

211-249 North Glendale Avenue  
Glendale, CA 91206

Collateral Asset Summary – Loan No. 1  
**Glendale Fashion Center**

<b>Cut-off Date Balance:</b>	\$82,000,000
<b>Cut-off Date LTV:</b>	60.5%
<b>U/W NCF DSCR:</b>	1.71x
<b>U/W NOI Debt Yield:</b>	8.0%



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**Mortgage Loan Information**

**Loan Seller:** JLC  
**Loan Purpose:** Refinance  
**Sponsor:** Marianne J. Moy  
**Borrowers:** Glendale Fashion Associates LLC;  
Rancho Palisades Holdings, LLC  
**Original Balance:** \$82,000,000  
**Cut-off Date Balance:** \$82,000,000  
**% by Initial UPB:** 9.2%  
**Interest Rate:** 4.4910%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** July 6, 2016  
**Maturity Date:** June 6, 2026  
**Amortization:** Interest Only  
**Additional Debt:** \$4,000,000 Mezzanine Debt  
**Call Protection:** L(28), D(85), O(7)  
**Lockbox / Cash Management:** Hard / Springing

**Property Information**

**Single Asset / Portfolio:** Single Asset  
**Property Type:** Anchored Retail  
**Collateral:** Fee Simple/Leasehold  
**Location:** Glendale, CA  
**Year Built / Renovated:** 2000 / NAP  
**Total Sq. Ft.:** 263,882  
**Property Management:** Athena Management, Inc.  
**Underwritten NOI:** \$6,600,188  
**Underwritten NCF:** \$6,402,277  
**Appraised Value:** \$135,600,000  
**Appraisal Date:** May 1, 2016

**Reserves<sup>(1)</sup>**

	Initial	Monthly
<b>Taxes:</b>	\$196,735	\$65,579
<b>Insurance:</b>	\$102,497	\$8,600
<b>Replacement:</b>	\$0	\$5,498
<b>TI/LC:</b>	\$0	\$10,995
<b>Ground Rent:</b>	\$0	\$12,500
<b>Required Repairs:</b>	\$21,875	NAP
<b>Special Rollover Reserve:</b>	\$0	Springing

**Historical NOI**

**Most Recent NOI:** \$7,248,097 (T-12 August 31, 2016)  
**2015 NOI:** \$7,040,645 (December 31, 2015)  
**2014 NOI:** \$6,787,331 (December 31, 2014)  
**2013 NOI:** \$6,748,697 (December 31, 2013)  
**2012 NOI:** \$6,698,458 (December 31, 2012)  
**2011 NOI:** \$6,356,879 (December 31, 2011)  
**2010 NOI:** \$6,248,008 (December 31, 2010)  
**2009 NOI:** \$5,852,314 (December 31, 2009)

**Financial Information**

	Mortgage Loan	Total Debt
<b>Cut-off Date Balance / Sq. Ft.:</b>	\$311	\$326
<b>Balloon Balance / Sq. Ft.:</b>	\$311	\$326
<b>Cut-off Date LTV:</b>	60.5%	63.4%
<b>Balloon LTV:</b>	60.5%	63.4%
<b>Underwritten NOI DSCR:</b>	1.77x	1.58x
<b>Underwritten NCF DSCR:</b>	1.71x	1.53x
<b>Underwritten NOI Debt Yield:</b>	8.0%	7.7%
<b>Underwritten NCF Debt Yield:</b>	7.8%	7.4%
<b>Underwritten NOI Debt Yield at Balloon:</b>	8.0%	7.7%
<b>Underwritten NCF Debt Yield at Balloon:</b>	7.8%	7.4%

**Historical Occupancy<sup>(2)</sup>**

**Most Recent Occupancy:** 100.0% (June 1, 2016)  
**2015 Occupancy:** 100.0% (December 31, 2015)  
**2014 Occupancy:** 100.0% (December 31, 2014)  
**2013 Occupancy:** 100.0% (December 31, 2013)  
**2012 Occupancy:** 100.0% (December 31, 2012)  
**2011 Occupancy:** 100.0% (December 31, 2011)  
**2010 Occupancy:** 100.0% (December 31, 2010)  
**2009 Occupancy:** 100.0% (December 31, 2009)

(1) See "Initial Reserves" and "Ongoing Reserves" herein.

(2) The Glendale Fashion Center Property has maintained a 10-year average occupancy equal to 99.1%.

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**U/W NOI Debt Yield:** 8.0%

**Tenant Summary**

	<b>Ratings (Fitch/Moody's/S&amp;P)<sup>(1)</sup></b>	<b>Net Rentable Area (Sq. Ft.)</b>	<b>% of Net Rentable Area</b>	<b>Lease Expiration</b>	<b>U/W Base Rent PSF</b>	<b>Sales PSF<sup>(2)</sup></b>	<b>Occupancy Cost (% of Sales)<sup>(2)</sup></b>
<b>Anchor Tenants</b>							
Ralph's Supermarket <sup>(3)</sup>	BBB/Baa2/BBB	50,000	18.9%	3/31/2025	\$31.20	\$481	8.0%
Nordstrom Rack <sup>(3)(4)</sup>	BBB+/Baa1/BBB+	37,140	14.1%	6/30/2025	\$19.02	NAP	NAP
Ross Dress for Less <sup>(3)</sup>	NR/A3/A-	32,100	12.2%	1/31/2021	\$24.50	\$516	6.0%
TJ Maxx <sup>(3)</sup>	NR/A2/A+	25,000	9.5%	2/28/2019	\$25.00	\$491	6.4%
Staples <sup>(3)</sup>	BB+/Baa2/BBB-	24,000	9.1%	4/30/2020	\$26.34	NAP	NAP
Michael's <sup>(3)</sup>	NR/Baa3/B+	22,311	8.5%	2/29/2028	\$23.95	\$315	9.9%
Cost Plus <sup>(3)</sup>	NR/Baa1/BBB+	18,673	7.1%	1/31/2020	\$24.20	\$256	12.3%
CVS <sup>(3)(5)</sup>	NR/Baa1/BBB+	18,000	6.8%	2/28/2021	\$27.60	NAP	NAP
PetCo <sup>(3)</sup>	NR/NR/NR	17,000	6.4%	6/30/2020	\$34.60	\$400	10.5%
<b>Subtotal</b>		<b>244,224</b>	<b>92.6%</b>		<b>\$26.13</b>	<b>\$433</b>	<b>8.0%</b>
<b>In-line Tenants</b>							
Famous Footwear	NR/NR/NR	3,840	1.5%	4/30/2023	\$38.00	\$315	14.4%
The Nail Forum <sup>(3)(6)</sup>	NR/NR/NR	3,000	1.1%	8/31/2019	\$51.72	\$188	32.8%
Wells Fargo <sup>(3)</sup>	AA/Aa2/AA-	3,000	1.1%	11/30/2020	\$50.58	NAP	NAP
Payless Shoes	NR/NR/NR	2,623	1.0%	6/30/2020	\$46.00	\$206	25.8%
Rubio's Baja Grill <sup>(3)</sup>	NR/NR/NR	2,000	0.8%	5/31/2020	\$54.75	\$400	16.9%
The Habit Burger Grill <sup>(3)</sup>	NR/NR/NR	2,000	0.8%	11/30/2018	\$48.90	\$1,446	4.3%
Panda Express <sup>(3)</sup>	NR/NR/NR	1,916	0.7%	5/31/2025	\$54.30	\$983	6.8%
Subway <sup>(3)</sup>	NR/NR/NR	1,279	0.5%	4/30/2019	\$50.82	\$320	20.0%
<b>Subtotal</b>		<b>19,658</b>	<b>7.4%</b>		<b>\$48.32</b>	<b>\$498</b>	<b>11.7%</b>
Vacant		0	0.0%				
<b>Total Occupied Collateral / Wtd. Avg.</b>		<b>263,882</b>	<b>100.0%</b>				

(1) Certain ratings may be those of the parent company whether or not the parent company guarantees the lease.

(2) Sales PSF and Occupancy Cost (% of Sales) are based on tenant's gross rent and sales figures are provided by the borrower as of the most recent year-end reported.

(3) Ralph's Supermarket has five, five-year renewal options remaining. Nordstrom Rack has one, five-year renewal option remaining. Ross Dress for Less has one, five-year renewal option remaining. TJ Maxx has four, five-year renewal options remaining. Staples has two, five-year renewal options remaining. Michael's has two, five-year renewal options remaining. Cost Plus has three, five-year renewal options remaining. CVS has three, five-year renewal options remaining. PetCo has two, five-year renewal options remaining. The Nail Forum has one, five-year renewal option remaining. Wells Fargo has two, five-year renewal options remaining. Rubio's Baja Grill has one, five-year renewal option remaining. The Habit Burger Grill has one, five-year renewal option remaining. Panda Express has one, five-year renewal option remaining. Subway has two, five-year renewal options remaining.

(4) U/W Base Rent PSF is inclusive of the straight-line average contractual base rent over the lease term for Nordstrom Rack equal to approximately \$37,841.

(5) CVS is currently dark but paying rent.

(6) U/W Base Rent PSF is inclusive of the contractual rent step for The Nail Forum as of March 1, 2017 equal to approximately \$10,800.

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

<b>Year</b>	<b># of Leases Expiring</b>	<b>Total Expiring Sq. Ft.</b>	<b>% of Total Sq. Ft. Expiring</b>	<b>Cumulative Sq. Ft. Expiring</b>	<b>Cumulative % of Sq. Ft. Expiring</b>	<b>Annual U/W Base Rent Per Sq. Ft.</b>	<b>% U/W Base Rent Rolling</b>	<b>Cumulative % of U/W Base Rent</b>
MTM	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2016	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2017	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2018	1	2,000	0.8%	2,000	0.8%	\$48.90	1.3%	1.3%
2019	3	29,279	11.1%	31,279	11.9%	\$28.87	11.5%	12.9%
2020	6	67,296	25.5%	98,575	37.4%	\$30.52	28.0%	40.9%
2021	2	50,100	19.0%	148,675	56.3%	\$25.61	17.5%	58.4%
2022	0	0	0.0%	148,675	56.3%	\$0.00	0.0%	58.4%
2023	1	3,840	1.5%	152,515	57.8%	\$38.00	2.0%	60.4%
2024	0	0	0.0%	152,515	57.8%	\$0.00	0.0%	60.4%
2025	3	89,056	33.7%	241,571	91.5%	\$26.61	32.3%	92.7%
2026	0	0	0.0%	241,571	91.5%	\$0.00	0.0%	92.7%
Thereafter	1	22,311	8.5%	263,882	100.0%	\$23.95	7.3%	100.0%
Vacant	NAP	0	0.0%	263,882	100.0%	NAP	NAP	
<b>Total / Wtd. Avg.</b>	<b>17</b>	<b>263,882</b>	<b>100.0%</b>			<b>\$27.78</b>	<b>100.0%</b>	

(1) Certain tenants may have lease termination options, including those related to co-tenancy provisions and sales thresholds, that may become exercisable prior to the originally stated expiration date of the tenant lease and that are not considered in the lease rollover schedule.

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**U/W NOI Debt Yield:** 8.0%

**The Loan.** The Glendale Fashion Center loan (the “Glendale Fashion Center Loan”) is a fixed rate loan secured by the borrowers’ fee simple and leasehold interest in an anchored retail center consisting of 263,882 sq. ft., located in Glendale, California (the “Glendale Fashion Center Property”) with an original principal balance of \$82.0 million. The Glendale Fashion Center Loan has a 10-year term and requires interest only payments for the term of the loan. The Glendale Fashion Center Loan accrues interest at a fixed rate equal to 4.4910% and has a cut-off date balance of \$82.0 million. Proceeds of the Glendale Fashion Center Loan, along with a \$4.0 million mezzanine loan, were used to retire the existing debt of \$72.0 million, fund reserves of \$321,107, pay closing costs of approximately \$1.2 million and return approximately \$12.5 million of equity to the sponsor. Based on the appraised value of \$135.6 million as of May 1, 2016, the cut-off date LTV is 60.5%. The most recent prior financing of the Glendale Fashion Center Property was included in the BACM 2006-4 securitization.

Sources and Uses					
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Loan Amount	\$82,000,000	95.3%	Loan Payoff	\$72,000,000	83.7%
Mezzanine Loan Amount	\$4,000,000	4.7%	Upfront Reserves	\$321,107	0.4%
			Closing Costs	\$1,162,769	1.4%
			Return of Equity	\$12,516,125	14.6%
<b>Total Sources</b>	<b>\$86,000,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$86,000,000</b>	<b>100.0%</b>

**The Borrowers / Sponsor.** The borrowers, Glendale Fashion Associates LLC and Rancho Palisades Holdings, LLC, are structured as tenants-in-common and are each a single purpose Delaware limited liability company structured to be bankruptcy-remote, with two independent directors in its organizational structure. The sponsor of the borrowers and the nonrecourse carve-out guarantor is Marianne J. Moy, who controls both of the borrowers.

Marianne J. Moy is the president of both Golden Horizon Realty and Oaks Property Management and has been active in real estate investments and property management over the past four decades. Per a schedule provided by the sponsor, her real estate portfolio is currently valued at approximately \$524.3 million.

**The Property.** The Glendale Fashion Center Property is a 263,882 sq. ft. anchored retail center located at 211-249 North Glendale Avenue in Glendale, California. Situated on 5.06 acres of land, the Glendale Fashion Center Property improvements were constructed in 2000 and consist of three, one- and two-story, multi-tenant buildings. The Glendale Fashion Center Property improvements have a split-level, “U”-shape layout with the upper level of the development at street grade with California Avenue and Glendale Avenue while the lower level is generally at street grade with Wilson Avenue and Isabel Street. The Glendale Fashion Center Property retail buildings are arranged around a two-level subterranean/surface deck parking garage providing a total of 1,150 spaces, for a parking ratio of 4.36 per 1,000 sq. ft. of rentable area. Of the 1,150 total spaces, 755 spaces are subject to a ground lease with the City of Glendale. The current term of the ground lease expires April 28, 2031 and the borrowers have six remaining options to extend the term for 10 years each, and one additional option to extend the term for nine years. The fully extended ground lease expires April 28, 2100.

The Glendale Fashion Center Property is anchored by Ralph’s Supermarket, Nordstrom Rack, Ross Dress for Less, TJ Maxx, Staples, Michael’s, Cost Plus, CVS (who is currently dark but paying rent) and PetCo. In addition to the anchor tenants, the Glendale Fashion Center Property includes a freestanding bank branch building occupied by Wells Fargo and 16,658 sq. ft. (6.3% of NRA) of in-line shop space occupied by Famous Footwear, The Nail Forum, Payless Shoes, Rubio’s Baja Grill, The Habit Burger, Panda Express and Subway.

Ralph’s Supermarket and CVS are located on the bottom level of the Glendale Fashion Center Property with access provided via Wilson Avenue with entries from the lower level of the parking garage. The Wells Fargo bank building is also located along and accessed via Wilson Avenue. Nordstrom Rack is located above Petco, Cost Plus and Famous Footwear, and TJ Maxx and Ross Dress for Less have a mezzanine level with interior escalators. The in-line shop spaces are located on the second level with direct street frontage along Glendale Avenue.

CVS is located on the subterranean level accessed from Wilson Avenue. The tenant is currently dark; however, the tenant has consistently paid rent. The CVS space at the Glendale Fashion Center Property was originally a Longs Drugs store. The chain was acquired by CVS in 2008 and the store at this location was subsequently closed shortly thereafter.

As of June 1, 2016, the Glendale Fashion Center Property was 100.0% occupied by 17 tenants and has maintained a 10-year average occupancy equal to 99.1%. Investment grade tenants make up approximately 78.8% of NRA and approximately 74.3% of underwritten gross revenues.

**Environmental Matters.** The Phase I environmental report dated April 11, 2016 recommended no further action.

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**Tenant Sales.** Historical sales for all tenants reporting sales at the Glendale Fashion Center Property are presented in the following charts.

Historical Annual Sales <sup>(1)</sup>									
	Total Sq. Ft.	2008	2009	2010	2011	2012	2013	2014	2015
<b>Anchor Tenants</b>									
Ralph's Supermarket	50,000	\$19,955,285	\$19,733,881	\$18,560,688	\$18,759,709	\$19,350,033	\$21,782,503	\$21,759,634	\$24,042,720
Ross Dress for Less	32,100	\$12,485,938	\$12,209,681	\$12,557,132	\$13,588,918	\$16,299,656	\$17,070,059	\$17,687,528	\$16,574,592
TJ Maxx	25,000	NAP	\$9,796,105	\$10,960,341	\$11,520,712	\$12,671,107	\$13,546,104	\$13,229,049	\$12,281,784
Michael's	22,311	\$6,307,983	\$6,295,802	\$6,623,321	\$6,713,835	\$6,940,862	\$7,373,008	\$7,227,828	\$7,038,509
Cost Plus	18,673	\$4,020,650	\$4,372,140	\$4,077,086	\$4,487,386	\$5,370,408	\$5,393,885	\$4,678,327	\$4,773,668
PetCo	17,000	\$6,552,478	\$6,770,734	\$6,662,020	\$6,891,800	\$7,088,377	\$7,500,587	\$7,378,740	\$6,798,237
<b>Subtotal</b>	<b>165,084</b>	<b>\$49,322,334</b>	<b>\$59,178,343</b>	<b>\$59,440,589</b>	<b>\$61,962,359</b>	<b>\$67,720,444</b>	<b>\$72,666,146</b>	<b>\$71,961,106</b>	<b>\$71,509,510</b>
<b>In-line Tenants</b>									
Famous Footwear	3,840	\$798,710	\$781,271	\$938,034	\$831,807	\$1,025,288	\$1,168,152	\$1,174,503	\$1,211,476
The Nail Forum	3,000	\$906,960	\$852,182	\$827,998	\$708,481	\$829,339	\$781,884	\$628,334	\$564,058
Payless Shoes	2,623	\$563,356	\$544,137	\$559,709	\$513,161	\$572,975	\$568,261	\$569,636	\$539,145
Rubio's Baja Grill	2,000	\$782,051	\$757,448	\$699,286	\$677,124	\$730,844	\$764,732	\$949,837	\$799,165
The Habit Burger Grill	2,000	\$1,644,008	\$1,788,045	\$1,962,393	\$2,239,862	\$2,482,484	\$2,550,061	\$2,810,230	\$2,892,073
Panda Express	1,916	\$1,426,741	\$1,354,965	\$1,430,298	\$1,508,372	\$1,668,234	\$1,748,546	\$1,862,712	\$1,883,154
Subway	1,279	\$573,488	\$533,679	\$547,963	\$513,474	\$503,409	\$485,542	\$455,240	\$408,816
<b>Subtotal</b>	<b>16,658</b>	<b>\$6,695,314</b>	<b>\$6,611,727</b>	<b>\$6,965,681</b>	<b>\$6,992,282</b>	<b>\$7,812,572</b>	<b>\$8,067,179</b>	<b>\$8,450,492</b>	<b>\$8,297,886</b>
<b>Total</b>	<b>181,742</b>	<b>\$56,017,648</b>	<b>\$65,790,070</b>	<b>\$66,406,270</b>	<b>\$68,954,641</b>	<b>\$75,533,015</b>	<b>\$80,733,325</b>	<b>\$80,411,598</b>	<b>\$79,807,396</b>

(1) Source: borrower.

Historical Annual Sales PSF <sup>(1)</sup>									
	Total Sq. Ft.	2008	2009	2010	2011	2012	2013	2014	2015
<b>Anchor Tenants</b>									
Ralph's Supermarket	50,000	\$399	\$395	\$371	\$375	\$387	\$436	\$435	\$481
Ross Dress for Less	32,100	\$389	\$380	\$391	\$423	\$508	\$532	\$551	\$516
TJ Maxx	25,000	NAP	\$392	\$438	\$461	\$507	\$542	\$529	\$491
Michael's	22,311	\$283	\$282	\$297	\$301	\$311	\$330	\$324	\$315
Cost Plus	18,673	\$215	\$234	\$218	\$240	\$288	\$289	\$251	\$256
PetCo	17,000	\$385	\$398	\$392	\$405	\$417	\$441	\$434	\$400
<b>Subtotal / Wtd. Avg.</b>	<b>165,084</b>	<b>\$352</b>	<b>\$358</b>	<b>\$360</b>	<b>\$375</b>	<b>\$410</b>	<b>\$440</b>	<b>\$436</b>	<b>\$433</b>
<b>In-line Tenants</b>									
Famous Footwear	3,840	\$208	\$203	\$244	\$217	\$267	\$304	\$306	\$315
The Nail Forum	3,000	\$302	\$284	\$276	\$236	\$276	\$261	\$209	\$188
Payless Shoes	2,623	\$215	\$207	\$213	\$196	\$218	\$217	\$217	\$206
Rubio's Baja Grill	2,000	\$391	\$379	\$350	\$339	\$365	\$382	\$475	\$400
The Habit Burger Grill	2,000	\$822	\$894	\$981	\$1,120	\$1,241	\$1,275	\$1,405	\$1,446
Panda Express	1,916	\$745	\$707	\$747	\$787	\$871	\$913	\$972	\$983
Subway	1,279	\$448	\$417	\$428	\$401	\$394	\$380	\$356	\$320
<b>Subtotal / Wtd. Avg.</b>	<b>16,658</b>	<b>\$402</b>	<b>\$397</b>	<b>\$418</b>	<b>\$420</b>	<b>\$469</b>	<b>\$484</b>	<b>\$507</b>	<b>\$498</b>
<b>Total / Wtd. Avg.</b>	<b>181,742</b>	<b>\$357</b>	<b>\$362</b>	<b>\$365</b>	<b>\$379</b>	<b>\$416</b>	<b>\$444</b>	<b>\$442</b>	<b>\$439</b>

(1) Source: borrower.

## Major Tenants.

**Ralph's Supermarket** (50,000 sq. ft.; 18.9% of NRA; 21.3% of U/W Base Rent) Ralph's Supermarket is a major supermarket chain in the Southern California area and a subsidiary of Cincinnati-based Kroger (NYSE: KR; BBB/Baa2/BBB by Fitch/Moody's/S&P). Ralph's Supermarket was founded in 1873 and was acquired by Kroger in October 1998 (prior to Ralph's Supermarket's lease commencement date at the Glendale Fashion Center Property).

The Ralph's Supermarket at the Glendale Fashion Center Property opened in March 2000 under a 25-year lease that extends through March 2025 with no early termination options. The lease provides for five, five-year renewal options remaining with at least nine months' notice, with option rent increasing by CPI (not to exceed 10%) over last paid rent for each option period. Over the past three years, Ralph's Supermarket has generated over \$21.0 million in annual gross sales. For the 2015 calendar year, Ralph's Supermarket reported gross sales of approximately \$24.0 million (\$481 PSF), an increase of approximately 10.5% over the prior year.

**Nordstrom Rack** (37,140 sq. ft.; 14.1% of NRA; 9.6% of U/W Base Rent) Nordstrom Rack is a wholly-owned subsidiary of Nordstrom, Inc. (NYSE: JWN; BBB+/Baa1/BBB+ by Fitch/Moody's/S&P), a leading national upscale department store retailer. Nordstrom Inc. operates 333 stores across 39 states. The company operations include 121 full-line 'Nordstrom' department stores, 205 discount 'Nordstrom Rack' stores, one clearance store that operates under the name "Last Chance" and other retail channels including their online private sale subsidiary "HauteLook" and two "Jeffrey" boutiques.

The Nordstrom Rack at the Glendale Fashion Center Property opened in July 2000 under an original 10-year lease. The tenant extended its lease term for an additional 15 years through June 2025, with one, five-year renewal option remaining upon 12 months' notice. The lease has a co-tenancy provision whereby the tenant may terminate the lease if less than three major tenants (each major tenant occupying at least 20,000 sq. ft.) are in occupancy. The tenant is not required to report sales.

**Ross Dress for Less** (32,100 sq. ft.; 12.2% of NRA; 10.7% of U/W Base Rent) Ross Stores, Inc. (NASDAQ: ROST; A3/A- by Moody's/S&P) is headquartered in Dublin, California and is one of the largest off-price retailers in the United States. The company operates two chains of off-price retail apparel and home accessories stores. As of January 2016, Ross Stores, Inc. operated 1,274 Ross Dress for Less stores in 34 states, the District of Columbia and Guam, and 172 dd's DISCOUNTS locations in 15 states.

The Ross Dress for Less at the Glendale Fashion Center Property opened in February 2000 under an original 10-year lease. The tenant extended its lease term for an additional five years through January 2021, with one, five-year renewal option remaining upon 180 days' notice. The lease has a co-tenancy provision whereby the tenant may terminate the lease if Ralph's Supermarket (or a replacement tenant) and less than 65% of the remaining square footage is occupied. From 2012 to 2014, the tenant's sales ranged from approximately \$16.3 million (\$508 PSF) to \$17.7 million (\$551 PSF). For the 2015 calendar year, Ross Dress for Less reported sales of approximately \$16.6 million (\$516 PSF).

**TJ Maxx** (25,000 sq. ft.; 9.5% of NRA; 8.5% of U/W Base Rent) TJ Maxx is a wholly-owned subsidiary of TJX Companies (NASDAQ: TJX; A2/A+ by Moody's/S&P). Headquartered in Framingham, Massachusetts, TJX Companies is a leading off-price retailer of apparel and home fashions. Launched in 1956 under the Zayre brand, TJX Companies went on to become a separate entity in 1987. The company operates 2,587 stores in the United States and 808 stores internationally. As of the fiscal year 2015, TJX Companies operated 1,119 TJ Maxx stores, 975 Marshall's stores, 487 HomeGoods stores and six Sierra Trading Posts throughout the United States.

The TJ Maxx at the Glendale Fashion Center Property opened in February 2009 and is still under the original 10-year lease term. The tenant has four, five-year renewal options remaining upon nine months' notice. From 2009 to 2014, tenant sales ranged from approximately \$9.8 million (\$392 PSF) to \$13.2 million (\$529 PSF). For the 2015 calendar year, TJ Maxx reported sales of approximately \$12.3 million (\$491 PSF).

**The Market.** The Glendale Fashion Center Property is located on the southwest corner of North Glendale Avenue and East California Avenue, approximately 10.9 miles north of the Los Angeles CBD in Glendale, California. Population counts within a 3- and 5-mile radius of the Glendale Fashion Center Property are approximately 226,738 and 550,844, with household incomes averaging approximately \$78,308 and \$82,830, respectively. The Glendale Fashion Center Property is located within the Burbank/Glendale/Pasadena retail submarket within the greater Los Angeles retail market. As of 2Q 2016, the Burbank/Glendale/Pasadena retail submarket contained 6,423 properties totaling approximately 52.1 million sq. ft. with an overall vacancy rate of 3.0%. The Glendale Fashion Center Property is further categorized within the Glendale retail micro-submarket within the overall Burbank/Glendale/Pasadena retail submarket. As of 2Q 2016, the Glendale retail micro-submarket contained 1,905 properties totaling approximately 14.2 million sq. ft. with an overall vacancy rate of 2.5%. According to a market report, the Burbank/Glendale/Pasadena retail submarket's 2Q 2016 reported vacancy rate of 3.0% was the lowest submarket vacancy rate out of all 13 retail submarkets within the overall Los Angeles retail market which contains 47,127 properties totaling approximately 469.0 million sq. ft. with an overall vacancy rate of 4.2%. The primary competitive set as determined by the appraiser for the Glendale Fashion Center Property is presented in the following chart.

211-249 North Glendale Avenue  
Glendale, CA 91206

Collateral Asset Summary – Loan No. 1  
**Glendale Fashion Center**

**Cut-off Date Balance:** \$82,000,000  
**Cut-off Date LTV:** 60.5%  
**U/W NCF DSCR:** 1.71x  
**U/W NOI Debt Yield:** 8.0%

**Glendale Fashion Center Property Competitive Set<sup>(1)</sup>**

Name	Glendale Fashion Center Property	Glendale Marketplace	Burbank Entertainment Village	Burbank Town Center	Midtown Crossing	Focus Plaza	Hastings Ranch Plaza	Porter Ranch Town Center
Distance from Subject	NAP	0.8 miles	4.4 miles	4.4 miles	8.1 miles	8.6 miles	10.8 miles	20.2 miles
City, State	Glendale, CA	Glendale, CA	Burbank, CA	Burbank, CA	Los Angeles, CA	Los Angeles, CA	Pasadena, CA	Northridge, CA
Property Type	Anchored Retail Center	Entertainment Center	Specialty Center	Regional Mall	Community Center	Neighborhood Center	Neighborhood Center	Anchored Retail Center
Year Built / Renovated	2000 / NAP	1996 / NAP	2001, 2013 / NAP	1991 / 2005	2007, 2012, 2013 / NAP	1990 / 2014	1985 / 2006	1999 / NAP
Total Occupancy	100% <sup>(2)</sup>	93%	96%	99%	98%	98%	100%	100%
Total Size (Sq. Ft.)	263,882 <sup>(2)</sup>	158,527	122,244	700,332	315,322	218,661	87,767	520,000
Anchor Tenants	Ralph's Supermarket; Nordstrom Rack; Ross Dress for Less; TJ Maxx; Staples; Michael's; Cost Plus; CVS; PetCo <sup>(2)</sup>	LA Fitness; Old Navy; Home Goods	AMC 16 Theatres; 24 Hour Fitness	Office Depot; Ikea; Macy's; Burlington Coat Factory; Sport Chalet; Old Navy; Bed, Bath & Beyond; Sears	Lowes; Ross Dress for Less; PetSmart; Sports Authority; Smart & Final; ULTA Salon	99 Ranch Market	Marshalls; CVS	Best Buy; Ralph's Supermarket; Sports Chalet; Toys R Us; Walmart

(1) Source: Appraisal.

(2) Based on the May 1, 2016 underwritten rent roll.

**Cash Flow Analysis.**

**Cash Flow Analysis**

	2012	2013	2014	2015	T-12 8/31/2016	In-Place <sup>(1)</sup>	U/W	U/W PSF
Base Rent	\$6,774,934	\$6,839,993	\$6,892,775	\$7,088,106	\$7,257,770	\$7,282,180	\$7,282,180	\$27.60
Rent Steps <sup>(2)</sup>	0	0	0	0	0	0	10,800	0.04
Straight-line Rent <sup>(3)</sup>	0	0	0	0	0	0	37,841	0.14
Percentage Rent <sup>(4)</sup>	103,403	110,027	127,163	136,664	148,843	148,843	148,843	0.56
<b>Gross Potential Rent</b>	<b>\$6,878,336</b>	<b>\$6,950,020</b>	<b>\$7,019,938</b>	<b>\$7,224,770</b>	<b>\$7,406,613</b>	<b>\$7,431,023</b>	<b>\$7,479,664</b>	<b>\$28.34</b>
Total Recoveries	1,878,712	1,892,588	1,840,744	1,963,453	2,007,530	1,918,673	1,918,673	7.27
Total Cart Income <sup>(5)</sup>	0	0	0	0	0	21,600	21,600	0.08
Total Other Income	30,427	31,335	29,648	25,325	38,917	38,917	38,917	0.15
Less: Vacancy <sup>(6)</sup>	0	0	0	0	0	0	(469,917)	(1.78)
<b>Effective Gross Income</b>	<b>\$8,787,475</b>	<b>\$8,873,943</b>	<b>\$8,890,330</b>	<b>\$9,213,548</b>	<b>\$9,453,060</b>	<b>\$9,410,213</b>	<b>\$8,988,937</b>	<b>\$34.06</b>
Total Operating Expenses <sup>(7)(8)</sup>	2,089,017	2,125,246	2,102,999	2,172,903	2,204,963	2,185,633	2,388,748	9.05
<b>Net Operating Income</b>	<b>\$6,698,458</b>	<b>\$6,748,697</b>	<b>\$6,787,331</b>	<b>\$7,040,645</b>	<b>\$7,248,097</b>	<b>\$7,224,580</b>	<b>\$6,600,188</b>	<b>\$25.01</b>
TI/LC	0	0	0	0	0	131,941	131,941	0.50
Capital Expenditures	0	0	0	0	0	65,971	65,971	0.25
<b>Net Cash Flow</b>	<b>\$6,698,458</b>	<b>\$6,748,697</b>	<b>\$6,787,331</b>	<b>\$7,040,645</b>	<b>\$7,248,097</b>	<b>\$7,026,669</b>	<b>\$6,402,277</b>	<b>\$24.26</b>

(1) In-Place represents annualized rents per the underwritten rent roll dated June 1, 2016 and is based on leases in-place with no vacancy adjustment, contractual tenant reimbursements per the leases, T-12 percentage rent, in-place annual cart income, T-12 other income, the contractual 2.5% of EGI management fee, the in-place parking garage ground rent payment currently equal to \$150,000 and all other U/W expenses and capital items.

(2) U/W Rent Steps are based on the contractual rent step for The Nail Forum as of March 1, 2017.

(3) U/W Straight-line Rent is based on the average contractual rent over the lease term for Nordstrom Rack.

(4) Historical and U/W Percentage Rent is from The Habit Burger Grill.

(5) Historical Total Cart Income is included in Base Rent.

(6) U/W Vacancy represents 5.0% of gross rental income inclusive of Total Recoveries and exclusive of Total Cart Income and Total Other Income.

(7) Historical and In-Place Total Operating Expenses include a 2.5% contractual management fee and include the contractual parking garage ground rent equal to \$150,000 per annum. Per the lease, the parking garage ground rent increases in April 2021 to a minimum of \$200,000 per annum and a maximum of \$300,000 per annum.

(8) U/W Total Operating Expenses include a 4.0% management fee and the straight-line average parking garage ground rent over the loan term equals \$228,814 per annum assuming the parking garage ground rent increases to the maximum \$300,000 per annum in April 2021.

**Property Management.** The Glendale Fashion Center Property is managed by Athena Management, Inc.

**Lockbox / Cash Management.** The Glendale Fashion Center Loan is structured with a hard lockbox and springing cash management. All rents and other payments are required to be deposited directly by the tenants into a clearing account controlled by lender. Provided no Lease Sweep Period (as defined below) or Cash Management Period (as defined below) is continuing, all funds in the clearing account will be transferred on a daily basis into the borrowers' operating account. Upon the occurrence of a Cash Management Period or Lease Sweep Period, all amounts on deposit in the clearing account will be transferred on a daily basis to a deposit account controlled by lender and any excess cash flow, after payment of debt service, mezzanine loan debt service, reserves and other amounts due under the Glendale Fashion Center Loan, will be transferred (i) to a lender controlled account and held as



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**Glendale Fashion Center**

<b>Cut-off Date Balance:</b>	\$82,000,000
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<b>U/W NCF DSCR:</b>	1.71x
<b>U/W NOI Debt Yield:</b>	8.0%

additional collateral for the Glendale Fashion Center Loan, in the event of a Cash Management Period, or (ii) to a lender controlled special rollover reserve, in the event of a Lease Sweep Period (and no other Cash Management Period is in effect).

A “Cash Management Period” will occur (i) upon an event of default or a mezzanine loan default, (ii) if the debt yield falls below 6.0% inclusive of the mezzanine loan (until such time that the debt yield is at least 6.0% for two consecutive quarters) or (iii) during a Lease Sweep Period.

A “Lease Sweep Period” will commence (i) on the date that is 12 months prior to the end of the term of the Ralph’s Supermarket lease, (ii) on the date required under a Major Lease by which the applicable Major Tenant (as defined below) is required to give notice of its exercise of a renewal option (and such renewal option has not been so exercised), (iii) if any Major Lease is surrendered, cancelled or terminated prior to its then current expiration date, (iv) if any Major Tenant (other than CVS) has fully and on a non-temporary basis vacated its premises or fully and on a non-temporary basis discontinued its business or given irrevocable notice that it intends to do so, (v) upon the occurrence and continuance (beyond any applicable notice and cure periods) of a monetary or material non-monetary default under any Major Lease or (vi) upon the occurrence of a Major Tenant insolvency proceeding.

A “Major Lease” means certain leases at the Glendale Fashion Center Property with Ralph’s Supermarket, Staples, and any other lease which covers 25,000 sq. ft. or more of the NRA at the Glendale Fashion Center Property.

A “Major Tenant” means any tenant under a Major Lease, or under one or more leases which when taken together would constitute a Major Lease.

**Initial Reserves.** At loan closing, the borrowers deposited (i) \$196,735 into a tax reserve account, (ii) \$102,497 into an insurance reserve account and (iii) \$21,875 into a required repairs reserve account.

**Ongoing Reserves.** On a monthly basis, the borrowers are required to deposit reserves of (i) 1/12 of the estimated annual real estate taxes, which currently equates to \$65,579, into a tax reserve account, (ii) 1/12 of the estimated annual insurance premiums, which currently equates to \$8,600, into an insurance reserve account, (iii) \$10,995 into a TI/LC reserve account, subject to a cap of \$500,000, and (iv) \$5,498 into a replacement reserve account, subject to a cap of \$197,912. In addition, on each applicable monthly payment date, the borrowers are required to deposit with lender an amount equal to the ground rent that will be payable under the ground lease for the month immediately following the month in which such payment date occurs, which currently equates to \$12,500.

**Current Mezzanine or Subordinate Indebtedness.** A \$4,000,000 mezzanine loan was funded concurrently with the funding of the Glendale Fashion Center Loan. The mezzanine loan is coterminous with the Glendale Fashion Center Loan, accrues interest at a rate of 10.9840% and is interest only for the entire term. The current borrowers under the mezzanine loan are Glendale Fashion Associates Mezzanine LLC and Rancho Palisades Holdings Mezzanine LLC. The mezzanine loan is currently held by JLC.

**Future Mezzanine or Subordinate Indebtedness Permitted.** None.

**Ground Lease.** The parking garage at the Glendale Fashion Center Property is subject to a long-term ground lease (the “Ground Lease”) with the City of Glendale. The current term of the Ground Lease expires April 28, 2031 and the borrowers have six remaining options to extend the term for 10 years each, and one additional option to extend the term for nine years. The fully extended ground lease expires April 28, 2100. The current annual rent under the Ground Lease is \$150,000, which rent will be adjusted for the period (i) from April 29, 2021 to April 28, 2041 to equal 5% of the fair market value, subject to a floor of \$200,000 and a cap of \$300,000, (ii) from May 1, 2041 to April 28, 2061 to equal 5% of the fair market value, subject to a floor of \$300,000 and a cap of \$400,000 and (iii) from May 1, 2061 through the remainder of the term, to equal 5% of the fair market value, subject to a floor of \$400,000 and a cap of \$500,000. The Ground Lease includes the standard mortgagee protections (including extended cure rights and the right to a new lease upon termination of the Ground Lease for any reason, including rejection in bankruptcy). Additionally, any material amendment, material modification or termination of the Ground Lease without lender consent is an event of default and triggers springing recourse to the sponsor.



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<b>U/W NOI Debt Yield:</b>	<b>8.0%</b>

