

## Riverside Center

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	GACC
<b>Original Principal Balance:</b>	\$33,000,000
<b>Cut-off Date Principal Balance:</b>	\$33,000,000
<b>% of Pool by IPB:</b>	2.9%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	LCN UHS La Crosse (WI) LLC
<b>Sponsor:</b>	LCN North American Fund II REIT
<b>Interest Rate:</b>	3.91000%
<b>Note Date:</b>	9/13/2016
<b>Maturity Date:</b>	10/6/2026
<b>Interest-only Period:</b>	36 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(25),Def(90),O(5)
<b>Lockbox:</b>	Hard
<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 – CBD
<b>Net Rentable Area (SF):</b>	272,596
<b>Location:</b>	La Crosse, WI
<b>Year Built / Renovated:</b>	2006, 2008, 2011 / N/A
<b>Occupancy:</b>	100.0%
<b>Occupancy Date:</b>	11/6/2016
<b>Number of Tenants:</b>	1
<b>2013 NOI<sup>(1)</sup>:</b>	N/A
<b>2014 NOI<sup>(1)</sup>:</b>	N/A
<b>2015 NOI<sup>(1)</sup>:</b>	N/A
<b>TTM NOI<sup>(1)</sup>:</b>	N/A
<b>UW Economic Occupancy:</b>	95.0%
<b>UW Revenues:</b>	\$5,645,171
<b>UW Expenses:</b>	\$2,484,639
<b>UW NOI:</b>	\$3,160,532
<b>UW NCF:</b>	\$3,045,035
<b>Appraised Value / Per SF:</b>	\$47,800,000 / \$175
<b>Appraisal Date:</b>	6/30/2016

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes<sup>(2)</sup>:</b>	\$0	Springing	N/A
<b>Insurance<sup>(2)</sup>:</b>	\$0	Springing	N/A
<b>Replacement Reserves<sup>(3)</sup>:</b>	\$0	Springing	N/A
<b>TI/LC<sup>(4)</sup>:</b>	\$1,500,000	Springing	N/A
<b>Quarterly Rent<sup>(5)</sup>:</b>	\$0	Springing	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$121
<b>Maturity Date Loan / SF:</b>	\$104
<b>Cut-off Date LTV:</b>	69.0%
<b>Maturity Date LTV:</b>	59.6%
<b>UW NCF DSCR:</b>	1.63x
<b>UW NOI Debt Yield:</b>	9.6%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$33,000,000	68.0%	Purchase Price	\$46,600,000	96.0%
Sponsor Equity	15,549,171	32.0	Upfront Reserves	1,500,000	3.1
			Closing Costs	449,171	0.9
<b>Total Sources</b>	<b>\$48,549,171</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$48,549,171</b>	<b>100.0%</b>

(1) Due to the acquisition of the Riverside Center property, historical operating statements are not available.

(2) Monthly reserves for annual taxes and insurance premiums will be waived so long as, among other things, (i) the UnitedHealthcare or replacement tenant lease is in full force and effect, and no monetary event of default is continuing and (ii) tenant is obligated under its lease and is paying all taxes and insurance directly to the applicable government authority.

(3) Monthly replacement reserves will be collected (i) during a lease sweep period or (ii) during any period when a triple net lease does not cover the entire property. If no lease sweep period exists, the replacement reserve is subject to a cap of three years' collection.

(4) Monthly reserves for tenant improvements and leasing commissions will be collected during any period when a triple net lease does not cover the entire Riverside Center property. The amount collected will be equal to 1/12 of \$1.28 per square foot based on the square footage of that portion of the Riverside Center property not subject to the triple net lease.

(5) UnitedHealthcare pays rent under its lease on a quarterly basis. In connection therewith, the full rent payment is required to be held in a reserve and on a monthly basis, one-third of the quarterly rent payment is required to be released from the reserve and applied to the payment of the monthly amounts due under the loan documents, with the excess being disbursed to the borrower (provided no trigger event, as defined in the loan agreement, is then continuing).

## Riverside Center

**The Loan.** The Riverside Center loan has an outstanding principal balance as of the Cut-off Date of \$33.0 million and is secured by a first mortgage lien on the fee interests in the Riverside Center, which consists of 272,596 square feet throughout three buildings located in La Crosse, Wisconsin. The loan has a 10-year term and, subsequent to a 36 month interest-only period, will amortize on a 30-year schedule. The borrowing entity for the Riverside Center loan is LCN UHS La Crosse (WI) LLC, a Delaware limited liability company and special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is LCN North American Fund II REIT, a real estate investment fund managed by LCN Capital Partners. LCN Capital Partners, a private equity firm with offices in New York, Amsterdam and London, pursues a single strategy: credit-focused investments in operationally critical corporate real estate across certain industry sectors in North America and Europe.

**The Property.** The Riverside Center property consists of 272,596 square feet throughout three buildings, Riverside Center I, Riverside Center II and Riverside Center III. The buildings were built in 2006, 2008 and 2011 and are located in the central business district of La Crosse, Wisconsin, approximately 10 miles from the La Crosse regional airport. Riverside Center I contains 87,541 square feet throughout six floors, Riverside Center II contains 91,527 square feet throughout six floors and Riverside Center III contains 93,528 square feet throughout seven floors. Parking is provided by a 296 space garage for a parking ratio of approximately 1.1 spaces per 1,000 square feet. Riverside Center was originally developed as a Class A office park and served as the corporate headquarters for Logistics Health, Inc. UnitedHealth Group acquired Logistics Health, Inc. in 2011. The Riverside Center property is currently 100% leased to UnitedHealthcare Services, Inc. ("UnitedHealthcare"), a wholly owned subsidiary of UnitedHealth Group. UnitedHealth Group (NASDAQ: UHG, rated A3/A-/A+ by Moody's/Fitch/S&P) is the largest, diversified health care enterprises in the United States and serves more than 115 million individuals worldwide across all 50 states and in more than 125 countries. UnitedHealth Group was the top ranking company in the insurance and managed care sector on Fortune's 2016 "World's Most Admired Companies" list. This is the sixth straight year UnitedHealth Group ranked No. 1 overall in its sector. As of September 30, 2016, UnitedHealth Group reported revenues of \$46.3 billion and earnings from operations of \$2.1 billion.

UnitedHealthcare subleases approximately 49.9% of the property to six different tenants in 12 separate suites. The largest subleases are to Kaplan Financial Education, which subleases 64,133 square feet (23.5% of NRA) and SAP America, Inc, which subleases 36,975 square feet (13.6% NRA).

The Riverside Center property is subject to certain development agreements with the City of La Crosse and the Redevelopment Authority for the City of La Crosse (collectively, the "Development Agreement") that were entered into at the time of construction of the buildings at the Riverside Center property. The remaining obligations of the property owner under the Development Agreement include (i) a requirement to (a) create 2,000 jobs at the Riverside Center property on or prior to December 31, 2016 and (b) to maintain such jobs for a period of 10 years, and (ii) an obligation to make certain payments to the city if the Riverside Center property value falls below minimum thresholds as set forth in the Development Agreement (\$11.4 million for Riverside Center I, \$8.0 million for Riverside Center II and \$18 million for Riverside Center III) in an amount equal to the taxes that would have been paid if the Riverside Center property was assessed at threshold less taxes paid. UnitedHealthcare is obligated under its lease to perform all obligations of the fee owner and will indemnify borrower and lender for any losses suffered in connection with the Development Agreement requirements. Additionally, the borrower and guarantor are obligated to indemnify lender for losses suffered in connection with a breach of any obligations under the Development Agreement.

**The Market.** The Riverside Center property is located in the La Crosse-Onalaska WI-MN metropolitan statistical area (the "MSA"), which had a 2015 total population of 137,434. According to the appraisal, La Crosse has shifted from a more traditional manufacturing employment base to more service oriented industries such as healthcare and education. Gunderson Lutheran and Mayo Clinic, the two large regional healthcare centers and the MSA's top employers, have helped the area become a center of medical and technology expertise. La Crosse also hosts three post-secondary institutions which provide an abundant number of education jobs. Over the past several decades, the proportion of manufacturing employment has steadily declined and this decline is expected to continue into the next decade.

The Riverside Center property is surrounded by a mixture of office, retail, hotel, entertainment and residential uses. The immediate area includes theaters, hotels and retail properties, typical to a downtown central business district area. The 2015 population within a one-mile, three-mile and five-mile radius of the Riverside Center property is 9,516, 47,821, and 69,136, respectively, with average household income of \$40,438, \$53,607 and \$58,743, respectively.

From 2014 to the first quarter of 2016, the overall Wisconsin office market has showed positive net absorption, a decrease of vacancy rates, and an increase of asking rent in the marketplace. From 2011 to 2015, over 2.4 million square feet were added to supply, which had positive absorption of approximately 1.2 million square feet. The overall market had a total inventory of approximately 151.0 million square feet as of the first quarter of 2016 with a vacancy rate of 8.8%. That vacancy rate is consistent with last year's rate of 9.0% and slightly lower than the average vacancy of 9.7% over the past five years. The Wisconsin office market has experienced an increase of supply over the past several years.

## Riverside Center

As of the first quarter of 2016, the La Crosse-Onalaska submarket had a total office inventory of approximately 2.4 million square feet with a vacancy rate of 7.4%. The first quarter of 2016 submarket had an average asking rent of \$14.67 per square foot NNN. The appraisal noted five lease comparables to the Riverside Center property, with rents ranging from \$10.50 to \$15.00 per square foot NNN, with an average of \$12.55 per square foot NNN on an adjusted basis.

The appraisal determined market rent for the Riverside Center property of \$13.00 per square foot compared to the Riverside Center property average rent of \$11.50 per square foot.

Tenant Summary <sup>(1)</sup>								
Building Name (Location)	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Tenant <sup>(3)</sup>	NRA	Year Built	Floors	Annual U/W Base Rent	% of U/W Base Rent	Lease Expiration <sup>(4)</sup>
Riverside Center I	A3 / A+ / A-	UnitedHealthcare	87,541	2006	6	\$12.15	33.9%	6/30/2028
Riverside Center II	A3 / A+ / A-	UnitedHealthcare	91,527	2008	6	\$10.25	29.9%	6/30/2023
Riverside Center III	A3 / A+ / A-	UnitedHealthcare	93,528	2011	7	\$12.11	36.1%	6/30/2028
<b>Total</b>			<b>272,596</b>			<b>\$11.50</b>		

(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) UnitedHealthcare subleases 136,130 square feet (49.9% of NRA) to six tenants.

(4) UnitedHealthcare has four five-year extension options remaining under each building lease, with no termination options.

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	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
2016 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2017	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2018	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2019	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2020	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2021	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2022	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2023	1	91,527	33.6	938,152	29.9	91,527	33.6%	\$938,152	29.9%
2024	0	0	0.0	0	0.0	91,527	33.6%	\$938,152	29.9%
2025	0	0	0.0	0	0.0	91,527	33.6%	\$938,152	29.9%
2026	0	0	0.0	0	0.0	91,527	33.6%	\$938,152	29.9%
2027 & Beyond	2	181,069	66.4	2,196,247	70.1	272,596	100.0%	\$3,134,399	100.0%
<b>Total</b>	<b>3</b>	<b>272,596</b>	<b>100.0%</b>	<b>\$3,134,399</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

## Riverside Center

Operating History and Underwritten Net Cash Flow <sup>(1)</sup>			
	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$3,134,399	\$11.50	52.7%
Tenant Rent Steps <sup>(4)</sup>	336,882	1.24	5.7
<b>Gross Potential Rent</b>	<b>\$3,471,280</b>	<b>\$12.73</b>	<b>58.4%</b>
Total Reimbursements	2,471,005	9.06	41.6
<b>Net Rental Income</b>	<b>\$5,942,285</b>	<b>\$21.80</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	(297,114)	(1.09)	(5.0)
<b>Effective Gross Income</b>	<b>\$5,645,171</b>	<b>\$20.71</b>	<b>95.0%</b>
<b>Total Expenses</b>	<b>2,484,639</b>	<b>9.11</b>	<b>44.0</b>
<b>Net Operating Income</b>	<b>\$3,160,532</b>	<b>\$11.59</b>	<b>56.0%</b>
Total TI/LC, Capex/RR	115,497	0.42	2.0
<b>Net Cash Flow</b>	<b>\$3,045,035</b>	<b>\$11.17</b>	<b>53.9%</b>
<b>Occupancy<sup>(5)</sup></b>	<b>95.0%</b>		

(1) Due to the acquisition of the Riverside Center property, historical operating statements are not available.

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

(3) Rents in Place are based on in-place rents as of November 6, 2016.

(4) Tenant Rent Steps are based on the straight line average of the investment grade tenant rent during the term of the loan.

(5) Underwritten occupancy represents economic occupancy.