

9638 FM 1960 Bypass West
Humble, TX 77338

Collateral Asset Summary – Loan No. 14

Deerbrook Commons

Cut-off Date Balance: \$17,000,000
Cut-off Date LTV: 69.4%
U/W NCF DSCR: 1.54x
U/W NOI Debt Yield: 10.4%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsor: Steven Yari
Borrower: Deerbrook Commons, Ltd.
Original Balance: \$17,000,000
Cut-off Date Balance: \$17,000,000
% by Initial UPB: 2.4%
Interest Rate: 4.2900%
Payment Date: 6th of each month
First Payment Date: November 6, 2015
Maturity Date: October 6, 2025
Amortization: Interest only for first 36 months, 360 months thereafter
Additional Debt: None
Call Protection: L(34), D(82), O(4)
Lockbox / Cash Management⁽¹⁾: Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$281,855	\$31,317
Insurance⁽²⁾:	\$0	Springing
Replacement:	\$0	\$3,011
T/LC⁽³⁾:	\$150,000	\$15,414

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$94
Balloon Balance / Sq. Ft.:	\$82
Cut-off Date LTV:	69.4%
Balloon LTV:	60.5%
Underwritten NOI DSCR⁽⁴⁾:	1.75x
Underwritten NCF DSCR⁽⁴⁾:	1.54x
Underwritten NOI Debt Yield:	10.4%
Underwritten NCF Debt Yield:	9.2%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Anchored Retail
Collateral: Fee Simple
Location: Humble, TX
Year Built / Renovated: 1984 / NAP
Total Sq. Ft.: 180,631
Property Management: Stockdale Management LLC
Underwritten NOI: \$1,769,305
Underwritten NCF: \$1,555,627
Appraised Value: \$24,490,000
Appraisal Date: July 19, 2016

Historical NOI

Most Recent NOI:	\$2,138,121 (T-12 June 30, 2016)
2015 NOI:	\$1,737,806 (December 31, 2015)
2014 NOI:	\$1,609,472 (December 31, 2014)
2013 NOI:	\$1,540,555 (December 31, 2013)

Historical Occupancy

Most Recent Occupancy⁽⁵⁾⁽⁶⁾:	66.1% (July 28, 2016)
2015 Occupancy:	63.7% (December 31, 2015)
2014 Occupancy:	64.5% (December 31, 2014)
2013 Occupancy:	65.7% (December 31, 2013)

- (1) In-place cash management will be triggered (i) upon an event of default or (ii) if the DSCR falls below 1.25x during any calendar quarter until such time the DSCR is at least 1.30x for two calendar quarters.
- (2) If an acceptable blanket policy is no longer in place, the borrower is required to deposit 1/12 of the estimated annual insurance premiums into an insurance reserve on a monthly basis.
- (3) The T/LC reserve is subject to a cap of \$250,000.
- (4) Based on amortizing debt service payments. Based on the current interest only payments, Underwritten NOI DSCR and Underwritten NCF DSCR are 2.39x and 2.10x, respectively.
- (5) Most Recent Occupancy does not include Spirit Halloween, which is currently occupying 29,500 sq. ft. of net rentable area pursuant to a lease that expires on November 16, 2016. The lender did not include any related income in its underwriting. Total occupancy as of July 28, 2016, including Spirit Halloween, is 82.5%. Spirit Halloween has executed temporary seasonal leases at the Deerbrook Commons property each year from 2010 through 2014.
- (6) Most Recent Occupancy includes Deerbrook Beauty Supply, which recently executed a lease and is expected to take occupancy in August 2016.

TRANSACTION HIGHLIGHTS

- **Property.** The Deerbrook Commons property is located in Humble, Texas approximately 25 miles northeast of Houston. The property was constructed in 1984 and consists of three large in-line buildings and two out-parcel buildings totaling 193,746 sq. ft. The Deerbrook Commons property is leased to a diverse mix of 24 national, regional and local retailers. National tenants include Movie Tavern, Olive Garden, State Farm, DaVita Dialysis and El Pollo Loco. Movie Tavern is an in-theater dining concept with 24 locations across 9 states and anchors the Deerbrook Commons property. The Deerbrook Commons property is located within Humble's primary retail corridor, along Highway 59 and FM 1960, one of Humble's primary thoroughfares. The neighborhood's retail focal point is Deerbrook Mall which is located adjacent to the northeast side of the property. Deerbrook Mall is Houston's fourth largest mall with a gross leasable area of approximately 1.2 million sq. ft.
- **Market.** Deerbrook Commons is located in the Northeast Submarket within the greater Houston Area retail market. The Houston area retail market consists of approximately 365.9 million sq. ft. of existing supply and features an average occupancy of 95.0% and average asking rent of \$15.77 PSF as of the second quarter of 2016. The Houston market area has maintained stable occupancy over the past two years and moderately increasing rental rates over the same time period. The Northeast Submarket area features slightly higher occupancy levels than the greater market area at 96.6% as of the second quarter of 2016 and asking rents of \$14.95 PSF. The Northeast Submarket also featured positive absorption of 298,352 sq. ft. in the second quarter of 2016. The immediate area surrounding the property is characterized by a moderately dense population and primarily residential and retail uses. The population and average household income within a 5-mile radius of the property were 119,397 and \$76,946, respectively.
- **Sponsor.** The sponsor of the borrower and the non-recourse carve-out guarantor is Steven Yari, co-founder of Stockdale Capital Partners and the predecessor family office, Triyar Companies. Steven Yari has been involved in the development, acquisition and asset management of real estate activities for nearly 30 years. He has established a diversified portfolio encompassing high-rise commercial and residential buildings, industrial business centers, enclosed shopping malls, retail centers, hotels and single family housing tracts representing nearly \$500 million in total transaction value for a family portfolio of over \$1.25 billion in asset value.