls to provide a balanced entertainment experience will serve to distinguish these properties from less distinctive formats such as power and small outlet centers.

  The subject would likely benefit from additional new concept restaurants, national best in class restaurants or other entertainment options. Nevertheless, there are multiple dining options in and around the mall that provide more than adequate entertainment draw to the subject. Further, the movie theater also adds to the drawing power of the property.

- ***Potential Upside Considerations:*** Investors look at the potential to increase contract rent, lower operating expenses and re-merchandise assets such as the subject upon acquisition. We have considered the following in terms of future potential upside at the subject:

  (a) Continue to bring national retailers to the mall that fit well with the local demographic.
  (b) Long-term upside to re-position the one or several of the anchors with mixed-use development that would greatly increase the NOI currently being generated by these anchors.
  (c) Continue to update and redevelop the other outparcels with fast casual/better restaurants.
  (d) Investors are not willing to pay significantly for potential redevelopment upside without signed tenants or a redevelopment plan well into being completed with vertical construction.
- ***Operating Covenants:*** Some investors will not acquire a regional mall if the anchor store operating covenants were to expire over the initial holding period. Others weigh each situation on its own merit. If it is a dominant center with little likelihood of a competitor coming into the market with a new regional center, investors are not as concerned about the prospect of losing a department store. If there is a chance of losing an anchor, the cost of keeping it must be weighed against the benefit.

  Our analysis forecasts that all of unowned anchor tenants will remain at the property through the holding period.

PHYSICAL CRITERIA

- ***Physical Condition:*** Malls that have good sight lines, an updated interior appearance and a physical plant in good shape are looked upon more favorably. While several developers are interested in turn-around situations, the risks associated with large capital infusion can add at least 200 to 300 basis points on the capitalization rate.

  The subject is a good quality regional mall with limited functional issues. The subject has been well maintained and is considered to be in good condition. The sight lines are considered average to above average for a super regional mall.

INVESTMENT CRITERIA

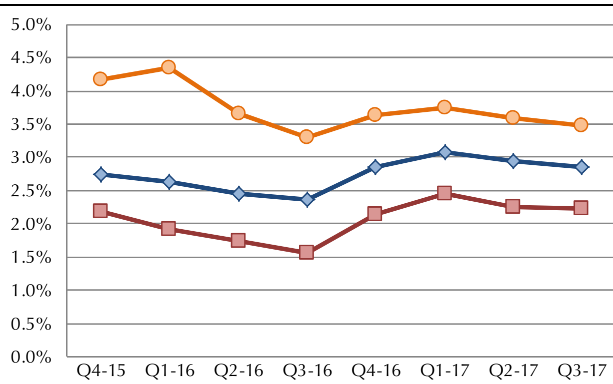
In order to perform the discounted cash flow analysis, investment rates must be selected. This includes the selection of an appropriate terminal capitalization rate as well as an appropriate discount rate or yield rate, also referred to as the internal rate of return (IRR). By its nature, this is a judgmental process, however, selected rates should approximate the investment criteria anticipated by the most probable buyer of the subject property.

Several approaches are typically followed in selecting the investment parameters; review and analysis of alternative non-real estate investments; review and analysis of published real estate investor surveys; derivation of rates from empirical market data; and use of in-house experience with similar types of investments.

Alternative Investments: Since real estate returns are or should be competitive with other investment alternatives in the marketplace, we consider non-real estate investment alternatives in our rate selection process. Our focus is on comparable bond investments such as treasury bonds and corporate bonds. For real estate investments, rates may be influenced by risk, degree of liquidity, burden of management, tax benefits, and future appreciation or depreciation. Adjustments must be made to the safe rate to compensate for these factors. Consequently, required real estate yields are typically higher than those for treasuries or corporate bonds. The following table details historical trends for alternative investments as well as an indication of an average discount rate by historical spread. This analysis provides only a general basis for comparison and does not take into account property type, location, asset quality, or property specific features.

SUMMARY OF ALTERNATIVE INVESTMENTS

Historical Trends[1]

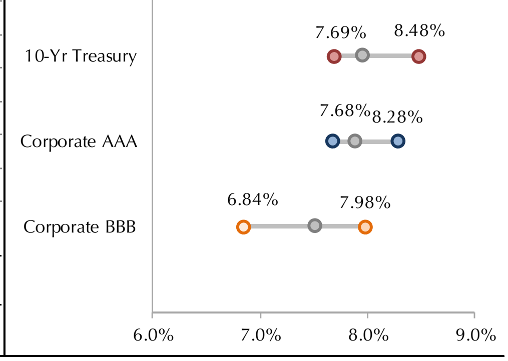


	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
10-Year Treasury	2.2	1.9	1.8	1.6	2.1	2.5	2.3	2.2
US Corporate AAA Effective Yield	2.7	2.6	2.5	2.4	2.9	3.1	2.9	2.9
US Corporate BBB Effective Yield	4.2	4.3	3.7	3.3	3.6	3.7	3.6	3.5

Historical Spread Range (Q4-15 to Q3-17)

10-Year US Treasury	545	to	624 bps
Corporate AAA	483	to	543 bps
Corporate BBB	336	to	450 bps

Suggested Average Discount Rate Range[2]



Sources: Federal Reserve Statistical Release H.15 and Real Estate Research Coporation;

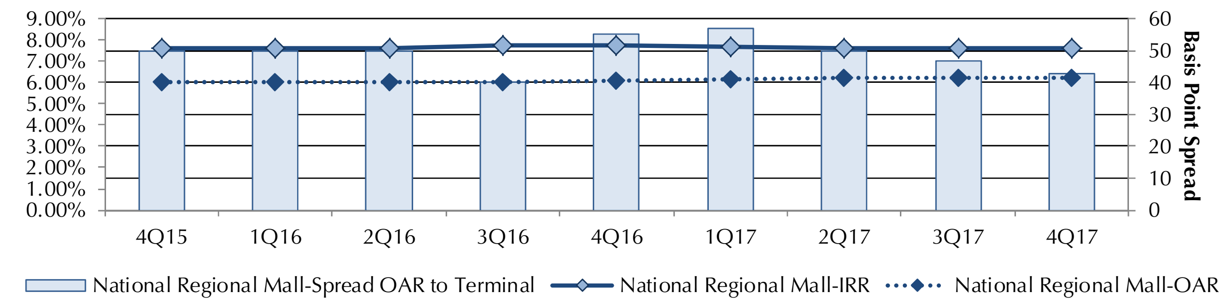
[1]Data includes composite average daily metric for return on BofA Merrill Lynch US Corporate AAA and BBB Effective Yields, and 10-Year Treasury Constant Maturity.

[2]Suggested discount rate range utilizes trailing 8-quarter observations of spreads to current real estate yield by Real Estate Research Corporation for an all property composite

Compiled by NPV Advisors

Investor Surveys: The most useful approach used to estimate an approximate rate of return required by the most probable buyer is to analyze the current investment parameters applied by institutional investors and advisors to real estate pension and portfolio funds when acquiring real estate. The following table presents the results the *PwC Real Estate Investor Survey, National Regional Mall Market – Fourth Quarter 2017,* published by PriceWaterhouseCoopers. This survey comprises investors' assumptions and return requirements, which provide a national basis for comparison. Investors surveyed include pension funds, pension fund advisors, investment advisors, direct advisors, direct investors, and investment bankers.

DISCOUNT & CAPITALIZATION RATE TRENDS	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
National Regional Mall									
Yield Rates	7.65%	7.63%	7.65%	7.75%	7.75%	7.70%	7.60%	7.60%	7.60%
BPS Change From Prior Quarter		-2	2	10	0	-5	-10	0	0
BPS Change to Current Period	-5	-3	-5	-15	-15	-10	0	0	--
Overall Cap Rates	6.03%	6.00%	6.00%	6.05%	6.10%	6.13%	6.20%	6.23%	6.25%
BPS Change From Prior Quarter		-3	0	5	5	3	7	3	2
BPS Change to Current Period	22	25	25	20	15	12	5	2	--
Terminal Cap Rates	6.53%	6.50%	6.50%	6.45%	6.65%	6.70%	6.70%	6.70%	6.68%
BPS Change From Prior Quarter		-3	0	-5	20	5	0	0	-2
BPS Change to Current Period	15	18	18	23	3	-2	-2	-2	--
Spread from Avg OAR	+50	+50	+50	+40	+55	+57	+50	+47	+43



Source: PwC Real Estate Investor Survey; Compiled by: NPV Advisors

RATE SNAPSHOT - 4Q17	Discount Rate (IRR)	Overall Cap Rate (OAR)	Terminal Cap Rate	Market Rent Changes	Expense Change Rate
National Regional Mall					
Range (4Q17)	5.00% - 11.50%	4.00% - 10.00%	4.00% - 10.00%	1.00% - 4.00%	2.00% - 5.00%
Average (4Q17)	7.60%	6.25%	6.68%	2.40%	3.00%
Change from Prior Qtr (3Q17)	0 bps	+2 bps	-2 bps	-10 bps	0 bps
Change from Prior Yr (4Q16)	-15 bps	+15 bps	+3 bps	-20 bps	0 bps

Source: PwC Real Estate Investor Survey; Compiled by: NPV Advisors

The latest PwC survey data suggests that over the last quarter investment rates in the national mall market have remained relatively unchanged. However, OARs and terminal rates have displayed increased since the prior year.

Comparable Sales: In the sales comparison approach we present a number of Class A-/B regional mall sales that transferred between February 2015 and March 2017 as well as one pending sale. The regional mall sales are summarized as follows.

COMPARABLE CAPITALIZATION RATE SUMMARY			
Sale	Property Name | Location	Date of Sale	OAR
1	Forest City- QIC Portfolio	Pending	5.75%
2	Northgate Mall	Jan-17	6.50%
3	Hilltop Mall	Apr-16	6.53%
4	The Shoppes at Gateway	Mar-17	7.25%
5	Flatiron Crossing	Jan-16	4.60%
6	Westfield - O'Connor	Feb-15	6.20%
7	Monmouth Mall	Aug-15	6.25%
Minimum		Feb-15	4.60%
Maximum		Mar-17	7.25%
Mean		Mar-16	6.15%
Source: Survey by NPV Advisors			

MARKET PARTICIPANT SURVEY

We spoke with a number of active market participants with in-depth knowledge of the regional mall market. Our discussions are summarized in the table below.

REGIONAL MALL INVESTOR SURVEY	
Participant Type	Discussions
National Mall Broker	The retail marketplace is shifting and retailers are now faced with a number of challenges from online giants such as Amazon. The best of the best regional malls are holding steady in terms of pricing while lesser quality mall properties are now experiencing tenant fallout and rent reduction requests. Maintaining high occupancy levels is a key factor to fend off co-tenancy clauses as department stores continue to close at mall properties. OARs for the Best of the Best are around 3.75 to 4.25% based on the demographic, location and sales trends. Class A-/B+ malls are now being priced between 5.00 and 7.00 percent.
Institutional Investor	This participant indicated that the downturn for Class B malls is occurring but the overall risk of some properties is not equivalent to the investor expectation in terms of pricing. An example of this is the Starwood portfolio that was priced to sell with some assets considered Class A-/B+ properties at mid 5 percent capitalization rates but the market rejected this pricing and instead offered pricing terms around the mid 6 percent level. Best in class retail remains strong but occupancy cost metric are changing as some mall owners feel that they can push rents to higher occupancy costs due to online sales generated by the presence of a physical store. Occupancy costs for $600+ per square foot properties can be over 20 percent with no risk considered. In terms of growing NOI outside of mall shop revenue, business development, cart and kiosk growth are key trends that mall operators are pushing at their properties.
Broker	This broker indicated that trade area issues are becoming more important in pricing of an asset as some retailers plan to downsize the store count in some markets. Pricing for Class A+ malls has not changed but all other property classes have seen increases up to 200 basis points. The investor pool is very opportunistic for Class B malls and significant discounts are currently being priced into these assets.
Retail Advisor	Pricing A-/B+ malls is very diffucult due to lack of quality product in the market and lack of a strong buyer pool looking at these assets. Currently the institutional investors want safe havens and the value add players are only willing to buy centers for steep discounts. Core properties in major markets will continue to be high in demand as investors flock to quality during the downturn. However, core properties in secondary markets will feel the impact as the buyer pool for these assets is significantly less than the "gateways". Non core properties investment rates have already been negatively impacted between 75 and 200 basis points triggered by the high level of store closures and anchor store closures in 2017. Millennials are not traditional shoppers and this is also impacting traditional shopping patterns. Institutional investors and foreign investors will be the sources of capital in the coming year due to lack of real estate allocation on the institutional side and geopolitical risk on the foreign investor side.

Regional Mall Advisor	The cycle hit the downturn in 4Q2017/1Q2017 and if sales don't rebound, investment parameters will remain static. The upward pressure on B assets has occurred with huge discounts being offers by sellers that are not willing to risk the capital to redevelop this asset type. Class A+ retail and lifestyle centers are still highly in demand and will continue to be in demand through the downturn. OARs for the very best retail are around 4% and sub-4% rates are being achieved on properties that offer potential upside. Trade area issues are a larger concern than secondary market locations for Class A product. Occupancy costs at 20% are the considered normal for gateway markets, malls with sales over $500 PSF and some select Class B properties based on location. The newest trend in growing NOI outside of mall shop revenue is from the addition of Media Towers.
Institutional Fund Manager	The fund has joint venture interest in dozens of regional malls and life style centers across the county and continues to be active in pursuing acquisition and lending opportunities. The participants indicated that there is a dearth of quality product being marketed and the few core institutional deals that are offered have produced a flurry of bids from the institutional investors, which has contributed to continued rate compression to historically low levels. The fund recently lost the acquisition of a Class A – value add regional mall in the northeast despite aggressive pricing. The yields have continued to compress and are quoted in the high 5 to mid-6 percent range for core, institutional product that has upside associated with expansion and increased density. Overall capitalization rates hover in the 4.0 percent range for best in class centers. The spread between the overall and terminal capitalization rates is typically near 50 basis points range with higher levels of capital included in the reversion year. The focus is on "super zip codes" – properties located in healthy trade areas with high levels of disposable income. The participants indicated that the investment landscape is expected to remain the same. Other retail investments they are looking at include high street retail, quality life style centers, and power centers located adjacent to regional malls.
Institutional Investor	This institutional investor indicated that they were currently pricing the GGP portfolio recently brought to market but their appetite for large regional malls has diminished in the recent past as large mall shop GLA centers could face store closures and they do not want to take on that risk. Further, this investor also indicated that they would not likely price Class A malls below a 4.0 percent in-place OAR at this time. The GGP portfolio was being priced sub- 4.0 percent OAR after considering below the line fees.

Independent Survey by NPV Advisors

OVERALL RATE SELECTION

Capitalization rates express relationships between net income and total value. The rate employed must be consistent with and reflective of those rates currently employed by investors active in the market place. The previous cap rate indications via investment surveys and sales comparables are summarized in the following table.

OVERALL CAP RATE SUMMARY				
	Range			Average
Investor Survey				
National Regional Mall	4.00%	-	10.00%	6.25%
Comparable Sales	4.60%	-	7.25%	6.15%
Market Participants	5.75%	-	6.00%	5.75%
Concluded Overall Capitalization Rate				**5.75%**

The physical, location and economic attributes of the subject would warrant a rate toward the lower end of the range indicated by the comparable properties. In consideration of current market conditions as well as future risk and the property specific factors as previously discussed, an overall capitalization rate of 5.75 percent is considered appropriate for the subject and has been applied to in-place income.

DISCOUNT RATE ANALYSIS

The factors discussed would warrant below-average pricing in the market for the property. Considering the investment quality of the property, our previous assumptions, and considerate of the risk associated with the cash flow, a discount rate of 7.25 percent has been selected for the property and factors in the growth in the NOI over the holding period.

DISCOUNT RATE SUMMARY				
	Range			Average
Investor Survey				
National Regional Mall	5.00%	-	11.50%	7.60%
Market Participants	7.00%	-	9.00%	
Concluded Discount Rate				**7.25%**

TERMINAL CAPITALIZATION RATE

The terminal capitalization rate is typically determined as a function of the appropriate initial capitalization rate for the property. Terminal capitalization rates are generally higher than initial capitalization rates to reflect the general risk and uncertainty of forecast property performance and to account for the physical aging of the property over the holding period. In a stable or an upward trending market, the relationship of a higher terminal capitalization rate to a lower initial rate usually holds true. The degree of difference between initial and terminal capitalization rates is determined by the markets anticipation of future values relative to current values. In a market with depressed values due to limited market participation, terminal capitalization rates may be less than initial rates as investors anticipate more normalized market conditions at the end of the holding period.

TERMINAL CAP RATE SUMMARY				
	Range			Average
Investor Survey				
National Regional Mall	4.00%	-	10.00%	6.68%
Spread to Avg OAR -National Regional Mall				+43 bps
Concluded Terminal Capitalization Rate				**6.00%**
Spread from Concluded OAR				+25 bps

PROJECTION PERIOD

In order to estimate a value for the subject property via the discounted cash flow, we have calculated an 11-year cash flow projection with a 10-year holding period. Since a typical investor is concerned not only with the return on capital but also with the return of capital, our analysis takes into account the re sale of the property at the termination of the investment holding period. The investment period is considered reasonable due to the variability of the subject's cash flow. The effective "as is" date of value is September 30, 2017.

SELLING EXPENSE

Selling costs at reversion include commissions and closing costs. Commissions are individually negotiated between the seller and the broker on each transaction. Generally, the percentage of commission charged varies in inverse proportion to the anticipated sale amount. Selling costs are estimated to be 1.00 percent of the gross sale proceeds within our analysis.

DISCOUNTED CASH FLOW CONCLUSION – AS IS

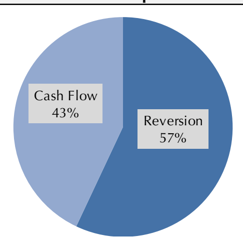
Based on the discounted cash flow analysis presented on the subsequent page, "as is" fair value of the leased fee interest in the subject property as of September 30, 2017 is estimated at $302,000,000, rounded. Our cash flow and DCF calculations are set forth on the following pages.

CASH FLOW REPORT - AS IS											
Year	1	2	3	4	5	6	7	8	9	10	11
For Years Ending	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	Sep-2028
Potential Gross Revenue											
Base Rental Revenue	$19,349,520	$20,071,622	$20,818,698	$21,064,762	$21,829,044	$22,231,942	$22,604,288	$22,898,416	$23,375,331	$24,096,809	$24,430,365
Absorption & Turnover Vacancy	-$1,828,124	-$1,697,728	-$673,877	-$560,215	-$401,707	-$587,694	-$210,578	-$660,519	-$978,768	-$1,178,593	-$872,011
Scheduled Base Rental Revenue	$17,521,396	$18,373,894	$20,144,821	$20,504,547	$21,427,337	$21,644,248	$22,393,710	$22,237,897	$22,396,563	$22,918,216	$23,558,354
Retail Sales Percent Revenue	$563,883	$419,252	$374,086	$403,732	$333,388	$350,804	$527,133	$547,062	$548,519	$580,554	$602,447
Expense Reimbursement Revenue											
CAM	$3,410,488	$3,095,016	$3,024,865	$2,700,280	$2,086,909	$1,266,389	$734,263	$571,879	$491,500	$345,448	$277,274
Taxes	$5,367,408	$5,805,478	$7,073,557	$7,441,101	$7,897,039	$8,358,104	$8,905,083	$9,265,168	$9,765,127	$10,430,412	$11,031,677
Total Reimbursement Revenue	$8,777,896	$8,900,494	$10,098,422	$10,141,381	$9,983,948	$9,624,493	$9,639,346	$9,837,047	$10,256,627	$10,775,860	$11,308,951
Speciality Leasing Revenue	$2,275,000	$2,343,250	$2,413,548	$2,485,954	$2,560,533	$2,637,349	$2,716,469	$2,797,963	$2,881,902	$2,968,359	$3,057,410
Marketing Income	$250,000	$257,500	$265,225	$273,182	$281,377	$289,819	$298,513	$307,468	$316,693	$326,193	$335,979
Consumables	$2,035,000	$2,096,050	$2,158,932	$2,223,699	$2,290,410	$2,359,123	$2,429,896	$2,502,793	$2,577,877	$2,655,213	$2,734,870
Other Income	$25,000	$25,750	$26,523	$27,318	$28,138	$28,982	$29,851	$30,747	$31,669	$32,619	$33,598
Total Potential Gross Revenue	$31,448,175	$32,416,190	$35,481,557	$36,059,813	$36,905,131	$36,934,818	$38,034,918	$38,260,977	$39,009,850	$40,257,014	$41,631,609
Collection Loss	-$470,106	-$484,639	-$535,803	-$543,369	-$555,532	-$553,342	-$569,803	-$570,885	-$581,030	-$599,806	-$620,721
Effective Gross Revenue	**$30,978,069**	**$31,931,551**	**$34,945,754**	**$35,516,444**	**$36,349,599**	**$36,381,476**	**$37,465,115**	**$37,690,092**	**$38,428,820**	**$39,657,208**	**$41,010,888**
Operating Expenses											
CAM	$3,850,000	$3,965,500	$4,084,465	$4,206,999	$4,333,209	$4,463,205	$4,597,101	$4,735,014	$4,877,065	$5,023,377	$5,174,078
Taxes	$7,000,000	$7,210,000	$7,426,300	$7,649,089	$7,878,562	$8,114,919	$8,358,366	$8,609,117	$8,867,391	$9,133,412	$9,407,415
Utilities Non CAM	$1,400,000	$1,442,000	$1,485,260	$1,529,818	$1,575,712	$1,622,984	$1,671,673	$1,721,823	$1,773,478	$1,826,682	$1,881,483
Marketing	$530,000	$545,900	$562,277	$579,145	$596,520	$614,415	$632,848	$651,833	$671,388	$691,530	$712,276
Managment Fee	$774,452	$798,289	$873,644	$887,911	$908,740	$909,537	$936,628	$942,252	$960,721	$991,430	$1,025,272
Non Recoverable Expense	$500,000	$515,000	$530,450	$546,363	$562,754	$579,637	$597,026	$614,937	$633,385	$652,387	$671,958
Total Operating Expenses	**$14,054,452**	**$14,476,689**	**$14,962,396**	**$15,399,325**	**$15,855,497**	**$16,304,697**	**$16,793,642**	**$17,274,976**	**$17,783,428**	**$18,318,818**	**$18,872,482**
Net Operating Income	**$16,923,617**	**$17,454,862**	**$19,983,358**	**$20,117,119**	**$20,494,102**	**$20,076,779**	**$20,671,473**	**$20,415,116**	**$20,645,392**	**$21,338,390**	**$22,138,406**
Leasing & Capital Costs											
Tenant Improvements	$366,126	$462,319	$302,378	$346,947	$274,784	$320,111	$138,430	$736,201	$620,257	$1,695,547	$1,092,247
Leasing Commissions	$97,270	$183,586	$141,658	$190,070	$142,079	$229,416	$99,206	$364,285	$444,517	$595,816	$302,152
Replacement Reserves	$157,832	$162,567	$167,444	$172,467	$177,641	$182,971	$188,460	$194,113	$199,937	$205,935	$212,113
Total Leasing & Capital Costs	**$621,228**	**$808,472**	**$611,480**	**$709,484**	**$594,504**	**$732,498**	**$426,096**	**$1,294,599**	**$1,264,711**	**$2,497,298**	**$1,606,512**
Cash Flow Before Debt Service	**$16,302,389**	**$16,646,390**	**$19,371,878**	**$19,407,635**	**$19,899,598**	**$19,344,281**	**$20,245,377**	**$19,120,517**	**$19,380,681**	**$18,841,092**	**$20,531,894**

CASH FLOW REPORT - TRENDS AND METRICS (AS IS)

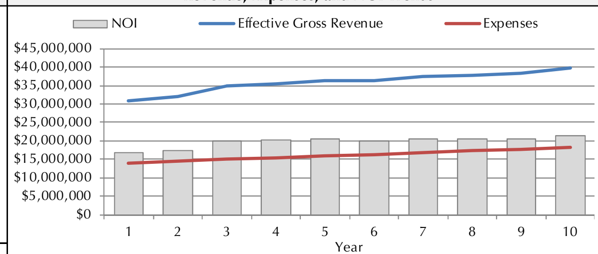
Year	1	2	3	4	5	6	7	8	9	10	Holding Period	Reversion - 11
For Years Ending	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	CAGR/Avg	Sep-2028
Avg. Occupied SF	1,259,252	1,265,090	1,310,381	1,313,212	1,316,045	1,310,800	1,318,433	1,307,030	1,300,864	1,299,449	1,300,056	1,308,521
Physical Vacancy	8.0%	7.6%	4.2%	4.0%	3.8%	4.2%	3.7%	4.5%	4.9%	5.0%	5.0%	4.4%
Effective Gross Revenue	$30,978,069	$31,931,551	$34,945,754	$35,516,444	$36,349,599	$36,381,476	$37,465,115	$37,690,092	$38,428,820	$39,657,208	2.78%	$41,010,888
Total Operating Expenses	$14,054,452	$14,476,689	$14,962,396	$15,399,325	$15,855,497	$16,304,697	$16,793,642	$17,274,976	$17,783,428	$18,318,818	2.99%	$18,872,482
Net Operating Income	$16,923,617	$17,454,862	$19,983,358	$20,117,119	$20,494,102	$20,076,779	$20,671,473	$20,415,116	$20,645,392	$21,338,390	2.61%	$22,138,406
Total Leasing & Capital Costs	$621,228	$808,472	$611,480	$709,484	$594,504	$732,498	$426,096	$1,294,599	$1,264,711	$2,497,298	16.72%	$1,606,512
Cash Flow Before Debt Service	$16,302,389	$16,646,390	$19,371,878	$19,407,635	$19,899,598	$19,344,281	$20,245,377	$19,120,517	$19,380,681	$18,841,092	1.62%	$20,531,894
Y-o-Y % Change												
Effective Gross Revenue	N/A	3.1%	9.4%	1.6%	2.3%	0.1%	3.0%	0.6%	2.0%	3.2%	2.8%	3.4%
Total Operating Expenses	N/A	3.0%	3.4%	2.9%	3.0%	2.8%	3.0%	2.9%	2.9%	3.0%	3.0%	3.0%
Net Operating Income	N/A	3.1%	14.5%	0.7%	1.9%	-2.0%	3.0%	-1.2%	1.1%	3.4%	2.7%	3.7%
Total Leasing & Capital Costs	N/A	30.1%	-24.4%	16.0%	-16.2%	23.2%	-41.8%	203.8%	-2.3%	97.5%	31.8%	-35.7%
Cash Flow	N/A	2.1%	16.4%	0.2%	2.5%	-2.8%	4.7%	-5.6%	1.4%	-2.8%	1.8%	9.0%
Metrics												
Operating Expense Ratio	45.4%	45.3%	42.8%	43.4%	43.6%	44.8%	44.8%	45.8%	46.3%	46.2%	44.8%	46.0%
Economic Vacancy	10.9%	10.0%	4.7%	4.2%	3.3%	4.1%	2.4%	4.4%	5.7%	6.4%	5.6%	5.1%
NOI Return	5.6%	5.8%	6.6%	6.7%	6.8%	6.6%	6.8%	6.8%	6.8%	7.1%	6.6%	7.3%
Cash-on-Cash Return	5.4%	5.5%	6.4%	6.4%	6.6%	6.4%	6.7%	6.3%	6.4%	6.2%	6.2%	6.8%

Yield Composition

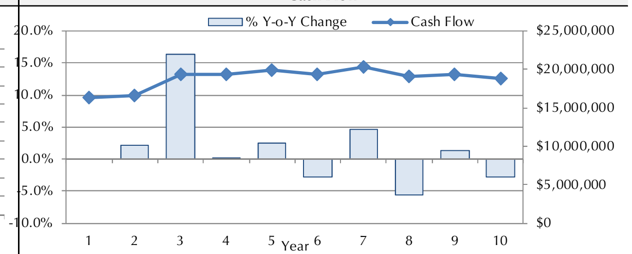


Value Change over Holding Period $44,454,741 14.7%

Revenue, Expenses, and NOI Trends

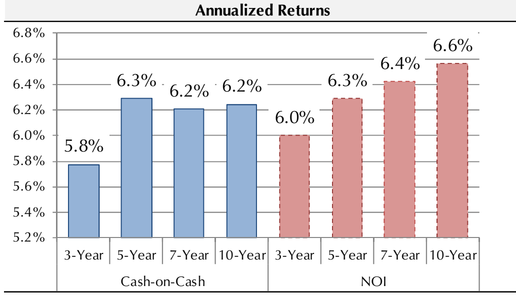


Cash Flow

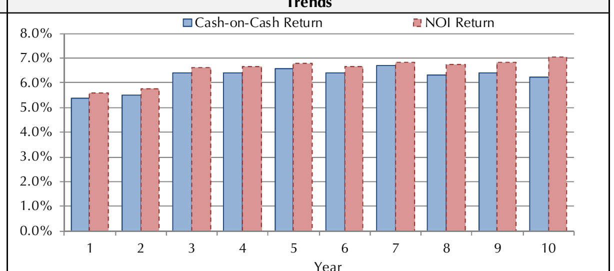


NOI and Cash-on-Cash Return

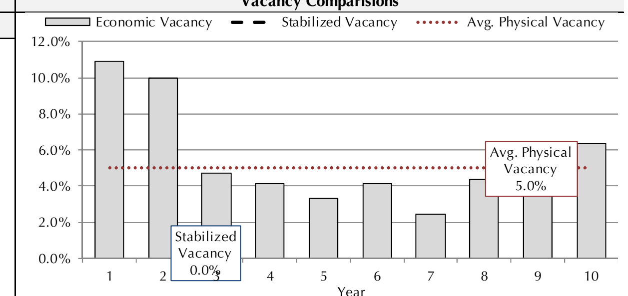
Annualized Returns



Trends



Vacancy Comparisions



PRESENT VALUE ANALYSIS
AS IS VALUATION

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 6.75%	P.V. of Cash Flow @ 7.00%	P.V. of Cash Flow @ 7.25%	P.V. of Cash Flow @ 7.50%	P.V. of Cash Flow @ 7.75%
Year 1	Sep-2018	$16,302,389	$15,271,559	$15,235,878	$15,200,363	$15,165,013	$15,129,827
Year 2	Sep-2019	$16,646,390	$14,607,782	$14,539,601	$14,471,897	$14,404,664	$14,337,899
Year 3	Sep-2020	$19,371,878	$15,924,584	$15,813,223	$15,702,898	$15,593,598	$15,485,310
Year 4	Sep-2021	$19,407,635	$14,945,177	$14,805,992	$14,668,423	$14,532,447	$14,398,044
Year 5	Sep-2022	$19,899,598	$14,355,056	$14,188,138	$14,023,544	$13,861,237	$13,701,178
Year 6	Sep-2023	$19,344,281	$13,072,098	$12,889,912	$12,710,680	$12,534,350	$12,360,866
Year 7	Sep-2024	$20,245,377	$12,815,946	$12,607,803	$12,403,515	$12,203,000	$12,006,182
Year 8	Sep-2025	$19,120,517	$11,338,525	$11,128,315	$10,922,479	$10,720,917	$10,523,529
Year 9	Sep-2026	$19,380,681	$10,766,092	$10,541,806	$10,322,701	$10,108,643	$9,899,506
Year 10	Sep-2027	$18,841,092	$9,804,540	$9,577,856	$9,356,923	$9,141,583	$8,931,683
Total Cash Flow		$188,559,838	$132,901,359	$131,328,524	$129,783,423	$128,265,452	$126,774,024
Property Resale @ 6% Cap Rate		$346,454,741	$180,288,353	$176,120,022	$172,057,457	$168,097,737	$164,238,027
Total Property Present Value			$313,189,712	$307,448,546	$301,840,880	$296,363,189	$291,012,051

REVERSION CALCULATION

Method	Grossed Up to Stabilized
Stabilized NOI	$21,080,921
Terminal Capitalization Rate	6.00%
Terminal Value Indication	$351,348,683
Less Adjustments	-$1,394,399
Gross Proceeds from Sale	$349,954,284
Less: Commissions	-$3,499,543
Net Proceeds from Sale	$346,454,741
PV of Resale	$172,057,457

DIRECT CAPITALIZATION ANALYSIS

Direct Capitalization is a method utilized to convert a single year's estimate of net operating income (before debt service) into an indication of value by the application of an overall capitalization rate. Buyers typically capitalize the year one in-place NOI and we have mirrored this method in our concluded direct capitalization analysis.

DIRECT CAPITALIZATION CONCLUSION

The following table summarizes the direct capitalization analysis that capitalizes in-place NOI. We have concluded to a 5.75 percent OAR under this scenario.

SOUTHLAKE MALL DIRECT CAPITALIZATION ANALYSIS	
Effective Gross Income	$30,978,069
Total Operating Expenses	$14,054,452
Net Operating Income	$16,923,617
Capitalization Rate	5.75%
Indicated "As Is" Value	**$294,323,774**
As Is Value	**$294,000,000**
Indicated "As Is" Value PSF Owned Mall GLA	**$346.59**
Analysis prepared by NPV Advisors	

INCOME APPROACH CONCLUSION

The preceding analyses indicate the following conclusions. We placed greater emphasis on the DCF model as this is consistent with the methodology of our most probable buyer, an investor.

INCOME APPROACH VALUE	
As Complete	Indicated Value
Discounted Cash Flow	$302,000,000
Direct Capitalization	$294,000,000
Reconciled	$302,000,000
Source: NPV Advisors	

SALES COMPARISON APROACH

The sales comparison approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to acquire an existing one with the same utility. This approach, therefore, utilizes a process of comparing market data including comparing prices actually paid as well as prices asked and/or offers made for similar type properties. Comparable sales data are analyzed according to similarities and differences with the subject.

By analyzing sales that qualify as arm's length transactions between willing and knowledgeable buyers and sellers, fair value and price trends can be identified. Properties considered similar to the subject, giving consideration to the time of sale, change in economic conditions which may have occurred since the date of sale, and other physical, functional, or locational factors are analyzed and appropriate adjustments are made to determine a logical value conclusion.

The reliance on substitute properties produces shortcomings in the validity of this approach. Geographic and demographic characteristics from each submarket restrict which sales may be selected. While recent sales with similar leasing structure, tenancy, income level, and location can provide a foundation for comparison they remain unique assets. Nonetheless, the sales identified are considered to provide a sound basis for estimating fair value.

The most widely used, market-oriented unit of comparison for regional malls, similar to the subject, is the sale price per square foot of purchased GLA. However, to accurately adjust prices to satisfy the requirements of the sales comparison approach, numerous calculations and highly subjective judgments would be required including consideration of numerous income and expense details of which information may be unreliable or unknown. As such, the sales price per square foot comparison is considered relevant to the investment decision, but primarily as a parameter against which value estimates derived through the income approach can be judged and compared.

COMPARABLE SALES DATA

The subject is a good quality super regional shopping center that is classified as a A-/B+ mall. Based on conversations with market participants, the investment market for Class A-/B+ malls is very static at the moment with few offerings for good quality assets over the past several years.

Investors typically do not utilize the Sales Comparison Approach in deriving value for this asset class given the unique nature of each regional/super regional mall. Investors generally track sales of malls for the investment parameters only. There are too many variables from property to property that would require extensive adjustments and thus result in a fairly unreliable value. Nevertheless, we have completed a qualitative adjustment analysis for the subject at the request of the client. The following table summarizes the comparable sales used in our analysis to derive an "as is" fair value indication for the subject.

REGIONAL MALL SALES SUMMARY

#	Name/Location	Sale Date	Built/Last Renovated	Sale Price[1]	Grantor/ Grantee	Total GLA	Sold GLA	Mall Shop GLA	Mall Shop Ratio	Price/SF Total GLA	Shop Occ.	Mall Shop Sales/SF	NOI/ SF	OAR	Mall Class
1	Forest City - QIC Portfolio	Under Contract	Multiple Years	$3,180,000,000	Forest City/ QIC	10,898,849	10,898,849	5,988,465	52%	$291.77	88.9%	$570 (est)	$16.78	5.75%	A-B
	Shops at Northfield Stapleton, Denver, CO					1,118,000	1,118,000	672,000	60%		89%	$525	$15.74		A
	Antelope Valley Mall, Palmdale, CA					1,184,000	1,184,000	653,000	55%		87%	$385	$23.51		B
	The Mall at Robinson, Pittsburg, PA					900,000	900,000	383,000	43%		88%	$395	$30.93		B
	South Bay Galleria, Redondo Beach, CA					959,247	959,247	477,000	50%		87%	$395	$29.02		A-
	Galleria at Sunset, Henderson, NV					1,048,081	1,048,081	444,000	42%		88%	$395	$26.56		A-
	Promenade Temecula, Temecula, CA					1,139,000	1,139,000	544,000	48%		88%	$455	$20.51		A-
	Short Pump Town Center, Richmond, VA					1,341,000	1,341,000	717,000	53%		90%	$485	$13.12		A-
	Victoria Gardens, Rancho Cucamonga, CA					1,326,978	1,326,978	862,000	65%		92%	$815	$16.94		A+
	Shops at Wiregrass, Wesley Chapel, FL					742,294	742,294	358,000	48%		90%	N/A	N/A		A-
	Westchester's Ridge Hill, Yonkers, NY					1,140,249	1,140,249	878,465	N/A		90%	N/A	N/A		A
2	Northgate Mall San Rafael, CA	Jan-17	1964/ 2010	$145,000,000	Macerich Merlone Geier Management	1,029,000	749,331	466,791	45%	$140.91	95%	$421	$9.16	6.50%	A-
3	Hilltop Mall Richmond, CA	Jul-17	1976/ 1990	$23,750,000	US Bank Series 2005-HQ7 LBG Hilltop	1,093,874	575,884	331,244	30%	$21.71	75.0%	$200	$1.42	6.53%	C
4	The Shoppes at Gateway Springfield, CO	Mar-17	1990/ 2015	$107,500,000	Rouse Properties/ Balboa Retail Partners	821,564	609,451	85,446	14%	$130.85	97%	$214	$9.49	7.25%	B+
5	Flatiron Crossing Broomfield, CO	Jan-16	2000	$678,000,000	Macerich Heitman	1,432,995	886,495	568,632	40%	$473.13	$90	$545.00	$21.76	4.60%	A
6	Westfield - O'Connor Portfolio	Feb-15	Multiple Years	$925,000,000	Westfield/ O'Connor Mall Partners	3,747,000	3,354,238	1,873,500	50%	$246.86	78%	$388	$15.31	6.20%	B
	Palm Desert Mall, Palm Desert, CA					980,000	799,011	N/A			95%	$357			B
	Trumbull Mall, Trumbull, CT					1,128,000	1,002,607	N/A			97%	$433			B+
	Wheaton Mall, Wheaton, MD					1,639,000	1,552,620	N/A			98%	$374			B
7	Monmouth Mall Eatontown, NJ	Aug-15	Multiple Years	$229,000,000	Vornado/ Kushner Company	1,435,000	1,435,000	834,042	58%	$159.58	80%	$350 (est)	$9.97	6.25%	B
	Average			$755,464,286		1,755,207	1,638,117	949,211	47%	$209	535%	$428	$17.35	6.15%	
	Low			$23,750,000		742,294	575,884	85,446	14%	$22	75%	$200	$1.42	4.60%	
	High			$3,180,000,000		10,898,849	10,898,849	5,988,465	65%	$473	9000%	$815	$30.93	7.25%	

Compiled by: NPV Advisors

Improved Sale 1 – Forest City – QIC Portfolio
Improved Sale 1 – Forest City – QIC Portfolio





The Forest City – QIC Portfolio consists of 10 malls throughout the country. Forest City is transferring their remaining interest in this portfolio to their joint venture partner. Initially, six malls are set to close by the end of the year with the remaining four properties transferred to QIC under a fixed-price option while Forest City looks for replacement assets to re-deploy the capital from the sale. The assets were priced individually with the Class A properties being priced in terms of OARs in the low 4.00 percent range while the B malls were priced in the mid 6.00 percent range. Overall, the portfolio traded between a 5.50 and 6.00 percent OAR. The following table summarizes some property specific characteristics.

FOREST CITY - QIC MALL PORTFOLIO					
Mall	Location	Year Built	Total GLA	Anchor GLA	Anchors
Shops at Northfield Stapleton	Denver, Co	2006	1,118,000	529,09	Macy's, Target, JC Penny, Bass Pro, Hawkings Theaters
Westchester's Ridge Hill	Yonkers, NY	2011	1,140,249	261,784	Lord & Taylor, LA Fitness, National Amusement, Dick's Sporting Goods, Whole Foods
Sohps at Wiregrass	Tampa, FL	2008	742,294	349,583	JC Penny, Dillard's, Macy's, Barnes & Noble
Mall at Robinson	Pittsburgh, PA	2011	900,000	568,363	JC Penny, Macy's, Sears, Dick's Sporting Goods
Antelope Valley Mall	Palmdale, CA	1990/2007	1,184,000	562,782	Dillard's, JC Penny, Macy's, Sears, Cinemark
South Bay Galleria	Redondo Beach, CA	1984	959,247	631,684	Macy's, Kohl's, AMC, Vacant
Victoria Gardens	Rancho Cucamonga, CA	2004	1,326,978	526,752	BassPro, JC Penny, Macy's (2), AMC
Galleria at Sunset	Henderson, NV	1966/2002	1,048,081	723,548	Dillard's, JC Penny, Kohl's, Macy's, Dick's Sporting Goods
Promenade Temecula	Temecula, CA	1999/2002	1,139,000	451,872	JC Penny, Macy's (2), Sears, Edward Cinema
Short Pump Town Centre	Richmond, VA	2003	1,341,000	764,332	Dillard's, Macy's, Nordstrom, Dick's Sporting Goods
Total			10,898,849	4,840,700	

QIC will also take over the Forest City regional mall management operations with key personal transferring to QIC from Forest City, which is somewhat unusual. Further, QIC and Forest City have had a successful relationship since 2013, when QIC initially formed a joint venture with Forest City. The motivation for the sale was to expand QIC's US operations they see the market as very stable.

The transaction will be completed in two tranches with the transfer of interests in the first six malls expected to be completed by the end of the year, subject to third party consents. The assets in the first tranche include The Shops at Northfield Stapleton in Denver, CO; Westchester's Ridge Hill in Yonkers, NY; The Shops at Wiregrass in Tampa, FL; The Mall at Robinson in Pittsburgh, PA; Antelope Valley Mall in Palmdale, CA; and South Bay Galleria in Redondo Beach, CA. QIC has the benefit of an option over the following four malls in the second tranche, which are expected to transact as the parties satisfy certain conditions: Victoria Gardens in Rancho Cucamonga, CA; Galleria at Sunset in Henderson, NV; Promenade Temecula in Temecula, CA; and Short Pump Town Center in Richmond, VA. We were able to obtain Green Street's estimated NOI per square foot but this information has not been verified. The total portfolio NOI is based on discussions with a market participant with intimate knowledge of the deal.

Improved Sale 2 – Northgate Mall

NPV advisors national property valuation

Macerich Company sold this asset as part of a two-property portfolio to a private investment firm. The total purchase price for the two assets was approximately $169,000,000. This property is located in Marin County, one of the most affluent areas of the country but the property has some physical setbacks as it does not have highway frontage. The property reported sales volumes at $421 per square foot. The property is anchored by Sears, Macy's, Kohl's and Century Theaters. Major tenants include Forever 21, HomeGoods and H&M. The property was in average condition at the time of sale. The seller is actively trying to divest of their lower quality assets.

Improved Sale 3 – Hilltop Mall

This mall transferred in July 2017 from a special servicer of a CMBS loan that was REO to a Value Add investor group. The buyer has already begun to transform the mall and it will remerchandised to appeal to the East Bay mall is being largely redeveloped with new retail that will incorporate vibrate entertainment space. Further, the site has the potential for up to 9,600 housing units, office and hotel uses. The mall renovation is anticipated to be completed in 2019. The buyers motivation was the value add benefit of one of the best locations in the East Bay neighborhood. The mall is anchored by Macy's, Walmart and Sears. Mall shop tenancy is considered average at best and the property was in average condition as of the date of sale. The property was generally neglected due to being REO with no capital. As such, tenancy and occupancy declined significantly and the current tenant roster is less than ideal.

Improved Sale 4 – The Shoppes at Gateway


This mall was partially redeveloped from an enclosed center to a regional mall and power center. The property is anchored by Sears, Target (shadow anchor), Kohl's, Cinemark 17, Cabela's and Hobby Lobby. The mall shop space is tenanted with average mall retailers and local retailers. Significant portions of the property were "de-malled" in 2014 as part of a value add strategy for Rouse. The occupancy levels for the mall shop space were approximately 50 percent before the redevelopment. The property is now 97 percent leased. The total cost of the renovation/redevelopment was reported at $42,000,000. The property was actively marketed for five months before the sale. There is additional potential upside to add several other junior boxes to the property.

Improved Sale 5 – Flatiron Crossing

Flatiron Crossing is a 1,432,995-square foot super-regional mall located in the northwest Denver suburb of Bloomfield, Colorado. In addition to the enclosed regional mall component, Flatiron Crossing contains an adjoining outdoor area known as Flatiron Village, which houses several restaurant tenants and an AMC Theatre. Finally, a set of outparcel buildings housing a McDonalds, First National Bank, and Waterway Gas & Wash are located across West Flatiron Crossing Drive from the enclosed mall. Construction of the on-site improvements to the mall component were completed in 2000, while the construction of the outparcel improvements were completed in 2002. The center is anchored by three department stores – Dillard's, Macy's, and Nordstrom. Notable major tenants include Dick's Sporting Goods, H&M, Forever 21, Apple, Crate & Barrel, Pottery Barn, The Container Store, Express and Banana Republic. Overall retail sales average $545 per square foot, with an average occupancy cost of 14.6 percent.

Heitman purchased a 49 percent interest in two regional malls, including Flatiron Crossing and Deptford Mall, as well as a lifestyle center known as Twenty Ninth Street. The transaction closed in January 2016. The allocated purchase price to Flatiron Crossing totaled $678 million, or $764.81 per square foot. The year capitalization rate was reported at 4.60 percent.

Improved Sale 6 – Westfield – O'Connor Portfolio

The Westfield – O'Connor Portfolio consists of three Class B malls. Westfield originally marketed these malls within a larger portfolio but was not successful in fully selling the assets in 2013. O'Connor owned a state in the three properties via a joint venture with Westfield. The seller was looking to divest of their Class B malls and joint ventures to focus capital on high returning development opportunities at their Class A malls. The portfolio was priced near the book value.

Desert Palm is anchored by two Macy's, Dick's Sporting Goods, JC Penney and Sears. Trumbull Mall is anchored by Macy's, Target and JC Penney. The mall has been partially renovated with the addition of a new Cheesecake Factory and Panera Bread. Westfield Wheaton is anchored by Macy's, Costco, Target, Dick's Sporting Goods and JC Penney. There is also a freestanding AMC Theater and an adjacent strip center. Other major tenants include H&M, Forever 21 and Elevation Burger.

Improved Sale 7 – Monmouth Mall

Monmouth Mall is a Class B mall that sold in 2015 to the joint venture partner. The mall was actively marketed with pricing coming in around 7.00 percent on in-place NOI. However, the buyer (an existing joint venture partner in the property) offered well above the others based on a capitalization rate in the low 6.00 percent range, or say 6.25 percent. The seller was looking to divest from the retail market and the buyer sought the asset as a value add investment. Since acquisition, the buyer has begun a $500 million redevelopment project that will take the space from an older mall to a new walkable town center property. The Eatontown borough council approved zoning changes for the site to include up to 700 residential units, medical office, indoor and outdoor dining, a food hall and entertainment uses. To date, the medical office piece has been completed and the return on investment was over 20 percent.

OTHER CONSIDERATIONS

In addition to individual mall sales as well as the smaller portfolios summarized above, there are two major mall operators that are being sold at this time. Westfield has agreed to sell itself to UniBail-Rodamco for $15.7 billion. The deal brings together two of the largest mall companies. Westfield owns 35 shopping centers in the United States and United Kingdom. The London properties were reportedly priced at a 3.5 percent OAR based on in-place NOI while the US assets were priced around 4.00 percent. Market participants see the pricing as very aggressive. It is important to note that Westfield has actively divested of their non-core holdings and the portfolio is largely comprised of only Class A and Class A+ assets.

Brookfield Property Partners has bid approximately $14.8 billion to acquire the stake it doesn't already own in US mall owner GGP Inc. Brookfield seeks to repurpose struggling centers within the portfolio. Brookfield currently owns a 34 percent interest in GGP. Reportedly, the pricing for the sale based on total NOI of the portfolio is in the 6.00 percentage range, which many market participants feel is generally conservative. GGP recently rejected a bid from Brookfield because they felt it was too low.

ANALYSIS OF COMPARABLE SALES

Adjustments have been made to the comparable sales for the following factors.

Property Rights: To the best of our knowledge, all of the sales included herein involved property rights that were similar to those being appraised. Therefore, no adjustments are required for this factor.

Financing Terms: All of the comparable sales were either all cash transactions or involved typical financing terms; therefore no adjustments are warranted for this factor.

Conditions of Sale: To the best of our knowledge, all the sales were arm's length transactions; therefore no adjustments are warranted for this factor.

Market Conditions: The comparable sales closed between February 2015 and July 2017 with one portfolio under contract and set to partially close by the end of the year. Mall pricing peeked post-recession within the fourth quarter 2015 to second quarter 2016 for assets such as the subject. We have applied downward adjustments to Sales 5 through 7 for this factor. No other adjustments are warranted.

Age/Quality/Condition: The subject was constructed in 1970 and most recently renovated in 2016 and is considered to be of good quality and in good overall condition. We have applied various adjustments for this factor.

Tenancy: We have considered the subject's anchor and mall shop tenancy with the comparable sales have made various adjustments based on the overall quality of the anchors and merchandising plans.

Location: We have made various adjustments based on the subject's market and location compared to the comparable sales.

ADJUSTMENT GRID

The following table summarizes the adjustments made to the comparable sales. Please note, we were not able to confirm with an appropriate degree of accuracy the total owned GLA by property, particularly in terms of the QIC portfolio. As such, we have utilized total GLA as the standard factor to adjust despite unowned anchors being included in the GLA. This is the only alternative due to confidential nature of all of the sales presented herein, and in particular the pending sale.

IMPROVED SALES ADJUSTMENT GRID							
	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Unadjusted Price/SF	**$291.77**	**$140.91**	**$21.71**	**$130.85**	**$473.13**	**$246.86**	**$159.58**
Property Rights	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Financing Terms	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%
Subtotal	$291.77	$140.91	$21.71	$130.85	$473.13	$246.86	$159.58
Market Conditions	0%	0%	0%	0%	-5%	-5%	-5%
Subtotal	$291.77	$140.91	$21.71	$130.85	$449.48	$234.52	$151.60
Interim Adjusted Sales Price	**$291.77**	**$140.91**	**$21.71**	**$130.85**	**$449.48**	**$234.52**	**$151.60**
Other Adjustments							
Location							
- Overall	Downward	Downward	Downward	=	Downward	Downward	Downward
- Access/Visibility	=	Upward	Downward	=	=	=	=
Physical Characteristics							
- Overall Condition	=	Upward	Significant Upward	Downward	Downward	Upward	Upward
- Anchor Tenancy	=	=	Upward	Downward	Downward	=	=
- Merchandise Strategy	=	=	Upward	=	Downward	=	
Overall Adjustment	Downward	Upward	Significant Upward	Downward	Downward	=	Upward
Value Indication for Subject	**<$291.77**	**>$140.91**	**>$21.71**	**<$130.85**	**<$449.48**	**=$234.52**	**>$151.60**
Value Conclusion/SF	**$210.00**						

[1]The adjustment grid summarizes the direction and magnitude judged appropriate to the comparable sales. In some cases, adjustments may be derived directly from quantifiable data. However, in many instances the adjustments involve judgment of NPV Advisors.

NET OPERATING INCOME RATIO ANALYSIS

While price levels on a per square foot basis implicitly contain both the physical and economic factors affecting real estate, these statistics do not explicitly convey many of the details surrounding a specific property. While comparability of both physical and location characteristics are important criteria in analyzing these sales in relation to the subject, it is also extremely important to recognize that these sales are distinct entities by virtue of age and design, location and accessibility, tenancy, amenities, and competency of management.

Given these considerations, we have extracted a significant unit of comparison from the improved properties after analyzing each property and have then applied the appropriate unit of comparison to the subject. In this instance, we have identified a relationship between the net operating income and the sale price of the property. Typically, a higher net operating income per square foot corresponds to a higher sale price per square foot.

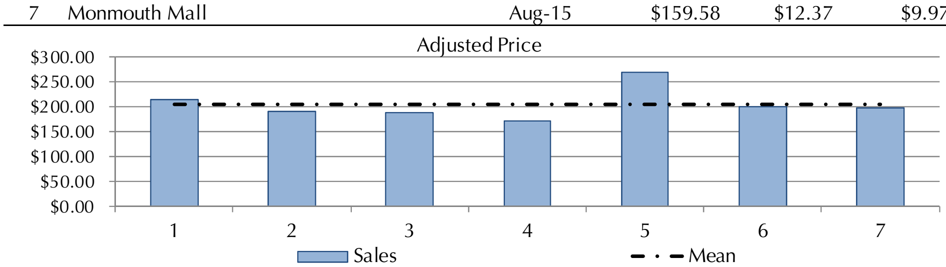
Occasionally a sale will display a comparatively lower NOI per square foot, but a higher price on a per square foot basis. This circumstance is produced by the perceived quality, stability, and/or upside potential of the associated income stream or by the high image and desirability of a particular property. Other variations in the general relationship can occur when properties are in a distressed condition when purchased, or there is an inordinately high leasing risk associated with a given property.

As a basis for comparison, we have utilized the stabilized pro forma net operating income forecast for the subject as developed in the *Income Approach*. The subject's pro forma net operating income levels fall within the range as the sale report NOI' ranging from $1.42 to $21.76 per square foot.

The following table provides a summary method of adjustment that accounts for the disparity of the net operating incomes (NOIs) per square foot between the sales and the subject. Within this technique, each of the comparable unit sales prices is multiplied by the NOI per square foot of the subject, and then divided by the sales' corresponding NOI per square foot, which produces an indication of value for the subject. *Please note that the subject NOI in the table is based on total GLA, not owned GLA as calculated in the Income Approach.

NET OPERATING INCOME RATIO ANALYSIS

Sale No.	Property	Sale Date	Sale Price ($/SF)	Subject NOI ($/SF)	Sale NOI ($/SF)	NOI Ratio	Adjusted Price ($/SF)
1	Forest City - QIC Portfolio	Under Contract	$291.77	$12.37	$16.78	0.7370	$215.04
2	Northgate Mall	Jan-17	$140.91	$12.37	$9.16	1.3501	$190.24
3	Hilltop Mall	Jul-17	$21.71	$12.37	$1.42	8.7091	$189.07
4	The Shoppes at Gateway	Mar-17	$130.85	$12.37	$9.49	1.3032	$170.52
5	Flatiron Crossing	Jan-16	$473.13	$12.37	$21.76	0.5683	$268.90
6	Westfield - O'Connor	Feb-15	$246.86	$12.37	$15.31	0.8078	$199.41
7	Monmouth Mall	Aug-15	$159.58	$12.37	$9.97	1.2404	$197.95



Low	$170.52
High	$268.90
Mean	$204.45
Median	$197.95
Conclusion	**$215.00**

SOUTHLAKE SALES COMPARISON APPROACH	
Indicated Price/SF	$215.00
Total GLA (Owned and Unowned)	1,368,457
As Is Total	$294,218,255
As Is Value (Rounded)	**$294,000,000**

OWNED NOI ADJUSTMENT ANALYSIS

Within above analysis, our unit of adjustment is the total property GLA due to the fact that we could not 100 percent verify the total owned or sold GLA for Sale 1 and Sale 7, both of which we consider important and relevant sale comparables. The total property GLA included un-owed anchor stores. Our conclusions within the report are based on this metric in order to be consistent with the data we could independently verify.

However, total owned GLA is typically utilized as the metric for comparison. As such, we have presented the NOI adjustment tables based on owned/sold GLA for price per square foot, NOI per square foot as well as the Starwood mall NOI per square foot of owned GLA. The following tables summarize this analysis by asset. You will note that Sales 1 and 7 are omitted from this analysis.

OWNED/SOLD GLA SALES SUMMARY - SOUTHLAKE MALL							
Sale No.	Property	Sale Date	Sale Price Owned/Sold GLA	Sale NOI on Owned/Sold GLA	Subject NOI on Owned GLA	NOI Ratio	Adjusted Price ($/SF)
1	Forest City - QIC Portfolio	Under Contract	N/A	N/A	N/A	N/A	N/A
2	Northgate Mall	Jan-17	$193.51	$12.58	$19.95	1.5861	$306.92
3	Hilltop Mall	Jul-17	$41.24	$2.69	$19.95	7.4080	$305.51
4	The Shoppes at Gateway	Mar-17	$176.39	$12.79	$19.95	1.5600	$275.17
5	Flatiron Crossing	Jan-16	$764.81	$35.18	$19.95	0.5671	$433.70
6	Westfield - O'Connor	Feb-15	$275.77	$17.10	$19.95	1.1668	$321.77
7	Monmouth Mall	Aug-15	N/A	N/A	N/A	N/A	N/A
	Average		$290.34	$16.07			$328.62

We previously concluded to a value of $294,000,000 or $346.59 per square foot of owned GLA. This falls within the adjusted range via the NOI analysis.

COST APPROACH

The application of the cost approach is based on the principle of substitution. This principle states that an informed buyer would pay no more for a property than it would cost to acquire a comparable site and build an improvement of similar quality and utility. The methodology of the cost approach consists of the following steps:

1. The subject's land value, as though vacant and unencumbered, is developed from an analysis of comparable land sales;
2. Typical direct (hard) and indirect (soft) costs and an appropriate entrepreneurial incentive are estimated;
3. The total depreciation is deducted from the replacement cost new, resulting in the depreciated value of the improvements; and
4. The depreciated value of the improvements is added to the land value to relate a value for the subject in its present condition.

Based on our analysis of the subject's location and property type, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the cost approach to establish the value. Additionally, the cost approach is felt to provide the least reliable indication of value due to the imprecision of determining an appropriate developer's entrepreneurial incentive, estimating depreciation, and assessing economic obsolescence. As such, we have not developed a value indication via the cost approach herein.

RECONCILIATION OF VALUE

We were instructed to estimate the "as is" fair value of the leased fee estate interest in the subject as of September 30, 2017. In analyzing the subject, the three traditional approaches to value were considered. The values estimated via each approach considered applicable are summarized below.

The income approach is considered the most persuasive method for valuing the subject property's values. This approach is predicated on the principle of anticipated economic benefits and therefore best reflects the investment characteristics of the subject. Investors typically acquire properties such as the subject. Interviews with market participants indicate that investors in valuing properties such as the subject most commonly use the discount cash flow analysis, and we have placed the most weight on this methodology in our value estimation. However, we have also considered our value rendered via the direct capitalization approach.

The sales comparison approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The data developed was considered sufficiently reliable to reach a value conclusion by the sales comparison approach. This method is given secondary consideration in the reconciliation.

The cost approach is predicated on the principle that an investor would pay no more for an existing property than it would cost to acquire land and construct a building with similar utility. The cost approach was not developed.

In arriving at the final value conclusions, greatest weight was placed on the income approach. The final value conclusions and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

Based on the research and analysis contained in this report, it is estimated that the "as is" fair value of the leased fee interest in the subject as of September 30, 2017:

THREE HUNDRED TWO MILLION DOLLARS
($302,000,000)

The value estimate is based on the assumptions, limiting conditions, and certification in the report. The report in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

EXPOSURE AND MARKETING TIME

Reasonable Exposure Time: Exposure time precedes the effective date of the appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical fair value sale on the effective date of the appraisal. It is a retrospective estimate based on an analysis of recent events, assuming a competitive and open market and a reasonable marketing effort. Exposure time and the appraisal's conclusion of value are therefore interrelated.

The amount of time that a property will require to be marketed varies greatly depending on a number of factors including market conditions, listing price, terms of sale offered, and competitive listing inventory. All things considered, we estimate the reasonable exposure time at our estimate of fair value to be 12.0 months.

Reasonable Marketing Time: A reasonable marketing time is the period a prospective investor would forecast to sell the subject immediately after the date of value, at the value estimated. Anticipated marketing time is essentially a measure of the perceived level of risk associated with the marketability or liquidity of the subject. The sources for this information include those used in estimating the reasonable exposure time along with an analysis of the anticipated changes in market and property conditions following the date of appraisal. In other words, the reasonable marketing time is the number of months required to sell the subject from the date of value, into the future, at the appraised value.

The reader must understand, however, that the future price for the subject may or may not equal the appraised estimate. The future price depends on unpredictable changes in the physical real estate, demographic and economic trends, real estate markets in general, supply and demand characteristics for the property type, and many other factors. The following chart details marketing time for the national regional mall market according to the *PwC Real Estate Investor Survey*.

The value conclusion reported here assumes a marketing period of less than one year. *The PwC Real Estate Investor Survey* indicates that marketing time for the national regional mall market times range from 3.0 to 18.0 months and averages 9.0 months as of the fourth quarter of 2017. The assumptions utilized within the income approach are consistent with the investment criteria drawn from the various published surveys. Based on these factors, we have projected a marketing period of 12.0 months for the subject.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised are clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. National Property Valuation Advisors, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. National Property Valuation Advisors, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of the title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject' titles should be sought from a qualified title company that issues or insures title to real property. National Property Valuation Advisors, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.

2. Unless otherwise specifically noted in the body of this report, it is assumed: that the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. National Property Valuation Advisors, Inc.'s professionals are not engineers and are not competent to judge matters of an engineering nature. National Property Valuation Advisors, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of National Property Valuation Advisors, Inc. by ownership or management; National Property Valuation Advisors, Inc. inspected less than 100 percent of the entire interior and exterior portions of the improvements; and National Property Valuation Advisors, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and or building system problems may not be visually detectable. If engineering consultants retained should report negative factors, of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, National Property Valuation Advisors, Inc. reserves the right to amend the appraisal conclusions reported herein, if engineering consultants report negative findings.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated ground water or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

4. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, National Property Valuation Advisors, Inc. has no reason to believe that any of the data furnished contains any material error. Information and data referred to in this paragraph include, without being limited to, numerical street address, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historic operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, National Property Valuation Advisors, Inc. reserves the right to amend conclusions reported if made aware of any such error.

Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify National Property Valuation Advisors, Inc. of any questions or errors.

5. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in this appraisal and that there are no air or development rights of value that may be transferred.

6. Unless otherwise noted in the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered.

7. It is assumed that all information and data furnished by third parties in connection with the preparation of this report are accurate and correct, and National Property Valuation Advisors, Inc. has no reason to believe to the contrary unless such is specifically noted in the body of the report. Information included in this context refers to zoning data comparable rental and sales data, verification of factual data, and general market data.

8. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal, except as specifically noted.

9. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of National Property Valuation Advisors, Inc. to buy, sell, or hold the property or properties at the value or values stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

10. If included in the analysis, cash flow are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. Any projections of income, expenses, and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections contained herein. National Property Valuation Advisors, Inc. does not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of National Property Valuation Advisors, Inc.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, National Property Valuation Advisors, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the values estimated herein. Since National Property Valuation Advisors, Inc. has no specific information relating to this issue, nor is National Property Valuation Advisors, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

12. Unless otherwise noted, the value conclusion represents a 100 percent interest in the property appraised free and clear of any mortgage debt that may be outstanding.

13. The research and preparation of this appraisal took place prior to our date of value. The reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different than it was as of the date of National Property Valuation Advisors, Inc.'s last inspection of the subject. The appraisal is based on real estate and economic conditions and projections as best perceived as of the date of this report.

ADDENDA

Historical Fair Value Analysis
Proof of Licensure
Professional Qualifications

HISTORICAL FAIR VALUE ANALYSIS

HISTORICAL VALUATION ANALYSIS

As part of this assignment we have been requested to provide opinions of the retrospective value of the subject property as of several historical dates as summarized in the chart below.

HISTORICAL DATES OF VALUE							
Dec-13	Dec-14	Dec-15	Dec-16	June-16	Sep-16	Jun-17	Sep-17

For this analysis we were provided the copies of the audited year-end financial statements for the Retail Co-Invest Holdings, LP, Retail Co-Invest Holdings 2, LP, Retail Co-Invest Holdings 3, LP and Retail Co-Invest Holdings 4, LP. Within these statements Fair Value of the subject property is presented. The Fair Value as of December 31, 2013 was based on the recent acquisition price of the property at that time. For subsequent years, the General Partner determined the fair value using methods considered by the General Partner to be most appropriate for the type of investment. These methods include, but are not limited to (i) internally-prepared discounted cash flow estimates (ii) third party appraisals or valuations by qualified real estate appraisers or investment banks, (iii) contractual sales of properties that are subject to bona fide purchase contracts. The valuation process is conducted on a quarterly basis by the General Partner and primarily relies on the values generated by the General Partner's asset managers assigned to the particular investment. These valuations, the financial models, and the significant assumptions and other pertinent factors used in the valuations are reviewed and approved by senior management. A valuation committee comprised of senior members of asset management, portfolio management, accounting and the Chief Financial Officer of the General Partner, provide final review and approval of all valuations. The following table summarizes the property's historical fair values. Although requested, quarterly estimates were not provided.

SOUTHLAKE MALL								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Fair Value[1]	$ 273,340,000	$300,460,000	$ 306,867,000	$ 310,111,000	N/A	N/A	N/A	N/A
NOI[2]	N/A	$ 18,009,049	$ 18,619,535	$ 18,291,669	$18,077,028	$18,389,849	$17,825,886	$17,654,882
Implied OAR	N/A	5.99%	6.07%	5.90%	N/A	N/A	N/A	N/A

[1] Source: Audited Financial Statements

[2] Source: Operating Statements provided by Starwood Capital Group

As shown the subject property's value as estimated by the General Partner has fluctuated between $273,340,000 and $310,111,000, increasing $36,771,000 or 13.4 percent between 2013 and 2016. During this same time period (2013-2016), a total of $13,964,000 was spent in capital expenditures as summarized in the following table.

CAPITAL EXPENDITURE SUMMARY								
Capital Type	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17	Total
TI/LC	$ -	$ 2,036,000	$ 2,540,000	$ 1,807,000	$ 1,681,000	$ 1,342,000	$ 3,461,000	$ 854,000	$ 13,721,000
Ordinary Capital	$ -	$ 1,253,000	$ 1,207,000	$ 462,000	$ 572,000	$ 515,000	$ 654,000	$ 59,000	$ 4,722,000
Refresh Capital	$ -	$ 203,000	$ 1,568,000	$ -	$ 713,000	$ 252,000	$ 763,000	$ -	$ 3,499,000
Development Capital	$ -	$ 2,854,000	$ -	$ 34,000	$ 9,000	$ 22,000	$ 2,015,000	$ 3,000	$ 4,937,000
Total Capital	$ -	$ 6,346,000	$ 5,315,000	$ 2,303,000					$ 26,879,000

Source: Starwood Capital Group

VALUATION METHODOLOGY

In order to determine the historical fair value of the subject we have analyzed a number of key factors that impact a regional mall's net operating income and consequently value. Based on our extensive experience and discussions with institutional investors, these are considered the primary factors that impact a property's value. It should be recognized that this analysis focuses on backward looking trends in the property's fundamentals and pricing from the prospective of investors. As such, our current valuation serves as the initial data point in the analysis.

The following paragraphs briefly discuss these factors:

Trade Area Trends: As discussed previously the subject's trade area is considered slightly above-average and the property faces relatively minimal competition. The subject is located within a dominant retail corridor with strong access and access to a large middle market consumer base.

Retail Sales Trends: The following table summarizes the subject's retail sales trend over the past five years.

RETAIL SALES TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Retail Sales/SF - All Tenants:	$449.76	$439.13	$447.37	$461.21	$463.33	$459.00	$446.41	$433.59
% Change from Prior Year:	N/A	-2.4%	1.9%	3.1%	N/A	N/A	-3.8%	-5.9%
Source: Starwood Capital Group								

As shown, retail sales volumes have remained relatively steady over the past five years, fluctuating from $400.65 to $463.33 per square foot and averaging $443.98 per square foot.

Occupancy Cost Trends: As previously discussed, occupancy cost is primary indicator of a mall's overall health. We note that many retailers have become more comfortable with higher health ratios due to the synergy created between the retailer's "brick and mortar" store and online sales as consumers like having a physical store to support internet purchases. Thus, the metrics have begun to shift upwards. The subject is a Class A-/B+ regional mall located in the Northwest Indiana. It is generally accepted that the higher the sales volume (on a per square foot basis) the higher the health ratio.

OCCUPANCY COST TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Occupancy Cost	14.7%	13.3%	14.1%	13.6%	13.5%	12.9%	14.6%	14.5%
% Change from Prior Year:	N/A	-10.0%	6.4%	-3.6%	N/A	N/A	7.5%	10.9%
Source: Starwood Capital Group								

Similar to retail sales, occupancy cost has remained relatively steady ranging from 13.3 to 14.7 percent, averaging 14.0 percent over the past five years. This is considered healthy for a mall generating mall shop sales in the $450 to $500 range. *Please note: the percentage change represents year-over-year.

Occupancy Trends: In light of the ever evolving retail landscape and as a result of the tenant fallout that has occurred in recent years, a property's occupancy trend is considered a key factor in determining a property's competitive position in the market.

OCCUPANCY TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Occupancy Mall Shop <50,000 SF:	97.8%	99.6%	99.5%	98.5%	97.1%	97.5%	96.8%	98.3%
Occupancy LL Owned:	96.2%	99.6%	99.8%	97.3%	97.3%	97.8%	97.0%	92.7%
Source: Starwood Capital Group								

As shown, mall shop occupancy (the primary indictor) has remained steady over the past five years ranging from 96.8 to 99.6 percent and averaging 98.1 percent. In comparison, the occupancy of all landlord space has ranged more widely from 92.7 to 99.8 percent but nevertheless remains relatively healthy. Typically, this indicator will vary more due to the fact that it typically includes a wide range of space types including outparcels and other freestanding retail units.

Investor Survey Trends: The most useful approach used to estimate an approximate rate of return required by the most probable buyer is to analyze the current investment parameters applied by institutional investors and advisors to real estate pension and portfolio funds when acquiring real estate. The following table presents the results the *PwC Real Estate Investor Survey, National Regional Mall Market* and the *Situs RERC Real Estate Report* market for regional malls. This survey comprises investors' assumptions and return requirements, which provide a national basis for comparison. Investors surveyed include pension funds, pension fund advisors, investment advisors, direct advisors, direct investors, and investment bankers.

INVESTOR SURVEY TRENDS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
PWC Real Estate Investor Survey - National Regional Mall Market								
Overall Cap Rate (OAR) Range:	4.3% - 10.0%	4.0% - 10.0%	4.0% - 9.0%	4.0% - 10.0%	4.00% - 9.00%	4.00% - 9.00%	4.00% - 10.00%	4.00% - 10.00%
Average	6.60%	6.21%	6.03%	6.10%	6.00%	6.05%	6.20%	6.23%
Average for Class B+	6.70%	6.67%	6.28%	6.35%	6.25%	6.25%	6.59%	6.59%
Situs RERC Real Estate Report - First Tier Regional Mall - Midwest								
Going-In Cap Rate Range:	6.0% - 10.0%	4.3% - 9.0%	5.0% - 9.0%	5.5% - 9.0%	5.0% -9.0%	5.5% - 9.0%	6.0% - 9.0%	5.5% - 9.0%
Average:	7.8%	7.4%	7.3%	7.6%	7.4%	7.3%	7.4%	7.5%
Situs RERC Real Estate Report - Second Tier Regional Mall - Midwest								
Going-In Cap Rate Range:	6.5% - 10.5%	6.0% - 10.0%	5.8% - 10.0%	6.5% - 10.0%	6.5% - 10.0%	7.0% - 9.0%	6.8% - 10.0%	6.0% - 10.0%
Average:	0.086	0.084	0.082	0.082	0.083	0.08	0.079	0.081
Source: PWC and RERC								

As indicated, pricing trends have remained relatively steady over the past five years. The market was relatively steady in 2013 and 2014. In 2015 and 2016 regional mall pricing became modestly more aggressive and most recently has trended upward slightly. On the whole, average pricing over the past five years has maintained a general range of 50 basis points.

Conclusion: After consideration of the four factors previously discussed and Investor Survey Trends we have developed the following retrospective value conclusions for the subject property.

SOUTHLAKE MALL - HISTORICAL (RETROSPECTIVE) VALUE CONCLUSIONS								
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Sep-16	Jun-17	Sep-17
Fair Value Conclusions:	$273,000,000	$300,000,000	$310,000,000	$318,000,000	$326,000,000	$320,000,000	$297,000,000	$302,000,000
T-12 NOI:	N/A	$18,009,049	$18,619,535	$18,291,669	$18,770,020	$18,389,849	$17,825,886	$17,654,882
Implied OAR:	N/A	6.00%	6.00%	5.75%	5.75%	5.75%	6.00%	5.85%

Source: NPV Advisors

EVIDENCE OF STATE LICENSURE

STATE OF INDIANA
Michael R. Pence

Indiana Professional Licensing Agency
402 W. Washington St. Room W072
Indianapolis, IN 46204
Phone: (317) 232-2980
Fax: (317) 233-4236

Digitally Certified Proof of Licensure

RE: David R. Walden

I, Deborah J. Frye, Executive Director of the Indiana Professional Licensing Agency and custodian of the records therein, hereby certify that the attached is the digitally certified proof of licensure, as requested, and as it appears in the files of the Indiana Professional Licensing Agency on the date/time certified.

This digital certification follows the requirements of Indiana's Electronic Digital Signature Act (Indiana Code 5-24-1-1 et seq.) and rules developed by the Indiana State Board of Accounts, 20 IAC 3-1 et seq. to establish a valid digital electronic signature

If you have the need to verify the authenticity of the digital certification as of the date and time stamp below, go to https://secure.in.gov/apps/pla/verify.htm and use our free web service to "Verify an Electronic Certified Record". Simply browse to the location you saved the secure pdf document sent to you and upload to validate.

Deborah J. Frye

Deborah J. Frye, Executive Director
Tue Jun 14 12:33:45 PM EDT 2016

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Indiana Professional Licensing Agency
402 W. Washington St. Room W072
Indianapolis, IN 46204
Phone: (317) 232-2980
Fax: (317) 233-4236

Official Proof of Licensure
Digitally Certified Record

Personal Information	
Name:	David R. Walden
Address:	NPV Advisors 980 North Michigan Avenue, Suite 1000 Chicago, IL 60611
Date of Birth:	11/30/1970

License Information	
Number Issued:	CG40600019
License Type:	Certified General Appraiser
Status:	Active
Issue date:	01/14/2006
Expiration Date:	06/30/2018
Obtained By:	Reciprocity
Disciplinary Action:	None

This licensee has met ALL requirements for licensure in the State of Indiana - including successfully passing all required exams.

For additional information including questions regarding Disciplinary Action, contact the appropriate Board or Commission at www.in.gov/pla/boards.htm

Digitally Certified on: Tue Jun 14 12:33:45 PM EDT 2016

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PROFESSIONAL QUALIFICATIONS

DAVID R. WALDEN, CRE, FRICS, MAI, CCIM
Managing Principal

EXPERIENCE:

David R. Walden, Principal and co-founder of National Property Valuation Advisors, Inc., has been active in the real estate industry since the early-1990s. Under the continuing leadership of the four principals, the company has grown from a single office with three employees in Chicago to a national practice with a professional staff of over 65 and regional offices throughout North America.

Immediately preceding the company's formation, Mr. Walden was employed by Koeppel Tener Real Estate Services, Inc. (KTR) as Vice President managing the Chicago branch of the Retail Services division. Mr. Walden was responsible for a wide range of valuation, consulting, and purchase price allocation (PPA) assignments involving institutional assets for major commercial banks, pension funds, and other similar clients. Further, as a Senior Analyst and member of the National Hospitality Group while employed by CB/Richard Ellis, Mr. Walden specialized in the analysis of large, high-profile office, resort, and hospitality properties.

Throughout his career, Mr. Walden has specialized in the analysis of under-performing and troubled assets, working with a range of institutional clients and providing real estate services on a national basis. Mr. Walden's consulting experience includes feasibility, highest and best use analysis, loan underwriting, due diligence, and litigation support.

EDUCATION:

Indiana University
Bloomington & Indianapolis, Indiana
- Graduated with a BS from the Kelley School of Business with a Finance-Real Estate Major
- While attending Indiana University, Mr. Walden also pursued a concentration in English

AFFILIATIONS:

American Society of Real Estate Counselors
- Counselor of Real Estate (CRE)
- Former member of the CRE Real Estate Issues Editorial Board
- Midwest Chapter Chair

Fellow of the Royal Institute of Chartered Surveyors
- Fellow (FRICS)

Appraisal Institute
- Designated Member of the Appraisal Institute (MAI)

International Council of Shopping Centers (ICSC)
- Associate Member

Urban Land Institute (ULI)
- Associate Member

National Council of Real Estate Investment Fiduciaries (NCREIF)
- Professional Member

CCIM Institute
- Member

Pension Real Estate Association (PREA)
- Professional Member

LICENSING:

General Certified Real Estate Appraiser
- Currently licensed in multiple states