

QUAD AT WHITTIER



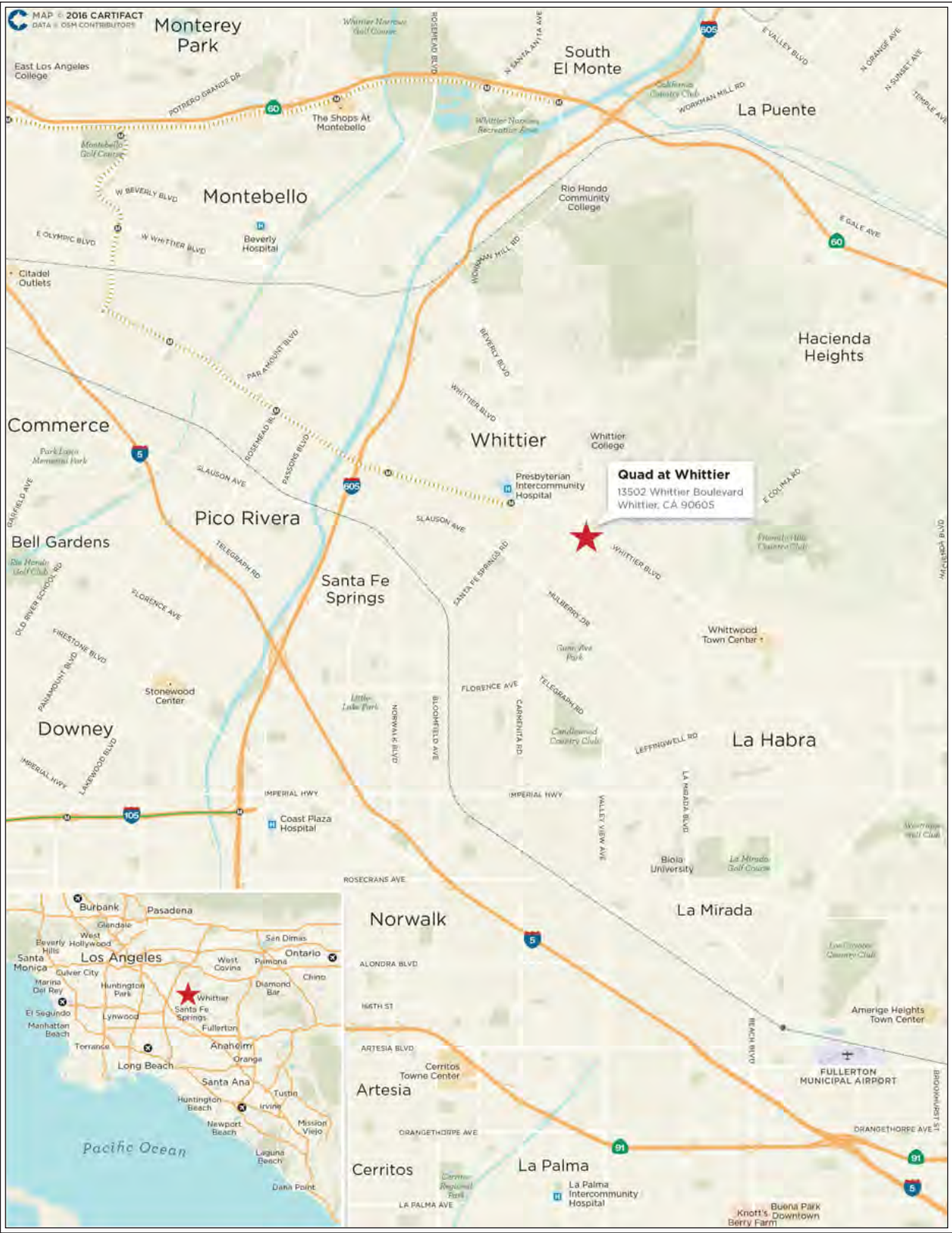
Legend:

- Anchor
- Non-Anchor / In-line
- Vacant
- Not Part of the Collateral

Stores and Features:

- Anchors:** Durlington, Staples, Ross, TJ Maxx, Michaels, Petco, Rite Aid, Overstock.
- In-line:** GS Stage, Marshalls, Old Navy.
- Other:** Clear Garden, Petco, Michaels, Old Navy, Rite Aid, Overstock.

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Mortgaged Property Information		Mortgage Loan Information		
Number of Mortgaged Properties	1	Loan Seller	GSMC	
Location (City/State)	Whittier, California	Cut-off Date Principal Balance	\$70,100,000	
Property Type	Retail	Cut-off Date Principal Balance per SF	\$161.69	
Size (SF)	433,553	Percentage of Initial Pool Balance	6.8%	
Total Occupancy as of 7/31/2016 ⁽¹⁾	89.1%	Number of Related Mortgage Loans	None	
Owned Occupancy as of 7/31/2016 ⁽¹⁾	89.1%	Type of Security	Fee Simple	
Year Built / Latest Renovation	1950 / 1991	Mortgage Rate	4.2580%	
Appraised Value	\$114,200,000	Original Term to Maturity (Months)	120	
		Original Amortization Term (Months)	NAP	
		Original Interest Only Period (Months)	120	
Underwritten Revenues	\$7,813,165			
Underwritten Expenses	\$2,049,658			
Underwritten Net Operating Income (NOI)	\$5,763,507			
Underwritten Net Cash Flow (NCF)	\$5,428,232			
Cut-off Date LTV Ratio	61.4%			
Maturity Date LTV Ratio ⁽²⁾	57.9%			
DSCR Based on Underwritten NOI / NCF	1.90x / 1.79x			
Debt Yield Based on Underwritten NOI / NCF	8.2% / 7.7%			

Sources and Uses					
Sources	\$	%	Uses	\$	%
Loan Amount	\$70,100,000	100.0%	Loan Payoff	\$46,745,745	66.7%
			Principal Equity Distribution	17,871,919	25.5
			Reserves	4,870,426	6.9
			Closing Costs	611,909	0.9
Total Sources	\$70,100,000	100.0%	Total Uses	\$70,100,000	100.0%

- (1) Total Occupancy and Owned Occupancy includes Marshalls (23,092 SF) that has executed a lease but has not opened for business or begun paying rent. Marshalls is anticipated to open and commence paying rent in March 2017. We cannot assure you that this tenant will take occupancy or begin paying rent as anticipated or at all. Total Occupancy and Owned Occupancy excluding this tenant are both 83.8%.
- (2) The Maturity Date LTV Ratio is calculated using the "as stabilized" appraised value of \$121,000,000. The Maturity Date LTV Ratio calculated based on the "as-is" appraised value of \$114,200,000 is 61.4%. See—"Appraisal" below.
- (3) Other reserves include: (i) a \$363,000 Deferred Maintenance Escrow, (ii) a \$600,392 unfunded obligations reserve for outstanding tenant allowance and leasing commissions, (iii) a \$187,034 gap rent reserve associated with Marshalls and (iv) a \$3,720,000 Michael's reserve account associated with Michaels' temporary rent reduction as a result of a co-tenancy clause in its lease. The Michael's reserve account was released and replaced by a letter of credit in favor of the lender. See—"Escrows" below.

- **The Mortgage Loan.** The mortgage loan (the "Quad at Whittier Loan") is evidenced by a note in the original principal amount of \$70,100,000, secured by a first mortgage encumbering the fee simple interest in a retail property located in Whittier, California (the "Quad at Whittier Property"). The Quad at Whittier Loan was originated by Goldman Sachs Mortgage Company on October 7, 2016 and represents approximately 6.8% of the Initial Pool Balance. The note evidencing the Quad at Whittier Loan has a principal balance as of the Cut-off Date of \$70,100,000 and an interest rate of 4.2580% *per annum*. The borrower utilized the proceeds of the Quad at Whittier Loan to refinance the existing debt on the Quad at Whittier Property, return equity to the borrower sponsor, fund reserves and pay origination costs.

The Quad at Whittier Loan had an initial term of 120 months and has a remaining term of 120 months. The Quad at Whittier Loan requires interest only payments during its term. The scheduled maturity date is the due date in November 2026. Voluntary prepayment of the Quad at Whittier Loan is prohibited prior to the due date in August 2026. Provided that no event of default is continuing, defeasance with direct, non-callable obligations of the United States of America is permitted at any time on or after the first due date following the second anniversary of the securitization Closing Date.

■ **The Mortgaged Property.** The Quad at Whittier Property is a 433,553 SF retail property located in Whittier, California. The Quad at Whittier Property was built in 1950 as an open-air mall and was substantially rebuilt in 1991. The borrower sponsor acquired the Quad at Whittier Property in 1996 for \$44.2 million and has a current cost basis of \$88.9 million. The Quad at Whittier Property is leased to approximately 43 tenants that include Burlington Coat Factory (87,463 SF), Vallarta Supermarkets (40,000 SF), Ross Dress for Less (25,788 SF), TJ Maxx (25,000 SF), Michaels (23,277 SF), Marshalls (23,092 SF, Signed – Not Open), Rite Aid (18,000 SF), and Staples (17,200 SF). Other national tenants include Petco, Olive Garden, Chili's, Famous Footwear, Payless Shoesource, H&R Block, Gamestop, and GNC. The largest tenant, Burlington Coat Factory (20.2% of GLA and 10.5% of underwritten base rent), currently occupies 87,463 SF and has been a tenant at the Quad at Whittier Property since July 1999. Excluding Burlington Coat Factory and Vallarta Supermarkets, no tenant represents more than 5.9% of total GLA or 7.4% of underwritten base rent.

As of June 30, 2016, the Quad at Whittier Property generated underwritten in-line comparable (tenants with less than 10,000 SF and have been in occupancy for 12 months for the respective year and have reported full year sales) sales of \$430 per SF, resulting in an underwritten in-line comparable (less than 10,000 SF) occupancy cost of 8.7%. As of July 31, 2016, Total Occupancy and Owned Occupancy were both 89.1%.

The following table presents certain information relating to the anchor tenants (of which, certain tenants may have co-tenancy provisions) at the Quad at Whittier Property:

Tenant Name	Credit Rating (Fitch/MIS/S&P) ⁽¹⁾	Leased GLA	% of Total GLA	Mortgage Loan Collateral Interest	Total Rent	Total Rent \$ per SF	Anchor Tenant Lease Expiration	Tenant Sales \$ per SF ⁽²⁾	Occupancy Cost	Renewal / Extension Options
Anchors										
Burlington Coat Factory ⁽³⁾	NR / NR / NR	87,463	20.2%	Yes	\$794,454	\$9.08	9/30/2019	\$89	10.2%	2, 5-year options
Vallarta Supermarkets	NR / NR / NR	40,000	9.2	Yes	\$813,219	\$20.33	8/1/2030	\$602	3.4%	3, 5-year options
Total Anchors		127,463	29.4%							
Jr. Anchors										
Ross Dress For Less	NR / A3 / A-	25,788	5.9%	Yes	\$561,898	\$21.79	1/31/2021	\$336	6.5%	1, 5-year option
TJ Maxx	NR / A2 / A+	25,000	5.8	Yes	\$346,503	\$13.86	1/31/2021	\$370	3.8%	NA
Michaels ⁽⁴⁾	NR / NR / NR	23,277	5.4	Yes	\$484,869	\$20.83	10/20/2020	\$233	8.9%	3, 5-year options
Marshalls ⁽⁴⁾	NR / A2 / A+	23,092	5.3	Yes	\$448,459	\$19.42	3/31/2027	NA	NA	3, 5-year options
Rite Aid	B+ / B3+ / B+	18,000	4.2	Yes	\$273,461	\$15.19	5/31/2025	\$506	3.0%	1, 10-year option
Staples	BB+ / Baa2 / BBB-	17,200	4.0	Yes	\$333,088	\$19.37	10/31/2018	NA	NA	NA
Dollar Tree	NR / NR / BB+	13,766	3.2	Yes	\$223,845	\$16.26	8/31/2022	\$176	9.2%	NA
Petco	NR / NR / B	10,738	2.5	Yes	\$244,988	\$22.82	2/9/2021	\$299	7.6%	NA
G-Stage	NR / NR / NR	10,722	2.5	Yes	\$316,397	\$29.51	9/1/2025	\$157	18.9%	1, 5-year option
Big 5	NR / NR / NR	10,189	2.4	Yes	\$199,639	\$19.59	1/31/2019	NA	NA	1, 5-year option
Total Jr. Anchors		177,772	41.0%							
Occupied In-line		65,694	15.2%		\$2,296,668	\$34.96				
Occupied Outparcel		15,386	3.5%		\$472,578	\$30.71				
Vacant Spaces ⁽⁴⁾		47,238	10.9%		\$0	\$0.00				
Total Owned SF		433,553	100.0%							
Total SF		433,553	100.0%							

(1) Certain ratings are those of the parent company whether or not the parent guarantees the lease.

(2) Sales are based on the trailing 12 month period ending June 30, 2016, as provided by the borrower with the exception of (i) Burlington Coat Factory sales which are as of 12/31/2015, (ii) TJ Maxx sales which are as of 1/31/2016, (iii) Michaels' sales which are as of 4/30/2016, and (iv) Vallarta Supermarkets sales which reflects annualized five-month sales ending 12/31/2015.

(3) Burlington Coat Factory has a one-time option to terminate its lease with 90 days' notice in the event its sales are less than approximately \$13,120,000 for any given 12 month period. Sales as of 12/31/15 were approximately \$7,800,000.

(4) The Michaels lease contained a co-tenancy clause that provided for percentage rent in lieu of base rent in the event that Old Navy vacated the property. On March 31, 2016 Old Navy vacated their space prior to moving to another location at the Quad at Whittier Property as a temporary tenant. Michaels currently pays 3% of sales in lieu of rent. Michaels is expected to begin paying its scheduled base rent in March 2017 when Marshalls is expected to take occupancy. We cannot assure you that Marshalls will take occupancy or will begin paying as anticipated or at all. Total rent is comprised of scheduled base rent plus recoveries for Michaels.

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The following table presents certain information relating to the major tenants (of which, certain tenants may have co-tenancy provisions) at the Quad at Whittier Property:

Ten Largest Tenants Based on Underwritten Base Rent

Tenant Name	Credit Rating (Fitch/MIS/S&P) ⁽¹⁾	Tenant GLA	% of GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF	Tenant Sales \$ per SF	Occupancy Cost	Lease Expiration	Renewal / Extension Options
Burlington Coat Factory ⁽²⁾	NR / NR / NR	87,463	20.2%	\$677,838	10.5%	\$7.75	\$89	10.2%	9/30/2019	2, 5-year options
Vallarta Supermarkets	NR / NR / NR	40,000	9.2	672,000	10.4	16.80	\$602	3.4%	8/1/2030	3, 5-year options
Ross Dress For Less	NR / A3 / A-	25,788	5.9	477,078	7.4	18.50	\$336	6.5%	1/31/2021	1, 5-year option
Michaels ⁽³⁾	NR / NR / NR	23,277	5.4	404,088	6.2	17.36	\$233	8.9%	10/20/2020	3, 5-year options
Marshalls ⁽³⁾	NR / A2 / A+	23,092	5.3	340,607	5.3	14.75	NA	NA	3/31/2027	3, 5-year options
Staples	BB+ / Baa2 / BBB-	17,200	4.0	269,524	4.2	15.67	NA	NA	10/31/2018	NA
G-Stage	NR / NR / NR	10,722	2.5	257,328	4.0	24.00	\$157	18.9%	9/1/2025	NA
TJ Maxx	NR / A2 / A+	25,000	5.8	250,000	3.9	10.00	\$370	3.8%	1/31/2021	NA
Olive Garden ⁽⁴⁾	NR / NR / NR	9,100	2.1	229,079	3.5	25.17	\$604	4.8%	2/13/2021	NA
Petco	NR / NR / B	10,738	2.5	203,056	3.1	18.91	\$299	7.6%	2/9/2021	NA
Largest Tenants		272,380	62.8%	\$3,780,597	58.4%	\$13.88				
Remaining Owned Tenants		113,935	26.3	2,688,535	41.6	23.60				
Vacant Spaces (Owned Space)		47,238	10.9	0	0.0	0.00				
Totals / Wtd. Avg. Tenants		433,553	100.0%	\$6,469,133	100.0%	\$16.75				

- (1) Certain ratings are those of the parent company whether or not the parent guarantees the lease.
(2) Burlington Coat Factory has a one-time option to terminate its lease with 90 days' notice in the event its sales are less than approximately \$13,120,000 for any given 12 month period. Sales as of 12/31/15 were approximately \$7,800,000.
(3) Michaels is on temporary rent relief due to co-tenancy with Old Navy who vacated their space prior to occupying another space at the Quad at Whittier Property on a temporary basis. Michaels currently pays 3% of sales in lieu of rent. Michaels is expected to begin paying its scheduled base rent in March 2017 when Marshalls is expected to take occupancy. We cannot assure you that Marshalls will take occupancy or will begin paying as anticipated or at all. UW Base Rent represents scheduled base rent for Michaels.
(4) Olive Garden is a ground lease tenant. The tenant owns the improvements and the borrower owns the land.

The following table presents certain information relating to the lease rollover schedule at the Quad at Whittier Property based on initial lease expiration dates:

Lease Expiration Schedule⁽¹⁾

Year Ending December 31,	Expiring Owned GLA	% of Owned GLA	Cumulative % of Owned GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF	# of Expiring Leases
MTM	0	0.0%	0.0%	\$0	0.0%	\$0.00	0
2016	2,819	0.7	0.7%	104,171	1.6	36.95	2
2017	10,678	2.5	3.1%	380,317	5.9	35.62	5
2018	35,881	8.3	11.4%	646,995	10.0	18.03	6
2019	109,541	25.3	36.7%	1,241,003	19.2	11.33	10
2020	30,245	7.0	43.6%	729,412	11.3	24.12	5
2021	80,512	18.6	62.2%	1,492,610	23.1	18.54	7
2022	19,964	4.6	66.8%	312,189	4.8	15.64	3
2023	0	0.0	66.8%	0	0.0	0.00	0
2024	0	0.0	66.8%	0	0.0	0.00	0
2025	31,222	7.2	74.0%	549,828	8.5	17.61	3
2026	0	0.0	74.0%	0	0.0	0.00	0
2027 & Thereafter ⁽²⁾	65,453	15.1	89.1%	1,012,607	15.7	15.47	2
Vacant	47,238	10.9	100.0%	0	0.0	0.00	0
Total / Wtd. Avg.	433,553	100.0%		\$6,469,133	100.0%	\$16.75	43

- (1) Calculated based on approximate square footage occupied by each Owned Tenant.
(2) Includes Marshalls 23,092 SF, which has executed a lease but has not opened for business or begun paying rent. Marshalls is expected to begin paying its scheduled base rent in March 2017. We cannot assure you that this tenant will take occupancy or begin paying rent as anticipated or at all.

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The following table presents certain information relating to historical occupancy and estimated tenant sales at the Quad at Whittier Property:

Historical Leased % & In-line Sales⁽¹⁾

	2013	2014	2015
Occupancy ^{(2),(3)}	98.0%	97.8%	89.3%
In-line Tenant (<10,000 SF) Sales per SF ⁽⁴⁾	\$388	\$396	\$422

(1) As provided by the borrower.

(2) Occupancy includes one tenant (Marshall's 23,092 SF), which has executed a lease but has not opened for business or begun paying rent, which is expected to be in March 2017. We cannot assure you that this tenant will take occupancy or begin paying rent as anticipated or at all.

(3) Reflects occupancy as of December 31 unless otherwise noted.

(4) Inline comparable tenant (<10,000 SF) Sales per SF are for tenants that have been in occupancy for full 12 months for each respective year and have reported full year sales for that period. All tenants with less than 10,000 SF are treated as in-line.

- **Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the Quad at Whittier Property:

Cash Flow Analysis⁽¹⁾

	2013	2014	2015	TTM 7/31/2016	Underwritten ⁽²⁾	Underwritten \$ per SF
Base Rental Revenue	\$6,325,919	\$6,496,884	\$6,103,693	\$6,352,417	\$6,469,133	\$14.92
Overage / Percentage Rent	15,438	63,161	38,089	25,735	26,069	0.06
Total Reimbursement Revenue	1,453,686	1,418,398	1,324,775	1,325,607	1,314,865	3.03
Gross Up Vacancy	0	0	0	0	1,123,850	2.59
Other Income	32,175	17,810	10,970	3,099	3,099	0.01
Gross Revenue	\$7,827,218	\$7,996,253	\$7,477,526	\$7,706,858	\$8,937,015	\$20.61
Vacancy & Credit Loss	(11,364)	(125,031)	(66,709)	14,475	(1,123,850)	(2.59)
Effective Gross Revenue	\$7,815,854	\$7,871,223	\$7,410,817	\$7,721,333	\$7,813,165	\$18.02
Total Operating Expenses	\$2,044,357	\$2,148,014	\$2,120,224	\$2,189,556	\$2,049,658	\$4.73
Net Operating Income	\$5,771,497	\$5,723,209	\$5,290,592	\$5,531,777	\$5,763,507	\$13.29
TI/LC	0	0	0	0	233,406	0.54
Replacement Reserves	0	0	0	0	101,869	0.23
Net Cash Flow	\$5,771,497	\$5,723,209	\$5,290,592	\$5,531,777	\$5,428,232	\$12.52

(1) Certain items such as straight line rent, interest expense, interest income, lease cancellation income, depreciation, amortization, debt service payments and any other non-recurring or non-operating items were excluded from the historical presentation and are not considered for the underwritten cash flow.

(2) Underwritten cash flow based on contractual rents as of July 31, 2016 and contractual rent steps through November 30, 2017.

- **Appraisal.** According to the appraisal, the Quad at Whittier Property had an “as-is” appraised value of \$114,200,000 as of September 1, 2016 and an “as stabilized” appraised value of \$121,000,000 as of June 1, 2018, accounting for additional lease up at the property.
- **Environmental Matters.** According to a Phase I environmental report, dated September 1, 2016, there are no recognized environmental conditions or recommendations for further action at the Quad at Whittier Property.

- **Market Overview and Competition.** The Quad at Whittier Property is located in Whittier, California. The city of Whittier had a population of 87,426 and an average household income of \$88,580 in 2015.

The following table presents certain information relating to the primary competition for the Quad at Whittier Property:

Competitive Set⁽¹⁾

	Quad at Whittier (Subject Property)	Stater Brothers Center	Santa Fe Springs Marketplace	Whittier Marketplace	Whittwood Town Center	Gateway Plaza
Distance from Subject	-	1.8 miles	1.8 miles	2.0 miles	2.5 miles	2.5 miles
Property Type	Retail	Neighborhood Center	Neighborhood Center	Neighborhood Center	Community Center	Community Center
Year Built	1950	1999	2001	1986	1965	NAV
Total GLA	433,553	135,400	164,775	168,265	841,936	289,265
Total Occupancy	89.1%	96%	92%	98%	93%	94%
Sales per SF ⁽²⁾	\$430	NAV	NAV	NAV	NAV	NAV
Major Tenants	Burlington Coat Factory, Vallarta, Rite Aid, Ross Dress For Less, TJ Maxx, Michaels, Marshalls, Petco, Staples	Stater Bros	Food 4 Less, Rite Aid, O'Reilly Parts	Ralphs, CVS	Target, Vons, Petsmart, Sears, JCPenney, Kohls, 24 Hr Fitness	WalMart, Target, LA Fitness, Marshalls

(1) Source: Appraisal.

(2) Represents sales for comparable in-line tenants with less than 10,000 SF and have been in occupancy for 12 months for the respective year and have reported full year sales.

- **The Borrower.** The borrower is The Quad at Whittier, LLC, a single-purpose, single-asset entity. Legal counsel to the borrower delivered a non-consolidation opinion in connection with the origination of the Quad at Whittier Loan. The non-recourse carveout guarantor under the Quad at Whittier Loan is Terramar Retail Centers, LLC ("TRC"), the direct owner of the borrower.

Previously known as GMS Realty, LLC, TRC was founded in 1996 and is based in Carlsbad, California. TRC acquires, develops, and operates retail properties in the western United States, focusing on retail land sites for neighborhood and community shopping center development and build-to-suit opportunities primarily in California. As of the first quarter of 2016, TRC owns over 35 assets along the West Coast and Hawaii and has owned the Quad at Whittier Property since 1996 as one of TRC's first real estate investments. As of the first quarter of 2016, TRC maintains a portfolio of 13 retail centers in the greater Los Angeles area totaling 2.1 million SF. As of the first quarter 2016, TRC reported net worth of \$958.9 million and cash and cash equivalents of approximately \$20.2 million. TRC is majority (99.9%) owned by Calzada Capital Partners, LLC ("Calzada"), a real estate investment firm headquartered in Chicago that owns eight real estate operating companies including TRC. Calzada is majority (97.3%) owned by the Washington State Investment Board, a public pension fund with approximately \$12.5 billion in assets under management.

- **Escrows.** On the origination date, the borrower funded (i) a deferred maintenance and environmental escrow account in the amount of \$363,000, (ii) an unfunded obligations account in the amount of \$600,392 for tenant improvements and leasing commissions relating to Marshalls of CA, LLC, (iii) a Michael's reserve account in the amount of \$3,720,000 with respect to the space currently occupied by Michaels Stores, Inc. and (iv) a Marshalls reserve account in the amount of \$187,034 with respect to the space currently leased by Marshalls of CA, LLC. The Michael's reserve account was subsequently released and replaced by a letter of credit in favor of the lender in an amount equal to \$3,720,000.

On each due date during a continuing event of default under the loan documents or any Quad at Whittier Trigger Period, the borrower will be required to fund a tax and insurance reserve in an amount equal to one-twelfth of the amount that the lender reasonably estimates will be necessary to pay taxes and insurance premiums over the then succeeding 12-month period; provided, however, so long as no event of default under the loan documents is continuing, reserve deposits for insurance premiums are not required if the borrower is maintaining a blanket policy in accordance with the related loan documents. The borrower will not be required to make monthly tax deposits, with respect to any taxes paid directly to the taxing authority by any tenant, so long as (i) no event of default under the Quad at Whittier Loan has occurred and is continuing, (ii) the borrower either provides proof of payment by the applicable tenant directly to the taxing authority, or deposits the applicable amount into the tax and insurance reserve within 10 days' notice from the lender, (iii) the lease with the applicable tenant remains in effect and not in default and (iv) no material adverse change has occurred with respect to such tenant.

Within ten business days following the occurrence of a Rollover Trigger Event, the borrower is required to fund a rollover reserve account in an amount equal to two times the total annual rent and reimbursements payable by Burlington Coat Factory (“**Burlington**”) as of the occurrence of a Rollover Trigger Event (excluding any reimbursements for taxes, insurance or common area maintenance and use charges which have been reallocated to other tenants at the Quad at Whittier Property).

A “**Rollover Trigger Event**” means the occurrence of both (i) the conclusion of the 12-month period (ending on the last day of any fiscal quarter) during which the debt service coverage ratio (as calculated under the related loan documents) is less than 2.0x (excluding any operating income attributable to Burlington and its related lease and any operating income attributable to the leases which may be terminated as a result of any radius restrictions and/or co-tenancy provisions related to Burlington), and (2) the earliest of any of the following: (x) the date that Burlington gives notice of an intent to exercise its termination option set forth, in its lease or (y) the date by which Burlington is required to give notice to renew its lease at the end of the original term or any subsequent renewal term if it has not given such notice. Provided no event of default under the loan documents is then continuing, the borrower will not be obligated to fund the rollover reserve account upon the earlier to occur of: (i)(a) Burlington entering into a renewal or extension of its lease being in occupancy of all or a portion of its space, paying normal monthly rent, being open for business and having provided an updated estoppel certificate reasonably acceptable to the lender or (b) all or a portion of Burlington’s space being subject to one or more approved substitute leases or (ii) the borrower delivering evidence reasonably satisfactory to lender that the debt service coverage ratio (as calculated under the related loan documents) is greater than 2.0x (excluding any operating income attributable to Burlington and its lease and any income attributable to the leases which may be terminated as a result of any radius restrictions and/or co-tenancy provisions related to Burlington’s lease).

In addition, on each due date during the continuance of any Quad at Whittier Trigger Period, the related loan documents require an excess cash reserve as discussed under “—*Lockbox and Cash Management*” below.

A “**Quad at Whittier Trigger Period**” means any period: (i) commencing as of the conclusion of the 12-month period (ending on the last day of any fiscal quarter) during which the debt service coverage ratio (as calculated under the related loan documents) is less than 1.30x, and ending at the conclusion of the second consecutive fiscal quarter during which the debt service coverage ratio for the trailing 12-month period (ending on the last day of any fiscal quarter) is greater than 1.30x or (ii) the period commencing upon the borrower’s failure to deliver monthly, quarterly or annual financial reports and ending when such reports are delivered and indicate that no other Quad at Whittier Trigger Period is ongoing.

- **Lockbox and Cash Management.** The Quad at Whittier Loan is structured with a hard lockbox and springing cash management. The related loan documents require the borrower to direct tenants to pay rent directly to a lender-controlled lockbox account and all cash revenues relating to the Quad at Whittier Property and all other money received by the borrower or the property manager with respect to the Quad at Whittier Property (other than (i) certain de minimis amounts of income, (ii) certain income paid to a borrower affiliate for sponsorship and advertising programs and (iii) tenant security deposits, to be deposited into such lockbox account or the cash management account by the end of the first business day following receipt. For so long as no Quad at Whittier Trigger Period or event of default under the Quad at Whittier Loan is continuing, all funds in the lockbox account in excess of those required to pay amounts due to the lender on the next due date (including any applicable reserves) are required to be swept into a borrower-controlled operating account on a daily basis. During the continuance of a Quad at Whittier Trigger Period or event of default (if the lender so elects, only with respect to the continuance of an event of default) under the Quad at Whittier Loan, all funds in the lockbox account are required to be swept into a lender-controlled cash management account. On each due date during the continuance of any Quad at Whittier Trigger Period or, at the lender’s discretion, during an event of default under the Quad at Whittier Loan, the related loan documents require that all amounts on deposit in the cash management account be used to pay debt service, required reserves and operating expenses, and that all remaining amounts be reserved in an excess cash flow reserve account.

- **Property Management.** The Quad at Whittier Property is managed by Terramar Retail Centers, LLC, an affiliate of the borrower, pursuant to a management agreement. Under the related loan documents, the Quad at Whittier Property is required to remain managed by Terramar Retail Centers, LLC or its affiliate meeting the qualifications set forth in the loan agreement or any other management company approved by the lender and with respect to which a Rating Agency Confirmation has been received. The lender has the right to replace, or require the borrower to replace, the property manager with a property manager selected by the lender: (i) during the continuance of an event of default under the Quad at Whittier Loan, (ii) following any foreclosure, conveyance in lieu of foreclosure or other similar transaction, (iii) during the continuance of a material default by the property manager under the management agreement (after the expiration of any applicable notice and/or cure periods), (iv) if the property manager files for or is the subject of a petition in bankruptcy or (v) if a trustee or receiver is appointed for the property manager's assets or the property manager makes an assignment for the benefit of its creditors or is adjudicated insolvent.
- **Release of Collateral.** Provided no event of default under the Quad at Whittier Loan has occurred and is continuing, the borrower has the right after the second anniversary of the securitization Closing Date to obtain release of a parcel ("**Suite CA**," currently occupied by Burlington Coat Factory) from the lien of the related loan documents, subject to the satisfaction of certain conditions, including, among others: (i) delivery of defeasance collateral in an amount equal to 110% of the allocated loan amount of Suite CA (\$9,000,000) (ii) after giving effect to such release, the debt service coverage ratio (calculated in accordance with the related loan documents) for the trailing 12-month period, recalculated to include only income and expense attributable to the portion of the Quad at Whittier Properties remaining after the contemplated release and to exclude the interest expense on the aggregate amount defeased in connection with such release, is at least 1.45x, (iii) delivery of a REMIC opinion, (iv) receipt of a Rating Agency Confirmation and satisfaction of certain REMIC requirements.
- **Mezzanine or Subordinate Indebtedness.** Not permitted.
- **Terrorism Insurance.** So long as TRIPRA or a similar or subsequent statute is in effect, the borrower is required to maintain terrorism insurance for foreign and domestic acts (as those terms are defined in TRIPRA or similar or subsequent statute) in an amount equal to the full replacement cost of the Quad at Whittier Property (plus 18 months of rental loss and/or business interruption coverage plus an additional period of indemnity covering the 12-month period following restoration). If TRIPRA or a similar or subsequent statute is not in effect, then provided that terrorism insurance is commercially available, the borrower will be required to carry terrorism insurance throughout the term of the Quad at Whittier Loan as described in the preceding sentence, but in that event the borrower will not be required to spend more than two times the amount of the insurance premium that is payable at that time in respect of the property and business interruption/rental loss insurance required under the related loan documents (without giving effect to the cost of terrorism and earthquake components of such casualty and business interruption/rental loss insurance), and if the cost of terrorism insurance exceeds such amount, then the borrower will be required to purchase the maximum amount of terrorism insurance available with funds equal to such amount. In either such case, terrorism insurance may not have a deductible in excess of \$50,000. The required terrorism insurance may be included in a blanket policy, provided that the borrower provides evidence satisfactory to the lender that the insurance premiums for the Quad at Whittier Property are separately allocated to the Quad at Whittier Property and that the policy will provide the same protection as a separate policy. See "*Risk Factors—Terrorism Insurance May Not Be Available for All Mortgaged Properties*" in the Prospectus.