

Porter's Vale Shopping Center

Mortgage Loan Information

Mortgage Loan Seller:	SMF VI
Original Principal Balance:	\$20,000,000
Cut-off Date Principal Balance:	\$20,000,000
% of Pool by IPB:	2.5%
Loan Purpose:	Acquisition
Borrower:	SP Porter's Vale LLC
Sponsor:	Stephen Marcus
Interest Rate:	4.64500%
Note Date:	7/6/2017
Maturity Date:	7/6/2027
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(24),Def(92),O(4)
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):	277,059
Location:	Valparaiso, IN
Year Built / Renovated:	2007, 2008, 2013, 2015, 2017 / N/A
Occupancy:	97.5%
Occupancy Date:	6/28/2017
Number of Tenants:	15
2014 NOI⁽¹⁾:	\$1,655,476
2015 NOI⁽¹⁾:	\$1,473,057
2016 NOI⁽¹⁾:	\$2,323,083
TTM NOI (as of 5/2017)⁽¹⁾:	\$2,465,532
UW Economic Occupancy:	93.0%
UW Revenues:	\$3,592,721
UW Expenses:	\$1,198,881
UW NOI⁽¹⁾:	\$2,393,841
UW NCF:	\$2,180,691
Appraised Value / Per SF:	\$30,200,000 / \$109
Appraisal Date:	5/12/2017

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$163,463	\$54,488	N/A
Insurance:	\$5,804	\$2,902	N/A
Replacement Reserves:	\$0	\$4,387	N/A
TI/LC⁽²⁾:	\$0	\$27,083	\$650,000
Other:	\$0	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$72
Maturity Date Loan / SF:	\$63
Cut-off Date LTV:	66.2%
Maturity Date LTV:	58.2%
UW NCF DSCR:	1.76x
UW NOI Debt Yield:	12.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$20,000,000	67.2%	Purchase Price	\$28,561,047	95.9%
Sponsor Equity	9,783,882	32.8	Closing Costs	1,053,567	3.5
			Upfront Reserves	169,268	0.6
Total Sources	\$29,783,882	100.0%	Total Uses	\$29,783,882	100.0%

(1) The increase in 2016 NOI, TTM NOI and UW NOI from 2014 NOI and 2015 NOI is primarily due to the lease-up of Dick's Sporting Goods (40,000 square feet constructed in 2015; \$440,000 underwritten base rent), the lease-up of in-line space (20,200 square feet constructed in 2015; \$437,800 underwritten base rent) and the lease-up of HomeGoods (22,404 square feet constructed in 2017; \$220,679 underwritten base rent).

(2) The borrower is required to make monthly deposits for future tenant improvements and leasing commissions equal to \$27,083 up to and including the payment date in July 2019, subject to a cap of \$650,000. Beginning on the payment date in August 2019, the borrower is required to make monthly deposits for future tenant improvements and leasing commissions equal to \$11,544, subject to a cap of \$650,000. If an event occurs that would be a Key Tenant Trigger Event (as defined below) and the occupancy at the property is at least 75.0% excluding such applicable Key Tenant(s), no Trigger Event (as defined below) will be deemed to exist and the TI/LC cap will be increased to \$1,500,000. During the continuance of a Key Tenant Trigger Event and the occupancy at the property is then less than 75.0% excluding such applicable Key Tenant(s) and the debt service coverage ratio at the property (based on the trailing 12 calendar months) is greater than 1.20x, the amount of excess cash flow to be swept into the Key Tenant reserve will be capped at \$1,500,000 inclusive of the balance on deposit in the TI/LC reserve, except that, if the debt service coverage ratio at the property (based on the trailing 12 calendar months) falls below 1.20x, then no cap will be in effect with respect to the TI/LC reserve or the Key Tenant reserve. A "Trigger 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 1.20x or (iii) a Key Tenant Trigger Event and less than 75.0% of total rentable space at the property is occupied by the related tenant. A "Key Tenant Trigger Event" means: (i) if a Key Tenant (a) fails to extend its lease at the property on terms reasonably acceptable to the lender on or before the date that is six months prior to lease expiration, (b) terminates its lease, assigns or subleases more than 25.0% of its related Key Tenant space, vacates more than 25.0% of its related Key Tenant space, goes into monetary default or material nonmonetary default under its lease beyond any applicable notice and cure period, goes dark or gives notice of its intention to do either or (c) becomes a debtor in a bankruptcy or other insolvency proceeding. A "Key Tenant" means: (i) both Cinemark and Gordman's, (ii) HomeGoods, (iii) Dick's Sporting Goods and/or (iv) any tenant that replaces any of the Key Tenants and occupies at least 20,000 square feet of space previously occupied by a Key Tenant.

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The Loan. The Porter's Vale Shopping Center loan is secured by a first mortgage lien on the borrower's fee interest in a 277,059 square foot anchored retail property located in Valparaiso, Indiana. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule.

The borrowing entity for the Porter's Vale Shopping Center loan is SP Porters Vale LLC, a Delaware limited liability company and special purpose entity. The nonrecourse carve-out guarantor is Stephen Marcus. Stephen Marcus is the chairman of The Marcus Corporation ("MCS") (NYSE: MCS), a midwest-based investment firm formed in 1935 by the Marcus family to acquire and grow other companies including hotels, movie theaters and restaurants. Marcus Investments LLC, a private investment firm created by the Marcus family, who are the controlling stakeholders of MSC, has a portfolio that is currently comprised of Verlo Mattress, Hospitality Democracy and Berengaria Development, LLC. Berengaria Development LLC is the real estate arm of Marcus Investments LLC and is headquartered in Milwaukee, Wisconsin and has been involved in more than \$2.0 billion in real estate transactions and currently manages more than \$300.0 million in retail properties.

The Property. The Porter's Vale Shopping Center property is comprised of eight one-story buildings located at 100-710 Porters Vale Boulevard in Valparaiso, Indiana. The property was constructed in several phases in 2007, 2008, 2013, 2015 and 2017, and totals 277,059 square feet of net rentable area. The property includes 1,247 parking spaces, resulting in a parking ratio of approximately 4.5 spaces per 1,000 square feet of net rentable area.

Construction Summary ⁽¹⁾		
Year Constructed	Net Rentable Area (SF)	Tenants
2007	48,895	Party City and 27,974 SF of in-line space
2008	39,081	Cinemark
2013	106,479	Gordman's and Hobby Lobby
2015	60,200	Dick's Sporting Goods and 20,200 SF of in-line space
2017	22,404	HomeGoods

(1) Additionally, a 190,000 square foot Meijer grocery store (non-collateral) is currently under construction adjacent to the property and is expected to be completed by early 2018.

As of June 28, 2017, the property was 97.5% leased by 15 tenants and had an average occupancy level of 93.8% over the past three years. The largest tenant, Hobby Lobby, leases 20.5% of the property's net rentable area under a lease that expires in October 2028 and has occupied the space since 2013. Hobby Lobby is an arts and crafts specialty store headquartered in Oklahoma City, Oklahoma. Hobby Lobby accounts for approximately 15.6% of the underwritten base rent at the property and has three five-year renewal options remaining. The second largest tenant, Gordman's, leases 17.9% of the property's net rentable area under a lease that expires in September 2023 and has occupied the space since 2013. Gordman's is a chain of Midwestern off-price department stores founded and headquartered in Omaha, Nebraska. Gordman's filed for bankruptcy in March 2017 and Stage Stores Inc. bought certain assets from Gordman's, including the lease on this location, where it continues to operate as a Gordman's. Gordman's accounts for approximately 11.9% of the underwritten base rent at the property and has four five-year renewal options remaining. The third largest tenant, Dick's Sporting Goods, leases 14.4% of the property's net rentable area under a lease that expires in January 2026 and has occupied the space since 2015. Dick's Sporting Goods is a sporting goods retailer, offering an assortment of brand name sporting good equipment, apparel and footwear. Dick's Sporting Goods accounts for approximately 15.1% of the underwritten base rent at the property. Additionally, a 190,000 square foot Meijer grocery store (non-collateral) is currently under construction adjacent to the property and is expected to be completed by early 2018.

The Market. The Porter's Vale Shopping Center property is located in Valparaiso, Porter County, Indiana and is located approximately 50 miles southeast of Chicago, Illinois. According to the appraisal, the estimated 2016 median household income within a one-, three- and five-mile radius is approximately \$50,999, \$52,511 and \$57,344, respectively. According to the appraisal, in 2016, the estimated total population within a one-, three- and five-mile radius was approximately 3,002, 31,705 and 50,672, respectively.

The Porter's Vale Shopping Center property is located in the Porter County retail submarket and according to the appraisal, as of the first quarter of 2017, the average vacancy rate in the Porter County retail submarket was 2.4% with average asking rents of \$12.51 per square foot. Vacancy in the submarket has ranged from 2.6% to 4.6% since 2007, while asking rent has ranged from \$10.50 to \$14.98 per square foot. The appraisal identified 18 properties which best represent current market conditions for the Porter's Vale Shopping Center property, ranging in size from 4,771 square feet to 786,928 square feet. The competitive properties reported occupancies ranging from 90.9% to 100.0%. The competitive properties have average asking rents ranging from \$10.00 to \$32.50 per square foot for in-line space, \$8.50 to \$14.00 per square foot for anchor space and \$11.00 to \$36.00 per square foot for theater space.

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According to the appraisal, the market rent for theater, anchor, the east building, the west building and Dick's Sporting Goods' space is \$15.25, \$9.00, \$14.50, \$24.00 and \$11.00 per square foot, respectively. The appraisal states that the property's rental rates can vary due to space size, interior build-out and location within the property. According to the appraisal, the contract rents within the property are considered to be representative of market levels.

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	Lease Expiration Date
Hobby Lobby	NA / NA / NA	56,900	20.5%	\$8.00	15.6%	10/31/2028
Gordman's ⁽³⁾	NA / NA / NA	49,579	17.9%	\$7.00	11.9%	9/30/2023
Dick's Sporting Goods	NA / NA / NA	40,000	14.4%	\$11.00	15.1%	1/31/2026
Cinemark	NA / BB / NA	39,081	14.1%	\$15.50	20.8%	5/31/2023
HomeGoods	A2 / A+ / NA	22,404	8.1%	\$9.85	7.6%	5/31/2027
Party City	NA / NA / NA	20,921	7.6%	\$8.67	6.2%	1/31/2018
Five Below	NA / NA / NA	8,000	2.9%	\$17.10	4.7%	1/31/2026
Kirklands	NA / NA / NA	7,000	2.5%	\$15.45	3.7%	1/31/2024
Hallmark	NA / NA / NA	6,975	2.5%	\$6.21	1.5%	2/28/2019
Sleepy's	NA / NA / NA	5,000	1.8%	\$23.00	3.9%	11/30/2022

(1) Based on the underwritten rent roll dated June 28, 2017.

(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) Gordman's filed for bankruptcy in March 2017 and Stage Stores Inc. bought certain assets from Gordman's, including the lease on this location, where it continues to operate as a Gordman's.

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	6,793	2.5%	NAP	NAP	6,793	2.5%	NAP	NAP
2017 & MTM ⁽²⁾	1	500	0.2	\$0	0.0%	7,293	2.6%	\$0	0.0%
2018	1	20,921	7.6	181,449	6.2	28,214	10.2%	\$181,449	6.2%
2019	4	12,175	4.4	89,203	3.1	40,389	14.6%	\$270,652	9.3%
2020	1	1,506	0.5	31,626	1.1	41,895	15.1%	\$302,278	10.4%
2021	1	3,200	1.2	80,000	2.7	45,095	16.3%	\$382,278	13.1%
2022	1	5,000	1.8	115,000	3.9	50,095	18.1%	\$497,278	17.0%
2023	2	88,660	32.0	952,808	32.7	138,755	50.1%	\$1,450,086	49.7%
2024	1	7,000	2.5	108,150	3.7	145,755	52.6%	\$1,558,236	53.4%
2025	0	0	0.0	0	0.0	145,755	52.6%	\$1,558,236	53.4%
2026	3	52,000	18.8	682,800	23.4	197,755	71.4%	\$2,241,036	76.8%
2027	1	22,404	8.1	220,679	7.6	220,159	79.5%	\$2,461,715	84.4%
2028 & Beyond	1	56,900	20.5	455,200	15.6	277,059	100.0%	\$2,916,915	100.0%
Total	17	277,059	100.0%	\$2,916,915	100.0%				

(1) Based on the underwritten rent roll dated June 28, 2017.

(2) Represents storage space.

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Operating History and Underwritten Net Cash Flow

	2014	2015	2016	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$1,899,230	\$2,062,667	\$2,755,789	\$2,811,917	\$2,916,915	\$10.53	75.5%
Vacant Income	0	0	0	0	98,499	0.36	2.5
Gross Potential Rent	\$1,899,230	\$2,062,667	\$2,755,789	\$2,811,917	\$3,015,414	\$10.88	78.1%
Total Reimbursements	418,139	431,765	769,116	854,151	847,728	3.06	21.9
Net Rental Income	\$2,317,369	\$2,494,432	\$3,524,905	\$3,666,068	\$3,863,141	\$13.94	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(270,420)	(0.98)	(7.0)
Effective Gross Income	\$2,317,369	\$2,494,432	\$3,524,905	\$3,666,068	\$3,592,721	\$12.97	93.0%
Total Expenses	\$661,893	\$1,021,375	\$1,201,822	\$1,200,536	\$1,198,881	\$4.33	33.4%
Net Operating Income	\$1,655,476	\$1,473,057	\$2,323,083	\$2,465,532	\$2,393,841	\$8.64	66.6%
Total TI/LC, Capex/RR	0	0	0	0	213,149	0.77	5.9
Net Cash Flow	\$1,655,476	\$1,473,057	\$2,323,083	\$2,465,532	\$2,180,691	\$7.87	60.7%
Occupancy⁽⁴⁾	93.3%	92.7%	95.5%	97.5%	93.0%		

(1) TTM represents the trailing 12-month period ending in May 31, 2017.

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

(3) The increase in 2016, TTM and Underwritten Rents in Place from 2014 and 2015 Rents in Place is primarily due to the lease-up of Dick's Sporting Goods (40,000 square feet constructed in 2015; \$440,000 underwritten base rent), the lease-up of in-line space (20,200 square feet constructed in 2015; \$437,800 underwritten base rent) and the lease-up of HomeGoods (22,404 square feet constructed in 2017; \$220,679 underwritten base rent).

(4) Historical Occupancies are as of December 31 of each respective year. TTM Occupancy is as of June 28, 2017. Underwritten Occupancy represents economic occupancy.