

354, 360, 500 and 500A
Merrimack Street
Lawrence, MA 01843

Collateral Asset Summary – Loan No. 14

Riverwalk

Cut-off Date Balance: \$20,000,000
Cut-off Date LTV: 69.0%
U/W NCF DSCR: 1.34x
U/W NOI Debt Yield: 9.2%

Mortgage Loan Information

Loan Seller: CCRE
Loan Purpose: Refinance
Borrower Sponsor: Salvatore N. Lupoli
Borrowers: 500 Riverwalk LLC; S & N Lawrence Realty, LLC; Riverwalk Partners LLC
Original Balance⁽¹⁾: \$20,000,000
Cut-off Date Balance⁽¹⁾: \$20,000,000
% by Initial UPB: 2.8%
Interest Rate: 5.17600%
Payment Date: 6th of each month
First Payment Date: July 6, 2018
Maturity Date: June 6, 2028
Amortization: Interest Only for 36 months; 360 months thereafter
Additional Debt⁽¹⁾: \$60,700,000 *Pari Passu* Debt
Call Protection⁽²⁾⁽³⁾: L(26), D(91), O(3)
Lockbox / Cash Management⁽⁴⁾: Springing Hard / Springing

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Suburban Office
Collateral: Fee Simple
Location: Lawrence, MA
Year Built / Renovated: 1901; 2007 / 2007
Total Sq. Ft.⁽⁹⁾: 630,379
Property Management: JeNet Management
Underwritten NOI⁽¹⁰⁾: \$7,442,223
Underwritten NCF: \$7,127,034
Appraised Value: \$117,000,000
Appraisal Date: April 23, 2018

Historical NOI

Most Recent NOI⁽¹⁰⁾: \$6,584,746 (T-12 March 31, 2018)
2017 NOI: \$6,621,759 (December 31, 2017)
2016 NOI: \$6,330,705 (December 31, 2016)
2015 NOI: \$6,063,284 (December 31, 2015)

Reserves⁽⁵⁾

	Initial	Monthly
Taxes:	\$0	Springing
Insurance:	\$0	Springing
Replacement:	\$270,000	Springing
TI/LC:	\$2,000,000	Springing
Free Rent⁽⁶⁾:	124,344	\$0

Financial Information⁽⁷⁾

Cut-off Date Balance / Sq. Ft.: \$128
Balloon Balance / Sq. Ft.: \$114
Cut-off Date LTV: 69.0%
Balloon LTV: 61.3%
Underwritten NOI DSCR⁽⁸⁾: 1.40x
Underwritten NCF DSCR⁽⁸⁾: 1.34x
Underwritten NOI Debt Yield: 9.2%
Underwritten NCF Debt Yield: 8.8%

- (1) The Original Balance and Cut-off Date Balance of \$20.0 million represents the Notes A-3, A-4, A-5 and A-6 which, together with the \$60.7 million remaining *pari passu* controlling Notes A-1 and A-2 comprises the "Riverwalk Whole Loan" with an aggregate original principal balance of \$80.7 million.
- (2) The lockout period will be at least 26 payment dates beginning with and including the first payment date of July 6, 2018. Defeasance of the \$80.7 million Riverwalk Whole Loan is permitted after the date that is the earlier to occur of (i) two years after the closing date of the securitization that holds the last portion of the Riverwalk Whole Loan to be securitized and (ii) July 6, 2021. The assumed lockout period of 26 payments is based on the expected CD 2018-CD7 securitization closing date in August 2018. The actual lockout period may be longer.
- (3) The Riverwalk Whole Loan documents permit the release of one of the collateral buildings "Structure 2", provided, among other things, (i) prior to the expiration of the defeasance lockout period ("Lockout"), upon payment of the Release Price, together with yield maintenance, and (ii) after Lockout, upon the partial defeasance of the loan at the "Release Price" of \$2,000,000. The borrower is also permitted to demolish Structure 2 so long as (1) (a) the annualized DSCR on the remainder of the Mortgaged Property is at least 1.25x, (b) the borrower deposits cash or an acceptable letter of credit with the lender in the amount sufficient to generate a DSCR of 1.25x or (c) the borrower enters into a ground lease with rents sufficient to generate an annualized DSCR of 1.25x leased to either (i) a third party or (ii) the borrower sponsor or an affiliate (but with subleases in place with third parties that are sufficient to backstop the ground lease rent), (2) the borrower delivers a REMIC opinion and (3) the lender has obtained a Rating Agency Confirmation. In addition, the loan documents permit the bifurcation and release of the related leasehold interest in certain undeveloped parcels, subject to, among other things, compliance with the REMIC requirements.

- (4) A "Cash Management Period" will occur upon (i) an event of default provided that a Cash Management Period will not be triggered (a) twice during the term of the Riverwalk Whole Loan or (b) in the event the Riverwalk borrower pays principal and interest after the payment date occurring in any month but on or before the 10th of such month), (ii) any bankruptcy action involving the Riverwalk borrower, the guarantor or the affiliated property manager or (iii) the debt service coverage ratio based on the trailing 12-month period falls below 1.25x for two consecutive calendar quarters until such time that the debt service coverage ratio is at least 1.30x for two consecutive calendar quarters.
- (5) The Riverwalk borrower is required to escrow monthly 1/12 of the annual estimated tax payments and 1/12 of the annual insurance premiums, provided, however, that such monthly escrow requirements will be waived so long as (i) with respect to the tax escrow, the Riverwalk borrower has provided evidence to the lender that it has paid all taxes directly to the applicable government authority and (ii) with respect to the insurance premiums, the Riverwalk Property is covered under a blanket insurance policy approved by the lender and such blanket insurance is in full force and effect. In addition, the Riverwalk borrower is required to escrow monthly, (i) replacement reserves of \$8,005 in the event that the balance of the replacement reserve account is less than \$90,000, subject to a cap of \$270,000 and (ii) tenant improvement and leasing commissions reserve of \$26,700 in the event that the tenant improvement and leasing commissions is less than \$800,000, subject to a cap of \$1,200,000.
- (6) The largest tenant, Solectria, representing approximately 12.4% of the net rentable area, has executed a lease and taken occupancy of its space, but is not required to commence paying rent has a partial rent credit until March 2019. The third largest tenant, Home Health VNA, representing approximately 5.4% of the net rentable area, has executed a lease and taken occupancy of its space, but is not required to commence paying rent until September 2020. At origination, the borrower reserved \$124,344 with the lender in connection with such reduced rent periods.
- (7) Balance / Sq. Ft., LTV, DSCR and Debt Yield calculations are based on the \$80.7 million Riverwalk Whole Loan.
- (8) DSCR is calculated based on the Riverwalk Whole Loan's amortizing debt service payments. Based on the initial interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are equal to 1.76x and 1.68x, respectively.
- (9) The Riverwalk property consists of 494,209 sq. ft. of office space (78.4% of NRA), 65,486 sq. ft. of retail space (10.4% of NRA) and 70,684 sq. ft. of industrial space (11.2% of NRA).
- (10) The increase from Most Recent NOI to Underwritten NOI is primarily a result of (i) affiliate lease spaces that were not included historical operating statements and (ii) recent leasing activity in 2018.

TRANSACTION HIGHLIGHTS

- **Property.** The Riverwalk property is comprised of four office buildings totaling 630,379 sq. ft. that are located along the Merrimack River and within the Riverwalk Development in Lawrence, Massachusetts. The Riverwalk Development is a 3.6 million live-work-play campus, comprised of over 1.1 million sq. ft. of office space with more than 125 companies and two multifamily properties totaling over 250 units. The Riverwalk Development buildings were originally developed in 1853, as part of the Pacific Mills complex, and were most recently renovated in 2015-2018. As of June 18, 2018, the Riverwalk Development reported 93.8% and 96.6% occupancy rates for the office and multifamily spaces, respectively.
- **Tenancy.** As of June 18, 2018, the Riverwalk property was 93.0% occupied by 77 tenants with no tenant occupying more than 12.4% of NRA. Since 2009, the property has had an average occupancy of 95.3%. Approximately 6.3% of NRA is leased to an affiliate of the borrower sponsor.
- **Market.** The Riverwalk property is located in the Lawrence/Andover office submarket. According to a third party market research report, in 2017 the Lawrence/Andover office market contained 13,600,136 sq. ft. of inventory with 88,000 sq. ft. of planned new construction and experienced a positive net absorption of 465,390 sq. ft. during 2017. As of the end of 2017, average asking rental rate was \$19.29 PSF and the overall vacancy rate was 14.6%, compared to the Riverwalk property's average underwritten rental rate of \$14.54 PSF and 7.0% vacancy rate. The appraiser concluded a 6.0% vacancy rate for the Riverwalk property.
- **Borrower Sponsor.** Salvatore N. Lupoli is the CEO and President of Lupoli Companies, which consists of Lupoli Development and Lupoli Hospitality. Lupoli Development has developed over 4.0 million sq. ft. of office, retail, residential and mixed-use space in Massachusetts and New Hampshire. Prior to starting Lupoli Development, Mr. Lupoli founded Sal's Pizza, an Italian restaurant concept with over 40 locations throughout New England.