

130-150 Shoreline Drive
Redwood City, CA 94065

Collateral Asset Summary – Loan No. 10

Shoreline Center

Cut-off Date Balance:	\$38,300,000
Cut-off Date LTV:	63.8%
U/W NCF DSCR:	2.32x
U/W NOI Debt Yield:	10.6%



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Mortgage Loan Information

Loan Seller: LCM
Loan Purpose: Acquisition
Borrower Sponsor: Joseph J. Sitt
Borrower: Thor 130-150 Shoreline LLC
Original Balance: \$38,300,000
Cut-off Date Balance: \$38,300,000
% by Initial UPB: 3.8%
Interest Rate: 4.2880%
Payment Date: 6th of each month
First Payment Date: March 6, 2018
Maturity Date: February 6, 2028
Amortization: Interest Only
Additional Debt: None
Call Protection: L(27), D(88), O(5)
Lockbox / Cash Management: Hard / In Place

Reserves⁽¹⁾

	Initial	Monthly
Taxes:	\$87,000	\$57,000
Insurance:	\$0	Springing
Free Rent⁽²⁾:	\$89,317	NAP
Outstanding TI/LC:	\$1,376,021	NAP
Roof Reserve:	\$540,000	NAP
Special Rollover:	\$0	Springing

Financial Information

Cut-off Date Balance / Sq. Ft.:	\$470
Balloon Balance / Sq. Ft.:	\$470
Cut-off Date LTV:	63.8%
Balloon LTV:	63.8%
Underwritten NOI DSCR:	2.44x
Underwritten NCF DSCR:	2.32x
Underwritten NOI Debt Yield:	10.6%
Underwritten NCF Debt Yield:	10.1%
Underwritten NOI Debt Yield at Balloon:	10.6%
Underwritten NCF Debt Yield at Balloon:	10.1%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Suburban Office
Collateral: Fee Simple
Location: Redwood City, CA
Year Built / Renovated: 1985 / 2017
Total Sq. Ft.: 81,569
Property Management: G&E Real Estate Management Services, Inc.
Underwritten NOI: \$4,054,715
Underwritten NCF: \$3,866,290
Appraised Value⁽³⁾: \$60,000,000
Appraisal Date: March 1, 2018

Historical NOI⁽⁴⁾

Most Recent NOI:	NAP
2016 NOI:	NAP
2015 NOI:	NAP
2014 NOI:	NAP

Historical Occupancy⁽⁴⁾

Most Recent Occupancy:	100.0% (May 6, 2018)
2016 Occupancy:	NAP
2015 Occupancy:	NAP
2014 Occupancy:	NAP

- (1) See "Initial Reserves" and "Ongoing Reserves" herein.
- (2) The free rent period for the sole tenant, Auris Surgical Robotics, Inc., has since expired and the initial balance of \$89,317 has been disburse to the borrower.
- (3) The appraisal concluded to an "as is" value of \$58,000,000 as of November 17, 2017 and an "as stabilized" value of \$60,000,000 as of March 1, 2018. The Shoreline Center Property satisfied the "as stabilized" conditions on or prior to March 1, 2018. In addition, the appraiser concluded to a dark value of \$46,000,000 for the Shoreline Center Property which results in a "Go Dark" Cut-off Date LTV and Balloon LTV of 83.3%.
- (4) The Shoreline Center Property was recently purchased after a full renovation. As such, historical occupancy and financials are not available.

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Tenant Summary

Tenant	Ratings (Fitch/Moody's/S&P)	Net Rentable Area (Sq. Ft.)	% of Net Rentable Area	U/W Base Rent PSF ⁽¹⁾	% of Total U/W Base Rent	Lease Expiration
Auris Surgical Robotics, Inc. ⁽²⁾	NR/NR/NR	81,569	100.0%	\$56.87	100.0%	4/30/2025
Total Occupied Collateral		81,569	100.0%	\$56.87	100.0%	
Vacant		0	0%			
Total		81,569	100.0%			

(1) U/W Base Rent PSF is inclusive of approximately \$240,314 in base rent steps taken through November 1, 2018.

(2) Auris Surgical Robotics, Inc. has one, five-year renewal option remaining.

Lease Rollover Schedule

Year	# of Leases Expiring	Total Expiring Sq. Ft.	% of Total Sq. Ft. Expiring	Cumulative Sq. Ft. Expiring	Cumulative % of Sq. Ft. Expiring	Annual U/W Base Rent PSF ⁽¹⁾	% U/W Base Rent Rolling	Cumulative % of U/W Base Rent
MTM	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2018	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2019	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2020	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2021	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2022	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2023	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2024	0	0	0.0%	0	0.0%	\$0.00	0.0%	0.0%
2025	1	81,569	100.0%	81,569	100.0%	\$56.87	100.0%	100.0%
2026	0	0	0.0%	81,569	100.0%	\$0.00	0.0%	100.0%
2027	0	0	0.0%	81,569	100.0%	\$0.00	0.0%	100.0%
2028	0	0	0.0%	81,569	100.0%	\$0.00	0.0%	100.0%
Thereafter	0	0	0.0%	81,569	100.0%	\$0.00	0.0%	100.0%
Vacant	NAP	0	0.0%	81,569	100.0%	NAP	NAP	
Total / Wtd. Avg.	1	81,569	100.0%			\$56.87	100.0%	

(1) Annual U/W Base Rent PSF is inclusive of approximately \$240,314 in base rent steps taken through November 1, 2018.

The Loan. The Shoreline Center loan (the “Shoreline Center Loan”) is a \$38.3 million fixed rate loan secured by the borrower’s fee simple interest in a newly renovated, office and research and development (“R&D”) building totaling 81,569 sq. ft. located at 130-150 Shoreline Drive in Redwood City, California (the “Shoreline Center Property”). The Shoreline Center Loan has a 10-year term and requires interest only payments for the term of the loan. The Shoreline Center Loan accrues interest at a fixed rate equal to 4.2880% and has a Cut-off Date Balance of approximately \$38.3 million. Proceeds of the Shoreline Center Loan, along with approximately \$21.7 million of borrow sponsor equity, were used to acquire the Shoreline Center Property for approximately \$58.0 million, fund upfront reserves of approximately \$2.1 million and pay closing costs of approximately \$1.8 million. Based on the appraised value of \$60.0 million as of March 1, 2018, the Cut-off Date LTV is 63.8%. The most recent prior financing of the Shoreline Center Property was not included in a securitization.

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$38,300,000	63.8%	Purchase Price	\$58,000,000	96.7%
Borrower Sponsor Equity	\$21,706,085	36.2%	Upfront Reserves	\$2,092,338	3.5%
			Seller Credits	(\$1,864,428)	(3.1%)
			Closing Costs	\$1,778,175	3.0%
Total Sources	\$60,006,085	100.0%	Total Uses	\$60,006,085	100.0%

The Borrower / Borrower Sponsor. The borrower, Thor 130-150 Shoreline LLC, is a single purpose Delaware limited liability company structured to be bankruptcy-remote with two independent directors in its organizational structure. The sponsor of the borrower and the non-recourse carveout guarantor is Joseph J. Sitt.

Joseph J. Sitt is President and CEO of Thor Equities, a firm specializing in urban real estate development, leasing and management of commercial, residential, retail, hotel and mixed-use assets. Founded in 1986 by Mr. Sitt, the company owns property in the United States, Europe and Latin America, with portfolio transactions and a development pipeline in excess of \$10.0 billion and totaling more than 20.0 million sq. ft. Mr. Sitt is also the CEO of Thor Retail Advisors, a leasing agent and exclusive representative of global retailers in their search for prime locations; Chairman of Thor Urbana, which develops and acquires retail, office and mixed-use properties in Mexico City,

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Guadalajara, Mérida and other Mexican cities; and Chairman and Managing Principal of Thor Urban Property Funds, an investment vehicle serving pension funds, investment banks, college endowments and foundations.

The Property. The Shoreline Center Property consists of two connected, two-story, newly renovated office/R&D buildings totaling 81,569 sq. ft. situated on 4.97 acres in the Redwood Shores neighborhood of Redwood City, California. Constructed in 1985, the Shoreline Center Property recently underwent an approximately \$13.0 million (\$159 PSF) renovation in 2017, of which approximately \$2.5 million was invested directly by the sole tenant, Auris Surgical Robotics, Inc. ("Auris"). In addition to tenant improvements, the renovations modernized both the interiors and exteriors of the buildings, updated the HVAC systems and reconfigured a portion of the interior space for R&D/lab use. A summary and breakdown of the renovation costs at the Shoreline Center Property are provided in the chart below.

Renovation Costs ⁽¹⁾				
Item	Completed	Remaining	Total	PSF
Tenant Improvements	\$6,156,529	\$1,376,021	\$7,532,550	\$92.35
Auris Investment	\$2,500,000	\$0	\$2,500,000	\$30.65
Exterior Renovation	\$1,782,858	\$0	\$1,782,858	\$21.86
Interior Renovation	\$669,166	\$0	\$669,166	\$8.20
HVAC	\$191,470	\$0	\$191,470	\$2.35
Landscaping	\$184,129	\$0	\$184,129	\$2.26
Soft Costs	\$127,480	\$0	\$127,480	\$1.56
Total	\$11,611,632	\$1,376,021	\$12,987,653	\$159.22

(1) Source: Borrower.

The Shoreline Center Property's interior spaces were renovated for specific tenant requirements, which include office, R&D, packaging, assembly, demonstration facilities and two surgical suites (for approved product development / technical studies). Ceiling heights vary from 10 feet in the open office areas, to 18 feet in the lab space, to 24 feet in the warehouse area. The Shoreline Center Property includes 252 surface parking spaces providing a parking ratio of 3.08 per 1,000 sq. ft. of rentable area. According to the appraisal, the Shoreline Center Property's land value is equal to \$31.4 million or approximately 82.0% of the Shoreline Center Loan balance.

As of May 6, 2018, the Shoreline Center Property was 100.0% leased to Auris.

Environmental Matters. The Phase I environmental report, dated December 22, 2017, recommended no further action.

Major Tenant.

Auris Surgical Robotics, Inc. (81,569 sq. ft.; 100.0% of NRA; 100.0% of U/W Base Rent) Founded in 2007, Auris is a health care device company that engages in the development of robotics technology for medical applications. Based on a recent Series D round of financing which closed in August 2017, the company was valued at approximately \$1.0 billion and has raised more than \$500 million in equity capital from technology investors. Auris is currently focused on the advancement of microsurgical, minimally-invasive systems that could potentially result in earlier diagnosis and better surgical outcomes, including faster recovery and fewer complications for the patient. In May 2016, FDA approval was granted to begin marketing the Auris Robotic Endoscopy System ("ARES"), a device inserted through the nose or mouth, which allows for the examination of the lungs without an incision. Auris was founded by Dr. Frederic Moll who serves on the boards of several health care companies. In 1995, he co-founded and was the first CEO of Intuitive Surgical (NASDAQ: ISRG, Market Cap: \$45.0 billion as of April 6, 2018), a surgical robotics firm that was a pioneer in minimally invasive surgical technology. Dr. Moll and Intuitive Surgical developed and manufactured the da Vinci Surgical System, a surgeon-controlled machine that aides in the performance of minimally-invasive procedures. As of September 2017, there are more than 2,700 da Vinci systems used in hospitals across the U.S. Similar to the da Vinci System, robotic technologies being developed by Auris are expected to be operated by a surgeon using 3-D mapping of the body.

Auris leases 100.0% of the Shoreline Center Property on a triple net basis which serves as its corporate headquarters. The lease has no termination options and contains one, five-year extension option.

The Market. The Shoreline Center Property is located in the greater South Peninsula office/R&D market. As of Q3 2017, the South Peninsula office/R&D market contained approximately 30.4 million sq. ft. with an overall vacancy rate of 5.1%. Within the South Peninsula office/R&D market, the Shoreline Center Property is located within the Redwood City/Redwood Shores office/R&D submarket. As of Q3 2017, the Redwood City/Redwood Shores office/R&D submarket contained approximately 3.7 million sq. ft. with an overall vacancy rate of 8.5%.

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The table below summarizes the comparable leases as determined by the appraisal.

Rent Comparables ⁽¹⁾									
Address	City, State	Total Building Size (NRA)	Tenant Name	Year Built	Lease Date	Size (NRA)	Term (Years)	Initial Rent PSF	Lease Type
130-150 Shoreline Drive	Redwood City, CA	81,569	Auris Surgical Robotics, Inc.	1985	2017/2018	81,569	8.0	\$56.87⁽²⁾	NNN
805 Veterans Boulevard	Redwood City, CA	86,000	Ivalua	1985	Jan-17	7,108	3.0	\$51.00	NNN
200 Chesapeake Drive	Redwood City, CA	25,254	Medtronic	1988	May-17	17,153	3.0	\$46.80	NNN
301 Galveston Drive	Redwood City, CA	25,893	AcelRx Pharmaceuticals, Inc.	1986	Jun-17	25,893	6.0	\$46.32	NNN
640 Galveston Drive	Redwood City, CA	50,976	Bolt Bio Therapeutics	1993	Aug-17	9,400	5.2	\$50.40	NNN
505 Penobscot Drive	Redwood City, CA	82,320	Guardant Health, Inc.	1986	Oct-17	48,787	3.1	\$51.48	NNN
1400 Bridge Parkway	Redwood City, CA	46,761	Xtime, Inc.	1998	Nov-17	38,751	3.1	\$48.60	NNN

(1) Source: Appraisal.

(2) Initial Rent PSF is inclusive of \$240,314 in base rent steps taken through November 1, 2018.

Cash Flow Analysis.

Cash Flow Analysis ⁽¹⁾				
	Appraisal	In-Place (5/6/2018) ⁽²⁾	U/W	U/W PSF
Base Rent	\$4,538,451	\$4,398,509	\$4,398,509	\$53.92
Base Rent Steps ⁽³⁾	0	0	240,314	2.95
Gross Potential Rent	\$4,538,451	\$4,398,509	\$4,638,823	\$56.87
Total Recoveries	1,207,918	1,212,891	1,202,258	14.74
Less: Vacancy ⁽⁴⁾	(287,318)	0	(584,108)	(7.16)
Effective Gross Income	\$5,459,051	\$5,611,400	\$5,256,973	\$64.45
Total Operating Expenses	1,223,784	1,212,891	1,202,258	14.74
Net Operating Income	\$4,235,267	\$4,398,509	\$4,054,715	\$49.71
TI/LC	0	171,295	171,295	2.10
Capital Expenditures	0	17,129	17,129	0.21
Net Cash Flow	\$4,235,267	\$4,210,084	\$3,866,290	\$47.40

(1) The Shoreline Center Property was recently purchased after a full renovation. As such, historical occupancy and financials are not available.

(2) In-Place represents annualized rents per the underwritten rent roll dated May 6, 2018 and is based on leases in place with no vacancy adjustment, contractual tenant reimbursements per the leases and all other U/W expenses and capital items.

(3) U/W Base Rent Steps are based on the contractual rent steps for Auris Surgical Robotics, Inc. (\$240,314) as of November 1, 2018.

(4) U/W Vacancy is based on 10.0% of the combined Gross Potential Rent and Total Recoveries.

Property Management. The Shoreline Center Property is managed by G&E Real Estate Management Services, Inc.

Lockbox / Cash Management. The Shoreline Center Loan is structured with a hard lockbox and in place cash management. All rents are required to be deposited directly by the tenants of the Shoreline Center Property into a lockbox account controlled by the lender. All amounts in the lockbox account are required to be swept to a lender-controlled cash management account every business day and applied on each payment date to the payment of debt service and the funding of required reserves. Provided no Cash Trap Period (as defined below) is continuing, all funds remaining in the cash management account after payment of the aforementioned items will be transferred on a monthly basis into the borrowers' operating account. During a Cash Trap Period, all excess cash in the cash management account will be retained by the lender as additional collateral for the Shoreline Center Loan.

A "Cash Trap Period" will commence upon (i) an event of default or (ii) the commencement of a Lease Sweep Period (as defined below).

A "Lease Sweep Period" will commence (i) on the date that is 18 months prior to the end of the term (including any renewal terms) of any Lease Sweep Lease (as defined below), (ii) if any Lease Sweep Lease is surrendered, cancelled or terminated prior to its then-current expiration date, (iii) if any Lease Sweep Tenant (as defined below) (a) any time prior to February 6, 2019, goes dark or gives notice that it intends to discontinue its business at substantially all of its premises that it previously occupied or (b) any time after February 6, 2019, goes dark or gives notice that it intends to discontinue its business in less than 60.0% of the rentable area it occupies; *provided, however*, any applicable qualified subleases may count for up to 10.0% towards the 60.0% threshold, (iv) upon the occurrence of a material default under any Lease Sweep Lease or (v) upon the occurrence of a Lease Sweep Tenant insolvency proceeding. During a Lease Sweep Period, all excess cash flow will be deposited into a special rollover reserve account.

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A “Lease Sweep Lease” means the Auris Surgical Robotics, Inc. lease and any lease which covers 14,404 or more sq. ft.

A “Lease Sweep Tenant” means any tenant under a Major Lease, or under one or more leases which when taken together would constitute a Major Lease.

Initial Reserves. At origination, the borrower deposited (i) \$87,000 into a tax reserve account, (ii) \$89,317 into a free rent reserve account which amount was equal to the remaining unexpired free rent under the Auris lease as of origination, (iii) \$1,376,021 into an outstanding TI/LC reserve account which amount is equal to the outstanding TI/LC allowance due to Auris under the Auris lease and (iv) \$540,000 into a roof reserve account which amount is equal to 125.0% of the estimated cost to repair and replace the roof at the Shoreline Center Property.

Ongoing Reserves. On a monthly basis, the borrower is required to deposit reserves of (i) 1/12 of the estimated annual real estate taxes, which currently equates to \$57,000, into a tax reserve account and (ii) unless an acceptable blanket insurance policy is in place, 1/12 of the estimated annual insurance premiums into an insurance reserve account.

Current Mezzanine or Subordinate Indebtedness. None.

Future Mezzanine or Subordinate Indebtedness Permitted. None.