





U.S. INDUSTRIAL PORTFOLIO

Mortgaged Property Information		Mortgage Loan Information	
Number of Mortgaged Properties	39	Loan Seller	GSMC
Location (City/State)	Various, Various	Cut-off Date Principal Balance ⁽⁵⁾	\$74,939,052
Property Type	Industrial	Cut-off Date Principal Balance per SF ⁽²⁾	\$48.80
Size (SF)	6,298,728	Percentage of Initial Pool Balance	7.3%
Total Occupancy as of 9/1/2016	100.0%	Number of Related Mortgage Loans	None
Owned Occupancy as of 9/1/2016	100.0%	Type of Security	Fee Simple
Year Built / Latest Renovation	1927-2000 / 1960-2015	Mortgage Rate	3.9740%
Appraised Value ⁽¹⁾	\$456,000,000	Original Term to Maturity (Months)	120
		Original Amortization Term (Months) ⁽³⁾	NAP
		Original Interest Only Period (Months)	NAP
		Escrows	
Underwritten Revenues	\$38,164,081		
Underwritten Expenses	\$6,929,372		
Underwritten Net Operating Income (NOI)	\$31,234,709	Upfront	Monthly
Underwritten Net Cash Flow (NCF)	\$28,821,261	Taxes	\$0
Cut-off Date LTV Ratio ⁽²⁾	67.4%	Insurance	\$0
Maturity Date LTV Ratio ⁽²⁾	64.2%	Replacement Reserve ⁽⁶⁾	\$1,259,746
DSCR Based on Underwritten NOI / NCF ⁽²⁾⁽³⁾⁽⁴⁾	2.25x / 2.08x	TI/LC ⁽⁷⁾	\$3,000,000
Debt Yield Based on Underwritten NOI / NCF ⁽²⁾	10.2% / 9.4%	Other ⁽⁸⁾	\$5,816,966

Sources and Uses					
Sources	\$	%	Uses	\$	%
Whole Loan Amount	\$307,640,000	100.0%	Loan Payoff	\$228,343,570	74.2%
			Preferred Equity Redemption ⁽⁹⁾	66,295,679	21.5
			Reserves	10,076,712	3.3
			Closing Costs	2,924,039	1.0
Total Sources	\$307,640,000	100.0%	Total Uses	\$307,640,000	100.0%

- (1) The Appraised Value represents the aggregate "as-is" appraised value of the U.S. Industrial Portfolio Properties of \$422,640,000 plus an 8.0% portfolio premium. The Cut-off Date LTV Ratio for the U.S. Industrial Portfolio Whole Loan calculated on the basis of the aggregate "as-is" appraised value without the portfolio premium is 72.7%. See "—Appraisals" below.
- (2) Calculated based on the aggregate outstanding balance of the U.S. Industrial Portfolio Whole Loan. See "—The Mortgage Loan" below.
- (3) The U.S. Industrial Portfolio Whole Loan requires monthly debt service payments of (i) \$125,000 of principal plus (ii) the amount of interest accrued on the outstanding principal balance of the mortgage loan during the related interest accrual period.
- (4) The DSCR Based on Underwritten NOI / NCF is calculated using the aggregate debt service for the 12-month period commencing on the due date in December 2016.
- (5) The Cut-off Date Principal Balance of \$74,939,052 represents the non-controlling note A-2 of a \$307,640,000 whole loan evidenced by four *pari passu* notes.
- (6) Replacement reserve is capped at \$1,259,746. See "—Escrows" below.
- (7) TI/LC reserve is capped at \$4,500,000. See "—Escrows" below.
- (8) See "—Escrows" below.
- (9) Preferred Equity Redemption represents a partial redemption of an existing preferred equity position.

- **The Mortgage Loan.** The mortgage loan (the "**U.S. Industrial Portfolio Loan**") is part of a whole loan (the "**U.S. Industrial Portfolio Whole Loan**") comprised of four *pari passu* notes that are secured by first mortgages encumbering the borrowers' fee simple interests in 39 industrial properties located in 17 states (the "**U.S. Industrial Portfolio Properties**"). The U.S. Industrial Portfolio Loan (evidenced by note A-2), which represents a non-controlling interest in the U.S. Industrial Portfolio Whole Loan, has an outstanding principal balance as of the Cut-off Date of \$74,939,052 and represents approximately 7.3% of the Initial Pool Balance. The related companion loans (the "**U.S. Industrial Portfolio Companion Loans**") have an aggregate outstanding principal balance as of the Cut-off Date of \$232,450,948 and are evidenced as of the Cut-off Date by a \$84,930,926 controlling note A-1 that was contributed to the GSMS 2016-GS3 transaction, and \$147,520,022 evidenced by non-controlling note A-3 and A-4, which are currently held by Goldman Sachs Mortgage Company and are expected to be contributed to one or more future securitization transactions or otherwise transferred at any time. The U.S. Industrial Portfolio Whole Loan was originated by Goldman Sachs Mortgage Company on September 1, 2016. The U.S. Industrial Portfolio Whole Loan has an outstanding principal balance as of the Cut-off Date of \$307,390,000, and each note has an interest rate of 3.9740% *per annum*. The borrower utilized the proceeds of the U.S. Industrial Portfolio Whole Loan to refinance existing debt, return equity to the borrower sponsor, fund reserves and pay origination costs.

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The U.S. Industrial Portfolio Loan had an initial term of 120 months and has a remaining term of 118 months as of the Cut-off Date. The U.S. Industrial Portfolio Loan requires monthly payments (i) \$125,000 of principal plus (ii) the amount of interest accrued on the outstanding principal balance of the U.S. Industrial Portfolio Loan during the related interest accrual period of interest. The scheduled maturity date of the U.S. Industrial Portfolio Loan is the due date in September 2026. Voluntary prepayment of the U.S. Industrial Portfolio Loan is prohibited prior to the due date in June 2026. Provided that no event of default under the U.S. Industrial Portfolio Loan is continuing, at any time after the earlier to occur of (a) the third anniversary of the origination date of the U.S. Industrial Portfolio Loan and (b) the second anniversary of the closing date of the securitization into which the last U.S. Industrial Portfolio Companion Loan is deposited, the U.S. Industrial Portfolio Loan may be defeased in full (or partially defeased in connection with the release of one or more buildings comprising the U.S. Industrial Portfolio Properties or to increase the debt service coverage ratio to 1.25x to avoid a U.S. Industrial Portfolio Trigger Period as described below under “—Escrows” or to be entitled to proceeds in connection with a restoration) with direct, non-callable obligations of the United States of America.

- **The Mortgaged Properties.** The U.S. Industrial Portfolio is comprised of 39 properties built between 1927 and 2000, located in 17 states. The U.S. Industrial Portfolio consists of 6,298,728 SF and Total and Owned Occupancy are both 100.0%.

The following table presents certain information relating to the U.S. Industrial Portfolio Properties:

Property Name	City	State	% of Allocated Loan Amount	Total GLA	Year Built	As-Is Appraised Value	UW NCF
Hannibal	Vernon	CA	13.1%	429,122	Various	\$55,500,000	\$3,988,115
Kraco	Compton	CA	9.7	364,440	Various	41,000,000	2,841,945
New WinCup - Phoenix	Tolleson	AZ	7.0	322,070	1989	29,700,000	1,596,979
Worlds Finest Chocolates	Chicago	IL	4.7	434,252	1953	20,000,000	1,309,206
SET - MI	Huron Township	MI	4.6	284,351	1988	19,400,000	1,333,913
Plaid - Decatur	Decatur	GA	4.2	282,514	1983	15,800,000	860,671
Oracle Packaging	Winston-Salem	NC	3.7	437,911	1962	15,675,000	964,701
TestAmerica - West SAC	West Sacramento	CA	3.4	66,203	1994	14,500,000	1,060,409
TestAmerica - Arvada	Arvada	CO	2.8	57,966	1984	12,100,000	753,638
Northwest Mailing Service	Chicago	IL	2.7	228,032	1957	11,600,000	912,770
Lyons	Louisville	KY	2.6	172,758	Various	11,150,000	707,042
Wilbert Plastics	Easley	SC	2.6	257,086	1990	10,880,000	685,612
Angstrom Graphics	Cuyahoga Heights	OH	2.5	231,505	Various	10,800,000	695,720
New WinCup - Stone Mountain	Stone Mountain	GA	2.5	220,380	1966	10,750,000	722,727
Universal Pool - Armory	South Holland	IL	2.4	240,255	1971	10,100,000	653,918
Jade-Sterling - IL	Bedford Park	IL	2.1	215,389	1954	9,000,000	820,689
Plaid - Norcross	Norcross	GA	2.1	71,620	2000	9,000,000	677,922
Phillips and Temro	Eden Prairie	MN	2.1	101,680	1974	8,850,000	513,176
TestAmerica - Savannah	Savannah	GA	2.1	54,284	1988	8,800,000	570,146
Hover-Davis	Rochester	NY	2.0	66,100	2000	8,700,000	781,819
Jade-Sterling - OH	Twinsburg and Aurora	OH	2.0	174,511	Various	8,650,000	678,884
Fitz Aerospace	North Richland Hills	TX	1.9	129,000	1976	8,000,000	530,137
MVP Charleston	Charleston	SC	1.7	108,000	2000	7,300,000	549,741
Paragon Tech	Warren	MI	1.7	88,857	1956	7,200,000	623,407
Aramsco and Bulls Eye	West Deptford Township	NJ	1.6	99,783	1970	6,900,000	434,864
Shale-Inland	Schiller Park	IL	1.5	193,789	Various	6,500,000	391,726
M.P. Pumps	Fraser	MI	1.3	81,769	1983	5,370,000	377,772
TestAmerica - Pensacola	Pensacola	FL	1.2	21,911	1995	5,200,000	402,385
Microfinish	St. Louis	MO	1.0	144,786	1976	4,350,000	249,144
MVP Mayfield	Mayfield	KY	1.0	101,244	1994	4,325,000	306,233
Builders FirstSource	Plant City	FL	0.9	116,897	1985	3,940,000	231,840
Banner	Strongsville	OH	0.9	58,450	1989	3,750,000	331,329
SET - IN	North Vernon	IN	0.8	117,376	1955	3,400,000	259,727
Progressive Metal	Ferndale	MI	0.7	58,250	1950	3,070,000	244,716
Universal Pool - 166th	South Holland	IL	0.7	109,814	1969	2,950,000	176,420
SITEL	Ocala	FL	0.6	46,812	1960	2,730,000	191,249
TestAmerica - Tallahassee	Tallahassee	FL	0.5	16,500	1989	2,150,000	165,194
Texas Die Casting	Gladewater	TX	0.5	78,177	Various	2,100,000	135,108
TestAmerica - Corpus Christi	Corpus Christi	TX	0.3	14,884	1986	1,450,000	90,264
Total / Wtd. Avg.			100.0%	6,298,728		\$422,640,000	\$28,821,261

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The following table presents certain information relating to the major tenants for the U.S. Industrial Portfolio Properties:

Ten Largest Tenants Based on Underwritten Base Rent

Tenant Name	Credit Rating (Fitch/MIS/S&P) ⁽¹⁾	Tenant GLA	% of GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF	Lease Expiration	Renewal / Extension Options
Hannibal Industries, Inc. ⁽²⁾	NR / NR / NR	429,122	6.8%	\$4,579,754	13.3%	\$10.67	3/31/2028	2, 5-year options
TestAmerica Laboratories, Inc. ⁽³⁾	NR / NR / NR	231,748	3.7	3,427,496	9.9	14.79	6/30/2027	NA
Kraco Enterprises, LLC ⁽⁴⁾	NR / NR / NR	364,440	5.8	3,094,900	9.0	8.49	8/31/2028	4, 5-year options
New WinCup Holdings, Inc. ⁽⁵⁾	NR / NR / NR	542,450	8.6	3,067,106	8.9	5.65	12/31/2026	2, 5-year options
SET Enterprises, Inc. ⁽⁶⁾	NR / NR / NR	401,727	6.4	1,872,007	5.4	4.66	6/30/2031	NA
Plaid Enterprises, Inc. ⁽⁷⁾	NR / NR / NR	354,134	5.6	1,841,402	5.3	5.20	10/31/2024	NA
Jade-Sterling Steel Co., Inc. ⁽⁸⁾	NR / NR / NR	389,900	6.2	1,812,729	5.3	4.65	4/30/2023	2, 5-year options
World's Finest Chocolate, Inc. ⁽⁹⁾	NR / NR / NR	434,252	6.9	1,564,450	4.5	3.60	7/31/2027	2, 5-year options
Oracle Flexible Packaging, Inc.	NR / NR / NR	437,911	7.0	1,209,252	3.5	2.76	7/31/2030	NA
MVP Group International, Inc. ⁽¹⁰⁾	NR / NR / NR	209,244	3.3	1,062,366	3.1	5.08	4/30/2022	NA
Ten Largest Tenants		3,794,928	60.2%	\$23,531,461	68.2%	\$6.20		
Remaining Tenants		2,503,800	39.8	10,962,237	31.8	4.38		
Vacant Spaces (Owned Space)		0	0.0	0	0.0	0.00		
Totals / Wtd. Avg. Tenants		6,298,728	100.0%	\$34,493,698	100.0%	\$5.48		

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

(2) Hannibal Industries, Inc. subleases approximately 36,108 SF of its space to LexWest, LLC.

(3) TestAmerica Laboratories, Inc. leases space at six properties, which all expire 6/30/2027, comprised of: TestAmerica - Arvada: 57,966 SF; \$14.41 underwritten base rent per SF; TestAmerica - Corpus Christi: 14,884 SF; \$6.80 underwritten base rent per SF; TestAmerica - Pensacola: 21,911 SF; \$20.65 underwritten base rent per SF; TestAmerica - Savannah: 54,284 SF; \$12.65 underwritten base rent per SF; TestAmerica - Tallahassee: 16,500 SF; \$11.12 underwritten base rent per SF; TestAmerica - West SAC: 66,203 SF; \$17.64 underwritten base rent per SF.

(4) Kraco Enterprises, LLC subleases approximately 13,430 SF of its space to Compton Steel Co. Inc. and some of its parking lot to Morrell's Electroplating, Inc.

(5) New WinCup Holdings, Inc. leases space at two properties, with leases that each expire 12/31/2026, comprised of New WinCup - Phoenix: 322,070 SF; \$6.64 underwritten base rent per SF and New WinCup - Stone Mountain: 220,380 SF; \$4.21 underwritten base rent per SF.

(6) SET Enterprises, Inc. leases space at two properties, with leases that each expire 6/30/2031, comprised of: SET - MI: 284,351 SF; \$5.49 underwritten base rent per SF and SET - IN: 117,376 SF; \$2.66 underwritten base rent per SF.

(7) Plaid Enterprises, Inc. leases space at two properties, with leases that each expire 10/31/2024, comprised of: Plaid - Decatur: 282,514 SF; \$3.77 underwritten base rent per SF and Plaid - Norcross: 71,620 SF; \$10.83 underwritten base rent per SF.

(8) Jade-Sterling Steel Co., Inc. leases space at two properties. The leases both expire 4/30/2023, and are comprised of Jade-Sterling - OH: 174,511 SF with \$4.68 underwritten base rent per SF and Jade-Sterling - IL: 215,389 SF with \$4.63 underwritten base rent per SF. Jade-Sterling Steel Co., Inc. subleases approximately 6,500 SF of its space to M. Block & Sons, Inc. Jade-Sterling Steel Co. also subleases approximately 22,600 SF to Soft-Lite, LLC, approximately 5,928 SF to Godfrey & Wing and approximately 2,500 SF to Automation Plastics on a month-to-month basis.

(9) World's Finest Chocolate, Inc. subleases approximately 64,912 SF of its space to Barry Callebaut U.S.A. LLC.

(10) MVP Group International, Inc. leases space at two properties, which both expire 4/30/2022, comprised of MVP Charleston: 108,000 SF; \$6.52 underwritten base rent per SF and MVP Mayfield: 101,244 SF; \$3.54 underwritten base rent per SF. MVP Charleston subleases approximately 75,000 SF of its space to CLT Air Freight Carrier, LLC.

The following table presents certain information relating to the lease rollover schedule for the U.S. Industrial Portfolio Properties based on initial lease expiration dates:

Lease Expiration Schedule⁽¹⁾

Year Ending December 31,	Expiring Owned GLA	% of Owned GLA	Cumulative % of Owned GLA	UW Base Rent	% of Total UW Base Rent	UW Base Rent \$ per SF	# of Expiring Leases
MTM	0	0.0%	0.0%	\$0	0.0%	\$0.00	0
2016	0	0.0	0.0%	0	0.0	0.00	0
2017	0	0.0	0.0%	0	0.0	0.00	0
2018	0	0.0	0.0%	0	0.0	0.00	0
2019	0	0.0	0.0%	0	0.0	0.00	0
2020	116,700	1.9	1.9%	659,402	1.9	5.65	2
2021	116,897	1.9	3.7%	331,224	1.0	2.83	1
2022	209,244	3.3	7.0%	1,062,366	3.1	5.08	2
2023	959,590	15.2	22.3%	4,937,149	14.3	5.15	6
2024	644,454	10.2	32.5%	3,656,333	10.6	5.67	5
2025	0	0.0	32.5%	0	0.0	0.00	0
2026	542,450	8.6	41.1%	3,067,106	8.9	5.65	2
2027 & Thereafter	3,709,393	58.9	100.0%	20,780,117	60.2	5.60	21
Vacant	0	0.0	100.0%	0	0.0	0.00	0
Total / Wtd. Avg.	6,298,728	100.0%		\$34,493,698	100.0%	\$5.48	39

(1) Calculated based on approximate square footage occupied by each Owned Tenant.

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The following table presents certain information relating to historical occupancy for the U.S. Industrial Portfolio Properties:

Historical Leased %⁽¹⁾

2013	2014	2015	As of 9/1/2016
100.0%	100.0%	100.0%	100.0%

(1) As provided by the borrower and reflects average occupancy as of December 31 for the indicated year unless specified otherwise.

- **Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow for the U.S. Industrial Portfolio Properties:

Cash Flow Analysis⁽¹⁾

	2013	2014	2015	TTM 5/31/2016	Underwritten ⁽²⁾⁽³⁾	Underwritten \$ per SF
Base Rental Revenue	\$31,183,647	\$31,857,526	\$32,564,740	\$32,944,523	\$34,493,698	\$5.48
Reimbursement Revenue	4,920,332	5,771,348	5,539,855	5,465,585	5,894,557	0.94
Other Revenue	149,701	78,880	0	0	0	0.00
Gross Revenue	\$36,253,680	\$37,707,754	\$38,104,595	\$38,410,108	\$40,388,255	\$6.41
Vacancy Loss	0	0	0	0	(2,224,174)	(0.35)
Effective Gross Revenue	\$36,253,680	\$37,707,754	\$38,104,595	\$38,410,108	\$38,164,081	\$6.06
Expenses	\$5,132,150	\$6,201,533	\$5,737,748	\$5,633,516	\$6,258,879	\$0.99
Management Fee	833,213	833,210	833,210	833,220	670,493	0.11
Total Operating Expenses	\$5,965,363	\$7,034,743	\$6,570,958	\$6,466,736	\$6,929,372	\$1.10
Net Operating Income	\$30,288,317	\$30,673,011	\$31,533,638	\$31,943,372	\$31,234,709	\$4.96
Tenant Improvements	0	0	0	0	1,783,576	0.28
Replacement Reserves	0	0	0	0	629,873	0.10
Net Cash Flow	\$30,288,317	\$30,673,011	\$31,533,638	\$31,943,372	\$28,821,261	\$4.58

(1) Certain items such as straight line rent, interest expense, interest income, lease cancellation income, depreciation, amortization, debt service payments and any other non-recurring or non-operating items were excluded from the historical presentation and are not considered for the underwritten cash flow.

(2) Underwritten cash flow based on contractual rents as of September 1, 2016 and contractual rent steps through September 1, 2017.

(3) Underwritten cash flow assumes market vacancy for the submarkets in which the properties are located.

- **Appraisals.** According to an appraisal, the U.S. Industrial Portfolio Properties had an aggregate “as-is” portfolio appraised value, inclusive of an approximately 8.0% portfolio premium, of \$456,000,000 as of December 31, 2015. The aggregate “as-is” value of the U.S. Industrial Portfolio Properties without the portfolio premium is \$422,640,000.
- **Environmental Matters.** According to Phase I environmental reports, dated between December 2, 2015 and December 8, 2015, there are no recognized environmental conditions or recommendations for further action at the U.S. Industrial Portfolio Properties other than (a) a recommendation for an asbestos operations and maintenance (O&M) plan at 24 properties and (b) the monitoring of the remediation of other historical environmental issues as further described under “*Description of the Mortgage Pool—Environmental Considerations*” in the Prospectus.

- **Market Overview and Competition.** The U.S. Industrial Portfolio consists of 39 properties in 17 states. The following highlights the four largest markets by allocated loan amount:

Los Angeles, California (22.7% of Cut-off Date Allocated Loan Amount): The Los Angeles industrial market currently has approximately 935.6 million SF of industrial space, an average rent of \$7.26 per SF/year with vacancy of 4.5%.

Chicago, Illinois (14.2% of Cut-off Date Allocated Loan Amount): The Chicago industrial market currently has approximately 1.2 billion SF of industrial space, an average rent of \$5.64 per SF/year with vacancy of 10.6%.

Detroit, Michigan (8.3% of Cut-off Date Allocated Loan Amount): The Detroit industrial market currently has approximately 534.2 million SF of industrial space, an average rent of \$4.62 per SF/year, with vacancy of 9.4%.

Phoenix, Arizona (7.0% of Cut-off Date Allocated Loan Amount): The Phoenix industrial market currently has approximately 291.0 million SF of industrial space, an average rent of \$5.35 per SF/year with vacancy of 13.0%.

- **The Borrowers.** The U.S. Industrial Portfolio Loan was made to 39, single-purpose, single-asset entities. Legal counsel to the borrowers delivered a non-consolidation opinion in connection with the origination of the U.S. Industrial Portfolio Whole Loan. The non-recourse carveout guarantors under the U.S. Industrial Portfolio Loan are, collectively, jointly and severally, Michael W. Brennan, Robert G. Vanecko, Scott D. McKibben, Samuel A. Mandarino, Allen Crosswell, Tod Greenwood and Troy MacMane, each an individual.

The borrower sponsors are the seven principals of Brennan Investment Group (“BIG”): Michael W. Brennan, Robert G. Vanecko, Scott D. McKibben, Samuel A. Mandarino, Allen Crosswell, Tod Greenwood and Troy MacMane, each an individual. BIG is a real estate investments firm specializing in investments in industrial properties. Brennan Investment Group is an owner and manager of industrial assets with a portfolio of 224 properties totaling 24 million square feet. Michael Brennan, the co-founder and chairman of BIG, was the co-founder of First Industrial Realty Trust in 1994 and served as President, CEO and member of the Board of Directors until 2008.

- **Escrows.** On the origination date, the borrowers funded (i) a replacement reserve in the amount of \$1,259,746, (ii) a tenant improvement and leasing commissions reserve in the amount of \$3,000,000, and (iii) an expansion reserve for the Plaid – Decatur property, in the amount of \$6,374,500 (a portion of which, in the amount of \$557,534, was disbursed to the borrower resulting in \$5,816,966 remaining in the respective escrow account at origination), to create additional space for manufacturing and storage space pursuant to an expansion and extension of an existing lease. The construction total cost is estimated to be \$5,795,000. Construction is anticipated to begin immediately and is anticipated to take up to one year.

On each due date, the borrowers are required to fund (i) a tax and insurance reserve in an amount equal to one-twelfth of the amount that the lender reasonably estimates will be necessary to pay taxes and insurance premiums over the then succeeding 12-month period, unless (a) in the case of taxes, a tenant is obligated under its lease to pay the taxes directly to the appropriate taxing authority (or to the borrower as landlord under a triple-net lease for payment to the appropriate taxing authority) and such amounts are actually paid and (b) in the case of insurance premiums, the borrowers are maintaining a blanket policy in accordance with the related loan documents and there is no continuing event of default, or, if a tenant is obligated to and actually maintains such insurance (ii) the U.S. Industrial TI/LC Amount to a tenant improvements and leasing commissions account, and (iii) beginning on the second anniversary of the origination date, a capital expenditure reserve in an amount equal to \$52,489, capped at \$1,259,746.

“U.S. Industrial TI/LC Amount” means an amount, commencing on September 1, 2021 (or earlier if funds on deposit therein are less than \$1,500,000) equal to \$150,000 until funds deposited into such account equal \$4,500,000. No additional reserves are required thereafter until such time as funds on deposit therein are less than \$1,500,000, and on each due date thereafter, the borrower will be required to resume monthly deposits in an amount equal to the lesser of (x) \$150,000 and (y) the amount necessary to cause the tenant improvements and leasing commissions reserve account to contain funds equal to \$1,500,000.

In addition, on each due date during the continuance of a U.S. Industrial Portfolio Trigger Period, the related loan documents require an excess cash flow reserve as discussed under “*Lockbox and Cash Management*” below.

A “**U.S. Industrial Portfolio Trigger Period**” means (i) any period commencing as of the conclusion of any 12-month period (ending on the last day of any fiscal quarter) during which the debt service coverage ratio (as calculated under the related loan documents) is less than 1.25x, and ending at the conclusion of the second consecutive fiscal quarter for which the debt service coverage ratio for the trailing 12-month period (ending on the last day of any fiscal quarter) is greater than 1.25x, or (ii) following the occurrence and during the continuance of an event of default under the related loan documents.

- **Lockbox and Cash Management.** The U.S. Industrial Portfolio Loan is structured with a hard lockbox and springing cash management. The related loan documents require the borrowers to direct tenants to pay rent directly to a lender-controlled lockbox account, and require that all cash revenues relating to the U.S. Industrial Portfolio Properties and all other money received by the borrowers or the property manager with respect to the U.S. Industrial Portfolio Properties be deposited into such lockbox account or a lender-controlled cash management account within three business days following receipt. On each business day that no U.S. Industrial Portfolio Trigger Period or event of default under the loan agreement is continuing, all funds in the lockbox account are required to be swept into a borrower-controlled operating account. On each business day during the continuance of a U.S. Industrial Portfolio Trigger Period or event of default under the loan agreement, all funds in the lockbox account are required to be swept into a lender-controlled cash management account and if a U.S. Industrial Portfolio Trigger Period is continuing (or, at the lender’s discretion, during the continuance of an event of default under the related loan documents), be used to pay debt service, required reserves and operating expenses, with all remaining amounts reserved in an excess cash flow reserve account. During the continuance of an event of default under the U.S. Industrial Portfolio Loan, the lender may apply all funds on deposit in any of the accounts constituting collateral for the U.S. Industrial Portfolio Loan to amounts payable under the related loan documents and/or toward the payment of expenses of the U.S. Industrial Portfolio Properties, in such order of priority as the lender may determine.
- **Property Management.** The U.S. Industrial Portfolio Properties are managed by Brennan Management, LLC, an affiliate of the borrowers, pursuant to a management agreement. Under the related loan documents, the U.S. Industrial Portfolio Properties are required to remain managed by Brennan Management, LLC or any other management company approved by the lender and with respect to which Rating Agency Confirmation has been received. The lender has the right to replace, or require the borrowers to replace, the property manager with (a) a property manager with at least 5 years’ experience in the business of managing at least 3,000,000 leasable square feet of properties comparable to the U.S. Industrial Portfolio Properties who is not subject to a bankruptcy or similar insolvency or (b) any other property manager reasonably approved by the lender and subject to receipt of Rating Agency Confirmation, and if an affiliate of the borrower, the receipt of an additional insolvency opinion if (i) the property manager becomes bankrupt or insolvent, (ii) a material default by the property manager occurs under the management agreement and is not cured within any applicable notice and cure period thereunder and the borrowers have the right to terminate the management agreement pursuant to its terms and provisions, or (iii) following an event of default and acceleration of the U.S. Industrial Portfolio Loan.

- **Release of Collateral.** Provided no event of default under the U.S. Industrial Portfolio Loan has occurred and is continuing, the borrowers have the right after the earlier to occur of (i) the second anniversary of the closing date of the securitization into which the last U.S. Industrial Portfolio Companion Loan is deposited and (ii) the third anniversary of the origination of the U.S. Industrial Portfolio Loan to obtain release of one or more of the U.S. Industrial Portfolio Properties in conjunction with a transfer of such building to an unaffiliated third party, subject to the satisfaction of certain conditions, including, among others: (i) delivery of defeasance collateral in an amount equal to the lesser of (x) the sum of 115% of the allocated loan amount of the individual U.S. Industrial Portfolio Properties so released and (y) the portion of the outstanding principal balance of the U.S. Industrial Portfolio Whole Loan that has not been defeased as of the date of such release, (ii) after giving effect to such release, the debt service coverage ratio (calculated in accordance with the related loan documents) for the trailing 12-month period, recalculated to include only income and expense attributable to the portion of the U.S. Industrial Portfolio Properties remaining after the contemplated release and to exclude the interest expense on the aggregate amount defeased in connection with such release, is equal to or greater than the greater of (x) 2.20x and (y) the lesser of (i) 2.55x and (ii) debt service coverage ratio immediately prior to such release, and (iii) compliance with REMIC requirements. Subject to the satisfaction of certain conditions, borrower has the right to obtain releases of vacant, non-income producing parcels for which no material value was assigned under the appraisals obtained by lender in connection with the origination.
- **Mezzanine or Secured Subordinate Indebtedness.** Not permitted.
- **Preferred Equity.** Lower Terra JV, LLC, the indirect parent of the related borrowers, has issued preferred equity in the initial amount of \$98,386,245.16 with a preferred annual rate of return, compounded monthly, equal to: (i) for the period from and including September 1, 2016 to but excluding September 1, 2017, 12.6%; (ii) for the period from and including September 1, 2017 to but excluding September 1, 2018, 13.1%; (iii) for the period from and including September 1, 2018 to but excluding September 1, 2019, 13.6%; and (iv) thereafter, 14.1%. The final, mandatory redemption date is required to be one year and a day after the last maturity date of any mortgage loan or mezzanine loan directly or indirectly, as applicable, secured by the mortgaged properties. Upon certain bad boy acts and similar defaults under the preferred equity documents, the preferred investor has the right to replace the managing member, increase the preferred rate of return by 3% and in some cases, cause a sale of the assets of the subsidiaries and/or hyperamortize the preferred equity amount. Additionally the parents of the borrower are permitted to issue additional preferred equity in any upper tier parent of the borrower so long as after giving effect to such issuance of such preferred equity a change of control of the borrower under the loan documents would not occur as a result of such issuance or upon the exercise of any remedy by the holder of any such preferred equity.
- **Terrorism Insurance.** The insurance policies obtained by the borrowers are required under the loan documents to cover perils of terrorism and acts of terrorism in an amount equal to the full replacement cost of the U.S. Industrial Portfolio Properties (plus 18 months of rental loss and/or business interruption coverage plus an additional period of indemnity until the earlier of 6 months following restoration and the date on which income returns to the same level it was at prior to the loss) at all times during the term of the U.S. Industrial Portfolio Loan, provided, that the borrowers are not be required to spend more than two times the cost of the premiums paid by the borrower for the property and casualty insurance required to be maintained under the U.S. Industrial Portfolio Loan documents. In either such case, terrorism insurance may not have a deductible in excess of \$50,000. The required terrorism insurance may be included in a blanket policy, provided that the borrowers provide evidence satisfactory to the lender that the insurance premiums for the U.S. Industrial Portfolio Properties are separately allocated to the U.S. Industrial Portfolio Properties and that the policy will provide the same protection as a separate policy. See “*Risk Factors—Terrorism Insurance May Not Be Available for All Mortgaged Properties*” in the Prospectus.