

Mortgage Loan No. 13 — Tri-City Center

Mortgage Loan Information

Mortgage Loan Seller:	AREF
Original Principal Balance:	\$15,468,750
Cut-off Date Principal Balance:	\$15,468,750
% of Pool by IPB:	2.3%
Loan Purpose:	Acquisition
Borrower:	Tri Cities Harriman LLC
Sponsors:	Raymond Levy; David Nazarian
Interest Rate:	4.8300%
Note Date:	6/22/2018
Maturity Date:	7/6/2028
Interest-only Period:	12 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25), Def(90), O(5)
Lockbox:	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail – Anchored
Net Rentable Area (SF):	151,709
Location:	San Bernardino, CA
Year Built / Renovated:	1987 / NAP
Occupancy:	98.4%
Occupancy Date:	6/30/2018
Number of Tenants:	5
2015 NOI:	\$980,189
2016 NOI:	\$1,470,007
2017 NOI:	\$1,669,166
TTM NOI ⁽²⁾ :	\$1,687,619
UW Economic Occupancy:	95.0%
UW Revenues:	\$2,184,188
UW Expenses:	\$576,886
UW NOI:	\$1,607,301
UW NCF:	\$1,425,251
Appraised Value / Per SF:	\$21,000,000 / \$138
Appraisal Date:	4/20/2018

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$90,023	\$22,506	N/A
Insurance:	\$9,168	\$4,584	N/A
Replacement Reserves:	\$0	\$2,528	N/A
TI/LC:	\$0	\$25,285 ⁽¹⁾	N/A
Special Rollover Reserve:	\$0	Springing	N/A
Deferred Maintenance:	\$62,438	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$102
Maturity Date Loan / SF:	\$86
Cut-off Date LTV:	73.7%
Maturity Date LTV:	61.9%
UW NOI DSCR:	1.64x
UW NCF DSCR:	1.46x
UW NOI Debt Yield:	10.4%
UW NCF Debt Yield:	9.2%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan:	\$15,468,750	72.9%
Sponsor Equity:	5,755,636	27.1
Total Sources:	\$21,224,386	100.0%

Uses	Proceeds	% of Total
Purchase Price:	\$20,600,000	97.1%
Upfront Reserves:	161,630	0.8
Closing Costs:	462,757	2.2
Total Uses:	\$21,224,386	100.0%

- (1) On each payment date during the Curacao Litigation Period, the monthly TI/LC reserve deposit required will be \$25,285 and thereafter, \$12,642. The Curacao Litigation Period is defined as the period of time beginning on the origination date and ending at such time as the borrower delivers acceptable evidence to the lender that the litigation related to tenant Curacao has been fully and finally resolved by settlement, dismissed with prejudice, finally adjudicated or otherwise resolved to lender's reasonable satisfaction.
- (2) Represents the trailing twelve-month period ending March 31, 2018.

Mortgage Loan No. 13 — Tri-City Center

The Loan. The Tri-City Center loan is a \$15,468,750 first mortgage loan secured by the fee interest in a 151,709 SF anchored retail center located in San Bernardino, California. The loan has a 10-year term and will amortize on a 30-year schedule.

The Borrower. The borrowing entity for the loan is Tri Cities Harriman LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Raymond Levy. Raymond Levy is the co-founder of Unilev Capital & Management Corporations, a privately-held real estate investment organization that was founded in 1993 and is headquartered in Beverly Hills, California with affiliated offices in Texas, Colorado and Minnesota.

The Property. The property is a 151,709, SF retail center anchored by tenants Curacao and 24 Hour Fitness in San Bernardino, California. The property is located adjacent to the north side of Interstate 10 in San Bernardino on the south side of Harriman Place. The property includes a freestanding restaurant (occupied by tenant Pollo Campero) and five in-line shop spaces, all situated on a single parcel totaling 12.61 acres. The property has a parking ratio of approximately 4.26 spaces per 1,000 square feet.

As of June 30, 2018, the property was approximately 98.4% leased by five tenants. The largest tenant at the property, Curacao, leases 102,516 SF (67.6% of NRA) through June 2025. Curacao is an 11-store large-format retailer serving predominantly Hispanic communities. Curacao offers a range of services, including Internet access, communications services, travel arrangements, and credit. Curacao has been in occupancy at the property since 2004 and most recently extended its lease in June 2015. The second largest tenant at the property, 24 Hour Fitness (rated B/B2/NR by S&P/Moody's/Fitch), leases 40,038 SF (26.4% of NRA) through May 2031. 24 Hour Fitness is a privately-owned and operated fitness center chain which has been in occupancy since 2015 and has three, five-year renewal options remaining. The remaining three tenants represent 4.5% of the net rentable area.

The Market. The property is located in the southeast portion of the City of San Bernardino, California, north of Interstate 10 and west of Tippecanoe Avenue. The 215 Freeway is situated within two miles to the west. The property is located within the primary retail district of the City of San Bernardino. Major retailers nearby include Costco, Sam's Club, and Home Depot. The property is located in the Riverside-San Bernardino-Ontario, California metro area.

According to the appraisal, the 2017 population within a one-, three-, and five-mile radius is 7,274, 70,198, and 246,946, respectively with an average household income within the one-, three-, and five-mile radius of \$55,145, \$70,606, and \$60,125, respectively. The appraisal concluded per square foot triple-net market rents of \$9.60 PSF for Curacao space, \$15.00 PSF for the 24 Hour Fitness space, \$54.00 PSF for the Pollo Campero space, and \$21.60 PSF for the in-line retail space. According to a third-party research report, the East End submarket reported a retail inventory of 39.8 million SF with an overall vacancy rate of 7.3% as of fourth quarter of 2017 with a total of 121,590 SF of space under construction. According to the appraisal, the property's competitive set for large retail space consists of the five properties detailed in the table below.

Competitive Set Summary⁽¹⁾

Property	Year Built / Renovated	Lease GLA (SF)	Base Rent PSF	Lease Date	Type	Anchor Tenant
Tri-City Center	1987 / NAP	151,709	\$11.50	Various	Triple-net	Curacao and 24 Hour Fitness
888 Harriman Place	1995 / NAV	58,000	\$9.99	Sep 2015	Triple-net	Best Buy
14340 Penasquitos Drive	NAV / NAV	57,360	\$16.00	Apr 2017	Triple-net	Floor & Décor
300 S. Highland Springs Avenue	NAV / NAV	50,000	\$7.25	Dec 2015	Triple-net	Hobby Lobby
202 West Imperial Highway	NAV / NAV	76,360	\$9.00	Feb 2015	Triple-net	Floor & Décor
2522-2536 S. Grove Avenue	NAV / NAV	25,631	\$8.58	Oct 2016	Triple-net	DD's Discount

(1) Source: Appraisal.

Mortgage Loan No. 13 — Tri-City Center

Historical and Current Occupancy⁽¹⁾

2015	2016	2017	Current ⁽²⁾
98.4%	98.4%	98.4%	98.4%

(1) Source: Historical Occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year.

(2) Based on underwritten rent roll dated June 30, 2018.

Tenant Summary⁽¹⁾

Tenant	Ratings Moody's/S&P/Fitch ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	UW Base Rent PSF	% of Total UW Base Rents	Sales PSF	Occupancy Costs	Lease Expiration Date
Curacao	NA / B2 / NA	102,516	67.6%	\$9.63	56.6%	NAV	NAV	6/16/2025
24 Hour Fitness	B2 / B / NA	40,038	26.4%	\$12.80	29.4%	NAV	NAV	5/31/2031
Pet World	NA / NA / NA	2,961	2.0%	\$22.29	3.8%	NAV	NAV	5/31/2019
Pollo Campero	NA / NA / NA	2,650	1.7%	\$53.69	8.2%	NAV	NAV	9/30/2020
Poke Bar	NA / NA / NA	1,182	0.8%	\$30.56	2.1%	NAV	NAV	3/31/2022

(1) Based on the underwritten rent roll, including rent increases occurring through April 1, 2019.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	NRA Expiring	% of NRA Expiring	UW Base Rent Expiring	% of UW Base Rent Expiring	Cumulative NRA Expiring	Cumulative % of NRA Expiring	Cumulative UW Base Rent Expiring	Cumulative % of UW Base Rent Expiring
Vacant	NAP	2,362	1.6%	NAP	NAP	2,362	1.6%	NAP	NAP
MTM	0	0	0.0	\$0	0.0%	2,362	1.6%	\$0	0.0%
2018	0	0	0.0	0	0.0	2,362	1.6%	\$0	0.0%
2019	2	2,961	2.0	66,000	3.8	5,323	3.5%	\$66,000	3.8%
2020	1	2,650	1.7	142,284	8.2	7,973	5.3%	\$208,284	11.9%
2021	0	0	0.0	0	0.0	7,973	5.3%	\$208,284	11.9%
2022	1	1,182	0.8	36,120	2.1	9,155	6.0%	\$244,404	14.0%
2023	0	0	0.0	0	0.0	9,155	6.0%	\$244,404	14.0%
2024	0	0	0.0	0	0.0	9,155	6.0%	\$244,404	14.0%
2025	1	102,516	67.6	987,228	56.6	111,671	73.6%	\$1,231,632	70.6%
2026	0	0	0.0	0	0.0	111,671	73.6%	\$1,231,632	70.6%
2027	0	0	0.0	0	0.0	111,671	73.6%	\$1,231,632	70.6%
2028 & Beyond	1	40,038	26.4	512,486	29.4	151,709	100.0%	\$1,744,118	100.0%
Total	6	151,709	100.0%	\$1,744,118	100.0%				

(1) Based on the underwritten rent roll. Rent includes base rent and rent increases occurring through April 1, 2019.

Mortgage Loan No. 13 — Tri-City Center

Operating History and Underwritten Net Cash Flow

	2015	2016	2017	TTM ⁽¹⁾	Underwritten ⁽²⁾	PSF	% ⁽³⁾
Rents in Place	\$1,087,202	\$1,481,641	\$1,674,317	\$1,704,420	\$1,744,118	\$11.50	75.9%
Vacant Income	0	0	0	0	51,019	\$0.34	2.2%
Percentage Rent	0	0	0	0	0	\$0.00	0.0%
Gross Potential Rent	\$1,087,202	\$1,481,641	\$1,674,317	\$1,704,420	\$1,795,138	\$11.83	78.1%
Total Reimbursements	371,452	490,412	461,271	441,884	504,007	\$3.32	21.9%
Net Rental Income	\$1,458,654	\$1,972,054	\$2,135,588	\$2,146,304	\$2,299,145	\$15.15	100.0%
(Vacancy/Collection Loss)	0	0	0	0	(114,957)	(\$0.76)	(5.3%)
Other Income	0	0	0	0	0	\$0.00	0.0%
Effective Gross Income	\$1,458,654	\$1,972,054	\$2,135,588	\$2,146,304	\$2,184,188	\$14.40	100.0%
Total Expenses	\$478,465	\$502,047	\$466,422	\$458,685	\$576,886	\$3.80	26.4%
Net Operating Income	\$980,189	\$1,470,007	\$1,669,166	\$1,687,619	\$1,607,301	\$10.59	73.6%
Total TI/LC, Capex/RR	0	0	0	0	182,051	\$1.20	8.3%
Net Cash Flow	\$980,189	\$1,470,007	\$1,669,166	\$1,687,619	\$1,425,251	\$9.39	65.3%

(1) TTM represents the trailing twelve-month period ending March 31, 2018.

(2) Underwritten Rent in Place includes base rent and rent increases occurring through April 1, 2019.

(2) % column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.