

3907 Shore Parkway
Brooklyn, NY 11235

Collateral Asset Summary – Loan No. 14

UA Sheepshead Bay Theater

Cut-off Date Balance: \$26,600,000
Cut-off Date LTV: 54.3%
U/W NCF DSCR: 1.58x
U/W NOI Debt Yield: 10.8%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsor: Joseph Nakash
Borrower: Shore Parkway Owner LLC
Original Balance: \$26,600,000
Cut-off Date Balance: \$26,600,000
% by Initial UPB: 3.3%
Interest Rate: 5.2400%
Payment Date: 6th of each month
First Payment Date: May 6, 2016
Maturity Date: April 6, 2026
Amortization: 360 months
Additional Debt: None
Call Protection: L(24), D(92), O(4)
Lockbox / Cash Management: Hard / In Place

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Single Tenant Retail
Collateral: Fee Simple
Location: Brooklyn, NY
Year Built / Renovated: 1987 / 2001
Total Sq. Ft.: 78,324
Property Management: Self-managed
Underwritten NOI: \$2,874,558
Underwritten NCF: \$2,781,353
Appraised Value: \$49,000,000
Appraisal Date: December 14, 2015

Reserves

	Initial	Monthly
Taxes⁽¹⁾:	\$0	Springing
Insurance⁽²⁾:	\$0	Springing
Replacement⁽³⁾:	\$0	Springing
TI/LC:	\$0	\$6,520
Prepaid Rent⁽⁴⁾:	\$190,648	\$0
Go-Dark⁽⁵⁾:	\$0	Springing
Lease Sweep⁽⁶⁾:	\$0	Springing

Historical NOI

Most Recent NOI: \$2,923,815 (December 31, 2014)
2013 NOI: \$3,072,662 (December 31, 2013)
2012 NOI: \$3,293,487 (December 31, 2012)
2011 NOI: \$2,627,231 (December 31, 2011)

Historical Occupancy

Most Recent Occupancy: 100.0% (April 6, 2016)
2014 Occupancy: 100.0% (December 31, 2014)
2013 Occupancy: 100.0% (December 31, 2013)
2012 Occupancy: 100.0% (December 31, 2012)

Financial Information

Cut-off Date Balance / Sq. Ft.: \$340
Balloon Balance / Sq. Ft.: \$281
Cut-off Date LTV: 54.3%
Balloon LTV: 45.0%
Underwritten NOI DSCR: 1.63x
Underwritten NCF DSCR: 1.58x
Underwritten NOI Debt Yield: 10.8%
Underwritten NCF Debt Yield: 10.5%

- (1) The borrower will be required to deposit 1/12 of the annual real estate taxes if, among other things, (i) a Trigger Period (as defined below) has occurred and is continuing, (ii) the Regal Cinemas, Inc. ("Regal Cinemas") lease is no longer in effect, or (iii) Regal Cinemas fails to pay all taxes in a timely manner. A "Trigger Period" will commence upon (i) an event of default, (ii) the debt service coverage ratio at the end of any calendar quarter being less than 1.20x or (iii) the commencement of a Lease Sweep Period (as defined below).
- (2) If an acceptable blanket insurance policy is no longer in place, the borrower is required to deposit 1/12 of the annual insurance premiums into the insurance reserve account on a monthly basis.
- (3) Upon the occurrence of a Trigger Period, the borrower is required to make monthly payments of \$1,304 into the replacement reserve account.
- (4) On each monthly payment date, the lender will transfer from the Deposit Account into the Prepaid Rent Reserve the amount by which the quarterly rents paid under the Regal Cinemas lease exceed the monthly rent for such monthly payment date.
- (5) Prior to the date that is 30 days after Regal Cinemas (i) goes dark or (ii) gives notice to discontinue business, the borrower is required to deposit an amount equal to the greater of (i) \$2,375,615 and (ii) an amount equal to the aggregate rents payable under the Regal Cinemas lease for the four consecutive calendar quarters immediately prior to the Lease Sweep Period less the aggregate Regal Cinemas monthly fixed rent.
- (6) On each monthly payment date during a Lease Sweep Period, all excess cash flow will be deposited into the Lease Sweep Reserve. A "Lease Sweep Period" will commence upon (i) (a) November 1, 2016, unless Regal Cinemas exercises its renewal or extension option to extend the term of the lease to May 21, 2022 or (b) twelve months prior to the stated expiration of the Regal Cinemas lease, (ii) the date Regal Cinemas exercises a termination option, (iii) the date the Regal Cinemas lease is surrendered, cancelled, or terminated prior to its then current expiration date, (iv) the date that Regal Cinemas goes dark or gives notice to discontinue business, (v) upon a monetary or material non-monetary default under the Regal Cinemas lease or (vi) upon the occurrence of an insolvency proceeding by Regal Cinemas.

TRANSACTION HIGHLIGHTS

- **Property.** The UA Sheepshead Bay Theater property is a 78,324 sq. ft. 14-screen movie theater single-tenanted by Regal Cinemas located within the Sheepshead Bay neighborhood in Brooklyn, New York. The property was developed by the sponsor in 1987 and was renovated in 2001. The improvements consist of a two-story building situated on 2.20 acres and an adjacent three-story 520 parking space garage which equates to a ratio of 6.64 spaces per 1,000 sq. ft. The property also includes 79 parking spaces in a parking lot located across Harkness Avenue. The property benefits from tax abatements provided through the New York City Industrial and Commercial Incentive Program. See "Description of the Mortgage Pool—Real Estate and Other Tax Considerations" in the Prospectus.
- **Tenancy.** As of April 6, 2016, the property is 100.0% leased to Regal Cinemas (rated B+/B3/B+ by Fitch/Moody's/S&P) through May 21, 2017. Regal Cinemas has been at the property since 1987 and has estimated sales over \$1.2 million per screen as of December 2015 compared to average national chain-wide sales per screen of approximately \$424,847 for fiscal year end December 31, 2015. Since 2007, Regal Cinemas' sales have ranged between approximately \$16.2 million and approximately \$19.1 million with average annual sales of approximately \$17.3 million. Regal Cinemas has invested approximately \$7.6 million (\$97 PSF) along with \$6.0 million from the borrower for theater improvements including expanding from 9 to 14 theaters, and adding IMAX and RealD 3D screens. Regal Cinemas' total rent is calculated as follows: (a) fixed minimum rent of \$200,000 *per annum*, (b) percentage rent of 5.0% of sales (by the amount that exceeds the fixed minimum rent), (c) profit sharing rent of 50% of theater profit and (d) garage rent of \$658,387 *per annum*. Regal Cinemas is currently in its second of six renewal options and has three, 5-year and one, 4-year renewal options remaining, which would extend the lease to May 2036.
- **Location.** The property is located along the Shore Parkway between Knapp Street and Plumb 3rd Street, next to the Belt Parkway in the Sheepshead Bay neighborhood of Brooklyn. The property is bordered by the communities of Manhattan Beach to the south, Brighton Beach and Gravesend to the west, Gerritsen Beach to the east, and Midwood to the north. According to the appraisal, 51.1% of total land use in Community District 15 is one and two family housing, and 18.0% is multifamily residential. According to the appraisal, the 2015 population within a one-, three- and five-mile radius is 42,159, 421,500 and 1,204,189, respectively, and the average household income is \$73,291, \$72,421 and \$66,694, respectively. The property benefits from a lack of competitive theater properties in the immediate area. The nearest movie theater, which is an independent theater with four screens, is 5.7 miles from the property.