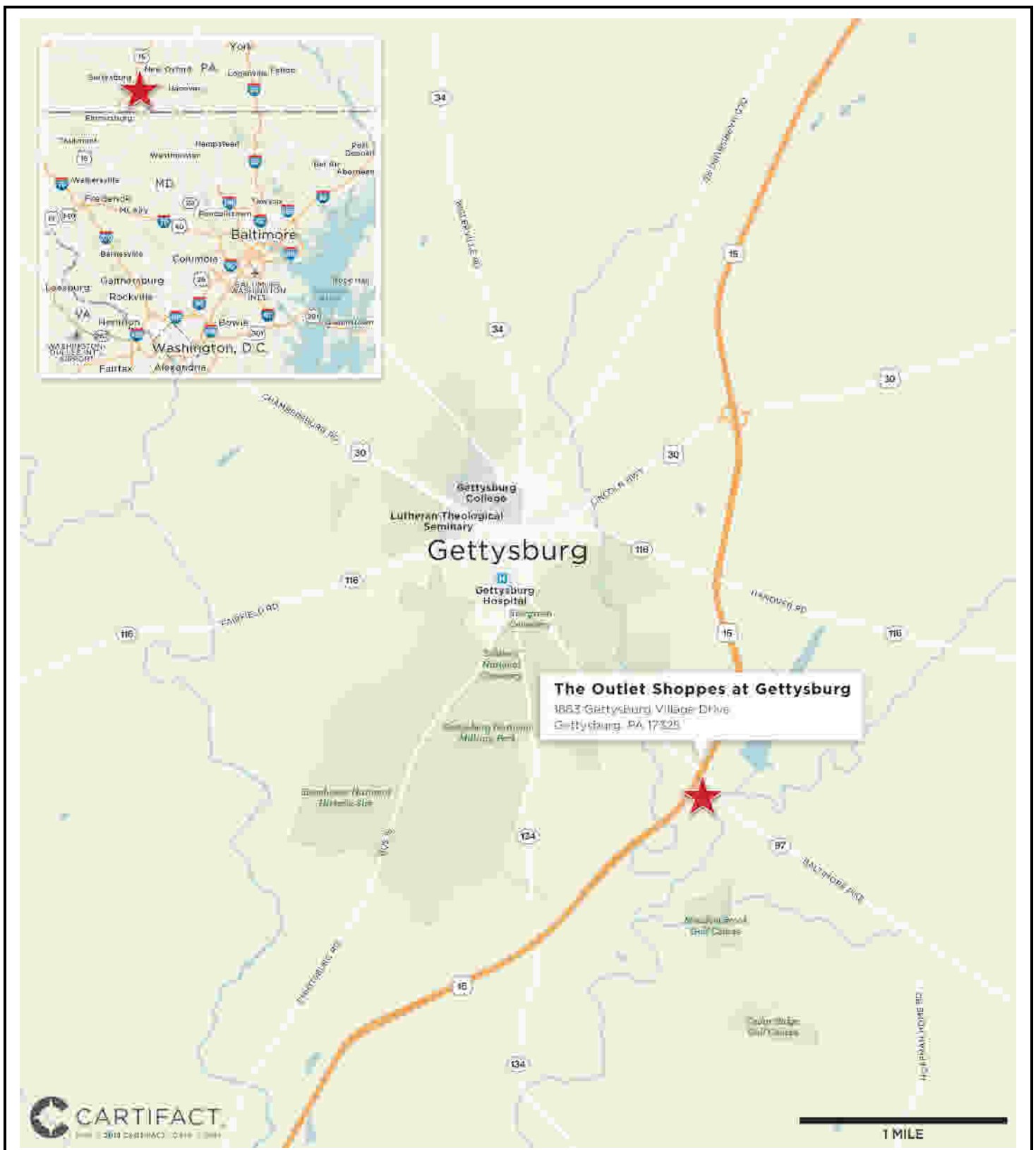


**The Outlet Shoppes at Gettysburg**

## The Outlet Shoppes at Gettysburg



## The Outlet Shoppes at Gettysburg

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	SMF II
<b>Original Principal Balance:</b>	\$38,450,000
<b>Cut-off Date Principal Balance:</b>	\$38,450,000
<b>% of Pool by IPB:</b>	3.3%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Gettysburg Outlet Center CMBS, LLC
<b>Sponsors:</b>	CBL & Associates Limited Partnership and Horizon Group Properties, Inc.
<b>Interest Rate:</b>	4.80400%
<b>Note Date:</b>	9/11/2015
<b>Maturity Date:</b>	10/6/2025
<b>Interest-only Period:</b>	24 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(24),Def(90),O(6)
<b>Lockbox:</b>	Springing
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Retail - Outlet Center
<b>Net Rentable Area (SF):</b>	249,937
<b>Location:</b>	Gettysburg, PA
<b>Year Built / Renovated:</b>	2000 / N/A
<b>Occupancy:</b>	97.2%
<b>Occupancy Date:</b>	9/1/2015
<b>Number of Tenants:</b>	67
<b>2012 NOI:</b>	\$3,998,017
<b>2013 NOI<sup>(1)</sup>:</b>	\$4,042,579
<b>2014 NOI<sup>(1)</sup>:</b>	\$3,806,384
<b>TTM NOI (as of 6/2015):</b>	\$4,115,809
<b>UW Economic Occupancy:</b>	97.0%
<b>UW Revenues:</b>	\$7,232,464
<b>UW Expenses:</b>	\$3,125,441
<b>UW NOI:</b>	\$4,107,023
<b>UW NCF:</b>	\$3,869,583
<b>Appraised Value / Per SF:</b>	\$64,800,000 / \$259
<b>Appraisal Date:</b>	8/10/2015

### Escrows and Reserves<sup>(2)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$106,115	\$34,029	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$4,166	N/A
<b>TI/LC:</b>	\$150,000	\$15,621	\$750,000
<b>Other:</b>	\$0	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$154
<b>Maturity Date Loan / SF:</b>	\$131
<b>Cut-off Date LTV:</b>	59.3%
<b>Maturity Date LTV:</b>	50.7%
<b>UW NCF DSCR:</b>	1.60x
<b>UW NOI Debt Yield:</b>	10.7%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$38,450,000	98.7%	Payoff Existing Debt	\$38,305,378	98.4%
Sponsor Equity	489,916	1.3	Closing Costs	378,422	1.0
			Upfront Reserves	256,115	0.7
<b>Total Sources</b>	<b>\$38,939,916</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$38,939,916</b>	<b>100.0%</b>

(1) The decrease in 2014 NOI from 2013 NOI is primarily due to increased expenses related to snow removal and electricity costs during the winter.

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

**The Loan.** The Outlet Shoppes at Gettysburg loan has an outstanding principal balance of \$38.45 million and is secured by a first mortgage lien on a retail outlet shopping center totaling 249,937 square feet in Gettysburg, Pennsylvania. The loan has a 10-year term and, subsequent to a two-year interest-only period, will amortize on a 30-year schedule. The previously existing debt on The Outlet Shoppes at Gettysburg property was securitized in 2006 as part of the CSMC 2006-C2 transaction.

**The Borrower.** The borrowing entity for The Outlet Shoppes at Gettysburg loan is Gettysburg Outlet Center CMBS, LLC, a Delaware limited liability company and special purpose entity.

## The Outlet Shoppes at Gettysburg

**The Sponsors.** The loan sponsors and nonrecourse carve-out guarantors are CBL & Associates Limited Partnership (“CBL”) and Horizon Group Properties, Inc. (“Horizon”). CBL is one of the largest mall REITs in the United States and owns, holds interests in or manages more than 140 properties including enclosed malls and open-air centers located throughout the United States. CBL is an active developer of new regional malls, open-air centers and lifestyle and community centers. Horizon is an owner and developer of factory outlet shopping centers and is headed by an executive team with more than 150 combined years of shopping center experience. Horizon was founded in 1998 and is based in Norton Shores, Michigan, with executive offices in Rosemont, Illinois. In addition to The Outlet Shoppes at Gettysburg, Horizon’s portfolio includes ownership interests in seven outlet centers containing approximately 2.1 million square feet located in Woodstock, Georgia; Louisville, Kentucky; Oshkosh, Wisconsin; Burlington, Washington; Fremont, Indiana; Oklahoma City, Oklahoma and El Paso, Texas. The borrowing entity for The Outlet Shoppes at Gettysburg loan is a 50-50 joint venture between CBL and Horizon.

**The Property.** The collateral is comprised of 14 one- and two-story buildings located in Gettysburg, Pennsylvania. In-line tenants at The Outlet Shoppes at Gettysburg property consist of national tenants such as Gap, Coach, Bass, Brooks Brothers, Old Navy, Adidas and Under Armour, amongst others. In addition to a shopping center, The Outlet Shoppes at Gettysburg property includes three outparcels that are currently ground leased to TGI Fridays, a Country Inn & Suites hotel and Frank’s Theatre. The Outlet Shoppes at Gettysburg property includes 1,718 parking spaces, resulting in a parking ratio of approximately 6.87 spaces per 1,000 square feet of net rentable area.

As of September 1, 2015, The Outlet Shoppes at Gettysburg property was 97.2% occupied by 67 tenants and has had an average occupancy level of 99.7% over the past three years. For those tenants reporting sales, TTM July 2015 sales per square foot were \$243. The largest tenant, Old Navy, leases 5.7% of the net rentable area through March 2016 and has been in occupancy since March 2001. Old Navy is a clothing and accessories retailer owned by Gap. The second largest tenant, Adidas, leases 5.4% of the net rentable area through January 2016 and has been in occupancy since October 2000. Adidas is a German multinational corporation that designs and manufactures sport shoes, clothing and accessories. The third largest tenant, Gap, leases 4.1% of the net rentable area through October 2015 and has been in occupancy since October 2000. A letter of intent for a five-year lease extension at the same terms as its current lease was delivered to Gap and an extension has not yet been executed. Gap is an American multinational clothing and accessory retailer with approximately 2,500 locations throughout the United States.

The Outlet Shoppes at Gettysburg property is located in Gettysburg, Pennsylvania, within the Gettysburg metropolitan statistical area. Primary access to the area is provided by Highway 15, the primary north/south thoroughway connecting Gettysburg to Harrisburg, Pennsylvania. Within the 50-mile trade area of the property, the 2015 estimated average household income is \$83,632, with an estimated 2015 population of 3,080,054. The Outlet Shoppes at Gettysburg property is located within one mile of the Gettysburg National Military Park which draws over two million visitors annually. The Outlet Shoppes at Gettysburg property is approximately 40 miles southwest of Harrisburg, Pennsylvania.

The appraisal identified three outlet centers within 65 miles of the property, with the closest outlet center, Hagerstown Premium Outlets, approximately 40 miles away. As a result, the appraisal concluded a primary trade area radius of approximately 50 miles, or areas within a drive time of approximately one hour. The occupancies of the outlet centers within that area range from 95% to 99%. According to the appraisal, market rent for comparable in-line retail space is \$20.00 per square foot. The in-place rent at The Outlet Shoppes at Gettysburg property is \$18.83 per square foot. According to the appraisal, there is no planned retail outlet construction in the trade area.

Historical and Current Occupancy <sup>(1)</sup>			
2012	2013	2014	Current <sup>(2)</sup>
99.6%	99.8%	99.8%	97.2%

(1) Historical Occupancies are as of January 1, 2013 for 2012, January 1, 2014 for 2013 and January 1, 2015 for 2014.

(2) Current Occupancy is as of September 1, 2015.

## The Outlet Shoppes at Gettysburg

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 <sup>(3)</sup>	% of Total Base Rent	Lease Expiration Date
Old Navy <sup>(4)</sup>	Baa3 / BBB- / BBB-	14,367	5.7%	\$11.50	3.4%	3/31/2016
Adidas	NA / NA / NA	13,550	5.4%	\$17.25	4.8%	1/31/2016
Gap <sup>(3)(4)(5)</sup>	Baa3 / BBB- / BBB-	10,324	4.1%	\$6.77	1.4%	10/31/2015
Dress Barn <sup>(4)</sup>	N/A / BB / NA	9,924	4.0%	\$21.85	4.5%	6/30/2018
Eddie Bauer <sup>(4)</sup>	NA / NA / NA	9,050	3.6%	\$19.00	3.5%	1/31/2016
Tommy Hilfiger <sup>(3)</sup>	Baa3 / BB+ / NA	8,851	3.5%	\$13.52	2.5%	1/31/2016
Columbia <sup>(4)(6)</sup>	NA / NA / NA	8,152	3.3%	\$16.48	2.8%	1/31/2025
Bass <sup>(3)</sup>	NA / NA / NA	7,500	3.0%	\$19.84	3.1%	12/31/2015
Coach <sup>(3)(4)(7)</sup>	Baa2 / BBB- / BBB	5,959	2.4%	\$11.45	1.4%	1/31/2023
Brooks Brothers <sup>(3)(4)</sup>	NA / NA / NA	5,600	2.2%	\$13.50	1.6%	8/31/2017

(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) Tenant pays percentage of gross sales in lieu of base rent ("PIL"). PIL is based on sales figures provided by the borrower based on the applicable tenant. Base Rent PSF for tenants paying PIL is calculated based on PIL as of TTM July 2015.

(4) The tenant and 40 other tenants collectively representing an aggregate of 178,318 square feet, have co-tenancy provisions. These provisions generally require a minimum occupancy at The Outlet Shoppes at Gettysburg property ranging from 50.0% to 85.0%. If these co-tenancy clauses are breached, certain tenants may begin paying abated rent, which is calculated as a percentage of gross sales generally ranging from 2.0% to 8.0%, and certain other tenants may be permitted to terminate their respective leases.

(5) A letter of intent for a five year lease extension at the same terms as its current lease was delivered to Gap. We cannot assure that this tenant will extend its lease beyond the current expiration date.

(6) Columbia has the one-time right to terminate its lease if annual gross sales after December 2018 are less than \$2,038,000, with 90 days' written notice and a fee equal to 75% of the unamortized portions of its construction allowance.

(7) Coach has the one-time right to terminate its lease if annual gross sales after December 2015 are less than \$5,000,000 with 60 days' written notice. The tenant's gross sales for TTM July were \$2,274,848.

Percent-in-lieu Rent Schedule				
Tenant	TTM July 2015 Sales	Sales PSF	PIL	Underwritten Rent
Tommy Hilfiger	\$1,495,288	\$169	8.00%	\$119,623
Children's Place	996,655	\$181	8.00%	79,732
Wilsons Leather	789,961	\$196	(1)	78,996
Brooks Brothers	944,944	\$169	8.00%	75,596
Gap	2,279,642	\$221	(2)	69,935
Coach	2,274,848	\$382	3.00%	68,245
Pepperidge Farm	406,143	\$355	8.00%	32,491
Corrados Pizza	289,729	\$358	10.00%	28,973
Civil War Store	213,275	\$85	(3)	21,328
Book Warehouse	174,226	\$67	10.00%	17,423
<b>Total</b>	<b>\$9,864,711</b>			<b>\$592,341</b>

(1) Wilsons Leather pays the greater of \$60,330 or 10.00% PIL.

(2) Gap pays the lesser of \$123,888 or 3.00% PIL.

(3) Civil War Store pays the greater of \$16,800 or 10.00% PIL.

## The Outlet Shoppes at Gettysburg

Lease Rollover Schedule <sup>(1)(2)</sup>									
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	7,024	2.8%	NAP	NAP	7,024	2.8%	NAP	NAP
2015 & MTM	9	38,470	15.4	\$580,690	11.9%	45,494	18.2%	\$580,690	11.9%
2016	20	88,382	35.4	1,518,759	31.2	133,876	53.6%	\$2,099,449	43.1%
2017	5	16,560	6.6	287,432	5.9	150,436	60.2%	\$2,386,881	49.0%
2018	12	39,697	15.9	931,739	19.1	190,133	76.1%	\$3,318,621	68.1%
2019	3	7,405	3.0	171,067	3.5	197,538	79.0%	\$3,489,688	71.7%
2020 <sup>(3)</sup>	7	19,873	8.0	497,190	10.2	217,411	87.0%	\$3,986,878	81.9%
2021	0	0	0.0	0	0.0	217,411	87.0%	\$3,986,878	81.9%
2022	1	3,463	1.4	74,454	1.5	220,874	88.4%	\$4,061,332	83.4%
2023	2	7,415	3.0	106,101	2.2	228,289	91.3%	\$4,167,433	85.6%
2024	0	0	0.0	0	0.0	228,289	91.3%	\$4,167,433	85.6%
2025	6	21,648	8.7	429,481	8.8	249,937	100.0%	\$4,596,914	94.4%
2026 & Beyond <sup>(4)</sup>	2	0	0.0	273,000	5.6	249,937	100.0%	\$4,869,914	100.0%
<b>Total</b>	<b>67</b>	<b>249,937</b>	<b>100.0%</b>	<b>\$4,869,914</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

(2) Base rent includes underwritten base rent and July 2015 PIL.

(3) Includes ground rent from TGI Fridays.

(4) Includes ground rent from Frank's Theatre and Country Inn &amp; Suites.

Operating History and Underwritten Net Cash Flow							
	2012	2013	2014	TTM <sup>(1)</sup>	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$4,656,319	\$4,752,785	\$4,695,368	\$4,693,869	\$4,869,914	\$19.48	66.2%
Vacant Income	0	0	0	0	140,480	0.56	1.9
<b>Gross Potential Rent</b>	<b>\$4,656,319</b>	<b>\$4,752,785</b>	<b>\$4,695,368</b>	<b>\$4,693,869</b>	<b>\$5,010,394</b>	<b>\$20.05</b>	<b>68.1%</b>
Total Reimbursements	2,073,084	2,092,272	2,091,758	2,186,851	2,184,030	8.74	29.7
Percentage Rent <sup>(4)</sup>	120,167	138,132	186,553	205,107	158,589	0.63	2.2
<b>Net Rental Income</b>	<b>\$6,849,570</b>	<b>\$6,983,189</b>	<b>\$6,973,679</b>	<b>\$7,085,827</b>	<b>\$7,353,013</b>	<b>\$29.42</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	(8,331)	(58,227)	(39,176)	(0)	(220,903)	(0.88)	(3.0)
Other Income <sup>(5)</sup>	60,526	51,264	128,572	151,624	100,353	0.40	1.4
<b>Effective Gross Income</b>	<b>\$6,901,765</b>	<b>\$6,976,226</b>	<b>\$7,063,075</b>	<b>\$7,237,451</b>	<b>\$7,232,464</b>	<b>\$28.94</b>	<b>98.4%</b>
<b>Total Expenses</b>	<b>\$2,903,748</b>	<b>\$2,933,647</b>	<b>\$3,256,691</b>	<b>\$3,121,642</b>	<b>\$3,125,441</b>	<b>\$12.50</b>	<b>43.2%</b>
<b>Net Operating Income<sup>(6)</sup></b>	<b>\$3,998,017</b>	<b>\$4,042,579</b>	<b>\$3,806,384</b>	<b>\$4,115,809</b>	<b>\$4,107,023</b>	<b>\$16.43</b>	<b>56.8%</b>
Total TI/LC, Capex/RR	0	0	0	0	237,440	0.95	3.3
<b>Net Cash Flow</b>	<b>\$3,998,017</b>	<b>\$4,042,579</b>	<b>\$3,806,384</b>	<b>\$4,115,809</b>	<b>\$3,869,583</b>	<b>\$15.48</b>	<b>53.5%</b>

(1) TTM historical financials are based on the trailing 12-month period ending on June 30, 2015.

(2) Percentage 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 are based on the September 1, 2015 rent roll with rent steps through January 2016. Ten tenants currently pay PIL (and in the case of three tenants, the greater of base rent or PIL), which comprises approximately \$592,341 of Underwritten Rents in Place.

(4) Percentage Rent includes overage income derived from tenants that have met their sales breakpoints.

(5) Other Income primarily consists of temporary tenant space income, trash pad rental and miscellaneous fees.

(6) The decrease in 2014 Net Operating Income from 2013 Net Operating Income is primarily due to increased expenses related to snow removal and electricity costs during the winter.

**Property Manager.** The Outlet Shoppes at Gettysburg property is managed by Horizon Group Properties, LP, an affiliate of one of the loan sponsors.



## The Outlet Shoppes at Gettysburg

**Escrows and Reserves.** At origination, the borrower deposited \$150,000 for future tenant improvements and leasing commissions and \$106,115 for real estate taxes.

**Tax Escrows** - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$34,029.

**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, (ii) the debt service coverage ratio as calculated in the loan documents based on a trailing 12-month period is not less than 1.15x and (iii) the borrower provides satisfactory evidence that the property is insured under an approved blanket policy in accordance with the loan documents.

**Replacement Reserves** - On a monthly basis, the borrower is required to escrow \$4,166 (approximately \$0.20 per square foot annually) for replacement reserves.

**TI/LC Reserves** - On a monthly basis, the borrower is required to escrow \$15,621 (approximately \$0.75 per square foot annually) for future tenant improvements and leasing commissions. The reserve is subject to a cap of \$750,000 (approximately \$3.00 per square foot).

**Lockbox / Cash Management.** The loan is structured with a springing lockbox and springing cash management. During a Sweep Event Period (as defined below), the borrower and/or property manager are required to send tenant direction letters to tenants instructing them to deposit all rents and payments directly into a lockbox account controlled by the lender. During a Sweep Event Period, all funds in the lockbox account are swept daily to a cash management account under the control of the lender and disbursed during the term of the loan in accordance with the loan documents and all excess cash flow after payment of debt service, required reserves and operating expenses will be held as additional collateral for the loan.

A "Sweep Event Period" means: (i) the occurrence of an event of default under the loan documents or (ii) the debt service coverage ratio as calculated in the loan documents based on a trailing 12-month period falling below 1.15x.

**Condominium.** The Outlet Shoppes at Gettysburg property is part of a condominium regime. The condominium consists of seven units of which the borrower currently owns five units consisting of the shopping center, the three ground leased outparcels and an undeveloped out-parcel which was transferred prior to the closing of the loan and will not be collateral for the loan. The remaining two units are owned by an affiliate of the borrower, are undeveloped, and will not be allocated percentage interests in the condominium until a building is constructed on either or both units. The borrower has and is expected to maintain the majority interest in the condominium throughout the term of the loan.

**Ground Lease.** The Outlet Shoppes at Gettysburg property is subject to a ground lease with an affiliated ground lessor. The ground lease includes standard leasehold protections including those which permit the lender to foreclose on its mortgage on The Outlet Shoppes at Gettysburg property and become the ground lessee thereunder. Additionally, the lender has a mortgage on the affiliated entity's fee interest.

**Partial Release.** Provided no event of default or Sweep Event Period is continuing, the borrower is permitted to obtain the release of an unimproved portion of The Outlet Shoppes at Gettysburg property from the lien of the mortgage if certain conditions are satisfied, including, that the borrower provides the lender with 30 days prior written notice of such release and satisfaction of REMIC requirements.