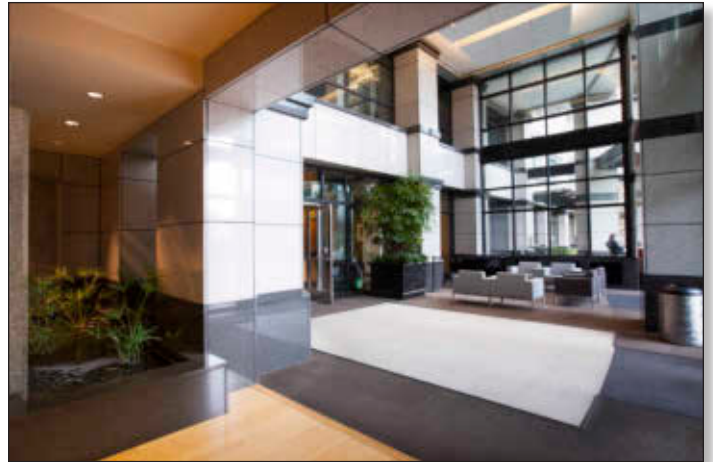


## Mortgage Loan No. 2 – KOMO Plaza



# Mortgage Loan No. 2 – KOMO Plaza

## KOMO Plaza East

Floor										
6					Sinclair Broadcast Group 471 SF Exp. 12/2023	Sinclair Broadcast Group 2,049 SF Exp. 12/2023	Sinclair Broadcast Group 84 SF Exp. 12/2023	Sinclair Broadcast Group 816 SF Exp. 12/2023		
5	Sinclair Broadcast Group 16,613 SF Exp. 12/2023				Sinclair Broadcast Group 24,920 SF Exp. 12/2023					
4	Sinclair Broadcast Group 6,693 SF Exp. 12/2023				Sinclair Broadcast Group 37,929 SF Exp. 12/2023					
3	TierPoint Seattle Holdings 1,740 SF Exp. 6/2023	Sinclair Broadcast Group 4,436 SF Exp. 12/2023			Pacific Software Publishing 842 SF Exp. 12/2018	Internap Corporation 2,353 SF Exp. 12/2019			Internap Corporation 399 SF Exp. 2/2019	
	Sinclair Broadcast Group 5,910 SF Exp. 12/2023	Sinclair Broadcast Group 508 SF Exp. 12/2023	Sinclair Broadcast Group 4,198 SF Exp. 12/2023		Sinclair Broadcast Group 16,432 SF Exp. 12/2023				TierPoint Seattle Holdings 6,099 SF Exp. 6/2023	
2	BCE Nexxia 804 SF Exp. 8/2020	CenturyLink 283 SF Exp. 9/2018	Frontier Communications 1,256 SF Exp. 9/2017			Metropolitan Fiber MTM 200 SF Exp. 12/2017	TCG Seattle 258 SF Exp. 11/2020	Level 3 Communications 195 SF Exp. 5/2025	TW Telecom of Washington, LL 192 SF Exp. 6/2018	
	Internap Corporation 5,459 SF Exp. 2/2019	Internap Corporation 27,398 SF Exp. 2/2019				MEET ME ROOM 1,357 SF Exp. 11/2061	Mgmt. Office 1,669 SF MTM	Hines REIT 5th and Bell 574 SF MTM	Pacific Software Publishing 1,027 SF Exp. 2/2018	
1	Sport Seattle 6,765 SF Exp. 12/2019		US Healthworks 7,752 SF Exp. 2/2023			Sinclair Broadcast Group 154 SF Exp. 12/2023	Silverdale Orthopedics 2,009 SF Exp. 8/2018		Lonnie Swenson 1,388 SF Exp. 9/2020	

VACANT	2017	2018 – 2019	2020 – 2021	2022+
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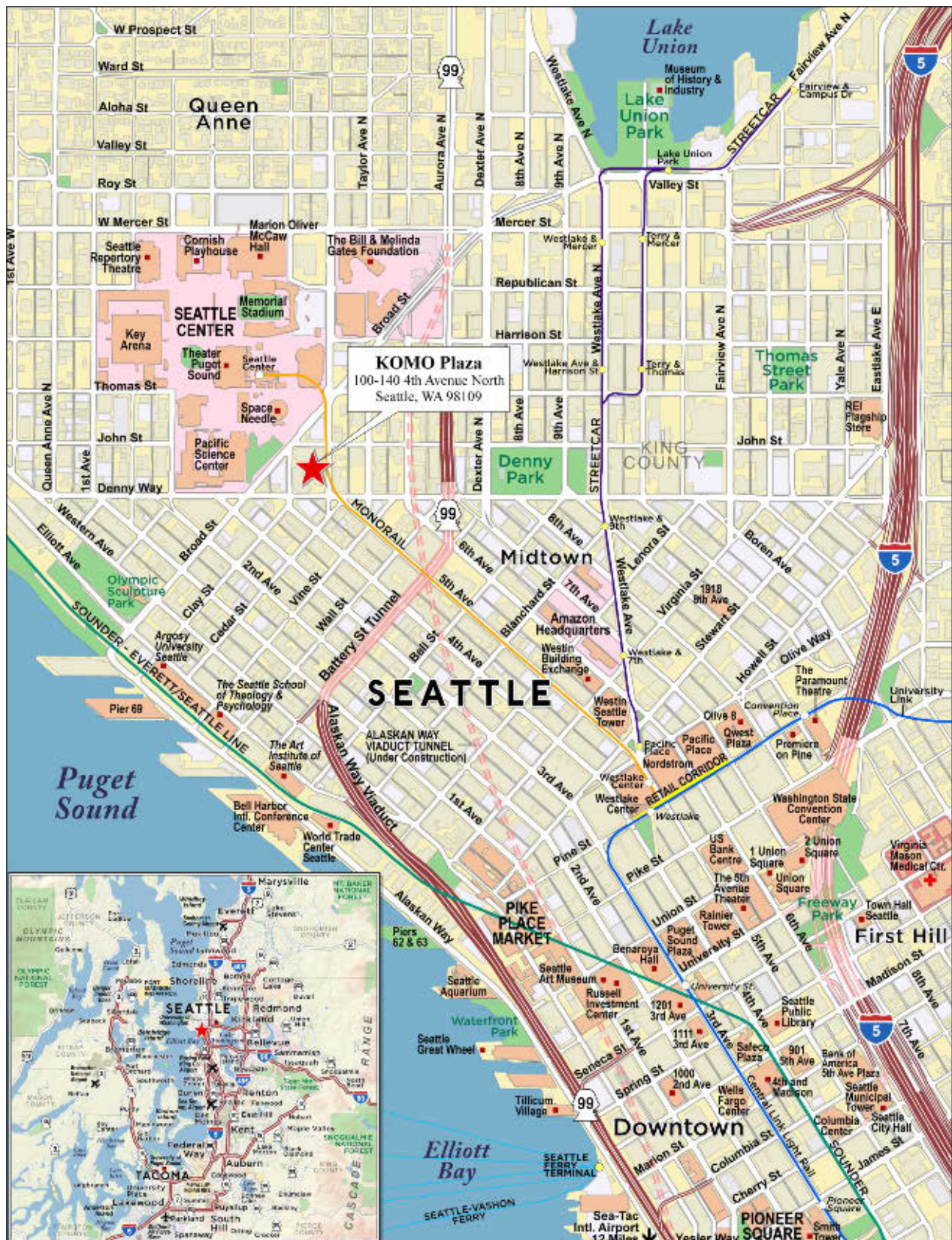
## KOMO Plaza West

Floor									
6	TierPoint Seattle Holdings 14,072 SF Exp. 6/2023								
5	Vacant 5,200 SF		Vacant 5,209 SF		Vacant 5,232 SF		Diversified Computer Corporation 432 SF Exp. 12/2017		
4	Diversified Computer Corporation 4,081 SF Exp. 12/2017		Amazon Corp 609 SF Exp. 12/2017		Amazon Corp 12,069 SF Exp. 12/2017				
3	Vacant 7,938 SF		TierPoint Seattle Holdings 3,792 SF Exp. 6/2023		TierPoint Seattle Holdings 4,090 SF Exp. 6/2023		Vacant 2,327 SF		
2	Swedish Health Services 7,737 SF Exp. 9/2018			Verizon Global Networks 10,416 SF Exp. 1/2019					
1	Subway Real Estate 1,281 SF Exp. 5/2018	First Citizens Bank 7,127 SF Exp. 6/2019		Christopher Clark/DBA Belltown 2,008 SF Exp. 4/2019	Avis 979 SF Exp. 6/2020	Approach Technologies 1,873 SF Exp. 10/2019	Pantheon Investments 1,203 SF Exp. 4/2017	Lihe Hou 1,439 SF Exp. 1/2021	Amazon Corp 805 SF Exp. 12/2017

VACANT	2017	2018 – 2019	2020 – 2021	2022+
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# Mortgage Loan No. 2 – KOMO Plaza



## Mortgage Loan No. 2 – KOMO Plaza

Mortgage Loan Information			
Mortgage Loan Seller:	MSMCH		
Original Balance <sup>(1)</sup> :	\$69,500,000		
Cut-off Date Balance <sup>(1)</sup> :	\$69,500,000		
% of Initial Pool Balance:	7.1%		
Loan Purpose:	Acquisition		
Sponsor:	California Public Employees' Retirement System		
Mortgage Rate:	4.2993%		
Note Date:	12/20/2016		
First Payment Date:	2/6/2017		
Maturity Date:	1/6/2027		
Original Term to Maturity:	120 months		
Original Amortization Term:	0 months		
IO Period:	120 months		
Seasoning:	1 month		
Prepayment Provisions <sup>(2)</sup> :	LO (25); DEF (91); O (4)		
Lockbox/Cash Mgmt Status:	Springing/Springing		
Additional Debt Type <sup>(3)</sup> :	Pari Passu		
Additional Debt Balance <sup>(3)</sup> :	\$69,500,000		
Future Debt Permitted (Type):	No (N/A)		
Reserves <sup>(4)</sup>			
Type	Initial	Monthly	Cap
RE Tax:	\$0	Springing	N/A
Insurance:	\$0	Springing	N/A
Recurring Replacements:	\$0	Springing	\$117,491
TI/LC:	\$0	Springing	\$1,982,657

Property Information		
Single Asset/Portfolio:	Single Asset	
Location:	Seattle, WA 98109	
General Property Type:	Mixed Use	
Detailed Property Type:	Office/Data Center/Retail	
Title Vesting:	Fee	
Year Built/Renovated:	2000/2007	
Size: <sup>(5)</sup>	291,151 SF	
Cut-off Date Balance per SF <sup>(1)</sup> :	\$477	
Maturity Date Balance per SF <sup>(1)</sup> :	\$477	
Property Manager:	Hines Interests Limited Partnership	
Underwriting and Financial Information		
UW NOI:	\$15,699,467	
UW NOI Debt Yield <sup>(1)</sup> :	11.3%	
UW NOI Debt Yield at Maturity <sup>(1)</sup> :	11.3%	
UW NCF DSCR <sup>(1)</sup> :	2.47x	
Most Recent NOI:	\$14,886,268 (10/31/2016 TTM)	
2nd Most Recent NOI:	\$14,450,665 (12/31/2015)	
3rd Most Recent NOI:	\$15,534,334 (12/31/2014)	
Most Recent Occupancy:	91.1% (12/1/2016)	
2nd Most Recent Occupancy:	90.9% (12/31/2015)	
3rd Most Recent Occupancy:	91.5% (12/31/2014)	
Appraised Value (as of):	\$278,000,000 (10/26/2016)	
Cut-off Date LTV Ratio <sup>(1)</sup> :	50.0%	
Maturity Date LTV Ratio <sup>(1)</sup> :	50.0%	

Sources and Uses					
Sources			Uses		
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Loan Amount <sup>(1)</sup> :	\$139,000,000	50.2%	Purchase Price:	\$276,000,000	99.7%
Borrower Equity:	\$137,931,677	49.8%	Closing Costs:	\$931,677	0.3%
Total Sources:	\$276,931,677	100.0%	Total Uses:	\$276,931,677	100.0%

(1) The KOMO Plaza Mortgage Loan is part of the KOMO Plaza Whole Loan, which is comprised of five *pari passu* promissory notes with an aggregate original principal balance of \$139,000,000. The Cut-off Date Balance per SF, Maturity Date Balance per SF, UW NOI Debt Yield, UW NOI Debt Yield at Maturity, UW NCF DSCR, Cut-off Date LTV Ratio and Maturity Date LTV Ratio numbers presented above are based on the aggregate principal balance of the promissory notes comprising the KOMO Plaza Whole Loan.

(2) Defeasance is permitted at any time after the earlier to occur of (a) the end of the two-year period commencing on the closing date of the securitization of the last KOMO Plaza Whole Loan promissory note to be securitized and (b) February 6, 2020.

(3) See "The Mortgage Loan" and "Additional Secured Indebtedness (not including trade debts)", for further discussion of additional debt.

(4) See "Escrows and Reserves" below for further discussion of reserve requirements.

(5) The NRA (SF) consists of 120,925 SF (41.5% of NRA) of office space, 93,115 SF (32.0% of NRA) of data center and co-location space, 34,629 SF (11.9% of NRA) of retail space, 30,692 SF (10.5% of NRA) of communications space, and 11,790 SF (4.0% of NRA) of other space including storage.

**The Mortgage Loan.** The second largest mortgage loan (the "KOMO Plaza Mortgage Loan") is part of a whole loan (the "KOMO Plaza Whole Loan") evidenced by five *pari passu* promissory notes in the aggregate original principal amount of \$139,000,000, all of which are secured by a first priority fee interest encumbering a 291,151 SF mixed use building, containing office, retail, data center, co-location, and communications space one and a half miles north of the central business district ("CBD") of Seattle, Washington (the "KOMO Plaza Property"). The KOMO Plaza Whole Loan was co-originated by Morgan Stanley Bank, N.A. and UBS AG, by and through its branch office at 1285 Avenue of the Americas, New York, New York ("UBS AG"). Promissory Note A-5, in the original principal amount of \$69,500,000, represents the KOMO Plaza Mortgage Loan and is expected to be included in the BACM 2017-BNK3 securitization trust. Promissory Note A-1, in the original principal amount of \$30,000,000, Promissory Note A-2, in the original principal amount of \$20,000,000, Promissory Note A-3, in the original principal amount of \$15,000,000 and Promissory Note A-4, in the original principal amount of \$4,500,000, collectively represent *pari passu* companion loans (the "KOMO Plaza *Pari Passu* Companion Loans") are currently being held by UBS AG or an affiliate thereof, and are expected to be contributed to one or more future securitizations or may be otherwise transferred at any time. The KOMO Plaza Whole Loan will initially be serviced pursuant to the pooling and servicing agreement for the BACM 2017-BNK3 securitization trust and, from and after the securitization of the KOMO *Pari Passu* Companion Loan represented by Promissory Note A-1, will be serviced pursuant to the pooling and servicing agreement for the securitization transaction to which such KOMO Plaza *Pari Passu* Companion Loan is contributed. See "Description of the Mortgage Pool—The Whole Loans—The Servicing Shift Whole Loan—The KOMO Plaza Whole Loan" and "Pooling and Servicing Agreement—Servicing of the Non-Serviced Mortgage Loans—Servicing of the KOMO Plaza Mortgage Loan" in the Prospectus.

The proceeds of the KOMO Plaza Whole Loan, together with \$137,931,677 of borrower equity, were used to acquire the KOMO Plaza Property and pay closing costs.



**The Borrower and the Sponsors.** The borrower is GI TC Seattle LLC (the “KOMO Plaza Borrower”), a single-purpose Delaware limited liability company with two independent directors. The loan sponsor is California Public Employees’ Retirement System (“CalPERS”), and the non-recourse carveout guarantor is TechCore, LLC, a California limited liability company. The KOMO Plaza Borrower is wholly owned by TechCore, LLC, a real estate fund that is capitalized by CalPERS and GIP Co-Investor (Techcore) LLC (“GI Partners”).

CalPERS is the largest public pension fund in the United States. Its pension fund serves more than 1.8 million members in the CalPERS retirement system and administers benefits for more than 1.4 million members and their families in its health program. CalPERS’ total fund market value was approximately \$288.9 billion as of their December 31, 2015 fund statement.

GI Partners is a private equity investment manager established in 2001 that currently manages approximately \$12 billion in capital commitments through its private equity and real estate platforms for institutional investors that include state and sovereign pension funds across North America, Europe, Australia, Asia and the Middle East.

**The Property.** The KOMO Plaza Property is a 291,151 SF mixed-use facility containing Class A office and retail, data center, co-location, and communications space located near the CBD of Seattle, Washington. The KOMO Plaza Property is located nearby to the Space Needle, the Seattle Center and the Bill and Melinda Gates Foundation headquarters. The KOMO Plaza Property was built in 2000, renovated in 2007, and consists of two six-story buildings: the east building (191,232 SF), which is 100.0% leased and the west building (99,919 SF), which is 74.1% leased. The KOMO Plaza Property consists of 120,925 SF (41.5% of NRA) of office space, 93,115 SF (32.0% of NRA) of data center and co-location space, 34,629 SF (11.9% of NRA) of retail space, 30,692 SF (10.5% of NRA) of communications space, and 11,790 SF (4.0% of NRA) of other space including storage. Improvements include 516 parking spaces (1.77 spaces per 1,000 SF) in a four-story subterranean parking garage.

The following table present certain information related to the tenant spaces at the KOMO Plaza Property:

Tenant Type	Property Space Types					
	Total SF	% of Total SF	Number of Suites	UW Base Rent	% of UW Base Rent	UW Base Rent PSF
Data Center	89,521	30.7%	23	\$7,806,660	50.5%	\$87.20
Office	120,925	41.5%	15	\$2,795,226	18.1%	\$26.55
Retail	34,629	11.9%	12	\$779,209	5.0%	\$22.50
Broadcast	27,504	9.4%	3	\$771,936	5.0%	\$28.07
Colocation	3,594	1.2%	3	\$1,653,740	10.7%	\$460.14
Carrier	3,188	1.1%	28	\$1,539,676	10.0%	\$482.96
Storage	1,525	0.5%	13	\$107,075	0.7%	\$70.21
Antenna	0	0.0%	2	\$6,892	0.0%	\$0.00
Other	10,265	3.5%	3	\$1,800	0.0%	\$0.00
<b>Total</b>	<b>291,151</b>	<b>100.0%</b>	<b>102</b>	<b>\$15,462,215</b>	<b>100.0%</b>	<b>\$58.29</b>

The KOMO Plaza Property offers diverse connectivity through the Meet Me Room with approximately 15 telecommunications and internet service providers, rooftop satellite and antenna facilities, as well as interconnection to other networks including the Pacific Northwest Gigapop and via one of four core switches for the Seattle Internet Exchange, a neutral and independent peering point and the 4th most active internet exchange in the United States. The KOMO Plaza Property has 14 MW of utility power, with nine generators providing 16.5 megawatts of backup power. It can support power densities of more than 150 watts per SF. The KOMO Plaza Property also has close proximity to transpacific subsea cables for low latency service to Asia.

As of December 1, 2016, the KOMO Plaza Property was 91.1% leased by 39 tenants. The three largest tenants at the KOMO Plaza Property, Sinclair Broadcast Group (41.6% of NRA), Internap Corporation (12.2% of NRA) and TierPoint Seattle Holdings (10.2% of NRA) total 64.0% of the NRA at the KOMO Plaza Property with no other tenant occupying more than 4.6% of the NRA.

The KOMO Plaza Property will be managed by Hines Interests Limited Partnership, an affiliate of Hines, a global diversified real estate firm. Hines currently has a property and asset management portfolio of over 199 million SF across more than 480 properties. Hines Global REIT is the seller of the KOMO Plaza Property to the KOMO Plaza Borrower.

#### Major Tenants.

**Sinclair Broadcast Group (121,213 SF, 41.6% of NRA, 24.1% of base rent).** Sinclair Broadcast Group (“Sinclair”) was founded in 1986 and produces broadcasting equipment for sports and news programming. With 154 stations serving nearly 80 markets, Sinclair is the largest television station operator in the United States according to the appraisal. The KOMO Plaza Property was originally purpose-built for Sinclair (formerly known as Fisher Communications) in 2000. Sinclair sold the KOMO Plaza Property to Hines Global REIT in November 2011 in a sale-leaseback transaction. Sinclair leases 41.6% of NRA through December 2023 and has occupied its space since December 2011. Sinclair currently leases 85,766 SF of office space, 27,504 SF of broadcast space, 6,418 SF of data center space and 1,525 SF of storage space. Sinclair has three, five-year renewal options remaining with 3.0% annual rent increases per renewal option. Sinclair has a one-time right to terminate up to 20% of its contiguous areas, excluding the studio space on the fifth floor, as of January 1, 2021, upon twelve months’ notice and the payment of a termination fee approximately equal to the sum of (i) an amount equal to six months of the applicable base rent and (ii) the tenant’s pro rata share of operating expenses, water charges, room fees and all other charges and amounts due and owing under its lease for the same six month period. Sinclair also has the right to terminate all or any portion of its storage space at any time with at least 30 days’ notice.

**Internap Corporation (35,609 SF, 12.2% of NRA, 25.5% of base rent).** Internap Corporation (“Internap”) leases 12.2% of NRA through February 2019 and has been in occupancy at the KOMO Plaza Property since May 2000. Internap is an internet infrastructure provider, providing services at 51 data centers across North America, Europe and the Asia-Pacific region and through 86 Internet Protocol service points. Internap leases 27,398 SF of data center space, 5,459 SF of office space and 2,752 SF of co-location space. Internap has one, five year renewal option remaining. Internap has the right to terminate 2,353 SF of its co-location space (representing 7.5% of underwritten base rent) at any time with six months’ notice.

**TierPoint Seattle Holdings (29,793 SF, 10.2% of NRA, 16.8% of base rent).** TierPoint Seattle Holdings (“TierPoint”) leases 10.2% of NRA through June 2023 and has been in occupancy at the KOMO Plaza Property since July 2003. TierPoint leases 23,694 SF of data center space and 6,099 SF of office space. TierPoint has two, five-year renewal options remaining.

The following table presents certain information relating to the major tenants at the KOMO Plaza Property:

Tenant Summary <sup>(1)</sup>							
Tenant Name	Credit Rating (Fitch/Moody's/S&P) <sup>(2)</sup>	Tenant SF	Approximate % of SF	Annual UW Rent <sup>(3)</sup>	% of Total Annual UW Rent	Annual UW Rent PSF <sup>(3)(4)</sup>	Lease Expiration
Sinclair Broadcast Group <sup>(5)</sup>	NR/Baa3/BB-	121,213	41.6%	\$3,723,354	24.1%	\$30.72	12/31/2023
Internap Corporation <sup>(6)</sup>	NR/B3/B	35,609	12.2%	\$3,948,616	25.5%	\$110.89	2/28/2019
TierPoint Seattle Holdings	NR/B3/NR	29,793	10.2%	\$2,591,770	16.8%	\$86.99	6/30/2023
Amazon Corp	NR/Baa1/AA-	13,483	4.6%	\$1,209,515	7.8%	\$89.71	12/31/2017
Verizon Global Networks	A-/Baa1/BBB+	10,416	3.6%	\$486,502	3.1%	\$46.71	1/31/2019
<b>Subtotal/Wtd. Avg.</b>		<b>210,514</b>	<b>72.3%</b>	<b>\$11,959,757</b>	<b>77.3%</b>	<b>\$56.81</b>	
Other Tenants		54,731	18.8%	\$3,502,458	22.7%	\$63.99	
Vacant Space		25,906	8.9%				
<b>Total/Wtd. Avg.</b>		<b>291,151</b>	<b>100.0%</b>	<b>\$15,462,215</b>	<b>100.0%</b>	<b>\$58.29</b>	

(1) Information is based on the underwritten rent roll.

(2) Certain ratings are those of the parent company whether or not the parent guarantees the lease.

(3) Base Rent PSF and Base Rent does not include \$631,911 of underwritten rent attributable to rent steps based on the minimum contractual rent increases occurring through January 2018.

(4) Wtd. Avg. UW Rent PSF excludes vacant space.

(5) Sinclair has a one-time right to terminate up to 20% of its contiguous areas, excluding the studio space on the fifth floor, as of January 1, 2021 upon 12 months' notice and the payment of a termination fee approximately equal to the sum of (i) an amount equal to six months of the applicable base rent and (ii) the tenant's pro rata share of operating expenses, water charges, room fees and all other charges and amounts due and owing under its lease. Sinclair also has the right to terminate all or any portion of the storage space at any time with at least 30 days' notice.

(6) Internap has the right to terminate 2,353 SF of its co-location space (representing 7.5% of underwritten base rent) at any time with six months' notice.

The following table presents certain information relating to the lease rollover at the KOMO Plaza Property:

Lease Rollover Schedule <sup>(1)(2)</sup>								
Year	# of Leases Rolling	SF Rolling	Approx. % of Total SF Rolling	Approx. Cumulative % of SF Rolling	UW Base Rent PSF Rolling <sup>(3)</sup>	Total UW Base Rent Rolling	Approx. % of Total Rent Rolling	Approx. Cumulative % of Total Rent Rolling
MTM	4	2,243	0.8%	0.8%	\$14.42	\$32,346	0.2%	0.2%
2017	22	20,655	7.1%	7.9%	\$99.64	\$2,058,044	13.3%	13.5%
2018	12	13,371	4.6%	12.5%	\$95.95	\$1,282,931	8.3%	21.8%
2019	16	63,798	21.9%	34.4%	\$77.38	\$4,936,808	31.9%	53.7%
2020	5	3,429	1.2%	35.5%	\$122.89	\$421,396	2.7%	56.5%
2021	8	1,439	0.5%	36.0%	\$105.00	\$151,098	1.0%	57.4%
2022	0	0	0.0%	36.0%	\$0.00	\$0	0.0%	57.4%
2023	28	158,758	54.5%	90.6%	\$40.98	\$6,505,823	42.1%	99.5%
2024	0	0	0.0%	90.6%	\$0.00	\$0	0.0%	99.5%
2025	1	195	0.1%	90.6%	\$378.31	\$73,770	0.5%	100.0%
2026	0	0	0.0%	90.6%	\$0.00	\$0	0.0%	100.0%
2027	0	0	0.0%	90.6%	\$0.00	\$0	0.0%	100.0%
2028 & Beyond	1	1,357	0.5%	91.1%	\$0.00	\$0	0.0%	100.0%
Vacant	0	25,906	8.9%	100.0%	\$0.00	\$0	0.0%	100.0%
<b>Total/Wtd. Avg.</b>	<b>97</b>	<b>291,151</b>	<b>100.0%</b>		<b>\$58.29</b>	<b>\$15,462,215</b>	<b>100.0%</b>	

(1) Information is based on the underwritten rent roll.

(2) Certain tenants may have lease termination options that are exercisable prior to the originally stated expiration date of the related lease and that are not considered in the lease rollover schedule.

(3) Wtd. Avg. UW Base Rent PSF Rolling excludes vacant space.

**The Market.** The KOMO Plaza Property is located in Seattle, King County, Washington, within the Seattle central business district ("CBD"). Situated on Elliott Bay, the eastern shoreline of Puget Sound, the Seattle CBD is the commercial and financial center of western Washington. The KOMO Plaza Property is located across from the Seattle Center, at the cross section of the South Lake Union, Belltown and Denny Triangle neighborhoods. According to the appraisal, the Seattle CBD is the center of development within the greater Seattle-Bellevue market. Eight Fortune 500 companies are headquartered in Seattle including Costco, Amazon, Microsoft, Starbucks, Paccar, Nordstrom, Weyerhaeuser and Expeditors Int. In addition, several large technology companies own and occupy offices near the KOMO Plaza Property, including Amazon's headquarters, Google and Facebook.

The Seattle Center, originally built for the 1962 World's Fair, is a 74-acre park and arts and entertainment center. Its landmark feature is the Space Needle. Other attractions at the Seattle Center include Key Arena, home of the Seattle University Redhawks men's basketball team and the Seattle Storm of the WNBA, the International Fountain, the Seattle Center Armory, the Center House Theater, home to Seattle Shakespeare Company and Book-It Repertory Theatre, the Children's Museum, the EMP Museum, the Mural Amphitheater, the Pacific Science Center, the Boeing IMAX Theater, PACCAR IMAX Theater, and the Seattle Laser Dome.

According to the appraisal, the Seattle CBD is comprised of four office submarkets. As of the third quarter of 2016, the total Seattle CBD office market comprised approximately 47.3 million SF of office space with an overall vacancy rate of 6.7% and average Class A office rents of \$39.75 per SF. The Financial District submarket has the largest inventory of office space with approximately 23.4 million SF, a vacancy rate of 7.7%, and Class A office rent of \$48.53 PSF for the same period. The Denny Regrade office submarket has the lowest vacancy rate of 4.5% and Class A asking rent of \$41.72 per SF for the same period. According to the appraisal, the KOMO Plaza Property is located in the Lower Queen Anne/Lake Union office submarket, which has a 6.9% vacancy rate as of the third quarter of 2016 and Class A asking rent of \$40.30 per SF. The appraisal identified nine directly competitive office leases across seven properties built between 1984 and 2016 and leases ranging in size from approximately 1,172 to 286,000 SF. Asking rents for the comparable office leases range from \$21.50 to \$38.00 per SF.

As of the third quarter of 2016, the Downtown Seattle retail submarket comprised approximately 2.2 million SF of retail space with an overall vacancy rate of 1.7% and average retail rents of \$25.94 per SF. The appraisal identified six directly competitive retail leases with properties built between 2004 and 2015 and leases ranging in size from approximately 1,661 to 11,229 SF. Asking rents for the comparable retail leases range from \$25.00 to \$34.00 per SF.

According to a third party market research report, the estimated 2015 population within a one-, three-, and five-mile radius of the KOMO Plaza Property is 41,469, 212,572 and 424,473, respectively. Between 2010 and 2015, the population within a one-, three-, and five-mile radius of the KOMO Plaza Property has experienced an average annual growth rate of 2.49%, 1.98% and 1.85%, respectively. According to a third party market research report, the estimated 2015 average household income within a one-, three-, and five-mile radius of the KOMO Plaza Property is \$88,941, \$96,032 and \$101,539, respectively. Comparatively, the average household income for Seattle, King County and the state of Washington are \$97,881, \$104,176 and \$82,441, respectively.

The following table presents recent leasing data at competitive office buildings with respect to the KOMO Plaza Property:

Competitive Property Summary									
Property Name/Address	Year Built	Class	Size (SF)	Tenant Name	Lease Size (SF)	Lease Date	Lease Term (Mnths.)	Initial Rent/SF	Rent Steps/SF
World Trade Center East 2211 Elliott Avenue Seattle, WA	1999	A	186,112	Hawthorn, Inc.	3,366	1Q 2016	61	\$21.50	\$1.00
Market Place Tower 2025 1st Avenue Seattle, WA	1988	A	194,687	Dernbach and Harris, PLLC	1,172	1Q 2016	66	\$38.00	\$1.00
3131 Elliott 3131 Elliott Avenue Seattle, WA	1986	A	189,220	Twinstrand Biosciences, Inc.	5,374	3Q 2016	60	\$32.00	\$1.00
3131 Elliott 3131 Elliott Avenue Seattle, WA	1986	A	189,220	Fox Commerce, Inc.	3,042	2Q 2016	60	\$26.00	\$1.00
3101 Western 3101 Western Avenue Seattle, WA	1984	A	187,074	Merrick, Hofstedt & Lindsey, P.S.	8,309	3Q 2016	84	\$29.00	\$1.00
Third & Battery 2400 Third Avenue Seattle, WA	2016	A	75,120	Antioch University	50,825	4Q 2015	180	\$26.25	\$1.00
Third & Battery 2401 Third Avenue Seattle, WA	2016	A	75,120	Sound Community Bank	17,322	3Q 2015	144	\$27.75	\$1.00
Urban Union 501 Fairview Avenue North Seattle, WA	2016	A	291,000	Amazon.com	286,000	1Q 2016	192	\$35.17	2.5%
400 Fairview 400 Fairview Avenue North Seattle, WA	2015	A	345,452	Delta Dental	62,000	3Q 2016	144	\$37.75	3.0%

Source: Appraisal

The following table presents recent leasing data at comparable data centers within the United States with respect to the KOMO Plaza Property:

Comparable Lease Summary					
U.S. Market	Date	Size (SF)	Term	Rent/SF	Lease Type
Northeast	2Q 2016	10,000	240	\$47.00	NNN
Northeast	2Q 2016	50,000	240	\$62.50	NNN
Northeast	2Q 2016	38,000	120	\$65.50	NNN
Northeast	4Q 2015	7,500	120	\$45.00	NNN
Northeast	4Q 2015	50,000	120	\$55.00	NNN
Northeast	4Q 2015	1,000	240	\$60.00	NNN
Northwest	4Q 2015	4,000	60	\$78.79	NNN
Northwest	3Q 2015	19,000	60	\$50.00	NNN
Northwest	3Q 2015	15,000	120	\$86.00	NNN
Northwest	3Q 2015	12,000	60	\$77.00	NNN
Northeast	3Q 2015	2,150	120	\$98.00	NNN
Northeast	2Q 2015	14,500	60	\$95.00	NNN
Northeast	4Q 2014	64,000	60	\$85.00	NNN
Northwest	2Q 2014	2,000	60	\$95.00	NNN
Northeast	3Q 2013	45,000	240	\$60.00	NNN
Northeast	3Q 2013	27,500	240	\$205.00	NNN
Northeast	3Q 2012	12,000	240	\$65.00	NNN
Northeast	2Q 2013	30,000	180	\$71.00	NNN
Northeast	2Q 2013	11,000	240	\$85.00	NNN
Northwest	2Q 2013	8,500	60	\$75.00	NNN
Northwest	1Q 2013	8,000	144	\$75.00	NNN
<b>Max</b>		<b>64,000</b>	<b>240</b>	<b>\$205.00</b>	
<b>Min</b>		<b>1,000</b>	<b>60</b>	<b>\$45.00</b>	
<b>Average</b>		<b>20,531</b>	<b>144</b>	<b>\$77.89</b>	

Source: Appraisal

The following table presents recent comparable sales with respect to the KOMO Plaza Property:

Comparable Sales Summary										
Property Name/Address	Property Type	Date of Sale	Year Built /Renovated	No. of Stories	Size (SF)	% Telecom Revenue	Sales Price	Sales \$/SF	Occ. at Sale	NOI per RSF
<b>KOMO Plaza 100/140 4<sup>th</sup> Avenue Seattle, WA</b>	<b>Carrier Hotel</b>	<b>Dec. 2016</b>	<b>2000/2007</b>	<b>6</b>	<b>291,151</b>	<b>73.00%</b>	<b>\$276,000,000</b>	<b>\$928.27</b>	<b>91.3%</b>	<b>\$49.43</b>
New World Tower 100 Biscayne Boulevard Miami, FL	Carrier Hotel	Oct. 2016	1963/1979 & 2005	30	291,565	45.0%	\$84,000,000	\$288.10	78.3%	\$23.80
Garland 1200 W 7 <sup>th</sup> St. Los Angeles, CA	Carrier Hotel	Jun. 2016	1983	12	733,000	40.0%	\$210,000,000	\$286.49	85.0%	\$20.05
Fiber Depot 274 Brannan Street San Francisco, CA	Carrier Hotel	Apr. 2016	1923/1984	6	105,225	50.0%	\$71,000,000	\$674.74	65.0%	\$36.41
Confidential Major Southern Market	Carrier Hotel	Feb. 2015	1983/2009	25	785,000	50.0%	\$200,000,000	\$254.78	80.0%	\$17.80
302 E Carson St 302 E Carson St Las Vegas, NV	Carrier Hotel	Jan. 2015	1965/2010	11	160,700	25.0%	\$37,000,000	\$230.24	84.4%	\$19.84
One Wilshire 624 S. Grand Avenue Los Angeles, CA	Carrier Hotel	Jul. 2013	1966	30	663,169	60.0%	\$435,000,000	\$655.94	93.0%	\$37.10
<b>Average<sup>(1)</sup></b>			<b>1964</b>	<b>19</b>	<b>456,443</b>		<b>\$172,833,333</b>	<b>\$398.38</b>	<b>81.0%</b>	<b>\$25.83</b>

Source: Appraisal

(1) Does not include the KOMO Plaza Property.



**Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the KOMO Plaza Property:

Cash Flow Analysis						
	2013	2014	2015	10/31/2016 TTM	UW	UW PSF
Gross Potential Rent <sup>(1)</sup>	\$14,978,034	\$16,143,463	\$15,119,777	\$15,372,527	\$17,589,855	\$60.41
Total Recoveries	\$4,730,189	\$4,939,604	\$4,597,346	\$4,609,579	\$5,200,102	\$17.86
Other Income <sup>(2)</sup>	\$925,681	\$1,139,839	\$1,271,030	\$1,291,699	\$1,287,692	\$4.42
Less Vacancy & Credit Loss	\$0	\$0	\$0	\$0	(\$2,027,916)	(\$6.97)
Effective Gross Income	\$20,633,904	\$22,222,906	\$20,988,153	\$21,273,805	\$22,049,734	\$75.73
Total Operating Expenses	\$6,554,290	\$6,688,572	\$6,537,488	\$6,387,537	\$6,350,267	\$21.81
<b>Net Operating Income</b>	<b>\$14,079,614</b>	<b>\$15,534,334</b>	<b>\$14,450,665</b>	<b>\$14,886,268</b>	<b>\$15,699,467</b>	<b>\$53.92</b>
Capital Expenditures	\$0	\$0	\$0	\$0	\$58,230	\$0.20
TI/LC	\$0	\$0	\$0	\$0	\$657,796	\$2.26
<b>Net Cash Flow</b>	<b>\$14,079,614</b>	<b>\$15,534,334</b>	<b>\$14,450,665</b>	<b>\$14,886,268</b>	<b>\$14,983,440</b>	<b>\$51.46</b>
<b>Occupancy %</b>	<b>96.2%</b>	<b>91.5%</b>	<b>90.9%</b>	<b>91.1%</b>	<b>91.1%</b>	
<b>NOI DSCR<sup>(3)</sup></b>	<b>2.32x</b>	<b>2.56x</b>	<b>2.38x</b>	<b>2.46x</b>	<b>2.59x</b>	
<b>NCF DSCR<sup>(3)</sup></b>	<b>2.32x</b>	<b>2.56x</b>	<b>2.38x</b>	<b>2.46x</b>	<b>2.47x</b>	
<b>NOI Debt Yield<sup>(3)</sup></b>	<b>10.1%</b>	<b>11.2%</b>	<b>10.4%</b>	<b>10.7%</b>	<b>11.3%</b>	
<b>NCF Debt Yield<sup>(3)</sup></b>	<b>10.1%</b>	<b>11.2%</b>	<b>10.4%</b>	<b>10.7%</b>	<b>10.8%</b>	

(1) UW Gross Potential Rent consists of in-place rents as of September 30, 2016 and includes underwritten contractual rent increases of \$631,911 through January 2018. 2014 Gross Potential Rent is higher than other historical periods primarily due to an approximately \$1.2 million increase in Telecom/Riser income caused by an increase in power consumption by the data center tenants.

(2) Other Income is primarily comprised of parking income, contractual revenue from a third party parking operator.

(3) Debt service coverage ratios and debt yields are based on the KOMO Plaza Whole Loan.

**Escrows and Reserves.** No upfront escrows were taken at origination.

**Tax Escrows** - The requirement for the KOMO Plaza Borrower to make monthly deposits into the tax escrow is waived (i) if CalPERS is the sponsor, so long as no Lockbox Trigger Period (as defined below) or Cash Sweep Period (as defined below) has occurred and is continuing or (ii) if CalPERS is not the sponsor, so long as (a) no Lockbox Trigger Period or Cash Sweep Period has occurred and is continuing and (b) the KOMO Plaza Borrower provides proof of payment of such taxes to the lender within five business days of such request from the lender.

**Insurance Escrows** - The requirement for the KOMO Plaza Borrower to make deposits to the insurance escrow is waived (i) if CalPERS is the sponsor, so long as the KOMO Plaza Property is insured under one or more blanket insurance policies in accordance with the KOMO Plaza Whole Loan documents as part of the master policy of CalPERS or (ii) if CalPERS is not the sponsor, so long as (a) either (x) no Lockbox Trigger Period or Cash Sweep Period has occurred and is continuing or (y) the KOMO Plaza Property is insured under one or more blanket insurance policies in accordance with the KOMO Plaza Whole Loan documents, and (b) the KOMO Plaza Borrower provides the lender with evidence that all insurance premiums have been paid within five business days of such request from the lender.

**Capital Expenditures Reserves** - The requirement for the KOMO Plaza Borrower to make monthly deposits into the capital expenditures reserve is waived so long as no Lockbox Trigger Period or Cash Sweep Period exists. Following the occurrence and during the continuance of a Lockbox Trigger Period or Cash Sweep Period, the KOMO Plaza Borrower is required to deposit \$4,895 per month (approximately \$0.20 per SF annually) for capital expenditures reserves. The reserve is subject to a cap of \$117,491 (approximately \$0.40 per SF).

**Leasing Reserves** - The requirement for the KOMO Plaza Borrower to make monthly deposits into the leasing reserve is waived so long as no Lockbox Trigger Period or Cash Sweep Period exists. Following the occurrence and during the continuance of a Lockbox Trigger Period or Cash Sweep Period, the KOMO Plaza Borrower is required to deposit \$55,074 per month (approximately \$2.27 per SF annually) and certain termination fees for leasing reserves. The reserve is subject to a cap of \$1,982,657 (approximately \$6.81 per SF).

**Specified Tenant Sweep Reserves** - The requirement for the KOMO Plaza Borrower to deposit all excess cash flow into the specified tenant sweep reserve is waived so long as no Cash Sweep Period exists due solely to the continuance of a Specified Tenant Sweep Event (as defined below). Following the occurrence and during the continuance of a Cash Sweep Period that exists solely due to the continuance of a Specified Tenant Sweep Event, the KOMO Plaza Borrower is required to deposit all excess cash flow and all termination fees relating to a Specified Tenant (as defined below) (up to \$40.00 per SF of terminated space) into the specified tenant sweep reserve. The reserve is subject to a cap of \$40.00 per SF multiplied by the total square footage demised to the applicable Specified Tenant that caused the Specified Tenant Sweep Event (as defined below).

**Cash Flow Shortfall Reserves** - The KOMO Plaza Borrower is required to deposit any termination fees to the extent they are in excess of \$750,000 (if CalPERS is the sponsor) or \$500,000 (if CalPERS is not the sponsor) and any termination fees received during the continuance of a Cash Sweep Period or an event of default that are in any case in excess of \$40 per SF of terminated space into the cash flow shortfall reserve. Funds in the cash flow shortfall reserve are available for tenant improvements and leasing commissions and in some circumstances as set forth in the loan documents, to pay for operating cash shortfalls (including, monthly debt service payments, deposits into reserves, operating expenses, and other expenses approved by the lender).

**Flexible Excess Cash Flow Reserves** - The requirement for the KOMO Plaza Borrower to deposit excess cash flow generated by the KOMO Plaza Property for the immediately preceding interest period into the flexible excess cash flow reserve is waived so long as no Cash Sweep Period exists due solely to the debt yield as calculated in the loan documents based on the most recent three-month period annualized being less than 6.75% (a "Low Debt Yield Sweep Period") solely because of the exclusion from the debt yield calculation of rents from tenants that are not open for business or are not in actual physical occupancy of their demised space. Following the occurrence and during the continuance of a Cash Sweep Period that exists solely

due to the reason in the immediately preceding sentence, the KOMO Plaza Borrower is required to deposit excess cash flow generated by the KOMO Plaza Property for the immediately preceding interest period into the flexible excess cash flow reserve. Funds in the flexible excess cash flow reserve are available for tenant improvements and leasing commissions and in some circumstances as set forth in the loan documents, to pay for operating cash shortfalls (including, monthly debt service payments, deposits into reserves, operating expenses, and other expenses approved by the lender).

**Verizon Reserve** - At closing the KOMO Plaza Borrower granted to lender a collateral assignment of its rights to certain sums up to \$2,500,000 (the "Verizon Funds") which the KOMO Plaza Borrower may be entitled to receive pursuant to an escrow agreement in connection with the potential extension of the existing lease with the tenant known as Verizon Global Networks, Inc. ("Verizon"). Any of the Verizon Funds that are paid to the KOMO Plaza Borrower pursuant to the escrow agreement are required to be deposited with the lender. If Verizon executes or finalizes its lease extension within six months after the closing date, (a) to the extent the KOMO Plaza Borrower is required to pay Verizon or a third party funds for tenant improvement allowances, leasing commissions or similar concessions that are due and payable at the time the lender receives the Verizon Funds, the amount of Verizon Funds necessary to pay such costs are required to be disbursed to Verizon or such third party to pay such costs, (b) to the extent the KOMO Plaza Borrower is obligated to expend such funds after the date the lender receives the Verizon Funds, that portion of the Verizon Funds will be held by the lender and disbursed to the KOMO Plaza Borrower to pay such costs as they are incurred, and (c) to the extent any of the Verizon Funds represent the difference between the rent under the existing lease with Verizon and the rent that would have been due and payable under the lease extension through the date such extension is executed, so long as no Cash Sweep Period then exists, disbursed to the KOMO Plaza Borrower, and if a Cash Sweep Period is continuing, deposited into the cash management account.

However, if Verizon does not execute or finalize its lease within six months after the closing date, (a) \$77,784 will be disbursed either, if no Cash Sweep Period is continuing, to the KOMO Plaza Borrower, or if a Cash Sweep Period is continuing, into the cash management account, (b) \$723,000 into an account to be held by the lender to be used to pay for tenant improvement and leasing commissions applicable to the releasing of the space previously occupied by Verizon, (c) \$246,315 will be held by the lender and disbursed on a monthly basis in equal amounts of \$12,964 either, if no Cash Sweep Period is continuing, to the KOMO Plaza Borrower, or if a Cash Sweep Period is continuing, into the cash management account, (d) the balance of the Verizon Funds will be held by the lender and available to the KOMO Plaza Borrower to pay for tenant improvement and leasing commissions at the KOMO Plaza Property but only to the extent that there are no other reserve funds being held by the lender that are available to pay such costs.

**Lockbox and Cash Management.** The loan is structured with a springing lockbox and springing cash management. Upon the occurrence of a Lockbox Trigger Period or a Cash Sweep Period the KOMO Plaza Borrower (i) is required to establish a lockbox account and (ii) send tenant direction letters to each tenant then occupying space at the KOMO Plaza Property, instructing them to deposit all rents and payments into the lockbox account controlled by the lender. During the continuance of a Lockbox Trigger Period that is not a Cash Sweep Period, all funds in the lockbox account are required to be transferred to or at the direction of the KOMO Plaza Borrower unless a Cash Sweep Period exists, in which case all funds in the lockbox account are required to be swept on each business day to a segregated cash management account under the control of the lender to be applied through the waterfall set forth in the loan documents, with all excess cash being retained by the lender and held as additional collateral for the KOMO Plaza Whole Loan (until all Cash Sweep Periods are cured pursuant to the loan documents, at which time such excess cash is returned to the KOMO Plaza Borrower).

A "Lockbox Trigger Period" means any period commencing on the debt yield as calculated in the loan documents based on the most recent three-month period annualized being less than 7.5% and terminating on the date that the debt yield is equal to or greater than 7.5% for two calendar quarters.

A "Cash Sweep Period" means a period commencing upon the occurrence of (i) an event of default, (ii) any bankruptcy or insolvency proceeding of the KOMO Plaza Borrower or guarantor, (iii) a Low Debt Yield Sweep Period and (iv) a Specified Tenant Sweep Event (as defined below) and terminating upon, in the case of clause (i), the cure or waiver of such event of default, in the case of clause (ii), such bankruptcy action, if involuntary, is discharged, stayed or dismissed, in the case of clause (iii) the debt yield is at least 7.0% for two calendar quarters, and in the case of clause (iv) the Specified Tenant Sweep Event is cured as described below.

A "Specified Tenant Sweep Event" means the occurrence of (i) the Specified Tenant's (as defined below) lease terminating or no longer being in full force or effect, (ii) any bankruptcy or insolvency proceeding of the Specified Tenant or (iii) the Specified Tenant failing to give notice of its intent to renew or extend its lease. In the case of each of the foregoing clauses (i) through (iii), the KOMO Plaza Borrower can prevent the occurrence of a Specified Tenant Sweep Event by depositing with the lender, \$40.00 per SF of space demised to the Specified Tenant that caused the Specified Tenant Sweep Event, within the time period set forth in the loan documents. A Specified Tenant Sweep Event may be cured, in the case of clause (i), upon rescission of the applicable termination; in the case of clause (ii), upon the tenant no longer being bankrupt or insolvent and having affirmed its lease; in the case of clause (iii) upon the tenant having renewed its lease in accordance with its terms or other terms reasonably acceptable to the lender; and in the case of any of clauses (i) through (iii) upon all or substantially all of the applicable space being relet on terms reasonably acceptable to the lender.

A "Specified Tenant" means (i) any tenant under a non-data center lease (other than Sinclair) that together with its affiliates, accounts for 25.0% or more of the total in-place base rent at the KOMO Plaza Property, (ii) any tenant under a data center lease (other than Sinclair) that together with its affiliates, leases accounts for 35.0% or more of the total in-place base rent at the KOMO Plaza Property and (iii) any lease(s) with Sinclair, which together with leases with its affiliates, accounts for 27.5% or more of the total in-place base rent at the KOMO Plaza Property.

**Additional Secured Indebtedness (not including trade debts).** The KOMO Plaza Property also secures the KOMO Plaza *Pari Passu* Companion Loans, which have a Cut-Off Date principal balance of \$69,500,000. The KOMO Plaza *Pari Passu* Companion Loans accrue interest at the same rate as the KOMO Plaza Mortgage Loan. The KOMO Plaza Mortgage Loan is entitled to payments of interest and principal on a pro rata and *pari passu* basis with the KOMO Plaza Companion Loans. The holders of the KOMO Plaza Mortgage Loan and KOMO Plaza Companion Loans have entered into a co-lender agreement which sets forth the allocation of collections on the KOMO Plaza Whole Loan. See "*Description of the Mortgage Pool—The Whole Loans—The Servicing Shift Whole Loan*" and "*Pooling and Servicing Agreement—Servicing of the Non-Serviced Mortgage Loans*" in the Prospectus.

**Mezzanine Loan and Preferred Equity.** Not permitted.

**Release of Property.** No material partial releases permitted.

**Terrorism Insurance.** The KOMO Plaza Whole Loan documents require that the "all risk" insurance policy required to be maintained by the KOMO Plaza Borrower provide coverage for terrorism in an amount equal to the full replacement cost of the KOMO Plaza Property and 18 months of business interruption insurance provided such coverage is available at a cost which does not exceed the Terrorism Premium Cap (defined below). Notwithstanding the foregoing, if the Terrorism Risk Insurance Act of 2002, as extended and modified by the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA") (as amended and as it may be amended from time to time or any renewal, replacement, reauthorization or extension thereof, in each case as it may be amended from time to time) is no longer in effect and such coverage with respect to terrorist acts is not

included as a part of the “all risk” property policy required as described above, the KOMO Plaza Borrower is required to obtain a stand-alone policy covering terrorism, provided the KOMO Plaza Borrower is not required to pay insurance premiums with respect to such terrorism insurance in excess of the Terrorism Premium Cap (defined below) but must obtain the maximum amount of terrorism insurance available for the Terrorism Premium Cap. “Terrorism Premium Cap” means an amount equal to two times the amount of the then-current property casualty insurance premium that is payable in respect of the KOMO Plaza Property and business interruption/rental loss insurance required under the KOMO Plaza Whole Loan documents (without giving effect to the cost of terrorism and earthquake components of such property and business interruption/rental insurance) obtained as of the date the applicable new terrorism insurance is being obtained.