

## Meridian Corporate Center I



**CARTIFACT.**

SCALE  
2 MILES

**Durham**

**Chapel Hill**

**RESEARCH TRIANGLE PARK**

**Meridian Corporate Center I**  
2505-2525 Meridian Parkway  
Durham, NC 27713

**Raleigh**

**Morrisville**

**Cary**

**Apex**

**Charlotte**

**Virginia**

**North Carolina**

**South Carolina**



## Meridian Corporate Center I

## 2520 Meridian Parkway

FLOOR

RSP

5	Parexel 8,058 SF Exp. 12/2022	Parexel 6,181 SF Exp. 12/2022	Vacant 9,096 SF	23,335				
4	A.M. Pappas & Associates, LLC 7,617 SF Exp. 8/2018	Parexel 2,864 SF Exp. 12/2022	SSOE, Inc. 2,774 SF Exp. 6/2015	Parexel 2,536 SF Exp. 12/2022	Parexel 1,136 SF Exp. 12/2022	NCS Pearson, Inc. 2,947 SF Exp. 12/2017	Action 1,520 SF Exp. 12/2015	22,893
3	Parexel 23,066 SF Exp. 12/2022	23,066						
2	Parexel 23,047 SF Exp. 12/2022	23,047						
1	Parexel 3,381 SF Exp. 12/2022	Parexel 12,531 SF Exp. 12/2022	Parexel 792 SF Exp. 12/2022	Parexel 3,880 SF Exp. 12/2022	Parexel 3,879 SF Exp. 12/2022	23,153		
								115,383

## 2525 Meridian Parkway

FLOOR

RSP

4	Thermo Fisher Scientific, Inc. 12,882 SF Exp. 7/2018	Vacant 8,577 SF	21,459					
3	Merck WebB 17,300 SF Exp. 11/2021	Sipcam AGRO USA, Inc. 8,323 SF Exp. 9/2021	22,323					
2	Management Office 2,024 SF MTM	Chordoma Foundation 1,483 SF Exp. 3/2018	Vacant 243 SF	Interneuro Expert 8,096 SF Exp. 6/2018	Vacant 1,889 SF	NIPERA Nickel 3,883 SF Exp. 6/2019	Nuventra, Inc. 6,240 SF Exp. 6/2019	23,538
1	Cerner Corporation 9,880 SF Exp. 1/2017	Lasik Vision 3,578 SF Exp. 6/2022	Vacant 1,395 SF	Cerner Corporation 4,913 SF Exp. 1/2017	19,766			
0	MDB, Inc. 5,575 SF Exp. 10/2017	Vacant 605 SF	Vacant 1,137 SF	Gary Gaudin 3,488 SF Exp. 9/2018	Gary Gaudin 2,881 SF Exp. 8/2018	13,886		
								98,272

## 2510 Meridian Parkway

FLOOR

RSP

3	Health Decisions (Subleased to BASF Corporation) 22,783 SF Exp. 6/2018	22,783
2	Health Decisions (Subleased to BASF Corporation) 21,228 SF Exp. 6/2018	21,228
1	Health Decisions 20,257 SF Exp. 6/2018	20,257
		64,268

## 2505 Meridian Parkway

FLOOR

RSP

3	MDHealth, Inc. Subleased to Chimerix, Inc. 1,387 SF Exp. 9/2018	MDHealth, Inc. Subleased to Chimerix, Inc. 1,076 SF Exp. 9/2018	Chimerix, Inc. 11,096 SF Exp. 3/2018	14,490	
2	Unicorn HRO, LLC 7,202 SF Exp. 7/2016	Capital Care Resources 3,750 SF Exp. 10/2015	ThermoQ, Inc. 1,440 SF Exp. 4/2015	ThermoQ, Inc. 2,087 SF Exp. 4/2015	14,480
1	Chimerix, Inc. 8,326 SF Exp. 2/2018	Camargo Pharmaceutical Services 2,005 SF Exp. 6/2017	Camargo Pharmaceutical Services 4,445 SF Exp. 6/2017	15,296	
				42,264	

Vacant
MTM
2014 - 2015
2016 - 2017
2018 - 2019
2020 - 2021
2022+

## Meridian Corporate Center I

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Barclays
<b>Original Principal Balance:</b>	\$36,261,000
<b>Cut-off Date Principal Balance:</b>	\$36,261,000
<b>% of Pool by IPB:</b>	2.9%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	IVC Meridian LL O, LLC
<b>Sponsor:</b>	Investcorp US Real Estate, LLC
<b>Interest Rate:</b>	3.90600%
<b>Note Date:</b>	8/7/2014
<b>Maturity Date:</b>	9/6/2019
<b>Interest-only Period:</b>	60 months
<b>Original Term:</b>	60 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	Interest Only
<b>Call Protection:</b>	L(25),Def(31),O(4)
<b>Lockbox:</b>	CMA
<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>	Office - Suburban
<b>Net Rentable Area (SF):</b>	320,085
<b>Location:</b>	Durham, NC
<b>Year Built / Renovated<sup>(1)</sup>:</b>	1989 - 1997 / 2009 - 2013
<b>Occupancy:</b>	92.8%
<b>Occupancy Date:</b>	7/30/2014
<b>Number of Tenants:</b>	23
<b>2011 NOI<sup>(2)</sup>:</b>	\$1,962,922
<b>2012 NOI<sup>(2)</sup>:</b>	\$2,407,622
<b>2013 NOI<sup>(2)</sup>:</b>	\$3,164,813
<b>TTM NOI (as of 6/2014)<sup>(2)</sup>:</b>	\$3,237,180
<b>UW Economic Occupancy:</b>	93.3%
<b>UW Revenues:</b>	\$6,960,429
<b>UW Expenses:</b>	\$2,763,015
<b>UW NOI<sup>(2)</sup>:</b>	\$4,197,414
<b>UW NCF:</b>	\$3,618,889
<b>Appraised Value / Per SF:</b>	\$53,100,000 / \$166
<b>Appraisal Date:</b>	7/21/2014

### Escrows and Reserves<sup>(3)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$477,671	\$54,817	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$325,000	Springing	\$325,000
<b>TI/LC:</b>	\$1,375,000	Springing	\$1,375,000
<b>Other<sup>(4)</sup>:</b>	\$754,662	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$113
<b>Maturity Date Loan / SF:</b>	\$113
<b>Cut-off Date LTV:</b>	68.3%
<b>Maturity Date LTV:</b>	68.3%
<b>UW NCF DSCR:</b>	2.52x
<b>UW NOI Debt Yield:</b>	11.6%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$36,261,000	65.1%	Purchase Price	\$52,500,000	94.3%
Sponsor Equity	19,422,500	34.9	Upfront Reserves <sup>(4)</sup>	2,177,671	3.9
			Closing Costs	1,005,829	1.8
<b>Total Sources</b>	<b>\$55,683,500</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$55,683,500</b>	<b>100.0%</b>

(1) For details of Year Built / Renovated for each building, please refer to "Property Summary" below.

(2) UW NOI is greater than historical figures due to nine new leases signed or renewed in the past 18 months, contributing approximately \$1.3 million of annual underwritten base rent.

(3) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

(4) The Initial Other Escrows and Reserves are comprised of \$490,230 for outstanding tenant improvements and \$264,432 for outstanding free rent as of the origination date. These amounts were paid by the seller in conjunction with the acquisition and are not included in Upfront Reserves in Sources and Uses above.

**The Loan.** The Meridian Corporate Center I loan has an outstanding balance of approximately \$36.3 million and is secured by a first mortgage lien on a property comprised of four midrise Class A office towers totaling 320,085 square feet located in Durham, North Carolina. The loan has a five-year term and is interest-only for the term of the loan.

**The Borrower.** The borrowing entity for the Meridian Corporate Center I loan is IVC Meridian LL O, LLC, a Delaware limited liability company and special purpose entity. In order to comply with Islamic law (Shari'ah) the borrower master leases the property to IVC Meridian TT O, LLC, an entity owned by affiliates of the sponsor. See "Risk Factors—Shari'ah Compliant Loans" in the Prospectus Supplement.

## Meridian Corporate Center I

**The Sponsor.** The loan sponsor and non-recourse carve-out guarantor is Investcorp US Real Estate, LLC ("Investcorp"). Investcorp is an affiliate of Investcorp International, Inc., an investment group founded in 1982. Investcorp International, Inc. focuses on five lines of business including private equity, hedge funds, technology, Arabian Gulf growth capital and real estate investments. Since 1995, Investcorp has acquired over 200 properties totaling approximately \$10 billion in capitalization and currently invests \$600 to \$800 million of total capital per year in United States real estate. Investcorp is also the loan sponsor of the Meridian Corporate Center II, another loan included in the trust.

**The Property.** Meridian Corporate Center I is a four-building 320,085 square foot Class A office property located in Durham, North Carolina, approximately four miles west of Research Triangle Park. The buildings were built in phases between 1989 and 1997. The property is part of the larger Meridian Corporate Center campus, which includes five additional single-story lab and research and development buildings (Meridian Corporate Center II) along with a full service 203-guestroom DoubleTree Suites by Hilton hotel renovated in March 2014. The campus is set among landscaping with walking trails and a lake. As of July 30, 2014, Meridian Corporate Center I was 92.8% occupied by 23 tenants.

**2520 Meridian Parkway (40.5% of the allocated loan amount).** 2520 Meridian Parkway is a five-story 115,283 square foot Class A office building built in 1997 and features a two-story atrium style lobby and floor-to-ceiling windows. The building is 92.1% occupied by five tenants at an average underwritten base rent of \$22.88 per square foot. The largest tenant in the building, Parexel (NASDAQ: PRXL), leases 79.8% of the net rentable area in the building through December 2022 with one five-year extension option remaining. Parexel has been in occupancy since January 2003 and has expanded its space and/or renewed its lease seven times, most recently in January 2014. Parexel is a global biopharmaceutical services firm that provides a broad range of knowledge-based contract research, consulting, medical communications and technology solutions and services to the worldwide pharmaceutical, biotechnology and medical device industries. Parexel is headquartered near Boston and has 15,560 employees in 79 offices across 51 countries.

**2525 Meridian Parkway (27.0% of the allocated loan amount).** 2525 Meridian Parkway is a five-story 98,272 square foot Class A office building built in 1995. The building underwent approximately \$1.1 million in capital improvements from 2009 to 2012, including HVAC and electrical panel replacements, new flooring, installation of LED lighting and the removal of several walls and ceiling barriers, creating an open two-story lobby and entry way. The building also features a rear two-story rotunda-style lobby that opens out to a lakeside outdoor plaza area. The building is 85.7% occupied by 11 tenants at an average underwritten base rent of \$21.84 per square foot. The largest tenant at the building, Merritt Webb, leases 17.8% of the net rentable area in the building through November 2021 with two five-year renewal options remaining. Merritt Webb has been at the property since June 2003 and renewed its lease in February 2014. Merritt Webb is a full service law firm with over 40 attorneys handling cases that involve, among other things, bankruptcy, business and corporate law, employment law, car accidents, trucking accidents, medical malpractice, criminal law, workers' compensation, traffic defense, elder law, and probate and estate planning. The building serves as the firm's headquarters and the firm has five other offices located across North Carolina, South Carolina and Tennessee.

**2510 Meridian Parkway (20.2% of the allocated loan amount).** 2510 Meridian Parkway is a three-story 64,266 square foot Class A office building built in 1990 and features a two-story wood-paneled lobby with marble and granite flooring. The building is 100.0% leased to Health Decisions through June 2018 at the underwritten base rent of \$26.90 per square foot with two five-year extension options remaining. Health Decisions provides contract research services to clinical-stage biopharmaceutical and medical device companies. Health Decisions subleases 68.5% of the net rentable area in the building to BASF Corporation through June 2018. BASF Corporation, headquartered in Ludwigshafen, Germany, is one of the largest chemical companies in the world with over 112,000 employees across 80 countries. BASF Corporation has been in the Research Triangle Park since 1986, headquartering its global Plant Science and Crop Protection divisions in the area with over 900 employees. Most of BASF Corporation's Plant Science division employees are based in the building.

**2505 Meridian Parkway (12.0% of the allocated loan amount).** 2505 Meridian Parkway is a three-story 42,264 square foot Class A office building built in 1989. The building underwent \$437,261 in capital improvements from 2009-2013 and features a rotunda-style lobby with a combination of marble and terrazzo flooring and a domed ceiling. The building is 100.0% occupied by 6 tenants at an average underwritten base rent of \$20.73 per square foot. The largest tenant in the building, Chimerix, Inc. (NASDAQ: CMRX), leases 42.3% of the net rentable in the building through February 2018 with one three-year extension option remaining. Chimerix, Inc. is headquartered in the building and has been in occupancy since 2007, extending its lease in March 2013 and expanding its space in July 2014. Chimerix, Inc. also subleases an additional 3,433 square feet in the building through June 2015. Founded in 2000, Chimerix, Inc. is a biopharmaceutical company dedicated to discovering, developing and commercializing novel, oral antivirals in areas of high unmet medical need. Chimerix, Inc.'s lead antiviral compound is in late-stage phase 3 clinical trials. The company's 2013 IPO and 2014 follow-on offering generated approximately \$118 million and \$119 million, respectively.

## Meridian Corporate Center I

The Meridian Corporate Center I property is located along Interstate 40, proximate to Durham, Raleigh and Chapel Hill, North Carolina and approximately eight miles west of the Raleigh-Durham International Airport. Research Triangle Park, four miles east of the property, is the largest research park in the United States comprising approximately 190 domestic and international companies with over 50,000 employees in fields such as micro-electronics, telecommunications, biotechnology, pharmaceuticals and environmental sciences. In addition, Streets at Southpoint, a Nordstrom and Belk anchored General Growth Properties mall, is one exit west of the property on Interstate 40. Regional access to the property is provided by Interstate 85, Interstate 540, State Highway 147 and State Highway 55.

According to the appraisal, the property is located in the Raleigh/Durham office market which has become one of the top metropolitan areas in the United States for business relocations, medical research, and entrepreneurial activity. Citing a third party data provider, the appraisal concluded that net absorption in the Raleigh/Durham office market for the second quarter of 2014 was a positive 424,576 square feet, decreasing vacancy to 10.4% from 10.6% in the prior two quarters and from 12.3% in 2010. According to the appraisal, less than a third of the vacant space in the Raleigh/Durham office market is Class A space while slightly less than two thirds of the vacant space in the market is Class B space. More specifically, according to a third party data provider, the property is located in the South Durham submarket which, as of the second quarter of 2014, had a Class A vacancy rate of 10.4% and average rents of approximately \$20.52 per square foot.

Property Summary							
Building	Year Built / Renovated	Number of Stories	Net Rentable Area (SF)	Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value	Largest Tenant
2520 Meridian Parkway	1997 / N/A	5	115,283	\$14,699,021	40.5%	\$21,525,000	Parexel
2525 Meridian Parkway	1995 / 2009-2012	5	98,272	9,782,275	27.0	14,325,000	Merritt Webb
2510 Meridian Parkway	1990 / N/A	3	64,266	7,340,975	20.2	10,750,000	Health Decisions
2505 Meridian Parkway	1989 / 2009-2013	3	42,264	4,438,729	12.2	6,500,000	Chimerix, Inc.
<b>Total:</b>			<b>320,085</b>	<b>\$36,261,000</b>	<b>100.0%</b>	<b>\$53,100,000</b>	

Historical and Current Occupancy <sup>(1)</sup>			
2011	2012	2013	Current <sup>(2)</sup>
79.3%	86.4%	86.2%	92.8%

(1) Historical Occupancies are as of December 31 of each respective year.

(2) Current Occupancy is as of July 30, 2014.

Tenant Summary <sup>(1)</sup>						
Tenant	Building	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	UW Base Rent PSF	Lease Expiration Date
Parexel <sup>(3)</sup>	2520 Meridian Parkway	NA / NA / NA	92,029	28.8%	\$22.92	12/31/2022
Health Decisions <sup>(4)</sup>	2510 Meridian Parkway	NA / NA / NA	64,266	20.1%	\$26.90	6/30/2018
Chimerix, Inc. <sup>(5)</sup>	2505 Meridian Parkway	NA / NA / NA	17,892	5.6%	\$20.82	2/28/2018
Merritt Webb	2525 Meridian Parkway	NA / NA / NA	17,500	5.5%	\$21.58	11/30/2021
Cerner Corporation	2525 Meridian Parkway	NA / NA / NA	14,793	4.6%	\$21.52	1/31/2017
Thermo Fisher Scientific, Inc.	2525 Meridian Parkway	Baa3 / BBB / BBB	12,882	4.0%	\$22.33	7/31/2018
A.M. Pappas & Associates, LLC	2520 Meridian Parkway	NA / NA / NA	7,817	2.4%	\$22.00	8/31/2016
Unicorn HRO, LLC	2505 Meridian Parkway	NA / NA / NA	7,202	2.3%	\$21.33	7/31/2016
Camargo Pharmaceutical Services	2505 Meridian Parkway	NA / NA / NA	6,450	2.0%	\$19.92	6/30/2017
Gary Gaulden	2525 Meridian Parkway	NA / NA / NA	6,369	2.0%	\$22.91	8/31/2018

(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) Parexel has a one-time right to terminate 24,636 square feet of space effective August 31, 2020 by delivering notice no later than March 1, 2020.

(4) Health Decisions subleases 44,009 square feet to BASF Corporation. In addition, Health Decisions has a one-time right to terminate its lease effective June 30, 2016 by delivering notice no later than June 30, 2015.

(5) Chimerix, Inc. expanded its space by 6,836 square feet in July 2014 and is expected to take occupancy of this space by December 2014. Chimerix, Inc. also subleases an additional 3,433 square feet of space in 2505 Meridian Parkway.

## Meridian Corporate Center I

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	23,142	7.2%	NAP	NAP	23,142	7.2%	NAP	NAP
2014 & MTM <sup>(2)</sup>	0	2,024	0.6	\$0	0.0%	25,166	7.9%	\$0	0.0%
2015	5	15,014	4.7	323,030	4.7	40,180	12.6%	\$323,030	4.7%
2016	3	16,502	5.2	356,057	5.2	56,682	17.7%	\$679,087	9.9%
2017	4	28,865	9.0	610,777	8.9	85,547	26.7%	\$1,289,864	18.9%
2018	5	106,505	33.3	2,644,167	38.7	192,052	60.0%	\$3,934,030	57.6%
2019	2	9,903	3.1	219,072	3.2	201,955	63.1%	\$4,153,103	60.8%
2020	0	0	0.0	0	0.0	201,955	63.1%	\$4,153,103	60.8%
2021	2	22,523	7.0	488,457	7.2	224,478	70.1%	\$4,641,560	68.0%
2022	2	95,607	29.9	2,187,834	32.0	320,085	100.0%	\$6,829,394	100.0%
2023	0	0	0.0	0	0.0	320,085	100.0%	\$6,829,394	100.0%
2024	0	0	0.0	0	0.0	320,085	100.0%	\$6,829,394	100.0%
2025 & Beyond	0	0	0.0	0	0.0	320,085	100.0%	\$6,829,394	100.0%
<b>Total</b>	<b>23</b>	<b>320,085</b>	<b>100.0%</b>	<b>\$6,829,394</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

(2) 2014 & MTM includes 2,024 square feet for a management office.

Operating History and Underwritten Net Cash Flow							
	2011	2012	2013	TTM <sup>(1)</sup>	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$4,427,547	\$5,029,220	\$5,735,978	\$5,898,570	\$6,829,394	\$21.34	91.5%
Vacant Income	0	0	0	0	503,339	1.57	6.7
<b>Gross Potential Rent</b>	<b>\$4,427,547</b>	<b>\$5,029,220</b>	<b>\$5,735,978</b>	<b>\$5,898,570</b>	<b>\$7,332,732</b>	<b>\$22.91</b>	<b>98.2%</b>
Total Reimbursements	21,225	45,679	73,173	85,394	131,036	0.41	1.8
<b>Net Rental Income</b>	<b>\$4,448,772</b>	<b>\$5,074,899</b>	<b>\$5,809,151</b>	<b>\$5,983,963</b>	<b>\$7,463,768</b>	<b>\$23.32</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	0	0	(503,339)	(1.57)	(6.7)
<b>Effective Gross Income</b>	<b>\$4,448,772</b>	<b>\$5,074,899</b>	<b>\$5,809,151</b>	<b>\$5,983,963</b>	<b>\$6,960,429</b>	<b>\$21.75</b>	<b>93.3%</b>
<b>Total Expenses</b>	<b>\$2,485,850</b>	<b>\$2,667,277</b>	<b>\$2,644,338</b>	<b>\$2,746,783</b>	<b>\$2,763,015</b>	<b>\$8.63</b>	<b>39.7%</b>
<b>Net Operating Income</b>	<b>\$1,962,922</b>	<b>\$2,407,622</b>	<b>\$3,164,813</b>	<b>\$3,237,180</b>	<b>\$4,197,414</b>	<b>\$13.11</b>	<b>60.3%</b>
Total TI/LC, Capex/RR	0	0	0	0	578,525	1.81	8.3
<b>Net Cash Flow</b>	<b>\$1,962,922</b>	<b>\$2,407,622</b>	<b>\$3,164,813</b>	<b>\$3,237,180</b>	<b>\$3,618,889</b>	<b>\$11.31</b>	<b>52.0%</b>

(1) TTM column represents the trailing twelve-month period ending in June 30, 2014.

(2) Percentage 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 Rents in Place are greater than historical figures due to nine new leases signed or renewed in the past 18 months, contributing approximately \$1.3 million of annual underwritten base rent.

**Property Management.** The property is managed by American Real Estate Partners Management LLC, an affiliate of American Real Estate Partners, a privately held commercial real estate investment and development firm that owns and operates over 10.5 million square feet of office space in the eastern United States.



## Meridian Corporate Center I

**Escrows and Reserves.** At origination, the borrower was required to deposit into escrow \$1,375,000 for tenant improvements and leasing commissions, \$477,671 for real estate taxes and \$325,000 for replacement reserves. As part of the acquisition, the seller deposited \$490,230 for outstanding tenant improvements and leasing commissions and \$264,432 for outstanding free rent.

**Tax Escrows** - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$54,817.

**Insurance Escrows** - The requirement for the borrower to make monthly deposits into the insurance escrow is waived so long as no event of default exists and the borrower provides satisfactory evidence that the property is insured as part of a blanket policy in accordance with the loan documents.

**Replacement Reserves** - If the balance of the replacement reserve is less than \$162,500 then, on a monthly basis, the borrower is required to escrow \$4,001 (approximately \$0.15 per square foot annually) for replacement reserves. The reserve is subject to a cap of \$325,000 (approximately \$1.02 per square foot).

**TI/LC Reserves** - If the balance of the TI/LC reserve is less than \$500,000 then, on a monthly basis, the borrower is required to escrow \$26,679 (approximately \$1.00 per square foot annually) for TI/LC reserves. The reserve is subject to a cap of \$1,375,000 (approximately \$4.30 per square foot).

**Lockbox / Cash Management.** The loan is structured with a CMA lockbox. The borrower was required to send tenant direction letters to all tenants instructing them to deposit all rents and payments into the lockbox account controlled by the lender. The funds are then returned to an account controlled by the borrower until the occurrence of a Lockbox Event. During the continuance of a Lockbox Event, all rents will be swept daily to a segregated cash management account and held in trust and for the benefit of the lender. The lender will have a first priority security interest in the cash management account. Upon the occurrence and during the continuance of a Lockbox Event, all funds deposited into the cash management account after payment of debt service, required reserves and budgeted operating expenses will be held as additional security for the loan.

A "Lockbox Event" means: (i) the occurrence and continuance of an event of default or (ii) the debt service coverage ratio as calculated in the loan documents based on the trailing three months annualized falls below 1.15x.

**Release of Buildings.** After the expiration of the lockout period, the borrower may release one or more individual buildings from the lien of the mortgage, provided that, among other things; (i) no event of default exists; (ii) the borrower defeases the loan in an amount equal to the greater of (A) 115.0% of the allocated loan amount for the individual building, as calculated in the loan documents, and (B) 90.0% of the net sales proceeds from the sale of the individual building, provided that, if the outstanding principal balance of the loan following the release of the individual building is greater than \$29,008,800 when using method (A) above, then the borrower will calculate the defeasance amount using method (A) above; (iii) the debt service coverage ratio, as calculated in the loan documents, for the portion of the property then remaining will be greater than or equal to the greater of (a) 2.52x and (b) the lesser of (x) 2.77x (which the borrower may satisfy by posting cash or a letter of credit that if applied to repay the loan would cause the debt service coverage ratio, as calculated in the loan documents, to satisfy 2.77x) and (y) the debt service coverage ratio, as calculated in the loan documents, immediately preceding the release, inclusive of the individual building requested to be released; (iv) after giving effect to the release for the applicable individual building, the debt yield, as calculated in the loan documents, for the portion of the property then remaining will be equal to or greater than the greater of (1) 11.19% and (2) the lesser of (aa) 12.31% (which the borrower may satisfy by posting cash or letter of credit that if applied to repay the loan would cause the debt yield, as calculated in the loan documents, to satisfy 12.31%) and (bb) the debt yield, as calculated in the loan documents, immediately preceding the release, inclusive of the individual building requested to be released and (v) after giving effect to the release for the applicable individual building, the loan to value ratio, as calculated in the loan documents, will not be greater than the lesser of (I) 68.29% and (II) the greater of (xx) 65.0% (which the borrower may satisfy by posting cash or a letter of credit that if applied to repay the loan would cause the loan to value ratio, as calculated in the loan documents, to satisfy 65.0%) and (yy) the loan to value ratio, as calculated in the loan documents, immediately preceding the release, inclusive of the individual building requested to be released.