

## Mortgage Loan No. 15 – Madison Park

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BNY Mellon
<b>Original Principal Balance:</b>	\$17,900,000
<b>Cut-off Date Principal Balance:</b>	\$17,900,000
<b>% of Pool by IPB:</b>	1.9%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	JAS Madison I LLC
<b>Sponsor:</b>	James A. Smith
<b>Interest Rate:</b>	4.6800%
<b>Note Date:</b>	7/29/2015
<b>Maturity Date:</b>	8/6/2025
<b>Interest-only Period:</b>	24 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(30),Def(86),O(4)
<b>Lockbox<sup>(1)</sup>:</b>	Springing
<b>Additional Debt:</b>	No
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A
<b>Additional Future Debt Permitted:</b>	No

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title<sup>(2)</sup>:</b>	Leasehold
<b>Property Type - Subtype:</b>	Office-Office/Retail
<b>Net Rentable Area (SF):</b>	92,784
<b>Location:</b>	Torrance, CA
<b>Year Built / Renovated:</b>	1988 / N/A
<b>Occupancy:</b>	95.7%
<b>Occupancy Date:</b>	6/5/2015
<b>Number of Tenants:</b>	28
<b>2012 NOI:</b>	\$1,775,474
<b>2013 NOI:</b>	\$1,653,546
<b>2014 NOI:</b>	\$1,766,089
<b>TTM NOI<sup>(3)</sup>:</b>	\$1,743,208
<b>UW Economic Occupancy:</b>	93.0%
<b>UW Revenues:</b>	\$3,245,844
<b>UW Expenses:</b>	\$1,473,321
<b>UW NOI:</b>	\$1,772,523
<b>UW NCF:</b>	\$1,768,588
<b>Appraised Value / Per SF:</b>	\$27,000,000 / \$291
<b>Appraisal Date:</b>	5/18/2015

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$80,445	\$26,815	N/A
<b>Insurance:</b>	\$3,077	\$3,077	N/A
<b>Replacement Reserves<sup>(4)</sup>:</b>	\$239,000	Springing	\$239,000
<b>TI/LC<sup>(5)</sup>:</b>	\$650,000	Springing	\$400,000
<b>Environmental<sup>(6)</sup>:</b>	\$31,250	\$0	N/A
<b>Ground Rent Reserve:</b>	\$46,667	Springing	\$46,667
<b>Engineering Reserve:</b>	\$11,000	N/A	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$193
<b>Maturity Date Loan / SF:</b>	\$166
<b>Cut-off Date LTV:</b>	66.3%
<b>Maturity Date LTV:</b>	56.9%
<b>UW NCF DSCR<sup>(7)</sup>:</b>	1.59x
<b>UW NOI Debt Yield:</b>	9.9%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$17,900,000	100.0%
<b>Total Sources</b>	<b>\$17,900,000</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Payoff Existing Debt	\$16,318,516	91.2%
Upfront Reserves	1,061,439	5.9
Closing Costs	478,662	2.7
Return of Equity	41,383	0.2
<b>Total Uses</b>	<b>\$17,900,000</b>	<b>100.0%</b>

- (1) A hard lockbox and in place cash management will be triggered upon the occurrence of (i) an event of default, until such event of default is cured or (ii) the failure by the borrower to maintain a debt service coverage ratio of at least 1.20x for two consecutive calendar quarters (based on amortizing debt service payments), until such time as the debt service coverage ratio is at least 1.20x for two consecutive calendar quarters.
- (2) The property is subject to a ground lease with the City of Torrance, which expires on February 8, 2054.
- (3) Represents the trailing twelve months ending May 31, 2015.
- (4) The borrower is required to make monthly deposits of \$2,320 at any time that the balance in the replacement reserve is less than \$50,000, until such time as the amount on deposit reaches a cap of \$239,000.
- (5) The borrower is required to make monthly deposits of \$10,000 at any time that the balance in the TI/LC reserve is less than \$250,000, until such time as the amount on deposit reaches a cap of \$400,000.
- (6) The upfront deposit of \$31,250 is 125% of the estimated remediation costs, to be applied to (i) the installation of a vapor mitigation system at an estimated cost

## Mortgage Loan No. 15 – Madison Park

of \$15,792; (ii) an annual operation and maintenance program to monitor the level of PERC at the property at an estimated cost of \$5,000 (\$500 per year for the entire loan term) and (iii) ongoing sampling and reporting on the levels of PERC at the property at an estimated cost of \$4,200.

(7) Based on amortizing debt service payments. Based on the current interest only payments, UW NOI DSCR and UW NCF DSCR are 2.09x and 2.08x, respectively.

**The Loan.** The Madison Park loan is a \$17.9 million first mortgage loan secured by the leasehold interest in a 92,784 SF office and retail center located in Torrance, California. The loan has a 10-year term and will amortize on a 30-year schedule after a two-year interest only period.

**The Borrower.** The borrowing entity for the loan is JAS Madison I LLC, a Delaware limited liability company and special purpose entity.

**The Sponsor.** The loan's sponsor and nonrecourse carve-out guarantor is James A. Smith. James A Smith is the founder and director of Ultra Wheel Company ("Ultra Wheel"), a U.S. aftermarket wheel manufacturer that engineers, designs, produces, sells, and distributes its products. Ultra Wheel was founded in 1984 and in 2014 reported approximately \$60 million in annual revenues.

**The Property.** The property is a 92,784 SF office and retail center located in Torrance, California. The collateral is comprised of a leasehold interest in a 46,601 SF retail center and a 46,183 SF medical office building. The property is located approximately 24 miles southwest of downtown Los Angeles. The property is located adjacent to Rancho Palos Verdes, Rolling Hills Estates, and Palos Verdes Estates within Los Angeles County.

The property's tenancy consists of 28 distinct tenants at a weighted average in-place rent of \$32.90 PSF. As of June 5, 2015, the property was 95.7% occupied by 12 medical office tenants, with a weighted average in-place rent of \$38.12 PSF, and 15 retail tenants, with a weighted average in-place rent of \$26.82 PSF (excluding Telecom Partners GP DBA ATS, which takes up no square footage but pays annual rent of \$18,084). The largest tenant at the property, The Regents of the University of California, accounts for 12.3% of the net rentable area and has been a tenant at the property since 2012.

**The Market.** The property is located in Torrance, California within Los Angeles County. Torrance is considered to be suburban with commercial, industrial, office and residential uses. According to a third party market research firm, as of the end of 2014, there was 1.7 million SF of office space in the Torrance submarket, with no new construction completed in 2014. The office vacancy rate as of the first quarter 2015 was 7.4%, with no new construction completed in that same period. The Torrance submarket retail vacancy rate in the first quarter 2015 was 2.6%.

### Medical Office Competitive Set Summary <sup>(1)</sup>

Property	Year Built / Renovated	Total GLA (SF)	Est. Sales PSF	Est. Occ.	Proximity (miles)
<b>Madison Park</b>	<b>1988</b>	<b>46,183<sup>(2)</sup></b>	<b>\$215</b>	<b>100%<sup>(2)</sup></b>	
Los Angeles Medical Center	1995	31,787	\$236	87%	17.6
Batavia Woods Medical Center	1980	26,345	\$262	72%	28.0
Brookshire Medical Building	1970	56,121	\$201	77%	15.4
Thatcher Medical Building	1963	73,564	\$294	82%	26.6
Medical Building	1941	10,500	\$207	100%	17.9

(1) Source: Appraisal.

(2) Based on the underwritten rent roll.

## Mortgage Loan No. 15 – Madison Park

### Retail Competitive Set Summary <sup>(1)</sup>

Property	Year Built / Renovated	Total GLA (SF)	Est. Sales PSF	Est. Occ.	Proximity (miles)	Anchor Tenants
<b>Madison Park</b>	<b>1988</b>	<b>46,601<sup>(2)</sup></b>	<b>\$350</b>	<b>92%<sup>(2)</sup></b>		<b>NAP</b>
The Village Center	1972	31,153	\$353	95%	0.7	NAP
22929 Hawthorne Blvd	1976	23,866	\$384	100%	1.2	NAP
Pacific Plaza	1992	23,438	\$454	100%	1.7	Subway, H&R Block, The UPS Store
20715-20725 Hawthorne Blvd	1973	11,050	\$462	100%	2.7	NAP
The Carpenter Village	1979	31,100	\$370	100%	1.5	American Red Cross

(1) Source: Appraisal.

(2) Based on the underwritten rent roll.

### Historical and Current Occupancy <sup>(1)</sup>

2011	2012	2013	2014	Current <sup>(2)</sup>
95.0%	97.4%	95.3%	98.9%	95.7%

(1) Source: Historical Occupancies reflect the average occupancy for the indicated year as provided by the borrower.

(2) Based on the underwritten rent roll.

### Tenant Summary <sup>(1)</sup>

Tenant	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
The Regents of the University of California	NA / NA / NA	11,421	12.3%	\$34.69	Various <sup>(2)</sup>
KINECTA Federal Credit Union	NA / NA / NA	8,424	9.1%	\$33.04	4/30/2017
CB Restaurant INC DBA China BF	NA / NA / NA	6,756	7.3%	\$20.47	5/2/2019
Animal Emergency Referral Center	NA / NA / NA	6,597	7.1%	\$23.30	11/30/2025
Lisa's Bon Appetite, INC.	NA / NA / NA	5,890	6.3%	\$28.12	7/1/2020
Urology Specialists of Southern California	NA / NA / NA	5,132	5.5%	\$37.56	4/30/2016
Coast Surgery Center, LP	NA / NA / NA	5,036	5.4%	\$36.06	6/30/2021
Pacific ENDO-Surgical CTR, LP	NA / NA / NA	4,468	4.8%	\$41.28	1/8/2019
Tomoto, DMD & S Barney DDS	NA / NA / NA	3,581	3.9%	\$37.63	7/31/2018
SIMIN HASHEMIZADEH	NA / NA / NA	3,439	3.7%	\$35.79	4/30/2021

(1) Based on the underwritten rent roll.

(2) The Regents of the University of California leases two suites, with one lease covering 5,891 SF and expiring on November 30, 2022 and the other lease covering 5,530 SF and expiring on June 30, 2024.

## Mortgage Loan No. 15 – Madison Park

### Lease Rollover Schedule <sup>(1)</sup>

Year	Number of Leases Expiring	NRA Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative NRA Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	3,952	4.3%	NAP	NAP	3,952	4.3%	NAP	NAP
MTM	3	3,969	4.3	\$81,110	2.8%	7,921	8.5%	\$81,110	2.8%
2016	2	6,436	6.9	243,203	8.3	14,357	15.5%	\$324,313	11.1%
2017	5	16,459	17.7	554,658	19.0	30,816	33.2%	\$878,971	30.1%
2018	6	11,797	12.7	451,150	15.4	42,613	45.9%	\$1,330,121	45.5%
2019	3	12,574	13.6	370,114	12.7	55,187	59.5%	\$1,700,235	58.2%
2020	5	11,104	12.0	346,720	11.9	66,291	71.4%	\$2,046,955	70.0%
2021	2	8,475	9.1	313,808	10.7	74,766	80.6%	\$2,360,762	80.8%
2022	1	5,891	6.3	220,154	7.5	80,657	86.9%	\$2,580,917	88.3%
2023	0	0	0.0	0	0.0	80,657	86.9%	\$2,580,917	88.3%
2024	1	5,530	6.0	187,965	6.4	86,187	92.9%	\$2,768,881	94.7%
2025	1	6,597	7.1	153,693	5.3	92,784	100.0%	\$2,922,574	100.0%
2026 & Beyond	0	0	0.0	0	0.0	92,784	100.0%	\$2,922,574	100.0%
<b>Total</b>	<b>29</b>	<b>92,784</b>	<b>100.0%</b>	<b>\$2,922,574</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll, including rent increases occurring through June 1, 2016.

### Operating History and Underwritten Net Cash Flow

	2012	2013	2014	TTM <sup>(1)</sup>	Underwritten <sup>(2)</sup>	PSF	% <sup>(3)</sup>
Rents in Place	\$2,575,952	\$2,661,088	\$2,745,032	\$2,789,030	\$2,922,574	\$31.50	84.0%
Vacant Income	0	0	0	0	98,800	1.06	2.8%
<b>Gross Potential Rent</b>	<b>\$2,575,952</b>	<b>\$2,661,088</b>	<b>\$2,745,032</b>	<b>\$2,789,030</b>	<b>\$3,021,374</b>	<b>\$32.56</b>	<b>86.8%</b>
Total Reimbursements	474,908	344,835	447,558	451,520	458,667	4.94	13.2%
<b>Net Rental Income</b>	<b>\$3,050,860</b>	<b>\$3,005,923</b>	<b>\$3,192,589</b>	<b>\$3,240,550</b>	<b>\$3,480,041</b>	<b>\$37.51</b>	<b>100.0%</b>
(Vacancy/Collection Loss)	0	0	0	0	(244,193)	(2.63)	(7.0%)
Other Income	16,546	29,141	29,141	9,701	9,996	0.11	0.3%
<b>Effective Gross Income</b>	<b>\$3,067,406</b>	<b>\$3,035,064</b>	<b>\$3,221,730</b>	<b>\$3,250,251</b>	<b>\$3,245,844</b>	<b>\$34.98</b>	<b>93.3%</b>
<b>Total Expenses</b>	<b>\$1,291,932</b>	<b>\$1,381,518</b>	<b>\$1,455,642</b>	<b>\$1,507,043</b>	<b>\$1,473,321</b>	<b>\$15.88</b>	<b>45.4%</b>
<b>Net Operating Income</b>	<b>\$1,775,474</b>	<b>\$1,653,546</b>	<b>\$1,766,089</b>	<b>\$1,743,208</b>	<b>\$1,772,523</b>	<b>\$18.10</b>	<b>54.6%</b>
Total TI/LC, Capex/RR	0	0	0	0	3,935	0.04	0.1%
<b>Net Cash Flow</b>	<b>\$1,775,474</b>	<b>\$1,653,546</b>	<b>\$1,766,089</b>	<b>\$1,743,208</b>	<b>\$1,768,588</b>	<b>\$19.06</b>	<b>54.5%</b>

(1) The TTM column represents the trailing twelve month period ending May 31, 2015.

(2) Based on the underwritten rent roll, including rent increases occurring through June 1, 2016.

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