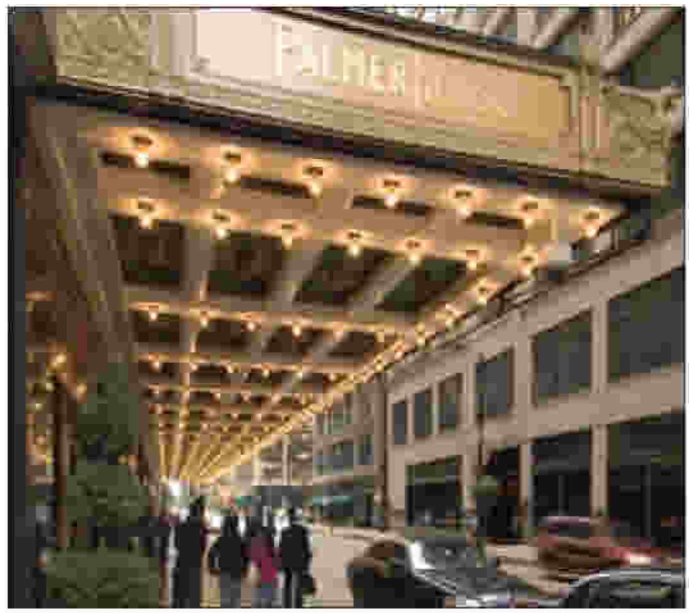
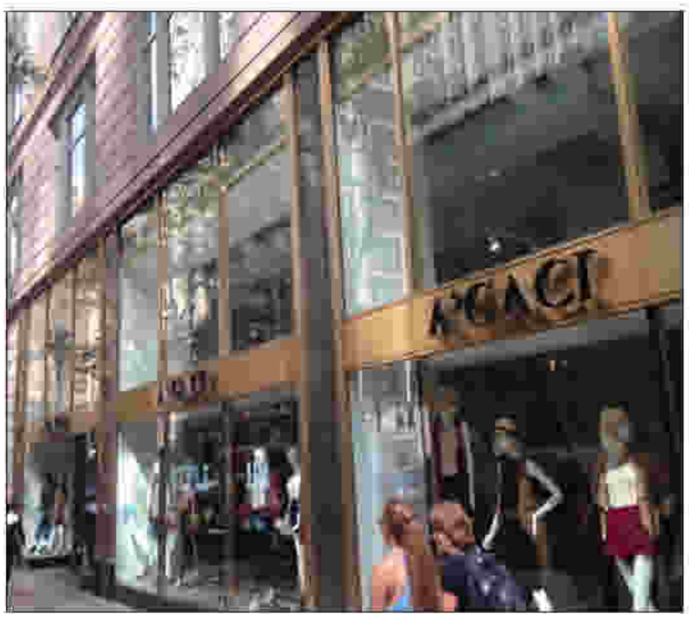
Palmer House Retail Shops





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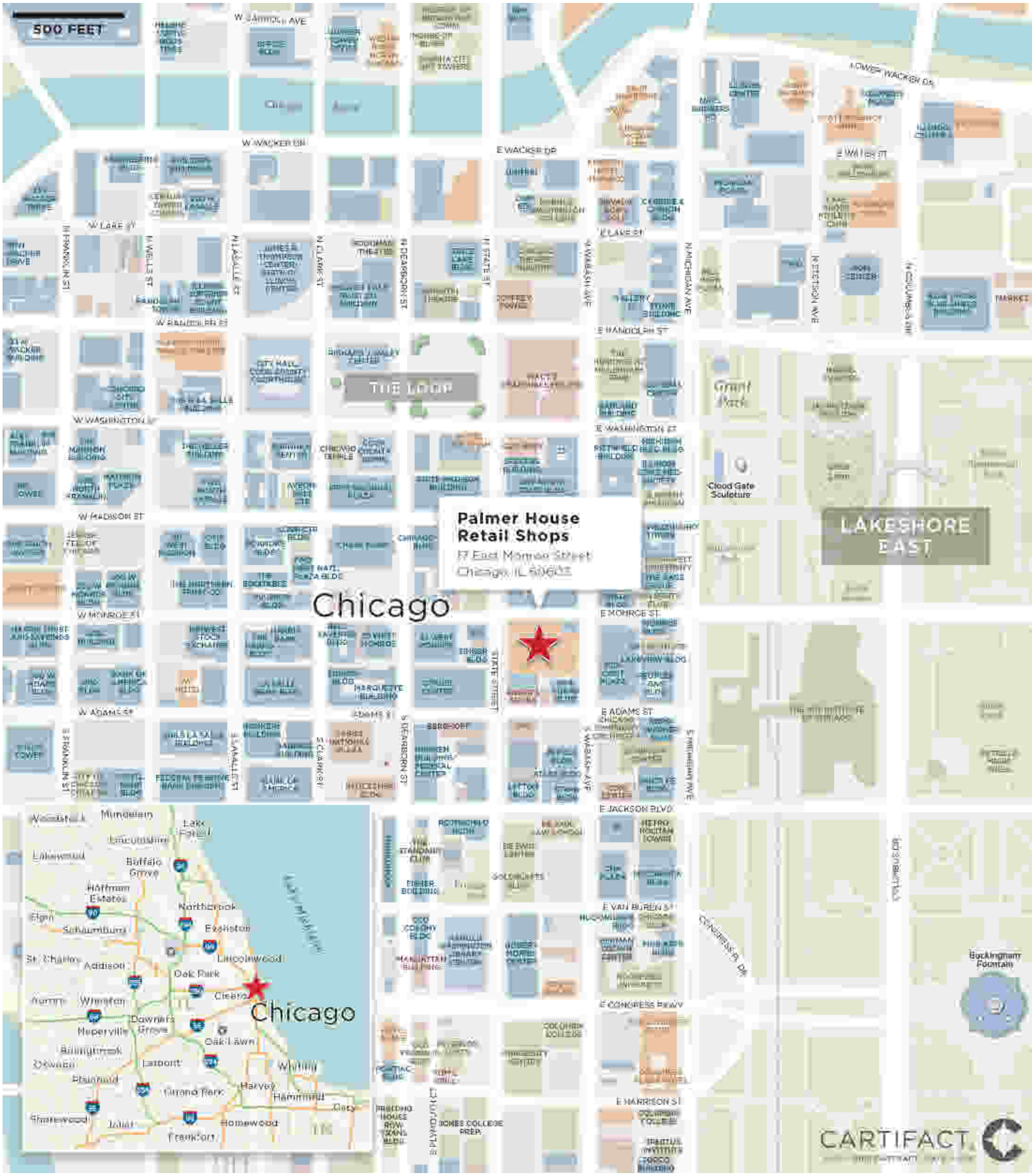

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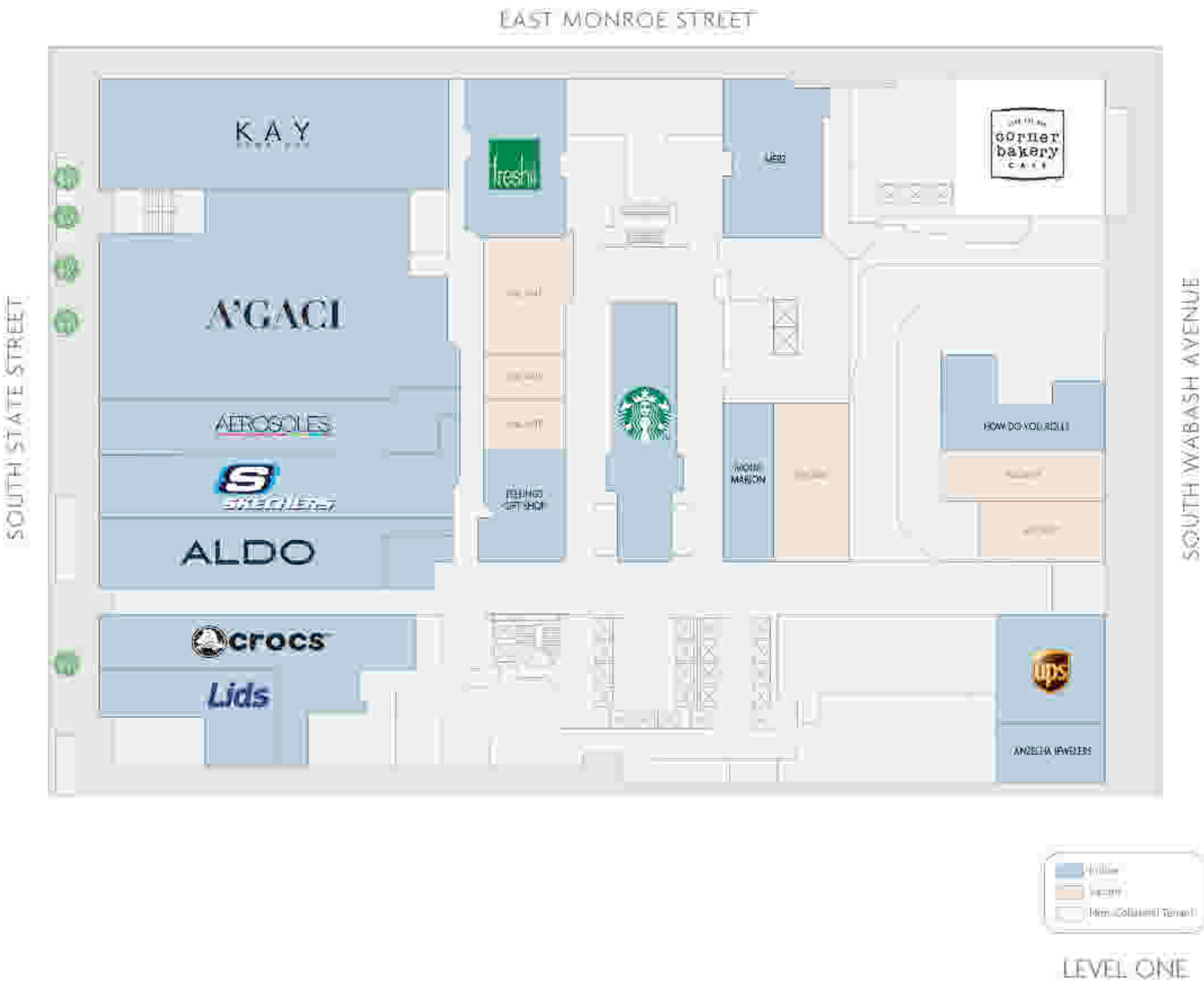

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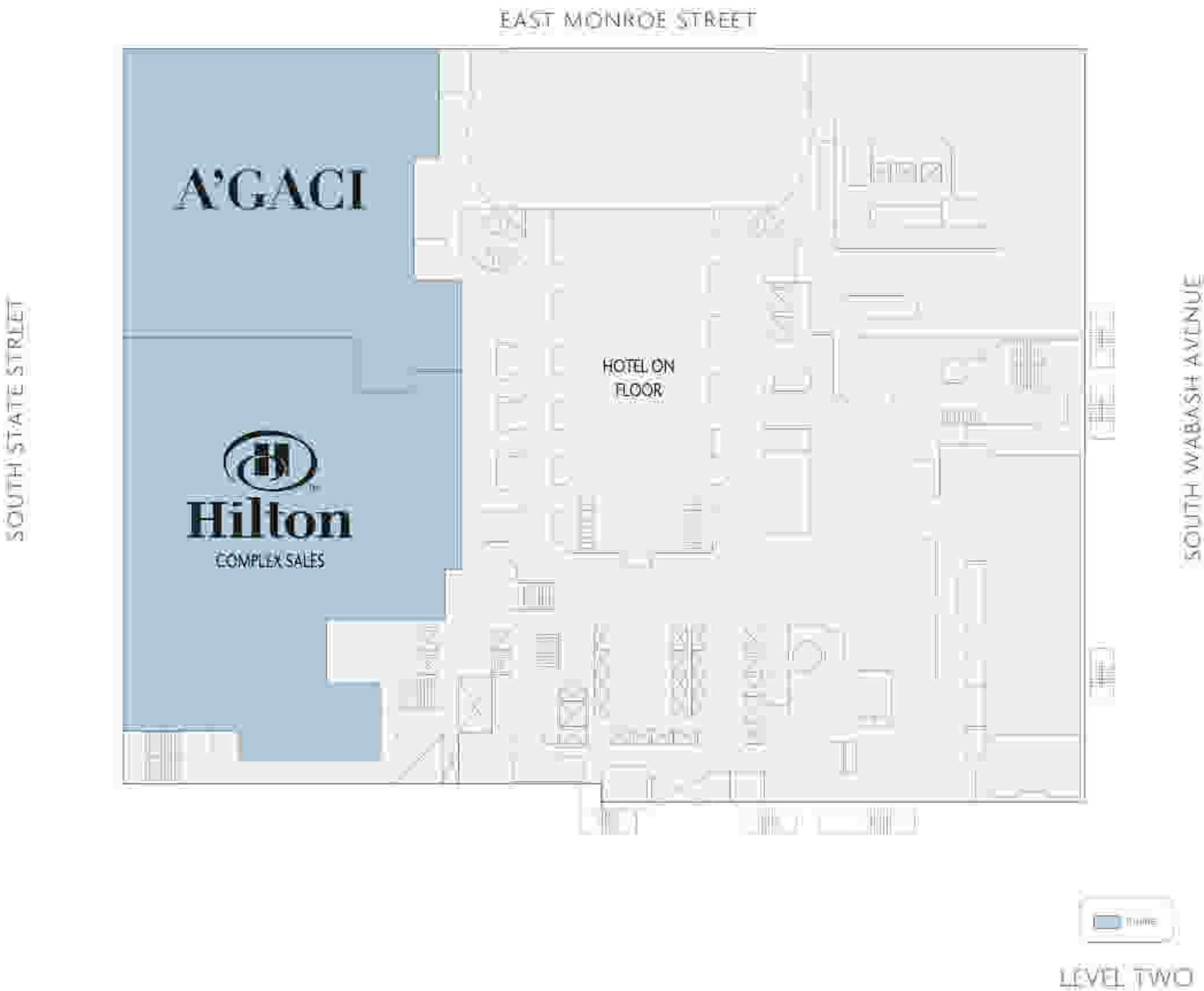

Palmer House Retail Shops

Mortgage Loan Information	
Mortgage Loan Seller:	Barclays
Original Principal Balance:	$62,000,000
Cut-off Date Principal Balance:	$62,000,000
% of Pool by IPB:	5.4%
Loan Purpose:	Refinance
Borrower:	Thor Palmer House Retail, LLC
Sponsor:	Thor Urban Operating Fund, L.P.
Interest Rate:	4.84500%
Note Date:	9/17/2015
Maturity Date:	10/6/2025
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(24),Def(91),O(5)
Lockbox:	Hard
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information	
Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Mixed Use – Retail/Parking/Office
Net Rentable Area (SF):	134,536
Location:	Chicago, IL
Year Built / Renovated:	1929 / 2009
Occupancy:	95.0%
Occupancy Date:	6/22/2015
Number of Tenants:	17
2012 NOI:	$4,687,752
2013 NOI:	$4,781,007
2014 NOI:	$5,276,223
TTM NOI (as of 6/2015):	$5,318,156
UW Economic Occupancy:	94.4%
UW Revenues:	$6,284,763
UW Expenses:	$1,102,781
UW NOI:	$5,181,982
UW NCF:	$4,984,417
Appraised Value / Per SF:	$92,550,000 / $688
Appraisal Date:	8/10/2015

Escrows and Reserves(1)

	Initial	Monthly	Initial Cap
Taxes:	$138,274	$46,091	N/A
Insurance:	$0	Springing	N/A
Replacement Reserves:	$0	$2,803	N/A
TI/LC:	$0	$11,211	N/A
Other:	$430,000	$0	N/A

Financial Information	
Cut-off Date Loan / SF:	$461
Maturity Date Loan / SF:	$407
Cut-off Date LTV:	67.0%
Maturity Date LTV:	59.1%
UW NCF DSCR:	1.27x
UW NOI Debt Yield:	8.4%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	$62,000,000	100.0%	Payoff Existing Debt	$58,483,613	94.3%
			Return of Equity	2,092,123	3.4
			Closing Costs	855,991	1.4
			Upfront Reserves	568,274	0.9
Total Sources	**$62,000,000**	**100.0%**	**Total Uses**	**$62,000,000**	**100.0%**

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

The Loan. The Palmer House Retail Shops loan has an outstanding principal balance of $62.0 million and is secured by a first mortgage lien on the retail, office and parking components of the historic Palmer House Hilton Hotel located in downtown Chicago, Illinois. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule. The previously existing debt was securitized in the JPMCC 2014-FL4 transaction.

The Borrower. The borrowing entity for the Palmer House Retail Shops loan is Thor Palmer House Retail, LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan sponsor and nonrecourse carve-out guarantor is Thor Urban Operating Fund, L.P., an investment fund controlled by Thor Equities, LLC ("Thor Equities"). Thor Equities is a privately-held commercial real estate firm headquartered in New York, New York with a retail, office, hotel and residential portfolio and development pipeline totaling approximately 20.0 million square feet. Thor Equities focuses on urban real estate development, leasing and management, pursuing retail and mixed-use assets in high-density locations.

Palmer House Retail Shops

The Property. The Palmer House Retail Shops comprise the 134,536 square foot retail, office and parking garage components of the historic Palmer House Hilton Hotel located along Monroe Street, State Street and Wabash Avenue in the central business district of Chicago, Illinois. The property consists of 54,136 square feet of retail space, 14,400 square feet of office space and a 66,000 square-foot, 166-space parking garage located at the base of the landmark Palmer House Hilton Hotel.

An affiliate of Thor Equities acquired the 1,639-room Palmer House Hilton Hotel in September 2005, along with the collateral office, retail and parking components. According to the loan sponsor, subsequent to the acquisition, over $170.0 million was invested into capital improvements to the overall structure. Of the total capital improvements, approximately $35.7 million was allocated to the Palmer House Retail Shops and utilized to construct new store fronts, re-demise the interiors, convert a portion of the second floor area along State Street to retail use, install new base building HVAC systems, upgrade existing utilities and life safety systems, convert the basement into a parking garage and pay tenant-related leasing costs. The 23-story Palmer House Hilton Hotel carries a AAA four-diamond rating and is one of the longest continuously operating hotels in the United States. The hotel, the second largest in Chicago by room count, hosts tourists and special events/conferences featuring over 130,000 square feet of meeting/event space with a 16,909 square foot exhibit hall, 77 breakout rooms and seven ballrooms, generating potential foot traffic for the collateral retail shops. The hotel is a member of Historic Hotels of America, the official program of the National Trust for Historic Preservation®.

As of June 22, 2015, the property was 95.0% leased by 17 tenants including A'gaci, Kay Jewelers, Aldo and Starbucks. The retail spaces are situated along State Street, Monroe Street and Wabash Avenue, and within the interior lobby of the Palmer House Hilton Hotel. The largest retail tenant, A'gaci, leases 13.9% of the net rentable area through January 2025 with two five-year extension options remaining. Founded in 1974, A'gaci is a privately-owned fashion retailer that has over 50 stores across the United States, an online store and two affiliate brands, O'Shoes and Boutique Five. The second largest retail tenant, Kay Jewelers, leases 3.8% of the net rentable area through April 2028. Kay Jewelers is a jewelry retailer founded in 1916 with over 900 stores in the United States. Kay Jewelers' parent company, Signet Jewelers, is the largest specialty retail jeweler in the world.

ABM Parking Services leases the 166-space underground parking garage, representing approximately 26.0% of underwritten rents in-place, through July 2025. ABM Parking Services manages approximately 1,800 office and multi-use parking operations across the United States. ABM Parking Services is a subsidiary of ABM Industries, Inc. (NYSE: ABM), a provider of facility solutions with 2014 revenues of approximately $5.0 billion and 118,000 employees in over 300 offices deployed throughout the United States and various international locations. ABM Industries, Inc. provides various services include facilities engineering, commercial cleaning, energy solutions, HVAC, electrical, landscaping, parking and security.

Hilton Complex Sales, an affiliate Hilton Worldwide Holdings Inc. (NYSE: HLT), leases the 14,400 square foot second floor office space, representing 10.7% of the net rentable area, through April 2019. Hilton Complex Sales provides sales and booking reservation services for all three Chicago-area Hilton hotels.

According to the appraisal, the Palmer House Retail Shops property is located in Chicago's central business district, specifically the downtown district, in the area generally known as the "Loop". The downtown district is home to approximately 128.2 million square feet of office space, over 10.0 million square feet of retail space and a daytime workforce population of over 0.5 million people. Additionally, the property is situated along the historic State Street retail corridor, one block east of Millennium Park and the Art Institute of Chicago. According to the appraisal, shopping along State Street in Chicago is considered second only to the Magnificent Mile, with branches of the Magnificent Mile's most popular stores located along State Street. The six-block State Street retail corridor is anchored by a Macy's location that is one of the largest department stores in the world, occupying an entire city block with 1.4 million square feet. Other retailers along State Street include Anthropologie, Nordstrom Rack, H&M, Sears, Target, Zara, TJ Maxx, Urban Outfitters, Gap, Off Saks Fifth Avenue and Forever 21. The Palmer House Retail Shops property is favorably located on the eastern side of State Street between Macy's and Target, each of whom occupies the adjacent block. Regular pedestrian traffic along State Street generally consists of office workers, retail shoppers and college students. The number of college students in the Loop has grown to approximately 60,000 due to the presence of Columbia College Chicago and DePaul University in the immediate area.

The property is situated along the east side of State Street at East Monroe Street, approximately three blocks north of Congress Street, the most direct connection between the Loop and the expressway system. Access to the area is provided by Chicago's Metra commuter train system which connects the Loop to suburbs in all directions. Additionally, the property is close to several Chicago Transit Authority ("CTA") stations that house the Brown, Orange, Pink, Purple, Blue and Green lines which connect the area to Chicago O'Hare International Airport in approximately 45 minutes. According to the appraisal, the property is located within Chicago's City North retail submarket which had year-end 2014 and second quarter 2015 vacancy rates of 4.2% and 2.8%, respectively. The appraisal determined market rents based on the different locations of the rentable area at the property as shown in the table below.

Palmer House Retail Shops

Appraisal Market Rent Conclusions

Space Classification	Net Rentable Area (SF)	Occupied Net Rentable Area (SF)	Vacant Net Rentable Area (SF)	Appraisal Gross Market Rent PSF[(1)]	Average In-Place Gross Rent PSF[(1)]
State Street Ground Floor Retail (Small)	16,834	16,834	0	$140.00	$136.84
State Street Ground Floor Retail (Large)	18,689	18,689	0	$65.00	$63.51
Monroe Street Ground Floor Retail	4,148	4,148	0	$65.00	$63.92
Wabash Avenue Ground Floor Retail	5,567	3,467	2,100	$65.00	$53.64
Interior Ground Floor Retail	8,898	4,233	4,665	$50.00	$57.37
Second Floor Office	14,400	14,400	0	$25.00	$25.71

(1) Appraisal Gross Market Rent PSF and Average In-Place Gross Rent PSF reflect base rents and reimbursements, where applicable, on a per square foot basis.

Historical and Current Occupancy[(1)]

2012	2013	2014	Current[(2)]
94.1%	94.1%	95.0%	95.0%

(1) Historical Occupancies are as of December 31 of each respective year.
(2) Current Occupancy is as of June 22, 2015.

Tenant Summary[(1)]

Tenant	Ratings[(2)] Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rent	Lease Expiration Date
ABM Parking Services[(3)]	NA / NA / NA	66,000	49.1%	$23.52	26.0%	7/31/2025
A'gaci[(4)]	NA / NA / NA	18,689	13.9%	$64.78	20.2%	1/31/2025
Hilton Complex Sales[(5)]	NA / BB / NA	14,400	10.7%	$26.20	6.3%	4/30/2019
Kay Jewelers[(6)]	NA / BBB- / NA	5,124	3.8%	$165.27	14.2%	4/30/2028
Skechers[(7)]	NA / NA / NA	3,035	2.3%	$72.45	3.7%	MTM
Aldo[(8)]	NA / NA / NA	2,720	2.0%	$119.06	5.4%	12/31/2022
Crocs	NA / NA / NA	2,620	1.9%	$140.12	6.1%	12/31/2023
Merz Apothecary[(9)]	NA / NA / NA	2,229	1.7%	$62.87	2.3%	11/30/2025
Starbucks	A2 / A- / A-	2,223	1.7%	$38.50	1.4%	12/31/2018
Freshii[(10)]	NA / NA / NA	1,919	1.4%	$65.00	2.1%	7/31/2027

(1) Based on the underwritten rent roll.
(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.
(3) ABM Parking Services has a one-time right to terminate its lease as of July 31, 2020 if it fails to attain gross sales of $4.0 million in the 2019 calendar year by providing notice between January 1, 2020 and February 28, 2020.
(4) A'gaci has a one-time right to terminate its lease between February 1, 2016 and March 31, 2016 by providing two months' notice.
(5) Hilton Complex Sales has the right to terminate its lease at anytime with nine months' notice and the payment of a termination fee.
(6) Kay Jewelers has a one-time right to terminate its lease if it fails to attain gross sales of $4.0 million in the lease year ending April 30, 2023 by providing four months' notice between May 1, 2023 and July 31, 2023.
(7) Skechers' month-to-month lease may be terminated by the tenant or the borrower with one month's notice. Skechers has been a month-to-month tenant at the property since January 1, 2014.
(8) Aldo has the right to terminate its lease as of December 28, 2017 with six months' notice.
(9) Merz Apothecary has a one-time right to terminate its lease between November 12, 2020 and January 10, 2021 by providing six months' notice.
(10) Freshii has a one-time right to terminate its lease between July 29, 2022 and October 26, 2022 by providing three months' notice.

Palmer House Retail Shops

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	6,765	5.0%	NAP	NAP	6,765	5.0%	NAP	NAP
2015 & MTM	1	3,035	2.3	$219,893	3.7%	9,800	7.3%	$219,893	3.7%
2016	0	0	0.0	0	0.0	9,800	7.3%	$219,893	3.7%
2017	0	0	0.0	0	0.0	9,800	7.3%	$219,893	3.7%
2018	1	2,223	1.7	85,585	1.4	12,023	8.9%	$305,478	5.1%
2019	1	14,400	10.7	377,246	6.3	26,423	19.6%	$682,724	11.4%
2020	0	0	0.0	0	0.0	26,423	19.6%	$682,724	11.4%
2021	0	0	0.0	0	0.0	26,423	19.6%	$682,724	11.4%
2022	1	2,720	2.0	323,849	5.4	29,143	21.7%	$1,006,573	16.8%
2023	3	5,955	4.4	798,305	13.3	35,098	26.1%	$1,804,878	30.2%
2024	2	2,545	1.9	116,407	1.9	37,643	28.0%	$1,921,285	32.1%
2025	3	86,918	64.6	2,903,041	48.5	124,561	92.6%	$4,824,326	80.7%
2026 & Beyond	5	9,975	7.4	1,156,514	19.3	134,536	100.0%	$5,980,840	100.0%
Total	**17**	**134,536**	**100.0%**	**$5,980,840**	**100.0%**				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow

	2012	2013	2014	TTM[1]	Underwritten	Per Square Foot	%[2]
Rents in Place	$5,335,604	$5,451,204	$6,051,380	$6,150,056	$5,980,840	$44.46	90.1%
Vacant Income	0	0	0	0	369,750	2.75	5.6
Gross Potential Rent	**$5,335,604**	**$5,451,204**	**$6,051,380**	**$6,150,056**	**$6,350,590**	**$47.20**	**95.6%**
Total Reimbursements	365,365	363,754	268,782	280,392	289,711	2.15	4.4
Net Rental Income	**$5,700,969**	**$5,814,959**	**$6,320,162**	**$6,430,448**	**$6,640,301**	**$49.36**	**100.0%**
(Vacancy/Credit Loss)	0	0	0	0	(369,723)	(2.75)	(5.6)
Other Income[3]	5,645	17,794	12,209	14,185	14,185	0.11	0.2
Effective Gross Income	**$5,706,615**	**$5,832,753**	**$6,332,371**	**$6,444,633**	**$6,284,763**	**$46.71**	**94.6%**
Total Expenses[4]	**$1,018,863**	**$1,051,746**	**$1,056,149**	**$1,126,477**	**$1,102,781**	**$8.20**	**17.5%**
Net Operating Income	**$4,687,752**	**$4,781,007**	**$5,276,223**	**$5,318,156**	**$5,181,982**	**$38.52**	**82.5%**
Total TI/LC, Capex/RR	0	0	0	0	197,565	1.47	3.1
Net Cash Flow	**$4,687,752**	**$4,781,007**	**$5,276,223**	**$5,318,156**	**$4,984,417**	**$37.05**	**79.3%**

(1) TTM column represents the trailing 12-month period ending on June 30, 2015.
(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.
(3) Other Income is primary comprised of percentage rent related to the Starbucks and UPS tenants.
(4) The property is subject to a Class L Tax Property Tax Incentive. Underwritten real estate tax expense of $536,985 represents actual abated amounts due in 2015 in accordance with the tax incentive. Please refer to "*Class L Property Tax Incentive*" below for additional details.

Property Management. The property is managed by Thor Equities, LLC, an affiliate of the loan sponsor.

Class L Property Tax Incentive. The property currently benefits from a Class L Property Tax Incentive. The incentive allows the property to have an assessment level that is less than the standard 25.0% of the taxing authority's market value. The property will be assessed at 10.0% of the taxing authority's market value through the 10th year of the abatement (tax year 2018), 15.0% in the 11th year (tax year 2019) and 20.0% in 12th year (tax year 2020), before reverting back to 25.0% in tax year 2021. The Class L Property Tax Incentive is granted by Cook County (with the approval of the City of Chicago) to encourage the preservation and rehabilitation of landmark commercial, industrial and income-producing not-for-profit buildings. Renewal of the Class L Property Tax Incentive is not limited so long as the borrower continues to apply and the property continues to qualify for the incentive program. In the event that the property is no longer eligible for the tax incentive, the majority of the increase in property tax expense is anticipated to be recaptured through tenant reimbursements, as most tenants at the property reimburse taxes over a base year in accordance with their leases.

Palmer House Retail Shops

Escrows and Reserves. At origination, the borrower deposited into escrow $430,000 for future tenant improvements, leasing commissions and free rent obligations, and $138,274 for real estate taxes.

Tax Escrows - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payment which currently equates to $46,091.

Insurance Escrows - The requirement for the borrower to make monthly deposits to the insurance escrow will be waived so long as there is no event of default and the borrower provides the lender with evidence that the property is insured under an acceptable blanket insurance policy.

Replacement Reserves - On a monthly basis, the borrower is required to escrow $2,803 (approximately $0.25 per square foot annually) for replacement reserves. The reserve is not subject to a cap.

TI/LC Reserves - On a monthly basis, the borrower is required to escrow $11,211 (approximately $1.00 per square foot annually) for future tenant improvements and leasing commissions. The reserve is not subject to a cap.

Lockbox / Cash Management. The loan is structured with a hard lockbox and in-place cash management. At origination, the borrower was required to send a tenant direction letter to all tenants at the property instructing them to deposit all rents and payments into the lockbox account. All funds in the lockbox account are swept daily to a segregated cash management account under the control of the lender. Except as described above, to the extent a Cash Sweep Event (as defined below) is continuing, all excess cash flow after payment of the monthly debt service, required reserves and operating expenses will be held as additional collateral for the loan. The lender has a first priority security interest in the cash management account.

A "Cash Sweep Event" means the occurrence of (i) an event of default, (ii) the date on which the debt service coverage ratio, as calculated in the loan documents, falls below 1.20x or (iii) A'gaci or ABM Parking Services either (a) giving notice of its intent to terminate its lease or (b) not renewing its lease at least 18 months prior to the expiration of its lease.

Permitted Mezzanine Debt. The loan agreement permits future mezzanine financing secured by the ownership interests in the borrower upon satisfaction of certain terms and conditions which include, without limitation: (i) no event of default has occurred and is continuing, (ii) the combined loan-to-value ratio, as calculated in the loan documents, does not exceed 95.0% of the loan-to-value ratio on the origination date (approximately 63.7%, based on the Cut-off Date LTV), (iii) the debt service coverage ratio, as calculated in the loan documents and including the mezzanine loan, is not less than 105.0% of the debt service coverage ratio on the origination date (approximately 1.33x, based on the UW NCF DSCR), (iv) an acceptable intercreditor agreement has been executed and (v) rating agency confirmation.

Reciprocal Easement Agreement. The borrower is party to a three-member reciprocal easement agreement with the respective owners of the hotel and non-collateral office components of the Palmer House. The agreement outlines the rights, responsibilities and obligations of each owner, provides cross easements over building common areas (such as the parking floors) and outlines each party's proportional share of various expenses related to the common elements (roof, structure, etc.) and management of common areas. The agreement may not be amended or terminated without the consent of all three members and any mortgagees then secured by a mortgage on any portion of the Palmer House. See "*Risk Factors—Retail Properties Have Special Risks*" in the Prospectus Supplement.