

73-400-73-470 El Paseo and
73-401-73-411 & 73-496 Highway 111
Palm Desert, CA 92260

Collateral Asset Summary – Loan No. 15

El Paseo Square

Cut-off Date Balance: \$27,466,262
Cut-off Date LTV: 63.9%
U/W NCF DSCR: 1.40x
U/W NOI Debt Yield: 8.6%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Recapitalization
Borrower Sponsor: Allied District Properties, L.P.
Borrower: El Paseo, L.L.C.
Original Balance: \$27,500,000
Cut-off Date Balance: \$27,466,262
% by Initial UPB: 2.4%
Interest Rate: 4.3700%
Payment Date: 6th of each month
First Payment Date: June 6, 2017
Maturity Date: May 6, 2027
Amortization: 360 months
Additional Debt⁽¹⁾: Future Mezzanine Debt Permitted
Call Protection: L(25), D(91), O(4)
Lockbox / Cash Management⁽²⁾: Springing Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$29,945	\$14,972
Insurance⁽³⁾:	\$0	Springing
Replacement⁽⁴⁾:	\$0	\$928
TI/LC⁽⁵⁾:	\$500,000	Springing
Additional Lease⁽⁶⁾:	\$814,425	\$0
Lease Sweep⁽⁷⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$367
Balloon Balance / Sq. Ft.:	\$296
Cut-off Date LTV:	63.9%
Balloon LTV:	51.5%
Underwritten NOI DSCR:	1.44x
Underwritten NCF DSCR:	1.40x
Underwritten NOI Debt Yield:	8.6%
Underwritten NCF Debt Yield:	8.4%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Anchored Retail
Collateral: Fee Simple
Location: Palm Desert, CA
Year Built / Renovated: 1973, 2002, 2003, 2016 / 2016
Total Sq. Ft.: 74,821
Property Management: M & J Wilkow Properties, LLC
Underwritten NOI: \$2,372,885
Underwritten NCF: \$2,303,390
Appraised Value: \$43,000,000
Appraisal Date: March 24, 2017

Historical NOI⁽⁸⁾

Most Recent NOI:	\$1,286,319 (T-12 April 30, 2017)
2016 NOI:	\$856,311 (December 31, 2016)
2015 NOI:	\$708,650 (December 31, 2015)
2014 NOI:	NAV

Historical Occupancy⁽⁸⁾

Most Recent Occupancy:	89.2% (April 20, 2017)
2016 Occupancy:	98.0% (December 31, 2016)
2015 Occupancy:	NAV
2014 Occupancy:	NAV

- (1) Mezzanine debt is permitted provided, among other things, (i) a combined LTV ratio of less than or equal to 63.95%, (ii) a combined DSCR greater than or equal to 1.37x and (iii) a combined debt yield of no less than 8.19%.
- (2) A hard lockbox and in-place cash management will be triggered upon (i) an event of default, (ii) the DSCR falling below 1.20x, (iii) if a mezzanine loan is outstanding or (iv) a Lease Sweep Period. A "Lease Sweep Period" will commence with respect to the Saks Fifth Avenue Off 5th lease (or a replacement lease for a majority of such tenant's leased space) upon (i) the earlier of (a) the date that is 12 months prior to the earliest stated expiration of such lease or (b) the date the tenant under such lease is required to give notice of its exercise of a renewal option (and such renewal has not been so exercised), (ii) receipt by the borrower of notice from such tenant lease that it intends to surrender, cancel or terminate its lease, (iii) the date that such tenant discontinues its business or gives notice that it intends to do so, (iv) a default under such lease beyond any applicable notice and cure period or (v) a bankruptcy or insolvency proceeding of the tenant under such lease (or its parent entity).
- (3) If an acceptable blanket policy is no longer in place, the borrower is required to make monthly deposits of 1/12 of the estimated annual insurance premiums into the insurance reserve account.
- (4) Replacement reserves are subject to a cap of \$33,399.
- (5) Monthly payments of \$9,277.50 will be required if the amount in the TI/LC reserve account falls below \$250,000 until the cap of \$500,000 is met.
- (6) The Additional Lease reserve consists of (i) \$540,480 for outstanding tenant improvements, (ii) \$166,960 for leasing commissions and (iii) \$106,985 for gap rent, all relating to Luna Grill, Poke' Hana, T-Mobile and El Paseo Nail Bar, who recently signed leases at the El Paseo Square property.
- (7) On each monthly payment date during a Lease Sweep Period, all excess cash will be transferred into the Lease Sweep reserve, subject to a cap of \$500,000 (which cap includes the amounts on deposit in the TI/LC reserve).
- (8) The property was re-developed by the borrower sponsor in 2016. Accordingly, Historical NOI information is not available.

TRANSACTION HIGHLIGHTS

- **Tenancy.** The El Paseo Square property is 89.2% leased to 21 tenants across seven buildings as of April 20, 2017. The property is anchored by Saks Fifth Avenue Off 5th (22,738 sq. ft. and 30.6% of NRA), and no additional tenant accounts for more than 10.2% of the NRA. The El Paseo Square property underwent a re-development in 2016 which included the development of three buildings, remodeling of the Saks Fifth Avenue Off 5th space and additional capital expenditures throughout the center. The borrower sponsor spent approximately \$9.3 million on the remodeling and expansion, including \$2.0 million on required work throughout the site. Following the renovation, the borrower sponsor re-leased a majority of space at the center, including 16 new and renewal leases for 58,780 sq. ft. (79.2% of the NRA).
- **Market.** The El Paseo Square property is located along El Paseo, in Palm Desert, a city within the Coachella Valley region of Riverside County, California. The property is located on El Paseo, which is considered the high street retail corridor in Coachella Valley according to the appraisal. El Paseo features numerous upscale retail/restaurant developments that cater to the affluent residents and tourists of the Coachella Valley. The El Paseo Square Property is conveniently accessible by four primary ingress/egress access points off El Paseo, San Pablo Avenue, and Highway 111 with two secondary ingress/egress access points off Lupine Lane. Highway 111 runs from I-10 on the north through Palm Springs, Rancho Mirage, Cathedral City, Palm Desert, Indio and continues south to the Salton Sea and carries much of the regional commuter traffic. Within the area's cities, the majority of commercial development has centered on Highway 111.