

May 24, 2020

By Electronic Mail

Chapman and Cutler LLP
1270 Avenue of the Americas
New York, NY 10020
Attention: Michael Friedman, Esq.

Re: Management and Potential Acquisition of U.S. Portfolio of Assets

To Whom It May Concern:

Washington Prime Group, L.P. ("WPGLP"), or its wholly-owned affiliate, is pleased to submit this letter of intent to those creditors (hereinafter "ILS Creditor/Anticipated Owner" or "Owner") who currently hold the indebtedness related to the Mortgage Loan incurred on March 6, 2018 in the amount of 910,000,000 Israeli Shekels ("ILS") (~\$254,545,455 USD) of which Starwood West Limited is the issuer via an offering on the Tel Aviv Stock Exchange in favor of certain ILC creditors ("ILS Creditors"). It is anticipated ILS Creditors will assume equity holder status, hence, WPGLP would enter into a one or more purchase and sale agreements ("Purchase Agreements") based on conditions and general terms set forth below as follows:

Owner:

WPGLP would enter into one or more Purchase Agreements with ILS Creditor/Anticipated Owner based upon conditions and general terms set forth below as follows:

Property Manager:

WPG Management Associates, Inc. ("WPGM"), a wholly owned subsidiary of WPGLP. WPGLP is the operating partnership of Washington Prime Group Inc. (NYSE: WPG).

Properties:

WPG assumes ILS Creditor/Anticipated Owner will hold title to the fee simple interest in the real property described on Exhibit A hereto along with all related and/or appurtenant assets and equipment owned by Owner (the "Properties"). The Properties are encumbered by certain mortgage loans as set forth on Exhibit A attached hereto (each lender identified thereon, a "Lender"). The Properties to be included in the transaction described herein shall be finally determined in accordance with the "Lender Consent; Exclusion of Properties" section below. Note that for purposes hereof, the five Properties secured by that certain CMBS loan with GS Mortgage Securities Corp. Trust 2018-SRP5 as lender shall be crossed assets for purposes of the Management Agreements (defined below) therefor and any rights of WPG with respect thereto (e.g. they must be managed, acquired, etc. as a united group or package unless the applicable Lender or WPG otherwise agree).

Acquisition of Properties:

Subject to the terms and conditions set forth herein, Owner and WPG will enter into a reasonable and customary Purchase Agreement or JV Agreement pursuant to which (a) WPG will hold 75% ownership interests in the Properties and (b) Owner will retain a 25%, non-controlling and profit participation ownership interest (and to be eligible for a distribution over a predetermined level of accumulated distributions) based on to be negotiated terms. Among other customary closing conditions, negotiation of a successful workout with the applicable Lender shall be a condition to closing.

The consideration for the sale shall be as follows: (a) \$45,000,000 in cash upon consummation of the sale, it being understood and acknowledged that such consideration may include approximately \$22MM of unrestricted cash proceeds held at the Property Owner level (\$27MM *less* \$5MM retained for Property level reserve fund), and (b) the 25% non-controlling profit participation ownership interest described above.

Definitive Documents:

Simultaneously with the Parties entering into one or more Purchase Agreements discussed below, the parties will enter into one or more asset property management agreements (each a "Management Agreement"). During the Preliminary Management Period (hereinafter defined) WPGM will assume all asset and property management, leasing, development and related responsibilities. Payment to WPGM during the Preliminary Management Period shall be limited to customary reimbursement of such expenses including travel, legal and other agreed upon out of pocket costs.

Upon consummation of the Purchase Agreement, WPGM shall enter into agreements for the aforementioned activities reflecting market rate terms and conditions to be in effect for a minimum term to be mutually agreed upon by the parties. Unless otherwise documented, each Management Agreement shall contain a fixed fee structure based upon the performance of one or more Properties over a predetermined period of time based upon the achievement of certain operating metrics to be mutually agreed upon by the parties.

Closing:

The closing shall occur following receipt of written approval from each Lender with respect to the appointment of WPGM as property manager and preapproval of each purchaser as a "Qualified Transferee" (or similar term) under each loan agreement, with the specific closing date to be agreed upon by the parties.

Lender Consent; Exclusion of Properties:

Within five business days after execution of this term sheet, Owner shall send written notice to each Lender seeking such Lender's consent to the appointment of WPGM as a replacement "Qualified Property Manager" (or similar term) under each loan agreement. WPG will reasonably cooperate, at no cost to WPG, with Owner's efforts to obtain Lender consent (to the extent required). Each Property for which a Lender delivers to Owner a written approval with respect to WPGM's appointment shall be included in the Properties for Closing. Each Property for which a Lender delivers a written disapproval of WPGM's appointment shall be excluded from the final Properties for Closing. To the extent any Lender fails to respond to Owner's request within 15 business days following such request (or such shorter time as may be required in the applicable loan documents), Owner and WPG shall reasonably cooperate, at no cost to WPG, to approach such Lender for a second time to seek approval. If such Lender fails to respond to such second request within 10 business days, the Property in question will be deemed to be disapproved by Lender and shall be excluded from the final Properties for Closing. The date the respective lender approves WPGM as the new "Qualified Property Manager shall be deemed the "Preliminary Management Period".

Loan Modifications and/or Extensions:

Upon WPGM's engagement as property manager, WPG shall, at no cost or expense to WPG and subject to Owner's approval in its sole discretion, lead negotiations with each Lender with respect to loan modifications and/or extensions, as applicable.

Expenses:

Unless otherwise provided herein, each party shall be responsible for its own legal fees in connection with the negotiation of the terms herein. WPG shall be solely responsible for any and all fees payable to any Lender in connection with the appointment of WPG as replacement property manager and qualified transferee and the seeking of consent for the same.

Broker Fees:

Each party shall represent and warrant that it has no obligation to any broker for this Transaction.

Right to Assign:

WPG will have the right and authority to assign its rights and obligations hereunder to a wholly owned subsidiary or subsidiaries without Owner consent.

Expiration:

This term sheet will expire at 5:00 p.m. Eastern Time on the date that is sixty (60) days following the execution hereof by both parties. If not so executed, this letter automatically will be null and void.

Confidentiality; Exclusivity:

Owner, WPGLP and their respective affiliates will maintain and will instruct and cause their respective affiliates, agents, advisors and legal counsel to keep the terms and existence of this term sheet, and each other's proprietary or confidential data, strictly confidential, unless agreed to in writing by such party; provided, however, that the parties may disclose this term sheet to their respective affiliates, agents, advisors and legal counsel in connection with the negotiation and consummation hereof, and as otherwise may be required by law.

Until the earlier of the expiration or termination of this term sheet or the execution of the Definitive Documents, Owner shall not market for sale, or engage in discussions or negotiations with any other party regarding a sale, of all or a portion of any Property (or a sale of the direct or indirect interests in all or a portion of any Property), or seek to engage any other third party property managers for any Property.

Non-Binding:

This term sheet is solely intended as an expression of interest and shall not be a legally binding agreement. Neither party shall have an obligation to close the transactions described herein until such time as they, in their sole and absolute discretion, enter into appropriate formal legal documentation including the Management Agreements and Purchase Agreements.

If you agree with the foregoing, please sign and return one copy of this letter of intent to the undersigned at the address first above referenced, which will constitute our agreement with respect to the subject matter of this letter of intent. We look forward to working with you on this transaction.

Very truly yours,

WASHINGTON PRIME GROUP, L.P.,
an Indiana limited partnership

By: Washington Prime Group Inc.,
an Indiana corporation, its general partner



By: _____
Name: Louis G. Conforti

Title: Chief Executive Officer and Director