

1 Imeson Park Boulevard
Jacksonville, FL 32218

Collateral Asset Summary – Loan No. 11

One Imeson

Cut-off Date Balance: \$27,966,261
Cut-off Date LTV: 59.5%
U/W NCF DSCR: 2.08x
U/W NOI Debt Yield: 13.8%

Mortgage Loan Information

Loan Seller:	AREF
Loan Purpose:	Refinance
Borrower Sponsor:	GEM Realty Fund IV, L.P.
Borrower:	GIV Imeson, LLC
Original Balance:	\$28,000,000
Cut-off Date Balance:	\$27,966,261
% by Initial UPB:	2.6%
Interest Rate:	4.4510%
Payment Date:	6 th of each month
First Payment Date:	November 6, 2017
Maturity Date:	October 6, 2027
Amortization:	360 months
Additional Debt⁽¹⁾:	Future Mezzanine Debt Permitted
Call Protection⁽²⁾:	L(25), D(90), O(5)
Lockbox / Cash Management⁽³⁾:	Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$330,600	\$25,431
Insurance:	\$142,518	\$17,815
Replacement:	\$0	\$7,094
TI/LC⁽⁴⁾:	\$2,250,000	\$21,281
Lease Sweep⁽⁵⁾:	\$61,125	\$0

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$16
Balloon Balance / Sq. Ft.:	\$13
Cut-off Date LTV:	59.5%
Balloon LTV:	48.1%
Underwritten NOI DSCR:	2.28x
Underwritten NCF DSCR:	2.08x
Underwritten NOI Debt Yield:	13.8%
Underwritten NCF Debt Yield:	12.6%
Underwritten NOI Debt Yield at Balloon:	17.1%
Underwritten NCF Debt Yield at Balloon:	15.6%

Property Information

Single Asset / Portfolio:	Single Asset
Property Type:	Industrial/Warehouse Distribution
Collateral:	Fee Simple
Location:	Jacksonville, FL
Year Built / Renovated:	1974 / NAP
Total Sq. Ft.:	1,702,505
Property Management:	Continental Real Estate Companies – Commercial Properties Corp.
Underwritten NOI:	\$3,863,019
Underwritten NCF:	\$3,522,518
Appraised Value:	\$47,000,000
Appraisal Date:	July 28, 2017

Historical NOI⁽⁶⁾

Most Recent NOI:	\$3,329,290 (T-12 June 30, 2017)
2016 NOI:	\$3,036,216 (December 31, 2016)
2015 NOI:	\$2,387,280 (December 31, 2015)
2014 NOI:	\$1,550,689 (December 31, 2014)

Historical Occupancy⁽⁶⁾

Most Recent Occupancy:	81.3% (July 31, 2017)
2016 Occupancy:	67.7% (December 31, 2016)
2015 Occupancy:	58.6% (December 31, 2015)
2014 Occupancy:	44.0% (December 31, 2014)

- (1) Mezzanine debt is permitted provided, the following conditions, among others, are satisfied (i) a combined loan to value ratio of less than or equal to 70.0% and (ii) a combined debt service coverage ratio greater than or equal to 1.50x.
- (2) The One Imeson Mortgage Loan documents permit the related borrower to obtain a partial release of a portion of the One Imeson property (the "One Imeson Development Parcel") from the lien of the One Imeson Loan upon satisfaction of certain conditions including, but not limited to: (i) partial defeasance of the principal of the One Imeson Loan by an amount equal to the greatest of (a) \$1,000,000, (b) the appraised value of the One Imeson Development Parcel and (c) in the event that the borrower's request to release the One Imeson Development Parcel is in connection with a sale of the One Imeson Development Parcel to a third party not affiliated with the borrower, 100% of the net sales proceeds associated with the sale of the One Imeson Development Parcel; and (ii) after giving effect to such partial release, the LTV ratio for the remaining property is no more than 125%.
- (3) In place cash management will be triggered upon (i) an event of default or (ii) if the debt service coverage ratio falls below 1.20x until such time the debt service coverage ratio is at least 1.20x.
- (4) \$1,500,000 of the \$2,250,000 in TI/LC Reserve was associated with the Bacardi U.S.A., Inc. lease renewal and the remaining \$750,000 was allocated for general leasing at the One Imeson property. After the origination of the One Imeson Loan, Bacardi U.S.A., Inc. extended its lease on 290,304 sq. ft. of space and Samsonite LLC expanded into 102,381 sq. ft. of space formerly leased by Bacardi U.S.A., Inc. and thereby, satisfied the release conditions for the \$1,500,000 TI/LC Reserve. The TI/LC Reserve is capped at \$1,500,000.
- (5) The Lease Sweep Reserve consists of \$61,125 for unfunded TI obligations associated with the Venus Fashion, Inc. tenant.
- (6) The borrower sponsor acquired the One Imeson property in 2012 when it was approximately 44.0% occupied and had an NOI of \$1,550,689 and subsequently invested approximately \$3,500,000 in capital expenditures to upgrade the One Imeson property. The borrower sponsor increased the occupancy to 81.3% as July 31, 2017 and NOI to \$3,329,290 primarily by executing new and expansion leases.

TRANSACTION HIGHLIGHTS

- Property.** The One Imeson property is a 1,702,505 sq. ft. multi-tenant distribution warehouse located on 73.49 acres. The One Imeson property was originally developed as the Sears Catalogue distribution center for the United States but was converted to a multi-tenant warehouse upon discontinuation of the Sears catalogue. Currently, the One Imeson property has two stories, with a significant amount of warehouse space located on the second story in addition to the first story. The current occupancy is 81.3% which includes notable tenants such as Bacardi U.S.A., Inc., Samsonite LLC and Komyo America Co., Inc. The current occupied sq. ft. breakdown between industrial and office space is approximately 92.3% and 7.7%, respectively.
- Market.** The One Imeson property is located within the Imeson Industrial Business Park, which is the most centrally-located industrial park in Jacksonville. Imeson Industrial Business Park has transportation access via rail and sea and its proximity to three major interstates (I-10, I-95 and I-295), an international airport, the Port of Jacksonville, and three intermodal facilities. Land uses within the neighborhood consist of a mixture of commercial, industrial and residential development. Industrial development is primarily centered around the immediate vicinity of the property and to the west along Hecksher Drive/Zoo Parkway. According to the appraisal, the One Imeson property is located in the Northside submarket, approximately five miles north of the Jacksonville Central Business District. As of second quarter of 2017, the Northside submarket has an inventory of 7.23 million SF of industry space at a 10.0% vacancy with a quoted rental rate of \$3.36 PSF.
- Borrower Sponsor.** The Sponsor, GEM Realty Fund IV, LP, was formed by GEM Realty Capital, Inc in August 2008 to acquire, operate, manage, and develop real estate assets. GEM Realty Capital, LLC ("GEM") was founded in 1994 and is based in Chicago, IL. GEM is a real estate investment company that invests in private-market real estate assets and publicly traded real estate securities through two lines of business, GEM Realty Properties and GEM Realty Securities. Through GEM Realty Properties, GEM invests directly in private-market real estate assets including properties and loans. Through GEM Realty Securities, GEM invests in publicly traded real estate securities, including REITs, real estate operating companies, and homebuilders.