

## Mortgage Loan No. 12 — The Manhattan

### Mortgage Loan Information

Mortgage Loan Seller:	Natixis
Original Principal Balance:	\$32,875,000
Cut-off Date Principal Balance:	\$32,875,000
% of Pool by IPB:	3.8%
Loan Purpose:	Refinance
Borrower:	Jemal's Manhattan L.L.C.
Sponsor <sup>(1)</sup> :	Norman Jemal
Interest Rate:	4.3920%
Note Date:	7/31/2017
Maturity Date:	8/5/2027
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(25),Def (91),O(4)
Lockbox:	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

### Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Mixed-use – Office/Retail
Net Rentable Area (SF):	77,851
Location:	Washington, DC
Year Built / Renovated:	1877,1911 / 2016
Occupancy <sup>(2)</sup> :	95.8%
Occupancy Date:	8/5/2017
Number of Tenants:	8
2014 NOI <sup>(2)</sup> :	N/A
2015 NOI <sup>(2)</sup> :	N/A
2016 NOI <sup>(2)</sup> :	N/A
TTM NOI <sup>(2)(4)</sup> :	\$1,236,939
UW Economic Occupancy:	94.9%
UW Revenues:	\$3,521,668
UW Expenses:	\$827,926
UW NOI <sup>(4)</sup> :	\$2,693,742
UW NCF:	\$2,561,396
Appraised Value / Per SF <sup>(4)</sup> :	\$52,700,000 / \$677
Appraisal Date:	8/1/2018

### Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$135,958	\$27,192	N/A
Insurance:	\$7,014	Springing	N/A
Replacement Reserves:	\$0	\$1,103	N/A
TI/LC:	\$350,000	Springing	\$350,000
Free Rent Reserve:	\$162,062	\$0	N/A
Outstanding TI/LC:	\$693,945	\$0	N/A
Tenant Cash Trap Reserve:	\$0	Springing	N/A

### Financial Information

Cut-off Date Loan / SF:	\$422
Maturity Date Loan / SF:	\$422
Cut-off Date LTV <sup>(4)</sup> :	62.4%
Maturity Date LTV <sup>(4)</sup> :	62.4%
UW NOI DSCR:	1.84x
UW NCF DSCR:	1.75x
UW NOI Debt Yield:	8.2%
UW NCF Debt Yield:	7.8%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$32,875,000	100.0%
Total Sources	\$32,875,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$23,517,152	71.5%
Return of Equity	7,735,199	23.5
Upfront Reserves	1,348,979	4.1
Closing Costs	273,669	0.8
Total Uses	\$32,875,000	100.0%

- (1) The sponsor was involved in litigation. See "Description of the Mortgage Pool—Litigation and Other Considerations" in the Prospectus.
- (2) Historical occupancies are not available. The borrower began a complete renovation of the property in 2015 totaling \$14.4 million. The rehabilitation/restoration of the property included the refurbishing of the historic exterior facades and windows, the implementation of new HVAC and mechanical units, the replacement of the roof, the installation of new store front and exterior lighting, the upgrade of the entire base building services, the installation of new elevator and fire equipment systems, the upgrade of the electrical systems, the pavement of the alleyways, and the tenant improvement

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- buildouts. The borrower began leasing up the property in 2016. As of August 5, 2017, the property was 95.8% leased and 84.8% occupied. Four retail tenants are currently building out their spaces.
- (3) Represents the trailing twelve month period ending May 31, 2017.
  - (4) The increase in UW NOI from TTM NOI is primarily due to the property undergoing lease-up after the most recent renovation.
  - (5) Based on the "as-stabilized" value, which assumes that all outstanding tenant improvements, leasing commissions and free rent have been paid or escrowed at origination. The "as-is" value as of July 11, 2017 is \$49.8million, which results in a Cut-off Date LTV and Maturity Date LTV of 66.0% and 66.0%, respectively.

**The Loan.** The Manhattan loan is a \$32.875 million first mortgage loan secured by the fee interest in a 77,851 SF mixed-use office/retail complex known as The Manhattan, located in Washington, District of Columbia. The loan has a 10-year term and is interest-only for the term of the loan.

**The Borrower.** The borrowing entity for the loan is Jemal's Manhattan L.L.C., a District of Columbia limited liability company and special purpose entity. The borrowing entity is indirectly owned by Norman and Douglas Jemal.

**The Sponsor.** The loan's sponsor and nonrecourse carve-out guarantor is Norman Jemal. Norman Jemal and his father Douglas Jemal are the principals of Douglas Development Corporation ("DDC"). DDC is a large real estate developer in the Washington, DC area founded in 1985 with a current portfolio of nearly 10.0 million leasable SF and over 5.0 million SF of developable real estate in the pipeline. DDC is comprised of over 100 full time employees. As of July 31, 2017, Norman Jemal reported net worth and liquidity of approximately \$416.0 million and approximately \$2.8 million, respectively. Norman Jemal has been involved in litigation. See "*Description of the Mortgage Pool—Litigation and Other Considerations*" in the Prospectus.

**The Property.** The property is a 77,851 SF mixed-used property consisting of 57,842 SF of office and 20,009 SF of retail, and is comprised of three adjacent buildings located on an 18,271 SF parcel in Washington, DC. The original building was constructed in 1877 and the rest of the site was constructed in 1911. Between 2015 and 2016, the sponsor implemented an extensive renovation of the property totaling \$14.4 million, including \$7.7 million of base building work and \$6.7 million of tenant improvement buildouts. The rehabilitation/restoration of the property included the refurbishing of the historic exterior facades and windows, the implementation of new HVAC and mechanical units, the replacement of the roof, the installation of new store front and exterior lighting, the upgrade of the entire base building services, the installation of new elevator and fire equipment systems, the upgrade of the electrical systems, the pavement of the alleyways, and the tenant improvement buildouts. The borrower began leasing up the property in 2016. As of August 5, 2017, the property was 95.8% leased and 84.8% occupied. Four tenants are currently building out their spaces. The retail component is currently 83.5% leased to six tenants. The office component is currently 100.0% leased to two tenants.

The largest tenant at the property, WeWork, leases 50,680 SF (65.1% of the net rentable area) through December, 2031. Founded in 2010, WeWork is a New York-based provider of shared office space that brings together entrepreneurs, freelancers, startups, and small businesses, creating both physical and virtual communities where members learn from, grow with, and support each other. WeWork's revenue is primarily generated through membership subscriptions based on the amount of space rented, which can range from a single seat at a shared office desk to large private office space. WeWork currently has 216 locations across the world, including 130 in the United States. WeWork is currently valued at \$20 billion after completing its fundraising in early July 2017, securing \$760 million in Series G funding. WeWork operates co-working spaces in 17 countries. The second largest tenant at the property, Mothership Strategies, leases 7,162 SF (9.2% of the net rentable area) through November, 2021. Mothership Strategies is a Washington, DC based progressive digital firm that specializes in online fundraising, digital advertising, and grassroots advocacy. The company was founded by three of the digital organizers in the Democratic Party. Mothership Strategies works on campaigns for candidates, ballot initiatives, and specific issues with fundraising and persuasion efforts. Retail tenants include La Colombe coffee shop (3.3% of the net rentable area); Franklin Hall, an American beer hall (7.3% of the net rentable area), two fitness centers, a new wood-fire cooking concept restaurant and a retail store. The two restaurants at the property are operated by experienced local restaurateurs who operate other restaurants in Washington, DC.

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**The Market.** The property is located on the south side of Florida Avenue NW, just west of 14th Street NW in the District of Columbia's East End district. The property is approximately four blocks northwest of the U Street Metrorail station, offering access to downtown Washington, DC, Maryland, and Virginia. The property is also located across the street from a bus stop (served by Metro Bus 52, 53, and 54). According to the appraiser, U Street is known for its nightlife scene with attractions that include Lincoln Theatre and U Street Music Hall, two popular music venues in the area. The property is located at the northern end of the 14th Street Corridor. Restaurants within walking distance of the property include Eatonville, Pica Taco, Piola, Judy, Sweetgreen, Fast Gourmet, Martha's Table, Busboy and Poets, Matchbox, Ted Bulletin, Fainting Goat and Ben's Chili Bowl. The property is close to three popular grocers: Smucker Farms of Lancaster County (less than a block away), Yes! Organic Market (one-block away) and Trader Joe's (within 0.3 miles). The property is located approximately 1.7 miles north of the White House, approximately 2.6 miles north of the Washington Monument, and approximately 3.3 miles north of the United State Capitol. Other attractions in the area include Howard University, located approximately 0.8 miles east, and Meridian Hill Park, located approximately 0.3 miles west.

According to a third party research report, the property is located in Georgetown/Uptown submarket of Downtown Washington, DC. As of the second quarter of 2017, the Georgetown/Uptown submarket contained 17.3 million SF of office space with an overall office vacancy rate of 9.7% and 11.5 million SF of retail space with an overall retail vacancy rate of 4.7%. The appraisal concluded market rents of \$40.00 PSF gross for the office space, \$58.00 PSF for ground floor retail space and \$42.50 PSF NNN for large retail space. According to the appraisal, the property's competitive set consists of the eight office properties detailed in the table below.

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

Property	Year Built / Renovated	Total GLA (SF)	Est. Rent PSF	Est. Occ.	Proximity (miles)	Anchor Tenants
1725 Desales Street NW	1961 / NAV	70,724	\$44.50	87.5%	1.6	Washington Express
1234 19th Street NW	1966 / 2002	32,464	\$52.00	96.0%	1.2	Medical Faculty Associates Inc.
1533 9th Street NW	NAV / 2017	3,360	\$50.00	34.5%	1.0	Atlas Lane Property
1300 L Street NW	1986 / NAV	79,294	\$40.25	95.1%	1.3	Center for Responsive Politics
1707 L Street NW	1963 / NAV	102,631	\$46.50	97.4%	1.6	Institute for Market Transformation
1255 23rd Street Northwest	1983 / 2008	325,000	\$47.00	93.1%	1.7	Fox Architects
1400 16th Street NW	1988 / 2010	188,000	\$36.00	98.5%	1.0	Pinchot Institute For Conservation
1614 14th Street NW	1900 / NAV	5,889	\$50.00	100.0%	0.6	Monarch Title

(1) Source: Appraisal.

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

2013	2014	2015	2016	Current <sup>(2)</sup>
N/A	N/A	N/A	N/A	95.8%

(1) Source: Historical Occupancy is not available. Between 2015 and 2016, the sponsor implemented an extensive renovation of the property totaling \$14.4 million.

(2) Based on the August 5, 2017 underwritten rent roll.

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

Tenant	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rents	Lease Expiration Date
WeWork	NA / NA / NA	50,680	65.1%	\$40.80	65.3%	12/31/2031
Mothership Strategies	NA / NA / NA	7,162	9.2%	\$35.20	8.0%	11/30/2021
Franklin Hall	NA / NA / NA	5,649	7.3%	\$41.20	7.3%	12/31/2026
Compass Rose (Maydan)	NA / NA / NA	2,926	3.8%	\$58.00	5.4%	12/31/2027
Downtown Fitness (Mint)	NA / NA / NA	2,869	3.7%	\$60.00	5.4%	2/28/2027
La Colombe	NA / NA / NA	2,534	3.3%	\$46.35	3.7%	12/31/2026
305 Fitness	NA / NA / NA	2,023	2.6%	\$57.00	3.6%	9/30/2027
Ivy Wild Beauty	NA / NA / NA	700	0.9%	\$58.00	1.3%	9/1/2027

(1) Based on the underwritten rent roll, including rent increases occurring through August 2018.

### 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	3,308	4.2%	NAP	NAP	3,308	4.2%	NAP	NAP
MTM	0	0	0.0	\$0	0.0%	3,308	4.2%	\$0	0.0%
2017	0	0	0.0	0	0.0	3,308	4.2%	\$0	0.0%
2018	0	0	0.0	0	0.0	3,308	4.2%	\$0	0.0%
2019	0	0	0.0	0	0.0	3,308	4.2%	\$0	0.0%
2020	0	0	0.0	0	0.0	3,308	4.2%	\$0	0.0%
2021	1	7,162	9.2	252,073	8.0	10,470	13.4%	\$252,073	8.0%
2022	0	0	0.0	0	0.0	10,470	13.4%	\$252,073	8.0%
2023	0	0	0.0	0	0.0	10,470	13.4%	\$252,073	8.0%
2024	0	0	0.0	0	0.0	10,470	13.4%	\$252,073	8.0%
2025	0	0	0.0	0	0.0	10,470	13.4%	\$252,073	8.0%
2026	2	8,183	10.5	350,190	11.1	18,653	24.0%	\$602,263	19.0%
2027	4	8,518	10.9	497,759	15.7	27,171	34.9%	\$1,100,022	34.7%
2028 & Beyond	1	50,680	65.1	2,067,744	65.3	77,851	100.0%	\$3,167,766	100.0%
<b>Total</b>	<b>8</b>	<b>77,851</b>	<b>100.0%</b>	<b>\$3,167,766</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll. Rent includes base rent and rent increases occurring through August 2018.

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### Operating History and Underwritten Net Cash Flow

	2014	2015	2016	TTM <sup>(1)</sup>	Underwritten <sup>(2)</sup>	PSF	% <sup>(3)</sup>
Rents in Place <sup>(4)</sup>	N/A	N/A	N/A	\$2,078,165	\$3,167,766	\$40.69	85.3%
Rent Adjustments	N/A	N/A	N/A	(609,076)	0	0.00	0.0%
Vacant Income	N/A	N/A	N/A	0	190,210	2.44	5.1%
<b>Gross Potential Rent</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,469,089</b>	<b>\$3,357,976</b>	<b>\$43.13</b>	<b>90.5%</b>
Total Reimbursements	N/A	N/A	N/A	108,305	353,902	4.55	9.5%
<b>Net Rental Income</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,577,394</b>	<b>\$3,711,878</b>	<b>\$47.68</b>	<b>100.0%</b>
(Vacancy/Collection Loss)	N/A	N/A	N/A	0	(190,210)	(2.44)	(5.1%)
Other Income	N/A	N/A	N/A	0	0	0.00	0.0%
<b>Effective Gross Income</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,577,394</b>	<b>\$3,521,668</b>	<b>\$45.24</b>	<b>94.9%</b>
<b>Total Expenses</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$340,455</b>	<b>\$827,926</b>	<b>\$10.63</b>	<b>23.5%</b>
<b>Net Operating Income<sup>(5)</sup></b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,236,939</b>	<b>\$2,693,742</b>	<b>\$34.60</b>	<b>76.5%</b>
Total TI/LC, Capex/RR	N/A	N/A	N/A	0	132,347	1.70	3.8%
<b>Net Cash Flow</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,236,939</b>	<b>\$2,561,396</b>	<b>\$32.90</b>	<b>72.7%</b>

(1) Represents the trailing twelve month period ending May 31, 2017.

(2) Underwritten Rents in Place includes base rent and rent steps occurring through August 2018.

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

(4) The borrower began leasing up the property in 2016. As of August 5, 2017, the property was 95.8% leased and 84.8% occupied.

(5) The increase in UW NOI from TTM NOI is primarily due to the property undergoing lease-up after the most recent renovation.