

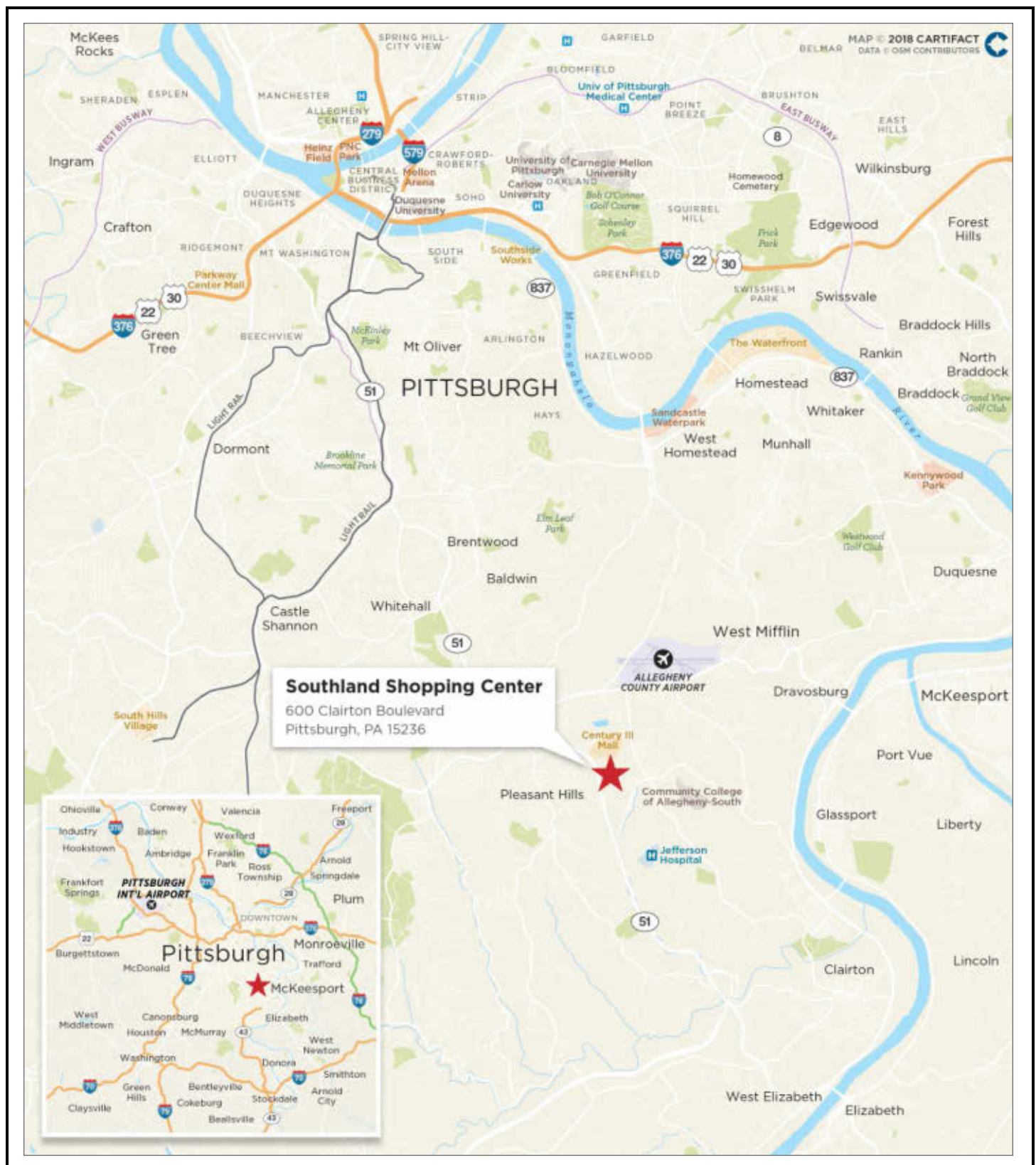
Southland Shopping Center



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Mortgage Loan Information

Mortgage Loan Seller:	SMF VI
Original Principal Balance:	\$34,000,000
Cut-off Date Principal Balance:	\$34,000,000
% of Pool by IPB:	4.8%
Loan Purpose:	Refinance
Borrower:	PZ Southland Limited Partnership
Sponsors:	David Pearson and Paul Pearson
Interest Rate:	4.92500%
Note Date:	4/20/2018
Maturity Date:	5/6/2028
Interest-only Period:	48 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(89),O(6)
Lockbox / Cash Management:	Springing / Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail – Anchored
Net Rentable Area (SF):	260,862
Location:	Pittsburgh, PA
Year Built / Renovated:	1955 / 2018
Occupancy⁽¹⁾:	94.0%
Occupancy Date:	4/1/2018
Number of Tenants:	28
2015 NOI:	\$2,699,545
2016 NOI:	\$2,901,894
2017 NOI⁽¹⁾:	\$2,819,962
TTM NOI:	N/A
UW Economic Occupancy:	95.9%
UW Revenues:	\$5,148,868
UW Expenses:	\$1,652,585
UW NOI⁽¹⁾:	\$3,496,283
UW NCF:	\$3,196,292
Appraised Value / Per SF:	\$58,200,000 / \$223
Appraisal Date:	1/26/2018

Escrows and Reserves⁽²⁾

	Initial	Monthly	Initial Cap
Taxes:	\$693,791	\$78,656	N/A
Insurance:	\$56,824	\$4,735	N/A
Replacement Reserves:	\$0	\$3,261	N/A
TI/LC:	\$0	\$16,304	\$587,000
Other:	\$1,267,434	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$130
Maturity Date Loan / SF:	\$118
Cut-off Date LTV:	58.4%
Maturity Date LTV:	52.8%
UW NCF DSCR:	1.47x
UW NOI Debt Yield:	10.3%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$34,000,000	99.2%	Payoff Existing Debt	\$31,903,106	93.1%
Sponsor Equity	265,175	0.8	Upfront Reserves	2,018,049	5.9
			Closing Costs	344,019	1.0
Total Sources	\$34,265,175	100.0%	Total Uses	\$34,265,175	100.0%

(1) Occupancy and UW NOI include Fresh Thyme (11.0% of NRA; 11.1% of underwritten base rent) and Texas Roadhouse (2.7% of NRA; 2.7% of underwritten base rent) which have not yet opened for business. Both tenants have taken possession of their respective spaces and rental amounts through the tenants' respective rent commencement dates have been escrowed at closing, along with unpaid tenant improvements. Fresh Thyme is expected to open for business in July 2018 and to begin paying rent in September 2018. Texas Roadhouse is expected to begin paying rent in July 2018 and to open for business in August 2018. Additionally, both spaces have been delivered by the borrower to the respective tenants and neither tenant has the right to terminate its lease in connection with the delivery of its space.

(2) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

The Loan. The Southland Shopping Center loan is secured by a first lien on the borrower's fee interest in an anchored retail property located in Pittsburgh, Pennsylvania. The loan has a 10-year term and, subsequent to a four-year interest-only period, will amortize on a 30-year schedule.

The Borrower. The borrowing entity for the Southland Shopping Center loan is PZ Southland Limited Partnership, a Delaware limited partnership and special purpose entity.

The Loan Sponsors. The loan sponsors and nonrecourse carve-out guarantors are David Pearson and Paul Pearson. David and Paul Pearson are the founders of Pearson Partners and Pearson Realty Services. Together, David Pearson and Paul Pearson have previously owned and sold over 3.65 million square feet of retail, office and redevelopment space and over 616 multifamily units.

Southland Shopping Center

The Property. The property is a 260,862 square foot anchored retail center located in Pittsburgh, Pennsylvania. The property was constructed in 1955 and renovated in 2018. Since 2016, the loan sponsors have made improvements to tenancy of the property. For example, Quaker Steak vacated its premises at the property, which totaled 13,040 square feet. The loan sponsors subsequently demolished the former tenant's premises to prepare for Texas Roadhouse's new pad at the property, which is expected to total 7,163 square feet. Quaker Steak's rent was \$12.00 per square foot, while Texas Roadhouse is obligated to pay \$14.66 per square foot under the new lease upon the commencement date. Additionally, the loan sponsors paid OfficeMax, a former tenant, approximately \$1.5 million to vacate its premises, which were leased through January 2018, while simultaneously procuring Fresh Thyme via a 10-year lease. In connection with Fresh Thyme lease, the loan sponsors redeveloped the former Office Max building and added 4,709 square feet of additional leasable space to the property to accommodate Fresh Thyme's specifications. Since 2005, the loan sponsors have spent approximately \$12.9 million on capital improvements at the property, including approximately \$6.7 million used for the construction of the LA Fitness building, \$1.5 million for the buyout of the OfficeMax lease as referenced above and approximately \$2.2 million invested in upgrades to the facades, parking area lighting, landscaping, roofs and paving. The property currently includes 1,451 parking spaces, resulting in a parking ratio of approximately 5.56 spaces per 1,000 square feet of net rentable area. Following the release of the theater parcel, the property will include 1,257 parking spaces, resulting in a parking ratio of approximately 4.82 spaces per 1,000 square feet of net rentable area.

As of April 1, 2018, the property was 94.0% occupied by 28 tenants and has had an average occupancy level of 81.3% over the past three years. The largest tenant, LA Fitness, leases 17.3% of the property's net rentable area under a lease that expires in December 2023 and has occupied the space since 2008. LA Fitness is a gym chain with over 600 clubs across the United States and Canada. The company was formed in 1984 and is based in Irvine, California. LA Fitness has three, five-year renewal options and accounts for approximately 23.9% of the underwritten base rent at the property. The second largest tenant, Fresh Thyme, leases 11.0% of the property's net rentable area under a lease which expires in July 2028 and is currently completing build out of its space. Fresh Thyme is expected to open for business in July 2018 and begin paying rent in September 2018. All rent through Fresh Thyme's rent commencement date were escrowed at closing, along with unpaid tenant improvements. Additionally, the space has been delivered by the borrower to Fresh Thyme and Fresh Thyme does not have the right to terminate its lease related to the delivery of its space. Fresh Thyme is a super market chain that specializes in healthy and organic products. Fresh Thyme has four, five-year renewal options and accounts for approximately 11.1% of the underwritten base rent at the property. The third largest tenant, Jo-Ann Fabrics, leases 7.3% of the property's net rentable area under a lease which expires in January 2023 and has occupied its space since 1993. Jo-Ann Fabrics is an American specialty retailer of crafts and fabrics based in Hudson, Ohio. Jo-Ann Fabrics has one, five-year renewal option and accounts for approximately 5.0% of the underwritten base rent at the property.

The property is located along US Route 51 (Clairton Boulevard), a state thoroughfare that connects to the Pittsburgh central business district. On average, approximately 26,229 vehicles per day drive past the property, according to a market research report. The property is located within the Greater Pittsburgh retail market and the South Pittsburgh-Route 51 submarket. The appraisal indicates that the Greater Pittsburgh retail market features approximately 153.2 million square feet of inventory with a vacancy rate of approximately 3.3% as of the fourth quarter of 2017. Additionally, the appraisal indicates that the South Pittsburgh-Route 51 retail submarket features approximately 13.0 million square feet of inventory with a vacancy rate of approximately 3.7% as of the fourth quarter of 2017. As of year-end 2017, the population within a one-, three- and five-mile radius was 6,602, 49,332 and 158,208, respectively, with estimated average household income of approximately \$80,527, \$77,355 and \$69,830, respectively.

According to the appraisal, the market rent is \$15.00, \$18.00, \$20.00 and \$22.50 per square foot for junior anchor space, retail greater than 5,000 square foot space, retail less than 5,000 square foot space and fitness center space, respectively. Additionally, the appraisal for the property indicated annual market rent of \$105,000 for the ground leased pad.

Southland Shopping Center

Historical and Current Occupancy⁽¹⁾

2015	2016	2017	Current ⁽²⁾
82.6%	77.0%	84.4%	94.0%

(1) Historical Occupancies are as of December 31 of each respective year.

(2) Current Occupancy is as of April 1, 2018 and includes Fresh Thyme (28,709 square feet; 11.0% of NRA) and Texas Roadhouse (7,163 square feet; 2.7% of NRA) which have not yet opened for business. Both tenants have taken possession of their respective spaces, and rental amounts through the tenants' respective rent commencement dates have been escrowed at closing, along with unpaid tenant improvements. Fresh Thyme is expected to open for business in July 2018 and to begin paying rent in September 2018. Texas Roadhouse is expected to begin paying rent in July 2018 and to open for business in August 2018. Additionally, both spaces have been delivered by the borrower to the respective tenants and neither tenant has the right to terminate its lease in connection with the delivery of its space.

Tenant Summary⁽¹⁾

Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rent	Most Recent Sales PSF ⁽³⁾	Lease Expiration Date
LA Fitness	NA / NA / NA	45,000	17.3%	\$20.49	23.9%	NAV	12/31/2023
Fresh Thyme ⁽⁴⁾	NA / NA / NA	28,709	11.0%	\$15.00	11.1%	NAV	7/31/2028
Jo-Ann Fabrics	NA / B / NA	18,960	7.3%	\$10.18	5.0%	\$106	1/31/2023
Harbor Freight	NA / BB- / NA	15,975	6.1%	\$10.64	4.4%	NAV	8/31/2019
PetSmart	Caa1 / CCC+ / NA	15,471	5.9%	\$17.59	7.0%	NAV	9/30/2022
Party City	NA / NA / NA	14,000	5.4%	\$14.00	5.1%	\$126	1/31/2024
China Star	NA / NA / NA	10,050	3.9%	\$12.00	3.1%	NAV	5/31/2027
Altmeyer's	NA / NA / NA	9,925	3.8%	\$11.00	2.8%	\$95	7/31/2019
Five Below	NA / NA / NA	9,375	3.6%	\$13.25	3.2%	NAV	1/31/2022
Olive Garden	Baa2 / BBB / BBB	8,986	3.4%	\$10.57	2.5%	\$589	4/8/2025

(1) Based on the underwritten rent roll dated April 1, 2018.

(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.

(3) Most Recent Sales PSF are as of September 30, 2017.

(4) Fresh Thyme is currently building out its space. Fresh Thyme is expected to open for business in July 2018 and begin paying rent in September 2018. All rental amounts through Fresh Thyme's rent commencement date were escrowed at closing, along with unpaid tenant improvements. Additionally, the space has been delivered by the borrower to Fresh Thyme and Fresh Thyme does not have the right to terminate its lease in connection with the delivery of its space.

Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	15,652	6.0%	NAP	NAP	15,652	6.0%	NAP	NAP
2018 & MTM	1	1,650	0.6	\$16,500	0.4%	17,302	6.6%	\$16,500	0.4%
2019	3	33,900	13.0	375,149	9.7	51,202	19.6%	\$391,649	10.1%
2020	4	13,471	5.2	261,530	6.8	64,673	24.8%	\$653,179	16.9%
2021	4	15,263	5.9	303,046	7.8	79,936	30.6%	\$956,225	24.7%
2022	3	26,436	10.1	425,778	11.0	106,372	40.8%	\$1,382,003	35.8%
2023	4	72,960	28.0	1,250,020	32.4	179,332	68.7%	\$2,632,023	68.1%
2024	2	16,122	6.2	244,806	6.3	195,454	74.9%	\$2,876,829	74.5%
2025	3	14,986	5.7	254,000	6.6	210,440	80.7%	\$3,130,829	81.0%
2026	1	4,500	1.7	76,500	2.0	214,940	82.4%	\$3,207,329	83.0%
2027	1	10,050	3.9	120,600	3.1	224,990	86.2%	\$3,327,929	86.1%
2028	1	28,709	11.0	430,635	11.1	253,699	97.3%	\$3,758,564	97.3%
2029 & Beyond	1	7,163	2.7	105,000	2.7	260,862	100.0%	\$3,863,564	100.0%
Total	28	260,862	100.0%	\$3,863,564	100.0%				

(1) Based on the underwritten rent roll dated April 1, 2018.

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Operating History and Underwritten Net Cash Flow						
	2015	2016	2017	Underwritten	Per Square Foot	% ⁽¹⁾
Rents in Place ⁽²⁾	\$3,021,798	\$3,214,612	\$3,129,034	\$3,863,564	\$14.81	72.0%
Vacant Income	0	0	0	218,970	0.84	4.1
Gross Potential Rent	\$3,021,798	\$3,214,612	\$3,129,034	\$4,082,534	\$15.65	76.1%
Total Reimbursements	1,331,806	1,147,124	1,104,054	1,194,771	4.58	22.3
Percentage Rent	127,759	122,386	28,757	0	0.00	0.0
Other Income	104,654	76,836	168,735	90,534	0.35	1.7
Net Rental Income	\$4,586,017	\$4,560,958	\$4,430,581	\$5,367,838	\$20.58	100.0%
(Vacancy/Credit Loss)	0	0	0	(218,970)	(0.84)	(4.1)
Effective Gross Income	\$4,586,017	\$4,560,958	\$4,430,581	\$5,148,868	\$19.74	95.9%
Total Expenses	\$1,886,472	\$1,659,064	\$1,610,619	\$1,652,585	\$6.34	32.1%
Net Operating Income	\$2,699,545	\$2,901,894	\$2,819,962	\$3,496,283	\$13.40	67.9%
Total TI/LC, Capex/RR	0	0	0	299,991	1.15	5.8
Net Cash Flow	\$2,699,545	\$2,901,894	\$2,819,962	\$3,196,292	\$12.25	62.1%

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

(2) Underwritten Rents in Place includes Fresh Thyme (11.0% of NRA; 11.1% of underwritten base rent) and Texas Roadhouse (2.7% of NRA; 2.7% of underwritten base rent) which have not yet opened for business. Both tenants have taken possession of their respective spaces and rental amounts through the tenants' respective rent commencement dates have been escrowed at closing, along with unpaid tenant improvements. Fresh Thyme is expected to open for business in July 2018 and to begin paying rent in September 2018. Texas Roadhouse is expected to begin paying rent in July 2018 and to open for business in August 2018. Additionally, both spaces have been delivered by the borrower to the respective tenants and neither tenant has the right to terminate its lease in connection with the delivery of its space.

Property Management. The property is managed by Pearson Realty Services, Inc., a New York corporation and an affiliate of the loan sponsor.

Escrows and Reserves. At origination, the borrower deposited approximately \$1,046,899 for outstanding tenant improvements and leasing commissions, \$693,791 for real estate taxes, approximately \$196,160 for rent concessions, \$56,824 for insurance and \$24,375 for deferred maintenance.

Tax Escrows – On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$78,656.

Insurance Escrows – On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated insurance payments, which currently equates to \$4,735.

Replacement Reserves – On a monthly basis, the borrower is required to escrow \$3,261 (approximately \$0.15 per square foot annually) for replacement reserves.

TI/LC Reserves – On a monthly basis, the borrower is required to escrow \$16,304 (approximately \$0.75 per square foot annually) for future tenant improvements and leasing commissions. The TI/LC Reserve is capped at \$587,000. Notwithstanding the foregoing, if a Major Tenant Event (as defined below) commences, (A) (i) so long as the balance in the TI/LC Reserve is less than the \$1,350,000, all excess cash flow will be transferred to the TI/LC Reserve until the balance in the TI/LC Reserve is equal to or greater than \$1,350,000 or (ii) so long as the balance in the TI/LC Reserve is equal to or greater than the cap of \$1,350,000, all excess cash flow will be transferred to an account designated by the borrower if no other Sweep Event is continuing and (B) upon the occurrence of a Major Tenant Event Cure (as defined below), (1) the TI/LC Reserve cap will be reduced to \$587,000, (2) if any Sweep Event (as defined below) then exists, all amounts remaining in the TI/LC Reserve in excess of \$587,000 will be transferred to an excess cash flow reserve as additional collateral for the Southland Shopping Center loan and (3) if no other Sweep Event then exists, all amounts remaining in the TI/LC Reserve in excess of \$587,000 will be released to the Borrower.

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Lockbox / Cash Management. The loan is structured with a springing lockbox and springing cash management. Following the commencement of a Sweep Event, the borrower and property manager are required to send tenant direction letters to tenants instructing them to deposit all rents and payments directly into a lockbox account controlled by the lender. During a Sweep Event, all funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed during the term of the loan in accordance with the loan documents and all excess cash flow after payment of debt service, required reserves and operating expenses is required to be held as additional collateral for the loan subject to the TI/LC Reserve cap above if such Sweep Event is not caused by a Major Tenant Event.

A “Sweep Event” means: (i) the occurrence of an event of default under the loan documents, (ii) the debt service coverage ratio as calculated in the loan documents based on a trailing 12-month period falling below 1.15x or (iii) the occurrence of a Major Tenant Event.

A “Major Tenant Event” means that LA Fitness or any other tenant occupying the space at the Southland Shopping Center property currently occupied by LA Fitness (the “Major Tenant”) (i) fails to extend the term of its lease for its space at the Southland Shopping Center property for at least three years and otherwise on terms and conditions satisfactory to the lender, on or before the date that is 12 months prior to its lease expiration date, (ii) defaults under its lease, (iii) “goes dark”, gives notice to vacate or vacates its leased space at the Southland Shopping Center property or (iv) becomes a debtor in any bankruptcy or other insolvency proceeding.

A “Major Tenant Event Cure” means either (a) a Major Tenant Re-Tenancing Event (as defined below) or (b) (1) with respect to clause (i) of the definition of Major Tenant Event, the lender receives satisfactory evidence that the Major Tenant has extended the terms of its lease on terms and conditions satisfactory to the lender, (2) with respect to clause (ii) of the definition of Major Tenant Event, the default of the Major Tenant has been cured and no other default of the Major Tenant exists under the lease for a period of two consecutive calendar quarters, (3) with respect to clause (iii) of the definition of Major Tenant Event, the Major Tenant has resumed its normal business operations for two consecutive calendar quarters or the Major Tenant has revoked, in writing, its intent to vacate the related space or (4) with respect to clause (iv) of the definition of Major Tenant Event, the Major Tenant bankruptcy or insolvency proceeding has been terminated and the related lease has been affirmed.

A “Major Tenant Re-Tenancing Event” means that the lender has received satisfactory evidence that at least 80.0% of the space previously occupied by the Major Tenant has been leased to one or more replacement tenants, each pursuant to a satisfactory replacement lease on terms and conditions acceptable to the lender, including but not limited to, having a term of at least five years, that each such tenant is in occupancy of its premises, open for business and is then paying full unabated rent, and that all tenant improvements and leasing commissions provided in each such replacement lease having been paid in full.