

Various  
Various, MI, Various

Collateral Asset Summary – Loan No. 17

## Crosslake Industrial Portfolio

**Cut-off Date Balance:** \$19,950,000  
**Cut-off Date LTV:** 58.2%  
**U/W NCF DSCR:** 1.63x  
**U/W NOI Debt Yield:** 12.6%

### Mortgage Loan Information

**Loan Seller:** JLC  
**Loan Purpose:** Acquisition  
**Sponsor:** John Saunders  
**Borrower:** CORE Pacific Crosslakes DST  
**Original Balance:** \$19,950,000  
**Cut-off Date Balance:** \$19,950,000  
**% by Initial UPB:** 2.2%  
**Interest Rate:** 5.2235%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** November 6, 2016  
**Maturity Date:** October 6, 2026  
**Amortization:** Interest only for 48 months, 360 months thereafter  
**Additional Debt:** None  
**Call Protection:** L(24), D(93), O(3)  
**Lockbox / Cash Management<sup>(1)</sup>:** Hard / Springing

### Reserves

	Initial	Monthly
<b>Taxes:</b>	\$125,190	\$41,730
<b>Insurance:</b>	\$30,600	\$10,200
<b>TI/LC Reserve<sup>(2)</sup>:</b>	\$1,000,000	\$23,591
<b>Working Capital Reserve:</b>	\$100,000	\$0
<b>Engineering Reserve:</b>	\$40,625	\$0
<b>Replacement Reserve:</b>	\$0	\$9,436

### Financial Information

<b>Cut-off Date Balance / Sq. Ft.:</b>	\$18
<b>Balloon Balance / Sq. Ft.:</b>	\$16
<b>Cut-off Date LTV:</b>	58.2%
<b>Balloon LTV:</b>	52.8%
<b>Underwritten NOI DSCR<sup>(3)</sup>:</b>	1.91x
<b>Underwritten NCF DSCR<sup>(3)</sup>:</b>	1.63x
<b>Underwritten NOI Debt Yield:</b>	12.6%
<b>Underwritten NCF Debt Yield:</b>	10.7%

### Property Information

**Single Asset / Portfolio:** Portfolio of five properties  
**Property Type:** Industrial Warehouse / Distribution  
**Collateral:** Fee Simple  
**Location:** Various, MI  
**Year Built / Renovated:** Various / NAP  
**Total Sq. Ft.:** 1,132,363  
**Property Management:** CORE Realty Holdings Management, Inc.  
**Underwritten NOI:** \$2,514,767  
**Underwritten NCF:** \$2,143,253  
**Appraised Value:** \$34,275,000  
**Appraisal Date:** August 3, 2016

### Historical NOI

<b>Most Recent NOI:</b>	\$2,440,450 (T-12 May 31, 2016)
<b>2015 NOI:</b>	\$1,975,710 (December 31, 2015)
<b>2014 NOI:</b>	\$2,242,079 (December 31, 2014)

### Historical Occupancy

<b>Most Recent Occupancy:</b>	93.4% (August 1, 2016)
<b>2015 Occupancy:</b>	70.0% (December 31, 2015)
<b>2014 Occupancy:</b>	81.0% (December 31, 2014)

- (1) A cash management period will be triggered upon (i) an event of default or (ii) the failure by the borrower, as of any calculation date, to maintain a DSCR of at least 1.20x.
- (2) The TI/LC Reserve will be subject to a cap of \$2,000,000 until the first time it hits the cap. At that point, if 85% of rentable sq. ft. of all properties are occupied, with tenants open and paying full unallocated rent, such cap will be reduced to \$1,000,000. If the aforementioned conditions are not met, such cap will be \$1,500,000.
- (3) Based on amortizing payments. Based on the current interest only debt service payments, the Underwritten NOI and NCF DSCR are 2.38x and 2.03x, respectively.

## TRANSACTION HIGHLIGHTS

- **The Portfolio.** The portfolio consists of five properties that are 93.4% occupied by 16 tenants as of August 1, 2016. The tenant roster includes tenants from several industries with limited concentration to any one particular industry or sector. No single tenant individually accounts for more than 13.8% of total net rentable area ("NRA"). There are no partial releases permitted under the Crosslake Industrial Portfolio loan documents.
- **Tenant Commitment.** Tenants average an executed lease length of 9.3 years from initial occupancy through current expiration dates. Four tenants, totaling 255,063 sq. ft., in the portfolio have been in occupancy at their respective property for more than ten years and seven tenants, totaling 389,250 sq. ft., have been in place for more than five years. The tenants that have exhibited long-term commitment to the portfolio are generally tenants that occupy the greatest square footage.
- **The Market.** According to market reports, the industrial and flex markets for Kent county reported an occupancy rate of 96.3% for the second half of 2016. The portfolio is located within the Southwest submarket, which reported an occupancy rate of 98.2% for the second half of 2016. The liquidity and strength of the Kent county submarket is evidenced by the fact that the vacancy rate for industrial and flex properties never exceeded 11.0% throughout the entirety of the economic downturn.
- **Cash Equity.** The borrower contributed approximately \$14.2 million of new cash equity to acquire the portfolio, representing 41.5% of total cost.