

1305-1550 South Yuma Palms Parkway
Yuma, AZ 85365

Collateral Asset Summary – Loan No. 5

Yuma Palms

| | |
|-----------------------|--------------|
| Cut-off Date Balance: | \$62,500,000 |
| Cut-off Date LTV: | 67.9% |
| U/W NCF DSCR: | 1.28x |
| U/W NOI Debt Yield: | 8.5% |



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Mortgage Loan Information

Loan Seller: JPMCB
Loan Purpose: Refinance
Sponsor: Inland Private Capital Corporation
Borrower: Yuma Palms DST
Original Balance: \$62,500,000
Cut-off Date Balance: \$62,500,000
% by Initial UPB: 7.0%
Interest Rate: 4.7300%
Payment Date: 1st of each month
First Payment Date: September 1, 2016
Maturity Date: August 1, 2026
Amortization: 360 months
Additional Debt⁽¹⁾: Future Unsecured Guarantor Loan
Call Protection: L(25), YM1(92), O(3)
Lockbox / Cash Management: Hard / Springing

Reserves⁽²⁾

| | Initial | Monthly |
|--|-----------|-----------|
| Taxes: | \$0 | Springing |
| Insurance: | \$0 | Springing |
| Replacement: | \$5,654 | \$5,654 |
| TI/LC⁽³⁾: | \$500,000 | \$41,667 |
| Sports Authority⁽⁴⁾: | \$935,000 | \$0 |
| Rent Abatement⁽⁵⁾: | \$627,000 | \$0 |
| Outstanding TI: | \$57,645 | \$0 |
| Additional Collateral: | \$0 | Springing |

Financial Information

| | |
|--|-------|
| Cut-off Date Balance / Sq. Ft.⁽⁶⁾: | \$157 |
| Balloon Balance / Sq. Ft.⁽⁶⁾: | \$128 |
| Cut-off Date LTV: | 67.9% |
| Balloon LTV: | 55.4% |
| Underwritten NOI DSCR: | 1.35x |
| Underwritten NCF DSCR: | 1.28x |
| Underwritten NOI Debt Yield: | 8.5% |
| Underwritten NCF Debt Yield: | 8.0% |
| Underwritten NOI Debt Yield at Balloon: | 10.4% |
| Underwritten NCF Debt Yield at Balloon: | 9.8% |

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Anchored Retail
Collateral: Fee Simple
Location: Yuma, AZ
Year Built / Renovated: 2005 / NAP
Total Sq. Ft.: 802,049
Total Collateral Sq. Ft.⁽⁷⁾: 399,083
Property Management: Inland Commercial Real Estate Services LLC
Underwritten NOI: \$5,281,698
Underwritten NCF: \$5,014,313
Appraised Value: \$92,000,000
Appraisal Date: April 1, 2016

Historical NOI

| | |
|-------------------------|---------------------------------|
| Most Recent NOI: | \$5,726,440 (T-12 May 31, 2016) |
| 2015 NOI: | \$5,920,845 (December 31, 2015) |
| 2014 NOI: | \$5,939,321 (December 31, 2014) |
| 2013 NOI: | \$5,800,995 (December 31, 2013) |

Historical Occupancy⁽⁶⁾⁽⁷⁾

| | |
|---|---------------------------|
| Most Recent Occupancy⁽⁸⁾: | 95.2% (June 9, 2016) |
| 2015 Occupancy: | 96.5% (December 31, 2015) |
| 2014 Occupancy: | 96.7% (December 31, 2014) |
| 2013 Occupancy: | 96.1% (December 31, 2013) |

- (1) See "Future Mezzanine or Subordinate Indebtedness Permitted" herein.
- (2) See "Initial Reserves" and "Ongoing Reserves" herein.
- (3) TI/LC reserve is subject to a cap of \$3,935,000.
- (4) Sports Authority Reserves in the amount of \$935,000 are to be used towards re-leasing costs in anticipation of Sports Authority's imminent departure caused by its recently announced bankruptcy.
- (5) Rent Abatement Reserves in the amount of \$627,000 represent 1.5 years of rent under the Sports Authority lease, and will be used towards the payment of debt service on a monthly basis through February 2018.
- (6) Based on Total Collateral Sq. Ft. of 399,083.
- (7) Total Collateral Sq. Ft. and Historical Occupancy exclude sq. ft. associated with Target, JCPenney, Dillard's and 14 other tenants that do not serve as collateral for the Yuma Palms Loan.
- (8) Most Recent Occupancy as of June 9, 2016 is significantly higher than the contemplated underwritten occupancy of 85.9% as Sports Authority (34,867 sq. ft.) and CenturyLink (2,155 sq. ft.), have been underwritten as vacant, though still in occupancy. Sports Authority filed for bankruptcy, while CenturyLink plans to vacate upon lease expiration in December 2016. At origination, the borrower deposited \$935,000 for free rent and re-leasing costs associated with the Sports Authority space, as well as \$500,000 for general TI/LC related expenditures.

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U/W NCF DSCR: 1.28x
U/W NOI Debt Yield: 8.5%

| Tenant Summary | | | | | | | | |
|--|---|------------------|--------------------------------------|---------------------|----------------------|--------------------------------------|--------------------------|----------------------------------|
| Tenant | Ratings (Fitch/Moody's/S&P) ⁽¹⁾ | Total Sq. Ft. | % of Total Sq. Ft. ⁽²⁾ | Lease Expiration | U/W Base Rent PSF | Total Sales (000s) ⁽³⁾ | Sales PSF ⁽³⁾ | Occupancy Cost ⁽³⁾ |
| Non-Collateral Anchor Tenants⁽⁴⁾ | | | | | | | | |
| Target | A-/A2/A | 138,000 | 17.2% | NAP | NAP | NAP | NAP | NAP |
| Dillards | BBB-/Baa3/BBB- | 98,060 | 12.2% | NAP | NAP | \$15,600 | \$159 | NAP |
| JCPenney | B+/NR/B | 91,609 | 11.4% | NAP | NAP | \$7,800 | \$85 | NAP |
| Subtotal / Wtd. Avg. | | 327,669 | 40.9% | | NAP | \$23,400 | \$123 | NAP |
| Anchor Tenants | | | | | | | | |
| Harkins Theatre ⁽⁵⁾ | NR/NR/NR | 63,255 | 15.9% | 1/31/2020 | \$14.50 | \$8,710 | \$622,119 | 15.1% |
| Ross Dress for Less | NR/A3/A- | 29,983 | 7.5% | 1/31/2020 | \$13.25 | \$5,200 | \$173 | 9.9% |
| Marshalls | NR/A2/A+ | 28,500 | 7.1% | 9/30/2024 | \$9.90 | \$8,088 | \$284 | 4.8% |
| Jo-Ann | NR/B3/B | 25,056 | 6.3% | 1/31/2019 | \$12.00 | \$2,381 | \$95 | 17.7% |
| Bealls Outlet ⁽⁶⁾ | NR/NR/NR | 24,943 | 6.3% | 1/31/2024 | \$10.62 | \$2,405 | \$96 | 11.0% |
| Total Anchor Tenants⁽⁷⁾ | | 171,737 | 43.0% | | \$12.59 | \$26,783 | \$167 | 10.8% |
| Major Tenants | | | | | | | | |
| Best Buy | BBB-/Baa1/BB+ | 19,792 | 5.0% | 1/31/2020 | \$13.50 | \$27,300 | \$1,379 | 1.3% |
| Petsmart | NR/B3/B+ | 19,184 | 4.8% | 1/31/2020 | \$13.50 | \$3,120 | \$163 | 10.6% |
| Old Navy | BB+/Baa2/BB+ | 14,800 | 3.7% | 4/30/2017 | \$13.23 | \$4,879 | \$330 | 5.3% |
| Famous Footwear | NR/NR/NR | 8,005 | 2.0% | 12/31/2020 | \$20.57 | \$1,611 | \$201 | 12.3% |
| Buffalo Wild Wings | NR/NR/NR | 7,805 | 2.0% | 12/31/2035 | \$29.00 | \$5,601 | \$718 | 5.2% |
| Kirkland's | NR/NR/NR | 6,533 | 1.6% | 1/31/2021 | \$22.00 | \$1,225 | \$188 | 14.1% |
| Planet X | NR/NR/NR | 5,490 | 1.4% | 4/30/2022 | \$21.00 | \$943 | \$172 | 14.2% |
| American Eagle Outfitters | NR/NR/NR | 5,000 | 1.3% | 1/31/2019 | \$26.00 | \$2,034 | \$407 | 7.5% |
| Total Major Tenants⁽⁸⁾ | | 86,609 | 21.7% | | \$17.34 | \$46,713 | \$539 | 4.0% |
| Total In-Line Tenants | | 84,515 | 21.2% | | \$27.12 | \$23,916 | \$364 | 9.3% |
| Total Occupied Collateral/ Wtd. Avg.⁽⁷⁾⁽⁸⁾ | | 342,861 | 85.9% | | \$17.37 | \$97,413 | \$340 | 7.2% |
| Vacant | | 56,222 | 14.1% | | | | | |
| Total / Wtd. Avg.⁽⁹⁾ | | 399,083 | 100.0% | | | | | |

(1) Certain ratings may be those of the parent company whether or not the parent company guarantees the lease.

(2) % of Total Sq. Ft. for Non-Collateral Anchor Tenants is based on the total Yuma Palms sq. ft. of 802,049, with the remaining tenants based on the Yuma Palms Property collateral sq. ft. of 399,083.

(3) Total Sales (000s), Sales PSF and Occupancy Cost are based on historical operating statements and third party estimates provided by the borrower for the fiscal year 2015 and includes only those tenants reporting sales.

(4) Non-Collateral Anchor Tenants with no attributable underwritten base rent are liable for their proportionate share of reimbursements, equal to an annual total of \$245,394 as of June 9, 2016. Total reimbursement for all non-collateral tenants is equal to an annual amount of \$419,915.

(5) Sales PSF for Harkins Theatre represents sales per screen based on 14 total screens.

(6) Bealls Outlet has the right to terminate its lease after May 31, 2018 if its gross sales during the period between the 48th month and 60th month of the lease term do not exceed \$2.5 million, with 90 days' notice and the payment of a termination fee.

(7) Sales PSF for Total Anchor Tenants and Total Occupied Collateral / Wtd. Avg. excludes Harkins Theatre, which is measured on a per screen basis.

(8) Weighted average Occupancy Cost for Total Major Tenants and Total Occupied Collateral / Wtd. Avg. excluding Best Buy is 7.9% and 9.5%, respectively.

(9) Total / Wtd. Avg. does not include Non-Collateral Anchor tenants.

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Lease Rollover Schedule⁽¹⁾⁽²⁾

| Year | # of Leases Expiring | Total Expiring Sq. Ft. | % of Total Sq. Ft. Expiring | Cumulative Sq. Ft. Expiring | Cumulative % of Sq. Ft. Expiring | Annual U/W Base Rent PSF | % U/W Base Rent Rolling | Cumulative % of U/W Base Rent |
|--------------------------|----------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|--------------------------|-------------------------|-------------------------------|
| MTM | 1 | 1,400 | 0.4% | 1,400 | 0.4% | \$31.36 | 0.7% | 0.7% |
| 2016 | 2 | 6,331 | 1.6% | 7,731 | 1.9% | \$22.06 | 2.3% | 3.1% |
| 2017 | 4 | 23,533 | 5.9% | 31,264 | 7.8% | \$17.41 | 6.9% | 10.0% |
| 2018 | 4 | 12,383 | 3.1% | 43,647 | 10.9% | \$18.38 | 3.8% | 13.8% |
| 2019 | 11 | 47,531 | 11.9% | 91,178 | 22.8% | \$20.41 | 16.3% | 30.1% |
| 2020 | 11 | 153,388 | 38.4% | 244,566 | 61.3% | \$15.86 | 40.8% | 70.9% |
| 2021 | 3 | 9,386 | 2.4% | 253,952 | 63.6% | \$24.15 | 3.8% | 74.7% |
| 2022 | 3 | 12,132 | 3.0% | 266,084 | 66.7% | \$21.12 | 4.3% | 79.0% |
| 2023 | 1 | 3,150 | 0.8% | 269,234 | 67.5% | \$25.00 | 1.3% | 80.3% |
| 2024 | 7 | 62,422 | 15.6% | 331,656 | 83.1% | \$13.22 | 13.9% | 94.2% |
| 2025 | 1 | 3,400 | 0.9% | 335,056 | 84.0% | \$35.00 | 2.0% | 96.2% |
| 2026 | 0 | 0 | 0.0% | 335,056 | 84.0% | \$0.00 | 0.0% | 96.2% |
| Thereafter | 1 | 7,805 | 2.0% | 342,861 | 85.9% | \$29.00 | 3.8% | 100.0% |
| Vacant | NAP | 56,222 | 14.1% | 399,083 | 100.0% | NAP | NAP | |
| Total / Wtd. Avg. | 49 | 399,083 | 100.0% | | | \$17.37 | 100.0% | |

(1) Certain tenants have lease termination options related to co-tenancy provisions and sales thresholds that may become exercisable prior to the originally stated expiration date of the tenant lease that are not considered in the lease rollover schedule or the site plan.

(2) The rollover schedule includes contractual rent steps through April 2017.

The Loan. The Yuma Palms loan (the “Yuma Palms Loan”) is a fixed rate loan secured by the borrower’s fee simple interest in 399,083 sq. ft. of Yuma Palms (the “Yuma Palms Property”), an 802,049 sq. ft. anchored retail property located in Yuma, Arizona (the “Yuma Palms Regional Center”) with a Cut-off Date Balance of \$62.5 million. The Yuma Palms Loan has a 10-year term and will amortize on a 30-year schedule. The Yuma Palms Loan accrues interest at a fixed rate equal to 4.7300%. Loan proceeds along with approximately \$2.9 million of equity from the sponsor were used to refinance existing debt of approximately \$62.8 million, fund upfront reserves of approximately \$2.1 million and pay closing costs of approximately \$0.5 million. Based on the “As-is” appraised value of \$92.0 million as of April 1, 2016, the Cut-off Date LTV is 67.9%. The most recent prior financing of the Yuma Palms Property was included in the WBCMT 2006-C27 transaction.

Sources and Uses

| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
|----------------|---------------------|---------------|--------------------------|---------------------|---------------|
| Loan Amount | \$62,500,000 | 95.5% | Loan Payoff | \$62,817,024 | 96.0% |
| Sponsor Equity | \$2,932,179 | 4.5% | Sports Authority Reserve | \$935,000 | 1.4% |
| | | | Rent Abatement Reserve | \$627,000 | 1.0% |
| | | | TI/LC Reserve | \$500,000 | 0.8% |
| | | | Other Reserves | \$63,299 | 0.1% |
| | | | Closing Costs | \$489,856 | 0.7% |
| Total | \$65,432,179 | 100.0% | Total | \$65,432,179 | 100.0% |

The Borrower / Sponsor. The borrower, Yuma Palms DST, is a newly formed Delaware Statutory Trust. IPCC (as defined below) will be the sole member of the Yuma Palms LeaseCo, L.L.C., which is the tenant under the master lease executed with the borrower at origination to accommodate the Delaware Statutory Trust structure. The sponsor of the borrower and the non-recourse carve-out guarantor is Inland Private Capital Corporation (“IPCC”), an affiliate of The Inland Real Estate Group of Companies, Inc. (“Inland”). IPCC was formed in March 2001 to provide replacement properties for people wishing to complete a Section 1031 Exchange, as well as investors seeking a multiple-owner real estate investment. As of December 31, 2015, IPCC had sponsored 182 private placement programs, offering more than \$2.6 billion in equity to over 7,500 investors. The 182 private placement programs included 451 properties, with over 26.1 million sq. ft. of gross leasable area, for an aggregate offering price of more than \$5.3 billion. Of these properties, 364 are retail centers, 48 are office buildings, nine are industrial and distribution centers and 30 are multifamily communities.

Inland is a fully-integrated group of legally and financially independent companies, engaged in several diverse facets of real estate including property management, leasing, marketing, acquisition, disposition, development, redevelopment, renovation, construction, finance and other related services for more than 40 years. Since inception, Inland has created 696 sponsored programs with over 490,000 investors and approximately \$10.5 billion in institutional transactions.

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The Property. The Yuma Palms Regional Center consists of a two-story, 802,049 sq. ft. open-air regional anchored shopping center situated on an approximately 101.3 acre site and located in Yuma, Arizona. 399,083 sq. ft. serves as collateral for the Yuma Palms Loan. The Yuma Palms Property was originally built in 2005 and is known as the largest commercial development in Yuma County's history. The Yuma Palms Property was subsequently acquired by the sponsor in June 2006 for an all in purchase price of approximately \$105.1 million (\$263 PSF). In connection with the acquisition of the Yuma Palms Property in June 2006, the sponsor contributed approximately \$44.1 million of equity and, in connection with the re-financing of the Yuma Palms Property, contributed an approximately \$2.9 million in additional equity.

As of June 9, 2016, the Yuma Palms Property collateral was 95.2% physically occupied by a broad mix of 51 national and international brand-name retailers. Occupancy was underwritten to 85.9%, driven by the recent bankruptcy of Sports Authority (34,867 sq. ft.). Additionally, CenturyLink (2,155 sq. ft.) provided notice of its intention to vacate its space upon the lease expiration in December 2016. Sports Authority and CenturyLink were underwritten as vacant. The property has experienced significant leasing momentum since 2015, as evidenced by three successfully executed new leases and 27 lease renewals totaling approximately 154,000 sq. ft. Non-collateral anchors at the property include Target (138,000 sq. ft.), Dillard's (98,060 sq. ft.; \$15.6 million in 2015 Sales) and JCPenney (91,609 sq. ft.; \$7.8 million in 2015 Sales). Collateral anchor tenants include Harkins Theater (63,255 sq. ft.; 15.4% U/W Base Rent; \$622,119 Sales per screen), Ross Dress for Less (29,983 sq. ft.; 6.7% U/W Base Rent; \$173 Sales PSF; rated NR/A3/A- by Fitch/Moody's/S&P), Marshalls (28,500 sq. ft.; 4.7% U/W Base Rent; \$284 Sales PSF; rated NR/A2/A+ by Fitch/Moody's/S&P), Jo-Ann (25,056 sq. ft.; 5.0% U/W Base Rent; \$95 Sales PSF; rated NR/B3/B by Fitch/Moody's/S&P) and Bealls Outlet (24,943 sq. ft.; 4.4% U/W Base Rent; \$96 Sales PSF). Major tenants include Best Buy, PetSmart, Old Navy, Famous Footwear, Buffalo Wild Wings, Kirkland's, Planet X and American Eagle Outfitters, which together total 86,609 sq. ft. Most recent sales for the collateral tenants totaled approximately \$97.4 million excluding nine tenants for whom sales are not reported. The Yuma Palms Regional Center features 5,008 parking spaces, which equates to a ratio of 6.24 spaces per 1,000 sq. ft. The weighted average sales PSF and occupancy cost for the Yuma Palms Property are \$340 and 7.2%, respectively, compared to a market comparison of \$342 and 13.9%, respectively. The Yuma Palms Property has historically maintained consistently stable occupancy rates, shown by an eight year average occupancy rate of 93.2% over the preceding eight years with a trough occupancy rate of approximately 90.0% in 2011.

| Historical Comparable Sales ⁽¹⁾ | | | |
|--|--------------|--------------|--------------|
| | 2013 | 2014 | 2015 |
| Harkins Theatre | \$8,342,569 | \$8,434,536 | \$8,709,666 |
| Per Screen | \$595,898 | \$602,467 | \$622,119 |
| Ross Dress for Less | NAV | NAV | \$5,200,000 |
| PSF | NAV | NAV | \$173 |
| Marshalls | \$7,481,317 | \$7,647,402 | \$8,088,222 |
| PSF | \$263 | \$268 | \$284 |
| Jo-Ann | \$2,798,425 | \$2,574,907 | \$2,380,607 |
| PSF | \$112 | \$103 | \$95 |
| Bealls Outlet | NAV | \$2,615,387 | \$2,404,703 |
| PSF | NAV | \$105 | \$96 |
| Major Tenants ⁽²⁾ | \$15,661,431 | \$15,981,177 | \$16,293,067 |
| PSF | \$329 | \$336 | \$342 |
| In-Line Tenants ⁽³⁾ | \$17,785,218 | \$18,762,633 | \$19,305,928 |
| PSF | \$346 | \$365 | \$376 |

(1) Historical Comparable Sales PSF/Per Screen is based on historical operating statements and third party estimates provided by the borrower.

(2) Major Tenants does not include Best Buy (19,792 sq. ft.) and PetSmart (19,184 sq. ft.), for which 2015 sales were \$27.3 million (\$1,379 PSF) and \$3.1 million (\$163 PSF), respectively, as historical sales were unavailable for 2013 and 2014.

(3) In-line Tenants does not include 17 tenants consisting of 33,112 sq. ft. for which historical sales are unavailable or incomplete.

Environmental Matters. The Phase I environmental report dated May 17, 2016 recommended no further action at the Yuma Palms Property.

The Market. The Yuma Palms Property is located within the Yuma City submarket, adjacent to the Colorado River, California and Mexico. The property is situated directly off the intersection of Interstate 8 and Highway 95 and benefits from high visibility with an average of 34,407 vehicles passing daily. The property sits in a key NAFTA trade corridor within 300 miles of San Diego, California, Los Angeles, California, Phoenix, Arizona and Mexico. Additionally, the Yuma Palms Property is part of the larger Yuma Palms Regional Center, which encompasses four main shopping districts including a village, a power center, a regional center and a restaurant row. All districts are interconnected through shaded pedestrian walkways.

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The Yuma Palms Property is one of just two regional centers located within a 60-mile radius. The primary trade area of the Yuma Palms Property is an approximately 30-mile radius. Within a 30-mile radius of the Yuma Palms Property, the 2015 average household income was \$54,356 with a population of 203,197. The population is projected to increase approximately 1.5% annually from 2015 to 2020 according to the appraisal. Additionally, as of 2015, Yuma City had a population of approximately 96,000 people with this number almost doubling in the winter months, courtesy of more than 23,000 spots in RV parks and resorts. The community also offers nearly 4,300 hotel rooms, conference and meeting facilities and three casinos.

According to the appraisal, as of the second quarter of 2016, the Yuma City submarket contained approximately 6.3 million sq. ft. of retail space with a vacancy rate of approximately 9.7%. The appraisal identified two competitive properties that serve as the primary competition to the Yuma Palms Property and four competitive properties that serve as secondary competition to the Yuma Palms Property. The two primary competitors, Imperial Valley Mall and Promenade at Casa Grande, are located approximately 59.5 miles and 181.0 miles from the Yuma Palms Property, respectively. Average rents within the primary competitive set ranged from \$20.00 to \$30.00 PSF, while average rents within the secondary competitive set ranged from \$14.00 to \$24.00 PSF.

The table below summarizes the Yuma Palm Property's primary and secondary competitive set.

| Competitive Set ⁽¹⁾ | | | | | | | |
|---------------------------------|-----------------------|-----------------------|------------------------|----------------------|------------------------|---------------------|--|
| | Distance from Subject | Property Type | Year Built / Renovated | Occupancy | Size (Sq. Ft.) | Estimated Sales PSF | Anchors / Major Tenants |
| Yuma Palms | NAP | Anchored Retail | 2005 / N/A | 85.9% ⁽²⁾ | 399,083 ⁽²⁾ | \$340 | Dillard's, JCPenney, Target, Harkins Theatres, Sam's Club, Kohl's ⁽³⁾ . |
| Primary Competitors: | | | | | | | |
| Imperial Valley Mall | 59.5 Miles | Super Regional Center | 2005 / N/A | 98.7% | 826,094 | \$340 | Dillard's, JCPenney, Macy's, Sears, Kohl's |
| Promenade at Casa Grande | 181.0 Miles | Regional Center | 2007 / N/A | 95.9% | 1,030,000 | \$225 - \$250 | Dillard's, JCPenney, Target, Kohl's |
| Secondary Competitors: | | | | | | | |
| Las Palmillas | Adjacent | Power Center | 2006 / N/A | 82.1% | 151,000 | N/A | Bed Bath & Beyond, Dollar Tree, Party City |
| Palo Verde Village | 2.9 Miles | Community Center | 1990 / N/A | 92.1% | 277,014 | N/A | Walmart |
| Southgate Mall | 3.2 Miles | Regional Center | 1967 / 2009 | 82.1% | 241,703 | N/A | Sears, Burlington Coat Factory, Goodwill |
| Cielo Verde Center | 8.2 Miles | Community Center | 2006 / N/A | 95.8% | 220,740 | N/A | Walmart |

(1) Source: Appraisal.

(2) Based on the underwritten rent roll.

(3) Dillard's, JCPenney, Target, Sam's Club and Kohl's are non-collateral tenants.

Cash Flow Analysis.

| Cash Flow Analysis | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| | 2013 | 2014 | 2015 | T-12 5/31/2016 | U/W | U/W PSF |
| Base Rent ⁽¹⁾ | \$6,203,118 | \$6,358,418 | \$6,389,253 | \$6,289,309 | \$5,955,974 | \$14.92 |
| Value of Vacant Space | 0 | 0 | 0 | 0 | 1,118,368 | 2.80 |
| Gross Potential Rent | \$6,203,118 | \$6,358,418 | \$6,389,253 | \$6,289,309 | \$7,074,342 | \$17.73 |
| Total Recoveries | 2,162,426 | 2,007,030 | 2,107,325 | 2,035,252 | 2,365,172 | 5.93 |
| Percentage Rent | 263,574 | \$243,587 | \$322,058 | \$336,858 | \$272,110 | 0.68 |
| Total Other Income | 49,415 | 45,196 | 37,965 | 34,006 | 34,006 | 0.09 |
| Less: Vacancy & Credit Loss ⁽²⁾ | 0 | 0 | 0 | 0 | (1,535,290) | (3.85) |
| Effective Gross Income | \$8,678,533 | \$8,654,231 | \$8,856,601 | \$8,695,425 | \$8,210,339 | \$20.57 |
| Total Operating Expenses | 2,877,538 | 2,714,910 | 2,935,756 | 2,968,985 | 2,928,641 | 7.34 |
| Net Operating Income | \$5,800,995 | \$5,939,321 | \$5,920,845 | \$5,726,440 | \$5,281,698 | \$13.23 |
| TI/LC | 0 | 0 | 0 | 0 | 199,542 | 0.50 |
| Capital Expenditures | 0 | 0 | 0 | 0 | 67,844 | 0.17 |
| Net Cash Flow | \$5,800,995 | \$5,939,321 | \$5,920,845 | \$5,726,440 | \$5,014,313 | \$12.56 |

(1) U/W Base Rent includes \$57,230 in contractual step rent through April 2017.

(2) U/W Vacancy represents 15.8% of gross income, significantly above the property's historical average.

Property Management. The Yuma Palms Property is managed by Inland Commercial Real Estate Services LLC, a borrower affiliate.

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| | |
|------------------------------|--------------|
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| Cut-off Date LTV: | 67.9% |
| U/W NCF DSCR: | 1.28x |
| U/W NOI Debt Yield: | 8.5% |

Lockbox / Cash Management. The Yuma Palms Loan is structured with a hard lockbox and springing cash management. The borrower was required to send tenant direction letters to all tenants instructing them to deposit all rents and other payments into the lockbox account controlled by the lender. Provided no Cash Sweep Period (as defined below) is continuing, all amounts on deposit in the lockbox account are required to be swept daily into an account controlled by the borrower. Upon the occurrence of a Cash Sweep Event, the borrower is required to establish a cash management account under the control of the lender. During a Cash Sweep Period, all amounts on deposit in the lockbox account are required to be swept each business day into the cash management account and applied and disbursed in accordance with the loan documents.

A “Cash Sweep Period” means each period commencing on the occurrence of a Cash Sweep Event (as defined below) and continuing until the earlier of (a) the payment date following the related Cash Sweep Event Cure (as defined below), or (b) the payment in full of all principal and interest on the loan and other amounts due under loan documents.

A “Cash Sweep Event” will occur upon (a) an event of default by the borrower, (b) any bankruptcy action of the borrower or manager, or (c) the date that the debt service coverage ratio based on the trailing three month period of less than 1.25x.

A “Cash Sweep Event Cure” means, with respect to a Cash Sweep Event (a) caused solely by an event of default, the lender accepts a cure of such event of default, (b) caused solely by a bankruptcy action of the manager, the borrower replaces the manager with another qualified manager in accordance with the loan documents (or, if the bankruptcy is an involuntary bankruptcy to which the manager did not consent, upon the same being discharged, stayed or dismissed within 90 days of filing without adverse consequences to the Yuma Palms Property or loan), or (c) caused by a low debt service coverage ratio, the Yuma Palms Property achieves a debt service coverage ratio of 1.30x or greater for two consecutive calendar quarters based on the trailing three month period.

Initial Reserves. At closing, the borrower deposited (i) \$5,654 into a replacement reserve account, (ii) \$500,000 into a TI/LC account, (iii) \$935,000 into a Sports Authority reserve account, (iv) \$627,000 into a rent abatement reserve account and (v) \$57,645 into an outstanding TI reserve account towards Planet X.

The \$935,000 upfront Sports Authority reserve is in anticipation of Sports Authority’s imminent departure caused by its recently announced bankruptcy, to be used towards re-leasing costs for the Sports Authority space. The \$627,000 rent abatement reserve represents 1.5 years of base rent under the Sports Authority lease, and will be used towards the payment of debt service on a monthly basis in equal installments of \$34,833 through February 2018. The funds in the rent abatement reserve will be released prior to February 2018 upon the occurrence of a Sports Authority Rent Cure (as defined below) or a Sports Authority BK Cure (as defined below). Additionally, there is a \$500,000 reserve for general tenant improvements and leasing commissions.

A “Sports Authority Rent Cure” shall mean all or a portion of the Sports Authority space is re-leased to one or more replacement tenants and the contractual rent paid by such tenant(s) is equal to or greater than 70% of the contractual rent that would have been payable under the Sports Authority lease.

A “Sports Authority BK Cure” shall mean (a) the affirmation of the Sports Authority lease pursuant to a final, non-appealable order of a court with jurisdiction, and the tenant delivers an estoppel confirming that its lease is in full force and effect, there is no default under the lease agreement and Sports Authority is in occupancy and conducting business in the space and paying full contractual rent, or (b) the Sports Authority lease is assigned as part of bankruptcy proceedings to a replacement tenant reasonably acceptable to the lender.

Ongoing Reserves. The requirement for the borrower to make the monthly deposits into the tax escrow is waived so long as either (i) (a) there is no event of default, (b) no Cash Sweep Event has occurred, (c) the borrower provides the lender at least 10 days prior to the date on which such taxes would be delinquent with satisfactory evidence that taxes have been paid in timely manner, and (d) the debt service coverage ratio based on the trailing three month period is not less than 1.25x, or (ii) with respect to a tenant’s space (a) there is no event of default, (b) no Cash Sweep Event has occurred, (c) the tenant occupies one or more parcels not constituting a portion of any other tax lot and pays taxes directly to the appropriate authority, (d) the borrower provides the lender at least 10 days prior to the date on which such taxes would be delinquent with satisfactory evidence that taxes have been paid in timely manner, (e) such tenant’s lease remains in full force and effect with no event of default.

The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as (i) no event of default exists and (ii) the borrower provides satisfactory evidence that the property is insured under an acceptable blanket policy in accordance with the loan documents.

On a monthly basis, the borrower is required to deposit reserves of (i) \$5,654 into a replacement reserve account, (ii) \$41,667 into a TI/LC reserve account, subject to a cap of \$3,935,000 and (iii) \$84,500 per month from equity sources other than the revenues generated by the property (or, at borrower’s request, funds to be allocated from the excess cash flow reserve in substitute of this amount) during any Cash Collateral Reserve Period to be held as additional collateral for the loan.

A “Cash Collateral Reserve Period” shall mean each period commencing upon the occurrence of a DSCR Cash Collateral Reserve Event (as defined below) and continuing until the earlier of (a) the payment date next occurring following the achievement of a debt

1305-1550 South Yuma Palms Parkway
Yuma, AZ 85365

Collateral Asset Summary – Loan No. 5

Yuma Palms

| | |
|------------------------------|--------------|
| Cut-off Date Balance: | \$62,500,000 |
| Cut-off Date LTV: | 67.9% |
| U/W NCF DSCR: | 1.28x |
| U/W NOI Debt Yield: | 8.5% |

service coverage ratio of 1.40x or greater for one calendar quarter based upon the trailing three month period, or (b) payment in full of the loan.

A “DSCR Cash Collateral Reserve Event” shall occur if from and after August 1, 2024, the debt service coverage ratio, based on the trailing three months immediately preceding a date of determination, is less than 1.40x.

Current Mezzanine or Subordinate Indebtedness. None.

Future Mezzanine or Subordinate Indebtedness Permitted. The guarantor may make one or more unsecured loans to the borrower without the consent of the lender in an amount up to the lesser of (i) \$4,687,500 or (ii) 7.5% of the outstanding principal balance of the loan. Each such loan is required to, among other conditions, be (1) unsecured, (2) payable only out of excess cash flow, (3) subordinated to the mortgage loan pursuant to a subordination and standstill agreement in the form attached to the loan agreement with changes satisfactory to the mortgage lender in its sole discretion.

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Collateral Asset Summary – Loan No. 5

Yuma Palms

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