

1915 Marketplace Drive
Burlington, WA 98233

Collateral Asset Summary – Loan No. 19

Burlington Crossing

Cut-off Date Balance: \$19,950,000
Cut-off Date LTV: 50.8%
U/W NCF DSCR: 1.91x
U/W NOI Debt Yield: 12.5%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsor: Paul C. Lester
Borrower: SHI Owner, LLC
Original Balance: \$19,950,000
Cut-off Date Balance: \$19,950,000
% by Initial UPB: 2.4%
Interest Rate: 4.5300%
Payment Date: 6th of each month
First Payment Date: May 6, 2016
Maturity Date: April 6, 2026
Amortization: 360 months
Additional Debt: None
Call Protection: L(24), D(91), O(5)
Lockbox / Cash Management⁽¹⁾: Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$0	\$28,124
Insurance:	\$70,000	\$7,900
Replacement⁽²⁾:	\$0	\$2,703
TI/LC⁽³⁾:	\$0	\$10,812
Lease Sweep⁽⁴⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$123
Balloon Balance / Sq. Ft.:	\$100
Cut-off Date LTV:	50.8%
Balloon LTV:	41.1%
Underwritten NOI DSCR:	2.05x
Underwritten NCF DSCR:	1.91x
Underwritten NOI Debt Yield:	12.5%
Underwritten NCF Debt Yield:	11.7%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Anchored Retail
Collateral: Fee Simple
Location: Burlington, WA
Year Built / Renovated: 2004-2007 / NAP
Total Sq. Ft.⁽⁵⁾: 162,187
Property Management: Colliers International Real Estate Management Services (WA), LLC
Underwritten NOI: \$2,496,566
Underwritten NCF: \$2,327,326
Appraised Value: \$39,250,000
Appraisal Date: December 27, 2015

Historical NOI

Most Recent NOI:	\$2,616,194 (December 31, 2015)
2014 NOI:	\$2,407,508 (December 31, 2014)
2013 NOI:	\$2,564,348 (December 31, 2013)
2012 NOI:	\$2,294,380 (December 31, 2012)

Historical Occupancy

Most Recent Occupancy⁽⁶⁾:	96.7% (March 8, 2016)
2014 Occupancy:	96.7% (December 31, 2014)
2013 Occupancy:	96.7% (December 31, 2013)
2012 Occupancy:	95.0% (December 31, 2012)

- (1) In place cash management will be triggered (i) upon an event of default (ii) if the DSCR falls below 1.20x during any calendar quarter (until the DSCR is at least 1.25x for two consecutive quarters) or (iii) during a Lease Sweep Period. A "Lease Sweep Period" will commence (a) upon the date that is 12 months prior to the expiration of a lease sweep lease (b) upon the date that 65,000 sq. ft. or more of the lease sweep space is dark or anticipated to be dark as a result of discontinued business, or (c) upon the occurrence of an insolvency proceeding of a Lease Sweep Tenant. A "Lease Sweep Tenant" means Bed, Bath & Beyond, Best Buy, Old Navy, Petsmart, Ross and any replacement tenant that, either individually, or when taken together with any other lease, covers all or substantially all of the applicable lease sweep space.
- (2) Replacement Reserves are subject to a cap of \$65,000.
- (3) TI/LC Reserves are subject to a cap of \$390,000.
- (4) On each monthly payment date during a Lease Sweep Period, the borrower is required to deposit all excess cash into the Lease Sweep Reserve.
- (5) Total Sq. Ft. includes two leased fee pad buildings on the property occupied by Olive Garden (7,495 sq. ft.) and McDonald's (3,915 sq. ft.).
- (6) Most Recent Occupancy includes 4,426 sq. ft. (2.7% of NRA) leased to Affordable Care, a tenant with a lease expiring February 28, 2017 that is not in occupancy. The underwritten rent does not account for Affordable Care leased rent.

TRANSACTION HIGHLIGHTS

- **Property/Location.** The Burlington Crossing property consists of a 162,187 sq. ft. power center located in Burlington, Washington, approximately 60 miles north of the Seattle central business district and has frontage along Interstate-5. According to the appraisal, the property is the largest retail draw in the expanded Skagit County area, owing in part to its location off an exit ramp on Interstate-5 and the non-collateral shadow anchors Home Depot and Kohl's, which are located adjacent to the property. The property was constructed in phases from 2004 to 2007 on a 17.5-acre site and is comprised of four multi-tenant buildings and also includes two pad buildings on ground leases (representing, in the aggregate, approximately 7.0% of NRA), currently occupied by McDonalds and Olive Garden. The sponsor acquired the property in 2006 for \$37.75 million, and has approximately \$17.8 million of remaining equity in the property.
- **Tenancy.** As of March 8, 2016, the property was 96.7% leased to 17 retailers. Credit tenants make up 53.6% of the underwritten base rent and include Ross (18.6% of NRA; 18.4% of underwritten ("U/W") Base Rent; rated A3/A- by Moody's/S&P), Bed, Bath & Beyond (16.8% of NRA; 11.1% of U/W Base Rent; rated Baa1/BBB+ by Moody's/S&P), Best Buy (12.4% of NRA; 10.3% of U/W Base Rent; rated Baa1/BB+/BBB- by Moody's/S&P/Fitch), Old Navy (9.2% of NRA; 8.8% of U/W Base Rent; whose parent company, Gap, Inc., is rated Baa2/BBB-/BBB- by Moody's/S&P/Fitch), McDonalds (2.4% of NRA; 3.4% of U/W Base Rent; rated Baa1/BBB+/BBB+ by Moody's/S&P/Fitch) and T-Mobile (0.9% of NRA; 1.6% of U/W Base Rent; whose parent company, Deutsche Telekom, is rated Baa1/BBB+/BBB+ by Moody's/S&P/Fitch).
- **Market.** The property is located within the Burlington/Skagit County market of the Seattle/Tacoma metropolitan statistical area. According to the appraisal, the estimated 2015 population and median annual household income within a three-mile radius of the property are 43,569 and \$49,049, respectively. According to the appraisal, the overall vacancy in the area has generally ranged between 5% and 7% and there has been minimal commercial development in the area since before 2008. The appraiser concluded a stabilized weighted average market rent of \$17.46 PSF for the property. As of March 8, 2016, the property was leased at a weighted average rent of \$16.87 PSF, which is approximately 3.4% below market.