

4550-4578 Van Nuys Boulevard  
Sherman Oaks, CA 91403

Collateral Asset Summary – Loan No. 14  
**Sherman Oaks Collection**

**Cut-off Date Balance:** \$22,400,000  
**Cut-off Date LTV:** 63.6%  
**U/W NCF DSCR:** 1.53x  
**U/W NOI Debt Yield:** 7.5%

**Mortgage Loan Information**

**Loan Seller:** LCM  
**Loan Purpose:** Refinance  
**Borrower Sponsor:** Mark A. Schurgin  
**Borrower:** MilSam, LLC  
**Original Balance:** \$22,400,000  
**Cut-off Date Balance:** \$22,400,000  
**% by Initial UPB:** 2.2%  
**Interest Rate:** 4.6390%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** February 6, 2018  
**Maturity Date:** January 6, 2028  
**Amortization:** Interest Only  
**Additional Debt:** None  
**Call Protection:** L(28), D(88), O(4)  
**Lockbox / Cash Management<sup>(1)</sup>:** Hard / Springing

**Reserves**

	Initial	Monthly
<b>Taxes:</b>	\$170,000	\$27,620
<b>Insurance<sup>(2)</sup>:</b>	\$0	Springing
<b>TI/LC<sup>(3)</sup>:</b>	\$740,601	\$4,167
<b>Replacement:</b>	\$0	\$521
<b>Earnout<sup>(4)</sup>:</b>	\$400,000	NAP
<b>Special Rollover<sup>(5)</sup>:</b>	\$0	Springing

**Financial Information**

<b>Cut-off Date Balance / Sq. Ft.:</b>	\$716
<b>Balloon Balance / Sq. Ft.:</b>	\$716
<b>Cut-off Date LTV:</b>	63.6%
<b>Balloon LTV:</b>	63.6%
<b>Underwritten NOI DSCR:</b>	1.59x
<b>Underwritten NCF DSCR:</b>	1.53x
<b>Underwritten NOI Debt Yield:</b>	7.5%
<b>Underwritten NCF Debt Yield:</b>	7.2%

**Property Information**

**Single Asset / Portfolio:** Single Asset  
**Property Type:** Shadow Anchored Retail  
**Collateral:** Fee Simple  
**Location:** Sherman Oaks, CA  
**Year Built / Renovated:** 1960 / 2017  
**Total Sq. Ft.:** 31,285  
**Property Management:** Festival Management Corporation  
**Underwritten NOI:** \$1,670,317  
**Underwritten NCF:** \$1,615,881  
**Appraised Value:** \$35,200,000  
**Appraisal Date:** November 20, 2017

**Historical NOI**

<b>Most Recent NOI:</b>	NAP
<b>2017 NOI:</b>	NAP
<b>2016 NOI:</b>	NAP
<b>2015 NOI:</b>	NAP

**Historical Occupancy**

<b>Most Recent Occupancy:</b>	91.9% (April 1, 2018)
<b>2017 Occupancy:</b>	NAP
<b>2016 Occupancy:</b>	NAP
<b>2015 Occupancy:</b>	NAP

- (1) A cash management period will be triggered (i) upon an event of default, (ii) if the DSCR falls below 1.15x after the 12<sup>th</sup> monthly payment date until such time that the DSCR is at least 1.15x 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 (as defined herein), (ii) the date required under a Major Lease by which the applicable Major Tenant (as defined herein) is required to give notice of its exercise of a renewal option under the Major Lease (and such renewal has not been so exercised), (iii) any Major Lease is surrendered, cancelled or terminated prior to its then current expiration date, (iv) any Major Tenant goes dark or gives notice that it intends to discontinue its business, (v) the occurrence and continuance of a default under any Major Lease or (vi) the occurrence of a Major Tenant insolvency proceedings. A "Major Lease" means the Ulta lease and any other lease or leases that cover 10,000 or more sq. ft. A "Major Tenant" means any tenant under a Major Lease.
- (2) Provided no event of default has occurred and is continuing, the borrower may provide insurance under an acceptable blanket policy. At origination, an acceptable blanket policy is in effect. The borrower sponsor is financing the blanket policy premiums with First Insurance Funding Corp. under a premium finance agreement, pursuant to which the borrower sponsor is required to pay monthly payments of \$22,647.78.
- (3) TI/LC reserves are subject to a cap of \$200,000.
- (4) The upfront \$400,000 earnout reserve will be released to the borrower upon tenant, Maestro's, taking possession of its space (3.4% of total net rentable area) and the Property achieving an NCF Debt Yield of 7.0%.
- (5) On each monthly payment date during a Lease Sweep Period, the borrower is required to deposit all excess cash into a special rollover reserve account.

**TRANSACTION HIGHLIGHTS**

- Property.** Sherman Oaks Collection is a remodeled 31,285 sq. ft. shadow anchored retail property located between Moorpark Street and the Ventura 101 Freeway in the Sherman Oaks area of the San Fernando Valley region of the city of Los Angeles. The Property was originally built in 1960, most recently renovated in 2017 and is located on a 1.53-acre site. The Property is part of a larger shopping center that is anchored by Gelson's Supermarket and Best Buy.
- Tenancy.** The Property is currently 91.9% leased to both national and regional tenants including Starbucks, FedEx, Sprint and Ulta. As a result of the recent \$6.3 million renovation, all of the leases at the Property were signed in 2017 and 2018 resulting in low exposure to near term rollover. Only 15.3% of the total NRA is due to expire in 2022 and 2023.
- Location.** The Property is located along a well traveled arterial (estimated daily traffic count of 42,000 vehicles) between the 101 Freeway and Ventura Boulevard. The 2016 total population and average household income within a 3-mile radius of the Property were 192,376 and \$106,666, respectively. As of 1Q18, the retail vacancy in Sherman Oaks was equal to 2.1% with average rent approximately 27.5% higher than the overall Los Angeles average.