

160, 240-260 South Brea Boulevard
& 375 West Birch Street
Brea, CA 92821

Collateral Asset Summary – Loan No. 13

Brea Portfolio

Cut-off Date Balance: \$22,000,000
Cut-off Date LTV: 62.0%
U/W NCF DSCR: 1.76x
U/W NOI Debt Yield: 7.9%

Mortgage Loan Information

Loan Seller: JLC
Loan Purpose: Refinance
Sponsor: Dwight Manley
Borrowers: MM Brea, LLC; 240/260 S. Brea Blvd., LLC
Original Balance: \$22,000,000
Cut-off Date Balance: \$22,000,000
% by Initial UPB: 2.5%
Interest Rate: 4.2900%
Payment Date: 6th of each month
First Payment Date: September 6, 2016
Maturity Date: August 6, 2026
Amortization: Interest Only
Additional Debt: None
Call Protection: L(26), D(90), O(4)
Lockbox / Cash Management⁽¹⁾: Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$120,000	\$20,500
Insurance:	\$7,000	\$1,900
Replacement:	\$0	\$870
TI/LC:	\$0	\$4,055
Stabilization Reserve⁽²⁾:	\$2,325,000	\$0
Special Rollover⁽³⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$462
Balloon Balance / Sq. Ft.:	\$462
Cut-off Date LTV:	62.0%
Balloon LTV:	62.0%
Underwritten NOI DSCR:	1.82x
Underwritten NCF DSCR:	1.76x
Underwritten NOI Debt Yield:	7.9%
Underwritten NCF Debt Yield:	7.7%

Property Information

Single Asset / Portfolio: Portfolio of three properties
Property Type: Urban Retail
Collateral: Fee Simple
Location: Brea, CA
Year Built / Renovated: 1997, 1999, 2000 / 2009
Total Sq. Ft.: 47,608
Property Management: Manley Fanticola Holdings, LLC
Underwritten NOI: \$1,744,813
Underwritten NCF: \$1,687,207
Appraised Value: \$35,500,000
Appraisal Date: June 28, 2016

Historical NOI

Most Recent NOI:	\$1,567,519 (T-12 May 31, 2016)
2015 NOI:	\$1,552,334 (December 31, 2015)
2014 NOI:	\$1,593,608 (December 31, 2014)

Historical Occupancy

Most Recent Occupancy:	89.8% (August 1, 2016)
2015 Occupancy:	83.8% (December 31, 2015)
2014 Occupancy:	97.8% (December 31, 2014)

- (1) A cash management period will be triggered (i) upon an event of default, (ii) if the debt yield falls below 7.50% until such time that the debt yield is at least 7.50% for two consecutive quarters or (iii) upon the commencement of a Lease Sweep Period. A "Lease Sweep Period" will commence upon (i) 12 months prior to the end of the term of any Major Lease (defined below), (ii) a Major Lease renewal date, (iii) a Major Lease termination, (iv) a Major Tenant (defined below) "goes dark", (v) a default under a Major Lease or (vi) a Major Tenant insolvency proceeding. A "Major Lease" is the Yard House lease and any other lease which covers 7,500 or more sq. ft. A "Major Tenant" is any tenant under a Major Lease.
- (2) Once tenant Orange Twist (2,000 sq. ft.) is in occupancy and begins paying full rent, \$825,000 will be released to the borrowers from the stabilization reserve, provided that the debt yield is no less than 8.00% (if the debt yield is less than 8.00%, the amount released will be reduced to an amount whereby the resulting debt yield equals 8.00%). When the currently vacant 4,838 sq. ft. is occupied by a tenant paying full rent, \$1,500,000 will be released to the borrowers from the stabilization reserve, provided that the debt yield is no less than 8.00% (if the debt yield is less than 8.00%, the amount released will be reduced to an amount whereby the resulting debt yield equals 8.00%). Any excess amounts remaining in the reserve after the disbursements contemplated above will be held as additional collateral for the loan until lender determines that the debt yield equals or exceeds 8.00%, at which time, such remaining funds will be disbursed to the borrowers.
- (3) On each payment date occurring during a Lease Sweep Period, all excess cash flow will be deposited into a Special Rollover Reserve.

TRANSACTION HIGHLIGHTS

- The Property.** The portfolio consists of three, one and two-story buildings totaling 47,608 sq. ft. There are nine tenants, with no one tenant representing more than 26.4% of net rentable area, within the portfolio. Yard House, the largest tenant, has consistently reported over \$7 million in sales since 2011 and for the trailing twelve month period ending March 2016 reported sales of \$7.9 million (\$630 per sq. ft.). There are no partial releases permitted under the Brea Portfolio loan documents.
- Location.** The property is located in the Downtown Brea Entertainment District, along the east and west sides of Brea Boulevard, between Imperial Highway and Birch Street. The 2016 population and average household income within a three mile radius are 129,599 and \$101,017, respectively. As of 2Q 2016, the portfolio's submarket reported a vacancy of 2.8%.
- Experienced Local Sponsorship.** The sponsor, Dwight Manley, owns five additional buildings within the Brea Entertainment District. Mr. Manley grew up in Brea, currently lives in Brea and has been investing in Brea for over 10 years.