

1000 Parkwood



1000 Parkwood

| | | | | | | | | | | |
|----|---|--|--------------------|--|---|---|--------------------|---|---------------------------------------|--|
| 10 | PIC Group 22,975 SF Exp. 6/2018 | | | | | | | | | |
| 9 | Regus 11,784 SF Exp. 6/2025 | | | | Capital Special Risks 4,862 SF Exp. 4/2022 | | | ITOrizons 4,039 SF Exp. 1/2022 | | Vacant 1,697 SF |
| 8 | Johnson Service Group 10,018 SF Exp. 3/2023 | | | Johnson Service Group 2,598 SF Exp. 3/2023 | | Central Garden & Pet Co. 2,089 SF Exp. 4/2019 | | Shimizu 7,993 SF Exp. 1/2018 | | |
| 7 | Central Garden & Pet Co. 22,975 SF Exp. 4/2019 | | | | | | | | | |
| 6 | Primary Capital 22,975 SF Exp. 8/2020 | | | | | | | | | |
| 5 | Kemira Chemicals 22,975 SF Exp. 3/2024 | | | | | | | | | |
| 4 | Kemira Chemicals 22,975 SF Exp. 3/2024 | | | | | | | | | |
| 3 | Advantage Funding 1,042 SF Exp. 3/2017 | Triple C (Central Payment) 1,750 SF Exp. 7/2017 | Vacant 2,162 SF | mLevel 3,749 SF Exp. 7/2018 | Vacant 2,215 SF | Gerber Agri International 4,954 SF Exp. 7/2018 | | Codeblox 1,396 SF Exp. 2/2017 | C1 Consulting 2,961 SF Exp. 2/2017 | Lift Packaging & Promotions 1,740 SF Exp. 11/2016 |
| 2 | Rechargeable Battery (Call2Recycle) 9,726 SF Exp. 8/2021 | | | | Raycom Digital Ventures 2,405 SF Exp. 4/2018 | | Vacant 5,947 SF | | | Prospect Mortgage 2,059 SF Exp. 7/2017 |
| 1 | CA South 4,476 SF Exp. 6/2019 | | | Central Garden & Pet Co. (Storage) 1,127 SF Exp. 2/2019 | | Conference Center 1,401 SF Exp. 6/2031 | | Janis Mosley (State Farm) 1,170 SF Exp. 5/2021 | | Parkwood Bistro 2,192 SF Exp. 8/2021 |

| | | | | | |
|--------|-------------|-------------|-------------|-------------|-------|
| Vacant | 2016 – 2017 | 2018 – 2019 | 2020 – 2021 | 2022 – 2023 | 2024+ |
|--------|-------------|-------------|-------------|-------------|-------|



1000 Parkwood

| Mortgage Loan Information | | Property Information | |
|---------------------------------|---------------------------|---|----------------------|
| Mortgage Loan Seller: | JPMCB | Single Asset / Portfolio: | Single Asset |
| Original Principal Balance: | \$25,285,000 | Title: | Fee |
| Cut-off Date Principal Balance: | \$25,285,000 | Property Type - Subtype: | Office - Suburban |
| % of Pool by IPB: | 2.7% | Net Rentable Area (SF): | 212,705 |
| Loan Purpose: | Acquisition | Location: | Atlanta, GA |
| Borrower: | Adventus US Realty #11 LP | Year Built / Renovated: | 1985 / 2007 |
| Sponsor: | Adventus Holdings LP | Occupancy ⁽¹⁾ : | 94.3% |
| Interest Rate: | 4.55000% | Occupancy Date: | 5/1/2016 |
| Note Date: | 5/12/2016 | Number of Tenants: | 23 |
| Maturity Date: | 6/1/2026 | 2013 NOI: | \$1,604,126 |
| Interest-only Period: | 36 months | 2014 NOI: | \$2,143,052 |
| Original Term: | 120 months | 2015 NOI: | \$2,400,071 |
| Original Amortization: | 360 months | TTM NOI (as of 5/2016) ⁽²⁾ : | \$2,470,286 |
| Amortization Type: | IO-Balloon | UW Economic Occupancy: | 90.0% |
| Call Protection: | L(25),Def(92),O(3) | UW Revenues: | \$4,516,815 |
| Lockbox: | CMA | UW Expenses: | \$1,886,789 |
| Additional Debt: | N/A | UW NOI ⁽²⁾ : | \$2,630,025 |
| Additional Debt Balance: | N/A | UW NCF: | \$2,332,623 |
| Additional Debt Type: | N/A | Appraised Value / Per SF: | \$39,200,000 / \$184 |
| | | Appraisal Date: | 4/13/2016 |

| Escrows and Reserves ⁽³⁾ | | | | Financial Information | |
|-------------------------------------|-----------|-----------|-------------|--------------------------|-------|
| | Initial | Monthly | Initial Cap | | |
| Taxes: | \$306,131 | \$34,015 | N/A | Cut-off Date Loan / SF: | \$119 |
| Insurance: | \$0 | Springing | N/A | Maturity Date Loan / SF: | \$104 |
| Replacement Reserves: | \$3,545 | \$3,545 | \$212,700 | Cut-off Date LTV: | 64.5% |
| TI/LC: | \$17,725 | \$17,725 | \$425,400 | Maturity Date LTV: | 56.5% |
| Other: | \$311,456 | Springing | N/A | UW NCF DSCR: | 1.51x |
| | | | | UW NOI Debt Yield: | 10.4% |

| Sources and Uses | | | | | |
|----------------------|---------------------|---------------|-------------------------------|---------------------|---------------|
| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
| Mortgage Loan | \$25,285,000 | 62.8% | Purchase Price ⁽⁴⁾ | \$38,900,000 | 96.6% |
| Sponsor Equity | 15,003,158 | 37.2 | Closing Costs | 749,301 | 1.9 |
| | | | Upfront Reserves | 638,857 | 1.6 |
| Total Sources | \$40,288,158 | 100.0% | Total Uses | \$40,288,158 | 100.0% |

(1) Occupancy includes 1,401 square feet of non-revenue generating space utilized as a common conference room. Occupancy also includes ITOrizons (4,039 square feet), which has signed a lease but has not yet taken occupancy.

(2) UW NOI is higher than TTM NOI partly due to the inclusion of one tenant, ITOrizons (4,039 square feet), which has signed a lease but has not yet taken occupancy. Three additional tenants took occupancy between June 2015 and March 2016 (approximately 7,204 square feet).

(3) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

(4) The sponsor purchased the property for \$38.9 million. This amount is unadjusted for \$268,100 in outstanding free rent and TI/LCs that the sponsor was credited, as well as real estate taxes, tenant security deposits and other adjustments that were made to the purchase price.

The Loan. The 1000 Parkwood loan has an outstanding principal balance as of the Cut-off Date of \$25.285 million and is secured by a first mortgage lien on fee interest in a 10-story, 212,705 square foot Class A/B office building located in Atlanta, Georgia. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule.

1000 Parkwood

The Borrower. The borrowing entity for the loan is Adventus US Realty #11 LP, a Delaware limited partnership owned by Adventus Holdings LP (“Adventus”).

The Loan Sponsor. The loan sponsor and nonrecourse carve-out guarantor is Adventus Holdings LP, a Delaware limited partnership and affiliate of the Adventus Realty Services Inc (“Adventus Realty”). Adventus Realty is a real estate investment trust based in Vancouver, Canada. Founded in 2012, Adventus Realty is focused on the acquisition and management of commercial real estate properties in the suburban office markets of Chicago and Atlanta. Adventus Realty’s portfolio, including 1000 Parkwood, consists of nine properties totaling approximately 2.9 million square feet of commercial real estate with a combined purchase price of approximately \$394.5 million.

Adventus Realty acquired the property in May 2016 from Atlanta Property Group for approximately \$38.9 million and contributed approximately \$15.0 million of equity. Prior to the acquisition, the property underwent approximately \$1.2 million of renovations, including elevator modernization, common area upgrades, lobby renovations, upgrades to the conference room and fitness center, parking deck improvements and a cooling tower rebuild.

The Property. 1000 Parkwood is a LEED Gold-certified class A/B office building located in Atlanta, Georgia. The property was constructed in 1985 and renovated in 2007. The 10-story property totals 212,705 square feet of net rentable area and consists of office space and an adjacent four-story parking deck totaling 666 spaces (resulting in a parking ratio of approximately 3.1 spaces per 1,000 square feet). The property is situated in a developed suburban corridor, adjacent to other office buildings and apartment buildings, and serves as an employment center for the area. Amenities at the property include an on-site fitness center with showers, a 50-person, state-of-the-art conference center and a full-service bistro. 1000 Parkwood is located adjacent to Interstate-75 and Powers Ferry Road and approximately 14 miles northwest of Atlanta’s central business district, near the suburban community of Marietta. Across Interstate-75 from the property, SunTrust Park, the new home field of Major League Baseball’s Atlanta Braves, is being constructed and is expected to be completed for the beginning of the 2017 season.

As of May 1, 2016, the property was 94.3% leased by 23 tenants. The largest tenant at the property, Kemira Chemicals (Helsinki: KRA1V) (“Kemira”), has been a tenant since August 2011 and currently leases 21.6% of the net rentable area through March 2024. Kemira Chemicals is a global chemicals company serving customers in water-intensive industries, including pulp and paper, oil and gas, mining and water treatment. Kemira utilizes the property as its North American headquarters and operates its North American research and development center in the Atlanta area. The second largest tenant, Central Garden & Pet Co. (NASDAQ: CENT), leases 12.3% of the net rentable area through April 2019, has been in occupancy at the property since July 2013 and utilizes 1000 Parkwood as office space for Amdro, a provider of Central Garden & Pet Co.’s pest control products. Central Garden & Pet Co. is a leading innovator, marketer, and producer of quality branded products for consumer and professional use in the lawn, garden and pet supplies markets. The company is also traded on the NASDAQ with a market capitalization of approximately \$1.1 billion as of June 23, 2016. The company is rated B2/BB- by Moody’s and S&P, respectively. The third largest tenant, PIC Group, leases 10.8% of the net rentable area through June 2018. PIC Group has been a tenant at the property since October 2012 and utilizes 1000 Parkwood as its worldwide headquarters. PIC Group provides consulting and contract staffing in the power generation industry. PIC Group is a subsidiary of Marubeni, a Fortune Global 500 company headquartered in Tokyo, Japan. Marubeni is rated Baa2/BBB by Moody’s and S&P, respectively.

1000 Parkwood is located in the Atlanta, Georgia suburban market of Marietta. According to the appraisal, the property is situated approximately 12 miles northwest of the Atlanta central business district. The property is located near Cumberland Mall, a 1.2 million square foot super-regional mall, as well as Dobbins Air Force Base. The property is located near Interstate-75 and Interstate-285, offering 30-minute access to Downtown Atlanta and Atlanta’s Hartsfield-Jackson International Airport. The Atlanta area is home to 13 Fortune 500 company headquarters, including Delta, Coca-Cola, UPS, Home Depot and Southern Company. According to the appraisal as of the end of the first quarter 2016, the Northwest Atlanta office submarket contained approximately 32.0 million square feet of existing supply and maintained an overall occupancy rate of approximately 84.8%. Class A office property vacancy rate for the submarket over the same time period was 14.1% with asking rents of \$25.75 per square foot for Class A as of the end of the first quarter 2016. As of the end of the first quarter 2016 there was approximately 3.0 million square feet under construction of which approximately 2.8 million square feet is Class A. The appraisal identified six properties that are directly competitive with 1000 Parkwood. The properties range in size from 151,141 to 716,484 square feet and occupancy from 68.0% to 97.0%. The weighted average occupancy and rental rates are approximately 81.8% and \$24.50 per square foot, respectively. The estimated 2016 population within a one-, three- and five-mile radius is approximately 10,120, 80,964 and 208,483, respectively with median household income of \$59,617, \$53,949 and \$59,336, respectively.

1000 Parkwood

| Historical and Current Occupancy ⁽¹⁾ | | | |
|---|-------|-------|------------------------|
| 2013 | 2014 | 2015 | Current ⁽²⁾ |
| 83.3% | 88.3% | 90.9% | 94.3% |

(1) Historical occupancies are as of December 31 of each respective year.

(2) Current Occupancy is as of May 1, 2016.

| Tenant Summary ⁽¹⁾ | | | | | | |
|-------------------------------------|---|---------------------------|-------------------|------------------|-------------------------|--------------------------|
| Tenant | Ratings ⁽²⁾ Moody's/S&P/Fitch | Net Rentable Area (SF) | % of Total NRA | Base Rent PSF | % of Total Base Rent | Lease Expiration Date |
| Kemira Chemicals ⁽³⁾ | NA / NA / NA | 45,950 | 21.6% | \$20.46 | 20.9% | 3/31/2024 |
| Central Garden & Pet Co. | B2 / BB- / NA | 26,171 | 12.3% | \$22.58 | 13.1% | 4/30/2019 |
| PIC Group | Baa2 / BBB / NA | 22,975 | 10.8% | \$23.41 | 12.0% | 6/30/2018 |
| Primary Capital | NA / NA / NA | 22,975 | 10.8% | \$22.81 | 11.7% | 8/31/2020 |
| Johnson Service Group | NA / NA / NA | 12,914 | 6.1% | \$23.46 | 6.7% | 3/31/2023 |
| Regus | NA / NA / NA | 11,784 | 5.5% | \$24.23 | 6.3% | 6/30/2025 |
| Rechargeable Battery (Call2Recycle) | NA / NA / NA | 9,726 | 4.6% | \$26.57 | 5.7% | 8/31/2021 |
| Shimizu | NA / NA / NA | 7,993 | 3.8% | \$23.92 | 4.3% | 1/31/2018 |
| Gerber Agri International | NA / NA / NA | 4,954 | 2.3% | \$24.04 | 2.6% | 7/31/2018 |
| Capital Special Risks | NA / NA / NA | 4,862 | 2.3% | \$23.07 | 2.5% | 4/30/2022 |

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

(3) Kemira Chemicals has the right to terminate its lease effective March 31, 2019 with 12 months' notice and the payment of the termination fee.

| Lease Rollover Schedule ⁽¹⁾ | | | | | | | | | |
|--|---------------------------------|----------------------------------|----------------------|-----------------------|-------------------------------|--|------------------------------------|-------------------------------------|--|
| Year | Number of Leases Expiring | 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 | 12,021 | 5.7% | NAP | NAP | 12,021 | 5.7% | NAP | NAP |
| 2016 & MTM | 1 | 1,740 | 0.8 | \$39,689 | 0.9% | 13,761 | 6.5% | \$39,689 | 0.9% |
| 2017 | 5 | 9,208 | 4.3 | 212,807 | 4.7 | 22,969 | 10.8% | \$252,496 | 5.6% |
| 2018 | 5 | 42,076 | 19.8 | 990,841 | 22.0 | 65,045 | 30.6% | \$1,243,337 | 27.7% |
| 2019 | 2 | 30,647 | 14.4 | 696,180 | 15.5 | 95,692 | 45.0% | \$1,939,516 | 43.1% |
| 2020 | 1 | 22,975 | 10.8 | 524,060 | 11.7 | 118,667 | 55.8% | \$2,463,576 | 54.8% |
| 2021 | 3 | 13,088 | 6.2 | 295,366 | 6.6 | 131,755 | 61.9% | \$2,758,942 | 61.4% |
| 2022 | 2 | 8,901 | 4.2 | 209,102 | 4.7 | 140,656 | 66.1% | \$2,968,045 | 66.0% |
| 2023 | 1 | 12,914 | 6.1 | 302,962 | 6.7 | 153,570 | 72.2% | \$3,271,007 | 72.7% |
| 2024 | 1 | 45,950 | 21.6 | 940,137 | 20.9 | 199,520 | 93.8% | \$4,211,144 | 93.7% |
| 2025 | 1 | 11,784 | 5.5 | 285,526 | 6.3 | 211,304 | 99.3% | \$4,496,670 | 100.0% |
| 2026 | 0 | 0 | 0.0 | 0 | 0.0 | 211,304 | 99.3% | \$4,496,670 | 100.0% |
| 2027 & Beyond ⁽²⁾ | 1 | 1,401 | 0.7 | 0 | 0.0 | 212,705 | 100.0% | \$4,496,670 | 100.0% |
| Total | 23 | 212,705 | 100.0% | \$4,496,671 | 100.0% | | | | |

(1) Based on the underwritten rent roll.

(2) 2027 & Beyond includes 1,401 square feet of non-revenue generating space consisting of a common conference room.

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| Operating History and Underwritten Net Cash Flow | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|------------------|
| | 2013 | 2014 | 2015 | TTM ⁽¹⁾ | Underwritten | Per Square Foot | % ⁽²⁾ |
| Rents in Place ⁽³⁾ | \$3,023,530 | \$3,735,017 | \$3,982,883 | \$3,961,548 | \$4,496,671 | \$21.14 | 89.6% |
| Vacant Income | 0 | 0 | 0 | 0 | 276,483 | 1.30 | 5.5 |
| Gross Potential Rent | \$3,023,530 | \$3,735,017 | \$3,982,883 | \$3,961,548 | \$4,773,154 | \$22.44 | 95.1% |
| Total Reimbursements | 28,994 | 131,233 | 170,329 | 203,289 | 245,530 | 1.15 | 4.9 |
| Net Rental Income | \$3,052,524 | \$3,866,250 | \$4,153,211 | \$4,164,837 | \$5,018,683 | \$23.59 | 100.0% |
| (Vacancy/Credit Loss) | 0 | 0 | (5,004) | 0 | (501,868) | (2.36) | (10.0) |
| Other Income | 0 | 354 | 12,726 | 8,001 | 0 | 0.00 | 0.0 |
| Effective Gross Income | \$3,052,524 | \$3,866,604 | \$4,160,933 | \$4,172,838 | \$4,516,815 | \$21.24 | 90.0% |
| Total Expenses | \$1,448,398 | \$1,723,552 | \$1,760,862 | \$1,702,552 | \$1,886,789 | \$8.87 | 41.8% |
| Net Operating Income | \$1,604,126 | \$2,143,052 | \$2,400,071 | \$2,470,286 | \$2,630,025 | \$12.36 | 58.2% |
| Total TI/LC, Capex/RR | 0 | 0 | 0 | 0 | 297,402 | 1.40 | 6.6 |
| Net Cash Flow | \$1,604,126 | \$2,143,052 | \$2,400,071 | \$2,470,286 | \$2,332,623 | \$10.97 | 51.6% |

(1) TTM column represents the trailing 12-month period ending May 31, 2016.

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

(3) Underwritten Rents in Place consist of in-place rents including rent steps through April 2017.

Property Management. The property is managed by APG Real Estate Services, LLC, a Georgia limited liability company.

Escrows and Reserves. At origination, the borrower deposited into escrow \$306,131 for real estate taxes, \$259,770 for outstanding tenant improvements, \$51,686 for free rent reserves, \$17,725 for tenant improvements and leasing commissions and \$3,545 for replacement reserves.

Tax Escrows - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$34,015.

Insurance Escrows - The requirement for the borrower to make deposits to the insurance escrow is waived so long as no event of default has occurred and is continuing and the borrower provides satisfactory evidence that the property is insured as part of a blanket policy in accordance with the loan documents.

Replacement Reserves - On a monthly basis, the borrower is required to escrow \$3,545 (approximately \$0.20 per square foot annually) for replacement reserves. The reserve is subject to a cap of \$212,700 (\$1.00 per square foot).

TI/LC Reserves - On a monthly basis, the borrower is required to escrow \$17,725 (approximately \$1.00 per square foot annually) for tenant improvements and leasing commission reserves. The reserve is subject to a cap of \$425,400 (\$2.00 per square foot).

Lockbox / Cash Management. The loan is structured with a CMA lockbox. The borrower was required at origination to send tenant direction letters to all tenants instructing them to deposit all rents and payments into the lockbox account controlled by the lender. The funds are then returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event (as defined below). During the continuance of a Cash Sweep Event, all rents will be swept daily to a segregated cash management account and held in trust and for the benefit of the lender. The lender will have a first priority security interest in the cash management account. Upon the occurrence and during the continuance of a Cash Sweep Event, all funds deposited into the cash management account after payment of debt service, required reserves and budgeted operating expenses will be held as additional security for the loan.

A "Cash Sweep Event" means the occurrence of: (i) an event of default; (ii) any bankruptcy or insolvency action of the borrower or property manager, (iii) the date that the debt service coverage ratio (as calculated in the loan documents) based on the trailing three calendar months immediately preceding the date of determination is less than 1.15x (a "DSCR Trigger Event") or (iv) a Tenant Trigger Event (as defined below).

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A “Tenant Trigger Event” means if Kemira Chemicals (i) terminates or gives notice of its intention to terminate its lease or (ii) does not extend or renew its lease on or prior to the earlier of (A) the expiration of the renewal notice period required under the Kemira Chemicals lease and (B) the date that is 12 months prior to the expiration of the Kemira Chemicals lease.

A Cash Sweep Event may be cured (a) if caused solely by a DSCR Trigger Event, the achievement of a debt service coverage ratio of 1.20x or greater for two consecutive calendar quarters based upon the trailing three calendar quarter period immediately preceding the date of determination, (b) if caused solely by clause (i) above, the acceptance by the lender of a cure of such event of default, (c) if caused solely by clause (ii) above with respect to the property manager, if the borrower replaces the manager in accordance with the loan documents within 60 days of the date of the filing or (d) if caused solely by a Tenant Trigger Event, when the applicable space is leased to one or more replacement tenants reasonably acceptable to the lender in accordance with the loan documents (each of the foregoing, a “Cash Sweep Event Cure”).

Each Cash Sweep Event Cure is also subject to the following conditions, (i) no event of default has occurred and is continuing, (ii) a Cash Sweep Event may occur no more than a total of four times during the term of the loan, except with respect to a Cash Sweep Event caused by a DSCR Trigger Event or a Tenant Trigger Event, which may be cured an unlimited number of times and (iii) the borrower's payment of all of the lender's reasonable expenses incurred in connection with such cure.