PENNEY INTERMEDIATE HOLDINGS LLC

Consolidated Financial Statements (Unaudited)

October 30, 2021

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Financial Statements
(Unaudited)
October 30, 2021

Table of Contents

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Statements of Operations
(Unaudited)

(In millions)	Three Months Ended October 30, 2021	Nine Months Ended October 30, 2021
Total net sales	$ 1,804	$ 5,292
Credit income and other	109	283
Total revenues	1,913	5,575
Costs and expenses/(income):		
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	1,126	3,267
Selling, general and administrative	596	1,732
Depreciation and amortization	51	153
Real estate and other, net	(8)	(14)
Restructuring, impairment, store closing and other costs	10	33
Total costs and expenses	1,775	5,171
Operating income	138	404
Interest expense, net	28	78
Income before income taxes	110	326
Income tax expense	4	12
Net income	$ 106	314

See accompanying Notes to Consolidated Financial Statements (Unaudited).

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Balance Sheet
(Unaudited)

(In millions)		As of October 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$	354
Merchandise inventory		2,077
Prepaid expenses and other assets		418
Total current assets		2,849
Property and equipment, net		868
Operating lease assets		1,586
Financing lease assets		92
Other assets		334
Total assets	**$**	**5,729**
Liabilities and member's equity		
Current liabilities:		
Merchandise accounts payable	$	441
Other accounts payable and accrued expenses		738
Current operating lease liabilities		50
Current financing lease liabilities		2
Current portion of long-term debt, net		20
Total current liabilities		1,251
Noncurrent operating lease liabilities		1,765
Noncurrent financing lease liabilities		93
Long-term debt		765
Deferred taxes		6
Other liabilities		194
Total liabilities		**4,074**
Member's equity		
Member's contributions		300
Accumulated other comprehensive income		(1)
Reinvested earnings		1,356
Total member's equity		**1,655**
Total liabilities and member's equity	**$**	**5,729**

See accompanying Notes to Consolidated Financial Statements (Unaudited).

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Statement of Member's Equity
(Unaudited)

(In millions)	**Member's Contributions/ (Distributions)**	**Accumulated Other Comprehensive Income/(Loss)**	**Reinvested Earnings**	**Total Member's Equity**
January 30, 2021	$ 300	$ -	$ 1,299	$ 1,599
Member tax distributions	-	-	-	-
Net income	-	-	44	44
Other comprehensive income/(loss)	-	-	-	-
May 1, 2021	$ 300	$ -	$ 1,343	$ 1,643
Member tax distributions	-	-	(123)	(123)
Net income	-	-	164	164
Other comprehensive income/(loss)	-	(2)	-	(2)
Purchase price adjustments	-	-	(56)	(56)
July 31, 2021	$ 300	$ (2)	$ 1,328	$ 1,626
Member tax distributions	-	-	(44)	(44)
Net income	-	-	106	106
Other comprehensive income/(loss)	-	1	-	1
Purchase price adjustments	-	-	(34)	(34)
October 30, 2021	**$ 300**	**$ (1)**	**$ 1,356**	**$ 1,655**

See accompanying Notes to Consolidated Financial Statements (Unaudited).

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Statement of Cash Flows
(Unaudited)

(In millions)	**Nine Months Ended October 30, 2021**
Cash flows from operating activities:	
Net income	$ 314
Adjustments to reconcile net income to net cash provided by operating activities:	
Net (gain) on sale of real estate assets	(13)
Net (gain) on insurance proceeds received for damage to property	(1)
Depreciation and amortization	153
Change in cash from operating assets and liabilities:	
Merchandise inventory	(557)
Prepaid expenses and other assets	(47)
Merchandise accounts payable	290
Accrued expenses and other liabilities	155
Net cash provided by operating activities	**294**
Cash flows from investing activities:	
Capital expenditures	(41)
Proceeds from sale of real estate assets	10
Insurance proceeds received for damage to property and equipment	4
Net cash used by investing activities	**(27)**
Cash flows from financing activities:	
Proceeds from borrowings under the revolving credit facility	-
Proceeds from issuance of long-term debt	-
Debt issuance costs	-
Payments of long-term debt	(21)
Proceeds from equity contributions	-
Repayments of principal portion of finance leases	(1)
Tax distributions to members	(166)
Net cash used by financing activities	**(188)**
Net increase in cash and cash equivalents	79
Cash and cash equivalents at beginning of period	275
Cash and cash equivalents at end of period	**$ 354**

See accompanying Notes to Consolidated Financial Statements (Unaudited).

PENNEY INTERMEDIATE HOLDINGS LLC
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation and Consolidation

Basis of Presentation
Penney Intermediate Holdings LLC (the Company), formed on October 22, 2020, is the direct subsidiary of Penney Holdings LLC ("Holdings"), a direct subsidiary of Copper Retail JV LLC ("Copper"), a Delaware limited liability company. The assets of Copper and Holdings consist solely of the 100% ownership in each direct subsidiary. Copper and its related legal entity structure were formed to acquire certain operating assets and related liabilities of J.C. Penney Company, Inc. (JCPenney) on December 7, 2020 (the acquisition date). All acquired assets and liabilities of JCPenney are owned and operated by the Company and its subsidiaries.

The JCPenney brand was founded by James Cash Penney in 1902. We operate the JCPenney brand through the operation of 671 department stores in 49 states and Puerto Rico, as well as through our eCommerce website at jcp.com and our mobile application. We sell family apparel and footwear, accessories, fine and fashion jewelry, beauty products and home furnishings. In addition, our department stores provide services, such as styling salon, optical, and portrait photography.

These Unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States. The accompanying Unaudited Consolidated Financial Statements, in our opinion, include all material adjustments necessary for a fair presentation and should be read in conjunction with the Audited Consolidated Financial Statements and notes thereto for the fiscal year (FY) ended January 30, 2021. We follow the same accounting policies to prepare quarterly financial statements as are followed in preparing annual financial statements. A description of such significant accounting policies is included in the notes to the Audited Financial Statements for the fiscal year ended January 30, 2021. Because of the seasonal nature of the retail business, operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

Fiscal Year
The Company's fiscal year consists of the 52-week period ending on the Saturday closest to January 31. As used herein, "three months ended October 30, 2021" refers to the 13-week period ended October 30, 2021 and "nine months ended October 30, 2021" refers to the 39-week period ended October 30, 2021. Fiscal 2021 will consist of the 52-week period ending on January 29, 2022.

Basis of Consolidation
All significant inter-company transactions and balances have been eliminated in consolidation.

2. Global COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). Subsequently, the COVID-19 pandemic has significantly impacted the economic conditions in the U.S. and globally. While all of our stores have been open from January 31, 2021 to October 30, 2021, the COVID-19 pandemic has, and continues to have, an impact on the Company's business operations, financial position, liquidity, capital resources and results of operations. The full impact of COVID-19 will continue to depend on future developments, including the continued spread and duration of the pandemic, variant strains of COVID-19, the availability and distribution of effective medical treatments or vaccines as well as any related federal, state or local governmental orders or restrictions. In addition, numerous uncertainties continue to surround the pandemic and its ultimate impact on the Company, including the timing and extent of any recovery in consumer traffic and spending, and potential delays, interruptions and disruptions in the Company's supply chain, all of which are highly uncertain and cannot be predicted. Current financial information may not be indicative of future operating results.

3. Acquisition

On October 28, 2020, Copper entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with JCPenney and certain of its subsidiaries to acquire substantially all of JCPenney's retail and operating assets, and assume certain of JCPenney's obligations associated with such purchased assets, pursuant to Section 363 of the U.S. Bankruptcy Code in connection with JCPenney's voluntary chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The Asset Purchase Agreement and the transactions contemplated thereby were approved by the Bankruptcy Court on November 9, 2020. Copper subsequently designated the Company and its subsidiaries as purchasers under the Asset Purchase Agreement. The acquisition of substantially all of the retail and operating assets of JCPenney by the Company and its subsidiaries was completed on December 7, 2020. Pursuant to the Asset Purchase Agreement, the Company and its subsidiaries also assumed certain liabilities related to such assets.

The company accounted for the acquisition as a business combination in accordance with ASC 805. The consideration transferred for the acquisition was as follows:

(In millions)		**December 7, 2020**
Cash paid, net of cash acquired of $266	$	634
Term loan		520
Estimated contingent consideration		105
Total consideration transferred, net of cash acquired	**$**	**1,259**

The estimated contingent consideration consisted of both (i) an earn-out liability with fair value of $74.1 million and (ii) a liability related to any future receipts of credit card company holdback deposits with a fair value of $31.2 million as of the acquisition date. The value of the earn-out liability depends on the twelve-month average of the net merchandise accounts payable applicable for FY 2021 and FY 2022 and was estimated using a Monte Carlo simulation approach. The credit card holdback liability is equal to 50% of any cash proceeds received in connection with the release of the bankruptcy related credit card company holdbacks.

In accordance with GAAP, the carrying value of the contingent consideration must be remeasured at the end of each reporting period. As of October 30, 2021, the fair value of the estimated earn-out liability increased by $9 million to $83 million. The increase in fair value was recorded as a period expense in Restructuring, impairment, store closing and other costs in our Consolidated Statement of Operations.

As noted in the Audited Consolidated Financial Statements for the fiscal year ended January 30, 2021, the assets acquired and liabilities assumed in connection with the acquisition were recorded at fair value. Copper has a measurement period of up to a year after the acquisition date to adjust any provisional asset and liability amounts acquired. The Company recorded purchase price adjustments for provisional assets and liabilities acquired on December 7, 2020 totaling ($90) million in the nine months ended October 30, 2021. These purchase price adjustments are noted below and reduced the bargain purchase gain to $1,204 million, which represents the excess of the fair value of net assets acquired over the consideration transferred.

(In millions)		**October 30, 2021**
Reserve for acquired assets	$	(62)
Puerto Rico entity deferred tax liabilities		(7)
Other adjustments		(21)
Total purchase price adjustments	$	(90)
Bargain purchase gain (original)		1,294
Adjusted bargain purchase gain	$	1,205

4. Revenue

Our contracts with customers primarily consist of sales of merchandise and services at the point of sale, sales of gift cards to a customer for a future purchase, customer loyalty rewards that provide discount rewards to customers based on purchase activity, and certain licensing and profit sharing arrangements involving the use of our intellectual property by others. Revenue includes Total net sales and Credit income and other. Net sales are categorized by merchandise and service sale groupings as we believe it best depicts the nature, amount, timing and uncertainty of revenue and cash flow.

Credit income and other encompasses the revenue earned from the agreement with Synchrony associated with our private label credit card and co-branded MasterCard programs.

The Company has contract liabilities including consideration received for gift card and loyalty related performance obligations which have not been satisfied as of the balance sheet date. The liability for unredeemed gift cards and customer loyalty programs is included in Other accounts payable and accrued expenses in the Consolidated Balance Sheet and was $130 million as of October 30, 2021 and $143 million as of January 30, 2021. Revenue of $36 million was recognized during the current year from the January 30, 2021 ending balance.

5. Long-Term Debt

(In millions)	**October 30, 2021**
Issue:	
2020 Term Loan Facility (Matures in 2026)	$ 506
FILO Loan Due 2025	292
Total debt	798
Unamortized debt issuance costs	(13)
Less: current maturities	(20)
Total long-term debt	765

As of October 30, 2021, there were no outstanding borrowings under our $2.0 billion senior secured asset-based revolving credit facility (Revolving Credit Facility). Pricing under the Revolving Credit Facility is tiered based on our utilization under the line of credit. As of October 30, 2021, the applicable interest rates were LIBOR (subject to a 0.75% floor) plus 2.75% or Prime Rate plus 1.75%. The applicable rate for standby letters of credit was 2.75%, while the required unused commitment fee was 0.375% for the unused portion of the Revolving Credit Facility.

On December 1, 2021, the Company paid the full balance of the 2020 Term Loan of $506 million.

6. Litigation and Other Contingencies

We are subject to various legal and governmental proceedings involving routine litigation incidental to our business. While no assurance can be given as to the ultimate outcome of these matters, we currently believe that the final resolution of these actions, individually or in the aggregate, will not have a material adverse effect on our results of operations, financial position, liquidity or capital resources.

7. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through December 14, 2021, the date at which the financial statements were available to be issued.

As of November 1, 2021, the Company hired a new CEO and the interim CEO was appointed as the executive chairman of the Board of Directors.

NARRATIVE REPORT

(follows this page)

Penney Intermediate Holdings LLC
Narrative Report

	Three Months Ended October 30, 2021			Nine Months Ended October 30, 2021		
(In millions)	Actual	Plan	B/(W)	Actual	Plan	B/(W)
Total net sales	$ 1,804	$ 1,931	$ (127)	$ 5,292	$ 5,287	$ 5
Credit income and other	109	87	22	283	246	37
Total revenues	**1,913**	**2,018**	**(105)**	**5,575**	**5,533**	**42**
Costs and expenses/(income):						
Cost of goods sold	1,126	1,271	145	3,267	3,506	239
Selling, general and administrative	596	641	45	1,732	1,894	162
Depreciation and amortization	51	81	30	153	257	104
Real estate and other, net	(8)	(2)	6	(14)	19	33
Restructuring, impairment, store closing and other costs	10	-	(10)	33	36	3
Total costs and expenses	1,775	1,991	216	5,171	5,712	541
Operating income	**138**	**27**	**111**	**404**	**(179)**	**583**
Interest expense, net	28	26	(2)	78	76	(2)
Income before income taxes	**110**	**1**	**109**	**326**	**(255)**	**581**
Income tax expense	4	-	(4)	12	-	(12)
Net income	**$ 106**	**$ 1**	**$ 105**	**$ 314**	**$ (255)**	**$ 569**

See accompanying Notes to Consolidated Financial Statements (Unaudited).

Summary Results of Operations

Total net sales were $1.80 billion or $0.13 billion unfavorable for the three months ended October 30, 2021 and were $5.3 billion or $0.05 billion favorable for the nine months ended October 30, 2021 when compared to Plan.

Cost of goods sold as a percent of total net sales were 62.4% and 61.7% for the three months and nine months ended October 30, 2021, respectively outperforming Plan by $0.15 billion and $0.24 billion, respectively. Selling, general and administrative expenses were $0.60 billion or 33.0% of total net sales compared to Plan of 33.2% for the three months ended October 30, 2021 and $1.73 billion or 32.7% of total net sales compared to Plan of 35.8% for the nine months ended October 30, 2021 due to lower store expenses and continued tight expense control. Depreciation and amortization were lower than Plan due to impact of purchase price accounting vs historical net book values.

Financial Condition and Liquidity

As of October 30, 2021, the borrowing base under the ABL was $1.66 billion with $1.41 billion excess availability after deducting $0.25 billion in letters of credit. There were no outstanding borrowings. Including cash and cash equivalents of $0.35 billion, the Company had $1.76 billion in total liquidity.

STATEMENT OF CONSOLIDATED ADJUSTED EBITDA

(follows this page)

PENNEY INTERMEDIATE HOLDINGS LLC
Statement of Consolidated Adjusted EBITDA
For the Nine Months Ended October 30, 2021

(In millions)		
Net Income	$	314
Plus:		
Interest expense		78
Income tax expense		12
Depreciation and amortization		153
Restructuring, impairment, store closing and other costs		33
Minus:		
Real estate and other, net		(14)
Consolidated adjusted EBITDA	$	576

Prepared in accordance with the definition of Consolidated Adjusted EBITDA per Section 1.1 of the Credit and Guaranty Agreement dated December 7, 2020.

STORE REPORTING PACKAGE

(follows this page)

Quarterly / Annual Reporting Package

11/21/2021

Fiscal Quarter Ended October 30, 2021 [(A)]							
Property Ownership	**# of Properties**	**Square Feet**	**Tenant's Sales per Square Foot**	**Tenant's Four-Wall EBITDAR**	**Rent**	**Tenant's Four Wall EBITDA**	**Tenant's Four-Wall EBITDAR / Rent**
Fee	133	17,586,813	$20				2.1
Ground Lease	22	3,117,253	$24				2.2
Total	**155**	**20,704,066**	**$20**	**$88,129,621**	**$41,145,505**	**$46,984,116**	**2.1**

Fiscal Quarter Ended October 30, 2021[(A)]		
Rent Tier [(B)]	**# of Properties**	**Square Feet**
1 > $ 2.4	39	4,927,109
2 > $ 1.9	39	5,209,052
3 > $ 1.7	38	5,071,301
4 < $ 1.7	39	5,496,604
Total	**155**	**20,704,066**

(A) *Reflects financial activity from August 01, 2021 through October 30, 2021 (Fiscal Q3 2021)*

(B) *Rent tier determined based on book Occupancy Expense per square foot*

***Rent** : includes book Rent, Ground Leases, Contingent Rent, CAM & accrued Real Estate Taxes*

***EBITDA** : Tenant's Unallocated Store Contribution Profit, uses book rent*

***EBITDAR** : excludes Occupancy included in calculation of EBITDA*

Quarterly / Annual Reporting Package

11/21/2021

Fiscal Quarter Ended October 30, 2021 [A]							
Tenant's Sales per Square Foot Tier	**# of Properties**	**Square Feet**	**Tenant's Sales per Square Foot**	**Tenant's Four-Wall EBITDAR**	**Tenant's Four-Wall EBITDAR to Sales**	**Tenant's Four Wall EBITDA**	**Tenant's Four-Wall EBITDAR / Rent**
> $23.8	39	4,621,317	$31		24.2%		2.6
> $20	39	4,777,504	$22		21.7%		2.3
> $15.6	38	5,652,931	$18		19.9%		1.9
< $15.6	39	5,652,314	$13		15.3%		1.4
Total	**155**	**20,704,066**	**$20**	**$88,129,621**	**21.0%**	**46,984,116**	**2.1**

Fiscal Quarter Ended October 30, 2021 [A]							
EBITDAR / Rent Tier[B]	**# of Properties**	**Square Feet**	**Tenant's Sales per Square Foot**	**Tenant's Four-Wall EBITDAR**	**Tenant's Four-Wall EBITDAR to Sales**	**Tenant's Four Wall EBITDA**	**Tenant's Four-Wall EBITDAR / Rent**
> {3.0}x	15	1,636,687	$26		26.3%		3.4
> {2.0}x	77	10,009,011	$23		22.5%		2.4
< {2.0}x	63	9,058,368	$16		17.2%		1.5
Total	**155**	**20,704,066**	**$20**	**$88,129,621**	**21.0%**	**46,984,116**	**2.1**

(A) Reflects financial activity from August 01, 2021 through October 30, 2021 (Fiscal Q3 2021)

(B) Stratifications consolidated due to insufficient store count

Quarterly / Annual Reporting Package

11/21/2021

Trailing 12 Months							
Property Ownership	# of Properties	Square Feet	Tenant's Sales per Square Foot	Tenant's Four-Wall EBITDAR	Rent	Tenant's Four Wall EBITDA	Tenant's Four-Wall EBITDAR / Rent
Fee	N/A	N/A	N/A				N/A
Ground Lease	N/A	N/A	N/A				N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Trailing 12 Months							
Rent Tier [A]	# of Properties	Square Feet	Tenant's Sales per Square Foot	Tenant's Four-Wall EBITDAR	Rent	Tenant's Four Wall EBITDA	Tenant's Four-Wall EBITDAR / Rent
1 > $ 4.9	N/A	N/A	N/A				N/A
2 > $ 3.9	N/A	N/A	N/A				N/A
3 > $ 3.4	N/A	N/A	N/A				N/A
4 < $ 3.4	N/A	N/A	N/A				N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

[A] *Rent tier determined based on book Occupancy Expense per square foot*

***Rent** : includes book Rent, Ground Leases, Contingent Rent, CAM & accrued Real Estate Taxes*

***EBITDA** : Tenant's Unallocated Store Contribution Profit, uses book rent*

***EBITDAR** : excludes Occupancy included in calculation of EBITDA*

Quarterly / Annual Reporting Package

11/21/2021

Trailing 12 Months							
Tenant's Sales per Square Foot Tier	# of Properties	Square Feet	Tenant's Sales per Square Foot	Tenant's Four-Wall EBITDAR	Tenant's Four-Wall EBITDAR to Sales	Tenant's Four Wall EBITDA	Tenant's Four-Wall EBITDAR / Rent
N/A	N/A	N/A	N/A		N/A		N/A
N/A	N/A	N/A	N/A		N/A		N/A
N/A	N/A	N/A	N/A		N/A		N/A
N/A	N/A	N/A	N/A		N/A		N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Trailing 12 Months							
EBITDAR / Rent Tier	# of Properties	Square Feet	Tenant's Sales per Square Foot	Tenant's Four-Wall EBITDAR	Tenant's Four-Wall EBITDAR to Sales	Tenant's Four Wall EBITDA	Tenant's Four-Wall EBITDAR / Rent
> {3.0}x	N/A	N/A	N/A		N/A		N/A
> {2.0}x	N/A	N/A	N/A		N/A		N/A
> {1.0}x	N/A	N/A	N/A		N/A		N/A
< {1.0}x	N/A	N/A	N/A		N/A		N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Quarterly / Annual Reporting Package

Master Lease Guarantor Operating Performance

Key Financial and Performance Metrics	Fiscal Quarter Ended October 30, 2021 [(A)]	Trailing 12 Months
Comparable store sales percent increase/(decrease) for Master Lease Properties[(B)]	31.5%	N/A
Liquid assets covenant compliance (as defined in the Master Leases)	Yes	N/A
Tangible net worth (as defined in the Master Leases - in millions)[(C)]	$1,542	N/A

Key Portfolio Metrics	Fiscal Quarter Ended October 30, 2021[(A)]	Trailing 12 Months
End of period number of stores - fee owned and ground leased	206	N/A
End of period number of stores - space leased	465	N/A
Gross square footage of stores (in millions)	81.8	N/A

[(A)] Reflects financial activity from August 01, 2021 through October 30, 2021 (Fiscal Q3 2021)

[(B)] Comparable sales against LY base having COVID closures

(C) Per Consolidated Financial Statements of Penney Intermediate Holdings LLC as of October 30, 2021

Quarterly / Annual Reporting Package

Master Lease Subtenants

Fiscal Quarter Ended October 30, 2021								
Subtenant Name	**Subleased Property**	**Square Feet**	**Lease Commence Date**	**Lease Expiration Date (C)**	**Rent / Month**	**Rent Per Square Foot / Month**	**Percent of Total Rent (B)**	**Expense Provisions**
Donald Bruce Drummond *(Optometrist)*	334	226	6/1/2017	5/31/2022	100	0.4	0.2%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Norman Ratner *(Optometrist)*	634	202	9/1/2016	8/31/2022	100	0.5	0.1%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Xiao Meng Lu *(Optometrist)*	1572	339	6/10/2016	6/30/2022	100	0.3	0.1%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Susan Shahriari *(Optometrist)*	2096	154	10/1/2015	9/30/2022	100	0.6	0.2%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Brian W. Park, O.D. *(Optometrist)*	2467	120	10/1/2014	9/30/2022	100	0.8	0.1%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Jeff Overbey *(Optometrist)*	2649	178	3/25/2018	3/31/2022	100	0.6	0.2%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Dr. Laurence Rubin *(Optometrist)*	2677	126	9/1/2014	8/31/2022	100	0.8	0.1%	JCP retains 2% of sublessee's sales run through JCP credit card machines to cover interchange fees
Aspen Square, Inc.	2990	18,058	10/8/2008	10/7/2083	1	0.0	0.0%	
Total Subtenants (A)		**19,403**			**701**	**0.0**		

(A) Excludes TBA leases consistent with Section 9.2(a) of the Master Lease Agreement

(B) 9 months of sublease income divided by book rent for same period

(C) Subleases for Optometrist offices auto-renew for 12 months w/30-day right to terminate by either party

PERMITTED SUBLEASE REPORT

(follows this page)

Permitted Sublease Report

Dated: 11.23.21

(Required under Section 20.21(d)(iv) of the Retail Master Lease)

Note: "All" refers the Demised Premises under the Retail Master Lease

	Title	#	City	State	Gross Square Feet	Counter Party	Comment
Affiliate Subleases							
	Master Affiliate Sublease	All	All	All	All	Penney OpCo LLC	Contemplated by Section 9.2 (c) of the Retail Master Lease
No Consent Subleases							
	California Optometrist Sublease	334	FAIRFIELD	CA	226	Donald Bruce Drummond	
	California Optometrist Sublease	634	NATIONAL CITY	CA	202	Dr. Norman Ratner	
	California Optometrist Sublease	1572	CULVER CITY	CA	339	Dr. Xiao Meng Lu	
	California Optometrist Sublease	2096	PALM DESERT	CA	154	Dr. Susan Shahriari	
	California Optometrist Sublease	2467	SACRAMENTO	CA	120	Dr. Brian W. Park, O.D.	
	California Optometrist Sublease	2649	WESTMINSTER	CA	178	Dr. Jeff Overbey	
	California Optometrist Sublease	2677	NORTHRIDGE	CA	126	Dr. Laurence Rubin	
	Developer's First Floor Shops	2990	OVERLAND PARK	KS	18,058	Aspen Square, Inc.	
					19,403	**Total gross square feet subject to No Consent Sublease**	