PENNEY INTERMEDIATE HOLDINGS LLC

Unaudited Consolidated Financial Statements

July 31, 2021

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PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Statements of Operations
(Unaudited)

(In millions)	**Three Months Ended July 31, 2021**	**Six Months Ended July 31, 2021**
Total net sales	$ 1,895	$ 3,488
Credit income and other	98	174
Total revenues	1,993	3,662
Costs and expenses/(income):		
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	1,162	2,141
Selling, general and administrative	578	1,136
Depreciation and amortization	51	102
Real estate and other, net	(1)	(6)
Restructuring	1	4
Acquisition and transition related costs	8	19
Total costs and expenses	1,799	3,396
Operating income	194	266
Interest expense, net	25	50
Income before income taxes	169	216
Income tax expense	5	8
Net income	**$ 164**	**$ 208**

See accompanying Notes to Unaudited Consolidated Financial Statements.

PENNEY INTERMEDIATE HOLDINGS LLC
Consolidated Balance Sheet
(Unaudited)

(In millions)	**July 31, 2021**
Assets	
Current assets:	
Cash and cash equivalents	$ 611
Merchandise inventory	1,682
Prepaid expenses and other assets	363
Total current assets	2,656
Property and equipment, net	893
Operating lease assets	1,601
Financing lease assets	82
Other assets	349
Total assets	**$ 5,581**
Liabilities and member's equity	
Current liabilities:	
Merchandise accounts payable	389
Other accounts payable and accrued expenses	760
Current operating lease liabilities	23
Current financing lease liabilities	1
Current portion of long-term debt, net	20
Total current liabilities	1,193
Noncurrent operating lease liabilities	1,765
Noncurrent financing lease liabilities	84
Long-term debt	780
Other liabilities	133
Total liabilities	**3,955**
Member's equity	
Member's contributions	300
Accumulated other comprehensive income	(2)
Reinvested earnings	1,328
Total member's equity	**1,626**
Total liabilities and member's equity	**$ 5,581**

See accompanying Notes to Unaudited Consolidated Financial Statements.

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**

See accompanying Notes to Unaudited Consolidated Financial Statements.

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

(In millions)		**Six Months Ended July 31, 2021**
Cash flows from operating activities:		
Net income	$	208
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on asset disposition		-
Gain on insurance proceeds received for damage to property		(2)
Depreciation and amortization		102
Change in cash from operating assets and liabilities:		
Merchandise inventory		(162)
Prepaid expenses and other assets		2
Merchandise accounts payable		238
Accrued expenses and other liabilities		98
Net cash provided by operating activities		**484**
Cash flows from investing activities:		
Capital expenditures		(21)
Proceeds from sale of operating assets		-
Insurance proceeds received for damage to property and equipment		2
Net cash used by investing activities		**(19)**
Cash flows from financing activities:		
Proceeds from borrowings under the revolving credit facility		-
Proceeds from issuance of long-term debt		-
Repayments of principal portion of finance leases		-
Payments of long-term debt		(6)
Proceeds from equity contributions		-
Member tax distributions		(123)
Net cash used by financing activities		**(129)**
Net increase in cash and cash equivalents		336
Cash and cash equivalents at beginning of period		275
Cash and cash equivalents at end of period	**$**	**611**

See accompanying Notes to Unaudited Consolidated Financial Statements.

PENNEY INTERMEDIATE HOLDINGS LLC
Notes to Unaudited 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 672 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 through Sephora inside JCPenney, 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 July 31, 2021" refers to the 13-week period ended July 31, 2021 and "six months ended July 31, 2021" refers to the 26-week period ended July 31, 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 July 31, 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 is 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 consists 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 July 31, 2021, the fair value of the estimated earn-out liability increased by $9 million to $83 million. The increase in fair value is recorded as a current period expense in Acquisition and transition related 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 totaling ($56) million within the quarter. These adjustments related to the acquisition on December 7, 2020 and included a liability for surety bond collateral totaling ($51) million, an increase in the supplier prepayment reserve totaling ($6) million and the addition of a capital lease asset totaling $1 million.

The adjustments noted below reduced the bargain purchase gain to $1,238 million, which represents the excess of the fair value of net assets acquired over the consideration transferred.

(In millions)		July 31, 2021
Surety Bond Collateral	$	(51)
Prepayments Reserve		(6)
Capital Lease Asset		1
Total purchase price adjustments	$	(56)
Bargain purchase gain (original)		1,294
Adjusted bargain purchase gain	$	1,238

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.

The components of Total net sales for the three and six months ended July 31, 2021 were as follows:

	Three Months Ended			Six Months Ended		
(In millions)	July 31, 2021			July 31, 2021		
Men's apparel and accessories	$	374	20%	$	728	21%
Women's apparel		444	23%		722	21%
Women's accessories, including Sephora		321	17%		586	17%
Home		169	9%		323	9%
Footwear and handbags		176	9%		325	9%
Kids', including toys		157	8%		302	9%
Jewelry		140	7%		290	8%
Services and other		114	7%		212	6%
Total net sales	$	1,895	100%	$	3,488	100%

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 associated with the sales of gift cards and our customer loyalty program.

The liabilities are included in Other accounts payable and accrued expenses in the Consolidated Balance Sheet and were as follows:

(In millions)		July 31, 2021
Customer gift cards	$	99
Customer loyalty program		31
Total contract liability	$	130

Contract liability includes consideration received for gift card and loyalty related performance obligations which have not been satisfied as of a given date.

A rollforward of the amounts included in contract liability for the six months ended July 31, 2021 are as follows:

(In millions)		
Balance as of January 30, 2021	$	143
Current period gift cards sold and loyalty reward points earned		90
Net sales from amounts included in contract liability opening balances		(28)
Net sales from current period usage		(75)
Balance as of July 31, 2021	$	130

5. Long-Term Debt

(In millions)		July 31, 2021
Issue:		
2020 Term Loan Facility (Matures in 2026)	$	518
FILO Loan Due 2025		296
Total debt		814
Unamortized debt issuance costs		(14)
Less: current maturities		(20)
Total long-term debt		780

As of July 31, 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 July 31, 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.

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.

NARRATIVE REPORT

(follows this page)

Penney Intermediate Holdings LLC
Narrative Report

($ in millions)	Three Months Ended July 31, 2021 Actual	Plan	B/(W)	Six Months Ended July 31, 2021 Actual	Plan	B/(W)
Total net sales	$ 1,895	$ 1,834	$ 61	$ 3,488	$ 3,356	$ 132
Credit income and other	98	82	16	174	159	15
Total revenues	**1,993**	**1,916**	**77**	**3,662**	**3,515**	**147**
Costs and expenses/(income):						
Cost of goods sold	1,162	1,198	36	2,141	2,234	93
Selling, general and administrative	578	649	71	1,136	1,253	117
Depreciation and amortization	51	89	38	102	176	74
Real estate and other, net	(1)	(2)	(1)	(6)	(3)	3
Restructuring, acquisition and transition	9	33	24	23	60	37
Total costs and expenses	1,799	1,967	168	3,396	3,720	324
Operating income/(loss)	**194**	**(51)**	**245**	**266**	**(205)**	**471**
Net interest expense	25	26	1	50	51	1
Income/(loss) before income taxes	169	(77)	246	216	(256)	472
Income tax expense	5	-	(5)	8	-	(8)
Net income/(loss)	**$ 164**	**$ (77)**	**$ 241**	**$ 208**	**$ (256)**	**$ 464**

Summary Results of Operations

Total net sales were $1.90 billion or $0.61 billion favorable for the three months ended July 31, 2021 and were $3.49 billion or $0.13 billion favorable for the six months ended July 31, 2021 when compared to Plan. Total net sales were impacted positively by the relaxation of COVID related restrictions and the delivery of stimulus checks. Favorable performance of credit income and other was due to timing that is expected to reverse in the second half of the year.

Cost of goods sold as a percent of total net sales were 61.3% and 61.4% for the three months and six months ended July 31, 2021, respectively outperforming Plan by $0.36 billion and $0.93 billion, respectively. Selling, general and administrative expenses were $0.58 billion or 30.5% of total net sales compared to Plan of 35.4% for the three months ended July 31, 2021 and $1.14 billion or 32.6% of total net sales compared to Plan of 37.3% for the six months ended July 31, 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 July 31, 2021, the borrowing base under the ABL was $1.33 billion with $1.09 billion excess availability after deducting $0.24 billion in letters of credit. There were no outstanding borrowings. Including cash and cash equivalents of $0.61 billion, the Company had $1.70 billion in total liquidity.

STATEMENT OF CONSOLIDATED ADJUSTED EBITDA

(follows this page)

PENNEY INTERMEDIATE HOLDINGS LLC
Statement of Consolidated Adjusted EBITDA
For the Six Months Ended July 31, 2021

(In millions)		
Net Income	$	208
Plus:		
Interest expense		50
Income tax expense		8
Depreciation and amortization		102
Restructuring expenses		4
Acquisition and transition costs		19
Minus:		
Gain on insurance proceeds received for damage to property		(2)
Consolidated adjusted EBITDA	$	389

STORE REPORTING PACKAGE

(follows this page)

Quarterly / Annual Reporting Package

8/31/2021

Fiscal Quarter Ended July 31, 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	135	18,010,742	$21				2.9
Ground Lease	22	3,117,253	$26				3.1
Total	**157**	**21,127,995**	**$22**	**$121,534,060**	**$41,999,476**	**$79,534,584**	**2.9**

Fiscal Quarter Ended July 31, 2021 [A]		
Rent Tier [B]	# of Properties	Square Feet
1 > $ 2.4	40	5,097,875
2 > $ 1.9	39	5,353,213
3 > $ 1.7	39	5,056,160
4 < $ 1.7	39	5,620,747
Total	**157**	**21,127,995**

[A] *Reflects financial activity from May 02, 2021 through July 31, 2021 (Fiscal Q2 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

8/31/2021

Fiscal Quarter Ended July 31, 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**
> $26.3	40	4,632,727	$34		29.8%		3.6
> $20.9	39	5,146,127	$23		26.2%		2.9
> $16.7	39	5,753,619	$19		24.5%		2.4
< $16.7	39	5,595,522	$14		21.4%		2.4
Total	**157**	**21,127,995**	**$22**	**$121,534,060**	**26.2%**	**79,534,584**	**2.9**

Fiscal Quarter Ended July 31, 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	72	8,825,712	$26		28.6%		3.7
< {3.0}x	85	12,302,283	$16		23.9%		2.3
Total	**157**	**21,127,995**	**$22**	**$121,534,060**	**26.2%**	**79,534,584**	**2.9**

[(A)] *Reflects financial activity from May 02, 2021 through July 31, 2021 (Fiscal Q2 2021)*

[(B)] *Stratifications consolidated due to insufficient store count*

Quarterly / Annual Reporting Package

8/31/2021

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

8/31/2021

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 July 31, 2021[A]	Trailing 12 Months
Comparable store sales percent increase/(decrease) for Master Lease Properties[B]	104.7%	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]	$1,513	N/A

Key Portfolio Metrics	Fiscal Quarter Ended July 31, 2021[A]	Trailing 12 Months
End of period number of stores - fee owned and ground leased	208	N/A
End of period number of stores - space leased	464	N/A
Gross square footage of stores (in millions)	81.8	N/A

[A] *Reflects financial activity from May 02, 2021 through July 31, 2021 (Fiscal Q2 2021)*

[B] *Comparable sales against LY base having COVID closures*

[C] *Per Consolidated Financial Statements of Penney Intermediate Holdings LLC as of July 31, 2021*

PERMITTED SUBLEASE REPORT

(follows this page)

Quarterly / Annual Reporting Package

Master Lease Subtenants

Fiscal Quarter Ended July 31, 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. Selena Steenbergen *(Optometrist)*	1959	250	3/1/2016	2/28/2022	100	0.4	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	9/30/2021	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	9/30/2021	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]		**19,653**			**801**	**0.0**		

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

[B] *6 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

Dated: 8.19.21

(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	1959	SAN BRUNO	CA	250	Dr. Selena Steenbergen	
	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.	
					19,653	**Total gross square feet subject to No Consent Sublease**	