









## SPECTRUM OFFICE PORTFOLIO

| Mortgaged Property Information             |                     | Mortgage Loan Information              |              |
|--|---------------------|--|--------------|
| Number of Mortgaged Properties             | 4                   | Loan Seller                            | GSMC         |
| Location (City/State)                      | Various, California | Cut-off Date Principal Balance         | \$70,000,000 |
| Property Type                              | Office              | Cut-off Date Principal Balance per SF  | \$156.84     |
| Size (SF)                                  | 446,313             | Percentage of Initial Pool Balance     | 6.9%         |
| Total Occupancy as of 8/24/2017            | 94.7%               | Number of Related Mortgage Loans       | None         |
| Owned Occupancy as of 8/24/2017            | 94.7%               | Type of Security                       | Fee Simple   |
| Year Built / Latest Renovation             | Various / NAP       | Mortgage Rate                          | 4.3325%      |
| Appraised Value                            | \$119,000,000       | Original Term to Maturity (Months)     | 120          |
|  |                     | Original Amortization Term (Months)    | NAP          |
|  |                     | Original Interest Only Period (Months) | 120          |
| Underwritten Revenues                      | \$9,203,236         | <b>Escrows</b>                         |              |
| Underwritten Expenses                      | \$2,324,202         |  |              |
| Underwritten Net Operating Income (NOI)    | \$6,879,035         |  |              |
| Underwritten Net Cash Flow (NCF)           | \$6,521,852         |  |              |
| Cut-off Date LTV Ratio                     | 58.8%               |  |              |
| Maturity Date LTV Ratio <sup>(1)</sup>     | 58.5%               |  |              |
| DSCR Based on Underwritten NOI / NCF       | 2.24x / 2.12x       |  |              |
| Debt Yield Based on Underwritten NOI / NCF | 9.8% / 9.3%         |  |              |

| Sources and Uses |              |        |  |              |        |
|------------------|--------------|--------|--|--------------|--------|
| Sources          | \$           | %      | Uses   | \$           | %      |
| Loan Amount      | \$70,000,000 | 100.0% | Principal Equity Distribution <sup>(2)</sup> | \$68,349,510 | 97.6%  |
|                  |              |        | Closing Costs                                | 869,490      | 1.2    |
|                  |              |        | Reserves                                     | 781,000      | 1.1    |
| Total Sources    | \$70,000,000 | 100.0% | Total Uses                                   | \$70,000,000 | 100.0% |

(1) The Maturity Date LTV Ratio is calculated using an "as-stabilized" value of \$119,650,000. The Maturity Date LTV Ratio calculated based on the "as-is" appraised value of \$119,000,000 is 58.8%.

(2) At origination, the Spectrum Office Portfolio Properties were unencumbered and proceeds from the Spectrum Office Portfolio Loan were used to recapitalize the borrower sponsor.

- **The Mortgage Loan.** The mortgage loan (the "**Spectrum Office Portfolio Loan**") is evidenced by a note in the original principal amount of \$70,000,000 and is secured by a first mortgage encumbering the borrower's fee simple interest in four office properties located in Orange County, California (the "**Spectrum Office Portfolio Properties**"). The Spectrum Office Portfolio Loan was originated by Goldman Sachs Mortgage Company on October 23, 2017 and represents approximately 6.9% of the Initial Pool Balance. The note evidencing the Spectrum Office Portfolio Loan has an outstanding principal balance as of the Cut-off Date of \$70,000,000 and an interest rate of 4.3325% *per annum*. The borrower utilized the proceeds of the Spectrum Office Portfolio Loan to recapitalize the borrower sponsor on the Spectrum Office Portfolio Properties, return equity to the borrower sponsor, fund reserves and pay origination costs.

The Spectrum Office Portfolio Loan had an initial term of 120 months and has a remaining term of 120 months as of the Cut-off Date. The Spectrum Office Portfolio Loan requires interest only payments on each due date through the scheduled maturity date in November 2027. Voluntary prepayment of the Spectrum Office Portfolio Loan is prohibited prior to the due date in August 2027. Provided that no event of default under the related loan documents is continuing, defeasance with direct, non-callable obligations of the United States of America is permitted at any time on or after the first due date following the second anniversary of the securitization Closing Date.

- **The Mortgaged Property.** The Spectrum Office Portfolio Properties are comprised of four office properties totaling a combined 446,313 SF and located in various submarkets around Orange County, California. The Spectrum Office Portfolio Properties are 94.7% occupied by 135 tenants. The portfolio is cross-collateralized but does not provide for individual property releases or substitutions. No individual tenant occupies more than 3.4% of the portfolio's total net rentable area or contributes more than 5.5% of total rent. The Spectrum Office Portfolio Properties have occupancy levels between 89.6% and 100.0% and each contributes between 13.7% and 38.5% of total rent, providing a diversified set of rent rolls and stable income streams from each property in the portfolio.

Olen Properties Corp. has owned the properties in the portfolio identified as One Venture since 2001, Two Venture since 2002, Pacific Park since September 2015 and Main & Redhill since April 2016. Since the beginning of 2016, the borrower has signed over 90 new and renewal leases totaling 283,337 SF (63.5% of total portfolio NRA), including approximately 122,000 SF of new leasing.

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The following table presents certain information relating to the Spectrum Office Portfolio Properties:

| Property Name                | Cut-off Date<br>Allocated<br>Loan<br>Amount <sup>(1)</sup> | % of Portfolio<br>Cut-off Date<br>Balance | Total GLA      | Occupancy  | Year Built | Appraised<br>Value   | UW NCF             |
|------------------------------|--|---|----------------|------------|------------|----------------------|--------------------|
|                              |  |   |                |            |            |                      |                    |
| Main & Redhill               | \$27,650,000   | 39.5%                                     | 204,083        | 97%        | 1982       | \$47,000,000         | \$2,543,457        |
| Two Venture                  | 19,580,000   | 28.0                                      | 99,034         | 93%        | 1990       | 33,300,000           | 1,724,276          |
| Pacific Park Business Center | 13,970,000   | 20.0                                      | 99,459         | 90%        | 1988       | 23,750,000           | 1,415,952          |
| One Venture                  | 8,800,000  | 12.6                                      | 43,737         | 100%       | 1990       | 14,950,000           | 838,166            |
| <b>Total / Wtd. Avg.</b>     | <b>\$70,000,000</b>  | <b>100.0%</b>                             | <b>446,313</b> | <b>95%</b> |            | <b>\$119,000,000</b> | <b>\$6,521,852</b> |

(1) The Cut-off Date Allocated Loan Amount is based on the *pro rata* value of each individual property's appraised value.

The following table presents certain information relating to the major tenants (of which, certain tenants may have co-tenancy provisions) at the Spectrum Office Portfolio Properties:

### Ten Largest Tenants Based on Underwritten Base Rent

| Tenant Name                                  | Credit Rating<br>(Fitch/MIS/S&P) <sup>(1)</sup> | Tenant<br>GLA  | % of<br>GLA   | UW Base<br>Rent    | % of<br>Total UW<br>Base<br>Rent | UW Base<br>Rent<br>\$ per SF | Lease<br>Expiration | Renewal / Extension<br>Options |
|--|---|----------------|---------------|--------------------|----------------------------------|------------------------------|---------------------|--------------------------------|
|  |   |                |               |                    |                                  |                              |                     |                                |
| Renwood RealtyTrac LLC <sup>(2)</sup>        | NR / NR / NR                                    | 15,310         | 3.4%          | \$458,040          | 5.5%                             | \$29.92                      | 6/30/2021           | 1, 5-year option               |
| Shiftpixy Inc                                | NR / NR / NR                                    | 11,130         | 2.5           | 331,668            | 4.0                              | 29.80                        | 6/14/2021           | 1, 3-year option               |
| South County Bank N.A.                       | NR / NR / NR                                    | 9,486          | 2.1           | 237,528            | 2.9                              | 25.04                        | 3/31/2020           | NA                             |
| Hormel Foods Sales LLC                       | NR / A1 / A                                     | 7,187          | 1.6           | 226,560            | 2.7                              | 31.52                        | 1/31/2022           | NA                             |
| Hyperdisk Marketing Inc.                     | NR / NR / NR                                    | 15,290         | 3.4           | 218,580            | 2.6                              | 14.30                        | Various             | NA                             |
| Rocket Software Inc.                         | NR / NR / NR                                    | 7,047          | 1.6           | 213,101            | 2.6                              | 30.24                        | 9/30/2020           | 1, 5-year option               |
| Trust Temporary Services Inc. <sup>(3)</sup> | NR / NR / NR                                    | 7,809          | 1.7           | 188,888            | 2.3                              | 24.19                        | 7/31/2021           | 1, 5-year option               |
| FEDChex Recovery LLC                         | NR / NR / NR                                    | 7,838          | 1.8           | 188,112            | 2.3                              | 24.00                        | 9/30/2018           | 1, 4 or 5-year option          |
| Mercury Insurance Services                   | NR / NR / NR                                    | 6,233          | 1.4           | 164,556            | 2.0                              | 26.40                        | 5/31/2019           | 1, 4-year option               |
| The Maher Corporation                        | NR / NR / NR                                    | 5,296          | 1.2           | 161,442            | 1.9                              | 30.48                        | 3/31/2021           | 1, 5-year option               |
| <b>Largest Tenants</b>                       |   | <b>92,626</b>  | <b>20.8%</b>  | <b>\$2,388,475</b> | <b>28.8%</b>                     | <b>\$25.79</b>               |                     |                                |
| Remaining Owned Tenants                      |   | 330,055        | 74.0          | 5,899,589          | 71.2                             | 17.87                        |                     |                                |
| Vacant Spaces (Owned Space)                  |   | 23,632         | 5.3           | 0                  | 0.0                              | 0.00                         |                     |                                |
| <b>Totals / Wtd. Avg. Tenants</b>            |   | <b>446,313</b> | <b>100.0%</b> | <b>\$8,288,064</b> | <b>100.0%</b>                    | <b>\$19.61</b>               |                     |                                |

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

(2) Renwood RealtyTrac LLC may terminate the lease any time after the end of the 36th month (March 2019) upon 180 days prior written notice to the landlord with a cancellation fee equal to the unamortized broker commission, the unamortized tenant improvement allowance and a cancellation fee equal to one months' rent at the date of termination; and, amortized over the lease term with a 6% interest factor. One, 5-year renewal option upon 180 days written notice at fair market value.

(3) Trust Temporary Services Inc. may terminate the lease any time after August 2019 upon 180 days prior written notice to landlord along with cancellation fees.

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The following table presents certain information relating to the lease rollover schedule at the Spectrum Office Portfolio Properties based on initial lease expiration dates:

### Lease Expiration Schedule<sup>(1)</sup>

| Year Ending<br>December 31, | Expiring<br>Owned GLA | % of Owned<br>GLA | Cumulative % of<br>Owned GLA | UW Base Rent        | % of Total UW<br>Base Rent | UW Base Rent \$<br>per SF | # of Expiring<br>Leases |
|-----------------------------|-----------------------|-------------------|------------------------------|---------------------|----------------------------|---------------------------|-------------------------|
| MTM                         | 1,300                 | 0.3%              | 0.3%                         | \$ 20,892           | 0.3%                       | \$ 16.07                  | 1                       |
| 2017                        | 18,086                | 4.1               | 4.3%                         | 268,740             | 3.2                        | 14.86                     | 8                       |
| 2018                        | 126,772               | 28.4              | 32.7%                        | 2,356,589           | 28.4                       | 18.59                     | 46                      |
| 2019                        | 75,796                | 17.0              | 49.7%                        | 1,287,800           | 15.5                       | 16.99                     | 30                      |
| 2020                        | 101,983               | 22.9              | 72.6%                        | 2,032,992           | 24.5                       | 19.93                     | 33                      |
| 2021                        | 73,390                | 16.4              | 89.0%                        | 1,791,926           | 21.6                       | 24.42                     | 14                      |
| 2022                        | 17,662                | 4.0               | 93.0%                        | 396,850             | 4.8                        | 22.47                     | 5                       |
| 2023                        | 7,692                 | 1.7               | 94.7%                        | 132,276             | 1.6                        | 17.20                     | 2                       |
| 2024                        | 0                     | 0.0               | 94.7%                        | 0                   | 0.0                        | 0.00                      | 0                       |
| 2025                        | 0                     | 0.0               | 94.7%                        | 0                   | 0.0                        | 0.00                      | 0                       |
| 2026                        | 0                     | 0.0               | 94.7%                        | 0                   | 0.0                        | 0.00                      | 0                       |
| 2027                        | 0                     | 0.0               | 94.7%                        | 0                   | 0.0                        | 0.00                      | 0                       |
| 2028 & Thereafter           | 0                     | 0.0               | 94.7%                        | 0                   | 0.0                        | 0.00                      | 0                       |
| Vacant                      | 23,632                | 5.3               | 100.0%                       | 0                   | 0.0                        | 0.00                      | 0                       |
| <b>Total / Wtd. Avg</b>     | <b>446,313</b>        | <b>100.0%</b>     |                              | <b>\$ 8,288,064</b> | <b>100.0%</b>              | <b>\$ 19.61</b>           | <b>139</b>              |

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

The following table presents certain information relating to historical occupancy at the Spectrum Office Portfolio Properties:

### Historical Leased %<sup>(1)</sup>

| 2014  | 2015  | 2016  |
|-------|-------|-------|
| 95.3% | 94.9% | 94.3% |

(1) As provided by the borrower and reflects average occupancy for the indicated year ended December 31.

- **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 at the Spectrum Office Portfolio Properties:

Cash Flow Analysis<sup>(1)</sup>

|                                  | 2014 <sup>(2)</sup> | 2015 <sup>(2)</sup> | 2016 <sup>(2)</sup> | TTM<br>7/31/2017 <sup>(2)</sup> | Underwritten <sup>(3)</sup> | Underwritten<br>\$ per SF |
|----------------------------------|---------------------|---------------------|---------------------|---------------------------------|-----------------------------|---------------------------|
| Base Rental Revenue              | \$4,006,948         | \$4,378,613         | \$8,011,223         | \$7,940,380                     | \$8,288,064                 | \$18.57                   |
| Contractual Rent Steps           | 0                   | 0                   | 0                   | 0                               | 9,081                       | 0.02                      |
| Total Reimbursement Revenue      | 429,330             | 377,070             | 783,001             | 925,149                         | 1,043,580                   | 2.34                      |
| Market Revenue from Vacant Units | 0                   | 0                   | 0                   | 0                               | 520,439                     | 1.17                      |
| Other Revenue                    | 22,357              | 22,853              | 44,761              | 51,300                          | 32,466                      | 0.07                      |
| Gross Revenue                    | \$4,458,636         | \$4,778,536         | \$8,838,984         | \$8,916,829                     | \$9,893,630                 | \$22.17                   |
| Vacancy Loss                     |                     |                     | 0                   | 0                               | (690,393)                   | (1.55)                    |
| Effective Gross Revenue          | \$4,458,636         | \$4,778,536         | \$8,838,984         | \$8,916,829                     | \$9,203,236                 | \$20.62                   |
| Real Estate Taxes                | 449,756             | 514,785             | 872,134             | 1,024,101                       | 1,048,709                   | 2.35                      |
| Insurance                        | 81,995              | 53,196              | 87,178              | 99,060                          | 88,223                      | 0.20                      |
| Utilities                        | 432,101             | 408,557             | 396,924             | 396,367                         | 396,923                     | 0.89                      |
| Repairs & Maintenance            | 347,679             | 335,823             | 607,084             | 617,562                         | 606,282                     | 1.36                      |
| Management Fee                   | 81,774              | 84,725              | 146,931             | 154,766                         | 184,065                     | 0.41                      |
| Total Operating Expenses         | \$1,393,304         | \$1,397,087         | \$2,110,250         | \$2,291,856                     | \$2,324,202                 | \$5.21                    |
| <b>Net Operating Income</b>      | <b>\$3,065,332</b>  | <b>\$3,381,449</b>  | <b>\$6,728,734</b>  | <b>\$6,624,973</b>              | <b>\$6,879,035</b>          | <b>\$15.41</b>            |
| TI/LC                            | 0                   | 0                   | 0                   | 0                               | 272,872                     | 0.61                      |
| Capital Expenditures             | 0                   | 0                   | 0                   | 0                               | 84,311                      | 0.19                      |
| <b>Net Cash Flow</b>             | <b>\$3,065,332</b>  | <b>\$3,381,449</b>  | <b>\$6,728,734</b>  | <b>\$6,624,973</b>              | <b>\$6,521,852</b>          | <b>\$14.61</b>            |

(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) The borrower sponsor purchased the Main and Redhill property in April 2016 and did not receive any historical statements. The 2014 and 2015 cash flows exclude the Main and Redhill property. The 2016 cash flows include the Main & Redhill's T-9 financials ending December 2016 annualized. The TTM ending July 2017 includes all properties.

(3) Underwritten cash flow based on contractual rents as of August 24, 2017 and contractual rent steps through October 31, 2018.

- **Appraisal.** According to the appraisals, the Spectrum Office Portfolio Properties had an aggregate “as-is” appraised value of \$119,000,000 as of September 5, 2017 and an “as-stabilized” value of \$119,650,000 as of September 5, 2018.
- **Environmental Matters.** According to Phase I environmental reports, dated September 11, 2017, there are no recognized environmental conditions or recommendations for further action at the Spectrum Office Portfolio Properties.
- **Market Overview and Competition.** The Spectrum Office Portfolio Properties are located in a mix of submarkets around Orange County, California. One Venture and Two Venture are located in the Irvine office submarket, which had a 5.4% total office vacancy as-of second quarter 2017 per a market research report. Main & Redhill is located in the Irvine Industrial Flex submarket, which had a vacancy of 2.6% as-of second quarter 2017 per a market research report. Pacific Park is located in the Laguna Hills / Aliso Viejo Industrial Flex submarket, which had a vacancy of 2.0% as of second quarter 2017 per a market research report. The overall Spectrum Office Portfolio Properties vacancy currently totals 5.3%.

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The following table presents certain information relating to the primary competition for the Spectrum Office Portfolio Properties:

### Competitive Set – One & Two Venture<sup>(1)</sup>

| Property               | Location           | Building SF | Year Built | Rent/SF         | Occupancy % | Distance (mi) |
|------------------------|--------------------|-------------|------------|-----------------|-------------|---------------|
| One Venture            | Irvine, California | 43,737      | 1990       | \$25.80-\$30.56 | 100%        | -             |
| Two Venture            | Irvine, California | 99,034      | 1990       | \$21.43-\$41.91 | 93%         | -             |
| <b>Competition</b>     |                    |             |            |                 |             |               |
| Irvine Spectrum Office | Irvine, California | 67,446      | 1986       | \$24.00         | 97%         | 3.4           |
| Laguna Canyon Plaza    | Irvine, California | 63,000      | 1991       | \$30.00         | 90%         | 1.4           |
| Pacifica Court         | Irvine, California | 107,199     | 1999       | \$36.00-\$37.20 | 95%         | 0.2           |
| 111 Pacifica           | Irvine, California | 67,496      | 1989       | \$32.16         | 83%         | 0.2           |
| Spectrum Office        | Irvine, California | 311,879     | 1989       | NAV             | 91%         | 1.0           |

(1) Source: Appraisal.

### Competitive Set – Main & Redhill<sup>(1)</sup>

| Property                 | Location              | Building SF | Year Built | Rent/SF         | Occupancy % | Distance (mi) |
|--------------------------|-----------------------|-------------|------------|-----------------|-------------|---------------|
| Main & Redhill           | Irvine, California    | 204,083     | 1982       | \$11.88-\$24.19 | 97%         | -             |
| <b>Competition</b>       |                       |             |            |                 |             |               |
| Alton Plaza              | Irvine, California    | 215,212     | 1989       | \$12.00-\$16.80 | 95%         | 8.0           |
| Waterworks Business Park | Irvine, California    | 18,620      | 2008       | \$14.16         | 100%        | 6.0           |
| McFadden Centre          | Santa Ana, California | 184,737     | 1988       | \$14.52         | 100%        | 5.0           |
| Grand Commerce Center    | Santa Ana, California | 99,160      | 1980       | \$13.20         | 95%         | 4.0           |
| Airport Business Center  | Irvine, California    | 1,158,292   | 1979       | \$16.20         | 100%        | 0.8           |
| 15300 Baranca Pkwy       | Irvine, California    | 32,416      | 1997       | \$22.20         | 100%        | 8.0           |
| Executive Park III       | Irvine, California    | 21,271      | 1985       | \$26.40         | 100%        | 0.5           |

(1) Source: Appraisal.

### Competitive Set – Pacific Park Business Center<sup>(1)</sup>

| Property                      | Location                  | Building SF | Year Built | Rent/SF         | Occupancy % | Distance (mi) |
|-------------------------------|---------------------------|-------------|------------|-----------------|-------------|---------------|
| Pacific Park Business Center  | Aliso Viejo, California   | 99,459      | 1988       | \$10.12-\$20.40 | 90%         | -             |
| <b>Competition</b>            |                           |             |            |                 |             |               |
| Technology Plaza II           | Irvine, California        | 120,123     | 1986       | \$13.80-\$16.56 | 96%         | 4.0           |
| Irvine Business Park          | Irvine, California        | 170,306     | 1979       | \$16.80         | 100%        | 3.0           |
| Alicia Business Center        | Mission Viejo, California | 81,772      | 1976       | \$19.20         | 94%         | 3.0           |
| Spectrum Centre Business Park | Lake Forest, California   | 226,636     | 1998       | \$13.20-\$15.60 | 90%         | 5.0           |
| HERE                          | Laguna Hills, California  | 223,467     | 1989       | \$35.40         | 86%         | 2.0           |

(1) Source: Appraisal.

- **The Borrower.** The borrower is Spectrum OPC, LLC, a Delaware single-purpose entity. Legal counsel to the borrower delivered a non-consolidation opinion in connection with the origination of the Spectrum Office Portfolio Loan. The non-recourse carveout guarantor is Olen Properties Corp., a direct owner of the borrower.

Olen Properties, Corp. is a real estate development, investment, and management company that was founded in 1973 and is headquartered in Newport Beach, California. As of December 31, 2016, Olen Properties Corp. has a portfolio that includes approximately 5.9 million SF of commercial space and approximately 9,270 multifamily units valued at a combined approximately \$3.2 billion and located in California and other select markets around the U.S.



- **Escrows.** On the origination date, the borrower funded (i) a tenant improvements and leasing commissions reserve in the amount of \$670,000 relating to tenant improvements and leasing commissions for multiple tenants and (ii) a capital expenditure reserve in the amount of \$111,000 relating to multiple tenants.

On each due date, the borrower is 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 in the case of insurance premiums, the borrower is maintaining a blanket policy in accordance with the related loan documents and there is no continuing event of default, and upon request of the lender, the borrower provides evidence of renewals of such policies and payment of related premiums, (ii) a tenant improvement and leasing commissions reserve in an amount equal to \$27,895, subject to a cap of \$670,000 and (iii) a capital expenditure reserve in an amount equal to \$9,289, subject to a cap of \$111,000.

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

A “**Spectrum Office Portfolio Trigger Period**” means any period (i) commencing as of the last day of any 12-month period ending on the last day of a fiscal quarter during which the debt service coverage ratio (as calculated under the related loan documents) is less than 1.15x until the debt service coverage ratio is equal to or greater than 1.20x for two consecutive fiscal quarters, (ii) if monthly, quarterly or annual financial reports required under the related loan documents are not delivered to the lender when required until such reports are delivered and they indicate that no Spectrum Office Portfolio Trigger Period is ongoing and (iii) upon the failure of the guarantor to satisfy certain liquidity or net worth covenants until such covenants are met.

- **Lockbox and Cash Management.** The Spectrum Office Portfolio Loan is structured with a hard lockbox and in-place cash management. The related loan documents require the borrower to direct tenants to pay rent directly to a lender-controlled lockbox account and all cash revenues relating to the Spectrum Office Portfolio Properties and all other money received by the borrower or the property manager with respect to the Spectrum Office Portfolio Properties (other than tenant security deposits) be deposited into such lockbox account or the cash management account by the end of the first business day following receipt. All funds in the lockbox account are required to be swept into the cash management account at the end of each business day. For so long as no Spectrum Office Portfolio Trigger Period or event of default under the Spectrum Office Portfolio Loan is continuing, all funds in the cash management account in excess of those required to pay amounts due to the lender on the next due date (including any applicable reserves) are required to be swept into a borrower-controlled operating account on a daily basis. On each due date during the continuance of a Spectrum Office Portfolio Trigger Period or, at the lender’s discretion, during an event of default under the Spectrum Office Portfolio Loan, the related loan documents require that all amounts on deposit in the cash management account be used to pay debt service, required reserves and operating expenses, and that all remaining amounts be reserved in an excess cash flow reserve account.
- **Property Management.** The Spectrum Office Portfolio Properties are currently managed by Realty Services Corp., an affiliate of the borrower, pursuant to a management agreement. Under the related loan documents, the Spectrum Office Portfolio Properties are required to remain managed by Realty Services Corp. or any other management company approved by the lender in accordance with the related loan documents and with respect to which a Rating Agency Confirmation has been received. The lender has the right to replace, or require the borrower to replace, the property manager and require the borrower to engage a property manager selected by the borrower and (unless otherwise provided in the related loan documents) reasonably approved by the lender (i) during the continuance of an event of default under the Spectrum Office Portfolio Loan, (ii) following any foreclosure, conveyance in lieu of foreclosure or other similar transaction, (iii) during the continuance of a material default by the property manager under the management agreement (after the expiration of any applicable notice and/or cure periods), (iv) if the property manager files or is the subject of a petition in bankruptcy or (v) if a trustee or receiver is appointed for the property manager’s assets or the property manager makes an assignment for the benefit of its creditors or is adjudicated insolvent.

- **Mezzanine or Secured Subordinate Indebtedness.** Not permitted.
- **Terrorism Insurance.** So long as TRIPRA or a similar or subsequent statute is in effect, the borrower is required to maintain terrorism insurance for foreign and domestic acts (as those terms are defined in TRIPRA or similar or similar subsequent statute) on terms consistent with the other insurance required under the related loan documents, including that such terrorism insurance is in an amount equal to the full replacement cost of the Spectrum Office Portfolio Properties (plus 18 months of rental loss and/or business interruption coverage plus an additional period of indemnity covering the 12 months following restoration). If TRIPRA or a similar or subsequent statute is not in effect, then provided that terrorism insurance is commercially available, the borrower is required to carry terrorism insurance throughout the term of the Spectrum Office Portfolio Loan as described in the preceding sentence, but in that event the borrower is not required to spend more than two times the amount of the insurance premium that is payable at that time in respect of the property and business interruption/rental loss insurance required under the related loan documents (without giving effect to the cost of terrorism, flood and earthquake components of such property and business interruption/rental loss insurance), and if the cost of terrorism insurance exceeds such amount, then the borrower is required to purchase the maximum amount of terrorism insurance available with funds equal to such amount. 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 so long as the borrower provides evidence satisfactory to the lender that the insurance premiums for the Spectrum Office Portfolio Properties are separately allocated to the Spectrum Office 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.