

Mortgage Loan No. 9 — Moffett Towers II - Building 2



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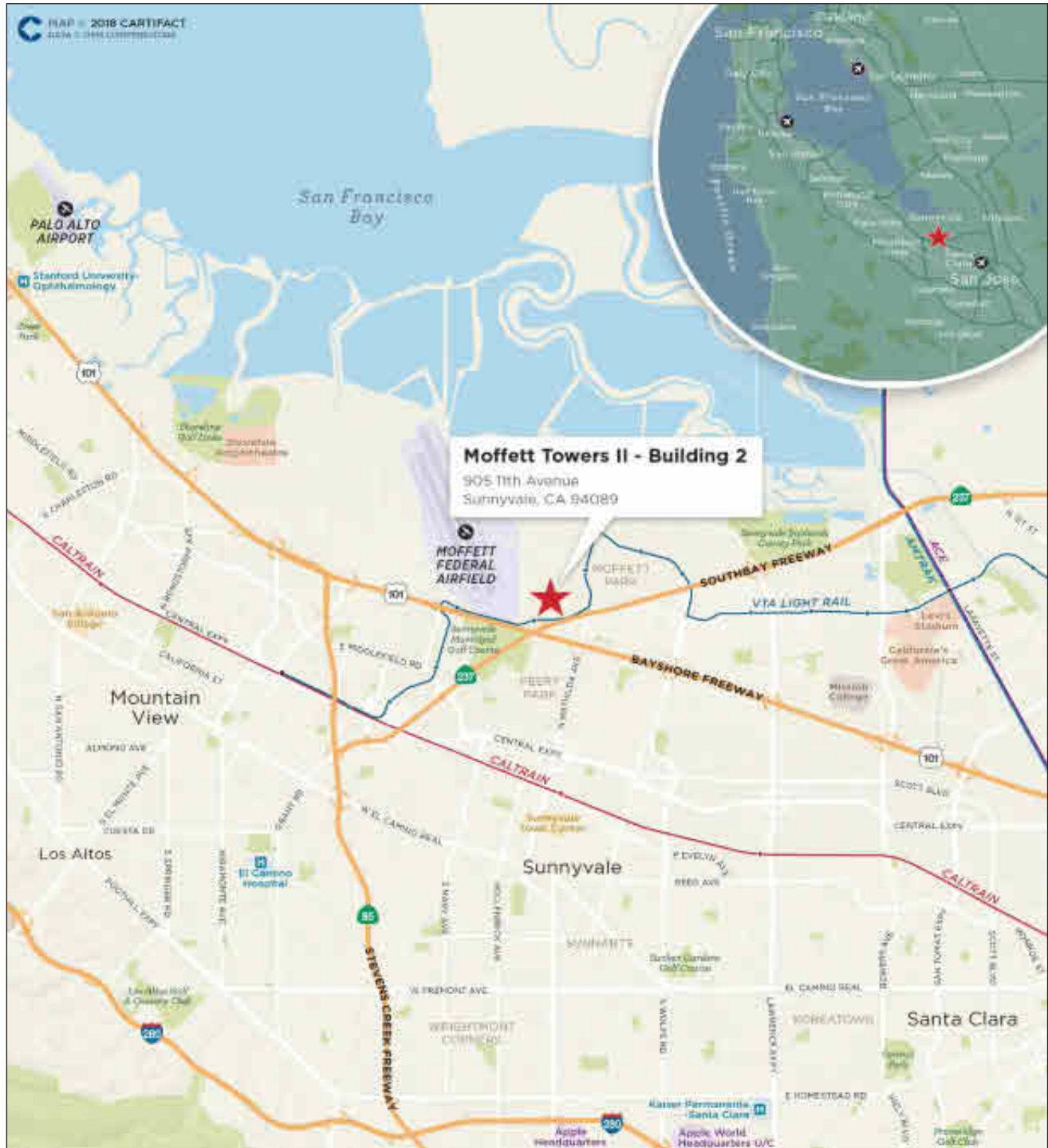


Rendering of Moffett Towers II Campus Upon Completion



** Site plan is for illustrative purposes and some information may differ from actual.*

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Mortgage Loan Information

Mortgage Loan Seller ⁽¹⁾ :	Barclays
Original Principal Balance ⁽¹⁾ :	\$29,750,000
Cut-off Date Principal Balance ⁽¹⁾ :	\$29,750,000
% of Pool by IPB:	3.1%
Loan Purpose:	Refinance
Borrower:	MT2 B2 LLC
Sponsor:	The Jay Paul Company
Interest Rate:	3.6189%
Note Date:	11/16/2017
Maturity Date:	12/6/2027
Interest-only Period:	60 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(28), Def(85), O(7)
Lockbox:	Hard
Additional Debt ⁽¹⁾ :	Yes
Additional Debt Balance ⁽¹⁾ :	\$240,250,000
Additional Debt Type ⁽¹⁾ :	<i>Pari Passu</i> , Mezzanine
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office – Suburban
Net Rentable Area (SF) ⁽²⁾ :	362,563
Location:	Sunnyvale, CA
Year Built / Renovated:	2017 / NAP
Occupancy:	100.0%
Occupancy Date:	12/6/2017
Number of Tenants:	1
2015 NOI ⁽³⁾ :	N/A
2016 NOI ⁽³⁾ :	N/A
2017 NOI ⁽³⁾ :	N/A
TTM NOI ⁽³⁾ :	N/A
UW Economic Occupancy ⁽⁴⁾ :	98.0%
UW Revenues:	\$22,525,092
UW Expenses:	\$2,840,101
UW NOI:	\$19,684,992
UW NCF:	\$18,805,659
Appraised Value / Per SF:	\$351,000,000 / \$968
Appraisal Date:	10/18/2017

Escrows and Reserves⁽⁵⁾

	Initial	Monthly	Initial Cap
Taxes:	\$0	\$111,859	N/A
Insurance:	\$0	Springing	N/A
Rent Concessions:	\$8,332,337	Springing	N/A
TI/LC:	\$19,433,495	Springing	⁽⁶⁾
Debt Service:	\$1,000,000	Springing	N/A
Parking Abatement:	\$2,700,000	Springing	N/A
Amenities Rent:	\$286,310	Springing	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / SF:	\$455
Maturity Date Loan / SF:	\$410
Cut-off Date LTV:	47.0%
Maturity Date LTV:	42.4%
UW NOI DSCR:	2.18x
UW NCF DSCR:	2.08x
UW NOI Debt Yield:	11.9%
UW NCF Debt Yield:	11.4%

Sources and Uses

Sources	Proceeds	% of Total
Whole Loan	\$165,000,000	61.1%
Mezzanine Loan	105,000,000	38.9
Total Sources	\$270,000,000	100.0%

Uses	Proceeds	% of Total
Loan Payoff	\$207,408,056	76.8%
Upfront Reserves	31,752,142	11.8
Return of Equity	20,183,519	7.5
Closing Costs	10,656,282	3.9
Total Uses	\$270,000,000	100.0%

(1) The Moffett Towers II - Building 2 loan was co-originated by Barclays and Morgan Stanley Bank, N.A. The Moffett Towers II - Building 2 loan is part of a larger split whole loan evidenced by four *pari passu* promissory notes with an aggregate Cut-off Date balance of \$165.0 million (collectively, the "Moffett Towers II - Building 2 Whole Loan"). The Moffett Towers II - Building 2 Whole Loan is accompanied by a mezzanine loan with an original principal balance of \$105.0 million (together with the Moffett Towers II - Build 2 Whole Loan, the "Moffett Towers II - Building 2 Total Debt"). The financial information presented in the chart above and herein is based on the Cut-off Date balance of the Moffett Towers II - Building 2 Whole Loan.

(2) Net rentable area of 362,563 SF is comprised of 350,633 SF of office space in the Moffett Towers II - Building 2 Property (as defined below) along with

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11,930 SF of space allocated to the Moffett Towers II - Building 2 Property in a 59,650 SF fitness/amenities building, based on a specified to-be 20.0% share in the common elements of the Moffett Towers II Campus (as defined below). See "*Amenities and Common Areas*" below.

- (3) Historical financials are not available due to the property being built in 2017.
- (4) Underwritten economic occupancy at the property is 98.0%. The property was 100.0% leased and 100.0% physically occupied as of December 6, 2017.
- (5) Certain springing Escrows and Reserves are required on a one-time basis. For a more detailed description of escrows and reserves, please refer to "*Escrows and Reserves*" below.

The Loan. The Moffett Towers II - Building 2 loan, which is part of a larger split whole loan, is secured by a first mortgage lien on a Class A office building fully leased to a wholly-owned subsidiary of Amazon.com, Inc. ("Amazon") located in Sunnyvale, California (the "Moffett Towers II - Building 2 Property"). The loan has a 10-year term and is interest-only for the first 60 payments, after which payments of interest and principal will be based on a 30-year amortization schedule.

The Moffett Towers II - Building 2 Whole Loan has an aggregate Cut-off Date balance of \$165.0 million, evidenced by four *pari passu* notes identified as Note A-1, Note A-2, Note A-3 and Note A-4. Note A-2 is being contributed to the CSAIL 2018-CX11 Commercial Mortgage Trust. The Moffett Towers II - Building 2 Whole Loan is expected to be serviced pursuant to the WFCM 2018-C43 pooling and servicing agreement. As the holder of Note A-1 (the "Controlling Noteholder"), the trustee of the WFCM 2018-C43 Commercial Mortgage Trust (or, prior to the occurrence and continuance of a control termination event under the WFCM 2018-C43 pooling and servicing agreement, the WFCM 2018-C43 directing certificateholder) is expected to be entitled to exercise all of the rights of the Controlling Noteholder with respect to the Moffett Towers II - Building 2 Whole Loan; however, the holder of Note A-2, Note A-3, and Note A-4 are entitled, under certain circumstances, to consult with respect to certain major decisions.

Whole Loan Note Summary

	Original Balance	Cut-off Date Balance	Note Holder	Lead Servicer for Whole Loan (Y/N)	Controlling Piece (Y/N)
Note A-1	\$54,000,000	\$54,000,000	WFCM 2018-C43	Y	Y
Note A-2	29,750,000	29,750,000	CSAIL 2018-CX11	N	N
Note A-3	40,000,000	40,000,000	WFCM 2017-C42	N	N
Note A-4	41,250,000	41,250,000	BANK 2018-BNK10	N	N
Total	\$165,000,000	\$165,000,000			

The Borrower. The borrowing entity for the loan is MT2 B2 LLC, a Delaware limited liability company and a special purpose entity with two independent directors (the "Moffett Towers II - Building 2 Borrower").

The Sponsor. The loan's sponsor is the Jay Paul Company, a privately held, opportunity-driven real estate firm based in San Francisco, California. Founded in 1975, Jay Paul Company concentrates on the acquisition, development, and management of commercial properties throughout California. Jay Paul Company has developed over 11.0 million SF of institutional quality space. Jay Paul Company's portfolio includes other properties in Moffett Park, including Moffett Gateway, Moffett Towers and Moffett Towers II. Jay Paul Company is currently redeveloping over 55 acres in Moffett Park, including Moffett Place, a new, Class A office development, which is expected to contain approximately 1.9 million SF of net rentable space in six, eight-story buildings. Paul Guarantor LLC, a Delaware limited liability company, (the "Moffett Towers II - Building 2 Guarantor") is the guarantor of certain nonrecourse carveouts under the Moffett Towers II - Building 2 Whole Loan. Paul Guarantor LLC is wholly owned by the Jay Paul Revocable Living Trust, of which Jay Paul is trustee and grantor. The Moffett Towers II - Building 2 Guarantor will be required to maintain a minimum net worth, excluding its interest in the Moffett Towers II - Building 2 Property, of at least \$225,000,000 and liquidity of at least \$10,000,000.

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The Property. The property is a newly-constructed, eight-story, Class A office building totaling 350,633 SF in Sunnyvale, California. As of December 6, 2017, the Moffett Towers II – Building 2 Property was 100.0% leased to a wholly-owned subsidiary of Amazon on a triple-net basis through April 2028, with two, seven-year extension options and no early termination options. Amazon serves as guarantor of the lease and, as of the origination date, has taken possession of the Moffett Towers II - Building 2 Property and commenced the build out of its space. Outstanding rent concessions and tenant improvement allowances related to the Amazon lease were deposited into escrow by the Moffett Towers II Building 2 Borrower on the origination date (See “*Escrows and Reserves*” below).

The Moffett Towers II - Building 2 Property comprises a portion of the first phase (“Phase I”) of the planned approximately 1.8 million SF, five-building Moffett Towers II office campus (the “Moffett Towers II Campus”) located on 47 acres in Sunnyvale, California. Phase I of the Moffett Towers II Campus development includes the Moffett Towers II - Building 2 Property and an adjacent surface parking lot (completed in 2017) as well as the 350,633 SF Moffett Towers II - Building 1 (April 2018 expected completion), an enclosed parking structure (April 2018 expected completion) and a 59,650 SF fitness/amenities building (July 2018 expected completion). The Moffett Towers II - Building 2 Property will feature access to the fitness/amenities building and the enclosed parking structure once completed pursuant to a declaration of covenants, conditions, restrictions and easement and charges agreement (see “*Amenities and Common Areas*” below). Inclusive of the future enclosed parking structure (of which 361 spaces are dedicated to Amazon pursuant to its lease) and the completed surface parking lot (of which 707 spaces are dedicated to Amazon pursuant to its lease), the Moffett Towers II - Building 2 Property has a parking ratio of 3.3 spaces per 1,000 SF. On the origination date, the Moffett Towers II - Building 2 Guarantor executed a separate guaranty for the completion and delivery of the fitness/amenities building and the enclosed parking structure (see “*Completion Guaranty*” below). Additionally, the Moffett Towers II - Building 2 Whole Loan documents require upfront and springing reserves related to the completion and delivery of the fitness/amenities building and the enclosed parking structure (see “*Escrows and Reserves*” below). Subsequent phases of the Moffett Towers II Campus development are expected to include the construction of three additional 350,633 SF Class A office buildings as well as two separate enclosed parking structures.

Amazon (NASDAQ: AMZN) is an American e-commerce company headquartered in Seattle, Washington. Founded in 1994, Amazon is now one of the largest online retailers in the world selling a wide range of products, services and entertainment to consumers. Amazon has reported that it increased net income from an approximately \$241.0 million loss in 2014 to an approximately \$2.4 billion profit in 2016, with total net sales of approximately \$136.0 billion in 2016. Most recently, net sales increased to \$43.7 billion in the third quarter of 2017, up approximately 34.0% from one year earlier. Amazon employed approximately 341,400 employees as of December 31, 2016.

The Moffett Towers II - Building 2 Property is expected to house Amazon's Lab126, a research and development subsidiary that designs and engineers high-profile consumer electronics. Lab126 began in 2004, originally creating the Kindle family of products and has since produced numerous devices such as Amazon's Fire tablets, Fire TV and Amazon Echo. Lab126 is headquartered in the nearby Moffett Towers I property, which is located approximately 0.5 miles from the Moffett Towers II - Building 2 Property.

The Market. The property is located in Moffett Park, in the northern portion of the Sunnyvale submarket within Silicon Valley. Moffett Park is a 519-acre area comprised of recently-developed office spaces and research and development buildings. Notable high technology firms currently in Moffett Park include Google Inc., Hewlett Packard, Juniper Networks, Lab 126 (an Amazon subsidiary), Lockheed-Martin, Microsoft, Motorola, NetApp and Rambus. The Moffett Towers II - Building 2 Property is just north of State Highway 237, which forms the southern border of the Moffett Park area and provides access from Interstate 680 and Interstate 280 to the northeast and U.S. Highway 101 in Sunnyvale to the southwest. U.S. Highway 101 runs northward through San Francisco and southward through San Jose, terminating in the city of Los Angeles. The Santa Clara County Transit System provides bus service county-wide with stops near the Moffett Towers II - Building 2 Property. In addition, a Santa Clara Light Rail System station is located directly across the street from the Moffett Towers II - Building 2 Property and services the surrounding residential communities.

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According to the appraisal, overall vacancy in Silicon Valley and the Sunnyvale submarket was 11.1% and 2.4%, respectively, as of the second quarter of 2017. In the first half of 2017, 315,272 SF of office space was delivered to the Sunnyvale submarket, with 426,404 SF of absorption. According to the appraisal, as of the second quarter of 2017, new supply under construction in Silicon Valley stood at approximately 2.8 million SF, which consisted of approximately 660,000 SF of build-to-suit construction and 2.1 million SF of speculative construction. As of the second quarter of 2017, the total office average asking rent for the Sunnyvale submarket was \$52.20 PSF (fully-serviced), which is in-line with the Silicon Valley total office average asking rent of \$53.40 PSF (fully-serviced). Within the Sunnyvale submarket, the average asking rent for Class A office properties is \$58.20 PSF (fully-serviced).

Competitive Set Summary⁽¹⁾

Property	Year Built	Class	Stories	Total NRA (SF)	Est. Rent PSF	Lease Area (SF)	Lease Date/Term	Tenant Name
Moffett Towers II - Building 2 Sunnyvale, CA	2017	A	8	362,563⁽²⁾	\$55.81⁽²⁾	362,563⁽²⁾	Nov. 2017 / 10 Yrs	Amazon
Towers at Great America Santa Clara, CA	2002	A	6	374,214	\$42.00	55,393	May 2017 / 1 Yr	Macom Connectivity
Santa Clara Square Ph. II Bldg. 4 Santa Clara, CA	2016	A	6	220,156	\$42.60	220,156	Aug. 2016 / 10 Yrs	AMD
Moffett Gateway Sunnyvale, CA	2016	A	7	612,796	\$44.40	612,796	July 2016 / 11 Yrs	Google, Inc.
Santa Clara Square Ph. II Bldg. 5 Santa Clara, CA	2016	A	6	220,156	\$43.80	74,376	May 2016 / 7 Yrs	Cambridge Industries
Central & Wolfe Campus Sunnyvale, CA	2018	A	4	871,214	\$40.08	871,214	Sep. 2015 / 13 Yrs	Apple, Inc.
599 Castro Mountain View, CA	2017	A	4	94,918	\$90.00	45,000	Aug. 2017 / 7 Yrs	Pure Storage

(1) Source: Appraisal.

(2) Based on underwritten rent roll. Moffett Towers II – Building 2 Est. Rent PSF includes \$2,830,405 of straight-line rent through the maturity date of the Moffett Towers II - Building 2 Whole Loan.

Historical and Current Occupancy

2014 ⁽¹⁾	2015 ⁽¹⁾	2016 ⁽¹⁾	Current ⁽²⁾
N/A	N/A	N/A	100.0%

(1) Historical occupancies are not available due to the property being built in 2017.

(2) Based on the underwritten rent roll.

Tenant Summary

Tenant	Ratings Moody's/S&P/Fitch ⁽¹⁾	Net Rentable Area (SF) ⁽²⁾	% of Total NRA ⁽²⁾	UW Rent PSF ⁽³⁾⁽⁴⁾⁽⁵⁾	Lease Expiration Date
Amazon	Baa1 / AA- / NR	362,563	100.0%	\$55.81	4/30/2028 ⁽⁶⁾

(1) Ratings are those of the parent company whether or not the parent company guarantees the lease.

(2) Net Rentable Area (SF) of 362,563 SF is comprised of 350,633 SF of office space in the Moffett Towers II - Building 2 Property along with 11,930 SF of space allocated to the Moffett Towers II - Building 2 Property in a 59,650 SF fitness/amenities building, based on a specified to-be 20.0% share in the common elements of the Moffett Towers II Campus. See "Amenities and Common Areas" below.

(3) UW Base Rent PSF includes \$2,830,405 of straight-line rent through the maturity date of the Moffett Towers II - Building 2 Whole Loan.

(4) Amazon has five months of free rent and eight months of waived fitness/amenities use fees remaining, all of which were deposited into escrow on the origination date. The Moffett Towers II - Building 2 Borrower also deposited \$286,310 into escrow on the origination date for an amenities rent reserve, which represents six months of use fees due for the fitness/amenities building commencing on the targeted completion and delivery date (July 31, 2018) of such fitness/amenities building to Amazon in accordance with the Amazon lease (see "Escrows and Reserves" below).

(5) Amazon is entitled to base rent abatement in the amount of \$15,000 per day for each day elapsing beyond the targeted completion and delivery date (April 15, 2018) of the 361-spaces allocated to Amazon within the enclosed parking structure in accordance with the Amazon lease. An amount equal to 180 days of base rent abatements (\$2,700,000) was deposited into escrow on the origination date (see "Escrows and Reserves" below).

(6) Amazon has two, seven-year lease renewal options.

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Operating History and Underwritten Net Cash Flow

	2014 ⁽¹⁾	2015 ⁽¹⁾	2016 ⁽¹⁾	2017 ⁽¹⁾	Underwritten	PSF	% ⁽²⁾
Rents in Place ⁽³⁾	N/A	N/A	N/A	N/A	\$20,233,410	\$55.81	88.0%
Vacant Income	N/A	N/A	N/A	N/A	0	\$0.00	0.0%
Gross Potential Rent	N/A	N/A	N/A	N/A	\$20,233,410	\$55.81	88.0%
Total Reimbursements	N/A	N/A	N/A	N/A	2,751,378	\$7.59	12.0%
Net Rental Income	N/A	N/A	N/A	N/A	\$22,984,788	\$63.40	100.0%
(Vacancy/Collection Loss)	N/A	N/A	N/A	N/A	(459,696)	(\$1.27)	(2.0)%
Other Income	N/A	N/A	N/A	N/A	0	\$0.00	0.0%
Effective Gross Income	N/A	N/A	N/A	N/A	\$22,525,092	\$62.13	98.0%
Total Expenses	N/A	N/A	N/A	N/A	2,840,101	\$7.83	12.6%
Net Operating Income	N/A	N/A	N/A	N/A	\$19,684,992	\$54.29	87.4%
Total TI/LC, Capex/RR	N/A	N/A	N/A	N/A	879,332	\$2.43	3.9%
Net Cash Flow	N/A	N/A	N/A	N/A	\$18,805,659	\$51.87	83.5%

(1) Historical financials are not available due to the property being built in 2017.

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

(3) Rent in Place includes base rent and \$2,830,405 of straight-line rent through the maturity date of the Moffett Towers II – Building 2 Whole Loan.

Property Management. The property is managed by Paul Holdings, Inc. d/b/a Jay Paul Company, an affiliate of the sponsor.

Escrows and Reserves. At origination, the Moffett Towers II - Building 2 Borrower deposited into escrow \$19,433,495 for outstanding tenant improvements relating to the Amazon space and \$8,332,337 for outstanding rent concessions due under the Amazon lease.

Additionally, at origination the Moffett Towers II - Building 2 Borrower deposited into escrow \$2,700,000 for a parking rent abatement reserve and \$286,310 for an amenities rent reserve related to the completion and delivery of the enclosed parking structure and the fitness/amenities building, respectively, which amounts were deposited into a lender-controlled account (the "Parking and Amenities Building Account"). The parking rent abatement reserve represents 180 days of base rent abatements (\$15,000 per day) due to Amazon for each day elapsing beyond the targeted completion and delivery date (April 15, 2018) of the 361 spaces allocated to Amazon within the enclosed parking structure, in accordance with the Amazon lease. The amenities rent reserve represents six months of use fees due for the fitness/amenities building, pursuant to the Amazon lease, commencing on the targeted completion and delivery date (July 31, 2018) of such fitness/amenities building to Amazon in accordance with the Amazon lease (use fees that would be due for the fitness/amenities building following the origination date through July 31, 2018 are included in the \$8,332,337 upfront reserve for outstanding rent concessions due under the Amazon lease). If the terms of the Required Parking Spaces Satisfaction (as defined below) have not been satisfied on or prior to September 15, 2018, the Moffett Towers II - Building 2 Borrower will be required to deposit an additional \$2,700,000 into the Parking and Amenities Building Account. If the terms of the Amenities Building Satisfaction (as defined below) have not been satisfied on or prior to January 31, 2019, the Moffett Towers II - Building 2 Borrower will be required to deposit an additional \$286,310.40 (the "Additional Amenities Rent Amount") into the Parking and Amenities Building Account. Amounts on deposit in the Parking and Amenities Building Account will be held by the lender as additional collateral for the Moffett Towers II - Building 2 Whole Loan. Provided no event of default under the Moffett Towers II - Building 2 Whole Loan is continuing, the amounts deposited into the Parking and Amenities Building Account will be released to the Moffett Towers II - Building 2 Borrower upon the occurrence of the related Required Parking Spaces Satisfaction or Amenities Building Satisfaction, as applicable.

A "Required Parking Spaces Satisfaction" will occur on the date that (i) the Moffett Towers II - Building 2 Borrower delivers evidence reasonably acceptable to the lender that the Moffett Towers II - Building 2 Borrower has delivered 361 additional spaces to Amazon pursuant to its lease and (ii) Amazon has delivered written confirmation that (a) the Moffett Towers II - Building 2 Borrower has delivered 361 additional spaces to Amazon pursuant to its lease and (b) Amazon is no longer entitled to base rent abatement related to the delivery of the enclosed parking structure pursuant to its lease.

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An “Amenities Building Satisfaction” will occur on the date that (i) the Moffett Towers II - Building 2 Borrower delivers evidence reasonably acceptable to the lender that the amenities building has been completed in conformance with all applicable requirements and (ii) Amazon has delivered written confirmation that the amenities building is useable and has commenced the payment of the use fees applicable to the amenities building pursuant to the Amazon lease.

Additionally, at origination the borrower deposited into escrow \$1,000,000 for a debt service reserve which amount was deposited into a lender-controlled account (the “Debt Service Reserve Account”). If the Required Parking Spaces Satisfaction has not occurred on or prior to September 15, 2018, the Moffett Towers II - Building 2 Borrower will be required to deposit an additional \$1,000,000 into the Debt Service Reserve Account. Provided no event of default under the Moffett Towers II - Building 2 Whole Loan is continuing, amounts remaining in the Debt Service Reserve Account will be released to the Moffett Towers II - Building 2 Borrower upon the occurrence of the Required Parking Spaces Satisfaction.

Tax & Insurance Reserves – The borrowers are required to escrow monthly deposits of 1/12th of the taxes that the lender estimates will be payable over the then-succeeding 12-month period (initially estimated to be \$111,859) and 1/12th of the amount that the lender estimates will be necessary to pay insurance premiums over the then-succeeding 12-month period, provided that insurance is not covered under an acceptable blanket policy.

Replacement Reserves – The Moffett Towers II - Building 2 Whole Loan documents do not provide for monthly reserve deposits for capital expenditures at origination, but provide for the lender to reassess the amount necessary for capital expenditures at the Moffett Towers II - Building 2 Property and may require monthly capital expenditures reserve deposits if necessary to maintain proper operation of the Moffett Towers II - Building 2 Property.

Lockbox / Cash Management. The Moffett Towers II - Building 2 Whole Loan is structured with a hard lockbox and in-place cash management. The Moffett Towers II - Building 2 Borrower was required at origination to deliver letters to all tenants at the Moffett Towers II - Building 2 Property directing them to pay all rents directly into a lender-controlled lockbox account. All funds received by the Moffett Towers II - Building 2 Borrower or the manager are required to be deposited in the lockbox account within one business day following receipt. Funds on deposit in the lockbox account are required to be swept on each business day into a lender-controlled cash management account and applied on each payment date to the payment of debt service, the funding of required reserves, budgeted monthly operating expenses, common charges under various reciprocal easement agreements, including the CCR (as defined below), approved extraordinary operating expenses, debt service on the Moffett Towers II - Building 2 Mezzanine Loan (as defined below) and, during a Lease Sweep Period (as defined below), to the payment of an amount equal to \$438,291 to fund a lease sweep reserve account (the “Lease Sweep Reserve Account”) until the aggregate funds swept in the Lease Sweep Reserve Account during such lease sweep equals the Lease Sweep Reserve Threshold (as defined below) and then to the Debt Service Reserve Account until the aggregate funds transferred to the Lease Sweep Reserve Account and the Debt Service Reserve Account during such lease sweep equals the Lease Sweep and Debt Service Reserve Cap (as defined below). Provided no Trigger Period (as defined below) is continuing, excess cash in the deposit account will be disbursed to the Moffett Towers II - Building 2 Borrower in accordance with the Moffett Towers II - Building 2 Whole Loan documents. If a Trigger Period is continuing (other than a Trigger Period due to a Lease Sweep Period), excess cash in the deposit account will be transferred to an account (the “Cash Collateral Account”) held by the lender as additional collateral for the Moffett Towers II - Building 2 Whole Loan.

A “Trigger Period” will commence upon the earlier of the following:

- (i) an event of default under the Moffett Towers II - Building 2 Whole Loan;
- (ii) if, as of the last day of any calendar quarter during the term of the Moffett Towers II - Building 2 Whole Loan (a) the credit rating of a Lease Sweep Tenant Party (as defined below) under a Lease Sweep Lease (as defined below) by Fitch, Moody’s or S&P is less than “BBB-”, “Baa3” or “BBB-”, respectively and (b) the debt service coverage ratio falls below 1.50x based on the Moffett Towers II - Building 2 Whole Loan or 1.10x based on the Moffett Towers II - Building 2 Total Debt (a “Low Debt Service Period”);
- (iii) the commencement of a Lease Sweep Period; or
- (iv) an event of default under the Moffett Towers II - Building 2 Mezzanine Loan (as defined below).

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A Trigger Period will end:

- (a) with regard to clause (i) and (iv) above, upon the cure of such event of default;
- (b) with regard to clause (ii) above, upon the earlier to occur of (1) the date that the debt service coverage ratio is at least 1.50x based on the Moffett Towers II - Building 2 Whole Loan and 1.10x based on the Moffett Towers II - Building 2 Total Debt for two consecutive calendar quarters and (2) the balance of funds on deposit in the Cash Collateral Account is equal to \$17,531,650 (\$50.00 PSF); and
- (c) with regard to clause (iii) above, upon the ending of such Lease Sweep Period.

A “Lease Sweep Period” will commence following the earliest to occur of any of the following (each a “Lease Sweep Event”):

- (i) with respect to the Amazon lease, Amazon fails to renew or extend such lease on or prior to December 6, 2025;
- (ii) the date on which, with respect to any Lease Sweep Lease, (a) a Lease Sweep Tenant Party cancels or terminates its Lease Sweep Lease with respect to all or a Material Termination Portion (as defined below) of the Lease Sweep Space (as defined below) subject to such Lease Sweep Lease prior to the then current expiration date under such Lease Sweep Lease, or (b) a Lease Sweep Tenant Party delivers to the Moffett Towers II - Building 2 Borrower notice that it is canceling or terminating its Lease Sweep Lease with respect to all or a Material Termination Portion of the Lease Sweep Space subject to such Lease Sweep Lease (the affected space being the “Terminated Space”); provided, however, no Lease Sweep Period will commence pursuant to this clause (ii) if, in connection with such termination or cancellation (or delivery of notice of termination or cancellation), the Moffett Towers II - Building 2 Borrower simultaneously enters into a replacement lease with an entity or a wholly-owned subsidiary of an entity rated BBB- or equivalent by at least two of Fitch, Moody’s and S&P (an “Investment Grade Entity”) covering the Terminated Space, provided that such replacement lease is a qualified lease and the occupancy conditions (as specified in the Moffett Towers II - Building 2 Whole Loan documents) are satisfied with respect to such replacement lease on or prior to the date of such termination or cancellation (or delivery of notice of termination or cancellation);
- (iii) the date on which, with respect to any Lease Sweep Lease, a Lease Sweep Tenant Party ceases operating its business (i.e., “goes dark”) at 20.0% or more of its Lease Sweep Space on a rentable SF basis (a “Dark Period Event” and the affected space, the “Dark Space”), provided, however, that if the Lease Sweep Tenant Party either (a) is an Investment Grade Entity or (b) has subleased the Dark Space portion of its premises to an Investment Grade Entity who has accepted delivery thereof (i.e., the lease has commenced) and is paying unabated rent at a contract rate no less than the contract rate required under the Lease Sweep Lease, such Lease Sweep Tenant Party will not be deemed to have “gone dark” for purposes of this clause (iii) and no Lease Sweep Period will commence pursuant to this clause (iii);
- (iv) upon an event of default under a Lease Sweep Lease by the tenant thereunder that continues beyond any applicable notice and cure period;
- (v) upon a Lease Sweep Tenant Party being subject to an insolvency proceeding; or
- (vi) the date on which Amazon is no longer an Investment Grade Entity (an “Amazon Downgrade Event”).

A Lease Sweep Period (other than a Lease Sweep Period triggered by clause (v) above) will not be triggered (or, if already triggered, may be terminated) if the Moffett Towers II - Building 2 Borrower delivers to the lender an acceptable letter of credit in an amount equal to \$12,272,155 (\$35.00 PSF); provided, if such Lease Sweep Period is triggered by clause (iii) or (vi) above, such acceptable letter of credit must be in an amount equal to \$17,531,650 (\$50.00 PSF).

A Lease Sweep Period will end on the earliest of the following to occur, as applicable:

- (a) with regard to clauses (i) and (ii) above, the date on which, with respect to each Lease Sweep Space (1) in the case of clause (i), the Lease Sweep Tenant Parties have exercised a renewal or an extension right under their respective Lease Sweep Lease, provided that the Lease Sweep Lease in question is a qualified lease and the occupancy conditions (as specified in the Moffett Towers II - Building 2 Whole Loan documents) are satisfied, (2) in the case of clauses (i) and (ii) above, one or more replacement tenants acceptable to the lender (in its sole but good faith

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- discretion) execute and deliver replacement lease(s) covering the Requisite Lease Sweep Space (as defined below), provided that such replacement lease(s) are qualified leases and the occupancy conditions, as specified in the Moffett Towers II - Building 2 Whole Loan documents, are satisfied or (3) a combination of lease renewals or extensions (as described in subclause (1) of this clause (a)) and replacement lease(s) (as described in subclause (2) of this clause (a)) occurs;
- (b) with regard to clauses (iii) and (vi) above, the date on which either (1) one or more replacement tenants acceptable to the lender (in its sole but good faith discretion) execute and deliver replacement lease(s) covering the Requisite Lease Sweep Space, provided that such replacement tenant(s) and lease(s) are qualified leases and the occupancy conditions (as specified in the Moffett Towers II - Building 2 Whole Loan documents) are satisfied or (2) for a Dark Period Event or an Amazon Downgrade Event, Amazon is restored as an Investment Grade Entity or the entirety of the Lease Sweep Space has been sublet to an Investment Grade Entity who has accepted delivery thereof (i.e., the lease has commenced) and is paying unabated rent at a contract rate no less than the contract rate required under the Lease Sweep Lease;
 - (c) with regard to clause (iv) above, the date on which the event of default has been cured and no other event of default under such Lease Sweep Lease occurs for a period of three consecutive months following such cure;
 - (d) with regard to clause (v) above, the Lease Sweep Tenant Party insolvency proceeding has terminated and the applicable Lease Sweep Lease has been affirmed, assumed or assigned in a manner satisfactory to the lender; and
 - (e) with regard to clauses (i), (ii), (iii), (iv) and (vi) above, the date on which the aggregate amount of funds transferred into the Lease Sweep Reserve Account and the Debt Service Reserve Account equals the applicable Lease Sweep And Debt Reserve Cap (as defined below) and if a Lease Sweep Period is continuing due to the occurrence of more than one Lease Sweep Event, the aggregate amount of funds required to be transferred over the course of the Lease Sweep Period will be equal to the amount of the largest Lease Sweep and Debt Service Reserve Cap applicable to all then-continuing Lease Sweep Periods, such that each Lease Sweep Period will be treated as concurrent and not duplicative or independent of another.

The "Lease Sweep and Debt Service Reserve Cap" means (a) with respect to a Lease Sweep Period continuing solely pursuant to clause (i) and/or (iv) above, \$12,272,155 (\$35.00 PSF), (b) with respect to a Lease Sweep Period continuing solely pursuant to clause (ii) above, \$35.00 PSF of the Terminated Space, (c) with respect to a Lease Sweep Period continuing pursuant to clause (iii) above, whether or not a Lease Sweep Period pursuant to clauses (i), (ii) and/or (iv) above is concurrently continuing, \$50.00 PSF of Dark Space or (d) with respect to clause (vi) above, whether or not a Lease Sweep Period pursuant to clauses (i), (ii), (iii) and/or (iv) above is concurrently continuing, \$17,531,650 (\$50.00 PSF).

The "Lease Sweep Reserve Threshold" means (a) with respect to a Lease Sweep Period continuing solely pursuant to clauses (i), (iv) and/or (vi) above, \$10,518,990 (\$30.00 PSF) or (b) with respect to a Lease Sweep Period continuing solely pursuant to clause (ii) and/or (iii) above, \$30.00 PSF of the Dark Space or Terminated Space.

The "Lease Sweep Space" means the space demised under a Lease Sweep Lease.

A "Lease Sweep Lease" is the Amazon lease or any replacement lease or leases which cover at least 75.0% of the rentable SF demised under the Amazon lease as of November 16, 2017 (the "Requisite Lease Sweep Space").

A "Lease Sweep Tenant Party" is a tenant under a Lease Sweep Lease or its direct or indirect parent company (if any).

A "Material Termination Portion" is, with respect to any space under a Lease Sweep Lease, if the tenant under a Lease Sweep Lease cancels or terminates its Lease Sweep Lease with respect to at least 40,000 SF of space (or, if a full floor of space is less than 40,000 SF, a full floor of space) but less than the entirety of the space under such Lease Sweep Lease, the portion of space under the Lease Sweep Lease affected by such cancellation or termination.

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Amenities and Common Areas. The Moffett Towers II - Building 2 Property will feature access to the fitness/amenities building and the enclosed parking structure (the “Common Area Spaces”) once completed. To govern access to the Common Area Spaces, the Moffett Towers II - Building 2 Borrower is subject to a declaration of covenants, conditions, restrictions and easement and charges agreement (the “CCR”) made by MT II LLC, an affiliate of the sponsor and the owner of the non-collateral buildings at the Moffett Towers II Campus. The CCR grants the Moffett Towers II - Building 2 Borrower non-exclusive easement rights over the Common Area Spaces and contemplates that the Common Area Spaces that it governs will be expanded over time as the remaining portions of the Moffett Towers II Campus are completed. Ownership of the Common Area Spaces governed by the CCR is held by Moffett Towers II Association LLC (the “Association”), whose membership is comprised of the Moffett Towers II - Building 2 Borrower and MT II LLC. The Association is obligated to maintain insurance coverage over the Common Area Spaces and is also responsible for maintenance of the Common Area Spaces, subject to the terms of the Amazon leases. The CCR delineates shares of the voting interest in the Association based on the number of completed buildings at the Moffett Towers II Campus, with each completed building entitled to a proportionate share of the voting interest. As of the origination date, the Moffett Towers II - Building 2 Borrower was the sole voting member of the Association. The CCR provides that as each of the four non-collateral buildings at the Moffett Towers II Campus is completed, the respective owner of each non-collateral building will obtain a share of the voting interest in the Association proportionate to the number of then-completed buildings at the Moffett Towers II Campus (both collateral and non-collateral). Provided that all five buildings are completed in accordance with the Moffett Towers II Campus development plan, each building will be entitled to a one-fifth (or 20.0%) share of the voting interest in the Association.

Completion Guaranty. On the origination date, the Moffett Towers II - Building 2 Guarantor executed a separate guaranty for the completion and delivery of the fitness/amenities building and the enclosed parking structure. Among other things, the completion guaranty provides that in the event that neither the Moffett Towers II - Building 2 Borrower nor MT II LLC (an affiliate of the sponsor and the owner of the non-collateral buildings at the Moffett Towers II Campus) is able to complete and deliver the fitness/amenities building and the enclosed parking structure (or otherwise achieve the Required Parking Spaces Satisfaction) on or prior to the one year anniversary of the respective targeted completion date of each (i.e., April 15, 2019 in the case of the enclosed parking structure or Required Parking Spaces Satisfaction and July 31, 2019 in the case of the fitness/amenities building), the Moffett Towers II - Building 2 Guarantor is required to pay any costs, expenses or liabilities incurred by the lender to effectuate the completion and delivery of such fitness/amenities building and enclosed parking structure (or otherwise achieve the Required Parking Spaces Satisfaction).

Additional Debt. Barclays Bank PLC funded a \$105,000,000 mezzanine loan (the “Moffett Towers II - Building 2 Mezzanine Loan”) to MT2 B2 MEZZ LLC (the “Moffett Towers II - Building 2 Mezzanine Borrower”), a Delaware limited liability company owning 100.0% of the borrower under the Moffett Towers II - Building 2 Whole Loan. The Moffett Towers II - Building 2 Mezzanine Loan is secured by a pledge of the Moffett Towers II - Building 2 Mezzanine Borrower's interest in the Moffett Towers II - Building 2 Borrower under the Moffett Towers II - Building 2 Whole Loan. The Moffett Towers II - Building 2 Mezzanine Loan accrues interest at a rate of 5.900% per annum and requires interest-only payments through the maturity date of December 6, 2027. The rights of the lender of the Moffett Towers II - Building 2 Mezzanine Loan are further described under “*Description of the Mortgage Pool—Additional Indebtedness—Mezzanine Indebtedness*” in the Prospectus.