







PIN OAK NORTH MEDICAL OFFICE

| Mortgaged Property Information | | Mortgage Loan Information | |
|---|-----------------|--|---------------------|
| Number of Mortgaged Properties | 1 | Loan Seller | GSMC |
| Location (City/State) | Bellaire, Texas | Cut-off Date Principal Balance | \$56,740,000 |
| Property Type | Office | Cut-off Date Principal Balance per SF | \$161.41 |
| Size (SF) | 351,528 | Percentage of Initial Pool Balance | 6.4% |
| Total Occupancy as of 1/5/2018 ⁽¹⁾ | 90.5% | Number of Related Mortgage Loans | None |
| Owned Occupancy as of 1/5/2018 ⁽¹⁾ | 90.5% | Type of Security | Fee Simple |
| Year Built / Latest Renovation | 1974-1977 / NAP | Mortgage Rate | 4.6475% |
| Appraised Value | \$78,475,000 | Original Term to Maturity (Months) | 120 |
| | | Original Amortization Term (Months) | 360 |
| | | Original Interest Only Period (Months) | 36 |
| | | Escrows | |
| Underwritten Revenues | \$10,045,323 | | |
| Underwritten Expenses | \$4,113,010 | Taxes | Upfront Monthly |
| Underwritten Net Operating Income (NOI) | \$5,932,314 | Insurance | \$213,830 \$106,915 |
| Underwritten Net Cash Flow (NCF) | \$5,538,016 | Replacement Reserves | \$0 \$7,324 |
| Cut-off Date LTV Ratio | 72.3% | Ti/LC | \$0 \$29,294 |
| Maturity Date LTV Ratio | 63.5% | Other | \$0 \$0 |
| DSCR Based on Underwritten NOI / NCF | 1.69x / 1.58x | | |
| Debt Yield Based on Underwritten NOI / NCF | 10.5% / 9.8% | | |

| Sources and Uses | | | | | |
|-----------------------------------|--------------|--------|----------------|--------------|--------|
| Sources | \$ | % | Uses | \$ | % |
| Loan Amount ⁽²⁾ | \$56,740,000 | 74.2% | Purchase Price | \$75,650,000 | 98.9% |
| Principal's New Cash Contribution | 11,546,642 | 15.1 | Closing Costs | 624,362 | 0.8 |
| Convertible Equity ⁽³⁾ | 8,201,550 | 10.7 | Reserves | 213,830 | 0.3 |
| Total Sources | \$76,488,192 | 100.0% | Total Uses | \$76,488,192 | 100.0% |

- (1) Total Occupancy and Owned Occupancy includes one tenant (Tranquility Dental Spa 1,600 SF) that has executed a lease but has not yet taken occupancy and/or begun paying rent. Tranquility Dental Spa is anticipated to take occupancy in March 2018 and begin paying rent in April 2018. We cannot assure you that this tenant will take occupancy or begin paying rent as anticipated or at all.
- (2) The loan amount represents \$43,000,000 funded on the origination date, plus an advance of a holdback amount of \$13,740,000 funded and released to the borrowers five days after origination.
- (3) See "Unsecured Debt" below.

- **The Mortgage Loan.** The mortgage loan (the "**Pin Oak North Medical Office Loan**") is evidenced by a note in the original principal amount of \$56,740,000 and is secured by a first mortgage encumbering the borrowers' fee simple interest in a medical office property in Bellaire, Texas (the "**Pin Oak North Medical Office Property**"). The Pin Oak North Medical Office Loan was originated by Goldman Sachs Mortgage Company on January 19, 2018 and represents approximately 6.4% of the Initial Pool Balance. The note evidencing the Pin Oak North Medical Office Loan has an outstanding principal balance as of the Cut-off Date of \$56,740,000 and an interest rate of 4.6475% *per annum*. The borrowers utilized the proceeds of the Pin Oak North Medical Office Loan to acquire the Pin Oak North Medical Office Property, pay origination costs and fund reserves.

The Pin Oak North Medical Office Loan had an initial term of 120 months and has a remaining term of 119 months as of the Cut-off Date. The Pin Oak North Medical Office Loan requires interest only payments on each due date through and including the due date in February 2021 and thereafter requires monthly payments of interest and principal sufficient to amortize the loan over a 30-year amortization schedule. The scheduled maturity date of the Pin Oak North Medical Office Loan is the due date in February 2028. Voluntary prepayment of the Pin Oak North Medical Office Loan is prohibited prior to the due date in October, 2027. Provided that no event of default under the Pin Oak North Medical Office Loan 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 Pin Oak North Medical Office Property is a 351,528 SF, 3-10-story, suburban medical office complex located in Bellaire, Texas. The Pin Oak North Medical Office Property consists of three, Class B office buildings located within the greater Houston market at the intersection of Bellaire Boulevard and W Loop South, and the frontage road to Interstate 610. The Pin Oak North Medical Office Property was built between 1974 and 1977 and is currently 90.5% occupied by 85 tenants. No individual tenant occupies more than 8.0% of the net rentable area or contributes more than 10.3% of underwritten base rent, with medical office tenants contributing approximately 56.6% of underwritten base rent.

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The following table presents certain information relating to the major tenants at the Pin Oak North Medical Office Property:

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 |
|---|---|----------------|---------------|--------------------|-------------------------------|------------------------------|---------------------|--------------------------------|
| UT Physicians | NR / NR / NR | 27,993 | 8.0% | \$931,454 | 10.3% | \$33.27 | 5/3/2022 | NA |
| The Frost National Bank ⁽²⁾ | NR / NR / A | 25,146 | 7.2 | 768,178 | 8.5 | 30.55 | Various | NA |
| Girling Health Care, Inc. | NR / B3 / B+ | 23,438 | 6.7 | 629,472 | 7.0 | 26.86 | 11/30/2021 | 1, 5-year option |
| Memorial Hermann Health System ⁽³⁾ | NR / NR / NR | 12,892 | 3.7 | 372,389 | 4.1 | 28.89 | Various | 1, 5-year option |
| McGovern Allergy Clinic, P.A. | NR / NR / NR | 13,635 | 3.9 | 368,963 | 4.1 | 27.06 | 8/31/2019 | NA |
| Methodist Primary Care Group ⁽⁴⁾ | NR / NR / NR | 12,440 | 3.5 | 339,640 | 3.8 | 27.30 | Various | 1, 5-year option |
| Goree Architects, Inc. | NR / NR / NR | 7,956 | 2.3 | 218,790 | 2.4 | 27.50 | 10/31/2020 | NA |
| Neurology Consultants of Houston, PA | NR / NR / NR | 7,705 | 2.2 | 211,579 | 2.3 | 27.46 | 8/31/2019 | 1, 5-year option |
| Gilbreth & Associates, P.C. ⁽⁵⁾ | NR / NR / NR | 7,771 | 2.2 | 201,383 | 2.2 | 25.91 | Various | 2, 5-year options |
| Woman Rejuvenation, PLLC | NR / NR / NR | 5,990 | 1.7 | 161,729 | 1.8 | 27.00 | 3/31/2019 | NA |
| Ten Largest Owned Tenants | | 144,966 | 41.2% | \$4,203,577 | 46.6% | \$29.00 | | |
| Remaining Owned Tenants | | 173,098 | 49.2 | 4,808,812 | 53.4 | 27.78 | | |
| Vacant Spaces (Owned Space) | | 33,464 | 9.5 | 0 | 0.0 | 0.00 | | |
| Total All Owned Tenants | | 351,528 | 100.0% | \$9,012,389 | 100.0% | \$28.34 | | |

- (1) Certain ratings are those of the parent company whether or not the parent guarantees the lease.
(2) The Frost National Bank has the right to terminate a portion of its lease (a 1 SF space utilized for a drive-through bank) any time after April 30, 2021 with 90 days' notice. The Frost National Bank has 25,145 SF of space expiring April 30, 2023 and 1 SF of space expiring April 30, 2021.
(3) Memorial Hermann Health System has the right to terminate 11,279 SF of space on June 30, 2019 (lease expiration June 30, 2021) with nine months' notice and 1,613 SF of space on August 31, 2018 (lease expiration August 31, 2020) with nine months' notice.
(4) Methodist Primary Care Group has 3,737 SF of space expiring July 31, 2018 and 8,703 SF of space expiring April 30, 2022.
(5) Gilbreth & Associates, P.C. has the right to terminate its storage space 880 SF (lease expiration January 31, 2022) with 30 days' notice. Gilbreth & Associates, P.C. has 6,891 SF of space with a lease expiration of February 28, 2022.

The following table presents certain information relating to the lease rollover schedule at the Pin Oak North Medical Office Property 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 ⁽²⁾ | 841 | 0.2% | 0.2% | \$0 | 0.0% | \$0.00 | 0 |
| 2018 ⁽³⁾ | 41,081 | 11.7 | 11.9% | 1,110,281 | 12.3 | 27.03 | 19 |
| 2019 | 65,858 | 18.7 | 30.7% | 1,822,709 | 20.2 | 27.68 | 21 |
| 2020 | 40,970 | 11.7 | 42.3% | 1,156,248 | 12.8 | 28.22 | 14 |
| 2021 | 52,861 | 15.0 | 57.4% | 1,474,392 | 16.4 | 27.89 | 12 |
| 2022 | 65,485 | 18.6 | 76.0% | 1,953,610 | 21.7 | 29.83 | 15 |
| 2023 | 33,033 | 9.4 | 85.4% | 961,029 | 10.7 | 29.09 | 3 |
| 2024 | 10,217 | 2.9 | 88.3% | 313,486 | 3.5 | 30.68 | 2 |
| 2025 | 2,590 | 0.7 | 89.0% | 75,450 | 0.8 | 29.13 | 1 |
| 2026 | 0 | 0.0 | 89.0% | 0 | 0.0 | 0.00 | 0 |
| 2027 | 0 | 0.0 | 89.0% | 0 | 0.0 | 0.00 | 0 |
| 2028 | 5,128 | 1.5 | 90.5% | 145,184 | 1.6 | 28.31 | 2 |
| 2029 & Thereafter | 0 | 0.0 | 90.5% | 0 | 0.0 | 0.00 | 0 |
| Vacant | 33,464 | 9.5 | 100.0% | 0 | 0.0 | 0.00 | 0 |
| Total / Wtd. Avg. | 351,528 | 100.0% | | \$9,012,389 | 100.0% | \$28.34 | 89 |

- (1) Calculated based on approximate square footage occupied by each Owned Tenant.
(2) MTM represents a conference room occupied by Griffin Partners.
(3) Tranquility Dental Spa (1,600 SF) has executed a lease but has not yet taken occupancy and/or begun paying rent. Tranquility Dental Spa is anticipated to take occupancy in March 2018 and begin paying rent in April 2018. We cannot assure you that this tenant will take occupancy or begin paying rent as anticipated or at all.

The following table presents certain information relating to historical occupancy at the Pin Oak North Medical Office Property:

Historical Leased %⁽¹⁾

| 2015 | 2016 | 2017 |
|-------|-------|-------|
| 96.0% | 94.0% | 93.1% |

- (1) As provided by the borrowers and reflects average occupancy for the indicated year ended December 31 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 at the Pin Oak North Medical Office Property:

Cash Flow Analysis⁽¹⁾

| | 2015 | 2016 | 2017 | Underwritten ⁽²⁾ | Underwritten \$ per SF |
|----------------------------------|--------------------|--------------------|--------------------|-----------------------------|---------------------------|
| Base Rental Revenue | \$8,452,207 | \$8,363,923 | \$8,813,393 | \$9,012,389 | \$25.64 |
| Contractual Rent Steps | 0 | 0 | 0 | 76,166 | 0.22 |
| Total Reimbursement Revenue | 292,941 | 337,475 | 294,160 | 421,108 | 1.20 |
| Market Revenue from Vacant Units | 0 | 0 | 0 | 937,247 | 2.67 |
| Parking Revenue | 503,981 | 485,530 | 460,745 | 463,982 | 1.32 |
| Other Revenue | 105,430 | 111,276 | 92,459 | 88,791 | 0.25 |
| Gross Revenue | \$9,354,559 | \$9,298,204 | \$9,660,757 | \$10,999,681 | \$31.29 |
| Vacancy Loss | 0 | 0 | 0 | (954,358) | (2.71) |
| Credit Loss | 0 | 0 | 0 | 0 | 0.00 |
| Effective Gross Revenue | \$9,354,559 | \$9,298,204 | \$9,660,757 | \$10,045,323 | \$28.58 |
| Total Operating Expenses | \$3,503,280 | \$3,684,812 | \$3,708,777 | \$4,113,010 | \$11.70 |
| Net Operating Income | \$5,851,278 | \$5,613,392 | \$5,951,980 | \$5,932,314 | \$16.88 |
| TI/LC | 0 | 0 | 0 | 306,415 | 0.87 |
| Replacement Reserves | 0 | 0 | 0 | 87,882 | 0.25 |
| Net Cash Flow | \$5,851,278 | \$5,613,392 | \$5,951,980 | \$5,538,016 | \$15.75 |

(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 January 5, 2018 and contractual rent steps through February 28, 2019.

- **Appraisal.** According to the appraisal, the Pin Oak North Medical Office Property had an “as-is” appraised value of \$78,475,000 as of November 17, 2017.
- **Environmental Matters.** According to a Phase I environmental report, dated December 12, 2017, there is a recognized environmental condition at the Pin Oak North Medical Office Property relating to an undefined upgradient, Methyl tert-butyl ether plume relating to leaking petroleum storage tank releases and for which an unaffiliated third party has been identified as the responsible party. The environmental report made no recommendations for further action at the Pin Oak North Medical Office Property other than the implementation of an operations and maintenance plan for asbestos containing materials.
- **Market Overview and Competition.** The Pin Oak North Medical Office Property is located in the Bellaire office submarket of the greater Houston market. The submarket had a 9.1% Class B vacancy compared to the overall Houston market vacancy of 15.4% as of third quarter 2017 per a market research report.

The following table presents certain information relating to the primary competition for the Pin Oak North Medical Office Property:

Competitive Set⁽¹⁾

| Property | Location | Building SF | Year Built/Renovated | Rent per SF | Occupancy % | Distance (mi) |
|------------------------------|-----------------|-------------|-------------------------|-------------------|-------------|---------------|
| Pin Oak North Medical Office | Bellaire, Texas | 351,528 | 1974-1977 | \$21.93 - \$33.38 | 90.5% | - |
| Competitors | | | | | | |
| One Fannin Medical Building | Houston, Texas | 213,130 | 1990 | \$33.00 | 88.0% | 4.2 |
| 6565 West Loop South | Bellaire, Texas | 169,536 | 1979 | \$28.50 | 93.0% | 0.4 |
| Greenpark I | Houston, Texas | 135,000 | 1984 / 2011 | \$32.00 | 78.0% | 3.5 |
| Greenpark II | Houston, Texas | 80,098 | 1985 | \$32.00 | 83.0% | 3.5 |

(1) Source: Appraisal.

- **The Borrowers.** The borrowers, six tenants-in-common, are Norvin Pin Oak North LLC, Norvin Pin Oak North II LLC, Norvin Pin Oak North III LLC, Norvin Pin Oak North IV LLC, Norvin Pin Oak North V LLC and Norvin Pin Oak North VI LLC, each a Delaware limited liability company and single-purpose entity. Legal counsel to the borrowers delivered a non-consolidation opinion in connection with the origination of the Pin Oak North Medical Office Loan. The non-recourse carveout guarantor is Norman Livingston, an indirect owner of the borrowers.

- **Escrows.** On the origination date, the borrowers funded a tax reserve in the amount of \$213,830.

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 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, and the borrowers provide evidence of payment of related premiums, (ii) a tenant improvements and leasing commissions reserve in the amount of \$29,294, subject to a cap of \$1,054,584 and (iii) a capital expenditure reserve in the amount of approximately \$7,324.

In addition, on each due date during the continuance of a Pin Oak North Medical Office Trigger Period or an event of default under the Pin Oak North Medical Office Loan, the related loan documents require an excess cash flow reserve as discussed under “*Lockbox and Cash Management*” below, unless the borrowers have deposited with lender a letter of credit in order to prevent a DSCR Trigger Event from occurring.

A “**Pin Oak North Medical Office 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 1.20x (which has not been cured by the borrowers posting cash or a letter of credit), until the debt service coverage ratio is equal to or greater than 1.20x for two consecutive fiscal quarters and (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 Pin Oak North Medical Office Portfolio Trigger Period is ongoing.

- **Lockbox and Cash Management.** The Pin Oak North Medical Office Loan is structured with a hard lockbox and in-place cash management. The related loan documents require the borrowers to direct tenants to pay rent directly to a lender-controlled lockbox account and all cash revenues relating to the Pin Oak North Medical Office Property and all other money received by the borrowers or the property manager with respect to the Pin Oak North Medical Office Property (other than tenant security deposits) be deposited into such lockbox account or the cash management account by the end of the third 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 Pin Oak North Medical Office Trigger Period or event of default under the Pin Oak North Medical Office 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 Pin Oak North Medical Office Trigger Period or, at the lender’s discretion, during an event of default under the Pin Oak North Medical Office 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 Pin Oak North Medical Office Property is currently managed by Norvin Operating Corp., pursuant to a management agreement. Under the related loan documents, the Pin Oak North Medical Office Property is required to remain managed by (i) Norvin Operating Corp., (ii) a property manager meeting the qualifications set forth in the loan agreement or (iii) 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 borrowers to replace, the property manager and require the borrowers to engage a property manager selected by the borrowers (meeting the requirements in the previous sentence) or, in the event of an event of default under the Pin Oak North Medical Office Loan or following any foreclosure or conveyance in lieu of foreclosure, reasonably approved by the lender (i) during the continuance of an event of default under the Pin Oak North Medical Office 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.
- **Unsecured Debt.** As of the origination date, equity interests in three of the borrowers are held by a qualified intermediary in order to facilitate a reverse like-kind exchange. The membership interests are pledged by the qualified intermediary to investors in a 1031 exchange as collateral for loans made to the borrowers by such investors. The loan amount equals in the exact amount of the capital contributions ultimately to be made by the investors for their interest in the Pin Oak North Medical Office Property. Such amounts will be repaid out of the proceeds from the relinquished property that is part of the 1031 exchange or, if the related exchange is not completed within 185 days of the origination date, the debt obligation will automatically convert to an equity position in the borrowers. The loans are subject to a subordination and standstill agreement in favor of the lender.
- **Terrorism Insurance.** The borrowers are required to maintain terrorism insurance in an amount equal to the full replacement cost of the Pin Oak North Medical Office Property, as well as 18 months of rental loss and/or business interruption coverage, together with a six month extended period of indemnity following restoration. If TRIPRA is no longer in effect, then the borrowers' requirement will be capped at insurance premiums equal to two times the amount of the insurance premium payable in respect of the property and business interruption/rental loss insurance required under the related loan documents. See "*Risk Factors—Terrorism Insurance May Not Be Available for All Mortgaged Properties*" in the Prospectus.