

## Everett Plaza

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BSP
<b>Original Principal Balance:</b>	\$27,000,000
<b>Cut-off Date Principal Balance:</b>	\$26,964,703
<b>% of Pool by IPB:</b>	2.7%
<b>Loan Purpose:</b>	Refinance
<b>Borrowers:</b>	Everett Mall 01, LLC and Everett Mall 11, LLC
<b>Sponsor:</b>	Alan C. Fox
<b>Interest Rate:</b>	4.54000%
<b>Note Date:</b>	11/1/2016
<b>Maturity Date:</b>	11/6/2026
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(25),Def(91),O(4)
<b>Lockbox:</b>	Springing
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Retail – Anchored
<b>Net Rentable Area (SF):</b>	123,913
<b>Location:</b>	Everett, WA
<b>Year Built / Renovated:</b>	1986 / N/A
<b>Occupancy:</b>	82.2%
<b>Occupancy Date:</b>	11/1/2016
<b>Number of Tenants:</b>	18
<b>2013 NOI:</b>	\$2,323,257
<b>2014 NOI:</b>	\$2,357,101
<b>2015 NOI:</b>	\$2,249,545
<b>TTM NOI (as of 9/2016):</b>	\$2,182,984
<b>UW Economic Occupancy:</b>	87.7%
<b>UW Revenues:</b>	\$2,918,021
<b>UW Expenses:</b>	\$542,053
<b>UW NOI<sup>(1)</sup>:</b>	\$2,375,969
<b>UW NCF:</b>	\$2,234,007
<b>Appraised Value / Per SF:</b>	\$39,000,000 / \$315
<b>Appraisal Date:</b>	10/2/2016

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$43,031	\$21,516	N/A
<b>Insurance:</b>	\$19,787	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$2,012	N/A
<b>TI/LC:</b>	\$150,000	\$11,068	N/A
<b>Other<sup>(2)</sup>:</b>	\$10,000	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$218
<b>Maturity Date Loan / SF:</b>	\$176
<b>Cut-off Date LTV:</b>	69.1%
<b>Maturity Date LTV:</b>	56.0%
<b>UW NCF DSCR:</b>	1.35x
<b>UW NOI Debt Yield:</b>	8.8%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$27,000,000	84.3%	Payoff Existing Debt	\$31,354,497	97.9%
Sponsor Equity	5,014,278	15.7	Closing Costs	436,963	1.4
			Upfront Reserves	222,818	0.7
<b>Total Sources</b>	<b>\$32,014,278</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$32,014,278</b>	<b>100.0%</b>

(1) UW NOI includes \$56,875 in rent steps occurring through November 2017.

(2) Other Monthly Escrows and Reserves represents a reserve for deferred maintenance.

**The Loan.** The Everett Plaza loan has an outstanding principal balance as of the Cut-off Date of approximately \$27.0 million and is secured by a first mortgage lien on the borrowers' fee interest of a 123,913 square foot anchored retail center (shadow anchored by a Walmart Supercenter) located in Everett, Washington. The loan has a 10-year term and will amortize on a 30-year schedule. The borrowing entities for the Everett Plaza loan are two tenants-in-common, Everett Mall 01, LLC, a Washington limited liability company, and Everett Mall 11, LLC, a Delaware limited liability company, each a special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is Alan C. Fox, who has full control rights over both tenant-in-common borrowers. Alan C. Fox is the founder of ACF Property Management which was formed in 1968 and currently owns and controls over 77 properties in 15 states totaling over 7.3 million square feet with an estimated value of \$1.5 billion. The Everett Plaza property was previously securitized in the MSC 2007-IQ14 trust.

## Everett Plaza

**The Property.** The Everett Plaza property consists of nine retail buildings totaling 123,913 square feet (including 3,173 square feet of unowned improvements occupied by Jack in the Box under a ground lease) that is situated on an approximately 10.3-acre site in Everett, Washington. Everett is the largest city in Snohomish County, located within the Seattle metropolitan statistical area. The property is located along Southeast Everett Mall Way (State Route 99), with traffic counts of over 35,000 vehicles per day. The property is positioned within a concentrated retail corridor, approximately half a mile east of Interstate 5. Within a one-mile radius of the property are Best Buy, Target, Costco, Trader Joe's, Bed Bath & Beyond, TJ Maxx and various national and local retailers and restaurants. The property sits directly across from Everett Mall, a 665,262 square foot mall anchored by Macy's, Sears, Burlington Coat Factory, Regal Stadium 16 Cinemas and LA Fitness. The Steadfast Company-owned Everett Mall features over 110 shops and is a demand driver for the area, drawing visitors from surrounding neighborhoods. The Everett Mall was 96.5% occupied (as of May 2016) and underwent a renovation in 2012 to redevelop underutilized retail space (in the back of the mall) adding Burlington Coat Factory, Ulta Beauty and LA Fitness. Additionally, the mall's food court, a portion of the interior as well as new facades for LA Fitness and Regal Cinemas. In addition, the property is shadow anchored by a Walmart Supercenter which opened in 2014 and by a Toys "R" Us which owns their improvements. The next closest Toys "R" Us is located approximately 8.1 miles away. Walmart bought a former Top Foods shell and expanded it to accommodate the Walmart Supercenter, the only one within 13.8 mile radius. The property shares a parking lot with Walmart Supercenter and Toys "R" Us. The property's signage is a pylon located at the entrance to the shopping center naming anchor tenants. Access to the property is provided via two signalized entrances, one shared with Walmart Supercenter and the other aligning with the entrances to Everett Mall.

As of November 1, 2016, the property was 82.2% occupied by 18 tenants. The property is anchored by national tenants: Michaels, Petco, and Pier 1 Imports. Michaels has been a tenant at the property since May 1998 and has executed two five-year renewals (most recently exercised in March 2013). Michaels lease features two remaining five-year options. Petco has been at the property since September 1993 and has executed two ten-year renewals (most recently in June 2014). Petco's lease features two remaining five-year options. Pier 1 Imports has been at the property since November 1987 and has executed four five-year renewals (most recently in February 2013). Pier 1 Imports' lease features one remaining five-year option. With the exception of the three largest tenants, no individual tenant comprises more than 6.8% of the property's net rentable area or 8.8% of underwritten base rent. Eleven tenants accounting for 62.4% of the net rentable area or 64.9% of underwritten base rent have been in occupancy at the property for more than 10 years, including Michaels, Petco, Pier 1 Imports, Half Price Books, Red Robin International, US Government - Walla Walla District, Jack in the Box, Kyoto Japanese Steak House, Verizon Wireless, Sole Perfection and Edward Jones. The property has experienced recent leasing momentum with 12 renewal or new leases since 2014 totaling 59,163 square feet.

**The Market.** The property is located in the Seattle Market and the Western Snohomish County Submarket. The Seattle metropolitan statistical area's economy comprises an industry base featuring aerospace (Boeing remains the state's largest single private employer with 85,000 employees), high-tech (Microsoft, Google, and Amazon.com – headquartered in downtown Seattle), biotechnology and export/import businesses (supported by the ports of Everett and Seattle). Boeing's assembly plant for the 747, 767, 777 and the new 787 passenger jet is located 2.5 miles from property, employs over 30,000, draws 150,000 visitors annually and is the largest building in the world (by cubic feet). In May 2016, Boeing celebrated the opening of its new 777x Composite Wing Center at the Everett, Washington campus. Boeing reported that it invested more than \$1 billion in the Everett site for construction and outfitting of the new building.

According to a third party market research report, as of the second quarter of 2016, the Western Snohomish County Submarket contained approximately 5.9 million square feet of neighborhood and community shopping center space and reported a vacancy rate of 9.1% with asking rents of \$22.86 per square foot. According to the appraisal, the estimated 2015 population within a three- and five-mile radius was 119,574 and 252,817, respectively. Additionally, the estimated 2016 average household income within a three- and five-mile radius is \$71,478 and \$85,492, respectively. The appraisal identified four competitive properties within a half mile radius of the property. The competitive properties were built between 1975 and 2005 and range in size from 7,683 square feet to 665,262 square feet. The comparable retail properties reported occupancies ranging from 83.8% to 100.0% with a weighted average vacancy rate of approximately 4.7%. Quoted rental rates for the comparable properties range from \$22.00 to \$25.00 per square foot for non-anchor tenants. The appraisal concluded a vacancy rate of 8.6% and a weighted average market rent of \$22.56 per square foot for the Everett Plaza property.

## Everett Plaza

### Tenant Summary<sup>(1)</sup>

Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rent	Sales PSF <sup>(3)</sup>	Occupancy Costs <sup>(3)</sup>	Lease Expiration Date
Michaels	Ba2 / B+ / NA	21,859	17.6%	\$12.84	11.2%	NAV	NAV	2/28/2018
Petco	NA / B / NA	13,924	11.2%	\$23.00	12.8%	\$232	10.9%	5/31/2024
Pier 1 Imports	NA / B / NA	10,020	8.1%	\$28.14	11.3%	\$146	21.5%	1/31/2018
Half Price Books	NA / NA / NA	8,420	6.8%	\$16.50	5.6%	NAV	NAV	12/31/2019
Denallis Mediterranean Fusion	NA / NA / NA	8,168	6.6%	\$20.00	6.5%	NAV	NAV	10/31/2021
NY Pizza & Bar	NA / NA / NA	6,213	5.0%	\$33.95	8.4%	\$528	7.1%	7/31/2025
Red Robin	NA / NA / NA	5,637	4.5%	\$38.77	8.8%	\$674	7.2%	4/16/2019
U.S. Government USAED Walla Walla	Aaa / AA+ / AAA	5,504	4.4%	\$35.50	7.8%	NAV	NAV	10/31/2020
Jack in the Box	NA / NA / NA	3,173	2.6%	\$45.00	5.7%	NAV	11.0%	11/02/2021
Kyoto Japanese Steak House	NA / NA / NA	3,041	2.5%	\$24.48	3.0%	\$267	11.6%	5/31/2019

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

(3) Sales PSF and Occupancy Costs represent sales for the 12-month period ending September 30, 2016 for all tenants.

### Lease Rollover Schedule<sup>(1)</sup>

Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	22,013	17.8%	NAP	NAP	22,013	17.8%	NAP	NAP
2016 & MTM	0	0	0.0	\$0	0.0%	22,013	17.8%	\$0	0.0%
2017	2	3,310	2.7	81,506	3.3	25,323	20.4%	\$81,506	3.3%
2018	6	42,340	34.2	887,771	35.6	67,663	54.6%	\$969,277	38.8%
2019	5	19,268	15.5	494,263	19.8	86,931	70.2%	\$1,463,540	58.6%
2020	1	5,504	4.4	195,396	7.8	92,435	74.6%	\$1,658,936	66.5%
2021	2	11,341	9.2	306,145	12.3	103,776	83.7%	\$1,965,081	78.7%
2022	0	0	0.0	0	0.0	103,776	83.7%	\$1,965,081	78.7%
2023	0	0	0.0	0	0.0	103,776	83.7%	\$1,965,081	78.7%
2024	1	13,924	11.2	320,252	12.8	117,700	95.0%	\$2,285,333	91.6%
2025	1	6,213	5.0	210,931	8.4	123,913	100.0%	\$2,496,264	100.0%
2026	0	0	0.0	0	0.0	123,913	100.0%	\$2,496,264	100.0%
2027 & Beyond	0	0	0.0	0	0.0	123,913	100.0%	\$2,496,264	100.0%
<b>Total</b>	<b>18</b>	<b>123,913</b>	<b>100.0%</b>	<b>\$2,496,264</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

## Everett Plaza

Operating History and Underwritten Net Cash Flow							
	2013	2014	2015	TTM <sup>(1)</sup>	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place	\$2,374,340	\$2,425,977	\$2,367,194	\$2,295,375	\$2,496,264	\$20.15	75.1%
Vacant Income	0	0	0	0	323,217	2.61	9.7
<b>Gross Potential Rent</b>	<b>\$2,374,340</b>	<b>\$2,425,977</b>	<b>\$2,367,194</b>	<b>\$2,295,375</b>	<b>\$2,819,481</b>	<b>\$22.75</b>	<b>84.8%</b>
Percentage Rent	62,786	59,004	55,816	41,996	50,273	0.41	1.5
Total Reimbursements	385,990	385,369	367,311	346,771	455,839	3.68	13.7
<b>Net Rental Income</b>	<b>\$2,823,117</b>	<b>\$2,870,350</b>	<b>\$2,790,321</b>	<b>\$2,684,142</b>	<b>\$3,325,593</b>	<b>\$26.84</b>	<b>100.0%</b>
(Vacancy / Credit Loss)	0	0	(15,655)	0	(407,572)	(3.29)	(12.3)
Other Income	9,504	11,023	7,486	372	0	0.00	0.0
<b>Effective Gross Income</b>	<b>\$2,832,622</b>	<b>\$2,881,373</b>	<b>\$2,782,152</b>	<b>\$2,684,514</b>	<b>\$2,918,021</b>	<b>\$23.55</b>	<b>87.7%</b>
<b>Total Expenses</b>	<b>\$509,364</b>	<b>\$524,273</b>	<b>\$532,606</b>	<b>\$501,530</b>	<b>\$542,053</b>	<b>\$4.37</b>	<b>18.6%</b>
<b>Net Operating Income<sup>(3)</sup></b>	<b>\$2,323,257</b>	<b>\$2,357,101</b>	<b>\$2,249,545</b>	<b>\$2,182,984</b>	<b>\$2,375,969</b>	<b>\$19.17</b>	<b>81.4%</b>
Total TI/LC, Capex/RR	0	0	0	0	141,962	1.15	4.9
<b>Net Cash Flow</b>	<b>\$2,323,257</b>	<b>\$2,357,101</b>	<b>\$2,249,545</b>	<b>\$2,182,984</b>	<b>\$2,234,007</b>	<b>\$18.03</b>	<b>76.6%</b>
<b>Occupancy<sup>(4)</sup></b>	<b>92.4%</b>	<b>89.4%</b>	<b>88.1%</b>	<b>82.2%</b>	<b>87.7%</b>		

(1) TTM reflects the trailing 12-month period ending September 30, 2016.

(2) % column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) Underwritten Net Operating Income includes \$56,875 in rent steps occurring through November 2017.

(4) Historical Occupancy is as of December 31 of each respective year. TTM Occupancy is as of November 1, 2016. Underwritten occupancy represents economic occupancy.