AUGUST 2017

STRUCTURED FINANCE: CMBS

PRESALE REPORT

A10 Term Asset Financing 2017-1, LLC

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Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Rating	Trend
Class A-1-FL	New Rating - Provisional	$98,250,000	44.010%	AAA (sf)	Stable
Class A-1-FX	New Rating - Provisional	$98,250,000	44.010%	AAA (sf)	Stable
Class A-2	New Rating - Provisional	$43,900,000	31.500%	AAA (sf)	Stable
Class B	New Rating - Provisional	$29,840,000	23.000%	A (low) (sf)	Stable
Class C	New Rating - Provisional	$11,410,000	19.750%	BBB (sf)	Stable
Class D	New Rating - Provisional	$8,340,000	17.380%	BBB (low) (sf)	Stable
Class E	New Rating - Provisional	$11,410,000	14.120%	BB (sf)	Stable
Class F	New Rating - Provisional	$12,725,000	10.500%	B (sf)	Stable

Notes:
1. NR = not rated.
2. Classes A-1-FL, A-1-FX, A-2, B, C, and D represent the offered notes. Classes E and F are non-offered notes and will be retained by the Issuer.
3. The Membership Interest will act as overcollateralization (O/C) within the transaction and will build as future funding obligations are met. Any distributions to the Membership Interest will not be considered collateral except under conditions where those distributions are redirected per the transaction waterfall.

The Note Interest Amount with respect to any class of Offered Notes (other than the Class A Notes), to the extent not paid on the related Payment Date due to the unavailability of funds for such purpose in accordance with the Priority of Payments, will compound monthly (to the extent permitted by applicable law) and be payable on subsequent Payment Dates as part of the Deferred Collateralized Note Interest Amount. There are certain possible cash flow and loan default scenarios whereby there could be a Deferred Collateralized Note Interest Amount accruing on one or more Payment Dates with respect to one or more classes of Offered Notes (other than the Class A Notes). The ratings assigned by DBRS contemplate timely payments of distributable interest and, in the case of the Offered Notes other than the Class A Notes, ultimate recovery of Deferred Collateralized Note Interest Amounts (inclusive of interest payable thereon at the applicable rate, to the extent permitted by law). Accordingly, DBRS will assign its Interest in Arrears designation to any class of Offered Notes (other than the Class A Notes) during any Interest Accrual Period when such class accrues Deferred Collateralized Note Interest Amounts.

Transaction Summary

POOL CHARACTERISTICS

Trust Amount[1]	$376,742,560	**Wtd. Avg. Interest Rate**[6]	6.973%
Number of Loans[2]	28	**Wtd. Avg. Remaining Term**	29 months
Number of Properties	52	**Wtd. Avg. Remaining Term - Fully Extended**	54 months
Average Loan Size	$13,455,091	**Total DBRS Expected Amortization**[5]	-1.3%
Wtd. Avg. DBRS Term DSCR[3,5]	0.78x	**Wtd. Avg. DBRS Term DSCR Whole Loan**[5]	0.78x
Wtd. Avg. DBRS Refi DSCR[3,4]	1.06x	**Wtd. Avg. DBRS Refi DSCR Whole Loan**[4]	1.05x
Wtd. Avg. DBRS Debt Yield[3,5]	5.5%	**Wtd. Avg. DBRS Debt Yield Whole Loan**[5]	5.5%
Wtd. Avg. DBRS Exit Debt Yield[3,4]	9.6%	**Wtd. Avg. DBRS Exit Debt Yield Whole Loan**[4]	9.5%
Top Ten Loan Concentration[1]	59.1%	**Avg. DBRS Stabilized NCF Variance**[7]	-28.0%

Note: All DSCR and DY caclulations in the table and throughout the report are based on the maximum mortgage loan commitment for each loan.
1. Based on the cut-off balance plus future funding obligations.
2. DBRS rolled eight cross-collateralized and cross-defaulted loans into two crossed groups, resulting in a modified loan count of 28.
3. Excludes subordinate debt.
4. Based on DBRS Stabilized NCF.
5. Based on DBRS As-Is NCF.
6. Based on the DBRS Stressed Interest Rate.
7. The variance is calculated as the difference between the DBRS stabilized NCF and the most recent appraisal's stabilized NOI.

PARTICIPANTS

Issuer	A10 Term Asset Financing 2017-1, LLC
Depositor	A10 REIT, LLC
Originator	A10 Capital, LLC (100.0%)
Servicer	A10 Capital, LLC
Trustee	Wells Fargo Bank, National Association
Special Servicer	A10 Capital, LLC
Advancing Agent	A10 Capital, LLC

Indenture Overview

The transaction is governed by a trust indenture that will hold all of the commercial real estate (CRE) loans as collateral, in addition to other accounts assigned to the Issuer. Collateral of the Issuer includes loans and various accounts established for and on behalf of the Issuer. Collateral does not include any Membership Interest or Membership Distribution Account.

A10 Capital, LLC (A10 Capital or the Company), the loan originator, provides a unique strategy in its lending platform and serves a segment of the commercial mortgage market largely underserved by community banks because of their overexposure to CRE. Specifically, A10 Capital specializes in mini-perm loans, which typically have an initial three- to five-year term with extension options and are used to finance properties until they are fully stabilized. Most of the loans contain a future funding component that, subject to A10 Capital's sole discretion, is to be disbursed for TI costs, LCs or other value-added propositions presented by the borrowers of the underlying CRE loans. The borrowers are typically new equity sponsors of fairly well-positioned assets within their respective markets. A10 Capital's initial advance is the senior debt component, typically for the purchase of an REO acquisition or DPO.

Rating Considerations

The collateral consists of 30 loans secured by 52 commercial properties. A total of eight underlying loans are cross-collateralized and cross-defaulted into two separate portfolios or crossed groups. The DBRS analysis of this transaction incorporates these crossed groups, resulting in a modified loan count of 28, and loan references within this report reflect this total. Eleven of the loans, representing 39.0% of the pool, have fixed interest rates, whereas ten loans, totaling 32.5% of the pool, have floating interest rates. The remaining loans comprise 28.5% of the transaction and have a fixed rate for a portion of the initial term with a floating rate for the remaining portion (including extensions) of the loan term. The transaction is a sequential-pay pass-through structure.

The pool was analyzed to determine the provisional ratings, reflecting the long-term probability of loan default within the term and its liquidity at maturity, based on the fully extended loan term. Because of the floating-rate nature of over half the pool (61.0%), the index (one-month LIBOR and three-month LIBOR) was assigned at the lower of a DBRS stressed rate that corresponded to the remaining fully extended term of the loans and the strike price of the interest rate cap, to the extent one is in-place, with the respective contractual loan spread added to determine a stressed interest rate over the loan term. For the hybrid loans that contain a fixed- and floating-rate component, DBRS analyzed the maximum debt service expected throughout the life of the loan, which occurred in the first 12 months of the loan's switching to a floating interest rate. When the cut-off whole-loan balances, inclusive of future funding, were measured against the DBRS In-Place NCF and their respective in-place (fixed-rate loans) or stressed constants (floating-rate loans), 21 loans, representing 74.2% of the total loan commitments, had a DBRS Term DSCR below 1.15x, a threshold indicative of a higher likelihood of mid-term default. Additionally, to assess refinance risk, DBRS applied its refinance constants to the balloon amounts. This resulted in 12 loans, representing 50.4% of the total commitments, having refinance DSCRs below 1.00x relative to the DBRS Stabilized NCF. The properties are often transitioning, with potential upside in the cash flow; however, DBRS does not give full credit to the stabilization if there is no future funding, holdbacks or if other loan structural features in place were insufficient to support such treatment. Furthermore, even with structure provided, DBRS generally does not assume the assets will stabilize above current market levels.

STRENGTHS

- The pool consists of relatively low-leverage financing on a loan-per-square-foot basis, with many loans featuring new fresh cash equity injected by sponsors that are experienced in their respective markets and have the wherewithal to execute on their plans to stabilize the assets.

- The origination is generally found to be on projects that have a reasonable likelihood of achieving stabilization, with the capital being injected by the loan sponsor and/or the A10 Capital future advance conditioned upon execution of leases approved by A10 Capital.
- The collateral of the underlying loans primarily consists of traditional property types of office, retail, industrial and multifamily, with minimal exposure to assets having very high expense ratios, such as hotels or property types where conventional takeout financing may not be as readily available.
- An affiliate of A10 Capital will be holding the first-loss position (including Classes E and F and equity tranches), and as part of the Trust Indenture, it or an affiliate must retain that position for as long as the Offered Notes remain outstanding.

CHALLENGES AND CONSIDERATIONS

- The pool consists of transitional assets.
  - *Given the nature of the assets, DBRS determined a sample size, representing 83.2% of total loan commitments. This is higher than the typical sample size for traditional conduit CMBS transactions. Physical site inspections were also performed, including management meetings. DBRS also notes that when DBRS analysts are visiting the markets, they may actually visit properties more than once to follow the progress (or lack thereof) being made toward stabilization. The servicer is also in constant contact with the borrowers to track progress.*
- The pool is concentrated based on loan size, as there are only 28 loans (based on consideration of the two crossed loan groups) in the transaction, and the largest ten represent 59.1% of the pool. Additionally, 30.7% of the pool balance (nine properties spread across eight loans) is geographically concentrated in the State of California, including the second- and fourth-largest loans (14.0% of the pool combined).
  - *The pool has a concentration profile similar to a pool of 20 equally sized loans, and DBRS analyzed the transaction with a significant transaction-wide increase in POD to account for the elevated concentration risk. The nine loans represent acquisition financing and are secured by nine properties, three of which are located in California.*
- DBRS has assigned a stabilized cash flow to a level that is above the in-place level. There is a possibility that the sponsors will not execute their business plans as expected and the higher stabilized cash flow will not materialize during the loan term.
  - *DBRS POD is determined by the in-place cash flow as measured against the fully funded loan amount, resulting in very high loan-level PODs; only LGD is determined by the DBRS Stabilized NCF.*
  - *As previously stated, The DBRS analysis considers the current in-place cash flow as measured against the fully funded loan amount, which results in elevated loan-level PODs. Only LGD is determined by the DBRS Stabilized NCF, which is often well below the estimate of where the stabilized cash flow should be for both A10 Capital and the appraiser.*
  - *DBRS made relatively conservative stabilization assumptions that include a view on current market rental rates and not future growth in market rental rates. In most instances, DBRS considered the business plan to be rational and the future funding amounts to be sufficient to execute such plans.*
- Future funding facilities exist under the loan agreements.
  - *The transaction includes a minimum reserve in the amount equal to the greater of (1) the sum of 100.0% of the largest future advance obligation plus 10.0% of all other future advance obligations; (2) the servicer-approved but unfunded advances; or (3) prior to the 24-month anniversary, 15.0% of the total unfunded advances and, after the 24-month anniversary of the transaction, 25.0% of the total unfunded advances. The initial reserve balance at issuance totals $21.8 million and will be replenished through the transaction's waterfall.*
- There is no advancing of principal and interest at the loan level, which is unique compared with typical CMBS conduit transactions.
  - *The classes, other than the Class A Notes, have the ability to defer interest to be repaid with subsequent distributions of principal. Noteholders of the classes with the deferred interest mechanism will receive interest on their deferred interest at the applicable note rate, to the extent permitted by law, while Class A noteholders will receive interest advances when deemed recoverable, and the servicer is permitted to make protective advances on the loans in an imminent default situation.*

- In addition to the primary Mortgaged Property securing the Sandridge underlying loan, representing 5.0% of the pool balance, there is a second deed of trust on another real property not included as collateral for this transaction.
  - *Pursuant to the terms of a standstill agreement, the lender on the second deed under the Sandridge underlying loan is not permitted to exercise any rights against such other real property until the Sandridge second loan has been paid in full. The mortgaged property securing the Sandridge underlying loan is also subject to a second deed of trust in favor of the lender under the Sandridge second loan, which is also subject to the standstill agreement generally providing that the other lender is not permitted to exercise any rights against the mortgaged property securing the Sandridge underlying loan until the Sandridge underlying loan has been paid in full.*
  - *Kohlberg Kravis Roberts & Company (KKR), representing 93.0% of the sponsorship group, has, per the loan agreement, minimum net worth and liquidity requirements of $50.0 million and $7.0 million, respectively, and has substantial available in excess of these minimums. Furthermore, DBRS considers this loan's NCF to be stabilized and anticipates that the loan will be a strong candidate for refinance.*
- There is tail risk within the transaction, as the loans have finite terms to stabilize.
  - *Upon certain triggers, excess spread will be used to amortize the notes until paid in full.*
- No loans have an interest reserve to keep payments current.
  - *PODs are based on the DBRS In-Place NCF and are measured against the fully funded loan amount, resulting in elevated POD levels that imply a near-term default is likely for the majority of the underlying loans.*
- There is an inherent conflict of interest between the special servicer and the seller, as they are related entities. Given that the special servicer is typically responsible for pursuing remedies from the seller for breaches of the representations and warranties, this conflict could be disadvantageous to the certificateholders.
  - *While the special servicer is classified as the enforcing transaction party, if a loan repurchase request is received, the trustee and originator shall be notified and the originator is required to correct the material breach or defect or repurchase the affected loan within a maximum period of 270 days. The repurchase price would amount to the outstanding principal balance and unpaid interest less relevant Issuer expenses and protective advances made by the servicer.*
  - *Issuer retains 17.4% equity in the transaction holding the first loss piece.*

DBRS Credit Characteristics

DBRS TERM DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	72.0%	72.0%
0.90x-1.00x	2.2%	2.2%
1.00x-1.15x	0.0%	0.0%
1.15x-1.30x	5.2%	5.2%
1.30x-1.45x	5.8%	5.8%
1.45x-1.60x	10.9%	10.9%
1.60x-1.75x	0.0%	0.0%
>1.75x	3.9%	3.9%
Wtd. Avg.	0.78x	0.78x

DBRS REFI DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	38.4%	38.4%
0.90x-1.00x	11.7%	11.7%
1.00x-1.15x	18.4%	18.4%
1.15x-1.30x	8.1%	8.1%
1.30x-1.45x	16.1%	16.1%
1.45x-1.60x	2.0%	2.0%
1.60x-1.75x	1.4%	1.4%
>1.75x	3.9%	3.9%
Wtd. Avg.	1.06x	1.05x

DBRS DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	62.8%	62.8%
6.0%-8.0%	14.9%	14.9%
8.0%-10.0%	12.0%	12.0%
10.0%-12.0%	6.4%	6.4%
12.0%-14.0%	0.0%	0.0%
14.0%-16.0%	0.0%	0.0%
>16.0%	3.9%	3.9%
Wtd. Avg.	5.5%	5.5%

DBRS EXIT DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	22.6%	22.6%
6.0%-8.0%	10.4%	10.4%
8.0%-10.0%	19.3%	25.1%
10.0%-12.0%	24.3%	18.5%
12.0%-14.0%	18.1%	18.1%
14.0%-16.0%	1.4%	1.4%
>16.0%	3.9%	3.9%
Wtd. Avg.	9.6%	9.5%

1. Includes pari passu debt, but excludes subordinate debt.

Largest Loan Summary

LOAN DETAIL

Vernon Portfolio	Trust Balance	% of Pool	DBRS Shadow Rating	DBRS Term DSCR (x)	DBRS Refi DSCR (x)	DBRS Debt Yield	DBRS Exit Debt Yield
Menlo Rite-Aid Portfolio	$35,780,000	9.5%	n/a	1.47	0.94	8.6%	8.6%
Vernon Portfolio	$31,000,000	8.2%	n/a	0.54	0.60	3.6%	5.6%
535 Broadway	$27,000,000	7.2%	n/a	0.84	0.61	5.6%	5.6%
1621 Barber	$21,710,000	5.8%	n/a	0.00	1.02	0.0%	9.9%
Mallard Creek	$20,485,100	5.4%	n/a	0.26	0.88	2.0%	8.6%
Market Street at Heath Brook	$20,445,000	5.4%	n/a	0.52	1.14	4.2%	11.1%
Sandridge Apartments	$18,800,000	5.0%	n/a	1.42	1.13	10.2%	10.2%

PROPERTY DETAIL

Loan Name	DBRS Property Type	City	State	Year Built	SF/Units	Loan per SF/Units	Maturity Balance per SF/Units
Menlo Rite-Aid	Anchored Retail	Various	Various	Various	177,811	$201	$201
Vernon Portfolio	Industrial	Vernon	CA	Various	489,928	$63	$63
535 Broadway	Unanchored Retail	New York	NY	1900	14,400	$1,875	$1,875
1621 Barber	Office	Milpitas	CA	1981	181,812	$132	$124
Mallard Creek	Office	Charlotte	NC	Various	259,226	$79	$79
Market Street at Heath Brook	Anchored Retail	Ocala	FL	2008	392,325	$52	$49
Sandridge	Multifamily	Pasadena	TX	1981	504	$37,302	$37,302

Note: Loan metrics are based on whole-loan balances.

LOAN TERM DETAIL

Loan Name	Total Commitments	Rate Type	Rate/ Spread	Floor	Next ARM Reset Date	Loan Term	Origination Date	Loan Maturity	Extension Options (mos)
Menlo Rite-Aid Portfolio	**$35,780,000**	**Fixed**	**5.86%**	**n/a**	**n/a**	**36**	**4/21/2017**	**5/1/2020**	**24**
Menlo Rite-Aid (Philadelphia)	$3,570,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Mattydale)	$3,550,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Syracuse)	$3,325,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Liverpool- Oswego)	$3,160,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Plattsburg)	$3,052,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Elmira-Zoar)	$2,625,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Elmira- Second)	$2,500,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Cortlandville)	$2,155,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Liverpool- Liverpool Road)	$1,959,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Ashtabula- Lake)	$1,750,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Ashtabula- Prospect)	$1,620,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Middlefield)	$1,470,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Jefferson)	$1,410,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Latrobe)	$1,288,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (Portage)	$1,188,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Menlo Rite-Aid (New Bethlehem)	$1,158,000	Fixed	5.86%	n/a	n/a	36	4/21/2017	5/1/2020	24
Vernon Portfolio	**$31,000,000**	**Fixed / Floating - 3 month LIBOR**	**5.07%**	**6.22%**	**8/1/2019**	**36**	**7/5/2017**	**8/1/2020**	**24**
Vernon- Fruitland	$17,750,000	Fixed / Floating - 3 month LIBOR	5.07%	6.22%	8/1/2019	36	7/5/2017	8/1/2020	24
Vernon- Santa Fe	$13,250,000	Fixed / Floating - 3 month LIBOR	5.07%	6.22%	8/1/2019	36	7/5/2017	8/1/2020	24
535 Broadway	$27,000,000	Floating - 1 month LIBOR	4.50%	5.00%	7/1/2017	24	11/18/2016	12/1/2018	36
1621 Barber	$21,710,000	Fixed / Floating - 3 month LIBOR	5.04%	6.29%	3/1/2020	60	2/24/2017	3/1/2022	24
Mallard Creek	$20,485,100	Fixed / Floating - 3 month LIBOR	5.30%	6.00%	7/1/2018	48	12/23/2016	1/1/2021	24
Market Street at Heath Brook	$20,445,000	Fixed	6.55%	n/a	n/a	48	12/30/2016	1/1/2021	24
Sandridge Apartments	$18,800,000	Floating - 3 month LIBOR	5.10%	5.80%	7/1/2017	36	7/21/2016	8/1/2019	24

DBRS Sample

DBRS SAMPLE RESULTS

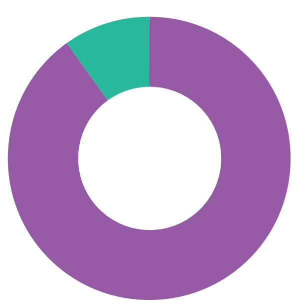
Prospectus ID	Loan Name	% of Total Loan Commitments	DBRS Stabilized NCF	DBRS NCF Variance[1]	DBRS Major Variance Drivers	DBRS Property Quality
1	Menlo Rite-Aid Portfolio	9.5%	$3,079,942	-15.4%	Vacancy; CapEx	Average
2	Vernon Portfolio	8.2%	$1,729,082	-40.9%	Vacancy; TI/LC costs	Average (-)
3	535 Broadway	7.2%	$1,507,017	-29.9%	Vacancy	Average
4	1621 Barber	5.8%	$2,214,488	-21.5%	Vacancy; TI/LC costs	Average
5	Mallard Creek	5.4%	$1,752,550	-27.7%	Vacancy; CapEx; TIs; RE Taxes	Average
6	Market Street at Heath Brook	5.4%	$2,140,219	-47.5%	CapEx, TI/LC	Average
7	Sandridge Apartments	5.0%	$1,923,962	-4.7%	Management Fee	Average
8	Norris Tech	4.3%	$1,737,315	-38.2%	Vacancy	Average
9	IPTV-B Portfolio	4.3%	$1,982,430	-56.9%	Vacancy; CapEx; TIs	Average
10	Osceola Square Mall	3.9%	$3,042,568	-6.3%	Vacancy	Average
11	19701 Hamilton	3.7%	$910,860	-47.2%	Vacancy; TI/LC costs	Average
12	Fremont Village Square	3.6%	$711,920	-47.0%	Vacancy; TI/LC costs	Average
13	Willowbrook West	3.6%	$1,737,204	-8.4%	Vacancy	Average
14	Montclair	3.5%	$911,495	-31.2%	Vacancy	Average
16	Craig Crossing	3.4%	$1,492,192	-16.7%	Vacancy	Average
18	9000 Melrose	2.1%	$367,351	-65.4%	Vacancy; TI/LC costs	Average
20	Snow Road	2.0%	$898,060	-29.3%	Vacancy	Average
25	Century Plaza	1.4%	$254,926	-79.4%	Vacancy, CapEX; TIs	Average
28	Cheyenne Fountains	0.8%	$279,874	-28.8%	TI/ LC costs; Market Rent	Average

1. The variance is calculated as the difference between the DBRS stabilized NCF and the most recent Appraisal's stabilized NOI.

DBRS SITE INSPECTIONS

The DBRS sample included 19 of the 28 loans in the pool. Site inspections were performed on 25 of the 52 properties in the portfolio (62.3% of the pool by allocated loan balance). DBRS conducted meetings with the on-site property manager, leasing agent or a representative of the borrowing entity for 56.3% of the pool. The resulting DBRS property quality scores are highlighted in the following charts:

DBRS Sampled Property Quality



Property Quality	% of Sample	# of Loans
Excellent	0.0%	0
Above Average	0.0%	0
Average +	0.0%	0
Average	90.1%	18
Average –	9.9%	1
Below Average	0.0%	0
Poor	0.0%	0

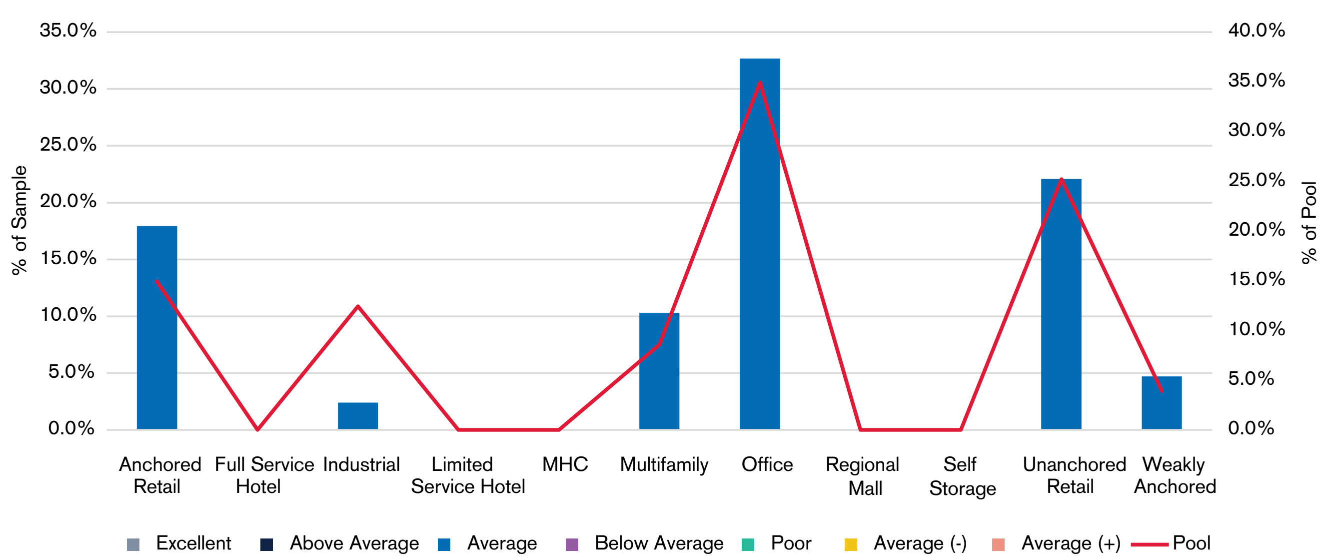
DBRS CASH FLOW ANALYSIS

A cash flow review and a cash flow stability and structural review were completed on 19 of the 28 loans, representing 83.2 % of the pool's total commitments by loan balance. For the loans not subject to review, DBRS applied the average NCF variance. Information was generally provided on a loan-level basis; thus, DBRS analyzed each individual property within the crossed groups.

DBRS In-Place NCF was estimated based on the current performance of the property, without giving any credit to future upside that may be realized by the sponsors upon execution of their business plan. The loan pool consisted of loans originated in 2013 and 2014 (older loans), as well as well as loans originated in 2016 and 2017 (newer loans). Furthermore, since updated Issuer NCFs were not available for the older loans, DBRS utilized the Issuer Cut-Off NOI, which was generally as of March 31, 2017, to calculate the average DBRS In-Place NCF variance. For purposes of calculating the average DBRS In-Place NCF, DBRS split its sample into older and new loan groups. The DBRS older loan sample had an average DBRS In-Place NCF variance of -32.7% and ranged from -68.8% (Norris Tech) to +49.5% (Osceola Square Mall). DBRS applied the average of variance of -32.7% to non-sampled older loans. The DBRS new loan sample had an average DBRS In-Place NCF variance of -21.9% and ranged from -100.0% (1621 Barber and Fremont Village Square) to +225.7% (Willowbrook West). DBRS applied the average of variance of -13.5% to non-sampled newer loans, after removing several variances DBRS deemed to be of a unique/outlier in nature.

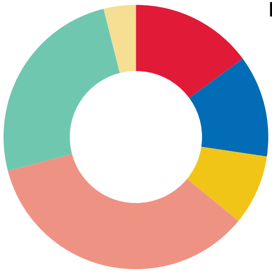
DBRS Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that were believed by DBRS to be reasonably achievable based on the sponsor's business plan and structural features of the respective loan. This often involved assigning higher than in-place rental rates for multifamily properties based on significant renovations being performed, with rents already being achieved on renovated units providing the best guidance as to the market upon renovation. For commercial properties, the largest source of upside was typically in higher than in-place occupancy rates. For all assumptions, DBRS took a somewhat conservative view compared with the market in order to account for execution risk around the business plan. For those loans with future funding for leasing costs, DBRS estimated the total cost to stabilize the property at the stabilized occupancy rate and gave credit in the cash flow to offset the leasing costs if the future funding was not exhausted. Again, since updated Issuer NCFs were not available for the older loans, DBRS utilized the Appraisal Cut-off NOI, which was generally as of Q1 2017 or Q2 2017, to calculate the average DBRS Stabilized NCF variance. The DBRS sample had an average Stabilized NCF variance of -36.0% and ranged from -79.4% (Century Plaza) to -4.7% (Sandridge). DBRS applied the average of variance of -28.0% to non-sampled loans, after removing several variances DBRS deemed to be of a unique/outlier in nature.

DBRS Sampled Property Type



Transaction Concentrations

DBRS Property Type



Property Type	% of Pool	# of Loans
Anchored Retail	14.9%	2
Full Service Hotel	0.0%	0
Industrial	12.4%	3
Limited Service Hotel	0.0%	0
MHC	0.0%	0
Multifamily	8.6%	2
Office	34.9%	11
Regional Mall	0.0%	0
Self Storage	0.0%	0
Unanchored Retail	25.2%	9
Weakly Anchored	3.9%	1

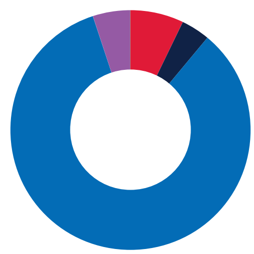
Geography

State	% of Pool	# of Properties
CA	30.7%	9
NY	13.1%	9
TX	11.0%	5
FL	10.3%	4
WA	5.8%	2
NC	5.4%	1
All others	23.6%	22

Loan Size

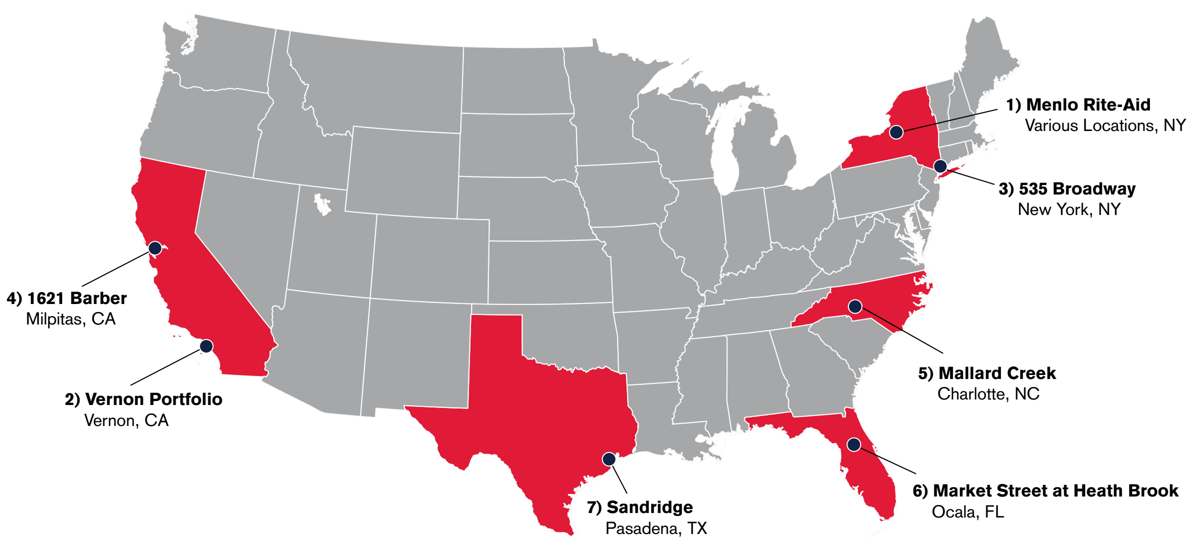
Loan Size	% of Pool	# of Loans
Very Large (>$20.0 million)	41.5%	6
Large ($10.0-$20.0 million)	38.8%	10
Medium ($5.0-$10.0 million)	18.9%	11
Small ($2.0-$5.0 million)	0.8%	1
Very Small (<$2.0 million)	0.0%	0

DBRS Market Type



Market Type	% of Pool	# of Loans
Super Dense Urban	7.2%	1
Urban	3.9%	2
Suburban	83.9%	23
Tertiary	5.1%	2
Rural	0.0%	0

Largest Property Locations



Loan Structural Features

Pari Passu Notes: There are no loans in the pool with pari passu debt.

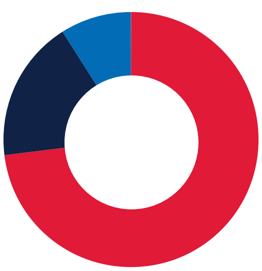
Subordinate Debt: One individual loan representing 5.8% of total commitments, 1621 Barber, has additional debt in the form of a B-note. A second loan, Sandridge, which totals 5.0 % of the transaction balance, is encumbered by a second deed of trust on another real property not included as collateral for this transaction. A subordination and standstill agreement is in place.

Loan documents generally prohibit the borrower from securing additional debt or equity interest in the related borrower with any mezzanine debt, or require the consent of the lender prior to encumbering such property or interest in the related borrower. Most loans provide for additional funding to coincide with value creation at the property. DBRS reviewed each sampled loan's plan with A10 Capital and is comfortable with the servicer discretion and control of the process. For example, the servicer will review the tenant, the lease term, the concessions and TIs to decide how much of an advance, if any, is warranted. It is not simply a matter of the borrower's submitting a tenant and getting the additional funding. The servicer is very much focused on plans that provide long-term value to the asset.

SUBORDINATE DEBT

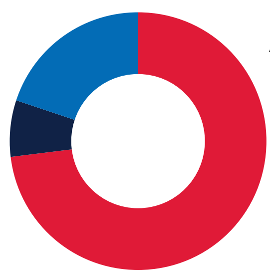
Loan Name	Trust Balance	Pari Passu Balance	B-Note Balance	Mezz/ Unsecured Debt Balance	Future Mezz/ Unsecured Debt (Y/N)	Total Debt Balance
1621 Barber	$21,710,000	$0	$2,300,000	$0	N	$24,010,000

Interest Only



IO Term	% of Pool	# of Loans
Full IO	73.0%	19
Partial IO	16.6%	4
Amoritization	10.4%	5

DBRS Expected Amoritization



Expected Amoritization	% of Pool	# of Loans
0%	73.0%	19
0.0%-5.0%	7.1%	4
5.0%-10.0%	19.9%	5
10.0%-15.0%	0.0%	0
15.0%-20.0%	0.0%	0
20.0%-25.0%	0.0%	0
>25.0%	0.0%	0

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

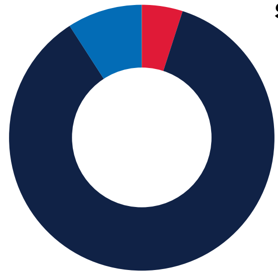
Single Purpose Entity: Each underlying loan requires the related borrower to be an SPE for at least as long as the underlying loan (other than the note purchase loan) or note purchase underlying loan is outstanding. Both the loan documents and the organizational documents of the related borrower, with respect to each underlying loan, provide that the borrower is an SPE. It would be an exception when the originator does not require an SPE structure. DBRS would consider those instances on a case-by-case basis and may increase the severity of loss in instances where a borrower's financial position is considered weak.

Leasehold: No properties are secured by a leasehold interest.

Sponsor Strength: DBRS identified two loans, which were associated with sponsors that have had maturity defaults on the subject property, foreclosures or a limited CRE portfolio.

Property Release: All five of the crossed loan groups, representing 26.9 % of the pool, have loan documents that allow for the release of one or more properties as loan collateral or cross-collateralization, subject to certain LTV and/or debt yield conditions. Release prices generally vary from 100.0% to 130.0% of the original allocated loan amount.

DBRS Sponsor Strength



Sponsor Strength	% of Pool	# of Loans
Strong	5.0%	1
Average	85.9%	25
Weak	9.1%	2
Bad (Litigious)	0.0%	0

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

Reserves: All of the loan documents except for the Menlo Rite-Aid portfolio provide for the establishment of escrow and/or reserve accounts for taxes and insurance reserves. Monies are also held back at closing if deferred maintenance and other capital items need to be addressed.

Terrorism Insurance: Terrorism insurance is required and currently in place for all loans in the pool.

Future Funding: Twenty underlying properties, representing 64.8% of the total commitments, have a future funding component. As of the cut-off date, the aggregate remaining future funding advances totaled $47.5 million and ranged from $145,000 to $6.9 million. The vast majority of commitments are for improvements to the properties securing the loans that are at the lender's discretion and are expected to be used for leasing costs (60.0% of total commitments) and capex (24.6% of total commitments). Each request for future funding is reviewed by A10 Capital as primary servicer and is reviewed with respect to A10 Capital's underwriting criteria, with the expectation that the funds will add to or preserve the value of the property. Additional loan amounts will only be funded after a fully executed lease on the underlying property is approved by A10 Capital. There are also three loans, totaling 8.3% of total commitments, which have future earn-out advance obligations for performance achievements in terms of occupancy. Such future advances comprise 9.2% of the total future funding in the transaction.

FUTURE ADVANCES DATA

Original Outstanding Loan Amount	$334,095,803	# / % of Properties with Future Funding	28 / 64.8%
Total Original Future Funding	$59,335,022	#/ % of Properties with Future Funding for TI/LC	27 / 60.0%
Cutoff Date Outstanding Loan Amount	$329,217,877	# / % of Properties with Future Funding for Capex	8 / 24.6%
Total Remaining Future Funding	$47,524,682	# / % of Properties with Interest Reserve	0 / 0.0%

Originator

DBRS has had several meetings with the principals of A10 Capital to discuss its origination processes. Additionally, DBRS has rated every securitized transaction containing A10 Capital collateral.

Due to the transitional nature of the properties, loan analysis is intensive. Loan documents are standardized and certain terms are non-negotiable. All loans are reviewed by an outside loan committee and require unanimous approval in order to close.

A10 Capital has provided a copy of its analysis guidelines and forms library for DBRS review. Overall, the Company's origination practice is organized and quality control/loan approval processes are sufficient.

Servicing

Primary and special servicing within the transaction will be conducted by A10 Capital. DBRS currently evaluates A10 Capital's primary servicing capability as Good and its special servicing capability as Adequate. A servicer evaluation of Good indicates that a servicer has exhibited a comprehensive understanding of servicing criteria and has received a positive assessment in most areas of servicing. A servicer evaluation of Adequate indicates that a servicer has exhibited a full understanding of the eight criteria reviewed by DBRS. These servicers may not have substantial volume to demonstrate their ability in execution, or may be entering securitization servicing as a new line of business.

A10 Capital retains the servicing of all of its loans. It uses McCracken Financial Solutions Corp.'s (McCracken) Strategy loan servicing system as its system of record. Under the agreement, A10 Capital updates and maintains the data on the loan system, while McCracken hosts the system and performs day-end processing.

A10 Capital's greatest strength is its experienced management and staff and their ability to perform hands-on asset management, including a comprehensive and objective asset-level risk rating program. Through its securitizations over the years, the Company has developed investor reporting and surveillance expertise. A10 Capital continues to employ a strong credit committee process throughout the life of a loan from loan origination through post-closing. Although A10 Capital proactively hires staff to keep up with its growing portfolio, the Company remains relatively small. As a result, one of A10 Capital's greatest challenges is its key employee risk.

For more information on A10 Capital's servicing abilities, please see the DBRS servicer evaluation report dated December 12, 2016, available at www.dbrs.com.

Menlo Rite-Aid Portfolio

Various

Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$35.8

Loan psf/Unit
$201

Percentage of the Pool
9.5%

Loan Maturity/ARD
May 2022

Amortization
0.0%

DBRS Term DSCR
1.47x

DBRS Refi DSCR
0.94x

DBRS Debt Yield
8.6%

DBRS Exit Debt Yield
8.6%

Competitive Set

Anchored Retail, Medium, Suburban

Median Debt Yield
10.0%

Median Loan PSF/Unit
$96

Debt Stack ($ million)

Trust Balance
$35.8

Pari Passu
$0.0

B-Note
$0.0

Mezz
$0.0

Total Debt
$35.8

Loan Purpose

Recapitalization

Equity Contribution/ (Distribution) ($ million)
$8.9

DBRS ANALYSIS

SITE INSPECTION SUMMARY

DBRS inspected four properties located in the Cleveland, Ohio, MSA and four properties located in the Syracuse, New York, MSA with property qualities ranging from Average (+) to Below Average. Based on the DBRS site inspections conducted on June 29, 2017, DBRS concluded the overall portfolio quality to be Average.

The portfolio consists of 16 free-standing Rite Aid Pharmacy buildings, totaling 177,811 sf located across New York, Pennsylvania and Ohio. The buildings were constructed between 1995 and 1999 and have an average store size of 11,113 sf. The properties are generally located in suburban submarkets and situated at corner intersections on commercial thoroughfares with good sign visibility. One exception is the property located at 2148 Lake Avenue in Ashtabula, Ohio, which did not have a monument sign located along the street, but instead only has signage on the building. The neighborhoods typically consisted of other retail properties, residential neighborhoods and in some cases were located near hospitals or doctor's offices. One exemption was the store located at 1115 West Prospect Avenue in Ashtabula, Ohio, which was located adjacent to two vacant buildings, with a number of vacant commercial and residential houses in the immediate area.

The building exteriors consisted of a brick and stucco facade with blue exterior accents and signage or updated brown exterior accents and updated blue and red logo signage. The parking lots were generally in below-average condition with significant cracking and patchwork visible. The property located at 2148 Lake Avenue was an exception, which appeared to have a recently sealed and restriped parking lot. Overall, DBRS noticed deferred maintenance at most properties, typically with rusted metal posts, deteriorated concrete sidewalks and stained acoustical tile ceiling panels, suggesting roof leaks. The property at 1115 West Prospect Avenue had a number of missing or stained ceiling tiles and a rusted light post that was coming away from its concrete base. Generally, the store interiors were clean and the shelves were well stocked with merchandise. All locations inspected by DBRS had drive-through pharmacies and have blue- or brown-accented interiors to correspond with the building's exterior.

DBRS VIEWPOINT

The sponsor acquired these 16 assets in two separate acquisition transactions in 2015 and 2016. Since then, the sponsor has been able to extend the average lease term from 3.5 years to 10.1 years, with the earliest lease expiration on August 10, 2023. The loan was originated in April 2017, when the Walgreens Boots Alliance/Rite Aid merger outcome was unknown. The sponsor's plan was to profit on the sale of the stores sold to competitors or realize an increased valuation as a result of the association with Walgreens. Now that the merger has been canceled, the sponsor will need to make a determination on which properties to sell and which properties they would like to hold long term. The loan is structured with several release provisions and two business plan execution triggers. The business plan execution triggers call for principal payments of $600,000 and $1.6 million at month 18 and month 24 of the loan, respectively, if the sponsor has not sold enough properties to achieve those levels of excess premiums.

DBRS views this portfolio with the in-place NCF as being fully stabilized. The loan has elevated refinance risk with a low DBRS Exit Yield and DBRS Refi DSCR of 8.6% and 0.94x, respectively.

Vernon Portfolio

Vernon, CA

Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$31.0

Loan psf/Unit
$63

Percentage of the Pool
8.2%

Loan Maturity/ARD
August 2022

Amortization
0.0%

DBRS Term DSCR
0.54x

DBRS Refi DSCR
0.60x

DBRS Debt Yield
3.6%

DBRS Exit Debt Yield
5.6%

Competitive Set

Industrial, Large, Zipcode Prefix: 900

Median Debt Yield
9.8%

Median Loan PSF/Unit
$47

Debt Stack ($ million)

Trust Balance
$31.0

Pari Passu
$0.0

B-Note
$0.0

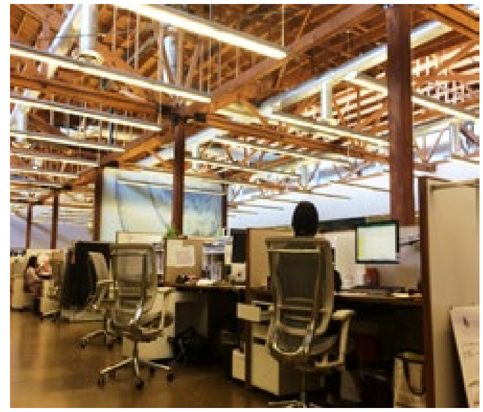
Mezz
$0.0

Total Debt
$31.0

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ million)
$4.1



DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspections and management meetings held on June 29, 2017, DBRS found the portfolio's property quality to be Average (–). DBRS assessed the property quality for both Vernon — Fruitland and Vernon — Santa Fe to be Average – quality. DBRS visited both properties in the portfolio.

VERNON — FRUITLAND

The property's exterior facade of concrete and paneling appeared in line with the construction quality and aesthetic of most of the nearby industrial buildings. A three-story vertical poster exhibiting a BCBGMaxazria (BCBG) advertisement with various models wearing bright-colored clothing distinguished the property from several nearby industrial buildings. The collateral offered parking in front of the facility in a surface parking lot, as well as a roof parking lot, which appeared to be a unique parking set-up relative to industrial buildings in the immediate area. Both parking lots had a significant amount of cracking and staining.

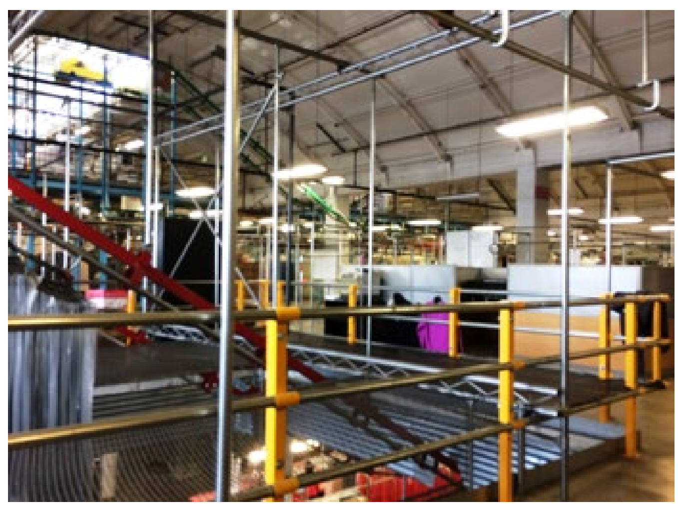
The entrance lobby, offering a mix of artificial plants, modern furniture, faux animal-skin rug, a dark wooden staircase and stone-floor paneling, was attractive, but there were scratches and damages to the flooring noted. The interior corridors of the building offered tall heights and polished concrete floors, more typical of an industrial or flex building, but there were several white acoustic ceiling panels with water damage stains in various spots throughout the building. The office space build outs vastly varied in quality between team operations. While some of the office space appeared to be in line with Class A creative office space with modern open office cubicle layouts, high ceilings with wooden exposed rafters, polished concrete floors and unique art pieces, some of the office space appeared more typical of Class B suburban office build outs with low white acoustic ceiling panels, carpeting and high cubicle walls. The property also offered typical office build outs with conference rooms, exterior executive office suites and break rooms, but the tenant also had built-out space for more industrial functions with numerous people working at sewing machines for the design team, a large space used for fabric storage, a large mannequin show room and a dedicated dock area with garage doors. The facilities manager estimated that the property was approximately 75.0% occupied by the tenant due to downsizing following the bankruptcy announcement by BCBG. The facilities manager noted that a lot of the sales equipment from recently shut-down stores was being stored in space formerly used for offices within the building, so the equipment could be processed for functionality and sold. Overall, the properties' large floorplates and high ceilings would be attractive for creative office users, but the extensive office wall partitioning would make it difficult for an industrial user to readily use the space.

VERNON — SANTA FE

The property's exterior offered a light blue concrete facade with light green painted window sills and dark green painted entry way, which appeared dated and not very attractive. A small parking lot that was full of cars was located on the eastern side of the building near the entrance, but had notable cracking and potholes. There were various boxes and wooden paneling behind some of the glass windows on the eastern side of the building to help with cooling inside of the building. While there were numerous fans in the interior of the building, the warm temperature from outside was affecting the temperature inside of the building. A large loading and docking area, which extended across the entire back portion of the building, offered numerous loading dock doors on the western side of the building. There were several shipping containers being loaded at the time of the inspection.

The property had a small security desk at the front entrance of the property, but did not offer any sort of decor in the front lobby. The first and second floors had extensive racking systems built out with clothes moving across the ceilings on mechanical racks. The racking areas were clean and well kept by the tenant. There were several small offices throughout the first and second floor, typical of office space in a Class B industrial building. DBRS noted there was chipped painted on various podiums and minor damage to the flooring throughout the property.

DBRS VIEWPOINT



The properties are well located in the Vernon Industrial submarket of Vernon, California. Vernon's close proximity to Los Angeles ports, Los Angeles International Airport, Alameda Rail Corridor, Hobart Yard and local freeways make it a desirable location for industrial tenants. The Vernon — Fruitland property was being used for BCBG headquarters office and the Vernon — Santa Fe property was predominately being used for apparel distribution by BCBG at the time of the inspections. According to CoStar, the submarket exhibits strong industrial vacancy metrics, but weaker office vacancy metrics, as of July 17, 2017. While existing industrial properties within the submarket exhibited a 3.2% vacancy rate and a 2.4% five-year average vacancy rate, the existing office properties purported 14.7% vacancy rate and a 7.1% five-year average historical vacancy rate. The average gross rental rate for existing office users of $26.79 psf is significantly higher than the $7.91 psf net rental rate for existing industrial users. While both properties are 100.0% leased by BCBG, the facilities manager estimated that the tenant was only using approximately 75.0% of their space at the Vernon — Fruitland property due to the recent downsizing of the tenant. The current base rental rates at the properties of $7.16 psf suggests that the properties are leased in line with industrial market rental rates in the submarket.

BCBG fully leases both the Vernon — Fruitland and the Vernon — Santa Fe buildings, but is notably leasing the Vernon — Santa Fe property on a MTM lease. The collateral in this transaction was previously securitized under a $34.6 million CMBS loan in CGCMT 2007-C6 that was is in maturity default and the borrower was been unable to obtain replacement permanent debt financing, as the existing tenant, BCGB, filed for Chapter 11 bankruptcy in February 2017. Holly Etlin, BCBG's chief restructuring officer, wrote in bankruptcy documents that the company fell victim to adverse macro-trends such as a shift from brick-and-mortar to online retail channels and a shift in consumer demographics from branded apparel. The former CMBS loan did not allow for partial releases. In conjunction with the financing for this transaction, the former CMBS loan was paid off, which allowed for a separate property that is no longer collateral for this transaction, the Leonis property, to be released and sold to Alpine Universal Inc. for $13.0 million, approximately $155 psf. The Leonis property, was formerly 100.0% occupied by Lucky Brand Jeans, but was sold 100.0% vacant.

Term default risk is considered high because the tenant is currently on a MTM lease at the Vernon — Santa Fe property and BCBG is currently going through bankruptcy proceedings. The base rent from Vernon — Santa Fe contributes approximately 42.9% of the combined base rent for Vernon — Santa Fe and Vernon — Fruitland. However, if BCBG stops paying rent or defaults on lease, the borrower will be required to fund a $3.0 million rollover TI/LC reserve within 30 days and the loan was structured full-recourse to the borrower. The sponsors, Max and Lubov Azria, are high net worth individuals and Max Azria currently owns six properties and one undeveloped site in southern California with an estimated market value of approximately $99.0 million. Max Azria was the Chief Executive Officer and Chairman of BCBG until 2016 and Lubov Azria was the Chief Creative Officer of BCBG, but both individuals are no longer with the company and were not directly affected by the recent bankruptcy. Following bankruptcy proceedings, BCBG is expected to execute a new lease for the Santa Fe building, which is currently being negotiated, for an additional three years at $6.72 psf NNN with 3.0% annual rent bumps. The tenant was fully utilizing their space at the Vernon — Santa Fe property for apparel distribution at the time of the inspection and the property was equipped with a state-of-the-art racking system valued at over $2.0 million. While the specialty build-out at the Vernon — Santa Fe building would make it difficult to lease to multiple tenants, the large floorplate and common area corridors could permit the Vernon — Fruitland property to be reconfigured for multiple creative office or flex tenants. DBRS conservatively assumed a 25.0% economic vacancy assumption to determine the DBRS stabilized NCF, which is significantly higher than the submarket vacancy rate of 3.2% for existing industrial properties, but the assumption conservatively accounts for the significant execution risk. Additionally, DBRS did not give any NCF credit when determining the stabilized NCF to the potential $3.0 million rollover TI/LC reserve, as the reserve would be funded by sponsor equity.

The loan exhibits high refinance risk with a DBRS Exit Debt Yield and DBRS Refi DSCR of 5.6% and 0.60x respectively., However, Cushman Wakefield's concluded dark value of $47.0 million, approximately $95 psf, which assumes an industrial use, represents a 66.0% loan-to-dark value. The recent sale of the Leonis property as vacant for approximately$155 psf further supports the underlying dark value in the real estate of the transaction, and implies that the loan balance of $63 psf is low leverage Furthermore, DBRS concluded its own dark value of $17.7 million, based upon its stabilized occupancy and stressed cap rate assumptions. DBRS utilized this dark value to assess the loan's loss severity.

Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$27.0

Loan psf/Unit
$1,875

Percentage of the Pool
7.2%

Loan Maturity/ARD
December 2021

Amortization
0.0%

DBRS Term DSCR
0.84x

DBRS Refi DSCR
0.61x

DBRS Debt Yield
5.6%

DBRS Exit Debt Yield
5.6%

Competitive Set

Unanchored Retail, Small, 10012

Median Debt Yield
7.7%

Median Loan PSF/Unit
$1,667

Debt Stack ($ million)

Trust Balance
$27.0

Pari Passu
$0.0

B-Note
$0.0

Mezz
$0.0

Total Debt
$27.0

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ million)
($2.4)

535 Broadway

New York, NY

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on June 29, 2017, DBRS found the property quality to be Average.

The subject property is a mixed-use building comprising ground-floor retail with upper floor residential space located in New York City's SoHo neighborhood. It is situated on the west side of Broadway, a north-south thoroughfare and SoHo's primary retail corridor, between Prince Street and Spring Street and less than two blocks south of West Houston Street, one of the area's primary east-west arterials. The subject is located in a mature, dense, highly desirable retail location with no land available for future development. The immediate area is predominantly comprised of older, multifamily residential and commercial/retail development, including an abundance of multifamily residential with ground-floor retail along Broadway. The area is highly accessible via public transportation, as the MTA NYC bus has a myriad of stops along Broadway and a number of subway stops (lines B, D, F, M, R, W and 6) are within blocks of the collateral. The subject has a prime location next door to Nike's new flagship retail store, which occupies multiple levels at the southwest corner of Broadway and Spring Street. In addition, with 25 feet of frontage on Broadway, the subject is highly visible from the street.

The collateral is a five-story, mixed-use building that consists of 4,800 sf of retail space that has been occupied by Lucky Brand Jeans (Lucky Brand) since 2006 and 9,600 sf of multifamily residential space on floors two through five. The collateral also includes 2,300 sf of sub-cellar, below-grade storage space that is considered an amenity and not included in total sf. The property has been well maintained since its initial construction in 1900 and is comparable in age to many of the buildings in its neighborhood. Its facade consists of floor-to-ceiling display windows on the first floor bordered by an off-white masonry trim and concrete block, which comprises the remainder of the building's exterior construction. Overall, the collateral's facade appears to be in good condition, blends in well with the broader SoHo market and has average curb appeal.

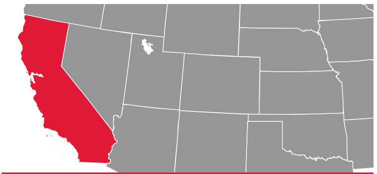
Like other buildings initially constructed in the early 1900s, the property does not have an elevator, and all floors must be accessed by one single interior staircase. The property has one exterior door on Broadway that provides direct access to the building and opens into a very small common area that provides access to the retail and multifamily spaces via separate locked doors for each. All tenant mailboxes are located here, as well. The retail space, comprised of a grade level and a selling cellar level, has a higher-end showroom finish with a window display comprising the entirety of the east wall, hardwood floors and hung track lighting throughout, as well as built-in display shelves and dressing rooms. As mentioned, Lucky Brand also utilizes the 2,300 sf sub-cellar level as storage, and this level may be accessed from the small selling cellar area. The apartment units are located on floors two through five and each unit totals 2,400 sf, though the number of bedrooms and/or bathrooms varies. In general, the apartment units are attractive and in good condition with higher-end finishes. Each apartment features a loft-style layout and is equipped with hardwood flooring, a combination of drywall and exposed brick walls, recessed lighting and newer stainless steel appliances in the kitchens. In general, the interior of both the retail space and the multifamily space is attractive and well maintained with higher-end features that make it competitive within the highly desirable SoHo neighborhood.

DBRS VIEWPOINT

The property is located in a highly desirable neighborhood in one the world's most mature, densely populated markets. With no land available for development, over the last five years submarket vacancies have averaged 2.7%, and comparable residential buildings with ground-floor retail have reported an even lower average vacancy of 1.9%. The property itself has been well maintained over the years and exhibits average curb appeal; visibility and accessibility among both vehicular and pedestrian foot traffic is high. The multifamily component of the property is 100.0% occupied, and the subject's retail component, which contributes roughly 83.2% of DBRS rental revenue, is occupied by Lucky Brand, a well-known, higher-end, apparel company. Notably, however, Lucky Brand has decreased its footprint in New York, as the company closed its Fifth Avenue location in January 2016 and its Greenwich Avenue store in July 2016. While the exact reason for these closings is unknown, there are no known plans to close the current location. Currently, Lucky Brand is paying rent of $312 psf, which is below the appraiser's market rent of $800 psf for the grade-level retail and $200 psf for the lower level, selling cellar space, which implies a blended market rent of $500 psf for the retail space, in aggregate.

The sponsor's plan is to buy-out the existing Lucky Brand lease prior to its August 2020 lease expiry and lease-up the space at market rent levels. When the loan initially funded, Nike had not yet taken occupancy of its flagship location adjacent to the subject; however, now that it has, Lucky Brand's leverage will continue to decrease the longer Nike stays in occupancy. Alternatively, in what the sponsor considers to be a worst-case scenario, the sponsor will simply lease the space to a new tenant upon lease expiry, as Lucky Brand does not have any options to renew its lease. Based on the appraiser's concluded blended market rental rate for the retail space, rental revenue could potentially increase by nearly $800k, or 53.1%, once the space is leased to a new tenant, and this potential increase in rental revenue is not likely to be offset by leasing costs, as TI allowances are not typically given to first floor retail tenants in NYC. In addition, should the sponsor successfully terminate the Lucky Brand lease at least six months prior to lease expiry, available cash flow will be swept by the lender until six months of debt service has been accumulated. To further mitigate any potential decrease in cash flow that may result as the sponsor leases the retail space to a new tenant, the borrower will also be required to post a sum equal to six months of debt service. Lastly, given concerns about high retail rental rates, the term of the subject loan is two years, as opposed to a standard three- to five-year term, with three one-year extension options that may only be granted at the lender's discretion.

The DBRS In-Place NCF implies a DBRS Term DSCR of 0.84x, which is indicative of high term default risk. Refinance risk is also elevated, as evidenced by a DBRS Stabilized NCF that implies a DBRS Exit Debt Yield and DBRS Refi DSCR of 6.1% and 0.61x, respectively.



Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$21.7

Loan psf/Unit
$132

Percentage of the Pool
5.8%

Loan Maturity/ARD
March 2024

Amortization
15.4%

DBRS Term DSCR
0.00x

DBRS Refi DSCR
1.02x

DBRS Debt Yield
0.0%

DBRS Exit Debt Yield
9.9%

Competitive Set

Office, Large, Zipcode Prefix: 950

Median Debt Yield
9.6%

Median Loan PSF/Unit
$166

Debt Stack ($ million)

Trust Balance
$21.7

Pari Passu
$0.0

B-Note
$2.3

Mezz
$0.0

Total Debt
$24.0

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ million)
$2.9

1621 Barber

Milpitas, CA

DBRS ANALYSIS

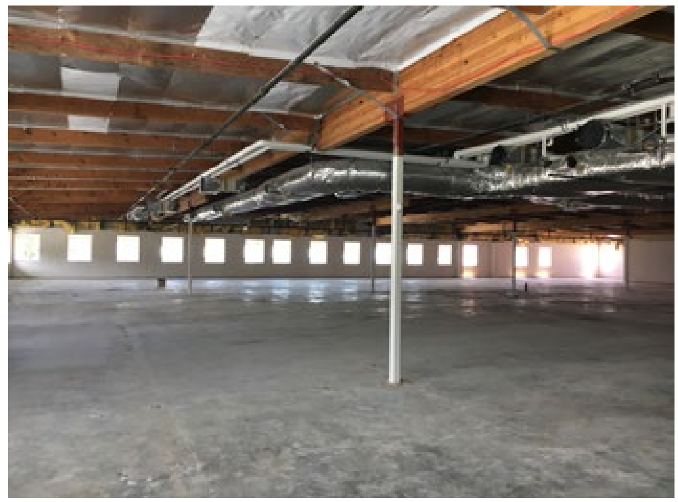
SITE INSPECTION SUMMARY

DBRS toured the subject accompanied by property management on July 6, 2017, and found the overall property quality to be Average.

The property is located within a business park on Barber Lane adjacent to I-880 with the main entrance of the property facing east toward the interstate. The property is accessible via the East Tasman Drive and Montague Expressway exits from I-880, which are approximately a half-mile north and south of the subject, respectively. Both roads connect to McCarthy Boulevard, which acts as the western border of the business park as Barber Lane is the eastern border of the park. Give the location of the property adjacent to the interstate, visibility for the subject is good. As the property is currently vacant, there is a large leasing banner affixed over the main entrance on the second story of the office portion of the collateral, easily viewable from the highway. Additional small leasing signs are located at the corners of the site along Barber Lane. The two-story office component and connected single-story flex industrial component are constructed of steel frame and tilted roof painted gray. There are windows on all sides of the building; however, they are small, limiting the amount of natural light allowed into the building. Property landscaping is minimal, consisting of mature trees and plants with some grassy areas. The parking lot currently shows signs of deterioration; however, the cost to resurface the asphalt is reserved for at issuance. As noted, the immediate area consists of similar flex industrial supply, which was primarily occupied by tenants in the tech and medical sectors.

The interior of the property consists of traditional office space and a flex industrial component, which are currently in three stages of completion. The first story of the office component has been white boxed with a completed entrance and lobby. The office area has a loft-style ceiling with exposed beams and pipes, which have been painted white. Certain areas of the floor have been finished with carpet squares and the lighting has been updated. Otherwise the floor remains completely open with the exception of a few exterior bank offices, a conference room and an employee break room. In contrast to the first floor, the second floor office component is completely unfinished and remains in shell condition. The second floor is accessible via a stairwell off the main entrance or a passenger elevator toward the rear of the suite. As such, the entire space would more likely be easier utilized by a single tenant, which, according to management, is the preferred leasing strategy. The flex industrial component is at the south end of the site and is connected to the office component. This space also remains in shell condition and has four rear docking doors. According to management, it agrees with the appraiser's leasing cost estimates, which range from $15.00 psf for the flex space up to $50.00 psf for the unfinished office space. Management also stated that the submarket continues to be stable and that it expects to be able to lease or sell the property within the loan term.

DBRS VIEWPOINT

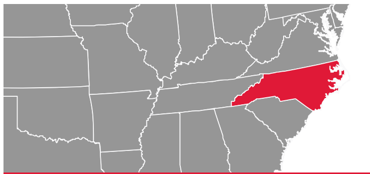


The subject benefits from its location adjacent to I-880 within a growing regional area as tenants in the technology and medical industries continue to expand outward from Silicon Valley. As the property has a both an office and flex component, it will be able to draw interest from a variety of potential tenants. According to CoStar as of June 2017, traditional Class B office properties in the Milpitas submarket reported an average vacancy rate of 12.7%, an average availability rate of 18.2% and an average gross rental rate of $22.04 psf. In contrast, flex properties reported these figures at 13.9%, 16.2% and $13.57 psf, respectively. While the vacancy rate for flex properties has remained relatively flat over the past five years, the vacancy rate for office properties in the submarket has decreased from the five-year average of 16.4%, reflecting increased demand. The sponsor purchased the property in 2004 for $18.5 million, financing the purchase with a $14.2 million loan. After the former single tenant vacated the property in 2015, the sponsor refinanced the CMBS debt with a $12.4 million bridge loan and injecting $1.2 million of fresh cash equity. Since 2015 the sponsor has invested $4.7 million into the property ($3.0 million from the bridge loan and an additional $1.7 million in equity) primarily on capex projects to improve the exterior and interior functionality and appearance of the property. The subject financing will repay the existing bridge debt, initially consists of a $16.5 million trust note and a $2.3 million B-note. There is also a $5.2 million future funding facility, which can be used for all lender-approved leasing costs. At closing, the borrower reserved its $918,000 portion of future leasing costs as well as a $1.0 million capex reserve, which will fund all immediate and necessary capital improvements at the property throughout the loan term, as identified in the property condition report. The loan has an initial five-year term with two one-year extension options available to the borrower. The loan is IO for the first three years and then amortizes over a 25-year term; however, if the borrower does not successfully lease the property to a stabilized occupancy rate by month 18 of the loan, a 20-year amortization schedule will be triggered until the property is leased.

In its Stabilized NCF analysis, DBRS utilized the appraiser's estimate of market rent and expense reimbursements in grossing up the vacancy at the property. DBRS agreed with the appraiser's assumption that the subject is best suited for a single-tenant user and, as such, accepted the NNN market rent of $16.80 psf for the entire property. Given the property is in shell condition, the new tenant will be able to customize its space, which is likely to command a rental rate above the submarket averages reported by CoStar. Based on the future funding leasing facility of $5.2 million and the sponsor's upfront leasing reserve contribution of $918,000, DBRS expects the property be achieve a stabilized occupancy rate throughout the loan term. The resulting DBRS Stabilized NCF is indicative of a fully funded whole-loan DBRS Exit Debt Yield of 9.2% and a DBRS Exit Debt of 10.2% on the fully funded trust loan. While the metrics are favorable from an exit perspective, the property is currently 100% vacant, and the sponsors have a history of foreclosure as they have given back title to the lender in five separate transactions from June 2011 to May 2013. The guarantors are a father and son duo headquartered in San Francisco and the father has been investing in real estate since 1973 when the company was founded. As a result of the past foreclosures, each guarantor signed a $2.0 million springing guaranty at issuance that will be triggered if any withdrawal of capital is made other than for property-level expenses or debt service; however, the guaranty will not be enforceable once the property reaches a 95.0% occupancy rate.

Mallard Creek

Charlotte, NC



Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$20.5

Loan psf/Unit
$79

Percentage of the Pool
5.4%

Loan Maturity/ARD
January 2023

Amortization
0.0%

DBRS Term DSCR
0.26x

DBRS Refi DSCR
0.88x

DBRS Debt Yield
2.0%

DBRS Exit Debt Yield
8.6%

Competitive Set

Office, Large, Zipcode Prefix: 282

Median Debt Yield
9.6%

Median Loan PSF/Unit
$97

Debt Stack ($ million)

Trust Balance
$20.5

Pari Passu
$0.0

B-Note
$0.0

Mezz
$0.0

Total Debt
$20.5

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$8.6

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on June, 29 2017, DBRS found the property quality to be Average.

The collateral consists of three single-story Class B office buildings and one four-story Class B+/A- office building that are part of a larger, seven-building office park. The other non-collateral office buildings in the park are one- to two-story Class B office structures that appear to be similar in age to the collateral. The office park is located at the northwest corner of WT Harris Boulevard (North Carolina Route 24) and Mallard Creek Road, with office park access off of both thoroughfares. The area surrounding the subject is a mixture of apartment complexes, single-family neighborhoods, low-rise office buildings and commercial/retail use structures. WT Harris Boulevard is a four-lane, major artery that connects with I-85 approximately one mile to the east.

All four collateral buildings have brick facades with asphalt parking lots surrounding the structures. The parking lots are in below-average condition, each with numerous exposed cracks or areas of deterioration. The landscaping is mature and abundant, but appears well maintained. The immediate area is densely wooded and the site contains a number of mature pine and deciduous trees with bushes, shrubs and flower beds enveloping the buildings. Overall the site and collateral have good curb appeal.

Building 1 is an S-shaped, single-story brick structure with a number of exterior entrances that provide flexible configuration options for multi-tenant occupancy. The building is currently occupied by one tenant and leased to a second tenant with occupancy to start in Q3 2017. This building is presently undergoing a number of capital improvement projects to make the space more marketable to tenants. Building 3 is also a multi-tenant, single-story structure with a rectangular shape. The building has a centrally located main entrance with a common corridor running the length of the structure, though most tenants also have their own private exterior entrance. The common space is finished with brown carpeting, solid-wood brown-stained tenant doors, painted walls and acoustical tile ceilings with older-style fluorescent lighting.

The tenant space varies by occupant, but is generally improved with industrial-grade carpeting, older-style acoustical tile ceiling systems and painted walls. The kitchen areas are improved with laminate countertops and cabinets, and vinyl tile flooring. The office spaces typically have private offices around the perimeter with cubical workstations and conference rooms toward the interior of the space. Overall, the tenant spaces appeared tired and featured dated furnishings.

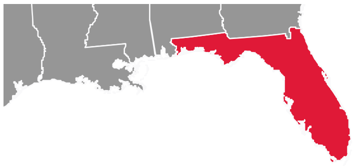
Building 4 is a small, 15,000 sf building that is currently vacant and configured for a single user; however, it could easily be divided into two spaces. The interior has private offices around the perimeter and open space in the middle. It is finished with carpet flooring, painted walls and acoustical tile ceilings. It is in overall poor condition and will likely be completely renovated in order to be re-leased. Building 5 is the four-story, Class B+/A- structure. It has a centrally located lobby with entrances on the front and back of the building. The lobby is improved with marble tile floors, walls with painted sheetrock and dark wood paneling and ceilings improved with sheetrock and acoustical tile panels with recessed lighting. The upper floors are served by four passenger elevators with dark wood paneled walls and carpet flooring. The common corridors feature carpet flooring, painted walls with dark wood trim and acoustical tile ceilings. The tenant finish qualities vary, but generally include lobbies with tile or wood flooring, carpet flooring in the office spaces and vinyl tile in the kitchens that have laminate counter tops and cabinets. The office spaces have traditional layouts with exterior private offices. This building is one of the tallest in the immediate area and provides good views in all directions.

DBRS VIEWPOINT

The property is located in the University Submarket in northeast Charlotte, North Carolina. This submarket includes the University Research Park, one of the largest in the country and includes a number of nationally recognized tenants, including Wells Fargo, EMC Corporation, Duke Energy, Hewlett Packard, Aon Hewitt and Siemens Energy. According to CoStar, the submarket contains approximately 8.0 million sf of Class A and Class B office space with an overall vacancy rate of 9.5%. Class B office vacancy and the five-year average vacancy are 8.9% and 12.2%, respectively, both of which are far better than the subject, which is currently 56.3% vacant. The recession in 2008 ultimately caused the property's economics to decline. As such, the owner at that time was unable to sell or refinance the loan at maturity in 2010. Upon maturity default, the CMBS loan secured by the subject properties, in addition to dozens of others, was restructured into an A/B note, with the A note being $100 million and the B note being a $60 million "hope" note; the loan maturity was extended to May 2014 and was eventually paid off at maturity. However, during this time, ownership of the Mallard Creek properties became further fractured between five different entities. The new structure made executing leases challenging and resulted in decreased occupancy and increased deferred maintenance.

The sponsor acquired the collateral in October 2016 with a plan to invest approximately $3.1 million of funds to correct deferred repairs and maintenance and spend over $5.6 million in leasing costs to stabilize occupancy near market statistics.

As part of the improvement plan, the sponsor, Stream Realty (Stream), is re-naming the buildings as The Grove as a way to re-brand and market the space. The capital improvement plan, which is currently underway, is focused mostly on Building 1. This building exterior is being painted grey and the unit interiors completed gutted. The initial architectural designs allow for more modern aesthetics, with painted ceiling and exposed conduit and trusses, concrete or tile floors and open concept floor plans. The building presently has a 3.85 per 1,000 sf parking ratio, which can be increased to 6.2 cars per 1,000 sf by expanding the parking lot. This flexibility allows Stream to market the 67,000 sf building to large personnel users such as call centers or back office functions. Building 3, which is about 40.0% vacant will have several vacant spaces demolished and improved as spec suites. Currently, a number of the vacant spaces are in an unleasable condition and improving the spaces should make them more marketable. The sponsor plans to continue to create spec suites as spaces are leased. Building 4 will be improved with a new roof, and the overgrown, mature landscaping has already been cleaned up. The building exterior may also be painted to match Building 1 and Stream has identified several improvements that could be made to the building to allow for outdoor tenant space, ideal for a single-tenant user. Building 5 is already in an overall good condition, and represents the nicest building in the business park. The sponsor plans to refresh the lobby and is offering generous TI allowances to prospective tenants. Overall, management has a hands-on approach with the business plan, which includes investing over $3.1 million to cure deferred maintenance and $5.6 million toward accretive and rollover leasing costs. They have already leased one smaller suite in Building 1 and received very positive feedback from the tenant's broker regard the much improved leasing approval process, as compared with previous bifurcated ownership structure. The loan has elevated refinance risk with a low DBRS Exit Debt Yield and DBRS Refi DSCR of 8.6% and 0.88x, respectively.



Market Street at Heath Brook

Ocala, FL

Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$20.4

Loan psf/Unit
$52

Percentage of the Pool
5.4%

Loan Maturity/ARD
January 2023

Amortization
5.3%

DBRS Term DSCR
0.52x

DBRS Refi DSCR
1.14x

DBRS Debt Yield
4.2%

DBRS Exit Debt Yield
11.1%

Competitive Set

Anchored Retail, Large, FL, Suburban

Median Debt Yield
10.4%

Median Loan PSF/Unit
$120

Debt Stack ($ million)

Trust Balance
$20.4

Pari Passu
$0.0

B-Note
$0.0

Mezz
$0.0

Total Debt
$20.4

Loan Purpose

Recapitalization

Equity Contribution/ (Distribution) ($ million)
$10.1

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on July 11, 2017, DBRS found the property quality to be Average.

The subject property is a lifestyle center located in Ocala, Florida, roughly 42 miles south of Gainesville and 75 miles northwest of Orlando. It is situated along State Road 200 (aka SW College Road), the area's primary east-west thoroughfare, between SW 43rd Street Road and SW 46th Court and less than a mile southwest of State Road 200's intersection with I-75, which connects the subject with the broader regional area. The subject is located in a commercial corridor and an area of Ocala that has experienced substantial new development in recent years. The immediate area is predominantly comprised of newer, single-family residential and commercial/retail development, including grocery-anchored shopping centers and national big box retailers, as well as local retailers and various lodging and dining options. The subject is considered one of the largest new developments in the area, as well as the only higher-end retail center in Ocala and surrounding Marion County. Paddock Mall, a 540,000 sf enclosed mall anchored by Sears, Macy's, Belk and JCPenney and located roughly a mile and a half from the property, is considered the subject's main competitor but has a tenant line-up that is considered more "teen oriented." The property is highly visible from the roadway, as there are no out-parcel buildings to obstruct its visibility, and it is easily identifiable by multiple monument signs with adequate tenant signage. Subject accessibility is also above average and is available via four points of ingress/egress, including its primary entrance point at a highly trafficked, signalized intersection on State Road 200.

The subject property is part of a larger site improved with six buildings, five of which serve as collateral: a single-tenant Dick's Sporting Goods, two multi-tenant, single-story retail buildings and two multi-tenant, two-story buildings with ground-floor retail and second-story office space. The second-story office space may be accessed via that building's elevator or one of its exterior stairwells. The subject is also improved with two undeveloped pad sites that, according to the appraisal, are entitled to be developed into roughly 21,023 sf of retail. The subject is shadow-anchored by a free-standing, 126,000 sf Dillard's located on the southernmost portion of the site, and an undeveloped land parcel is situated adjacent to the property's south side. Neither the Dillard's nor the vacant land parcel are considered part of the subject collateral and, according to the sponsor, an LOI has been submitted to develop the land parcel into a movie theater. Parking at the subject is abundant and inclusive of the parking available at Dillard's, which shares its lot with the subject.

Dick's Sporting Goods is located at the site's northernmost point; Dillard's, as mentioned, is located at its most southern point; the remaining four retail buildings are positioned around an undeveloped town center, which is an oval-shaped grass field bordered by a concrete sidewalk and landscaped with mature trees and shrubs along its exterior. The buildings are connected via asphalt roadways for vehicular traffic and concrete sidewalks for pedestrian traffic, all of which were in good condition with minimal signs of deferred maintenance at the time of the inspection. Red street signs are sporadically located throughout the development to help site navigation. The subject's landscaping, which is attractively placed and very well maintained, consists of young and mature trees, including palm trees, white dogwood trees and others, as well as shrubs and flowers in beds of mulch or decorative rocks and potted plantings. Landscaping varies but generally lines the sidewalks and storefronts, and comparably landscaped islands are sporadically located throughout the parking lots. The property's facade, which varies by tenant, is comprised of a mix of stucco, wood, stone, limestone wainscot and various column wraps, is newer looking, attractive and blends well across the development. Overall, the subject property is well maintained, attractive and has good curb appeal.

DBRS VIEWPOINT

The property is one of the newest large retail properties in a growing commercial corridor with no new development planned in the near term. The property is attractive with good curb appeal, as well as high visibility from the roadway and good accessibility to major arteries. The subject benefits from a strong line-up of national tenants, including Dick's Sporting Goods, HomeGoods, Old Navy and DSW, as well as a national shadow anchor that reportedly generates annual sales in excess of the chain's national psf average. On the other hand, of the property's tenants that report sales, the majority are not outperforming their chain's national psf averages, which can likely be attributed to the property's low occupancy level. While the property was 70% leased when it was originally constructed in 2008, it has yet to stabilize. The property is currently 60.7% occupied, and roughly 44.6% of NRA is scheduled to expire during the fully extended loan term. Given the state of the economy in 2008, several tenants backed out of their leases, while a number of the property's largest tenants elected to exercise their termination options, tied to certain co-tenancy and occupancy thresholds and pay an abated rent (i.e., percentage in lieu). The original borrower ultimately filed for Chapter 11 bankruptcy in 2013, and in June of that year the sponsor acquired it through a Section 365 BK sale in an all-cash transaction for $16.5 million ($42 psf). At that time, the property was roughly 50% occupied.

The sponsor intends to lease-up the property and stabilize it at- or above-market occupancy with high-quality tenants. The sponsor will focus on executing leases with a core set of tenants that will help improve the shopping center's overall caliber of tenancy and maintain at- or above-market occupancy levels moving forward. To date, the sponsor has executed leases for 52,909 sf, and as occupancy rises tenants that are currently paying abated rents because of previously triggered co-tenancy and occupancy clauses will no longer be able to do so. Instead, the sponsor intends to approach each tenant and renegotiate a rent psf that, while higher than the abated rent currently being paid, will be in line with market but still lower than that tenant's contract rent. At current market rent levels, revenue at the subject would increase by roughly $534,000. While the majority of the subject's vacancy is first-generation space and could require a significant amount of TIs prior to leasing, $5.5 million in future funding has been allocated toward lease-up. Based on the appraiser's concluded market TIs of $50 psf for first-generation space, the $5.5 million of future funding is sufficient to achieve a stabilized vacancy rate of roughly 14.6%, which is achievable given the sponsor's experience developing and managing shopping centers, the quality and location of the subject and the submarket's current and historical vacancy levels. Notably, this stabilized vacancy rate is exclusively driven by the lease-up of retail space and does not assume any office space absorption. According to the appraisal, the concept of second-story office space/above-ground floor retail in comparable developments has not performed well in a number of Florida markets.

The DBRS In-Place NCF implies a DBRS Term Debt Yield and DBRS Term DSCR of 4.2% and 0.52x, respectively, which is indicative of high term default risk. However, refinance risk is low, as evidenced by a DBRS Stabilized NCF that implies a DBRS Exit Debt Yield and DBRS Refi DSCR of 1.14x and 11.1%, respectively.

Sandridge Apartments

Pasadena, TX

Loan Snapshot

Seller
A10 Capital

Ownership Interest
Fee Simple

Trust Balance ($ million)
$18.8

Loan psf/Unit
$37,302

Percentage of the Pool
5.0%

Loan Maturity/ARD
August 2021

Amortization
0.0%

DBRS Term DSCR
1.42x

DBRS Refi DSCR
1.13x

DBRS Debt Yield
10.2%

DBRS Exit Debt Yield
10.2%

Competitive Set

Multifamily, Large, Zipcode Prefix: 775

Median Debt Yield
9.1%

Median Loan PSF/Unit
$43,427

Debt Stack ($ million)

Trust Balance
$18.8

Pari Passu
$0.0

B-Note
$0.0

Mezz
$0.0

Total Debt
$18.8

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ million)
$9.9

DBRS ANALYSIS

SITE INSPECTION SUMMARY

DBRS toured the interior and exterior of the property on June 30, 2017, at 10:00 a.m. Based on the site inspection, DBRS found the property quality to be Average.

The 504-unit multifamily complex is located in Pasadena, Texas, approximately 20.4 miles southeast of the Houston CBD. The site is located along Burke Road, which is divided by a large grassy median and is within walking distance of retail strip centers at the intersection of Fairmont Parkway and Burke Road, which are anchored by a CVS pharmacy and ALDI and feature a Chase Bank among other tenants. Access to the buildings is provided through two electric-gated entrances with elegant granite signage at 4025 and 4029 Burke Road. The subject is comprised 44 buildings with units ranging between 660 sf and 1104 sf. Units are offered in a variety of configurations, which range from two distinct floorplans to ten distinct floorplans based on the amount of bedrooms and bathrooms.

Built in 1981 and renovated in 2016, the property has recently undergone a renovation plan, which amounted to $1.6 million and included both exterior and interior upgrades. Exterior renovations included complete roof replacement on all buildings, pressure washing buildings, exterior painting, siding replacement as needed, handrail and balcony repair. Lynd Property Management also upgraded common area amenities by adding two new playgrounds, restoring the two pools to full use (which were closed for over a year) and creating a soccer court near the tennis court, per tenant requests. Additionally, the property has a fitness center, which replaced an old office space, and laundry facilities that are located on site. Meanwhile, the renovation package for unit interiors included replacing apartment flooring with faux wood floors, new carpeting was installed in the bedrooms and old appliances were replaced with a black appliance package. The units were also equipped with fireplaces, large walk-in closets and ceiling fans. It is important to note that Buildings 4 and 22, which were both damaged due to by separate instances of fire, have been completely restored. Building 4 was rehabilitated after a grease fire that was covered by insurance proceeds, while Building 22 was renovated as part of the capex budget since the building was not under an insurance policy at the time. All renovations were completed toward the end of 2016 and there are no major upcoming renovations planned. Overall, the property has aesthetically pleasing landscaping with plenty of floral accents, which creates a nice atmosphere.

As of June 28, 2017, the subject was 88.3% occupied and 91.8% leased. Total vacancy at the property amounts to 59 units, of which 18 are already leased, representing vacancy rates of 11.7% and 8.1%, respectively. Approximately 25.0% of the observed vacancy is attributed to the A4 one-bedroom 660-sf unit type. There are 96 total units with the A4 configuration and 24 of them are vacant. Management noted that the higher vacancy for this unit type could be due to the fact that the subject offers more one-bedroom units to begin with and the two other one-bedroom configurations lease up quicker because they are bigger, and range from 700 sf to 830 sf. There are a total of 216 one-bedroom units in three different configurations and sizes, which account for approximately 43.0% of the total unit mix offered at the property.

DBRS VIEWPOINT

Although the subject is currently 91.8% occupied, the property has historically struggled as a result of poor management and inadequate funding for property improvements. Following prior ownership's management difficulties, KKR (93.0%) and Lynd Corporation (7.0%), the sponsors, purchased the asset for $25.5 million out of a bankruptcy auction in 2016. As a result of the sponsors' implementation of a $1.6 million ($3,175 per unit) renovation, management has been able to increase occupancy to its current level of 91.8% from 73.8% when the property was acquired. Renovations at the property included exterior repairs (replace all roofs, exterior painting, handrails, sidewalks, two pools, leasing office) and interior upgrades (faux wood flooring, black appliance packages, new carpeting). The collateral is not considered modern or luxurious; however, it fits well within the local area as 76.0% of the submarket supply was built prior to 1979. As the property is located in a lower-income suburb of Houston, it caters to a blue-collar demographic and lack of nearby public transportation also narrows the target market. This issue is somewhat mitigated by the retail developments within walking distance of the subject and adequate spaces for parking. Despite being located in an area that heavily relies on the petrochemical refineries located to the east, the subject has a tenant base employed in a variety of local service and manufacturing industries, which partially moderates the uncertainty in the Houston oil and gas industry.

As a result of the comprehensive property renovations, the average rent has increased to a weighted-average of $737/unit/month from a weighted-average rent of $655/unit/month, resulting in an average rent premium of $82/unit/month, based on the DBRS site inspection. Despite the increase in average rents, the property is still underperforming with the competitive set average rent at $839/unit and properties of similar vintage at $791, per Reis. Although rents are below market, the subject is at an appropriate price point for the area's blue-collar demographic. In the DBRS NCF analysis, DBRS assumed a GPR based on the leases in-place per the June 28, 2017, rent roll, with vacant units grossed up at appraiser's concluded market rent estimates. As no further investment into the property is contemplated and management considers the property as stabilized, DBRS did not give credit to additional revenue upside. The loan has moderate refinance risk with DBRS Exit Debt Yield and DBRS Refi DSCR of 10.2% and 1.13x, respectively.

Transaction Structural Features

Collateral Preservation Triggers: The transaction contains structural protections against deterioration in collateral performance. Both collateral preservation triggers defined below serve to protect bondholders by diverting excess interest in the transaction to amortize the Class A senior notes. There is significant excess spread in the transaction, and should one of these Collateral Preservation Triggers fail the predefined criteria, there is substantial interest being diverted from Classes E and F.

A Partial Collateral Preservation Trigger Event will exist if no Full Collateral Preservation Trigger Event exists, and

1. The Class D Subordination Percentage is below 8.0%, or
2. The Class D Projected-Recovery Subordination Percentage (defined below) is below the Class D Projected Recovery Subordination Percentage as of the closing date and more than 7.5% of the net asset base constitutes delinquent loans and/or specially serviced loans, 50.0% of excess spread is trapped in the structure.

A Full Collateral Preservation Trigger Event will exist if

1. The Class D Subordination Percentage is below 4.0%; or
2. The Class D Projected-Recovery Subordination Percentage is below the Class D Projected-Recovery Subordination Percentage as of the closing date and more than 15.0% of the net asset base constitutes delinquent loans and/or specially serviced loans; or
3. More than 25.0% of the Net Asset Base constitutes Delinquent Loans and/or Specially Serviced Loans, 100.0% of excess spread is trapped in the structure.

The Class D Projected-Recovery Subordination Percentage a fraction expressed as a percentage of (1) the difference of (a) the net asset base as of such date minus (b) the aggregate note principal amount of the offered notes as of such date over (2) the net asset base as of such date. The net asset base equals the aggregate asset base less the appraisal reduction amount allocated to any underlying loan that is a specially serviced or a modified loan.

Events of Default

EODs are considered weaker than in traditional CMBS transactions because of the flexibility provided to the servicer in order to handle these transitional assets, which is supplemented by the structural features within the transaction and the credit profile of the underlying loans.

Representations and Warranties

The Representations and Warranties of the Originator generally line up with the benchmarks as evidenced in the 17g-7 report. Specific exceptions on the collateral level are described in Annex E of the Offering Memorandum. DBRS considered these exceptions in the analysis of the collateral and increased POD or severity of loss as appropriate. The Representations and Warranties of the Servicer are generally a lower standard than what is provided for in CMBS transactions and, similar to the EODs, have been mitigated with other structural features in the transaction designed to protect the noteholders.

Standard Sequential Pay Waterfall

The transaction is a sequential-pay structure, with repayment of principal allocated first to Class A-1-FL and Class A-1-FX notes on a pro rata basis until paid in full and then to the next most senior class until repaid in full, and so on. The Collateral Preservation Triggers have been inserted to protect the credit support to the Offered Notes and will redirect excess interest to be distributed as principal that will be paid in the sequential waterfall when certain Collateral Preservation Trigger Events occur (as described above).

Risk Retention: The depositor will retain Class E, Class F and equity tranches, which are the most subordinate classes within the structure. These classes will, at all times, be retained by the depositor as long as the Offered Notes are outstanding.

Appraisal Reduction/Realized Loss: Any interest that is not advanced on as a part of the appraisal reduction mechanism will not be recovered as part of the loan waterfall upon realization of the collateral. Interest not advanced on because of an appraisal reduction will likely be permanent interest impairment if the net proceeds of the loan in question do not exceed the outstanding principal (plus fees) at the time of liquidation. The special servicer shall attempt to obtain the appraisal to be used for appraisal reduction purposes within 60 days of an appraisal trigger event. The time frame for an appraisal to be used for appraisal-reduction purposes is no less than nine months.

Special Servicing Fees: The special servicer fee is equal to 0.5% per year and is payable to any special servicer that is an unaffiliated successor servicer.

Rating Agency Confirmations: Certain events within the transaction, including the change of servicer(s), require the Issuer to obtain an RAC. It is not the intent of DBRS to waive these RACs, and its analysis will be included in ongoing monitoring of the ratings.

Surveillance

Given the transitional nature of these loans and the portfolio, DBRS anticipates that the pool will be reviewed as part of its monthly surveillance process, with regular updates from the servicer with respect to loan performance. DBRS will make updates available on the DBRS CMBS IReports platform at www.ireports.dbrs.com. In addition, the ratings will be subject to, at minimum, an annual review.

CMBS Rating Methodology – Highlights

The *North American CMBS Multi-borrower Rating Methodology* (the CMBS methodology) was employed to rate this transaction. In order to establish a probability of default DBRS uses in-place cash flow. However, because of the transitional nature of the loans that are underperforming or have no cash flow, DBRS looks to a stabilized NCF to determine severity of loss using the structure in place for the borrower to execute on its business plan through the transition. The following paragraphs highlight this approach. In addition, because many of the underlying loan obligations are floating-rate with a maximum five-year fully extended term, DBRS employed its *Unified Interest Rate Model for Rating U.S. Structured Finance Transactions* to stress the interest rate for these loans based on the three-month LIBOR and the full remaining loan (with all extension options) at a base-case forward rate stress.

As consistent with the CMBS methodology, DBRS begins the rating process by picking a statistically relevant sample for diversified pools by property type, loan originator and geographic location. In the case of this transaction, DBRS performs reviews of all sample loans in the pool and reviews all third-party reports, including engineering and environmental reports, to ensure no significant contingencies exist, such as environmental contamination, structural faults or deferred maintenance. The appraisal is reviewed for historical usages, market dynamics and competitive property statistics, in addition to a relative as-is and as-stabilized value. Consistent with the CMBS methodology, DBRS looks at in-place NCF to derive the DSCR that will be used to measure the risk of default. DBRS then determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e., future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

DSCR

DSCR is used to measure the default risk of a loan, as it incorporates the current operating performance of the property (NCF) and its capacity to service debt.

SUBORDINATION LEVELS

DBRS sizes diversified pooled transactions (defined as those with greater than 20 loans with multiple borrowers) on a POD and loss-given-default (LGD)basis using the DBRS Large Pool Multi-borrower Parameters. The rating of a diversified pooled CMBS transaction is the sum of the weighted-average loan-level credit enhancement (or expected losses) at the respective rating categories. DBRS determines the expected loss of an individual loan by multiplying its assigned POD by its assigned loss severity for each of the rating categories.

Loan Credit Enhancement = POD x LGD

Transaction Credit Enhancement = ∑ of [Loan Credit Enhancement x Current Percent of Pool]

POD

Using the As-Is NCF, a loan's POD is primarily driven by the more conservative/constraining of its DBRS Refi DSCR and its DBRS Term DSCR. The constraining DSCR is used to reference the DBRS POD curve, which assigns a POD for any given DSCR. The POD curve used by DBRS is based on a combination of jurisdictional studies of cash flow volatility where available and publicly available data for commercial mortgage defaults.

POD ADJUSTMENT FACTORS

The POD is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of property qualities. Adjustment factors include concentration risk, recourse, property quality, sponsorship strength and single tenancy.

LGD

DBRS determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e. future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get to a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

Recoverable Proceeds = Cash Flow/Debt Yield Benchmark + €/£/$ Equity Requirement

Loss % Given Default = 1 - [Loan's Applicable Debt Yield/(Debt Yield Benchmark * (1 - Equity Requirement as % of Value))]

SEVERITY OF LOSS ADJUSTMENT FACTORS

Loss given default is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of certain property qualities. Adjustment factors include market, owner occupancy and loan size.

OPERATIONAL RISK REVIEWS

DBRS reviews loan originators, servicers and operating advisors apart from transaction analytics and determines whether they are acceptable parties.

RATINGS

DBRS CMBS ratings address the likelihood of timely payment of interest and ultimate payment of principal to the certificates by the final rated maturity date. DBRS does not rate to an expected or scheduled maturity date set forth by the Issuer; therefore, while DBRS will identify transactions and certificates that have considerable extension risk, the ratings are not affected as loans extend.

DBRS' *North American CMBS Multi-borrower Rating Methodology* provides DBRS's processes and criteria and is available by contacting us at info@dbrs.com or by clicking on Methodologies at www.dbrs.com.

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

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

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Glossary

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

Definitions

Capital Expenditure (capex)
Costs incurred in the improvement of a property that will have a life of more than one year.

DBRS Refi DSCR
A measure that divides DBRS stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.

DBRS Term DSCR
A measure that divides DBRS stabilized NCF by the actual debt service payment

Debt Service Coverage Ratio (DSCR)
A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income (NOI) or net cash flow (NCF) to the debt service payments.

Effective Gross income (EGI)
Rental revenue minus vacancies plus miscellaneous income.

Issuer UW
Issuer underwritten from Annex A or servicer reports.

Loan-to-Value (LTV)
The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.

Net Cash Flow (NCF)
The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income (NOI) less tenant improvements, leasing commissions and capital expenditures.

NNN (triple net)
A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.

Net Operating Income (NOI)
The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.

Net Rentable Area (NRA)
The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.

Revenue Per Available Room (RevPAR)
A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.

Tenant Improvements (TIs)
The expense to physically improve the property or space, such as new improvements or remodelling, paid by the borrower.

Weighted Average (WA)
Calculation is weighted by the size of each mortgage in the pool.

Weighted-Average Coupon (WAC)
The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

DBRS