

601 McCarthy Boulevard  
Milpitas, CA 95035

Collateral Asset Summary – Loan No. 13

## 601 McCarthy

**Cut-off Date Balance:** \$30,660,000  
**Cut-off Date LTV:** 39.8%  
**U/W NCF DSCR:** 3.86x  
**U/W NOI Debt Yield:** 17.3%

### Mortgage Loan Information

**Loan Seller:** GSMC  
**Loan Purpose:** Acquisition  
**Borrower Sponsor:** TechCore, LLC  
**Borrower:** GI TC Milpitas LLC  
**Original Balance:** \$30,660,000  
**Cut-off Date Balance:** \$30,660,000  
**% by Initial UPB:** 2.9%  
**Interest Rate:** 4.17250%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** October 6, 2018  
**Maturity Date:** September 6, 2028  
**Amortization:** Interest Only  
**Additional Debt:** NAP  
**Call Protection:** L(25), D(88), O(7)  
**Lockbox / Cash Management<sup>(1)</sup>:** Hard / Springing

### Reserves

	Initial	Monthly
<b>Taxes<sup>(2)</sup>:</b>	\$0	Springing
<b>Insurance<sup>(3)</sup>:</b>	\$0	Springing
<b>Replacement:</b>	\$0	\$0
<b>Lease Sweep<sup>(4)</sup>:</b>	\$0	Springing
<b>FireEye<sup>(5)</sup>:</b>	\$0	Springing

### Financial Information

<b>Cut-off Date Balance / Sq. Ft.:</b>	\$162
<b>Balloon Balance / Sq. Ft.:</b>	\$162
<b>Cut-off Date LTV:</b>	39.8%
<b>Balloon LTV:</b>	39.8%
<b>Underwritten NOI DSCR:</b>	4.10x
<b>Underwritten NCF DSCR:</b>	3.86x
<b>Underwritten NOI Debt Yield:</b>	17.3%
<b>Underwritten NCF Debt Yield:</b>	16.3%

- (1) In place cash management will be triggered when, among other things, (i) an event of default occurs, (ii) any of the following events related to the sole tenant FireEye, Inc. occurs: (a) the tenant vacates all or substantially all of its space and as of such event the tenant is not paying rent or does not meet specified rating or financial requirements, (b) the tenant fails to meet the specified rating or financial requirements and either stops paying rent or vacates all or substantially all of its space, (c) the tenant is subject to a bankruptcy-related event, (d) the tenant delivers a notice of termination or (e) tenant fails to extend its lease as of the earlier of 12 months prior to lease expiration or the date required by its lease; (iii) the debt yield falls below 9.0% or (iv) the borrower fails to complete certain immediate repairs within the time frame set forth in the loan documents.

### Property Information

**Single Asset / Portfolio:** Single Asset  
**Property Type:** Suburban Office  
**Collateral:** Fee Simple  
**Location:** Milpitas, CA  
**Year Built / Renovated:** 1998 / 2017  
**Total Sq. Ft.:** 189,481  
**Property Management:** Embarcadero Realty Services, LP  
**Underwritten NOI:** \$5,311,526  
**Underwritten NCF:** \$5,003,619  
**Appraised Value:** \$77,000,000  
**Appraisal Date:** June 8, 2018

### Historical NOI<sup>(6)</sup>

<b>Most Recent NOI:</b>	NAV
<b>2017 NOI:</b>	NAV
<b>2016 NOI:</b>	NAV
<b>2015 NOI:</b>	NAV

### Historical Occupancy

<b>Most Recent Occupancy:</b>	100.0% (October 1, 2018)
<b>2017 Occupancy:</b>	NAV
<b>2016 Occupancy:</b>	NAV
<b>2015 Occupancy:</b>	NAV

- (2) To the extent the borrower fails to deliver evidence that FireEye, Inc. or the borrower has timely paid the applicable amounts, the borrower will be required to deposit 1/12 of the annual taxes into the tax account.
- (3) To the extent (i) the insurance is not being maintained under an acceptable blanket insurance policy, (ii) the insurance is not being maintained by any tenant or the borrower is not entitled to rely on the tenant's insurance or (iii) the borrower fails to provide timely evidence of the payment of the applicable premiums when there are otherwise acceptable blanket insurance policies or the borrower is entitled to rely on the insurance maintained by a tenant, the borrower will be required to deposit 1/12 of the annual insurance premiums into the insurance account.
- (4) The borrower will be required to make a monthly deposit into the Lease Sweep Reserve in an amount equal to \$23,685 to the extent FireEye, Inc. vacates all or substantially all of its space but continues to pay rent and satisfies the specified rating requirements. Such deposits are required to continue until the amount on deposit is equal to one year of base rent and operating expense reimbursements payable by the tenant or certain cure events occur as described in the loan documents. In addition, excess cash flow is required to be deposited in the Lease Sweep Reserve if any of the events described in footnote (1)(ii) above occur and such deposits are required to continue until the amount on deposit is equal to one year of base rent and operating expense reimbursements payable by the tenant or certain cure events occur as described in the loan documents.
- (5) To the extent the borrower is entitled to receive any escrowed amounts currently held by a title company (\$418,123) and which relate to a dispute that existed between the prior owner of the 601 McCarthy Property and FireEye as of the origination of the 601 McCarthy Loan (relating to certain required repairs at the 601 McCarthy Property that FireEye claims were the responsibility of the prior owner), such amounts are required to be deposited in the FireEye Reserve. Amounts in the FireEye Reserve will be disbursed to the borrower when such dispute has been resolved.
- (6) The 601 McCarthy Property was previously used as a temporary space for another company from 2013 to 2016 and was leased to FireEye, Inc. in 2016 with the lease beginning in June 2017. As a result, Historical NOI is not available.

## TRANSACTION HIGHLIGHTS

- Property.** The property the ("601 McCarthy Property") is a 189,481 sq. ft., two-story office property located in Milpitas, California, north of San Jose, California. The building features an amenity package that includes an exercise facility, attached locker rooms, showers, a full-service cafeteria and outdoor collaborative seating. The seller of the 601 McCarthy Property invested \$3.7 million into the space renovating the exterior landscape, hardscape, glass storefront, bocce court, steel trellis, parking lights and other upgrades.
- Tenancy.** The 601 McCarthy Property is currently 100.0% leased to FireEye, Inc. (NYSE: FEYE, or "FireEye") on a triple net basis through May 2027. FireEye has one, five-year option to extend its lease. The 601 McCarthy Property was previously leased to Samsung, which occupied the 601 McCarthy Property on a temporary basis while it constructed its campus in North San Jose. Samsung vacated the 601 McCarthy Property in March 2016. After three months of downtime, FireEye began lease negotiations, executing a 10-year lease to occupy the 601 McCarthy Property in August 2016. FireEye has invested \$6.8 million (\$36 PSF) of its own capital in the space. A total of \$25.2 million (\$133 PSF) was spent by FireEye and the borrower sponsor in tenant improvements and base building work renovating the 601 McCarthy Property.
- Market.** The 601 McCarthy Property is located in Milpitas, California, a submarket located approximately six miles north of San Jose in the broader Silicon Valley market. Milpitas is becoming a technology hub, as the transformation of Silicon Valley continues to expand along US Highway 101 and State Route 237. Tenants such as Microsoft, Google, Cisco Systems and Sandisk are located in the area. According to a market research report, the rental rates in the submarket are lower than the adjacent markets of Sunnyvale, Santa Clara and San Jose, and as of the first quarter of 2018, the Class B Milpitas office market includes 68 buildings totaling 3.8 million sq. ft. with vacancy of 11.5%. The appraiser classified 601 McCarthy in the Milpitas R&D submarket which, as of the end of the first quarter of 2018, contained about 13.6 million sq. ft. of R&D inventory and has had vacancy range from 11.0% to 13.5% over the last five years. The appraisal notes that the relatively high vacancy rate in the Milpitas R&D submarket reflects the repositioning of older, R&D developments that are now under renovation and available for lease.
- Borrower Sponsor.** The borrower sponsor and non-recourse carveout guarantor is TechCore, LLC ("TechCore"), a joint venture between GI Co-Investor (TechCore) LLC (0.5%) and CalPERS (99.5%). TechCore owns real estate assets totaling \$1.621 billion as of September 2018. GI Co-Investor (TechCore) LLC ("GI") is the manager of the borrower and fund manager while CalPERS is an investor member. TechCore was created by CalPERS in 2012 as a core investment vehicle to invest in technology-related real estate located in the primary MSAs in the U.S., including data centers, internet gateways, corporate campuses for technology tenants and life science properties. Founded in 2001, GI is an alternative investment management firm.