

Mortgage Loan No. 9 — Triple Net Acquisitions Portfolio – Pool 1

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### Mortgage Loan Information

|                                                        |                                                                                                                                                             |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mortgage Loan Seller:</b>                           | SPREF                                                                                                                                                       |
| <b>Original Principal Balance:</b>                     | \$23,355,000                                                                                                                                                |
| <b>Cut-off Date Principal Balance:</b>                 | \$23,244,278                                                                                                                                                |
| <b>% of Pool by IPB:</b>                               | 2.5%                                                                                                                                                        |
| <b>Loan Purpose:</b>                                   | Acquisition                                                                                                                                                 |
| <b>Borrowers:</b>                                      | Maitlen Drive Cushing OK, LLC;<br>126th Street North Collinsville<br>OK, LLC; Fishkill Avenue Beacon<br>NY, LLC; Utah Valley Drive<br>American Fork UT, LLC |
| <b>Sponsor:</b>                                        | Mark Weber                                                                                                                                                  |
| <b>Interest Rate:</b>                                  | 5.0500%                                                                                                                                                     |
| <b>Note Date:</b>                                      | 10/13/2015                                                                                                                                                  |
| <b>Maturity Date:</b>                                  | 11/6/2025                                                                                                                                                   |
| <b>Interest-only Period:</b>                           | 0 months                                                                                                                                                    |
| <b>Original Term:</b>                                  | 120 months                                                                                                                                                  |
| <b>Original Amortization:</b>                          | 300 months                                                                                                                                                  |
| <b>Amortization Type:</b>                              | Balloon                                                                                                                                                     |
| <b>Call Protection:</b>                                | L(27),Def(90),O(3)                                                                                                                                          |
| <b>Lockbox<sup>(1)</sup>:</b>                          | Hard                                                                                                                                                        |
| <b>Additional Debt:</b>                                | Yes                                                                                                                                                         |
| <b>Additional Debt Balance:</b>                        | \$5,100,000                                                                                                                                                 |
| <b>Additional Debt Type:</b>                           | Mezzanine                                                                                                                                                   |
| <b>Additional Future Debt Permitted<sup>(2)</sup>:</b> | Yes                                                                                                                                                         |

### Escrows and Reserves<sup>(5)</sup>

|                                   | Initial     | Monthly   | Initial Cap |
|-----------------------------------|-------------|-----------|-------------|
| <b>Taxes:</b>                     | \$94,203    | Springing | N/A         |
| <b>Insurance:</b>                 | \$35,097    | Springing | N/A         |
| <b>Replacement Reserves:</b>      | \$0         | \$5,657   | \$203,643   |
| <b>TI/LC:</b>                     | \$0         | \$9,899   | \$593,959   |
| <b>Victory Energy TI Reserve:</b> | \$2,200,000 | \$0       | N/A         |
| <b>Special Rollover Reserve:</b>  | \$0         | Springing | N/A         |

### Sources and Uses

| Sources              | Proceeds            | % of Total    |
|----------------------|---------------------|---------------|
| Mortgage Loan        | \$23,355,000        | 66.7%         |
| Mezzanine Loan       | 5,100,000           | 14.6          |
| Sponsor Equity       | 6,581,451           | 18.8          |
| <b>Total Sources</b> | <b>\$35,036,451</b> | <b>100.0%</b> |

### Property Information

|                                                |                              |
|------------------------------------------------|------------------------------|
| <b>Single Asset / Portfolio:</b>               | Portfolio of Four Properties |
| <b>Title:</b>                                  | Fee                          |
| <b>Property Type - Subtype:</b>                | Various                      |
| <b>Net Rentable Area (SF):</b>                 | 339,405                      |
| <b>Location:</b>                               | Various                      |
| <b>Year Built / Renovated:</b>                 | Various                      |
| <b>Occupancy:</b>                              | 100.0%                       |
| <b>Occupancy Date:</b>                         | 2/6/2016                     |
| <b>Number of Tenants:</b>                      | 4                            |
| <b>2012 NOI<sup>(3)</sup>:</b>                 | N/A                          |
| <b>2013 NOI<sup>(3)</sup>:</b>                 | N/A                          |
| <b>2014 NOI<sup>(3)</sup>:</b>                 | N/A                          |
| <b>UW Economic Occupancy:</b>                  | 94.3%                        |
| <b>UW Revenues:</b>                            | \$2,651,607                  |
| <b>UW Expenses:</b>                            | \$79,548                     |
| <b>UW NOI:</b>                                 | \$2,572,059                  |
| <b>UW NCF:</b>                                 | \$2,385,386                  |
| <b>Appraised Value / Per SF<sup>(4)</sup>:</b> | \$34,850,000 / \$103         |
| <b>Appraisal Date<sup>(4)</sup>:</b>           | Various                      |

### Financial Information

|                                         |       |
|-----------------------------------------|-------|
| <b>Cut-off Date Loan / SF:</b>          | \$68  |
| <b>Maturity Date Loan / SF:</b>         | \$52  |
| <b>Cut-off Date LTV<sup>(4)</sup>:</b>  | 66.7% |
| <b>Maturity Date LTV<sup>(5)</sup>:</b> | 50.2% |
| <b>UW NCF DSCR:</b>                     | 1.45x |
| <b>UW NOI Debt Yield:</b>               | 11.1% |

| Uses                      | Proceeds            | % of Total    |
|---------------------------|---------------------|---------------|
| Purchase Price            | \$31,685,642        | 90.4%         |
| Upfront Reserves          | 129,300             | 0.4           |
| Victory Energy TI Payment | 2,200,000           | 6.3           |
| Closing Costs             | 1,021,509           | 2.9           |
| <b>Total Uses</b>         | <b>\$35,036,451</b> | <b>100.0%</b> |

- (1) For a more detailed description of Lockbox, please refer to "Lockbox / Cash Management" below.
- (2) Future mezzanine debt is permitted subject to (i) the proceeds being used to pay off the existing mezzanine loan and preferred equity investment, (ii) the aggregate NOI DSCR is not less than 1.15x, (iii) the combined NOI debt yield is not less than 9.50% and (iv) the combined LTV is not greater than 80.0%.
- (3) The single tenant properties were acquired by the sponsor in 2015 and historical financial information is not available.
- (4) Based on the "as-complete" Appraised Value which takes into account a \$2.2 million tenant improvement payment due to Victory Energy at the 10701 East 126th Street North property in Collinsville, Oklahoma for use in completing a 49,000 SF expansion. Victory Energy's rental payment will increase by \$192,000 per annum on the earlier of February 1, 2016 and upon completion of the 49,000 SF expansion. Please refer to the "Victory Energy Tenant Improvement Payment" below. The "as-is" Appraised Value, Cut-off Date LTV and Maturity Date LTV for the portfolio are \$32,250,000, 72.1% and 54.2%, respectively.
- (5) For a more detailed description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

**The Loan.** The Triple Net Acquisitions Portfolio - Pool 1 loan is an approximately \$23.4 million first mortgage loan secured by the



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fee interest in four industrial and office properties located throughout the United States. The loan has a 10-year term and will amortize on a 25-year schedule.

**The Borrowers.** The borrowing entities for the loan are Maitlen Drive Cushing OK, LLC; 126th Street North Collinsville OK, LLC; Fishkill Avenue Beacon NY, LLC; and Utah Valley Drive American Fork UT, LLC. The borrowing entities are Delaware limited liability companies and single purpose entities.

**The Sponsor.** The loan's sponsor and nonrecourse carve-out guarantor is Mark Weber. Mr. Weber has led the sourcing, structuring, due diligence, debt placement, and debt selection for private equity partnerships that have completed 22 equity/junior capital investments with transaction values exceeding \$1.1 billion (\$240 million in equity).

**The Portfolio.** The portfolio was acquired by the sponsor in October 2015 for a total cost of \$36.7 million, which includes \$2.2 million held back for a tenant improvement payment due to Victory Energy at the 10701 East 126th Street North property in Collinsville, Oklahoma (described below). The portfolio consists of three industrial properties and one office building totaling 339,405 SF, each 100.0% occupied by a single tenant under a NNN lease.

### Portfolio Summary

| Property                      | Location            | SF <sup>(1)</sup> | Year Built / Renovated <sup>(2)</sup> | Allocated Loan Amount | % of Portfolio Allocated Loan Amount | Appraised Value <sup>(2)</sup> | Underwritten Net Cash Flow |
|-------------------------------|---------------------|-------------------|---------------------------------------|-----------------------|--------------------------------------|--------------------------------|----------------------------|
| 508 Fishkill Avenue           | Beacon/Fishkill, NY | 56,125            | 2011 / N/A                            | \$8,477,000           | 36.3%                                | \$12,650,000                   | \$940,802                  |
| 758 East Utah Valley Drive    | American Fork, UT   | 53,480            | 1996 / N/A                            | 6,702,000             | 28.7                                 | 10,000,000                     | 725,606                    |
| 10701 East 126th Street North | Collinsville, OK    | 150,750           | 2002 / Various                        | 6,434,000             | 27.5                                 | 9,600,000 <sup>(3)</sup>       | 564,312                    |
| 1200 North Maitlen Drive      | Cushing, OK         | 79,050            | 1984 / 2006                           | 1,742,000             | 7.5                                  | 2,600,000                      | 154,666                    |
| <b>Total/Wtd. Avg.</b>        |                     | <b>339,405</b>    |                                       | <b>\$23,355,000</b>   | <b>100.0%</b>                        | <b>\$34,850,000</b>            | <b>\$2,385,386</b>         |

(1) Based on underwritten rent roll.

(2) Source: Appraisal.

(3) The 10701 East 126th Street North property has an "as-complete" Appraised Value of \$9.6 million, which takes into account a \$2.2 million tenant improvement payment due to Victory Energy at the 10701 East 126th Street North property in Collinsville, Oklahoma for use in completing a 49,000 SF expansion. Victory Energy's rental payment will increase by \$192,000 per annum on the earlier of February 1, 2016 and upon completion of the 49,000 SF expansion. The "as-is" appraised value was \$7.0 million. Please refer to "Victory Energy Tenant Improvement Payment" below.

#### 508 Fishkill Avenue

The property is a single story, 56,125 SF industrial building that was constructed in 2011 and has 71 parking spaces on 17.12 acres. The property is 100.0% occupied by ReCommunity Recycling, for which it was built-to-suit in 2011. ReCommunity Recycling invested approximately \$7.5 million to build out and install equipment at the property. The clear height at the property is 32 ft. with 4 grade-level overhead doors and 16 dock-high overhead doors. ReCommunity Recycling recovers and processes close to two million tons of reusable materials per year. ReCommunity Recycling is paid a fee for incoming products received as well as the bundled packages that are shipped out. The property is located approximately 40 miles north of New York City and serves communities within a 100 mile radius (excluding New York City). It is located less than three miles from I-84 and Route 9. As of year-end 2014, ReCommunity Recycling had total assets of \$189.9 million and earnings before interest, tax, depreciation and amortization ("EBITDA") of \$10.9 million.

According to a third party research report, the property is located in the Westchester/So. Connecticut industrial market which contains approximately 181 million SF of space across 6,288 buildings. Industrial vacancy within the market is 9.3% as of third quarter 2015 with average quoted asking rents of \$7.20 PSF. Furthermore, the property is located in the Fishkill industrial submarket market which contains approximately 2.1 million SF of industrial space across 245 buildings. Industrial vacancy within the submarket is 16.3%, with an average quoted rental rate of \$6.11 PSF. The in-place rental rate at the property is \$18.79 PSF.

The appraiser concluded an "as-is" value of \$12,650,000 and a "Go Dark" value of \$10,300,000, which result in an allocated Cut-off Date "as-is" LTV and a "Go Dark" LTV of 66.7% and 81.9%, respectively.

#### 758 East Utah Valley Drive

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The property is a single, class B, 2-story, 53,480 SF office building on a 3.41-acre site with 260 parking spaces located throughout the property. The property was built in 1996 and is 100.0% occupied by Myler Disability, which utilizes this space as its corporate headquarters. The property is located approximately 30 miles south of the Salt Lake City International Airport with frontage on I-15, the only north/south highway in Utah.

According to a third party research report, the property is located in the Provo market which contains 16.2 million SF of office space across 1,072 buildings. Office vacancy within the market is 2.9%, with an average quoted rental rate of \$16.41 PSF. Furthermore, the property is located in the Utah County office submarket, which contains 16.2 million SF of class B office space across 1,069 buildings. Office vacancy within the submarket is 2.9%, with an average quoted rental rate of \$16.41 PSF. The in-place rental rate at the property is \$15.50 PSF which is in line with class B market and submarket averages.

The appraiser concluded an as-is value of \$10,000,000 and a “Go Dark” value of \$6,750,000, which result in an allocated Cut-off Date “as-is” LTV and a “Go Dark” LTV of 66.7% and 98.8%, respectively.

### *10701 East 126th Street North*

The property consists of four, single story buildings totaling 150,570 SF, inclusive of a 49,000 SF expansion, on a 29.9 acre site. The property was built in 2002 and consists of 13.9% office tenants and 86.1% industrial tenants. The clear heights at the property are 25-26 ft. with 19 grade-level overhead doors. The property is 100.0% leased to Victory Energy and is utilized as its headquarters. Founded in 1999, Victory Energy is a manufacturer of custom boilers and heat recovery steam generators for industrial users in the United States. In addition to boiler systems, Victory Energy offers a range of auxiliary equipment, including ductwork, main stack assemblies, economizers, de-aerators, control systems, and feed-water systems. Victory Energy services the utility, institutional, refining, food, chemical, biomass and pulp/paper industries. As of December 2014, Victory Energy reported approximately \$55.4 million in total assets and shareholder’s equity of \$19.8 million. They registered total revenues of \$75.9 million with net income of \$722,000 and EBITDA of \$5.3 million for 2014.

According to the appraiser, the property is located in the Tulsa submarket which contains 72.4 million SF of industrial supply. Industrial vacancy within the market is 4.8% and average asking rent is \$3.99 PSF. Furthermore, the property is located in the Owasso industrial submarket, which contains 1.1 million SF of industrial supply with a vacancy rate of 0.2%.

The appraiser concluded an as-is value of \$7,000,000, an “as-complete” value of \$9,600,000 and a “Go Dark” value of \$8,600,000 (which assumes the completion of the expansion space), which result in an allocated Cut-off Date LTV for the “as-is” value, “as-complete” value and “Go Dark” value of 91.5%, 66.7% and 74.5%, respectively.

### *1200 North Maitlen Drive*

The property consists of two, single story industrial buildings totaling 79,050 SF on a 15.1 acre site. The property was built in 1984, renovated in 2006 and consists of 6.2% office space and 93.8% industrial space. The clear heights at the property are 28 feet with 13 grade-level overhead doors. The property is 100.0% leased to Victory Energy. The appraiser concluded a market rent for the property of \$3.75 PSF.

The appraiser concluded an as-is value of \$2,600,000 and a “Go Dark” value of \$1,950,000, which result in an allocated Cut-off Date “as-is” LTV and a “Go Dark” LTV of 66.7% and 88.9%, respectively.

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### Historical and Current Occupancy<sup>(1)</sup>

| Property                      | 2012   | 2013   | 2014   | Current <sup>(2)</sup> |
|-------------------------------|--------|--------|--------|------------------------|
| 508 Fishkill Avenue           | 100.0% | 100.0% | 100.0% | 100.0%                 |
| 758 East Utah Valley Drive    | 100.0% | 100.0% | 100.0% | 100.0%                 |
| 10701 East 126th Street North | 100.0% | 100.0% | 100.0% | 100.0%                 |
| 1200 North Maitlen Drive      | 100.0% | 100.0% | 100.0% | 100.0%                 |

(1) Source: Historical occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year.

(2) Based on the underwritten rent roll.

### Tenant Summary<sup>(1)</sup>

| Tenant                | Property                      | Ratings<br>Moody's/S&P/Fitch | Net Rentable<br>Area (SF) | % of<br>Total<br>NRA | Base<br>Rent PSF      | Lease<br>Expiration Date |
|-----------------------|-------------------------------|------------------------------|---------------------------|----------------------|-----------------------|--------------------------|
| ReCommunity Recycling | 508 Fishkill Avenue           | NA/NA/NA                     | 56,125                    | 100.0%               | \$18.79               | 6/1/2027                 |
| Myler Disability      | 758 East Utah Valley Drive    | NA/NA/NA                     | 53,480                    | 100.0%               | \$15.50               | 4/1/2025                 |
| Victory Energy        | 10701 East 126th Street North | NA/NA/NA                     | 150,750                   | 100.0%               | \$4.66 <sup>(2)</sup> | 10/1/2035                |
| Victory Energy        | 1200 North Maitlen Drive      | NA/NA/NA                     | 79,050                    | 100.0%               | \$2.87                | 7/31/2020                |

(1) Based on the underwritten rent roll, including rent increases through August 31, 2016.

(2) Inclusive of Victory Energy's rent increase at 10701 East 126th Street North of \$192,000 per annum. The rental payment will increase upon the earlier of February 1, 2016 and completion of a 49,000 SF expansion.

### Lease Rollover Schedule<sup>(1)</sup>

| Year          | Number<br>of Leases<br>Expiring <sup>(2)</sup> | NRA<br>Expiring | % of<br>NRA<br>Expiring | Base Rent<br>Expiring | % of<br>Base<br>Rent<br>Expiring | Cumulative<br>NRA<br>Expiring <sup>(2)</sup> | Cumulative<br>% of NRA<br>Expiring | Cumulative<br>Base Rent<br>Expiring | Cumulative<br>% of Base<br>Rent<br>Expiring |
|---------------|------------------------------------------------|-----------------|-------------------------|-----------------------|----------------------------------|----------------------------------------------|------------------------------------|-------------------------------------|---------------------------------------------|
| Vacant        | NAP                                            | 0               | 0.0%                    | NAP                   | NAP                              | 0                                            | 0.0%                               | NAP                                 | NAP                                         |
| 2016          | 0                                              | 0               | 0.0                     | \$0                   | 0.0%                             | 0                                            | 0.0%                               | \$0                                 | 0.0%                                        |
| 2017          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 0                                            | 0.0%                               | \$0                                 | 0.0%                                        |
| 2018          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 0                                            | 0.0%                               | \$0                                 | 0.0%                                        |
| 2019          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 0                                            | 0.0%                               | \$0                                 | 0.0%                                        |
| 2020          | 1                                              | 79,050          | 23.3                    | 226,968               | 8.1                              | 79,050                                       | 23.3%                              | \$226,968                           | 8.1%                                        |
| 2021          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 79,050                                       | 23.3%                              | \$226,968                           | 8.1%                                        |
| 2022          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 79,050                                       | 23.3%                              | \$226,968                           | 8.1%                                        |
| 2023          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 79,050                                       | 23.3%                              | \$226,968                           | 8.1%                                        |
| 2024          | 0                                              | 0               | 0.0                     | 0                     | 0.0                              | 79,050                                       | 23.3%                              | \$226,968                           | 8.1%                                        |
| 2025          | 1                                              | 53,480          | 15.8                    | 828,936               | 29.5                             | 132,530                                      | 39.0%                              | \$1,055,904                         | 37.5%                                       |
| 2026 & Beyond | 2                                              | 206,875         | 61.0                    | 1,756,805             | 62.5                             | 339,405                                      | 100.0%                             | \$2,812,709                         | 100.0%                                      |
| <b>Total</b>  | <b>4</b>                                       | <b>339,405</b>  | <b>100.0%</b>           | <b>\$2,812,709</b>    | <b>100.0%</b>                    |                                              |                                    |                                     |                                             |

(1) Based on the underwritten rent roll. Rent includes base rent and rent increases occurring through June, 2016 and the Victory Energy's rent increase at 10701 East 126th Street North of \$192,000 per annum, which will increase upon the earlier of February 1, 2016 and upon completion of a 49,000 SF expansion.

(2) Victory Energy has two leases, one at 10701 East 126th Street North in Collinsville, Oklahoma for 150,750 SF expiring in October 2035 and a second at 1200 North Maitlen Drive in Cushing, Oklahoma, for 79,050 SF expiring in July 2020.

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### Operating History and Underwritten Net Cash Flow<sup>(1)</sup>

|                               | Underwritten <sup>(2)</sup> | PSF           | % <sup>(3)</sup> |
|-------------------------------|-----------------------------|---------------|------------------|
| Rents in Place <sup>(2)</sup> | \$2,812,709                 | \$8.29        | 100.0%           |
| Vacant Income                 | 0                           | 0.00          | 0.0%             |
| <b>Gross Potential Rent</b>   | <b>\$2,812,709</b>          | <b>\$8.29</b> | <b>100.0%</b>    |
| Total Reimbursements          | 0                           | 0.00          | 0.0%             |
| <b>Net Rental Income</b>      | <b>\$2,812,709</b>          | <b>\$8.29</b> | <b>100.0%</b>    |
| (Vacancy/Collection Loss)     | (161,102)                   | (0.47)        | (5.7%)           |
| Other Income                  | 0                           | 0.00          | 0.0%             |
| <b>Effective Gross Income</b> | <b>\$2,651,607</b>          | <b>\$7.81</b> | <b>94.3%</b>     |
| <b>Total Expenses</b>         | <b>\$79,548</b>             | <b>\$0.23</b> | <b>3.0%</b>      |
| <b>Net Operating Income</b>   | <b>\$2,572,059</b>          | <b>\$7.58</b> | <b>97.0%</b>     |
| Total TI/LC, Capex/RR         | 186,673                     | 0.55          | 7.0%             |
| <b>Net Cash Flow</b>          | <b>\$2,385,386</b>          | <b>\$7.03</b> | <b>90.0%</b>     |

- (1) The Triple Net Acquisitions Portfolio – Pool 1 consists of four single tenant properties, each on a NNN lease. The properties were acquired by the sponsor in 2015 and historical financial information is not available.
- (2) Underwritten Rents in Place includes base rent and rent increases occurring through June 2016. Base rent also includes a \$192,000 rent increase that will occur on February 1, 2016 at the 10701 East 126th Street North property for Victory Energy. Please refer to the "Victory Energy Tenant Improvement Payment" section below.
- (3) % 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 Norton Weber Property Management, LLC, an affiliate of the sponsor.

**Escrows and Reserves.** At origination, the borrower deposited into escrow \$94,203 for real estate taxes and \$35,097 for insurance.

**Tax Escrows** – On a monthly basis, the borrower is required to escrow 1/12<sup>th</sup> of the annual estimated tax payments. The requirement for the borrower to make monthly deposits into the tax escrow will be waived so long as (i) no Major Tenant (defined below) is in default (beyond any notice and cure period) under its obligations to pay taxes pursuant to such Major Tenant's lease, (ii) the direct payment of all taxes is and continues to be the obligation of a Major Tenant at each property, and (iii) the Major Leases (defined below) continue to be in full force and effect at the applicable property.

**Insurance Escrows** - On a monthly basis, the borrower is required to escrow 1/12<sup>th</sup> of the annual estimated insurance payments. The requirement for the borrower to make monthly deposits into the insurance escrow will be waived so long as (i) no Major Tenant is in default (beyond any notice and cure period) under its obligations to pay insurance pursuant to such Major Tenant's lease, (ii) the direct payment of all insurance is and continues to be the obligation of a Major Tenant at each property, and (iii) the Major Leases continue to be in full force and effect at the applicable property.

**Replacement Reserves** – On a monthly basis, the borrower is required to deposit \$5,657 (\$0.20 PSF annually) for monthly reserves subject to a cap of \$203,643.

**TI/LC Reserves** – On a monthly basis, the borrower is required to deposit \$9,899 (\$0.35 PSF annually) for tenant improvements and leasing commissions subject to a cap of \$593,959.

**Victory Energy Tenant Improvement Payment.** Pursuant to an escrow agreement between the borrower and the title company, entered into at closing of the borrower's acquisition of the property, the borrower escrowed with the title company \$2.2 million for a tenant improvement payment due to the Victory Energy tenant at 10701 East 126th Street North in Collinsville, Oklahoma. The \$2.2 million escrow will be drawn upon by Victory Energy to complete and disburse as construction proceeds. The borrower assigned all of its rights in the deposit to the lender. Rent on the Victory Energy space will increase from \$510,360 to \$702,360 upon the earlier of February 1, 2016 and completion of the expansion.

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**Lockbox / Cash Management.** The loan is structured with a hard lockbox and springing cash management. All rents of the property are required to be directly deposited into a lockbox account controlled by the lender. Provided no Cash Management Period (defined below) is continuing, all funds are required to be remitted to the borrower on each business day. During a Cash Management Period, all funds in the lockbox account will be swept on each business day to a cash management account under the control of the lender and disbursed during the loan term in accordance with the loan documents. Any excess, if no Cash Management Period is in effect, will be disbursed to the borrower, or if a Cash Management Period is in effect (other than a Cash Management Period solely due to the existence of the mezzanine loan), held as additional collateral for the loan.

“Cash Management Period” means a period commencing: (i) upon the occurrence of an event of default, (ii) if the combined debt service coverage ratio for the Triple Net Acquisitions Portfolio – Pool 1 loan and the allocated portion of the related mezzanine loan is less than 1.10x at the end of any calendar quarter, or (iii) concurrently with the commencement of a Lease Sweep Period (defined below). A Cash Management Period will end with respect to clause (i) above, after the cure (if applicable) of such event of default (provided that no other event of default has occurred or is continuing), with respect to clause (ii) above, upon the combined debt service coverage ratio for the Triple Net Acquisitions Portfolio – Pool 1 loan and the allocated portion of the related mezzanine loan being at least equal to 1.10x for two consecutive calendar quarters and, with respect to clause (iii) above, when such Lease Sweep Period has ended. Additionally, so long as the mezzanine loan is outstanding, a Cash Management Period will be in effect.

A “Lease Sweep Period” will commence upon the occurrence of the earlier of (i) the date that is 18 months prior to the end of the term of the ReCommunity Recycling lease, Myler Disability lease, Victory Energy lease (Collinsville, Oklahoma) or Victory Energy lease (Cushing, Oklahoma), (each a “Major Tenant”) or any lease (inclusive of renewal terms) at the property that represents more than 50,000 SF (each, a “Major Lease”); (ii) the date required under a Major Lease by which the applicable tenant is required to give notice of its exercise of a renewal option thereunder (and such renewal has not been so exercised); (iii) the date any Major Lease is surrendered, cancelled or terminated prior to its then current expiration date (other than with the lender’s consent); (iv) the date any tenant under a Major Lease discontinues its business at its premises or gives notice that it intends to discontinue its business; (v) the occurrence and continuance (beyond any applicable notice and cure periods) of a default in the payment of rent or a material non-monetary obligation under any Major Lease by the applicable tenant thereunder; or (vi) an insolvency proceeding with respect to a tenant under a Major Lease.

**Property Release.** Provided no event of default exists under the mortgage loan documents, the borrower may release individual properties from the loan in connection with a bona fide sale on arms’ length terms to a third party subject to the satisfaction of certain conditions including, but not limited to, the following: (a) the debt service coverage ratio for the remaining properties based on the mortgage and allocated mezzanine loan proceeds exceeds the greater of (i) the debt service coverage ratio immediately preceding such release and (ii) 1.11x, provided however that with respect to the release of the 1200 North Maitlen Drive property, only subclause (ii) of this clause (a) will be required to be satisfied; (b) the debt yield for the remaining properties based on the mortgage and allocated mezzanine loan proceeds exceeds the greater of (i) the debt yield immediately preceding such release and (ii) 9.70%, provided however that with respect to the release of the 1200 North Maitlen Drive property, only subclause (ii) of this clause (b) will be required to be satisfied; (c) the LTV ratio for the remaining properties based on the mortgage and allocated mezzanine loan proceeds is not greater than the lesser of (i) the LTV immediately preceding such release and (ii) 81.6%, provided however that with respect to the release of the 1200 North Maitlen Drive property, only subclause (ii) of this clause (c) will be required to be satisfied; and (d) defeasance of the full Release Amount.

“Release Amount” means, with respect to any individual property: the greater of (i) 120% of the allocated loan amount and (ii) 100% of net sales proceeds.

**Additional Debt.** An \$11,690,000 mezzanine loan was provided in connection with the Triple Net Acquisitions Portfolio-Pool 1 loan and two additional loans (which additional loans are not included in the CSAIL 2016-C5 transaction), of which \$5,100,000 was allocated to the Triple Net Acquisitions Portfolio - Pool 1 properties. The \$11,690,000 mezzanine loan is secured by (i) a pledge of the direct equity interest in the borrowers, (ii) a pledge of the direct equity interest in the borrowers under two other loans secured by an office property and a portfolio of three industrial properties (neither of which loans are included in the CSAIL 2016-C5 transaction) and (iii) a pledge of a 49% non-controlling equity interest in the owners of another portfolio. The mezzanine



### **Mortgage Loan No. 9 — Triple Net Acquisitions Portfolio – Pool 1**

loan is coterminous with the Triple Net Acquisitions Portfolio-Pool 1 mortgage loan, accrues interest at a fixed rate of 13.2500% per annum and is interest only. Taking into account the allocated portion of the mezzanine loan, the allocated combined Cutoff-Date LTV is 87.9% based on the “as-is” appraised value and 81.3% based on the “as-complete” value, the UW NCF DSCR is 1.02x and the UW NOI debt yield is 9.1%. Additionally, a preferred equity investment was also provided in the initial amount of \$7,760,000 to an affiliate of the borrowers, with an additional preferred equity investment of \$2,700,000 which may be made at a future date. The preferred equity return will be paid in kind and be payable only to the extent cash flow is available. The preferred equity investment and any unpaid return is required to be paid in full on or before the mandatory redemption date which is coterminous with the mortgage and mezzanine loan. However, a default on the preferred equity investment will not cause a default under the Triple Net Acquisitions Portfolio - Pool 1 loan or the related mezzanine loan, nor will it result in a change in control of the borrowers under the Triple Net Acquisitions Portfolio - Pool 1 loan.