

Various
El Paso, TX

Collateral Asset Summary – Loan No. 11

SL4 El Paso Industrial

Cut-off Date Balance: \$37,000,000
Cut-off Date LTV: 61.7%
U/W NCF DSCR: 2.40x
U/W NOI Debt Yield: 11.2%

Mortgage Loan Information

Loan Seller:	GACC
Loan Purpose:	Recapitalization
Borrower Sponsor:	Stonelake Opportunity Partners IV, L.P.
Borrower:	SL4 EP Industrial, LP
Original Balance:	\$37,000,000
Cut-off Date Balance:	\$37,000,000
% by Initial UPB:	3.5%
Interest Rate:	4.31600%
Payment Date:	6 th of each month
First Payment Date:	October 6, 2018
Maturity Date:	September 6, 2028
Amortization:	Interest Only
Additional Debt:	None
Call Protection⁽¹⁾:	L(25), D(90), O(5)
Lockbox / Cash Management⁽²⁾:	Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$542,383	\$60,265
Insurance⁽³⁾:	\$0	Springing
Replacement⁽⁴⁾:	\$0	Springing
TI/LC⁽⁵⁾:	\$100,000	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$36
Balloon Balance / Sq. Ft.:	\$36
Cut-off Date LTV:	61.7%
Balloon LTV:	61.7%
Underwritten NOI DSCR:	2.56x
Underwritten NCF DSCR:	2.40x
Underwritten NOI Debt Yield:	11.2%
Underwritten NCF Debt Yield:	10.5%

Property Information

Single Asset / Portfolio:	Portfolio of 10 properties
Property Type:	Warehouse Industrial
Collateral:	Fee Simple
Location:	El Paso, TX
Year Built / Renovated:	Various / NAP
Total Sq. Ft.:	1,030,537
Property Management:	Stonelake Capital Partners, LLC
Underwritten NOI:	\$4,143,324
Underwritten NCF:	\$3,885,690
Appraised Value:	\$59,920,000
Appraisal Date:	August 16, 2018

Historical NOI⁽⁶⁾

Most Recent NOI:	NAV
2017 NOI:	NAV
2016 NOI:	NAV
2015 NOI:	NAV

Historical Occupancy

Most Recent Occupancy:	90.5% (Various) ⁽⁷⁾
2017 Occupancy:	81.7% (December 31, 2017)
2016 Occupancy:	70.9% (December 31, 2016)
2015 Occupancy:	71.6% (December 31, 2015)

- (1) On any business day after the defeasance lockout expiration date the borrower can obtain release of an individual property by defeasance of an amount equal to 115% of the allocated loan amount provided but not limited to: (i) the debt service coverage ratio ("DSCR") after giving effect to such release is at least the greater of (x) 1.72x and (y) the DSCR immediately prior to such release; (ii) the loan-to-value ("LTV") after giving effect to such release is no more than the lesser of (x) 61.7% and (y) the LTV immediately prior to such release.
- (2) In place cash management will be triggered upon the occurrence of (i) an event of default or (ii) the DSCR falling below 1.25x for two consecutive calendar quarters.
- (3) If a blanket insurance policy is no longer in place, on each monthly payment date, the borrower will be required to deposit 1/12 of the annual insurance premiums.
- (4) Monthly deposits of \$8,588 into a replacement reserve will be triggered upon the occurrence of (i) an event of default or (ii) the DSCR falling below 1.25x for two consecutive calendar quarters.
- (5) Monthly deposits of \$25,763 will be triggered upon the occurrence of (i) an event of default or (ii) the DSCR falling below 1.25x for two consecutive calendar quarters.
- (6) Historical NOI information is not available because the SL4 Industrial Portfolio properties were owned by multiple unaffiliated third parties prior to 2018. The borrower sponsor acquired the SL4 El Paso Industrial Portfolio properties over a one year period between spring 2017 and summer 2018.
- (7) SL5, SL7 and SL9 all are 100.0% occupied as of 10/6/2018. The remainder of the properties in the portfolio reflect occupancies as of 8/22/2018.

TRANSACTION HIGHLIGHTS

- Property and Tenancy.** The SL4 El Paso Industrial properties consist of ten, shallow-bay industrial warehouse buildings, which are located within a ten mile radius of each other in El Paso, Texas. The SL4 El Paso Industrial properties were built between 1969 and 2001 and feature average clear ceiling heights of 20 feet to 30 feet. The borrower sponsor replaced the roofs at nine of the ten buildings since 2015, and the remaining SL 6 building (11.9% of allocated loan amount) roof is original from its 1987 construction. The SL4 El Paso Industrial properties are 90.5% leased by 20 tenants and the three largest tenants have been in-place at their respective property at least since 2005 (approximately 13 years) and have an average remaining lease term of 4.7 years.

The borrower sponsor acquired the individual assets via multiple separate transactions between May 2017 and June 2018. Since acquisition, the borrower sponsor has invested over \$4.1 million (\$4.01 PSF) and increased occupancy to over 90.0%.

- Market.** The SL4 El Paso Industrial properties are situated in proximity to the US/Mexico border, with the building furthest from the border approximately 14.0 miles northeast, along Interstate-10 and Loop 375, which are facilitators to international trade with Mexico and to a lesser extent Asia. Asian markets have begun shipping goods to ports along the west coast of Mexico, transporting them by truck to the North Central Mexico border area and beyond in order to bypass the California ports. The SL4 El Paso Industrial properties are located in the El Paso industrial market which reported an average occupancy rate of 92.1% as of the second quarter 2018.
- Borrower Sponsor.** The nonrecourse carve-out guarantor and borrower sponsor is Stonelake Opportunity Partners IV, L.P. ("Stonelake"), a Delaware limited liability company. Stonelake owns over \$2.0 billion in real estate investments and has owned, is developing or has developed over 5,000 multifamily units, approximately 2.0 million sq. ft of office and approximately 7.5 million sq. ft. of industrial warehouses space. Stonelake manages institutional capital through discretionary private equity investment partnerships and counts among its investors college endowments, charitable foundations and hospital systems. Stonelake has raised \$1.0 billion of equity across five private equity funds over the last 10-years.