

1006-1046 Central Parkway South &
121 Interpark Boulevard
San Antonio, TX 78232

Collateral Asset Summary – Loan No. 11

San Antonio Business Park

Cut-off Date Balance: \$34,000,000
Cut-off Date LTV: 74.6%
U/W NCF DSCR: 1.44x
U/W NOI Debt Yield: 9.9%

Mortgage Loan Information

Loan Seller:	LCM
Loan Purpose:	Acquisition
Borrower Sponsor:	John R. Saunders
Borrower:	Airport Alamo, LLC
Original Balance:	\$34,000,000
Cut-off Date Balance:	\$34,000,000
% by Initial UPB:	3.4%
Interest Rate:	4.7300%
Payment Date:	6 th of each month
First Payment Date:	December 6, 2017
Maturity Date:	November 6, 2027
Amortization:	Interest only for first 24 months; 360 months thereafter
Additional Debt:	None
Call Protection:	L(30), D(87), O(3)
Lockbox / Cash Management⁽¹⁾:	Soft Springing Hard / Springing

Reserves

	Initial	Monthly
Taxes:	\$0	\$69,027
Insurance:	\$25,443	\$8,481
TI/LC⁽²⁾:	\$500,000	\$17,034
Replacement:	\$0	\$10,561
Required Repairs:	\$500,000	NAP
Earnout⁽³⁾:	\$2,000,000	NAP
Special Rollover⁽⁴⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$83
Balloon Balance / Sq. Ft.:	\$71
Cut-off Date LTV:	74.6%
Balloon LTV:	64.1%
Underwritten NOI DSCR⁽⁵⁾:	1.59x
Underwritten NCF DSCR⁽⁵⁾:	1.44x
Underwritten NOI Debt Yield:	9.9%
Underwritten NCF Debt Yield:	9.0%

Property Information

Single Asset / Portfolio:	Single Asset
Property Type:	Flex Industrial
Collateral:	Fee Simple
Location:	San Antonio, TX
Year Built / Renovated:	1982, 1983, 1984, 1996 / NAP
Total Sq. Ft.:	411,631
Property Management:	CORE Realty Holdings Management, Inc.
Underwritten NOI:	\$3,375,401
Underwritten NCF:	\$3,066,678
Appraised Value:	\$45,600,000
Appraisal Date:	September 14, 2017

Historical NOI

Most Recent NOI:	\$3,522,668 (T-12 August 31, 2017)
2016 NOI:	\$3,238,155 (December 31, 2016)
2015 NOI:	\$3,284,431 (December 31, 2015)
2014 NOI:	\$3,004,611 (December 31, 2014)

Historical Occupancy

Most Recent Occupancy:	91.5% (February 1, 2018)
2016 Occupancy:	95.0% (December 31, 2016)
2015 Occupancy:	92.7% (December 31, 2015)
2014 Occupancy:	92.7% (December 31, 2014)

- (1) The lockbox will spring hard and a cash management period will be triggered (i) upon an event of default, (ii) if the DSCR falls below 1.10x until such time that the DSCR is at least 1.10x for two consecutive quarters or (iii) upon the commencement of a Lease Sweep Period. A "Lease Sweep Period" will commence on the date that (i) is 12 months prior to the end of the term of any Major Lease (as defined herein), (ii) the applicable Major Tenant (as defined herein) under a Major Lease is required to give notice of its exercise of a renewal option (and such renewal has not been so exercised), (iii) any Major Lease is surrendered, cancelled or terminated prior to its then current expiration date, (iv) any Major Tenant goes dark or gives notice that it intends to discontinue its business, (v) a default under any Major Lease is continuing or (vi) a Major Tenant is involved in insolvency proceedings. A "Major Lease" means the Clear Visions, Inc. lease and any other lease or leases with a tenant that covers 30,000 or more sq. ft. A "Major Tenant" means any tenant under a Major Lease.
- (2) TI/LC reserves are subject to a cap of \$500,000.
- (3) Provided no cash management period has occurred or is continuing, the borrower may request disbursement of the earnout reserve, provided, among other things, the property is generating a minimum NCF debt yield of 8.5% on the then outstanding principle balance.
- (4) On each monthly payment date during a Lease Sweep Period, any excess cash in the lender controlled cash management account will be transferred to a lender controlled special rollover reserve account.
- (5) Based on the amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 2.07x and 1.88x, respectively.

TRANSACTION HIGHLIGHTS

- Property.** San Antonio Business Park is a 411,631 sq. ft. flex industrial facility consisting of 17 buildings in two separate business parks. The Property is located to the east and west of US 281, the main thoroughfare for the local area, on a total site area of 29.7 acres in north central San Antonio.
- Granular Tenancy.** The Property is currently 91.5% occupied by a roster of 53 tenants spanning a number of industries including law, construction, media, tech, logistics and financial services. No single tenant individually accounts for more than 11.8% of the total net rentable area.
- Location and Submarket.** The Property benefits from access to US 281 with high barriers to entry due to the limited land available in the immediate vicinity for development. The San Antonio International Airport is located approximately two miles south of the Property. According to market reports, the Property's submarket, North Central, has reported an average occupancy of 94.7% dating back to 2007 and has never dipped below 91.9% over this same time period.
- Stable Historical Performance.** The Property has a stable operating history with an average NOI of approximately \$3.3 million since 2014 and an average historical occupancy of 94.0% over this same time period.
- Cash Equity.** At loan closing, the borrower sponsor contributed approximately \$14.9 million of new cash equity to acquire the Property.