

3857 South Dr. Martin Luther King Drive
Chicago, IL 60653

Collateral Asset Summary – Loan No. 14

Mariano's Bronzeville

Cut-off Date Balance: \$19,000,000
Cut-off Date LTV: 51.1%
U/W NCF DSCR: 2.49x
U/W NOI Debt Yield: 10.5%

Mortgage Loan Information

Loan Seller: CCRE
Loan Purpose: Acquisition
Borrower Sponsor: Jerome Kessler
Borrowers⁽¹⁾: 442 Sterling Place Realty LLC;
801 Ocean Avenue Realty LLC;
JJRD Realty Associates LLC
Original Balance: \$19,000,000
Cut-off Date Balance: \$19,000,000
% by Initial UPB: 2.9%
Interest Rate: 4.1550%
Payment Date: 6th of each month
First Payment Date: December 6, 2016
Maturity Date: November 6, 2026
Amortization: Interest Only
Additional Debt: None
Call Protection: L(25), YM1(91), O(4)
Lockbox / Cash Management⁽²⁾: Springing Hard / Springing

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Single Tenant Retail
Collateral: Fee Simple
Location: Chicago, IL
Year Built / Renovated: 2016 / NAP
Total Sq. Ft.: 73,680
Property Management: Self-managed
Underwritten NOI: \$2,003,150
Underwritten NCF: \$1,995,782
Appraised Value⁽³⁾: \$37,175,000
Appraisal Date: October 2, 2016

Historical NOI⁽⁴⁾

Most Recent NOI: NAV
2015 NOI: NAP
2014 NOI: NAP
2013 NOI: NAP

Reserves

	Initial	Monthly
Taxes⁽²⁾:	\$0	Springing
Insurance⁽²⁾:	\$0	Springing
Replacement:	\$0	\$614
Lease Sweep⁽²⁾:	\$0	Springing

Historical Occupancy⁽⁴⁾

Most Recent Occupancy: 100.0% (November 6, 2016)
2015 Occupancy: NAP
2014 Occupancy: NAP
2013 Occupancy: NAP

Financial Information

Cut-off Date Balance / Sq. Ft.: \$258
Balloon Balance / Sq. Ft.: \$258
Cut-off Date LTV⁽³⁾: 51.1%
Balloon LTV⁽³⁾: 51.1%
Underwritten NOI DSCR: 2.50x
Underwritten NCF DSCR: 2.49x
Underwritten NOI Debt Yield: 10.5%
Underwritten NCF Debt Yield: 10.5%

(1) 442 Sterling Place Realty LLC, 801 Ocean Avenue Realty LLC and JJRD Realty Associates LLC own the Mariano's Bronzeville property as three closed tenants-in-common.

(2) A hard lockbox, in place cash management and a cash sweep are required upon (i) an event of default until cured, (ii) any bankruptcy action of the borrower, principal, guarantor or property manager (if any), until in the case of bankruptcy action of property manager only, if the borrower replaces the manager with a qualified manager, or (iii) the occurrence of a Lease Sweep Period, until cured. A "Lease Sweep Period" and monthly escrows for taxes and insurance will commence upon (i) the tenant, Mariano's Fresh Market, being in monetary default for a period of 10 days after notice, (ii) the tenant being dark for more than 12 consecutive months or at any time during the last two years of the term of the loan, (iii) the tenant, Mariano's Fresh Market, giving notice of its intent to terminate, cancel or surrender its lease, (iv) the tenant's, Mariano's Fresh Market, lease being terminated or cancelled, (v) any bankruptcy action of the tenant or its parent Kroger, or (vi) Kroger's debt rating falling below "BB" as rated by S&P and/or "Ba2" as rated by Moody's for two consecutive calendar quarters during the term of the loan.

(3) Based on the appraiser's hypothetical dark value of \$20,625,000, which assumes the property to be vacant and available for lease, the loan-to-dark-value ratio is 92.1%.

(4) Historical NOI and Occupancy are not applicable as the property was built in 2016.

TRANSACTION HIGHLIGHTS

- **Property.** Mariano's Bronzeville is a newly built, free-standing, built-to-suit, Class A, grocery store that is 100.0% occupied by Mariano's Fresh Market on a triple-net lease through 2036.
- **Tenant.** Mariano's Fresh Market, a subsidiary of Roundy's, is a supermarket chain with 39 locations in the Chicago area as of October 11, 2016. The Mariano's lease is guaranteed by Kroger Co. (rated BBB/Baa1/BBB by Fitch/Moody's/S&P) which acquired Roundy's in December 2015. Headquartered in Cincinnati, Ohio, Kroger Co. is one of the largest supermarket chains in the United States based on annual sales. As of January 2016, Kroger operated 2,778 supermarkets and multi-department stores and achieved total sales of approximately \$109.8 billion in 2015.
- **Location/Competition.** The property is situated at the corner of Martin Luther King Drive and Pershing Road in the Bronzeville neighborhood of Chicago, IL. Bronzeville is a well-established and densely built-out neighborhood with a population of approximately 242,000 within a three-mile radius of the subject property. Additionally, there is only one other grocery store in the Bronzeville neighborhood, a Jewel-Osco located one-mile north of the property.
- **Borrower Sponsor.** At loan closing, the borrower sponsor contributed approximately \$15.2 million in cash equity (44.0% of purchase price) to facilitate the acquisition.