Presale Report

ACRE Commercial Mortgage 2021-FL4 Ltd.

DBRS Morningstar
January 19, 2021

Tucker J. Rhodes
Assistant Vice President
+1 267 372 0414
tucker.rhodes@dbrsmorningstar.com

Scott Kruse
Vice President
+1 312 332 9448
scott.kruse@dbrsmorningstar.com

Brandon Olson
Senior Vice President
+1 312 332 0889
brandon.olson@dbrsmorningstar.com

Kevin Mammoser
Managing Director
+1 312 332 0136
kevin.mammoser@dbrsmorningstar.com

Erin Stafford
Managing Director
+1 312 332 3291
erin.stafford@dbrsmorningstar.com

DBRS Morningstar Viewpoint
Click here to see this deal.

DBRS Morningstar Viewpoint is an interactive, data-driven, loan and property level platform that provides users with access to DBRS Morningstar presale reports, surveillance updates, transaction information, and contextual comparable data in a user-friendly manner. Complimentary registration and access to the transaction is available.

Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A Notes	New Rating - Provisional	365,318,000	45.250	AAA (sf)	Stable
Class A-S Notes	New Rating - Provisional	31,695,000	40.500	AAA (sf)	Stable
Class B Notes	New Rating - Provisional	36,698,000	35.000	AA (low) (sf)	Stable
Class C Notes	New Rating - Provisional	50,878,000	27.375	A (low) (sf)	Stable
Class D Notes	New Rating - Provisional	45,873,000	20.500	BBB (sf)	Stable
Class E Notes	New Rating - Provisional	10,009,000	19.000	BBB (low) (sf)	Stable
Class F Notes	New Rating - Provisional	38,367,000	13.250	BB (low) (sf)	Stable
Class G Notes	New Rating - Provisional	24,188,000	9.625	B (low) (sf)	Stable
Preferred Shares	NR	64,222,892	0.000	NR	NR

Notes:
1. NR = Not Rated
2. The Class F Notes, the Class G Notes, and the Preferred Shares are not offered and will be privately placed. ACRC 2021-FL4 Holder LLC, a Delaware limited liability company (ACRC Holder), will acquire on the Closing Date 100% of the Class F Notes, the Class G Notes, and the Preferred Shares (collectively, the Retained Securities) and the Issuer Ordinary Shares.

Table of Contents

Transaction Summary

Pool Characteristics			
Cutoff Date Balance ($)	667,248,892	**Future Funding Obligations**	77,088,134
Number of Loans	23	**Average Mortgage Asset Size ($)**	29,010,821
Number of Properties	34	**Top Ten Loan Concentration (%)**	70.7
Managed / Static	Static	**Aggregate Principal Balance of Offered Notes**	540,471,000
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	70.8	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	77.7
Wtd. Avg. Fully Funded Stabilized Appraised LTV (%)	66.3	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	76.0
Wtd. Avg. Gross Interest Rate Margin (%)	3.521	**DBRS Morningstar Wtd. Avg. Interest Rate (%)**	4.750
Wtd. Avg. Remaining Term - Initial	20.0	**Wtd. Avg. Remaining Term - Fully Extended**	39.3
Wtd. Avg. DBRS Morningstar As-Is DSCR2	0.46	**Wtd. Avg. Issuer As-Is DSCR (x)4**	1.16
Wtd. Avg. DBRS Morningstar Stabilized DSCR2	0.98	**Wtd. Avg. Issuer Stabilized DSCR (x)4**	1.60

Participants	
Issuer	ACRE Commercial Mortgage 2021-FL4 Ltd.
Co-Issuer	ACRE Commercial Mortgage 2021-FL4 LLC
Mortgage Loan Seller	ACRC Lender LLC
Trustee	Wilmington Trust, National Association
Servicer	Wells Fargo Bank, National Association
Primary Servicer	Barings Multifamily Capital LLC
Special Servicer	Ares Commercial Real Estate Servicer LLC
Joint Bookrunners/Placement Agents	Wells Fargo Securities, LLC
	Deutsche Bank Securities Inc.
	Morgan Stanley & Co. LLC
Co-Managers/Placement Agents	JMP Securities LLC
	Raymond James & Associates, Inc.
Advancing Agent	ACRC Lender LLC
Operating Advisor	Pentalpha Surveillance LLC

Transaction Overview

The initial collateral consists of 23 floating-rate mortgage loans secured by 34 mostly transitional real estate properties with a cut-off-date pool balance of approximately $667.2 million, excluding $77.1 million of future funding commitments ($77.1 million of which remained outstanding as of the mortgage loan cut-off date). Most loans are in a period of transition with plans to stabilize and improve asset value. During the Permitted Funded Companion Participation Acquisition Period, the Issuer may acquire Funded Companion Participations subject to, among other criteria, receipt of a no-downgrade confirmation (commonly referred to as a rating agency confirmation or RAC). The transaction does not permit the ability to reinvest or add unidentified assets to the pool post-closing, except that principal proceeds can be used to acquire the aforementioned Funded Companion Participations. Please see the chart below for participations that the Issuer will be allowed to acquire.

For all floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded with the remaining fully extended loan term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. When the property-level as-is appraised values were measured against the fully funded mortgage loan commitments, the pool exhibited a relatively high WA As-Is LTV of 77.7%. However, DBRS Morningstar estimates the pool's WA LTV ratio to improve to 66.3% through stabilization. When the debt service payments associated with the fully funded loan balances were measured against the DBRS Morningstar As-Is NCF, 19 loans, representing 95.7% of the cut-off date pool balance, had a DBRS Morningstar As-IS DSCR below 1.00x, a threshold indicative of higher default risk. Additionally, when the debt service payments associated with the fully funded loan amounts were measured against the DBRS Morningstar Stabilized NCF, 11 loans, representing a collective 56.1% of the pool, exhibited a stabilized DBRS Morningstar DSCR of below 1.00x, a threshold indicative of elevated refinance risk. The properties are often transitional with potential upside in cash flow. However, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if other structural features are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

With regard to the Coronavirus Disease (COVID-19) pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain. This considers the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Some regions, jurisdictions, and asset classes are, however, affected more immediately. Accordingly, DBRS Morningstar may apply additional short-term stresses to its rating analysis, for example by front-loading default expectations and/or assessing the liquidity position of a structured finance transaction with more stressful operational risk and/or cash flow timing considerations.

For more information regarding rating methodologies and the coronavirus pandemic, please see the following DBRS Morningstar press releases: https://www.dbrsmorningstar.com/research/357883 and https://www.dbrsmorningstar.com/research/358308.

Rating Considerations

Collateral Interests

Loan Name	Cut-Off Date Trust Amount ($)	Funded Pari Passu Amount ($)	Future Funding Amount[1] ($)	Current Commitment Amount[2] ($)	Future Funding Uses
311 West Monroe	70,000,000	14,117,039	2,846,961	72,846,961	Leasing
RealOp Southeast Portfolio	70,000,000	39,893,730	22,673,331	92,673,331	Leasing
Exchange	61,530,474	0	22,469,526	84,000,000	CapEx
Promenade on the Peninsula	45,000,000	0	0	45,000,000	n/a
BELA Apartments	41,000,000	0	0	41,000,000	n/a
Homewood Suites Redondo Beach	40,000,000	0	0	40,000,000	n/a
Retreat at College Station	39,979,335	0	0	39,979,335	n/a
Glen at University Park	36,714,661	0	0	36,714,661	n/a
Mansions at Canyon Creek	35,800,000	0	0	35,800,000	n/a
The Landing	31,610,584	0	5,589,416	37,200,000	Leasing; Capex
Arch Apartments	29,350,000	0	0	29,350,000	n/a
Packing House Square	26,889,253	0	12,731,748	39,621,000	Leasing
Santal Apartments	25,000,000	50,000,000	0	25,000,000	n/a
Lathrop Industrial	22,520,000	0	4,102,000	26,622,000	Leasing; Capex
Pembroke Park Storage	19,500,000	0	0	19,500,000	n/a
New Carroll & Capitol Hill Park	18,666,305	0	333,695	19,000,000	CapEx
1023 Mission Street	13,710,701	0	5,857,537	19,568,238	Leasing; Capex
Extra Space Storage - Sarasota	10,848,000	0	0	10,848,000	n/a
Extra Space Storage - West Palm Beach 2	6,960,000	0	0	6,960,000	n/a
Extra Space Storage - Port Charlotte	6,432,000	0	0	6,432,000	n/a
Extra Space Storage - Blue Springs	5,932,000	0	257,500	6,189,500	Holdback
Extra Space Storage - Cicero	5,373,580	0	226,420	5,600,000	CapEx
Extra Space Storage - West Palm Beach 1	4,432,000	0	0	4,432,000	n/a

Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
311 West Monroe	2,846,961	2,846,961	100.0	Y
RealOp Southeast Portfolio	22,673,331	22,673,331	100.0	Y
Exchange	22,469,526	22,469,526	100.0	Y
Promenade on the Peninsula	0	0	0.0	Y
BELA Apartments	0	0	0.0	Y
Homewood Suites Redondo Beach	0	0	0.0	Y
Retreat at College Station	0	0	0.0	Y
Glen at University Park	0	0	0.0	Y
Mansions at Canyon Creek	0	0	0.0	Y
The Landing	5,589,416	5,589,416	100.0	Y
Arch Apartments	0	0	0.0	Y
Packing House Square	12,731,748	12,731,748	100.0	Y
Santal Apartments	0	0	0.0	Y
Lathrop Industrial	4,102,000	4,102,000	100.0	Y
Pembroke Park Storage	0	0	0.0	Y
New Carroll & Capitol Hill Park	333,695	333,695	100.0	Y

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
1023 Mission Street	5,857,537	5,857,537	100.0	Y
Extra Space Storage - Sarasota	0	0	0.0	Y
Extra Space Storage - West Palm Beach 2	0	0	0.0	Y
Extra Space Storage - Port Charlotte	0	0	0.0	Y
Extra Space Storage - Blue Springs	257,500	257,500	100.0	Y
Extra Space Storage - Cicero	226,420	226,420	100.0	Y
Extra Space Storage - West Palm Beach 1	0	0	0.0	Y

Strengths

- The borrowers for all 23 loans have purchased Libor caps with strike prices that range from 1.15% to 3.50% to protect against rising interest rates through the duration of the loan term. In addition to the fulfillment of certain minimum performance requirements, exercise of any extension options would also require the repurchase of interest rate cap protection through the duration of the respectively exercised options.
- The loans are generally secured by traditional property types (i.e., retail, multifamily, and office) with only eight loans, representing 14.9% of the cut-off date pool balance, secured by nontraditional property types such as hospitality and self-storage. Additionally, only two multifamily loans in the pool are secured by student-housing properties, which often exhibit higher cash flow volatility than traditional multifamily properties.
- Four loans, representing 19.7% of the cut-off date pool balance, are secured by properties in areas with a DBRS Morningstar Market Rank of 6, 7, or 8, which are characterized as urbanized locations. These markets generally benefit from increased liquidity that is driven by consistently strong investor demand. Such markets therefore tend to benefit from lower default frequencies than less dense suburban, tertiary, or rural markets. Areas with a DBRS Morningstar Market Rank of 7 or 8 are especially densely urbanized and benefit from significantly elevated liquidity. Three loans, comprising 15.3% of the cut-off-date pool balance, are secured by properties in these areas. Additionally, only three loans, representing a combined 5.2% of the cut-off-date pool balance, are secured by properties in an area with a DBRS Morningstar Market Rank of two or lower. Areas with a DBRS Morningstar market rank of two or lower are generally considered to be tertiary or rural markets.
- The Class F and Class G notes and the Preferred Shares will be initially acquired by ACRC 2021-FL4 Holder LLC, a wholly owned subsidiary of Ares Commercial Real Estate Corporation (ACRE). The Class F and Class G notes and the Preferred Shares represent approximately 19.0% of the transaction balance.

Challenges & Considerations

- The pool consists of mostly transitional assets.
    - *Given the nature of the assets, DBRS Morningstar determined a sample size, representing 89.0% of the cut-off-date pool balance. Physical site inspections were performed, most of which included management meetings. DBRS Morningstar also notes that, in the future when DBRS Morningstar analysts visit the markets, they may actually visit properties more than once to follow the progress (or lack thereof) toward stabilization. The servicer is also in constant contact with the borrowers to track progress.*

- Based on the initial pool balances, the overall WA DBRS Morningstar As-Is DSCR of 0.47x and WA As-Is LTV of 77.7% are generally reflective of high-leverage financing.
  - *Most of the assets are generally well positioned to stabilize, and any realized cash flow growth would help to offset a rise in interest rates and improve the overall debt yield of the loans. DBRS Morningstar associates its loss given default (LGD) based on the assets' as-is LTV that does not assume that the stabilization plan and cash flow growth will ever materialize.*
  - *The DBRS Morningstar As-Is DSCR at issuance does not consider the sponsor's business plan, as the DBRS Morningstar As-Is NCF was generally based on the most recent annualized period. The sponsor's business plan could have an immediate impact on the underlying asset performance that the DBRS Morningstar As-Is NCF is not accounting for.*
  - *When measured against the DBRS Morningstar Stabilized NCF, the WA DBRS Morningstar As-Stabilized DSCR is estimated to improve to 0.98x, suggesting the properties are likely to have improved NCFs once the sponsor's business plan has been implemented.*
- The pool is heavily concentrated by property type with six loans representing 41.0%% of the cut-off date pool balance secured by office properties and seven loans representing 33.9% of the cut-off date pool balance secured by multifamily or student housing properties.
  - *Loans secured by multifamily properties generally exhibit lower average default frequencies relative to other commercial property types. Only two loans, representing 11.5% of the cut-off date pool balance, are secured by a student-housing multifamily property. DBRS Morningstar considers student-housing multifamily properties to often exhibit higher cash flow volatility than traditional multifamily properties.*
  - *Traditional property types such as office, retail, industrial, and multifamily benefit from more readily available conventional take-out financing than nontraditional property types such as hospitality, self-storage, and manufactured housing. The pool features only one loan, representing 6.0% of the cut-off date pool balance, secured by a hospitality property and seven loans, representing 8.9% of the cut-off date pool balance, secured by self-storage properties.*
- Twenty-three loans, comprising 100.0% of the cut-off date pool balance, have floating interest rates. All but one of the aforementioned loans are IO through the full duration of the initial loan term (and 17 loans representing 55.3% of the cut-off date pool balance are IO for the fully extended loan period) with original terms ranging from 24 months to 60 months, creating interest rate risk.
  - *All identified floating rate loans are short-term loans with maximum fully extended loan terms of 78 months or less. Additionally, for all floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded with the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term.*
- Sixteen loans comprising 82.8% of the cut-off date pool balance represent refinance financing. The refinancings within this securitization generally do not require the respective sponsor(s) to contribute material cash equity as a source of funding in conjunction with the mortgage loan, resulting in a lower sponsor equity basis in the underlying collateral.
  - *Of the 16 refinance loans, five loans comprising 28.4% of the pool reported occupancy rates higher than 80.0%. Additionally, the 16 refinance loans exhibited a WA growth between as-is*

and stabilized appraised value estimates of 17.4% compared with the overall WA appraised value growth of 17.9% for the pool and the WA appraised value growth of 20.0% exhibited by the pool's acquisition loans.

- Six loans, comprising 40.0% of the cut-off date pool balance, are structured to be IO through most of or all of the initial loan term but switch to 30-year amortization schedules during the last year of the loan term or during the extension periods. Loans structured with partial IO periods generally exhibit higher-than-average default frequencies relative to loans structured with full-term IO periods or no IO periods.
  - *All identified floating-rate loans have extension options and, in order to qualify for such options, must generally meet minimum and/or maximum leverage, debt yield, and/or DSCR requirements.*
- DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in some instances, above the current in-place cash flow. There is a possibility that the sponsor will not execute its business plans as expected and that the higher stabilized cash flow will not materialize during the loan term. Failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
  - *DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the future funding amounts to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on the As-Is LTV assuming the loan is fully funded.*
- The transaction will likely be subject to a benchmark rate replacement, which will depend on the availability of various alternative benchmarks. The current selected benchmark is the Secured Overnight Financing Rate (SOFR). Term SOFR, which is expected to be a similar forward-looking term rate compared with Libor, is the first alternative benchmark replacement rate but is currently being developed. There is no assurance Term SOFR development will be completed or that it will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating rate notes. The transaction could be exposed to a timing mismatch between the notes and the underlying mortgage assets as a result of the mortgage benchmark rates adjusting on different dates than the benchmark on the note, or a mismatch between the benchmark and/or the benchmark replacement adjustment (if any) applicable to the mortgage loans. In order to compensate for differences between the successor benchmark rate and then-current benchmark rate, a benchmark replacement adjustment has been contemplated in the indenture as a way to compensate for the rate change. Currently, Wells Fargo, National Association in its capacity as Designated Transaction Representative will generally be responsible for handling any benchmark rate change and will be held to a gross negligence standard only with regard to any liability for its actions.
- With regard to the coronavirus disease, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain. This considers the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Per the Issuer, written requests for relief in connection with coronavirus were received by ACRE for four loans (Exchange, Promenade on the Peninsula, Retreat at College Station, and Glen at University Park) representing a combined 23.0% of the cut-off date pool balance. To date, such requests are being considered on a case-by-case basis and ACRE expects that it may receive additional similar requests from other borrowers. When the cut-off

date loan balances were measured against the DBRS Morningstar As-Is NCF, 19 loans representing 96.4% of the cut-off date pool balance had a DBRS Morningstar As-Is IO DSCR below 1.00x.

- *When the fully funded loan balances were measured against the DBRS Morningstar Stabilized NCF, 10 loans representing a combined 27.9% of the cut-off date pool balance had a DBRS Morningstar Stabilized DSCR of at least 1.05x; seven loans representing a combined 16.5% of the cut-off date pool balance exhibited a DBRS Morningstar Stabilized DSCR of at least 1.15x; and seven loans representing a combined 16.5% of the cut-off date pool balance exhibited a DBRS Morningstar Stabilized DSCR of at least 1.25x.*

Model Adjustments

DBRS Morningstar applied a downward as-is and stabilized value adjustment to nine loans–311 West Monroe, Exchange, Promenade on the Peninsula, Homewood Suites Redondo Beach, Glen at University Park, Arch Apartments, Santal Apartments, Lathrop Industrial, and New Carrol & Capitol Hill Park–comprising 52.3% of the cut-off date pool balance. The downward as-is and stabilized value adjustments are highlighted in the DBRS Morningstar Sampled Model Adjustments table below.

DBRS Morningstar Model Adjustments

Prospectus ID	Loan	Implied Cap Rate (%)	Stabilized LTV (%)	Stabilized Balloon LTV (%)	DBRS Morningstar Adjusted Cap Rate (%)	DBRS Morningstar Stabilized LTV (%)	DBRS Morningstar Stabilized Balloon LTV (%)
1	311 West Monroe	4.8	52.8	52.8	6.0	65.3	65.3
3	Exchange	4.3	61.0	59.7	5.8	82.1	80.2
4	Promenade on the Peninsula	4.5	60.9	60.9	5.0	68.1	68.1
6	Homewood Suites Redondo Beach	6.2	67.0	67.0	11.0	118.6	118.6
8	Glen at University Park	4.3	59.9	57.4	5.5	76.5	73.4
11	Arch Apartments	4.3	70.7	69.7	5.5	90.5	89.3
13	Santal Apartments	4.2	62.8	60.8	5.0	74.8	72.5
14	Lathrop Industrial	5.6	73.9	73.9	6.5	85.3	85.3
16	New Carroll & Capitol Hill Park	4.2	68.8	68.8	4.8	78.0	78.0

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	56.6
0.50x-0.75x	10.7
0.75x-1.00x	28.4
1.00x-1.25x	0.0
1.25x-1.50x	2.0
1.50x-1.75x	1.6
>1.75x	0.7
Wtd. Avg. (x)	0.46

DBRS Morningstar Stabilized DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	15.1
0.75x-1.00x	51.4
1.00x-1.25x	17.0
1.25x-1.50x	12.5
1.50x-1.75x	3.3
>1.75x	0.7
Wtd. Avg. (x)	0.98

DBRS Morningstar As-Is Issuance LTV

LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	31.6
70.0%-80.0%	34.5
80.0%-90.0%	19.7
90.0%-100.0%	8.1
100.0%-110.0%	4.0
110.0%-125.0%	2.1
>125.0%	0.0
Wtd. Avg. (%)	77.7

DBRS Morningstar Stabilized Balloon LTV

LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	0.8
60.0%-70.0%	39.0
70.0%-80.0%	34.3
80.0%-90.0%	15.5
90.0%-100.0%	4.4
100.0%-110.0%	0.0
110.0%-125.0%	6.0
>125.0%	0.0
Wtd. Avg. (%)	76.0

1. Includes pari passu debt, but excludes subordinate debt.
2. The senior note balloon balance assumes the DBRS Morningstar Stressed Interest Rate and the fully-extended loan term.

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
311 West Monroe	70,000,000	10.5	n/a	0.00	1.38	67.4	65.3
RealOp Southeast Portfolio	70,000,000	10.5	n/a	0.75	1.00	84.1	67.6
Exchange	61,530,474	9.2	n/a	0.47	0.80	76.2	82.1
Promenade on the Peninsula	45,000,000	6.7	n/a	0.14	0.89	69.0	68.1
BELA Apartments	41,000,000	6.1	n/a	0.00	0.89	74.8	72.4
Homewood Suites Redondo Beach	40,000,000	6.0	n/a	0.63	0.73	77.8	118.6
Retreat at College Station	39,979,335	6.0	n/a	0.84	0.84	74.7	74.7
Glen at University Park	36,714,661	5.5	n/a	0.32	1.02	60.6	76.5
Mansions at Canyon Creek	35,800,000	5.4	n/a	0.88	1.07	81.9	78.5
The Landing	31,610,584	4.7	n/a	0.54	0.74	97.9	72.9

Property Detail

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
311 West Monroe	Office	Chicago	IL	1969	390,512	292	292
RealOp Southeast Portfolio	Office	Various	Various	Various	1,440,911	92	89
Exchange	Office	Charlotte	NC	1975-1997	568,657	148	144
Promenade on the Peninsula	Mixed Use	Rolling Hills Estates	CA	1981	371,125	121	121
BELA Apartments	Multifamily	Jersey City	NJ	2019-2020	104	394,231	381,330
Homewood Suites Redondo Beach	Limited-Service Hotel	Redondo Beach	CA	2017	184	217,391	217,391
Retreat at College Station	Multifamily	College Station	TX	2016	796	50,225	48,931
Glen at University Park	Multifamily	San Bernardino	CA	2015	594	61,809	59,284
Mansions at Canyon Creek	Multifamily	Lenexa	KS	2007-2019	214	167,290	167,290
The Landing	Office	Oakland	CA	1970;1974	198,355	188	188

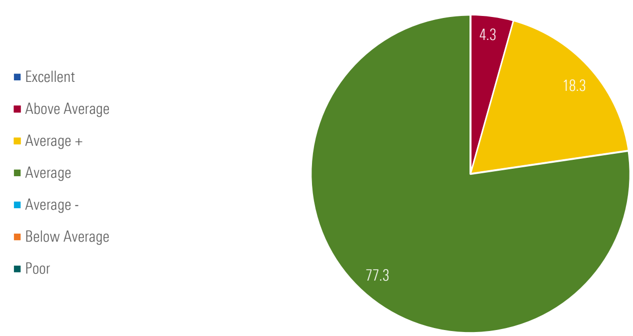
DBRS Morningstar Sample

Loan Number	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	311 West Monroe	10.5	5,745,838	-45.1	Vacancy; Tenant Improvements; Leasing Costs; Capex	Average +
2	RealOp Southeast Portfolio	10.5	8,779,963	-39.5	GPR; Vacancy; Operating Expenses; Leasing Costs; Capex	Average
3	Exchange	9.2	5,158,274	-12.4	GPR; Management Fee; Capex	Average
4	Promenade on the Peninsula	6.7	1,983,893	-40.0	Vacancy; Tenant Improvements; Leasing Costs	Average
5	BELA Apartments	6.1	2,231,431	-13.5	GPR; Vacancy; Concessions; Capex	Above Average
6	Homewood Suites Redondo Beach	6.0	1,602,337	-56.8	Occupancy; ADR; Expenses	Average
7	Retreat at College Station	6.0	2,399,045	-14.0	GPR; Other Income; Capex	Average
8	Glen at University Park	5.5	1,912,931	-27.5	Vacancy; Concessions/Bad Debt; Other Income; Operating Expenses; Capex	Average
9	Mansions at Canyon Creek	5.4	1,946,735	-21.1	GPR; Other Income; Operating Expenses; Capex; Vacancy	Average +
10	The Landing	4.7	1,478,823	-53.2	Tenant Improvements; Leasing Costs; Vacancy; Operating Expenses; Capex	Average
11	Arch Apartments	4.4	1,386,257	-22.3	Vacancy; Concessions; Capex; Tenant Improvements; Leasing Costs	Average
12	Packing House Square	4.0	2,550,714	-21.9	Vacancy; Tenant Improvements; Leasing Costs; Capex	Average
13	Santal Apartments	3.7	3,669,709	-26.8	GPR; Vacancy; Concessions/Bad Debt; Other Income; Operating Expenses	Above Average
17	1023 Mission Street	2.1	1,222,263	-36.8	GPR; Reimbursements; Tenant Improvements; Leasing Costs; Capex	Average
21	Extra Space Storage - Blue Springs	0.9	423,119	-39.3	GPR; Capex	Average
23	Extra Space Storage - West Palm Beach 1	0.7	347,024	-12.2	GPR; Vacancy; Operating Expenses; Capex	Average

DBRS Morningstar Site Inspections

The DBRS Morningstar sample included 16 of the 23 loans in the pool, representing 89.0% of the cut-off date pool balance. Site inspections were performed for 14 loans representing 87.4% of the cut-off date pool balance. DBRS Morningstar further conducted interior views with an on-site property manager, a leasing agent, or a representative of the borrowing entity for 14 loans representing a collective 87.4% of the cut-off date pool balance. The resulting DBRS Morningstar property quality scores are highlighted in the DBRS Morningstar Sampled Property Quality table below.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

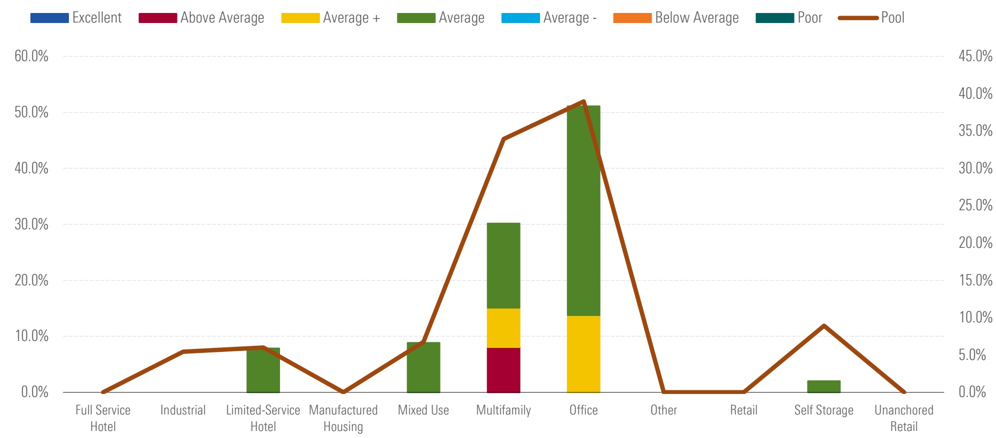
A cash flow review as well as a cash flow stability and structural review were completed on 16 of the 23 loans in the pool, representing 86.5% of the cut-off date pool balance. For the loans not subject to NCF review, DBRS Morningstar applied an NCF variance of -21.3% and -30.0% to the Issuer's As-Is and Stabilized NCF's, respectively, which was generally based on the average NCF variances exhibited across DBRS Morningstar sampled loans excluding certain outliers.

The DBRS Morningstar As-Is NCF was estimated based on the current performance of the property, without giving any credit to future upside that may be realized by the sponsor upon execution of their respective business plan. The DBRS Morningstar sample had an average in-place variance of -27.2% from the Issuer's NCF and ranged from -100.0% to 0.0%.

The DBRS Morningstar Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the individual loan sponsors' business plan and structural features of the respective loans. This often involved assuming higher than in-place rental rates for multifamily properties based on significant ongoing renovations with rents already achieved on renovated units/spaces providing the best guidance on achievable market rent/rate upon completion. For commercial properties, the largest source of upside was typically higher than in-place occupancy rates. For all assumptions, DBRS

Morningstar took a somewhat conservative view compared with the market to account for execution risk around the business plan. DBRS Morningstar did not apply additional stress to account for potential impacts related to the ongoing coronavirus disease, as the magnitude and extent of performance stress posed to global structured finance transactions remains highly uncertain. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -30.0% from the Issuer's Stabilized NCF and ranged from -56.8% to -12.2%.

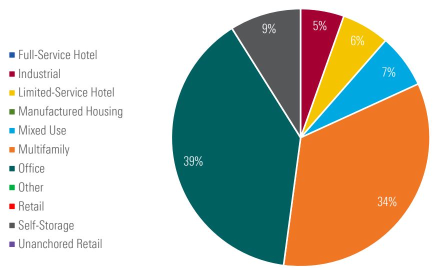
DBRS Morningstar Sampled Property Type



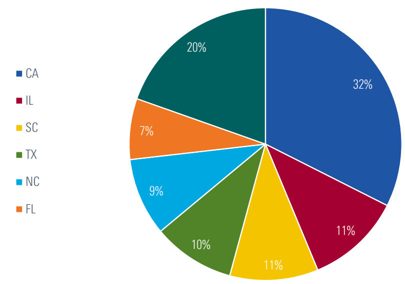
Source: DBRS Morningstar.

Transaction Concentrations

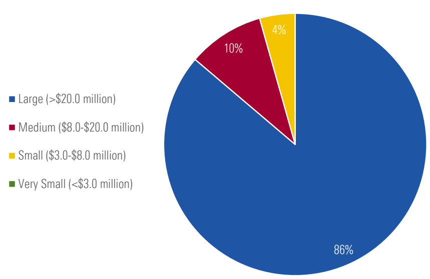
DBRS Morningstar Property Type



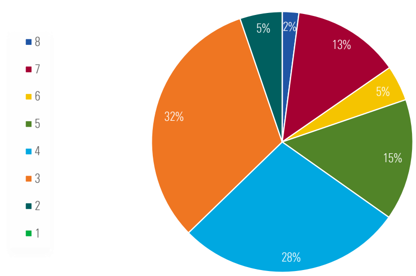
Geography



Loan Size

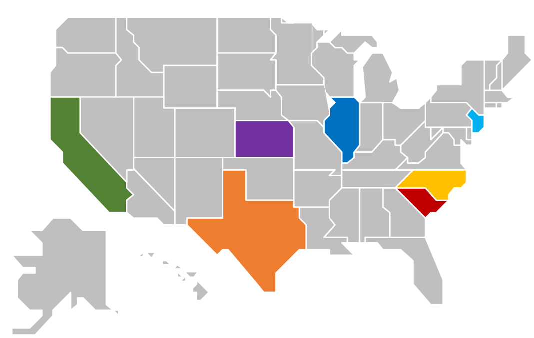


DBRS Morningstar Market Types



Largest Property Location

Property Name	City	State
311 West Monroe	Chicago	IL
RealOp Southeast Portfolio	Various	SC
Exchange	Charlotte	NC
Promenade on the Peninsula	Rolling Hills Estates	CA
BELA Apartments	Jersey City	NJ
Homewood Suites Redondo Beach	Redondo Beach	CA
Retreat at College Station	College Station	TX
Glen at University Park	San Bernardino	CA
Mansions at Canyon Creek	Lenexa	KS
The Landing	Oakland	CA



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms

Initial loan terms generally range from 23 to 60 months. All but three loans are structured with one, two, or three extension options ranging from six to 12 months and fully extended loan terms generally range from 36 to 78 months. One loan comprising 6.0% of the cut-off date pool balance is structured with an initial IO term that expires with 12 months remaining in the initial loan term, at which point the loan transitions to a 30-year amortization schedule. Five loans representing a combined 34.0% of the cut-off date pool balance are structured with IO terms that last the duration of the initial loan term but are scheduled to amortize on a 30-year basis during each extension option, should the borrower(s) elect to exercise. Seventeen loans comprising 60.0% of the cut-off date pool balance are IO throughout the fully extended loan term.

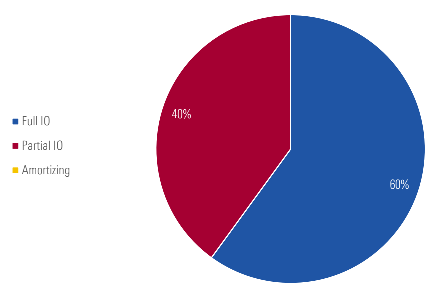
Interest Rate

The greater of the floating-rate referencing one-month U.S.-dollar Libor as the index plus the margin or the interest rate floor for all 23 loans.

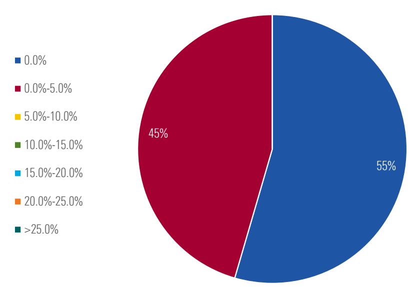
Interest Rate Protection

All floating-rate loans in the initial pool have purchased interest rate caps to protect against rising interest rates over the term of the loan. If the DBRS Morningstar stressed interest rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower of the DBRS Morningstar stressed interest rate.

Interest Only



DBRS Morningstar Expected Amortization



Note: For certain ARD loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Pari Passu Notes

Three loans representing a combined 24.7% of the cut-off date pool balance are structured with pari passu debt.

Additional Debt

Properties securing eight loans representing a combined 24.6% of the cut-off date pool balance are subject to subordinate mezzanine financing. These loans include 311 West Monroe, Promenade on the Peninsula, Extra Space Storage – Sarasota, Extra Space Storage - West Palm Beach 2, Extra Space Storage - Port Charlotte, Extra Space Storage - Blue Springs, Extra Space Storage – Cicero and Extra Space Storage - West Palm Beach 1. For both 311 West Monroe and Promenade on the Peninsula, the mezzanine lender is an affiliate of Ares Commercial Real Estate Corporation. For all applicable Extra Space Storage loans, the mezzanine lender is an affiliate of the Extra Space Storage franchisor.

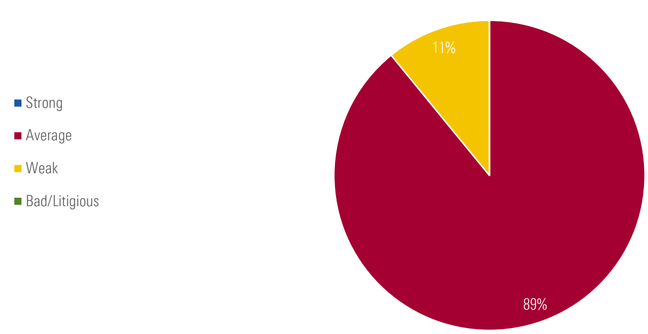
Future Funding

Ten loans representing 48.9% of the cut-off date pool balance have an outstanding future funding component As of the cut-off date, the aggregate remaining future advances totaled nearly $77.1 million and ranged from $226,420 to $22.7 million. As of the Closing Date, the remaining future funding will be held by ACRC Lender LLC or an affiliate thereof.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	16	89.6	SPE with Independent Director and Non-Consolidation Opinion	16	92.0
Insurance Ongoing	17	94.0	SPE with Independent Director Only	0	0.0
CapEx Ongoing	3	14.1	SPE with Non-Consolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	1	10.5	SPE Only	7	8.0

1. Percent of office, retail, industrial and mixed use assets based on DBRS property types.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Sponsor Strength

DBRS Morningstar identified two loans, comprising 10.9% of the cut-off date pool balance, to be associated with Weak sponsorship because the sponsor(s) had a prior bankruptcy, inadequate commercial real estate experience, and/or negative credit events. DBRS Morningstar applied POD penalties to mitigate the risk. DBRS Morningstar did not identify any loans to be associated with sponsor(s)' exhibiting sufficient experience in the commercial real estate sector or significant enough wherewithal to qualify for Strong sponsorship.

Leasehold

One loan (Homewood Suites Redondo Beach), representing 6.0% of the cut-off date pool balance, is secured by a borrower's leasehold interest in the respective underlying collateral. The ground lease underlying the Homewood Suites Redondo Beach extends through August 2109 with payments fixed at 3% of gross revenues, and is therefore generally considered to be traditionally financeable.

Property Release

Two loans, representing a combined 16.6% of the cut-off date pool balance, allow for the release of one or more properties or a portion of the mortgaged collateral, subject to certain leverage tests prescribed in their respective loan agreements and/or specified release price provisions.

Property Substitution

There are no loans in the pool that allow for the substitution of properties.

Terrorism Insurance

None of the Closing Date mortgage assets require that the related property have coverage for terrorism or terrorist acts.

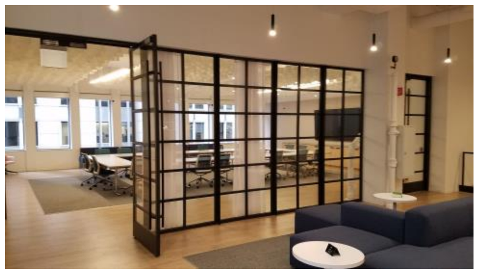
311 West Monroe

Loan Snapshot

Seller
ACRC Lender LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
70.0
Loan PSF/Unit ($)
$292
Percentage of the Pool (%)
10.5
Fully Extended Loan Maturity/ARD
March 2025
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.00
DBRS Morningstar Stabilized DSCR (x)
1.38
DBRS Morningstar As-Is Issuance LTV (%)
67.4
DBRS Morningstar Stabilized Balloon LTV (%)
65.3
DBRS Morningstar Property Type
Office
DBRS Morningstar Property Quality
Average +

Debt Stack ($ millions)

Trust Balance
70.0
Pari Passu
41.1
Remaining Future Funding ($ million)
2.8
Mortgage Loan Including Future Funding
114.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
0.6



Collateral Summary			
DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1969/2019
City, State	Chicago, IL	**Physical Occupancy (%)**	91.2
SF	390,512	**Physical Occupancy Date**	October 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on December 22, 2020. Based on the guided management tour, DBRS Morningstar found the property quality to be Average (+).

The collateral is a high-rise office building located in the West Loop neighborhood on the west side of Downtown Chicago. The subject is specifically at the intersection of West Monroe Street, an eastbound one-way arterial and South Franklin Street, a northbound one-way arterial and is surrounded by high-rise buildings and skyscrapers in all directions. The property benefits from proximity to both the Washington/Wells and Quincy subway stations, which service the Chicago Transit Authority (CTA) Brown, Orange, Pink, and Purple lines. The collateral also benefits from being located at a median point across the Chicago River from Chicago Ogilvie Station and Chicago Union Station, both of which collectively offer public commuting options to the surrounding Chicago suburbs.

The subject is a Class A, 15-story office building originally constructed in 1969 with complete interior renovations in 2019, including all systems, elevators, telecommunication infrastructure, and lobby reconfiguration. The building is 390,512 sf with 28,000 sf floor plates. The subject has two amenity areas, a penthouse floor with an indoor/outdoor lounge, conferencing facilities, meeting/event spaces, and a basement amenity area with a bowling alley, fitness center, yoga/spin room, pool table, and bike storage. There are currently only 19 street-level executive parking spaces; however, management reports there are over 3,000 spaces in pay lots and garages within four blocks. The building has on-site 24/7 security, key-card access, and is fully fire sprinklered with alarms, strobes, and flow-detection equipment throughout. The lobby has floor-to-ceiling windows, planters, botanical walls, smooth polished flooring, and modern furnishings. Common areas, elevator lobbies, offices, and amenity areas throughout have ultra-modern finishes with extensive use of glass, metal, open ceilings, and specialty pendant lighting, creating spacious and light-filled spaces. The interior of the building has been completely renovated and is in excellent condition. The exterior is in good condition, with no obvious deficiencies noted.

Tenant Summary

Tenant	SF	% of Total NRA	Base Rent PSF ($)	% of Total Annual In-Place Base Rent	Lease Expiry	Investment Grade? (Y/N)
West Monroe Partners	179,960	46.1	27.50	50.9	October 2032	N
Convene	119,890	30.7	28.57	35.2	July 2032	N
Mayer Brown	56,154	14.4	24.00	13.9	February 2030	N
Subtotal/Wtd. Avg.	**356,004**	**91.2**	**27.31**	**100.0**	**Various**	**N**
Other Tenants	0	0	n/a	n/a	n/a	n/a
Vacant Space	34,508	8.8	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**390,512**	**100.0**	**27.31**	**100.0**	**Various**	**N**

DBRS Morningstar NCF Summary

NCF Analysis

	Appraisal	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	10,709,073	10,708,228	10,914,355	1.9
Recoveries ($)	9,266,190	8,329,452	9,225,759	10.8
Other Income ($)	1,011,551	451,374	19,500	-95.7
Vacancy ($)	-419,736	0	-2,538,594	n/a
EGI ($)	**20,567,078**	**19,489,054**	**17,621,020**	**-9.6**
Expenses ($)	9,248,086	9,023,612	9,335,915	3.5
NOI ($)	**11,318,992**	**10,465,442**	**8,285,105**	**-20.8**
Capex ($)	0	0	97,628	n/a
TI/LC ($)	0	0	2,441,639	n/a
NCF ($)	**11,318,992**	**10,465,442**	**5,745,838**	**-45.1**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar Commercial Real Property Analysis Criteria.* The resulting DBRS Morningstar stabilized NCF was $5,745,838, representing a -45.1% variance from the Issuer's Stabilized NCF of $10,465,442. The primary drivers of the variance included vacancy, leasing costs, other income, and replacement reserves.

DBRS Morningstar generally estimated vacancy based on the Reis submarket average of 12.7% for the five-year period ended December 31, 2019, which was also in line with the appraiser's estimated 12.9% average vacancy rate exhibited by the Chicago Office CBD over the 18-year period ended December 31, 2018. Reis forecasts submarket vacancy rates to remain relatively constant at an average of 12.4% over the five-year period ending December 31, 2024. By contrast, the Issuer did not estimate any vacancy loss at the property. DBRS Morningstar generally estimated leasing costs based on the appraiser's leasing cost estimates, resulting in aggregate stabilized leasing costs of $5.84 psf. The Issuer did not apply any leasing cost deductions to their stabilized cash flow analysis. DBRS Morningstar generally estimated other income based on the borrower's budget, while the Issuer generally estimated other income based on the borrower's budget plus contractual TI amortization. DBRS Morningstar lastly estimated replacement reserves of $0.25 psf, while the Issuer did not estimate any ongoing replacement reserves as part of their stabilized cash flow analysis.

DBRS Morningstar Viewpoint

The collateral was originally constructed in 1969 and acquired by the transaction sponsor, Sterling Bay, in 2017 for a reported purchase price of $60.0 million. The collateral was acquired fully vacant after serving as the headquarters for BMO Harris and, following the sponsor's acquisition, benefited from $43.4 in sponsor-funded capital investment, which provided for the replacement of all building systems and elevators, the buildout of two amenity spaces, and the renovation and reconfiguration of the existing lobby. The sponsor additionally executed leases for 91.2% of the total NRA and, as part of this transaction, completed the buildout of West Monroe Partners' and Mayer Brown's spaces. The collateral has thus benefited from significant recent leasing and capital investment in the buildout of tenant spaces, though the timing concentration of leasing also presents future lease rollover risk with 100.0% of in-place leases currently scheduled to roll between 2030 and 2032. The long-term leases provide cash-low stability to the transaction at hand, but the future lease rollover concentrations could pose a challenge to refinancing at maturity or long-term finance-ability in the case of an acquisition exit.

The collateral is generally well-located in the western half of the Downtown Chicago CBS (commonly referred to as The Loop). Per Reis, the collateral's West Loop submarket exhibited an average vacancy rate of 9.6% as of Q3 2019, representing an improvement from the average submarket vacancy rate of 12.7% exhibited over the five-year period ended December 2020. Reis forecasts submarket vacancy to remain relatively constant at an average rate of 12.9% over the five-year period ending December 2025. The Chicago office market is generally considered to be a softer market than gateway cities such as New York and San Francisco, characterized by higher leasing costs and lower stabilized occupancy rates. The collateral's West Loop submarket has additionally experienced an influx of Class A office development in recent years, with Reis reporting approximately 10.0% of submarket inventory to have been delivered since 2010. Fortunately, the collateral's recent capital improvements should make it relatively well-positioned to remain competitive among a growing supply of Class A office inventory. Additionally, the transaction benefits from well-capitalized and locally experienced sponsorship in Sterling Bay, which boasts a portfolio of creative office assets throughout the West Loop and Fulton Market neighborhoods of Chicago and successfully completed similar repositioning strategies at other office assets in the area including the 391,000 sf 221 North LaSalle office building.

Initial loan proceeds of $79.4 million along with $26.2 million of mezzanine debt and a borrower equity contribution of $557,891 refinanced $101.0 million of existing debt and covered $5.2 million of closing costs associated with the transaction. The loan permits for up to nearly $34.6 million in first-mortgage future funding and $11.4 million of future mezzanine funding, which is scheduled to finance a leasing cost reserve and an interest/carry reserve associated with the execution of the sponsor's proposed stabilization plan. As part of this transaction, the sponsor contributed $557,891 of cash equity, which is excluded from the $59.6 million of sponsor cash equity already invested in the collateral. The three-year floating-rate loan is structured with two 12-month extension options that are exercisable subject to, among other criteria, the achievement of certain LTV, Debt Yield, and/or LTV hurdles set forth in the loan agreement. The loan is IO through the initial term and each extension period, should the extension option(s) be exercised.

The fully-funded loan represents a relatively high loan-to-value ratio of 67.4%% based on the appraiser's as-is value estimate of $169.0 million. However, the appraiser estimates the collateral's value to improve to $216.0 million through stabilization, representing a significantly improved loan-to-stabilized value ratio of 52.7%. As of the T-10 period ended October 31, 2020, the collateral generated negative cash flow. However, this is in part due to ongoing free-rent periods associated with recent leases executed by the sponsor and the property achieved a 91.2% physical occupancy as of October 2020. The DBRS Morningstar Stabilized NCF represents a concerningly low stabilized DSCR of 1.04x based on the annual debt service payment cap of approximately $5.5 million. However, the DBRS Morningstar Stabilized NCF assumes an economic vacancy rate of 12.6%, which is in line with the surrounding office submarket but in excess of the collateral's in-place economic vacancy rate of 8.2%. Holding all else constant but adjusting the DBRS Morningstar Stabilized NCF to reflect the collateral's in-place occupancy rate, the DSCR based on the annual debt service payment cap improves to 1.18x. The loan benefits from no lease rollover through the fully extended loan maturity, which should allow the transaction to maintain a coverable DSCR. However, the concerningly low DBRS Morningstar DSCR and lease rollover concentration in years 2030 to 2032 could ultimately pose potential refinance risk to the transaction at maturity.

RealOp Southeast Portfolio

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Fee Simple/ Leasehold
Trust Balance ($ million)	70.0
Loan PSF/Unit ($)	$92
Percentage of the Pool (%)	10.5
Fully Extended Loan Maturity/ARD	January 2025
Amortization	30 Years
DBRS Morningstar As-Is DSCR (x)	0.75
DBRS Morningstar Stabilized DSCR (x)	1.00
DBRS Morningstar As-Is Issuance LTV (%)	84.1
DBRS Morningstar Stabilized Balloon LTV (%)	65.7
DBRS Morningstar Property Type	Office
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	70.0
Pari Passu	39.9
Remaining Future Funding ($ million)	22.7
Mortgage Loan Including Future Funding	132.6
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(3.3)

Collateral Summary			
DBRS Morningstar Property Type	Office	**Year Built/Renovated**	Various
City, State	Various	**Physical Occupancy (%)**	71.4
SF	1,440,911	**Physical Occupancy Date**	November 2020

DBRS Morningstar Analysis

Site Inspection Summary

101 North Main (13.1% of the In-Place Base Rent) – DBRS Morningstar toured the property on Monday, January 4, 2021, at 12:30 p.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral is a high-rise office building in downtown Greenville, South Carolina. The building is on ONE City Plaza, a pedestrian-only city center, and sits back from North Main Street, behind the plaza courtyard area, with the rear (west side) of the building along Richardson Street. An attached multilevel parking deck is south of the building, followed by a 12-story Aloft Hotel (seven-level hotel over a five-level parking deck), with a detached public parking garage to the north. The Greenlink Transit Center

(Greenville Transit Authority) is across East Washington Street to the south. North Main Street is major shopping destination lined with attached low-rise buildings housing ground-level specialty shops and restaurants, with upper-level office or residential units. The downtown area of Greenville comprises low-, mid-, and high-rise office and residential buildings, hotels, churches, retail shops, and restaurants.

The property is a high-rise office building on 0.31-acre site, with a building area of 195,907 sf. It was originally built in 1973 with renovations in 2014 and consists of a 16-story building of reinforced concrete construction with masonry exterior walls. The main entrance opens onto the brick paved ONE City Plaza courtyard, with landscape planters and tables/chairs. Amenities include garage parking with 1,040 spaces available, a fitness center with locker and showers, direct garage access, and an on-site coffee shop. The building is fully wet sprinklered and is one of the first buildings in the state to receive a Wired Certification. There are four passenger elevators and one freight elevator. The lobby area of the building is spacious and inviting, with a high ceiling, modern furnishings, and a full wall mural of downtown Greenville. Occupied tenant spaces have modern finishes, furnishings, and decor. Finishes typically include painted wallboards, dropped ceilings with acoustic tiles, and recessed lighting. Flooring varies, including vinyl plank, carpet, or tile. The vacant spaces DBRS Morningstar observed had not been renovated but were in clean, marketable condition.

Horizon I, II, IV (10.3% of the In-Place Base Rent) – DBRS Morningstar toured the property on Wednesday, January 6, 2021, at 11:30 a.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral consists of three low-rise suburban office buildings in the Horizons at Six Forks Office Park: 110 Horizon Drive (Horizon Building IV), 7701 Six Forks Road (Horizon Building II), and 7721 Six Forks Road (Horizon Building III). The office park is situated in a commercial office/retail pocket in a predominately residential area approximately nine miles north of downtown Raleigh, North Carolina. The 7701 and 7721 buildings front Six Forks Road, with Horizon Drive, a median-divided drive off Six Fork Road running between the two buildings and ending at the 110 Horizon Drive building at the rear. The immediate surrounding properties consist of similar low-rise suburban office buildings with retail development becoming more prominent on the south side of Sawmill Road. The greater surrounding area consists of residential neighborhoods, townhomes, and apartment buildings interspersed among wooded lands. A commercial area is approximately one mile to the north along Six Forks Road, with low- to mid-rise office buildings, box retailers, and anchored and strip retail centers. National retailers include Home Depot, Bed Bath & Beyond, Whole Foods, Starbucks, and Food Lion, with numerous branded fast food eateries. Bus stops are at regular intervals along Six Forks Road. Access to I-540 is approximately two miles to the north.

The property consists of three office buildings totaling 105,753 sf. The 7721 Six Forks Road property is single-story masonry building, constructed in 1988, on a 3.75-acre lot with an RBA of approximately 33,041 sf. The 7701 Six Forks Road property is a single-story masonry building, constructed in 1989, on a 2.91-acre lot with a building area of 28,342 sf. The 110 Horizon Drive property is a three-story building of masonry construction, built in 1996, on a 3.3-acre lot with an RBA of approximately 44,370 sf. The three buildings have a total of 420 surface parking spaces (110 Horizon Drive with 184 spaces, 7701 Six Forks Road with 111 spaces, and 7721 Six Forks Road with 125 spaces). Parking and drives are asphalt, well laid out, and in generally good condition. The buildings are situated in a campus, parklike setting with green space and professionally maintained landscaping.

Interior finishes are generally consistent throughout the buildings and include painted wallboards, carpeted flooring, and dropped ceilings with acoustic tiles and florescent lighting. Lobby areas of the buildings are modern, well lit, and inviting. Lobbies, hallways, and many of the tenant spaces appear to have been freshly painted with newly laid carpet. The vacant spaces did not appear freshly painted, but they were in clean, marketable condition.

One Marcus (6.1% of the In-Place Base Rent) – DBRS Morningstar toured the property on Monday, January 4, 2021, at 1:30 p.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral is a four-building business park, Patewood Business Center, in a highly developed commercial corridor along I-385 in Greenville, S.C. The corridor is anchored by the Haywood Mall, a super-regional 1.2million-sf mall. The subject is on the east side of Frontage Road and on the north side of Marcus Drive, a local access street that dead ends just past the subject. Development along both interstate corridors comprises office complexes with medical and professional office buildings; power, anchored, and strip retail centers; stand-alone retail; eateries; and service businesses. The St. Francis Eastside Hospital and Patewood Medical Campus are approximately 0.5 miles to the north on the east side of I-385, and the Haywood Mall is approximately 1.0 mile to the north on the west side of the interstate. Access to the interchange of I-385 and I-85 is approximately 1.5 miles to the southeast, with power centers and box retailers around the interchange.

The property is a multiple-building business center on approximately 12.5 acres of land. It was built in 1983 and consists of four single-story buildings of reinforced concrete block construction with brick exteriors and flat roofs. Buildings 1 and 2 are attached and Buildings 3 and 4 are stand-alone structures. Office areas and entrances are at the front of the buildings accessible via concrete sidewalks off the parking area, with overhead doors and service entrances at the rear. The buildings are in a row, west to east, with perimeter parking along the front of the buildings. A total of 210 surface parking spaces are available. The parking area is asphalt with concrete surfaces at the rear service drive. There are two ingress/egress drives off Frontage Road. Landscaping is basic and well maintained.

The contact who accompanied the inspector expressed that she did not wish to enter occupied units as to not disturb the tenants. The vacant units DBRS Morningstar inspected were dated but in clean, marketable condition, with no major issues noted. One of the observed vacant units was unfinished.

Tenant Summary						
Tenant	SF	% of Total NRA	In-Place Base Rent PSF ($)	% of Total In-Place Base Rent	Lease Expiry	Investment Grade? (Y/N)
BANK OF AMERICA N.A.	86,238	6.0	21.83	10.2	March 2027	Y
Blue Cross & Blue Shield of South Carolina	31,989	2.2	17.85	3.1	January 2033	N
ECPI	30,769	2.1	20.20	3.4	September 2025	N
The M&P Lab, Inc	23,231	1.6	13.96	1.8	October 2035	N
Duke University Health System, Inc.	22,475	1.6	19.80	2.4	November 2022	N
Subtotal/Wtd. Avg.	**194,702**	**13.5**	**19.74**	**20.9**	**Various**	**N**
Other Tenants	825,020	57.3	17.68	79.1	n/a	n/a
Vacant Space	421,189	29.2	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**1,440,911**	**100.0**	**18.07**	**100.0**	**Various**	**N**

DBRS Morningstar NCF Summary

NCF Analysis				
	T-12 November 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	18,134,334	27,206,887	24,244,131	-10.9
Recoveries ($)	1,516,663	2,107,920	2,160,328	2.5
Other Income ($)	529,818	477,948	477,948	0.0
Vacancy ($)	-922,958	-4,808,212	-4,980,297	3.6
EGI ($)	**19,257,857**	**24,984,543**	**21,902,109**	**-12.3**
Expenses ($)	9,145,189	10,475,483	10,268,721	-2.0
NOI ($)	**10,112,668**	**14,509,060**	**11,633,388**	**-19.8**
Capex ($)	0	0	360,228	n/a
TI/LC ($)	0	0	2,493,197	n/a
NCF ($)	**10,112,668**	**14,509,060**	**8,779,963**	**-39.5**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $8,779,963, representing a –39.5% variance from the Issuer's stabilized NCF of $14,509,060. The primary drivers of the variance were GPR, vacancy, and TI/LC costs.

DBRS Morningstar utilized the appraiser's TI/LC assumptions to lease vacant space and re-lease suites with near-term expirations to achieve an 80.0% stabilized occupancy level (consistent with the average submarket vacancy rate for the portfolio), while giving credit to the $12 million upfront TI/LC reserve. The Issuer did not underwrite any TI/LC costs. For GPR, DBRS Morningstar utilized the appraiser's market rent of $34.20 psf and rolled various tenants with lease expirations prior to the fully extended maturity date. For real estate taxes, DBRS Morningstar concluded to the appraiser's stabilized figure, whereas the Issuer concluded an inflated borrower's budgeted amount.

DBRS Morningstar Viewpoint

The collateral for the mortgage loan consists of a portfolio of 23 office buildings totaling 1.43 million sf in cities throughout the southeastern region of the U.S. The sponsor acquired the portfolio over a period between November 2016 and December 2018 for an acquisition price of $137.3 million with the goal of investing a small amount of capital ($5.0 million; $3.00 psf) and leasing up the vacant space. To date, the sponsor has spent $4.4 million on capital improvements across the portfolio and has paid of $6.7 million in TI/LCs while continuing to lease-up space. Approximately half of the portfolio by square footage is in the Greenville and Columbia, South Carolina, markets.

The sponsor has incrementally leased up the portfolio to an in-place physical occupancy of 71.4% based on the most recent rent roll dated November 30, 2020, from 59.7% at acquisition. New leasing activity includes approximately 31,000 sf of space to Blue Cross Blue Shield at the Focal Point and Gervais properties, 10,200 sf to Alternative Behavior Strategies at the Arboretum property, and approximately 3,400 sf to National Health Law at the Franklin Park property. DBRS Morningstar generally takes a positive view over the medium to long term that the sponsor will be able to successfully deploy the remaining $9,185,239 in future funding proceeds available for leasing to continue pushing occupancy higher across the portfolio. Additionally, while the coronavirus has affected demand for office space, the portfolio is generally located in lower-cost MSAs where leasing volume may rebound more quickly.

The loan was originated in December 2019 and is structured as IO for the initial three-year term and then amortizes on a 360-month schedule during each of the two one-year extension periods. The fully funded loan balance of $132.6 million represents an as-stabilized LTV of 69.7% based on the appraiser's stabilized value of $190.2 million. The stabilized value represents a 26% increase over the as-is appraised value of $151.4 million. DBRS Morningstar views this assumed value increase as relatively aggressive, and the appraiser valued the portfolio before the pandemic, which has broadly depressed commercial real estate values in markets across the country. Additionally, the fully funded loan balance of $132.6 million represents a LTC of 96.6% on the $137.3 million purchase price for the portfolio. Additionally, the sponsor is using loan proceeds to refinance an existing $97.9 million in senior debt and is cashing out approximately $3.3 million, which DBRS Morningstar views negatively in the context of value-add transitional loans still in the process of executing on their business plan.

The sponsorship is a joint venture partnership between RealOp Investments and Bain Capital. RealOp Investments was formed in 2009 and focuses on value-add and special situation investments in the Southeastern U.S. and has a 50-property, 5 million-sf portfolio worth approximately $450 million. Bain Capital is a global alternative investment firm with $105 billion in assets under management. DBRS Morningstar considered the sponsor strength to be Average because the guarantor entities are only required to maintain a minimum net worth of $50.0 million and $5.0 million of liquidity.

The sponsor may also elect to release certain assets from the portfolio during the loan term, subject to a release price of 115%, which DBRS Morningstar views as credit-neutral given the adverse selection risk. In this case, the portfolio performance is not perfectly homogenous, which could lead to the sponsor disposing the stronger assets with bondholders retaining exposure to the underperforming properties.

Approximately 39.4% of the portfolio's total square footage rolls during the loan's initial three-year term, and just more than 50% rolls during the five-year fully extended term. While DBRS Morningstar views the rollover as a potential opportunity to transition below-market leases to market rent, that strategy depends on rents remaining stable or growing over the next few years. Moreover, the sponsor will need to manage the existing roll in the portfolio while also continuing to lease-up vacant space, both of which will require TI/LC dollars.

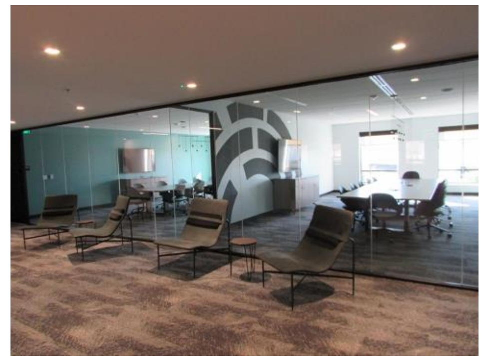
Exchange

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	61.5
Loan PSF/Unit ($)	$148
Percentage of the Pool (%)	9.2
Fully Extended Loan Maturity/ARD	March 2024
Amortization	30 Years
DBRS Morningstar As-Is DSCR (x)	0.47
DBRS Morningstar Stabilized DSCR (x)	0.80
DBRS Morningstar As-Is Issuance LTV (%)	76.2
DBRS Morningstar Stabilized Balloon LTV (%)	80.2
DBRS Morningstar Property Type	Office
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	61.5
Pari Passu	0.0
Remaining Future Funding ($ million)	22.5
Mortgage Loan Including Future Funding	84.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	14.7



Collateral Summary			
DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1975-1997 / 2019
City, State	Charlotte, NC	**Physical Occupancy (%)**	57.0
SF	568,657	**Physical Occupancy Date**	October 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on December 22, 2020, at 11:00 a.m. Based on the guided management tour, DBRS Morningstar found the property quality to be Average.

The collateral is a multibuilding suburban office complex in Charlotte, North Carolina. The subject is positioned in the I-77 submarket, a commercial and light industrial corridor that stretches for approximately 10 miles along I-77 from downtown Charlotte down to I-485 in suburban Pineville. The subject is on the east side of I-77 in an area known as the Lower South End, which has recently been rejuvenated from an old industrial corridor to a creative entertainment district with office and industrial buildings, several breweries, and various other commercial uses. Railroad tracks border the subject complex to the east followed by light industrial and commercial uses, and the area to the south along Tyvola Road consists of retail, light industrial, and hospitality properties. The property's accessibility is average, being approximately one mile away from the Tyvola light-rail station and having indirect access to I-77 via Tyvola Road 0.5 miles to the south. Additionally, the property also has reasonable access to the interchange of I-77 and I-485, which is approximately four miles to the south/southwest. Charlotte Douglas International Airport is a major economic driver in the surrounding area and located approximately seven miles to the northwest, and downtown Charlotte is situated roughly seven miles to the north.

Built from 1975 through 1997, the improvements consist of 14 Class B office buildings totaling 568,657 sf across a 41.9-acre site. Building structures range from one to five stories with sizes ranging from 21,000 sf to 103,000 sf. The facades varied considerably, most notably including one building with an art mural on its facade. A road, 77 Center Drive, runs through the center of the complex providing access to all the buildings. Parking areas are located around each building with a total of 2,171 surface spaces. Landscaping throughout is professionally designed, enhancing the overall appearance of the complex, and the property's recent upgrades to the landscaping, signage, and outdoor courtyard areas showed well. Identifying signage at the entrance drive and throughout the complex is modern and attractive, and all buildings have large, highly visible address numbers mounted at the site entrances. Office spaces observed have modern finishes, furnishings, and decor. Finishes vary somewhat, but most included painted wallboards and dropped ceilings with acoustic tiles and recessed lighting. Some of the more recently renovated spaces have painted sheetrock ceilings and walls. Flooring finishes also vary throughout and include commercial-quality carpet, hardwoods, and tile. Vacant spaces observed are in marketable condition. Overall, the buildings are in good condition with a noticeable amount of capital improvement progress displayed at the time of inspection.

Tenant Summary

Tenant	SF	% of Total NRA	DBRS Morningstar Base Rent PSF ($)	% of Total DBRS Morningstar Base Rent	Lease Expiry	Investment Grade? (Y/N)
Archroma	31,533	5.5	24.68	11.4	3/2029	N
Conterra Networks	20,962	3.7	26.75	6.7	9/2031	N
Salesforce, Inc.	21,533	3.8	20.54	6.2	1/2025	N
M/I Homes of Charlotte	15,786	2.8	18.76	4.2	8/2023	N
Enviro-Master International Franchise, LLC	11,605	2.0	19.10	3.2	5/2023	N
Subtotal/Wtd. Avg.	**101,419**	**17.8**	**22.67**	**31.8**	**Various**	**N**
Other Tenants	219,543	38.6	20.8	68.2	n/a	n/a
Vacant Space	247,695	43.6	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**568,657**	**100.0**	**22.67**	**31.8**	**Various**	**N**

DBRS Morningstar NCF Summary

NCF ANALYSIS					
	2019	T-12 October 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,175,105	6,771,297	13,922,986	13,444,827	-3.4
Recoveries ($)	364,874	330,321	339,374	288,859	-14.9
Other Income ($)	118,429	283,785	89,175	118,429	32.8
Vacancy ($)	-733,261	-495,904	-3,853,973	-2,683,743	n/a
EGI ($)	**4,925,146**	**6,889,499**	**10,497,562**	**11,168,372**	**6.4**
Expenses ($)	3,338,469	3,468,119	4,611,974	4,104,181	-11.0
NOI ($)	**1,586,677**	**3,421,380**	**5,885,588**	**7,064,191**	**20.0**
Capex ($)	0	0	0	142,164	n/a
TI/LC ($)	0	0	0	1,763,753	n/a
NCF ($)	**1,586,677**	**3,421,380**	**5,885,588**	**5,158,274**	**-12.4**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar stabilized NCF was $5,158,274 representing an -12.4% variance from the issuer's stabilized NCF of $5,885,588. The primary drivers of the variance included GPR, TI/LCs, and vacancy. DBRS Morningstar based GPR on the October 2020 rent roll with vacant space grossed at the appraiser's market rent estimates, while the issuer included rent growth and inflated the market rent estimate. The issuer assumed a vacancy of 15.0% and DBRS Morningstar assumed a vacancy of 20.0%, which is in line with the high end of the appraiser's airport submarket vacancy of 12.0% and competitive set vacancy of 21.4% as of Q3 2020. DBRS Morningstar based TI assumptions on recent leasing with new/renewal assumptions of $35.00/$17.50 on a five-year term for multistory office and $70.00/$35.00 on a 10-year term for low-rise office. Net of $19.3 million in future funding TI/LC reserves allocated over a 10-year term, the assumptions resulted in an annual TI/LC cost of $2.66 psf.

DBRS Morningstar Viewpoint

The sponsor's business plan is underway and has shown some initial success with one new lease to Archroma for 31,533 sf at the projected rent and 10 additional new and renewal leases for about 53,415 sf at an average rent that is consistent with projections. Given the new leasing and the sponsor's experience—having acquired and repositioned office properties in Charlotte, including a 243,000-sf two-building campus and a 467,000-sf building in the Charlotte CBD—DBRS Morningstar supports the idea that the remainder of the property can be repositioned to creative office space and leased at higher rents.

Originally constructed in phases between 1975 and 1997, the collateral consists of a 568,657-sf, 14-building office campus in the Lower South End, a rejuvenated former industrial corridor approximately seven miles south of downtown Charlotte. The sponsor acquired the property in June 2018 for a purchase price of $45.6 million and has since commenced its business plan to convert the collateral from traditional Class B office buildings to a more contemporary, creative office offering. Through the capital improvement plan that will modernize the office campus, the sponsor is positioning the collateral to be a lower-priced option for creative office space relative to product in the neighboring submarkets such as South End and South Park at about $25.00 psf compared with $30.00 for competing properties. The property was achieving an average rent of approximately $18 psf at the time of acquisition in June 2018.

Specifically, the sponsor plans to allocate $11.5 million for exterior improvements including the facade and courtyards, $8.1 million for interior improvements such as opening floorplans, $5.7 million for building upgrades such as roofing and HVAC, $3.8 million for construction fees and contingencies, and $2.0 million for creating an indoor amenity space. Between $8.9 million of upfront capex reserves, $22.3 million of permitted future funding for capex, and $19.3 million of future funding for leasing costs, the sponsor has a considerable amount of capital resources to execute the targeted business plan. The property was 57.0% occupied as of October 31, 2020, and DBRS Morningstar is projecting a stabilized vacancy of 20.0%, which is in line with the appraiser's competitive set average vacancy of 21.4% and the I-77 submarket vacancy of 24.2% as of Q3 2020 per Reis.

Initial loan proceeds of $42.5 million along with borrower equity contributions of $14.7 million refinanced $42.6 million of existing debt, funded $8.7 million of upfront capex reserves and covered $5.9 million of closing costs and fees associated with the transaction. The loan allows for up to $41.5 million in future funding, which is scheduled to finance a $22.3 million capex reserve and a $19.3 million leasing reserve associated with the execution of the sponsor's proposed stabilization plan.

Concerns include the high leverage of the transaction; the fully funded loan amount of $84.0 million represents an Issuance LTV of 76.2%. Fortunately, the appraiser's stabilized value estimate of $137.6 million represents an improved LTV of 61.0% at stabilization. As of January 5, 2021, approximately $19.1 million of the permitted future funding has been drawn with $22.5 million still remaining. The borrower has an additional $9.6 million of equity remaining in the deal from the acquisition in June 2018, which was carved out at closing.

The two-year, floating-rate loan is structured with three 12-month extension options that are exercisable subject to, among other criteria, the achievement of certain LTV, debt yield, and/or related hurdles set forth in the loan agreement. The loan is IO through the initial term and each extension period, should the extension option(s) be exercised. The loan has an initial maturity date in March 2021. The lender agreed to modify the loan in November 2020 that adjusted the debt yield hurdle in exchange for the borrower contributing an additional $4.3 million of equity into the transaction. Therefore, the borrower has shown an additional commitment to the property.

Promenade on the Peninsula

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	45.0
Loan PSF/Unit ($)	$121
Percentage of the Pool (%)	6.7
Fully Extended Loan Maturity/ARD	January 2024
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.14
DBRS Morningstar Stabilized DSCR (x)	0.89
DBRS Morningstar As-Is Issuance LTV (%)	69.0
DBRS Morningstar Stabilized Balloon LTV (%)	68.1
DBRS Morningstar Property Type	Mixed Use
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	45.0
Pari Passu	0.0
Remaining Future Funding ($ million)	0.0
Mortgage Loan Including Future Funding	45.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	26.0

Collateral Summary

DBRS Morningstar Property Type	Mixed Use	**Year Built/Renovated**	1981/2008
City, State	Rolling Hills Estates, CA	**Physical Occupancy (%)**	76.0
Units/ SF	371,125	**Physical Occupancy Date**	November 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Friday, December 29, 2020, at 11:00 a.m. Based on the site inspection, DBRS Morningstar found the property quality to be Average.

The collateral is a mixed-use office/retail center located in Rolling Hills Estates, one of four affluent residential communities in the Palos Verdes Hills of Los Angeles County on the northern side of the Palos Verdes Peninsula, approximately 27 miles south of Downtown Los Angeles. The subject is in a commercial (retail/office) corridor between Indian Peak Road and Silver Spur Road (west to east) and is bordered by Hawthorne Boulevard (CA-107) to the north and Crenshaw Boulevard to the south. The commercial corridor is the major destination for shopping, dining, and services for a densely developed residential backdrop in all directions. The Palos Verdes Peninsula High School campus is at the northeast corner of the intersection of Hawthorne Boulevard and Silver Spur Road, and there are several elementary, middle, and private school campuses interspersed among the residential developments, along with parks, golf clubs, and green space.

The subject property is a mixed-use center located on a land area of 13.3 acres, with a total building area of 371,125 sf. The subject is three stories, with ground floor retail, mixed-use office, and retail on the second level, and office uses and cinema on the third level. At the time of inspection, there were very few patrons at the property and, despite being open, many of the retail tenants had no customers. An adjacent four-level parking structure provides 1,800 covered parking spaces. The subject property was originally built in 1981 as an enclosed mall, The Courtyard, with various renovations and name changes through the years. The roof was removed in 1999, converting the mall to a lifestyle center, with additional renovations in 2008, at which time the subject was renamed with its current name, Promenade on the Peninsula. The property consists of multiple buildings constructed around brick and tile paved patio areas and walkways with professionally designed landscape beds and planters throughout. Upper level walkways extend across the open areas from building to building. Tenants include nationally recognized retailers as well as regional and local specialty shops. Retail spaces have standard to good commercial quality finishes, individual to the tenant, and all observed were noted to be in good condition, clean, well lit, and well maintained.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 October 2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,756,305	9,802,916	6,189,424	8,138,490	31.5
Recoveries ($)	687,523	1,287,251	910,928	910,928	0.0
Other Income ($)	39,231	34,146	41,205	39,231	-4.8
Vacancy ($)	0	-1,615,070	0	-2,442,688	n/a
EGI ($)	**5,483,059**	**9,509,243**	**7,141,557**	**6,645,961**	**-6.9**
Expenses ($)	3,370,719	3,523,927	3,836,675	3,863,962	0.7
NOI ($)	**2,112,340**	**5,985,316**	**3,304,883**	**2,782,000**	**-15.8**
Capex ($)	0	0	0	92,781	n/a
TI/LC ($)	0	0	0	705,326	n/a
NCF ($)	**2,112,340**	**5,985,316**	**3,304,883**	**1,983,893**	**-40.0**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,983,893, representing a -40.0% variance from the Issuer's Stabilized NCF of $3,304,883. The primary drivers of the variance include the DBRS Morningstar GPR assumptions, real estate tax assumptions, and leasing assumptions. DBRS Morningstar assumed GPR based on the December 2020 rent roll with market rents grossed up at the appraiser's concluded market rents. DBRS Morningstar assumed real estate taxes to be based on the appraiser's tax assumptions inflated by 6.0%. DBRS Morningstar assumed TI/LC's of $1.90-psf, which is in line with the appraiser's concluded market leasing assumptions.

DBRS Morningstar Viewpoint

The loan is secured by a 371,125-sf mixed use property in Rolling Hills Estates California, 27 miles south of the Los Angeles CBD. The sponsor has owned the property since 2006, when it was acquired for $96.0 million and was operated as an outdoor mall with Saks Fifth Avenue as the anchor tenant. Since 2006, Saks Fifth Avenue vacated and the sponsor repositioned the upper two levels to office use from retail and upgraded the street level tenancy with additional restaurants and experiential tenants. Despite the sponsor's attempts to reposition the property, historical NOI as reported by the appraisal showed a significant decline of nearly 18% from 2018 to 2019. The declining performance was exacerbated by the Coronavirus Disease (COVID-19) pandemic in 2020, which restricted business operations and caused store closures at the property. As of the December 2020 rent roll, the property was 76.0% occupied, although many of the tenants are not paying rent. The issuer indicated collections in August, September, October, November, and December of 39.0%, 39.0%, 56.0%, 34.0%, and 34.0%, respectively. The nonpaying tenants include both anchor tenants, Regal Cinemas and Equinox Fitness, which are currently closed as a result of the Los Angeles County coronavirus restrictions. The third largest tenant, an ice rink under the name Promenade Ice Chalet, has permanently closed.

Because of the ongoing pandemic and the related business operation restrictions implemented in the Southern California region, the 2018 originated loan was modified in May 2020 due to the tenants' inability to operate. The 2018 loan had an initial balance of $56.1 million and was used to refinance the prior loan and allow for future funding of up to $7.1 million that could be used toward leasing costs for new and renewing tenants. As part of the May 2020 modification, the sponsor contributed $2.0 million to a lender-controlled reserve account that was to be used for interest and property carry costs as needed. As property operations continued to deteriorate throughout 2020, the $2.0 million reserve was depleted at the end of September 2020, at which point it was converted into a cash mortgage, and finally the modified loan was refinanced in January 2021 with the current loan, which has a principal balance of $45.0 million along with $13.85 million of mezzanine debt and $125,000 of borrower cash equity. The new loan includes a $2.8 million interest and carry reserve and the mezzanine debt includes a new leasing costs reserve of $3.5 million. Furthermore, a hard lockbox with full cash management was put into place for the life of the refinanced loan and its new loan term of three years.

The impact of the coronavirus pandemic has been detrimental to the Southern California retail industry and has heightened the short-term risk for the loan. Over the past several years, the subject property has experienced a decline in performance and the pandemic intensified the decline. The new loan for the property will afford the sponsor approximately 12 to 18 months of carry for debt service payments and operating costs, depending on the amount of monthly rent collections. Even if the sponsor is able to weather the current economic environment and keep the loan current, the sponsor appears reluctant to invest any more equity into the property, given that it was looking to sell the asset prior to the initial refinancing of the loan and before the current economic hurdles became a factor in the asset's performance.

In order for the loan to perform, business restrictions must be lifted and tenants at the property must pay rent. There is much uncertainty as to when this could occur, however, with a vaccine now available it is plausible that operations at the property could improve in 2021. Also, it is expected that both Regal Cinemas and Equinox Fitness will resume operations and rent payments. Of note, Regal Cinemas has selected this location to convert one screen to 4D. Equinox Fitness signed a 15-year lease extension in August 2019 and Regal Cinema has maintained ongoing dialogue with the sponsor, confirming their intent to re-open as soon as local ordinances allow.

BELA Apartments

Loan Snapshot

Seller
ACRC Lender LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
41.0
Loan PSF/Unit ($)
$394,231
Percentage of the Pool (%)
6.1
Fully Extended Loan Maturity/ARD
March 2024
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
0.00
DBRS Morningstar Stabilized DSCR (x)
0.89
DBRS Morningstar As-Is Issuance LTV (%)
74.8
DBRS Morningstar Stabilized Balloon LTV (%)
70.1
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

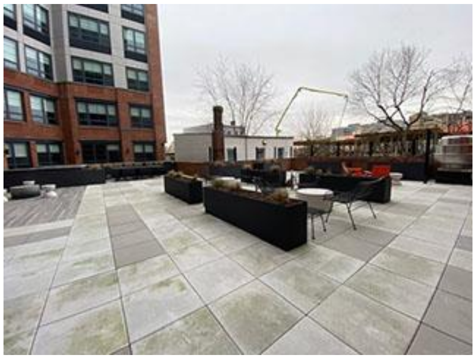
Debt Stack ($ millions)

Trust Balance
41.0
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
41.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
17.3

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019-20
City, State	Jersey City, NJ	**Physical Occupancy (%)**	37.5
Units/Beds	104	**Physical Occupancy Date**	December 2020

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on Wednesday, December 16, 2020, at 10:00 a.m. Based on the guided management tour, DBRS Morningstar found the property quality to be Above Average.

The collateral is a mid-rise multifamily building in the Communipaw neighborhood in the Bergen-Lafayette section of Jersey City, New Jersey. Bergen-Lafayette is large section of the city comprising several smaller neighborhoods to the west/southwest of downtown Jersey City and west of Liberty State Park. The subject sits on the east side of Maple Street, between Monitor Street to the south and Pine Street to the north. The area is a former industrial district of the city that has seen conversions of former industrial buildings to multifamily use. Liberty State Park light rail station and park & ride lot is two blocks to the south, followed by I-78 (New Jersey Turnpike Extension). The light rail provides access to both Hoboken and Exchange Place station on the PATH lines to Manhattan. Similar newly built and under construction mid-rise apartment buildings are to the east. The area to the north consists of small apartment buildings and row houses, most of late 1800s and early 1900s vintage. Neighborhood support businesses, such as bars, eateries, and small shops/services, are along Communipaw Avenue two blocks to the west with some businesses interspersed throughout the neighborhood typically in corner ground-floor spaces of mixed-use buildings.

Originally constructed in 2020, the subject is a 104-unit apartment building with 2,617 sf of ground-floor retail space. The improvements consist of an eight-story building with a modern glass facade that showed well. Amenities include a rooftop deck with landscape planters, a sundeck, covered patio seating, open lounge areas, and grills; an outdoor terrace and lounge area; indoor resident lounge area; spacious fitness center; yoga room; bicycle storage; and guest suites. The lobby area and common hallways are well appointed with upscale finishes, surfaces, furnishings, and decor. The property has 49 one-bedroom and 55 two-bedroom units with average floorplans of 769 sf and 1,174 sf, respectively. Unit finishes include painted drywall walls and ceilings with recessed canned lighting, and high-quality plank flooring in kitchens, living areas, and bedrooms, with tiled flooring in bathrooms. The units have tall ceilings and large windows providing ample natural lighting. Kitchens have stainless-steel appliances, including a refrigerator, stove, built-in microwave, and dishwasher. The cabinetry is European style, dark-stained wood with quartz countertops and tiled backsplashes, with free-standing, table-style islands in select units. All apartments have in-unit, full-size, stackable washers/dryers, and bathrooms have porcelain fixtures and painted wood cabinetry with quartz countertops. Overall, the collateral demonstrated a strong quality throughout reflective of a new product in a strong market.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Unit Size (sf)	Year Built	Avg. Rent ($/unit)	Occupancy (%)
295 Johnston	Jersey City, NJ	0.1	309	821	2020	3,095	0.0
Solaris Lofts	Jersey City, NJ	0.1	73	872	2019	2,861	96.2
Garabrant	Jersey City, NJ	0.1	80	757	2019	2,041	100.0
Jasmin Terrace	Jersey City, NJ	0.1	44	721	2019	2,233	96.0
Total/WA Comp. Set	**Jersey City, NJ**	**Various**	**506**	**810**	**Various**	**2,820**	**38.0**
Subject - BELA Apartments	**Jersey City, NJ**	**n/a**	**104**	**982**	**2020**	**3,016**	**33.7**

DBRS Morningstar NCF Summary

NCF ANALYSIS

	T-10 Annualized October 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	296,150	4,026,612	3,796,493	-5.7
Other Income ($)	694	235,466	208,800	-11.3
Vacancy & Concessions ($)	-108,233	-242,049	-315,057	30.2
EGI ($)	**188,610**	**4,020,029**	**3,690,236**	**-8.2**
Expenses ($)	557,508	1,439,635	1,428,653	-0.8
NOI ($)	**-368,898**	**2,580,394**	**2,261,584**	**-12.4**
Capex ($)	0	0	30,152	n/a
NCF ($)	**-368,898**	**2,580,394**	**2,231,431**	**-13.5**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,231,431, representing a -13.5% variance from the Issuer's Stabilized NCF of $2,580,394. The primary drivers of the variance included GPR, vacancy, and replacement reserves. DBRS Morningstar based GPR for all units on the average rent of $2,988 per unit that has been achieved as of the December 21, 2020, rent roll, while the Issuer inflated GPR by 2.0% annually. DBRS Morningstar assumed a vacancy of 7.3% based on the Hudson County submarket vacancy as of Q3 2020, according to Reis, and the Issuer assumed a vacancy of 5.5%. DBRS Morningstar assumed replacement reserves of $250 per unit for the residential component and $0.20 psf for the retail space, and the Issuer did not assume any replacement reserve costs.

DBRS Morningstar Viewpoint

Recently constructed in 2020, the collateral consists of a 104-unit, Class A apartment building in Jersey City. The sponsor's business plan encompassed acquiring the property in March 2020 prior to receiving a temporary certificate of occupancy (TCO) in order for the property to qualify for the Qualified Opportunity Zone tax incentives and then leasing the property to stabilization. The acquisition occurred in March 2020 with only $472,000 of construction work remaining, which the seller was obligated to complete after closing along with a certificate of occupancy and certificate of completion.

The borrower filed a Partial TCO for floors one through six within weeks of acquiring the collateral and then achieved a full TCO, with the property reportedly 37.5% occupied with an average rent of $2,988 per unit as of the December 21, 2020, rent roll. Since May, when leasing began, the average leasing per month has been about five units. The timing of the TCOs coincided with the coronavirus outbreak, which shuttered offices and business in New York and New Jersey. In addition, property tours could only be completed virtually for a period of time. The loan's initial maturity is in March 2022, and there are two, 12-month extension options that the borrower may exercise to provide enough time to complete the lease-up. As restrictions in New York ease and more employees begin returning to their offices, the lease-up can continue under more stable conditions. The property is two blocks from a light rail station.

Locations along the transit lines in Jersey City have proven to be popular with commuters seeking direct access to Manhattan while enjoying the lower housing costs in New Jersey.

The property's unit mix consists of 49 one-bedroom units and 55 two-bedroom units, five of which are designated as affordable housing for individuals below 80.0% of the area median income, and the building also has 2,617 sf of ground-floor retail space that is 68.8% preleased to Café Lafayette. The property demonstrated an Above Average property quality, with modern units and strong amenities including a rooftop deck with views of the Manhattan and Jersey City skylines, a separate outdoor lounge with a clubroom, a fitness center and yoga studio, bike storage, and furnished guest suites.

The subject and the two adjacent new developments also have superior proximity to the light rail station relative to the remaining new supply, but DBRS Morningstar has some concerns regarding the property competing with a continued influx of new supply. Specifically, a total of 1,049 units were scheduled to open in 2020 within blocks of the subject, including separate 72-unit and 309-unit apartment buildings directly adjacent to the collateral. However, some of the completions may slip into early 2021 because of construction delays. DBRS Morningstar projects that the property will stabilize at a vacancy directly in line with the Reis Hudson County submarket vacancy of 7.3% as of Q3 2020 but at an average rent of $2,988 per unit, which is below the submarket average of $3,250 per unit. Thus far, leases are averaging $3,161 per month, which is consistent with the borrower's projections.

While DBRS Morningstar views the property quality as a favorable qualitative attribute, it is also concerned with the real estate experience of the sponsor, which is limited to only two prior transactions both of which were also focused around Qualified Opportunity Zone tax benefits. Café Lafayette has been saddled with periodic closures, and there are concerns with the operator's ability to continue; however, the rent from this tenant is roughly equivalent to one apartment unit and is largely immaterial to the analysis.

Initial loan proceeds of $41.0 million along with borrower equity contributions of $17.3 million funded the $53.0 million purchase price, covered $3.4 million of closing costs, and escrowed $1.9 million for debt service payments. The loan does not permit any future funding associated with the execution of the sponsor's proposed stabilization plan. The two-year, floating-rate loan includes two 12-month extension options that are exercisable subject to, among other criteria, the achievement of certain LTV, debt yield, and/or related hurdles set forth in the loan agreement. The loan is IO through the initial two-year term and amortizes on a 30-year schedule each extension period, should the extension option(s) be exercised.

Homewood Suites Redondo Beach

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Leasehold
Trust Balance ($ million)	40.0
Loan PSF/Unit ($)	$217,391
Percentage of the Pool (%)	6.0
Fully Extended Loan Maturity/ARD	January 2022
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.63
DBRS Morningstar Stabilized DSCR (x)	0.73
DBRS Morningstar As-Is Issuance LTV (%)	77.8
DBRS Morningstar Stabilized Balloon LTV (%)	118.6
DBRS Morningstar Property Type	Limited Service Hotel
DBRS Morningstar Property Quality	Average

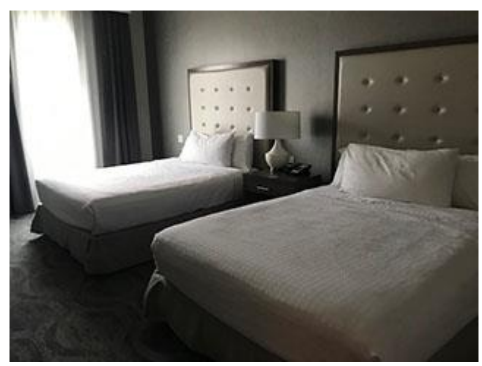
Debt Stack ($ millions)

Trust Balance	40.0
Pari Passu	0.0
Remaining Future Funding ($ million)	0.0
Mortgage Loan Including Future Funding	40.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(2.9)

Collateral Summary			
DBRS Morningstar Property Type	Limited Service Hotel	**Year Built/Renovated**	2017
City, State	Redondo Beach, CA	**T-12 RevPAR ($)**	98.09
Keys	184	**T-12 RevPAR Date**	November 2020

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on December 17, 2020. Based on the guided management tour, DBRS Morningstar found the aggregate property quality to be Average.

The collateral is an extended-stay hospitality property flagged by Homewood Suites by Hilton located in Redondo Beach, a beachside community situated approximately 22 miles southwest of downtown Los Angeles. The hotel sits on the west side of I-405 between the interstate and the Green Line elevated rail of the Los Angeles Metro Rail System and just to the north of the interchange of I-405 and Inglewood Avenue. However, there is no access to the subject from that interchange. Access is to the north from a local road, Hotel Drive, off the south side of Marine Avenue. The subject is at the end of Hotel Drive, with two hotels, Residence Inn by Marriott, and Hilton Garden, to the north toward Marine Drive. A large commercial/industrial area is to the west, comprising warehouse/distribution properties, flex facilities, and research and development properties. Retail properties consisting of national, regional, and local retailers as well as the R.K. Lloyde Continuation High School campus are on the east side of the interstate. There are several limited-service and suite hotels within a three-mile radius of the subject, including Residence Inn, Hilton Garden Inn, Days Inn, Best Western Plus, SpringHill Suites, and TownePlace Suites as well as some local hospitality properties. The Los Angeles International Airport is approximately 7.5 miles to the northwest. Densely developed residential neighborhoods are around the periphery of the commercial/industrial pocket in which the subject is located.

Collateral improvements were completed in 2017 and include a four-story building of reinforced concrete construction with masonry exterior walls and a flat roofing system. The building has two inset courtyard areas, one at the north end accessing the lobby area and one at the south end with pool and patio area. A surface parking lot is at the north end of the building with perimeter parking along the front of the building. Approximately 200 surface spaces are provided. Parking surfaces are clean, smooth, and brightly striped. Landscaping is professionally designed and maintained. Exterior lighting is provided by overhead pole-mounted fixtures in the parking lot with decorative pole-mounted period fixtures at the front perimeter of the building and in the courtyard areas. Amenities include a fitness center, business center, guest laundry, pool, grill/picnic areas, dog park, and fenced sports court.

The lobby area is well appointed and inviting. Finishes include a coffered ceiling with wood tray perimeters, chandelier lighting, and ceiling fans. Furnishings and decor are modern and attractive. Lobby and hallway carpeting throughout is consistent, designed for functionality and well as esthetics. Guest suites have hotel-quality case and soft goods, with a comfortable, functional layout. Kitchens have stainless steel appliances, including refrigerator and dishwasher, with a counter cooktop and vent hood. Upper and lower cabinets are stained wood with vinyl countertops. Kitchen and bathroom flooring is tiled and there is carpet in living and bedroom areas. The property is in good condition with no obvious deficiencies noted at the time of DBRS Morningstar's inspection.

Competitive Set

Property	Keys	Year Built/ Renovated	2019 Occupancy (%)	2019 ADR ($)	2019 RevPAR ($)
Hyatt House Los Angeles El Segundo	122	1995	89.0	162.00	144.18
Residence Inn Los Angeles LAX Manhattan Beach	176	1985	91.0	169.00	153.79
Residence Inn Los Angeles Airport El Segundo	150	2001	97.0	173.00	167.81
Hyatt Place Los Angeles LAX El Segundo	143	2012	88.0	148.00	130.24
aloft Hotel EL Segundo-Los Angeles Airport	249	2016	87.0	167.00	145.29
Total/Wtd. Avg. Comp. Set	**840**	**2003**	**90.4**	**165.37**	**149.51**
Homewood Suites Redondo Beach	**184**	**2017**	**90.5**	**160.48**	**145.29**

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	T-12 November 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
Occupancy (%)	87.7	90.5	73.5	90.5	75.0	-17.2
ADR ($)	162.20	160.48	133.77	160.48	143.75	-10.4
RevPAR ($)	142.22	145.29	98.33	145.28	107.81	-25.8
Total Departmental Revenue ($)	10,174,485	10,400,402	7,095,604	10,400,176	7,742,299	-25.6
Total Deparmental Expense ($)	2,397,459	2,456,714	1,852,496	2,456,661	2,027,726	-17.5
Total Departmental Profit ($)	**7,777,026**	**7,943,688**	**5,243,108**	**7,943,515**	**5,714,573**	**-28.1**
Total Undistributed Expense ($)	2,930,865	3,004,816	2,538,845	3,004,762	2,761,812	-8.1
Total Fixed Expense ($)	767,235	767,432	714,501	811,236	983,069	21.2
NOI ($)	**4,078,926**	**4,171,440**	**1,989,762**	**4,127,517**	**1,969,693**	**-52.3**
FF&E ($)	430,549	383,511	283,627	416,007	367,357	-11.7
NCF ($)	**3,648,377**	**3,787,929**	**1,706,135**	**3,711,510**	**1,602,337**	**-56.8**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,602,337, representing a -56.8% variance from the Issuer's Stabilized NCF of $3,711,510. The primary drivers of the variance included occupancy, ADR, departmental expenses, and variable expenses.

DBRS Morningstar estimated stabilized occupancy and ADR to be 75.0% and $143.75, respectively, representing a stabilized occupancy of $107.81. By contrast, the Issuer estimated stabilized occupancy and ADR to be 90.5% and $160.48, respectively, representing a stabilized RevPAR of $145.28. DBRS Morningstar generally estimated departmental expenses and variable expenses in line with the departmental expense and variable expense ratios achieved over the T-12 ended November 30, 2020.

DBRS Morningstar Viewpoint

The collateral is located less than five miles south of Los Angeles International Airport along U.S. I-405. However, the collateral and its identified competitive set of extended-stay hotels have not historically catered to crew demand. The property is located within what is locally considered to be the defense corridor, home to several of the world's largest defense and aerospace firms, including The Aerospace Corporation, The Boeing Company, Northrop Grumman, and Raytheon. According to property management, demand for the property is largely transient and negotiations with corporate demand sources in the market are ongoing. The property is part of a small hotel campus that includes a 147-key Hilton Garden and a 172-key Residence Inn, both of which were developed by the transaction sponsor. The appraiser identified five select-service/extended stay hotel assets to be competitive with the subject collateral, and the subject benefits from being the most recently constructed asset in its identified competitive set. The collateral has generally demonstrated positive absorption trends within its surrounding market, as evidenced by near 100% RevPAR penetration rates in 2018 and 2019. The timing of a rebound in hotel markets nationally following the downturn from the Coronavirus Disease (COVID-

19) pandemic remains highly uncertain, though the collateral showed moderate month-over-month improvement in RevPAR performance between April and September 2020. RevPAR performance in November 2020 remained approximately 12.5% below the collateral's 2019 RevPAR performance for the same month.

The collateral was developed by the transaction sponsor and originally delivered in 2017. This transaction refinanced the sponsor's construction loan associated with the development of the collateral, and was intended to serve as bridge financing until the property stabilized post-delivery and the sponsor was able to attain longer-term, fixed rate refinancing. Following the recent downturn, the sponsor's business plan was amended to target achievement of pre-pandemic performance through the fully-extended maturity date in preparation to attain long-term, fixed-rate financing. The collateral appeared to be well absorbed within its respective market following the 2017 delivery, evidenced by the property's achievement of 98.0% and 97.3% RevPAR penetration rates in years 2018 and 2019, respectively. Over the same period, the collateral's average annual RevPAR increased to $144.58 from $142.29, representing a year-over-year RevPAR growth rate that just slightly lagged the competitive set's RevPAR growth rate of 2.3% over the same period. However, largely because of business closures and travel restrictions associated with the ongoing coronavirus pandemic, the collateral's RevPAR declined 32.2% to $98.09 in the T-12 ended November 2020 from $144.58 in 2019 and. Over the same period, the collateral's competitive set exhibited a RevPAR decline of 39.5% falling to an average of $89.83 over the T-12 ended November 2020 from an average of $148.53 in 2019. According to the November STR report, the subject and competitive set have had modest improvement in RevPAR in 2020 since March, yet, the figures are still well below pre-pandemic levels. DBRS Morningstar believes this modest trend should continue in 2021 but, given the uncertainty regarding business travel and the upcoming January 2022 loan maturity date, DBRS Morningstar concluded to a stabilized RevPAR of $107.81, which is 24.2% below the 2018 level.

Initial loan proceeds of $40.0 million refinanced $25.6 million of existing debt on the property, escrowed $7.4 million in reserves, covered $4.1 million of closing costs associated with the transaction and returned nearly $2.9 million of cash equity to the transaction sponsor. The sponsor retained $11.4 million of implied equity in the transaction following the refinancing. The three-year, floating-rate loan is full-term IO and represents an LTV of 77.8%, based on the appraiser's as-is value estimate of $51.4 million. The appraiser estimates the value of the collateral to improve to $59.7 million through stabilization, representing an improved LTV of 67.0%. The DBRS Morningstar Stabilized NCF represents a concerningly low DSCR of 0.60x, based on the annual debt service payment cap of approximately $2.7 million. Fortunately, the transaction benefits from locally-experienced sponsorship, which should better enable the collateral to rebound following the coronavirus-related downturn in performance experienced through 2020. The collateral's 2018 and 2019 reported financials cover the debt service payment cap at more favorable DSCRs of 1.36x and 1.41x, respectively.

Retreat at College Station

Loan Snapshot

Seller
ACRC Lender LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
40.0
Loan PSF/Unit ($)
$50,225
Percentage of the Pool (%)
6.0
Fully Extended Loan Maturity/ARD
January 2023
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
0.84
DBRS Morningstar Stabilized DSCR (x)
0.84
DBRS Morningstar As-Is Issuance LTV (%)
74.7
DBRS Morningstar Stabilized Balloon LTV (%)
72.8
DBRS Morningstar Property Type
Student Housing
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
40.0
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
40.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
1.5

Collateral Summary			
DBRS Morningstar Property Type	Student Housing	**Year Built/Renovated**	2016
City, State	College Station, TX	**Physical Occupancy (%)**	93.8
Units/Beds	192/796	**Physical Occupancy Date**	October 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on January 4, 2021. Based on the guided management tour, DBRS Morningstar found the property quality to be Average.

The collateral is a student housing property approximately 1.5 miles southeast of the A&M University campus, on the north side of Harvey Mitchell Parkway South, between Jones Butler Road and Wellborn Road. Development to the east and west consists predominantly of large student apartment complexes, with some duplexes and fourplexes interspersed and a few commercial support properties along Wellborn Road. Jones Crompton Park is adjacent to the north along Jones-Butler Road. The area to the south of Harvey Mitchell Parkway South is composed of student apartment complexes, duplex communities, tract housing, and undeveloped land.

The subject consists of multiple cottage-style buildings on 36.8 acres. The improvements were completed in 2016 and consist of 99 two- and three-story buildings of wood frame construction with pitched composite roofs. Lighting is provided by overhead pole-mounted fixtures throughout the site. Parking and drives are well laid out with both surface and covered carport parking provided. Community amenities are extensive and include gated access; a clubhouse; a fitness center with a cardio studio, sauna, weight room, tanning beds, and spin classes; a game room with pool tables; a bar and kitchen; a cybercafe; study rooms; an indoor golf simulator; and an outdoor area featuring a resort style pool with beach entry, a tanning ledge, cabanas, a private bubble pool, grilling stations, a sand volleyball court, and green space.

The property has 192 two-, three-, four-, five-, and six-bedroom units, with 796 total beds. There are both flat and townhouse units. The units have shared living room and kitchen areas and each bedroom has a bath. Flooring is vinyl plank in kitchens and living rooms, with tiled flooring in baths, and carpet in bedrooms. Kitchens have a full appliance package with stainless steel appliances including a refrigerator, stove, built-in microwave, and dishwasher. Upper and lower level cabinets are two-toned painted wood, with granite countertops. Bathrooms have porcelain fixtures, with painted wood vanity cabinets and granite countertops. All apartments have full-sized in-unit washer/dryers.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Beds	Year Built	Occupancy (%)
Holleman Crossing Apartments	College Station, TX	0.5	432	792	2017	94.0
The Cottages of College Station	College Station, TX	0.7	359	1,352	2012	95.0
Woodlands at College Station Apartments	College Station, TX	0.6	465	1,279	2008	96.0
Aspen Heights Student Housing	College Station, TX	0.5	233	797	2017	95.0
Campus Village	College Station, TX	0.4	355	768	2011	99.0
The Junction at College Station	College Station, TX	0.5	186	801	2016	93.0
Domain at Northgate	College Station, TX	2.2	102	344	2015	98.0
Standard Northgate	College Station, TX	2.3	302	938	2018	94.0
Total/WA Comp. Set	**College Station, TX**	**Various**	**2,434**	**7,071**	**Various**	**95.4**
Retreat at College Station	**College Station, TX**	**n/a**	**192**	**796**	**2016**	**93.8**

DBRS Morningstar NCF Summary

NCF ANALYSIS	T-12 October 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,837,919	6,200,893	5,919,758	-4.5
Other Income ($)	248,231	428,768	248,231	-42.1
Vacancy & Concessions ($)	-698,884	-744,107	-524,259	-29.5
EGI ($)	**5,387,267**	**5,885,554**	**5,643,731**	**-4.1**
Expenses ($)	3,061,774	3,094,524	3,187,086	3.0
NOI ($)	**2,325,493**	**2,791,030**	**2,456,645**	**-12.0**
Capex ($)	0	0	57,600	n/a
NCF ($)	**2,325,493**	**2,791,030**	**2,399,045**	**-14.0**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,399,045, representing a -14.0% variance from the Issuer's Stabilized NCF of $2,791,030. The primary drivers of the variance included gross potential rent, other income, operating expenses, and capital improvement reserves.

DBRS Morningstar generally estimated gross potential rent based on in-place rents achieved per the October 2020 rent roll. By contrast, the Issuer generally inflated in-place rents 2.0% annually over the stabilization term. DBRS Morningstar generally estimated other income based on the T-12 period ended October 2020, while the Issuer generally inflated other income 2.0% over the T-12 period ended December 2019 through each year of the stabilization period. In contrast, DBRS Morningstar generally inflated operating expenses 3.0% over the T-12 period ended October 31, 2020, while the Issuer estimated operating expenses in line with the T-12 period ended December 31, 2019. DBRS Morningstar lastly estimated annual replacement reserves of $300 per unit, while the Issuer did not apply any cash flow deductions for ongoing replacement reserves or capital improvements.

DBRS Morningstar Viewpoint

The collateral was originally developed by the transaction sponsor and delivered in time for the Fall 2016 school year. The property primarily services off-campus housing needs for students of Texas A&M University but is nearly two miles south of Texas A&M University's main campus with several off-campus student housing options closer to campus. Texas A&M is one of the largest public university campuses in the U.S. by enrollment, outranked only by the University of Central Florida during the 2019-20 academic year. Texas A&M University reported total enrollment in excess of 71,000 for the Fall 2020 school term, representing 2.4% growth over the Fall 2019 enrollment and a total 7.2% growth in enrollment over the five-year period ending with the Fall 2020 school term. The main campus in College Station saw a 1,500 student increase to 65,684 for the Fall 2020 term. DBRS Morningstar considers this to be a positive factor given generally decreasing university enrollment trends nationwide. Over the same five-year period, Reis reported total inventory growth of 6.4% across the College Station-Bryan metro.

The collateral initially struggled to lease up in the College Station market, achieving only sub-70% occupancy during the 2016-17 and 2017-18 academic school years. The borrower attributed this slow leasing to reduced concessions during the initial lease-up, which hampered the property in a market that typically offers concessions. The delivery of 5,700 beds into the market also likely played a part in the weak initial performance. As part of the current transaction, the sponsor planned to increase occupancy and achieve stabilization over a 24-36 month period. In August 2020, the borrower reported that the property was 94.5% preleased and, per the October 2020 rent roll, the collateral had achieved a 93.8% occupancy rate despite Texas A&M University offering a reduced proportion of in-person course offerings in response to the ongoing coronavirus pandemic.

Per Reis, multifamily vacancy rates throughout the College Station-Bryan metro have steadily risen in recent years, reaching a reported 7.7% in Q3 of 2020. Reis forecasts submarket vacancy rates to peak at 9.2% in 2021 but steadily decline thereon, averaging 8.3% over the five-year period ending December 2025. The appraisal comp set exhibited a tighter average vacancy rate of just 4.5%.

Initial loan proceeds of $40.1 million in addition to an initial borrower equity contribution of $1.5 million refinanced nearly $40.6 million of existing debt on the property and covered $994,986 of closing costs associated with the transaction. The loan permits for up to $920,000 in future funding, which is to be used to finance a $920,000 interest reserve associated with the execution of the sponsor’s stabilization plan. However, as of January 4, 2021, the loan was modified and the borrower's right to receive additional advances from the interest holdback was eliminated. The three-year, floating-rate loan is structured with two 12-month extension options that are exercisable subject to, among other criteria, the collateral’s achievement of certain debt yield, DSCR, and LTV hurdles set forth in the loan agreement. The loan is IO through the initial three-year term but is scheduled to amortize on a 30-year amortization term during each extension option, should the extension option(s) be exercised.

The fully funded loan represents a relatively high LTV of 74.7% based on the appraiser’s stabilized value estimate of $53.5 million, which is generally indicative of high-leverage financing. Additionally, based on the estimated debt service payment cap of $3.1 million, the DBRS Morningstar Stabilized NCF represents a concerningly low stabilized DSCR of 0.77x, which presents significant term default risk and may additionally pose a challenge to refinancing at loan maturity. Fortunately, the transaction benefits from experienced and well-capitalized sponsorship in Harrison Street and Landmark Properties, which together have worked on 24 joint ventures nationally and retain approximately $13.9 million of cash equity in the subject collateral.

Glen at University Park

Loan Snapshot

Seller
ACRC Lender LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
36.7
Loan PSF/Unit ($)
$61,809
Percentage of the Pool (%)
5.5
Fully Extended Loan Maturity/ARD
January 2024
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.32
DBRS Morningstar Stabilized DSCR (x)
1.02
DBRS Morningstar As-Is Issuance LTV (%)
60.6
DBRS Morningstar Stabilized Balloon LTV (%)
73.4
DBRS Morningstar Property Type
Student Housing
DBRS Morningstar Property Quality
Average

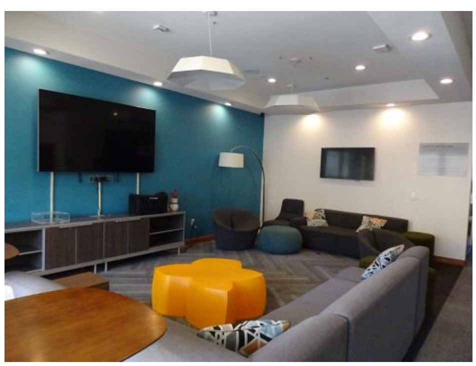
Debt Stack ($ millions)

Trust Balance
36.7
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
36.7
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(1.4)

Collateral Summary			
DBRS Morningstar Property Type	Student Housing	**Year Built/Renovated**	2015
City, State	San Bernardino, CA	**Physical Occupancy (%)**	60.4
Units/SF	594	**Physical Occupancy Date**	September 2020

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the property on Monday, December 18, 2020, at 12:30 p.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral is a student apartment complex on the west side of the perimeter road around the California State University San Bernardino (CSUSB) campus in the western portion of the city, approximately seven miles north of downtown San Bernardino, a city in the Inland Empire region of Southern California. The subject sits along Northpark Boulevard, a campus ring road off Campus Parkway, and is directly across the street to the west of the campus. One of several campus parking areas is directly across Northpark Boulevard to the east, followed by campus buildings. The intersection of Northpark Boulevard and University Parkway, the main campus entrance drive, is directly across the street from the south end of the complex. A student apartment complex is adjacent to the north followed by a single-family residential neighborhood. The Sweetwater Percolator Basin is to the north of Campus Parkway. A single-family neighborhood also borders to the west. Neighborhood commercial support businesses are located along University Way consisting of small strips with eateries, services, and local offices. University Way provides access to I-215 approximately 0.25 miles to the southwest. The greater area surrounding developed areas to the north, west, and south is mostly residential, with foothills to the east.

Improvements were built in 2015 and consist of 22 three-story buildings of wood frame construction with masonry exteriors and flat roofs. Landscaping is professionally designed and maintained. Lighting is provided by overhead pole mounted fixtures throughout the site. Parking and drives are asphalt with surface and attached garage parking available. Community amenities are geared toward the student resident profile and include a large resort-style pool, decks and cabanas, picnic/grill areas, a fitness center, a yoga center, a game room, pool tables, a business center, and study rooms.

The property has 104 units, with 594 beds. Rentals are by the bed with single or double occupancy bedrooms. There are four floorplans, which include studio units with an average of 350 sf, one-bedroom units averaging 550 sf, four-bedroom/four bath units with an average of 2,370 sf, and five-bedroom/five-bath units with an average of 2,495 sf. Unit finishes are modern and functional and include painted drywalls and ceilings, with vinyl plank flooring throughout. Kitchen appliances include a stainless steel refrigerator, counter cooktop, and built-in microwave. All apartments have in-unit washers/dryers. Select units have balconies and attached garages.

The property is new and well maintained, with good amenities, and an excellent location.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 September 2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,037,947	6,619,620	6,037,800	6,882,780	14.0
Other Income ($)	94,706	533,700	401,008	94,706	-76.4
Vacancy & Concessions ($)	-1,693,499	-716,243	-905,670	-1,710,552	88.9
EGI ($)	**4,439,154**	**6,437,077**	**5,533,138**	**5,266,933**	**-4.8**
Expenses ($)	3,329,729	3,193,336	2,893,962	3,235,202	11.8
NOI ($)	**1,109,425**	**3,243,741**	**2,639,176**	**2,031,731**	**-23.0**
Capex ($)	0	0	0	118,800	n/a
NCF ($)	**1,109,425**	**3,243,741**	**2,639,176**	**1,912,931**	**-27.5**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,912,931, representing a -27.5% variance from the Issuer's stabilized NCF of $2,639,176. The primary drivers of the variance included vacancy, bad debt/concessions, nonrental income, and operating expenses.

DBRS Morningstar assumed a stabilized vacancy of 17.2%, based on an average of the collateral's historical economic vacancy from December 2017 through March 2020. In contrast, the Issuer estimated a vacancy rate of 12.0%. DBRS Morningstar estimated concessions and bad debt based on the T-12 period ended September 2020, whereas the Issuer did not estimate any concessions or bad debt. DBRS Morningstar assumed nonrental income to the T-12 period ended September 2020. Lastly, DBRS Morningstar inflated operating expenses 6.0% over the T-12 period ended September 2020. The Issuer assumed operating expenses to the borrower's stabilized budget.

DBRS Morningstar Viewpoint

The collateral was developed by the transaction sponsor, J.R Watson & Associates, and delivered in time for the Fall 2015 school year. The subject is not affiliated with the university and represents the first off-campus student housing property designed for CSUSB students. DBRS Morningstar considers the lack of an established off-campus student housing model in the submarket a potential threat to cash flow stability. Risk is mitigated by the collateral's desirable location directly across the street from the university's main entrance and seven miles north of the San Bernardino CBD. The subject is proximate to the 215 Freeway and 210 Freeway, which links the neighborhood to the greater MSA. The subject is near many supporting facilities, including a large retail center, anchored by Staples and Ralph's, located approximately one mile south of the subject. Directly southwest of the collateral is a retail strip featuring national chain tenants such as CVS Pharmacy, Quiznos, and Cold Stone Creamery.

The collateral has a history of slow leasing, which the current business plan has failed to adequately address. The borrower attributed the initial slow lease-up to a third-party property management company that failed to market the subject and address student needs. In November 2016, the borrower contracted a new property management company, Landmark Properties, which specializes in student housing centers and manages over 20,000 beds. The collateral achieved a 95% occupancy rate through the 2017-18 school year. The prelease for 2019-20 school year was approximately 80%, a substantial increase over the previous two years, but was less than the business plan that was targeting a 95% preleasing rate. With the impact of coronavirus, the preleasing for 2020-21 was 55%, and as of the September 2020 rent roll, the subject was 60% occupied.

The subject benefits from the submarket's older and limited supply of student housing accommodations. According to the CSUSB Housing Department, on-campus housing has been at full capacity in recent years. As of Fall 2020, CSUSB reported a student population of 19,404. According to the National Center for Educational Statistics, the student population is projected to increase 3% from 2016 to 2027. Despite the large and growing student population, the university's three on-campus residence halls provide housing for only approximately 1,500 students. Moreover, constructed in 2015, the appraisal indicates that the subject is the newest student housing development in the local market, as no new multihousing has been introduced into the city within the past 20 years. DBRS Morningstar believes the subject's modern finishes and Class A amenities may provide a competitive advantage over the existing supply.

Despite these benefits, based on data from CSUSB, it is estimated that only 25% of the student population lives on or just off campus with the remainder living at home and commuting to campus. This limitation likely contributes to the slow leasing history and is estimated to continue to affect the collateral as restrictions from coronavirus are present. It is the opinion of DBRS Morningstar that once universities, such as CSUSB, are able to have full, in-person classes, the subject should be in a position to return to its pre-coronavirus occupancy levels. The loan fully matures in January 2024, which reflects two additional school-year leasing periods.

The subject represents the sponsor's first student housing development, which may increase the loan's risk profile. However, risk is mitigated by the sponsor's significant localized experience and investment into the campus community. The transaction's equity provider, James Watson, is a CSUSB alumnus who has reportedly donated more than $2.0 million to the university. Moreover, the sponsor is building a 18,030-sf retail shopping center adjacent to the subject.

Mansions at Canyon Creek

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	35.8
Loan PSF/Unit ($)	$167,290
Percentage of the Pool (%)	5.4
Fully Extended Loan Maturity/ARD	November 2024
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.88
DBRS Morningstar Stabilized DSCR (x)	1.07
DBRS Morningstar As-Is Issuance LTV (%)	81.9
DBRS Morningstar Stabilized Balloon LTV (%)	78.5
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average +

Debt Stack ($ millions)

Trust Balance	35.8
Pari Passu	0.0
Remaining Future Funding ($ million)	0.0
Mortgage Loan Including Future Funding	35.8
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	0.3

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2007-2019
City, State	Lenexa, KS	**Physical Occupancy (%)**	89.3
Units/SF	214	**Physical Occupancy Date**	October 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on December 17, 2020, at approximately 2:00 p.m. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Average +.

The property is in Lenexa, Kansas, a suburb of Kansas City. The property is on the east side of Canyon Creek Boulevard and is accessed via Zarda Drive, a local street within the complex. The property is well located near major thoroughfares and employment centers. The subject's immediate area consists of mainly single-family residential developments and vacant undeveloped land. The property is well located in its neighborhood close to I-35, I-435, and local roadways. The I-435 corridor is home to a number of major employers including Quest Diagnostics and Kiewit Engineering. To the east is Overland Park, which is a major employment center in the region with large organizations such as Sprint/Nextel as demand drivers.

The garden-style property was built in phases, with the first phases built in 2007 and subsequently in 2014 and 2019. Total improvements include 22 two- and three-story buildings that are constructed of wood frame with masonry and stone exterior walls and pitched composite roofs. Common amenities at the property include a clubhouse with a leasing office and clubroom, fitness center, sauna, tanning salon, and swimming pool. Landscaping at the property was found to be good with neatly trimmed bushes, trees, and seasonal plants.

The property has 214 one-, two-, and three-bedroom units, with average floorplan sizes of 1,055 sf, 1,351 sf, and 1,827 sf, respectively. Unit finishes include vinyl plank flooring in the kitchen and living/dining areas, hallways, carpeted bedrooms, and tiled flooring in bathrooms. Kitchen appliances are stainless steel and include a stove, built-in microwave, dishwasher, and refrigerator. Cabinetry is stained wood with granite countertops. Most of the units have in-unit washers/dryers. Bathrooms have porcelain fixtures with tiled tub and shower surrounds. All units have balconies and/or patios. Overall the property was in good condition with no deferred maintenance visible.

DBRS Morningstar NCF Summary

NCF Analysis

	2019	T-10 Annualized October 2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,861,295	4,041,168	4,184,621	4,242,348	4,054,276	-4.4
Other Income ($)	138,336	108,191	131,611	273,182	138,336	-49.4
Vacancy & Concessions ($)	-714,591	-645,464	-263,830	-339,388	-344,613	1.5
EGI ($)	**3,285,039**	**3,503,895**	**4,052,402**	**4,176,142**	**3,847,998**	**-7.9**
Expenses ($)	1,760,263	2,106,097	1,715,466	1,710,220	1,843,636	7.8
NOI ($)	**1,524,776**	**1,397,799**	**2,336,936**	**2,465,922**	**2,004,361**	**-18.7**
Capex ($)	0	0	0	0	57,626	n/a
NCF ($)	**1,524,776**	**1,397,799**	**2,336,936**	**2,465,922**	**1,946,735**	**-21.1**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,946,735, a variance of -21.1% from the Issuer's NCF of $2,465,922.

The primary drivers of the variance were GPR and other income. DBRS Morningstar based GPR on the October 2020 rent roll annualized with vacant units grossed to market rents. The Issuer used the April 2020 rent roll with a 3% rent growth rate. DBRS Morningstar estimated other income based on the T-12 2019 figure. The Issuer analyzed the figure based on the budgeted expense with a 3% growth rate.

DBRS Morningstar Viewpoint

Despite the delay in the original timeline, the sponsor's business plan to stabilize the property overall appears achievable in its updated stabilization plan and is supported by a stable market, an experienced local sponsorship group, and by the property's performance and collections through the renovation period and the coronavirus pandemic.

The sponsor's business plan is to complete major repairs of the plumbing system that caused a shutdown of units at the complex, lease up the 50 affected units and refinance the loan with long-term agency debt. As background, in 2018, units from the second phase of development began to experience issues with regards to faulty pipe installation which caused leakage in some of the buildings. The sponsor began to convert the piping system to a water-based system and prior to loan closing the sponsor had completed the conversion of two buildings.

The original timeline allowed for two to three months per building for repair, with an additional 45 days for lease-up per building. The sponsor expected occupancy at the property to be in the 80%-85% range as the renovation was to be complete by the summer of 2020. However, the repair timeline was delayed and, as of January 2021, the revised projection is for repairs to be completed by October 2021.

The loan has an initial maturity date in 2022 and two 12-month extension options that should allow for completion of the business plan despite the delays. As repairs are completed and units placed back into service, they are typically leased up. The market should continue to support the leasing of the units. According to Reis, the submarket vacancy rate is 4.5% with an average of 5.3% for properties of the same vintage. The Reis forecast for the Lenexa/Shawnee submarket shows generally stable performance with vacancy rates projected to fall between 5.0% and 6.0%. Additionally, the property's occupancy has remained relative strong since loan origination and throughout the coronavirus pandemic, which is in line with the sponsor's forecast. As of the T-10 period ended October 2020, occupancy at the property has been 84.6% and is currently 89.3% occupied as of the October 30, 2020, rent roll.

The coronavirus pandemic has not materially affected collections at the property, which ranged from 98% to 100% in the months of May through December 2020. However, based on the loan's as-is appraised value of $44.7 million, the loan exhibits an elevated 80.1% issuance LTV, which drops down to a 74.3% stabilized LTV when looking at the stabilized appraised value of $48.2 million. The property is being treated with Average+ property quality based on the subject's modern finishes, favorable amenities, and recent construction.

The property's first phase was built in 2007 as a 30-unit condo development that spanned three buildings. The sponsor acquired the failed condo development in 2012 for $2.8 million, bought back eight condos, and finished the second phase of the development consisting of 12 buildings and 119 units, which was completed in 2014. A third phase consisting of seven buildings and 70 units was completed in mid-2019. The $35.8 million loan closed in October 2019 and funded the refinance of the multifamily property and paid off existing debt of $34.7 million and funded an interest reserve of $312,907. There is no future funding component as part of the subject loan, however the sponsor is contributing $297,694 of future sponsor equity toward the business plan. The five-year fully extended loan is structured with a three-year initial loan with two one-year extensions. Built in phases from 2007 to 2019, the property consists of a 214-unit garden-style community in Lenexa, Kansas, a suburb approximately 24 miles southwest of Kansas City. The sponsor of the transaction is Hickok-Dible, a real estate development and property management company based in Kansas City. The guarantor on the transaction, Timothy W. Hickok, is the president of the company with a reported net worth and liquidity of $78.0 million and $12.7 million, respectively as of June 2019.

The Landing

Loan Snapshot

Seller	ACRC Lender LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	31.6
Loan PSF/Unit ($)	$188
Percentage of the Pool (%)	4.7
Fully Extended Loan Maturity/ARD	November 2024
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.54
DBRS Morningstar Stabilized DSCR (x)	0.74
DBRS Morningstar As-Is Issuance LTV (%)	97.9
DBRS Morningstar Stabilized Balloon LTV (%)	72.9
DBRS Morningstar Property Type	Office
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

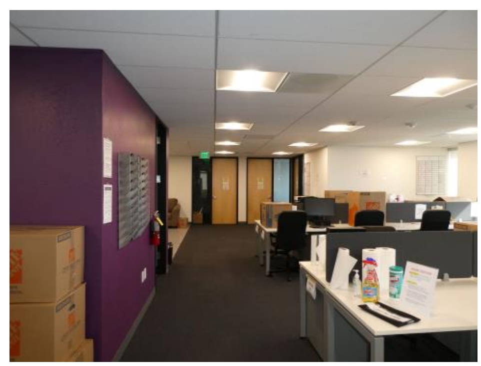
Trust Balance	31.6
Pari Passu	0.0
Remaining Future Funding ($ million)	5.6
Mortgage Loan Including Future Funding	37.2
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	12.0

Collateral Summary

DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1970;1974/2018
City, State	Oakland, CA	**Physical Occupancy (%)**	76.4
Units/SF	198,355	**Physical Occupancy Date**	October 2020

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the property on Friday, December 18, 2020, at 11:00 a.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral consists of two Class B mid-rise office buildings known as The Landing, in a mixed-use office/retail/industrial area between I-880 (Nimitz Freeway) and San Leandro Creek, approximately seven miles south of downtown Oakland. The buildings are on the west side of Hegenberger Road, a multilane arterial that runs underneath the elevated BART to OAK rail system. There is one signalized ingress/egress drive off Hegenberger Road at the south end of the subject for all directions of traffic, with nonsignalized ingress/egress drives at the center and north end of the site. Immediately surrounding properties include low-rise office buildings with a diner adjacent to the north. Light industrial and flex facilities are to the northwest, with retail development, including a Walmart Supercenter, to the northeast along the I-880 corridor. The Oakland International Airport is approximately two miles to the south via Hegenberger Road.

The subject property consists of two Class B office buildings, 303 Hegenberger Road and 333 Hegenberger Road, occupying a land area of approximately 8.6 acres with a total GLA of 198,355 sf. The 303 Hegenberger Road building is a four-story structure with 58,399 sf, constructed in 1967 and renovated in 2018. The building is of reinforced concrete construction with masonry exteriors and a flat roof. The 333 Hegenberger Road building an eight-story structure with 139,856 sf, constructed in 1976, renovated in 2109, and is of steel frame and reinforced concrete construction with masonry exteriors and a flat roof. Spacious parking areas surround the buildings with 753 surface spaces provided. Landscaping is mature and well maintained, consisting of parking lot planters, perimeter landscape beds around the buildings, and grass and mature trees and bushes at the front perimeter of the site along Hegenberger Road.

Interiors have standard Class B office quality finishes and surfaces, with various floor coverings throughout, including stained and sealed concrete, tile, wood plank, vinyl, and carpet. Walls are painted drywall or wallboards. Ceilings are dropped with acoustic tiles and recessed lighting. Tenant spaces and common areas in both buildings are clean, well-lit, and well maintained. A large vacant space in the 333 Hegenberger building is in vanilla box condition ready for build-out. The vacant space observed in the 303 Hegenberger building is finished-out and in marketable condition. Overall, the buildings and premises are well maintained, with good visibility and accessibility.

DBRS Morningstar NCF Summary

NCF Analysis

	T-10 Annualized October 2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,832,128	6,271,893	6,396,949	5,939,733	-7.1
Recoveries ($)	494,771	511,370	479,746	508,171	5.9
Other Income ($)	349,096	555,446	264,221	283,914	7.5
Vacancy ($)	-44,382	-605,759	-928,319	-1,111,736	19.8
EGI ($)	**4,631,614**	**6,732,950**	**6,212,597**	**5,620,082**	**-9.5**
Expenses ($)	2,494,943	3,230,476	3,053,592	3,210,268	5.1
NOI ($)	**2,136,671**	**3,502,474**	**3,159,005**	**2,409,814**	**-23.7**
Capex ($)	0	0	0	79,342	n/a
TI/LC ($)	0	0	0	851,649	n/a
NCF ($)	**2,136,671**	**3,502,474**	**3,159,005**	**1,478,823**	**-53.2**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,478,823 representing a -53.2% variance from the Issuer's stabilized NCF of $3,159,005. The primary drivers of the variance were TI/LC, GPR, and real estate taxes.

DBRS Morningstar used the appraiser's TI/LC assumptions to release space with near-term expirations and below-market rental rates to achieve an 85.0% stabilized occupancy level while giving credit to the $4.3 million upfront TI/LC reserve. The Issuer did not underwrite any TI/LC costs. For GPR, DBRS Morningstar used the appraiser's market rent of $34.20 psf and rolled various tenants with lease expirations prior to the fully extended maturity date. For real estate taxes, DBRS Morningstar concluded to the appraiser's stabilized figure where the Issuer concluded an inflated borrower's budgeted amount.

DBRS Morningstar Viewpoint

The sponsor purchased this property from an older vintage affiliate fund who completed $5.1 million of renovations in 2017 to the buildings including re-branding, lobbies, interior hallways, bathrooms, and exterior facades. The sponsor plans to complete an additional $975,000 of upgrades to the property including renovating the remaining bathrooms and interior hallways on two floors. With these renovations, the business plan is to roll tenants to market rents as leases expire and attract larger office tenants who are moving to the Airport/San Leandro/Hayward submarket from many of the more expensive surrounding submarkets. DBRS Morningstar had a positive outlook on the capital improvements being done at the subject, as they seem to be logical improvements that would make the property more competitive within the submarket. The three-year loan is structured as IO for the initial term as well as during both one-year extension periods. The fully funded loan balance represents a relatively high stabilized LTV of 72.9% based on the appraiser's stabilized value of $51.0 million.

The property benefits from its proximity to I-880, which offers easy transportation to downtown Oakland seven miles to the north and Oakland International Airport two miles to the south. As a result of prior foreclosures and what DBRS Morningstar classified as low net worth and liquidity to loan metrics, the sponsorship qualitative adjustment was marked as Weak for this loan, resulting in an increased POD. The subject was 23.6% vacant as of October 30, 2020, which is higher than the Reis submarket vacancy rates of 17.2% as of Q3 2020. Rollover risk at the property is very high with 41.2% of the total NRA rolling during the initial three-year term, and 70.2% of the total NRA rolling during the fully extended five-year term. While the rollover risk is concerning given the uncertainty in the office market surrounding the coronavirus pandemic, the expiring leases fit in with the sponsor's business plan to re-tenant the space to larger tenants at market rents of $32.25 psf, which was supported by the appraiser's market rent conclusion of $34.20. In the Stabilized NCF, DBRS Morningstar effectively released just over 29,000 sf of currently leased space with an average current rent of $22.24 psf, 35.0% below the market rent of $34.20 psf. DBRS Morningstar applied a 15.0% stabilized economic vacancy rate, which was more conservative than the appraiser's concluded 7.0% rate. This $4.3 million reserve, in addition to a $975,000 capex reserve, is part of an upfront reserve dedicated to leasing efforts, which DBRS Morningstar views as a positive loan feature to assist in increasing occupancy and in achieving at-market rents at the property.

Transaction Structural Features

Credit Risk Retention

Under the U.S. credit risk retention rules, ACRC Lender LLC, the securitization seller and sponsor, will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such criteria through the purchase and retention by a majority-owned affiliate of an eligible horizontal residual interest in an amount equal to not less than 5.0% of the fair value of the securities issued by the Issuer. As of the closing date, the eligible horizontal residual interest will be held by ACRC Holder, a wholly owned subsidiary of ACRC Lender, the securitization sponsor. Additionally, the transaction is structured with intent to comply with the EU retention rules under Regulation (ED) 2017/2402.

Deferrable Notes

The Class C, Class D, Class E, Class F, and Class G notes will be considered Deferrable Notes. With respect to the Deferrable Notes, to the extent that interest proceeds are not sufficient on a given payment date to pay accrued interest, interest will not be due and payable on the payment date and will instead be deferred. The ratings assigned by DBRS Morningstar contemplate the timely payments of distributable interest and, in the case of the Deferrable Notes, the ultimate recovery of deferred interest (inclusive of interest payable thereon at the applicable rate to the extent permitted by law). Deferred interest will be added to the principal balance of the Deferrable Notes and will be payable on the first payment date on which funds are permitted. Thus, DBRS Morningstar will assign its Interest in Arrears designation on the Deferred Interest Classes in months when classes are subject to deferred interest.

Future Advances

Ten of the mortgage assets, representing approximately 48.9% of the aggregate mortgage asset committed balance, have not been fully funded. The aggregate unfunded future funding commitment of the Partially Funded Mortgage Loans as of the cut-off date is $77,088,134. ACRC Lender (or a qualified transferee pursuant to the terms of the related Pari Passu Participation Agreements) will have the sole obligation under each of the Pari Passu Participation Agreements to make future advances under the related Future Funding Participations. Pursuant to each Pari Passu Participation Agreement, ACRC Lender will act as the “Future Funding Indemnitor” and will be required to indemnify the Issuer against any losses, claims, damages, costs, expense and liabilities in connection with, arising out of, or as a result of, the failure of the holder of the related Future Funding Participation to make future advances when required under the related Mortgage Loan.

Funded Companion Participation Acquisition Period

During the period beginning on the closing date and ending on the payment date in April 2024, the Issuer may (at the direction of the Directing Holder) allow certain principal prepayment proceeds to be deposited into a future funding reserve account for the acquisition of all or a portion of the related future funding participation or funded companion participations. The acquisition criteria requires, among other criteria, that the underlying mortgage loan not be a defaulted mortgage loan, that no EOD has occurred and is continuing and that the Offered Note Protection Test is satisfied. Rating agency confirmation (RAC) is required as part of the acquisition criteria.

Advancing and Backup Advancing

ACRC Lender LLC, as Advancing Agent, or if the Advancing Agent fails to do so, Wells Fargo Bank, National Association, as backup Advancing Agent, will be required to advance certain delinquent scheduled interest payments, as applicable, to the extent that the Master Servicer or Trustee deems such advances to be recoverable.

Controlling Class

If an Event of Default has occurred and is continuing, the holders of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture and in certain circumstances, without regard to whether there are sufficient proceeds to pay in full the amounts then due and unpaid on the Notes. The Controlling Class will be the most senior Class of Notes outstanding. Any remedies pursued by the holders of the Controlling Class upon an Event of Default could be adverse to the interests of the holders of more subordinated classes of notes.

Directing Holder (pg. 29-30/204)

ACRC 2021-FL4 Holder LLC, a wholly owned subsidiary of ACRC Sub-REIT, which is an indirect subsidiary of ACRC Lender, will acquire 100% of the preferred shares, 100% of the Class F Notes and Class G Notes, and will therefore be the initial Directing Holder. For so long as the Directing Holder is the Seller or an affiliate, the Directing Holder may direct and require the Special Servicer to enter into Administrative Modifications and Significant Modifications with respect to the Serviced Mortgage Assets. The execution of Administrative Modifications and Significant Modifications that satisfy the Significant Modification Criteria by the Special Servicer will not be subject to the Servicing Standard.

Preferred Shares

The Preferred Share are equity of the Issuer and will not be secured by any of the mortgage loans. The Preferred Shares are subordinate to all classes of notes in all respects and have no promised dividend or coupon. The Preferred Shares are not rated.

Significant Modifications and Administrative Modifications

Significant Modification means a modification that involves an extension of the fully extended maturity date, reduction in the loan spread, or allowance for indirect owners of the related borrower to incur additional indebtedness in the form of mezzanine loans or preferred equity. The following conditions (Significant Modification Criteria) must be satisfied as of the date of the closing of such Significant Modification:

I. the Offered Note Protection Test is satisfied;
II. no Event of Default has occurred and is continuing;
III. the Special Servicer has received a No-Downgrade Confirmation from DBRS Morningstar;
IV. the modified fully extended maturity date of the Mortgage Loan is not later than the earlier of two years after the fully extended maturity date of the related Mortgage Loan as of the Closing Date and five years after the Closing Date;
V. the modified spread of the related Mortgage Loan is not below 2.25%; and
VI. certain other additional modification criteria are satisfied.

Administrative Modification means any modification, waiver, or amendment directed by the Directing Holder that relates exclusively to (i) with respect to any Serviced Mortgage Asset, Loan-Level Benchmark Replacement Conforming Changes or (ii) with respect to any Serviced Mortgage Asset that is not an Impaired Mortgage Asset, Specially Serviced Mortgage Loan or Defaulted Mortgage Loan, exit fees, extension fees, financial covenants (including cash management triggers) relating to debt yield, debt service coverage or loan-to-value, prepayment fees (including in connection with defeasance and lockouts), yield or spread maintenance provisions, reserve account minimum balance amounts and purposes or waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension when the extension is for 90 days or less.

The execution of Administrative Modifications and any Significant Modifications that satisfy the Significant Modification Criteria by the Special Servicer will not be subject to the Servicing Standard.

No-Downgrade Confirmation

This transaction contemplates waivers of RACs. It is DBRS Morningstar's intent to waive RACs yet also to receive notice upon their occurrence. DBRS Morningstar will review relevant loan-level changes as part of its surveillance. DBRS Morningstar will not waive RACs that affect any party involved in the operational risk of the transaction (i.e. replacement of Servicer, Special Servicer, etc.)

Methodologies

The following are the methodologies DBRS Morningstar applied to assign ratings to this transaction. These methodologies can be found on www.dbrs.com under the heading Methodologies & Criteria. Alternatively, please contact info@dbrs.com or contact the primary analysts whose information is listed in this report.

- *North American CMBS Multi-borrower Rating Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

DBRS Morningstar will perform surveillance subject to *North American CMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of January 19, 2021. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

ADR	average daily rate	**MSA**	metropolitan statistical area
ARA	appraisal-reduction amount	**n.a.**	not available
ASER	appraisal subordinate entitlement reduction	**n/a**	not applicable
BOV	broker's opinion of value	**NCF**	net cash flow
CAM	common area maintenance	**NNN**	triple net
capex	capital expenditures	**NOI**	net operating income
CBD	central business district	**NRA**	net rentable area
CBRE	CB Richard Ellis	**NRI**	net rental income
CMBS	commercial mortgage-backed securities	**NR – PIF**	not rated – paid in full
CoStar	CoStar Group, Inc.	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCR**	property condition report
DPO	discounted payoff	**P&I**	principal and interest
DSCR	debt service coverage ratio	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	property in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation and air conditioning	**sf**	square foot/square feet
IO	interest only	**STR**	Smith Travel Research
LC	leasing commission	**SPE**	special-purpose entity
LGD	loss severity given default	**TI**	tenant improvement
LOC	letter of credit	**TIC**	tenants in common
LOI	letter of intent	**T-12**	trailing 12 months
LS Hotel	limited-service hotel	**UW**	underwriting
LTC	loan-to-cost	**WA**	weighted average
LTCT	long-term credit tenant	**WAC**	weighted-average coupon
LTV	loan-to-value	**x**	times
MHC	manufactured housing community	**YE**	year end
MTM	month to month	**YTD**	year to date

Definitions

Capital Expenditure (Capex) Costs incurred in the improvement of a property that will have a life of more than one year.
DBRS Morningstar Refi DSCR A measure that divides the DBRS Morningstar stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.
DBRS Morningstar Term DSCR A measure that divides the DBRS Morningstar stabilized NCF by the actual debt service payment
Debt Service Coverage Ratio (DSCR) A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.
Effective Gross Income (EGI) Rental revenue minus vacancies plus miscellaneous income.
Issuer UW Issuer underwritten from Annex A or servicer reports.
Loan-to-Value (LTV) The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.
Net Cash Flow (NCF) The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions and capital expenditures.
NNN (Triple Net) A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.
Net Operating Income (NOI) The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.
Net Rentable Area (NRA) The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.
Revenue Per Available Room (RevPAR) A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.
Tenant Improvements (TIs) The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.
Weighted Average (WA) Calculation is weighted by the size of each mortgage in the pool.
Weighted-Average Coupon (WAC) The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.