

700 17th Street

Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$21,000,000
Cut-off Date Principal Balance:	\$21,000,000
% of Pool by IPB:	2.2%
Loan Purpose:	Refinance
Borrower:	700 17th Street, LLC
Sponsor:	Kenneth Grant
Interest Rate:	4.89000%
Note Date:	6/6/2016
Maturity Date:	6/6/2026
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office – CBD
Net Rentable Area (SF):	182,505
Location:	Denver, CO
Year Built / Renovated:	1960 / 1999
Occupancy:	89.8%
Occupancy Date:	5/1/2016
Number of Tenants:	33
2013 NOI ⁽¹⁾ :	\$911,428
2014 NOI ⁽¹⁾ :	\$1,100,448
2015 NOI ⁽¹⁾ :	\$1,549,502
TTM NOI (As of 4/2016):	\$1,712,345
UW Economic Occupancy:	91.4%
UW Revenues:	\$4,111,590
UW Expenses:	\$2,021,615
UW NOI:	\$2,089,975
UW NCF:	\$1,861,844
Appraised Value / Per SF:	\$39,800,000 / \$218
Appraisal Date:	4/21/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$122,251	\$40,750	N/A
Insurance:	\$21,353	\$2,669	N/A
Replacement Reserves:	\$0	\$3,802	N/A
TI/LC:	\$450,000	\$15,209	N/A
Other ⁽²⁾ :	\$212,150	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$115
Maturity Date Loan / SF:	\$99
Cut-off Date LTV:	52.8%
Maturity Date LTV:	45.5%
UW NCF DSCR:	1.39x
UW NOI Debt Yield:	10.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$21,000,000	100.0%	Payoff Existing Debt	\$17,967,269	85.6%
			Return of Equity	1,804,168	8.6
			Upfront Reserves	805,754	3.8
			Closing Costs	422,808	2.0
Total Sources	\$21,000,000	100.0%	Total Uses	\$21,000,000	100.0%

(1) The increase in 2015 NOI from 2013 NOI and 2014 NOI is due to the stabilization of the property after losing the anchor tenant (United Western Bank and affiliates) in stages from 2011 to 2013. The increase in UW NOI over TTM NOI is due to a number of new tenants arriving at the property or existing tenants relocating within the property and commencing to pay full rents per their leases. In addition, Toma West Management Corp (3.8% of net rentable area), has an executed lease commencing on July 1, 2016. The lender underwrote base rent to all leases in-place with rent steps through July 2017.

(2) Other Escrows and Reserves represents free rent reserved at origination for tenants that have abated or free rent periods.

The Loan. The 700 17th Street loan has an outstanding principal balance as of the Cut-off Date of \$21.0 million and is secured by a first mortgage lien on the fee interest in an 182,505 square foot office building located in Denver, Colorado. The loan has a 10-year term and, following a two-year interest-only period, will amortize on a 30-year schedule. The borrowing entity for the 700 17th Street loan is 700 17th Street, LLC, a Delaware limited liability company and special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is Kenneth Grant. Kenneth Grant is an experienced real estate investor and operator whose portfolio consists of eight properties totaling approximately 1.7 million square feet in Denver, including various properties within walking distance of the property.



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The Property. The 700 17th Street property consists of one 24-story Class B office building totaling 182,505 square feet that is situated on an approximately 0.2875 acre site in Denver, Colorado. The building was originally constructed in 1960 and was renovated in 1999. As of May 1, 2016, the property was 89.8% occupied by 33 tenants. The largest tenant at the property, Machol & Johannes, LLC, leases approximately 13.2% of the property's net rentable area through March 2021 and has leased it space since April 2014. Machol & Johannes, LLC (and affiliates) is a collection law firm with offices in Colorado, Washington, Oregon, New Mexico, Wyoming, Utah and Oklahoma. It offers representation in the fields of collection, bankruptcy and creditor rights.

The property has a granular rent roll with its tenants covering a variety of industries. With the exception of the two largest tenants, no individual tenant comprises more than 6.9% of the property's net rentable area or 7.6% of underwritten base rent. The property has experienced recent leasing momentum with 21 renewal or new leases since March 2014 totaling 108,591 square feet.

The Market. The property is located on the northwest corner of 17th Street and California Street within the Denver central business district, approximately two miles east of Interstate 25, a regional thoroughfare connecting Denver to most major cities along the front range, including Fort Collins, Denver and Colorado Springs, and approximately three miles south of Interstate 70, which provides access through the Rocky Mountains, extending from Utah to Maryland. In addition, public transportation is provided via the Denver Regional Transportation District, which maintains a light rail station at the side lobby door of the property, providing access throughout Denver.

According to the appraisal, downtown Denver is one of the region's primary employment centers. The 17th Street corridor, known as the Financial District of Denver, has a large concentration of government and financial tenants, as well as numerous municipal and state agencies. Major financial institutions located along 17th Street include Wells Fargo, Bank of Denver, Guaranty Bank and Trust Company, US Bank, Key Bank and JP Morgan Chase. In addition, the Auraria Campus, home to the University of Colorado-Denver, is located approximately one mile southwest of the property. The 127-acre campus is home to approximately 45,000 students and 3,700 employees. In addition to the University of Colorado-Denver, the campus is home to The Community College of Denver and Metropolitan State University of Denver.

According to the appraisal, the 2016 population within a three- and five-mile radius is 213,581 and 462,111 people, respectively. Additionally, the 2016 median household income within a three- and five-mile radius is \$53,181 and \$53,173, respectively. According to the appraisal, as of the first quarter of 2016, the Denver central business district submarket contained approximately 11.1 million square feet of Class B office space and reported a vacancy rate of 8.72% with asking rents of \$28.32 per square foot.

Tenant	Tenant Summary ⁽¹⁾						Lease Expiration Date
	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rent		
Machol & Johannes, LLC	NA / NA / NA	24,018	13.2%	\$23.50	13.9%		3/31/2021
TGS Management ⁽²⁾	NA / NA / NA	19,119	10.5%	\$27.64	13.0%		Various
First Citizens Bank & Trust ⁽³⁾	NA / NA / NA	12,640	6.9%	\$24.40	7.6%		Various
Colorado National Bank	NA / NA / NA	11,777	6.5%	\$22.00	6.4%		9/30/2019
Toma West Management Corp	NA / NA / NA	6,876	3.8%	\$25.00	4.2%		6/30/2028
Jefferson Capital Systems	NA / NA / NA	6,876	3.8%	\$22.50	3.8%		7/31/2017
Stabills Energy Services	NA / NA / NA	6,851	3.8%	\$30.00	5.1%		12/31/2019
WideOrbit	NA / NA / NA	6,792	3.7%	\$28.50	4.8%		7/31/2020
PLM Rockies	NA / NA / NA	6,792	3.7%	\$26.00	4.4%		9/30/2016
Northstar Investment Advisors	NA / NA / NA	4,536	2.5%	\$26.00	2.9%		2/28/2024

(1) Based on the underwritten rent roll.

(2) TGS Management has multiple lease expirations: 13,704 square feet expiring on October 31, 2019 and 5,415 square feet expiring on December 31, 2016.

(3) First Citizen Bank & Trust has multiple lease expirations: 6,792 square feet expiring August 31, 2019 and 5,848 square feet expiring October 31, 2016.

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Lease Rollover Schedule ⁽¹⁾									
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	18,642	10.2%	NAP	NAP	18,642	10.2%	NAP	NAP
2016 & MTM	7	25,016	13.7	\$633,112	15.6%	43,658	23.9%	\$633,112	15.6%
2017	6	18,226	10.0	421,757	10.4	61,884	33.9%	\$1,054,869	26.0%
2018	6	17,653	9.7	437,221	10.8	79,537	43.6%	\$1,492,090	36.8%
2019	6	45,979	25.2	1,160,396	28.6	125,516	68.8%	\$2,652,486	65.4%
2020	3	14,437	7.9	396,437	9.8	139,953	76.7%	\$3,048,923	75.1%
2021	3	30,196	16.5	718,593	17.7	170,149	93.2%	\$3,767,516	92.9%
2022	0	0	0.0	0	0.0	170,149	93.2%	\$3,767,516	92.9%
2023	0	0	0.0	0	0.0	170,149	93.2%	\$3,767,516	92.9%
2024	1	4,536	2.5	117,936	2.9	174,685	95.7%	\$3,885,452	95.8%
2025	0	0	0.0	0	0.0	174,685	95.7%	\$3,885,452	95.8%
2026	0	0	0.0	0	0.0	174,685	95.7%	\$3,885,452	95.8%
2027 & Beyond ⁽²⁾	1	7,820	4.3	171,900	4.2	182,505	100.0%	\$4,057,352	100.0%
Total	33	182,505	100.0%	\$4,057,352	100.0%				

(1) Based on the underwritten rent roll.

(2) 2027 & Beyond includes a 944 square foot conference room area.

Operating History and Underwritten Net Cash Flow							
	2013	2014	2015	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$2,661,861	\$2,920,046	\$3,481,618	\$3,664,766	\$4,057,352	\$22.23	90.3%
Vacant Income	0	0	0	0	388,573	2.13	8.7
Gross Potential Rent	\$2,661,861	\$2,920,046	\$3,481,618	\$3,664,766	\$4,445,925	\$24.36	99.0%
Total Reimbursements	131,487	46,790	62,844	37,160	45,746	0.25	1.0
Net Rental Income	\$2,793,348	\$2,966,837	\$3,544,462	\$3,701,925	\$4,491,671	\$24.61	100.0%
(Vacancy) ⁽³⁾	0	0	0	0	(388,573)	(2.13)	(8.6)
Other Income	12,279	9,445	7,919	9,568	8,492	0.05	0.2
Effective Gross Income	\$2,805,627	\$2,976,282	\$3,552,381	\$3,711,493	\$4,111,590	\$22.53	91.5%
Total Expenses	\$1,894,199	\$1,875,834	\$2,002,879	\$1,999,148	\$2,021,615	\$11.08	49.2%
Net Operating Income⁽⁴⁾	\$911,428	\$1,100,448	\$1,549,502	\$1,712,345	\$2,089,975	\$11.45	50.8%
Total TI/LC, Capex/RR	0	0	0	0	228,131	1.25	5.5
Net Cash Flow	\$911,428	\$1,100,448	\$1,549,502	\$1,712,345	\$1,861,844	\$10.20	45.3%
Occupancy⁽⁵⁾	65.0%	82.0%	94.0%	89.8%	91.4%		

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

(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) An economic vacancy of 8.6% was underwritten by the lender based on the percentage of gross potential rent (which is the sum of Net Rental Income and Other Income). The 700 17th Street property was 89.8% physically occupied as of May 1, 2016.

(4) The increase in the 2015 Net Operating Income from 2013 Net Operating Income and 2014 Net Operating Income is due to the stabilization of the property after losing the anchor tenant (United Western Bank and affiliates) in stages from 2011 to 2013. The increase in Underwritten Net Operating Income over TTM Net Operating Income is due to a number of new tenants arriving at the property or existing tenants relocating within the property and commencing to pay full rents per their leases. In addition, Toma West Management Corp (3.8% of net rentable area), has an executed lease commencing on July 1, 2016. The lender underwrote Rents in Place to all leases in-place with rent steps through July 2017.

(5) Historical Occupancies are as of December 31 of each year. TTM occupancy is as of May 1, 2016. Underwritten Occupancy represents economic occupancy.