

11803-11889 & 11905-11995 Starcrest Drive
San Antonio, TX 78247

Collateral Asset Summary – Loan No. 17

Blossom Cove

Cut-off Date Balance: \$15,800,000
Cut-off Date LTV: 69.3%
U/W NCF DSCR: 1.55x
U/W NOI Debt Yield: 11.2%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsor: Benjamin Nazarian; Neil Kadisha
Borrower: Omninet Blossom, LLC
Original Balance: \$15,800,000
Cut-off Date Balance: \$15,800,000
% by Initial UPB: 1.6%
Interest Rate: 4.1480%
Payment Date: 6th of each month
First Payment Date: December 6, 2016
Maturity Date: November 6, 2026
Amortization: Interest only for first 48 months; 360 months thereafter
Additional Debt: None
Call Protection: L(25), D(88), O(7)
Lockbox / Cash Management⁽¹⁾: Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$55,175	\$33,430
Insurance⁽²⁾:	\$0	Springing
Replacement:	\$0	\$8,834
TI/LC⁽³⁾:	\$0	\$20,302
Required Repairs:	\$104,688	NAP
Future Capital:	\$300,000	\$0
Lease Sweep⁽⁴⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$52
Balloon Balance / Sq. Ft.:	\$46
Cut-off Date LTV:	69.3%
Balloon LTV:	61.6%
Underwritten NOI DSCR⁽⁵⁾:	1.92x
Underwritten NCF DSCR⁽⁵⁾:	1.55x
Underwritten NOI Debt Yield:	11.2%
Underwritten NCF Debt Yield:	9.0%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Flex Industrial
Collateral: Fee Simple
Location: San Antonio, TX
Year Built / Renovated: 1983-1984 / 2014-2015
Total Sq. Ft.: 302,896
Property Management: Omninet Property Management, Inc.
Underwritten NOI: \$1,773,596
Underwritten NCF: \$1,423,958
Appraised Value: \$22,800,000
Appraisal Date: August 22, 2016

Historical NOI⁽⁶⁾

Most Recent NOI: \$1,598,866 (T-12 July 31, 2016)
2015 NOI: \$1,326,232 (December 31, 2015)
2014 NOI: NAV
2013 NOI: NAV

Historical Occupancy⁽⁶⁾

Most Recent Occupancy: 88.5% (October 5, 2016)
2015 Occupancy: 73.3% (December 31, 2015)
2014 Occupancy: NAV
2013 Occupancy: NAV

- (1) In place cash management will be triggered upon (i) an event of default, (ii) if the DSCR falls below 1.20x and (iii) the commencement of a Lease Sweep Period (as defined below).
- (2) The borrower will be required to deposit an amount equal to 1/12 of the annual insurance premiums into the insurance reserve if an acceptable blanket policy is no longer in place.
- (3) The TI/LC reserve is subject to a cap of \$675,000.
- (4) On each monthly payment date during a Lease Sweep Period (as defined below), provided the debt yield preceding such event is less than 8.5%, all excess cash will be deposited into the lease sweep account. A "Lease Sweep Period" will commence upon (i) the earlier of (a) November 6, 2025, (b) the date that is 12 months prior to the earliest stated expiration of a Lease Sweep Lease (as defined below) or (c) the date by which the tenant under a Lease Sweep Lease is required to give notice of its exercise of a renewal options, (ii) the date that the Lease Sweep Lease is surrendered, cancelled or terminated prior to its then current expiration date or receipt by the borrower or manager of notice from any tenant under a Lease Sweep Lease that it intends to surrender, cancel or terminate its lease, (iii) the date of notice from HEB Grocery Company, LP of its intent to exercise its right to vacate 21,260 sq. ft. of its space or more, (iv) a monetary default under a Lease Sweep Lease beyond any applicable notice and cure period or (v) a bankruptcy or insolvency proceeding of any tenant under a Lease Sweep Lease. A "Lease Sweep Lease" is (i) the HEB Grocery Company, LP lease or (ii) any replacement lease or leases with the same tenant or its affiliates that cover all or substantially all of the applicable lease sweep space.
- (5) Based on amortizing debt service payments. Based on the current interest only payments, Underwritten NOI DSCR and Underwritten NCF DSCR are 2.67x and 2.14x, respectively.
- (6) Historical NOI and Occupancy were unavailable due to the Blossom Cove property being acquired in June 2014.

TRANSACTION HIGHLIGHTS

- **Property.** The Blossom Cove property is a flex industrial park that is comprised of six, single-story buildings totaling 302,896 sq. ft. Situated on a 19.35 acre site, the Blossom Cove property was constructed in 1983-1984 and most recently renovated in 2014-2015. The Blossom Cove property consists of 14'-18' clearing heights, 98 overhead dock high doors, 39 drive-up ramps, and 488 parking spaces, which equates to a parking ratio of 1.6 spaces per 1,000 sq. ft. Since acquiring the Blossom Cove property in June 2014, the sponsors have invested approximately \$1.58 million into parking lot improvements, structural improvements, painting and signage.
- **Tenancy.** As of October 5, 2016, the Blossom Cove property is 88.5% occupied by 33 tenants with only one tenant accounting for more than 7.5% of the total NRA or 8.3% of base rent. The weighted average length of tenancy is approximately 7.0 years with 6 tenants (35.7% of NRA) in occupancy for over five years and 1 tenant (1.8% of NRA) in occupancy for over 10 years. Since April 2015, the sponsors have executed 13 new leases totaling 84,289 sq. ft. (27.8% of NRA) with all of the top five tenants signing new leases or executing lease extension options since March 2015.
- **Market.** Built on two adjacent parcels, the Blossom Cove property is located within the North Central submarket of the greater San Antonio market, approximately 14.0 miles north of the San Antonio CBD. The Blossom Cove property is located adjacent to US 281, which provides access to both Loop 410 and Loop 1604 in addition to the San Antonio CBD. In addition, the Blossom Cove property is located approximately 4.8 miles from the San Antonio International Airport, the largest airport in the region, which serves 13 domestic and international airlines with passenger traffic over 8.3 million passengers in 2014. The overall San Antonio industrial market reported a Q2 2016 vacancy rate of 5.7%, while the North Central submarket reported a vacancy rate of 3.2%.
- **Sponsorship.** The sponsors and non-recourse carve-out guarantors are Benjamin Nazarian and Neil Kadisha, on a joint and several basis. Benjamin Nazarian and Neil Kadisha serve as the managing partners of Omninet Capital, LLC and have been investing in commercial real estate and venture capital for over 20 years. Omninet Capital, LLC pursues direct investments in commercial real estate debt and income producing properties and owns over 7.0 million sq. ft of commercial space and over 13,000 residential units across the country.