

75-1027 Henry Street
Kailua-Kona, HI 96740

Collateral Asset Summary – Loan No. 14

Kona Crossroads

Cut-off Date Balance: \$18,030,000
Cut-off Date LTV: 66.7%
U/W NCF DSCR: 1.34x
U/W NOI Debt Yield: 8.9%

Mortgage Loan Information

Loan Seller:	GACC
Loan Purpose:	Refinance
Sponsor:	National Credit Tenant Investments, LLC
Borrower:	Konasafe, LLC
Original Balance:	\$18,030,000
Cut-off Date Balance:	\$18,030,000
% by Initial UPB:	2.0%
Interest Rate:	4.6650%
Payment Date:	6 th of each month
First Payment Date:	January 6, 2016
Maturity Date:	December 6, 2025
Amortization:	Interest only for first 36 months; 360 months thereafter
Additional Debt⁽¹⁾:	Future Mezzanine Debt Permitted
Call Protection⁽²⁾:	L(41), D(75), O(4)
Lockbox / Cash Management⁽³⁾:	Springing Hard / Springing

Reserves⁽⁴⁾

	Initial	Monthly
Taxes:	\$57,978	\$15,157
Insurance⁽⁵⁾:	\$0	Springing
Replacement⁽⁶⁾:	\$0	\$1,249
TI/LC⁽⁷⁾:	\$901,645	\$7,561
Required Repairs:	\$292,446	NAP
Free Rent:	\$114,457	NAP
Ground Rent⁽⁸⁾:	\$58,594	Springing
Holdback⁽⁹⁾:	\$0	NAP
Lease Sweep⁽¹⁰⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$241
Balloon Balance / Sq. Ft.:	\$212
Cut-off Date LTV:	66.7%
Balloon LTV:	58.6%
Underwritten NOI DSCR⁽¹¹⁾:	1.44x
Underwritten NCF DSCR⁽¹¹⁾:	1.34x
Underwritten NOI Debt Yield:	8.9%
Underwritten NCF Debt Yield:	8.3%

- (1) Mezzanine debt is permitted provided, among other things, (i) a combined loan to value ratio of less than or equal to 75.0%, (ii) a combined debt service coverage ratio greater than or equal to 1.25x and (iii) a combined debt yield of no less than 7.5%.
- (2) The borrower is permitted to obtain the release of a release parcel to be reasonably agreed by the borrower and lender, provided that the following conditions, among others, are satisfied, (i) such release is either (x) in connection with an expansion by the tenant Safeway, or an affiliate, or (y) has been reasonably consented to by the lender, (ii) the release parcel is vacant, non-income producing property which is not necessary for the operation or use of the mortgaged property and may be readily separated without a material diminution in the value of the mortgaged property, (iii) such release complies with the terms of all leases, reciprocal easement agreements and similar agreements and is consented to by the ground lessor, (iv) the release parcel is transferred from the borrower, removed from the ground lease, and constitutes a separate tax parcel and zoning lot, and (v) there is compliance with REMIC related requirements.

Property Information

Single Asset / Portfolio:	Single Asset
Property Type:	Anchored Retail
Collateral⁽¹²⁾:	Leasehold
Location:	Kailua-Kona, HI
Year Built / Renovated:	1996 / NAP
Total Sq. Ft.:	74,896
Property Management:	Evolution West Management Services, LLC
Underwritten NOI⁽¹³⁾:	\$1,604,906
Underwritten NCF:	\$1,496,333
Appraised Value:	\$27,040,000
Appraisal Date:	January 23, 2017

Historical NOI

Most Recent NOI:	\$1,146,209 (December 31, 2016)
2015 NOI:	\$942,628 (December 31, 2015)
2014 NOI:	\$915,521 (December 31, 2014)
2013 NOI:	\$703,640 (December 31, 2013)

Historical Occupancy

Most Recent Occupancy:	97.6% (December 31, 2016)
2015 Occupancy:	93.4% (December 31, 2015)
2014 Occupancy:	83.4% (December 31, 2014)
2013 Occupancy:	84.2% (December 31, 2013)

- (3) A hard lockbox and cash management is triggered upon (i) an event of default, (ii) the failure by the borrower to maintain a debt service coverage ratio of at least 1.10x or (iii) the occurrence of a Lease Sweep Period (as defined below).
- (4) The current balances of the reserves as of April 24, 2017 are \$47,150 in the tax reserve account, \$10,291 in the replacement reserve account, \$410,799 in the TI/LC reserve account, \$0 in the required repairs reserve account, \$0 in the free rent reserve account and \$58,594 in the ground rent reserve account.
- (5) The borrower will be required to deposit 1/12 of the annual insurance premiums into the insurance reserve if an acceptable blanket policy is no longer in place.
- (6) The Replacement reserve is subject to a cap of \$45,000.
- (7) The TI/LC reserve is subject to a cap of \$272,197.
- (8) The borrower will be required to deposit the ground rent payable under the ground lease for each month upon (i) the borrower not paying the ground rent due and payable, (ii) the borrower failing to provide evidence of payment of the ground rent and (iii) funds on deposit in the ground rent account fall below 3/12 of what the lender estimates will be payable during the next 12 months (initially \$58,594).
- (9) The Holdback was required to be released so long as, among other things, (i) the Kona Crossroads property achieved a debt yield of 7.6% for three consecutive months, (ii) the borrower entered into one or more qualifying leases and (iii) the tenant under such qualifying lease is in occupancy. The \$1.03 million Holdback reserve was recently released to the borrower.
- (10) Excess cash is required to be deposited in the lease sweep reserve during a Lease Sweep Period. A "Lease Sweep Period" will commence upon (i) the earlier of (a) 12 months prior to the maturity date and (b) the date on which Safeway is required to give notice of its exercise of a renewal option, (ii) the date the Safeway lease is surrendered, cancelled, or terminated prior to its then current expiration date, (iii) the date Safeway goes dark at substantially all of its space or gives notice of its intention to do so, (iv) a default under the Safeway lease or (v) the occurrence of a Safeway lease insolvency proceeding.
- (11) Based on amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and the Underwritten NCF DSCR are 1.88x and 1.75x, respectively.
- (12) The Kona Crossroads property consists of a ground lease with an expiration of March 1, 2056 and three, ten year extension options. The ground lessors are Clarence Stanley Rapoza, Julie Ann Viloria and Barbara June Bohnenkamp, as trustees of various trusts.
- (13) The increase from Most Recent NOI to Underwritten NOI is due primarily to recent leasing at the Kona Crossroads property, including AutoZone which commenced in July 2016 and Island Heart Care which commenced in April 2016.

TRANSACTION HIGHLIGHTS

- Property/Tenant Mix.** The property is a 74,896 sq. ft. Safeway-anchored regional shopping center located in Kailua-Kona on the west coast of the Island of Hawaii. The Kona Crossroads property is located on Henry Street, a major thoroughfare with a traffic count of 25,817 cars daily. Built in 1996, the center is 97.6% leased to 14 tenants including nationally recognized tenants such as Safeway, Inc. ("Safeway"), Domino's Pizza, Subway, Autozone (Moody's/S&P: Baa1/BBB) and Denny's. Safeway (61.6% of net rentable area) has been in occupancy at the property since it opened in 1996, renewed its lease in 2005 and has a current lease expiration of February 2026. As of the most recent reporting period in 2015, Safeway had sales of \$883 PSF and an occupancy cost of 2.3%. The center has 395 parking spaces which equates to a parking ratio of 5.27 spaces per 1,000 sq. ft.
- Ground Lease.** The property consists of a ground lease which commenced on February 12, 1991 and has an initial term that expires in March 2056. The ground lease is subject to fair market ground rent renegotiations with respect to ground rent resets in February 2016 and every 10 years thereafter. After loan closing, the lender was informed by the sponsor that there was a disagreement with the ground lessor regarding the calculation of the fair market ground rent reset, set to increase on February 2016. The disagreement ultimately led to the sponsor and the ground lessor entering into arbitration proceedings (pursuant to the lease) to determine the new ground rent. On December 12, 2016 the arbitration was completed and annual ground rent was set to \$250,000 for the next ten years, which is an 11% increase from the prior \$225,000 ground rent payment.