

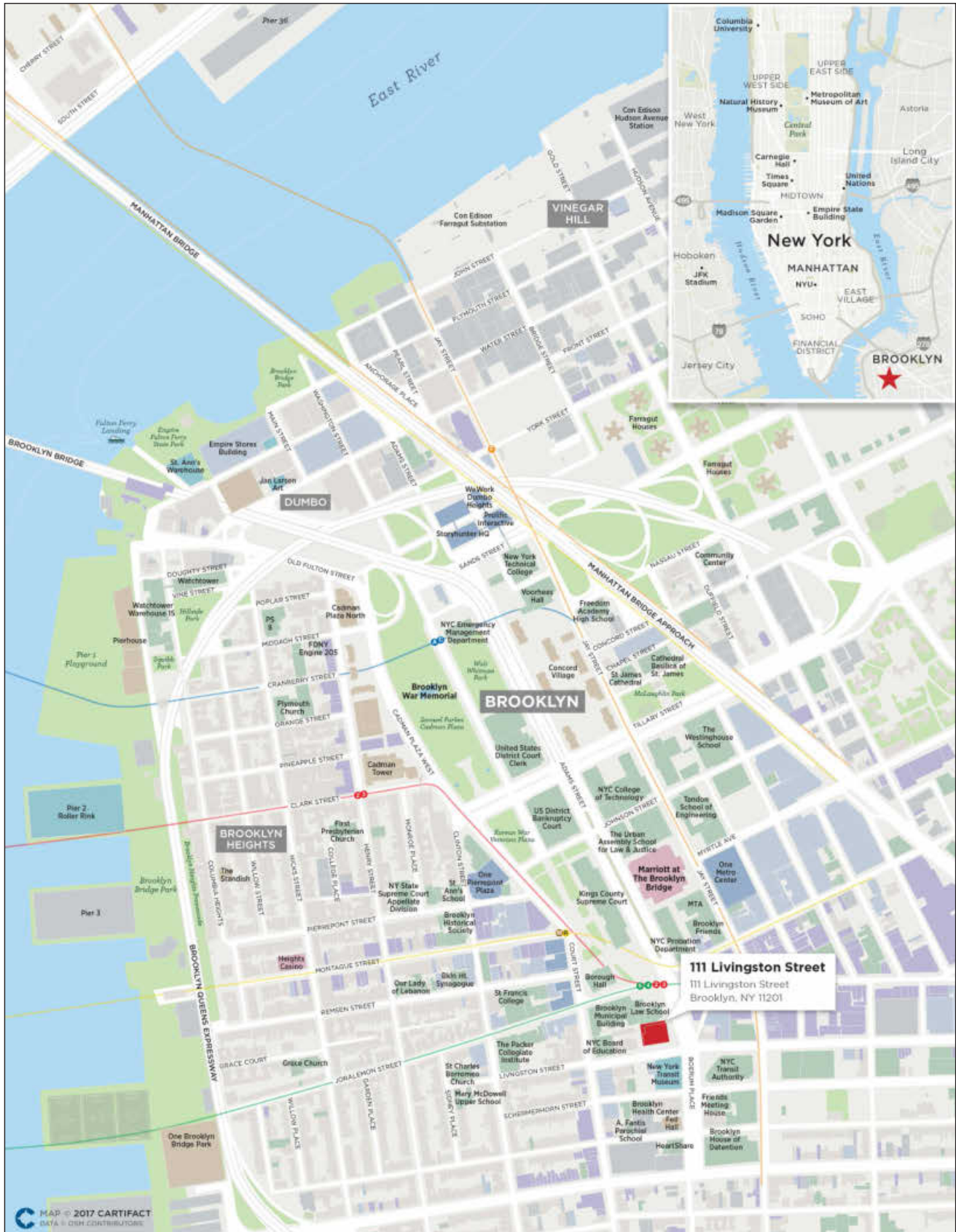


# LOAN #7: 111 LIVINGSTON STREET

21	Brooklyn Law School 20,500 SF – 1/2032		
20	Brooklyn Law School 20,500 SF – 1/2032		
19	Central Medical 2,375 SF – 3/2021	New York Energy 2,500 SF – 8/2019	Berkman Law 4,125 SF – 10/2018
18	Northrop Grumman 20,500 SF – 7/2021		
17	Vacant 10,270 SF		Manager Office 800 SF
16	NYS Office of Assistance 25,643 SF – 5/2020		
15	NYS Office of Assistance 25,643 SF – 5/2020		
14	NYS Office of Assistance 25,643 SF – 5/2020		
13	Mechanical 1,363 SF		
12	Mechanical 1,362 SF		
11	Theracare 4,300 SF – 5/2017	The Legal Aid Society 15,200 SF – 10/2037	
10	The Legal Aid Society 20,500 SF – 10/2037		
9	The Legal Aid Society 20,500 SF – 10/2037		
8	The Legal Aid Society 20,500 SF – 10/2037		
7	The Legal Aid Society 20,500 SF – 10/2037		
6	NYS Office of Assistance 5,351 SF – 5/2020	The Legal Aid Society 14,700 SF – 10/2037	
5	NYS Office of Assistance 20,500 SF – 5/2020		
4	NYS Office of Assistance 18,765 SF – 5/2020		Common Area 1,735 SF
3			
2			
Ground	Pasternack Law Firm 3,391 SF – 5/2019	City University of NY 45,000 SF – 8/2017	Common Area 11,609 SF
Base	NYS Workers Comp 50,225 SF – MTM		
Sub Level 2	Livingston Street Parking		
Sub Level 1	Livingston Street Parking		

VACANT
MTM
BUILDING
2017-2018
2019-2020
2021-2022
2023+





## LOAN #7: 111 LIVINGSTON STREET

Mortgaged Property Information		Mortgage Loan Information	
Number of Mortgaged Properties	1	Loan Seller	CGMRC, GACC
Location (City/State)	Brooklyn, New York	Cut-off Date Balance <sup>(2)</sup>	\$67,000,000
Property Type	Office	Cut-off Date Balance per SF <sup>(1)</sup>	\$276.50
Size (SF)	434,000	Percentage of Initial Pool Balance	5.0%
Total Occupancy as of 11/1/2016	97.6%	Number of Related Mortgage Loans	None
Owned Occupancy as of 11/1/2016	97.6%	Type of Security	Fee Simple
Year Built / Latest Renovation	1969 / 2001	Mortgage Rate	4.73000%
Appraised Value	\$219,000,000	Original Term to Maturity (Months)	120
Appraisal Date	10/26/2016	Original Amortization Term (Months)	NAP
Borrower Sponsors	Abraham Leser; Harry Gold; Robert Schachter and Edith Leser	Original Interest Only Period (Months)	120
Property Management	111 Property Manager LLC	First Payment Date	2/6/2017
		Maturity Date	1/6/2027
		<b>Escrows<sup>(3)</sup></b>	
Underwritten Revenues	\$18,801,753	Taxes	Upfront Monthly
Underwritten Expenses	\$9,038,441		\$296,183 \$296,183
Underwritten Net Operating Income (NOI)	\$9,763,312	Insurance	\$0 \$0
Underwritten Net Cash Flow (NCF)	\$8,966,501	Replacement Reserve	\$0 \$7,233
Cut-off Date LTV Ratio <sup>(1)</sup>	54.8%	TI/LC <sup>(4)</sup>	\$0 \$36,167
Maturity Date LTV Ratio <sup>(1)</sup>	54.8%	Other <sup>(5)</sup>	\$36,457,097 \$0
DSCR Based on Underwritten NOI / NCF <sup>(1)</sup>	1.70x / 1.56x		
Debt Yield Based on Underwritten NOI / NCF <sup>(1)</sup>	8.1% / 7.5%		

Sources and Uses			
Sources	\$	%	Uses
Loan Combination Amount	\$120,000,000	99.9%	Loan Payoff
Other Sources	125,000	0.1	Reserves
			Closing Costs
			Principal Equity Distribution
Total Sources	\$120,125,000	100.0%	Total Uses
			\$80,506,976 67.0%
			36,753,280 30.6
			2,800,863 2.3
			63,881 0.1
			\$120,125,000 100.0%

(1) Calculated based on the aggregate outstanding principal balance of the 111 Livingston Street Loan Combination (as defined below).

(2) The 111 Livingston Street Loan has a Cut-off Date Balance of \$67,000,000 and represents the controlling note A-1 and non-controlling note A-3 of the \$120,000,000 111 Livingston Street Loan Combination, which is evidenced by four *pari passu* notes and was co-originated by Citigroup Global Markets Realty Corp. and Deutsche Bank AG, New York Branch. The related companion loans are evidenced by the non-controlling note A-2 (\$29,000,000) which is currently held by CGMRC and expected to be contributed to a future commercial mortgage securitization transaction and non-controlling note A-4 (\$24,000,000), which is currently held by Deutsche Bank AG, New York Branch and is expected to be contributed to a future commercial mortgage securitization transaction. See "The Mortgage Loan" below.

(3) See "Escrows" below.

(4) The tenant improvements and leasing commissions reserve has a cap of \$2,000,000.

(5) Upfront Other reserves include reserves for an economic holdback (\$29,490,000), unfunded obligations (\$4,705,472), CUNY renewal reserve (\$2,250,000) and deferred maintenance (\$11,625). Upon satisfaction of the disbursement conditions for the economic holdback described in "Escrows" below, \$1,500,000 of the economic holdback reserve will be deposited into an eligible account to be used solely for approved tenant improvement and leasing commission costs associated with any further renewal or replacement of the New York State Workers' Compensation Board ("NYS Workers Comp") lease as further described in "Escrows" below.

- The Mortgage Loan.** The mortgage loan (the "111 Livingston Street Loan") is part of a loan combination (the "111 Livingston Street Loan Combination") evidenced by four *pari passu* notes that are together secured by a first mortgage encumbering the borrower's fee simple interest in an office building, located in Brooklyn, New York (the "111 Livingston Street Property"). The 111 Livingston Street Loan, which is evidenced by the controlling note A-1 (in the amount of \$38,000,000 which is being sold to the trust by CGMRC) and non-controlling note A-3 (in the amount of \$29,000,000 which is being sold to the trust by GACC), represents a controlling interest in the 111 Livingston Street Loan Combination, had an original aggregate principal balance of \$67,000,000 and has an outstanding aggregate principal balance as of the Cut-off Date of \$67,000,000. The 111 Livingston Street Loan represents approximately 5.0% of the Initial Pool Balance. The related companion loans had an original aggregate principal balance of \$53,000,000, have an outstanding aggregate principal balance as of the Cut-off Date of \$53,000,000 and are evidenced by the non-controlling note A-2 (in the amount of \$29,000,000), which is held by CGMRC and expected to be contributed to a future securitization transaction and the non-controlling note A-4 (in the amount of \$24,000,000), which is held by Deutsche Bank AG, New York Branch and expected to be contributed to a future securitization transaction. The 111 Livingston Street Loan Combination, which accrues interest at an interest rate of 4.73000% per annum, was co-originated by Citigroup Global Markets Realty Corp. and Deutsche Bank AG, New York Branch on January 5, 2017, had an original principal balance of \$120,000,000 and has an outstanding principal balance as of the Cut-off Date of \$120,000,000. The proceeds of the 111 Livingston Street Loan Combination were primarily used to retire the existing debt of the 111 Livingston Street Property, fund reserves, pay origination costs and return equity to the borrower sponsors.

## LOAN #7: 111 LIVINGSTON STREET

The 111 Livingston Street Loan had an initial term of 120 months and has a remaining term of 119 months as of the Cut-off Date. The 111 Livingston Street Loan requires interest only payments on each due date. The scheduled maturity date of the 111 Livingston Street Loan is the due date in January 2027. At any time after the earlier of the third anniversary of the origination of the 111 Livingston Street Loan Combination and the second anniversary of the securitization of the last portion of the 111 Livingston Street Loan Combination, the 111 Livingston Street Loan may be defeased with certain direct full faith and credit obligations of the United States of America or other obligations which are "government securities" permitted under the 111 Livingston Street Loan documents. Voluntary prepayment of the 111 Livingston Street Loan is permitted on or after the due date occurring in October 2026 without payment of any prepayment premium.

- **The Mortgaged Property.** The 111 Livingston Street Property is a 22-story, Class A, multi-tenanted office building totaling 434,000 SF of NRA, on a 0.75-acre site, in Downtown Brooklyn, New York. The improvements were built in 1969 and last renovated in 2001. The 111 Livingston Street Property has a subterranean garage containing 250 parking spaces for a parking ratio of 0.6 per 1,000 square feet. The 111 Livingston Street Property is adjacent to the Brooklyn Law School to the north, residential multifamily to the south and west and high rise condominiums and office and mixed retail/commercial to the east.

The following table presents certain information relating to the major tenants (of which certain tenants may have co-tenancy provisions) at the 111 Livingston Street Property:

**Ten Largest Owned Tenants Based on Underwritten Base Rent<sup>(1)</sup>**

Tenant Name	Credit Rating (Fitch/MIS/S&P) <sup>(2)</sup>	Tenant GLA	% of Owned GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF	Lease Expiration	Renewal / Extensions Options
The Legal Aid Society	NR / NR / NR	111,900	25.8%	\$4,140,300	24.6%	\$37.00	10/31/2037	1, 5-year option
NYS Office of Assistance	NR / Aa1 / AA+	121,545	28.0	3,821,877	22.7	\$31.44	5/31/2020	1, 5-year option
NYS Workers Comp	NR / Aa1 / AA+	50,225	11.6	2,260,125	13.4	\$45.00	MTM	NA
Brooklyn Law School <sup>(3)</sup>	NR / Baa1 / BBB	41,000	9.4	2,091,000	12.4	\$51.00	1/31/2032	1, 15-year option
City University of NY	NR / Aa1 / AA+	45,000	10.4	1,828,452	10.9	\$40.63	8/31/2017	NA
Livingston Street Parking <sup>(4)</sup>	NR / NR / NR	0	0.0	1,018,267	6.0	\$0.00	1/31/2032	NA
Northrop Grumman	BBB+ / Baa2 / BBB+	20,500	4.7	999,375	5.9	\$48.75	7/31/2021	1, 5-year option
Pasternack Law Firm	NR / NR / NR	3,391	0.8	243,453	1.4	\$71.79	5/31/2019	NA
Theracare	NR / NR / NR	4,300	1.0	147,879	0.9	\$34.39	5/31/2017	NA
Berkman Law	NR / NR / NR	4,125	1.0	138,476	0.8	\$33.57	10/31/2018	NA
<b>Ten Largest Owned Tenants</b>		<b>401,986</b>	<b>92.6%</b>	<b>\$16,689,205</b>	<b>99.1%</b>	<b>\$41.52</b>		
Remaining Owned Tenants		21,744	5.0	159,252	0.9	\$7.32		
Vacant Spaces (Owned Space)		10,270	2.4	0	0.0	\$0.00		
<b>Total / Wtd. Avg. All Owned Tenants</b>		<b>434,000</b>	<b>100.0%</b>	<b>\$16,848,456</b>	<b>100.0%</b>	<b>\$39.76</b>		

(1) Based on the underwritten rent roll dated November 1, 2016.

(2) Certain ratings are those of the parent company whether or not the parent guarantees the lease.

(3) Brooklyn Law School has yet to take full occupancy at the 111 Livingston Street Property. At origination, Brooklyn Law School had taken possession of its space on the 21<sup>st</sup> floor and is expected to take occupancy of its space on the 20<sup>th</sup> floor on February 1, 2017.

(4) Livingston Street Parking operates a public parking garage and a rental car facility in the basement of the 111 Livingston Street Property. There is 0 SF attributed to the Livingston Street Parking tenant but it is currently responsible for annual rent of \$1,018,267 through January 31, 2017. Livingston Street Parking has executed a 15-year lease extension commencing on February 1, 2017 which requires annual rent of \$1,300,000 through January 31, 2032.

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The following table presents certain information relating to the lease rollover schedule at the 111 Livingston Street Property, based on initial lease expiration dates:

### Lease Expiration Schedule<sup>(1)(2)</sup>

Year Ending December 31	Expiring Owned GLA	% of Owned GLA	Cumulative % of Owned GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF <sup>(3)</sup>	# of Expiring Tenants
MTM	67,094	15.5%	15.5%	\$2,260,125	13.4%	\$33.69	3
2017	49,300	11.4	26.8%	1,976,332	11.7	\$40.09	2
2018	4,125	1.0	27.8%	138,476	0.8	\$33.57	1
2019	5,891	1.4	29.1%	326,661	1.9	\$55.45	2
2020	121,545	28.0	57.1%	3,821,877	22.7	\$31.44	1
2021	22,875	5.3	62.4%	1,075,419	6.4	\$47.01	2
2022	0	0.0	62.4%	0	0.0	\$0.00	0
2023	0	0.0	62.4%	0	0.0	\$0.00	0
2024	0	0.0	62.4%	0	0.0	\$0.00	0
2025	0	0.0	62.4%	0	0.0	\$0.00	0
2026	0	0.0	62.4%	0	0.0	\$0.00	0
2027	0	0.0	62.4%	0	0.0	\$0.00	0
2028 & Thereafter	152,900	35.2	97.6%	7,249,567	43.0	\$47.41	3
Vacant	10,270	2.4	100.0%	0	0.0	\$0.00	0
<b>Total / Wtd. Avg.</b>	<b>434,000</b>	<b>100.0%</b>		<b>\$16,848,456</b>	<b>100.0%</b>	<b>\$39.76</b>	<b>14</b>

(1) Calculated based on the approximate square footage occupied by each collateral tenant.

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

(3) Wtd. Avg. UW Base Rent \$ per SF excludes vacant space.

The following table presents certain information relating to historical leasing at the 111 Livingston Street Property:

### Historical Leased %<sup>(1)</sup>

	2013	2014	2015	As of 11/1/2016 <sup>(2)</sup>
Owned Space	100.0%	100.0%	100.0%	97.6%

(1) As provided by the borrower and which represents occupancy as of December 31 for the indicated year unless otherwise specified.

(2) Based on the underwritten rent roll dated November 1, 2016.

- **Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the 111 Livingston Street Property:

### Cash Flow Analysis

	2013	2014	2015	TTM 9/30/2016	Underwritten <sup>(1)</sup>	Underwritten \$ per SF <sup>(2)</sup>
Base Rent	\$13,920,390	\$14,121,372	\$14,328,989	\$15,141,153	\$16,848,456	\$38.82
Contractual Rent Steps	0	0	0	0	590,764	1.36
Gross Up Vacancy	0	0	0	0	513,500	1.18
Reimbursements	1,977,212	2,044,084	3,178,069	2,619,737	1,779,361	4.10
Other Income	0	0	0	0	59,237	0.14
Gross Revenue	\$15,897,602	\$16,165,456	\$17,507,058	\$17,760,890	\$19,791,319	\$45.60
Vacancy & Credit Loss	0	0	0	0	(989,566)	(2.28)
<b>Effective Gross Income</b>	<b>\$15,897,602</b>	<b>\$16,165,456</b>	<b>\$17,507,058</b>	<b>\$17,760,890</b>	<b>\$18,801,753</b>	<b>\$43.32</b>
Real Estate Taxes	\$2,594,011	\$2,807,786	\$3,234,800	\$3,239,480	\$3,384,953	7.80
Insurance	192,127	168,689	247,840	199,784	201,535	0.46
Management Fee	372,476	418,639	469,992	420,379	564,053	1.30
Other Operating Expenses	4,153,157	4,649,695	4,491,871	4,606,068	4,887,900	11.26
<b>Total Operating Expenses</b>	<b>\$7,311,771</b>	<b>\$8,044,809</b>	<b>\$8,444,503</b>	<b>\$8,465,711</b>	<b>\$9,038,441</b>	<b>\$20.83</b>
<b>Net Operating Income</b>	<b>\$8,585,831</b>	<b>\$8,120,648</b>	<b>\$9,062,555</b>	<b>\$9,295,180</b>	<b>\$9,763,312</b>	<b>\$22.50</b>
TI/LC	0	0	0	0	710,011	1.64
Capital Expenditures	0	0	0	0	86,800	0.20
<b>Net Cash Flow</b>	<b>\$8,585,831</b>	<b>\$8,120,648</b>	<b>\$9,062,555</b>	<b>\$9,295,180</b>	<b>\$8,966,501</b>	<b>\$20.66</b>
<b>Occupancy</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>97.6%</b>	<b>95.0%</b>	
<b>NOI Debt Yield</b>	<b>7.2%</b>	<b>6.8%</b>	<b>7.6%</b>	<b>7.7%</b>	<b>8.1%</b>	
<b>NCF DSCR</b>	<b>1.49x</b>	<b>1.41x</b>	<b>1.57x</b>	<b>1.62x</b>	<b>1.56x</b>	

(1) Underwritten Base Rent includes contractual rent increases (totaling \$290,140) through August 1, 2017 and the present value of scheduled rent increases (totaling \$300,624) through the end of the lease terms for credit tenants.

(2) Based on the owned space at the 111 Livingston Street Property.

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- **Appraisal.** According to the appraisal, the 111 Livingston Street Property had an “as-is” appraised value of \$219,000,000 as of October 26, 2016.

Appraisal Approach	Value	Discount Rate	Capitalization Rate
Direct Capitalization Approach	\$210,000,000	N/A	4.75%
Discounted Cash Flow Approach	\$219,000,000	6.50%	5.25% <sup>(1)</sup>

(1) Represents the terminal capitalization rate.

- **Environmental Matters.** According to a Phase I environmental report, dated November 1, 2016, there are no recognized environmental conditions or recommendations for further action at the 111 Livingston Street Property except for the continued implementation of an asbestos O&M plan.
- **Market Overview and Competition.** The 111 Livingston Street Property occupies a corner lot fronting the north side of Livingston Street and the west side of Boerum Place. The City University of New York, Brooklyn Law School, Long Island University, Borough Hall, Brooklyn Historical Society, the Rotunda Gallery and the New York Transit Museum are all located within the 111 Livingston Street Property's neighborhood. There are numerous subway lines and bus stops within blocks of the 111 Livingston Street Property. The area benefits from its strong transportation attributes, which increase the demand for office and residential space. Major transportation routes that are nearby include I-278 and I-495, Boerum Place/Brooklyn Bridge Boulevard and Court Street/Cadman Plaza West, both primary arterials, and the commercial corridors including Flatbush and Atlantic Avenues. Public transportation is well-located near the 111 Livingston Street Property with Borough Hall and Jay Street Metrotech Stations, both situated within two blocks of the 111 Livingston Street Property; they provide access to the 2, 3, 4, 5, A, C, F, and R trains.

As of 2014, Brooklyn had 2.62 million residents, making it New York State's largest county. Since the introduction of significant public initiatives and rezoning in 2004, this area experienced significant redevelopment of commercial and residential space. Between 2006 and 2014 Brooklyn gained more than 186,000 net new residents. Brooklyn's population growth has outpaced the rest of the city, state, and country by a significant margin. Brooklyn's population growth rate between 2006 and 2014 was more than twice the rate of growth of the state of New York. Employment in Brooklyn grew by approximately 28 percent between 2000 and 2014 - outperforming both the City and State - led by the healthcare, education, retail trade, tourism, and entertainment industries. According to the appraisal, the 2015 population within a 0.25-, 0.50- and 0.75-mile radius of the 111 Livingston Street Property was 9,150, 41,000 and 83,764, respectively. The estimated 2015 average household income within a 0.25-, 0.50- and 0.75-mile radius of the 111 Livingston Street Property was \$144,579, \$134,763 and \$128,033, respectively. The 111 Livingston Street Property is located in the Downtown Brooklyn Office submarket. According to a third party report as of the second quarter of 2016, the Downtown Brooklyn Office submarket is comprised of over 22.6 million SF of inventory with a 6.0% vacancy rate and average asking rent of \$43.23 per SF.

The following table presents certain information relating to the primary competition for the 111 Livingston Street Property:

### Competitive Set<sup>(1)</sup>

	111 Livingston Street Property (Subject)	Montague Court	One Pierrepont Plaza	Montague Court	One Pierrepont Plaza	One Metrotech Center	Montague Pavilion Condominium
Distance of subject	--	0.2 miles	0.3 miles	0.2 miles	0.3 miles	0.2 miles	0.2 miles
Year Built	1969	1928	1988	1928	1988	1991	1945
SF	434,000	317,625	711,000	317,625	711,000	933,000	322,000
Total Occupancy	97.6% <sup>(2)</sup>	97.9%	98.2%	97.9%	98.2%	94.9%	94.1%
Tenant	--	Sheet Metal Industry	Dime Savings Bank	Maker's Row	Graham Windham	Robert Half International	Dept. of Citywide Administrative
Base Rent	\$29.81 – \$72.39 <sup>(2)</sup>	\$50.00	\$48.00	\$50.00	\$40.00	\$50.00	\$37.63

(1) Source: Appraisal.

(2) Per underwritten rent roll dated November 1, 2016.

- **The Borrower.** The borrowing entity, 111 Livingston LLC, is owned by 111 Manager LLC, The Leser Group Ltd., Harry Gold 2012 Family Trust, Schachter PP, L.P., Chaskel Rubin, and Louis Stahl. 111 Manager LLC, the borrower manager, is 60.0% owned by Abraham Leser and 40.0% owned by Louis Stahl. Legal counsel to the borrower delivered a non-consolidation opinion in connection with the origination of the 111 Livingston Street Loan. Guarantors for the 111 Livingston Street Loan are Abraham Leser, Edith Leser, Harry Gold, and Robert Schachter, on a joint and several basis. The Leser Group is a New York City-based real estate development and property management firm founded by Abraham Leser. The Leser Group was founded by Abraham Leser in 1969 and currently manages a portfolio of over 2.0 million square feet throughout New York, Philadelphia and Connecticut, the majority of which are office properties.
- **Escrows.** On the origination date of the 111 Livingston Street Loan, the borrower funded a reserve of (i) \$296,183 for real estate taxes, (ii) \$29,490,000 for an economic holdback reserve, (iii) \$4,705,472 for an unfunded obligations reserve, (iv) \$2,250,000 for the renewal or replacement of a lease at the 111 Livingston Street Property with the City University of New York and (v) \$11,625 for deferred maintenance. The economic holdback will be released upon the satisfaction of conditions including execution of a 2-year extension of the lease with NYS Workers Comp and the debt yield being equal to or greater than 7.0%, provided that \$1,500,000 of the economic holdback reserve funds will be maintained in reserve in connection with the subsequent renewal or replacement of the lease with NYS Workers Comp.

On each due date, the borrower will be required to fund (i) one-twelfth of the taxes that the lender estimates will be payable over the then-succeeding 12-month period, initially estimated to be \$296,183, (ii) one-twelfth of the amount that the lender estimates will be necessary to pay insurance premiums over the then-succeeding 12-month period, provided that insurance is not covered under an acceptable blanket policy, (iii) \$7,233 for replacement reserves and (iv) \$36,167 for tenant improvements and leasing commissions capped (with replenishment) at \$2,000,000.

- **Lockbox and Cash Management.** The 111 Livingston Street Loan Combination requires a lender-controlled hard lockbox account, which is already in place, and into which the borrower and property manager direct all tenants to directly pay rents. The 111 Livingston Street Loan documents also require the borrower or property manager to deposit into the lockbox account no later than two business days after receipt all rents and other revenue of any kind from the 111 Livingston Street Property received by the borrower or the property manager. All funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed to pay debt service and fund reserves, after which (x) to the extent a 111 Livingston Street Trigger Period (as defined below) has occurred and is ongoing, all excess cash flow is required to be held as additional collateral for the 111 Livingston Street Loan Combination, and (y) to the extent no 111 Livingston Street Trigger Period is continuing, all excess cash flow will be disbursed to the borrower. Upon an event of default under the 111 Livingston Street Loan documents, the lender may apply funds to amounts payable under the 111 Livingston Street Loan Combination in the order of priority it determines.

A “**111 Livingston Street Trigger Period**” will commence upon the earlier of (i) the occurrence of an event of default; (ii) the debt service coverage ratio (as calculated in accordance with the 111 Livingston Street Loan documents) being less than 1.30x; or (iii) the occurrence of a 111 Livingston Street Specified Tenant Trigger Period (as defined below). A 111 Livingston Street Trigger Period will expire, with regard to clause (i), upon the cure of such event of default, if applicable; with regard to clause (ii), upon the debt service coverage ratio equaling or exceeding 1.35x for two consecutive calendar quarters; and with respect to clause (iii), upon the 111 Livingston Street Specified Tenant Trigger Period ceasing to exist in accordance with the terms of the 111 Livingston Street Loan documents.

A “**111 Livingston Street Specified Tenant Trigger Period**” means a period (a) commencing upon the first to occur of (i) The Legal Aid Society or any future tenant of The Legal Aid Society’s premises (collectively, “**Legal Aid Society**”) or Office of Temporary and Disability Services or any future tenant of Office of Temporary and Disability Service’s premises (collectively, “**OTDA**”) being in default under its lease beyond applicable notice and cure periods, (ii) Legal Aid Society or OTDA providing notice that it is terminating its lease for all or any portion of its premises such that the remaining space following such termination will be less than 85% of the square footage demised to the applicable tenant as of the closing date of the 111 Livingston Street Loan Combination, (iii) any termination, cancellation or failure to be in full force and effect (including rejection in a bankruptcy or insolvency proceeding) of the Legal Aid Society or OTDA lease, (iv) any bankruptcy or similar insolvency of Legal Aid Society or OTDA, and (v) Legal Aid Society or OTDA failing to extend or renew the applicable lease for the Legal Aid Society or OTDA space on or prior to the earlier of (x) twelve months before expiration and (y) the date on which notice must be given to the lessor to exercise the applicable extension option (provided, however, no 111 Livingston Street Specified Tenant Trigger Period relating to the OTDA lease is deemed to exist solely with respect to this clause (v) during any period that the Collateral Cure Conditions (as defined below) are satisfied); and (b) expiring upon the first to occur of the lender’s receipt of reasonably acceptable evidence (including an estoppel certificate) of (1) the matter giving rise to



the 111 Livingston Street Specified Tenant Trigger Period has been cured or corrected in accordance with the terms of the 111 Livingston Street Loan documents or (2) the borrower re-leasing 50% or more of the space that was demised pursuant to the applicable tenant's lease to a new tenant pursuant to a lease entered into in accordance with the applicable terms and conditions under the 111 Livingston Street Loan documents which provides rental terms equal to or greater than the rental terms set forth in the lease being replaced and such replacement tenant is in physical occupancy of the applicable premises, open for business, and paying full, unabated rent under its lease, and any landlord work obligations and free rent periods have been completed or expired.

**"Collateral Cure Conditions"** are deemed to exist upon satisfaction of the following by the borrower: the borrower deposits cash into an account with the lender or delivers to the lender a letter of credit in form and substance that complies with the terms of the 111 Livingston Street Loan agreement which, in either case, serves as additional collateral for the 111 Livingston Street Loan Combination, in an amount equal to the amount that the lender anticipates (in its good faith reasonable discretion) that it would collect in the excess cash flow account during the period commencing with the date of calculation and ending on the date that the OTDA lease is scheduled to expire (which calculation assumes that OTDA and all other tenants at the 111 Livingston Street Property continue to make their rental payments during said period).

- **Property Management.** The 111 Livingston Street Property is managed by 111 Property Manager LLC, an affiliate of the borrower sponsor. The lender has the right to, or to direct the borrower to, terminate the property management agreement and replace the property manager if (i) the property manager becomes insolvent or a debtor in an involuntary bankruptcy action or proceeding that is not dismissed within 90 days or any voluntary bankruptcy proceeding; (ii) a 111 Livingston Street Trigger Period has occurred and is continuing under the 111 Livingston Street Loan documents; (iii) the property manager has engaged in gross negligence, fraud, willful misconduct or misappropriation of funds; or (iv) a default by the property manager has occurred and is continuing under the property management agreement after the expiration of all applicable notice and cure periods. The borrower has the right to replace the property manager, provided no event of default is continuing under the 111 Livingston Street Loan documents, with a property manager approved by the lender in writing (which may be conditioned upon receipt of a rating agency confirmation).
- **Mezzanine or Secured Subordinate Indebtedness.** Not permitted.
- **Leasehold Condominium.** The tenant Brooklyn Law School ("**BLS**") has the right under the BLS lease to impose a leasehold condominium structure onto the 111 Livingston Street Property in order to take advantage of a potential real estate tax exemption. Upon the request of BLS, which must be made during the first 5 years of its lease, the borrower will ground lease its fee interest in the 111 Livingston Street Property to a newly formed special purpose subsidiary of the borrower (the "**Declarant**") for a term of between 30 and 31 years and the Declarant will impose a condominium regime upon its leasehold interest in the 111 Livingston Street Property. The Declarant will own all of the leasehold condominium units upon the consummation of the conversion of its leasehold interest into a leasehold condominium. At the lender's option, the Declarant will become a co-borrower pursuant to the 111 Livingston Street Loan documents and, consequently, the lien of the security instrument will be spread to encumber each of the leasehold condominium units. The leasehold condominium unit covering the premises granted to BLS pursuant to its lease (the "**BLS Unit**") will be purchased by BLS pursuant to a purchase and sale agreement providing for a deferred purchase price, the cash flow of which would mirror the lease payments contemplated by the BLS lease (except that such payments will exclude the portion of BLS's lease payments attributable to real estate taxes that will be abated under BLS's real estate tax exemption with respect to the BLS Unit), and the BLS lease would terminate and the BLS Unit will be released from the lien of the related mortgage securing the 111 Livingston Street Loan Combination. The obligation of BLS to make the deferred purchase price payments will be secured by a purchase money mortgage in favor of the Declarant that will be collaterally assigned to the lender by the Declarant. The lender has agreed that it will not unreasonably withhold its consent to the foregoing actions (collectively, the "**Leasehold Condominium Conversion**") provided certain conditions set forth in the 111 Livingston Street Loan documents are satisfied, which include, among other requirements, (i) delivery of rating agency confirmations, (ii) the leasehold condominium conversion and related documents and transactions comply with REMIC requirements and the borrower delivers a REMIC opinion confirming the same and (iii) all documents relating to the Leasehold Condominium Conversion are in form and substance reasonably acceptable to the lender.
- **Release of Collateral.** Not permitted, except as indicated above under "*—Leasehold Condominium*".

- **Terrorism Insurance.** The borrowers are required to maintain an “all-risk” insurance policy that provides coverage for terrorism in an amount equal to 100% of the full replacement cost of the 111 Livingston Street Property, plus a business interruption insurance policy that provides 24 months of business interruption coverage with an additional 12-month extended period of indemnity, with no deductible in excess of \$10,000. See “*Risk Factors—Terrorism Insurance May Not Be Available for All Mortgaged Properties*” in the Prospectus.