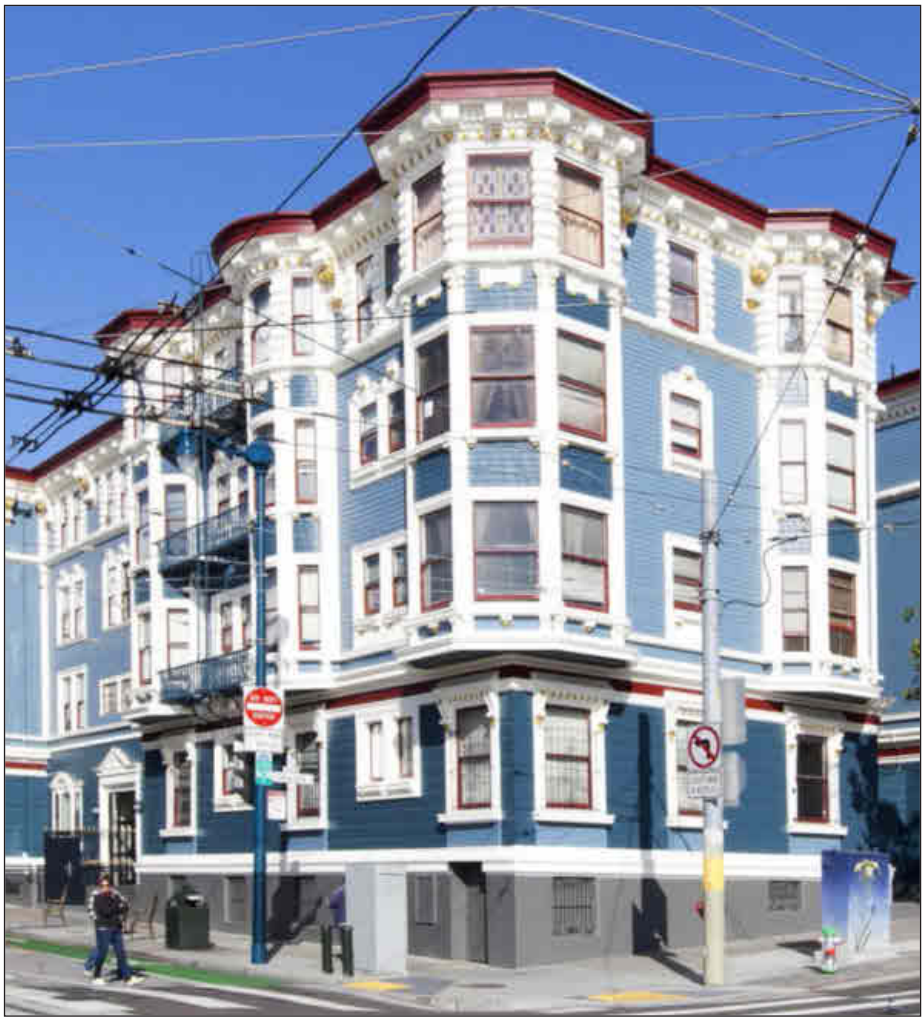
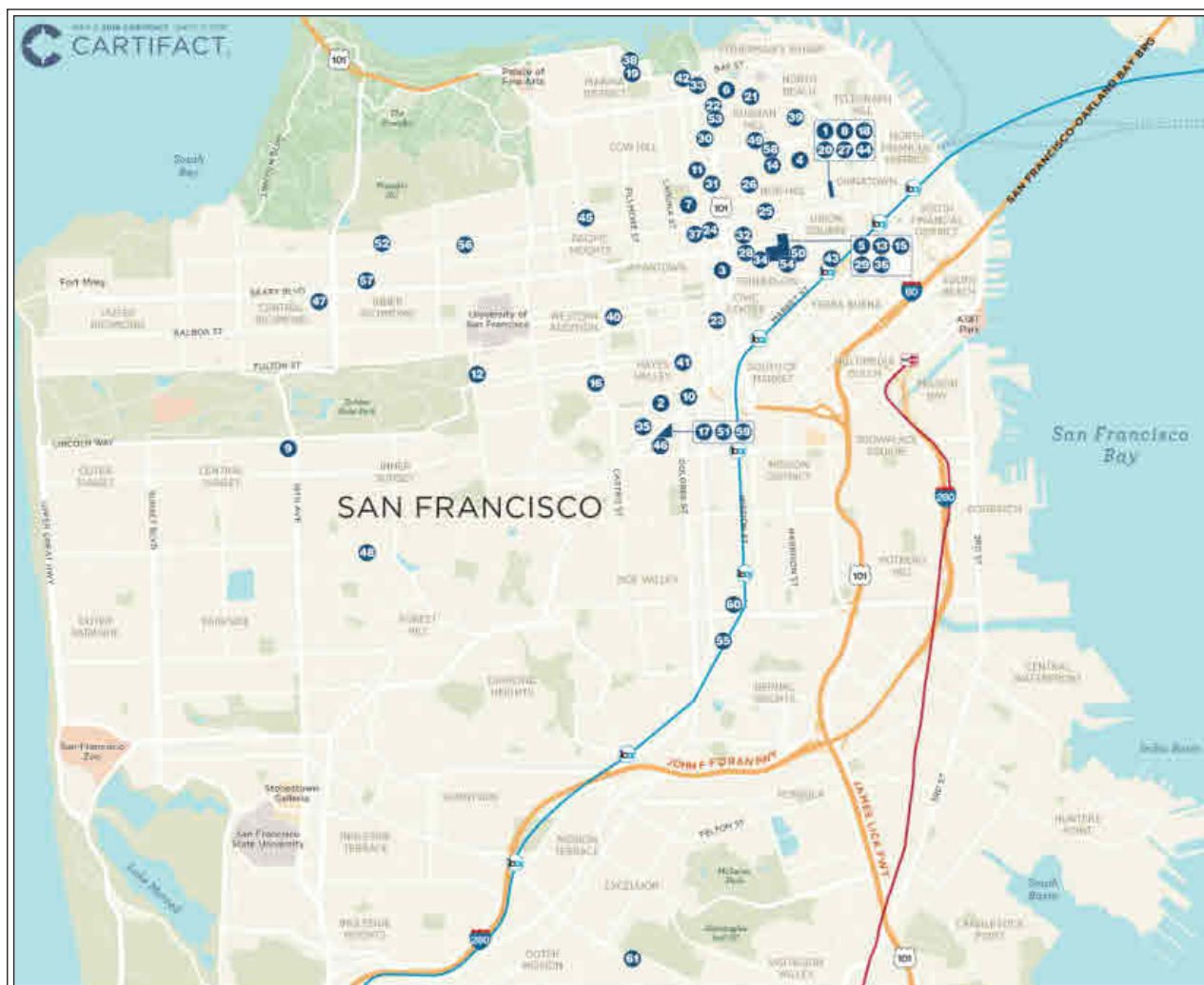


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**Veritas Multifamily Pool 1**

#	Property Name	Address	City/State	Zip Code	#	Property Name	Address	City/State	Zip Code
1	645 Stockton Street	645 Stockton Street	San Francisco, CA	94109	32	1020 Post Street	1020 Post Street	San Francisco, CA	94109
2	400 Duane Avenue	400 Duane Avenue	San Francisco, CA	94111	33	2975 Van Ness Avenue	2975 Van Ness Avenue	San Francisco, CA	94109
3	950 Franklin Street	950 Franklin Street	San Francisco, CA	94109	34	755 O'Farrell Street	755 O'Farrell Street	San Francisco, CA	94109
4	1340-1390 Taylor Street	1340-1390 Taylor Street	San Francisco, CA	94109	35	106 Sanchez Street	106 Sanchez Street	San Francisco, CA	94104
5	601 O'Farrell Street	601 O'Farrell Street	San Francisco, CA	94109	36	709 Geary Street	709 Geary Street	San Francisco, CA	94109
6	2677 Larkin Street	2677 Larkin Street	San Francisco, CA	94109	37	1440 Sutter Street	1440 Sutter Street	San Francisco, CA	94108
7	1801 Gough Street	1801 Gough Street	San Francisco, CA	94109	38	1690 North Point	1690 North Point	San Francisco, CA	94123
8	843 California Street	843 California Street	San Francisco, CA	94109	39	1713 Mason Street	1713 Mason Street	San Francisco, CA	94133
9	1290 20th Avenue	1290 20th Avenue	San Francisco, CA	94122	40	918 Hayes Street	918 Hayes Street	San Francisco, CA	94109
10	79 Buchanan Street	79 Buchanan Street	San Francisco, CA	94102	41	520 Buchanan Street	520 Buchanan Street	San Francisco, CA	94102
11	1870 Pacific Avenue	1870 Pacific Avenue	San Francisco, CA	94109	42	3210 Gough Street	3210 Gough Street	San Francisco, CA	94133
12	500 Sloat Street	500 Sloat Street	San Francisco, CA	94117	43	124 Mason Street	124 Mason Street	San Francisco, CA	94102
13	540 Leavenworth Street	540 Leavenworth Street	San Francisco, CA	94109	44	50 Jones Street	50 Jones Street	San Francisco, CA	94108
14	1401 Jones Street	1401 Jones Street	San Francisco, CA	94109	45	2038 Divisadero Street	2038 Divisadero Street	San Francisco, CA	94115
15	676 Geary Street	676 Geary Street	San Francisco, CA	94102	46	340 Church Street	340 Church Street	San Francisco, CA	94104
16	100 Brinkley Street	100 Brinkley Street	San Francisco, CA	94115	47	411 15th Avenue	411 15th Avenue	San Francisco, CA	94118
17	2075 Market Street	2075 Market Street	San Francisco, CA	94114	48	1835 10th Avenue	1835 10th Avenue	San Francisco, CA	94122
18	621 Stockton Street	621 Stockton Street	San Francisco, CA	94109	49	1260 Broadway Street	1260 Broadway Street	San Francisco, CA	94109
19	1660 Bay Street	1660 Bay Street	San Francisco, CA	94123	50	640 O'Farrell Street	640 O'Farrell Street	San Francisco, CA	94102
20	655 Stockton Street	655 Stockton Street	San Francisco, CA	94109	51	235 Church Street	235 Church Street	San Francisco, CA	94104
21	2238 Hyde Street	2238 Hyde Street	San Francisco, CA	94109	52	4540 California Street	4540 California Street	San Francisco, CA	94118
22	2600 Van Ness Avenue	2600 Van Ness Avenue	San Francisco, CA	94109	53	2500 Van Ness Avenue	2500 Van Ness Avenue	San Francisco, CA	94109
23	555 Fulton Street	555 Fulton Street	San Francisco, CA	94102	54	548 Leavenworth Street	548 Leavenworth Street	San Francisco, CA	94102
24	1520 Gough Street	1520 Gough Street	San Francisco, CA	94109	55	3264-3274 Mission Street	3264-3274 Mission Street	San Francisco, CA	94110
25	1126 Bush Street	1126 Bush Street	San Francisco, CA	94109	56	3713 California Street	3713 California Street	San Francisco, CA	94118
26	1547 Clay Street	1547 Clay Street	San Francisco, CA	94109	57	325 9th Avenue	325 9th Avenue	San Francisco, CA	94108
27	840 California Street	840 California Street	San Francisco, CA	94109	58	1616 Leavenworth Street	1616 Leavenworth Street	San Francisco, CA	94108
28	925 Geary Street	925 Geary Street	San Francisco, CA	94109	59	252-258 Church Street	252-258 Church Street	San Francisco, CA	94104
29	691 O'Farrell Street	691 O'Farrell Street	San Francisco, CA	94109	60	500-506 Barbett Street	500-506 Barbett Street	San Francisco, CA	94104
30	2363 Van Ness Avenue	2363 Van Ness Avenue	San Francisco, CA	94109	61	1500-1514 Geneva Avenue	1500-1514 Geneva Avenue	San Francisco, CA	94123
31	1840 Clay Street	1840 Clay Street	San Francisco, CA	94109					

VERITAS MULTIFAMILY POOL 1

Mortgaged Property Information		Mortgage Loan Information	
Number of Mortgaged Properties	61	Loan Seller	GSMC
Location (City/State)	San Francisco, California	Cut-off Date Principal Balance ⁽⁴⁾	\$55,250,000
Property Type	Multifamily	Cut-off Date Principal Balance per Unit ⁽³⁾	\$133,400.93
Size (Units)	1,726	Percentage of Initial Pool Balance	5.2%
Total Occupancy as of 4/18/2016 ⁽¹⁾	94.9%	Number of Related Mortgage Loans ⁽⁵⁾	2
Owned Occupancy as of 4/18/2016 ⁽¹⁾	94.9%	Type of Security	Fee Simple
Year Built / Latest Renovation	Various	Mortgage Rate	4.07546875%
Appraised Value ⁽²⁾	\$923,275,000	Original Term to Maturity (Months)	60
		Original Amortization Term (Months)	NAP
		Original Interest Only Period (Months)	60
			</

Sources and Uses					
Sources	\$	%	Uses	\$	%
Senior Loan Amount	\$230,250,000	34.0%	Loan Payoff	\$523,218,409	77.3%
Subordinate Companion Loan Amount	249,750,000	36.9	Principal Equity Distribution	124,647,488	18.4
Mezzanine Loan Amount	196,500,000	29.0	Reserves	21,353,909	3.2
			Closing Costs	7,280,194	1.1
Total Sources	\$676,500,000	100.0%	Total Uses	\$676,500,000	100.0%

- (1) Total Occupancy and Owned Occupancy are calculated by dividing the number of units occupied by the total number of units at the Veritas Multifamily Pool 1 Properties. Total Occupancy and Owned Occupancy excluding admin and down units is 96.7%. Admin units are nonconforming units that are not available for leasing and down units are units that the borrower sponsor has elected to take off-line to renovate. Occupancy calculations do not include retail units.
- (2) The Appraised Value represents the aggregate "as-is" appraised value of the Veritas Multifamily Pool 1 Properties of \$865,880,000 plus a 6.6% portfolio premium. The Cut-off Date LTV Ratio and the Maturity Date LTV Ratio for the Veritas Multifamily Pool 1 Loan calculated on the basis of the aggregate "as-is" appraised value without the portfolio premium are both 26.6%. See "—Appraisals" below.
- (3) Calculated based on the aggregate outstanding principal balance of the Veritas Multifamily Pool 1 Senior Loans. See "—The Mortgage Loan" below.
- (4) The Cut-off Date Principal Balance of \$55,250,000 represents the non-controlling note A-3 of a \$480,000,000 whole loan evidenced by three senior *pari passu* notes and one subordinate note B.
- (5) Yat-Pang Au is the guarantor of the non-recourse carveouts under the Veritas Multifamily Pool 1 Loan and the Veritas Multifamily Pool 2 Loan.
- (6) See "—Escrows" below.

- **The Mortgage Loan.** The mortgage loan (the "**Veritas Multifamily Pool 1 Loan**") is part of a whole loan structure (the "**Veritas Multifamily Pool 1 Whole Loan**") comprised of three non-controlling senior *pari passu* notes (note A-1, note A-2 and note A-3, collectively the "**Veritas Multifamily Pool 1 Senior Loans**") with an aggregate outstanding principal balance of \$230,250,000 (note A-1 and note A-2, the "**Veritas Multifamily Pool 1 Pari Passu Companion Loans**") and one controlling subordinate note B with an outstanding principal balance of \$249,750,000 (the "**Veritas Multifamily Pool 1 Subordinate Companion Loan**" and, together with the Veritas Multifamily Pool 1 Pari Passu Companion Loans, the "**Veritas Multifamily Pool 1 Companion Loans**"). The Veritas Multifamily Pool 1 Whole Loan has an aggregate outstanding principal balance of \$480,000,000 as of the Cut-off Date and is secured by borrowers' fee simple interests in 61 multifamily properties located in San Francisco, California (the "**Veritas Multifamily Pool 1 Properties**"). The Veritas Multifamily Pool 1 Loan (evidenced by note A-3) has an outstanding balance as of the Cut-off Date of \$55,250,000 and represents approximately 5.2% of the Initial Pool Balance. Note A-1 and the Veritas Multifamily Pool 1 Subordinate Companion Loan were contributed to the GS Mortgage Securities Corporation Trust 2016-RENT ("**GSMS 2016-RENT**") transaction, and note A-2 was contributed to the GS Mortgage Securities Trust 2016-GS2 ("**GSMS 2016-GS2**") transaction. The Veritas Multifamily Pool 1 Whole Loan was originated by GS Commercial Real Estate LP on January 29, 2016 and each note of the Veritas Multifamily Pool 1 Whole Loan has an interest rate of 4.07546875% *per annum*. The borrowers utilized the proceeds of the Veritas Multifamily Pool 1 Whole Loan to refinance existing debt on the Veritas Multifamily Pool 1 Properties, fund reserves, pay origination costs and return equity to the borrower sponsor. All calculations relating to the Veritas Multifamily Pool 1 Loan are calculated based on the aggregate outstanding principal balance as of the Cut-off Date of the Veritas Multifamily Pool 1 Senior Loans and exclude the Veritas Multifamily Pool 1 Subordinate Companion Loan unless otherwise specified.

VERITAS MULTIFAMILY POOL 1

The Veritas Multifamily Pool 1 Loan had an initial term of 60 months and has a remaining term of 53 months as of the Cut-off Date. The Veritas Multifamily Pool 1 Loan requires interest only payments during its term. The scheduled maturity date of the Veritas Multifamily Pool 1 Loan is the due date in February 2021. The borrowers may prepay the Veritas Multifamily Pool 1 Loan, in whole or in part on or after the due date in August 2020, without payment of any prepayment premium or yield maintenance premium. Provided no event of default under the related loan documents has occurred and is continuing, at any time prior to the maturity date and on or after the first due date following the second anniversary of the securitization Closing Date, the Veritas Multifamily Pool 1 Loan may be defeased with certain direct, non-callable obligations of the United States of America or other obligations which are "government securities" permitted under the related loan documents.

Veritas Multifamily Pool 1 Total Debt

			Interest Rate	Cumulative Cut-off Date Balance	Cumulative Amount Per Unit	Cumulative Cut-off Date LTV Ratio ⁽¹⁾	Underwritten In- Place NOI / NCF Debt Yield	Underwritten In-Place NOI / NCF DSCR	
Veritas Multifamily Pool 1 Whole Loan	Senior Loans	Veritas Multifamily Pool 1 Loan	Veritas Multifamily Pool 1 <i>Pari Passu</i> Companion Loans	4.07546875%	\$230,250,000	\$133,401	24.9%	15.5% / 15.4%	3.76x / 3.72x
		\$55,250,000 Note A-3							
	Veritas Multifamily Pool 1 Subordinate Companion Loan		4.07546875%	\$480,000,000	\$278,100	52.0%	7.5% / 7.4%	1.80x / 1.78x	
	\$249,750,000 Note B								
	Veritas Multifamily Pool 1 Mezzanine Loan A \$107,000,000		6.7500%	\$587,000,000	\$340,093	63.6%	6.1% / 6.0%	1.32x / 1.30x	
	Veritas Multifamily Pool 1 Mezzanine Loan B \$49,500,000		7.8000%	\$636,500,000	\$368,772	68.9%	5.6% / 5.6%	1.15x / 1.14x	
Veritas Multifamily Pool 1 Mezzanine Loan C \$40,000,000		10.4875%	\$676,500,000	\$391,947	73.3%	5.3% / 5.2%	1.01x / 1.00x		

(1) Cumulative Cut-off Date LTV Ratio is calculated by dividing the respective Cumulative Cut-off Date Balance by the aggregate "as-is" appraised value of the Veritas Multifamily Pool 1 Properties of \$865,880,000 plus a 6.6% portfolio premium. The Cumulative Cut-off Date LTV Ratios for the Veritas Multifamily Pool 1 Senior Loans, Veritas Multifamily Pool 1 Subordinate Companion Loan, Mezzanine Loan A, Mezzanine Loan B and Mezzanine Loan C, calculated on the basis of the aggregate "as-is" appraised value without the portfolio premium are 26.6%, 55.4%, 67.8%, 73.5% and 78.1%, respectively. See "—Appraisals" below.

■ **The Mortgaged Properties.** The Veritas Multifamily Pool 1 Loan is secured by, among other things, first liens on the borrowers' fee simple interests in 61 multifamily properties located in San Francisco, California consisting of 1,726 multifamily units. Each of the Veritas Multifamily Pool 1 Properties is subject to San Francisco's rent control ordinance that limits annual rent increases to 60% of the Bay Area Consumer Price Index ("CPI") that applies to all multifamily properties built prior to 1979. Each time an existing tenant vacates, the rent can be reset to market levels (with subsequent annual increases for that tenant limited to 60% of Bay Area CPI). As a result of rent control, in-place rents at the Veritas Multifamily Pool 1 Properties are approximately 34.4% below the borrowers' estimate of current market rents in the aggregate, with approximately 88.2% of the multifamily units below the borrowers' estimate of market rent levels as of April 18, 2016. Unless otherwise specified, market rents are as provided by the borrower sponsor. Cash flow growth at the Veritas Multifamily Pool 1 Properties reflects, in part, renovation of vacated units and re-leasing such units at higher rents. The Veritas Multifamily Pool 1 Properties achieved net cash flow growth of 8.3% in 2015 over the prior year and 2014 net cash flow was 19.2% greater than 2013.

For property level information on each of the Veritas Multifamily Pool 1 Properties, see "Certain Characteristics of the Mortgage Loans and Mortgaged Properties" on Annex A-1 to the Prospectus.

Portfolio Summary by Neighborhood

Neighborhood	# of Properties	# of Residential Units ⁽¹⁾	# of Retail Units ⁽¹⁾	Occupancy ⁽¹⁾	Underwritten In-Place Rent ⁽¹⁾	% of Allocated Loan Amount	Aggregate Appraised Value	Underwritten In-Place Net Cash Flow
Nob Hill	8	293	0	90.4%	\$7,628,404	18.5%	\$157,630,000	\$5,655,211
Downtown	9	367	16	97.5%	6,628,602	13.3	122,590,000	5,377,459
Russian Hill	7	159	0	90.6%	5,571,810	12.8	109,120,000	3,972,526
Pacific Heights	5	141	0	94.3%	4,279,782	9.5	81,240,000	3,474,540
Civic Center	4	164	3	97.0%	3,961,350	8.3	70,890,000	3,283,443
Marina	5	97	2	93.8%	2,743,219	6.7	58,060,000	2,206,940
Upper Market	2	97	0	100.0%	2,543,430	5.7	48,660,000	2,080,504
Hayes Valley	3	96	0	97.9%	2,598,797	5.3	45,600,000	2,014,798
Mission Dolores	3	44	9	100.0%	974,425	3.3	28,450,000	1,197,478
Central Sunset	1	38	1	92.1%	939,569	2.6	22,870,000	1,044,404
NOPA	1	36	0	97.2%	1,139,246	2.4	20,190,000	939,889
Ashbury Heights	1	35	0	94.3%	936,150	2.1	17,750,000	770,388
Mission	3	24	2	95.8%	683,793	1.8	15,890,000	628,646
Lower Nob Hill	1	33	0	100.0%	813,845	1.6	13,720,000	645,870
Inner Richmond	2	24	0	91.7%	591,576	1.3	11,400,000	446,509
Cathedral Hill	1	15	0	100.0%	514,950	1.1	9,820,000	450,135
North Beach	1	14	1	100.0%	321,017	1.0	8,800,000	327,003
Richmond	1	14	2	100.0%	404,870	0.9	8,140,000	329,437
Golden Gate Heights	1	18	0	83.3%	380,832	0.9	8,100,000	280,126
Laurel Heights	1	12	0	75.0%	226,485	0.6	5,150,000	165,747
Visitacion Valley	1	5	1	100.0%	94,108	0.2	1,810,000	83,918
Total / Wtd. Avg.	61	1,726	37	94.9%	\$43,976,259	100.0%	\$865,880,000	\$35,374,970

(1) Provided by the borrowers, as of April 18, 2016. Occupancy calculations do not include retail units.

The following table presents certain information relating to the units and rent at the Veritas Multifamily Pool 1 Properties:

Unit Mix⁽¹⁾

Unit Type	# of Units	Occupancy	Underwritten In-Place Average Monthly Rent per Unit ⁽²⁾	Average Monthly Market Rent per Unit ⁽³⁾	% Below Market Rent	Annual Underwritten In-Place Rent ⁽²⁾	Annual Market Rent ⁽³⁾
Studio	830	96.0%	\$1,797	\$2,727	34.1%	\$17,189,691	\$27,156,806
One Bedroom	709	93.5%	\$2,465	\$3,788	34.9%	19,612,324	32,226,189
Two Bedroom	169	95.3%	\$3,138	\$4,742	33.8%	6,062,168	9,616,343
Three Bedroom	16	93.8%	\$5,571	\$7,940	29.8%	1,002,786	1,524,420
Four Bedroom	2	100.0%	\$4,554	\$6,995	34.9%	109,290	167,880
Total / Wtd. Avg.	1,726	94.9%	\$2,237	\$3,413	34.4%	\$43,976,259	\$70,691,637

(1) Provided by the borrowers, as of April 18, 2016.

(2) Annual Underwritten In-Place Rent is the underwritten net rental income excluding concession loss.

(3) The Average Monthly Market Rent per Unit and Annual Market Rent are based on the borrower sponsor's estimates. We cannot assure you that these Market Rents will be achieved.

VERITAS MULTIFAMILY POOL 1

The following table presents certain information relating to historical leasing at the Veritas Multifamily Pool 1 Properties:

Historical Leased %⁽¹⁾

	2013	2014	2015	As of 4/18/2016
Occupancy	89.9%	90.6%	92.8%	94.9%
Adjusted Occupancy ⁽²⁾	93.3%	94.4%	94.8%	96.7%

(1) As provided by the borrowers and reflects occupancy for the indicated period as of the rent roll dated November 30 unless otherwise specified.

(2) Adjusted occupancy means, for the specified time period, the percentage of units occupied, which is calculated by dividing the number of units occupied by the total number of units, excluding admin units and units down for renovation. Admin units are nonconforming units that are not available for leasing and down units are units that the borrower sponsor has elected to take off-line to renovate.

■ **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 Veritas Multifamily Pool 1 Properties:

Cash Flow Analysis⁽¹⁾

	2013	2014	2015	TTM 5/31/2016	Borrowers' 2016 Budget ⁽²⁾	Underwritten In-Place ⁽³⁾	Underwritten Year 5 ⁽⁴⁾	Underwritten Mark-To-Market ⁽⁵⁾
Gross Potential Rent	\$48,977,009	\$55,408,309	\$57,054,320	\$62,937,582	\$70,472,927	\$70,691,637	\$86,007,186	\$70,691,637
Loss to Lease	(11,835,517)	(13,253,587)	(12,251,942)	(15,512,670)	(21,644,557)	(22,506,258)	(18,698,110)	0
Gross Scheduled Rent	\$37,141,491	\$42,154,722	\$44,802,378	\$47,424,912	\$48,828,370	\$48,185,379	\$67,309,075	\$70,691,637
Actual Vacancy	(2,495,930)	(2,871,018)	(4,062,994)	(4,113,190)	(2,949,565)	(2,793,780)	0	0
Renovation Vacancy	(1,300,294)	(2,027,515)	(1,289,242)	(1,130,432)	(2,312,131)	(1,240,500)	(723,475)	0
Non-Revenue Units	0	0	0	0	0	(174,840)	(212,720)	(174,840)
Concession Loss	(161,332)	(107,714)	(154,002)	(155,828)	(198,223)	(154,002)	(154,002)	(154,002)
Net Rental Income	\$33,183,935	\$37,148,475	\$39,296,141	\$42,025,462	\$43,368,452	\$43,822,258	\$66,218,879	\$70,362,796
Market Vacancy	0	0	0	0	0	0	(1,986,566)	(2,110,884)
Effective Rental Income	\$33,183,935	\$37,148,475	\$39,296,141	\$42,025,462	\$43,368,452	\$43,822,258	\$64,232,312	\$68,251,912
Other Residential Income	1,450,936	1,732,748	2,181,686	2,408,608	2,390,706	2,480,500	2,725,136	1,949,153
Retail Income ⁽⁶⁾	1,408,158	1,447,432	1,545,012	1,582,693	1,830,392	1,699,395	1,970,065	1,699,395
Effective Gross Income	\$36,043,029	\$40,328,656	\$43,022,839	\$46,016,762	\$47,589,550	\$48,002,153	\$68,927,513	\$71,900,460
Payroll	970,337	1,377,921	1,441,139	1,530,240	1,557,238	1,557,238	1,752,685	1,557,238
General & Administrative	672,395	379,603	342,189	317,465	306,747	306,747	345,247	306,747
Repairs & Maintenance	1,851,960	1,397,882	1,230,305	1,553,585	1,287,413	1,287,413	1,448,995	1,287,413
Utilities	2,846,090	2,854,973	3,011,897	3,188,318	3,020,204	3,020,204	3,399,266	3,020,204
Management Fee	1,225,314	820,252	875,010	908,394	948,376	960,043	1,378,550	1,438,009
Real Estate Taxes ⁽⁷⁾	3,287,925	3,356,939	3,388,343	3,435,673	3,433,997	4,663,016	5,047,399	4,663,016
Insurance	738,489	999,483	1,179,903	965,890	450,875	446,831	507,464	446,831
Total Expenses	\$11,592,509	\$11,187,055	\$11,468,785	\$11,899,565	\$11,004,851	\$12,241,493	\$13,879,606	\$12,719,459
Net Operating Income	\$24,450,520	\$29,141,601	\$31,554,054	\$34,117,198	\$36,584,699	\$35,760,660	\$55,047,907	\$59,181,001
Capital Expenditure Reserves	0	0	0	0	0	385,690	447,120	385,690
Net Cash Flow	\$24,450,520	\$29,141,601	\$31,554,054	\$34,117,198	\$36,584,699	\$35,374,970	\$54,600,787	\$58,795,311

(1) Certain items such as interest expense, interest income, and any non-recurring or non-operating items were excluded from the historical presentation and are not considered for the underwritten cash flow.

(2) Borrowers' 2016 budget cash flow is based on underwritten rent roll dated January 22, 2016.

(3) Underwritten in-place cash flow is generally based on rent roll as of April 18, 2016 and borrower budgeted expenses (except for real estate taxes).

(4) Underwritten year 5 cash flow is based on rent roll as of April 18, 2016, and assumes a growth rate of 4.0% on market rents, 1.8% on restricted rents and 3.0% on expenses. Occupancy is calculated based on market vacancy of 3.0%, ongoing concessions, non-revenue losses and renovation vacancy. Unless otherwise specified, market rents are as provided by the borrower sponsor.

(5) Underwritten mark-to-market cash flow is based on number of units available and market rent, as provided by the borrower sponsor. Occupancy is calculated based on market vacancy of 3.0%, ongoing concessions, non-revenue losses and renovation vacancy. Unless otherwise specified, market rents are as provided by the borrower sponsor.

(6) As of September 1, 2016, the borrower has indicated that the tenants for two retail units (\$27,420 underwritten rent) have vacated.

(7) Underwritten real estate taxes are based on actual tax bills, except for 12 properties with expected tax re-assessments, resulting in an increase of approximately \$1.28 million over actual tax bills.

- **Appraisals.** According to an appraisal, the Veritas Multifamily Pool 1 Properties had an aggregate “as-is” portfolio appraised value, inclusive of an approximately 6.6% portfolio premium, of \$923,275,000 as of January 22, 2016. The aggregate “as-is” value of the Veritas Multifamily Pool 1 Properties without the portfolio premium is \$865,880,000.
- **Environmental Matters.** According to Phase I environmental reports, dated between December 21, 2015 and January 8, 2016, there are no recognized environmental conditions or recommendations for further action at the Veritas Multifamily Pool 1 Properties except for at the 1660 Bay Street Property which reported that previously a manufactured gas plant had been located in a larger area that now encompasses the related property and other third-party owned parcels. Previous subsurface sampling in some areas of the former gas plant identified groundwater and/or soil vapor impacts above screening levels but that may be consistent with regional ambient levels. The extent of such impacts or ambient levels has not been confirmed. Therefore, the environmental consultant recommended further investigation. The borrowers are required to deliver to the lender the results of an investigation to identify any residual gas plant impacts or health risks at the 1660 Bay Street Property and cooperate with the responsible party identified by such investigation to implement any recommendations within a reasonable period of time. We cannot assure you that such an investigation will be completed or that any responsible party will implement to completion any further actions that might be recommended as a result of an investigation. The guarantor under the Veritas Multifamily Pool 1 Loan, together with the borrowers, has provided an environmental indemnity, as described under “*Description of the Mortgage Pool—Environmental Considerations*” in the Prospectus. We cannot assure you that the net worth or liquidity of any guarantor will be sufficient to satisfy any claims against that guarantor under its environmental indemnity.
- **Market Overview and Competition.** The Veritas Multifamily Pool 1 Properties are located in multiple submarkets throughout San Francisco. The largest submarket by appraised value among the Veritas Multifamily Pool 1 Properties is Nob Hill. These locations are generally densely populated and urban with limited space to construct competing housing units. The vacancy rate in the San Francisco metro area as of the third quarter of 2015 was 3.9% for multifamily properties according to the appraisals.

The following table presents an overview of the various submarkets in the San Francisco multifamily rental market as of the third quarter of 2015:

Submarket Metrics⁽¹⁾

Submarket	Inventory (Buildings)	Inventory (Units)	Asking Rent (\$ per Month)	Vacancy %
Russian Hill / Embarcadero	88	9,826	\$3,295	2.0%
South of Market	113	18,063	\$3,011	8.2%
Marina / Pacific Heights	218	8,084	\$2,848	1.3%
Haight Ashbury	212	13,586	\$2,775	5.5%
West San Francisco	130	19,522	\$2,561	3.2%
Central San Mateo	124	15,289	\$2,535	2.4%
North San Mateo	82	14,602	\$2,230	3.8%
South Marin	54	7,306	\$2,221	4.1%
South San Mateo	170	11,163	\$2,117	2.2%
Civic Center / Downtown	232	17,097	\$2,032	4.8%

(1) Source: Appraisals.

- **The Borrowers.** The Veritas Multifamily Pool 1 Loan was made to 52, single-purpose, single-asset entities. Legal counsel to the borrowers delivered a non-consolidation opinion in connection with the origination of the Veritas Multifamily Pool 1 Whole Loan. The borrowers are 100% indirectly owned and controlled by a joint venture between (i) entities controlled by Veritas Investments, Inc. (“**Veritas**”) and Yat-Pang Au and (ii) certain funds for which The Baupost Group, L.L.C. (“**Baupost**”) is the registered investment advisor. Veritas is the operating partner of the joint venture. Yat-Pang Au, the related non-recourse carveout guarantor, is the chief executive officer and founder of Veritas. Veritas is a vertically integrated multifamily and urban retail investment platform headquartered in San Francisco, California. Veritas was founded in 2007 and is one of the largest institutional owners of multifamily properties in San Francisco based on buildings owned. Currently, Veritas, together with its affiliates and capital partners, manages more than 4,000 units across 167 buildings in the Bay Area. Baupost is a Boston-based registered investment advisor for a certain value-oriented hedge fund founded in 1982 by Seth Klarman. With over \$28 billion under management, Baupost is among the top 30 hedge funds globally based on gross assets under management.

- **Escrows.** On the origination date, the borrowers funded (i) a tax reserve in the amount of \$1,695,187, (ii) a capital expenditure reserve of \$19,000,000 for renovating the units and (iii) a deferred maintenance and environmental reserve of \$658,722 which is equal to 110% of the estimated amount required to fund structural, environmental or other issues at the Veritas Multifamily Pool 1 Properties.

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; provided, however, that reserve deposits for insurance premiums are not required if the borrowers are maintaining a blanket policy in accordance with the related loan documents and (ii) a capital expenditure reserve in an amount equal to the product of (x) \$25 times (y) the aggregate number of rental units at the Veritas Multifamily Pool 1 Properties that have not been released from the lien of the mortgage (as of the origination date, there are 1,726 rental units at the Veritas Multifamily Pool 1 Properties).

In addition, on each due date during the continuance of a Veritas Multifamily Pool 1 Trigger Period, the related loan documents require an excess cash flow reserve as discussed under “*Lockbox and Cash Management*” below.

In addition, the borrowers are expected to make an additional reserve deposit of \$6,000,000 in connection with taxes, interest and penalty charges related to the reassessment of certain Veritas Multifamily Pool 1 Properties, as further described under “*Risk Factors—Concentrations Based on Property Type, Geography, Related Borrowers and Other Factors May Disproportionately Increase Losses*” in the Prospectus.

- **Lockbox and Cash Management.** The Veritas Multifamily Pool 1 Loan is structured with a soft lockbox and in-place cash management. The related loan documents require the borrowers to cause all cash revenues relating to the Veritas Multifamily Pool 1 Properties (other than tenant security deposits) be deposited into such lockbox account or a lender-controlled cash management account within three business days following receipt. On each business day, all amounts in the lockbox account are required to be remitted to the cash management account.

For so long as no Veritas Multifamily Pool 1 Trigger Period or event of default under the Veritas Multifamily Pool 1 Loan is continuing, on each business day, the lender will be required to remit to a borrower-controlled operating account all amounts in the cash management account in excess of the amount required to pay monthly reserves and debt service on the next due date. On each due date during the continuance of a Veritas Multifamily Pool 1 Trigger Period or, at the lender’s discretion, during an event of default under the Veritas Multifamily Pool 1 Loan agreement, 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.

A “**Veritas Multifamily Pool 1 Trigger Period**” means any period (i) commencing upon the debt service coverage ratio (as calculated under the related loan documents) at the conclusion of two consecutive fiscal quarters (beginning with the second fiscal quarter of 2017) falling below (a) from January 29, 2017 to January 28, 2018, 1.05x until the debt service coverage ratio is greater than or equal to 1.05x for two consecutive fiscal quarters and (b) from and after January 29, 2018, 1.10x, until the debt service coverage ratio is greater than or equal to 1.10x for two consecutive fiscal quarters, (ii) commencing upon the borrowers’ failure to deliver monthly, quarterly or annual financial reports and ending when such reports are delivered and they indicate that no other Veritas Multifamily Pool 1 Trigger Period is ongoing and (iii) any period during the continuance of an event of default under the mezzanine loan.

- **Property Management.** The Veritas Multifamily Pool 1 Properties are currently managed by Greentree Property Management, Inc. Under the related loan documents, the Veritas Multifamily Pool 1 Properties are required to remain managed by any management company approved by the lender 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 with a property manager selected by the lender (i) during the continuance of an event of default under the related loan documents, (ii) upon the occurrence of a material default by the property manager, (iii) if the property manager files for or is the subject of a petition in bankruptcy or (iv) 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.
- **Release of Collateral.** Provided no event of default under the Veritas Multifamily Pool 1 Whole Loan is then continuing, at any time from and after the due date in August 2020, the borrowers may obtain the release of one or more of the related Veritas Multifamily Pool 1 Properties from the lien of the related loan documents, subject to the satisfaction of certain conditions set forth in the related loan documents, including among others: (i) prepayment in an amount equal to Release Price for each Veritas Multifamily Pool 1 Property being released; (ii) with respect to a partial release, after giving effect to the release, (1) the debt service coverage ratio (as calculated under the related loan documents) for the remaining Veritas Multifamily Pool 1 Properties for the 12-month period ended at the conclusion of the most recently ended fiscal quarter is no less than the greater of (a) 1.01x and (b) the debt service coverage ratio immediately prior to the release and (2) the debt yield (as calculated under the related loan documents) for the remaining Veritas Multifamily Pool 1 Properties for the 12-month period ended at the conclusion of most recently ended fiscal quarter is no less than the greater of (a) 5.29% and (b) the debt yield immediately prior to the release; (iii) delivery of Rating Agency Confirmation and (iv) delivery of a REMIC opinion (clauses (ii) through (iv), the “**Veritas Pool 1 Release Conditions**”).

Provided no event of default under the related loan is then continuing, at any time on or after the first due date following the second anniversary of the securitization Closing Date, the borrowers may obtain the release of one or more of the Veritas Multifamily Pool 1 Properties from the lien of the Veritas Multifamily Pool 1 Whole Loan documents, subject to the satisfaction of certain conditions, including among others: (i) delivery of defeasance collateral in an amount not less than the Release Price and (ii) the Veritas Pool 1 Release Conditions.