

Starbucks Center



Starbucks Center
2401 & 2701 Utah Avenue South
Seattle, WA 98134

Map Labels:
Key Arena, Seattle Center, EMP Museum, Seattle Children's Museum, Space Needle, Pacific Science Center, Olympic Sculpture Park, Seattle Marriott Waterfront, Pike Place Market, Seattle Aquarium, Waterfront Park, Hotel 1000, Westlake Center, Amazon Doppler Tower, Paramount Theatre, Washington State Convention Center, Town Hall Seattle, Swedish Med Ctr/First Hill Campus, Harborview Medical Center, Seattle University, ECHERRY ST, Swedish Medical Center / Cherry Hill Campus, SQUIRE PARK, Judding Park and Playfield, Seattle Children's Play Garden, Beacon Hill Playground, Office Depot, SODO STATION, S LAMBER ST, INDUSTRIAL DISTRICT, SPOKANE ST VIADUCT, 4TH AVE S, 5TH AVE S, 6TH AVE S, 7TH AVE S, 8TH AVE S, 9TH AVE S, 10TH AVE S, 11TH AVE S, 12TH AVE S, 13TH AVE S, 14TH AVE S, 15TH AVE S, 16TH AVE S, 17TH AVE S, 18TH AVE S, 19TH AVE S, 20TH AVE S, 21ST AVE S, 22ND AVE S, 23RD AVE S, 24TH AVE S, 25TH AVE S, 26TH AVE S, 27TH AVE S, 28TH AVE S, 29TH AVE S, 30TH AVE S, 31ST AVE S, 32ND AVE S, 33RD 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Mortgage Loan Information

Mortgage Loan Seller:	GACC
Original Principal Balance⁽¹⁾:	\$65,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$65,000,000
% of Pool by IPB:	5.8%
Loan Purpose:	Refinance
Borrower:	First and Utah Properties, LLC
Sponsors⁽²⁾:	Peter P. Nitze and Kevin Daniels
Interest Rate⁽³⁾:	3.52400%
Note Date:	9/14/2016
Anticipated Repayment Date⁽³⁾:	10/6/2026
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	ARD-Interest Only
Call Protection⁽⁴⁾:	L(25),Def(90),O(5)
Lockbox:	Springing
Additional Debt:	Yes
Additional Debt Balance:	\$75,000,000
Additional Debt Type:	Pari Passu

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Mixed Use – Office/Retail
Net Rentable Area (SF):	1,506,716
Location:	Seattle, WA
Year Built / Renovated:	1912, 1915, 1993 / 2001
Occupancy⁽⁵⁾:	93.0%
Occupancy Date:	8/1/2016
Number of Tenants:	19
2013 NOI:	\$15,921,473
2014 NOI⁽⁶⁾:	\$16,524,259
2015 NOI⁽⁶⁾:	\$16,173,241
TTM NOI (as of 6/2016)⁽⁶⁾:	\$15,479,016
UW Economic Occupancy:	93.8%
UW Revenues:	\$24,472,536
UW Expenses:	\$7,275,564
UW NOI⁽⁶⁾:	\$17,196,971
UW NCF:	\$15,789,882
Appraised Value / Per SF⁽⁷⁾:	\$453,500,000 / \$301
Appraisal Date:	6/21/2016

Escrows and Reserves⁽⁸⁾

	Initial	Monthly	Initial Cap
Taxes:	\$13,389	\$74,381	N/A
Insurance:	\$165,278	Springing	N/A
Replacement Reserves:	\$0	\$25,112	\$602,686
TI/LC⁽⁹⁾:	\$455,670	Springing	\$15,067,160
Other:	\$481,280	Springing	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / SF:	\$93
Maturity Date Loan / SF⁽¹⁰⁾:	\$93
Cut-off Date LTV:	30.9%
Maturity Date LTV⁽¹⁰⁾:	30.9%
UW NCF DSCR:	3.16x
UW NOI Debt Yield:	12.3%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan ⁽¹⁾	\$140,000,000	100.0%	Payoff Existing Debt ⁽¹¹⁾	\$105,225,885	75.2%
			Return of Equity	32,135,379	23.0
			Closing Costs	1,523,120	1.1
			Upfront Reserves	1,115,617	0.8
Total Sources	\$140,000,000	100.0%	Total Uses	\$140,000,000	100.0%

- (1) The Starbucks Center loan is part of a whole loan evidenced by three *pari passu* notes with an aggregate original principal balance of \$140.0 million. The Financial Information presented in the chart above reflects the Cut-off Date balance of the \$140.0 million Starbucks Center Whole Loan (as defined below).
- (2) The loan sponsors are not guarantors for the Starbucks Center Whole Loan. See "The Borrower" and "The Loan Sponsors" herein for additional information.
- (3) The Starbucks Center Whole Loan has an anticipated repayment date of October 6, 2026 (the "Anticipated Repayment Date" or "ARD") and a final maturity date of October 6, 2028. From and after the Anticipated Repayment Date, the Starbucks Center Whole Loan accrues interest at a fixed rate that is equal to the greater of (i) 5.52400% and (ii) the 10-year swap spread as of the Anticipated Repayment Date plus 4.00000%.
- (4) The lockout period will be at least 25 payments beginning with and including the first payment date in November 2016. Defeasance of the full \$140.0 million Starbucks Center Whole Loan is permitted after the date that is the earlier to occur of (i) two years from the closing date of the securitization that includes the last *pari passu* note to be securitized and (ii) September 14, 2019.
- (5) Occupancy represents the physical occupancy as of August 1, 2016, which includes 76,518 square feet (5.1% of net rentable area) that is on a month-to-month basis and has been underwritten as vacant.
- (6) The decrease in TTM NOI from 2014 NOI is due to OfficeMax vacating the Starbucks Center property in order to develop the new Starbucks lobby store. The increase in NOI from TTM to UW is primarily due to the inclusion of approximately \$965,848 in connection with 69,975 square feet for which Starbucks began paying rent in 2016 and approximately \$1,136,844 in connection with leases that have been signed but have not yet begun paying rent, including 17,640 square feet for which rent payments will commence no later than February 2017 and approximately 62,851 square feet for which rent payments will commence no later than October 2017.
- (7) Two separate appraisals were conducted for the Home Depot Building and the Starbucks Building. The appraisals concluded a dark value of \$31,100,000 for the Home Depot Building and \$360,300,000 for the Starbucks Building. The aggregate dark value of \$391,400,000 results in a loan-to-dark value ratio of 35.8%.
- (8) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.
- (9) The TI/LC reserve cap of \$15,067,160 is based on the aggregate balance of the TI/LC reserve and the lease sweep reserve.
- (10) Maturity Date Loan / SF and Maturity Date LTV are calculated as of the ARD.

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- (11) Includes payoff of the approximate \$88.1 million prior debt, as well as an approximate \$16.6 million payoff and \$500,000 prepayment fee of the remaining balance on loans related to the sponsors' build out of the originally raw warehouse space pursuant to which the sponsors paid principal and interest on the related loans to Starbucks and Starbucks reimbursed the sponsors in the form of additional rent. These loans were paid off in full in connection with the origination of the Starbucks Center Whole Loan but Starbucks is required to continue to make the additional rental payments under the original terms of the lease.

The Loan. The Starbucks Center loan is secured by a first mortgage lien on the borrower's fee interest in a nine-story office building, a stand-alone retail building and two seven-story parking garages, totaling 1,506,716 square feet of net rentable area located in Seattle, Washington. The whole loan has an outstanding principal balance as of the Cut-off Date of \$140.0 million (the "Starbucks Center Whole Loan") and is comprised of three *pari passu* notes, Note A-1, Note A-2 and Note A-3 with an aggregate outstanding principal balance as of the Cut-off Date of \$140.0 million. Note A-2, with an outstanding principal balance as of the Cut-off Date of \$65.0 million is being contributed to the JPMDB 2016-C4 Trust and is the controlling note under the related co-lender agreement, the rights of which will be exercised under this securitization (or, prior to the occurrence and continuance of a control termination event under the pooling and servicing agreement, the directing certificateholder). However, the holders of the remaining notes will be entitled, under certain circumstances, to be consulted with respect to certain major decisions. The Starbucks Center Whole Loan is structured with an ARD of October 6, 2026, a final maturity date of October 6, 2028, and is interest-only until the ARD. The most recent prior financing of the property was not included a securitization. The relationship between the holders of the Starbucks Center Whole Loan will be governed by a co-lender agreement as described under the "*Description of the Mortgage Pool—The Whole Loans—The Starbucks Center Whole Loan*" in the Prospectus.

Whole Loan Summary				
Note	Original Balance	Cut-off Date Balance	Note Holder	Controlling Piece
A-1	\$40,000,000	\$40,000,000	COMM 2016-COR1	No
A-2	\$65,000,000	\$65,000,000	JPMDB 2016-C4	Yes
A-3	\$35,000,000	\$35,000,000	DBNY	No
Total	\$140,000,000	\$140,000,000		

The Borrower. The borrowing entity for the Starbucks Center Whole Loan is First and Utah Properties, LLC, a Delaware limited liability company and a special purpose entity.

The Loan Sponsors. The loan sponsors are Peter P. Nitze and Kevin Daniels. There is no separate nonrecourse carve-out guarantor for the Starbucks Center Whole Loan and the Starbucks Center Whole Loan is fully recourse to the borrower. Nitze-Stagen & Co., Inc. agreed to indemnify the lender for any loss, up to \$1.0 million, related to the borrower's failure to comply with environmental laws and/or remediation of the Starbucks Center property (see "*Environmental Matters*" herein for additional information).

Peter P. Nitze and Kevin Daniels are Chairman and Vice Chairman, respectively, of Nitze-Stagen & Co., Inc., an integrated real estate investment and property management firm founded in 1970 by Peter P. Nitze and Frank Stagen. Nitze-Stagen & Co., Inc. manages a portfolio of properties in the Seattle market including Union Station Parking, a 1,200 parking stall site and The Ainsworth & Dunn Warehouse.

Kevin Daniels has over 30 years of real estate experience, including leasing, development and property management. Through its affiliate, Daniels Real Estate, of which Kevin Daniels is President, Nitze-Stagen & Co., Inc. is also involved in commercial development and the redevelopment of historic and landmark buildings throughout the greater Seattle area. Daniels Real Estate recently completed the redevelopment of Merrill Place, a 179,000 square foot creative office project in a historic brick and timber building in Pioneer Square, just one mile north of Starbucks Center.

The Property. The Starbucks Center property is a mixed use office and retail property located approximately one mile south of downtown Seattle, Washington. Starbucks Center totals approximately 1.5 million square feet of net rentable area and consists of the approximately 1.4 million square foot Starbucks corporate headquarters building (the "Starbucks Building"), an adjacent 108,000 square foot Home Depot store (the "Home Depot Building") and two seven-story standalone parking garages. The Starbucks Building consists of a nine-story office building originally built in 1912 and 1915, with expansions taking place in 1956, 1965, 1974 and 2001. The Home Depot building consists of a single-story retail box located on a pad site and was built by the sponsors in 1993. The parking structures were built in 1976 and 2002, and are comprised of 1,138 parking spaces that serve the Starbucks Building. In addition to the parking garages, Starbucks Center has 650 surface spaces for a total parking ratio of 1.19 spaces per 1,000 square feet. The Starbucks tenant also owns two additional non-collateral parking lots adjacent to the Home Depot Building.

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The Starbucks Building is comprised of approximately 1.2 million square feet of office space, approximately 98,055 square feet of warehouse space, approximately 70,917 square feet of retail space and approximately 74,909 square feet of basement storage. The Starbucks tenant leases space throughout all nine floors with the majority of its approximately 1.15 million square feet on floors three through nine and with the remaining space, which includes an innovation lab, a research and development lab, a daycare center and a cafeteria, on the first two floors. Starbucks also leases approximately 2,500 square feet of first floor retail space and is looking to expand into additional space on the same floor. Amazon leases 45,567 square feet of retail located on the first floor. The remaining 16 tenants, some of which are on month-to-month leases, total approximately 2.1% of net rentable area and are mostly located throughout the first and second floors. Vacant space at the Starbucks building mostly consists of basement storage and second floor warehouse space.

Since acquiring the Starbucks Building in 1990, the loan sponsors have worked with Starbucks to invest over \$144.0 million into the Starbucks Center property. Starbucks first took occupancy in 1993 with a short-term lease for the eighth and ninth floors and, according to the loan sponsors, have since expanded over 60 times while directly investing over \$59.0 million into its space. Notable improvements include conversion of approximately 1.0 million square feet of former retail and warehouse space into modernized creative office space, a full seismic upgrade, elevator modernization, energy efficiency upgrades to achieve LEED Gold status, updated lobby, addition of a Starbucks retail store and significant tenant improvements. The Starbucks Center property accommodates over 4,500 Starbucks employees and offers a full suite of onsite amenities including a full service fitness center, day care facilities, multiple dining and cafeteria options, and space for Starbucks to create full-scale store replicas to test new concepts.

The Home Depot Building consists of a 108,000 square feet stand-alone Home Depot retail store, which is the only Home Depot in downtown Seattle. The Home Depot store has 264 parking spaces for a ratio of 2.44 spaces per 1,000 square feet.

As of August 1, 2016, Starbucks Center is approximately 93.0% occupied by 19 tenants under 66 separate leases. The largest tenant, Starbucks Corporation ("Starbucks"), rated A/A2/A- by Fitch/Moody's/S&P, occupies 76.4% of net rentable area through September 2025. Starbucks (NASDAQ:SBUX) was founded in 1985 and is headquartered at Starbucks Center. Starbucks operates as a roaster, marketer and retailer of specialty coffee worldwide. In addition to offering coffee and tea beverages in its stores, Starbucks licenses its trademarks through grocery and national foodservice accounts, including Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Starbucks VIA, Seattle's Best Coffee, Frappuccino, Starbucks Doubleshot, Starbucks Refreshers, and Starbucks Discoveries Iced Café Favorites brand names. As of March 27, 2016, Starbucks operated approximately 23,921 cafes. Starbucks first took occupancy at Starbucks Center in 1993 with a short-term lease for two floors. Since taking occupancy, Starbucks has invested over \$59.0 million directly into its space on upgrades, expansions and conversion of approximately 1.0 million square feet of former retail and warehouse space into modernized creative office space. The Starbucks lease includes approximately 64,472 square feet for which rent payments commence no later than October 2016, approximately 17,640 square feet for which rent payments commence no later than February 2017 and approximately 62,851 square feet for which rent payments commence no later than October 2017. Starbucks does not have any termination or contraction options. Starbucks has three five-year extension options remaining at 95.0% of fair market value and nine months' prior notice.

The second largest tenant, The Home Depot, Inc. ("Home Depot"), occupies 7.2% of net rentable area through January 2019. Home Depot (NYSE:HD) operates as a home improvement retailer and has been at Starbucks Center since 1993. It operates The Home Depot stores that sell various building materials, home improvement products, and lawn and garden products, as well as provide installation, home maintenance, and professional service programs to do-it-yourself, do-it-for-me and professional customers. It primarily serves home owners, renovators/remodelers, general contractors, repairmen, installers, small business owners, and tradesmen. The company also sells its products online. As of December 31, 2015, the Home Depot has 2,274 stores, including 1,977 in the United States, 182 in Canada and 115 in Mexico. The Home Depot, Inc. was founded in 1978 and is based in Atlanta, Georgia. Home Depot has three five-year extension options remaining at fair market value rent and six months' prior notice. Home Depot does not have any termination options. Sales at the Home Depot store have been steadily increasing and surpass the nation average, as shown in the following chart.

	Home Depot Historical Sales ⁽¹⁾					National Average ⁽²⁾
	2011	2012	2013	2014	2015	
Home Depot Sales (\$)	\$37,358,039	\$49,262,658	\$53,893,920	\$57,394,867	\$63,060,032	\$39,000,000
Sales per square foot	\$345.91	\$456.14	\$499.02	\$531.43	\$583.89	\$371.00

(1) Sales figures were provided by the borrower.

(2) Home Depot National Average sales are as of June 1, 2016.

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The third largest tenant, Amazon.com, Inc. ("Amazon"), occupies 3.0% of net rentable area through April 2026. Amazon was founded in 1994 and is headquartered in Seattle. Amazon engages in the retail sale of consumer products in North America and internationally. The company sells merchandise and content purchased for resale from vendors, as well as those offered by third-party sellers. Amazon's space at the Property operates as an Amazon Prime, which is open for business and expects to open the remaining space (as a new concept business) in December 2016. Amazon is paying full rent. At origination, the borrower deposited \$303,780 into a rent concession reserve to cover rental payments for four months through December 2016. Amazon does not have any termination or contraction options. Amazon has four five-year extension options with nine months' prior notice and with a rental rate 15.0% higher than the prior term rental rate.

Starbucks Center is located approximately one mile south of downtown Seattle, Washington within the South-of-Downtown ("SoDo") district with frontage along Utah Avenue South. SoDo is a transitional area between the Pioneer Square and International Districts at the southern end of the Seattle central business district ("Seattle CBD") and the South Seattle industrial district. This area includes the Stadium District, which features Safeco Field, home of the Seattle Mariners, and CenturyLink Field, home both of the Seattle Seahawks and Seattle Sounders, as well as the Port of Seattle's Harbor Island facility. The major artery through the Seattle metropolitan area is Interstate 5, which runs from Canada to Mexico and is the primary transportation artery of the west coast of the United States. Interstate 5 defines the eastern boundary of the Seattle CBD and serves to regionally connect the city with Vancouver, British Columbia to the north and Portland, Oregon and San Francisco, California to the south. Starbucks Center is also located less than a mile from the Sound Transit light rail's SoDo station.

Office Market

Starbucks Center is located within the South Seattle/Close-In submarket of the Seattle regional office market. The boundaries of this submarket generally correspond to those of the City of Seattle's Duwamish Manufacturing and Industrial Center, encompassing all of the office buildings south of the Seattle CBD and north of the Tukwila submarket. As this area is mostly industrial in nature, and zoning generally does not allow for large office uses, the submarket, as of first quarter 2016, has approximately 3.7 million square feet of office space including the Starbucks Building. Of the approximately 3.7 million square feet, approximately 2.7 million square feet (74.7%) is Class A, 598,989 square feet (16.4%) is classified as Class B, and 325,664 square feet (8.9%) is classified as Class C. Total direct vacancy in the submarket is 12.3% including the Starbucks Building, with Class A vacant space totaling 149,970 square feet and all encompassed in one building. The appraisal determined a vacancy rate and collection loss of 5.0% for the Starbucks Building.

As of first quarter 2016, the South Seattle/Close-In submarket has average asking rents of \$32.47 per square foot with Class A asking rents at \$40.72 per square foot. The overall CBD has average asking rents of \$37.19 per square foot with Class A rents at \$41.79 per square foot. Based upon recent leasing activity in the Seattle downtown area, the appraisal concluded market rent for the Starbucks Building to be \$30.00 per square foot, modified gross. Since there are no office buildings in Starbucks Center's immediate SoDo area, other than 2200 1st Avenue South, the appraisal reviewed comparable properties from the Seattle central business district and determined nine comparable leases to the Starbucks lease. Rental rates for comparable office leases ranged from \$23.50 per square foot to \$38.00 per square foot and averaged \$28.04 per square foot. In addition, the appraisal concluded to market rent for the Starbucks building's office space of \$30.00 per square foot modified gross.

Retail Market

The Home Depot Building is located in the Northgate/Central submarket of Seattle. The Seattle retail market contains 27.1 million square feet of space. Eastside/Bellevue is the largest submarket, comprising 33.6% of the area's total inventory and Northgate/Central is the smallest submarket with 12.8% of total inventory. The submarket contains approximately 3.5 million square feet of inventory with a first quarter 2016 vacancy rate of 2.8%. Average asking rents in the Northgate/Central submarket increased from \$22.93 per square foot in 2011 to \$24.01 per square foot in 2015. As of first quarter 2016, the average rent in the submarket is \$24.36 per square foot.

According to the appraisal, the Seattle retail market has experienced decreased vacancy levels since 2011. Over the near term, new construction activity is expected to be fairly balanced with absorption. As a result, over the next five years vacancy is projected to remain fairly stable around 7.0%. Over the same period, however, average asking rental rates are expected to increase from \$22.09 per square foot to \$25.49 per square foot triple net.

Since there are no similar retail properties in the SoDo area, the appraisal relied primarily upon the recent Amazon lease and the Starbucks lease as indications of market rent. The base rates of these recent leases are significantly less than what retail spaces are leasing for in the Financial District or South Lake Union. Base rental rates for retail spaces in these areas are currently between \$35.00 and \$45.00 per square foot triple net. The appraisal concluded that market rent for the Starbucks building's retail space is \$20.00 per square foot triple net.

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Additionally, the appraisal compared the Home Depot lease to 10 similar recent leases in the Puget Sound area, which have lease rental rates ranging from \$12.00 per square foot to \$27.72 per square foot, with an average of \$18.17 per square foot. The appraisal employed a market rent health ratio calculation to compare the Home Depot lease to other market leases in the wider Puget Sound area, and concluded a market rent of \$20.00 per square foot triple net.

Historical and Current Occupancy ⁽¹⁾			
2013	2014	2015 ⁽²⁾	Current ⁽²⁾⁽³⁾
98.6%	97.5%	97.7%	93.0%

- (1) Historical Occupancies are as of December 31 of each respective year.
 (2) The decrease in occupancy from 2015 to Current is due to OfficeMax vacating Starbucks Center in order for Starbucks to develop the new Starbucks lobby store.
 (3) Current Occupancy represents the physical occupancy as of August 1, 2016, which includes 76,518 square feet (5.1% of net rentable area) that is on a month-to-month basis and has been underwritten as vacant.

Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Tenant Summary ⁽¹⁾		Base Rent PSF	% of Total Base Rent	Lease Expiration Date
		Net Rentable Area (SF)	% of Total NRA			
Starbucks ⁽³⁾	A2 / A- / A	1,151,196	76.4%	\$9.80	80.1%	9/30/2025
Home Depot ⁽⁴⁾	A2 / A / A	108,000	7.2%	\$16.58	12.7%	1/31/2019
Amazon ⁽⁵⁾	Baa1 / AA- / NA	45,567	3.0%	\$20.00	6.5%	4/1/2026
Screamer	NA / NA / NA	7,520	0.5%	\$6.48	0.3%	1/31/2018
Intiman ⁽⁶⁾	NA / NA / NA	5,000	0.3%	NAP	NAP	MTM
Westmark Hotels	NA / NA / NA	4,458	0.3%	\$5.76	0.2%	12/31/2018
UW Drama	NA / NA / NA	3,930	0.3%	\$6.24	0.2%	1/31/2017
Next Lighting ⁽⁶⁾	NA / NA / NA	1,515	0.1%	NAP	NAP	MTM
NSCO ⁽⁶⁾	NA / NA / NA	1,500	0.1%	NAP	NAP	MTM
Laurel Vaneck Project Planning ⁽⁶⁾	NA / NA / NA	1,039	0.1%	NAP	NAP	MTM

- (1) Based on the underwritten rent roll as of August 1, 2016.
 (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) Starbucks has three five-year extension options at 95.0% of fair market value rent with nine months' prior notice. Starbucks does not have any early termination or contraction options. The Starbucks lease includes approximately 64,472 square feet for which rent payments commence no later than October 2016, approximately 17,640 square feet for which rent payments commence no later than February 2017 and approximately 62,851 square feet for which rent payments commence no later than October 2017.
 (4) Home Depot has three five-year extension options remaining at fair market value rent with six months' prior notice. Home Depot does not have any early termination or contraction options.
 (5) Amazon began its lease June 1, 2016 and a portion of its space is open for business with the remaining space expected to be open by December 2016. Amazon is paying full rent. At loan origination, \$303,780 was deposited into a rent concession reserve to cover rental payments for four months through December 2016. In addition, Amazon has four five-year extension options with nine months prior notice and with a rental rate 15.0% higher than the prior term rental rate.
 (6) The tenant is in occupancy as of the August 1, 2016 rent roll with a lease that is on a month-to-month basis, and such tenant has been underwritten as vacant.

Starbucks Center

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	105,327	7.0%	NAP	NAP	105,327	7.0%	NAP	NAP
2016 & MTM ⁽²⁾	39	76,518	5.1	\$0	0.0%	181,845	12.1%	\$0	0.0%
2017	2	7,530	0.5	24,523	0.2	189,375	12.6%	\$24,523	0.2%
2018	2	11,978	0.8	74,396	0.5	201,353	13.4%	\$98,919	0.7%
2019	2	108,600	7.2	1,799,640	12.8	309,953	20.6%	\$1,898,559	13.5%
2020	0	0	0.0	0	0.0	309,953	20.6%	\$1,898,559	13.5%
2021	0	0	0.0	0	0.0	309,953	20.6%	\$1,898,559	13.5%
2022	0	0	0.0	0	0.0	309,953	20.6%	\$1,898,559	13.5%
2023	0	0	0.0	0	0.0	309,953	20.6%	\$1,898,559	13.5%
2024	0	0	0.0	0	0.0	309,953	20.6%	\$1,898,559	13.5%
2025	20	1,151,196	76.4	11,284,376	80.1	1,461,149	97.0%	\$13,182,935	93.5%
2026	1	45,567	3.0	911,340	6.5	1,506,716	100.0%	\$14,094,275	100.0%
2027 & Beyond	0	0	0.0	0	0.0	1,506,716	100.0%	\$14,094,275	100.0%
Total	66	1,506,716	100.0%	\$14,094,275	100.0%				

(1) Based on the underwritten rent roll as of August 1, 2016.

(2) Includes 76,518 square feet (5.1% of net rentable area) that is on a month-to-month basis and has been underwritten as vacant.

Operating History and Underwritten Net Cash Flow						Per Square	
	2013	2014 ⁽¹⁾	2015 ⁽¹⁾	TTM ⁽¹⁾	Underwritten ⁽¹⁾	Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$12,655,230	\$12,947,877	\$12,950,347	\$12,564,519	\$14,094,275	\$9.35	54.0%
Amazon Tenant Rent Steps ⁽⁴⁾	0	0	0	0	1,376,849	0.91	5.3
Non- Amazon Tenant Rent Steps ⁽⁵⁾	0	0	0	0	547	0.00	0.0
Vacant Income	0	0	0	0	1,609,113	1.07	6.2
Gross Potential Rent	\$12,655,230	\$12,947,877	\$12,950,347	\$12,564,519	\$17,080,784	\$11.34	65.5%
Total Reimbursements	4,526,773	4,847,069	4,780,899	4,572,733	4,953,739	3.29	19.0
Other Income	1,333,308	1,350,874	1,405,242	1,469,308	1,461,446	0.97	5.6
Systems Improvements ⁽⁶⁾	4,389,511	4,298,617	4,121,114	3,966,913	2,585,680	1.72	9.9
Net Rental Income	\$22,904,823	\$23,444,437	\$23,257,602	\$22,573,473	\$26,081,648	\$17.31	100.0%
(Vacancy/Credit Loss) ⁽⁷⁾	0	0	0	0	(1,609,113)	(1.07)	(6.2)
Effective Gross Income	\$22,904,823	\$23,444,437	\$23,257,602	\$22,573,473	\$24,472,536	\$16.24	93.8%
Total Expenses	\$6,983,351	\$6,920,178	\$7,084,361	\$7,094,458	\$7,275,564	\$4.83	29.7%
Net Operating Income	\$15,921,473	\$16,524,259	\$16,173,241	\$15,479,016	\$17,196,971	\$11.41	70.3%
Total TI/LC, Capex/RR	0	0	0	0	1,407,089	0.93	5.7
Net Cash Flow	\$15,921,473	\$16,524,259	\$16,173,241	\$15,479,016	\$15,789,882	\$10.48	64.5%

(1) TTM column represents the trailing 12 months ended June 30, 2016. The decrease in TTM Net Operating Income from 2014 Net Operating Income is due to OfficeMax vacating the Starbucks Center property in order to develop the new Starbucks lobby store. The increase in Net Operating Income from TTM to UW is primarily due to the inclusion of approximately \$965,848 in connection with 69,975 square feet for which Starbucks began paying rent in 2016 and approximately \$1,136,844 in connection with leases that have been signed but have not yet begun paying rent, including 17,640 square feet for which rent payments will commence no later than February 2017 and approximately 62,851 square feet for which rent payments will commence no later than October 2017.

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

(3) Underwritten Rents in Place is based on the August 1, 2016 rent roll and includes approximately 144,963 square feet of space with lease commencement dates from October 2016 through October 2017.

(4) Amazon Tenant Rent Steps are based on the straight line average of the investment grade tenants' rent during the term of the loan.

(5) Non-Amazon Tenant Rent Steps are taken through August 2017.

(6) System Improvements was underwritten based on the straight-line average of the remaining additional rent payments from Starbucks through the term of the Starbucks Center Whole Loan. In relation to the sponsors' build out of the originally raw warehouse space, pursuant to which the sponsors paid principal and interest on related loans to Starbucks, Starbucks reimbursed the sponsors in the form of additional rent. The related loans were paid off in full in connection with the origination of the Starbucks Center Whole Loan but Starbucks is required to continue to make the additional rental payments under the original terms of the lease.

(7) Underwritten Vacancy/Credit Loss represents 9.4% of Gross Potential Rent and 6.2% of Net Rental income, and is underwritten based on the physical vacancy as of August 2016, with all month-to-month leases marked as vacant. The appraisals determined a vacancy rate and collection loss of 5.0% for the Starbucks building and 0.0% for the Home Depot building, for a blended rate of 4.6%.

Property Management. Starbucks Center is managed by Nitze-Stagen & Co., Inc., an affiliate of the borrower.

Starbucks Center

Escrows and Reserves. At loan origination, the borrower deposited (i) \$455,670 into a TI/LC reserve account to be used for outstanding approved leasing expenses in relation to Amazon, (ii) \$303,780 into a rent concession reserve account in relation to the Amazon lease, (iii) \$177,500 into an environmental reserve account, (iv) \$165,278 into an insurance reserve account and (v) \$13,389 into a tax reserve account.

Tax Escrows - On a monthly basis, the borrower is required to deposit monthly reserves of 1/12 of the estimated annual real estate taxes, which currently equates to \$74,381, into a tax reserve account.

Insurance Escrows - Provided that an acceptable blanket policy is no longer in place, on a monthly basis the borrower is required to escrow 1/12 of annual insurance premiums.

Replacement Reserves - On a monthly basis, the borrower is required to deposit monthly reserves of \$25,112 (approximately \$0.20 per square foot annually) into a replacement reserve account subject to a replacement reserve cap of \$602,686 (approximately \$0.40 per square foot).

TI/LC Reserves - If (a) the Starbucks lease is no longer in effect or (b) Starbucks credit rating falls below BBB or equivalent, the borrower will be required to make monthly deposits of \$188,340 (approximately \$1.50 per square foot annually) into a TI/LC reserve account subject to an aggregate TI/LC reserve and lease sweep reserve cap of \$15,067,160 (approximately \$10.00 per square foot).

Environmental Sweep Reserves - During the continuance of an Environmental Sweep Period (as defined below), all excess cash will be transferred to the environmental reserve account.

Lease Sweep Reserves - During the continuance of a Lease Sweep Period (as defined below), and if there is no Environmental Sweep Period (as defined below) continuing, all excess cash will be transferred to the lease sweep reserve account, subject to an aggregate cap of \$15,067,160 when combined with the TI/LC reserve.

An “Environmental Sweep Period” will commence if (a) any response, remedial, removal or corrective action not already identified in the loan agreement by the environmental consultant is required in order to obtain closure of the environmental matters as described in “*Environmental Matters*” herein, or one or more additional matters are discovered at the Starbucks Center property that require any response, remedial, removal or corrective action, and (b) will end upon the earlier to occur of (x) the borrower’s completion, to lender’s satisfaction, of any remediation or response work or (y) the date funds in the environmental reserve account (excluding the upfront \$177,500 environmental reserve deposit) are equal to 125% of the estimated costs and expenses associated with the action that caused such Environmental Sweep Period to occur.

A “Lease Sweep Period” will commence upon (i) the date that is 12 months prior to the earliest stated expiration of a Lease Sweep Lease (as defined below) or the date the tenant under a Lease Sweep Lease is required to give notice of renewal (if longer than 12 months prior to the expiration); (ii) the date that the Lease Sweep Lease is surrendered, cancelled or terminated prior to its then current expiration date or receipt by the borrower of notice from any tenant under a Lease Sweep Lease that it intends to surrender, cancel or terminate its lease, (iii) a monetary or material non-monetary default under a Lease Sweep Lease, or (iv) a decline in the credit rating of the Lease Sweep Lease tenant (or its parent entity) below “BB” or the equivalent by any rating agency, and will end once (a) the entire space demised under the Lease Sweep Lease in question is either irrevocably renewed or is leased pursuant to qualified leases, as defined in the loan documents, and sufficient funds have accumulated in the lease sweep account to cover all anticipated TI/LCs and free rent periods set forth in such qualified lease, (b) the date the Starbucks Center property has achieved a debt service coverage ratio of 1.65x and debt yield of 10.5%, (c) if such Lease Sweep Period commenced as described in clause (iii) above, the subject default has been cured and no other monetary or material non-monetary default occurs for a period of two consecutive months thereafter, (d) if such Lease Sweep Period commenced as described in clause (iv) above, the credit rating has been restored to at least “BB” or the equivalent, or (e) when funds in the lease sweep reserve account is equal to or greater than the Lease Sweep Deposit Amount (as defined below).

A “Lease Sweep Lease” means (i) the Starbucks lease or (ii) any replacement lease that, either individually, or when taken together with any other lease covers the majority of the space demised under the Starbucks lease.

“Lease Sweep Deposit Amount” means an amount equal to the total rentable square feet of the applicable Lease Sweep Lease multiplied by \$10.00.

Starbucks Center

Lockbox / Cash Management. The Starbucks Center Whole Loan is structured with a springing lockbox. Following the occurrence of a Lockbox Commencement Event (as defined below) the borrower is required to cause all rents to be transmitted directly into a lender controlled account and, during the continuance of a Trigger Period (as defined below), funds in such account will be transferred on a daily basis to a cash management account controlled by the lender. During the continuance of a Trigger Period, all funds in the cash management account will be applied by the lender to payments of debt service, required reserves, and other items required under the Starbucks Center Whole Loan documents and remaining cash flow will be held by the lender as additional collateral for the Starbucks Center Whole Loan (except during a Trigger Period caused by a Lease Sweep Period, in which case, all excess cash will be transferred to the lease sweep reserve account, subject to an aggregate cap of \$15,067,160 when combined with the TI/LC reserve, or during a Trigger Period caused by an Environmental Sweep Period, in which case, all excess cash will be transferred to the environmental reserve account).

A “Lockbox Commencement Event” will commence (i) on the date that is six months prior to the Anticipated Repayment Date, (ii) on the date that is 18 months prior to the earliest stated expiration of the Lease Sweep Lease or (iii) the commencement of a Trigger Period (as defined below).

A “Trigger Period” will commence upon the occurrence of (i) an event of default, (ii) the Anticipated Repayment Date, (iii) a Low Debt Service Period (as defined below), (iv) an Environmental Sweep Period, (v) a Lease Sweep Period or (vi) a default under an approved mezzanine loan or an approved preferred equity investment. A Trigger Period will continue until such time as (a) with respect to clause (i) above, such event of default has been cured, (b) with respect to clause (ii) above, the debt and all obligations have been repaid in full, (c) with respect to clause (iii) above, the Low Debt Service Period has ended, (d) with respect to clause (iv) above, the Environmental Sweep Period has ended, (e) with respect to clause (v) above, the Lease Sweep Period has ended and (f) with respect to clause (vi) above, such default has been cured and an approved default revocation notice (related to the mezzanine loan or preferred equity) has been delivered to lender.

A “Low Debt Service Period” will commence upon the debt service coverage ratio falling below 1.20x on the last day of any calendar quarter and will end upon the Starbucks Center property achieving a debt service coverage ratio of at least 1.25x for two consecutive calendar quarters.

Future Mezzanine or Subordinate Indebtedness Permitted. Prior to the Anticipated Repayment Date, the Starbucks Center Loan permits either future mezzanine debt (to an affiliate of the borrower) or a future preferred equity investment (in the borrower) provided, among other things, (i) the combined (A) LTV is no more than 48.5%, (B) DSCR is no less than 1.65x and (C) debt yield is no less than 10.5%, (ii) such future indebtedness is (A) coterminous with the Starbucks Center Whole Loan and (B) is conditioned on lender receiving rating agency approval, (iii) with respect to a preferred equity investment, such investment is not secured by any collateral and creates no obligations or liabilities on the part of the borrower and (iv) such junior lender enters into either an intercreditor or recognition agreement, as applicable, with lender.

Partial Release. From and after the defeasance lockout expiration date (but prior to the ARD), the borrower may obtain the release of the parcel where the building leased to Home Depot is located (the “Home Depot Parcel”) provided, among other things, (i) the borrower defeases the loan in an amount equal to \$10,960,000 plus accrued and unpaid interest on the portion of the principal being defeased, (ii) the conveyance of the Home Depot Parcel does not adversely affect the remaining portion of the property, (iii) after giving effect to the release, taking into account the Starbucks Center Whole Loan and any existing mezzanine debt or preferred equity interest, the DSCR is at least equal to the greater of (x) 2.02x and (y) the DSCR immediately prior to such release and (iv) the LTV ratio, based on the Starbucks Center Whole Loan and the remaining property, is not greater than the lesser of (x) 45.0% and (y) the LTV ratio immediately prior to such release.

Environmental Matters. The Phase I environmental report, dated June 24, 2016, noted two outstanding recognized environmental conditions (each a “REC”) at Starbucks Center, as described below.

South Loading Dock Site: Groundwater samples taken in 1993 revealed concentrations of diesel fuel which were above the Washington State Department of Ecology’s (“DOE”) cleanup level. In 1995 however, an environmental consultant excavated soil in the area around prior underground storage tanks (“UST”) that caused the diesel concentrations, and these samples indicated that contaminants were then below cleanup levels. While soil conditions were remediated at Starbucks Center in the 1990’s, in 2006, the DOE said that the site is “mostly cleaned up” but declined to issue a no further action (“NFA”) determination due to the remaining concentrations.

Former Sears Automotive Center Site: Soil samples collected in 1994 at the former Sears Automotive Center site where Home Depot is located identified levels of petroleum in the groundwater from prior USTs at the site, none of which reported concentrations above the DOE cleanup levels. In 2006, the DOE stated that the site is mostly cleaned up, but declined to issue a NFA determination due to the lack of comprehensive documentation.

Starbucks Center

In connection with origination, the environmental consultant concluded that the cost to complete the work necessary to obtain a NFA determination at Starbucks Center is \$142,000. At origination, the borrower reserved \$177,500, which represents 125.0% of the estimated cost. The Starbucks Center Whole Loan is structured with a cash flow sweep if any other environmental matters are discovered in connection with the current RECs or if any unrelated future environmental issues are identified at Starbucks Center, and such cash flow sweep will continue until such time as (i) the borrower has completed, to lender's satisfaction, any necessary remediation or (ii) 125.0% of estimated costs to complete remediation is deposited in the sweep reserve. Additionally, Nitze-Stagen & Co. agreed to indemnify lender for any loss, up to \$1.0 million, related to the borrower's failure to comply with environmental laws and/or remediation of the Starbucks Center property.