

Mortgage Loan No. 6 — Festival Plaza



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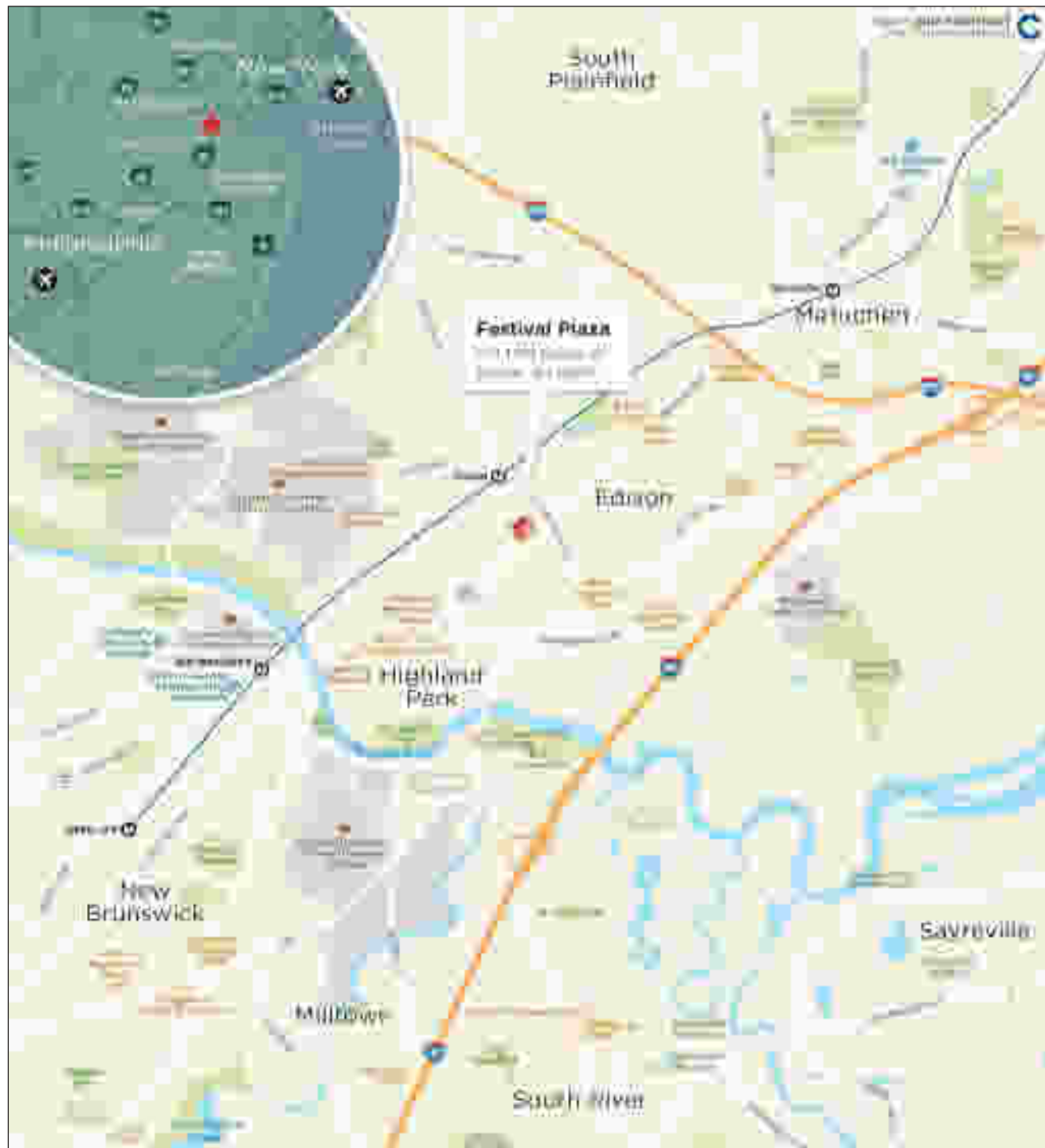


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* Site plan is for illustrative purposes and some information may differ from actual.

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Mortgage Loan Information

Mortgage Loan Seller:	Natixis
Original Principal Balance:	\$35,770,000
Cut-off Date Principal Balance:	\$35,770,000
% of Pool by IPB:	4.6%
Loan Purpose:	Acquisition
Borrower:	Edison 8, LLC
Sponsors:	Manjit Batra; Manisha Batra
Interest Rate:	4.7400%
Note Date:	5/2/2018
Maturity Date:	5/5/2028
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(30), Def(87), O(3)
Lockbox⁽¹⁾:	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail - Anchored
Net Rentable Area (SF):	151,403
Location:	Edison, NJ
Year Built / Renovated:	1962 / 2009
Occupancy:	99.1%
Occupancy Date:	10/25/2018
Number of Tenants:	22
2015 NOI:	\$2,710,339
2016 NOI⁽²⁾:	\$3,142,336
2017 NOI⁽²⁾:	\$4,105,869
TTM NOI⁽³⁾:	\$3,960,276
UW Economic Occupancy:	95.0%
UW Revenues:	\$5,040,170
UW Expenses:	\$1,405,289
UW NOI:	\$3,634,881
UW NCF:	\$3,503,160
Appraised Value / Per SF:	\$53,900,000 / \$356
Appraisal Date:	2/12/2018

Escrows and Reserves⁽⁴⁾

	Initial	Monthly	Initial Cap
Taxes:	\$69,890	\$66,228	N/A
Insurance:	\$6,197	\$6,197	N/A
Replacement Reserves:	\$0	\$4,668	N/A
TI/LC:	\$0	\$6,309	\$227,105
Free Rent:	\$4,825	\$0	N/A
Environmental Reserves⁽³⁾:	\$336,408	\$0	N/A
Outstanding TI/LC Reserves:	\$146,827	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$236
Maturity Date Loan / SF:	\$203
Cut-off Date LTV:	66.4%
Maturity Date LTV:	57.0%
UW NOI / UW NCF Amortizing DSCR:	1.63x / 1.57x
UW NOI / UW NCF IO DSCR:	2.11x / 2.04x
UW NOI / UW NCF Debt Yield:	10.2% / 9.8%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan:	\$35,770,000	65.3%
Sponsor Equity:	18,977,721	34.7
Total Sources:	\$54,747,721	100.0%

Uses	Proceeds	% of Total
Purchase Price:	\$53,000,000	96.8%
Closing Costs:	1,183,575	2.2
Upfront Reserves:	564,146	1.0
Total Uses:	\$54,747,721	100.0%

- (1) For a more detailed description of lockbox, please refer to "Lockbox / Cash Management" below.
- (2) The increase from 2016 NOI to 2017 NOI was due to (i) rent from new leases and rent bumps totaling \$279,139, (ii) rent and reimbursements totaling \$430,551 from a former tenant, Edison Healthcare (the former tenant left the property due to a dispute with the former property owner but was still paying rent and reimbursements under its lease. Dollar Dynasty occupied Edison Healthcare space thereafter. The former owner was collecting rents and reimbursements from two tenants for the same space from January to August 2017) and (iii) reimbursement reconciliation of the previous year's payments by tenants versus the actual expenses incurred during previous year totaling \$129,586.
- (3) Represents trailing twelve months ending March 31, 2018. There is no more recent trailing twelve months financial report provided that the property was purchased on May 2018 and the seller did not provide the sponsor the April 2018 operating statement.

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- (4) For a more detailed description of Escrows and Reserves, please refer to "*Escrows and Reserves*" below.
- (5) The borrower delivered a \$336,408 letter of credit in lieu of an upfront deposit, please refer to "*Escrows and Reserves*" below.

The Loan. The Festival Plaza loan is a \$35.8 million first mortgage loan secured by the fee interest in a 151,403 SF grocery-anchored retail center located in Edison, NJ. The loan has a 10-year term and will amortize on a 30-year schedule following 24-months of interest only payments.

The Borrower. The borrowing entity for the loan is Edison 8, LLC, a single purpose Delaware limited liability company. The borrower is 100% owned by Manjit Batra and Manisha Batra, both of whom serve as guarantors for the loan.

The Sponsors. The loan's sponsors and nonrecourse carve-out guarantors are Manjit Batra and Manisha Batra. Mr. Batra founded, MB Fragrances was formed in 2001 and has since grown by 2017 to an enterprise with over \$95 million in sales. Manisha Batra co-founded MB Fragrances following a four-year career with Ernst & Young and thereafter CIBC World Markets. According to a personal financial statement dated December 31, 2017, the sponsors have a combined net worth and liquidity of \$40.7 million and \$6.9 million, respectively.

The Property. The property is a 151,403 SF grocery anchored retail center located in Edison, NJ, along US-27. Constructed in 1962 and renovated in 2009, the property is anchored by H Mart Edison ("H Mart") (37.4% of NRA), which currently operates 63 stores in the United States. Other large tenants include Edison Spa & Fitness (18.4% of NRA), Dollar Dynasty (7.4% of NRA) and Chung Lee Picnic Garden (6.1% of NRA). The property is 99.1% occupied as of October 25, 2018 with an average remaining lease term of 12.6 years.

According to the sponsors, prior ownership invested approximately \$16.2 million to completely redevelop the center in 2009, including a gut-renovation and construction of additional buildings. Tenants have also invested an additional \$8.75 million on improvements above the seller's contributions.

The largest tenant at the property, H Mart, leases 56,572 SF (37.4% of NRA) through March 2030 with two, ten-year renewal options. H Mart has been in occupancy since 2009. H Mart is an American supermarket chain headquartered in Lyndhurst, New Jersey and operated by the Hanahreum Group. Founded in 1982, H Mart specializes in Asian foods and has locations all throughout the United States, Canada, and London. H Mart has expanded from 36 locations in 2011 to operating 63 locations across 12 states with most of its stores based in California, New York, New Jersey, and Virginia. H Mart reported sales of \$37.6 million in 2017 (\$665 PSF), an increase of 36.8% (5.4% per year) since 2011.

The second largest tenant at the property, Edison Spa & Fitness, leases 27,872 SF (18.4% of NRA) through April 2042 with two, ten-year renewal options. Edison Spa & Fitness is a day space that provides many services. Customers pay an admission fee that provides them access to five dry saunas, an ice sauna, four soaking tubs, a steam room, a shower area, a comfort lounge, and a sleeping room. It also offers VIP spa treatments by appointment. The services include body & foot massages, as well as traditional Korean body scrubs and facials. Edison Spa & Fitness also offers a food court that serves traditional Korean cuisine along with a juice bar that offers fresh juices, smoothies and light refreshments.

The Market. The property is situated along Lincoln Highway in Edison, Middlesex County, New Jersey, a 30-square mile township of more than 103,000 residents. Edison is in central New Jersey, approximately 32.7 miles southwest of New York City and approximately 59.1 miles northeast of Philadelphia, PA. According to the New Jersey Department of Labor and Workforce Development, the Edison municipality has the 2nd highest number of residents that identify as being of Asian ethnicity in the state of New Jersey in 2010.

The immediate area contains several retail properties that further enhance demand for the property. These properties include Menlo Park Mall (5.1 miles northeast of the property), Wick Shopping Plaza (1.0 mile southeast of the property), and Edison Plaza (1.6 miles east of the property).

According to a third party market research report, the estimated 2018 population and average household income within a one-, three-, and five-mile radius of the property is 18,956, 133,542, and 290,414, respectively, and \$106,740, \$97,943, and \$105,240, respectively.

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According to a third party report, the property is located in the South Edison submarket within the Brunswick/Piscataway/I-287 retail submarket cluster. As of May 2018, the Brunswick/Piscataway/I-287 submarket had an average rental rate of \$20.02 PSF and an average vacancy rate of 3.8%.

Retail Competitive Set Summary⁽¹⁾

Property	Year Built / Renovated	NRA (SF)	Est. Occ.	Proximity (miles)	Anchor Tenants
Festival Plaza	1962 / 2009	151,403⁽²⁾	99.1%⁽²⁾	N/A	H Mart, Edison Spa & Fitness, Dollar Dynasty⁽²⁾
Wick Shopping Plaza	1950 / 1985	230,467	98.0%	0.9	99 Ranch Market, TJ Maxx, Planet Fitness
Oak Tree Shopping Center	1975 / 2005	198,000	100.0%	6.4	India Grocers
St. George Crossing	1972 / 2007	279,570	100.0%	8.6	Shoprite
Piscataway Towne Center	1989 / NAV	97,710	100.0%	3.9	Shoprite
Edison Plaza	1986 / NAV	105,050	100.0%	1.6	Shoprite
Tano Mall	1973 / 1990	110,000	83.0%	4.2	Confidential anchor, Rite Aid
Edison Woods	1992 / NAV	196,527	100.0%	3.0	BJ's Wholesale Club, Dollar Tree

(1) Source: Appraisal.

(2) Based on the October 25, 2018 underwritten rent roll.

Historical and Current Occupancy⁽¹⁾

2015	2016	2017	Current ⁽²⁾
93.5%	97.9%	99.8%	99.1%

(1) Source: Historical Occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year.

(2) Based on the October 25, 2018 underwritten rent roll.

Top Ten Tenant Summary⁽¹⁾

Tenant	Ratings Moody's/S&P/Fitch	NRA (SF)	% of Total NRA	UW Base Rent PSF	% of Total UW Base Rents	Sales PSF ⁽²⁾	Occupancy Costs ⁽²⁾	Lease Expiration Date
H Mart Edison	NR / NR / NR	56,572	37.4%	\$22.99	32.5%	\$719	3.9%	3/31/2030
Edison Spa & Fitness	NR / NR / NR	27,872	18.4	\$23.63	16.5	\$171	19.5%	4/30/2042
Dollar Dynasty	NR / NR / NR	11,149	7.4	\$10.92	3.0	NAV	NAV	5/31/2029 ⁽³⁾
Chung Lee Picnic Garden	NR / NR / NR	9,170	6.1	\$28.13	6.4	\$198	19.1%	1/31/2030
Little Sheep Edison	NR / NR / NR	6,389	4.2	\$30.73	4.9	\$572	6.5%	2/28/2029
United Dental (UDG Holdings)	NR / NR / NR	5,738	3.8	\$25.20	3.6	NAV	NAV	9/30/2030
Cathay Bank	NR / NR / NR	4,014	2.7	\$38.94	3.9	NAV	NAV	10/31/2023
BBCN Bank of Hope	NR / NR / NR	2,996	2.0	\$62.72	4.7	NAV	NAV	8/31/2019
Asian Delicious dba Papparich	NR / NR / NR	2,960	2.0	\$33.82	2.5	NAV	NAV	2/28/2029
Jeong R. Kim and Mi W. Kim Tofu Grill	NR / NR / NR	2,879	1.9	\$41.80	3.0	NAV	NAV	1/31/2022
Total:		129,739	85.7%		81.1%			

(1) Based on the October 25, 2018 underwritten rent roll. UW Base Rent PSF includes base rent and rent increases occurring through October 31, 2019 and does not include percentage rent.

(2) Sales PSF and Occupancy Costs represent comparable tenant sales (tenants with 12 months reported sales) and occupancy costs for the twelve-month period ending on December 31, 2016 as provided by the sponsor.

(3) Dollar Dynasty has a co-tenancy clause which states that at least 40,000 SF of the property must be occupied by either H Mart or other occupant secured by the landlord, engaged in business operations.

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Lease Rollover Schedule⁽¹⁾⁽²⁾

Year	Number of Leases Expiring	NRA Expiring	% of NRA Expiring	UW Base Rent Expiring	% of UW Base Rent Expiring	Cumulative NRA Expiring	Cumulative % of NRA Expiring	Cumulative UW Base Rent Expiring	Cumulative % of UW Base Rent Expiring
MTM	0	0	0.0%	\$0	0.0%	0	0.0%	\$0	0.0%
2018	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2019	1	2,996	2.0	187,909	4.7	2,996	2.0%	\$187,909	4.7%
2020	0	0	0.0	0	0.0	2,996	2.0%	\$187,909	4.7%
2021	2	3,287	2.2	120,288	3.0	6,283	4.1%	\$308,197	7.7%
2022	2	5,479	3.6	220,777	5.5	11,762	7.8%	\$528,974	13.2%
2023	3	7,663	5.1	302,163	7.6	19,425	12.8%	\$831,137	20.8%
2024	2	3,069	2.0	116,846	2.9	22,494	14.9%	\$947,983	23.7%
2025	2	4,127	2.7	130,065	3.3	26,621	17.6%	\$1,078,048	27.0%
2026	0	0	0.0	0	0.0	26,621	17.6%	\$1,078,048	27.0%
2027	1	1,930	1.3	61,426	1.5	28,551	18.9%	\$1,139,474	28.5%
2028 & Beyond	9	121,538	80.3	2,860,630	71.5	150,089	99.1%	\$4,000,104	100.0%
Vacant	NAP	1,314	0.9	NAP	NAP	151,403	100.0%	NAP	NAP
Total	22	151,403	100.0%	\$4,000,104	100.0%				

(1) Based on the October 25, 2018 underwritten rent roll. Rent includes base rent and rent increases occurring through October 31, 2019.

(2) Certain tenants may have lease termination options that are exercisable prior to the originally stated expiration date of the subject lease and that are not considered in the Lease Rollover Schedule.

Operating History and Underwritten Net Cash Flow

	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	TTM ⁽²⁾	Underwritten ⁽³⁾	PSF ⁽²⁾	% ⁽⁴⁾
Rents in Place	\$2,911,279	\$3,323,639	\$4,008,446	\$3,954,619	\$4,000,104	\$26.42	76.1%
Vacant Income	0	0	0	0	0	\$0.00	0.0%
Gross Potential Rent	\$2,911,279	\$3,323,639	\$4,008,446	\$3,954,619	\$4,000,104	\$26.42	76.1%
Total Reimbursements	1,123,408	1,291,390	1,620,414	1,580,885	1,259,118	\$8.32	23.9%
Net Rental Income	\$4,034,687	\$4,615,029	\$5,628,860	\$5,535,503	\$5,259,222	\$34.74	100.0%
(Vacancy/Collection Loss)	0	0	0	0	(265,272)	(\$1.75)	(5.0%)
Other Income	57,155	46,200	46,200	46,200	46,220	\$0.31	0.9%
Effective Gross Income	\$4,091,841	\$4,661,229	\$5,675,060	\$5,581,703	\$5,040,170	\$33.29	100.0%
Total Expenses	\$1,381,502	\$1,518,893	\$1,569,191	\$1,621,427	\$1,405,289	\$9.28	27.9%
Net Operating Income	\$2,710,339	\$3,142,336	\$4,105,869	\$3,960,276	\$3,634,881	\$24.01	72.1%
Total TI/LC, Capex/RR	0	0	0	0	131,721	\$0.87	2.6%
Net Cash Flow	\$2,710,339	\$3,142,336	\$4,105,869	\$3,960,276	\$3,503,160	\$23.14	69.5%

(1) The increase from 2016 NOI to 2017 NOI was due to (i) rent from new leases and rent bumps of approximately \$279,139, (ii) rent and reimbursements of approximately \$430,551 from a former tenant, Edison Healthcare (the former tenant left the property due to a dispute with the former property owner but was still paying rent and reimbursements under its lease. Dollar Dynasty occupied Edison Healthcare space thereafter. The former owner was collecting rents and reimbursements from two tenants for the same space from January to August 2017) and (iii) reimbursement true-ups, approximately of \$129,586.

(2) TTM represents the trailing twelve-month period ending March 31, 2018. There is no more recent trailing twelve months financial report provided that the property was purchased on May 2018 and the seller did not provide the sponsor the April 2018 operating statement.

(3) Underwritten Rents in Place includes Base Rent and rent increases occurring through October 31, 2019.

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

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Property Management. The property is managed by Levin Management Corporation, a New Jersey corporation and a third party management company.

Escrows and Reserves. At origination, the borrower deposited into escrow \$146,827 for outstanding tenant improvements and leasing commissions, \$69,890 for real estate taxes, \$6,197 for insurance and \$4,825 for free rent reserves.

Environmental Reserve – With respect to the Environmental Reserve, the borrower delivered a \$336,408 letter of credit. The letter of credit will be additional security for the payment and collateral for the debt. At any time upon the lender's confirmation that the face amount of the letter of credit is greater than the amount that is required by the lender to complete the required remediation, which is defined in loan documents, the borrower is permitted to replace the existing letter of credit with a replacement letter of credit in such lesser face amount.

Tax Reserves – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated tax payments, which currently equates to \$66,228.

Insurance Reserves – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated insurance payments, which currently equates to \$6,197.

Replacement Reserves – On a monthly basis, the borrower is required to escrow \$4,668 for replacement reserves.

TI/LC Reserve – On a monthly basis, the borrower is required to escrow \$6,309 for TI/LC reserves subject to a cap at \$227,105.

Lockbox / Cash Management. The Festival Plaza loan is structured with a hard lockbox and springing cash management. The Festival Plaza loan requires all rents to be transmitted directly into a lockbox account controlled by the lender (including, without limitation, by sending tenant direction letters to all tenants at origination and new lease execution). All funds received by the borrower or manager are required to be deposited in the lockbox account within one business day following receipt. During the occurrence and continuance of a Cash Management Period (as defined below), all funds are required to be swept each business day into the cash management account controlled by the lender and disbursed on each payment date in accordance with the loan documents.

A "Cash Management Period" will commence upon: (i) an event of default; (ii) the failure by the borrower, after the end of a calendar quarter, to maintain a DSCR of at least 1.20x; or (iii) a Primary Tenant Sweep Period (as defined below). A Cash Management Period will end provided that (1) the loan and all other obligations under loan documents have been repaid in full; (2) there has been a full defeasance of the loan; (3) with respect to subclause (ii) for six consecutive months since the commencement of the existing Cash Management Period (A) no default or event of default has occurred, (B) no event that would trigger another Cash Management Period has occurred, and (C) the DSCR is at least equal to 1.25x, or (4) to the extent that the Cash Management Period commenced as a result of the occurrence of a Primary Tenant Sweep Period, a Primary Tenant Sweep Period cure has occurred and no event that would trigger another Cash Management Period has occurred.

A "Primary Tenant Sweep Period" will commence upon: (i) any termination of, or receipt by borrower of a notice to terminate, the Primary Tenant lease; (ii) Primary Tenant becoming the subject of a bankruptcy action; (iii) Primary Tenant "going dark" in a majority of the Primary Tenant premises, or (iv) the occurrence of any monetary or material non-monetary default (beyond any applicable notice and/or cure period) under the Primary Tenant lease.

A "Primary Tenant" means each of and collectively, H Mart Edison as tenant under the H Mart Edison Lease or Edison Spa & Fitness as tenant under the Edison Spa Fitness lease, and thereafter any acceptable replacement tenant thereof occupying all or substantially all of the Primary Tenant premises.