

Liberty Portfolio



8501 East Raintree Drive, Scottsdale, AZ



1850 West Rio Salado Parkway, Tempe, AZ



1910 West Rio Salado Parkway, Tempe, AZ



1930 West Rio Salado Parkway, Tempe, AZ



1870 West Rio Salado Parkway, Tempe, AZ

Liberty Portfolio



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Mortgage Loan Information

Mortgage Loan Seller⁽¹⁾:	Barclays/CCRE
Original Principal Balance⁽²⁾:	\$50,000,000
Cut-off Date Principal Balance⁽²⁾:	\$50,000,000
% of IPB:	5.6%
Loan Purpose:	Acquisition
Borrower:	RS Phoenix Portfolio LLC
Sponsor:	Bruce Karsh
Interest Rate:	4.75500%
Note Date:	9/26/2018
Maturity Date:	10/6/2028
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization Term:	None
Amortization Type:	Interest Only
Call Protection⁽³⁾:	L(26),Def(91),O(3)
Lockbox / Cash Management:	Hard / Springing
Additional Debt:	Yes
Additional Debt Balance:	\$115,700,000
Additional Debt Type:	<i>Pari Passu</i>

Property Information

Single Asset / Portfolio:	Portfolio
Title⁽⁴⁾:	Fee/Leasehold
Property Type - Subtype:	Office – Suburban
Net Rentable Area (SF):	805,746
Location:	Various, AZ
Year Built / Renovated:	Various / N/A
Occupancy:	100.0%
Occupancy Date:	5/31/2018
4th Most Recent NOI (As of)⁽⁵⁾:	\$4,651,042 (12/31/2015)
3rd Most Recent NOI (As of)⁽⁵⁾:	\$7,201,661 (12/31/2016)
2nd Most Recent NOI (As of)⁽⁵⁾:	\$8,748,230 (12/31/2017)
Most Recent NOI (As of)⁽⁵⁾:	\$14,502,825 (Annualized T-7 7/31/2018)
UW Economic Occupancy:	95.0%
UW Revenues:	\$19,169,391
UW Expenses:	\$4,059,580
UW NOI⁽⁵⁾:	\$15,109,811
UW NCF:	\$14,130,018
Appraised Value / Per SF⁽⁶⁾:	\$256,700,000 / \$319
Appraisal Date⁽⁶⁾:	Various

Escrows and Reserves⁽⁷⁾

	Initial	Monthly	Initial Cap
Taxes:	\$89,189	\$44,594	N/A
Insurance:	\$18,366	\$9,183	N/A
Replacement Reserves:	\$0	\$13,429	N/A
TI/LC:	\$0	\$0	N/A
Other:	\$1,351,754	\$77,257	N/A

Financial Information⁽²⁾

Cut-off Date Loan / SF:	\$206
Maturity Date Loan / SF:	\$206
Cut-off Date LTV:	64.6%
Maturity Date LTV:	64.6%
UW NCF DSCR:	1.77x
UW NOI Debt Yield:	9.1%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Whole Loan ⁽²⁾	\$165,700,000	63.9%	Purchase Price	\$255,000,000	98.3%
Sponsor Equity	92,058,681	35.5	Closing Costs	2,896,463	1.1
Other Sources ⁽⁸⁾	1,597,091	0.6	Upfront Reserves	1,459,309	0.6
Total Sources	\$259,355,773	100.0%	Total Uses	\$259,355,773	100.0%

(1) The Liberty Portfolio Whole Loan (as defined below) was co-originated by Barclays Bank PLC, Cantor Commercial Real Estate Lending, L.P. and Citi Real Estate Funding, Inc. Barclays Bank PLC will contribute the \$25.0 million Note A-4 and Cantor Commercial Real Estate Lending, L.P. will contribute the \$25.0 million Note A-6 to the BBCMS 2018-C2 Trust.

(2) The Liberty Portfolio Whole Loan is part of a whole loan evidenced by eight *pari passu* notes with an aggregate original balance of \$165.7 million. The Financial Information presented in the chart above reflects the Cut-off Date balance of the Liberty Portfolio Whole Loan.

(3) The lockout period will be at least 26 payments beginning with and including November 6, 2018. Defeasance of the full \$165.7 million Liberty Portfolio Whole Loan is permitted after the date that is the earlier of (i) two years from the closing date of the securitization that includes the last note to be securitized and (ii) September 26, 2021.

(4) For a full description, please refer to "Tax Abatements" below.

(5) The difference between 4th Most Recent NOI, 3rd Most Recent NOI, 2nd Most Recent NOI, Most Recent NOI, and UW NOI is primarily attributable to the construction and stabilization of the Liberty Center at Rio Salado property. The Liberty Center at Rio Salado property consists of four buildings: 1850 West Rio Salado Parkway (built in 2014 and represents approximately 18.0% of UW NOI), 1870 West Rio Salado Parkway (built in 2017 and represents approximately 29.9% of UW NOI), 1910 West Rio Salado Parkway (built in 2014 and represents approximately 20.0% of UW NOI), and 1930 West Rio Salado Parkway (built in 2016 and represents approximately 16.8% of UW NOI). The 8501 East Raintree Drive property was built in 2006 and represents approximately 15.4% of UW NOI. The Liberty Portfolio properties are both 100.0% leased and all outstanding landlord obligations and free rent were reserved at origination.

(6) The Appraised Value of \$256,700,000 represents the aggregate value of the Liberty Portfolio Properties (as defined below). The Liberty Center at Rio Salado property had an "As-Is" appraised value of \$212,910,000 as of August 22, 2018, and the 8501 East Raintree Drive Property had an "As-Is" appraised value of \$43,790,000 as of August 24, 2018.

(7) For a full description of escrows and reserves, please refer to "Escrows and Reserves" below.

(8) Other Sources primarily consists of purchase credits relating to outstanding tenant improvement allowances owed to Centene and The Vanguard Group.

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The Loan. The Liberty Portfolio loan has an outstanding principal balance as of the Cut-off Date of \$50.0 million and is secured by the borrower's fee and leasehold interests in a two-property Class A office portfolio located in Arizona, totaling 805,746 square feet of fully occupied space. The Liberty Portfolio loan is part of a whole loan (the "**Liberty Portfolio Whole Loan**") evidenced by eight *pari passu* notes with an aggregate original principal balance of \$165.7 million and an outstanding principal balance as of the Cut-off Date of \$165.7 million. Note A-1 will be entitled to exercise the rights of the controlling noteholder for the Liberty Portfolio Whole Loan. The Liberty Portfolio Whole Loan has a 10-year term and is interest-only for the full term of the loan.

Whole Loan Summary			
Note	Original Balance	Note Holder	Controlling Piece
A-1	\$30,000,000	Benchmark 2018-B7	Yes
A-2	30,000,000	CGCMT 2018-C6	No
A-3	20,000,000	Benchmark 2018-B7	No
A-4	25,000,000	BBCMS 2018-C2	No
A-5	12,850,000	Barclays Bank PLC	No
A-6	25,000,000	BBCMS 2018-C2	No
A-7	12,850,000	CGCMT 2018-C6	No
A-8	10,000,000	CGCMT 2018-C6	No
Total	\$165,700,000		

The Portfolio.

Portfolio Summary ⁽¹⁾								
Property Name	Largest Tenant	Property Type	Net Rentable Area (NRA)	Occupancy	Allocated Loan Amount (\$)	% of Allocated Loan Amount	UW NCF	Appraised Value
Liberty Center at Rio Salado	Centene	Office	682,406	100.0%	\$42,467,603	84.9%	\$11,962,700	\$212,910,000
8501 East Raintree Drive	The Vanguard Group	Office	123,340	100.0%	7,532,397	15.1	2,167,319	43,790,000
Total / Wtd. Avg.			805,746	100.0%	\$50,000,000	100.0%	\$14,130,019	\$256,700,000

(1) Based on the underwritten rent rolls dated May 31, 2018 and the Liberty Portfolio Whole Loan documents.

The Liberty Portfolio consists of two Class A office properties (together, the "**Liberty Portfolio Properties**"). The Liberty Center at Rio Salado property (682,406 square feet) includes four office buildings built from 2014 to 2017 located at 1850, 1870, 1910 and 1930 West Rio Salado Parkway in Tempe, Arizona (the "**Liberty Center at Rio Salado Property**"). The Liberty Center at Rio Salado Property is situated on a site covering approximately 40.7 acres and is 100.0% occupied as of the underwritten rent rolls dated May 31, 2018 by national tenants such as Centene Management Company, LLC ("**Centene**"), DHL Express (USA), Inc. ("**DHL Express**") and WageWorks, Inc. ("**WageWorks**"). The buildings at the Liberty Center at Rio Salado Property, which consist of three two-story Class A office buildings and one three-story Class A office building, offer 4,078 surface parking spaces (which equates to approximately 6.0 parking spaces per 1,000 square feet of NRA). The Liberty Center at Rio Salado Property also offers redundant power, balconies, cafeterias, mountain views and access to downtown Tempe and the Phoenix Sky Harbor International Airport. The 8501 East Raintree Drive Property (123,340 square feet) is a three-story, Class A, LEED Gold office building that was built-to-suit for The Vanguard Group, Inc. ("**The Vanguard Group**") in 2006 and is located in Scottsdale, Arizona (the "**8501 East Raintree Drive Property**"). The 8501 East Raintree Drive Property is situated on a site covering approximately 13.8 acres and remains 100.0% occupied by The Vanguard Group as of the underwritten rent roll dated May 31, 2018. The Vanguard Group lease commenced in 2006, expires in July 2026 and offers two five-year renewal options. The 8501 East Raintree Drive Property amenities include approximately 28,000 square feet of landscaped outdoor patio area. The 8501 East Raintree Drive Property also contains a parking garage with 594 parking spaces (which equates to approximately 4.8 parking spaces per 1,000 square feet of net rentable area). Overall, the Liberty Portfolio Properties are 100.0% occupied by six national tenants with a weighted average remaining lease term from the Cut-off Date of 7.0 years.

Major Tenants. *Centene (352,988 square feet; 43.8% of NRA; 44.1% of Base Rent):* Centene, rated Ba1/BB+ by Moody's/S&P, is a Fortune 500 multi-national healthcare company headquartered in St. Louis, Missouri. Centene utilizes its space at the Liberty Center at Rio Salado Property as one of the primary office locations for its Nursewise (a wholly-owned subsidiary of Centene in the business of providing multilingual telehealth services) and Cenpatco Integrated Care (a wholly-owned subsidiary of Centene that offers agencies, health plans, and states solutions to administer healthcare services more effectively) business lines. Centene first leased 77,867 square feet of space in October 2015 and has since expanded to its current footprint of 352,988 square feet across multiple buildings at the Liberty Center at Rio Salado Property. Centene occupies 236,131 square feet through January 31, 2028 in the 1870 West Rio Salado

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Parkway building, 77,867 square feet through January 22, 2028 in the 1850 West Rio Salado Parkway building and 38,990 square feet through December 31, 2028 in the 1910 West Rio Salado Parkway building, and has two five-year renewal options and no termination options. For the fiscal year ended December 31, 2017, Centene reported approximately \$48.4 billion in total revenues and employees of approximately 33,700. As of October 16, 2018, Centene had a market capitalization of approximately \$30.1 billion.

The Vanguard Group (123,340 square feet; 15.3% of NRA; 15.9% of Base Rent): The Vanguard Group is a privately-owned investment manager founded in 1975 and, as of January 31, 2018, employed approximately 16,600 people in the United States and had approximately \$5.1 trillion in global assets under management. The Vanguard Group primarily provides its services to investment companies and caters to pooled investment vehicles, corporations, individuals, retirement plan sponsors, institutional investors, separate account institutional clients and financial advisors. The Vanguard Group utilizes the entire 123,340 square feet of office space at the 8501 Raintree Drive Property as a regional office and has been in occupancy since the property was constructed in 2006.

DHL Express (117,593 square feet; 14.6% of NRA; 15.0% of Base Rent): DHL Express, rated A3/BBB+ by Moody's/Fitch, the United States branch of Deutsche Post DHL Group, the world's largest international courier service company with express, global forwarding, freight and supply chain divisions, utilizes its space at the Liberty Center at Rio Salado Property as a corporate office. Deutsche Post DHL Group currently employs approximately 520,000 employees in over 220 countries worldwide. As of October 16, 2018, Deutsche Post DHL Group had a market capitalization of approximately \$40.7 billion. According to the 2017 annual report, Deutsche Post DHL Group reported earnings before interest and taxes of approximately \$4.65 billion for fiscal year 2017.

Tax Abatements. The four buildings located at the Liberty Center at Rio Salado Property receive a 50.0% real estate tax abatement for eight years commencing on the respective certificate of occupancy date for each building through a Government Property Lease Excise Tax ("**GPLET**") abatement with the Arizona Department of Revenue and the City of Tempe. In lieu of paying real estate taxes, the borrower pays to the Arizona Department of Revenue and the City of Tempe, in the form of rent, 50.0% of what the respective buildings' real estate taxes otherwise would have been (2018 rent due under the GPLET abatement for the four buildings located at the Liberty Center at Rio Salado Property was equal to \$882,940). The borrower has a leasehold interest in each of the buildings comprising the Liberty Center at Rio Salado Property, which are subject to the GPLET abatement until expiration of the underlying lease, at which point title in the fee interest will automatically vest to the borrower. Real estate taxes were underwritten based on the 10-year average of each respective building's current tax amount and full tax amount when the GPLET abatement expires. Assuming a 1.0% growth rate, 14.21% tax rate and 18.0% assessment ratio, the average annual real estate tax savings from the 2018/2019 tax year through the 2027/2028 tax year for the Liberty Center at Rio Salado Property is equal to \$508,706 per year. The 8501 East Raintree Drive Property is not subject to an abatement and real estate taxes were underwritten to the budgeted amount equal to \$509,650. Below is a table illustrating the GPLET abatements for each building at the Liberty Center at Rio Salado Property:

Liberty Center at Rio Salado Property Tax Abatement Summary					
Liberty at Rio Salado Building	Certificate of Occupancy Date	GPLET Expiration Date	Remaining GPLET Term (years) ⁽¹⁾	Unabated Annual Real Estate Tax 10-yr Average	U/W Annual Real Estate Tax 10-yr Average
1850 West Rio Salado Parkway	10/30/2014	10/29/2022	3.9	\$535,060	\$431,237
1870 West Rio Salado Parkway	2/15/2018	2/14/2026	7.2	412,042	246,330
1910 West Rio Salado Parkway	7/8/2015	7/7/2023	4.6	508,615	384,629
1930 West Rio Salado Parkway	9/28/2016	9/27/2024	5.8	391,784	276,599
Total/Wtd.			5.1	\$1,847,501	\$1,338,795

(1) Remaining GPLET Term (years) is based on the Cut-off Date for the BBCMS 2018-C2 Trust in December 2018.

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Environmental. According to a Phase I environmental assessment dated July 23, 2018, there was no evidence of any recognized environmental conditions at the Liberty Portfolio Properties.

Historical and Current Occupancy ⁽¹⁾			
2015	2016	2017	Current ⁽²⁾
NAV	NAV	NAV	100.0 %

(1) Due to the various construction dates of the Liberty Portfolio properties, historical occupancy information is not available. The 8501 East Raintree Drive Property has maintained 100.0% occupancy since 2008 and the buildings at the Liberty Center at Rio Salado Drive Property have steadily increased occupancy each year since construction was complete to reach 100.0% occupancy levels represented in the underwritten rent rolls dated May 31, 2018.

(2) Current occupancy is as of May 31, 2018.

Top Six Summary ⁽¹⁾							
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF ⁽³⁾	Base Rent ⁽³⁾	% of Total Base Rent ⁽³⁾	Lease Expiration Date
Centene ⁽⁴⁾⁽⁵⁾	Ba1 / BB+ / NA	352,988	43.8%	\$19.54	\$6,897,298	44.1%	1/31/2028
The Vanguard Group ⁽⁶⁾	NA / NA / NA	123,340	15.3	\$20.15	2,485,301	15.9	7/31/2026
DHL Express ⁽⁷⁾	A3 / NA / BBB+	117,593	14.6	\$19.96	2,347,468	15.0	2/28/2023
WageWorks ⁽⁷⁾	NA / NA / NA	76,162	9.5	\$17.47	1,330,550	8.5	12/31/2021
Carvana, LLC ⁽⁸⁾⁽⁹⁾	NA / NA / NA	69,774	8.7	\$19.10	1,332,683	8.5	2/29/2024
DriveTime Automotive Group, Inc. ⁽⁸⁾⁽⁹⁾	NA / NA / NA	65,889	8.2	\$19.10	1,258,480	8.0	2/29/2024
Top Six Tenants		805,746	100.0%	\$19.43	\$15,651,781	100.0%	
Vacant Space		0	0.0%				
Collateral Total		805,746	100.0%				

(1) Based on the underwritten rent rolls dated May 31, 2018.

(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) Includes approximately \$261,743 in contractual rent steps through October 1, 2019 and \$185,411 which represents the present value of rent steps for DHL Express.

(4) Centene has two five-year renewal options. Upon exercised renewal option, Centene will receive a tenant improvement allowance equal to \$7.00 per square foot for the space renewed.

(5) Centene occupies 236,131 square feet through January 31, 2028 in the 1870 West Rio Salado Parkway building, 77,867 square feet through January 22, 2028 in the 1850 West Rio Salado Parkway building and 38,990 square feet through December 31, 2028 in the 1910 West Rio Salado Parkway building.

(6) The Vanguard Group has two five-year renewal options.

(7) DHL Express and WageWorks, Inc. each have two five-year renewal options.

(8) Carvana, LLC and DriveTime Automotive Group, Inc. each have three five-year renewal options.

(9) DriveTime Automotive Group, Inc. subleases 65,889 square feet of space to Carvana, LLC. The sublease is co-terminus with, and requires the same rent, as the original DriveTime Automotive Group, Inc. lease.

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Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring ⁽²⁾	% of Base Rent Expiring ⁽²⁾	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
2018 & MTM	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	1	76,162	9.5	1,330,550	8.5	76,162	9.5%	\$1,330,550	8.5%
2022	0	0	0.0	0	0.0	76,162	9.5%	\$1,330,550	8.5%
2023	1	117,593	14.6	2,347,468	15.0	193,755	24.0%	\$3,678,018	23.5%
2024	2	135,663	16.8	2,591,163	16.6	329,418	40.9%	\$6,269,182	40.1%
2025	0	0	0.0	0	0.0	329,418	40.9%	\$6,269,182	40.1%
2026	1	123,340	15.3	2,485,301	15.9	452,758	56.2%	\$8,754,483	55.9%
2027	0	0	0.0	0	0.0	452,758	56.2%	\$8,754,483	55.9%
2028 & Beyond ⁽³⁾	3	352,988	43.8	6,897,298	44.1	805,746	100.0%	\$15,651,781	100.0%
Total	8	805,746	100.0%	\$15,651,781	100.0%				

(1) Based on the underwritten rent rolls dated May 31, 2018.

(2) Includes approximately \$261,743 in contractual rent steps through October 1, 2019 and \$185,411 which represents the present value of the rent steps for DHL Express.

(3) Centene leases 236,131 square feet through January 31, 2028 at the 1870 West Rio Salado Parkway building, 77,867 square feet through January 22, 2028 at the 1850 West Rio Salado Parkway building and 38,990 square feet at the 1910 West Rio Salado building.

Operating History and Underwritten Net Cash Flow

	2015	2016	2017	Annualized 7/31/2018	Underwritten	Per Square Foot	% ⁽¹⁾
Rents in Place ⁽²⁾	\$4,810,318	\$7,167,149	\$8,527,073	\$14,118,837	\$15,204,627	\$18.87	77.1%
Rent Steps ⁽³⁾	0	0	0	0	447,154	0.55	2.3
Total Reimbursements	820,838	1,636,533	1,973,158	2,845,390	4,078,245	5.06	20.7
Gross Potential Rent	\$5,631,156	\$8,803,682	\$10,500,231	\$16,964,227	\$19,730,026	\$24.49	100%
Other Income	492	1,504	1,017	0	0	0.00	0
Parking	35,100	101,350	332,312	397,500	425,867	0.53	2.2
(Vacancy/Credit Loss) ⁽⁴⁾	0	0	0	(3)	(986,501)	(1.22)	(5.0)
Effective Gross Income	\$5,666,748	\$8,906,536	\$10,833,560	\$17,361,723	\$19,169,391	\$23.79	97.2%
Total Variable Expenses	335,407	761,670	985,096	1,472,184	2,106,185	2.61	11.0
Total Fixed Expenses ⁽⁵⁾	680,299	943,205	1,100,234	1,386,715	1,953,395	2.42	10.2
Net Operating Income⁽⁶⁾	\$4,651,042	\$7,201,661	\$8,748,230	\$14,502,825	\$15,109,811	\$18.75	78.8%
Capital Expenditures	0	0	0	0	161,149	0.20	0.8
TI/LC	0	0	0	0	818,643	1.02	4.3
Net Cash Flow	\$4,651,042	\$7,201,661	\$8,748,230	\$14,502,825	\$14,130,018	\$17.54	73.7%

(1) Percentage column represents percent of Gross Potential Rent for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(2) Based on the underwritten rent rolls dated May 31, 2018.

(3) Consists of approximately \$261,743 in contractual rent steps through October 1, 2019 and \$185,411 which represents the present value of rent steps for DHL Express.

(4) Underwritten Vacancy represents the economic vacancy of 5.0%.

(5) Underwritten Total Fixed Expenses include real estate taxes (\$1,848,445) that were underwritten using the budgeted real estate tax amount for the 8501 East Raintree property (\$509,650) and the 10-year average of the current abated real estate taxes and the fully unabated real estate taxes due when the GPLET's expire at each of the respective buildings that make up the Liberty Center at Rio Salado Property (\$1,338,795). See "Tax Abatements" section for further detail.

(6) The difference between 2015 Net Operating Income, 2016 Net Operating Income, 2017 Net Operating Income, the annualized 7-month period ending July 31, 2018 Net Operating Income and Underwritten Net Operating Income is primarily attributable to the construction and stabilization of the Liberty Center at Rio Salado Property. The Liberty Center at Rio Salado Property consists of four buildings: 1850 West Rio Salado Parkway (built in 2014 and represents approximately 18.0% of Underwritten NOI), 1870 West Rio Salado Parkway (built in 2017 and represents approximately 29.9% of Underwritten NOI), 1910 West Rio Salado Parkway (built in 2014 and represents approximately 20.0% of Underwritten NOI), and 1930 West Rio Salado Parkway (built in 2016 and represents approximately 16.8% of Underwritten NOI). The 8501 East Raintree Drive Property was built in 2006 and represents approximately 15.4% of Underwritten NOI. The Liberty Portfolio Properties are all 100.0% leased and all outstanding landlord obligations and free rent were reserved for at origination.

Liberty Portfolio

The Market. The Liberty Portfolio Properties are located within the Phoenix office market which, according to the appraisal as of year end 2017, had an overall office supply of approximately 179.4 million square feet, a vacancy rate of 14.6% and average asking rent of \$23.94 per square feet. According to the appraisal, from the period beginning in 2009 and ending June 30, 2018, the Phoenix office market has added approximately 12.4 million square feet of supply, reduced vacancy by approximately 6.2% while maintaining an average asking rent that ranged from \$23.52 per square feet in 2009 to \$25.14 per square feet as of the second quarter of 2018. According to a third party report, the technology industry continues to expand, many technology companies have relocated from Southern California or expanded in the Phoenix office market to utilize the cheaper rents for back-office space. The Phoenix office market is currently home to the back-office operations of prominent technology companies including PayPal, Yelp and San Francisco-based financial technology firm Upgrade. According to the appraisal, the Phoenix market has also become a significant market in the United States for advanced business services jobs in the financial sector. According to the United States Bureau of Labor Statistics, as of August 31, 2018, the financial services sector accounts for approximately 9.1% of total non-farm employment in the Phoenix market and supports approximately 191,500 jobs. Since the beginning of 2017, firms such as Bank of the West, Charles Schwab, and Northern Trust have relocated or expanded within the Phoenix office market.

The buildings that make up the Liberty Center at Rio Salado Property are located at 1850, 1870, 1910 and 1930 West Rio Salado Parkway in Tempe, Arizona, approximately 9.5 miles east of downtown Phoenix. Tempe, the eighth largest city in Arizona, is an urban community located in southeast Arizona that is bordered by Scottsdale to the north, Mesa to the east, Chandler to the south and Phoenix to the west. Tempe is served by Interstate 10, U.S. Route 60 and State Routes 101 and 143. The Salt River flows through the northern portion of Tempe and the Phoenix Sky Harbor International Airport is located approximately four miles west of Tempe. According to the appraisal, as of year-end 2017, the population within a one-, three- and five-mile radius was 5,947, 91,845 and 328,873, respectively. Additionally, for the same period, the average household income within a one-, three- and five-mile radius was \$50,990, \$51,485 and \$60,211, respectively. The Liberty Center at Rio Salado Property is part of the Phoenix Airport Area submarket, which, according to the appraisal, as of the second quarter of 2018, contained an office supply of approximately 12.4 million square feet with a vacancy rate of 21.8% and average gross asking rent equal to \$23.83 per square feet (compared to the weighted average underwritten gross rent of \$24.35 per square foot).

The 8501 East Raintree Drive Property is located in Scottsdale, Arizona, approximately 26.6 miles northeast of downtown Phoenix. Scottsdale, the seventh largest city in Arizona, is bordered by Tempe to the south, Fountain Hills and McDowell Mountain Regional Park to the east, Tonto National Forest to the north and Phoenix and Paradise Valley to the west. Scottsdale is served by Interstates 10 and 17, as well as U.S. Route 60, which are all located within 10 miles of the 8501 East Raintree Drive Property. Also, the Phoenix Sky Harbor International Airport is located approximately six miles west of Scottsdale. According to the appraisal, as of year-end 2017, the population within a one-, three- and five-mile radius was 5,184, 70,146 and 168,757, respectively. Additionally, for the same period, the average household income within a one-, three- and five-mile radius was \$114,175, \$125,706 and \$127,144, respectively. The 8501 East Raintree Drive Property is part of the Scottsdale Airpark submarket, which, according to the appraisal as of the second quarter of 2018, contained an office supply of approximately 13.2 million square feet with a vacancy rate of 13.1% and average gross asking rent equal to \$27.76 per square feet (compared to the underwritten gross rent for The Vanguard Group at the 8501 East Raintree Drive Property of \$25.26 per square foot).

In determining market rent for the Liberty Portfolio Properties, the appraiser identified the six comparable office properties located in the Phoenix office market listed in the table below.

Office Comparables ⁽¹⁾						
Property Name	Office Area (NRA)	City	Occupancy	Tenant Name	Lease Type	Rent (PSF)
Liberty Portfolio Properties	805,746⁽²⁾	Tempe/Scottsdale	100.0%	Various	NNN	\$19.75 - \$20.00⁽³⁾
Price Road Office	66,759	Chandler	100.0%	Walgreens (Call Center)	NNN	\$15.75
Chaparral Commerce Center	271,085	Scottsdale	100.0%	McKesson Corp.	NNN	\$16.31
Norterra West One	475,000	Phoenix	100.0%	USAA (IT Dept.)	NNN	\$17.38
Rio 2100	100,102	Tempe	100.0%	Varsity Tutors LLC	FSG	\$28.37
Rio Office	63,500	Tempe	100.0%	Benchmark Elec., Inc.	FSG	\$30.25
The Alameda	235,000	Tempe	93.2%	Lennar Homes	NNN	\$19.00

(1) Source: Appraisal.

(2) Based on the underwritten rent rolls dated May 31, 2018.

(3) Represents the range of concluded market office rent from the appraisal (on a net basis) for the Liberty Portfolio Properties.

Liberty Portfolio

The Borrower. The borrowing entity for the Liberty Portfolio Whole Loan is RS Phoenix Portfolio LLC, a Delaware limited liability company and single purpose entity with one independent director. Legal counsel to the borrower delivered a non-consolidation opinion in connection with the origination of the Liberty Portfolio Whole Loan. H25A, LLC, a Delaware limited liability company, is the nonrecourse carve-out guarantor for the Liberty Portfolio Whole Loan.

The Loan Sponsor. The loan sponsor is Bruce Karsh. Bruce Karsh is a co-chairman and co-founder of Oaktree Capital which, as of September 30, 2018, currently manages approximately \$124.0 billion in assets. He also serves as Chief Investment Officer and serves as portfolio manager for Oaktree Capital's Distressed Opportunities, Value Opportunities and Multi-Strategy Credit strategies. Bruce Karsh serves on the boards of a number of privately held companies and is a member of the investment committee of the Broad Foundations. Bruce Karsh, a Duke University alumni, also served as Chairman of the Board of DUMAC, LLC, the entity that manages Duke University's endowment, from 2005 to 2014.

Property Management. The Liberty Portfolio Properties are managed by Signature Real Estate Services, Inc., an independent third party property manager.

Escrows and Reserves. At origination, the borrower was required to deposit into escrow \$89,189 for real estate taxes, \$18,366 for insurance, \$1,161,769 for unfunded obligations, \$109,603 for free rent for Carvana, LLC, \$77,257 for ground rent related to the GPLET leases with respect to the Liberty Center at Rio Salado Property, and \$3,125 for immediate repairs.

Tax Escrows – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated tax payments, which currently equates to \$44,594.

Insurance Escrows – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated insurance premiums that the lender estimates will be payable over the next-ensuing 12-month period (initially estimated to be \$9,183).

Replacement Reserves – On a monthly basis, the borrower is required to escrow \$13,429 into a replacement reserve for capital expenditures.

Specified Tenant Sweep Reserve – On each monthly payment date occurring on and after the occurrence and during the continuance of a Specified Tenant Trigger Period, the borrower will deposit an amount equal to the specified tenant sweep excess cash flow (as defined in the Liberty Portfolio Whole Loan documents) generated by the Liberty Portfolio Properties for the immediately preceding interest accrual period until the amount in the specified tenant sweep reserve meets a certain threshold and the DSCR is greater than 1.25x.

GPLET Ground Rent Reserve – On a monthly basis, the borrower is required to deposit reserves of 1/12th of the ground rent payable during the next-ensuing 12 months under the GPLET leases with respect to the Liberty Center at Rio Salado Property (initially estimated to be \$77,257).

Lockbox / Cash Management. The Liberty Portfolio Whole Loan is structured with a hard lockbox and springing cash management. The borrower is required to deliver tenant direction letters to each existing tenant at the Liberty Portfolio Properties directing each of them to remit their rent checks directly to the lender-controlled lockbox. The borrower is also required to deliver a tenant direction letter to each and every future commercial tenant. The borrower is required to (and is required to cause the property manager to) deposit all revenue derived from the Liberty Portfolio Properties and deposit the same into the clearing account promptly upon receipt. All funds deposited into the clearing account are required to be transferred on each business day to or at the direction of the borrower unless a Trigger Period (as defined below) exists. Upon the occurrence and during the continuance of a Trigger Period, all funds in the lockbox account are required to be swept on each business day to a cash management account under the control of the lender to be applied and disbursed in accordance with the Liberty Portfolio Whole Loan documents and all excess cash flow funds remaining in the cash management account after the application of such funds in accordance with the Liberty Portfolio Whole Loan documents are (a) to the extent that a Specified Tenant Trigger Period (as defined below) is continuing, swept into a Specified Tenant leasing reserve, (b) to the extent that a Trigger Period other than a Specified Tenant Trigger Period is continuing, held by the lender in an excess cash flow reserve account as additional collateral for the Liberty Portfolio Whole Loan or (c) to the extent that no Trigger Period is continuing, disbursed to the borrower.

A “**Trigger Period**” means the occurrence of the following, as applicable: (i) a mortgage loan event of default has occurred and is continuing, (ii) the debt service coverage ratio is less than 1.20x and (iii) a Specified Tenant Trigger Period (defined below).

A Trigger Period caused by clause (ii) will be cured if the borrower deposits with the lender cash or an evergreen letter of credit in an amount that (if applied to pay the balance of the Liberty Portfolio Whole Loan) would cause the Liberty Portfolio Whole Loan to have a debt service coverage ratio at least equal to 1.25x. Such reserve or letter of credit will be released to the borrower upon the Liberty

Liberty Portfolio

Portfolio Whole Loan having a debt service coverage ratio at or above 1.25x for two consecutive calendar quarters (not taking into account the foregoing reserve).

A “**Specified Tenant Trigger Period**” means a period commencing upon (i) any bankruptcy or similar insolvency of any Specified Tenant (defined below) or guarantor under any Specified Tenant lease (ii) any Specified Tenant failing to be in actual, physical possession of its space, failing to operate in its premises, and/or “going dark” (this Specified Tenant Trigger Period will not exist provided that the applicable Specified Tenant is an investment grade tenant under the Liberty Portfolio Whole Loan documents), (iii) any Specified Tenant giving written notice to the borrower that it is terminating its lease for all or any portion of its space (provided that (x) with respect to The Vanguard Group lease, if such termination notice is delivered more than 18 months prior to the applicable termination date set forth in such notice, no Specified Tenant Trigger Period will exist with respect to clause (iii) until the date that is 18 months prior to such termination date and (y) with respect to any Specified Tenant other than The Vanguard Group, if such termination notice is delivered more than 12 months prior to the applicable termination date, then no Specified Tenant Trigger Period will exist with respect to clause (iii) until the date that is 12 months prior to such termination date), (iv) any termination or cancellation of any Specified Tenant lease and/or any Specified Tenant lease failing to otherwise be in full force and effect, (v) any Specified Tenant or the guarantor under any Specified Tenant lease being in monetary default or material non-monetary default beyond applicable notice and cure periods, or (vi) Specified Tenant failing to extend or renew its lease on or prior to the applicable extension deadline in accordance with the Liberty Portfolio Whole Loan documents.

Solely with respect to a Specified Tenant Trigger Period with respect to Centene or The Vanguard Group, amongst other things, Specified Tenant Trigger period will be cured when (i) funds deposited in the specified tenant sweep reserve account equal the product of (x) \$30.00 multiplied by (y) the number of square feet applicable for the respective tenant and (ii) the debt service coverage ratio is greater than 1.25x.

A “**Specified Tenant**” means (i) Centene, (ii) The Vanguard Group, and (iii) any tenant whose lease, individually or when aggregated with all other leases at the Liberty Portfolio Properties, either (a) accounts for 25.0% or more of total rental income for the Liberty Portfolio Properties or (b) demises 25.0% or more of the Liberty Portfolio Properties’ gross leasable area.

Subordinate and Mezzanine Debt. None.

Partial Release. Not Permitted.

Excluded Tax Parcel. As of the closing date of the Liberty Portfolio Whole Loan, the 8501 East Raintree Drive Property was legally subdivided from, but still part of, a larger tax parcel with certain adjacent property (the “**Excluded Parcel**”). The borrower has represented that all conditions precedent to the consummation of the severance of the 8501 East Raintree Drive Property from the Excluded Parcel for real estate tax purposes such that the 8501 East Raintree Drive Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots (the “**Scottsdale Tax Parcelization**”) have been satisfied, except the ministerial creation by the Maricopa County Assessor’s Office of separate tax lots for the 8501 East Raintree Drive Property and the Excluded Parcel. The entity that sold the 8501 East Raintree Drive Property to borrower (the “**Liberty Seller**”) is required pursuant to the applicable purchase-and-sale agreement (the “**Liberty PSA**”) to pay to borrower all real estate taxes with respect to the Excluded Parcel not later than ten (10) business days prior to the due date thereof to the extent that such real estate taxes relate to the period prior to the consummation of the Scottsdale Tax Parcelization. The borrower will be required to escrow for real estate taxes with respect to the Excluded Parcel if (a) the Scottsdale Tax Parcelization has not occurred and (b) any of the following conditions are not satisfied: (i) no event of default under the Liberty Portfolio Whole Loan documents has occurred and is continuing, (ii) the borrower is diligently pursuing in a commercially reasonable good faith manner the Scottsdale Tax Parcelization, (iii) Liberty Seller is not in default of its obligation to pay to borrower real estate taxes with respect to the Excluded Parcel pursuant to the Liberty PSA, or (iv) the borrower has delivered evidence of the payment of taxes with respect to the Excluded Parcel at least five days prior to the due date of such taxes.