

The Summit Birmingham



The Summit Birmingham



Legend:

- Anchor / Major
- Non Anchor / Inline
- Vacant
- Not Part of the Collateral

Map Labels: PHASE I, PHASE II, PHASE III, PHASE IV, PHASE V, PHASE VI, THE SUMMIT, NORTH ARROW.

The Summit Birmingham

Mortgage Loan Information

Mortgage Loan Seller⁽¹⁾:	Barclays
Original Principal Balance⁽²⁾:	\$50,000,000
Cut-off Date Principal Balance⁽²⁾:	\$50,000,000
% of IPB:	5.8%
Loan Purpose:	Refinance
Borrower:	BRC Holding Company, L.L.C.
Sponsors⁽³⁾:	Various
Interest Rate:	4.76200%
Note Date:	12/20/2016
Maturity Date:	1/1/2027
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization Term:	None
Amortization Type:	Interest Only
Call Protection⁽⁴⁾:	L(25),Def(88),O(7)
Lockbox / Cash Management:	Hard / Springing
Additional Debt:	Yes
Additional Debt Balance:	\$158,000,000
Additional Debt Type:	Pari Passu

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type – Subtype:	Retail – Lifestyle Center
Net Rentable Area (SF):	681,245
Location:	Birmingham, AL
Year Built / Renovated:	1997, 2000, 2001, 2009 / N/A
Occupancy⁽⁵⁾:	98.5%
Occupancy Date:	12/14/2016
4th Most Recent NOI (As of)⁽⁶⁾:	\$19,160,180 (12/31/2013)
3rd Most Recent NOI (As of)⁽⁶⁾:	\$19,415,128 (12/31/2014)
2nd Most Recent NOI (As of)⁽⁶⁾:	\$19,589,779 (12/31/2015)
Most Recent NOI (As of):	\$17,296,891 (12/31/2016)
UW Economic Occupancy:	95.0%
UW Revenues:	\$24,205,097
UW Expenses:	\$6,134,767
UW NOI:	\$18,070,330
UW NCF:	\$16,883,902
Appraised Value / Per SF:	\$383,000,000 / \$562
Appraisal Date:	11/7/2016

Escrows and Reserves⁽⁷⁾

	Initial	Monthly	Initial Cap
Taxes:	\$0	Springing	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	Springing	\$225,984
TI/LC:	\$0	Springing	\$2,146,872
Other:	\$2,842,135	\$0	N/A

Financial Information⁽²⁾

Cut-off Date Loan / SF:	\$305
Maturity Date Loan / SF:	\$305
Cut-off Date LTV:	54.3%
Maturity Date LTV:	54.3%
UW NCF DSCR:	1.68x
UW NOI Debt Yield:	8.7%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan ⁽²⁾	\$208,000,000	100.0%	Payoff Existing Debt	\$155,905,651	75.0%
			Return of Equity	46,991,895	22.6
			Upfront Reserves	2,842,135	1.4
			Closing Costs	2,260,319	1.1
Total Sources	\$208,000,000	100.0%	Total Uses	\$208,000,000	100.0%

(1) The Summit Birmingham Whole Loan, as defined in "The Loan" below, was co-originated by Barclays and Bank of America, N.A.

(2) The Summit Birmingham mortgage loan is part of a whole loan evidenced by four *pari passu* notes with an aggregate original principal balance of \$208.0 million. The financial information presented in the chart above reflects the Cut-off Date balance of the \$208.0 million The Summit Birmingham Whole Loan.

(3) The loan sponsors are Bayer Properties, LLC and Institutional Mall Investors LLC. See "Loan Sponsors" below for additional information.

(4) The lockout period will be at least 25 payments beginning with and including the first payment date in February 2017. Defeasance of the full \$208.0 million The Summit Birmingham Whole Loan is permitted after the date that is the earlier to occur of (i) two years from the closing date of the securitization that includes the last *pari passu* note to be securitized (the "REMIC Prohibition Period") and (ii) February 1, 2020. If the REMIC Prohibition Period has not expired by February 1, 2020, the borrower is permitted to prepay the Summit Birmingham Whole Loan in whole, but not in part, with the payment of a yield maintenance premium.

(5) Occupancy includes Altar'd State, The Cowfish and Hanna Andersson, each of which has an executed lease but is not yet in occupancy as of the Cut-off Date. The lender has reserved 100.0% of the rent associated with each tenant from the loan origination date through each lease's scheduled commencement date. See "Escrows and Reserves" below.

(6) 4th Most Recent NOI, 3rd Most Recent NOI and 2nd Most Recent NOI include income and expenses from Phase IB, a portion of The Summit that is not collateral for The Summit Birmingham Whole Loan.

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

The Summit Birmingham

The Loan. The Summit Birmingham loan is secured by a first mortgage lien on the borrower's fee interest in a 681,245 square foot portion ("The Summit Birmingham Property") of an upscale mixed-use development located in Birmingham, Alabama ("The Summit"). The whole loan was co-originated by Barclays and Bank of America, N.A. and has an outstanding principal balance as of the Cut-off Date of \$208.0 million ("The Summit Birmingham Whole Loan"), and is comprised of four *pari passu* notes, Note A-1, Note A-2, Note A-3 and Note A-4 (other than Note A-3, the "Companion Loans"). Note A-3, with an outstanding principal balance as of the Cut-off Date of \$50.0 million, is being contributed to the BBCMS 2017-C1 Trust. Note A-1 is held by Bank of America, N.A., has an outstanding principal balance as of the Cut-off Date of approximately \$61.9 million and is expected to be contributed to a future securitization trust. Note A-2 was contributed to the BACM 2017-BNK3 trust and has an outstanding principal balance as of the Cut-off Date of approximately \$73.3 million. Note A-4 is held by Barclays, has an outstanding principal balance as of the Cut-off Date of \$22.8 million and is expected to be contributed to a future securitization trust. The holder of Note A-2 (the "Controlling Noteholder") is the trustee of the BACM 2017-BNK3 trust. The trustee of the BACM 2017-BNK3 trust (or, prior to the occurrence and continuance of a control event under the related pooling and servicing agreement, the directing certificateholder for that securitization) will be entitled to exercise all of the rights of the Controlling Noteholder with respect to The Summit Birmingham Whole Loan; provided, however, that the holders of Note A-3 and the Companion Notes (other than Note A-2) will be entitled, under certain circumstances, to be consulted with respect to certain major decisions. The Summit Birmingham Whole Loan has a 10-year term and is interest-only for the full term of the loan.

Whole Loan Summary			
Note	Original Balance	Note Holder	Controlling Piece
A-1	\$61,875,000	Bank of America, N.A.	No
A-2	\$73,325,000	BACM 2017-BNK3	Yes
A-3	\$50,000,000	BBCMS 2017-C1	No
A-4	\$22,800,000	Barclays	No
Total	\$208,000,000		

The Property. The Summit Birmingham Property consists of a 681,245 square foot portion of The Summit. The Summit is an upscale mixed-use development comprised of a total of 1,036,240 square feet of retail and office space. The loan sponsor acquired a large portion of the property as vacant land in 1996 and developed that land in phases between 1997 and 2009. Phases IA and IB (non-collateral) were opened in 1997 with over 400,000 square feet featuring tenants including Barnes & Noble, Banana Republic, Williams-Sonoma, Ann Taylor, Victoria's Secret, P.F. Chang's and Macaroni Grill. Phase II was opened in 2000 and brought new-to-the-market retailers including California Pizza Kitchen, Everything But Water, Pottery Barn and Pottery Barn Kids and also allowed Gap to relocate and add Gap Kids and Gap Body to its offerings. Phase III opened in 2001, bringing Saks Fifth Avenue to open its first and only store in the state of Alabama, adding J. Crew, Fleming's and Panera Bread, and allowing Chico's and Talbots to expand their stores. Phase IV opened in 2005 bringing The Cheesecake Factory, Anthropologie, Vera Bradley and Swozie's as first-time retailers in the state of Alabama. Phase VI opened in 2009 with 50,000 square feet of office and 50,000 square feet of retail space including tenants Banana Republic, Charming Charlie and Michael Kors. Phase V (non-collateral) is an unimproved 2.1 acre parcel which as with Phase IB (non-collateral) may be developed or redeveloped in the future by the sponsors.

The Summit Birmingham Property is contained across 19 buildings. The Summit Birmingham Property is situated on approximately 71.9 acres and is comprised of 630,395 square feet of retail space (inclusive of retail tenant storage space) and 50,850 square feet of office space. The Summit Birmingham Property contains 3,474 parking spaces with an overall parking ratio of approximately 5.1 spaces per 1,000 square feet of net rentable area.

As of December 14, 2016, the property was 98.5% occupied by 100 retail tenants and two office tenants. Anchor tenants at the property include Saks Fifth Avenue (not collateral) and Belk. The property benefits both from institutional quality anchor tenants, as well as a diverse tenant roster, with no individual tenant accounting for greater than 5.3% of net rentable area or 6.2% of underwritten base rent outside of Belk. Belk leases 163,480 square feet (24.0% of the net rentable area) through January 2018 (refer to Belk Trigger Event below) and has occupied its space since the property was developed in 1997. For the trailing 12-months ending August 31, 2016, Belk reported approximately \$40.0 million in total sales (approximately \$245 per square foot) resulting in an occupancy cost of 3.2%. Belk's sales at the property are over 3.0 times greater than Belk's national average sales per store of approximately \$13.3 million as of June 2016. Belk expanded its space by approximately 53,480 square feet in 2007 and has six five-year extension options remaining. Other national tenants located at the property include Allen Edmonds Shoes, Barnes & Noble, Brooks Brothers, The Cheesecake Factory, J. Crew, Panera Bread, Urban Outfitters, Victoria's Secret, Vineyard Vines and West Elm. Approximately 50 of The Summit's retailers are exclusive to the property in Alabama or Birmingham including Saks Fifth Avenue, Trader Joe's, Art of Shaving, Apple, Pottery Barn, Restoration Hardware and lululemon athletica.

The Summit Birmingham

The Summit Birmingham Property has generated approximately \$213.8 million in overall gross sales for the trailing 12-months ending August 31, 2016, with comparable in-line sales of approximately \$603 per square foot and occupancy costs of 8.0%. For the same time period and excluding Apple, the property has generated approximately \$178.4 million in overall gross sales, with comparable in-line sales of approximately \$513 per square foot and occupancy costs of 9.4%. The Summit has demonstrated consistent performance with overall occupancy having averaged 97.6% for the period 2012 to 2015.

RSM US LLP and Brownell Travel account for office tenancy at The Summit Birmingham Property. RSM US LLP leases 35,724 square feet (5.2% of the net rentable area) through October 2021 and has occupied its space in the Phase VI portion of the property since its development in 2009. RSM US LLP is a leading provider of audit, tax and consulting services with approximately 9,000 professionals and associates in 86 cities nationwide. Brownell Travel leases 15,126 square feet (2.2% of the net rentable area) through March 2018, has been located at the property since 2011 and expanded its space in 2013. Brownell Travel is a travel agency with over 128 years of experience and is headquartered at the property.

Environmental. According to a Phase I environmental assessment dated November 10, 2016, there is no evidence of any recognized environmental conditions at The Summit Birmingham Property.

Historical and Current Occupancy ⁽¹⁾			
2013 ⁽²⁾	2014 ⁽²⁾	2015 ⁽²⁾	Current ⁽³⁾
98.9%	96.4%	97.8%	98.5%

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

(2) Historical Occupancy includes tenants at Phase IB (not collateral) of The Summit.

(3) Current Occupancy is as of December 14, 2016 and includes Altar'd State, The Cowfish and Hanna Andersson, each of which has an executed lease but is not yet in occupancy as of the Cut-off Date. The lender has reserved 100.0% of the rent associated with each tenant from the mortgage loan origination date through each lease's scheduled commencement date. See "Escrows and Reserves" below.

Historical Sales ⁽¹⁾			
	2014	2015	TTM ⁽²⁾
Total In-line sales	\$200,392,424	\$215,735,275	\$213,766,482
Sales PSF w/ Apple	\$601	\$604	\$603
Sales PSF w/o Apple	\$516	\$518	\$513

(1) Information as provided by the sponsors and only includes tenants reporting comparable sales for The Summit Birmingham Property.

(2) TTM Historical Sales are as of the trailing 12-month period ending August 31, 2016.

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Top Ten Tenant Summary ⁽¹⁾									
Tenant	Ratings ⁽²⁾ Moody's/S&P / Fitch	Net Rentable Area (SF) ⁽³⁾⁽⁴⁾	% of Total NRA	Base Rent PSF	Base Rent	% of Total Base Rent	Sales PSF ⁽⁴⁾	Occ. Costs	Lease Expiration Date
Belk	B2 / B / NA	163,480	24.0%	\$6.41	\$1,047,986	5.3%	\$245	3.2%	1/31/2018
RSM US LLP	NA / NA / NA	35,724	5.2	\$33.84	1,208,900	6.2	NAP	NAP	10/31/2021
Barnes & Noble	NA / NA / NA	25,397	3.7	\$20.97	532,575	2.7	NAV	NAV	2/1/2018
Gap	Baa2 / BB+ / BB+	17,522	2.6	\$40.09	702,507	3.6	\$267	17.5%	3/31/2020
Gus Mayer ⁽⁵⁾	NA / NA / NA	16,410	2.4	\$23.39	383,760	2.0	\$711	5.2%	1/31/2019
Brownell Travel	NA / NA / NA	15,126	2.2	\$26.00	393,276	2.0	NAP	NAP	3/31/2018
Trader Joe's	NA / NA / NA	12,922	1.9	\$36.00	465,192	2.4	NAV	NAV	9/30/2025
Urban Outfitters	NA / NA / NA	12,503	1.8	\$26.00	325,078	1.7	\$292	11.3%	1/31/2027
Pottery Barn	NA / NA / NA	10,810	1.6	\$33.79	365,270	1.9	\$441	9.5%	1/31/2023
The Cheesecake Factory	NA / NA / NA	10,057	1.5	\$36.00	362,052	1.8	\$1,260	5.6%	1/31/2024
Top Ten Tenants		319,951	47.0%	\$18.09	\$5,786,596	29.4%			
Non Top Ten Tenants		350,866	51.5%	\$39.53	\$13,868,210	70.6%			
Occupied Collateral Total		670,817	98.5%	\$29.30	\$19,654,807	100.0%			
Vacant Space		10,428	1.5%						
Collateral Total		681,245	100.0%						

(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) Net Rentable Area includes storage space.

(4) Sales PSF represents trailing 12-month period ending August 31, 2016 as provided by the sponsors and only include tenants reporting comparable sales. Sales PSF excludes storage space.

(5) Gus Mayer's net rentable area includes 1,650 square feet of storage space which was excluded from the Sales PSF and Occ. Costs calculation.

Lease Rollover Schedule ⁽¹⁾⁽²⁾									
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	10,428	1.5%	NAP	NAP	10,428	1.5%	NAP	NAP
2017 & MTM	16	50,727	7.4	\$1,661,387	8.5%	61,155	9.0%	\$1,661,387	8.5%
2018	12	235,982	34.6	3,159,659	16.1	297,137	43.6%	\$4,821,047	24.5%
2019	12	65,570	9.6	2,301,694	11.7	362,707	53.2%	\$7,122,741	36.2%
2020	6	40,535	6.0	1,612,627	8.2	403,242	59.2%	\$8,735,368	44.4%
2021	9	78,078	11.5	2,825,302	14.4	481,320	70.7%	\$11,560,670	58.8%
2022	7	25,290	3.7	1,067,334	5.4	506,610	74.4%	\$12,628,004	64.2%
2023	11	55,727	8.2	2,060,614	10.5	562,337	82.5%	\$14,688,618	74.7%
2024	10	39,789	5.8	1,651,661	8.4	602,126	88.4%	\$16,340,279	83.1%
2025	8	37,072	5.4	1,586,300	8.1	639,198	93.8%	\$17,926,580	91.2%
2026	4	7,295	1.1	392,140	2.0	646,493	94.9%	\$18,318,720	93.2%
2027 & Beyond	7	34,752	5.1	1,336,087	6.8	681,245	100.0%	\$19,654,807	100.0%
Total	102	681,245	100.0%	\$19,654,807	100.0%				

(1) Based on the underwritten rent roll.

(2) Certain tenants may have lease termination options that are exercisable prior to the originally stated expiration date of the subject lease that are not considered in the lease rollover schedule.

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Operating History and Underwritten Net Cash Flow

	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾	2016	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$20,183,299	\$20,629,285	\$21,131,879	\$18,703,522	\$19,654,807	\$28.85	78.7%
Vacant Income	0	0	0	0	557,813	0.82	2.2
Gross Potential Rent	\$20,183,299	\$20,629,285	\$21,131,879	\$18,703,522	\$20,212,620	\$29.67	81.0%
Total Reimbursements	4,613,871	4,492,764	4,656,167	3,878,724	4,075,464	5.98	16.3
Percentage Rent	632,464	663,574	754,191	666,761	678,386	1.00	2.7
Net Rental Income	\$25,429,634	\$25,785,623	\$26,542,237	\$23,249,007	\$24,966,470	\$36.65	100.0%
(Vacancy/Credit Loss)	(79,446)	15,402	(191,313)	(479,711)	(1,248,324)	(1.83)	(5.0)
Other Income ⁽⁴⁾	623,952	580,232	583,742	526,344	486,950	0.71	2.0
Effective Gross Income	\$25,974,140	\$26,381,257	\$26,934,666	\$23,295,640	\$24,205,097	\$35.53	97.0%
Total Expenses	\$6,813,961	\$6,966,130	\$7,344,888	\$5,998,750	\$6,134,767	\$9.01	25.3%
Net Operating Income	\$19,160,180	\$19,415,128	\$19,589,779	\$17,296,891	\$18,070,330	\$26.53	74.7%
Total TI/LC, Capex/RR	0	0	0	0	1,186,428	1.74	4.9
Net Cash Flow	\$19,160,180	\$19,415,128	\$19,589,779	\$17,296,891	\$16,883,902	\$24.78	69.8%

(1) 2013, 2014 and 2015 financial statements include the Phase IB portion of The Summit which is not collateral for the loan.

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

(3) Underwritten Rents in Place consist of in-place rents as of December 14, 2016, including (i) three tenants that have executed leases but not yet taken occupancy, representing 13,818 square feet and approximately \$566,720 of underwritten base rent, and (ii) underwritten contractual rent increases of \$393,165 through January 2018.

(4) Other Income consists of specialty leasing income related to temporary tenants, storage and ATM tenants, media, event and sponsorship income and other miscellaneous income.

The Summit Birmingham

The Market. The Summit is located in the city of Birmingham, approximately five miles southeast of the Birmingham central business district. The property is situated at the center of four of the most affluent suburbs of Birmingham: Mountain Brook, Homewood, Vestavia Hills and Hoover. According to the appraisal, The Summit's location at the intersection of Highway 280 and Interstate 459, two of the most heavily traveled road ways in Birmingham, put the property in the center of the growth corridor of the Birmingham metropolitan area. Highway 280 connects directly to the Birmingham central business districts and has average daily traffic counts of over 73,000. Interstate 459 connects to other major interstates including Interstate 20, Interstate 65 and Interstate 59, and has average daily traffic counts of over 101,000.

According to the Birmingham business alliance, the Birmingham metropolitan area has a currently reported population of over 1.1 million and contains over 70.0% of the total jobs in North Central Alabama. Corporations headquartered in the Birmingham metropolitan area include Alabama Power, Associated Grocers of the South, Inc., BBVA Compass, Books-A-Million, Cadence Bank, Hibbett Sports, Liberty National Life Insurance Company, Ready Mix USA, Regions and Thompson/CAT. There are over 23 universities, colleges, technical and professional schools in the Birmingham metropolitan area employing nearly 20,000 and enrolling nearly 100,000 people, with higher education generating an economic impact of more than \$1 billion annually to the area. The 2015 unemployment rate for the Birmingham metropolitan area was 5.5%, the lowest rate since 2008.

The Birmingham metropolitan statistical area is home to the four largest area employers including the University of Alabama at Birmingham (23,000 employees), Regions Bank (7,000 employees), St. Vincent's Health System (4,644 employees) and Children's of Alabama (4,578 employees).

According to the appraisal, the property's 2016 estimated population within a one-, five-, and 10-mile radius is 3,615, 134,309, and 403,058 people, respectively, with average household income of \$83,934, \$114,008, and \$81,258, respectively. The appraisal notes a primary trade area within a 10-mile to 15-mile radius of the property, with an upper-middle and high-income demographic profile within the submarket. According to the loan sponsors, The Summit Birmingham Property attracts a large segment of shoppers from outside the primary trade area and estimates that up to 35.0% of the property's sales are from shoppers who live 30-150 miles away.

As of third quarter 2016, the Birmingham retail market contained approximately 100.2 million square feet of retail space with an average vacancy rate of 5.5%, the lowest rate in the last 10 years. In general, the weighted average in-place rents for each retail category are either in-line with or below the appraisal's concluded market rents.

The appraisal identified five directly competitive retail properties built between 1973 and 2014 and ranging in size from 431,635 square feet to 762,541 square feet. The comparable retail properties reported occupancies ranging from 89.0% to 99.0% with a weighted average occupancy of 94.6%. Available sales per square foot data for the competitive properties range from \$245 to \$565. There is no proposed new competitive supply noted by the appraisal.

Competitive Set Summary⁽¹⁾

Property/Location	Year Built / Renovated	Total GLA (SF)	Est. Sales PSF	Est. Occ.	Proximity (miles)	Anchor Tenants
Riverchase Galleria Hoover, AL	1986 / 2014	762,541	\$450	92.0%	8.0	Belk, JCPenney, Macy's, Sears
Colonial Brookwood Village Birmingham, AL	1973 / 2002	688,000	NAV	89.0%	4.2	Macy's, Belk, Books-A-Million
Shoppes at East Chase Montgomery, AL	2002 / NAP	431,635	\$245	98.0%	93.6	Dillard's, Target, Kohl's, Ross Dress for Less
Bridge Street Town Centre ⁽²⁾ Huntsville, AL	2007 / NAP	622,862	\$565	98.0%	105.0	Belk, Barnes & Noble, Apple, Bed, Bath and Beyond
Avalon Alpharetta, GA	2014 / 2017	495,907	\$490	99.0%	169.0	Regal Cinemas, Whole Foods Market, Crate & Barrel, Anthropologie

(1) Based on the appraisal.

(2) Bridge Street Town Centre is also owned by Bayer Properties, one of The Summit Birmingham Whole Loan sponsors.

The Borrower. The borrowing entity for The Summit Birmingham Whole Loan is BRC Holding Company, L.L.C., a Delaware limited liability company and special purpose entity with two independent directors. Legal counsel to the borrower delivered a non-consolidation opinion in connection with the origination of The Summit Birmingham Whole Loan. Jeffrey A. Bayer, David L. Silverstein, Jon W. Rotenstreich and Institutional Mall Investors LLC are the guarantors of certain nonrecourse carve-outs under The Summit Birmingham Whole Loan.

The Summit Birmingham

The Loan Sponsors. Equity ownership in the The Summit Birmingham borrower is indirectly held by JDJ Birmingham Company, L.L.C. (51.0%) and Institutional Mall Investors LLC.

JDJ Birmingham Company, L.L.C. is an entity indirectly owned by Jeffery A. Bayer, David L. Silverstein and Jon W. Rotenstreich, and their family trusts. Jeffery A. Bayer, David L. Silverstein and Jon W. Rotenstreich are nonrecourse carve-out guarantors for The Summit Birmingham Whole Loan. Jeffery Bayer is CEO and President and David Silverstein and Jon Rotenstreich are principals of Bayer Properties, LLC. Bayer Properties, LLC is a Birmingham, Alabama based real estate management and development firm with a national portfolio of over 22 properties comprising approximately 10.0 million square feet, with nine properties in Alabama, including The Summit Birmingham Property.

Institutional Mall Investors LLC ("**IMI**") is an additional nonrecourse carve-out guarantor for The Summit Birmingham Whole Loan and is 99% owned by California Public Employees' Retirement System ("**CalPERS**"), the nation's largest public pension fund. IMI is an investment platform focused on high quality, market dominant, fashion oriented retail properties. As of December 2016, IMI's portfolio included approximately 20.2 million square feet of retail space and over 1.1 million square feet of prime office space.

Property Management. The Summit Birmingham Property is managed by Bayer Properties, L.L.C., an affiliate of the borrower.

Escrows and Reserves. At origination, the borrower was required to deposit into escrow \$1,989,285 for outstanding tenant improvements and leasing commissions related to nine tenants, \$506,123 related to a tenant dispute concerning overpayment of rent and \$346,727 for gap rent related to three tenants.

Tax Escrows – The requirement for the borrower to make monthly deposits into the tax escrow is waived so long as no event of default or Collection Reserve Trigger Period (defined below) exists.

Insurance Escrows – The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as The Summit Birmingham Property is insured under a blanket insurance policy in accordance with the loan documents and no event of default or Collection Reserve Trigger Period exists.

Replacement Reserves – The requirement for the borrower to make monthly deposits into the replacement reserve is waived so long as no event of default or Collection Reserve Trigger Period exists. Upon an event of default or if a Collection Reserve Trigger Period exists, the borrower is required to escrow \$9,416 (approximately \$0.17 per square foot annually) on a monthly basis for replacement reserves. The reserve is subject to a cap of \$225,984 (approximately \$0.33 per square foot).

TI/LC Reserves – The requirement for the borrower to make monthly deposits into the tenant improvements and leasing commissions escrow is waived so long as no event of default or Collection Reserve Trigger Period exists. Upon an event of default or if a Collection Reserve Trigger Period exists, the borrower is required to escrow \$89,453 (approximately \$1.58 per square foot annually) on a monthly basis for tenant improvement and leasing commission reserves. The reserve is subject to a cap of \$2,146,872 (approximately \$3.15 per square foot).

A "**Collection Reserve Trigger Period**" will commence if the debt service coverage ratio (as calculated in the loan documents) is less than 1.50x for two consecutive calendar quarters and will end if the debt service coverage ratio (as calculated in the loan documents) is greater than 1.50x for two consecutive calendar quarters.

Lockbox / Cash Management. The loan is structured with a hard lockbox and springing cash management. Tenant direction letters were required to be sent to all tenants upon the origination of the loan 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 Lockbox Event (as defined below). During a Lockbox Event, all funds in the lockbox account are swept weekly to a segregated cash management account under the control of the lender. To the extent there is a Lockbox Event continuing, all excess cash flow after payment of the mortgage debt service, required reserves and other amounts required by the loan documents will be held as additional collateral for the loan. The lender has a first priority security interest in the cash management account.

A "**Lockbox Event**" means the occurrence of (i) an event of default, (ii) bankruptcy action of the borrower, property owner or property manager (if an affiliate of borrower and provided property manager is not replaced within 60 days) with a qualified manager (as defined in the loan documents), (iii) a DSCR Trigger Event (defined below) or (iv) a Belk Trigger Event (defined below).

A "**DSCR Trigger Event**" means the debt service coverage ratio (as calculated in the loan documents) is less than 1.30x for two consecutive calendar quarters.

The Summit Birmingham

A “**Belk Trigger Event**” means the earliest of the date Belk (i) vacates or gives notice of its intent to vacate or terminate its lease (a “**Belk Termination Trigger**”), (ii) is required under its lease to exercise its option to extend the term of its lease but has not exercised such option to extend its lease (a “**Belk Extension Option Trigger**”), (iii) defaults in payment of rent under its lease or (iv) files or is the subject of bankruptcy proceedings or has its assets made subject to the jurisdiction of a bankruptcy court (a “**Belk Bankruptcy Trigger**”).

With respect to a Belk Termination Trigger or a Belk Extension Option Trigger, a Belk Trigger Event will be cured if (i) the space leased to Belk is leased to a replacement tenant reasonably acceptable to the lender for a period of time and on terms and conditions reasonably acceptable to the lender or (ii) the aggregate amount on deposit in the excess cash flow reserve account equals or exceeds \$1,634,800 (approximately \$10.00 per square foot of the Belk space).

With respect to a Belk Extension Option Trigger, a Belk Trigger Event will be cured if (i) the exercise by Belk of the extension option under the Belk lease, if after the latest renewal notice date required under the Belk lease but before the expiration of the Belk Lease, or (ii) if after the latest renewal notice date required under the Belk lease but before the expiration of the Belk lease, borrower and Belk enter into an amendment to the Belk lease reasonably acceptable to the lender which extends the term of the Belk lease and Belk remains in possession and occupancy of the space leased to it and is paying rent consistent with the market as of the date of such amendment.

With respect to a Belk Bankruptcy Trigger, a Belk Trigger Event will be cured if the Belk lease is assumed without alteration of any material terms (as ordered by the bankruptcy court), or with respect to any bankruptcy case involving Belk, until the assets of Belk are no longer subject to the jurisdiction of the bankruptcy court and Belk’s obligations under the Belk lease remain unaltered from the date on which Belk’s assets became subject to the jurisdiction of the bankruptcy court.

Subordinate and Mezzanine Debt. None.

Partial Release. Not permitted.

Ground Lease. None.