

## Mortgage Loan No. 12 – Shoreline Office Center

Mortgage Loan Information			
Mortgage Loan Seller:	WFB		
Original Balance:	\$23,500,000		
Cut-off Date Balance:	\$23,500,000		
% of Initial Pool Balance:	2.4%		
Loan Purpose:	Refinance		
Sponsor:	Matthew T. White		
Mortgage Rate:	4.5000%		
Note Date:	11/15/2016		
First Payment Date:	1/11/2017		
Maturity Date:	12/11/2026		
Original Term to Maturity:	120 months		
Original Amortization Term:	360 months		
IO Period:	24 months		
Seasoning:	2 months		
Prepayment Provisions:	LO (26); DEF (89); O (5)		
Lockbox/Cash Mgmt Status:	Springing/Springing		
Additional Debt Type:	N/A		
Additional Debt Balance:	N/A		
Future Debt Permitted (Type):	No (N/A)		
Reserves			
Type	Initial	Monthly	Cap
RE Tax:	\$85,113	\$28,371	N/A
Insurance:	\$0	Springing	N/A
Recurring Replacements:	\$0	\$1,648	N/A
TI/LC:	\$0	\$12,357	\$444,875
Other <sup>(1)</sup> :	\$2,780,658	\$8,901	\$1,000,000

Property Information		
Single Asset/Portfolio:	Single Asset	
Location:	Mill Valley, CA 94941	
General Property Type:	Office	
Detailed Property Type:	Suburban	
Title Vesting:	Leasehold	
Year Built/Renovated:	1984/N/A	
Size:	98,861 SF	
Cut-off Date Balance per SF:	\$238	
Maturity Date Balance per SF:	\$203	
Property Manager:	Basin Street Properties (borrower-related)	
Underwriting and Financial Information		
UW NOI:	\$2,480,493	
UW NOI Debt Yield:	10.6%	
UW NOI Debt Yield at Maturity:	12.3%	
UW NCF DSCR:	2.07x (IO)	1.55x (P&I)
Most Recent NOI:	\$2,530,283 (11/30/2016 TTM)	
2nd Most Recent NOI:	\$2,685,851 (12/31/2015)	
3rd Most Recent NOI:	\$688,172 (12/31/2014)	
Most Recent Occupancy:	95.0% (12/31/2016)	
2nd Most Recent Occupancy:	100.0% (1/1/2016)	
3rd Most Recent Occupancy:	98.0% (1/1/2015)	
Appraised Value (as of) <sup>(2)</sup> :	\$36,400,000 (9/7/2016)	
Cut-off Date LTV Ratio:	64.6%	
Maturity Date LTV Ratio:	55.3%	

Sources and Uses							
Sources		Proceeds	% of Total	Uses		Proceeds	% of Total
Loan Amount:		\$23,500,000	100.0%	Loan Payoff:		\$18,469,442	78.6%
				Reserves:		\$1,551,566	6.6%
				Closing Costs:		\$416,262	1.8%
				Return of Equity:		\$3,062,730	13.0%
Total Sources:		\$23,500,000	100.0%	Total Uses:		\$23,500,000	100.0%

(1) Other reserve represents \$53,325 in gap rent for Brouwer & Janachowski, LLC, \$211,680 in tenant improvements and leasing commissions for Brouwer & Janachowski, LLC, \$166,147 in tenant improvements for Urban Chalet, \$35,301 in tenant improvements for Glassdoor Inc. and \$1,000,000 to cover re-tenanting costs for space occupied by Glassdoor Inc. Additionally, Glassdoor Inc. has provided a single letter of credit ("LOC") in the amount of \$1,314,205 which is assigned to the lender. Per the Glassdoor Inc. leases, the LOC may be decreased annually starting in the third year of the leases, down to \$430,060 by the fifth year. If drawn, the LOC funds will be placed into a separate reserve fund held by lender to be used for re-tenanting costs associated with the Glassdoor Inc. space.

(2) Represents the stabilized value assuming that Urban Chalet and Brouwer & Janachowski, LLC, who have executed leases, have taken occupancy with unabated rental payments and all outstanding tenants improvements are paid by the Shoreline Office Center Borrower. Due to the fact that remaining rent concessions along with all outstanding tenant improvement costs were impounded at origination for these two tenants, the stabilized value is used.

**The Mortgage Loan.** The twelfth largest mortgage loan (the "Shoreline Office Center Mortgage Loan") is evidenced by a promissory note in the original principal amount of \$23,500,000 and is secured by a first priority leasehold mortgage encumbering a suburban office property located in Mill Valley, California (the "Shoreline Office Center Property"). The proceeds of the Shoreline Office Center Mortgage Loan were primarily used to refinance existing debt on the Shoreline Office Center Property, fund reserves, pay closing costs and return equity to the Shoreline Office Center Borrower ("as defined below").

**The Borrower and the Sponsor.** The borrower is Shoreline Office Center DE LLC (the "Shoreline Office Center Borrower"), a single-purpose Delaware limited liability company with one independent director. The loan sponsor is Matthew T. White and non-recourse carveout guarantors are Matthew T. White, William C. White, Matthew White Family Trust and The White Family Trust. Matthew T. White is the CEO of Basin Street Properties, one of northern California's and northern Nevada's prominent developers, investors and managers of commercial properties founded over 40 years ago. Basin Street Properties has a more than 4.0 million SF portfolio of office, light-industrial, retail, multifamily and hospitality properties in the North Bay, Sacramento area and Reno, Nevada, and more than 2.0 million SF in the North Bay alone.

**The Property.** The Shoreline Office Center Property, located at 100 Shoreline Highway in Mill Valley, California, consists of the leasehold interest in a 2-building office complex totaling 98,861 SF. The Shoreline Office Center Property was built in 1984 and is situated on a 9.8-acre site. The portion of the site where the improvements are situated is 6.5 acres and is subject to a ground lease with a term extending to March 31, 2039, with one 20-year renewal option. Additionally, the leasehold also includes an adjacent 3.3-acre site that is used for parking and is leased from the State of California Department of Transportation (CalTrans) extending to March 31, 2024 with two renewal options totaling 15 years. The Shoreline Office Center Property has 401 parking spaces (which equates to 4.06 parking spaces per 1,000 SF of net rentable area). The sponsor has invested \$3.7 million into the Shoreline Office Center Property since acquisition in October 2013. Building A is a two-story, 37,203 SF building which is 100% occupied by Glassdoor Inc. Building B is a three-story, 61,658 SF multi-tenant building. Glassdoor Inc., which is headquartered at the Shoreline Office Center Property, operates an online jobs and career community with a database of more than 8.0 million company reviews, CEO approval ratings, salary reports, interview reviews and questions, benefits reviews and office photos. Since initially taking occupancy of 37,203 SF in Building A, Glassdoor Inc. has recently expanded its footprint at the Shoreline Office Center Property into 19,016 SF in Building B.

The following table presents a summary regarding major tenants at the Shoreline Office Center 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)</sup>	Lease Expiration
Glassdoor Inc.	NR/NR/NR	56,219	56.9%	\$2,397,361 <sup>(4)</sup>	57.9%	\$42.64 <sup>(4)</sup>	Various <sup>(4)</sup>
Technology Partners Svc Corp	NR/NR/NR	5,172	5.2%	\$244,480	5.9%	\$47.27	6/30/2018
California Evolution LLC	NR/NR/NR	4,838	4.9%	\$238,030	5.8%	\$49.20	12/31/2019
Brouwer & Janachowski, LLC	NR/NR/NR	4,500	4.6%	\$213,300	5.2%	\$47.40	2/28/2027
S&P Company	NR/NR/NR	3,379	3.4%	\$133,646	3.2%	\$39.55	5/31/2021
<b>Subtotal/Wtd. Avg.</b>		<b>74,108</b>	<b>75.0%</b>	<b>\$3,226,818</b>	<b>78.0%</b>	<b>\$43.54</b>	
Other Tenants		19,855	20.1%	\$912,309	22.0%	\$45.95	
Vacant Space		4,898	5.0%	\$0	0.0%	\$0.00	
<b>Total/Wtd. Avg.</b>		<b>98,861</b>	<b>100.0%</b>	<b>\$4,139,127</b>	<b>100.0%</b>	<b>\$44.05</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) Wtd. Avg. Annual UW Rent PSF figures exclude vacant space.

(4) Glassdoor Inc. occupies 56,219 SF, of which 5,505 SF (5.6% of NRA) at an Annual UW Rent of \$47.76 PSF expires in December 31, 2019, 37,203 SF (37.6% of NRA) at an Annual UW Rent of \$39.84 PSF expires January 31, 2021, 9,350 SF (9.5% of NRA) at an Annual UW Rent of \$47.76 PSF expires in December 31, 2021 and 4,161 SF (4.2% of NRA) at an Annual UW Rent of \$49.44 PSF expires April 30, 2022.

The following table presents certain information relating to the lease rollover at the Shoreline Office Center Property:

Lease Rollover Schedule <sup>(1)(2)</sup>								
Year	# of Leases Rolling	SF Rolling	UW Rent PSF Rolling <sup>(3)</sup>	Approx. % of Total SF Rolling	Approx. Cumulative % of SF Rolling	Total UW Rent Rolling	Approx. % of Total Rent Rolling	Approx. Cumulative % of Total Rent Rolling
MTM	0	0	\$0.00	0.0%	0.0%	\$0	0.0%	0.0%
2017	4	6,811	\$40.82	6.9%	6.9%	\$278,040	6.7%	6.7%
2018	1	5,172	\$47.27	5.2%	12.1%	\$244,480	5.9%	12.6%
2019	7	16,064	\$47.68	16.2%	28.4%	\$765,921	18.5%	31.1%
2020	2	4,440	\$50.84	4.5%	32.9%	\$225,724	5.5%	36.6%
2021	5	52,815	\$41.77	53.4%	86.3%	\$2,205,942	53.3%	89.9%
2022	4	4,161	\$49.44	4.2%	90.5%	\$205,720	5.0%	94.8%
2023	0	0	\$0.00	0.0%	90.5%	\$0	0.0%	94.8%
2024	0	0	\$0.00	0.0%	90.5%	\$0	0.0%	94.8%
2025	0	0	\$0.00	0.0%	90.5%	\$0	0.0%	94.8%
2026	0	0	\$0.00	0.0%	90.5%	\$0	0.0%	94.8%
2027	1	4,500	\$47.40	4.6%	95.0%	\$213,300	5.2%	100.0%
2028 & Beyond	0	0	\$0.00	0.0%	95.0%	\$0	0.0%	100.0%
Vacant	0	4,898	\$0.00	5.0%	100.0%	\$0	0.0%	100.0%
<b>Total/Wtd. Avg.</b>	<b>24</b>	<b>98,861</b>	<b>\$44.05</b>	<b>100.0%</b>		<b>\$4,139,127</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 are not considered in the rollover schedule.

(3) UW Rent PSF Rolling figures exclude vacant space.

**The Market.** The Shoreline Office Center Property is located in Mill Valley, Marin County, California, and offers proximate access and visibility with frontage along Highway 101, 5.8 miles north of the Golden Gate Bridge and 11 miles north of the San Francisco central business district. The Sausalito/Mill Valley area is nearly fully developed with essentially no vacant commercial sites available for development. According to the appraisal, the 2016 population within a one-, three- and five-mile radius of the Shoreline Office Center Property was 8,576, 54,729 and 83,699 people, respectively. The 2016 average household income within a one-, three- and five-mile radius of the Shoreline Office Center Property was \$128,564, \$166,142 and \$162,527, respectively. The Marin County office market is experiencing positive absorption, lower vacancy levels and increasing rents, albeit still much less expensive than San Francisco. The Shoreline Office Center Property is located in the North Bay/Santa Rosa Office market. According to a third party market report, the market's fourth quarter 2016 vacancy rate was 10.0%. The Shoreline Office Center Property is located within the Corte Madera/Mill Valley Office submarket, which features approximately 2.2 million SF of office space with a vacancy rate of 6.4% as of the fourth quarter of 2016, while average asking submarket rent was \$49.07 per SF, full service gross. For comparison, according to the same third party market report and same period, the San Francisco Downtown South displayed an office submarket rent of \$60.48 per SF, full service gross.

The following table reflects the recent leasing data at competitive retail properties with respect to the Shoreline Office Center Property:

Competitive Property Summary							
Property Name/Location	Year Built	Occ.	Size (SF)	Tenant Name	Tenant Lease Area (SF)	Rent PSF	Lease Type
<b>Shoreline Office Center Property</b> 100 Shoreline Highway Mill Valley, CA	1984	95%	98,861	Glassdoor Inc.	56,219	\$42.64	Full Service Gross
Drakes Landing Office Park 100 Drakes Landing Road Larkspur, CA	1986	96%	130,200	National Rice Co.	4,030	\$60.00	Full Service Gross
Drakes Landing Office Park 100 Drakes Landing Road Larkspur, CA	1986	96%	130,200	Marin General Hospital	9,454	\$58.80	Full Service Gross
Wood Island Office Complex 60 & 80 E. Sir Francis Drake Blvd. Larkspur, CA	1976	96%	82,700	Returnly Technologies	1,861	\$57.00	Full Service Gross
Shelter Point Business Center 591 Redwood Highway Mill Valley, CA	1982	91%	84,000	Bostwick & Peterson	2,540	\$35.40	Full Service Gross
1 and 3 Harbor Drive Sausalito, CA	1981	81%	114,300	Coastal International	3,198	\$45.00	Full Service Gross
1 and 3 Harbor Drive Sausalito, CA	1981	81%	114,300	Aperio Group	13,756	\$45.00	Full Service Gross
Marina Office Plaza 2330 Marinship Way Sausalito, CA	1985	95%	73,700	Advice Company	1,088	\$49.80	Full Service Gross

Source: Appraisal and underwritten rent roll.

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

	Cash Flow Analysis				
	2014 <sup>(1)</sup>	2015	11/30/2016 TTM	UW	UW PSF
Base Rent <sup>(2)</sup>	\$1,944,004	\$4,006,333	\$3,935,333	\$4,376,913	\$44.27
Free Rent Adjustment	\$0	\$0	(\$17,775)	\$0	\$0.00
Total Recoveries	\$6,343	\$27,731	\$48,629	\$58,317	\$0.59
Other Income	\$291	\$15,344	\$4,809	\$0	\$0.00
Less Vacancy & Credit Loss	\$0	\$0	\$0	(\$437,691)	(\$4.43)
Effective Gross Income	\$1,950,638	\$4,049,408	\$3,970,996	\$3,997,539	\$40.44
Total Operating Expenses	\$1,262,466	\$1,363,557	\$1,440,713	\$1,517,045	\$15.35
<b>Net Operating Income</b>	<b>\$688,172</b>	<b>\$2,685,851</b>	<b>\$2,530,283</b>	<b>\$2,480,493</b>	<b>\$25.09</b>
Capital Expenditures	\$0	\$0	\$0	\$19,772	\$0.20
TI/LC	\$0	\$0	\$0	\$240,817	\$2.44
<b>Net Cash Flow</b>	<b>\$688,172</b>	<b>\$2,685,851</b>	<b>\$2,530,283</b>	<b>\$2,219,904</b>	<b>\$22.45</b>
<b>Occupancy %</b>	<b>98.0%</b>	<b>100.0%</b>	<b>95.0%<sup>(3)</sup></b>	<b>90.0%</b>	
<b>NOI DSCR (P&amp;I)</b>	<b>0.48x</b>	<b>1.88x</b>	<b>1.77x</b>	<b>1.74x</b>	
<b>NOI DSCR (IO)</b>	<b>0.64x</b>	<b>2.51x</b>	<b>2.36x</b>	<b>2.31x</b>	
<b>NCF DSCR (P&amp;I)</b>	<b>0.48x</b>	<b>1.88x</b>	<b>1.77x</b>	<b>1.55x</b>	
<b>NCF DSCR (IO)</b>	<b>0.64x</b>	<b>2.51x</b>	<b>2.36x</b>	<b>2.07x</b>	
<b>NOI Debt Yield</b>	<b>2.9%</b>	<b>11.4%</b>	<b>10.8%</b>	<b>10.6%</b>	
<b>NCF Debt Yield</b>	<b>2.9%</b>	<b>11.4%</b>	<b>10.8%</b>	<b>9.4%</b>	

(1) Operating Statements prior to 2014 are not available as the Shoreline Office Center Borrower did not acquire the Shoreline Office Center Property until October 2013.

(2) The 2014 Base Rent is lower than other periods because Glassdoor Inc. (56.9% of NRA) did not take occupancy until February 2014 and did not commence rent payments until July 2014.

(3) Based on occupancy as of 12/31/2016.