# Rating Report

# **MF1 2022-FL10**

**DBRS Morningstar**

August 2, 2022


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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 | New Rating - Provisional | $522,750,000 | 49.000% | AAA (sf) | Stable |
| Class A-S | New Rating - Provisional | $185,781,000 | 30.875% | AAA (sf) | Stable |
| Class B | New Rating - Provisional | $41,000,000 | 26.875% | AA (low) (sf) | Stable |
| Class C | New Rating - Provisional | $48,687,000 | 22.125% | A (low) (sf) | Stable |
| Class D | New Rating - Provisional | $58,938,000 | 16.375% | BBB (sf) | Stable |
| Class E | New Rating - Provisional | $14,094,000 | 15.000% | BBB (low) (sf) | Stable |
| Class F | New Rating - Provisional | $34,593,000 | 11.625% | BB (high) (sf) | Stable |
| Class F-E | New Rating - Provisional | $0 | - | BB (high) (sf) | Stable |
| Class F-X | New Rating - Provisional | $0 | - | BB (high) (sf) | Stable |
| Class G | New Rating - Provisional | $12,813,000 | 10.375% | BB (low) (sf) | Stable |
| Class G-E | New Rating - Provisional | $0 | - | BB (low) (sf) | Stable |
| Class G-X | New Rating - Provisional | $0 | - | BB (low) (sf) | Stable |
| Class H | New Rating - Provisional | $30,750,000 | 7.375% | B (low) (sf) | Stable |
| Class H-E | New Rating - Provisional | $0 | - | B (low) (sf) | Stable |
| Class H-X | New Rating - Provisional | $0 | - | B (low) (sf) | Stable |
| Income Notes | NR | $75,594,000 | 0.000% | NR | Stable |

Notes:
1. NR = Not Rated.
2. The Class F Notes, Class G Notes, Class H Notes and Preferred Shares will be privately placed.
3. The Class F Notes, the Class G Notes and the Class H Notes are exchangeable notes and are exchangeable for proportionate interests in MASCOT Notes. Class F Notes may be exchanged for proportionate interest in the Class F-E Notes and the Class F-X Notes, the Class G Notes may be exchanged for proportionate interests in the Class G-E Notes and the Class G-X Notes, and the Class H Notes may be exchanged for proportionate interest in the Class H-E Notes and the Class H-X Notes.
4. The Benchmark will initially be Compounded SOFR.

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## Transaction Summary

| Pool Characteristics | | | |
|---|---|---|---|
| **Trust Amount ($)** | 979,175,913 | **Aggregate Collateral Interest Target Balance ($)** | 1,025,000,000 |
| **Number of Loans** | 24 | **Average Loan Size ($)** | 40,798,996 |
| **Number of Properties** | 32 | **Top Ten Loan Concentration (%)** | 59.8 |
| **Managed / Static** | Managed | **Unfunded Future Funding Amount ($)** | 306,651,743 |
| **Par Value Cushion (%)** | 2.00 | **Preidentified Ramp Amount ($)** | 45,824,087 |
| **Initial Par Value Ratio (%)** | 120.00 | **Reinvestment Period[5]** | 24 months |
| **Par Value Ratio Test (%)** | 116.87 | **IC Ratio: Trigger (X)** | 1.20 |
| **Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)** | 68.0 | **Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)** | 84.4 |
| **Wtd. Avg. Current Funded Stabilized Appraised LTV (%)** | 62.4 | **Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)** | 67.5 |
| **Wtd. Avg. Interest Rate Margin (%)** | 4.115 | **DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)** | 6.822 |
| **Wtd. Avg. Remaining Term[1]** | 26.0 | **Wtd. Avg. Remaining Term - Fully Extended** | 60.0 |
| **Wtd. Avg. DBRS Morningstar As-Is DSCR[2]** | 0.40 | **Wtd. Avg. Issuer As-Is DSCR (x)[4]** | 0.99 |
| **Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]** | 0.80 | **Wtd. Avg. Issuer Stabilized DSCR (x)[4]** | 1.15 |
| **Avg. DBRS Morningstar As-Is NCF Variance[2] (%)** | -15.8 | **Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)** | -20.7 |

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The Wtd. Avg metrics presented in the table and the report exclude DBRS Morningstar Ramp loan assumptions, if applicable.

1. Assumes that the initial term to maturity of each loan is not extended.
2. Based on DBRS Morningstar As-Is NCF.
3. Based on DBRS Morningstar Stabilized NCF.
4. Reinvestment Period begins on the date of the deposit of Permitted Principal Proceeds and ending xxx days thereafter.

| Participants | |
|---|---|
| **Issuer** | MF1 2022-FL10 LLC |
| **Mortgage Loan Seller** | MF1 REIT II-A, L.L.C. |
| **Servicer** | KeyBank N.A. |
| **Special Servicer** | CBRE Loan Services, Inc. |
| **Collateral Administrator** | MF1 Collateral Manager, L.L.C. |
| **Trustee** | Wilmington Trust, National Association |
| **Placement Agent** | Credit Suisse Securities (USA) LLC |
| | J.P. Morgan Securities LLC |
| | Morgan Stanley & Co. LLC |
| | Amherst Pierpont Securities LLC |
| **Structuring Agent** | Credit Suisse Securities (USA) LLC |
| **Advancing Agent** | MF1 REIT II-A, L.L.C. |

**Coronavirus Overview**

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, feeling more immediate effects. Accordingly, DBRS Morningstar may apply additional short-term stresses to its rating analysis. For example, DBRS Morningstar may front-load default expectations and/or assess the liquidity position of a structured finance transaction with more stressful operational risk and/or cash flow timing considerations.

The DBRS Morningstar Sovereign group releases baseline macroeconomic scenarios for rated sovereigns. DBRS Morningstar analysis considered impacts consistent with the baseline scenarios as set forth in the following report: https://www.dbrsmorningstar.com/research/384482.

**Transaction Overview**

The initial collateral consists of 24 floating-rate mortgage loans secured by 34 transitional multifamily and manufactured housing properties, totaling $979.18 million (44.5% of the total fully funded balance), excluding $306.65 million (13.9% of the total fully funded balance) of future funding commitments and $915.93 million (41.6% of the total fully funded balance) of pari passu debt. Two loans, Gardenhouse and Poth Brewery, representing 9.0% of the total trust balance, are delayed-close collateral interests, which are identified in the data tape and included in the DBRS Morningstar analysis. The issuer has 45 days post-closing to acquire the delayed-close collateral interests. If a delayed-close collateral interest is not expected to close or fund prior to the purchase termination date, the Issuer may acquire any delayed-close collateral interest during the ramp-up acquisition period. Any amounts remaining in the unused proceeds account after the ramp-up completion date up to $5.0 million will be deposited into the reinvestment account. Any funds in excess of $5.0 million will be transferred to the payment account and applied as principal proceeds in accordance with the priority of payments.

The managed transaction includes a 24-month reinvestment period. As part of the reinvestment period, the transaction includes a 120-day ramp-up acquisition period that will be used to increase the trust balance by $45,824,087 to a total target collateral principal balance of $1,025,000,000. DBRS Morningstar assessed the ramp loans using a conservative pool construct and, as a result, the ramp loans have expected losses above the pool WA loan expected loss. Reinvestment of principal proceeds during the reinvestment period is subject to eligibility criteria, which, among other criteria, includes a no-downgrade Rating Agency Confirmation (RAC) by DBRS Morningstar for all new collateral interests and funded companion participations. The eligibility criteria indicates that future collateral interests can be secured only by multifamily, manufactured housing, and student housing property types during the stated ramp-up acquisition period. Additionally, the eligibility criteria establishes minimum DSCR, LTV, and Herfindahl scores. Furthermore, certain events within the transaction require the Issuer to obtain RAC. DBRS Morningstar will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating. The Issuer is required to obtain RAC for acquisitions of all collateral interests.

| **Eligibility Criteria Concentration Parameters** | | |
|---|---|---|
| Issuer Property Type | Issuance (%) | Limit (%) |
| Office | 0.0 | 0.0 |
| Industrial | 0.0 | 0.0 |
| Retail | 0.0 | 0.0 |
| Multifamily | 100.0 | 100.0 |
| Mixed-Use | 0.0 | 0.0 |
| Hospitality | 0.0 | 0.0 |
| Senior Housing | 0.0 | 0.0 |
| Self Storage | 0.0 | 0.0 |
| Student Housing | 0.0 | 5.0 |
| Manufactured Housing | 0.0 | 10.0 |
| State Concentration | Issuance (%) | Limit (%) |
| California | 20.6 | 40.0 |
| New York | 14.3 | 40.0 |
| Washington D.C. | 11.6 | 40.0 |
| Florida | 9.0 | 40.0 |
| Texas | 8.2 | 40.0 |
| Illinois | 5.6 | 40.0 |
| North Carolina | 5.1 | 40.0 |
| Oklahoma | 5.0 | 40.0 |
| Arizona | 4.5 | 40.0 |
| All Other States | 16.1 | 25.0 |

The loans are secured by cash-flowing assets, many of which are in a period of transition with plans to stabilize and improve the asset value. In total, 19 loans, representing 72.8% of the pool, have remaining future funding participations totaling $306.65 million, which the Issuer may acquire in the future. Please see the chart below for the participations that the Issuer will be allowed to acquire.

| **Future Funding** | | | | |
|---|---|---|---|---|
| Loan Name | Cut-Off Date Whole Loan Amount ($) | Future Funding Amount[1] ($) | Whole Loan Amount[2] ($) | Future Funding Uses |
| 175 West 87th Street | 75,000,000 | 25,444,466 | 180,150,000 | Capital Expenditure |
| The Madelon | 70,000,000 | 500,000 | 112,000,000 | Interest Advance |
| 500 Station | 55,000,000 | 5,000,000 | 130,000,000 | Earnout |
| Park at Stone Creek | 53,690,000 | 8,310,000 | 62,000,000 | Capital Expenditure |
| Elevate Powell & Broad | 50,000,000 | 10,000,000 | 81,500,000 | Earnout |
| OKC Portfolio | 48,999,000 | 15,353,000 | 64,352,000 | Capital Expenditure |
| LA Lofts Portfolio | 45,000,000 | 21,229,068 | 328,800,000 | Capital Expenditure |
| The Reserve at Brandon | 44,000,000 | 23,981,160 | 207,000,000 | Capital Expenditure |
| Park at Sheffield | 44,000,000 | 41,000,000 | 85,000,000 | Capital Expenditure |
| Poth Brewery | 38,830,683 | 3,500,000 | 42,330,683 | Earnout |
| Avilla Gateway | 32,767,361 | 19,435,760 | 52,203,121 | Capital Expenditure |
| Hairston Woods | 29,790,869 | 4,289,131 | 34,080,000 | Capital Expenditure |
| Briarcrest | 27,000,000 | 5,345,543 | 49,600,000 | Capital Expenditure |
| The 600 | 25,000,000 | 62,487,615 | 87,487,615 | Capital Expenditure |
| Spanish Oaks | 25,000,000 | 3,985,000 | 42,870,000 | Capital Expenditure |
| The Aviary at Middleton Market | 24,250,000 | 3,300,000 | 58,000,000 | Capital Expenditure |
| Lexington Park | 11,847,000 | 2,653,000 | 14,500,000 | Capital Expenditure |
| The Meadows | 11,000,000 | 3,738,000 | 74,100,000 | Capital Expenditure |
| Virtuoso Living | 2,100,000 | 47,100,000 | 86,381,000 | Capital Expenditure |

1. Cut-Off date unfunded future funding amount.
2. Whole loan amount including unfunded future funding.

**Future Funding Commitment**

| Loan Name | Total Future Funding ($) | Maximum Future Funding Allowed ($) | Total Future Funding Commitments Allowed (%) | Loan Closed (Y/N) |
|---|---|---|---|---|
| 175 West 87th Street | 25,444,465.56 | 25,444,465.56 | 100.0 | Y |
| The Madelon | 500,000.00 | 500,000.00 | 100.0 | Y |
| 500 Station | 5,000,000.00 | 5,000,000.00 | 100.0 | Y |
| Park at Stone Creek | 8,310,000.00 | 8,310,000.00 | 100.0 | Y |
| Elevate Powell & Broad | 10,000,000.00 | 10,000,000.00 | 100.0 | Y |
| OKC Portfolio | 15,353,000.00 | 15,353,000.00 | 100.0 | Y |
| LA Lofts Portfolio | 21,229,068.00 | 21,229,068.00 | 100.0 | Y |
| The Reserve at Brandon | 23,981,160.00 | 23,981,160.00 | 100.0 | Y |
| Park at Sheffield | 41,000,000.00 | 41,000,000.00 | 100.0 | Y |
| Poth Brewery | 3,500,000.00 | 3,500,000.00 | 100.0 | N |
| Avilla Gateway | 19,435,760.00 | 19,435,760.00 | 100.0 | Y |
| Hairston Woods | 4,289,131.00 | 4,289,131.00 | 100.0 | Y |
| Briarcrest | 5,345,543.00 | 5,345,543.00 | 100.0 | Y |
| The 600 | 62,487,615.00 | 62,487,615.00 | 100.0 | Y |
| Spanish Oaks | 3,985,000.00 | 3,985,000.00 | 100.0 | Y |
| The Aviary at Middleton Market | 3,300,000.00 | 3,300,000.00 | 100.0 | Y |
| Lexington Park | 2,653,000.00 | 2,653,000.00 | 100.0 | Y |
| The Meadows | 3,738,000.00 | 3,738,000.00 | 100.0 | Y |
| Virtuoso Living | 47,100,000.00 | 47,100,000.00 | 100.0 | Y |

For floating-rate loans, the DBRS Morningstar DSCR incorporates an interest rate stress that is based on the lower of a DBRS Morningstar stressed rate that corresponded to 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. When the debt service payments were measured against the DBRS Morningstar As-Is NCF, all 24 loans had a DBRS Morningstar As-Is DSCR below 1.00x, a threshold indicative of elevated default risk. Additionally, the DBRS Morningstar Stabilized DSCRs of 23 loans, representing 97.0% of the initial pool balance, are below 1.00x. The properties are often transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to stabilization if there are no holdbacks or if other structural features are in place to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets to stabilize above market levels.

## Rating Considerations

### Strengths

- **Experienced Sponsor**: The loans were all sourced by an affiliate of the Issuer, which has strong origination practices and substantial experience in the multifamily industry. MF1 REIT II Investor X LLC (the Retention Holder), a Delaware limited liability company, which is a wholly owned subsidiary of MF1 and an affiliate of the Collateral Manager, will purchase on the Closing Date 100% of the Class F Notes, the Class G Notes, the Class H Notes, and the Income Notes (collectively with any related MASCOT Notes for which the Class F Notes, the Class G Notes, or the Class H Notes are exchanged), which represent the most subordinate classes or 15.000% of the transaction by principal balance.
- **Market Rank Strength**: Seven loans, representing 41.2% of the pool, are in areas identified as DBRS Morningstar Market Ranks of 6, 7, or 8, which are generally characterized as highly dense urbanized areas that benefit from increased liquidity driven by consistently strong investor demand, even during times of economic stress. Markets ranked 6, 7, and 8 benefit more from lower default frequencies than do less dense suburban, tertiary, and rural markets. Urban markets represented in the deal include New York City, Los Angeles, Washington, D.C, San Francisco, Miami, and Philadelphia. This transaction has a WA DBRS Morningstar Market Rank of 5.2, which is one of the highest compared with recent deals by the Issuer.
- **MSA Strength**: Eight loans, representing 46.6% of the pool balance, have collateral in MSA Group 3, which is the best-performing group in terms of historical CMBS default rates among the top 25 MSAs. MSA Group 3 has a historical default rate of 17.2%, which is considerably lower than the overall CMBS historical default rate of 28.0%. This transaction has one of the highest MSA Group 3 concentrations compared with recent deals by the Issuer.
- **Multifamily Concentration**: The pool is predominantly composed of multifamily properties. Compared with other property types, multifamily assets generally benefit from rent growth, staggered lease rollover, and lower expense ratios. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to rebound when the market improves. All 24 loans, representing 100.0% of the aggregate collateral interest cut-off date balance, are secured by properties characterized by DBRS Morningstar as multifamily.

### Challenges and Considerations

- **Transitional Properties**: DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in most instances, above the in-place cash flow. It is possible that the sponsors will not successfully execute their business plans and that the higher stabilized cash flow will not materialize during the loan term, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. A sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance. Loans with significant future funding components and more complex business plans include Park at Sheffield and The 600. The Park at Sheffield is a loan with $41.0 million of future funding and the business plan includes demolishing and heavy reconstruction to add a second floor to existing buildings that is projected to take 12 to 16 months to complete. The 600 loan includes $62.5 million of future funding and the business plan includes converting a vacant office building to a Class A multifamily property that is projected to take one to two years to complete.

  - *Mitigant: 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.*
  - *Mitigant: The DBRS Morningstar Business Plan Score for the Park at Sheffield was 4.00 and for The 600 was 3.55, which is considerably higher than the DBRS Morningstar average of 2.19 and results in a higher POD.*
- **Coronavirus Pandemic**: The ongoing coronavirus pandemic continues to pose challenges and risks to the CRE sector and, while DBRS Morningstar expects multifamily to fare better than most other property types, the long-term effects on the general economy and consumer sentiment are still unclear.
  - *Mitigant: All loans were originated after March 2022, with the exception of one loan originated in November 2021, and impacts from the pandemic have dissipated, with many of the properties experiencing considerable rent growth. All loans include timely property performance reports and recently completed third-party reports, including appraisals.*
- **Elevated Leverage**: Based on the initial pool balances, the overall DBRS Morningstar WA As-Is DSCR of 0.39x and DBRS Morningstar WA As-Is LTV of 80.6% generally reflect high-leverage financing.
  - *Mitigant: Most of the assets are generally well positioned to stabilize, and any realized cash flow growth would help offset a rise in interest rates and improve the overall debt yield of the loans. DBRS Morningstar associates its LGD based on the assets' DBRS Morningstar As-Is LTV, which does not assume that the stabilization plan and cash flow growth will ever materialize.*
  - *Mitigant: Twenty-two loans, representing 97.7% of the initial pool balance, are structured with substantial upfront interest reserves, some of which are expected to cover one year or more of interest shortfalls.*
- **Sponsor Strength**: Seven loans, representing 29.4% of the initial pool balance, have been modeled with a DBRS Morningstar Sponsor Strength of Weak.
  - *Mitigant: DBRS Morningstar increased the POD for these loans.*
- **Floating Rate, IO Loans**: All loans have floating interest rates and are IO during the initial term, which ranges from 24 months to 36 months, creating interest rate risk.
  - *Mitigant: The borrowers of all loans, except for two (both of which are delayed-close), have purchased either Secured Overnight Financing Rate (SOFR) or Libor rate caps ranging between 0.5% and 3.5%, to protect against rising interest rates over the term of the loan. Additionally, at closing, MF1 as the lender will require all delayed-close loans to purchase interest rate caps.*
  - *Mitigant: All loans, except for one (Prospectus ID#19, The 600), are short-term and, even with extension options, have a fully extended maximum loan term of five years.*
  - *Mitigant: All loans have at least one extension option, all of which are exercisable subject to the loan's achievement of certain DSCR and/or debt yield requirements.*
  - *Mitigant: Nine loans, representing 39.0% of the initial trust balance, amortize on a 30-year schedule during all or a portion of their extension options.*

**Legal and Structural Considerations**

Criteria-Based Modifications: Consistent with the ongoing evolution of criteria-based modifications, the transaction permits the collateral manager to cause the special servicer to effectuate criteria-based modifications subject to certain conditions. During the reinvestment period, the number is not limited, and, thereafter, a maximum of eight modifications may be made. Additionally, all criteria-based modifications occurring after the end of the reinvestment period must not include an increase in principal balance of the loan, have no event of default, no note protection test failure, and the subject collateral interest, post-modification, complies with the eligibility criteria (for this purpose, assuming the subject collateral interest was treated as a reinvestment collateral). This is an expansion of the Issuer accommodative rights, which previously have not been unconstrained during the reinvestment period. While the servicing standard does not apply to such changes, the collateral manager standard does apply. In any event, the significant percentage of sponsor retained securities acts as a buffer to the negative implications of the expansive rights.

**Libor Replacement**: The transaction will be subject to a benchmark (or index) rate replacement. The current selected benchmark is the Term SOFR. Currently, both Term SOFR and Libor are represented in this transaction, with 23 loans (98.9% of the initial pool balance) using SOFR and one loan (1.1% of the initial pool balance) using Libor. As a result, the transaction will be exposed to a mismatch between the Libor benchmark of certain underlying loans in the transaction and the Term SOFR-pay notes. 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, Computershare Trust Company, 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.

| **Comparable Transactions** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Subject Deal | Comp Avg | | | | | | |
| **Deal Name** | **MF1 2022-FL10** | | **MF1 2022-FL9** | **MF1 2022-FL8** | **MF1 2021-FL7** | **MF1 2021-FL6** | **MF1 2021-FL5** | **MF1 2020-FL4** |
| Pool Balance | $979,175,913 | $1,417,518,389 | $1,735,577,565 | $1,819,665,392 | $1,889,614,322 | $993,185,648 | $1,176,632,601 | $890,434,804 |
| Target Pool Balance | $1,025,000,000 | $1,585,333,333 | $1,800,000,000 | $2,022,000,000 | $2,250,000,000 | $1,300,000,000 | $1,190,000,000 | $950,000,000 |
| # of Loans | 24 | 37 | 45 | 32 | 49 | 37 | 35 | 22 |
| Average Loan Size | $40,798,996 | $44,817,302 | $77,410,593 | $56,864,544 | $38,563,558 | $26,842,855 | $33,618,074 | $35,604,191 |
| Largest Loan Concentration | 7.7% | 10.9% | 13.0% | 12.4% | 12.1% | 7.9% | 7.5% | 12.6% |
| Top Ten Concentration | 59.8% | 48.7% | 22.1% | 53.2% | 47.9% | 47.0% | 47.1% | 74.9% |
| Herf | 19.7 | 24.5 | 26.6 | 20.9 | 31.2 | 27.4 | 26.9 | 13.9 |
| Managed/Static | Managed | n/a | Managed | Managed | Managed | Managed | Static | Managed |
| | | | | | | | | |
| **DBRS Morningstar WA E/L** | **5.4%** | **5.3%** | **5.9%** | **5.5%** | **5.6%** | **5.3%** | **5.1%** | **4.3%** |
| E/L 0% - 2% | 34.0% | 21.4% | 3.3% | 20.7% | 22.1% | 23.3% | 29.3% | 29.9% |
| E/L 2% - 4% | 12.5% | 20.9% | 30.5% | 17.0% | 25.4% | 21.2% | 17.5% | 13.9% |
| E/L 4% - 6% | 6.7% | 19.6% | 11.7% | 17.3% | 13.5% | 26.1% | 12.5% | 36.3% |
| E/L 6% - 8% | 21.7% | 18.1% | 28.2% | 22.0% | 20.6% | 15.6% | 16.3% | 6.1% |
| E/L 8% - 10% | 11.2% | 13.1% | 20.0% | 15.6% | 13.5% | 9.3% | 12.2% | 7.9% |
| E/L >10% | 13.9% | 6.9% | 6.3% | 7.4% | 4.8% | 4.6% | 12.2% | 6.0% |
| | | | | | | | | |
| **DBRS Morningstar As-Is WA LTV** | **84.4%** | **76.8%** | **79.5%** | **79.2%** | **75.0%** | **77.1%** | **76.4%** | **73.4%** |
| LTV >= 85.03% | 31.6% | 21.0% | 30.2% | 30.9% | 13.1% | 22.0% | 24.5% | 5.5% |
| LTV >=75.16%, <85.03% | 25.6% | 29.4% | 22.2% | 26.6% | 36.3% | 24.3% | 26.8% | 40.1% |
| LTV >=67.1%, <75.16% | 30.6% | 36.6% | 33.3% | 29.8% | 39.2% | 41.5% | 35.3% | 40.3% |
| LTV <67.1% | 12.2% | 13.0% | 14.3% | 12.7% | 11.4% | 12.3% | 13.4% | 14.1% |
| | | | | | | | | |
| **DBRS Morningstar Stabilized WA LTV** | **67.5%** | **67.7%** | **66.2%** | **70.1%** | **67.4%** | **66.8%** | **68.9%** | **67.0%** |
| LTV >= 85.03% | 0.0% | 1.3% | 0.0% | 3.0% | 0.0% | 0.0% | 4.7% | 0.0% |
| LTV >=75.16%, <85.03% | 10.2% | 8.9% | 0.0% | 12.4% | 6.0% | 8.0% | 12.3% | 14.6% |
| LTV >=67.1%, <75.16% | 33.5% | 42.2% | 33.9% | 52.2% | 47.7% | 40.4% | 42.4% | 36.6% |
| LTV <67.1% | 56.3% | 47.7% | 66.1% | 32.4% | 46.3% | 51.6% | 40.7% | 48.8% |
| | | | | | | | | |
| **DBRS Morningstar Sampled As-Is NCF Variance** | **-15.7%** | **-17.2%** | **-13.1%** | **-18.3%** | **-7.0%** | **-20.7%** | **-26.2%** | **-17.7%** |
| **DBRS Morningstar As-Is WA DSCR** | **0.40** | **0.68** | **0.53** | **0.74** | **0.95** | **0.69** | **0.59** | **0.57** |
| DSCR < 0.50x | 59.4% | 30.1% | 38.7% | 26.4% | 23.8% | 28.1% | 33.1% | 30.6% |
| DSCR 0.50x - 0.75x | 35.5% | 24.1% | 48.0% | 18.0% | 1.4% | 13.8% | 34.0% | 29.4% |
| DSCR 0.75 - 1.00x | 5.1% | 25.6% | 11.3% | 43.8% | 10.1% | 33.0% | 24.6% | 30.8% |
| DSCR 1.00x - 1.25x | 0.0% | 14.0% | 0.0% | 4.2% | 45.8% | 20.5% | 8.3% | 5.4% |
| DSCR > 1.25x | 0.0% | 6.2% | 2.0% | 7.6% | 19.0% | 4.6% | 0.0% | 3.8% |
| | | | | | | | | |
| **DBRS Morningstar Sampled Stabilized NCF Variance** | **-20.7%** | **-15.8%** | **-15.4%** | **-20.4%** | **-13.6%** | **-15.1%** | **-17.7%** | **-12.7%** |
| **DBRS Morningstar Stabilized WA DSCR** | **0.80** | **1.12** | **0.92** | **1.09** | **1.31** | **1.23** | **1.03** | **1.12** |
| DSCR < 0.90x | 84.4% | 17.4% | 58.1% | 11.4% | 1.2% | 3.6% | 18.7% | 11.2% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| DSCR 0.90x - 1.00x | 12.6% | 12.4% | 22.9% | 4.1% | 0.0% | 1.3% | 24.3% | 21.8% |
| DSCR 1.00x - 1.25x | 3.0% | 43.6% | 13.4% | 70.3% | 38.4% | 58.1% | 45.4% | 36.3% |
| DSCR 1.25x - 1.50x | 0.0% | 21.6% | 3.6% | 11.2% | 43.7% | 29.0% | 11.6% | 30.7% |
| DSCR > 1.50x | 0.0% | 4.9% | 2.0% | 3.0% | 16.7% | 8.0% | 0.0% | 0.0% |
| | | | | | | | | |
| **DBRSM WA Business Score** | **2.19** | **2.02** | **2.19** | **2.09** | **1.87** | **1.97** | **2.09** | **1.89** |
| % Bus Rank 1-2 | 30.4% | 49.1% | 18.4% | 57.2% | 76.3% | 52.2% | 38.6% | 52.2% |
| % Bus Rank 2.01-3 | 62.6% | 47.2% | 76.8% | 35.1% | 23.7% | 45.1% | 54.6% | 47.8% |
| % Bus Rank 3.01-4 | 7.0% | 3.7% | 4.7% | 7.7% | 0.0% | 2.7% | 6.8% | 0.0% |
| % Bus Rank 4.01-5 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | | | | | | | |
| **DBRS Morningstar Property Type** | | | | | | | | |
| Total Hotel % (includes Assisted Living) | 0.0% | 4.4% | 0.0% | 0.0% | 5.3% | 2.7% | 8.1% | 10.2% |
| Total Office % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Retail % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total MF % | 100.0% | 93.7% | 91.0% | 97.7% | 94.7% | 97.3% | 91.9% | 89.8% |
| Total Industrial % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Self Storage % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total MHC % | 0.0% | 1.9% | 9.0% | 2.3% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Mixed Use % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total Other % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | | | | | | | |
| **DBRSM WA Market Rank** | **5.2** | **4.9** | **4.8** | **5.3** | **4.8** | **5.2** | **4.5** | **4.6** |
| % Mkt Rank 8 | 14.3% | 6.3% | 1.5% | 5.6% | 16.1% | 11.9% | 2.6% | 0.0% |
| % Mkt Rank 7 | 24.3% | 16.6% | 17.8% | 32.8% | 3.2% | 11.1% | 16.3% | 18.7% |
| % Mkt Rank 5-6 | 13.1% | 30.6% | 34.2% | 23.5% | 26.7% | 38.2% | 31.0% | 30.0% |
| % Mkt Rank 3-4 | 43.2% | 41.2% | 42.4% | 31.2% | 50.8% | 31.1% | 40.2% | 51.3% |
| % Mkt Rank 1-2 | 5.1% | 5.3% | 4.0% | 6.9% | 3.2% | 7.8% | 9.9% | 0.0% |
| % Mkt Rank 0 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | | | | | | | |
| **DBRS Morningstar MSA Group** | | | | | | | | |
| % MSA Group 3 | 46.60% | 43.5% | 32.40% | 36.7% | 47.6% | 47.3% | 44.4% | 52.7% |
| % MSA Group 2 | 13.9% | 15.1% | 12.5% | 24.4% | 13.5% | 11.3% | 8.0% | 20.9% |
| % MSA Group 1 | 15.9% | 19.3% | 18.8% | 22.2% | 21.2% | 10.0% | 20.0% | 23.7% |
| % MSA Group 0 | 23.6% | 22.1% | 36.3% | 16.7% | 17.8% | 31.5% | 27.6% | 2.7% |
| | | | | | | | | |
| **DBRS Morningstar Property Quality** | | | | | | | | |
| Excellent | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Above Average | 15.7% | 23.0% | 6.7% | 12.4% | 21.4% | 33.2% | 19.2% | 45.0% |
| Average + | 23.8% | 19.3% | 22.0% | 32.2% | 21.3% | 12.6% | 10.7% | 16.8% |
| Average | 50.9% | 52.0% | 63.4% | 41.0% | 55.4% | 54.2% | 62.1% | 36.1% |
| Average - | 4.5% | 3.3% | 5.2% | 2.5% | 1.9% | 0.0% | 8.0% | 2.0% |
| Below Average | 0.0% | 2.4% | 2.8% | 11.9% | 0.0% | 0.0% | 0.0% | 0.0% |
| Poor | 5.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | | | | | | | |
| **DBRS Morningstar Sponsor Strength** | | | | | | | | |
| Strong | 0.0% | 3.0% | 0.0% | 12.4% | 0.0% | 5.5% | 0.0% | 0.0% |
| Average | 70.6% | 84.8% | 81.6% | 70.0% | 96.8% | 90.2% | 87.2% | 82.9% |
| Weak | 29.4% | 10.8% | 17.6% | 9.9% | 3.2% | 4.3% | 12.8% | 17.1% |
| Bad (Litigious) | 0.0% | 1.4% | 0.7% | 7.7% | 0.0% | 0.0% | 0.0% | 0.0% |

For managed transactions, deal stats exclude ramp loans.

## DBRS Morningstar Credit Characteristics

**DBRS Morningstar As-Is DSCR (x)**

| DSCR | % of the Pool (Senior Note Balance[1]) |
|---|---|
| 0.00x-0.50x | 59.4 |
| 0.50x-0.75x | 35.5 |
| 0.75x-1.00x | 5.1 |
| 1.00x-1.25x | 0.0 |
| 1.25x-1.50x | 0.0 |
| 1.50x-1.75x | 0.0 |
| >1.75x | 0.0 |
| Wtd. Avg. (x) | 0.40 |

**DBRS Morningstar Stabilized DSCR (x)**

| DSCR | % of the Pool (Senior Note Balance[1]) |
|---|---|
| 0.00x-0.50x | 0.0 |
| 0.50x-0.75x | 28.0 |
| 0.75x-1.00x | 68.9 |
| 1.00x-1.25x | 3.0 |
| 1.25x-1.50x | 0.0 |
| 1.50x-1.75x | 0.0 |
| >1.75x | 0.0 |
| Wtd. Avg. (x) | 0.80 |

**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% | 22.9 |
| 70.0%-80.0% | 27.6 |
| 80.0%-90.0% | 37.3 |
| 90.0%-100.0% | 5.0 |
| 100.0%-110.0% | 0.0 |
| 110.0%-125.0% | 0.0 |
| >125.0% | 7.3 |
| Wtd. Avg. (%) | 84.4 |

**DBRS Morningstar Stabilized Balloon LTV**

| LTV | % of the Pool (Senior Note Balance[1,2]) |
|---|---|
| 0.0%-50.0% | 0.0 |
| 50.0%-60.0% | 13.7 |
| 60.0%-70.0% | 46.9 |
| 70.0%-80.0% | 39.4 |
| 80.0%-90.0% | 0.0 |
| 90.0%-100.0% | 0.0 |
| 100.0%-110.0% | 0.0 |
| 110.0%-125.0% | 0.0 |
| >125.0% | 0.0 |
| Wtd. Avg. (%) | 67.5 |

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 (%) |
|---|---|---|---|---|---|---|---|
| 175 West 87th Street | 75,000,000 | 7.7 | NR | 0.32 | 0.75 | 78.7 | 66.1 |
| Highland Park | 74,000,000 | 7.6 | NR | 0.55 | 0.71 | 83.9 | 73.8 |
| The Madelon | 70,000,000 | 7.1 | NR | 0.44 | 0.69 | 65.2 | 63.5 |
| 15 Park Row | 65,000,000 | 6.6 | NR | 0.59 | 0.98 | 68.3 | 59.9 |
| 500 Station | 55,000,000 | 5.6 | NR | 0.74 | 0.80 | 71.4 | 64.6 |
| Park at Stone Creek | 53,690,000 | 5.5 | NR | 0.43 | 0.71 | 87.1 | 73.7 |
| Elevate Powell & Broad | 50,000,000 | 5.1 | NR | 0.77 | 0.81 | 80.9 | 79.3 |
| Gardenhouse | 49,051,000 | 5.0 | NR | 0.00 | 0.81 | 65.0 | 63.8 |
| OKC Portfolio | 48,999,000 | 5.0 | NR | 0.09 | 0.79 | 98.9 | 71.2 |
| LA Lofts Portfolio | 45,000,000 | 4.6 | NR | 0.60 | 0.81 | 75.0 | 65.9 |

**Property Detail**

| Loan Name | DBRS Morningstar Property Type | City | State | Year Built | SF/Units | Fully Funded Mortgage Loan per SF/Units ($) | Fully Funded Mortgage Maturity Balance per SF/Units ($) |
|---|---|---|---|---|---|---|---|
| 175 West 87th Street | MF | New York | NY | 1975 | 266 | 677,256 | 677,256 |
| Highland Park | MF | Washington | DC | 2008 | 373 | 391,421 | 391,421 |
| The Madelon | MF | San Francisco | CA | 2020 | 203 | 551,724 | 551,724 |
| 15 Park Row | MF | New York | NY | 1899 | 335 | 407,463 | 407,463 |
| 500 Station | MF | Aurora | IL | 2017 | 417 | 311,751 | 311,751 |
| Park at Stone Creek | MF | Austin | TX | 1983 | 420 | 147,619 | 147,619 |
| Elevate Powell & Broad | MF | Fuquay-Varina | NC | 2020 | 384 | 212,240 | 212,240 |
| Gardenhouse | MF | Beverly Hills | CA | 2021 | 18 | 2,725,056 | 2,725,056 |
| OKC Portfolio | MF | Various | OK | 1981 | 934 | 68,899 | 68,899 |
| LA Lofts Portfolio | MF | Los Angeles | CA | 1927 | 1,037 | 317,068 | 317,068 |

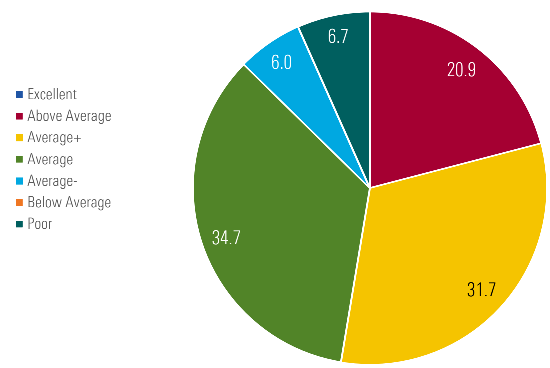
**DBRS Morningstar Sample**

| Prospectus ID | Loan Name | % of Pool | DBRS Morningstar Stabilized NCF ($) | DBRS Morningstar Stabilized NCF Variance (%) | DBRS Morningstar Major Variance Drivers | DBRS Morningstar Property Quality |
|---|---|---|---|---|---|---|
| 1 | 175 West 87th Street | 7.7 | 8,746,220 | -19.8 | GPR: Commercial Income | Average |
| 2 | Highland Park | 7.6 | 7,416,158 | -16.7 | GPR: Commercial Income | Average+ |
| 3 | The Madelon | 7.1 | 4,987,561 | -29.3 | GPR; Concessions; Operating Expenses | Average+ |
| 4 | 15 Park Row | 6.6 | 7,645,851 | -16.1 | GPR; Real Estate Taxes; TI/LC | Average+ |
| 5 | 500 Station | 5.6 | 7,703,586 | -4.4 | GPR; Operating Expenses | Above Average |
| 6 | Park at Stone Creek | 5.5 | 3,182,616 | -24.3 | GPR | Average |
| 7 | Elevate Powell & Broad | 5.1 | 4,153,081 | -14.9 | GPR; Vacancy; Other Income | Above Average |
| 8 | Gardenhouse | 5.0 | 2,872,040 | -28.4 | GPR; Vacancy | Above Average |
| 9 | OKC Portfolio | 5.0 | 3,976,151 | -20.1 | GPR; Vacancy; Real Estate Taxes | Poor |
| 10 | LA Lofts Portfolio | 4.6 | 16,734,943 | -21.1 | GPR; Operating Expenses; Real Estate Taxes | Average |
| 11 | The Reserve at Brandon | 4.5 | 12,251,459 | -11.8 | GPR | Average- |
| 12 | Park at Sheffield | 4.5 | 5,071,085 | -31.4 | Operating Expenses; Concessions | Average |
| 19 | The 600 | 2.6 | 5,680,212 | -23.9 | GPR; Operating Expenses | Average |
| 22 | The Aviary at Middleton Market | 2.5 | 3,017,290 | -21.0 | GPR; Commercial Income; TI/LC | Average+ |
| 24 | The Meadows | 1.1 | 3,620,256 | -20.5 | Operating Expenses | Average |
| 25 | Virtuoso Living | 0.2 | 4,909,795 | -15.7 | Vacancy; GPR | Average |

## DBRS Morningstar Site Inspections

DBRS Morningstar sampled 16 of the 24 loans, representing 75.2% of the initial pool by allocated cut-off date loan balance. DBRS Morningstar toured the interior and exterior of seven assets representing 42.1% of the initial pool balance. Six of the seven properties are among the top 10 largest assets in the pool. DBRS Morningstar used these property tours to help determine property quality and more accurately analyze the loan. For the remaining loans, DBRS Morningstar made an assessment of the property quality based on a review of third-party reports, documents provided by the Issuer, and online information. The resulting DBRS Morningstar property quality scores are highlighted in the chart below.

DBRS Morningstar Sampled Property Quality




Source: DBRS Morningstar.

## DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 16 of the 24 loans, representing 75.2% of the initial pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -15.4% and -20.7% to the Issuer's as-is and stabilized NCFs, respectively, which reflect the average sampled NCF variances (excluding certain outliers from the DBRS Morningstar As-Is and Stabilized NCF Analyses).

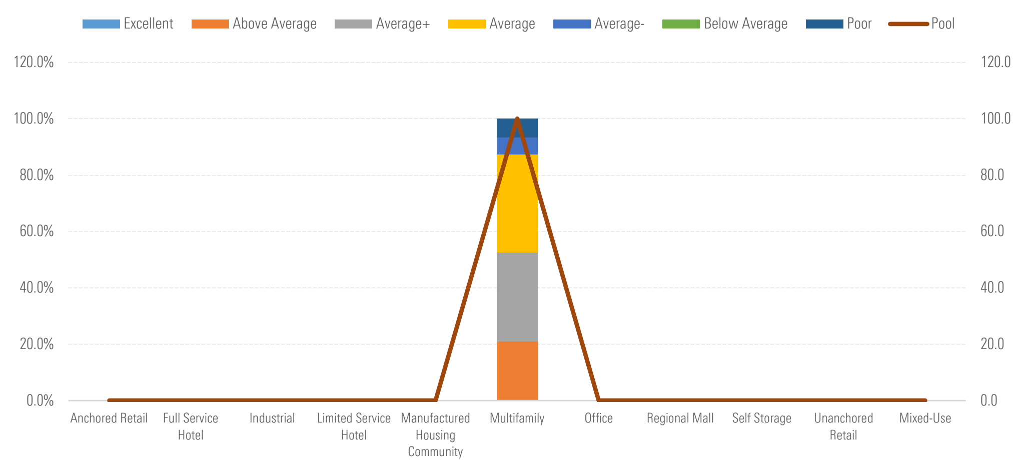
### *As-Is NCF*

The DBRS Morningstar As-Is NCF was based on the current performance of the properties, without giving any credit to the future upside that may be realized upon the sponsors' completion of their business plans. The DBRS Morningstar As-Is sample had an average in-place NCF variance of -22.3% from the Issuer's NCF and ranged from -100.0% to 9.2%. DBRS Morningstar also considered certain sampled loans to be outliers when determining the as-is haircut to apply to nonsampled loans. These loans resulted in elevated haircuts as the Issuer includes some stabilized line items in its as-is NCF analysis (i.e., occupancy, other income, operating expenses, etc.), resulting in higher-than-normal as-is haircuts.

*Stabilized NCF*

The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. This often involved assuming higher-than-in-place rental rates for multifamily properties based on the significant ongoing renovations, with rents already achieved on renovated units providing the best guidance and market rent upon renovation. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -20.7% from the Issuer's stabilized NCF and ranged from -31.4% to -4.4%.

DBRS Morningstar Sampled Property Type




Source: DBRS Morningstar.

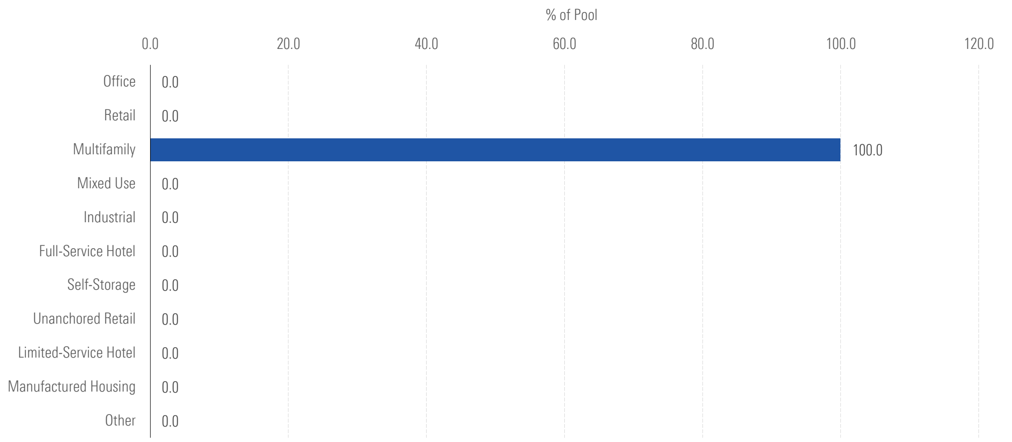
**Model Adjustments**

DBRS Morningstar applied upward cap rate adjustments to 14 loans, including 175 West 87th Street (Prospectus ID#1), Highland Park (Prospectus ID#2), The Madelon (Prospectus ID#3), 15 Park Row (Prospectus ID#4), Park at Stone Creek (Prospectus ID#6), Elevate Powell & Broad (Prospectus ID#7), OKC Portfolio (Prospectus ID#9), LA Lofts Portfolio (Prospectus ID#10), Tribeca Apartments (Prospectus ID#13), Poth Brewery (Prospectus ID#14), Avilla Gateway (Prospectus ID#16), The 600 (Prospectus ID#19), Spanish Oaks (Prospectus ID#20), and The Meadows (Prospectus ID#23), representing 66.8% of the initial pool balance. DBRS Morningstar adjusted the cap rates for these 14 loans to reflect its view of the respective markets and the inherent risk associated with the sponsor's business plan.

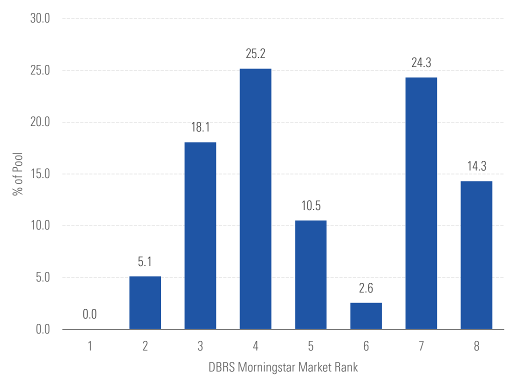
The Park at Sheffield has a windstorm insurance deductible of up to 10% of the insurable value, which is higher than the lender's representations and warranties which requires deductibles to be $100,000 or less. As a result of this exception, DBRS Morningstar increased the loan's LGD.

## Transaction Concentrations

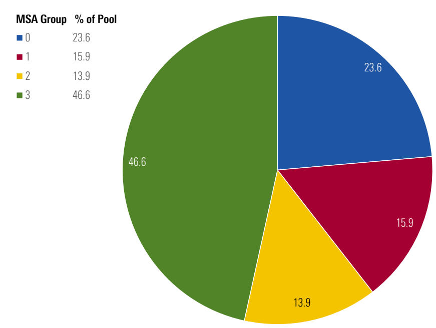
### DBRS Morningstar Property Type




### DBRS Morningstar Market Rank

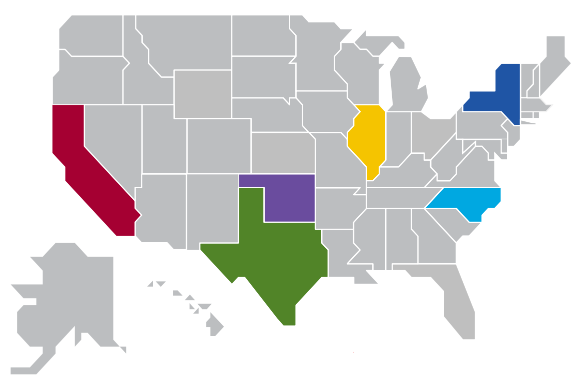



### DBRS Morningstar MSA Group




### Largest Property Location

| Property Name | City | State |
|---|---|---|
| 175 West 87th Street | New York | NY |
| Highland Park | Washington | DC |
| The Madelon | San Francisco | CA |
| 15 Park Row | New York | NY |
| 500 Station | Aurora | IL |
| Park at Stone Creek | Austin | TX |
| Elevate Powell & Broad | Fuquay-Varina | NC |
| Gardenhouse | Beverly Hills | CA |
| OKC Portfolio | Various | OK |
| LA Lofts Portfolio | Los Angeles | CA |



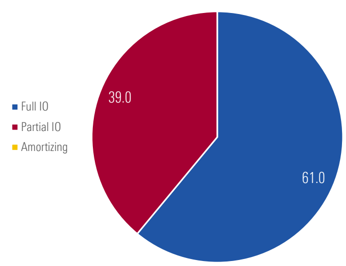
Source: DBRS Morningstar.

## Loan Structural Features

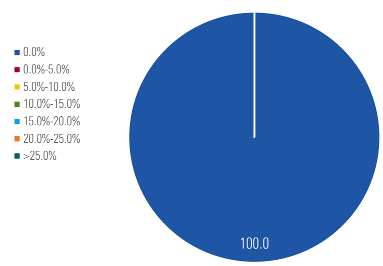
**Loan Terms**: All 24 loans are IO during the initial loan term, ranging from 24 months to 36 months with one to five six- or 12-month extension options. Nine loans, representing 39.0% of the initial pool balance, amortize on 30-year schedules during all or a portion of their extension options.

**Interest Rate**: The interest rate is generally the greater of (1) the floating rate referencing one-month USD Libor or one-month Term SOFR as the index plus the margin and (2) the interest rate floor. Currently, 23 loans (98.9% of the initial pool balance) use Term SOFR, and one loan (1.1%) uses Libor.

Interest Only




DBRS Morningstar Expected Amortization




| Reserve Requirement | | | Borrower Structure | | |
|---|---|---|---|---|---|
| Type | # of Loans | % of Pool | Type | # of Loans | % of Pool |
| Tax Ongoing | 24 | 100.0 | SPE with Independent Director and Non-Consolidation Opinion | 23 | 98.8 |
| Insurance Ongoing | 24 | 100.0 | SPE with Independent Director Only | 0 | 0 |
| CapEx Ongoing | 23 | 92.9 | SPE with Non-Consolidation Opinion Only | 0 | 0 |
| Leasing Costs Ongoing[1] | 0 | n/a | SPE Only | 1 | 1.2 |

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

**Interest Rate Protection**: All closed 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 rate.

**Pari Passu Debt**: Thirteen loans, representing 57.9% of the initial pool balance, have pari passu participation interest totaling $915.93 million. Eight of these loans, 500 Station, LA Lofts Portfolio, The Reserve at Brandon, Briarcrest, Spanish Oaks, The Aviary at Middleton Market, The Meadows, and Virtuoso Living, representing 23.8% of the initial pool, were previously securitized in MF1 2022-FL9 and MF1 2022-FL8, both of which are DBRS Morningstar rated.

**Subordinate Debt**

| Loan Name | Trust Balance ($) | Pari Passu Balance ($) | B-Note Balance ($) | Mezz/Unsecured Debt Balance ($) | Future Mezz/ Unsecured Debt (Y/N) | Total Debt Balance ($) |
|---|---|---|---|---|---|---|
| 175 West 87th Street | 75,000,000.0 | 79,705,534.4 | 0.0 | 25,444,465.6 | N | 180,150,000 |
| Highland Park | 74,000,000.0 | 72,000,000.0 | 0.0 | 0.0 | N | 146,000,000 |
| The Madelon | 70,000,000.0 | 41,500,000.0 | 0.0 | 0.0 | N | 111,500,000 |
| 15 Park Row | 65,000,000.0 | 71,500,000.0 | 0.0 | 0.0 | N | 136,500,000 |
| 500 Station | 55,000,000.0 | 70,000,000.0 | 0.0 | 0.0 | N | 125,000,000 |
| Park at Stone Creek | 53,690,000.0 | 0.0 | 0.0 | 0.0 | N | 53,690,000 |
| Elevate Powell & Broad | 50,000,000.0 | 21,500,000.0 | 0.0 | 0.0 | N | 71,500,000 |
| Gardenhouse | 49,051,000.0 | 0.0 | 0.0 | 0.0 | N | 49,051,000 |
| OKC Portfolio | 48,999,000.0 | 0.0 | 0.0 | 0.0 | N | 48,999,000 |
| LA Lofts Portfolio | 45,000,000.0 | 262,570,932.0 | 0.0 | 0.0 | N | 307,570,932 |
| The Reserve at Brandon | 44,000,000.0 | 139,018,840.0 | 0.0 | 0.0 | N | 183,018,840 |
| Park at Sheffield | 44,000,000.0 | 0.0 | 0.0 | 0.0 | N | 44,000,000 |
| Tribeca Apartments | 39,850,000.0 | 0.0 | 0.0 | 0.0 | N | 39,850,000 |
| Poth Brewery | 38,830,683.0 | 0.0 | 0.0 | 0.0 | N | 38,830,683 |
| Fitz on Fairfax | 38,000,000.0 | 0.0 | 0.0 | 0.0 | N | 38,000,000 |
| Avilla Gateway | 32,767,361.0 | 0.0 | 0.0 | 0.0 | N | 32,767,361 |
| Hairston Woods | 29,790,869.0 | 0.0 | 0.0 | 0.0 | N | 29,790,869 |
| Briarcrest | 27,000,000.0 | 17,254,457.0 | 0.0 | 0.0 | N | 44,254,457 |
| The 600 | 25,000,000.0 | 0.0 | 0.0 | 0.0 | N | 25,000,000 |
| Spanish Oaks | 25,000,000.0 | 13,885,000.0 | 0.0 | 0.0 | N | 38,885,000 |
| The Aviary at Middleton Market | 24,250,000.0 | 30,450,000.0 | 0.0 | 0.0 | N | 54,700,000 |
| Lexington Park | 11,847,000.0 | 0.0 | 0.0 | 0.0 | N | 11,847,000 |
| The Meadows | 11,000,000.0 | 59,362,000.0 | 0.0 | 0.0 | N | 70,362,000 |
| Virtuoso Living | 2,100,000.0 | 37,181,000.0 | 0.0 | 0.0 | N | 39,281,000 |

**Future Funding**: There are 19 loans, representing 72.8%, that have a future funding component. The aggregate of future funding is $306.65 million, with future funding amounts per loan ranging from $500,000 to $62.5 million. The proceeds necessary to fulfill the future funding obligations will primarily come from a committed warehouse line and will initially be held outside the trust but will be pari passu with the trust participations. The future funding is generally for property renovations. Each property has a business plan to execute that the sponsor expects to increase the NCF. DBRS Morningstar believes the business plans are generally achievable, given the market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations.

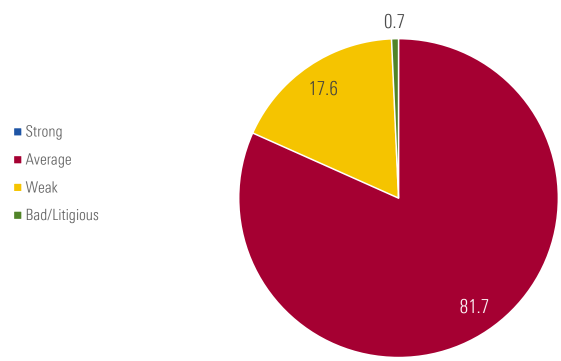
**Leasehold**: There are no leasehold interests in this pool.

**Property Release**: Two loans, representing 9.6% of the initial pool balance, allow for the release of one or more properties or a portion of the mortgaged property, subject to release prices above the ALAs of the respective properties and/or certain leverage tests prescribed in the individual loan agreements.

**Property Substitution:** No loans in the pool allow for the substitution of properties.

**Terrorism Insurance**: As of the cut-off date, all loans currently carry or, in the case of the delayed-close loans, are expected to carry terrorism insurance.

DBRS Morningstar Sponsor Strength




Source: DBRS Morningstar.

# 175 West 87th Street

**Loan Snapshot**

| |
|---|
| **Seller** |
| MF1 |
| **Ownership Interest** |
| Fee-Simple |
| **Trust Balance ($ million)** |
| 75.0 |
| **Loan PSF/Unit ($)** |
| 677,255 |
| **Percentage of the Pool (%)** |
| 7.7 |
| **Fully Extended Loan Maturity/ARD** |
| July 2027 |
| **Amortization** |
| Full IO |
| **DBRS Morningstar As-Is DSCR (x)** |
| 0.32 |
| **DBRS Morningstar Stabilized DSCR (x)** |
| 0.75 |
| **DBRS Morningstar As-Is Issuance LTV (%)** |
| 78.7 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** |
| 66.1 |
| **DBRS Morningstar Property Type** |
| Multifamily |
| **DBRS Morningstar Property Quality** |
| Average |

**Debt Stack ($ millions)**

| |
|---|
| **Trust Balance** |
| 75.0 |
| **Pari Passu** |
| 79.7 |
| **Remaining Future Funding** |
| 25.4 |
| **Mortgage Loan Including Future Funding** |
| 180.1 |
| **Loan Purpose** |
| Refinance |
| **Equity Contribution/(Distribution) ($ million)** |
| 6.9 |

| Collateral Summary | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 1975/1986/2022 |
| **City, State** | New York, NY | **Physical Occupancy (%)** | 77.8 |
| **Units/sf** | 266 | **Physical Occupancy Date** | April 2022 |

The loan is secured by the borrower's fee-simple interest in 175 West 87th Street, a 266-unit multifamily property in New York, NY. The loan is split into an initial $138.0 million mortgage and an initial $14.4 million senior mezzanine loan for tax purposes. The mortgage and senior mezzanine loan have all the same terms (including spread and interest rate) and will be cross-defaulted. Additionally, there will be $27.8 million of senior mezzanine future funding that will also have the same terms (including spread and interest rate) of the mortgage. MF1 will be providing an $11.0 million junior mezzanine loan that is held outside the CLO and is co-terminus with the mortgage/senior mezzanine loan. The whole loan balance (mortgage and senior mezzanine) of $180.2 million equates to a DBRS Morningstar As-Is and Stabilized LTV of 78.7% and 63.0%, respectively. DBRS Morningstar increased the cap rate to 4.0% from the implied cap rate of 3.8%, resulting in a modeled stabilized LTV of 66.1%. The loan has an initial term of two years with three one-year extension options.

Loan proceeds will be used to retire existing debt, partially fund the capital improvements plan, and cover closing costs. The sponsor will fund a $6.1 million interest reserve with a replenishment obligation, which is recourse to the Guarantor. MF1 will be funding 80.0% of the future funding to complete the renovation (not to exceed $27.76 million), and the Sponsor will be funding the remaining 20.0% ($6.94 million) pari passu with equity at the time of each disbursement for which there will be an equity guarantee. In addition to the interest reserve replenishment guaranty, the loan is also structured with a completion guaranty for the renovation plan which includes a balancing event that ultimately captures the guarantee to contribute the $6.94 million of future equity by the borrower. Total equity basis post loan closing is over $120.0 million, which equates to an approximate 60% LTC on the whole loan balance.

Built in 1975, the property was 77.8% occupied as of April 2022. The property's residential component comprises one 32-story building with 248 units and one five-story low-rise building with 18 residential units. The unit mix includes 147 market-rate units, 78 Enhanced Section 8 units, and 41 Landlord Assistant Program (LAP) units. The residential vacancy is primarily with the market-rate units, as the Section 8 and LAP units are 99% and 100% leased, respectively. The subject contains 5,365 sf of ground-floor retail space that is fully occupied, although the tenant will be vacating to allow for the retail restructuring. There is also subterranean parking that has a 150-car capacity, a 24-hour lobby attendant, a fitness center, laundry facilities, a playground, and a courtyard.

The high-rise multifamily property is in the late stages of interior unit renovations, which accounts for the lower occupancy. The vast majority of vacant units at the property are currently undergoing interior renovations that were started using funds from the prior loan, so the property's occupancy excluding units currently under renovation is nearly 99.0%. The sponsor intends to use the loan to refinance existing debt on the property and fund a large business plan to improve the exterior of the property as well as update the amenity package. The capital improvements include a new façade, residential balconies and a skybridge, upgrades to the lobby, a fitness center, a commercial storefront, a courtyard, sidewalks, a garage, and the elevators.

**Unit Mix and Rents**

| Unit Type | No. of Units | Avg. Unit Size (sf) | In-place Rent/Mo. ($) |
|---|---|---|---|
| Studio | 41 | 501 | 2,779 |
| One Bedroom | 91 | 751 | 3,953 |
| Two Bedroom | 93 | 894 | 5,281 |
| Three Bedroom | 25 | 1,329 | 6,959 |
| Four Bedroom | 8 | 1,443 | 6,750 |
| Five Bedroom | 8 | 1,635 | 6,500 |
| **Total/WA** | **266** | **864** | **4,670** |

Source: Appraisal - Market Rate Units Only.

**Competitive Set**

| Property | Location | Distance from Subject (Miles) | Units | Year Built/ Renovated | Occupancy (%) | Avg. Rental Rate Per Unit ($) | Avg. Unit Size (sf) |
|---|---|---|---|---|---|---|---|
| Parc Cameron Apartments | New York, NY | 0.3 | 166 | 1927 | 97.9 | 4,386 | 623 |
| The Sagamore | New York, NY | 0.1 | 264 | 1997 | 99.6 | 5,672 | 951 |
| The Greystone | New York, NY | 0.3 | 366 | 1923 | 98.6 | 3,809 | 620 |
| Colombus Square | New York, NY | 0.9 | 710 | 2009 | 93.7 | 4,979 | 860 |
| The Paris New York | New York, NY | 0.7 | 176 | 1931 | 98.9 | 3,070 | 994 |
| The Lyric | New York, NY | 0.5 | 285 | 1996 | 98.6 | 4,701 | 760 |
| 27 West 86th Street | New York, NY | 0.3 | 60 | 1926 | 100.0 | 10,421 | 1082 |
| **Total/WA Comp. Set** | **New York, NY** | **Various** | **2,027** | **Various** | **97.0** | **4,457** | **609** |
| **175 West 87th Street** | **New York, NY** | **n/a** | **266** | **1975** | **77.8** | **3,953** | **864** |

Source: Appraisal.
Avg. Rental Rate Per Unit based on 1 Bedroom/1 Bath units.

### Sponsorship

The sponsor for this transaction is A&E Real Estate holdings, LLC, a multifamily investment firm focused on moderate- to low-income housing in the New York metropolitan area. Founded in 2011 by Douglas Eisenberg and John Arrillaga Jr., the sponsor group is a fully integrated platform with in-house assets and property management, leasing, and construction. The sponsor and its affiliates currently own and directly manage approximately 12,000 apartments in New York City. The guarantor is A&E Real Estate Partnership II, LLC and reports a net worth of $477.9 million and liquidity of $104.1 million as of December 2021. No derogatory credit issues were noted for the sponsor, and DBRS Morningstar has modeled with a sponsor strength of Average.

## DBRS Morningstar Analysis

### Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Thursday, July 8, 2021, at 11:00 a.m. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Average.

The subject is in the Upper West Side of Manhattan, New York, on the corner of Amsterdam Avenue and 87th street. The property benefits from being in a highly accessible area served by the 1, 2, 3, B, and C subway lines and various public buses. Alternatively, the Henry Hudson Parkway, approximately 1.0 mile away, can provide access throughout New York via car. The immediate surrounding area comprises similar high-rise multifamily buildings, public schools, and retail shops featuring restaurants, small delicatessens, and various shopping centers. To note, there are two major retail throughfares on Broadway and Amsterdam Avenue. Central Park and a wide assortment of museums are also within walking distance from the subject. Upper West Side is known to be an established neighborhood, populated with starting families and working professionals with strong average household incomes of approximately $202,877, according to the appraiser.

The collateral is a 32-story apartment complex comprising 266 units and two retail spaces on the ground floor. The retail space was leased out to a doggy daycare center, which was open and operational at the time of inspection; however, the tenant will be vacating to allow for the planned retail restructuring. The main entrance is on 87th Street on a fairly quiet tree-lined block. Exterior walls consist of orange brick and stone veneer, with relatively dated Class B finishes. There is a large gated outdoor courtyard with a small children's playground and multiple chess tables. A small gym, a bike room, and a laundry room, which were clean and well maintained, are also available for residents. The manager noted that the subcellar level includes a large parking garage that is managed by a third party. The lobby area presented well and is served by a 24-hour doorman.

DBRS Morningstar toured newly renovated one-, two-, three-bedroom, and studio apartments on different floors of the property. The subject's unit interiors were finished with granite countertops; white wood cabinetry with marble back-drops; stainless-steel appliances; blue tiles in the bathrooms; and light-wood laminate flooring in the living rooms, bedrooms, and kitchens. Balconies were available in some apartments, which provided fantastic views of the city. Overall, DBRS Morningstar concluded the property is a work in progress in a high-barrier-to-entry neighborhood and should benefit from future capex.

## DBRS Morningstar NCF Summary

**NCF Analysis**

| | TTM- May 2022 | Proforma Year 1 | Proforma Year 5 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 12,799,789 | 13,505,105 | 19,964,724 | 15,525,229 | 16,067,401 | 15,075,287 | -6.17 |
| Other Income ($) | 1,735,678 | 1,759,567 | 2,821,671 | 1,725,533 | 2,027,790 | 1,790,473 | -11.70 |
| Vacancy & Concessions ($) | -4,455,868 | -2,331,044 | -623,165 | -552,034 | -568,019 | -753,764 | 32.70 |
| **EGI ($)** | **10,079,598** | **12,933,628** | **22,163,229** | **16,698,728** | **17,527,172** | **16,111,995** | **-8.07** |
| Expenses ($) | 6,242,546 | 6,513,183 | 7,428,333 | 7,357,435 | 6,559,434 | 7,297,934 | 11.26 |
| **NOI ($)** | **3,837,052** | **6,420,446** | **14,734,896** | **9,341,293** | **10,967,738** | **8,814,062** | **-19.64** |
| Capex ($) | 0 | 0 | 0 | 74,120 | 66,500 | 67,841 | 2.02 |
| **NCF ($)** | **3,837,052** | **6,420,446** | **14,734,896** | **9,267,173** | **10,901,238** | **8,746,220** | **-19.77** |

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 $8,746,220, representing a variance of -19.8% from the Issuer's stabilized NCF.

The primary drivers of this variance are GPR and expenses. DBRS Morningstar concluded to a stabilized GPR based on $85 psf annually for market units at the property. Trailing three month leases, ended May 31, 2022, signed at the property show the property is already achieving $80 psf based on the competed interior renovations, so the $85 psf is justifiable once the sponsor has completed the rest of the business plan. For expenses, DBRS Morningstar generally concluded to the pro forma inflated by 10.0%.

### DBRS Morningstar Viewpoint

The property is at the corner of Amsterdam Avenue and 87th Street in New York. The location is convenient, and the property is one of the tallest multifamily properties in the surrounding area, providing superior views of the city. The property is within a DBRS Morningstar Market Rank and MSA

Group of 8 and 3, respectively. These location rankings reflect the absolute best possible markets in the country, resulting in a drastically decreased probability of default.

The property is in the midst of an extensive renovation that began several years ago, which incorporated renovating nearly 150 units at the property and rolling them to market. The interior unit renovations are nearly complete, and the property is almost 100% occupied when only units that are not currently undergoing renovations are considered. These renovated units are achieving nearly $80 psf annually on recent leases, and the sponsor is just beginning the next phase of the business plan, which includes a massive renovation to the façade and general exterior and amenity upgrades. Given the extensive business plan, DBRS Morningstar has modeled the loan with a slightly elevated business plan score of 2.53. The execution risk from this business plan is partially mitigated by the sponsor's experience with this property type in the submarket. A&E Real Estate is one of the premiere sponsor groups in New York City with a proven track record of success with similar properties.

Based on the competitive set provided by the appraiser, one-bedrooms in the area are renting for $4,593 per unit on average compared with the subject's one-bedroom in-place rate of $3,953. The interior unit renovations have shown substantial rental rate increases at the property, and it is reasonable to assume the same will be true for the upcoming exterior renovations. For this reason, DBRS Morningstar believes the property is currently showing lower market rents because of lack of renovation, and that in the future, the property will be more in line with the appraiser's competitive sets. The competitive set also boasts an average occupancy rate of 97.0% compared with the subject's occupancy rate of 77.8%. This is due to the property having nearly 50 units offline because of ongoing interior unit renovations.

Overall, the property is well located and well positioned for success with the upcoming business plan. The business plan is quite extensive, but there is adequate structure in place to protect the lender, and the sponsor has ample experience with similar properties in the same market.

The property exhibits strong market characteristics as it relates to DBRS Morningstar Market Rank and MSA Group, which are 8 and 3, respectively. Loans secured by collateral with a DBRS Morningstar Market Rank of 8 and MSA Group of 3 generally exhibit lower levels of default and loss. As a result of the credit metrics and market characteristics, the subject loan exhibits a lower-than-average expected loss within the collateral pool.

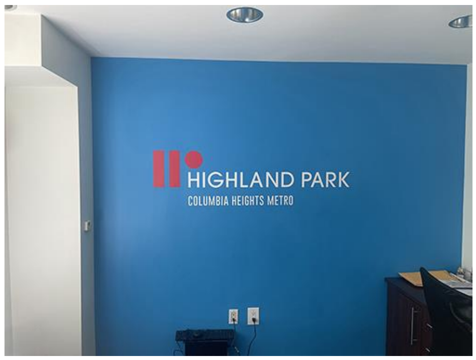
# Highland Park

**Loan Snapshot**

| | |
|---|---|
| **Seller** | MF1 |
| **Ownership Interest** | Fee-Simple |
| **Trust Balance ($ million)** | 74.0 |
| **Loan PSF/Unit ($)** | 391,420 |
| **Percentage of the Pool (%)** | 7.6 |
| **Fully Extended Loan Maturity/ARD** | July 2027 |
| **Amortization** | Full IO |
| **DBRS Morningstar As-Is DSCR (x)** | 0.55 |
| **DBRS Morningstar Stabilized DSCR (x)** | 0.71 |
| **DBRS Morningstar As-Is Issuance LTV (%)** | 83.9 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** | 73.8 |
| **DBRS Morningstar Property Type** | Multifamily |
| **DBRS Morningstar Property Quality** | Average+ |

**Debt Stack ($ millions)**

| | |
|---|---|
| **Trust Balance** | 74.0 |
| **Pari Passu** | 72.0 |
| **Remaining Future Funding** | 0.0 |
| **Mortgage Loan Including Future Funding** | 146.0 |
| **Loan Purpose** | Refinance |
| **Equity Contribution/(Distribution) ($ million)** | 0.5 |




**Collateral Summary**

| | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 2008 & 2013 |
| **City, State** | Washington, D.C. | **Physical Occupancy (%)** | 85.0 |
| **Units/SF** | 373 | **Physical Occupancy Date** | June 2022 |

This loan is secured by the borrower's fee-simple interest in Highland Park Apartments, a 373-unit mid-rise multifamily property in Washington, D.C. The sponsor developed the property in two phases with the first section delivered in 2008 and the second section delivered in 2013. The $146.0 million senior loan and $17.0 million mezzanine loan will refinance $156.3 million of existing debt. The mezzanine loan will be provided by MF1 and held outside of the trust. The five-year floating-rate loan is structured with two 12-month extension options that are subject to, among other criteria, the collateral's satisfaction of certain debt yield, LTV, and DSCR hurdles as set forth in the initial loan agreement. The loan is IO throughout the fully extended loan term.

Located approximately 1.7 miles north of the Washington, D.C., CBD, the collateral consists of two buildings containing 373 units with 17,893 sf of ground level retail space. Approximately 20.0% of the collateral's units are affordable-housing units whereby rental rates are restricted based on 30.0%, 60.0%, and 80.0% of the surrounding area's median income levels. In exchange for offering affordable units, the collateral benefits from a tax abatement, which began in 2011 and allows the collateral to be fully exempt from real estate property taxes for 10 years. After the 2021 fiscal year, the abatement will be reduced 5.0% each year until full taxes are achieved in the 2030 fiscal year. The collateral's retail space is leased to five tenants. WaWa, the largest tenant, closed its store in June 2022 and the Sponsor is working to secure a sublease. WaWa, an investment grade rated company, was in Year 4 of its 15-year lease term and has a corporate guaranty to pay the full rent through 2034. Additionally, the guarantors of this transaction have signed a personal guaranty on the rent throughout the full term in the event WaWa ceases to pay its rent. The other tenants at the property are Ledo's Pizza, a coffee shop, a fitness gym, and Lou's City Bar.

The residential unit mix consists of 94 studio, 222 one-bedroom, and 57 two-bedroom units. Unit amenities include walk-in closets, hardwood floors, in-unit washers/dryers, and private balconies. Community amenities include a community room, fitness center, business center, rooftop patio, and exterior courtyard. The subject property's unit mix is shown below, including a breakout of the Affordable Dwelling Units (ADU):

**Unit Mix and Rents - Highland Park**

| Unit Type | Units | Avg. Unit Size (sf) | Avg. Rent ($/unit)[1] |
|---|---|---|---|
| Studio | 76 | 477 | 1,669 |
| 1-Bedroom/1-Bathroom | 103 | 631 | 2,087 |
| 1-Bedroom Loft | 56 | 1,162 | 2,739 |
| 2-Bedroom/2-Bathroom | 49 | 1,018 | 2,993 |
| 2-Bedroom Loft | 15 | 1,191 | 3,347 |
| Studio/ADU | 18 | 453 | 1,060 |
| 1-Bedroom/ADU | 49 | 612 | 1,349 |
| 1-Bedroom Loft/ADU | 2 | 1,190 | 2,081 |
| 2-Bedroom/ADU | 5 | 1,075 | 1,996 |
| **Total/Weighted Average** | **373** | **753** | **2,121** |

1. Based on the June 2022 rent roll.

The appraiser identified eight competitive properties within a one-mile radius of the subject. The competitive set's average occupancy of 97.5% is considerably higher than the collateral's occupancy of 85.0%. Additionally, the competitive set's WA monthly rental rate of $2,604 per unit is outperforming the collateral's WA monthly rental rate of $2,121 per unit. The collateral is in the middle of the comparable properties in terms of year built with 2008, while the comparable properties were constructed between 1941 and 2019.

**Competitive Set**

| Property | Location | Distance from Subject (Miles) | Units | Year Built/Renovated | Avg. Unit Size (sf) | Avg. Rental Rate ($/unit) | Occupancy (%) |
|---|---|---|---|---|---|---|---|
| Park Triangle | Washington, D.C. | 0.1 | 117 | 2006 | 856 | 2,274 | 96.0 |
| Allegro | Washington, D.C. | 0.3 | 297 | 2009 | 740 | 2,417 | 96.0 |
| The Clifton | Washington, D.C. | 0.4 | 155 | 2019 | 670 | 2,599 | 97.0 |
| Capitol View on 14th | Washington, D.C. | 0.5 | 255 | 2013 | 831 | 2,660 | 98.0 |
| View 14 | Washington, D.C. | 0.6 | 185 | 2009 | 834 | 2,786 | 98.0 |
| 14W Apartments | Washington, D.C. | 0.6 | 231 | 2013 | 794 | 2,710 | 99.0 |
| The Ellington | Washington, D.C. | 0.8 | 190 | 2004 | 789 | 2,921 | 98.0 |
| Ame at Meridian Hill | Washington, D.C. | 0.4 | 206 | 1941/2019 | 620 | 2,422 | 98.0 |
| **Total/WA Comp. Set** | **Various** | **Various** | **1,636** | **Various** | **765** | **2,604** | **97.5** |
| **Highland Park** | **Washington, D.C.** | **n/a** | **373** | **2008** | **751** | **2,121** | **85.0** |

Source: Appraisal, except the subject figures, which are based on the rent roll dated June 2022.

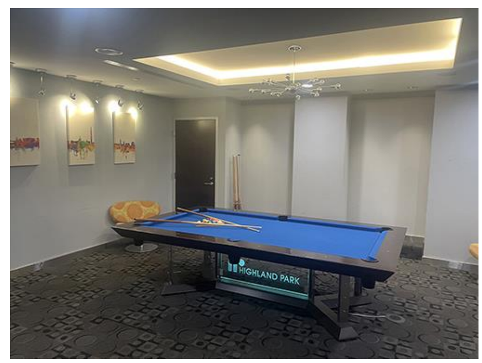
### Sponsorship

The sponsor for this transaction is Donatelli Development, Inc., a real estate investment firm founded in 1973. Donatelli Development focuses on the acquisition, development, and ownership of real estate properties in the Washington, D.C., metro. Within the past 15 years, Donatelli Development has built mixed-use, transit-oriented buildings with over 2,500 housing units and 100,000 sf of retail space. The guarantors of this transaction are Lou and Chris Donatelli with a combined net worth and liquidity of $58.9 million and $11.0 million, respectively.

Property management services are provided by Donatelli Management, a sponsor affiliate that manages four other properties in the D.C. area.

## DBRS Morningstar Analysis

### Site Inspection Summary




DBRS Morningstar toured the property on Thursday, June 9, 2022, at 10:00 a.m. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Average +.

The collateral, approximately 1.7 miles north of downtown D.C., is in the Columbia Heights neighborhood, which is considered transitional. This rapidly gentrifying neighborhood is one of the fastest-growing submarkets in D.C. with a 22% population increase since 2010. Additionally, the household income within a one-mile radius is $91,109, while the household income within a five-mile radius is $113,090, suggesting a middle-class demographic. Primary access to the subject comes from 16th Street, Columbia Road, and Calvert Street. 16th Street and Calvert Street are major arterials that provide access to the Washington, D.C., CBD and Maryland. The subject benefits from its proximity to the Columbia Heights Metro Station, which  is immediately below the subject and provides direct access to 14th Street and the Green and Yellow metro lines. Signage at the property is limited as there is only one visible sign displaying the collateral’s name and it can be seen from only one side of the street. The subject had average curb appeal with minimal deferred maintenance. The surrounding area is characterized by similar residential apartment complexes and retail and office properties. Howard University is one mile southeast of the subject, and, at the time of the inspection, the property manager noted that the subject did not have student residents. Because Columbia Heights is in the process of changing, the subject benefits from various demand drivers and amenities of D.C., including retail drivers and major employers. Directly across from the subject is the retail center DC USA. This 500,000-sf retail development was completed in 2008 and features national retail chains such as Best Buy, Target, Marshall's, and Bed Bath & Beyond. The property manager noted that DC USA is the main demand driver in the surrounding area.

DBRS Morningstar toured three units: a studio, a one-bedroom unit, and a two-bedroom loft. Each unit showed well and was in clean condition. All three units featured a standard kitchen with stainless-steel appliances, granite countertops, and stained concrete floors, which are similar to other apartments in the area. Additionally, the units featured carpet throughout the bedrooms but ceramic tile bathrooms with combination tub/showers. The loft was the larger of the three units and featured a second floor. The first floor of the loft was similar to the other units with a bedroom directly next to the kitchen and the living area. The finishes with the kitchen and bathroom were all modern with a sleek grey design. The second floor featured a second bedroom with an open layout that connected to a bathroom. Behind the second bedroom there was a catwalk that led to a small space that overlooks the downstairs living room and kitchen. DBRS Morningstar also toured the amenities and found them to be in good condition. Indoor amenities included a fitness center, a yoga studio, a roof deck, a courtyard with bocce courts, gas grills, an outdoor bar, a party room, billiards tables, a business center, and bike racks. Additionally, the subject has a 297-space underground garage. At the time of the inspection, the parking structure was in good condition. The property manager was not able to provide DBRS Morningstar a tour of the 17,893 sf of retail space as several of the stores were closed. The exterior of the retail space seemed in good condition with little deferred maintenance noted.  Overall, the property showed well with no major deferred maintenance visible.

## DBRS Morningstar NCF Summary

| NCF Analysis | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | T-12- April 2022 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
| GPR ($) | 9,815,992 | 9,720,444 | 9,631,291 | 11,698,800 | 10,891,601 | 10,497,875 | -3.61 |
| Other Income ($) | 1,818,858 | 1,617,530 | 1,703,700 | 2,423,106 | 2,460,376 | 2,251,756 | -8.48 |
| Vacancy & Concessions ($) | -1,336,968 | -2,546,022 | -2,283,305 | -614,187 | -571,809 | -892,319 | 56.05 |
| **EGI ($)** | **10,297,881** | **8,791,953** | **9,051,686** | **13,507,719** | **12,780,169** | **11,857,311** | **-7.22** |
| Expenses ($) | 3,545,778 | 3,860,816 | 3,872,628 | 4,565,380 | 3,784,968 | 4,263,061 | 12.63 |
| **NOI ($)** | **6,752,103** | **4,931,136** | **5,179,059** | **8,942,339** | **8,995,200** | **7,594,251** | **-15.57** |
| Capex ($) | 164,743 | 254,868 | 516,520 | 93,250 | 93,250 | 178,093 | 90.98 |
| **NCF ($)** | **6,587,360** | **4,676,269** | **4,662,539** | **8,849,089** | **8,901,950** | **7,416,158** | **-16.69** |

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar NCF was $7,416,158, representing a variance of -16.7% from the Issuer's stabilized NCF of $8,901,950. The primary drivers of the variance was GPR and vacancy. DBRS Morningstar accepted rents for the market units are consistent with recently signed leases and no upside on the ADU units. Furthermore, DBRS Morningstar assumed a total economic vacancy on the residential units of 8.5% compared with the Issuer's 5.3%.

**DBRS Morningstar Viewpoint**

The loan is collateralized by a 373-unit multifamily property with 17,893 sf of ground floor retail space within the Washington/Arlington/Alexandria MSA. The property falls within a DBRS Morningstar Market Rank and MSA Group of 8 and 3, respectively. These rankings reflect strong markets with historically low PODs and LGDs.

The sponsor's business plan is to increase the multifamily rents to market, stabilize the residential occupancy, and back-fill the dark WaWa commercial space. The subject's Reis submarket data supports the sponsor's business plan as there are stable growth rates and healthy demand overall, with no significant new inventory likely. According to Reis, the Washington, D.C., market comprises nine geographical submarkets totaling 127,294 units. The subject is within the Howard U./Mt. Pleasant/Brightwood submarket, which accounts for 10.7% of the metropolitan inventory. In the 10-year period beginning with Q2 2012, completions within the submarket totaled 5,079 units, amounting to an annualized inventory growth rate of 4.7%, greater than the overall metro rate. Reis projects relatively minor additions to the submarket between 2022 and 2027, with those units likely to be absorbed. Also, Reis projects vacancy rates to decrease slightly to at 6.5%, through the end of 2027, slightly above the greater market rate of 6.1% forecast for the same period. Reis notes that asking rents have increased by a total of 7.9%, up from $1,858 over the past 12 months. Additionally, effective rents have increase at 1.8% compared with 1.2% throughout the greater market. It is noted that the property suffered during the coronavirus pandemic as occupancy declined to the low 70s and the sponsor had to incentive tenants with significant concessions and reduced rent. More recently, the Issuer reports that concessions have declined significantly and, as of the T-1 ended June 2022, are less than 1.0%.

The loan has an expected loss (EL) below the pool WA EL. Based on an the as-is appraised value of $204 million, the loan exhibits relatively moderate leverage at issuance with a DBRS Morningstar As-Is LTV of 71.6%. Additionally, based on the stabilized appraised value of $232 million the loan reflects a moderate stabilized LTV of 62.9%. DBRS Morningstar applied a cap rate adjustment to target an implied cap of 4.50%, elevating the As-Is and Stabilized LTVs. Overall, the loan's credit metrics, property quality, and strong DBRS Morningstar Market Rank ultimately contributed to an EL that is below the deal average.

# The Madelon

**Loan Snapshot**

| | |
|---|---|
| **Seller** | MF1 |
| **Ownership Interest** | Fee-Simple |
| **Trust Balance ($ million)** | 70.0 |
| **Loan PSF/Unit ($)** | 551,724 |
| **Percentage of the Pool (%)** | 7.1 |
| **Fully Extended Loan Maturity/ARD** | July 2027 |
| **Amortization** | Full IO |
| **DBRS Morningstar As-Is DSCR (x)** | 0.44 |
| **DBRS Morningstar Stabilized DSCR (x)** | 0.69 |
| **DBRS Morningstar As-Is Issuance LTV (%)** | 65.2 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** | 63.5 |
| **DBRS Morningstar Property Type** | Multifamily |
| **DBRS Morningstar Property Quality** | Average+ |

**Debt Stack ($ millions)**

| | |
|---|---|
| **Trust Balance** | 70.0 |
| **Pari Passu** | 41.5 |
| **Remaining Future Funding** | 0.5 |
| **Mortgage Loan Including Future Funding** | 112.0 |
| **Loan Purpose** | Refinance |
| **Equity Contribution/(Distribution) ($ million)** | -2.6 |

| Collateral Summary | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built** | 2020 |
| **City, State** | San Francisco, CA | **Physical Occupancy (%)** | 86.7 |
| **Units/SF** | 203 | **Physical Occupancy Date** | May 2022 |

The loan is secured by the borrower's fee-simple interest in The Madelon, a 203-unit multifamily property in San Francisco's Mission District. In addition to the multifamily units, the property features a retail component of approximately 9,365 sf. The initial loan funding of $111.5 million was used to refinance $104.04million of existing debt, cover $3.2 million in closing costs, return $2.6 million in cash equity to the borrower, and fund an interest reserve of $1.3 million. The loan includes future funding in the amount of $500,000 in the form of an interest reserve. The loan is structured with an initial two-year term with three 12-month extension options and is fully IO. The in-place and stabilized appraised values of $186.0 million and $191.0 million result in DBRS Morningstar As-Is and Stabilized LTVs of 59.9% and 58.6%, respectively.

Completed in 2020, the property has six stories and 203 units, three of which are affordable. The three affordable units satisfy the requirements of an affordable housing program and must remain affordable for the foreseeable future and at least through the fully-extended loan term. At the start of the development process, the sponsor gifted an adjacent parcel to the city to eventually be developed into affordable housing, which allows the sponsor to maintain so few affordable units at the subject property. The property is in the Mission neighborhood of San Francisco and is approximately three miles southwest of the Financial District. The nearest BART station is 16th St Mission, about a 15-minute walk from the property, which provides direct access to the Financial District.

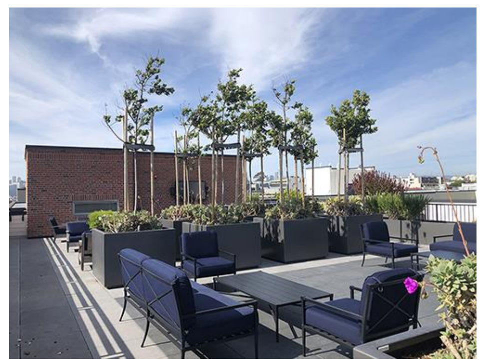
### Sponsorship

The borrower is an LLC owned by Junius Real Estate and the Nick Podell Company and the sponsor is a joint venture between the two firms. Junius Real Estate owns a 95.0% stake in the joint venture and the Nick Podell Company owns a 5.0% stake. Junius Real Estate was founded in 2011 and specializes in the acquisition, development, ownership, and operation of all major property types, including multifamily. The firm was formerly a wholly-owned subsidiary of JP Morgan Private Bank but was spun off in 2022. The Nick Podell Company focuses on development in the San Francisco, San Mateo, and Santa Clara counties. The guarantor is Program Master LP, which reported new worth and liquidity of $117.2 million and $19.75 million, respectively, as of March 2022.

Greystar provides property management for a contractual fee of 3.0%. Greystar manages more than 750,000 units across the United States and more than 20 properties within the San Francisco city limits.

## DBRS Morningstar Analysis

### Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on Wednesday, June 8, 2022, at 4:30 p.m. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Average +.

The mid-rise multifamily property sits in the Mission District, an in-fill neighborhood of San Francisco approximately three miles southwest of the CBD. The immediate surrounding area featured a mix of residential and commercial property types, although there appeared to be very little new development or construction nearby. Similar to other parts of San Francisco, there was limited parking availability and street parking was most prominent. Many residents of the neighborhood were walking or bicycling and the property representative indicated that many residents of the building bicycle to work. The bicycle storage room was evidently a popular amenity among tenants as it was fairly crowded at the time of inspection.

The property features a fair amount of retail and commercial space on the ground floor, the biggest tenant of which is a restaurant, Osito. According to the property manager, the restaurant is one of the hottest in the neighborhood and it is generally difficult to get a reservation, in part because of the restaurant's popularity but also because it offers a prix-fixe menu with limited dining hours. In addition to the restaurant, the retail space featured a pet supply store and two furniture stores. DBRS Morningstar also inspected one vacant white-boxed retail space that was being marketed for lease. The property representative indicated that a handful of prospective tenants had toured the space but that no lease or LOI had yet been signed. During the site inspection, the area had a moderate amount of foot traffic, which should aid in the viability of the retail space at the property.

The entrance to the lobby had antique-looking decor and furniture, and it seemed more like a boutique hotel lobby than a recently constructed apartment complex. The lobby area featured a reception desk, several couches, mailboxes, an elevator bank, a coffee lounge area, and a reading room. Also on the ground floor was a fitness center with modern, well-maintained equipment that was being used by several tenants at the time of inspection. The property also featured a rooftop lounge area that had a significant number of couches as well as a barbecue grill. The property manager indicated that the rooftop area was a popular amenity with the tenants.

DBRS Morningstar toured two two-bedroom units and one one-bedroom model unit. The kitchens featured modern white appliances, which appear to be an alternative to stainless steel appliances. Potential tenants may prefer the more typical stainless steel appliances at this price point but the quality of the white appliances appeared comparable with stainless steel ones. The kitchens in the two-bedroom units featured a significant amount of white stone countertops and cabinet space. The living space was adjacent to the kitchen, allowing the entire room to feel open with lots of natural sunlight. The living space was adequately sized and featured a stackable washer/dryer in a closet. The bedrooms were generally adequately sized as well with large walk-in closets. Overall, the units showed satisfactorily, however, the white kitchen appliances may make some units less desirable compared with newly constructed units with stainless steel kitchen appliances.

## DBRS Morningstar NCF Summary

**NCF Analysis**

| | T-12 April 2022 | Sponsor Budget Year 1 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|
| GPR ($) | 8,936,979 | 9,432,143 | 10,430,064 | 10,430,064 | 9,028,971 | -13.43 |
| Other Income ($) | 819,011 | 1,094,909 | 1,103,764 | 1,103,764 | 878,089 | -20.45 |
| Vacancy & Concessions ($) | -2,681,627 | -398,078 | -581,976 | -581,976 | -852,890 | 46.55 |
| **EGI ($)** | **7,074,363** | **10,128,974** | **10,951,852** | **10,951,852** | **9,054,169** | **-17.33** |
| Expenses ($) | 4,207,680 | 4,064,619 | 4,219,110 | 3,853,655 | 3,930,142 | 1.98 |
| **NOI ($)** | **2,866,683** | **6,064,356** | **6,732,742** | **7,098,197** | **5,124,027** | **-27.81** |
| Capex ($) | 0 | 40,600 | 40,600 | 40,600 | 136,466 | 236.12 |
| **NCF ($)** | **2,866,683** | **6,023,756** | **6,692,142** | **7,057,597** | **4,987,561** | **-29.33** |

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $4,987,561, representing a -29.3% variance from the Issuer's stabilized NCF of $7,057,597. The main drivers of the variance were

GPR and concessions. DBRS Morningstar estimated stabilized GPR using the in-place rents and grossing up the vacant units at the average in-place rent for that unit type while the Issuer used in-place rents and grossed up with a blend of the market rent and an inflationary factor. DBRS Morningstar estimated approximately two weeks' of concessions while the Issuer estimated no concessions upon stabilization.

**DBRS Morningstar Viewpoint**

The subject is a 203-unit mid-rise multifamily property in San Francisco's Mission District, constructed in 2020. The sponsor's business plan consists of leasing up the property and burning off the existing concessions. All but three units are market rate, but the property benefits from the Inclusionary Affordable Housing Program. As part of the development, the sponsor gifted the adjacent plot of land to the city for the development of a 130-unit affordable housing apartment complex, which is the only ongoing development in the Mission District. Given the quality of the asset, which DBRS Morningstar believes to be Average + because of its new construction and amenities, the business plan appears to be achievable and relatively straightforward.

The property feature nine units designated as Production, Distribution, and Repair (PDR) units because the neighborhood is currently zoned for industrial/manufacturing uses only. These PDR units are not currently zoned or permitted for residential use but the sponsor is petitioning the local zoning board for an overlay that will allow potential tenants that qualify for PDR tenancy to live in those units. DBRS Morningstar, in concert with the sponsor and lender, believes that the zoning board will approve the petition and has included rental revenue from these PDR units in the DBRS Morningstar Stabilized NCF.

There is little new supply coming into the submarket; the appraisal estimates that approximately 1,128 units will be constructed between the start of 2022 and the end of 2026 in the Haight-Ashbury/Castro/Noe Valley/Mission submarket. Compared with the current inventory of 19,036 units, this represents an increase of approximately 5.9%. The appraisal estimates that the average submarket occupancy will increase to approximately 92.8% from 91.9% between the beginning of 2022 and the end of 2026. Despite the high submarket vacancy outlined in the appraisal, DBRS Morningstar assumed a more favorable vacancy rate of 5.6%, which was the five-year vacancy forecast made by Reis for the property's submarket. DBRS Morningstar also assumed concessions of approximately two weeks, or about 3.8%. When combined with the vacancy rate, DBRS Morningstar assumed a total economic loss of about 9.4%, which is more consistent with the long-term vacancy rate of the submarket estimated in the appraisal. The concessions rate of approximately 3.8% is significantly higher than what DBRS Morningstar typically assumes for a stabilized multifamily property. However, at the time of inspection, the sponsor was still offering a month of free rent and the property representative indicated this was fairly common for Class A multifamily properties in the submarket. The appraiser's analysis of the market confirmed that one month of free rent was considered market standard for similar properties. Anecdotally, San Francisco has experienced a slower return-to-office than other major cities in the United States, which could lead to prolonged depressed occupancy levels for multifamily properties as potential tenants may be less motivated to move to the city and pay rent if they believe they will be working from lower cost of living locations for an extended period. Because of these factors and statistics, DBRS Morningstar felt a higher concession rate was justified.

The property exhibits strong market characteristics as it is in MSA Group 3 and DBRS Morningstar Market Rank 7. Loans secured by collateral with these characteristics generally exhibit lower levels of default and loss. The loan exhibits relatively low leverage points as the DBRS Morningstar As-Is and Stabilized LTVs are 59.9% and 58.6%, respectively. DBRS Morningstar assigned a property quality of Average + because of the recent construction and strong amenity package. The common area amenities and finishes in the lobby were high end and included a fitness center and several lounge areas for tenants as well as a rooftop patio with a barbecue grilling area. Because of the market characteristics, leverage, and property quality, the subject loan exhibits a lower-than-average expected loss within the collateral pool, despite the relatively high haircut on the stabilized NCF.

# 15 Park Row

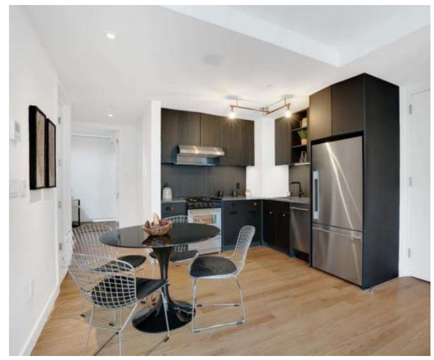
**Loan Snapshot**

| |
|---|
| **Seller** |
| MF1 |
| **Ownership Interest** |
| Fee-Simple |
| **Trust Balance ($ million)** |
| 65.0 |
| **Loan PSF/Unit ($)** |
| 407,462 |
| **Percentage of the Pool (%)** |
| 6.6 |
| **Fully Extended Loan Maturity/ARD** |
| July 2027 |
| **Amortization** |
| Partial IO |
| **DBRS Morningstar As-Is DSCR (x)** |
| 0.59 |
| **DBRS Morningstar Stabilized DSCR (x)** |
| 0.98 |
| **DBRS Morningstar As-Is Issuance LTV (%)** |
| 68.3 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** |
| 59.9 |
| **DBRS Morningstar Property Type** |
| Multifamily |
| **DBRS Morningstar Property Quality** |
| Average+ |

**Debt Stack ($ millions)**

| |
|---|
| **Trust Balance** |
| 65.0 |
| **Pari Passu** |
| 71.5 |
| **Remaining Future Funding** |
| 0.0 |
| **Mortgage Loan Including Future Funding** |
| 136.5 |
| **Loan Purpose** |
| Refinance |
| **Equity Contribution/(Distribution) ($ million)** |
| -1.8 |

Source: Appraisal.



Source: ASR.

| Collateral Summary | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 1899/2017-2022 |
| **City, State** | New York, NY | **Physical Occupancy** | 92.5 |
| **Units/SF** | 335 | **Physical Occupancy Date** | June 2022 |

This loan is secured by the borrower's fee-simple interest in 15 Park Row, a 335-unit high-rise apartment building with 45,415 sf of commercial space in the Financial District of New York. The initial loan proceeds of $136.5 million ($407,463 per unit) will be used to refinance existing debt of $109 million; cover $7.7 million in closing costs; fund approximately $15.6 million in capital improvements as well as a $1.5 million gas shut-off reserve, a $1.5 million Interest Reserve, and a $360,000 421-g Settlement Reserve; and return $1.9 million in equity to the Borrower to repay a membership loan. The loan term consists of an initial two-year IO period with three one-year IO extension options.

Built in 1899 and renovated during various periods between 2017 and 2022, the property was 92.5% occupied as of June 1, 2022. The subject also comprises 45,415 sf of office and commercial space, which was 80.8% occupied as of June 1, 2022. The commercial space includes the space occupied by the seller on the ground, first, and second floors, and two cupola units on the upper penthouse floor. The common amenities include a private resident lounge, fitness center, pet spa, 24-hour lobby attendant, concierge services, and on-site laundry facilities. Unit interiors feature premium finishes consisting of silestone/quartz countertops, stainless steel appliances, 10-foot ceilings, oversize windows, and modern bathrooms. Additional information on the residential unit mix and rental rates can be found in the table below.

| **Unit Mix and Rents- 15 Park Row** | | | |
|---|---|---|---|
| Unit Type | Units | Avg. Unit Size (sf) | Rent/Month ($) |
| Studio | 189 | 577 | 2,999 |
| One Bedroom | 98 | 768 | 4,004 |
| Two Bedroom | 43 | 1,091 | 4,723 |
| Three Bedroom | 5 | 1,255 | 6,298 |
| **Total/WA** | **335** | **709** | **3,524** |
| Source: Rent Roll dated June 1, 2022 | | | |

The appraiser identified six competitive high-rise apartment buildings with an average year built of 1939, slightly newer than the subject. With an occupancy rate of 92.5%, the subject is currently achieving a lower occupancy compared with the competitive set, where occupancy ranges from 82.6% to 100%, with a WA occupancy rate of 96.3%. Also, the subject's average rent per unit of $3,524 is far below the competitive set's average rent per unit of $5,150. Please see the table below for additional information on the competitive properties identified by the appraiser.

| **Competitive Set** | | | | | | |
|---|---|---|---|---|---|---|
| Property | Location | Units | Year Built | Occupancy (%) | Avg. Rental Rate Per Unit ($) | Avg. Unit Size (sf) |
| 100 Maiden Lane | New York, NY | 344 | 1930 | 100 | 4,458 | 772 |
| 71 Broadway | New York, NY | 238 | 1898 | 99.6 | 4,893 | 823 |
| 20 Broad Street | New York, NY | 385 | 1956 | 99.6 | 5,817 | 1,014 |
| 70 Pine Street | New York, NY | 589 | 1932 | 82.6 | 6,404 | 1,099 |
| 63 & 67 Wall Street | New York, NY | 807 | 1921 | 98.1 | 5,186 | 785 |
| The Renaissance | New York, NY | 220 | 2002 | 96.1 | 4,142 | 805 |
| **Total/WA Comp. Set** | **n/a** | **2,583** | **1939** | **96.3** | **5,150** | **883** |
| **15 Park Row** | **New York, NY** | **335** | **1899** | **92.5** | **3,524** | **709** |
| Source: Appraisal, except the subject figures, which are based on the rent roll dated June 1, 2022. | | | | | | |

## Sponsorship

The sponsor for this transaction is Atlas Capital Investors V, LP (Atlas), a commercial real estate investment, development, and management firm focused on real estate investments in New York and Los Angeles. Atlas has invested approximately $3 billion across 63 transactions of varying property types, resulting in $6.5 billion of total capitalization. The guarantors for the loan include Atlas , Atlas Capital Investors V, LP, Atlas Capital Investors V Parallel, LP, and Atlas Capital Investors V Parallel 2, LP. All guarantors are managed by Atlas Investor V GP, LLC. The sponsor disclosed litigation against the property seller related to the 421-g tax abatement and improper rent increases. The lender has reserved $360,000 related to this issue, which is the estimated maximum potential liability related to the settlement. In addition, the commercial tenant VP + C has threatened litigation related to delayed delivery of its space and seeks to terminate its lease. The borrower intends to fully enforce the lease and turn over the space to the tenant by September 1, 2022. DBRS Morningstar and the lender did not include VP+C in the in-place NCF and the lender increased the interest reserve from $500,00 to $1.5 million to offset the potential loss of income from the commercial space. Lastly, 64 residential tenants have threatened litigation because of the lack of gas service and other undisclosed issues at the property. The lender has reserved $1.5 million associated with the gas service issue at the property.

Based on the information provided, DBRS Morningstar has assessed sponsor strength as Average.

ACG Property Management LLC, an Atlas-affiliated management company, will manage the property. ACG Property Management LLC currently manages more than eight million sf of office, retail, industrial, and residential assets in the New York and Los Angeles markets.

## DBRS Morningstar Analysis

### Site Inspection Summary


Source: ASR.


Source: ASR.

DBRS Morningstar did not conduct a site inspection of the property because of health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from the Issuer and third party reports, DBRS Morningstar determined the property quality to be Average (+).

### DBRS Morningstar NCF Summary

| NCF Analysis | 2021 | T-12 May 2022 | Sponsor Budget Year 1 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 9,213,964 | 12,689,466 | 14,790,833 | 16,385,690 | 16,385,690 | 16,265,805 | -0.73 |
| Other Income ($) | 1,160,808 | 1,036,337 | 1,082,728 | 1,605,819 | 1,568,149 | 1,532,223 | -2.29 |
| Vacancy & Concessions ($) | -866,802 | -2,496,920 | -883,034 | -491,571 | -819,285 | -813,290 | -0.73 |
| **EGI ($)** | **9,507,969** | **11,228,884** | **14,990,527** | **17,499,939** | **17,134,555** | **16,984,738** | **-0.87** |
| Expenses ($) | 7,750,200 | 8,124,678 | 8,008,801 | 8,220,936 | 7,937,180 | 9,083,235 | 14.44 |
| **NOI ($)** | **1,757,770** | **3,104,205** | **6,981,726** | **9,279,003** | **9,197,375** | **7,901,503** | **-14.09** |
| Capex ($) | 0 | 0 | 0 | 31,320 | 83,750 | 255,652 | 205.26 |
| **NCF ($)** | **1,757,770** | **3,104,205** | **6,981,726** | **9,247,683** | **9,113,625** | **7,645,851** | **-16.11** |

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $7,645,851, representing a -16.1% variance from the Issuer's stabilized NCF of $9,113,625. The primary driver of the variance was operating expenses.

DBRS Morningstar generally estimated operating expenses by inflating operating expenses for the T-12 ended May 2022 by 10.0%.

**DBRS Morningstar Viewpoint**

The loan is secured by a 335-unit, Class A/B high-rise apartment in the Financial District of New York. The property is well situated in a densely populated area with surrounding structures typical of busy metropolitan cities. The subject provides convenient access to employment centers such as New York City Hall, the World Trade Center, and Wall Street. South Street Seaport and Brookfield Place, which are major redevelopments for retailers and restaurants, are both less than one mile from the subject. 15 Park Row is approximately 500 feet from Fulton Street Station and 0.3 miles northeast of the Oculus Transportation Hub at World Trade Center, which offers convenient access to all of Manhattan and four of the five boroughs.

The sponsor acquired the subject in an off-market transaction for $142 million in January 2021. Since acquisition, the sponsor has invested approximately $10 million in capex to renovate 61 units and make base building improvements. The sponsor has achieved an average rent premium of $1,098 per renovated unit. On closing, the sponsor's business plan is to execute a $15.6 million capital improvement project to complete the exterior and interior renovations and address some deferred maintenance. Approximately $12.4 million of the capex budget will be allocated to completing the base building improvements, improving elevators, upgrading amenities, and completing commercial leasing costs for the vacant space in the cupola on the top floor. In order to complete the base building improvements, the Sponsor replaced corroded gas lines, which led to the main gas line being turned off at the property. The Sponsor anticipates restoring gas service by August 2022. In an attempt to mitigate the consequences of the gas shutoff, the Sponsor has not marketed the property for new leases and has been offering a one-month rent concession to sustain the occupancy rate. The additional $3.3 million ($55,000/unit) of the loan proceeds will be allocated to interior renovations to 60 units. The interior upgrades include premium finishes and new kitchens, lighting, and HVAC system. Since acquisition, the Sponsor has renovated 61 units at a price of $3.1 million ($50,921/unit). Given the scope of the renovations and the sponsor's prior experience in executing similar business plans, DBRS Morningstar concluded that the business plan is achievable.

According to Reis, the multifamily market conditions appear to be favorable for the collateral's future performance. The sponsor's business plan is to increase rents to the market, lease the residential units to a stabilized occupancy of 95.0%, and lease the vacant commercial space. The subject's Reis submarket data showing stable growth rates and healthy demand overall support the sponsor's business plan. The subject's current average in-place rent per unit of $3,565 is materially lower than the West Village's average rent per unit of $5,479 as of Q2 2022. Reis projects the West Village submarket's current average vacancy to be sustained at 4.20% to 2027. DBRS Morningstar believes that the planned renovation will help improve the subject property's competitive position in the submarket.

The property exhibits strong market characteristics as it is in MSA Group 3 and DBRS Morningstar Market Rank 7. Loans secured by collateral with such market characteristics generally exhibit lower levels of default and loss. The loan exhibits relatively low leverage points as the DBRS Morningstar As-Is and Stabilized LTVs are 59.9% and 52.5%, respectively. DBRS Morningstar assigned a property quality of Average + because of the unit finishes and common area amenities. Because of the market characteristics, leverage, and property quality, the subject loan exhibits a lower-than-average expected loss within the collateral pool.

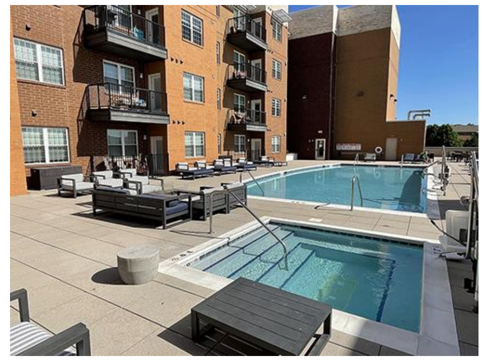
# 500 Station

**Loan Snapshot**

| | |
|---|
| **Seller** |
| MF1 |
| **Ownership Interest** |
| Fee-Simple |
| **Trust Balance ($ million)** |
| 55.0 |
| **Loan PSF/Unit ($)** |
| 311,750 |
| **Percentage of the Pool (%)** |
| 5.6 |
| **Fully Extended Loan Maturity/ARD** |
| July 2027 |
| **Amortization** |
| Full IO |
| **DBRS Morningstar As-Is DSCR (x)** |
| 0.74 |
| **DBRS Morningstar Stabilized DSCR (x)** |
| 0.80 |
| **DBRS Morningstar As-Is Issuance LTV (%)** |
| 71.4 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** |
| 64.6 |
| **DBRS Morningstar Property Type** |
| Multifamily |
| **DBRS Morningstar Property Quality** |
| Above Average |

**Debt Stack ($ millions)**

| |
|---|
| **Trust Balance** |
| 55.0 |
| **Pari Passu** |
| 70.0 |
| **Remaining Future Funding** |
| 5.0 |
| **Mortgage Loan Including Future Funding** |
| 130.0 |
| **Loan Purpose** |
| Refinance |
| **Equity Contribution/(Distribution) ($ million)** |
| -30.8 |



| **Collateral Summary** | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 2017 |
| **City, State** | Aurora, IL | **Physical Occupancy (%)** | 94.5 |
| **Units/sf** | 417 | **Physical Occupancy Date** | May 2022 |

The loan is secured by the borrower's fee-simple interest in 500 Station, a 417-unit multifamily property in Aurora, Illinois. Whole loan proceeds of $130.0 million, split between a $55.0 million trust balance, $70.0 million of pari passu (securitized in MF1 2022-FL9), and $5.0 million of future funding, were used to pay existing debt of $87.1 million, return $30.8 million to the sponsor, fund a $5.0 million earnout, fund a $3.0 million interest reserve, and cover remaining closing costs. During the initial term, provided no event of default has occurred, the lender will fund the $5.0 million earnout once certain conditions are satisfied, including a debt yield of at least 6.50% on the fully funded loan amount based on the trailing three months ending May 2022. The loan has a two-year initial term with three one-year extension options.

Built in 2017 by the sponsor, the property was 94.5% occupied as of May 2022. The property features the four unit types listed in the table below. Unit interiors feature premium finishes consisting of stainless steel appliances, quartz countertops, tile backsplashes, wood tile flooring, full-size in-unit washers/dryers, walk-in closets, and balconies. The subject also benefits from top-of-the-market amenities that include a tenant lounge, a rooftop deck with fire pits, a rooftop pool with hot tubs, a fitness center, a business center, a bocce ball court, a large putting green and golf simulator, a dog run and wash station, a bike room, and a package center. The property also contains 5,200 sf of commercial space and has 834 parking spaces.

| Unit Mix and Rents | | | |
|---|---|---|---|
| Unit Type | No. of Units | Avg. Unit Size (sf) | In-place Rent/Mo. ($) |
| 1 Bedroom/1 Bathroom | 177 | 777 | 1,689 |
| 1 Bedroom/1 Bathroom | 12 | 900 | 1,843 |
| 2 Bedroom/2.5 Bathroom | 177 | 1,083 | 2,251 |
| 3 Bedroom/2 Bathroom | 51 | 1,250 | 2,650 |
| **Total/WA** | **417** | **968** | **2,050** |

Source: Appraisal.

| Competitive Set | | | | | | | |
|---|---|---|---|---|---|---|---|
| Property | Location | Distance from Subject (Miles) | Units | Year Built/ Renovated | Occupancy (%) | Avg. Rental Rate Per Unit ($) | Avg. Unit Size (sf) |
| Glenmuir Apartments | Naperville, IL | 4.9 | 321 | 2000 | 95.0 | 1,630 | 1,050 |
| Tapestry Naperville Apartments | Naperville, IL | 4.7 | 298 | 2014 | 95.0 | 1,820 | 975 |
| 803 Corday at Naperville | Naperville, IL | 1.8 | 440 | 1999 | 94.0 | 1,675 | 955 |
| Everton Flats | Warrenville, IL | 4.5 | 259 | 2021 | 90.0 | 1,849 | 916 |
| The Residences at Hamilton Lakes | Itasca, IL | 25 | 297 | 2017 | 96.0 | 1,868 | 949 |
| Metro 59 Apartments | Aurora, IL | 0.8 | 232 | 2016 | 97.0 | 1,859 | 1,028 |
| **Total/WA Comp. Set** | **Various** | **Various** | **1,847** | **Various** | **94.5** | **1,769** | **977** |
| **500 Station** | **Aurora, IL** | **n/a** | **417** | **2017** | **94.5** | **1,689** | **986** |

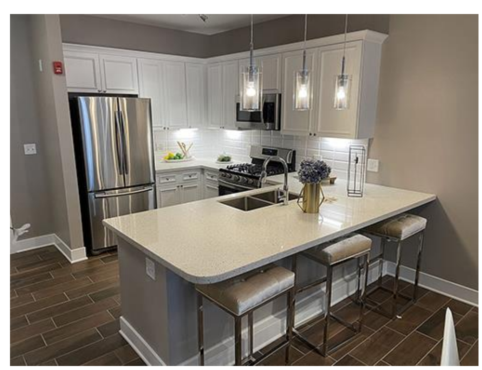
Source: Appraisal.
Avg. Rental Rate Per Unit based on 1 Bedroom/1 Bath units.

### Sponsorship

The sponsor for this transaction is Goel Investments, LLC. Amit Goel, the founder and principal of Goel Investments, is an experienced residential property developer, owner, and operator. The sponsor has real estate experience in the Midwest, having completed 19 real estate projects, including commercial, mixed-unit, and multifamily, as a codeveloper, subcontractor, or investor. The issuer conducted thorough due diligence on Goel Investments as well as Amit Goel himself and found no credit issues. This is the first time that MF1 has worked with this sponsor. Based on the information provided, DBRS Morningstar has assessed sponsor strength as Average.

## DBRS Morningstar Analysis

### Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property in June 2022. Based on the inspection and management tour, DBRS Morningstar found the property quality to be Above Average. At the time of the inspection, the property was approximately 95% occupied and in good overall condition. The property consists of 417 units across five multifamily buildings located next to each other. The brick exterior appeared to be in good condition. DBRS Morningstar noticed some minor deferred maintenance associated with balcony weathering and parking area surface cracking.

500 Station is approximately 36 miles southwest of Chicago. The property is in a suburban infill location surrounded by approximately 500 townhomes and within a major commercial corridor that includes a Macy's-anchored Fox Valley Mall, Meijer, Menards, Target, and a host of freestanding restaurants and quick service restaurants all within two miles of the property. The property is less than one mile from Route 34 (Ogden Ave) and Route 59, major east-west and north-south arterial roads, respectively, that serve as significant commercial corridors connecting the western suburbs to downtown Chicago. Furthermore, Interstate 88, is approximately three miles north of the subject and provides direct access to Chicago and extends west to Iowa.

DBRS Morningstar toured all buildings, including common amenities such as the fitness center, bocce ball court, pool, club rooms, and the golf simulator area. DBRS Morningstar also toured the interior of a one-bedroom unit and a two-bedroom unit. Each building features a different amenity with a lobby and heated parking garage on the ground level and residential units and amenities on the second level. 500 Station has a 3,000-sf fitness center with well-maintained free weight and cardio machines and includes a studio for classes and spin bikes. The fitness center has scenic views of Briggs Pond, Lake Travis, and Station Boulevard Park, a City of Aurora maintained greenspace with a playground, a basketball court, and a 12-mile walk/run/bike trail that connects to downtown Naperville, IL. This is a unique amenity that differentiates this property from the competitive properties in the area. According to management, the tenants appreciate the neighborhood feel of the residential community with significant landscaping and tree-lined streets that provide significant green space around the subject.

525 Station features a restaurant space and open area amenity deck with grills and cornhole sets. The approximately 3,200 sf of restaurant space has been vacant for approximately 12 months. It is fully furnished with a grease trap, a cooler, a hood, a grill, and tables. Management is currently asking for $10,000 per month, or $37.50 psf, to lease the space. DBRS Morningstar feels this is above market given that the space is accessible only to the property tenants with direct access available only to those residing in 525 Station, and is on the second floor, creating obstacles for delivery and access.

650 Station has an amenity deck featuring bocce ball and direct views of the city park and Briggs pond, while 675 Station has a pool and hot tub on the mezzanine level. 770 Station has a nine-hole putting green on the second floor, a secured package delivery center requiring passcode entry, and bike storage. All amenities are accessible to tenants on a first-come, first-serve basis. Residents may reserve spaces such as the club rooms and golf simulator space at a charge ranging from $100 to $150 per hour, depending on demand and amenity. Additionally, ownership offers a free shuttle to the Route 59 Metra

train station, just over one mile north of the subject, that runs every 15 minutes during the morning and evening as well as to downtown Naperville on the weekends.

DBRS Morningstar toured a sample of the one-bedroom and two-bedroom units. The unit floor plans were efficient and spacious, featuring condo-level finishes with quartz counters, faux-wood porcelain tile floors in the wet areas and carpeted bedrooms, stainless steel appliances, and modern fixtures. The two-bedroom unit DBRS Morningstar toured was unique, offering two, ensuite bedrooms with a half-bathroom off of the kitchen. The units were well-maintained with good natural light and balconies looking out onto tree-lined streets or the park.

Currently, the rent for a one-bedroom unit ranges from $1,850–$1,900 per month, upwards of $2,250 per month for a two-bedroom unit, and approximately $3,000 per month for a three-bedroom unit. Management is currently offering minor concessions and first month rent abatement for the two-bedroom units of $250–$500.

Overall, DBRS Morningstar found the property to be well positioned in the market because of its physical quality and maintenance, convenience to major roads and public transit, and amenity package that is superior to its competitive set.

## DBRS Morningstar NCF Summary

| NCF Analysis | 2019 | 2020 | T-12 February 2022 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 9,749,123 | 9,854,660 | 9,964,177 | 12,343,784 | 11,635,200 | 11,620,508 | -0.13 |
| Other Income ($) | 471,083 | 575,814 | 618,239 | 774,634 | 714,402 | 634,684 | -11.16 |
| Vacancy & Concessions ($) | -3,709,351 | -2,234,476 | -1,813,532 | -721,513 | -681,045 | -782,220 | 14.86 |
| **EGI ($)** | **6,510,855** | **8,195,998** | **8,768,884** | **12,396,905** | **11,668,557** | **11,472,972** | **-1.68** |
| Expenses ($) | 2,843,060 | 3,145,143 | 3,248,502 | 3,729,245 | 3,507,584 | 3,663,836 | 4.45 |
| **NOI ($)** | **3,667,795** | **5,050,855** | **5,520,382** | **8,667,660** | **8,160,973** | **7,809,136** | **-4.31** |
| Capex ($) | 142,768 | 251,421 | 253,923 | 113,917 | 104,250 | 105,550 | 1.25 |
| **NCF ($)** | **3,525,027** | **4,799,434** | **5,266,459** | **8,553,743** | **8,056,723** | **7,703,586** | **-4.38** |

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 $7,703,586, representing a low variance of -4.4% from the Issuer's stabilized NCF.

The primary driver of this small variance is operating expenses. DBRS Morningstar generally concluded most operating expenses at the figure for the T-12 ended February 28, 2022, inflated by 3.0% for most operating expenses. The sponsor's budgeted figures were applied in areas where they were more appropriate than the inflated T-12 figure.

**DBRS Morningstar Viewpoint**

The property is in Aurora, part of the Chicago-Naperville-Arlington Heights metropolitan area (Chicago MSA). The location is considered to be an affluent area, between downtown Aurora and Naperville, with a median income of approximately $105,000 within a three-mile radius of the property. Adjacent to the property is The Fox Valley Mall, and a Meijer, Whole Foods, and Costco are also close by. The property is well located off the intersection of Route 59 and Route 34, allowing tenants to drive to Chicago in as little as 40 minutes. The area also benefits from being part of the Naperville School System. The submarket experienced rent growth of 10% in 2021 compared with the greater Chicago market rent growth of 8.3% in 2021.

Built in 2017 by the sponsor, the property was 94.5% occupied as of May 2022. The sponsor acquired the land in 2013 for $3.0 million, and the property delivered its first building in October 2016 and its final building in April 2017. In early March 2020, the property reached an occupancy of 94.0%, and the sponsor opportunistically vacated one the buildings to sell it as a senior living facility. The planned senior housing sale didn't happen, and the sponsor instead decided to lease units to corporate tenants during the pandemic. In particular, 50 to 60 units were leased to Door Creek, a construction company. The sponsor can terminate these leases with 30 days' notice and expects to fully wind these down as the market begins to return to pre-pandemic levels. There is upside potential for the property as the sponsor begins to lease it back to stabilized occupancy. The appraiser's competitive set shows an average occupancy rate of 94.5% and an average market rent of $1,769 (based on one bedroom/one bath units), both of which are in line with the property's current performance.

There is no business plan other than to lease the property back to a stabilized occupancy rate. Based on the minimal lift required at the property and the sponsor's experience in the market, DBRS Morningstar has analyzed the loan with a low Business Plan Score of 1.30, indicating a high likelihood of success. Additionally, the property has seen a substantial rent growth, averaging $2.37 psf as of the latest rent roll compared with $2.09 psf in March 2021.

While the property has been performing well, the loan was analyzed in DBRS Morningstar Market Rank 4 and MSA Group 1. Both metrics indicate an increased POD and LGD because the market is categorized as a suburban area in a weak MSA.

The loan is structured with a $3.0 million interest reserve and a $5.0 million earn-out in order to provide sufficient protection while the sponsor completes its lease-up plan. The property does not appear over-leveraged, and the DBRS Morningstar LTVs are below the pool average. The business plan is minimal, and the property already benefits from a high in-place occupancy rate of 94.5%, which is in line with the appraiser's estimated market occupancy rate of 94.7%. The sponsor demonstrated unique, strategic decision-making during the coronavirus pandemic by attempting to sell a parcel for senior housing and then offering corporate leases to increase occupancy. The sponsor has since increased occupancy to 94.5% from the low of 67.5% after it vacated one building for the attempted sale, indicating continued acumen with managing the property.

Based on the whole loan balance of $130.0 million and the as-is and as-stabilized appraised values of $176.3 million and $186.2 million, respectively, the loan was analyzed with DBRS Morningstar As-Is and Stabilized LTVs of 73.7% and 69.8%, respectively. These metrics are below the pool average and mitigate the property's low MSA Group ranking. As a result, the loan's expected loss (EL) is below the pool WA EL.

# Park at Stone Creek

**Loan Snapshot**

| |
|---|
| **Seller** |
| MF1 |
| **Ownership Interest** |
| Fee-Simple |
| **Trust Balance ($ million)** |
| 53.7 |
| **Loan PSF/Unit ($)** |
| 147,619 |
| **Percentage of the Pool (%)** |
| 5.5 |
| **Fully Extended Loan Maturity/ARD** |
| July 2027 |
| **Amortization** |
| Full IO |
| **DBRS Morningstar As-Is DSCR (x)** |
| 0.43 |
| **DBRS Morningstar Stabilized DSCR (x)** |
| 0.71 |
| **DBRS Morningstar As-Is Issuance LTV (%)** |
| 87.1 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** |
| 73.7 |
| **DBRS Morningstar Property Type** |
| Multifamily |
| **DBRS Morningstar Property Quality** |
| Average |

**Debt Stack ($ millions)**

| |
|---|
| **Trust Balance** |
| 53.7 |
| **Pari Passu** |
| 0.0 |
| **Remaining Future Funding** |
| 8.3 |
| **Mortgage Loan Including Future Funding** |
| 62.0 |
| **Loan Purpose** |
| Acquisition |
| **Equity Contribution/(Distribution) ($ million)** |
| 23.3 |


Source: ASR.


Source: ASR.

| **Collateral Summary** | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 1983 |
| **City** | Austin, TX | **Physical Occupancy (%)** | 97.9 |
| **Units** | 420 | **Physical Occupancy Date** | June 2022 |

This loan is secured by the borrower's fee-simple interest in Park at Stone Creek, a 420-unit garden-style apartment complex in Austin, Texas. Built in 1983, the property was 97.9% physically occupied as of June 2022. Loan proceeds of $62.0 million along with the borrower's equity of $20.7 million went toward acquiring the property for $67.5 million, covering closing costs of $6.4 million, and funding an interest reserve of $2.5 million. The loan also includes an $8.3 million future funding component allocated to the sponsor's capital improvement project. The five-year fully extended loan term consists of a two-year initial period and three one-year extension options. The loan is IO through the loan term.

The property comprises 33 apartment buildings and 840 parking spaces on 18.0 acres. Property-wide amenities include a swimming pool, a playground, a fitness center, picnic areas, a business center, and a laundry facility. The sponsor plans to complete an $8.8 million ($20,976 per unit) capital improvement plan consisting of primarily exterior, amenity, and interior upgrades. Additional information on the residential unit mix and unit rental rates can be found in the table below.

| **Unit Mix and Rents - Park at Stone Creek** | | | |
|---|---|---|---|
| Unit Type | Units | Avg. Unit Size (sf) | Rent/Month ($) |
| 1 Bedroom | 315 | 663 | 938 |
| 2 Bedroom | 105 | 1,012 | 1,200 |
| **Total/WA** | **420** | **750** | **1,004** |

Sources: June 2022 rent roll.

The property's submarket includes numerous buildings of similar class and vintage to the property, as seen in the table below. The appraiser identified six apartment buildings within a two-mile radius that directly compete with the subject for prospective tenants. According to Reis, the property is in the Far North Central submarket, where the vacancy rate is a tight 2.4% as of Q2 2022 and Reis' five-year forecast is still low at 1.9%, which is a positive factor for the property. The appraiser's rent comparables show occupancy rates ranging from 93.0% to 100.0%, with an average of 96.9%. Because the submarket shows positive fundamentals, DBRS Morningstar assumed a stabilized vacancy rate of 5.0% supported by the Reis vacancy rate for the submarket.

**Competitive Set**

| Property | Location | Distance from Subject (Miles) | Units | Year Built | Occupancy (%) | Avg. Rental Rate Per Unit ($) |
|---|---|---|---|---|---|---|
| 502 North | Austin, TX | 0.8 | 160 | 1984 | 96.0 | 1,495 |
| Northchase | Austin, TX | 0.5 | 120 | 1984 | 100.0 | 1,458 |
| Villas De La Plaza | Austin, TX | 0.3 | 200 | 1984 | 93.0 | 1,438 |
| Villas of Quail Creek | Austin, TX | 0.8 | 172 | 1985 | 100.0 | 1,325 |
| Aubry Hills | Austin, TX | 0.8 | 192 | 1972 | 98.0 | 1,466 |
| Longspur Crossing | Austin, TX | 0.8 | 252 | 1984 | 96.0 | 1,270 |
| **Total/WA Comp. Set** | **Austin, TX** | **Various** | **1,096** | **Various** | **96.9** | **1,397** |
| **Subject - Park at Stone Creek** | **Austin, TX** | **n/a** | **420** | **1983** | **97.9** | **1,004** |

### Sponsorship

The sponsor for this transaction is Tides Equities, which is a CRE investment firm focused on real estate investments in Arizona, Nevada, California, and Texas. Tides Equities is a repeat sponsor of MF1, with the subject transaction representing the 29th transaction that MF1 has financed.

The Robinson Group, a third-party management company based in Arizona, will manage the property for a contractual rate of 2.5% of EGI. The Robinson Group currently manages 24,371 units across 77 properties in Nevada, Texas, and Arizona including 1,034 units across three properties in the Austin market for the sponsor.

## DBRS Morningstar Analysis

### Site Inspection Summary

Source: ASR.

Source: ASR.

DBRS Morningstar did not conduct a site inspection of the property because of health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from the Issuer and third-party reports, DBRS Morningstar determined the property quality to be Average.

## DBRS Morningstar NCF Summary

**NCF Analysis**

| | 2020 | 2021 | T-12 April 2022 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 4,585,332 | 4,723,620 | 4,809,781 | 7,881,943 | 7,323,120 | 6,567,512 | -10.32 |
| Other Income ($) | 693,803 | 686,256 | 721,209 | 858,500 | 794,000 | 794,000 | 0.00 |
| Vacancy & Concessions ($) | -147,291 | -198,308 | -191,938 | -400,099 | -366,156 | -394,051 | 7.62 |
| **EGI ($)** | **5,131,843** | **5,211,568** | **5,339,052** | **8,340,344** | **7,750,964** | **6,967,461** | **-10.11** |
| Expenses ($) | 2,813,743 | 2,915,376 | 2,966,886 | 3,629,266 | 3,439,316 | 3,679,845 | 6.99 |
| **NOI ($)** | **2,318,101** | **2,296,192** | **2,372,166** | **4,711,078** | **4,311,648** | **3,287,616** | **-23.75** |
| Capex ($) | 0 | 0 | 0 | 105,000 | 105,000 | 105,000 | 0.00 |
| **NCF ($)** | **2,318,101** | **2,296,192** | **2,372,166** | **4,606,078** | **4,206,648** | **3,182,616** | **-24.34** |

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 $3,182,616, a variance of -24.3% from the Issuer's NCF of $4,206,648.

The primary driver of the variance is GPR. DBRS Morningstar generally estimated stabilized GPR based on a rental premium per unit of $300 over the in-place rents from the June 2022 rent roll given planned renovations at the property. The Issuer generally estimated stabilized GPR based on the appraiser's post-renovated rents with an approximate WA premium of $450 per unit above the in-place rents as of the June 2022 rent roll.

### DBRS Morningstar Viewpoint

The loan is collateralized by a 420-unit apartment building in Austin. The property, located at 9200 N Plaza, is well situated in the Austin metropolitan area and is close to the downtown Austin CBD, which is approximately eight miles southwest of the property. The area has a strong employment concentration in industrial and technology uses. The Cameron Industrial zone is a short distance to the east with light industrial and distribution facilities. Five miles north is the Parmer Lane corridor, which is part of Austin's high technology hub. Samsung Semiconductor and Dell Computers are both within seven miles of the property, and their presence has helped drive demand for housing in Austin.

The sponsor's business plan is to implement a large property-wide renovation program of $8.8 million ($20,976 per unit) at a manageable pace of about 13 units per month, which includes renovations to the interior, exterior, amenities, and deferred maintenance, and then to increase rents by about $450 per month on average from $1,004 to $1,454. The seller reportedly spent approximately $3.4 million on capital improvements, which includes $1.48 million on unit interior upgrades. These upgrades helped keep the property in average condition, and the sponsor intends to use the planned renovation to drive improvement in the property performance. The interior capex budget totals $6.1 million ($14,582 per unit), which will see upgrades to all units at the property, including stainless-steel appliances and updated countertops, cabinets, dishwashers, washers and dryers, light fixtures, plumbing, flooring, paint, and more. Exterior upgrades at the property are budgeted at $1.0 million, which includes new signage, solar screens, landscaping, and amenity upgrades, including a new barbecue area, dog park, and sports court. The property-level upgrades will also address deferred maintenance costs of $1.7 million ($3,964 per unit). The business plan is generally achievable given the large amount of capex being invested, the appraiser's market rents, and the tight multifamily market in Austin. The vacancy rate in the market is below 3.0% and in-migration to the region is strong, thanks to the strong high technology presence. DBRS Morningstar concluded a $300-per-unit rent premium over in-place rents in its stabilized analysis, which ultimately resulted in an NCF variance of -24.3% to the Issuer's underwritten NCF.

The loan's stabilized LTV (including future funding) of 67.8% is moderate in terms of leverage. In addition, the old age of the buildings and the DBRS Morningstar As-Is LTV (based on fully funded loan amount) of 87.1% are punitive factors that outweigh the favorable asset class. The property has a DBRS Morningstar Market Rank of 4, which is representative of a higher POD market but is mitigated by a DBRS Morningstar MSA Group of 2, which is indicative of a strong, urban market with a credit-positive profile. Consequently, the loan has an expected loss generally in line with the pool average.

# Elevate Powell & Broad

**Loan Snapshot**

| | |
|---|---|
| **Seller** | MF1 |
| **Ownership Interest** | Fee-Simple |
| **Trust Balance ($ million)** | 50.0 |
| **Loan PSF/Unit ($)** | 212,239 |
| **Percentage of the Pool (%)** | 5.1 |
| **Fully Extended Loan Maturity/ARD** | July 2027 |
| **Amortization** | Full IO |
| **DBRS Morningstar As-Is DSCR (x)** | 0.77 |
| **DBRS Morningstar Stabilized DSCR (x)** | 0.81 |
| **DBRS Morningstar As-Is Issuance LTV (%)** | 80.9 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** | 79.3 |
| **DBRS Morningstar Property Type** | Multifamily |
| **DBRS Morningstar Property Quality** | Above Average |

**Debt Stack ($ millions)**

| | |
|---|---|
| **Trust Balance** | 50.0 |
| **Pari Passu** | 21.5 |
| **Remaining Future Funding** | 10.0 |
| **Mortgage Loan Including Future Funding** | 81.5 |
| **Loan Purpose** | Acquisition |
| **Equity Contribution/(Distribution) ($ million)** | 68.5 |

Source: ASR.

Source: ASR.

| **Collateral Summary** | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 2021 |
| **City, State** | Fuquay-Varina, NC | **Physical Occupancy (%)** | 97.1 |
| **Units/sf** | 384 | **Physical Occupancy Date** | June 2022 |

This loan is secured by the borrower's fee-simple interest in Elevate Powell and Broad Apartments, a 384-unit, Class A, garden-style multifamily property approximately 18 miles southwest of the Raleigh, North Carolina, CBD. Initial loan proceeds of $71.5 million, combined with $51.2 million in borrower equity, financed the $129.3 million purchase, covered closing costs of $9.4 million, and funded upfront reserves. The loan includes a $10.0 million earn-out if the sponsor achieves both a 7.0% debt yield and 1.25x IO DSCR based on the trailing three-month income and trailing 12-month normalized expenses. The floating-rate loan has a five-year fully extended term that is IO until maturity.

The collateral consists of 16 three-story, reinforced concrete slab garden-style apartment buildings spread across a 26.2-acre site. The property recently opened in 2021 and offers two unit types. Notable unit amenities include nine-foot ceilings, electronic smart home key systems, movable kitchen islands, granite countertops, stainless-steel appliances, and washer/dryer connections.

**Unit Mix and Rents**

| Unit Type | Units | Avg. Unit Size (sf) | Avg. Rent ($/unit) |
|---|---|---|---|
| One Bed/One Bath | 192 | 768 | 1,229 |
| Two Bed/One Bath | 192 | 1,186 | 1,493 |
| **Total/WA** | **384** | **977** | **1,360** |

Based on the June 20, 2022, rent roll.

Common amenities include two dog parks, a playground, a car care center, a dog spa, a swimming pool, an outdoor grilling area with a firepit, cornhole, a fitness center, a game room, a coffee bar, an electric car charger, detached garages, and a pickleball court.

**Competitive Set**

| Property | Distance from Subject (Miles) | Units | Year Built/ Renovated | Avg. Unit Size (sf) | Avg. Rental Rate ($) | Occupancy (%) |
|---|---|---|---|---|---|---|
| Magnolia South | 1.4 | 168 | 2021 | 900 | 1,556 | 98.1 |
| Meridian at Broad Street | 1.3 | 328 | 2017 | 990 | 1,665 | 95.1 |
| The Retreat at Fuquay-Varina | 2.7 | 240 | 2019 | 1,044 | 1,572 | 77.0 |
| Holly Springs Place | 4.6 | 239 | 2021 | 945 | 1,658 | 96.0 |
| Exchange at Holly Springs | 2.4 | 316 | 2021 | 973 | 1,601 | 96.5 |
| Hawthorne at Holly Springs | 2.6 | 185 | 2022 | 1,103 | 1,689 | 40.5 |
| **Total/WA Comp. Set** | **2.5** | **1,476** | **2020** | **992** | **1,626** | **86.1** |
| **Elevate Powell and Broad Apartments** | **n/a** | **384** | **2021** | **977** | **1,360** | **97.1** |

Source: Appraisal, except the subject figures are based on the rent roll dated June 20, 2022.

### Sponsorship

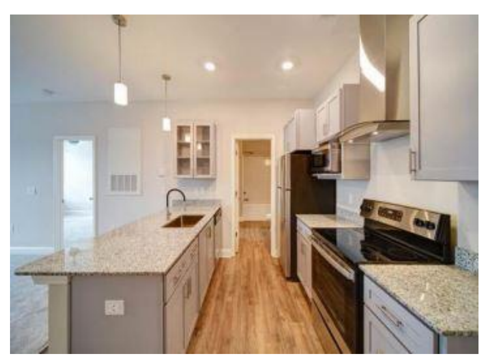
The sponsor and guarantor is Brown Development, LLC, which controls Aldon Companies (Aldon). Aldon is a family owned operator and developer of CRE that was founded in 1947. Aldon is currently managed by Todd Bowen, who is chief executive officer and a board member of Brown Development, LLC. To date, the sponsor has nine properties in its portfolio with an estimated market value of $620 million, including two properties that are within 30 miles of the collateral in Raleigh and Pittsboro, North Carolina.

The guarantor has a net worth of $340.5 million and liquidity of $12.0 million. The property manager will be a borrower-affiliate.

## DBRS Morningstar Analysis

### Site Inspection Summary

Source: ASR.



Source: ASR.

DBRS Morningstar did not conduct a site inspection of the property because of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Above Average.

### DBRS Morningstar NCF Summary

| NCF Analysis | 2021 | T-12 May 2022 | YTD Annualized May 2022 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 5,766,602 | 6,061,450 | 6,190,540 | 7,097,040 | 7,952,754 | 6,633,936 | -16.58 |
| Other Income ($) | 322,942 | 427,073 | 458,803 | 512,500 | 512,500 | 453,307 | -11.55 |
| Vacancy & Concessions ($) | -2,554,187 | -1,287,428 | -658,134 | -390,337 | -437,401 | -457,742 | 4.65 |
| **EGI ($)** | **3,535,357** | **5,201,095** | **5,991,209** | **7,219,203** | **8,027,853** | **6,629,501** | **-17.42** |
| Expenses ($) | 1,519,231 | 1,841,318 | 2,095,980 | 2,202,593 | 2,226,853 | 2,380,420 | 6.90 |
| **NOI ($)** | **2,016,126** | **3,359,777** | **3,895,229** | **5,016,610** | **5,801,000** | **4,249,081** | **-26.75** |
| Capex ($) | 0 | 0 | 0 | 76,800 | 96,000 | 96,000 | 0.00 |
| **NCF ($)** | **2,016,126** | **3,359,777** | **3,895,229** | **4,939,810** | **5,705,000** | **4,153,081** | **-27.20** |

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The primary driver of the variance was GPR. DBRS Morningstar concluded a GPR based on the minimum of the average actual rents achieved by floorplan in 2022 and the appraiser's concluded market rent. The resulting WA asking rent is $1,440 per unit, which results in a $186 per unit discount relative to the WA rent of the appraiser's competitive set.

### DBRS Morningstar Viewpoint

The collateral is on the north side of Fuquay-Varina, a suburb that is 18 miles southwest of Raleigh. Fuquay-Varina is a rapidly growing exurb of Raleigh with a population that increased to more than 30,000 as of 2019 census estimates from just under 8,000 in 1990. The immediately surrounding land is predominantly residential, farmland, and undeveloped land. There is a light concentration of employers locally; however, a short drive to the north in Apex and Holly Springs are manufacturing facilities for Dell and Seqirus, a manufacturer of vaccines, and the UNC REX Holly Springs Hospital. There are retail clusters along NC-55 and U.S. Hwy. 401 that serve the local area. By and large, however, the property is less densely developed than areas closer to Raleigh and carries a DBRS Morningstar Market Rank of 2, which is historically correlated with higher rates of default.

The property was constructed in 2021, and the initial lease-up occurred during the pandemic-related shutdowns in the state. The property exhibited strong leasing traffic with about 17 units rented per month, albeit at slightly below market rents with some concessions. The property was 96.1% occupied as of June 2022, and the sponsor's business plan is to increase rents toward the market level. No additional capital was allocated to the business plan, given the property's age.

In 2022, the property increased average rents about $100 per month on 124 leases signed, which lends some credibility to the investment thesis. In addition, the market has generally good fundamentals, with an average vacancy rate of 5.3% in Q1 2022 and a five-year forecast of 6.4% as new supply is added to the market. Typically, DBRS Morningstar tied additional rent growth to capex at the property; however, the clear trend of improving rent in 2022 with no capital spend demonstrates that there is room to grow revenue. The DBRS Morningstar NCF applies the rent achieved in recent periods to account for the growth, but it does not assume further increases.

The loan represents moderate leverage at a fully funded LTV of 63.1%; however, the business plan relies heavily on continued rent appreciation. The DBRS Morningstar As-Is DSCR is low at 0.77x, and the DBRS Morningstar Stabilized DSCR of 0.81x is also low. Both metrics are historically associated with high default rates. DBRS Morningstar does not forecast market rent growth when calculating the subject's stabilized NCF nor does it give any credit for mark-to-market adjustments. Should the submarket deteriorate, the business plan will be compromised, given the loan's low DSCR. These factors combined with the loan's low DBRS Morningstar Market Rank of 2 have the loan's expected loss above the pool average.

# Gardenhouse

**Loan Snapshot**

| | |
|---|---|
| **Seller** | MF1 |
| **Ownership Interest** | Fee-Simple |
| **Trust Balance ($ million)** | 49.1 |
| **Loan PSF/Unit ($)** | 272,505 |
| **Percentage of the Pool (%)** | 5.0 |
| **Fully Extended Loan Maturity/ARD** | July 2027 |
| **Amortization** | Full IO |
| **DBRS Morningstar As-Is DSCR (x)** | 0.00 |
| **DBRS Morningstar Stabilized DSCR (x)** | 0.81 |
| **DBRS Morningstar As-Is Issuance LTV (%)** | 65.0 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** | 63.8 |
| **DBRS Morningstar Property Type** | Multifamily |
| **DBRS Morningstar Property Quality** | Above Average |

**Debt Stack ($ millions)**

| | |
|---|---|
| **Trust Balance** | 49.1 |
| **Pari Passu** | 0.0 |
| **Remaining Future Funding** | 0.0 |
| **Mortgage Loan Including Future Funding** | 49.1 |
| **Loan Purpose** | Refinance |
| **Equity Contribution/(Distribution) ($ million)** | -7.2 |

| **Collateral Summary** | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 2021 |
| **City, State** | Beverly Hills, CA | **Physical Occupancy (%)** | 50.0 |
| **Units** | 18 | **Physical Occupancy Date** | June 2022 |

This loan is secured by the borrower's fee-simple interest in Gardenhouse, an 18-unit luxury multifamily property in Beverly Hills, California. Initial loan proceeds of $49.1 million along with a $5.7 million mezzanine loan refinanced $43.0 million of existing debt, funded a $3.0 million of interest reserves, covered $1.4 million of closing costs, and returned $7.3 million of equity to the sponsor. The mezzanine loan will be held by MF1 outside of the trust. The three-year initial loan term and two one-year extension options are IO throughout.

The property was built in 2020 and was originally developed to be sold as luxury condominiums. After slow sales momentum during the pandemic, the sponsor pivoted the business plan to operate the subject as a high-end multifamily property for the foreseeable future. While there will be no paydowns or individual unit releases permitted under the subject loan, an alternate exit strategy would be to sell of the property as condominiums because the sponsor filed an underlying white report, condominium plan, and recorded covenants, conditions, and restrictions.

As of the June 2022 rent roll, the property was 50.0% occupied at an average rental rate of $20,715 per unit. The property consists of two studio units (both of which are the property's affordable units), one one-bedroom unit, 14 three-bedroom units, and one four-bedroom unit, averaging 755 sf, 2,324 sf, 2,523 sf, and 2,980 sf, respectively. The sponsor's business plan is to stabilize occupancy over the loan term.

| **Unit Mix - Gardenhouse** | | | | |
|---|---|---|---|---|
| Unit Type | Units | Units Occupied | Avg. Unit Size (sf) | Avg. In-Place Rent ($/unit) |
| Studio | 2 | 2 | 755 | 1,668 |
| Two Bedroom | 1 | 0 | 2,324 | 0 |
| Three Bedroom | 14 | 7 | 2,523 | 26,157 |
| Four Bedroom | 1 | 0 | 2,980 | 0 |
| **Total/WA** | **18** | **9** | **2,341** | **20,715** |

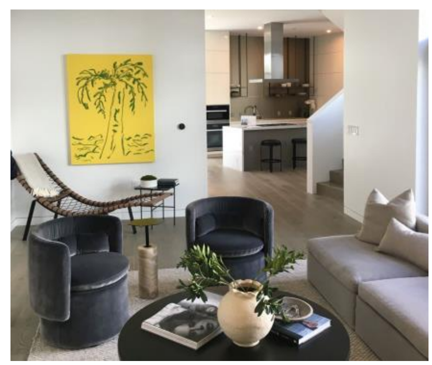
Source: Rent Roll dated June 2, 2022.

### Sponsorship

The sponsor for this transaction is Palisades Capital Partners (Palisades), a real estate private equity firm that invests in real estate assets in the Greater Los Angeles area, led by David Orenstein and Harold Wang. Based in Santa Monica, Palisades has experience in acquisitions, entitlements, design, development, construction, redevelopment, and asset management of condominium projects, mixed-use developments, and office, retail, hotel, and multifamily properties. David Orenstein and Harold Wang serve as the loan's guarantors and reported a combined net worth of $27.9 million and liquidity of $4.8 million. The subject property will be managed by a third-party management company, Align Residential.

## DBRS Morningstar Analysis

### Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on June 15, 2022, at 9:00 a.m. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Above Average.

Gardenhouse is located on the heavily trafficked intersection of Wilshire Boulevard and South Stanley Drive. The immediate surrounding area is mostly residential with retail properties and small office properties lining Wilshire Boulevard. The property offers excellent curb appeal with a massive living green wall of native plants and succulents that wraps around the north and east facades of the property, making it look as though the white villas tower over a lush green hill. Designed by Ma Yansong of MAD Architects, who also designed the George Lucas Museum of Narrative Art in Los Angeles, the property was originally developed as a luxury condominium project. Management indicated that after it was delivered in 2021 amid pandemic uncertainty, the owner decided to pivot the business plan to operate the subject as a multifamily property because of the changing dynamics in the condominium market. The property began to market its two affordable units in October 2021 before marketing its remaining units in February 2022. Since then, the sponsor has leased eight units, including the two affordable units and one two-bedroom unit leased to an employee of the property.

The leasing office at Gardenhouse is centrally located next to an impressive open-air atrium with reflecting pool in a courtyard filled with trees, flower beds, and bushes, all of which was immaculately maintained and visually appealing. The property offers 6,000 sf of ground-floor retail divided in two commercial units along Wilshire Boulevard . While the commercial space was vacant at the time of inspection, the sponsor noted that Black Canvas Coffee signed a lease for 1,200 sf of space and plans to take occupancy in September 2022. There has been interest in the other commercial space but the City of Beverly Hills denied a gym tenant from leasing the space because of its concerns about parking in the neighborhood. The property does feature a two-story subterranean parking garage that offers 82 parking spaces, a portion of which are dedicated to the City of Beverly Hills and future commercial tenants. Amenities at the property are limited: there is a fitness room and select units have private elevators connected to subterranean private parking garages with electric vehicle charging stations.

DBRS Morningstar inspected a three-bedroom unit, a three-bedroom penthouse, and a four-bedroom townhouse. All inspected units had spacious, open-concept floor plans with multiple private outdoor patios and plenty of natural light. High-end windows provide the units along Wilshire Boulevard with protection from the road noise below and the entire property has a quiet and calming feel. Interior finishes include Snaidero design kitchens, Miele appliances, vaulted ceilings, glass enclosed showers with soaking tubs, gas fireplaces, large walk-in closets, marble finishes, radiant floor heating, and Nest thermostats. Penthouse units do not share exterior walls with other units and townhouse units have private entrances as well as private elevators. Overall, the property was visually impressive and practical with luxury finishes implemented in every detail of both its interior and exterior construction.

## DBRS Morningstar NCF Summary

| NCF Analysis | | | | | | |
|---|---|---|---|---|---|---|
| | T-3 April 2022 | Sponsor Budget Year 1 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
| GPR ($) | 5,597,331 | 5,759,462 | 5,069,448 | 5,696,821 | 4,967,448 | -12.80 |
| Other Income ($) | 0 | 554,831 | 540,440 | 517,311 | 502,478 | -2.87 |
| Vacancy & Concessions ($) | -4,984,604 | -285,960 | -405,556 | -282,850 | -372,559 | 31.72 |
| **EGI ($)** | **612,728** | **6,028,333** | **5,204,332** | **5,931,282** | **5,097,367** | **-14.06** |
| Expenses ($) | 1,937,671 | 1,864,305 | 2,151,889 | 1,918,211 | 2,279,185 | 18.82 |
| **NOI ($)** | **-1,324,944** | **4,164,028** | **3,052,443** | **4,013,071** | **2,818,183** | **-29.77** |
| Capex ($) | 0 | 0 | 18,000 | 4,500 | 4,500 | 0.00 |
| **NCF ($)** | **-1,324,944** | **4,164,028** | **3,034,443** | **4,008,571** | **2,813,683** | **-29.81** |

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar was $2,813,683 representing a -29.8% variance from the Issuer's stabilized NCF of $4,008,571. The primary drivers of the variance include the DBRS Morningstar GPR, real estate taxes, and operating expenses assumptions. DBRS Morningstar estimated stabilized GPR based on the in-place rents as of the June 2, 2022, rent roll and grossed up vacant units to the appraiser's market rent figures, resulting in an average monthly rate of $22,997 compared with the issuer's stabilized GPR of $26,374 per unit per month. For real estate taxes, DBRS Morningstar concluded the appraiser's stabilized assumption while the issuer utilized the borrower's year one budgeted figure. For operating expenses, DBR Morningstar generally assumed the sponsor's year one amount inflated by 10.0%, resulting in a 44.4% expense ratio.

**DBRS Morningstar Viewpoint**

The loan is collateralized by a multifamily property located in Beverly Hills. The sponsor originally intended to sell individual units as condominiums, although as the pandemic hit the business plan shifted to leasing the units. To that end, the property began full marketing efforts in March 2022 and it has since leased nine of the 18 units although two of those are the affordable units, one is leased to an employee, and three are short-term leases (varying from three to six months). These leases bring the occupancy rate to 50.0% and, given the high asking rents that average more than $20,000 per month, full lease-up may take time. However, the loan is structured with an upfront interest reserve of $3.0 million. The property manager noted that it would slowly phase out short-term leases as occupancy grew—a similar strategy to what was implemented at a competitive property in the market that is managed by the same company. While the appraisal concluded a stabilized occupancy of 92.5%, the issuer aims to reach a stabilized occupancy of 95.0%. DBRS Morningstar sees a moderate risk to the sponsor's business plan as indicated by the DBRS Morningstar Business Plan Score of 2.33.

The property benefits from its location along a busy corridor in the affluent city of Beverly Hills. The collateral is in an area characterized as MSA 3 with a DBRS Morningstar Market Rank of 7. Such rankings generally reflect dense urban areas in core markets, and loans secured by properties in these areas have historically demonstrated reduced defaults and losses relative to loans secured by properties in less densely populated, financially illiquid markets.

The transaction represents cash-out refinancing and is scheduled to return $7 million of cash equity to the transaction sponsor at closing. DBRS Morningstar generally views cash-out financings less favorably than cash-in financings, given the reduction of financial incentive alignment associated with less skin in the game. The appraiser estimates the stabilized value of the collateral to be $76.9 million, representing a reasonable LTV of 63.8% based on the fully funded loan balance of $49.1 million. The DBRS Morningstar Stabilized NCF represents a weak DSCR of 0.70x based on the DBRS Morningstar stressed annual debt service payment of $4.0 million. Overall, the property's recent vintage, Above Average property quality, and favorable market location contribute to the loan's modeled expected loss (EL) being below the pool WA EL.

# OKC Portfolio

### Loan Snapshot

| |
|---|
| **Seller** |
| MF1 |
| **Ownership Interest** |
| Fee-Simple |
| **Trust Balance ($ million)** |
| 49.0 |
| **Loan PSF/Unit ($)** |
| 68,899 |
| **Percentage of the Pool (%)** |
| 5.0 |
| **Fully Extended Loan Maturity/ARD** |
| July 2027 |
| **Amortization** |
| Full IO |
| **DBRS Morningstar As-Is DSCR (x)** |
| 0.09 |
| **DBRS Morningstar Stabilized DSCR (x)** |
| 0.79 |
| **DBRS Morningstar As-Is Issuance LTV (%)** |
| 98.9 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** |
| 71.2 |
| **DBRS Morningstar Property Type** |
| Multifamily |
| **DBRS Morningstar Property Quality** |
| Poor |

### Debt Stack ($ millions)

| |
|---|
| **Trust Balance** |
| 49.0 |
| **Pari Passu** |
| 0.0 |
| **Remaining Future Funding** |
| 15.3 |
| **Mortgage Loan Including Future Funding** |
| 64.3 |
| **Loan Purpose** |
| Acquisition |
| **Equity Contribution/(Distribution) ($ million)** |
| 23.6 |

Source: ASR.

Source: ASR.

| Collateral Summary | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | Various |
| **City, State** | Various, OK | **Physical Occupancy (%)** | 70.1 |
| **Units/sf** | 934 | **Physical Occupancy Date** | May 2022 |

This loan is secured by the borrower's fee-simple interest in OKC Portfolio, a collection of five Class C, garden-style apartment communities in the Oklahoma City MSA. Three of the properties are within 10 miles of the Oklahoma City CBD, and the two remaining properties are approximately 20 miles south of the CBD in Norman, Oklahoma. Initial loan proceeds of $49.0 million, combined with $23.7 million in borrower equity, financed the $65.0 million purchase, covered closing costs of $3.7 million, funded an upfront interest reserve of $3.0 million and other reserves. The loan is structured with up to $15.4 million ($16,437 per unit) in future funding from the lender to facilitate the borrower's renovation plan. The floating-rate loan has a five-year fully extended term that is IO until maturity.

The seller of the portfolio is a doctor based in Los Angeles that previously acquired the assets between 1991 and 2006. The assets have apparently been undercapitalized in recent years, which has led to a significant decline in occupancies across all properties. Additionally, the seller has reportedly not visited the properties since the coronavirus pandemic commenced. During this period, an unusual cold snap that swept across Oklahoma during Spring 2021 resulted in pipes bursting and 93 units becoming unrentable. In total, there are 123 offline units across the portfolio, including an additional 30 fire-damaged units. The borrower is receiving a $500,000 credit at close from the seller for the fire-damaged units ($16,667 per unit) because the seller did not repair these units prior to disposition. Along with the physical issues at the assets, there have been a handful of serious criminal incidents at most of the properties dating back to 2020. The Sponsor will implement a crime mitigation program at all assets, including installing LED lighting, security cameras, signage at all properties, improving property reputation by rebranding, evicting identified problematic tenants, having employees live on-site via incentives and implementing security patrols at the Meadowbrook and Lodge on the Lake until stabilized. The Sponsor has extensive experience dealing with crime mitigation at their Tulsa Portfolio.

| Portfolio Summary | | | | | | |
|---|---|---|---|---|---|---|
| Property | Cut-Off Date Loan Amount ($) | % of Loan Amount | City, State | Year Built | Units | Occupancy (%) |
| Apple Creek Estates | 14,463,560 | 29.5 | Norman, OK | 1985 | 248 | 70.6 |
| Meadowbrook | 11,477,801 | 23.4 | Oklahoma City, OK | 1971 | 234 | 67.9 |
| The Lodge on the Lake | 10,916,724 | 22.3 | Oklahoma City, OK | 1981 | 252 | 64.3 |
| Hillcrest Estates | 6,668,517 | 13.6 | Norman, OK | 1984 | 112 | 78.6 |
| Summit Ridge | 5,472,398 | 11.2 | Oklahoma City, OK | 1984 | 88 | 80.7 |
| **Total/WA** | **48,999,000** | **100.0** | **Various, OK** | **1980** | **934** | **70.1** |

The sponsor plans to fully transform the collateral over a five-year period with a capital budget of $15.6 million ($16,706 per unit) focused on improvements to the unit interiors as well as the property's amenities and curb appeal. Along with the unit renovations, the 123 currently offline units will be returned to a rent-ready condition. In total, the sponsor intends to invest $5.6 million ($5,970 per unit) to deliver a variety of unit finishes with an average cost that will range from $4,383 per unit to $20,323 per unit (down units). Improvements will include stainless steel or black appliances, granite or faux-stone countertops, improved cabinetry, backsplashes, vinyl or carpet flooring, fresh paint and updated blinds. Plumbing, HVAC, lighting, and electrical work will also be completed.

The exterior and amenity capital budget totals $8.0 million. The sponsor plans to significantly improve each property's amenity offering by adding new playgrounds, dog parks, and pool furniture. Notably, the sponsor is scheduled to install a beachfront at Lodge on the Lake that will include barbecues and hammocks. Each property's clubhouse will also be renovated, and all deferred maintenance items will be cured.

| Competitive Set Summary | | | | | |
|---|---|---|---|---|---|
| Property | Location | Units | Year Built | Occupancy (%) | Avg. Rental Rate Per Unit ($) |
| **Total/WA Comp Set-Summit Ridge** | **Various** | **1,576** | **1991** | **97.3** | **872** |
| Summit Ridge | Oklahoma City, OK | 88 | 1984 | 79.6 | 668 |
| **Total/WA Comp Set-Meadowbrook** | **Various** | **985** | **1978** | **95.9** | **833** |
| Meadowbrook | Oklahoma City, OK | 234 | 1971 | 68.6 | 713 |
| **Total/WA Comp Set-The Lodge on the Lake** | **Various** | **1,243** | **1977** | **97.2** | **798** |
| The Lodge on the Lake | Oklahoma City, OK | 252 | 1981 | 64.9 | 639 |
| **Total/WA Comp Set-Hillcrest Estates** | **Various** | **1,167** | **1981** | **96.8** | **901** |
| Hillcrest Estates | Norman, OK | 112 | 1984 | 78.6 | 770 |
| **Total/WA Comp Set-Apple Creek Estates** | **Various** | **880** | **1981** | **96.8** | **901** |
| Apple Creek Estates | Norman, OK | 248 | 1984 | 72.6 | 676 |
| **Total/WA Comp Set-Portfolio** | **Various** | **5,851** | **1984** | **96.8** | **857** |
| Portfolio Total | Various | 934 | Various | 70.1 | 667 |

Source: Appraisal, except the Subject figures are based on the rent roll dated May 17, 2022

## Sponsorship

The sponsor for this transaction is Menora Financial Corporation (MFC), an Illinois-based investment company founded by Sholom Menora. MFC invests in residential and commercial real estate with a focus on development, leasing, property management, brokerage, site selection, and tenant representation. Menora is the President of MFC and has past experience investing in technology companies.

The guarantors for this transaction are Sholom Menora and T2 Tactical Opportunity Fund REIT, LLC, a discretionary fund managed by T2 Capital Management. T2 was founded in 2011 by Jeff Brown and John Southard and has invested over $1.0 billion across all property types. All decisions require mutual consent of both parties; however, Menora's decision prevails in the case of a deadlock.

Property management is provided by Cstar Management, LLC. Founded in 1992, Cstar is based in Stillwater, OK, and currently manages approximately 2,300 units.

## DBRS Morningstar Analysis

### Site Inspection Summary

Source: ASR.

Source: ASR.

DBRS Morningstar did not conduct a site inspection of the property because of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Poor.

## DBRS Morningstar NCF Summary

**NCF Analysis**

| | 2019 | 2020 | T-12 October 2021 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 6,935,669 | 7,165,011 | 7,427,113 | 10,546,250 | 9,246,600 | 8,965,335 | -3.04 |
| Other Income ($) | 1,023,265 | 833,335 | 1,035,854 | 1,299,208 | 1,188,960 | -854,838 | -171.90 |
| Vacancy & Concessions ($) | -3,079,895 | -2,980,074 | -2,946,771 | -645,757 | -566,180 | 1,066,558 | -288.38 |
| **EGI ($)** | **4,879,039** | **5,018,272** | **5,516,197** | **11,199,701** | **9,869,380** | **9,177,055** | **-7.01** |
| Expenses ($) | 2,842,389 | 2,942,575 | 3,039,383 | 5,240,848 | 4,662,209 | 4,920,703 | 5.54 |
| **NOI ($)** | **2,036,650** | **2,075,697** | **2,476,814** | **5,958,853** | **5,207,171** | **4,256,351** | **-18.26** |
| Capex ($) | 0 | 0 | 0 | 253,350 | 233,500 | 280,200 | 20.00 |
| **NCF ($)** | **2,036,650** | **2,075,697** | **2,476,814** | **5,705,503** | **4,973,671** | **3,976,151** | **-20.06** |

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The primary driver of the variance was GPR. DBRS Morningstar concluded to a GPR based on the sum of the average in-place rents and 50% of the appraiser's estimate premium. The resulting WA asking rent is $800 per unit, which results in an $57 per unit discount relative to the WA rent of the appraiser's competitive set.

**DBRS Morningstar Viewpoint**

The collateral is across two cities and three submarkets. The Lodge on the Lake (Lodge), Meadowbrook, and Summit Ridge (Summit) are within 10 miles of downtown Oklahoma City, with Lodge and Meadowbrook in the Central Oklahoma City submarket. Lodge and Meadowbrook are less than two miles apart, which should allow for some economies of scales as both properties progress through renovations and routine maintenance. U.S. Route 66 splits the properties and provides access for local traffic to I-44 and I-235. The neighborhood is well developed as residential with clusters of retail along U.S. Route 66.

Summit is part of the Edmond submarket and is about 10 miles north of Oklahoma City and northwest of the Lodge and Meadowbrook properties. The smallest property in the portfolio by unit count, Summit, is adjacent to I-77, which provides access south to Oklahoma City. The immediate area is lightly developed with local employers, while national retailers are about three miles west of the collateral. Across all three assets and within a five-mile radius, average annual population growth has registered below 1.0% from 2010 through 2021. Median income was reported between $50,000 to $65,000.

There are several notable developments between the three Oklahoma City assets, including INTEGRIS Baptist Medical Center, a 650-bed hospital, and Simon Property Group-owned Penn Square Mall (Penn Square). Penn Square is anchored by JCPenney, Dillard's, and Macy's and shadow anchored by Walmart Supercenter.

Hillcrest Apartments (Hillcrest) and Apple Creek Estates (Apple Creek) are about 20 miles south of Oklahoma City in Norman, which is the home of the University of Oklahoma. Hillcrest is 2.2 miles east of the university, and Apple Creek is four miles to the west. Hillcrest is in a predominantly residential neighborhood with some medical and retail developments to the north along U.S. Route 77, including Walmart Supercenter. Apple Creek is adjacent to I-35 and in a more developed area of Norman that includes several national retailers lined along I-35, including Target and Lowe's Home Improvement. Annual population gains within a five-mile radius have been modest over the past 11 years and have averaged around 1.0%. The university employs about 20% of the local population, while the Retail Trade and Health Care/Social Assistance sectors account for the only two other industries that have a concentration in excess of 10.0%.

The portfolio on the whole is in lower-density areas and carries a DBRS Morningstar Market Rank of 3, which is historically correlated with higher rates of default.

The sponsor is acquiring a significantly heavy-lift project across all five assets given the portfolio's low occupancy, the 123 offline units (13.2% of total units), the reputational risk associated with the seller, and recent crime. To combat these issues, the portfolio is well capitalized with a budget of $16,706 per unit. However, the offline units will allow the sponsor to execute several unit renovations soon after acquisition and quickly increase cash flow. The sponsor has also engaged a third-party general contractor and a third-party property management company that are both experienced and local to the market. Both engagements should help implement the significant capital projects that need to be executed to restabilize the portfolio. The professional third-party management will also lead to better leasing practices that could potentially offset future crime. Most notably, the sponsor has recently executed a similar business plan on two portfolios in excess of 1,000 units, including a 1,541-unit, seven-property portfolio in Tulsa. The sponsor has realized both investments at a sale price in excess of 75% relative to the original purchase price.

Following DBRS Morningstar's cap rate adjustment, the loan represents a high 98.9% issuance LTV, which is a degree of leverage historically associated with the highest default rates. The LTV is forecast to fall to a more moderate 71.2% at maturity, given the projected appreciation of the asset after the injection of $155.6 million in capex. The DBRS Morningstar As-Is DSCR is low at 0.09x; however, the loan is structured with an upfront interest reserve of $3,000,000 that is equal to approximately one year of debt service. The DBRS Morningstar Stabilized DSCR of 0.79x is also low. DBRS Morningstar does not forecast market rent growth when calculating the subject's stabilized NCF nor does it give any credit for mark-to-market adjustments. Should the submarket deteriorate, the business plan will be compromised, given the loan's low DSCR. These factors combined with the loan's low DBRS Morningstar Market Rank of 3 have the loan's expected loss above the pool average.

# LA Lofts Portfolio

**Loan Snapshot**

| | |
|---|---|
| **Seller** | MF1 |
| **Ownership Interest** | Fee-Simple |
| **Trust Balance ($ million)** | 45.0 |
| **Loan PSF/Unit ($)** | 317,068 |
| **Percentage of the Pool (%)** | 4.6 |
| **Fully Extended Loan Maturity/ARD** | April 2027 |
| **Amortization** | Partial IO |
| **DBRS Morningstar As-Is DSCR (x)** | 0.60 |
| **DBRS Morningstar Stabilized DSCR (x)** | 0.81 |
| **DBRS Morningstar As-Is Issuance LTV (%)** | 75.0 |
| **DBRS Morningstar Stabilized Balloon LTV (%)** | 65.9 |
| **DBRS Morningstar Property Type** | Multifamily |
| **DBRS Morningstar Property Quality** | Average |

**Debt Stack ($ millions)**

| | |
|---|---|
| **Trust Balance** | 45.0 |
| **Pari Passu** | 262.5 |
| **Remaining Future Funding** | 22.6 |
| **Mortgage Loan Including Future Funding** | 330.1 |
| **Loan Purpose** | Acquisition |
| **Equity Contribution/(Distribution) ($ million)** | 104.9 |


| Collateral Summary | | | |
|---|---|---|---|
| **DBRS Morningstar Property Type** | Multifamily | **Year Built/Renovated** | 1910-1959 / 2007-2010 |
| **City, State** | Los Angeles, CA | **Physical Occupancy (%)** | 97.1 |
| **Units/sf** | 1,037 | **Physical Occupancy Date** | March 2022 |

This loan is secured by the borrower's fee-simple interest in a portfolio of five multifamily properties totaling 1,037 units in downtown Los Angeles. Initial loan proceeds of $306.1 million, along with $22.7 million of future funding and nearly $107.6 million of sponsor equity, went toward acquiring the properties for $402.1 million, covering $7.1 million in closing costs, and funding $22.7 million in future capex and unit renovations. A portion of this loan was securitized in MF1 2022-FL9 and there will be a $45 million trust balance contribution for this MF1 2022-FL100 deal. Based on the whole loan amount, the as-is and stabilized values of $438.5 million and $560.3 million reflect an as-is and stabilized LTV of 70.1% and 58.7%, respectively. The floating-rate loan has a two-year initial term with three one-year extension options. This loan is IO for the fully extended term.

The properties were constructed between 1910 and 1959, and the five-property portfolio was 97.1% occupied as of March 2022. The seller of the portfolio acquired all five properties in the early 2000s as an office portfolio and converted the whole portfolio into multifamily units between 2007 and 2010. The building amenities include a rooftop pool, gym, laundry room, and concierge. The seller did not perform any renovations since the portfolio was converted. The sponsor intends to implement a renovation plan totaling $22.7 million to renovate all five properties. Capex will go toward upgrading all interior units, improving amenities, enhancing the property exteriors, and curing any outstanding deferred maintenance items. The properties range in size from 178 units to 263 units, with the average unit size ranging from 856 sf per unit to 999 sf per unit. Average in-place rent across the portfolio is $2,103 per unit. See the table below for additional details.

**Competitive Set**

| Property | Location | Distance from Subject (miles) | Units | Year Built | Occupancy (%) | Avg. Rental Rate Per Unit |
|---|---|---|---|---|---|---|
| The Gas Company Lofts | Los Angeles, CA | 0.6 | 251 | 1924 | 96.0 | 2,694 |
| Metro 417 | Los Angeles, CA | 0.4 | 277 | 1929 | 97.0 | 2,652 |
| Packard Lofts | Los Angeles, CA | 0.6 | 116 | 1928 | 95.0 | 2,710 |
| Roosevelt Lofts | Los Angeles, CA | 0.5 | 221 | 1926 | 95.0 | 3,374 |
| Pegasus Apartments | Los Angeles, CA | 0.5 | 322 | 2003 | 99.0 | 2,783 |
| Renaissance Tower | Los Angeles, CA | 0.6 | 203 | 1993 | 95.0 | 2,380 |
| Union Lofts | Los Angeles, CA | 0.2 | 92 | 1928 | 97.0 | 3,365 |
| Lofts at the Secuirty Building | Los Angeles, CA | 0.2 | 154 | 1920 | 97.0 | 2,113 |
| Sante Fe Lofts | Los Angeles, CA | 0.0 | 131 | 1911 | 98.0 | 2,000 |
| **Total/WA Comp Set** | **Los Angeles, CA** | **Various** | **1767** | **1940** | **96.7** | **2,687** |
| **SB Lofts, SB Main, SB Manhattan, SB Spring, SB Tower** | **Los Angeles, CA** | **n/a** | **1037** | **1925** | **97.0** | **2,104** |

Source: Appraisal, except the subject figures which are based on the rent roll dated March 2, 2022.

## Sponsorship

The sponsor for this transaction is Laguna Point Properties, a Southern California-based multifamily investment firm. The firm acquires and rehabilitates Class B and C multifamily assets in the Southwestern United States, with a concentration on Southern California, the San Francisco Bay Area, Salt Lake City, Phoenix, and Las Vegas. Since 2009, the sponsor has acquired more than 6,500 multifamily units, with a current portfolio of 5,200 apartment homes. The three guarantors for this loan are Greg Campbell, Dan Hick, and Walt Hick. Campbell is a managing principal at Laguna Point Properties and is a trustee of the Campbell Family Trust; Dan Hick is a managing principal and is a trustee of the Dan and Kate Hick Family Trust; and Walt Hick is a principal at Laguna Point Properties. The borrowing entities consist of four TICs, which are ultimately controlled by the guarantors.

The third-party manager for the portfolio is the country's largest apartment manager, Greystar Management Company, for a contractual fee of 2.5% of EGI.

**DBRS Morningstar Analysis**

**Site Inspection Summary**

DBRS Morningstar toured the interior and exterior of three properties, SB Tower, SB Spring, and SB Lofts, within the portfolio on Thursday, April 28, 2022. Based on the site inspections and management tour, DBRS Morningstar found the portfolio's property quality to be Average.

The LA Lofts portfolio consists of five properties, SB Lofts, SB Main, SB Manhattan, SB Spring, and SB Tower, totaling 1,037 units. The five properties are all in downtown Los Angeles within two to three blocks of each other. The immediate area consists of mid-rise multifamily properties, office buildings, retail, and commercial shops. There were no easily identifiable properties of brand new construction, and most nearby multifamily development appeared to be of similar vintage as the subject, with the oldest having been built in 1910. According to the asset summary report, downtown Los Angeles has experienced a surge of rent growth in the past 12 months as companies have moved offices there and large institutions have begun to focus on large real estate investments in the area. All five of the properties are within a 15-minute walk to the Financial District in downtown Los Angeles. Various major highways, such as I-10 and CA-110, are within an approximate two-mile drive from all five properties. Management noted that the demographic is primarily young professionals who either are remote workers or work in downtown Los Angeles. The properties are close to Skid Row, a neighborhood known for its large population of people without housing. At the time of inspection, many of these people appeared to be residing on the streets surrounding the properties.

The three properties that DBRS Morningstar toured, SB Tower, SB Spring, and SB Lofts, were all well maintained, with minimal deferred maintenance in the common areas, primarily related to broken light fixtures within the hallways, unpolished marble within the hallways, and broken mechanical fixtures in the elevators. Management noted the two other properties, SB Manhattan and SB Main, will receive similar attention to the deferred maintenance as the other three. Each of the five properties has a rooftop pool, gym, and laundry room. Management indicated that each pool and gym will undergo enhancement in the coming months. Each gym will receive upgraded equipment along with new floor tiles. While the rooftop pools are currently undergoing mechanical work to the pumping system, all five pools will also receive new decks and updated pool furniture. Management noted the plan is to open all five of the pools in the summer. All five properties are pet friendly. SB Tower and SB Main are the only two properties that have parking within the subjects. The previous owner owns a lot that is a short distance to all of the five properties, where a majority of the tenants park.

DBRS Morningstar toured the amenities at the three properties along with the penthouse one-bedroom unit at SB Tower and a studio unit at SB Spring. SB Tower is the largest property within the portfolio with 20 floors and 263 units, consisting of studios, one-bedroom units, and two-bedroom units, and an average unit size of 979 sf. The penthouse/one-bedroom unit at SB Tower was two floors with the bedroom, kitchen, bathroom, and a small balcony on the first floor. Additionally, the first floor of the unit has a staircase leading to an additional floor that features an large, open room, and large terrace. The second floor has a door leading right to the rooftop pool and gym. Management noted tenants usually use the additional floor as an office. The kitchen was in good condition, with stainless-steel appliances and brown cabinetry. The bathroom was a good size with colored tiling in the showering space and a fairly updated vanity space. The bedroom was a decent size with access to the bathroom as well. One downside of the unit is there was only one closet space that was in the bedroom. The unit had nice, big windows with views of downtown Los Angeles and a lot of natural light. Management noted the penthouse unit will have a backsplash installed within the kitchen space, a washer and dryer installed, upgraded lighting fixtures, and possibly new flooring. Additionally, management noted all units across the five properties will have a washer and dryer installed.

SB Spring is a 12-floor building with a total of 178 units, consisting of studios, one-bedroom units, two-bedroom units, and three-bedroom units, and an average size unit of 906 sf. The studio unit DBRS Morningstar toured at SB Spring was a decent size for a studio at 720 sf. The kitchen had updated stainless-steel appliances and white cabinetry. The bathroom was pretty small, but it had white title in the shower/tub area, along with a fairly updated vanity space the same as the penthouse one-bedroom unit at SB Tower. Additionally, there was only one closet in the unit, but it was a spacious walk-in closet. Within the unit there was exposed brick and large windows; however, the natural light was dim because of another building being right across. Management noted the studio unit will receive a backsplash in the kitchen, upgrades to the lighting fixtures, and potentially updated flooring. SB Lofts and SB Spring are the only two properties within the portfolio that have the exposed brick in the units.

Management noted renovations to the units have not begun, but they will start in the coming weeks as units turn. Additionally, a website rebranding is under way and lots of tours to the units have been scheduled. Overall, the three properties within the portfolio are in average condition with no material deferred maintenance.

## DBRS Morningstar NCF Summary

| NCF Analysis | 2019 | 2020 | 2021 | Appraisal Stabilized NCF | Issuer Stabilized NCF | DBRS Morningstar Stabilized NCF ($) | NCF Variance (%) |
|---|---|---|---|---|---|---|---|
| GPR ($) | 25,789,579 | 21,457,133 | 20,858,457 | 34,806,000 | 34,806,000 | 31,077,640 | -10.71 |
| Other Income ($) | 2,021,868 | 1,860,876 | 1,897,867 | 2,515,820 | 2,515,820 | 2,515,820 | 0.00 |
| Vacancy & Concessions ($) | 0 | 0 | 247 | -2,077,758 | -2,088,360 | -2,082,202 | -0.29 |
| **EGI ($)** | **27,811,446** | **23,318,009** | **22,756,572** | **35,244,062** | **35,233,460** | **31,511,258** | **-10.56** |
| Expenses ($) | 8,248,605 | 9,126,868 | 7,910,364 | 14,165,863 | 13,766,216 | 14,517,066 | 5.45 |
| **NOI ($)** | **19,562,842** | **14,191,141** | **14,846,208** | **21,078,199** | **21,467,244** | **16,994,193** | **-20.84** |
| Capex ($) | 0 | 0 | 0 | 259,250 | 259,250 | 259,250 | 0.00 |
| **NCF ($)** | **19,562,842** | **14,191,141** | **14,846,208** | **20,818,949** | **21,207,994** | **16,734,943** | **-21.09** |

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 $16,734,943, representing a -21.1% variance from the Issuer's stabilized NCF of $21,207,994.

The primary drivers of the variance are GPR and operating expenses. DBRS Morningstar estimated stabilized GPR based on in-place rents as of the March 2, 2022, rent roll plus a WA premium of $390 for 75% of the total units. For operating expenses, DBRS Morningstar generally assumed the sponsor's year one amount inflated by 10%.

### DBRS Morningstar Viewpoint

The collateral for the loan is a five-property multifamily portfolio totaling 1,037 units across downtown Los Angeles. The sponsor purchased the portfolio in April 2022 and intends to complete a $22.7 million capital improvement plan across the five properties. The portfolio has an average year built of 1925, with SB Manhattan having the oldest vintage of 1910; SB Lofts was built in 1914, SB Main was built in 1926, SB Spring was built in 1928, and SB Tower was built in 1959. As part of the acquisition and business plan, the sponsor proposed a capex budget totaling $22.7 million across the five properties, including $10.8 million ($10,399 per unit) for unit renovations, exterior renovations, property improvements of $5.3 million, and deferred maintenance of $6.6 million. All units will receive some kind of upgrade primarily focusing on light fixtures, flooring, and backsplashes. The anticipated rental premium per unit based on the DBRS Morningstar NCF analysis is $390 for 75% of the total units, which is supported by third-party market data, as well as firsthand information from the on-site management team.

The downtown Los Angeles submarket exhibits a high vacancy rate. As of Q4 2021 Reis reports, the submarket had an average vacancy rate of 12.2% and a five-year vacancy forecast of 6.7%. As of March 2022, the portfolio is 97.1% occupied, which is considerably better than the submarket vacancy figures.

The sponsor has the requisite experience to execute the business plan; however, given the size of the portfolio and uncertainty of when tenants choose to not renew their leases, renovating all units within three years may prove challenging. The loan has an expected loss well below the deal average. This is primarily driven by the portfolio’s location in DBRS Morningstar Market Rank 7 and MSA Group 3, which are credit positive and indicative of an urban setting with greater financial liquidity.

## Transaction Structural Features

### Credit Risk Retention

Under U.S. credit risk retention rules, MF1 REIT II-A, LLC will be responsible for complaints with the U.S. credit risk retention requirements and it intends to satisfy such requirements through the purchase and retention, by a majority-owned affiliate, of an eligible horizontal residual interest. In addition, for purposes of EU Securitization Laws and UK Securitization Laws, it will retain a material net economic interest of not less than 5.0% in the securitization indirectly through its 100% membership interest in the Retention Holder, which will in turn acquire, on the Closing Date and directly retain on an ongoing basis, a material net economic interest in the form of the Preferred Shares of the Issuer. As of the closing date, MF1 REIT II Investor X LLC (the Retention Holder), a majority-owned affiliate of MF1 REIT II-A, LLC, will acquire 100.0% of the Class F, Class G, Class H, and Income Notes, collectively representing 15.0% of the transaction by the initial pool balance.

### Ramp-Up Acquisition Period

The transaction includes a Ramp-Up Acquisition Period that is the earliest of (1) 120 days from closing, (2) the first date on which all funds in the Unused Proceeds Account have been used to purchase Ramp-Up Collateral Interests and Delayed-Close Collateral Interests, and (3) the date the Collateral Manager determines that investment in Ramp-Up Collateral Interests is no longer practical or desirable. The Issuer may, but is not required to, acquire up to $45,824,087 of Ramp-Up Collateral Interests (excluding the Delayed-Close Collateral Interests). The Ramp-Up Collateral Interests are required to satisfy the Eligibility Criteria, the Acquisition Criteria, and the Acquisition and Disposition Requirements. Amounts remaining in the Unused Proceeds Account on the ramp-up completion date, up to and including $5,000,000, will be deposited into the reinvestment account established by the Note Administrator in accordance with the Indenture. Any amount more than $5,000,000 will be applied as principal proceeds in accordance with the priority of payments.

### Reinvestment Period

During the Reinvestment Period, the Collateral Manager may, but is not required to, direct the reinvestment of Principal Proceeds to the Issuer in Reinvestment Collateral Interests meeting the Eligibility Criteria, the Acquisition Criteria, and the Acquisition and Disposition Requirements. The Reinvestment Period is 24 months, which includes the Ramp-Up Acquisition Period and, assuming no EOD has occurred, terminates at the end of the Due Period related to the Payment Date in August 2024.

The Eligibility Criteria provide that a No Downgrade Confirmation with respect to the acquisition of Collateral Interests must come from DBRS Morningstar.

### Eligibility Criteria

A Ramp-Up Collateral Interest or Reinvestment Collateral Interest will be eligible for acquisition by the Issuer after the Closing Date if the Eligibility Criteria are satisfied immediately after giving effect to such acquisition. A select list of Eligibility Criteria are presented below; please see the offering memorandum for a complete list of Eligibility Criteria.

1. It is a Mortgage Loan, a Combined Loan, an A Note, or a Participation in a Mortgage Loan, or a Combined Loan or an A Note that is secured by a Multifamily or Manufactured Housing Property;
   a. The aggregate Principal Balance of the Collateral Interests secured by properties that are of the following types are subject to limitations as follows: (a) Manufactured Housing Properties do not exceed 10.0% of the Aggregate Outstanding Portfolio Balance and (b) Student Housing Properties do not exceed 5.0% of the Aggregate Outstanding Portfolio Balance (it being understood that, for all purposes hereof, no concentration limitation will apply with respect to any other Multifamily Properties);
2. It provides for monthly payments of interest at a floating rate based on one-month Libor or another generally acceptable floating-rate index;
3. The WA Life of the Collateral Interests, assuming the exercise of all contractual extension options (if any) that are exercisable by the borrower under each Collateral Interest, is less than or equal to the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to 5.5 years from the Closing Date;
4. The Collateral Manager has determined that it has an As-Stabilized LTV that is not greater than (A) in the case of Collateral Interests secured by Multifamily Properties other than Student Housing Properties, 80.0% and (B) in the case of Collateral Interests secured by Student Housing Properties, 75.0%;
5. The Collateral Manager has determined that it has a Stabilized NCF DSCR that is not less than (A) in the case of Collateral Interests secured by Multifamily Properties other than Student Housing Properties, 1.15x and (B) in the case of Collateral Interests secured by Student Housing Properties, 1.25x;
6. With respect to (A) any Ramp-Up Collateral Interest, the Principal Balance of such Collateral Interest is not greater than $50,000,000 and (B) with respect to any Reinvestment Collateral Interest, the Principal Balance of such Collateral Interest (plus any previously-acquired participation interests in the same underlying Commercial Real Estate Loan, including any participation interests that were included as part of the Closing Date Collateral Interests) is not greater than $50,000,000;
7. The Herfindahl score is greater than or equal to 18.0;
8. A No Downgrade Confirmation has come from DBRS Morningstar;
9. The sum of the principal balance of such Collateral Interest and the principal balance of all Collateral Interests that have the same guarantor or affiliated guarantor does not exceed 20.0% of the aggregate outstanding portfolio balance.

**Future Funding Participations; Future Advancing**

With respect to each Future Funding Participation, the Future Funding Holder thereof will have the sole obligation under the related Participation Agreement to make such future advances under such Future Funding Participation. Once funded, such Participation (or a portion thereof) may be transferred in accordance with the terms of the related Participation Agreement, and the Issuer may, but is not obligated to, acquire such funded participation interest as a Ramp-Up Collateral Interest or Reinvestment Collateral Interest. In addition, pursuant to each Participation Agreement, the holder of the related Future Funding Participation (or a qualified transferee) and MF1 REIT II-A, LLC (or such qualified transferee) will be required to indemnify each other holder of a related Participation, including the Issuer, against any losses, claims, damages, costs, expenses, and liabilities in connection with, arising out of, or as a result of the failure of such Future Funding Holder to make future advances when required under the related Commercial Real Estate Loan.

**Non-Serviced Loans**

The FL8 Non-Serviced Loan is serviced by KeyBank as master servicer and specially serviced by CBRE as special servicer under the MF1 2022-FL8 Servicing Agreement.

The FL9 Closing Date Non-Serviced Loans are serviced by KeyBank as master servicer and specially serviced by CBRE as special servicer under the MF1 2022-FL9 Servicing Agreement.

**Note Protection Tests**

Like most commercial real estate collateralized loan obligation (CRE/CLO) transactions, the subject transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value or overcollateralization (OC) test. If the IC or OC tests are not satisfied on any measurement date, Interest Proceeds that would otherwise be used to pay interest on the Retained Notes and to make certain other payments on the following Payment Date must instead be used to pay principal of the Offered Notes in accordance with the priority of payments until each of the Note Protection Tests is satisfied. If interest proceeds are not sufficient to rebalance the vehicle and satisfy both the IC and the OC tests or pay down the applicable classes, any principal proceeds will be diverted for the same purpose, and the Issuer will not be permitted to use principal proceeds for Reinvestment Collateral Interests. The Par Value Test will be satisfied if the Par Value Ratio is equal to or greater than xxx.xx%. The IC test will be satisfied if the IC Ratio is equal to or greater than 120.0%.

**Collateral Manager**

MF1 Collateral Manager, LLC, an affiliate of the sponsor, will serve as the Collateral Manager and provide certain advisory and administrative functions with respect to the collateral. The Collateral Manager is obligated to perform its duties according to the Collateral Manager Standard. The special servicer may be removed with or without cause or a successor special servicer may be appointed, in each case at any time and at the direction of the Collateral Manager.

**Administrative Modifications and Criteria-Based Modifications**

The Collateral Manager may direct and require the special servicer to process Administrative Modifications or Criteria-Based Modifications.

Administrative Modification means any modification, waiver, or amendment directed by the Collateral Manager that relates exclusively to (1) a mismatch between the Benchmark Replacement on the Notes and the Benchmark Replacement applicable to any Commercial Real Estate Loans, including alternative rate index and rate spread and Loan Level Benchmark Replacement Conforming Changes, and waiver of an obligor requirement to replace the rate cap agreement; and (2) exit fees; extension fees; default interest; financial covenants (including cash management triggers) relating to debt yield, debt service coverage or LTV; prepayment fees (including in connection with defeasance and lockouts); yield or spread maintenance provisions; reserve account minimum balance amounts and purposes; release conditions and requirements; waivers or reductions of a SOFR or Libor floor or other benchmark floor; 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 timing of, or conditions to, the funding of any Future Funding Participation; sponsor or guarantor financial covenants relating to net worth, liquidity, or other financial matters; lease approvals or modifications; and certain interest rate cap agreement amendments.

Criteria-Based Modification means any modification, waiver, or amendment directed by the Collateral Manager that would result in (1) a change in interest rate; (2) a delay in the required timing of any payment of principal for any prepayment, amortization, or other principal reduction; (3) an increase in the principal balance of such Commercial Real Estate Loan that will be allocated solely to the related Companion Participation or Companion Note; (4) permitting indirect owners of the related borrower to incur additional indebtedness in the form of a mezzanine loan or preferred equity; or (5) a change of maturity date or extended maturity date under such Commercial Real Estate Loan.

The Criteria-Based Modification Conditions will be permissible only if, immediately after giving effect to such modification, (1) not more than eight Criteria-Based Modifications have been effectuated after the end of the Reinvestment Period; (2) with respect to any Criteria-Based Modification effectuated after the Reinvestment Period, such Criteria-Based Modification does not include an increase in the principal balance of such Commercial Real Estate Loan; (3) no Event of Default has occurred and is continuing and no Note Protection Test failure exists; (4) the related Collateral Interest complies with the Eligibility Criteria (for this purpose, assuming the related Collateral Interest was treated as a Reinvestment Collateral Interest acquired on the date of the modification), as adjusted by the EC Modification Adjustments (as defined below); (5) with respect to any Criteria-Based Modification in accordance with paragraph (4) of the definition of Criteria-Based Modification, the as-stabilized loan-to-value ratio of the related Commercial Real Estate Loan and any additional indebtedness is not higher than the as-stabilized loan-to-value ratio of such Commercial Real Estate Loan as of the date of the acquisition of the related Collateral Interest by the Issuer, as determined based on an Updated Appraisal; and (6) an Updated Appraisal is obtained with respect to the Collateral Interest; provided that multiple simultaneous modifications to a single Collateral Interest will be treated as a single Criteria-Based Modification.

The Collateral Manager may only direct the Special Servicer to process Administrative Modifications and Criteria-Based Modifications with respect to Serviced Commercial Real Estate Loans (regardless of whether the related Collateral Interest is a Controlled Collateral Interest or a Non-Controlled Collateral Interest).

The effectuation of any Administrative Modification or Criteria-Based Modification by the Special Servicer will not be subject to the Servicing Standard; however, the Collateral Manager’s decision to direct any Administrative Modification or Criteria-Based Modification will be subject to the Collateral

Management Standard. The Special Servicer will not be under any duty to make a determination with respect to the Collateral Manager's conformance to the Collateral Management Standard.

**Advancing and Backup Advancing**

The advancing agent, MF1 REIT II-A, LLC., will be required to advance certain scheduled interest payments to the extent that interest proceeds are insufficient to cover interest due on the Class A, Class A-S, Class B, Class C, Class D, and Class E Notes (Interest Shortfalls). The obligation to make an interest advance will be subject to an assessment to determine if the amount to be advanced, plus the interest expected to accrue thereon, will be recoverable. If the advancing agent fails to make a required interest advance, the backup advancing agent, Computershare Trust Company, National Association, will be required to make such interest advance, and if the backup advancing agent fails to make a required interest advance, the trustee will be required to make such advance, in each case only to the extent such party deems such advances to be recoverable. The advancing agent, backup advancing agent, and the trustee are not responsible for advancing future funding obligations or principal payments.

**Deferrable Notes**

Any interest due on the Class F Notes, the Class G Notes, and the Class H Notes that is not paid as a result of the priority of payments will be deferred, and failure to pay such interest will not be an EOD. The deferred interest will be added to the principal amount of the respective deferrable note and bear interest at the same rate as the reference deferrable note and will be payable on the first payment date on which funds are available in the priority of payments. The ratings DBRS Morningstar assigned contemplate the timely payments of distributable interest and, in the case of the deferred interest, the ultimate recovery of deferred interest (including interest payable thereon at the applicable rate to the extent permitted by law). Thus, DBRS Morningstar will assign its Interest in Arrears designation to the deferred interest classes in months when classes are subject to deferred interest.

**Controlling Class Rights**

If an EOD under the Indenture 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 EOD could be adverse to the interests of the holders of more subordinated classes of Notes.

**No Downgrade Confirmations**

Certain events within the transaction require the Issuer to obtain No Downgrade Confirmation. DBRS Morningstar will review requests from the Issuer to determine whether it will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current ratings. The Issuer is required to obtain such confirmation for acquisitions of all companion participations.

## Methodologies

The principal methodology DBRS Morningstar applied to assign ratings to this transaction is the *North American CMBS Multi-Borrower Rating Methodology*.

## 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 July 20, 2022. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

# Glossary

| | | | |
|---|---|---|---|
| **ADR** | average daily rate | **MTM** | month to month |
| **ALA** | allocated loan amount | **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 |
| **CRE** | commercial real estate | **OSAR** | operating statement analysis report |
| **CREFC** | CRE Finance Council | **PCA** | property condition assessment |
| **DPO** | discounted payoff | **PCR** | property condition report |
| **DSCR** | debt service coverage ratio | **P&I** | principal and interest |
| **DSR** | debt service reserve | **POD** | probability of default |
| **EGI** | effective gross income | **PIP** | property improvement plan |
| **EOD** | event of default | **PILOT** | payment 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 | **SPE** | special-purpose entity |
| **LC** | leasing commission | **TI** | tenant improvement |
| **LGD** | loss severity given default | **TIC** | tenants in common |
| **LOC** | letter of credit | **T-12** | trailing 12 months |
| **LOI** | letter of intent | **UW** | underwriting |
| **LS Hotel** | limited-service hotel | **WA** | weighted average |
| **LTC** | loan-to-cost ratio | **WAC** | weighted-average coupon |
| **LTCT** | long-term credit tenant | **x** | times |
| **LTV** | loan-to-value ratio | **YE** | year end |
| **MHC** | manufactured housing community | **YTD** | year to date |

# Definitions

| | |
|---|---|
| **Capital Expenditure (capex)**<br>Costs incurred in the improvement of a property that will have a life of more than one year. | |
| **DBRS Morningstar Refi DSCR**<br>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**<br>A measure that divides the DBRS Morningstar Stabilized NCF by the actual debt service payment. | |
| **Debt Service Coverage Ratio (DSCR)**<br>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)**<br>Rental revenue minus vacancies plus miscellaneous income. | |
| **Issuer UW**<br>Issuer underwritten from Annex A or servicer reports. | |
| **Loan-to-Value Ratio (LTV)**<br>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)**<br>The revenue earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions, and capex (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions, and capex. | |
| **NNN (Triple Net)**<br>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)**<br>The revenue 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)**<br>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)**<br>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)**<br>The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower. | |
| **Weighted Average (WA)**<br>Calculation is weighted by the size of each mortgage in the pool. | |
| **Weighted-Average Coupon (WAC)**<br>The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool. | |

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