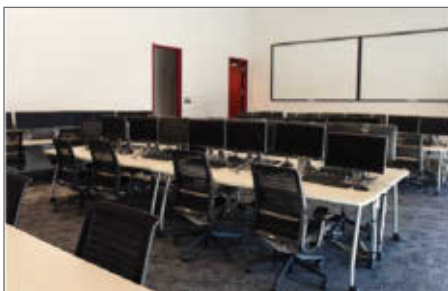


Marina Heights State Farm

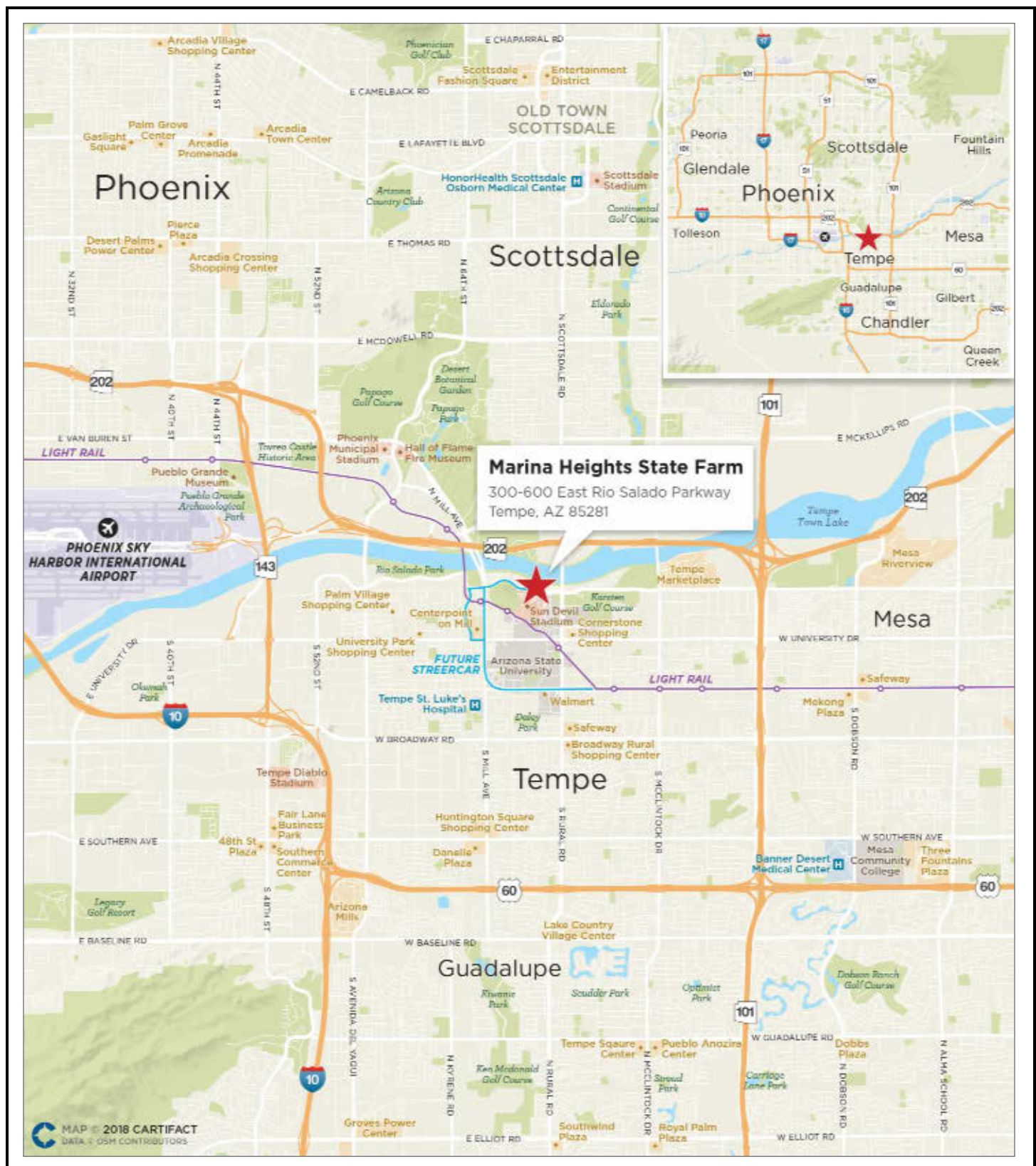


## Marina Heights State Farm





## Marina Heights State Farm



## Marina Heights State Farm

### Mortgage Loan Information

<b>Mortgage Loan Seller<sup>(1)</sup>:</b>	GACC
<b>Original Principal Balance<sup>(2)</sup>:</b>	\$50,000,000
<b>Cut-off Date Principal Balance<sup>(2)</sup>:</b>	\$50,000,000
<b>% of Pool by IPB:</b>	7.0%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	Corporate Properties Tempe SPE, L.L.C.
<b>Sponsors<sup>(3)</sup>:</b>	Transwestern Investment Group, Corporate Properties Trust III, L.P.
<b>Interest Rate<sup>(4)</sup>:</b>	3.55950%
<b>Note Date:</b>	12/7/2017
<b>Anticipated Repayment Date<sup>(4)</sup>:</b>	1/6/2028
<b>Final Maturity Date<sup>(4)</sup>:</b>	1/6/2033
<b>Interest-only Period:</b>	120 months
<b>Original Term<sup>(4)</sup>:</b>	120 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	ARD-Interest Only
<b>Call Protection:</b>	L(11),Gtr1%orYM(102),O(7)
<b>Lockbox / Cash Management:</b>	Hard / Springing
<b>Additional Debt<sup>(2)</sup>:</b>	Yes
<b>Additional Debt Balance<sup>(2)</sup>:</b>	\$510,000,000
<b>Additional Debt Type:</b>	Pari Passu

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Leasehold
<b>Property Type - Subtype:</b>	Office – Suburban
<b>Net Rentable Area (SF):</b>	2,031,293
<b>Location:</b>	Tempe, AZ
<b>Year Built / Renovated:</b>	2015-2017 / N/A
<b>Occupancy:</b>	99.5%
<b>Occupancy Date:</b>	12/7/2017
<b>Number of Tenants:</b>	4
<b>2015 NOI<sup>(5)</sup>:</b>	N/A
<b>2016 NOI<sup>(5)</sup>:</b>	N/A
<b>2017 NOI<sup>(5)</sup>:</b>	N/A
<b>TTM NOI<sup>(5)</sup>:</b>	N/A
<b>UW Economic Occupancy:</b>	98.7%
<b>UW Revenues:</b>	\$83,160,015
<b>UW Expenses:</b>	\$19,826,859
<b>UW NOI<sup>(6)</sup>:</b>	\$63,333,156
<b>UW NCF<sup>(6)</sup>:</b>	\$63,137,233
<b>Appraised Value / Per SF:</b>	\$960,000,000 / \$473
<b>Appraisal Date:</b>	11/20/2017

### Escrows and Reserves<sup>(7)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	Springing	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	Springing	N/A
<b>TI/LC:</b>	\$0	Springing	N/A
<b>Other:</b>	\$0	Springing	N/A

### Financial Information<sup>(2)</sup>

<b>Cut-off Date Loan / SF:</b>	\$276
<b>Maturity Date Loan / SF<sup>(4)</sup>:</b>	\$276
<b>Cut-off Date LTV:</b>	58.3%
<b>Maturity Date LTV<sup>(4)</sup>:</b>	58.3%
<b>UW NCF DSCR<sup>(6)</sup>:</b>	3.12x
<b>UW NOI Debt Yield<sup>(6)</sup>:</b>	11.3%

### Sources and Uses<sup>(8)</sup>

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$560,000,000	58.4%	Purchase Price <sup>(10)</sup>	\$930,000,000	97.1%
Principal Cash Equity Contribution	375,736,548	39.2	Imputed Equity Purchase <sup>(9)</sup>	22,500,000	2.3
Imputed Equity Contribution <sup>(9)</sup>	22,500,000	2.3	Closing Costs <sup>(11)</sup>	5,736,548	0.6
<b>Total Sources</b>	<b>\$958,236,548</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$958,236,548</b>	<b>100.0%</b>

- (1) The Marina Heights State Farm Whole Loan (as defined in "The Loan" below) was originated by Goldman Sachs Mortgage Company ("GSMC") on December 7, 2017. Subsequent to the origination date, notes representing 35% of the Marina Heights State Farm Whole Loan were transferred to Deutsche Bank AG, acting through its New York Branch ("DBNY"), an affiliate of GACC, which has re-underwritten such mortgage loan in accordance with the procedures described under "Transaction Parties—The Sponsors and Mortgage Loan Sellers—German American Capital Corporation—DBNY's Underwriting Guidelines and Processes" in the Prospectus.
- (2) The Marina Heights State Farm loan is part of a whole loan evidenced by eight *pari passu* notes with an aggregate outstanding principal balance of \$560.0 million. The Financial Information presented in the chart above reflects the \$560.0 million aggregate Cut-off Date balance of the Marina Heights State Farm Whole Loan.
- (3) There is no nonrecourse carve-out guarantor or environmental indemnitor, other than the borrower, for the Marina Heights State Farm Whole Loan.
- (4) The Marina Heights State Farm Whole Loan has an anticipated repayment date of January 6, 2028 (the "Anticipated Repayment Date" or "ARD") and a final maturity date of January 6, 2033. From and after the Anticipated Repayment Date, the Marina Heights State Farm Whole Loan (a) accrues interest at a fixed rate that is equal to the greater of (i) 3.55950% plus 3.00000% and (ii) the then 10-year swap rate plus 3.00000% and (b) on each payment date after the ARD, requires principal payments based on a 30-year amortization schedule assuming the initial interest rate. The Maturity Date Loan / SF and Maturity Date LTV are based on the maturity balance as of the ARD.
- (5) Historical net operating income is not available because the property was constructed between 2015 and 2017.
- (6) The UW NCF DSCR and UW NOI Debt Yield are based on the adjusted UW NOI and UW NCF (as set forth under the "Underwritten Net Cash Flow" chart below), and include the net present value of future contractual rent increases in the amount of \$11,242,393, as well as other adjustments. The UW NCF DSCR and UW NOI Debt Yield absent such adjustments are 2.62x and 9.4%, respectively.
- (7) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

## Marina Heights State Farm

(8) The Marina Heights State Farm Whole Loan was used to finance the purchase of the Marina Heights State Farm property by a wholly-owned subsidiary of a joint venture between JDM Partners, LLC (“JDM”) and Transwestern Investment Group, LLC (“Transwestern”) in a sale lease-back transaction from State Farm Mutual Automobile Insurance Company and its affiliates (collectively, “State Farm”).

(9) Represents the value of Transwestern’s equity interest in partnership based on borrower’s purchase price.

(10) Represents the contractual purchase price.

(11) Closing Costs includes costs associated with the purchase and sale transaction.

**The Loan.** The Marina Heights State Farm loan is secured by a first mortgage lien on the borrower’s leasehold interest in a five building office complex with retail space. The whole loan has an outstanding principal balance as of the Cut-off Date of \$560.0 million (the “Marina Heights State Farm Whole Loan”), and is comprised of eight *pari passu* notes, each as described below. The non-controlling Note A-2-C3 with an outstanding principal balance as of the Cut-off Date of \$50.0 million, will be contributed to the JPMDB 2018-C8 Trust. The remaining notes are currently held by the parties described in the “Whole Loan Summary” chart below and have been or are expected to be contributed to one or more securitization trusts. The relationship between the holders of the Marina Heights State Farm Whole Loan will be governed by a co-lender agreement as described under “Description of the Mortgage Pool—The Whole Loans—The Non-Serviced *Pari Passu* Whole Loans” in the Prospectus. The Marina Heights State Farm Whole Loan is structured with an ARD of January 6, 2028, a final maturity date of January 6, 2033 and will be interest-only for the entire term until the ARD. From the first payment date after the ARD until the final maturity date, the Marina Heights State Farm Whole Loan will amortize on a 30-year schedule. At any time on or after the due date in January 2019, the borrower will have the right to prepay the Marina Heights State Farm Whole Loan in whole or in part. Any voluntary prepayments prior to the payment date in July 2027 require a yield maintenance premium, which may be no less than 1% of the amount prepaid.

Whole Loan Summary				
Note	Original Balance	Cut-off Date Balance	Note Holder	Controlling Piece
A-2-C3	\$50,000,000	\$50,000,000	JPMDB 2018-C8	No
A-1-S	264,000,000	264,000,000	GSMS 2017-FARM	Yes
A-2-C4, A-2-C5	41,000,000	41,000,000	Benchmark 2018-B2	No
A-1-C1	72,500,000	72,500,000	GSMS 2018-GS9	No
A-2-C1	45,000,000	45,000,000	Benchmark 2018-B3	No
A-1-C2	27,500,000	27,500,000	GSMC	No
A-2-C2	60,000,000	60,000,000	DBNY	No
<b>Total</b>	<b>\$560,000,000</b>	<b>\$560,000,000</b>		

**The Borrower.** The borrowing entity for the Marina Heights State Farm Whole Loan is Corporate Properties Tempe SPE, L.L.C., a Delaware limited liability company. There is no nonrecourse carve-out guarantor or environmental indemnitor, other than the borrower, for the Marina Heights State Farm Whole Loan.

**The Loan Sponsors.** The loan sponsors are Transwestern Investment Group and Corporate Properties Trust III, L.P. (a joint venture between JDM and Transwestern). JDM is a Phoenix-based real estate development and equity fund management firm. JDM sponsors multiple real estate funds with approximately \$1.2 billion in assets under management as of December 31, 2016. As of December 31, 2016, JDM’s fund assets consist of office, commercial, and resort assets, including 23 commercial and office buildings in 16 states, totaling over six million square feet (not including the Marina Heights State Farm property). JDM has an existing relationship with State Farm as State Farm is the tenant in 20 of the 23 commercial and office buildings referenced above and accounts for over 4.8 million of the over six million square feet. Transwestern, an investment advisor, is the general partner and a minority equity holder of the joint venture. Transwestern has an existing relationship with State Farm, including acting as general partner, minority equity holder and property manager of State Farm’s two other super-regional headquarters in Richardson, Texas and Dunwoody, Georgia. There is no nonrecourse carve-out guarantor or environmental indemnitor, other than the borrower, for the Marina Heights State Farm Whole Loan.



## Marina Heights State Farm

**The Property.** The Marina Heights State Farm property is an approximately 2.03 million square foot office campus consisting of (i) approximately 1.97 million square feet of office space, (ii) approximately 58,000 square feet of dining, retail, and wellness space and (iii) approximately 8,000 square feet of management office space, located on an approximately 20-acre site. The Marina Heights State Farm property consists of five regional headquarters office buildings and was delivered to State Farm in 2015 through 2017 to meet the company's need for a campus to accommodate the consolidation of approximately 10,000 employees from across the southwest region. As part of this strategy, the Marina Heights State Farm property was developed as a Class A, office campus offering modern finishes and flexible office configurations for office, conference and training needs. The Marina Heights State Farm property also offers 7,991 parking spaces (approximately 3.9 spaces per 1,000 square feet). The Marina Heights State Farm property has large, raised floor plates, raised ceilings, modern building systems, along with marble and natural hardwood lobby accents and ground floor café and restaurant tenants. Furthermore, the campus offers access to Loop 202 and is approximately four miles from the Phoenix Sky Harbor International Airport. The Marina Heights State Farm property is also expected to be a future stop for the Tempe Streetcar (which is in an initial construction phase and is not expected to be completed prior to 2020), which is anticipated to provide access to the airport, downtown and central Phoenix, and west Mesa via the Valley Metro Light Rail.

State Farm is the largest tenant at the Marina Heights State Farm property, occupying 97.1% of the total square feet, 100.0% of the office space and accounts for 98.8% of UW total rent. In addition to State Farm, the Marina Heights State Farm property is leased to Mountainside Fitness, Compass, Honor Health, and Transwestern's management office (in the aggregate representing 2.3% of the total square feet and 1.2% of UW total rent). Founded in 1922 and based in Bloomington, Illinois, State Farm has approximately \$148 billion in total assets as of December 2016. State Farm generated a net loss of \$2.6 billion in 2016, with net written premiums of \$39.6 billion and net investment income of \$3.4 billion. A.M. Best Co. gives an A++ rating to State Farm Mutual Automobile Insurance Company. State Farm operates in every state and Washington, D.C. through its independent field agents that operate through localized offices. In January 2015, State Farm sold all of its Canadian businesses to the Desjardins Group.

The Marina Heights State Farm property represents an operations center that houses approximately 10,000 employees in various roles including regional managers, claims processing and field agents serving State Farm's Southwestern markets. The five office buildings are leased to State Farm pursuant to five separate long-term leases averaging more than 20 years across the five buildings, with the option to renew each lease for up to 20 additional years. The State Farm leases are triple net, allowing the pass through of Marina Heights State Farm property operating expenses, and provide for annual rent escalations of 2.0%. There are two additional buildings on the campus for retail and wellness facilities.

The Marina Heights State Farm property is located in Tempe, Arizona. The Tempe office submarket had a vacancy rate of 6.7% for Class A office properties as of third quarter 2017, which has remained near or below the historical average since 2013. The gross market rents for Class A office leases were \$34.46 per square foot as of the third quarter of 2017. Seven office lease comparables have asking rents ranging from \$21.06 per square foot to \$27.56 per square foot on a triple-net basis and \$31.50 per square foot to \$44.00 per square foot on a gross rent basis.

Historical and Current Occupancy <sup>(1)</sup>			
2014	2015	2016	Current <sup>(2)</sup>
N/A	N/A	N/A	99.5%

(1) Historical occupancy is not available because the Marina Heights State Farm property was constructed between 2015 and 2017.

(2) Current occupancy is as of December 7, 2017.

Tenant Summary <sup>(1)</sup>							
Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Base Rent	Lease Expiration Date	
State Farm Building B	NA / AA / NA	575,639	28.3%	\$26.52	28.9%	12/31/2042	
State Farm Building E	NA / AA / NA	426,902	21.0%	\$26.52	21.4%	12/31/2032	
State Farm Building D	NA / AA / NA	370,332	18.2%	\$26.52	18.6%	12/31/2035	
State Farm Building A	NA / AA / NA	347,851	17.1%	\$26.52	17.5%	12/31/2037	
State Farm Building C	NA / AA / NA	245,370	12.1%	\$26.52	12.3%	12/31/2039	
Mountainside Fitness	NA / NA / NA	17,485	0.9%	\$10.00	0.3%	3/31/2027	
MarinaLink (State Farm)	NA / AA / NA	7,154	0.4%	\$25.50	0.3%	3/31/2027	
Compass - Cafe 450	NA / NA / NA	6,610	0.3%	\$10.51	0.1%	12/31/2031	
Honor Health	NA / NA / NA	5,736	0.3%	\$21.53	0.2%	7/31/2027	
Compass - Matt's Big Breakfast	NA / NA / NA	5,007	0.2%	\$10.51	0.1%	12/31/2031	

(1) Based on the underwritten rent roll dated December 7, 2017.

(2) Ratings for State Farm leases are those for State Farm Mutual Automobile Insurance Company, the tenant on each State Farm lease.

## Marina Heights State Farm

Lease Rollover Schedule <sup>(1)</sup>									
Year	Number of Leases Expiring <sup>(2)</sup>	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	10,488	0.5%	NAP	NAP	10,488	0.5%	NAP	NAP
2018 & MTM	0	0	0.0	\$0	0.0%	10,488	0.5%	0	0.0%
2019	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2020	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2021	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2022	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2023	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2024	0	0	0.0	0	0.0	10,488	0.5%	0	0.0%
2025 <sup>(2)</sup>	1	915	0.0	0	0.0	11,403	0.6%	0	0.0%
2026 <sup>(2)</sup>	3	6,621	0.3	0	0.0	18,024	0.9%	0	0.0%
2027 <sup>(3)(4)</sup>	3	30,375	1.5	480,773	0.9	48,399	2.4%	480,773	0.9%
2028	0	0	0.0	0	0.0	48,399	2.4%	480,773	0.9%
2029 & Beyond	11	1,982,894	97.6	52,317,710	99.1	2,031,293	100.0%	52,798,483	100.0%
<b>Total<sup>(2)</sup></b>	<b>18</b>	<b>2,031,293</b>	<b>100.0%</b>	<b>\$52,798,483</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll dated December 7, 2017.

(2) The Marina Heights State Farm property is occupied by four tenants under eighteen leases.

(3) Includes a total of 7,536 square feet which pertains to the management office, which does not pay rent or reimbursements at the Marina Heights State Farm property.

(4) Includes State Farm as the MarinaLink (State Farm) lease that expires in 2027. The other leases with State Farm expire in 2032, 2035, 2037, 2039 and 2042.

Underwritten Net Cash Flow <sup>(1)</sup>				
	Underwritten In-Place	Adjusted Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$52,798,483	\$52,798,483	\$25.99	62.7%
Credit Tenant Rent Steps <sup>(4)</sup>	0	11,242,393	5.53	13.3
Vacant Income	0	300,493	0.15	0.4
<b>Gross Potential Rent</b>	<b>\$52,798,483</b>	<b>\$64,341,369</b>	<b>\$31.68</b>	<b>76.4%</b>
Total Reimbursements <sup>(5)</sup>	17,819,370	19,919,069	9.81	23.6
<b>Net Rental Income</b>	<b>\$70,617,853</b>	<b>\$84,260,438</b>	<b>\$41.48</b>	<b>100.0%</b>
(Vacancy/Credit Loss) <sup>(6)</sup>	0	(1,100,423)	(0.54)	(1.3)
<b>Effective Gross Income</b>	<b>\$70,617,853</b>	<b>\$83,160,015</b>	<b>\$40.94</b>	<b>98.7%</b>
Total Expenses <sup>(7)</sup>	\$17,716,262	\$19,826,859	\$9.76	23.8%
<b>Net Operating Income</b>	<b>\$52,901,590</b>	<b>\$63,333,156</b>	<b>\$31.18</b>	<b>76.2%</b>
Total TI/LC, Capex/RR	0	195,923	0.10	0.2
<b>Net Cash Flow</b>	<b>\$52,901,590</b>	<b>\$63,137,233</b>	<b>\$31.08</b>	<b>75.9%</b>

(1) Historical financial information is not available as the Marina Heights State Farm property was constructed between 2015 and 2017.

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

(3) Rents in Place include rent steps through January 31, 2019.

(4) Credit Tenant Rent Steps reflect the net present value of future contractual rent steps for State Farm leases (office and MarinaLink (State Farm) space) through the lease term (excluding any rent steps already captured in Rents in Place), using a discount rate of 7.0%.

(5) Underwritten In-Place Total Reimbursements reflect contractual expense reimbursements for all tenants at the property, based on a pro-rata share of budgeted expenses and management office rent and reimbursements. Adjusted Underwritten Total Reimbursements are calculated the same as Underwritten In-Place, however the additional management fee and ground rent expense is passed through to occupied tenants.

(6) Vacancy/Credit Loss reflects 1.0% vacancy for State Farm space, in-place economic vacancy for retail space of 21.2% and 0% vacancy on management office space.

(7) Adjusted Underwritten Total Expenses includes the average of ground rent expense over the Marina Heights State Farm Whole Loan term, which is required to be reimbursed by the tenants (other than the tenant under the space used for management).

**Property Management.** The property is managed by Transwestern Commercial Services Arizona, L.L.C., an affiliate of the borrower.

### Escrows and Reserves.

**Tax Escrows** – On a monthly basis, during the continuance of a Trigger Period (as defined below) or after the ARD (or following any failure of State Farm to pay all required taxes, insurance, and ground rent payments when due), the borrower is required to escrow an amount equal to 1/12 of projected annual property tax payments.

## Marina Heights State Farm

**Insurance Escrows** – On a monthly basis, during the continuance of a Trigger Period or after the ARD (or following any failure of State Farm to pay all required taxes, insurance, and ground rent payments when due), the borrower is required to escrow an amount equal to 1/12 of projected annual estimated insurance premiums.

**Replacement Reserves** – On a monthly basis, during the continuance of a Trigger Period or after the ARD, the borrower is required to escrow an amount equal to approximately \$50,782 (approximately \$0.30 per square foot per annum) into a capital expenditure reserve.

**T/ILC Reserves** – On a monthly basis, during the continuance of a Trigger Period or after the ARD the borrower is required to escrow (i) an amount equal to approximately \$338,549 (approximately \$2.00 per square foot per annum) into a tenant improvements and leasing commissions reserve.

**Ground Rent Escrows** – On a monthly basis, during the continuance of a Trigger Period or after the ARD (or following any failure of State Farm to pay all required taxes, insurance, and ground rent payments when due), the borrower is required to escrow an amount equal to 1/12 of projected annual ground rent.

**Lockbox / Cash Management.** The Marina Heights State Farm Whole Loan is structured with a hard lockbox and springing cash management. The tenants are required to pay rent directly to a lender-controlled lockbox account, and all other money received by the borrower with respect to the Marina Heights State Farm property (other than tenant security deposits required to be held in escrow accounts) is required to be promptly deposited into such lockbox account during the term of the Marina Heights State Farm Whole Loan. Prior to the ARD, for so long as no Trigger Period or event of default under the Marina Heights State Farm Whole Loan is continuing, funds in the lockbox account will be transferred daily at the direction of the borrower. After the occurrence of and during the continuance of a Trigger Period, after the ARD or during the continuance of an event of default under the Marina Heights State Farm Whole Loan, all amounts in the lockbox account are required to be swept to a lender-controlled cash management account on a daily basis and applied to payment of debt service and operating expenses and funding of required reserves, with the remainder deposited into an excess cash flow reserve and held by the lender as additional collateral for the Marina Heights State Farm Whole Loan; provided, however, that to the extent no event of default is then ongoing, funds in the excess cash flow account will be made available to the borrower for: (x) certain tenant improvement and/or leasing commission costs (to the extent there are, as of said date of disbursement, insufficient funds in the leasing reserve for payment of the same and, (y) certain operating expenses that are due and payable; provided that cash flow from the Marina Heights State Farm property is insufficient to make such payments.

A “Trigger Period” means any period during which (i) State Farm is in default under any lease beyond any applicable notice and cure period, (ii) State Farm is rated below Baa3 by Moody’s (to the extent that Moody’s is then rating State Farm) or BBB- by S&P, (iii) State Farm has surrendered, cancelled or terminated any of the State Farm leases or given written notice of its intent to surrender, cancel or terminate any of State Farm leases, (iv) State Farm fails to continuously occupy at least 50.0% of the aggregate space demised by all of the State Farm leases or (v) State Farm is the subject of a voluntary or involuntary bankruptcy proceeding or the subject of any other proceeding under any reorganization, arrangement, adjustment of debt, relief of creditors, dissolution, insolvency or similar law of any jurisdiction or State Farm has otherwise dissolved, been adjudicated insolvent or bankrupt or made a general assignment for the benefit of creditors. A Trigger Period will no longer be continuing if a replacement tenant or replacement tenants that are each rated Baa3 or better by Moody’s and BBB- or better by S&P and have assumed the obligations of State Farm under its leases or have entered into a replacement lease(s) for the State Farm space.

**Condominium.** The Marina Heights State Farm property has been divided into multiple condominium units, each of which is owned by the borrower and is part of the collateral by way of the condominium units being part of the ground leasehold interest in the Marina Heights State Farm property. The borrower also owns 100% of the undivided interests in the common elements of the condominium, and controls 100% of the condominium association. See “*Description of the Mortgage Pool—Mortgage Pool Characteristics—Condominium Interests*” in the Prospectus.



**Marina Heights State Farm**

**Ground Lease.** The borrower's interest with respect to the property is through a ground lease with the Arizona Board of Regents, a body corporate, for and on behalf of Arizona State University (the "Ground Lessor") that commenced on August 16, 2013 and expires on August 16, 2112 (the "Ground Lease"). The borrower has one option to renew for a period of no fewer than 25 and no more than 99 years. The ground lease is structured with seven separate phases corresponding to the seven buildings. No rent payments are due with respect to any phase under the ground lease until October 13, 2023 (the 8th anniversary of the day the first certificate of occupancy was issued for the first phase). The rent commencement dates for the phases begin on October 13, 2023 and the final phase rent commences March 3, 2025. The maximum ground rent expense once rent commences for all phases is \$4,375,033 *per annum*. There are no contractual ground lease increases. \$30,905,569 of rent was prepaid to the Ground Lessor. In addition to ground rent, the Ground Lease requires the tenant to cover certain additional costs and expenses, including but not limited to (i) annual payments to the city of Tempe, which includes a set of annual payments calculated on gross building space and number of office floors (a portion of these payments fund K-12 city schools) and a \$309,315 annual municipal services fee, (ii) annual payments to the Rio Salado Community Facilities District equal to the Ground Lessor's proportionate share of maintaining the adjacent public lake and park and (iii) all taxes, assessments, utility fees or other charges imposed upon or that are a lien on the property or the improvements. For example, pending the execution of the Streetcar Development Agreement in order to develop the Streetcar project, the borrower will be required to pay annual payments of \$210,125.30 for 20 years, totaling an aggregate payment of \$4,202,506. The property is exempt from property taxes because the Ground Lessor is a tax exempt government agency. The Ground Lease prohibits the Ground Lessor from transferring the fee to any entity that is not the State of Arizona or a political subdivision thereof that is exempt from property taxes. The Marina Heights State Farm loan was underwritten assuming no property taxes are paid. The ground lease requires the consent of the Ground Lessor, to any transfer by the ground lessee of its ground leasehold interest, which consent may not be unreasonably withheld, delayed or conditioned. Such consent is not required in connection with a lender's enforcement of its lien.