

9525 West Bryn Mawr Avenue



9525 West Bryn Mawr Avenue



FLOOR	Tenant Information											
9	Oasis Legal Finance 16,903 SF Exp. 12/2022				Vacant 3,230 SF		White Oak Realty Partners 2,407 SF Exp. 9/2015					
8	American Airlines 18,884 SF Exp. 1/2016				Society of Surgical Oncology I 4,412 SF Exp. 10/2022		Aruba Networks Inc. 3,362 SF Exp. 7/2018					
7	Fonterra (USA) Inc. 21,407 SF Exp. 5/2019			American Airlines 503 SF Exp. 1/2016	Life Fitness 2,007 SF Exp. 3/2015		NTN 2,528 SF Exp. 12/2017					
6	Life Fitness 27,527 SF Exp. 12/2025											
5	Life Fitness 27,513 SF Exp. 12/2025											
4	World Kitchen 27,503 SF Exp. 12/2023											
3	World Kitchen 27,491 SF Exp. 12/2023											
2	Life Fitness 13,634 SF Exp. 12/2025				Vacant 14,414 SF							
1	PRA Holding LLC 5,308 SF Exp. 9/2015		PRA Holding LLC 5,493 SF Exp. 9/2015		Fitness Center 6,087 SF	Morton's of Chicago 1,999 SF Exp. 5/2024		Corporate America Family Credit 1,901 SF Exp. 5/2018		Deli Time LLC 2,473 SF Exp. 6/2018		Conference Center 787 SF
LL	Morton's of Chicago 8,820 SF Exp. 5/2024			Morton's of Chicago 57 SF Exp. 5/2024	Vacant 36 SF	Vacant 90 SF	Vacant 65 SF	Building Mechanical Rooms			Building Generator Room	

Vacant

Building

2014 – 2015

2016 – 2017

2018 – 2019

2020+

9525 West Bryn Mawr Avenue

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$29,260,000
Cut-off Date Principal Balance:	\$29,260,000
% of Pool by IPB:	2.5%
Loan Purpose:	Acquisition
Borrower:	Adventus US Realty #7 LP
Sponsor:	Adventus Holdings LP
Interest Rate⁽¹⁾:	4.22000%
Note Date:	10/15/2014
Anticipated Repayment Date⁽¹⁾:	11/1/2024
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	ARD-IO-Balloon
Call Protection:	L(24),Def(93),O(3)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office - Suburban
Net Rentable Area (SF):	246,841
Location:	Rosemont, IL
Year Built / Renovated:	1989 / 2014
Occupancy:	92.8%
Occupancy Date:	10/15/2014
Number of Tenants:	13
2011 NOI⁽²⁾:	N/A
2012 NOI⁽³⁾:	\$1,371,636
2013 NOI⁽³⁾:	\$246,204
TTM NOI (as of 7/2014)⁽⁴⁾:	\$577,465
UW Economic Occupancy:	87.5%
UW Revenues:	\$5,682,300
UW Expenses:	\$2,678,515
UW NOI⁽⁴⁾:	\$3,003,785
UW NCF:	\$2,636,661
Appraised Value / Per SF⁽⁵⁾:	\$41,800,000 / \$169
Appraisal Date:	8/14/2014

Escrows and Reserves⁽⁶⁾

	Initial	Monthly	Initial Cap
Taxes:	\$256,241	\$64,081	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$5,760	\$5,760	N/A
TI/LC:	\$30,855	\$30,855	\$1,481,046
Other:	\$399,963	\$91,780	N/A

Financial Information

Cut-off Date Loan / SF:	\$119
Maturity Date Loan / SF:	\$100
Cut-off Date LTV⁽⁷⁾:	70.0%
Maturity Date LTV⁽⁷⁾:	59.3%
UW NCF DSCR:	1.53x
UW NOI Debt Yield:	10.3%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$29,260,000	70.0%	Purchase Price	\$40,964,000	98.0%
Sponsor Equity	12,554,513	30.0	Upfront Reserves	692,819	1.7
			Closing Costs	157,694	0.4
Total Sources:	\$41,814,513	100.0%	Total Sources:	\$41,814,513	100.0%

- (1) The loan is structured with an anticipated repayment date ("ARD") of November 1, 2024. In the event that the loan is not paid off on or before the ARD, the borrower is required to make monthly payments to the lender of principal and interest in the amount of the monthly debt service payment at the initial interest rate and additional interest will accrue at the difference between the initial interest rate and an amount that is the greater of (i) 3.0% plus the initial interest rate and (ii) 3.0% plus the 10-year swap rate as of the first business day after the ARD. In no event may the interest rate exceed 9.22000%. The final maturity date of the loan is December 1, 2025, except that if the largest tenant, Life Fitness, terminates its lease or gives notice of its intent to terminate prior to November 1, 2024, then the maturity date is deemed to be the same as the ARD.
- (2) The property underwent a major renovation in 2011; therefore, comparative financial statements for such year are not available.
- (3) The decrease from 2012 NOI to 2013 NOI is primarily due to an extensive renovation at the property from 2011 to 2014, which resulted in an increase in Occupancy from 52.4% to 92.8%.
- (4) The increase from TTM NOI to UW NOI is primarily due to (i) Life Fitness taking occupancy at the property in February 2014. Under the terms of the Life Fitness lease, Life Fitness is entitled to 11 months of free rent which will end in December 2014 and will then amount to \$991,541 of underwritten rent, (ii) underwriting contractual rent increases through September 2015, which amount to \$126,988 and (iii) newly executed leases totaling 19,431 square feet beginning in 2015, which amount to \$273,298 of rent. The remaining increase is due to increased reimbursement income associated with the aforementioned new leasing activity.
- (5) Appraised Value / Per SF, Cut-off Date LTV and Maturity Date LTV reflect the "Hypothetical Market Value As Is" of \$41,800,000, which assumes that rent concessions, tenant improvement allowances, and leasing commissions for existing leases have been paid and that rent payments by tenants Oasis Legal Finance and Quallsite have commenced. At origination, the full amount of the rent concessions, tenant improvements and leasing commissions was collected as a reserve, and the borrower is required to reserve \$91,780 in December 2014 and January and February 2015 for the Oasis Legal Finance and Quallsite abated rent periods. The "as-is" appraised value of \$40,100,000 would result in a Cut-off Date LTV and Maturity Date LTV of 73.0% and 61.8%, respectively.
- (6) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.
- (7) Maturity Date Loan / SF and Maturity Date LTV are as of the ARD.

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The Loan. The 9525 West Bryn Mawr Avenue loan has an outstanding principal balance of approximately \$29.3 million and is secured by a first mortgage lien on a 246,841 square foot office building located in Rosemont, Illinois. The loan is structured with an anticipated repayment date of November 1, 2024 and a final maturity date of December 1, 2025. Subsequent to a 24-month interest-only period, the loan will amortize on a 30-year schedule.

The Borrower. The borrowing entity for the 9525 West Bryn Mawr Avenue loan is Adventus US Realty #7 LP, a Delaware limited partnership and special purpose entity.

The Sponsor. The loan sponsor is Adventus Holdings LP (“Adventus”), a full service private REIT founded and based in Vancouver, Canada. The firm was founded by a group of former PricewaterhouseCoopers executives, including Rod Johnston and Brad Newell. Adventus is focused on acquiring and managing a portfolio of core properties in the \$10.0 to \$50.0 million range, with a primary focus on suburban office properties in Chicago, Illinois. To date, Adventus has acquired five properties and has a commercial real estate portfolio valued at approximately \$150.0 million consisting of approximately 1.5 million square feet. The loan sponsor acquired the property from a joint-venture between White Oak Realty and Angelo Gordon for approximately \$41.0 million in October 2014.

The Property. 9525 West Bryn Mawr Avenue is a Class A office property located in Rosemont, Illinois. The nine-story building is comprised of 246,841 square feet of office space plus one basement level. The property has an surface parking lot and dedicated access to an adjacent structured-parking deck. The property was built in 1989 and renovated from 2011 to 2014. Since 2011, there has been approximately \$13.7 million (approximately \$56 per square foot) in capital expenditures and tenant improvements and leasing commissions to extensively renovate and reposition the property, bringing the overall occupancy from 52.4% in early 2011 to 92.8% as of October 2014.

As of October 15, 2014, the property was 92.8% occupied by 13 tenants. The three largest tenants at the property have all relocated their corporate headquarters to the property over the past few years. The largest tenant is Life Fitness, which occupies 28.6% of the property’s net rentable area of which 68,674 square feet is under a lease through December 2025 and the remaining 2,007 square feet is on a lease through March 2015. Life Fitness is an American fitness equipment company that specializes in the production and distribution of exercise equipment such as stationary bikes and treadmills. Founded in 1977 as Lifecycle, the company developed the world’s first electronic stationary bicycle and now distributes its products through dealers in more than 120 countries. Since 1998, Life Fitness has been wholly owned by Brunswick Corporation (NYSE: “BC”), which is the world’s largest manufacturer of pleasure boats, marine engines, fitness equipment and bowling and billiards equipment. The second largest tenant is World Kitchen, which occupies 22.3% of the net rentable area through December 2023. World Kitchen is a kitchenware products maker and distributor. World Kitchen’s well-known brands include CorningWare, Pyrex, Chicago Cutlery, Baker’s Secret, Revere, OLFA, EKCO, and several others. World Kitchen moved its corporate headquarters, along with approximately 225 employees, to the property in 2013 and World Kitchen’s office space was recently named as one of “Chicago’s Coolest Offices” by Crain’s Chicago Business magazine. The third largest tenant is Fonterra (USA) Inc., which occupies 8.7% of the property’s net rentable area through May 2019. Fonterra is a multinational dairy co-operative owned by 10,600 New Zealand farmers and the company is responsible for approximately 30.0% of the world’s dairy exports.

9525 West Bryn Mawr Avenue is located in Rosemont, Illinois, a suburb that is approximately 15 miles away from downtown Chicago. The property is located approximately two miles from the Chicago O’Hare International Airport and is accessible from both Interstate 294 and Interstate 90. The property is located in the heart of Rosemont’s recently developed entertainment, dining and shopping district anchored by the adjacent MB Financial Park. The master-planned community was opened in 2012 and is home to 12 retail & entertainment venues offering upscale international cuisine, live music, comedy, state-of-the-art theatre, bowling and seasonal events. Rosemont hosts an average of 75,000 visitors a day. The property is located less than two blocks from the Donald E. Stephens Convention Center and the newly opened Fashions Outlets of Chicago, half a mile from the entertainment venue the Park at Rosemont and approximately two miles from the Rivers Casino. The Donald E. Stephens Convention Center is the tenth largest convention facility in the nation and the Fashion Outlets of Chicago, which opened in August 2013, is a 530,000 square foot shopping center that consists of over 130 stores.

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9525 West Bryn Mawr Avenue is located in the town of Rosemont in Cook County in northeastern Illinois. The property is located in the O'Hare submarket of the Chicago metro area. O'Hare is the only major suburban office submarket to feature a Chicago Transit Authority train line with direct access to Chicago's central business district. The Rosemont Blue Line stop, which is located less than half a mile from the property, provides direct service between Chicago O'Hare International Airport and downtown Chicago. The property also provides a shuttle for tenants with service in the mornings and evenings to the CTA Blue Line. The O'Hare submarket has an office inventory of approximately 13.7 million square feet of which 6.5 million square feet is Class A office space. The O'Hare Class A office space has an estimated vacancy rate of 24.6% and average asking rents of \$28.10 per square foot as of the second quarter of 2014. However, within the O'Hare submarket, the appraiser identified a subset of 10 directly competitive properties built between 1984 and 2010 and ranging from 121,117 square feet to 380,360 square feet that have an average vacancy of 7.5% and average asking rents of \$18.25 per square foot. Based on this peer group, the appraiser concluded a vacancy of 8.0% for 9525 West Bryn Mawr Avenue. 9525 West Bryn Mawr Avenue has a primary trade area consisting of a three-mile radius that contains an estimated 103,709 people with an estimated average household income of \$40,814 for 2014.

Historical and Current Occupancy ⁽¹⁾			
2011 ⁽²⁾	2012 ⁽²⁾	2013	Current ⁽³⁾
52.4%	60.7%	92.4%	92.8%

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

(2) 2011 and 2012 Occupancy is primarily a result of the property undergoing an extensive renovation.

(3) Current Occupancy is as of October 15, 2014.

Tenant Summary ⁽¹⁾					
Tenant	Ratings Moody's/S&P/Fitch ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Life Fitness ⁽³⁾⁽⁴⁾	Ba1 / BB+ / NA	70,681	28.6%	\$14.03	12/31/2025
World Kitchen ⁽⁵⁾	NA / NA / NA	54,994	22.3%	\$14.75	12/31/2023
Fonterra (USA) Inc. ⁽⁶⁾	NA / A / AA-	21,407	8.7%	\$16.25	5/31/2019
American Airlines Inc.	B1 / B / B+	19,387	7.9%	\$14.25	1/31/2016
Oasis Legal Finance ⁽⁷⁾	NA / NA / NA	16,903	6.8%	\$14.00	12/31/2022
Morton's of Chicago	NA / NA / NA	10,819	4.4%	\$37.95	5/31/2024
PRA Holding LLC	NA / NA / NA	10,801	4.4%	\$14.50	9/30/2015
Society of Surgical Oncology ⁽⁸⁾	NA / NA / NA	4,412	1.8%	\$14.75	10/31/2022
Aruba Networks Inc.	NA / NA / NA	3,362	1.4%	\$14.50	7/31/2018
NTN	NA / NA / NA	2,528	1.0%	\$14.50	12/31/2017

(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) Life Fitness has multiple leases at the property and the expiration date listed above reflects the expiration date of the largest space that Life Fitness occupies. In total, Life Fitness has 68,674 square feet expiring in December 2025 and 2,007 square feet expiring in March 2015. At origination, \$136,947 was escrowed for outstanding rent abatements associated with Life Fitness.

(4) Life Fitness has the right to terminate its lease on or after December 31, 2021, with 12 months' notice and a payment of a termination fee.

(5) World Kitchen has the right to terminate its lease on or after December 31, 2021, with 12 months' notice and a payment of a termination fee.

(6) Fonterra (USA) Inc. has the right to terminate its lease on or after May 15, 2015, with 12 months' notice and a payment of a termination fee.

(7) Oasis Legal Finance has an executed lease but has not yet taken occupancy or begun paying rent. At origination, \$243,964 was escrowed for outstanding rent abatements associated with Oasis Legal Finance.

(8) At origination, \$19,048 was escrowed for outstanding rent abatements associated with Society of Surgical Oncology.

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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	24,709	10.0%	NAP	NAP	24,709	10.0%	NAP	NAP
2014 & MTM	0	0	0.0	\$0	0.0%	24,709	10.0%	\$0	0.0%
2015	3	15,215	6.2	221,622	6.4	39,924	16.2%	\$221,622	6.4%
2016	1	19,387	7.9	276,265	8.0	59,311	24.0%	\$497,887	14.4%
2017	1	2,528	1.0	36,656	1.1	61,839	25.1%	\$534,543	15.5%
2018	3	7,736	3.1	90,815	2.6	69,575	28.2%	\$625,358	18.1%
2019	1	21,407	8.7	347,864	10.1	90,982	36.9%	\$973,222	28.1%
2020	0	0	0.0	0	0.0	90,982	36.9%	\$973,222	28.1%
2021	0	0	0.0	0	0.0	90,982	36.9%	\$973,222	28.1%
2022	2	21,315	8.6	301,719	8.7	112,297	45.5%	\$1,274,941	36.9%
2023	1	54,994	22.3	811,162	23.5	167,291	67.8%	\$2,086,102	60.3%
2024	1	10,876	4.4	411,241	11.9	178,167	72.2%	\$2,497,343	72.2%
2025 & Beyond	1	68,674	27.8	961,436	27.8	246,841	100.0%	\$3,458,779	100.0%
Total	14	246,841	100.0%	\$3,458,779	100.0%				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow						
	2012 ⁽¹⁾	2013 ⁽¹⁾	TTM ⁽²⁾	Underwritten	Per Square Foot	% ⁽³⁾
Rents in Place ⁽²⁾	\$1,922,490	\$1,587,318	\$1,830,962	\$3,458,779	\$14.01	53.3%
Vacant Income	0	0	0	266,872	1.08	4.1
Gross Potential Rent	\$1,922,490	\$1,587,318	\$1,830,962	\$3,725,651	\$15.09	57.4%
Total Reimbursements	1,347,325	1,023,217	1,255,650	2,768,407	11.22	42.6
Net Rental Income	\$3,269,815	\$2,610,535	\$3,086,612	\$6,494,057	\$26.31	100.0%
(Vacancy/Credit Loss)	0	0	0	(811,757)	(3.29)	(12.5)
Other Income	0	0	0	0	0.00	0.0
Effective Gross Income	\$3,269,815	\$2,610,535	\$3,086,612	\$5,682,300	\$23.02	87.5%
Total Expenses	\$1,898,179	\$2,364,331	\$2,509,147	\$2,678,515	\$10.85	47.1%
Net Operating Income	\$1,371,636	\$246,204	\$577,465	\$3,003,785	\$12.17	52.9%
Total TI/LC, Capex/RR	0	0	0	367,125	1.49	6.5
Net Cash Flow	\$1,371,636	\$246,204	\$577,465	\$2,636,661	\$10.68	46.4%

(1) The decrease from 2012 NOI to 2013 NOI is primarily due to an extensive renovation at the property from 2011 to 2014, which resulted in occupancy increasing from 52.4% to 92.8%.

(2) TTM column represents the trailing twelve month period ending on July 31, 2014. The increase from TTM NOI to UW NOI is primarily due to (i) Life Fitness taking occupancy at the property in February 2014. Under the terms of the Life Fitness lease, Life Fitness is entitled to 11 months of free rent which will end in December 2014 and will then amount to \$991,541 of underwritten rent, (ii) underwriting contractual rent increases through September 2015 which amount to \$126,988 and (iii) newly executed leases which amount to \$273,298. The remaining increase is due to an increase reimbursement income associate with the aforementioned new leasing activity.

(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.

Property Management. The property is managed by Cushman & Wakefield of Illinois, Inc.

Escrows and Reserves. At origination, the borrower deposited into escrow approximately \$399,963 for a free rent reserve, \$256,241 for real estate taxes, \$30,855 for tenant improvements and leasing commissions and \$5,760 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 \$64,081.

Insurance Escrows - The requirement for the borrower to make monthly deposits into the insurance escrow is waived so long as (i) no event of default exists and (ii) the borrower provides satisfactory evidence that the property is insured under an approved blanket policy in accordance with the loan documents.

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Replacement Reserves - On a monthly basis, the borrower is required to escrow \$5,760 (approximately \$0.28 per square foot annually) for replacement reserves.

TI/LC Reserves - On a monthly basis, the borrower is required to escrow \$30,855 (approximately \$1.50 per square foot annually) for future tenant improvements and leasing commissions. The reserve is subject to a cap of approximately \$1.5 million (\$6.00 per square foot). The borrower is required to deposit all fees into the TI/LC reserve in connection with any tenant exercising any termination or partial termination or contraction rights. The cap on the TI/LC reserve does not apply to any termination or contraction fees.

Free Rent Reserves - On the payment dates occurring in December 2014, January 2015 and February 2015, the borrower is required to escrow \$91,780 for the payment of free rent associated with Oasis Legal Finance and Qualsite.

Lockbox / Cash Management. The loan is structured with a CMA lockbox. The borrower and property manager were required to deliver tenant direction letters to all tenants instructing them to deposit all revenues directly into the lockbox account controlled by the lender. All funds in the lockbox account are returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event. During a Cash Sweep Event, all funds on deposit in the lockbox account will be swept on a daily basis to a cash management account established upon the occurrence of a Cash Sweep Event, and all excess cash flows after payment of debt service, required reserves and operating expenses is required to be held as additional collateral for the loan.

A “Cash Sweep Event” means: (i) there is an event of default under the loan documents, (ii) the borrower or the property manager becomes the subject of a bankruptcy, insolvency or similar action, (iii) the debt service coverage ratio as calculated in the loan documents based on the trailing three-month period falls below 1.20x, (iv) a Tenant Trigger Event occurs or (v) an ARD Trigger event occurs.

A “Tenant Trigger Event” means World Kitchen and/or Life Fitness fails to renew or extend its lease 12 months prior to its lease expiration or terminates or gives notice of its intent to terminate its lease. Both tenants are headquartered at the property.

An “ARD Trigger Event” means the loan has not been repaid in full pursuant to the terms of the loan agreement on or before the payment date that is one month prior to the ARD of November 1, 2024.