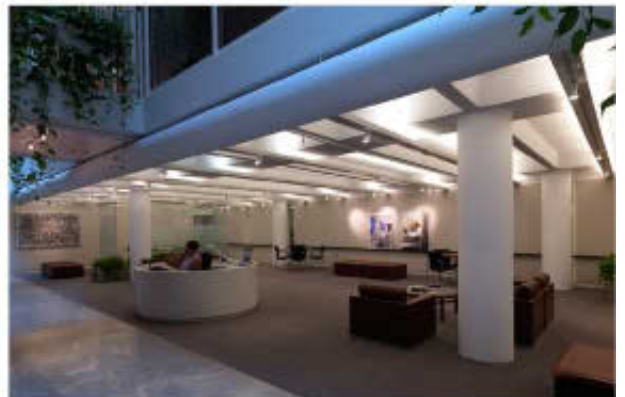
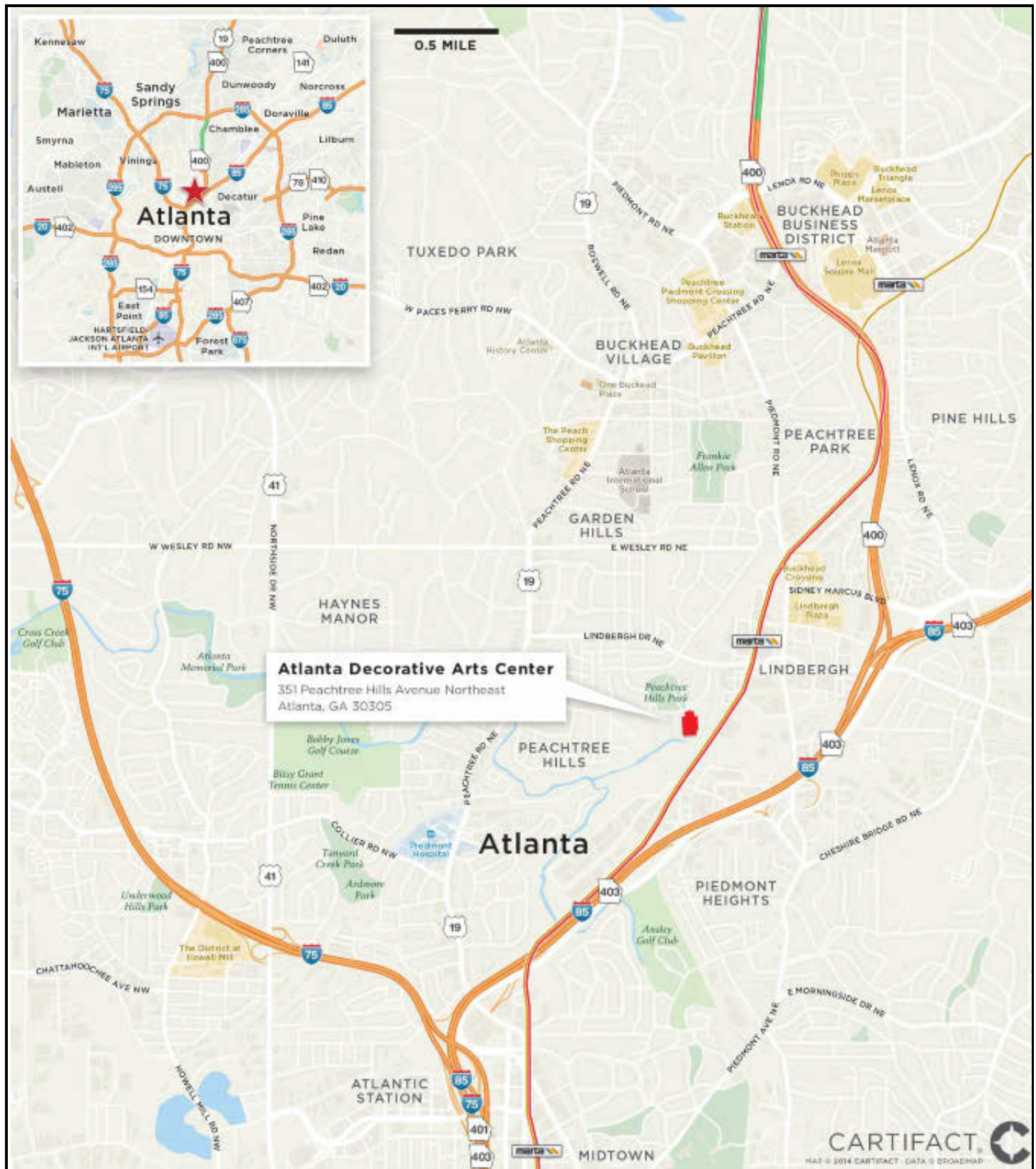


## Atlanta Decorative Arts Center





## Atlanta Decorative Arts Center



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### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	LCF
<b>Original Principal Balance:</b>	\$37,000,000
<b>Cut-off Date Principal Balance:</b>	\$37,000,000
<b>% of Pool by IPB:</b>	3.1%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	ADAC, L.P.
<b>Sponsor:</b>	Portman Financial, Inc.
<b>Interest Rate:</b>	4.34400%
<b>Note Date:</b>	9/11/2014
<b>Maturity Date:</b>	10/6/2024
<b>Interest-only Period:</b>	60 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(25),Def(91),O(4)
<b>Lockbox:</b>	CMA
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Office – Design Center
<b>Net Rentable Area (SF):</b>	427,036
<b>Location:</b>	Atlanta, GA
<b>Year Built / Renovated:</b>	1960 / 2008
<b>Occupancy:</b>	82.8%
<b>Occupancy Date:</b>	8/31/2014
<b>Number of Tenants:</b>	66
<b>2011 NOI:</b>	\$4,225,776
<b>2012 NOI:</b>	\$3,933,655
<b>2013 NOI:</b>	\$4,350,377
<b>TTM NOI (as of 6/2014)<sup>(1)</sup>:</b>	\$4,345,534
<b>UW Economic Occupancy:</b>	83.3%
<b>UW Revenues:</b>	\$9,153,742
<b>UW Expenses:</b>	\$4,163,331
<b>UW NOI<sup>(1)</sup>:</b>	\$4,990,411
<b>UW NCF:</b>	\$4,507,343
<b>Appraised Value / Per SF:</b>	\$80,800,000 / \$189
<b>Appraisal Date:</b>	8/14/2014

### Escrows and Reserves<sup>(2)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$70,279	\$70,279	N/A
<b>Insurance:</b>	\$37,312	\$9,328	N/A
<b>Replacement Reserves:</b>	\$0	\$8,897	\$200,000
<b>TI/LC</b>	\$235,958	\$35,586	\$1,000,000
<b>Other:</b>	\$750,000	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$87
<b>Maturity Date Loan / SF:</b>	\$79
<b>Cut-off Date LTV:</b>	45.8%
<b>Maturity Date LTV:</b>	41.8%
<b>UW NCF DSCR:</b>	2.04x
<b>UW NOI Debt Yield:</b>	13.5%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$37,000,000	100.0%	Payoff Existing Debt	\$28,666,050	77.5%
			Return of Equity	6,003,728	16.2
			Closing Costs	1,236,674	3.3
			Upfront Reserves	1,093,548	3.0
<b>Total Sources</b>	<b>\$37,000,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$37,000,000</b>	<b>100.0%</b>

(1) The increase in UW NOI from the TTM NOI is primarily a result of \$519,570 in rent steps taken through June 30, 2015.

(2) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

**The Loan.** The Atlanta Decorative Arts Center loan has an outstanding balance of \$37.0 million and is secured by a first mortgage lien on a 427,036 square foot, design center located in Atlanta, Georgia. The loan has a 10-year term and, subsequent to a five-year interest-only period, amortizes on a 30-year schedule. The previously existing debt was securitized in GCCFC 2005-GG3.

**The Borrower.** The borrowing entity for the Atlanta Decorative Arts Center loan is ADAC, L.P., a Georgia limited partnership and special purpose entity.

**The Sponsor.** The loan sponsor and nonrecourse carve-out guarantor is Portman Financial, Inc., an affiliate of Portman Holdings, LLC ("Portman"). Portman is a vertically integrated real estate development, investment and management company with over sixty years of experience. Portman has developed approximately 50 million square feet of real estate across three continents, costing \$6.0 billion in the aggregate at the time the projects were constructed. The property has been continuously owned by Portman and its affiliates since it was constructed in 1960.

## Atlanta Decorative Arts Center

**The Property.** The Atlanta Decorative Arts Center property (“ADAC”) is a 427,036 square foot design center which consists of two interconnected complexes: ADAC East and ADAC West. Together, ADAC East and ADAC West function as a single building with a connected walkway between the two complexes. ADAC East is comprised of four interconnected buildings: the main five-story building, two one-story buildings and one two-story building. ADAC West consists of four adjacent buildings which were acquired and converted to showroom use in 1986.

The property is a 65-showroom facility specializing in luxury products and service, and is the largest resource for residential and contract furnishings in the southeastern United States. The showroom tenants at the property are largely regional, with their location at ADAC their only location in the Southeast. Many of the property’s tenants have an exclusive license to sell products in the 10-state southeast region.

The property generates significant foot traffic from its design tenants and ancillary amenities. In 2012, Portman invested in a new marketing campaign and opened the property on a limited basis to the public for the first time in its 50 year history. As a result, events increased from 26 in 2012 to 125 in 2013. Traffic at the property followed suit. In 2012, the property had 4,904 event registrations, and experienced a total foot-traffic count of 2,844 people. Attendees were primarily made up of designers, clients, students, consumers, and architects. In 2013, the property had 6,751 event registrations (37.7% increase year over year), and experienced a total foot-total traffic count of 8,177 people (187.5% increase year over year). Through July 11, 2014, the property has generated a total of 5,344 registrations, approximately 19% above the 4,494 registration reported over the year to date period ending July 11, 2013.

As of August 31, 2014 the property was 82.8% occupied by 66 tenants. The largest tenant, Ainsworth-Noah Associates, Inc. (“Ainsworth Noah”), leases 10.4% of the net rentable area through January 31, 2017. Ainsworth Noah was established in 1977 and incorporated in Georgia. For more than 30 years Ainsworth-Noah has provided a wide variety of products and customer services to designers. The company represents manufacturers of furniture, antiques, lighting, wall covering, floor covering, fine art, accessories and fabrics from around the world. Its 44,378 square foot showroom is located in the Atlanta Decorative Arts Center where trade customers can find elements needed to fit their requirements. The second largest tenant, Jerry Pair & Associates, Inc. (“Jerry Pair”), leases 4.6% of the net rentable area through December 31, 2018. Jerry Pair, provides architects and interior designers quality home furnishings. In addition to offering premier products in the marketplace, the company’s showrooms in Atlanta (ADAC), New York (Decorative & Design Building), and South Florida (Hollywood, FL) provide clients customer service, extensive sales road programs, and personalized responses. The company currently employs approximately 50 people in its ADAC location.

According to documentation provided by the borrower, in 2006, Portman began a \$12.7 million renovation project that was completed in 2008. The expansive renovation included the upgrade of interior finishes, updated landscaping and other work to refresh and update the look of the property. In addition, a presentation room complex was completed, adding a designer’s lounge, meeting room and presentation/exhibition space. Since 2008, Portman has invested an additional \$1.0 million towards additional renovations at the property. In total, the borrower and its affiliates have invested \$13.7 million towards the renovation of the property since 2006.

**The Market.** The Atlanta Decorative Arts Center is located in the Buckhead retail submarket of the Atlanta retail market. According to a third party report, the Buckhead retail submarket maintained market rents of \$27.06 and the vacancy rate was 9.2% as of the second quarter of 2014. For comparable design center assets, the appraisal concluded a market rent of \$26.91 and vacancy rate of 29.1%. The weighted average in-place rent of \$25.69 per square foot at the property is 4.5% below the appraisal’s conclusion of market rents. The current occupancy is 82.8% which is 16.8% greater than comparable design centers.

Historical and Current Occupancy <sup>(1)</sup>				
2010	2011	2012	2013	Current <sup>(2)</sup>
91.2%	84.6%	80.7%	85.3%	82.8%

(1) Historical Occupancies are as of December 31 of each respective year.

(2) Current Occupancy is as of August 31, 2014.

## Atlanta Decorative Arts Center

Tenant Summary <sup>(1)</sup>					
Tenant	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	UW Base Rent PSF	Lease Expiration Date
Ainsworth-Noah Associates, Inc	NA / NA / NA	44,378	10.4%	\$15.55	1/31/2017
Jerry Pair & Associates, Inc.	NA / NA / NA	19,784	4.6%	\$25.75	12/31/2018
Grizzel & Mann, Inc	NA / NA / NA	18,277	4.3%	\$29.69	4/30/2020
Travis & Company	NA / NA / NA	16,817	3.9%	\$26.10	8/31/2016
Earnest Gaspard & Associates	NA / NA / NA	15,750	3.7%	\$16.76	6/30/2017
Kravit Fabrics GA, Inc. <sup>(2)</sup>	NA / NA / NA	12,649	3.0%	\$35.85	Various
Holland & Company <sup>(3)</sup>	NA / NA / NA	9,726	2.3%	\$30.16	1/31/2019
Baker Knapp & Tubbs, Inc.	NA / NA / NA	9,440	2.2%	\$26.00	1/31/2025
Renaissance Tile & Bath	NA / NA / NA	9,092	2.1%	\$27.22	1/31/2017
Design Galleria Ltd. <sup>(4)</sup>	NA / NA / NA	8,976	2.1%	\$26.93	Various

(1) Based on the underwritten rent roll.

(2) Kravit Fabrics GA, Inc. has 6,750 square feet of space that expires December 31, 2021 and 5,899 square feet of space that expires December 31, 2018.

(3) Holland & Company has a one time termination right effective August 1, 2016.

(4) Design Galleria Ltd. has 7,216 square feet of space that expires November 30, 2018 and 1,760 square feet of space that expires November 30, 2016.

Lease Rollover Schedule <sup>(1)</sup>									
Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	73,470	17.2%	NAP	NAP	73,470	17.2%	NAP	NAP
2014 & MTM	9	39,655	9.3	\$791,500	8.7%	113,125	26.5%	\$791,500	8.7%
2015	9	23,268	5.4	623,977	6.9	136,393	31.9%	\$1,415,477	15.6%
2016	9	41,438	9.7	1,186,638	13.1	177,831	41.6%	\$2,602,115	28.6%
2017	11	91,005	21.3	1,842,938	20.3	268,836	63.0%	\$4,445,052	48.9%
2018	10	54,898	12.9	1,635,609	18.0	323,734	75.8%	\$6,080,662	66.9%
2019	7	21,955	5.1	717,514	7.9	345,689	81.0%	\$6,798,176	74.8%
2020	5	43,119	10.1	1,221,409	13.4	388,808	91.0%	\$8,019,585	88.3%
2021	2	9,705	2.3	319,350	3.5	398,513	93.3%	\$8,338,935	91.8%
2022	2	13,232	3.1	375,515	4.1	411,745	96.4%	\$8,714,450	95.9%
2023	1	5,851	1.4	124,164	1.4	417,596	97.8%	\$8,838,614	97.3%
2024	0	0	0.0	0	0.0	417,596	97.8%	\$8,838,614	97.3%
2025 & Beyond	1	9,440	2.2	245,440	2.7	427,036	100.0%	\$9,084,054	100.0%
<b>Total</b>	<b>66</b>	<b>427,036</b>	<b>100.0%</b>	<b>\$9,084,054</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.



## Atlanta Decorative Arts Center

### Operating History and Underwritten Net Cash Flow

	2011	2012	2013	TTM <sup>(1)</sup>	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$7,722,393	\$7,810,778	\$8,520,365	\$8,551,061	\$9,084,054	\$21.27	82.7%
Vacant Income	0	0	0	0	1,825,177	4.27	16.6
<b>Gross Potential Rent</b>	<b>\$7,722,393</b>	<b>\$7,810,778</b>	<b>\$8,520,365</b>	<b>\$8,551,061</b>	<b>\$10,909,231</b>	<b>\$25.55</b>	<b>99.4%</b>
Total Reimbursements	0	0	0	0	0	0.00	0.0
Other Income	86,991	77,533	116,424	69,688	69,688	0.16	0.6
<b>Net Rental Income</b>	<b>\$7,809,384</b>	<b>\$7,888,311</b>	<b>\$8,636,789</b>	<b>\$8,620,749</b>	<b>\$10,978,919</b>	<b>\$25.71</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	0	0	(1,825,177)	(4.27)	(16.6)
<b>Effective Gross Income</b>	<b>\$7,809,384</b>	<b>\$7,888,311</b>	<b>\$8,636,789</b>	<b>\$8,620,749</b>	<b>\$9,153,742</b>	<b>\$21.44</b>	<b>83.4%</b>
<b>Total Expenses</b>	<b>\$3,583,608</b>	<b>\$3,954,656</b>	<b>\$4,286,412</b>	<b>\$4,275,215</b>	<b>\$4,163,331</b>	<b>\$9.75</b>	<b>45.5%</b>
<b>Net Operating Income</b>	<b>\$4,225,776</b>	<b>\$3,933,655</b>	<b>\$4,350,377</b>	<b>\$4,345,534</b>	<b>\$4,990,411</b>	<b>\$11.69</b>	<b>54.5%</b>
Total TI/LC, Capex/RR	0	0	0	0	483,068	1.13	5.3
<b>Net Cash Flow</b>	<b>\$4,225,776</b>	<b>\$3,933,655</b>	<b>\$4,350,377</b>	<b>\$4,345,534</b>	<b>\$4,507,343</b>	<b>\$10.55</b>	<b>49.2%</b>

(1) TTM column represents the trailing twelve-month period ending June 30, 2014.

(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) The underwritten rents in place includes rent steps of \$519,570 for tenants through June 30, 2015.

**Property Management.** The property is managed by Portman Holdings, LLC. Portman is an affiliate of the sponsor and has more than 60 years of experience in marketing and maintaining prime commercial real estate.

**Escrows and Reserves.** At closing, the borrower deposited into escrow \$750,000 for the immediate repairs to the roof, \$235,958 for outstanding tenant improvements and leasing commissions, \$70,279 for real estate taxes and \$37,312 for insurance.

**Tax Escrows** - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$70,279.

**Insurance Escrows** - The borrower is required to escrow 1/12 of the annual estimated insurance monthly, which currently equates to \$9,328.

**Replacement Reserves** - On a monthly basis, the borrower is required to escrow \$8,897 (approximately \$0.25 per square foot annually). The reserve is subject to a cap of \$200,000 (approximately \$0.47 per square foot).

**TI/LC Reserves** - On a monthly basis, the borrower is required to escrow \$35,586 (approximately \$1.00 per square foot annually). The reserve is subject to a cap of \$1,000,000 (approximately \$2.34 per square foot). Beginning January 1, 2018 the TI/LC reserve cap decreases to \$650,000 (approximately \$1.52 per square foot).

**Lockbox / Cash Management.** The loan is structured with a CMA lockbox. The borrower and the manager are required to have all collected rents deposited into the lockbox account controlled by the lender. The funds are then returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event. During the continuance of a Cash Sweep Event, all rents will be swept daily to a segregated cash management account under the control of the lender. While there is a Cash Sweep Event, all excess cash flow after payment of the mortgage service, required reserves and operating expenses will be held as additional collateral for the loan. The lender will have a first priority security interest in the cash management account.

A "Cash Sweep Event" means: (i) the occurrence of an event of default or (ii) the DSCR of the mortgage loan as calculated in the loan agreement based on the trailing three-month period immediately preceding the date of such determination falls below 1.20x for two consecutive calendar quarters.

**Atlanta Decorative Arts Center**

**Release of Individual Property.** The borrower is permitted to obtain a release of an undeveloped 1.5 acre site (the “Release Parcel”) from the lien of the related mortgage without any release price, subject to the satisfaction of various conditions, including: (i) no event of default exists; (ii) the remaining property shall (a) comply with all applicable legal requirements, zoning (including parking) and building laws, rules, ordinances and regulations, (b) constitute one or more separate tax lots, which does not include any portion of the Release Parcel, (c) be legally subdivided, and (d) have parking spaces in an amount equal to or in excess of, any minimum parking ratio or minimum number of parking spaces required by the property’s leases; (iii) the remaining property will not be in violation in any material respect with the terms of any of the property’s leases, any reciprocal easement agreement or any other permitted encumbrances for the property and shall have access and egress reasonably acceptable to the lender; and (iv) the borrower must deliver a REMIC opinion.

**Maturity Default.** The Atlanta Decorative Arts Center property was previously securitized in the GCCFC 2005-GG3 transaction. The previous loan entered maturity default in both November 2009 and February 2012. Upon each occurrence of maturity default, the lender under the prior loan entered into a modification extending the maturity date. The previous loan in the original principal amount of \$48,000,000 was reduced to an outstanding balance of \$34,007,093 following two modifications and was paid off in connection with the refinancing.