

Northwest Corner of 34th Street and West Loop 289
Lubbock, TX 79497

Collateral Asset Summary – Loan No. 20
Promenade at West End

Cut-off Date Balance: \$16,000,000
Cut-off Date LTV: 73.0%
U/W NCF DSCR: 1.30x
U/W NOI Debt Yield: 8.4%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsor: Gary Randall Andrews
Borrower: Pagosa 2015, LLC
Original Balance: \$16,000,000
Cut-off Date Balance: \$16,000,000
% by Initial UPB: 1.6%
Interest Rate: 4.7500%
Payment Date: 6th of each month
First Payment Date: February 6, 2016
Maturity Date: January 6, 2026
Amortization: Interest only for first 60 months; 360 months thereafter
Additional Debt: None
Call Protection: L(25), D(90), O(5)
Lockbox / Cash Management⁽¹⁾: Springing Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$0	\$15,455
Insurance⁽²⁾:	\$0	Springing
Replacement⁽³⁾:	\$0	\$910
TI/LC⁽⁴⁾:	\$464,489	\$2,123
Panera Holdback:	\$2,000,000	\$0
Free Rent:	\$86,667	\$0
Lease Sweep⁽⁵⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$220
Balloon Balance / Sq. Ft.:	\$202
Cut-off Date LTV:	73.0%
Balloon LTV:	67.1%
Underwritten NOI DSCR⁽⁶⁾:	1.34x
Underwritten NCF DSCR⁽⁶⁾:	1.30x
Underwritten NOI Debt Yield:	8.4%
Underwritten NCF Debt Yield:	8.1%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Anchored Retail
Collateral: Fee Simple
Location: Lubbock, TX
Year Built / Renovated: 2014-2016 / NAP
Collateral Sq. Ft.: 72,808
Total Sq. Ft.: 128,208
Property Management: GRACO Real Estate Development, Inc.
Underwritten NOI: \$1,339,245
Underwritten NCF: \$1,302,841
Appraised Value: \$21,915,000
Appraisal Date: December 1, 2015

Historical NOI⁽⁷⁾

Most Recent NOI:	NAV
2014 NOI:	NAP
2013 NOI:	NAP
2012 NOI:	NAP

Historical Occupancy⁽⁷⁾

Most Recent Occupancy:	100.0% (December 22, 2015)
2014 Occupancy:	NAP
2013 Occupancy:	NAP
2012 Occupancy:	NAP

- (1) A hard lockbox and in place cash management will be triggered (i) upon an event of default, (ii) if the DSCR falls below 1.15x until such time that the DSCR is at least 1.20x for two consecutive calendar quarters, or (iii) the commencement of a Lease Sweep Period ("Cash Management Trigger"). Borrower may cure the hard lockbox and in place cash management one time during the loan term upon curing the Cash Management Trigger in accordance with the loan agreement. A "Lease Sweep Period" will commence upon (i) the date which is six months prior to the expiration of the lease with Marshall's / Home Goods or any replacement tenant or tenants that lease all or substantially all of the space currently leased by Marshall's / Home Goods (such tenant or tenants, a "Lease Sweep Tenant") or upon the date the Lease Sweep Tenant is required to give notice of its exercise of a renewal option, (ii) the receipt by borrower or manager of notice from the Lease Sweep Tenant that it is exercising its right to terminate its lease, (iii) the date the Lease Sweep Tenant surrenders, cancels, or terminates its lease prior to its then current expiration date, (iv) the date the Lease Sweep Tenant discontinues its business at the property, (v) upon a default under a Lease Sweep Tenant under its lease, (vi) the occurrence of an insolvency proceeding with respect to a Lease Sweep Tenant, or (vii) the earlier to occur of the date upon which borrower or manager receives notice that Costco has discontinued its business and/or vacated the space adjacent to the property and Cabela's had previously gone dark or vacated space, the date upon which borrower or manager receive notice that Cabela's has discontinued its business and/or vacated its space and Costco had previously discontinued its business and/or vacated its space or the date any Lease Sweep Tenant begins paying reduced rent in connection with Costco or Cabela's vacating its premises. In lieu of the aforementioned lease sweep, borrower may post cash or deliver a letter of credit to be held in a financial institution acceptable to lender in its sole and absolute discretion equal to \$10.00 PSF for the Marshall's / HomeGoods space.
- (2) If an acceptable blanket insurance policy is no longer in place, the borrower is required to deposit 1/12 of the annual insurance premiums into the insurance reserve account on a monthly basis.
- (3) Replacement reserves are subject to a cap of \$32,760.
- (4) TI/LC reserves are subject to a cap of \$200,000.
- (5) On each monthly payment date during a Lease Sweep Period, the borrower is required to deposit all excess cash into the Lease Sweep reserve.
- (6) Based on amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and the Underwritten NCF DSCR are 1.74x and 1.69x, respectively.
- (7) The improvements at the Promenade at West End property were built from 2014-2016 and as such, Historical NOI and Historical Occupancy are not available.

TRANSACTION HIGHLIGHTS

- Property.** The Promenade at West End property consists of 72,808 collateral sq. ft. of a 128,208 total sq. ft. newly developed, Class A, open-air retail center located in Lubbock, Texas. The Promenade at West End property represents phase I of what will be a three phase retail center. The collateral for the Promenade at West End loan includes the fee simple interest in a 72,808 sq. ft. retail center as well as outparcel ground lease to Cabela's, Aspen Creek, Bone Daddy's and PlainsCapital Bank ATM (which total 55,400 sq. ft.). The Promenade at West End property has 813 surface parking spaces which equates to a ratio of 6.34 spaces per 1,000 sq. ft. based on the total sq. ft..
- Tenancy.** As of December 22, 2015, the Promenade at West End property is 100.0% leased to nine tenants (including the ground leased tenants). The Promenade at West End property is anchored by Marshall's / HomeGoods (35.1% of total sq. ft.; 32.4% of U/W Base Rent) (rated A2/A+ by Moody's/S&P) and Cabela's (32.8% of total sq. ft.; 13.5% of U/W Base Rent), which is operated under a ground lease. Excluding the PlainsCapital Bank ATM, the weighted average remaining lease term is 11.8 years with no rollover until year 2025. Additionally, the Promenade at West End property is shadow anchored by a Costco and in close proximity to phase II of the retail center which includes such tenants as Nike, the Gap, Dress Barn and Banana Republic. There are also eight additional outparcels being planned with several restaurants currently in lease negotiations, as well as a new limited service Aloft Hotel that has started construction behind phase II and another planned hotel that will be located north of phase III.
- Location.** The Promenade at West End property is located along the western line of Loop 289, north of 34th street in the western portion of the city of Lubbock, Texas. Interstate highway 27 and West Loop 289 provide the primary access to the area. Lubbock draws from rural communities across West Texas, and while the Lubbock MSA population totaled 308,000 in 2015, the Promenade at West End property draws from over 1,000,000 people west of Dallas and east of Albuquerque. The 2015 population within a one-, three- and five-mile radius is 8,688, 75,837 and 180,818, respectively, and the median household income is \$32,237, \$40,976 and \$43,747, respectively. In addition, Texas Tech University is located approximately four miles northeast of the Promenade at West End property and represents the largest employer in the city employing 6,044 people. In 2014, Texas Tech University enrolled 35,158 students, many of which live on the west part of town in close proximity of the Promenade at West End property.
- Sponsorship.** The sponsor and non-recourse carveout guarantor is Gary Randall Andrews, the founder and president of GRACO Real Estate Development, Inc. ("GRACO"). GRACO, established in 1979, is a full service commercial real estate that currently manages over 1.0 million sq. ft. of retail, office and industrial space and has developed approximately \$300.0 million in commercial real estate in Texas and Colorado. The sponsor began construction in 2014, and as a result of the additional capital investment, the sponsor will have a total cost basis of approximately \$17.6 million (\$242 PSF) in the Promenade at West End property upon completion.