

3466, 3468, & 3470 Mt. Diablo Boulevard
Lafayette, CA 94549

Collateral Asset Summary – Loan No. 14

Mt. Diablo Terrace

Cut-off Date Balance: \$21,000,000
Cut-off Date LTV: 66.6%
U/W NCF DSCR: 1.33x
U/W NOI Debt Yield: 8.9%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Acquisition
Sponsors: Mark A. Hutchinson; Thomas H. Persons; Douglas B. Twillman
Borrowers⁽¹⁾: DPW Diablo LP; PPG Diablo LP; DE Diablo LP; BFC Diablo LLC
Original Balance: \$21,000,000
Cut-off Date Balance: \$21,000,000
% by Initial UPB: 2.4%
Interest Rate: 4.3300%
Payment Date: 6th of each month
First Payment Date: October 6, 2016
Maturity Date: September 6, 2026
Amortization: Interest only for the first 60 months; 336 months thereafter
Additional Debt: None
Call Protection: L(25), D(90), O(5)
Lockbox / Cash Management⁽²⁾: Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$120,000	\$27,451
Insurance:	\$1,674	\$837
Replacement⁽³⁾:	\$0	\$1,359
TI/LC⁽⁴⁾:	\$385,835	Springing
Required Repairs:	\$0	NAP
Free Rent:	\$115,472	NAP

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$257
Balloon Balance / Sq. Ft.:	\$232
Cut-off Date LTV:	66.6%
Balloon LTV:	60.0%
Underwritten NOI DSCR:	1.45x
Underwritten NCF DSCR:	1.33x
Underwritten NOI Debt Yield:	8.9%
Underwritten NCF Debt Yield:	8.2%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Suburban Office
Collateral: Fee Simple
Location: Lafayette, CA
Year Built / Renovated: 1982 / 2014-2015
Total Sq. Ft.: 81,554
Property Management: Cushman & Wakefield U.S., Inc.
Underwritten NOI: \$1,873,639
Underwritten NCF: \$1,721,595
"As-is" Appraised Value: \$31,550,000
"As-is" Appraisal Date: June 2, 2016
"As-Stabilized" Appraised Value⁽⁵⁾: \$31,910,000
"As-Stabilized" Appraisal Date⁽⁵⁾: February 1, 2017

Historical NOI

Most Recent NOI:	\$1,564,398 (T-12 May 31, 2016)
2015 NOI:	\$1,575,076 (December 31, 2015)
2014 NOI:	\$1,266,568 (December 31, 2014)

Historical Occupancy

Most Recent Occupancy:	98.5% (September 1, 2016)
2015 Occupancy:	93.7% (December 31, 2015)
2014 Occupancy:	91.5% (December 31, 2014)

- (1) The borrowers own the property as tenants-in-common.
- (2) In place cash management will be triggered (i) upon an event of default or (ii) if the DSCR falls below 1.15x until such time that the DSCR is at least 1.20x for two consecutive calendar quarters.
- (3) The replacement reserve is subject to a cap of \$32,622.
- (4) Commencing with the payment date occurring in October 2018, on each monthly payment date in which the balance of the TI/LC reserve account is less than \$326,216, borrowers will deposit \$13,592 into the TI/LC reserve account.
- (5) At the time of the "As-is" Appraisal, the lease for one tenant, Insight Resource Group, had not yet commenced. The "As-Stabilized" Appraised Value assumes the Insight Resource Group lease commenced on September 1, 2016. Insight Resource Group has since taken possession of its space and commenced its lease term. The LTV based on the "As-Stabilized" Appraised Value is 65.8%.

TRANSACTION HIGHLIGHTS

- **Property.** The Mt. Diablo Terrace property is an 81,554 sq. ft., three building office property located at 3466, 3468 & 3470 Mt. Diablo Boulevard in Lafayette, California. The property was built in 1982 and most recently renovated from 2014-2015, with over \$550,000 being spent on projects including bathroom upgrades, system upgrades, suite renovations and landscaping. As of September 1, 2016, the Mt Diablo Terrace property is 98.5% occupied by a rent roll of 22 tenants (17 of which are general office tenants and five of which are medical tenants). Tenant suites at the property range from 1,190 to 12,291 sq. ft., with an average of 3,128 sq. ft. The property has 245 parking spaces, which equates to a parking ratio of 3.01 spaces per 1,000 sq. ft. Top tenants at the property include NFP CA Insurance Company (15.1% of NRA), John Muir Mt. Diablo (10.1% of NRA), Robert Marino (10.0% of NRA), Comys Smith McCleary & Deaver (8.0% of NRA) and Lafayette Physical Therapists (7.7% of NRA).
- **Market.** The property is located in Lafayette, California within the Lamorinda submarket, approximately 12 miles northeast of downtown Oakland, California and about 18 miles northeast of downtown San Francisco, California. Primary access to Mt. Diablo Terrace is provided by Highway 24, which provides direct access throughout the Bay Area, as well as the BART commuter rail station, a five minute walk from the property, which services Contra Costa, Alameda, San Francisco and San Mateo counties. According to the appraiser, the population and average household income within a five mile radius of the property are 160,091 and \$140,276, respectively. According to the appraiser, the Lamorinda submarket within the I-680/Contra Costa Corridor features a vacancy rate of 6.1% as of the first quarter of 2016, with Class A and Class B vacancy rates of 4.7% and 4.1%, respectively. Furthermore, due to the built-up nature of the neighborhood, the appraiser does not foresee any new construction for the next several years.
- **Sponsor.** The sponsors of the borrowers and the nonrecourse carve-out guarantors are Mark A. Hutchinson, Thomas H. Persons and Douglas B. Twillman. Mark A. Hutchinson, with over 20 years of commercial real estate experience, is President and CEO of Dunhill Partners West ("DPW"), a San Francisco-based commercial real estate and investment company specializing in real estate acquisitions, leasing and asset management. Douglas B. Twillman directs and coordinates the acquisitions and capital markets functions of DPW. Thomas H. Persons formed Piedmont Properties Group ("Piedmont") in 2003, which has completed over 35 acquisitions and is an investor in over 10,000 units consisting of 50 properties. Prior to Piedmont, Thomas H. Persons formed Arroyo & Coates Financial Group with the partners of Arroyo and Coates and financed/sold over \$1.5 billion of properties.