

Various
Las Vegas, NV 89122

Collateral Asset Summary – Loan No. 12
River Valley MHC Portfolio

Cut-off Date Balance: \$36,000,000
Cut-off Date LTV: 67.5%
U/W NCF DSCR: 1.21x
U/W NOI Debt Yield: 7.9%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Borrower Sponsor: Ross H. Partrich
Borrowers: River Oaks MHC, LLC; Valley Vista MHC, LLC
Original Balance: \$36,000,000
Cut-off Date Balance: \$36,000,000
% by Initial UPB: 3.4%
Interest Rate: 4.91000%
Payment Date: 6th of each month
First Payment Date: September 6, 2018
Maturity Date: August 6, 2028
Amortization: Interest Only for first 36 months, 360 months thereafter
Additional Debt⁽¹⁾: Future Mezzanine Debt Permitted
Call Protection⁽²⁾: L(26), D(90), O(4)
Lockbox / Cash Management⁽³⁾: Springing Soft / Springing

Reserves

	Initial	Monthly
Taxes:	\$28,215	\$14,108
Insurance⁽⁴⁾:	\$0	Springing
Replacement:	\$0	\$2,030
Earnout⁽⁵⁾:	\$500,000	\$0

Financial Information

Cut-off Date Balance / Pad: \$59,113
Balloon Balance / Pad: \$52,228
Cut-off Date LTV⁽⁶⁾: 67.5%
Balloon LTV: 60.5%
Underwritten NOI DSCR⁽⁷⁾: 1.22x
Underwritten NCF DSCR⁽⁷⁾: 1.21x
Underwritten NOI Debt Yield⁽⁶⁾: 7.9%
Underwritten NCF Debt Yield⁽⁶⁾: 7.8%

- (1) Mezzanine debt is permitted provided that, among other things: (i) the combined LTV is less than or equal to 68.5%, (ii) the combined DSCR is greater than or equal to 1.177x, (iii) the combined debt yield is greater than or equal to 7.51%, and (iv) an intercreditor agreement is in place.
- (2) Any time on or after the defeasance lockout period, the borrower has the right to obtain release of an individual property in connection with the sale of the property upon defeasance of an amount equal to the greater of (x) 120% of the allocated loan amount of the property, or (y) 100% of the net sales proceeds of the property, which in no event shall be less than 95% of the gross sales price of the property, subject to (i) the DSCR after giving effect to such release is at least the greater of (x) 1.177x and (y) the DSCR immediately prior to such release (ii) the LTV after giving effect to such release is no more than the lesser of (x) 68.5% and (y) the LTV immediately prior to such release.

Property Information

Single Asset / Portfolio: Portfolio of 2 properties
Property Type: Manufactured Housing
Collateral: Fee Simple
Location: Las Vegas, NV
Year Built / Renovated: 1992 / NAP
Total Pads⁽⁸⁾: 609
Property Management: Newbury Management Company
Underwritten NOI⁽⁹⁾: \$2,809,203
Underwritten NCF: \$2,784,843
Appraised Value: \$52,560,000
Appraisal Date: July 13, 2018

Historical NOI⁽⁸⁾

Most Recent NOI⁽⁹⁾: \$2,491,352 (July 31, 2018)
2017 NOI: \$2,181,667 (December 31, 2017)
2016 NOI: \$1,714,811 (December 31, 2016)
2015 NOI⁽¹⁰⁾: \$1,704,425 (December 31, 2015)

Historical Occupancy

Most Recent Occupancy: 88.8% (July 31, 2018)
2017 Occupancy: 88.2% (December 31, 2017)
2016 Occupancy: 81.3% (December 31, 2016)
2015 Occupancy: 75.4% (December 31, 2015)

- (3) In place cash management will be triggered upon the occurrence of (i) an event of default, (ii) the DSCR falling below 1.10x for two consecutive calendar quarters or (iii) the creation of a mezzanine loan.
- (4) If a blanket insurance policy is no longer in place, on each monthly payment date, the borrower will be required to deposit 1/12 of the annual insurance premiums.
- (5) The lender will disburse the Earnout reserve if, among other things (i) the debt yield is equal to or greater than 7.7% and (ii) the DSCR is equal to or greater than 1.20x. If the conditions are not met prior to August 3, 2021, the borrower will have no further right to receive release of the Earnout reserve.
- (6) The Cut-off Date LTV, Underwritten NOI Debt Yield and Underwritten NCF Debt Yield are calculated based on the Cut-off Date Balance, net of the \$500,000 Earnout reserve. The Cut-off Date LTV, Underwritten NOI Debt Yield and Underwritten NCF Debt Yield based on the fully funded Cut-off Date Balance are 68.5%, 7.8% and 7.7%, respectively.
- (7) Based on amortizing debt service payments. Based on interest only debt service payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 1.57x and 1.55x, respectively.
- (8) The River Valley MHC Portfolio has 609 pad sites, of which 231 pad sites have mobile homes that are owned by an affiliate of the borrower and are not part of the collateral. The Historical NOI reflects the pad site rents and does not include the mobile home rents. The 231 affiliate owned mobile homes are owned by an affiliate of the sponsor and do not have a lease-to-own structure for tenants. Since the borrower sponsor acquired to River Valley MHC Portfolio in July 2015, the sponsor has added 97 new affiliate owned homes.
- (9) The Underwritten NOI is higher than Most Recent NOI mainly due to an increase in occupancy and market rents.
- (10) 2015 NOI represents the trailing five months annualized from August to December.

TRANSACTION HIGHLIGHTS

- **Property.** The River Valley MHC Portfolio is comprised of the Valley Vista and River Oaks manufactured housing communities, totaling 609 pad sites, each located in the eastern portion of Las Vegas, Nevada. The borrower sponsor acquired the property in July 2015 and has since invested approximately \$238,000 into the River Valley MHC Portfolio for landscaping upgrades, road/sidewalk paving, water lines, clubhouse renovations, electrical upgrades, pool improvements, furniture, fixture and equipment, fence replacement, playground upgrades, signage, website design and management software. Since acquisition, occupancy increased from 75.4% to 88.8% and net operating income has increased from approximately \$1.7 million to approximately \$2.5 million. As of July 31, 2018, the River Valley MHC Portfolio was 88.2% occupied.
- Valley Vista was built in 1992 and consists of 303 pad sites on approximately 38.7 acres, with 144 park owned pad sites. Valley Vista is an all-age non-restricted mobile home community. As of July 31, 2018 Valley Vista was 96.7% occupied. Amenities include laundry facilities, a heated pool and spa, a clubhouse complete with billiard/game room, playground, library, banquet room, catering kitchen, an exercise room with showers, RV parking, car wash and basketball court. Every pad on the Valley Vista property supports double-wide homes.
- River Oaks was built in 1992 and consists of 306 pad sites on approximately 40 acres, with 87 park owned pad sites. River Oaks is a senior mobile home community for ages 55+ (not deed restricted). As of July 31, 2018, River Oaks was 79.7% occupied. Amenities at River Oaks include an exercise room, a heated pool and spa, a picnic area complete with a barbecue, a clubhouse with billiard room, banquet room, and a fully equipped catering kitchen. Every pad on the River Oaks property supports double-wide home pad sites.
- **Market.** The River Valley MHC Portfolio is located in the eastern portion of the city of Las Vegas, Nevada, approximately 5.5 miles east of the Las Vegas Strip and approximately 7 miles northeast of McCarran International Airport. In 2017, the population within a 1, 3 and 5-miles was 23,122, 187,765 and 448,285, respectively. The average household income within the same radii was \$44,556, \$53,421 and \$51,514, respectively.
- **Borrower Sponsor.** The borrower sponsor and the non-recourse carveout guarantor is Ross H. Partrich, who is the CEO and Principal of RHP Properties ("RHP"). RHP was founded in 1988 and is a real estate investment firm specializing in the acquisition and management of manufactured housing communities. RHP, through its affiliate companies, owns and manages a total of 237 manufactured home communities with over 60,482 housing units and home sites spanning 24 states, with a combined value of approximately \$3.6 billion.
- Newbury Management Services, an affiliate of the sponsor and the River Valley MHC Portfolio property manager, currently manages over 60,000 manufactured housing units.