Gateway Plaza at Meridian

Mortgage Loan Information

Mortgage Loan Seller:	Barclays
Original Principal Balance:	$17,050,000
Cut-off Date Principal Balance:	$17,050,000
% of IPB:	2.0%
Loan Purpose:	Acquisition
Borrower:	Denver Meridian Gateway Equities LLC
Sponsors:	William Felton and Matthew J. Felton
Interest Rate:	4.87300%
Note Date:	12/21/2016
Maturity Date:	1/6/2027
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization Term:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox / Cash Management:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type – Subtype:	Office – Suburban
Net Rentable Area (SF):	138,598
Location:	Englewood, CO
Year Built / Renovated:	1994 / 2008
Occupancy:	95.7%
Occupancy Date:	11/30/2016
4th Most Recent NOI (As of):	$595,305 (12/31/2013)
3rd Most Recent NOI (As of)(1):	$999,207 (12/31/2014)
2nd Most Recent NOI (As of)(1)(2):	($423,955) (12/31/2015)
Most Recent NOI (As of)(2)(3):	$539,681 (TTM 11/30/2016)
UW Economic Occupancy:	93.0%
UW Revenues:	$3,222,659
UW Expenses:	$1,293,796
UW NOI(3):	$1,928,864
UW NCF:	$1,659,027
Appraised Value / Per SF:	$23,600,000 / $170
Appraisal Date:	12/12/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	$415,445	$46,161	N/A
Insurance:	$0	Springing	N/A
Replacement Reserves:	$0	$2,310	138,600
TI/LC:	$0	$11,550	N/A
Other(4):	$450,000	Springing	2,200,000

Financial Information

Cut-off Date Loan / SF:	$123
Maturity Date Loan / SF:	$109
Cut-off Date LTV:	72.2%
Maturity Date LTV:	63.8%
UW NCF DSCR:	1.53x
UW NOI Debt Yield:	11.3%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	$17,050,000	75.2%	Purchase Price	$21,550,000	95.0%
Sponsor Equity	5,628,319	24.8	Upfront Reserves	865,445	3.8
			Closing Costs	262,874	1.2
Total Sources	**$22,678,319**	**100.0%**	**Total Uses**	**$22,678,319**	**100.0%**

(1) Occupancy and NOI has decreased from 2014 to 2015 primarily due to two tenants vacating their spaces in December 2014 and May 2015. According to the seller, Virtual Flight vacated their space coinciding with Kaiser Permanente (as defined below) pursuing a lease at the Gateway Plaza at Meridian property, which commenced in February 2016.

(2) Occupancy and NOI increased from 2015 to TTM November 2016 driven by three new leases totaling 121,759 square feet (87.9% of net rentable area). Kaiser Permanente's lease of 80,917 square feet (58.4% of net rentable area) commenced in February 2016, Balfour's lease of 20,421 square feet (14.7% of net rentable area) commenced in May 2016 and Sierra Nevada's lease of 20,421 square feet (14.7% of net rentable area) commenced in September 2016.

(3) NOI has increased from TTM to UW NOI primarily due to the inclusion of leases executed in 2016 underwritten to in-place rents and $202,293 of straight line rent attributable to Kaiser Permanente through its lease expiration in 2026.

(4) Upfront Other Reserves in the amount of $450,000 are for deferred maintenance primarily with respect to pavement repairs, roofing, interior finishes and facades. Monthly Other Reserves include the Kaiser Permanente Lease Expiration Reserve in which the borrower shall deposit all excess cash flow generated by the Gateway Plaza at Meridian property, which will commence upon the earliest to occur of (i) 12 months prior to the lease expiration of Kaiser Permanente and (ii) Kaiser Permanente giving notice of its intention to terminate its lease and continue until the earliest to occur of (a) Kaiser Permanente extends their lease at the terms required under the loan documents, (b) a replacement tenant acceptable to lender replaces Kaiser Permanente as required under the loan documents, (c) the amount of the sum of the Kaiser Permanente Lease Expiration Reserve and the TI/LC Reserve equals or exceeds $2,200,000 (approximately $27.19 per square foot of leased space), or (d) the date upon which the Borrower deposits $1,000,000 (approximately $12.36 per square foot of leased space) in cash into the Kaiser Permanente Reserve Account or a delivers to lender a letter of credit in the amount of $1,000,000.

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The Loan. The Gateway Plaza at Meridian loan has an outstanding principal balance as of the Cut-off Date of $17.05 million and is secured by a first mortgage lien on a four-story, 138,598 square foot, Class A office building located in Englewood, Colorado. The loan has a 10-year term and is interest-only for the first 36 months of the loan. The borrowing entity for the loan is Denver Meridian Gateway Equities LLC, a Delaware limited liability company and special purpose entity. The loan sponsors are William Felton and Matthew J. Felton and the nonrecourse carve-out guarantor is Matthew J. Felton. Matthew J. Felton is the CEO of Felton Properties Inc., which manages approximately 3.0 million square feet of real estate in Oregon, Washington, Colorado, Utah and Minnesota.

The Property. The Gateway Plaza at Meridian is a four-story, 138,598 square foot, Class A office building located in Meridian International Business Center in Englewood, Colorado. The property was built in 1994, fully renovated in 2008 and is set on an approximately 13.8-acre parcel of land. Between 2014 and 2016, approximately $746,781 was spent on capital expenditures including building improvements and a parking lot expansion. The largest tenant, Kaiser Permanente ("**Kaiser**"), executed a lease for 58.4% of the net rentable area in February 2016 through March 2026. According to the appraisal, Kaiser is one of the nation's largest healthcare systems and serves more than 9.6 million members. Kaiser currently maintains an AA- investment grade credit rating from S&P. Additionally, the second and third largest tenants, Sierra Nevada and Balfour, executed leases for 14.7% of net rentable area each in September 2016 and May 2016, respectively. The property features on-site amenities including a fitness center, IT infrastructure, a shuttle service to the RTD Light Rail and two outdoor patios on the fourth floor which feature views of the Rocky Mountains and the Meridian Golf Course. The property offers 572 parking spaces, resulting in a parking ratio of approximately 4.1 spaces per 1,000 square feet. As of November 30, 2016, the property was 95.7% occupied by four tenants.

The Market. The property is located approximately 20 miles southeast of the Denver central business district in the Meridian International Business Center located at the intersection of Lincoln Avenue and Interstate 25, which links the entire Front Range of Colorado with New Mexico and Wyoming. The Meridian International Business Center is a 1,692-acre business park that includes office buildings, retail and multi-family developments employing approximately 8,000 people in a variety of businesses such as EchoStar, American Family Insurance, McAfee and Liberty Media. The property also benefits from its close proximity to local bus stops through the Regional Transportation District, the Lincoln light rail and the Centennial Airport, located 4 miles northeast of the property.

According to the appraisal, the property is located in the Denver office market and the Meridian office submarket of Colorado. As of the third quarter of 2016, the submarket comprised approximately 3.4 million square feet of office space with an overall vacancy rate of 7.6% and average triple net office rents of $21.92 per square foot. The appraisal identified five competitive properties built between 1995 and 2008 and ranging in size from approximately 85,535 to 170,985 square feet. The comparable properties reported occupancy rates ranging from 78.0% to 100.0% with a weighted average of approximately 89.3%. Asking rents for the comparable properties range from $19.75 to $26.00 per square foot.

Top Four Tenant Summary[(1)]

Tenant	Ratings[(2)] Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Base Rent	% of Total Base Rent	Lease Expiration Date
Kaiser Permanente[(3)]	NA / AA- / NA	80,917	58.4%	$25.50	$2,063,384	62.5%	3/31/2026
Balfour	NA / NA / NA	20,421	14.7	$24.73	505,011	15.3%	4/30/2019
Sierra Nevada	NA / NA / NA	20,421	14.7	$24.50	500,315	15.1%	8/31/2018
Janeway Law Firm[(4)]	NA / NA / NA	10,922	7.9	$21.45	234,277	7.1%	2/28/2021
Top Four Tenants		**132,681**	**95.7%**	**$24.89**	**$3,302,986**	**100%**	
Occupied Collateral Total		**132,681**	**95.7%**	**$24.89**	**$3,302,986**	**100%**	
Vacant Space		**5,917**	**4.3%**				
Collateral Total		**138,598**	**100%**				

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

(3) Kaiser Permanente has the right to terminate its lease on June 30, 2023 upon 12-months' written notice and payment of a termination fee equal to the sum of (i) unamortized portion of the tenant improvement allowance, the abated base rent, and leasing commissions applicable to the lease, amortized at an 8.0% annual interest rate, and (ii) three months base rent applicable to the leased space. After December 31, 2022, Kaiser Permanente can terminate its lease with respect to part of its leased premises, consisting of 12,710 square feet of space (the "**Contraction Space**") upon payment of a termination fee equal to the sum of (1) the unamortized portion of the tenant improvement allowance, the abated base rent, and leasing commissions applicable to the Contraction Space on a prorated basis, amortized at an 8.0% annual interest rate; and (2) two months' base rent applicable to the Contraction Space.

(4) Janeway Law Firm has the right to terminate its lease on February 28, 2019 with notice by June 1, 2018 and payment of a termination fee equal to five months' base rent plus unamortized leasing costs.

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Lease Rollover Schedule[(1)]

Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	5,917	4.3%	NAP	NAP	5,917	4.3%	NAP	NAP
2017 & MTM	0	0	0.0	$0	0.0%	5,917	4.3%	$0	0.0%
2018	1	20,421	14.7	500,315	15.1	26,338	19.0%	$500,315	15.1%
2019	1	20,421	14.7	505,011	15.3	46,759	33.7%	$1,005,326	30.4%
2020	0	0	0.0	0	0.0	46,759	33.7%	$1,005,326	30.4%
2021	1	10,922	7.9	234,277	7.1	57,681	41.6%	$1,239,603	37.5%
2022	0	0	0.0	0	0.0	57,681	41.6%	$1,239,603	37.5%
2023	0	0	0.0	0	0.0	57,681	41.6%	$1,239,603	37.5%
2024	0	0	0.0	0	0.0	57,681	41.6%	$1,239,603	37.5%
2025	0	0	0.0	0	0.0	57,681	41.6%	$1,239,603	37.5%
2026	1	80,917	58.4	2,063,384	62.5	138,598	100.0%	$3,302,986	100.0%
2027 & Beyond	0	0	0.0	0	0.0	138,598	100.0%	$3,302,986	100.0%
Total	**4**	**138,598**	**100.0%**	**$3,302,986**	**100.0%**				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow

	2013	2014	2015	TTM[(1)]	Underwritten	Per Square Foot	%[(2)]
Rents in Place[(3)]	$1,642,120	$2,155,921	$718,631	$1,767,297	$3,302,986	$23.83	95.3%
Vacant Income	0	0	0	0	142,008	1.02	4.1
Gross Potential Rent	**$1,642,120**	**$2,155,921**	**$718,631**	**$1,767,297**	**$3,444,994**	**$24.86**	**99.4%**
Total Reimbursements	173,866	196,857	17,655	47,492	20,231	0.15	0.6
Net Rental Income	**$1,815,986**	**$2,352,778**	**$736,286**	**$1,814,788**	**$3,465,225**	**$25.00**	**100.0%**
(Vacancy/Credit Loss)	0	0	0	0	(242,566)	(1.75)	(7.0)
Other Income	6,285	6,537	0	4,211	0	0.00	0.0
Effective Gross Income	**$1,822,270**	**$2,359,315**	**$736,286**	**$1,818,999**	**$3,222,659**	**$23.25**	**93.0%**
Total Expenses	**$1,226,966**	**$1,360,108**	**$1,160,241**	**$1,279,319**	**$1,293,796**	**$9.33**	**40.1%**
Net Operating Income[(3)]	**$595,305**	**$999,207**	**($423,955)**	**$539,681**	**$1,928,864**	**$13.92**	**59.9%**
Total TI/LC, Capex/RR	0	0	0	0	269,837	1.95	8.4
Net Cash Flow	**$595,305**	**$999,207**	**($423,955)**	**$539,681**	**$1,659,027**	**$11.97**	**51.5%**
Occupancy[(3)(4)]	**57.6%**	**42.1%**	**37.3%**	**95.7%**	**93.0%**		

(1) TTM reflects the trailing 12-month period ending November 2016.

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

(3) Occupancy and Net Operating Income has decreased from 2014 to 2015 primarily due to two tenants vacating their spaces in December 2014 and May 2015. According to the seller, Virtual Flight vacated their space coinciding with Kaiser pursuing a lease at the property, which commenced in February 2016. Occupancy and Net Operating Income increased from 2015 to TTM November 2016 driven by three new leases totaling 121,759 square feet (87.9% of net rentable area). Kaiser Permanente's lease of 80,917 square feet (58.4% of net rentable area) commenced in February 2016, Balfour's lease of 20,421 square feet (14.7% of net rentable area) commenced in May 2016 and Sierra Nevada's lease of 20,421 square feet (14.7% of net rentable area) commenced in September 2016. Net Operating Income has increased from TTM November 2016 to Underwritten Net Operating Income primarily due to the inclusion of leases executed in 2016 underwritten to in-place rents and $202,293 of straight line rent attributable to Kaiser Permanente through its lease expiration in 2026.

(4) Historical Occupancies are based on December 31 of each respective year. TTM Occupancy is as of November 30, 2016. Underwritten Occupancy represents economic occupancy.

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Future Mezzanine Debt. Future mezzanine debt is permitted in the event of a sale of the mortgaged property and assumption of the Gateway Plaza mortgage loan provided (i) no event of default has occurred or is continuing, (ii) a combined loan-to-value ratio as determined under the loan documents is not greater than 75.0%, (iii) a debt yield as determined under the loan documents is equal to or greater than 9.94%, (iv) a debt service coverage ratio as determined under the loan documents is equal to or greater than 1.45x, (v) an intercreditor agreement satisfactory to the lender in its reasonable discretion is provided, (vi) lender's approval of the mezzanine loan documents, (vii) rating agency confirmation, and (viii) (a) if the guarantor of the mortgage loan is also the guarantor of the mezzanine loan, the mezzanine loan will be nonrecourse to principal and interest, (b) the mezzanine loan will have a maturity date earlier than the maturity date of the existing loan, and (c) the mezzanine loan will not be secured by a lien against the mortgaged property.