Presale Report
ACREC 2023-FL2 LLC

DBRS Morningstar
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Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	280,438,000	47.500	AAA (sf)	Stable
Class A-S	New Rating - Provisional	33,385,000	41.250	AAA (sf)	Stable
Class B	New Rating - Provisional	31,382,000	35.375	AA (low) (sf)	Stable
Class C	New Rating - Provisional	38,060,000	28.250	A (low) (sf)	Stable
Class D	New Rating - Provisional	40,730,000	20.625	BBB (sf)	Stable
Class D-E	New Rating - Provisional	TBD	--	BBB (sf)	Stable
Class D-X	New Rating - Provisional	TBD	--	BBB (sf)	Stable
Class E	New Rating - Provisional	10,684,000	18.625	BBB (low) (sf)	Stable
Class E-E	New Rating - Provisional	TBD	--	BBB (low) (sf)	Stable
Class E-X	New Rating - Provisional	TBD	--	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	32,050,000	12.625	BB (low) (sf)	Stable
Class G	New Rating - Provisional	20,031,000	8.875	B (low) (sf)	Stable
Income Notes	NR	47,407,782	--	NR	n/a

Notes:
1. NR = Not Rated
2. ACREC 2023-FL2 Retention Holder LLC (the Retention Holder) is anticipated to acquire on the Closing Date and retain at least 100% of the Class F Notes, Class G Notes, and Income Notes, totaling $99,488,782. The seller (or certain affiliates thereof) is also expected to retain 100% of the Companion Participations, totaling approximately $63,507,615 on a fully funded basis. In the aggregate, the Retention Holder and the Seller (or certain affiliates thereof) will hold approximately $162,996,397 of such assets.
3. The Class D Notes and Class E Notes (collectively, the "Exchangeable Notes") are exchangeable for proportionate interests in MASCOT Notes, which are comprised of (i) in the case of the Class D Notes, the Class D-E Notes and Class D-X Notes, and (ii) in the case of the Class E Notes, the Class E-E Notes and Class E-X Notes. The interest rates on the MASCOT Notes will be determined by the first holder of Class D Notes or Class E Notes, as applicable, to effect an exchange of such Exchangeable Notes, on the date of such exchange. The sum of the interest rates of MASCOT Notes received in any exchange will equal the interest rate on the Class of Exchangeable Notes surrendered in such exchange. The Class D Notes and Class E Notes will only be Exchangeable Notes if the aforementioned Notes (at the time of the exchange) are held by a wholly owned subsidiary of ACRE Credit REIT
4. The Class F Notes, Class G Notes, and the Income Notes will not be offered by the Offering Memorandum.

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Transaction Summary

Pool Characteristics			
Trust Amount ($)	534,167,782	**Participated Loan Commitment Amount ($)**	623,335,000
Number of Loans	15	**Average Loan Size ($)**	35,611,185
Number of Properties	18	**Top Ten Loan Concentration (%)**	73.2
Managed/Static	Static	**Unfunded Companion Participation Amount ($)**	25,659,602
Preidentified Ramp Loans	n/a	**Replenishment Allowed[5]**	Y
Initial Par Value Ratio (%)	122.89	**Reinvestment Period**	N/A
Par Value Ratio Test (%)	120.89	**IC Ratio: Trigger (X)**	120.00
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	73.0	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	77.6
Wtd. Avg. Current Funded Stabilized Appraised LTV (%)	64.0	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	67.9
Wtd. Avg. Interest Rate Margin (%)	3.611	**DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)**	6.112
Wtd. Avg. Remaining Term[1]	24	**Wtd. Avg. Remaining Term - Fully Extended**	51
Wtd. Avg. DBRS Morningstar As-Is DSCR[2]	0.64	**Wtd. Avg. Issuer As-Is DSCR (x)[4]**	1.00
Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]	0.89	**Wtd. Avg. Issuer Stabilized DSCR (x)[4]**	1.21
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-15.2	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-26.8

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The Wtd. Avg metrics presented in the table and the report exclude DBRS Morningstar Ramp loan assumptions, if applicable.

1. Assumes that the initial term to maturity of each loan is not extended.
2. Based on DBRS Morningstar As-Is NCF.
3. Based on DBRS Morningstar Stabilized NCF.
4. Interest rate assumes 4.40% one-month SOFR stress based on the SOFT strike rate of the interest rate cap, which is lower than the stressed rate from the DBRS Morningstar Interest Rate Stresses for U.S. Structured Finance Transactions methodology. All DBRS Morningstar DSCR figures are based on this stressed rate.
5. Replenishment Period begins on the closing date and ending and ending on and including the first to occur of the following events or dates: (i) the Payment Date in February 2025; (ii) the Payment Date on which all of the Notes are redeemed pursuant to a Tax Redemption, a Clean-up Call or an Optional Redemption; and (iii) the acceleration of the Notes following an Event of Default.

Participants	
Issuer	ACREC 2023-FL2 LLC
Mortgage Loan Seller	ACREC Loan Seller I LLC
Servicer	Situs Asset Management LLC
Special Servicer	Situs Holdings, LLC
Collateral Administrator	Computershare Trust Company, National Association
Trustee	Wilmington Trust, National Association
Placement Agent	Barclays Capital Inc. and J.P. Morgan Securities LLC
Structuring Agent	Barclays Capital Inc.
Advancing Agent	ACREC Loan Seller I LLC

Transaction Overview

The initial collateral consists of 15 floating-rate mortgage loans secured by 18 mostly transitional properties with a cut-off date balance of $534.2 million. The loans have an aggregate $63.5 million of pari passu debt and approximately $25.7 million of unfunded future funding commitment of the future funding participations as of the cut-off date. Of the 15 loans, there is one unclosed, delayed-close loan as of January 31, 2023: Waters Edge (Prospectus ID#11), representing a total initial pool balance of 5.8%. If the loan does not close prior to the closing date, a deposit will be made to the Unused Proceeds Account in an amount equal to the expected initial principal balance of $31.2 million. To the extent that the delayed-close loan is not purchased within 90 days of securitization closing (target amortization date), the unused proceeds will pay down the notes in sequential order in an amount necessary to cause the credit enhancement of each class to equal the targeted credit enhancement for each class. DBRS Morningstar believes that in subordination from the current levels to the adjusted levels appropriately accounts for the possible deterioration in both credit quality and diversity profile if the loan does not close within 90 days of securitization.

Target Credit Enhancement Level

Class	Current C/E (%)	Target C/E Scenario I (%)[1]
Class A	47.500	47.500
Class A-S	41.250	42.250
Class B	35.375	36.250
Class C	28.250	28.750
Class D	20.625	21.125
Class E	18.625	19.125
Class F	12.625	12.875
Class G	8.875	9.000

1. Represents the targeted credit enhancement level assuming that the Mortgage Asset identified as "Waters Edge" is not acquired as a Delayed Close Mortgage Asset on or prior to the Purchase Termination Date.

The transaction will consist of a fully identified static pool of assets with no ability to add unidentified assets after the closing date. The transaction includes a replenishment period where the Issuer may use available proceeds to acquire all or a portion of any funded companion participation, subject to the satisfaction of the Replenishment Criteria and the Acquisition and Disposition Requirements, of which includes a no-downgrade rating agency confirmation (RAC) by DBRS Morningstar for all funded companion participations. The holder of the future funding companion participations, ACREC Loan Seller I LLC, has full responsibility to fund the future funding companion participations. The transaction will have a sequential-pay structure.

The loans are mostly secured by cash flowing assets, many of which are in a period of transition with plans to stabilize and improve the asset value. In total, nine loans, representing 59.6% of the pool, have remaining future funding participations totaling $25.7 million, which the Issuer may acquire in the future. Nine loans, representing 65.0% of the pool, have pari passu debt held outside of the trust, totaling $63.5 million. Please see the chart below for the participations that the Issuer will be allowed to acquire.

Future Funding & Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)	Future Funding Uses
Briarhill Apartments	2,875,000	2,875,000	100.0	Y	Capital Improvements
Foundry Duluth	2,398,385	2,398,385	100.0	Y	Capital Improvements
Brandon Portfolio	4,452,756	4,452,756	100.0	Y	Capital Improvements
Galleria Courtyards	6,830,848	6,830,848	100.0	Y	Capital Improvements
Veridian Place	1,915,397	1,915,397	100.0	Y	Capital Improvements
Sun Chase Apartments	2,239,191	2,239,191	100.0	Y	Capital Improvements
Crossing at White Oak	2,951,885	2,951,885	100.0	Y	Capital Improvements
Kendalwood Apartments	715,890	715,890	100.0	Y	Capital Improvements
Millennia NC Portfolio	1,280,250	1,280,250	100.0	Y	Capital Improvements

1. Cut-Off date unfunded future funding amount.
2. Future funding is used for capital improvements, leasing costs, earnouts etc.

All of the loans in the pool have floating rates and DBRS Morningstar incorporates an interest rate stress that is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. When the debt service payments were measured against the DBRS Morningstar As-Is NCF, 14 of the 15 loans, representing 92.2% of the initial pool balance, had a DBRS Morningstar As-Is DSCR of 1.00x or below, a threshold indicative of default risk. Additionally, the DBRS Morningstar Stabilized DSCR for 11 loans, representing 72.0% of the initial pool balance, was below 1.00x, which is indicative of elevated refinance risk. The properties are often transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if other structural features in place are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

Rating Considerations

Strengths

- **Significant Risk Retention by Sponsor:** ACREC 2023-FL2 Retention Holder LLC, a subsidiary of the Seller, will acquire the Class F Notes, the Class G Notes and the Income Notes representing the most subordinate 18.625% of the transaction by principal balance. Additionally, the seller is expected to retain 100% of the Companion Participations, totaling approximately $63.2 million.
  Predominately Acquisition Financing: Fourteen loans, representing 93.2% of the pool balance, represent acquisition financing. Acquisition financing generally requires the respective sponsor(s) to contribute material cash equity as a source of funding in conjunction with the mortgage loan, resulting in a higher sponsor cost basis in the underlying collateral and aligns the financial interests between the sponsor and lender. For the sole refinancing loan (Prospectus ID #7 7403), the sponsor injected $14.0 million at closing and has $31.4 million of equity remaining in the transaction.
- **Recent Loan Originations:** All loans were originated in December 2021 or later, meaning the loan files are recent, including third-party reports that consider impacts from the Coronavirus Disease (COVID-19) pandemic. Additionally, the WA remaining fully extended term is 51 months, giving the sponsors adequate time to execute the business plans without risk of imminent maturity.

- **Property Quality:** Two loans, comprising 15.7% of the initial pool balance, are secured by properties DBRS Morningstar deemed Above Average in quality; four loans, representing 24.7% of the initial pool balance were deemed Average + quality. Additionally, one loan, representing 5.4% of the initial pool balance, was secured by a property DBRS Morningstar deemed to be of Below Average quality and one loan, representing 7.8% of the initial pool balance, was secured by a property DBRS Morningstar deemed to be of Average – quality.
- **Multifamily Property Types:** The pool is entirely composed of multifamily properties, which have historically shown lower defaults and losses. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves.

Challenges & Considerations

- **Transitional Properties:** DBRS Morningstar analyzed the loans to a stabilized cash flow that is, in some instances, above the in-place cash flow. It is possible that the Sponsor will not successfully execute its business plans and that the higher stabilized cash flow will not materialize during the loan term, especially with the ongoing coronavirus pandemic and its impact on the overall economy. The Sponsor's failure to execute the business plans could result in a term default or the inability to refinance the fully funded loan balance.
    - *Mitigant: DBRS Morningstar sampled all 15 the loans, representing 100% of the pool cut-off date balance. Additionally, DBRS Morningstar conducted site inspections for two of the 15 loans in the pool, representing 15.7% of the initial pool balance.*
    - *Mitigant: DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plans to be rational and the loan structure to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on the as-is credit metrics, assuming the loan is fully funded with no NCF or value upside.*
- **Weak Sponsorship:** Six loans, representing 42.7% of the initial pool balance, have been modeled with a DBRS Morningstar Sponsor Strength of Weak because of low net worth and liquidity relative to the fully funded loan amount and/or being domiciled in a foreign country.
    - *Mitigant: DBRS Morningstar applied a POD penalty to these six loans.*
- **Lack of Diversity:** As of the cut-off date, the pool contains 15 loans and is concentrated by CRE collateralized loan obligation (CLO) standards with a Herfindahl score of 14.6 and the top 10 loans representing 73.2% of the pool, which is significantly more concentrated than the Asia Capital Real Estate 2021-FL1 transaction, which had a Herfindahl of 19.3 and top 10 loan concentration of 60.7% of the pool.
    - *Mitigant: The pool's low diversity is accounted for in the DBRS Morningstar model, raising the transaction's credit enhancement levels to offset the concentration risk.*
- **Elevated Leverage:** Based on the initial pool balances, the overall DBRS Morningstar WA As-Is DSCR of 0.64x and DBRS Morningstar As-Is LTV of 77.6% generally reflect high-leverage financing.
    - *Mitigant: Most of the assets are generally well-positioned to stabilize, and any realized cash flow growth would help offset a rise in interest rates and improve the overall debt yield of the*

loans. DBRS Morningstar associates its LGD based on the assets' DBRS Morningstar As-Is LTV, which does not assume that the stabilization plan and cash flow growth will ever materialize.
  - *Mitigant: The DBRS Morningstar As-Is DSCR at issuance does not consider the sponsor's business plan, as the DBRS Morningstar As-Is NCF was generally based on the most recent annualized period. The sponsor's business plan could have an immediate impact on the underlying asset performance that the DBRS Morningstar As-Is NCF is not accounting for.*
  - *Mitigant: When measured against the DBRS Morningstar Stabilized NCF, the DBRS Morningstar WA DSCR is estimated to improve to 0.89x, suggesting that the properties are likely to have improved NCFs once the sponsor's business plan has been implemented.*
- **Floating-Rate Interest Rates:** All loans have floating interest rates and are IO during the entire initial loan term, creating interest rate risk should short term interest rates continue to increase.
  - *Mitigant: DBRS Morningstar incorporates an interest-rate stress, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest-rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. While all loans have SOFR interest rate caps in place, those caps may expire before the respective maturity dates for the loans, requiring the purchase of a new cap at significantly higher cost.*
  - *Mitigant: All loans have extension options, and, in order to qualify for these options, the loans must meet minimum DSCR requirements.*
  - *Mitigant: All loans are short-term and, even with extension options, have a fully extended loan term of 60 months maximum.*
- **Weak Market Ranks:** Eight loans, representing 55.6% of are pool balance, are secured by a property with a DBRS Morningstar Market Rank of 3 or 4, which, although generally suburban in nature, have historically had higher default and loss rates. Additionally, four loans, representing 23.3% of the pool balance, are secured by a property with a DBRS Morningstar Market rank of 1 or 2, which are more rural or tertiary. No properties are within a DBRS Morningstar Market Rank of 7 or 8. The pool's DBRS Morningstar WA Market Rank of 3.5 indicates a high concentration of properties less densely populated, suburban areas.
  - *Mitigant: DBRS Morningstar analyzed properties in densely populated markets with higher PODS and LGDs than those in urban markets.*
  - *Mitigant: There is one property, representing 7.9% of the pool balance, in a DBRS Morningstar Rank of 6 and two loans, representing 13.3%, in a DBRS Morningstar Rank of 5.*
- **MSA Groups:** Thirteen loans, representing 87.5% of the trust balance, are in a DBRS Morningstar MSA Group 0 or 1. Historically, loans securitized in this MSA group have demonstrated higher PODs and LGDs, resulting in higher individual loan-level expected losses.
  - *Mitigant: DBRS Morningstar analyzed properties located in an MSA Group 0 or 1 with higher PODs and LGDs than those located in more liquid MSAs.*
- **Limited Securitization Experience:** The Sponsor for the transaction, ACRE Credit Partners REIT LLC (ACRE), has executed only one CRE CLO, which occurred in September 2021 and one Freddie Mac Q Securitization in 2022.
  - *Mitigant: ACRE will purchase and retain the most subordinate portion of capital structure totaling18.625% including Notes F and G, in addition to the preferred shares.*

- *Mitigant: As of January 2023, Asia Capital Real Estate had $3.8 billion of assets under management with strong industrial support.*

Legal and Structural Considerations

- **Benchmark Rate Replacement:** The current transaction Note benchmark is Term SOFR, which provides an indication of the one-month forward-looking measurement of SOFR based on market expectations implied from derivatives markets. Because Term SOFR is a relatively new rate, the Notes will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to Term SOFR, such as the spread over the rate reflected in interest rate provisions, may evolve over time, and trading prices of the Notes may be lower than those of later-issued Term SOFR-based debt securities as a result. Similarly, if Term SOFR does not prove to be widely used in securities like the Notes, the trading price of the Notes may be lower than those Notes linked to rates that are more widely used. In the event that Term SOFR is discontinued as specified in the definition of Benchmark Transition Event or is not available, a Benchmark Replacement will occur. If a Benchmark Transition Event occurs with respect to any Benchmark, such Benchmark will be replaced with the applicable Benchmark Replacement, as determined by the Designated Transaction Representative in accordance with the procedures and notice provisions set forth in the Indenture. Noteholders will not have any right to approve or disapprove of any changes as a result of a Benchmark Transition Event, the selection of a Benchmark Replacement or Benchmark Replacement Adjustment, or the implementation of any Benchmark Replacement Conforming Changes (as those terms are defined in the offering documents), and Noteholders will be deemed to have agreed to each of the foregoing determinations and to have waived and will be deemed to have released any and all claims relating to any such determinations.

  In the event of a Benchmark Replacement, the new benchmark under the Asset Documents may not be based on the same base rate or match the applicable Benchmark Replacement at which interest on the Notes will accrue. The triggers for a conversion from the benchmark under the Asset Documents may also differ from each other and that under the Indenture. Mismatches between SOFR-based rates, and between SOFR-based rates and other rates, may cause economic inefficiencies, particularly if market participants seek to hedge one kind of SOFR-based rate by entering into hedge transactions based on another SOFR-based rate or another rate.

- **Criteria-Based Modifications:** The transaction permits the Directing Holder to cause the special servicer to effectuate criteria-based modifications subject to certain conditions including no event of default has occurred and is continuing, the note protection tests are satisfied and the number of criteria-based modifications is limited to seven. Additionally, all criteria-based modifications occurring after the replenishment period may not include an increase to the principal balance of the loan.

Comparable Transactions						
	Subject Deal	Comp Avg				
Deal Name	**ACREC 2023-FL2**		**BDS 2022-FL12**	**RCMF 2022-FL9**	**SGCP 2022-FL4**	**AREIT 2022-CRE7**
Pool Balance ($)	534,167,782	704,714,481	708,062,708	754,227,151	400,975,305	955,592,759
# of Loans	15	27	24	25	20	38
Average Loan Size ($)	35,611,185	25,559,688	29,502,613	30,169,086	17,420,665	25,146,388
Largest Loan Concentration (%)	7.9	9.7	9.3	5.4	16.3	7.7
Top Ten Concentration (%)	73.2	58.6	61.2	65.8	66.1	41.4
Herf	14.6	20.4	19.0	18.3	13.1	31.3
Managed/Static	Static	Static	Static	Static	Static	Static
DBRS Morningstar WA E/L (%)	**8.8**	**7.8**	**8.4**	**7.3**	**8.1**	**7.5**
DBRS Morningstar As-Is WA LTV (%)	**77.6**	**79.8**	**78.4**	**77.8**	**82.1**	**80.9**
LTV >= 85.03%	26.3	26.1	9.7	23.7	38.4	32.7
LTV >=75.16%, <85.03%	33.3	48.7	70.3	36.5	43.0	45.0
LTV >=67.1%, <75.16%	19.9	18.6	10.0	29.0	18.6	16.9
LTV <67.1%	20.5	6.5	10.0	10.8	0.0	5.4
DBRS Morningstar Stabilized WA LTV (%)	**67.9**	**66.7**	**64.8**	**67.8**	**69.5**	**64.7**
LTV >= 85.03%	0.0	0.0	0.0	0.0	0.0	0.0
LTV >=75.16%, <85.03%	5.7	9.8	0.0	15.1	20.5	3.7
LTV >=67.1%, <75.16%	53.8	34.0	23.9	21.7	55.1	35.5
LTV <67.1%	40.5	56.1	76.1	63.2	24.4	60.8
DBRS Morningstar Sampled As-Is NCF Variance (%)	**-15.2**	**-10.4**	**-12.3**	**-3.9**	**-8.3**	**-17.0**
DBRS Morningstar As-Is WA DSCR	**0.64**	**0.72**	**0.59**	**0.78**	**0.79**	**0.73**
DSCR < 0.50x	21.6	13.8	21.3	9.9	13.8	10.2
DSCR 0.50x - 0.75x	37.6	40.9	56.3	25.3	37.6	44.3
DSCR 0.75 - 1.00x	33.0	30.1	22.5	44.7	15.2	37.9
DSCR 1.00x - 1.25x	7.8	12.2	0.0	20.1	21.2	7.6
DSCR > 1.25x	0.0	3.0	0.0	0.0	12.1	0.0
DBRS Morningstar Sampled Stabilized NCF Variance (%)	**-26.8**	**-22.5**	**-21.8**	**-21.1**	**-21.1**	**-25.9**
DBRS Morningstar Stabilized WA DSCR	**0.89**	**0.99**	**0.84**	**0.98**	**1.19**	**0.94**
DSCR < 0.90x	59.5	33.8	59.6	23.0	9.8	42.7
DSCR 0.90x - 1.00x	12.5	30.4	37.6	37.9	20.1	25.8
DSCR 1.00x - 1.25x	28.0	19.5	0.0	36.9	14.4	26.7
DSCR 1.25x - 1.50x	0.0	14.2	2.8	2.3	46.9	4.8
DSCR > 1.50x	0.0	2.2	0.0	0.0	8.7	0.0
DBRSM WA Business Score	**2.1**	**2.1**	**2.2**	**1.9**	**2.3**	**2.1**
% Bus Rank 1-2	36.1	45.6	29.1	94.1	28.8	30.3
% Bus Rank 2.01-3	63.9	48.9	64.4	1.3	64.0	65.8
% Bus Rank 3.01-4	0.0	5.6	6.6	4.6	7.2	3.9
% Bus Rank 4.01-5	0.0	0.0	0.0	0.0	0.0	0.0
DBRS Morningstar Property Type						
Total Hotel % (includes Assisted Living)	0.0	0.7	0.0	0.0	0.0	2.7
Total Office %	0.0	1.6	0.0	0.0	0.0	6.3
Total Retail %	0.0	1.0	0.0	0.0	0.0	3.8
Total MF %	100.0	92.8	100.0	95.7	92.8	82.7
Total Industrial %	0.0	1.5	0.0	1.3	0.0	4.6
Total Self Storage %	0.0	0.8	0.0	3.0	0.0	0.0

Total MHC %	0.0	0.0	0.0	0.0	0.0	0.0
Total Mixed Use %	0.0	1.8	0.0	0.0	7.2	0.0
Total Other %	0.0	0.0	0.0	0.0	0.0	0.0
DBRSM WA Market Rank	**3.5**	**3.7**	**3.5**	**3.5**	**3.5**	**4.1**
% Mkt Rank 8	0.0	0.0	0.0	0.0	0.0	0.0
% Mkt Rank 7	0.0	2.0	0.0	8.1	0.0	0.0
% Mkt Rank 5-6	21.1	20.8	12.7	9.3	25.3	35.9
% Mkt Rank 3-4	22.6	68.5	83.2	74.2	52.5	64.1
% Mkt Rank 1-2	23.3	8.7	4.1	8.4	22.2	0.0
% Mkt Rank 0	0.0	0.0	0.0	0.0	0.0	0.0
DBRS Morningstar MSA Group						
% MSA Group 3	12.5	5.7	0.0	9.3	0.0	13.4
% MSA Group 2	0.0	8.3	6.1	13.8	3.3	10.0
% MSA Group 1	34.5	38.5	45.3	31.3	31.4	46.1
% MSA Group 0	53.0	47.5	48.6	45.7	65.2	30.5
DBRS Morningstar Property Quality						
Excellent (%)	0.0	0.0	0.0	0.0	0.0	0.0
Above Average (%)	15.7	0.7	0.0	0.0	2.7	0.0
Average + (%)	24.7	18.9	21.8	15.1	28.5	10.1
Average (%)	46.4	62.3	53.4	72.2	50.1	73.5
Average - (%)	7.8	11.1	8.3	8.3	11.4	16.4
Below Average (%)	5.4	7.0	16.4	4.5	7.2	0.0
Poor (%)	0.0	0.0	0.0	0.0	0.0	0.0
DBRS Morningstar Sponsor Strength						
Strong (%)	5.4	0.0	0.0	0.0	0.0	0.0
Average (%)	52.0	80.9	63.2	88.3	84.7	87.3
Weak (%)	42.7	19.1	36.8	11.7	15.3	12.7
Bad (Litigious) (%)	0.0	0.0	0.0	0.0	0.0	0.0

For managed transactions, deal stats exclude ramp loans.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR (x)	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	21.6
0.50x-0.75x	37.6
0.75x-1.00x	33.0
1.00x-1.25x	7.8
1.25x-1.50x	0.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.64

DBRS Morningstar Stabilized DSCR (x)

DSCR (x)	% of the Pool (Senior Note Balance[1])
0.90-1.00	0.0
1.00-1.15	25.3
1.15-1.30	46.7
1.30-1.45	28.0
1.45-1.60	0.0
1.60-1.75	0.0
>1.75	0.0
WA (x)	0.89

DBRS Morningstar As-Is Issuance LTV

LTV (%)	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	24.7
70.0%-80.0%	34.6
80.0%-90.0%	34.1
90.0%-100.0%	6.6
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	77.6

DBRS Morningstar Stabilized Balloon LTV

LTV (%)	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	13.7
60.0%-70.0%	49.2
70.0%-80.0%	37.1
80.0%-90.0%	0.0
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	67.9

1. Includes pari passu debt, but excludes subordinate debt.
2. The senior note balloon balance assumes the DBRS Morningstar Stressed Interest Rate and the fully-extended loan term.

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized LTV (%)
Briarhill Apartments	42,000,000	7.9	0.33	0.68	76.8	71.6
Accent Edgewood	42,000,000	7.9	0.60	0.77	74.8	72.7
Alta Foundry	42,000,000	7.9	0.66	0.69	62.7	59.9
Johnstown Plaza	42,000,000	7.9	0.20	1.07	72.1	65.2
Foundry Duluth	42,000,000	7.9	0.77	0.86	82.0	71.9
Brandon Portfolio	41,800,080	7.8	1.07	1.24	88.3	72.4
7403	36,300,000	6.8	0.90	0.90	66.2	66.2
Galleria Courtyards	35,169,152	6.6	0.60	0.89	95.7	69.3
Veridian Place	34,666,936	6.5	0.91	1.01	81.2	66.9
Sun Chase Apartments	33,260,809	6.2	0.81	0.87	86.4	67.4

Property Detail

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
Briarhill Apartments	Multifamily	Atlanta	GA	1988	292	205,308	205,308
Accent Edgewood	Multifamily	Nashville	TN	2022	236	247,881	247,881
Alta Foundry	Multifamily	Nashville	TN	2022	231	235,931	235,931
Johnstown Plaza	Multifamily	Johnstown	CO	2021	252	209,127	209,127
Foundry Duluth	Multifamily	Duluth	GA	1985	256	196,875	196,875
Brandon Portfolio	Multifamily	Brandon	FL	Various	285	166,667	166,667
7403	Multifamily	Los Angeles	CA	2019	140	259,286	259,286
Galleria Courtyards	Multifamily	Smyrna	GA	1960	240	175,000	175,000
Veridian Place	Multifamily	Dallas	TX	1960; 1966; 1990	228	161,338	161,338
Sun Chase Apartments	Multifamily	Las Vegas	NV	1984	200	177,500	177,500

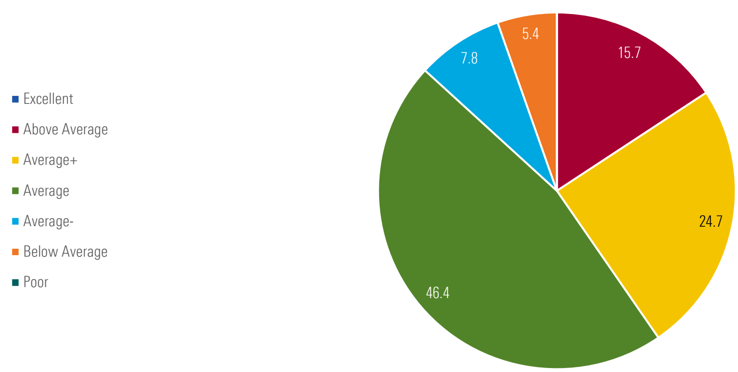
DBRS Morningstar Sample

Prospectus ID	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	Briarhill Apartments	7.9	2,685,285	-28.9	GPR; Other Income	Average
2	Accent Edgewood	7.9	2,744,226	-36.0	GPR; Concessions; Bad Debt	Above Average
3	Alta Foundry	7.9	2,295,448	-36.8	GPR; Other Income; Operating Expenses	Above Average
4	Johnstown Plaza	7.9	3,239,629	-22.8	GPR; Vacancy; Other Income	Average+
5	Foundry Duluth	7.9	2,587,662	-17.3	GPR; Other Income; Operating Expenses	Average
6	Brandon Portfolio	7.8	3,042,155	-28.7	GPR; Operating Expenses; Concessions; Other Income	Average-
7	7403	6.8	2,211,477	-17.0	GPR; Operating Expenses	Average+
8	Galleria Courtyards	6.6	2,515,433	-16.5	GPR; Operating Expenses	Average
9	Veridian Place	6.5	1,963,407	-20.7	GPR; Other Income; Reimbursements	Average
10	Sun Chase Apartments	6.2	1,813,793	-35.1	GPR; Operating Expenses	Average
11	Waters Edge	5.8	2,654,731	-15.1	GPR; Vacancy; Operating Expenses	Average+
12	Crossing at White Oak	5.7	1,678,894	-27.8	GPR; Other Income	Average
13	Kendalwood Apartments	5.7	1,929,013	-25.0	GPR; Operating Expenses; Bad Debt; Concessions; Other Income	Average
14	Millennia NC Portfolio	5.4	1,321,317	-37.5	GPR; Vacancy; Operating Expenses	Below Average
15	Chloe's Pointe	4.2	976,565	-37.4	GPR; Vacancy	Average+

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 15 of the 15 loans, representing 100% of the initial pool balance by cut-off date loan balance. DBRS Morningstar met with the on-site property manager, leasing agent, or representative of the borrowing entity for two of the 15 loans in the pool, representing 15.7% of the initial pool balance. The resulting DBRS Morningstar property quality scores are highlighted in the chart below.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 15 of the 15 loans, representing 100% of the initial pool by loan balance. For the loan not subject to an NCF review, DBRS Morningstar applied an average NCF variance of -15.2% and -26.6% to the Issuer's as-is and stabilized NCFs, respectively, which reflect the average sampled NCF variances.

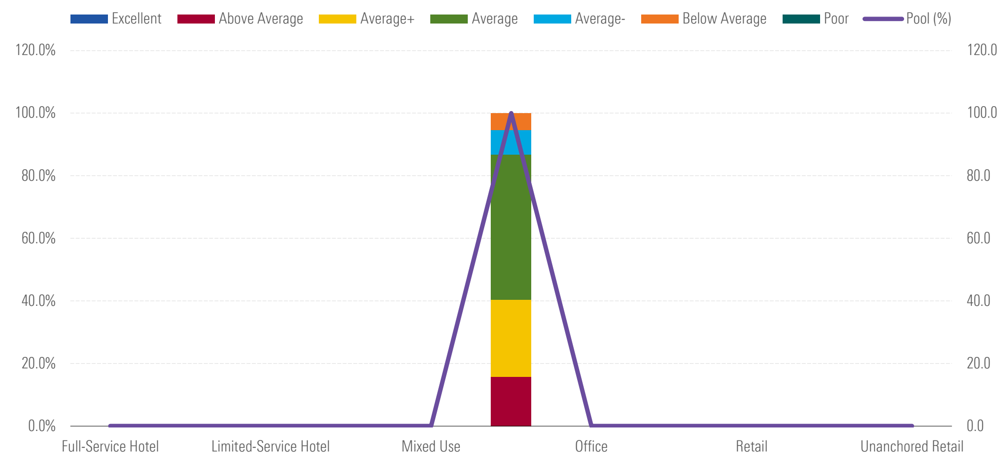
As-Is NCF

The DBRS Morningstar As-Is NCF was based on the current performance of the properties, without giving any credit to the future upside that may be realized upon the sponsors' completion of their business plans. The DBRS Morningstar as-is sample had an average in-place NCF variance of -15.2% from the Issuer's NCF and ranged from -49.6% to 3.4%. DBRS Morningstar excluded one outlier (Waters Edge) as the loan's in-place NCF is negative.

Stabilized NCF

The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rent and/or recently executed leases and market expenses that were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -26.6% from the Issuer's stabilized NCF and ranged from -37.5% to -15.1%.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

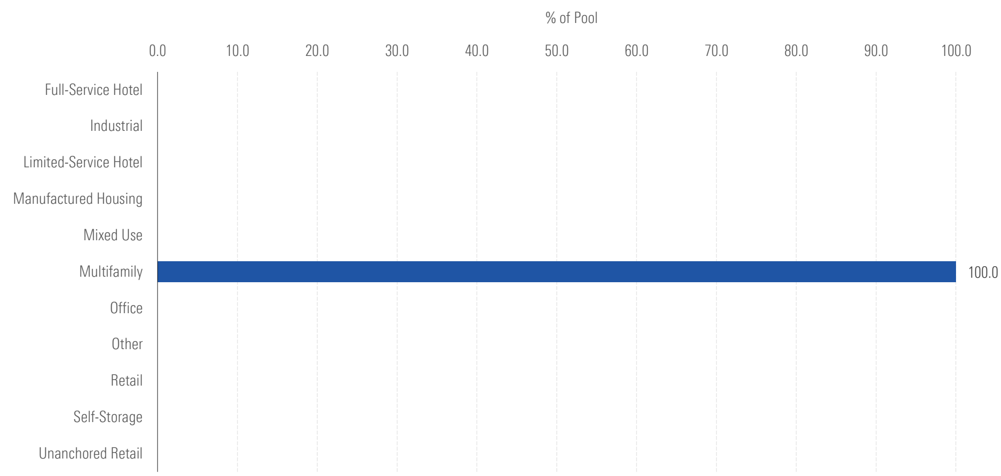
Model Adjustments

DBRS Morningstar also applied upward cap rate adjustments to nine loans, representing 60.9% of the trust balance. DBRS Morningstar adjusted the cap rate for these nine loans to reflect its view of the respective markets and the inherent risk associated with the sponsor's business plan and dated third party documents. The downward stabilized value adjustments are highlighted in the DBRS Morningstar Sampled Model Adjustments table below.

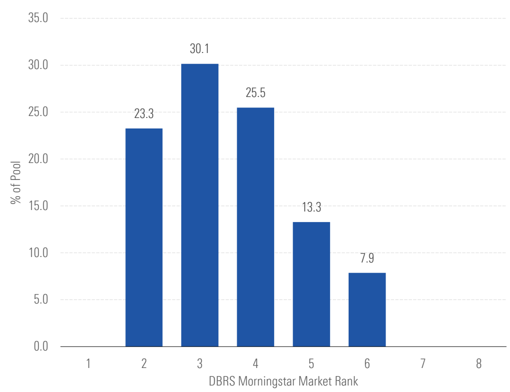
Loan	Prospectus ID	Issuer's Implied Cap Rate (%)	DBRS Morningstar Adjusted Cap Rate (%)	Appraised As-Is LTV (%)	Appraised Stabilized LTV (%)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized LTV (%)
Briarhill Apartments	1	3.9	4.5	76.8	61.8	76.8	71.6
Accent Edgewood	2	4.9	5.3	74.8	67.5	74.8	72.7
Johnstown Plaza	4	4.6	5.2	63.0	58.0	72.1	65.2
Foundry Duluth	5	4.2	4.5	82.0	67.0	82.0	71.9
7403	7	4.5	4.9	66.2	61.7	66.2	66.2
Galleria Courtyards	8	4.7	5.0	90.9	65.8	95.7	69.3
Sun Chase Apartments	10	4.8	5.3	86.4	61.0	86.4	67.4
Crossing at White Oak	12	4.6	5.3	89.7	67.5	89.7	77.8
Chloe's Pointe	15	4.3	4.7	67.6	61.8	67.6	67.6

Transaction Concentrations

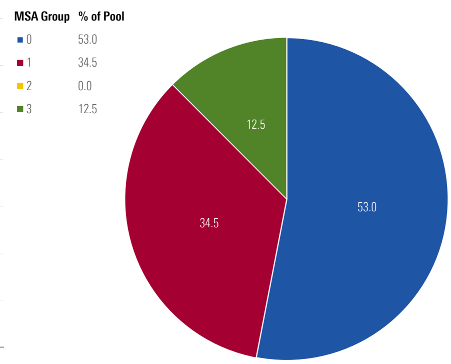
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

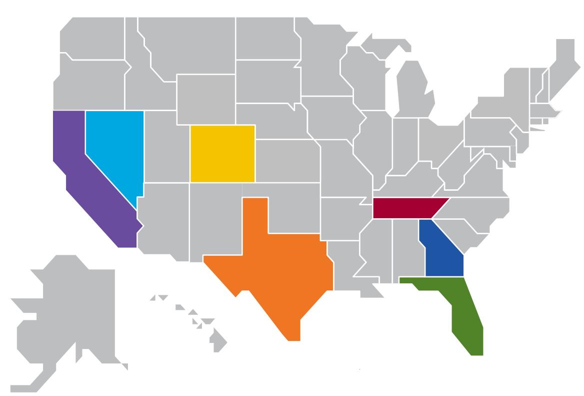


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
Briarhill Apartments	Atlanta	GA
Accent Edgewood	Nashville	TN
Alta Foundry	Nashville	TN
Johnstown Plaza	Johnstown	CO
Foundry Duluth	Duluth	GA
Brandon Portfolio	Brandon	FL
7403	Los Angeles	CA
Galleria Courtyards	Smyrna	GA
Veridian Place	Dallas	TX
Sun Chase Apartments	Las Vegas	NV



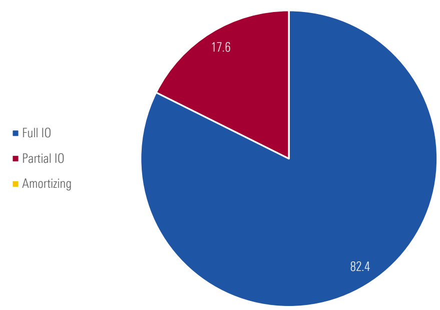
Source: DBRS Morningstar.

Loan Structural Features

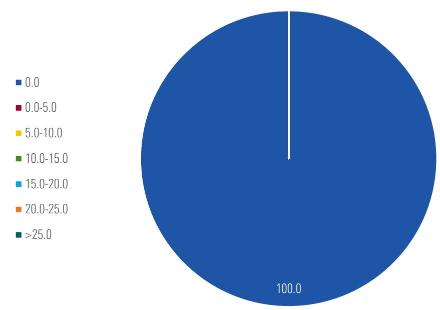
Loan Terms: All 15 loans are IO during the initial loan term, ranging from 24 months to 36 months. Additionally, all loans include extension options ranging from one one-year option to three one-year options. Three loans, representing 17.6% of the pool balance, amortize during the extension options.

Interest Rate: All 15 loans in the pool use Term SOFR as the index. The interest rate is generally the greater of (1) the floating rate referencing one-month Term SOFR as the index plus the margin and (2) the interest-rate floor.

Interest Only



DBRS Morningstar Expected Amortization



Note: For certain ARD loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	15	100.0	SPE with Independent Director and Nonconsolidation Opinion	14	95.8
Insurance Ongoing	14	92.1	SPE with Independent Director Only	1	4.2
Capex Ongoing	11	74.4	SPE with Nonconsolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	0	0.0	SPE Only	0	0.0

1. Percent of office, retail, industrial, and mixed-use assets based on DBRS Morningstar property types.

Interest Rate Protection: All 15 loans have purchased interest rate caps over the term of the loan. If the DBRS Morningstar stressed interest rate is less than the interest-rate cap purchased by the borrower, DBRS Morningstar would default to the lower rate, except for one loan, Alta Foundry, for which DBRS Morningstar defaulted to the interest-rate floor, which was higher than the interest-rate cap purchased by the borrower.

Subordinate Debt: There are no loans in the pool that are subject to subordinate mezzanine financing.

Subordinate Debt

Loan Name	Trust Balance ($)	Future Funding ($)	Pari Passu Balance ($)	B-Note Balance ($)	Mezz/Unsecured Debt Balance ($)	Future Mezz/Unsecured Debt (Y/N)	Total Debt Balance ($)
Briarhill Apartments	42,000,000	2,875,000	15,075,000	0.0	0.0	N	59,950,000
Accent Edgewood	42,000,000	0	16,500,000	0.0	0.0	N	58,500,000
Alta Foundry	42,000,000	0	12,500,000	0.0	0.0	N	54,500,000
Johnstown Plaza	42,000,000	0	10,700,000	0.0	0.0	N	52,700,000
Foundry Duluth	42,000,000	2,398,385	6,001,615	0.0	0.0	N	50,400,000
Brandon Portfolio	41,800,080	4,452,756	1,247,164	0.0	0.0	N	47,500,000
7403	36,300,000	0	0	0.0	0.0	N	36,300,000
Galleria Courtyards	35,169,152	6,830,848	0	0.0	0.0	N	42,000,000
Veridian Place	34,666,936	1,915,397	202,667	0.0	0.0	N	36,785,000
Sun Chase Apartments	33,260,809	2,239,191	0	0.0	0.0	N	35,500,000
Waters Edge	31,200,000	0	0	0.0	0.0	N	31,200,000
Crossing at White Oak	30,456,291	2,951,885	591,825	0.0	0.0	N	34,000,000
Kendalwood Apartments	30,294,765	715,890	689,345	0.0	0.0	N	31,700,000
Millennia NC Portfolio	28,719,750	1,280,250	0	0.0	0.0	N	30,000,000
Chloe's Pointe	22,300,000	0	0	0.0	0.0	N	22,300,000

Pari Passu Debt: Nine loans, representing 65.0% of the initial pool balance, have pari passu participation interests totaling $63.5 million. These loans have not been previously securitized.

Future Funding: Nine loans, representing 59.6% of the initial pool balance, have a future funding component. The aggregate amount of future funding remaining is $25.7 million, with future funding amounts per loan ranging from $715,890 to $6.8 million. The proceeds necessary to fulfill the future funding obligations will primarily be drawn from a committed warehouse line and will be initially held outside the trust but will be pari passu with the trust participations. The future funding is generally to be used for property renovations. It is DBRS Morningstar's opinion that the business plans are generally achievable given market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations and leasing costs.

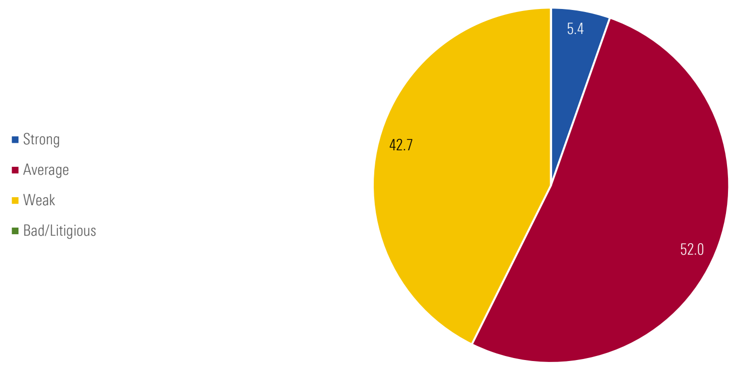
Leasehold: There are no leasehold loans in the pool.

Property Release: Three loans, comprising 21.1% of the pool balance, allow for the partial release of collateral, subject to certain debt yield or prepayment conditions, among others.

Property Substitution: There are no loans in the pool that allow for the substitution of properties.

Terrorism Insurance: All loans have terrorism insurance in place.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Briarhill Apartments

Loan Snapshot

Seller
ACREC
Ownership Interest
Fee
Trust Balance ($ million)
42.0
Loan PSF/Unit ($)
205,308
Percentage of the Pool
7.9
Fully Extended Loan Maturity/ARD
June 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.33
DBRS Morningstar Stabilized DSCR (x)
0.68
DBRS Morningstar As-Is Issuance LTV (%)
76.8
DBRS Morningstar Stabilized Balloon LTV (%)
71.6
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
42.0
Pari Passu
15.1
Remaining Future Funding
2.9
Mortgage Loan Including Future Funding
60.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
23.4

Source:

Source:

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1988/2019
City, State	Atlanta, GA	**Physical Occupancy (%)**	91.1
Units/sf	292	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in Briarhill Apartments, a 292-unit, Class B, garden-style multifamily property located approximately seven miles northeast of the Atlanta CBD. Initial loan proceeds of $57.1 million, combined with $23.4 million in borrower equity, financed the $75.5 million purchase and covered closing costs. The loan is structured with up to $2.9 million ($9,846 per unit) in future funding from the lender to facilitate the borrower's interior unit renovation plan. The sponsor also plans to invest an additional $2.3 million ($7.962 per unit) of equity for exterior improvements. The floating-rate loan has a five-year fully extended term that is IO until maturity.

The collateral consists of 14 three-story, wood-frame garden-style apartment buildings spread across a 9.8-acre site. The property was built in 1988 and lightly renovated in 2019. The property offers two unit types. Notable unit amenities include ceiling fans, crown molding, a fireplace, a microwave, a washer/dryer, and wood-style plank flooring. The sponsor's business plan includes the addition of granite countertops and tile backsplashes, cabinet upgrades, improvements to bathroom and light fixtures, and the installation of new wood-look vinyl plank flooring.

Unit Mix and Rents			
Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)
One Bedroom	160	742	1,311
Two Bedrooms	132	1,029	1,594
Total/WA	**292**	**872**	**1,432**

Based on the October 31, 2022 rent roll.

Common amenities include a fitness center, swimming pool, barbecue/picnic area, business center, pet park, car care center, clubhouse/leasing center, and controlled access gates. The sponsor plans to replace the roofs and pools pavers, install an outdoor kitchen, enhance the pet park, renovate the clubhouse, replace all exterior polybutylene piping, and cure deferred maintenance.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Unit Size (sf)	Avg. Rental Rate ($)	Occupancy
Hawthorne North Druid Hills	0.2	182	1994/2016	995	1,805	94.0
Sloan Square	0.8	197	1990/2010	777	1,564	93.4
Briarcliff	0.9	220	1989/2018	852	1,601	90.0
MAA Briarcliff	0.9	688	1999	1,090	2,032	91.0
Reserve at Lenox Park	1.5	176	1998/2016	1,014	2,082	96.7
Evergreen at Lenox Park	1.6	206	1995/2013	961	1,865	94.7
Willowest in Lindbergh	1.8	396	1998/2016	1,031	1,873	91.9
Total/WA Comp. Set	**1.1**	**2,065**	**1996/2015**	**996**	**1,879**	**92.4**
Briarhill Apartments	**n/a**	**292**	**1988/2019**	**872**	**1,432**	**91.1**

Source: Appraisal, except the Subject figures are based on the rent roll dated month October 31, 2022.

Sponsorship

The sponsor for this transaction is Beacon Real Estate Group, a commercial real estate investment firm focused on the acquisition and management of multifamily, office, and retail properties predominantly in the southeastern United States. Founded in 1967, Beacon operates more than 10 million sf of domestic real estate, including approximately 9,000 multifamily units.

The guarantor is Richard Kulick, the managing partner of Beacon. He has been responsible for more than $1.5 billion of multifamily investments over the past seven years. Kulick has held prior roles with other real estate investment companies, including a firm he founded and led as chief investment officer that oversaw 150 employees.

Property management will be provided by Lincoln Property Company, a third-party management company. Lincoln is the second-largest multifamily manager in the U.S. with more than 200,000 units under management. DBRS Morningstar concluded to a sponsor strength of Weak given the sponsor's low net worth and liquidity relative to the fully funded loan amount.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on May 24, 2022, at 1:00 p.m. Based on the site inspection, DBRS Morningstar found the property quality to be Average.

Located in the Reis-designated submarket of North Dekalb, the subject is approximately 35 minutes northeast of the Atlanta CBD. The subject is in a upper-middle-class neighborhood featuring an abundance of residential and single-family homes. Greystar is currently building a 350-unit multifamily property directly next to the subject, that, according to the subject's property manager it will be a 99-year lease with Emory University and will focus on leasing to tenants 55 years old and older. This is will not directly compete with the subject as their demographic skews younger. The median household income of $93,234 within a five-mile radius is higher than the Atlanta MSA household income of $63,324. The main campus of Emory University is 3.1 miles from the subject. The property manager noted that Briarhill Apartments does not have undergraduate students as residents but has post-graduate students as tenants. The major demand drivers are Emory University and the CDC, both employ a large population of individuals within the North Dekalb submarket. The primary access to the property is from Sheridan Rd, I-75, and I-85. Additionally, the Executive Park South NE @ 57 bus stop is seven minutes from the subject.

Signage at the property is below average as the two main signs are covered by landscaping, which make it hard to identify the subject. The main entrance to the subject contains the leasing office, clubhouse, business center, and fitness center. The lobby was dated and featured cool grey paint with carpet flooring. DBRS Morningstar toured several amenities at the property including the fitness center, pool, and barbecue area. The fitness center, which is attached to the leasing office, is small with minimal equipment. The property manager noted that part of the capital expenditure plan is to relocate the fitness center to a different area at the property, which will allow for an expansion of the equipment available to tenants. Additionally, the manager noted that once the fitness center is moved, the leasing office will be expanded to encompass that area. The property's central swimming pool features a miniature waterfall, outdoor seating, and a grilling area. The sponsor will spend $2.3 million of their own money in order to upgrade the pet park, install an outdoor kitchen, resurface the pool, replace the roof, repair the retaining wall, and renovate the leasing office. Overall, the subject's amenities are in average condition and will be improved during the capex process. DBRS Morningstar toured two nonrenovated units: a model two-bedroom unit and a vacant three-bedroom unit. The kitchens and living rooms featured plank flooring, while bedrooms were carpeted. The units included stainless-steel appliances, white cabinetry, and laminate countertops. The property manager noted that once renovations begin, they will focus on upgrading the appliance packages, adding granite countertops, and increasing the cabinet space. Additionally, both units toured feature a washer/dryer, fireplace, and patio/balcony. Unit sizes were small as the average is 872 sf at the subject. The property was 92.8% occupied at the time of the inspection.

DBRS Morningstar NCF Summary

NCF Analysis

	March 2022 T-12	October 2022 T-3	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,714,802	5,140,084	7,131,153	6,944,427	5,924,043	-14.7
Other Income ($)	397,648	450,697	471,952	471,952	450,697	-4.5
Vacancy & Concessions ($)	-536,273	-863,433	-427,870	-545,088	-490,357	-10.0
EGI ($)	**4,576,176**	**4,727,348**	**7,175,235**	**6,871,291**	**5,884,384**	**-14.4**
Expenses ($)	2,763,043	2,772,061	2,972,573	3,035,207	3,126,099	3.0
NOI ($)	**1,813,133**	**1,955,287**	**4,202,662**	**3,836,084**	**2,758,285**	**-28.1**
Capex ($)	58,400	58,400	58,400	58,400	73,000	25.0
NCF ($)	**1,754,733**	**1,896,887**	**4,144,262**	**3,777,684**	**2,685,285**	**-28.9**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,685,285, representing a –28.9% variance from the Issuer's stabilized NCF of $3,777,684. The primary driver of the variance was GPR. DBRS Morningstar concluded to a GPR based on 100% of the sponsor's post-renovation, uninflated, premiums of $250 per unit, which results in a WA asking rent of $1,691 per unit, which results in an approximately $188 per unit discount relative to the WA rent of the appraiser's competitive set.

DBRS Morningstar Viewpoint

The collateral is located just south of I-85 in an in-fill neighborhood approximately seven miles northeast of downtown Atlanta. Emory University, Emory University Hospital, and Atlanta VA Medical are all about three miles south of the property. The property also benefits from its proximity to Executive Park, an expanding healthcare hub that is home to several of Emory's medical programs. In 2019, Emory unveiled a $1 billion master-planned community in an effort to transform and expand Emory's footprint at Executive Park, including a 140-bed, non-emergency, inpatient hospital and additional office and medical space. Additionally, Children's Healthcare of Atlanta is currently constructing its new site adjacent to Executive Park. The state-of-the-art children's hospital will offer 446 beds and is expected to open in 2025. The new investment and developments should bode well for the property's future demand; however, the property is currently within a DBRS Morningstar Market Rank of 4, which is generally indicative of secondary locations that have historically seen above-average default rates.

The subject's physical vacancy of 8.9% is above with the Reis defined North DeKalb vacancy rate of 4.1% for Q3 2022. The property's in-place rental rate of $1,432 per unit is performing subpar relative to the submarket that reported an average rent in excess of $1,639 per unit. The sponsor believes that renovated units can achieve a total premium of $540 per unit through a renovation premium of $250 per unit and a mark-to-market of $290 per unit. In total, the sponsor has planned to invest $2.9 million in unit improvements and $2.3 million in exterior improvements. As part of the exterior improvements, it is worth noting that the replacement of the exterior polybutylene piping typically results in cost savings related to repairs and maintenance and water.

DBRS Morningstar does not forecast market rent growth when calculating the subject's stabilized NCF nor is any credit given for mark-to-market. Should the submarket deteriorate, the business plan will be compromised, given the loan's low DSCR. The loan's high leverage and low DBRS Morningstar Market Rank of 4 have the loan's modeled expected loss above the pool average.

Accent Edgewood

Loan Snapshot

Seller
ACREC
Ownership Interest
Fee
Trust Balance ($ million)
42.0
Loan PSF/Unit ($)
247,881
Percentage of the Pool
7.9
Fully Extended Loan Maturity/ARD
May 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.60
DBRS Morningstar Stabilized DSCR (x)
0.77
DBRS Morningstar As-Is Issuance LTV (%)
74.8
DBRS Morningstar Stabilized Balloon LTV (%)
72.7
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
42.0
Pari Passu
16.5
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
58.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
22.6

Source: Appraisal

Source: Appraisal

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2022
City, State	Nashville, TN	**Physical Occupancy (%)**	71.2
Units/SF	236	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in Accent Edgewood, a Class A, 236-unit mid-rise multifamily complex in Nashville, approximately 3.5 miles southeast of the Nashville CBD. The sponsor is purchasing the property for approximately $77.6 million from its developer, Westplan Investors. The property began leasing in the winter of 2021 and recently received its final certificate of occupancy for its second building in April 2022. Whole loan proceeds of $58.5 million along with $22.6 million of borrower cash equity were used to purchase the property, cover closing and acquisition costs, and fund a $500,000 interest carry reserve. The two-year floating-rate loan is structured with three 12-month extension options that are exercisable upon the collateral's satisfaction of, among other criteria, certain debt yield, LTV, and DSCR hurdles set forth in the initial loan agreement. The loan is IO throughout the fully extended loan term.

Unit Mix			
Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)
One Bedroom	190	685	1,586
Two Bedrooms	46	1,095	2,088
Total/WA	**236**	**765**	**1,720**

1 Based on the October 31, 2022 Rent Roll.

Accent Edgewood was fully built in 2022 and is currently in its initial lease-up phase. As of the October 2022 rent roll, the property is 71.2% occupied. Propertywide amenities include a 24-hour gym, resort-style pool, bicycle storage, rooftop lounge, and co-working space. The interior unit amenities include high ceilings, stainless steel appliances, in-unit washer/dryer, and granite countertops.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Unit Size (sf)	Avg. Rental Rate ($/unit)	Occupancy (%)
23Hundred at Berry Hill	1.9	266	2013	801	1,870	93.0
IMT 8 South	1.8	330	2017	790	1,734	99.0
Melrose	2.2	359	2018	737	1,739	93.0
Octave	1.7	321	2017	759	1,894	95.0
Flats at Walden Grove	1.3	126	2018	944	1,687	98.0
Total/WA Comp. Set	**Various**	**1,402**	**Various**	**785**	**1,793**	**95.3**
Accent Edgewood	**n/a**	**236**	**2022**	**236**	**1,733**	**71.2**

Source: Asset Summary Report and/or Appraisal, except the subject figures, which are abased on the October 31, 2022 rent roll.

Sponsorship

The sponsor for this transaction is Passive Investing, led by Dan Handford and Danny Randazzo. Passive Investing, based in South Carolina, focuses on acquiring institutional-quality multifamily assets throughout the Southeast and Texas. Through crowdfunded capital as well as their own, the guarantors have amassed a total of $870.0 million assets under management consisting of more than 3,200 market-rate multifamily rental units across the United States. Because of the sponsor's limited real estate investor experience and the investment capital coming primarily through crowdfunding, DBRS Morningstar has concluded a Weak sponsorship analysis adjustment for this loan.

The property manager is FCA Management, a third-party operator located in Charlotte, North Carolina that currently manages more than 2,600 units across the Southeast United States. The property manager accepts a contract management fee of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal

Source: Appraisal

DBRS Morningstar did not conduct interior or exterior tours of the property. Based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis

	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,824,171	5,999,428	4,806,167	-19.9
Other Income ($)	380,550	382,454	380,550	-0.5
Vacancy & Concessions ($)	-261,857	-329,968	-368,943	11.8
EGI ($)	**4,942,864**	**6,051,914**	**4,817,774**	**-20.4**
Expenses ($)	1,886,253	1,706,472	2,040,950	19.6
NOI ($)	**3,056,611**	**4,345,442**	**2,776,825**	**-36.1**
Capex ($)	59,000	59,000	59,000	0.0
NCF ($)	**2,997,611**	**4,286,442**	**2,744,226**	**-36.0**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria.* The resulting DBRS Morningstar Stabilized NCF was $2,744,226, representing a –36.0% variance from the Issuer's Stabilized NCF of $4,286,442. The primary drivers of the variance were the DBRS Morningstar Stabilized GPR and operating expense assumptions. DBRS Morningstar assumed the stabilized GPR to be based on the October 2022 rent roll, with vacant units grossed up to the appraiser concluded market rents. DBRS Morningstar assumed operating expenses to be based on the appraiser's stabilized assumptions, inflated by 6.0% in part because of the lack of historical performance information the property has due to its recent opening.

DBRS Morningstar Viewpoint

The collateral is within Southeast Nashville, the largest submarket in the Nashville MSA in terms of multifamily inventory. The submarket has experienced explosive growth since 2016 with more than 3,000 multifamily units having been delivered since 2016 and another 1,600 units anticipated to be delivered, according to the sponsor. According to Reis, the property is within the Airport/Briley Parkway submarket, the smallest of the nine submarkets in the Reis-defined geographic concentrations that form the overall Nashville market. Between now and YE2022, asking rents are expected to advance 3.1% to $1,273/unit, up from current submarket asking rent of $1,235/unit. Despite the high rent growth that the overall Nashville apartment market is experiencing, Reis projects that the asking rent growth will accelerate to an annualized average of 4.2% during 2023 and 2024 to reach $1,381 per unit.

The property is in DBRS Morningstar Market Rank 3, which represents a suburban market that exhibits a higher expected loss profile when compared with properties in urban or densely urban areas, in this instance those located closer to the downtown Nashville CBD. The sponsor's business plan is to lease-up the collateral in a market that is experiencing a high amount of new supply in the area while keeping the rate of concessions offered to tenants low and maintaining the property's marketability and curb appeal in the face of several new apartment offerings in the area. Prior to the sponsor's acquisition of the property, the seller was offering up to one month free in concessions in order to lease-up the property for sale. The sponsor's business plan includes reducing the concessions offered at the property to a minimum. DBRS Morningstar has concluded a stabilized GPR in line with the property's current projected market rents because no additional capex is being injected into the property to improve its offerings. The large amount of new supply implies that the collateral may quickly find itself outpaced by the property and unit amenity offerings within its greater competitive set as new properties with superior amenities become available. The property benefits from being adjacent to Hwy. 41A, which provides direct access to the Nashville CBD and the Nashville MSA. Additionally, the property is located 6.5 miles west of Nashville International Airport.

The loan exhibits high leverage at issuance as evidenced by a DBRS Morningstar As-Is LTV of 74.8% derived from the appraiser's as-is valuation of $78.2 million. As mentioned above, the collateral is generally considered to be a suburban area within the Nashville MSA and is in DBRS Morningstar Market Rank 3 and MSA Group 2. The collateral's suburban location is also noted in the appraisal. Loans secured by properties in such areas have historically demonstrated higher losses compared with those secured by assets in more densely populated and financially liquid markets.

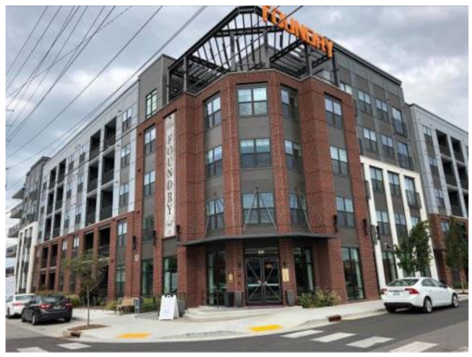
Alta Foundry

Loan Snapshot

Seller	ACREC
Ownership Interest	Fee
Trust Balance ($ million)	42.0
Loan PSF/Unit ($)	235,931
Percentage of the Pool	7.9
Fully Extended Loan Maturity/ARD	November 2027
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.66
DBRS Morningstar Stabilized DSCR (x)	0.69
DBRS Morningstar As-Is Issuance LTV (%)	62.7
DBRS Morningstar Stabilized Balloon LTV (%)	59.9
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Above Average

Debt Stack ($ millions)

Trust Balance	42.0
Pari Passu	12.5
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	54.5
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	37.8



Source: Appraisal


Source: Appraisal

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2022
City, State	Nashville, TN	**Physical Occupancy (%)**	79.2
Units/SF	231	**Physical Occupancy Date**	December 2022

This loan is secured by the borrower's fee-simple interest in Alta Foundry, a 231-unit multifamily property in Nashville, Tennessee. Initial loan proceeds of $54.5 million, along with $37.8 million of borrower equity, will fund the $86.6 million purchase price, purchase a $1.5 million SOFR cap, fund $500,000 of upfront reserves, and cover closing costs. The three-year floating-rate loan is structured with two one-year extension options. The loan is IO throughout the fully extended loan term.

Constructed in 2022, the collateral is in its initial lease-up phase. As of December 1 2022, the property was 79.2% occupied. The collateral comprises 231 units, including 44 studio units, 145 one-bedroom units, and 42 two-bedroom units. The common-area amenities include a rooftop sky lounge, courtyard, fitness center, co-working space, complimentary coffee bar, dog park, and pet spa. The interior unit amenities include shaker style cabinetry, quartz countertops, stainless-steel appliances, private patios and balconies, and walk-in closets. As of the rent roll dated December 1, 2022, the property achieved a WA rental rate of $2,022 per unit. For more information on the subject's unit types and rental rates, please see the table below.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
Studio	44	592	1,770
One bedroom	145	664	1,912
Two bedrooms	42	1,160	2,641
Total/WA	**231**	**740**	**2,022**

1 Based on the December 1, 2022 rent roll.

The appraiser identified seven competitive properties within a 1.1-mile radius of the subject. For more information on the appraiser's competitive set, please see the table below.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rent ($/unit)[1]
2700 Charlotte Ave	0.8	259	2016	96.0	2,182
The Shay	1.1	276	2018	96.0	2,185
Artemis Midtown	0.4	146	2015	96.0	1,630
1818 Church	0.5	142	2016	94.0	1,803
Olympus Midtown	0.5	170	2010	95.0	1,875
The Gurthrie North Gulch	0.8	271	2018	94.0	2,359
Residences at Capitol View	0.9	378	2019	95.0	2,594
Total/WA Comp. Set	**Various**	**1,642**	**Various**	**95.2**	**2,193**
Alta Foundry	**n/a**	**231**	**2022**	**79.2**	**2,022**

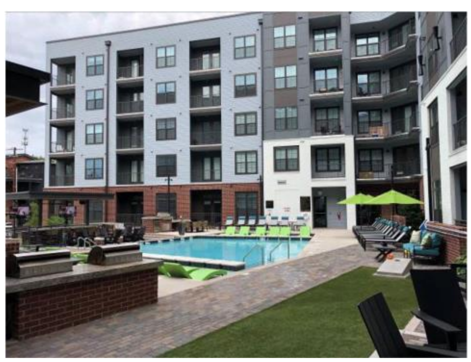
Source: Appraisal, except the subject figures, which are based on the December 1, 2022 rent roll.

Sponsorship

The sponsor for this transaction is HHHunt, a privately owned real estate developer and manager. The firm was founded in 1966 and primarily focuses on single- and multifamily real estate throughout the Southeast and the subject property is its first property in Tennessee. In addition to developing new communities, HHHunt has a property management arm with over 7,900 units across 19 apartment complexes under management.

DBRS Morningstar Analysis

Site Inspection Summary



Source: Appraisal

Source: Appraisal

DBRS Morningstar did not conduct a site inspection of the property. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis

	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	6,788,357	6,389,359	5,557,764	-13.0
Other Income ($)	378,879	382,454	325,471	-14.9
Vacancy & Concessions ($)	-373,360	-319,468	-651,185	103.8
EGI ($)	**6,793,876**	**6,452,346**	**5,232,051**	**-18.9**
Expenses ($)	2,429,055	2,786,870	2,878,853	3.3
NOI ($)	**4,364,821**	**3,665,476**	**2,353,198**	**-35.8**
Capex ($)	46,200	34,650	57,750	66.7
NCF ($)	**4,318,621**	**3,630,826**	**2,295,448**	**-36.8**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF is $2,295,448, representing a -36.8% variance from the Issuer's Stabilized NCF. The primary drivers of the variance are GPR, vacancy, and expenses. DBRS Morningstar's Stabilized GPR is based on the December 1, 2022, rent roll with all units grossed up to in-place rents. The Issuer's GPR is based on the borrower's stabilized budget, which includes annual rental growth through stabilization. DBRS Morningstar concluded to a vacancy rate of 9.7% based on the Reis submarket forward-looking five-year average, while the Issuer concluded to a 5.0% vacancy rate. DBRS Morningstar generally based expenses on the in-place expenses inflated 6.0%.

DBRS Morningstar Viewpoint

The loan is collateralized by a multifamily property that was delivered in the summer of 2022 and is located in the Reis-identified submarket of Downtown/West End/Green Hills. The submarket is the largest in the Nashville market and reported a vacancy rate of 10.4% in Q3 2022. As of Q3 2022, the submarket was expected to see an additional 2,641 units, with the subject accounting for 231 units. The development pipeline is expected to remain high over the next few years, as Reis expects a total of 5,057 new deliveries in 2023 and 2024. Consequently, vacancy is expected to drift upward to 11.5% in 2023, and remain elevated with a projected average vacancy of 9.7% through 2027. The Q3 2022 average rental rate of $2,402 is also expected to increase an average of 3.8% annually through 2027, which is relatively in line with the greater Nashville market.

As of the rent roll dated December 1, 2022, the collateral was 79.2% occupied and had a WA rental rate of $2,022 per unit. The subject is in the initial lease-up phase and reported an average of 24 leases signed per month. Concessions are standard in the submarket, and the property offered one-month free on 13-plus month leases. This has recently been scaled back to apply only to studio and one-bedroom units, and the sponsor intends to burn off concessions further as the property increases occupancy. The subject benefits from its proximity to TriStar Centennial Medical Center and Ascension St. Thomas Hospital, both of which are less than a 15-minute walk away. Additionally, the subject is less than two miles away from Vanderbilt Medical Center and Metro General Hospital. According the appraisal, health care is the largest and fastest-growing sector in Nashville, and the average household income within a three-mile radius is $109,129. The collateral is well-positioned to cater to high-earning healthcare professionals who want to live close to their employment. The subject is also less than two miles away from downtown Nashville, which has shown considerable growth in recent years driven by its overall quality of life, pro-business policies, and countless entertainment options. The sponsor's lease-up play is relatively low-risk in terms of business plan execution. The drastic increase of new supply presents as the primary risk to the collateral's ability to lease up to a stabilized occupancy rate. DBRS Morningstar concluded to a 9.7% vacancy rate, which is based on the Reis submarket forward looking five-year average vacancy rate and takes the new supply into account.

The loan indicates low leverage financing based on the loan-to-purchase price ratio of 62.9% and improves to 59.9% when looking at the appraiser's stabilized value. However, the low leverage is challenged when considering the DBRS Morningstar Stabilized NCF represents a debt yield of 4.2%. In comparison, the 20 multifamily agency CMBS loans secured in the Nashville MSA since the beginning of 2021, represent an average debt yield of 6.6%. Despite this, the low LTV, DBRS Morningstar Market Rank 6, and Above Average property quality resulted in an expected loss below the deal average.

Johnstown Plaza

Loan Snapshot

Seller	ACREC
Ownership Interest	Fee
Trust Balance ($ million)	42.0
Loan PSF/Unit ($)	209,127
Percentage of the Pool	7.9
Fully Extended Loan Maturity/ARD	October 2027
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.20
DBRS Morningstar Stabilized DSCR (x)	1.07
DBRS Morningstar As-Is Issuance LTV (%)	72.1
DBRS Morningstar Stabilized Balloon LTV (%)	65.2
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	42.0
Pari Passu	10.7
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	52.7
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	24.8

Source: Appraisal

Source: Appraisal

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2022
City, State	Johnstown, CO	**Physical Occupancy (%)**	38.9
Units/SF	252	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in Johnstown Plaza, a 252-unit mid-rise multifamily complex in Johnstown, Colorado, approximately 45 miles north of the Denver CBD and 25 miles southeast of Fort Collins. The sponsor is purchasing the property for $73.1 million from its developer, Carson Development. The complex was recently completed and received its final TCO in September 2022. Whole loan proceeds of $52.7 million along with $24.8 million of borrower cash equity were used to purchase the property, cover closing and acquisition costs, purchase a SOFR interest rate cap, and fund an upfront $1.0 million interest carry reserve. The two-year floating-rate loan is structured with three 12-month extension options that are exercisable upon the collateral's satisfaction of, among other criteria, certain debt yield, LTV, and DSCR hurdles set forth in the initial loan agreement. The loan is IO throughout the fully extended loan term.

Johnstown Plaza was built in 2022 and is currently in its initial lease-up phase. As of the October 2022 rent roll, the property was 38.9% occupied. Propertywide amenities include a swimming pool, dog park, basketball courts, grilling stations, resident business center, gym, and 24-hour mail room. The interior unit amenities include mountain range views, in-home laundry rooms with full-size washer/dryer, granite countertops, stainless steel appliances, walk-in closets, and private patio/balconies.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)1
One Bedroom	124	738	1,606
Two Bedrooms	116	1,100	1,861
Three Bedroom	12	1,389	2,298
Total/WA	**252**	**936**	**1,757**

1 Based on the October 2022 Rent Roll.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rent ($/unit)
Cortland at 2534	0.2	254	2016	95.3	1,838
Rise at 2534	0.2	236	2020	99.0	1,707
Railway Flats I	1.0	220	2020	94.4	1,927
The Springs at 2534	0.8	212	2019	91.0	2,007
Lake Vista	2.2	303	2011	95.7	1,897
Total/WA Comp. Set	**Various**	**1,225**	**Various**	**95.2**	**1,873**
Johnstown Plaza	**n/a**	**252**	**2022**	**38.9**	**1,757**

Source: Asset Summary Report and/or Appraisal, except the subject figures, which are based on the October 2022 rent roll.

Sponsorship

The sponsor for this transaction is a joint venture between Graycliff Capital and Buligo Capital Partners, both of whom are repeat borrowers from the Issuer. Since its founding in 2010, Graycliff Capital has completed more than $1.9 billion in commercial real estate investments and now owns or manages more than 10,500 apartment units across 54 properties. Buligo Capital Partners, founded in 2012, has invested debt or equity in more than 96 investments globally with more than 50% of their U.S. investments to date being focused on income-producing multifamily properties.

The property manager for the collateral is Asset Living, a third-party property manager. With more than 35 years of property management experience, it currently manages more than 175,000 units and accepts a fee of 3.0% of EGI for its management services at the property.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal

Source: Appraisal

DBRS Morningstar did not conduct interior or exterior tours of the property. Based on the photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average+.

DBRS Morningstar NCF Summary

NCF Analysis

	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	6,071,509	5,889,364	5,312,161	-9.8
Other Income ($)	743,499	721,194	584,360	-19.0
Vacancy & Concessions ($)	-364,261	-294,468	-557,777	89.4
EGI ($)	**6,450,747**	**6,316,090**	**5,338,745**	**-15.5**
Expenses ($)	2,087,787	2,055,594	2,036,116	-0.9
NOI ($)	**4,362,960**	**4,260,496**	**3,302,629**	**-22.5**
Capex ($)	50,400	63,000	63,000	0.0
NCF ($)	**4,312,560**	**4,197,496**	**3,239,629**	**-22.8**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,239,629, representing a -22.8% variance from the Issuer's Stabilized NCF of $4,197,496. The primary drivers of the variance were the DBRS Morningstar GPR, vacancy, and operating expense assumptions. DBRS Morningstar assumed the stabilized GPR to be based on the October 2022 rent roll, with vacant units grossed up to the currently achieved in-place rents per unit type. DBRS Morningstar assumed a physical vacancy of 9.5% based on Issuer-provided submarket information. DBRS Morningstar assumed operating expenses to be based on the appraiser's stabilized assumptions, inflated by 6.0% in part because of the lack of historical performance information the property has because of its recent opening.

DBRS Morningstar Viewpoint

The collateral is in Johnstown, a fast growing market approximately 45 miles north of Denver, and is adjacent to the Johnston Plaza Shopping Center. The Johnstown Plaza Shopping Center is a large outdoor shopping center anchored by Scheels, a 250,000-square foot outdoor, entertainment, and sporting goods complex. Furthermore, the property is in close proximity to I-25 and U.S. Highway 34, both providing service to the greater Denver MSA and directly to the Denver CBD. The Fort Collins apartment market, in which the collateral is located, has seen an average of approximately 577 units introduced to the market each year for the past 11 years, according to the appraiser, representing an increase of 7,980.0% since 2011 The most recent data available to the appraiser cites asking rents of approximately $1,630/unit across the submarket, compared with $1,043/unit in 2011. Looking forward, the Fort Collins submarket anticipates asking rents to rise by approximately $196/unit to $1,826/unit by YE2026. Johnstown has demonstrated a commitment to improving its infrastructure to keep up with the ensuing demand the greater Denver MSA area has generated by investing approximately $53.0 million since 2021 in capital projects that include transportation improvements and water, wastewater, and sewer expansion projects.

The sponsor's business plan is to lease-up the collateral while keeping the rate of concessions offered to tenants low and maintaining the property's marketability and curb appeal. According to the appraiser, the property is not currently offering any concessions across its unit types. DBRS Morningstar has concluded a stabilized GPR in line with the property's current in-place rents per unit type because no additional capex is being injected into the property. The property benefits considerably from its location adjacent to the Johnstown Plaza Shopping Center, a premier shopping destination for the area that includes many restaurants in addition to retailers, as well as its proximity to Highway 34, providing access to both the Denver CBD and the Denver International Airport.

The loan exhibits relatively modest leverage at issuance for a CRE CLO loan as evidenced by a DBRS Morningstar As-Is LTV of 72.1% derived from the $73.1 million purchase price. As the stabilization of the property is anticipated to be relatively rapid and the business plan is not complex, DBRS Morningstar believes the large increase in the appraiser-stabilized value to $90.8 million is elevated. DBRS Morningstar adjusted the stabilized implied cap rate to 5.19% from 4.62%, which better reflects the nature of the current market and the surrounding area. Even with this adjustment, the DBRS Morningstar Stabilized LTV is quite low at 65.2%. The property is in DBRS Morningstar Market Rank 3, which represents a more lightly developed suburban market that exhibits a higher expected loss profile when compared with properties in urban or densely urban areas — in this instance those located closer to the downtown Denver CBD. The subject's location indeed features limited barriers to entry, with ample vacant land available for development. Despite the less favorable DBRS Morningstar Market Rank and likelihood of new supply entering the market, the loan's low leverage results in an expected loss modestly below the pool average.

Foundry Duluth

Loan Snapshot

Seller	ACREC
Ownership Interest	Fee
Trust Balance ($ million)	42.0
Loan PSF/Unit ($)	196,875
Percentage of the Pool	7.9
Fully Extended Loan Maturity/ARD	January 2027
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.77
DBRS Morningstar Stabilized DSCR (x)	0.86
DBRS Morningstar As-Is Issuance LTV (%)	82.0
DBRS Morningstar Stabilized Balloon LTV (%)	71.9
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	42.0
Pari Passu	6.0
Remaining Future Funding	2.4
Mortgage Loan Including Future Funding	50.4
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	16.0

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1985/2016-2021
City, State	Duluth, GA	**Physical Occupancy (%)**	92.7
Units/sf	256	**Physical Occupancy Date**	October 2022

The loan is secured by the borrower's fee-simple interest in Foundry Duluth, a 256-unit garden-style multifamily property in Duluth, Georgia. The loan proceeds of $50.4 million, along with $16.0 million in borrower equity, financed the $61.5 million acquisition of the property in addition to funding future capex of $3.1 million, $1.5 million in closing costs, and $365,271 in upfront reserves. The loan is IO throughout with a three-year initial term and two one-year extension options.

Located approximately 26 miles northeast of the Atlanta CBD, the collateral is a garden-style multifamily property consisting of 256 units across 34 two-story residential buildings and two amenity buildings residing on 23 acres of land. Between 2016 and 2021, prior ownership groups spent approximately $4.9 million in capital improvements for the property, including interior renovations for 70% of the units and upgrades for common areas and building exteriors. Propertywide amenities include a barbecue area, dog park, fitness center, laundry facility, playground, pool, and soccer field. Unit features include eight-foot ceilings, private patios, in-unit washer/dryer connections, and modern appliances. Renovated units also feature quartz countertops and upgraded vinyl plank and plush carpet flooring. The borrower plans to use the future funding to complete additional capital improvements including renovations for 67 units at the property and further exterior and common area repairs and upgrades to be completed over the loan term.

The unit mix consists of 256 one-, two-, and three-bedroom units averaging 1,156 sf. As of the October 31, 2022, rent roll, the property was 92.7% occupied with an average rent of $1,584 per unit. Please refer to the table below for more information on the unit mix.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
One Bedroom	40	806	1,345
Two Bedrooms	152	1,119	1,449
Three Bedrooms	64	1,463	1,825
Total/WA	**256**	**1,156**	**1,584**

1 Based on the October 31, 2022, rent roll.

The appraisal identified eight comparable properties within a 5.5-mile radius that compete with the subject. Relative to the competitive set, the subject's average unit size is larger by approximately 100 sf. Occupancy across the competitive set is strong with a WA occupancy of 95.9%, generally in line with the subject's occupancy rate of 94.8%. The property's average rent of $1,584 per unit is in line with the WA rent of $1,613 per unit for the competitive set.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Unit Size (sf)	Avg. Rental Rate ($)	Occupancy (%)
Crest at Berkley Lake	0.8	382	1980	987	1,809	97.0
Atlantic Howell Station	1.0	228	1985	1,100	1,640	96.0
Arbors at Breckenridge	5.3	514	1987	1,014	1,620	96.0
Montrose Berkeley Lake	1.3	492	1987	977	1,558	97.0
Autumn Vista	5.5	280	1996	1,069	1,657	99.0
The Columns At Club Drive	5.1	234	1996	1,134	1,706	96.0
Amberlake Village	5.6	264	1984	1,200	1,315	100.0
Grande Club	5.2	264	1998	1,005	1,564	85.0
Total/WA Comp. Set	**3.6**	**2,658**	**1988**	**1,045**	**1,613**	**95.9**
Foundry Duluth	**n/a**	**256**	**1985/2016-2021**	**1,156**	**1,584**	**92.7**

Source: Appraisal, except the subject figures are based on the rent roll dated month October 31, 2022.

Sponsorship

The sponsorship for this transaction is Faros Properties, a privately owned real estate investment firm based in New York. The company's current portfolio includes five multifamily assets totaling 2,086 units and 12 office and mixed-use assets with a combined portfolio value of $575 million. The guarantors of this transaction reported a collective net worth and liquidity of $118.1 million and $8.6 million, respectively.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on May 24, 2022, at 10:00 a.m. Based on the management-led site inspection, DBRS Morningstar found the property quality to be Average.

The subject is on the east side of Peachtree Industrial Boulevard, a north-south road with direct access to main thoroughfares. Five miles southeast of the subject is I-85, which provides direct access to the Atlanta COBD. Similar multifamily development surrounds the property, as well as other commercial property types including retail and industrial. Although there are several competitive properties in the surrounding area, the property manager noted the subject has not experienced lease-up issues, as exhibited by the historical occupancy rate that has hovered around 96.5% for the past several years.

The property was constructed in 1985, and the previous ownership groups renovated 189 of the property's 256 units, focusing on upgrading the kitchen appliances, bathrooms, and bedrooms, with the most recent unit renovations occurring in 2019. Building exteriors have also been addressed in the recently completed renovations, with DBRS Morningstar noting the property had above average curb appeal with amenities in average condition that will benefit from planned capital improvements over the loan term. The leasing office and clubhouse building are on the north side of the property, with a modern and clean aesthetic in these common areas. Behind the leasing office is the property's central swimming pool, which includes outdoor seating and a barbecue grilling area. The fitness center is a newly renovated facility that features numerous treadmills, elliptical machines, and free weights. Adjacent to the fitness center is a hard-court soccer field that was previously used as a tennis court.

DBRS Morningstar inspected three units at varying levels of renovations. The first was a model two-bedroom unit that featured modern hardware on the white cabinets, white quartz countertops, white subway tile backsplash, stainless-steel appliances, and vinyl plank flooring throughout the unit. The second was a two-bedroom unit in the process of a gut renovation, and the third was a vacant renovated three-bedroom unit that featured updated appliances, cabinetry, and flooring. The renovations, both in progress and recently completed, showed well and suggest the sponsor should be able to achieve similar rent premiums to those historically obtained for upgraded units.

DBRS Morningstar NCF Summary

NCF Analysis	October 2021 T-12	October 2022 T-6	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,014,812	4,770,883	5,428,290	5,448,167	4,979,579	-8.6
Other Income ($)	504,537	370,704	568,218	568,218	520,000	-8.5
Vacancy & Concessions ($)	-215,381	-345,413	-309,463	-321,962	-302,909	-5.9
EGI ($)	**4,303,968**	**4,796,173**	**5,687,045**	**5,694,423**	**5,196,670**	**-8.7**
Expenses ($)	2,117,418	2,123,352	2,609,746	2,500,981	2,545,008	1.8
NOI ($)	**2,186,549**	**2,672,821**	**3,077,299**	**3,193,442**	**2,651,662**	**-17.0**
Capex ($)	64,000	64,000	64,000	64,000	64,000	0.0
NCF ($)	**2,122,549**	**2,608,821**	**3,013,299**	**3,129,442**	**2,587,662**	**-17.3**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,587,662, a -17.3% variance from the Issuer's stabilized NCF of $3,129,442. The primary driver of the variance was GPR. While the Issuer based GPR on the appraiser's inflated market rents for the property as a whole, DBRS Morningstar only accepted a monthly rental rate premium of $225 for the units to be renovated as part of the borrower's business plan (based on premiums achieved for previously renovated units) and assumed the in-place rents as of October 2022 for the remaining units were at market.

DBRS Morningstar Viewpoint

The collateral is well located within the Atlanta suburb of Duluth, near major transportation arteries and local retail and entertainment hubs. The property has also been extensively renovated over the past few years and is well occupied as of October 2022. The collateral's location is within an area with a DBRS Morningstar Market Rank of 3 and MSA Group of 1, both of which are generally indicative of secondary locations that have historically seen higher-than-average default rates.

The subject's submarket reports stable growth rates and healthy demand overall, with no significant new inventory likely. According to Reis, the Atlanta market comprises 19 geographical submarkets totaling 437,266 units. The subject is within the North Gwinnett submarket, which accounts for 6.4% of the metropolitan inventory. In the 10-year period beginning with Q2 2012, completions within the submarket totaled 4,825 units, amounting to an annualized inventory growth rate of 1.9%, on par with the overall metro rate. Reis projects relatively minor additions to the submarket between 2022 and 2024, with those units likely to be absorbed. Also, Reis projects vacancy rates to remain generally flat, at 4.5%, through the end of 2024, slightly below the metro rate of 4.8% forecast for the same period. Reis expects asking and effective rents in the submarket to increase by 3.9% and 3.7% for 2022, respectively, with slightly lower annual growth rates of 3.2% and 3.4%, respectively, forecast for 2024.

The borrower's business plan is relatively simple, and DBRS Morningstar does not expect there will be significant roadblocks to completing the planned renovation work within the loan term. Unit upgrades account for $1.3 million of the $3.0 million capex budget, with work to be completed as the units turn at a forecast rate of 10 units per month. Other projects include appliance and HVAC replacements, security system upgrades, and roof and fence repairs. The property benefits from significant investment in the past five to six years and is in good condition overall. Given the healthy submarket demand and the demonstrated benefit in achieving rental rate premiums with unit upgrades under previous ownership groups, the property should remain well occupied through the loan term. Although the issuance LTV is slightly elevated, at 82.0%, based on the fully funded loan balance of $50.4 million and the appraiser's stabilized value, the loan reflects a healthy stabilized LTV of 71.9%. Overall, the loan's slightly elevated issuance LTV and DBRS Morningstar Market Rank of 3 and MSA Group of 1 ultimately contributed to an expected loss that is above the deal average.

Brandon Portfolio

Loan Snapshot

Seller
ACREC
Ownership Interest
Fee
Trust Balance ($ million)
41.8
Loan PSF/Unit ($)
166,667
Percentage of the Pool
7.8
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.07
DBRS Morningstar Stabilized DSCR (x)
1.24
DBRS Morningstar As-Is Issuance LTV (%)
88.3
DBRS Morningstar Stabilized Balloon LTV (%)
72.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average-

Debt Stack ($ millions)

Trust Balance
41.8
Pari Passu
1.2
Remaining Future Funding
4.5
Mortgage Loan Including Future Funding
47.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
15.7

Source: Appraisal

Source: Appraisal

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	Various
City, State	Brandon, FL	**Physical Occupancy (%)**	93.7
Units/sf	285	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in the Brandon Portfolio, two adjacent garden-style multifamily properties approximately 12 miles east of Tampa. Initial loan proceeds of $40.3 million, combined with $15.7 million in borrower equity, financed the $53.3 million purchase, funded reserves, and covered closing costs. The loan is structured with up to $7.3 million ($25.439 per unit) in future funding from the lender to facilitate the borrower's renovation plan. The floating-rate loan is cross-collateralized and cross-defaulted and has a five-year fully extended term that is IO until maturity.

The collateral previously operated as two distinct properties: Brandon Oaks and The Palms at Palisades. After the acquisitions were completed, the sponsor combined the operations of both properties into a single asset, given their proximity. In total, the collateral comprises 26 two-story garden-style apartments buildings on 16.95 acres. The properties were constructed in 1974 and 1981 and feature mostly two-bedroom floorplans along with one- and three-bedroom floorplans. Common area amenities across the two properties provide residents with business centers, clubhouses, laundry facilities, playgrounds, two swimming pools, a fitness center, a pet park, and a tennis court.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)
One Bedroom	74	669	1,248
Two Bedroom	170	953	1,527
Three Bedroom	41	1,235	1,810
Total/WA	**285**	**920**	**1,495**

Based on the October 31, 2022 rent roll.

The seller of The Palms is Asia Capital Real Estate (ACRE) who is also the originator of the loan. ACRE purchased The Palms in March 2016 for $7.8 million, or $62,400 per unit, and, following a recapitalization in late 2018 at a valuation of $11.7 million, invested $950,000 in capex. As part of this transaction, the sponsor purchased The Palms for $184,800 per unit. A few of the many improvements made were roof replacements, pool resurfacing, clubhouse renovations, and a new playground. Also, 75 units were renovated at a cost of $6,500 per unit, which garnered a WA premium of $100 per unit. Interior unit improvements included stainless steel appliances, granite countertops, new cabinet faces, brushed nickel hardware and fixtures, and new paint and flooring.

The sponsor's business plan calls for a full renovation to all units across both properties, including the already renovated units at The Palms. In addition to the improvements made by the seller at The Palms, the renovation scope at both properties will include new backsplashes, baseboard replacements, and improved lighting fixtures. The sponsor also plans to add washer/dryer connections to the one-bedroom units at the Palms. In total, the sponsor plans to invest $4.1 million, or $14.4K per unit, in interior unit capex.

The exterior capital plans include an investment of $3.0 million and cover a variety of improvements to both properties. Highlights of the exterior renovations include two clubhouse renovations, exterior paint at Brandon Oaks, the addition of a gravel golf cart road path to connect the two properties, and the addition of AlumiConn connectors at Brandon Oaks to mitigate the risks from the aluminum wiring found throughout the property.

Environmental issues were identified at both sites. The Palms is adjacent to the site of a former dry-cleaning facility that operated until at least 1999 and potentially until 2011. Given the property's close proximity, the adjacent site is considered a recognized environmental condition and vapor encroachment condition. A Phase II Environmental Site Assessment was completed and revealed soil vapor levels below regulatory health risk-based screening levels and no further action was recommended. There is also contaminated groundwater to the north of Brandon Oaks; however, the property is on a municipal water supply so no additional action was recommended.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/Renovated	Avg. Unit Size (sf)	Avg. Rental Rate ($)	Occupancy
Lakeside Apartments	1.2	228	1985	730	1,261	99.0
Lakewood Place	1.7	346	1988	837	1,490	97.6
Park at Vincenzo Apartments	1.1	184	1973	969	1,275	95.1
Westwood at 60 Apartments	1.4	88	1985	1,133	1,358	98.0
Total/WA Comp. Set	**1.4**	**846**	**1984**	**868**	**1,368**	**97.5**
Brandon Portfolio	**n/a**	**285**	**Various**	**920**	**1,495**	**93.7**

Source: Appraisal, except the Subject figures are based on the rent roll dated month October 31, 2022.

Sponsorship

The sponsor for this transaction is ZMR Capital, an opportunistic real estate investment firm focused on the acquisition and redevelopment of multifamily assets. The Orlando-based company was founded in 2013 by Zamir Kazi, the chief executive officer responsible for the day-to-day operations of ZMR. To date, he has led the acquisition of 36 assets. ZMR currently operates more than 3,500 units valued at more than $555 million. Kazi is the guarantor on the loan.

Property management will be provided by Franklin Street, a sponsor-affiliated management company based in Tampa.

DBRS Morningstar Analysis

Site Inspection Summary


Source: Appraisal


Source: Appraisal

DBRS Morningstar did not conduct a site inspection of the property. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average -.

DBRS Morningstar NCF Summary

NCF Analysis

	October 2021 T-12	October 2022 T-6	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	3,834,410	4,859,526	4,922,981	6,403,684	6,014,621	-6.1
Other Income ($)	380,162	402,109	353,000	543,137	350,697	-35.4
Vacancy & Concessions ($)	-427,550	-683,748	-247,386	-320,184	-601,462	87.8
EGI ($)	**3,787,022**	**4,577,887**	**5,028,595**	**6,626,637**	**5,763,856**	**-13.0**
Expenses ($)	1,743,619	2,347,693	2,163,212	2,290,793	2,650,451	15.7
NOI ($)	**2,043,403**	**2,230,193**	**2,865,383**	**4,335,844**	**3,113,405**	**-28.2**
Capex ($)	71,250	71,250	71,250	71,250	71,250	0.0
NCF ($)	**1,972,153**	**2,158,943**	**2,794,133**	**4,264,594**	**3,042,155**	**-28.7**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The primary drivers of the variance were GPR, payroll expense, concessions, and other income. DBRS Morningstar concluded a GPR based on the appraiser's post-renovation, uninflated market rents, targeting rents in line with a competitive property nearby. Concessions were assumed at 3.0% based on the subject's operating history and Reis submarket data concluded at 4.5%. Other income was based on the figure for the T-6 ended October 31, 2021. Payroll was based on the T-6 figure inflated by 10.0% to account for inflation during the stabilization period.

DBRS Morningstar Viewpoint

The portfolio is in a lower-middle income neighborhood less than a mile from Hwy. 60, which provides access to I-75. Elementary, middle, and high schools are all less than 1.5 miles from the collateral and are generally lower ranked; however, the proximity to the school buildings is a positive. The immediate area is predominantly developed as residential, but there are a few retail developments along the primary thoroughfare. Major retail is located along Hwy. 60, including Publix, Walgreens, CVS, Office Depot, and Burlington. The property is in DBRS Morningstar Market Rank 3, which is generally indicative of secondary or tertiary locations that have historically seen higher than average default rates.

The portfolio is in the Brandon/Plant City submarket, as defined by Reis. As of Q1 2022, the submarket reported a very favorable vacancy rate of 2.6% and average asking rent of $1,585 per unit. Competitive properties reported an average vacancy rate below 2.0% and average asking rent between $1,382 per unit and $1,477 per unit as Reis reported a slightly different competitive set for each of the subject properties. As of the October 2022 rent roll, the collateral reported a WA in-place rent of only $1,495 per unit. The sponsor's planned capital investment of $7.2 million, or $25.4K per unit, should allow the properties to capitalize on their competitive sets' higher rents. Management may also be able to achieve a meaningful mark to market on new leases, given the spread of more than $100 per unit when comparing the WA in-place rent of the collateral with that of their competitive sets. The portfolio will likely benefit from projected population increases as the appraiser expects growth in excess of 20.0% within one-, three- and five-mile radii of the properties.

The loan represents a high 88.3% issuance LTV, which is a degree of leverage historically associated with the highest default rates. The LTV is forecast to fall to a still moderately high 72.4% at maturity, given the projected appreciation of the asset after the injection of $7.2 million in capex. The high leverage and low DBRS Morningstar Market Rank of 3 have the loan's expected loss above the pool average. The DBRS Morningstar As-Is DSCR is low at 1.07x; however, the sponsor's capital investment in both interior and exterior improvements should lead to asking rents that will dramatically reduce the spread between collateral's WA in-place rents and those of the surrounding properties. The appraiser did note that the arrival of approximately 2,200 new units (7.8% of current supply) is projected in the near term; however, these properties are likely to be superior Class A properties that command substantially higher rents and are not expected to compete with the collateral. The projected population increases should also counter potential absorption issues and the current vacancy rates demonstrate the need for new inventory.

7403

Loan Snapshot

Seller	ACREC
Ownership Interest	Fee
Trust Balance ($ million)	36.3
Loan PSF/Unit ($)	259,286
Percentage of the Pool	6.8
Fully Extended Loan Maturity/ARD	November 2027
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.90
DBRS Morningstar Stabilized DSCR (x)	0.90
DBRS Morningstar As-Is Issuance LTV (%)	66.2
DBRS Morningstar Stabilized Balloon LTV (%)	66.2
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	36.3
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	36.3
Loan **Purpose**	Refinance
Equity Contribution/(Distribution) ($ million)	14.0

Source: Appraisal

Source: Appraisal

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019
City, State	Los Angeles, CA	**Physical Occupancy (%)**	97.1
Units/SF	140	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in 7403, a 140-unit mid-rise apartment building in Los Angeles. Grand China Fund (GCF) developed the property in 2019 through a joint venture with Steel Wave and BCGI, spending $61.4 million ($438,571 per unit) to complete the project. The total financing—fully funded loan proceeds of $36.3 million along with a borrower equity contribution of $14.0 million—was used to refinance $46.7 million of existing debt, pay an ACREC origination fee, fund an interest reserve of $300,000, and cover closing costs. In addition to this new equity, GCF will buy out the other equity partners and replace them in the capital stack. The three-year, floating-rate loan is structured with two one-year extension options that are exercisable to, among other criteria, the collateral's satisfaction of the specific debt yield, LTV, and DSCR hurdles outlined in the initial loan agreement. The loan is IO throughout the fully extended loan term.

Built in 2019, the collateral comprises 47 studio units, 77 one-bedroom units, and 16 two-bedroom units that feature laminate wood flooring, quartz countertops in kitchens and bathrooms, contemporary flat-panel cabinetry with under-cabinet lighting and ample pantry storage, private balconies, stainless steel appliances, and nine-foot ceilings. 7403 is 97.1% occupied per the October 2022 rent roll. The collateral sits east of the beach communities of Los Angeles and just north of Los Angeles International Airport. The coastal neighborhoods, including nearby Venice, which was historically known as a quirky beach community, have been reshaped by the technology industry's presence. The location allows 7403 to offer renters suitable value apartments with proximity to both "Silicon Beach" tech companies and Playa Del Rey beach. In addition, the collateral provides full-service community amenities, including a swimming pool and jacuzzi spa with lounge area, fitness center, on-site dog run, social courtyard, The Hangout with TVs and kitchen for private parties and community events, and resident services including dry cleaning pick-up and drop off, car detailing, and special events.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
Studio	47	479	1,984
One Bedroom	77	670	2,404
Two Bedroom	16	952	3,210
Total/WA	**140**	**638**	**2,355**

1. Based on the October 2022 Rent Roll

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Altitude Apartments	1.6	545	2016	98.0	3,650	933
Eastway	1.3	136	2019	93.4	3,559	826
Kinley West LA	1.3	180	2021	92.2	3,887	845
Sora	2.2	117	2021	28.2	3,034	846
The Ventana Luxury Rentals	3.7	405	2008	92.8	4,010	995
Bell South Bay	3.8	264	2017	97.3	3,506	815
Total/WA Comp. Set	**Various**	**1,647**	**Various**	**90.6**	**3,690**	**905**
7403	**n/a**	**140**	**2019**	**97.1**	**2,355**	**638**

Source: Appraisal, except the Subject figures are based on the rent roll dated October 31, 2022.

Sponsorship

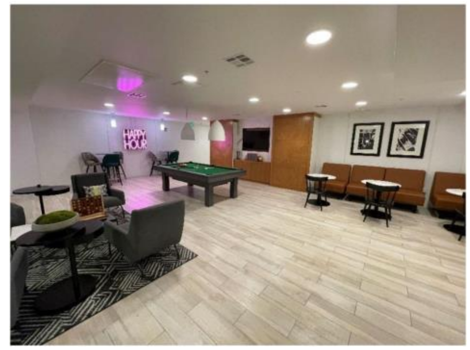
The sponsor for this loan is Grand China Overseas Investment Management Co., Ltd. (GC Overseas). GC Overseas was initiated and established by GCF in 2012 and was one of the earliest companies in China to invest in U.S. real estate in the form of private equity funds. GC Overseas has invested in 23 projects, with a total exit of 17 projects. It has invested more than $400 million in equity over the years for an aggregate $1.5 billion market value, developed 2,732 multifamily units, and acquired 3,052 units. Today, GC Overseas is invested in approximately $390 million of assets across six assets with 920 multifamily units in four core markets: Los Angeles, Dallas, Houston, and New York.

Property management services will be provided by Greystar, a third-party management company that accepts a contract rate of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary


Source: Appraisal



Source: Appraisal

DBRS Morningstar did not conduct interior or exterior tours of the property. Based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average+.

DBRS Morningstar NCF Summary

NCF Analysis

	October 2022 T-12	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	3,528,120	4,601,407	4,054,843	-11.9
Other Income ($)	154,011	131,558	154,011	17.1
Vacancy & Concessions ($)	-370,225	-414,127	-396,925	-4.2
EGI ($)	**3,311,907**	**4,318,837**	**3,811,929**	**-11.7**
Expenses ($)	1,506,894	1,634,688	1,565,452	-4.2
NOI ($)	**1,805,013**	**2,684,149**	**2,246,477**	**-16.3**
Capex ($)	21,000	21,000	35,000	66.7
NCF ($)	**1,784,013**	**2,663,149**	**2,211,477**	**-17.0**

The DBRS Morningstar Stabilized NCF is based on the DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria. Since the property is already stabilized, the resulting DBRS Morningstar As-Is and Stabilized NCFs were $2,211,477, representing a variance of -17.0% from the Issuer's stabilized NCF of $2,663,149. The primary drivers of the variance were the DBRS Morningstar GPR and operating expense assumptions. DBRS Morningstar assumed GPR based on leases in place with vacant units grossed-up to market. DBRS Morningstar assumed operating expenses to be generally based on the figure for the T-12 ended October 31, 2022, inflated by 3.0%.

DBRS Morningstar Viewpoint

The collateral benefits from being in a densely developed infill area within the Reis-designated Marina Del Rey/Venice/Westchester submarket. The coastal neighborhoods have been reshaped by the technology industry and the property sits on the edge of an area dubbed "Silicon Beach," with easy access to more than 450,000 jobs in the market. In addition, the neighborhood surrounding 7403 primarily consists of expensive single-family homes, making the property a good value option for renters, and an especially good value compared with locations closer to the beach in more established areas. DBRS Morningstar's GPR conclusion of $2,414 per unit is 35% lower than the Reis submarket asking average rent of $3,742.

The property is in DBRS Morningstar Market Rank 5 and MSA Group 3, two positive indicators of a lower expected loss profile when compared with properties in less densely developed areas of non-gateway MSAs. The relatively low debt yield of 6.1% is mitigated by the overall quality of the collateral and the market dynamic of West Los Angeles. New development in the market is highly challenging and is reflected by the Reis-projected submarket new construction of merely 205 units in the next five years, which represents less than 1% of the current inventory. In addition, the forecast five-year submarket vacancy rate of 3.7% and the aforementioned well-below submarket rental rates should benefit the collateral in the long run.

It is worth noting that, while the sponsor for this loan GC Overseas has operated successfully in the U.S. for 10 years, as political relations between the U.S. and China have worsened and Chinese regulators have made it harder to move money abroad, many Chinese firms are fleeing the U.S. commercial real estate market. Even though the sponsor is putting in $10.6 million in new cash to deleverage the asset from the prior financing, DBRS Morningstar accounts for the risk of a foreign sponsorship entity by adjusting the sponsorship strength to Weak.

While the loan exhibits a moderate Issuer As-Is LTV of 66.2% that improves through stabilization to an Issuer Stabilized LTV of 61.7%, DBRS Morningstar assumes the property to be stabilized and does not model any increase in valuation. The DBRS Morningstar Stabilized DSCR of 0.90x is of concern, considering the business plan relies solely on substantial market drift in market rents. The property would need to achieve a nearly 8.0% increase over in-place rents to cover a DSCR of 1.00x, based on the DBRS Morningstar NCF and stressed rates. While this level of market drift is substantial, Reis projects a more than 24.0% increase in rents over the loan term, indicating that the 8.0% growth of in-place rents is achievable. Because of the modest leverage, very good location, and strong market fundamentals, the loan exhibits an expected loss far less than the deal average despite its low debt yield, low DSCR, and sponsorship issue.

Galleria Courtyards

Loan Snapshot

Seller
ACREC
Ownership Interest
Fee
Trust Balance ($ million)
35.2
Loan PSF/Unit ($)
175,000
Percentage of the Pool
6.6
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Partial IO
DBRS Morningstar As-Is DSCR (x)
0.60
DBRS Morningstar Stabilized DSCR (x)
0.89
DBRS Morningstar As-Is Issuance LTV (%)
95.7
DBRS Morningstar Stabilized Balloon LTV (%)
69.3
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
35.2
Pari Passu
0.0
Remaining Future Funding
6.8
Mortgage Loan Including Future Funding
42.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
13.7

Source: PCA

Source: PCA

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1960-1966/1990
City, State	Smyrna, GA	**Physical Occupancy (%)**	83.8
Units/SF	240	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in Galleria Courtyards, a Class C 240-unit garden-style multifamily property in Smyrna, Georgia, approximately 14 miles north west of downtown Atlanta. The sponsor is acquiring the property for a purchase price of $45.9 million. Initial loan proceeds of $33.7 million, along with $13.7 million of borrower equity will cover the purchase price and closing costs. The loan is structured with $8.4 million of future funding, which will fully finance the sponsor's renovation plan. The three-year, floating-rate loan is structured with two- one-year extension options that are exercisable to, among other criteria, the collateral's satisfaction of certain debt yield, LTV, and DSCR hurdles set forth in the initial loan agreement. The loan is IO throughout the initial loan term and amortizes during the extension options.

Galleria Courtyards was built in phases between 1966 and 1969 and is currently being renovated. The 26-building Class C multifamily complex was 83.8% occupied per the October 2022 rent roll. Upon acquisition, sponsorship plans to enhance the interiors, exteriors, and amenities at the property. Renovated unit interiors will include new stainless-steel appliances, tile backsplash, granite/quartz countertops, cabinets doors, and drawers. The renovation will also cover updating flooring, faucets, and fixtures. Exterior upgrades include renovating the clubhouse, paint, landscaping, new roofs, and signage. Overall property amenities are limited to courtyard areas, on-site laundry, and a swimming pool.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
One Bedroom	64	811	1,126
Two Bedrooms	112	1,048	1,278
Three Bedrooms	64	1,223	1,551
Total/WA	**240**	**1,031**	**1,320**

1 Based on the October 31, 2022 Rent Roll.

The appraiser identified six competitive properties within two miles of the subject. The subject is the oldest of the competitive set and is achieving average monthly in-place rents of $1,320 per unit, well below the competitive set average of $1,513 per unit.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Walton Grove	Smyrna, GA	0.3 miles	180	1970	98.0	1,848	1,277
Kenwood Creek	Smyrna, GA	0.9 miles	300	1977	99.0	1,338	963
The Edison at the Battery	Smyrna, GA	0.7 miles	416	1972	97.0	1,764	1,026
The Park on Windy Hill Apartments	Marietta, GA	1.4 miles	654	1974	90.0	1,427	918
Wyndcliff Galleria	Smyrna, GA	0.5 miles	380	1976	89.0	1,364	1,074
The Arlowe	Smyrna, GA	1 mile	148	1975	100.0	1,519	842
Total/WA Comp. Set	**Various**	**Various**	**2,078**	**Various**	**93.9**	**1,513**	**1,000**
Galleria Courtyards	**Smyrna, GA**	**n/a**	**240**	**1960-1966/ 1990**	**83.8**	**1,320**	**1,031**

Source: Appraisal, except the Subject figures are based on the rent roll dated October 31, 2022.

Sponsorship

The sponsor for this transaction is a joint venture between Pennybacker Capital (Pennybacker) and Castlegate Property Group (Pennybacker). Pennybacker founded in 2006, has sponsored four discretionary real estate private equity funds within its value strategy, as well as joint ventures and syndicated investments within its credit, income, and growth strategies. Pennybacker has a 10 plus year track record of investing in and/or operating over 140 commercial and multifamily real estate properties located throughout the United States. Castlegate is a partnership between George H. Connell III and Frederic G. Dawson III with a mission to provide high quality and affordable multi-family housing with a specific focus on middle market housing. The principals have developed, renovated, constructed, and/or managed over 4,500 multi-family units through acquisition, investment, and construction. The guarantors have net worth and liquidity to loan amount ratios that DBRS Morningstar deems low, and applied a slight POD penalty to mitigate the risk.

Castlegate will provide property management services for a contractual rate of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal

Source: Appraisal

DBRS Morningstar did not conduct a site inspection of the property. Based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average.

DBRS Morningstar NCF Summary

NCF Analysis						
	August 2022 T-12	October 2022 T-6	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	3,125,127	3,789,019	4,827,519	4,972,345	4,646,400	-6.6
Other Income ($)	341,484	373,770	370,395	436,942	438,348	0.3
Vacancy & Concessions ($)	-223,049	-546,268	-289,651	-248,617	-281,648	13.3
EGI ($)	**3,243,562**	**3,616,522**	**4,908,263**	**5,160,669**	**4,803,100**	**-6.9**
Expenses ($)	1,515,869	1,777,054	2,132,167	2,089,063	2,227,667	6.6
NOI ($)	**1,727,693**	**1,839,468**	**2,776,096**	**3,071,607**	**2,575,433**	**-16.2**
Capex ($)	60,000	60,000	60,000	60,000	60,000	0.0
NCF ($)	**1,667,693**	**1,779,468**	**2,716,096**	**3,011,607**	**2,515,433**	**-16.5**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,515,433, representing a variance of -16.5% from the Issuer's Stabilized NCF of $3,011,607. The primary drivers for the variance were the DBRS Morningstar GPR and operating expense assumptions. DBRS Morningstar assumed GPR to be all units grossed-up to the average lease rates being achieved by the already sponsor-renovated units given that the ongoing renovation for the remaining units is identical. DBRS Morningstar assumed operating expenses to be generally based on the historical T-6 ended October 2022 figure inflated by 12%.

DBRS Morningstar Viewpoint

The collateral is in a primarily suburban area within the Reis-designated Smyrna submarket within the Atlanta MSA. The property is 1.5 miles from The Battery Atlanta, a 1.5-million sf mixed-use destination with 17 restaurants and numerous retailers, and has direct access via Spring Road. Truist Park, which hosts around 80 Atlanta Braves home games each season, and Coca-Cola Roxy, a 4,000 seat music venue, are also located in The Battery. The property is less than two miles from I-75 and I-285, which gives it access to the Cumberland/Galleria office submarket. There is a large concentration of office and retail space in the Cumberland/Galleria office submarket, which provide local employment.

The property is within DBRS Morningstar Market Rank 3, which represents a suburban market that exhibits a higher expected loss profile when compared against properties in urban or densely urban areas. Despite no new construction expected to be introduced to the submarket by year-end, Reis projects that during 2023 and 2024 a total of 340 of market-rate rental apartments (amounting to 5.5% of the new construction introduced to the Atlanta MSA) will enter the submarket. In response, the submarket vacancy rate is projected to rise to 3.8% by the end of 2024 from current submarket vacancy of 3.1%. Furthermore, on an annualized basis through 2023 and 2024, asking and effective rents are projected to conclude at $1,784 per unit and $1,713 per unit, respectively.

The subject's $1,320 monthly average in-place rent per unit is well below the appraiser's competitive set average of $1,513 and the Reis submarket average rent of $1,562 as of Q3 2022. The property should benefit from the sponsor's $8.4 million ($34,792 per unit) renovation plan, which includes substantial improvements to unit interiors. DBRS Morningstar's stabilized monthly rent of $1,613 per unit represents a $303 increase over the in-place rental rates. This stabilized rent is in line with the Reis submarket average rent and the appraiser's competitive set, suggesting that the premium is achievable given the scale of the renovation plan.

The loan exhibits high leverage at issuance as it has a fully-funded DBRS Morningstar As-Is LTV of 95.7% based on the appraiser's as-is valuation of $46.2 million. Based on the DBRS Morningstar NCF analysis and stressed debt service, the loan demonstrates a low stabilized DSCR of 0.89x. The loan is located within a DBRS Morningstar Market Rank of 3 and a DBRS Morningstar MSA Group 1. Loans secured by properties in such areas have demonstrated historically elevated default rates compared with loans secured by assets in more densely populated and more financially liquid markets.

Given all of the loan metrics, the loan exhibits an expected loss greater than the deal average.

Veridian Place

Loan Snapshot

Seller
ACREC
Ownership Interest
Fee
Trust Balance ($ million)
34.7
Loan PSF/Unit ($)
161,338
Percentage of the Pool
6.5
Fully Extended Loan Maturity/ARD
April 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.91
DBRS Morningstar Stabilized DSCR (x)
1.01
DBRS Morningstar As-Is Issuance LTV (%)
81.2
DBRS Morningstar Stabilized Balloon LTV (%)
66.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
34.7
Pari Passu
0.2
Remaining Future Funding
1.9
Mortgage Loan Including Future Funding
36.8
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
14.1

Source: PCR

Source: PCR

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1984 / 2022
City, State	Dallas, TX	**Physical Occupancy (%)**	92.1
Units/SF	228	**Physical Occupancy Date**	October 2022

This loan is secured by the borrower's fee-simple interest in Veridian Place, a Class B 228-unit garden-style multifamily complex in Dallas, 18.4 miles north of the Dallas CBD. The sponsor purchased the property for $44.0 million from Orion Veridian Property LLC in March 2022. Initial loan proceeds of approximately $33.2 million along with $14.1 million in borrower cash equity were used to acquire the property and cover closing costs. The loan has a $3.6 million future funding component to cover the borrower's capital improvement plan. The three-year floating-rate loan is structured with two 12-month extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain debt yield and LTV hurdles set forth in the initial loan agreement. The loan is fully IO throughout the fully extended loan term.

Veridian Place was built in 1984 and was 92.1% occupied as of the October 2022 rent roll. The subject consists of 16 one- and two-story structures that house 228 one- and two-bedroom units. Property amenities includes a business center, fitness room, swimming pool, gated entrance, laundry facility, and dog park. Unit amenities include stainless-steel appliances, walk-in closets, and balconies/patios.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
One Bedroom	140	665	1,038
Two Bedrooms	88	994	1,393
Total/WA	**228**	**792**	**1,175**

1 Based on the October 31, 2022 Rent Roll.

The appraiser identified five properties that directly compete with the subject collateral. All five properties are within a 0.8-mile radius of the subject, and report average occupancy rates ranging from 93.3% to 98.8% with rental rates ranging from $1,318 to $1,717 per unit. The subject's in-place occupancy of 92.1% is slightly below the competitive set average occupancy of 96.4%. Additionally, the subject's in-place rental rate of $1,175 per unit is well below the low end of the range of $1,318. Lastly, the subject property's units are slightly smaller than the competitive set, which has a WA unit size of 858 sf compared with the subject's average of 792 sf.

Competitive Set

Property	Distance from Subject	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size
Landmark at Gleneagles I & II	0.1	590	1986 / 2017	98.8	1,399	884
Oaks of North Dallas	0.2	456	1984 / 2020	96.9	1,637	818
Stone Ridge	0.2	228	1996 / 2010	95.0	1,318	782
Brixton	0.5	224	1997 / 2021	93.3	1,717	965
Allure North Dallas	0.8	364	1997 / 2019	94.7	1,418	850
Total/WA Comp. Set	**Various**	**1,862**	**Various**	**96.4**	**1,489**	**858**
Veridian Place	**n/a**	**228**	**1984 / 2022**	**92.1**	**1,175**	**792**

Source: Appraisal, except the Subject figures are based on the rent roll dated month October 31, 2022.

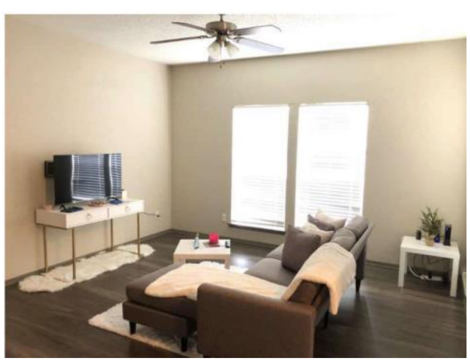
Sponsorship

The sponsor for this loan is CAF Capital Partners, whose key principals include Chris Faulkner, Doug Bartek, and Trent Wood. Since its founding in 2010, the group has closed more than $4.0 billion in apartment properties and has asset managed more than 26,000 multifamily units in Texas and across the Southwest U.S. The transaction is structured with a minimum net worth/liquidity covenant, and the guarantors report a collective net worth and liquidity of $29.4 million and $6.9 million, respectively.

CAF Management, LLC, a borrower-affiliated property management company, will manage the property. The property manager will accept a fee of 3.0% to manage the property among the sponsor's other holdings across the U.S.

DBRS Morningstar Analysis

Site Inspection Summary



Source: PCR

Source: PCR

DBRS Morningstar did not conduct a site inspection of the property. Based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average.

DBRS Morningstar NCF Summary

NCF Analysis	February 2022 T-12	October 2022 T-6	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	3,044,636	3,160,813	3,823,076	3,823,076	3,573,600	-6.5
Other Income ($)	451,979	532,935	728,018	728,018	539,894	-25.8
Vacancy & Concessions ($)	-322,158	-363,385	-210,269	-210,269	-220,317	4.8
EGI ($)	**3,174,457**	**3,330,363**	**4,340,825**	**4,340,825**	**3,893,178**	**-10.3**
Expenses ($)	1,386,947	1,818,532	1,809,278	1,809,278	1,872,770	3.5
NOI ($)	**1,787,511**	**1,511,831**	**2,531,547**	**2,531,547**	**2,020,407**	**-20.2**
Capex ($)	57,000	57,000	57,000	57,000	57,000	0.0
NCF ($)	**1,730,511**	**1,454,831**	**2,474,547**	**2,474,547**	**1,963,407**	**-20.7**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,963,407, representing a variance of -20.7% from the Issuer's stabilized NCF of $2,474,547. The primary drivers for the variance include GPR and other income. DBRS Morningstar derived its GPR figure by assigning a monthly rent premium of $126 per unit over the in-place rents from the October 2022 rent roll to bring renovated unit rents closer in line with the appraiser's estimates. Other income was based on the historical levels.

DBRS Morningstar Viewpoint

Veridian Place is in the Reis-designated Far North Dallas submarket within the Dallas-Fort Worth-Arlington MSA. The collateral benefits from its proximity to the Sam Johnson Highway, which allows for convenient access to the three main highway arterials including Dallas North Tollway, Sam Rayburn Tollway, and President George Bush Turnpike. Additionally, the subject benefits from the somewhat urban nature of the MSA as there are several retail centers and commercial properties within the surrounding area. The property is in a DBRS Morningstar Market Rank of 5 and MSA Group of 1, indicating the property is in a light urban location within an MSA that has historically had higher volatility.

The collateral's average in-place monthly rent of $1,175 per unit was 21.1% lower than the Reis-defined submarket average of $1,490 per unit as of Q3 2022. Generally consisting of properties with a similar vintage and profile, the appraiser's competitive set had an average monthly rent of $1,489 per unit. This bodes well for the sponsor's business plan as the collateral's monthly rent is 21.1% below its nearby competitors on a per-unit basis. The sponsor budgeted $2.0 million ($8,772 per unit) to complete propertywide improvements. Additionally, the sponsor has budgeted $1.6 million ($7,171 per unit) to complete interior renovations on all units. Once complete, all units will feature a consistent and modern package, most notably including stainless-steel appliances, washers/dryers, and countertops/backsplashes. DBRS Morningstar views the sponsor's business plan as achievable because of the property's location, area demographics, and market rent levels. DBRS Morningstar applied a $126 average rent increase over the in-place rents to derive an average stabilized rental rate of $1,306 per unit, which is consistent with comparable assets within a one-mile radius and submarket statistics according to Reis.

The loan exhibits high leverage at issuance indicated by a DBRS Morningstar As-Is LTV of 81.2% based on the appraiser's as-is valuation of $45.3 million and the fully funded loan amount, yet improves to a more reasonable DBRS Morningstar Stabilized LTV of 66.9% over the loan term. The appraiser estimates that the property value will increase by $9.7 million through stabilization, resulting in a relatively more moderate leverage at loan maturity as indicated by a DBRS Morningstar Stabilized LTV of 66.9%. The loan has elevated term risk, reflected in the DBRS Morningstar As-Is DSCR of 0.91x and the DBRS Morningstar Stabilized DSCR of 1.01x.

DBRS Morningstar views the sponsor's business plan as achievable because of the property's location, area demographics, and market rent levels. In aggregate, given the loan's credit metrics, the loan has an expected loss that is in line with the pool WA expected loss, and DBRS Morningstar expects the loan to perform over the loan term.

Sun Chase Apartments

Loan Snapshot

Seller	ACREC
Ownership Interest	Fee
Trust Balance ($ million)	33.3
Loan PSF/Unit ($)	177,500
Percentage of the Pool	6.2
Fully Extended Loan Maturity/ARD	January 2027
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.81
DBRS Morningstar Stabilized DSCR (x)	0.87
DBRS Morningstar As-Is Issuance LTV (%)	86.4
DBRS Morningstar Stabilized Balloon LTV (%)	67.4
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	33.3
Pari Passu	0.0
Remaining Future Funding	2.2
Mortgage Loan Including Future Funding	35.5
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	13.2

Source: Appraisal


Source: Appraisal

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1984
City, State	Las Vegas, NV	**Physical Occupancy (%)**	94.5
Units/sf	200	**Physical Occupancy Date**	October 2022

The loan is secured by the borrower's fee-simple interest in Sun Chase Apartments, a 200-unit garden-style multifamily property in Las Vegas, Nevada. Initial loan proceeds of $30.5 million, combined with $13.2 million in borrower equity, financed the $40.5 million acquisition. The loan is structured with up to $5.0 million ($25,000 per unit) in future funding from the lender to facilitate the borrower's renovation plan. The loan is IO throughout with a three-year initial term and two one-year extension options.

Built in 1984, the collateral is approximately 6.9 miles east of the Las Vegas CBD. The property consists of 14 two-story buildings spread across a 7.84-acre site. Propertywide amenities include a pool, laundry facilities, a fitness center, a grill, a spa, tennis courts, and putting greens. Interior unit amenities include a washer/dryer, air conditioning, a dishwasher, hardwood floors, walk-in closets, and ceiling fans. The borrower's renovation plan includes the addition of stainless steel appliances, laminate countertops, new cabinet doors, plumbing and lighting fixtures. The unit mix consists of 24 junior one-bedroom units, 80 one-bedroom units, 48 two-bedroom/one bath units, and 48 two-bedroom/two-bath units, averaging 744 sf. As of the October 2022 rent roll, the property was 94.5% occupied with an average rent of $1,141 per unit. Please refer to the table below for more information on the unit mix.

Unit Mix and Rents			
Unit Type	Units	Avg. Unit Size (sf)	Avg. Rent ($/unit)[1]
One Bed/One Bath	24	566	954
One Bed/One Bath	80	655	1,079
Two Bed/One Bath	48	837	1,187
Two Bed/Two Bath	48	887	1,293
Total/WA	**200**	**744**	**1,141**

1 Based on the October 2022, rent roll.

The appraisal identified five comparable properties within an 2.5 mile radius that compete with the subject. The subject's average rental rate of $1,141 per unit is below the WA rent of $1,326 per unit for the competitive set. Relative to the competitive set, the subject occupancy of 97.0% is outperforming the WA occupancy of 95.6% across the competitive set. Built in 1984, the subject is slightly older than the competitive set's WA vintage of 1990.

Competitive Set						
Property	Distance from Subject (Miles)	Units	Year Built/Renovated	Avg. Unit Size (sf)	Avg. Rental Rate ($)	Occupancy (%)
Rosewood Park	0.3	224	1988	695	1,035	100.0
Solis at Glamingo	1.3	521	1990/2019	829	1,408	97.0
KD Place	1.5	128	1990/2019	876	1,271	95.0
Citrus Apartments	2.2	347	1991	787	1,428	98.0
Stonegate	2.5	440	1989	885	1,311	90.0
Total/WA Comp. Set	**1.7**	**1,660**	**1990**	**821**	**1,326**	**95.6**
Sun Chase Apartments	**n/a**	**200**	**1984**	**744**	**1,141**	**94.5**

Source: Appraisal, except the subject figures are based on the rent roll dated October 2022.

Sponsorship

The sponsorship for this transaction is Bascom Group (Bascom), a real estate investment firm focused on the acquisition of multifamily apartment communities. Founded in 1996, Bascom has completed over $19.7 billion in multifamily transactions totaling 88,360 units. Bascom currently operates 53 multifamily communities across 12 states, including approximately 10,800 units. Since 2013, Bascom has acquired 34 properties across 9,614 units in Las Vegas totaling $1.3 billion. The guarantor is BVAAI Fund V, LLC, with a reported net worth and liquidity of $167.4 million and $30.4 million, respectively.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal

Source: Appraisal

DBRS Morningstar did not conduct interior or exterior tours of the property. Based on the photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average.

DBRS Morningstar NCF Summary

NCF Analysis

	October 2022 T-6	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	2,698,450	3,399,883	3,506,342	2,958,791	-15.6
Other Income ($)	178,428	12,711	250,455	106,254	-57.6
Vacancy & Concessions ($)	-261,678	-152,994	-192,848	-179,269	-7.0
EGI ($)	**2,615,199**	**3,259,600**	**3,563,949**	**2,885,775**	**-19.0**
Expenses ($)	847,883	737,409	717,641	1,021,982	42.4
NOI ($)	**1,767,316**	**2,522,191**	**2,846,308**	**1,863,793**	**-34.5**
Capex ($)	50,000	50,000	50,000	50,000	0.0
NCF ($)	**1,717,316**	**2,472,191**	**2,796,308**	**1,813,793**	**-35.1**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,813,793, representing a -35.1% variance from the Issuer's stabilized NCF of $2,796,308.The primary driver of the variance was the DBRS Morningstar GPR. The Issuer based GPR on the appraiser's market rents inflated 3%, while DBRS Morningstar concluded to a monthly rental rate premium of $93 per unit taken over the in-place figures to be directly in line with the competitive set WA per sf.

DBRS Morningstar Viewpoint

The loan is collateralized by a 200-unit garden-style multifamily property located within the East submarket of Las Vegas. The property offers a convenient location within the city, with both the Las Vegas Strip and the University of Las Vegas, Nevada approximately four miles to the west. Fremont Street and Eastern Avenue offer direct access to the greater Las Vegas metro area, including major employers such as MGM Resorts International, Caesars Entertainment, and Las Vegas Sands.

The sponsor's business plan is to spend $5.0 million ($25,000 per unit) to renovate 200 units and upgrade the exterior of the property. The sponsor for this transaction believes they can achieve rent premiums of $150 per unit based on their capex plan. Reis reported an average submarket rental rate of $1,233 across 16 comparable multifamily properties within a 1.5 mile radius of the collateral, while the appraisal concluded to a competitive set average rental rate of $1,326 or $1.62 per sf across five comparable properties within a 2.5 mile radius. Despite currently achieving higher market rents, the sponsor's business plan should allow the asset to capitalize on the strong submarket as REIS projects rental rates to increase to an annualized average of 2.5%. Based on the Reis and Appraisal data, DBRS Morningstar felt comfortable concluding to a stabilized rent of $1,141 per unit or $1.53 per sf.

The property is within a DBRS Morningstar Market Rank of 4, which is generally indicative of a suburban location and an MSA rank of 1, both of which have historically seen higher-than-average default rates and has a negative impact on the EL. The DBRS Morningstar Stabilized DSCR of 0.87x is low; however, the DBRS Morningstar Stabilized LTV is moderate at 67.4%. These factors together contributed to an EL that is slightly above the deal average.

Transaction Structural Features

Unclosed Loans: One loan, Waters Edge, representing 5.8% of the initial pool balance, has not closed as of the publication date of this report and may not close prior to the closing of this securitization. If Waters Edge does not close prior to the Closing Date, a deposit will be made to the Unused Proceeds Principal Amortization account in an amount equal to the expected initial principal balance of the delayed close whole loan. To the extent that the loan is not purchased within 90 days of the securitization closing, the unused proceeds will pay down the notes in sequential order in an amount necessary to cause the credit enhancement levels of each class to equal the targeted credit enhancement, with all remaining proceeds distributed to the income note. DBRS Morningstar believes that the subordination from the current levels to the adjusted levels in each scenario appropriately accounts for the possible deterioration in both the credit quality and the diversity profile if one or more of the loans do not close within 90 days of securitization.

Target Credit Enhancement Level

Class	Current C/E (%)	Target C/E Scenario I (%)[1]
Class A	47.500	47.500
Class A-S	41.250	42.250
Class B	35.375	36.250
Class C	28.250	28.750
Class D	20.625	21.125
Class E	18.625	19.125
Class F	12.625	12.875
Class G	8.875	9.000

1. Represents the targeted credit enhancement level assuming that the Mortgage Asset identified as "Waters Edge" is not acquired as a Delayed Close Mortgage Asset on or prior to the Purchase Termination Date.

Credit Risk Retention: Under U.S. Credit Risk Retention Rules, ACRE as Sponsor will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirements through the purchase and retention of a majority-owned affiliate of an eligible horizontal residual interest. As of the Closing Date, ACREC 2023-FL2 Retention Holder LLC, a majority-owned affiliate of the Sponsor, will acquire the Class F, Class G, and Income Notes, representing not less than 5% of the fair value of the securities.] Additionally, the Sponsor and the Retention Holder will both agree and undertake in the EU/UK Risk Retention Letter to continue to own, directly or indirectly, 100% of the membership interests in the Retention Holder, which will in turn retain a material net economic interest in the securitization.

Replenishment Criteria: The following criteria will be required to be satisfied with respect to the acquisition of each Funded Companion Participation as of the related acquisition date:

1. The underlying Mortgage Loan is not a Defaulted Loan or a Specially Serviced Loan;
2. Upon acquisition, the funded Companion Participation will not be a Credit Risk Mortgage Asset;
3. The Issuer received a No-Downgrade Confirmation from DBRS Morningstar with respect to the acquisition of such Funded Companion Participation;

4. No Event of Default (EOD) has occurred as is continuing;
5. The requirements set forth in the Indenture regarding the representations and warranties with respect to such Funded Companion Participation and the related Mortgaged Property have been met (subject to such exceptions as are reasonably acceptable to the Special Servicer);
6. No Control Termination Event has occurred and is continuing;
7. The Note Protection Tests are satisfied as of the most recent Measurement Date;
8. The acquisition of such Funded Companion Participation will be at a price no greater than the outstanding principal balance of such Funded Companion Participation; and
9. The acquisition of such Funded Companion Participation will not cause the principal balance of the related Mortgage Asset to exceed 15.0% of the aggregate principal balance of the Mortgage Assets.

Acquisition and Disposition Requirements means, with respect to any acquisition or disposition of a Mortgage Asset, satisfaction of each of the following conditions: (1) such Mortgage Asset is being acquired or disposed of in accordance with the terms and conditions set forth in the Indenture; (2) the acquisition or disposition of such Mortgage Asset does not result in a reduction or withdrawal of the then-current rating issued by Moody's or DBRS Morningstar on any class of Notes then outstanding; and (3) such Mortgage Asset is not being acquired or disposed of for the primary purpose of recognizing gains or decreasing losses resulting from market value changes.

If the acquisition by the Issuer of all or a portion of the Funded Companion Participation results, in and of itself, in a downgrade of the ratings of any class of Notes by Moody's or DBRS Morningstar, then the Seller will be required to promptly repurchase such Funded Companion Participation at the same price as the Issuer paid to acquire it. The Issuer will provide written notice of such acquisition to each Rating Agency at least five business days prior to the related acquisition date.

Future Funding Participations: Nine of the Closing Date Mortgage Assets, representing 59.6% of the Aggregate Mortgage Asset Cut-Off Date Balance, are participation interests in Participated Loans that have related Future Funding Participations with an aggregate, unfunded future funding commitment of approximately $25.7 million as of the Cut-Off Date.

As of the Closing Date, each Future Funding Participation will be held by the Seller or an affiliate of the Seller. With respect to each Future Funding Participation, the holder of such participation will have the sole obligation to make future advances under the related Participation Agreement. Once funded, such companion participation may be transferred in accordance with the terms of the related Participation Agreement and the Issuer may, but is not obligated to, acquire such funded companion participation interest during the Replenishment Period. Pursuant to each Participation Agreement, the Future Funding Holder as the holder of the related Future Funding Participation (or a permitted transferee pursuant to the terms of the related Participation Agreement) and, for so long as the Future Funding Holder or another affiliate of ACRE is obligated to make future advances under such Participation Agreement, ACRE will be required to indemnify the Issuer and, if applicable, the holder of any other related Companion Participation against any losses, claims, damages, costs, expenses, and liabilities in connection with, arising out of, or as a result of the failure of the holder of such Future Funding Participation to make future advances when required under the related Participated Loan.

On the Closing Date, ACRE, in its capacity as the Future Funding Indemnitor, will be required to certify that it has Segregated Liquidity at least equal to the Largest One Quarter Future Advance Estimate. Thereafter, so long as any Future Funding Participation is held by the Seller or an affiliate thereof and any future advance obligations remain outstanding under such Future Funding Participations, the Future Funding Indemnitor will be required to certify quarterly that the Future Funding Indemnitor has Segregated Liquidity at least equal to the greater of (1) the Largest One Quarter Future Advance Estimate or (2) the Two Quarter Future Advance estimate for the immediately following two calendar quarters.

Note Protection Tests: The transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value or overcollateralization (OC) test. If the IC or OC tests are not satisfied on any measurement date, interest proceeds that would otherwise be used to pay interest on the Class F Notes, the Class G Notes, and the Income Notes must instead be used to pay principal of first, the Class A Notes; second, the Class A-S Notes; third, the Class B Notes; fourth, the Class C Notes; fifth, the Class D Notes and Class D-E Notes; and sixth, the Class E Notes and E-E Notes, in each case, to the extent necessary to cause the Note Protection Tests to be satisfied. If interest proceeds are not sufficient to rebalance the vehicle and satisfy both the IC and the OC tests or pay down the applicable classes, the Issuer will not be permitted to use principal proceeds for Reinvestment Mortgage Assets. The OC test will be satisfied if the Par Value Ratio (as defined in the Offering Memorandum) is equal to or greater than 120.89%. The IC test will be satisfied if the Interest Coverage Ratio (as defined in the Offering Memorandum) is equal to or greater than 120.00%.

Administrative Modifications and Criteria-Based Modifications: The Subordinate Class Representative may direct and require the special servicer to process administrative modifications and criteria-based modifications to the mortgage loans.

An Administrative Modification means any modification, waiver, or amendment directed by the Subordinate Class Representative that relates exclusively to (i) with respect to any Mortgage Loan, (a) in the case of a mismatch between any Benchmark Replacement (including any Benchmark Replacement Adjustment) on the Notes and the benchmark replacement (including any benchmark replacement adjustment) applicable to such Mortgage Loan, (x) any alternative rate index and alternative rate spread that the Subordinate Class Representative determines are reasonably necessary to reduce or eliminate such mismatch and (y) any corresponding changes to such Mortgage Loan to match the applicable Benchmark Replacement Conforming Changes and/or to make any Loan-Level Benchmark Replacement Conforming Changes, (b) in the case of a mismatch between the index on such Mortgage Loan and the Benchmark, the conversion of the index on such Mortgage Loan to such Benchmark, including any spread adjustment that the Subordinate Class Representative determines is reasonably necessary in connection therewith or (c) in connection with the conversion of the index on such Mortgage Loan to the Benchmark, the waiver of any obligor requirement to replace an interest rate cap based on such index with an interest rate cap based on such Benchmark, (ii) with respect to any Mortgage Loan other than a Mortgage Loan that is, or is related to, a Credit Risk Mortgage Asset, Specially Serviced Loan or Defaulted Loan, (a) exit fees, extension fees or default interest, (b) financial covenants (including cash management triggers and extension tests) relating (directly or indirectly) to debt yield, debt service coverage or loan-to-value, (c) prepayment fees (including in connection with defeasance and lockouts), yield or spread maintenance provisions or waiving any interest due in connection with a prepayment of the related Mortgage Loan in full that relates to interest that accrues after the date of prepayment, (d) adding or modifying provisions related to partial releases of a Mortgaged Property, (e) reserve account minimum balance amounts and purposes, release conditions or other reserve requirements (other than for taxes or insurance), including requirements to fund reserves in connection with extensions, (f) waivers or reductions of a LIBOR, SOFR or other benchmark floor (which reductions may not be to floor rates below zero) or waivers, reductions or deferrals of interest rate step-ups, provided (in each case) that after giving effect to such waiver, reduction or deferral, the Note Protection Tests are satisfied, (g) waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension, (h) the timing of, or conditions to, the funding of any Future Funding Participation, (i) sponsor or guarantor financial covenants relating to net worth, liquidity or other financial matters, (j) Mortgaged Property lease approvals or modifications or leasing parameters (including in connection with releasing reserves or future funding amounts relating to leasing) or (k) conditions precedent to the exercise of an extension option with respect to the term of the Mortgage Loan (other than any modification pursuant to clauses (ii)(a), (b) or (e) above) or (iii) amending an interest rate cap agreement to the extent that such amendment would not materially and adversely affect the Noteholders as determined by the Subordinate Class Representative in its reasonable judgement; in each case, notwithstanding that any such modification, waiver or amendment referred to in this definition may have the effect of delaying or deferring principal payments that would otherwise occur on the Mortgage Loan prior to its fully extended maturity date.

Criteria-Based Modification means a modification, waiver, or amendment that would result in (1) a change in interest rate (other than as an Administrative Modification), (2) a delay in the required timing of any payment of principal, (3) an increase in the principal balance of such Mortgage Loan that will be allocated solely to the related Companion Participation, (4) the indirect owners of the related borrower incurring additional indebtedness in the form of a mezzanine loan or preferred equity, or (5) a change of maturity date or extended maturity date of such Mortgage Loan.

A Criteria-Based Modification will be permissible only if, immediately after giving effect to such modification, (1) not more than seven Criteria-Based Modifications have been effectuated; (2) any such Criteria-Based Modification would not result in a change in the Mortgage Asset margin to less than 300 basis points; (3) with respect to any Criteria-Based Modification resulting in the extension of the maturity date of a Mortgage Loan, such extended maturity date is not more than two years from the initial fully extended maturity date of such Mortgage Loan; (4) with respect to any Criteria-Based Modification effectuated after the Replenishment Period, such Criteria-Based Modification does not include an increase in the principal balance of such Mortgage Loan; (5) with respect to any Criteria-Based Modification in accordance with clause (3) of the definition of 'Criteria-Based Modification', the Moody's

Rating Factor of the Mortgage Loan, after giving effect to the Criteria-Based Modification, is not 8,070 or higher; (6) no EOD has occurred and is continuing and and the Note Protection Tests were satisfied as of the most recent Measurement Date; (7) with respect to any Criteria-Based Modification in accordance with clause (4) of definition of “Criteria-Based Modification” the as-stabilized loan-to-value ratio of the related Mortgage Loan and any additional indebtedness is not higher than the as-stabilized loan-to-value ratio of such Mortgage Loan as of the Closing Date (or, with respect to the Delayed Close Mortgage Asset, as of the date such Mortgage Asset is acquired by the Issuer) , as determined based upon an updated appraisal; and (8) an updated appraisal is obtained with respect to the Mortgage Asset.

The administrative processing of any administrative modification or criteria-based modification by the special servicer will not be subject to the servicing standard. In directing the Special Servicer to administratively process any Administrative Modification or Criteria-Based Modification, the Subordinate Class Representative will be required to do so with reasonable care and in good faith, using a degree of skill and attention no less than which it exercises with respect to comparable assets that it manages for itself and in a manner consistent with the practices and procedures then in effect followed by reasonable and prudent institutional managers of national standing related to assets of the nature and character of the Mortgage Assets without regard to any conflicts of interest to which it may be subject.

Advancing and Backup Agent: The Advancing Agent, ACREC Loan Seller I LLC, will be required to make interest advances with respect to interest shortfalls on the Offered Notes, respectively, subject to a determination of recoverability. If the Advancing Agent fails to make a required Interest Advance, the backup advancing agent, Computershare Trust Company, National Association, will be required to make such Interest Advance, and if the backup advancing agent fails to make such Interest Advance, the Trustee, Wilmington Trust, National Association, will be required to make such Interest Advance, in each case subject to a determination of recoverability.

Exchangeable Notes: The Indenture allows for the exchange of all, a portion of all, or a portion of each of the Class D Notes and Class E Notes, as applicable, one time only, at any time on or after the Initial MASCOT Note Issuance Date by the Holders thereof for a corresponding (1) MASCOT P&I Note and (2) MASCOT Interest Only Note, provided that such Notes are owned at the time of the exchange by a wholly owned subsidiary of ACREC REIT, and provided further that the exchange is made in connection with a sale to a third party of the entire MASCOT P&I Note received in connection with such exchange. All or a portion of each class of the MASCOT Notes received in an exchange may be subsequently exchanged for Class D Notes or Class E Notes, as applicable.

Deferrable Floating-Rate Notes: The Class F Notes and Class G Notes will be considered deferrable notes. With respect to the deferrable notes, to the extent that interest proceeds are not sufficient on a given payment date to pay accrued interest, interest will not be due and payable on the payment date and will instead be deferred. DBRS Morningstar’s assigned ratings contemplate the timely payment of distributable interest and, in the case of the deferrable notes, the ultimate recovery of deferred interest (including interest payable thereon at the applicable rate to the extent permitted by law). Deferred interest will be added to the principal balance of the deferrable notes and will be payable on the first payment date on which funds are permitted. DBRS Morningstar's ratings contemplate timely payments of distributable interest and ultimate recovery of deferred interest (including interest payable on deferred interest at the applicable note rate to the extent permitted by law). Thus, DBRS Morningstar will assign its Interest in Arrears designation to the Deferred Interest Classes in months when classes are subject to deferred interest.

Controlling Class Rights: The Controlling Class will be the most senior class of notes outstanding. If an EOD has occurred and is continuing under the Indenture, the holders of the Controlling Class will be entitled to cause the institution of, and direct the time, manner, and place of conducting, any proceeding for any remedy available to the Trustee and to direct the exercise of any trust, right, remedy, or power conferred on the Trustee, in each case subject to the provisions of the Indenture described herein. Any remedies pursued by the holders of the Controlling Class upon an EOD could be adverse to the interests of the holders of more subordinated classes of notes.

The Directing Holder: The Directing Holder will be (i) respect to each Controlled Mortgage Asset, the Subordinate class Representative, and (ii) with respect to each Non-Controlled Mortgage Asset, the party designated as the "controlling holder" or similar term in the Participation Agreement. The "Subordinate Class Representative" will be (i) if and for so long as a Control Shift Event has not occurred with respect to the Income Notes (or, if such a Control Shift Event has occurred, it is no longer continuing), the Majority Income Noteholder; (ii) if and for so long as a Control Shift Event has occurred and is continuing with respect to the Income Notes, but a Control Shift Event has not occurred with respect to the Class G Notes (or, if a Control Shift Event has occurred, it is no longer occurring), the holder of a majority in principal balance of the Class G Notes; and (iii) if and for so long as a Control Shift Event has occurred and is continuing with respect to the Class G Notes, the holder of a majority in principal balance of the Class F Notes.

As of the Closing Date, the Retention Holder, which will acquire 100% of the Income Notes, will be the initial Directing holder with respect to each Controlled Mortgage Asset. With respect to each Non-Controlled Mortgage Asset, the party designated as the controlling holder or similar term in the related Partition Agreement (and if such agreement designates the Issuer as the controlling holder, the Retention Holder will be the initial Directing Holder with respect to such Mortgage Asset). The Directing Holder may direct and require the Special Servicer to enter into Administrative Modifications or, subject to satisfaction of the conditions specified in the Servicing Agreement, any Criteria-Based Modification.

No-Downgrade Confirmation: Certain events within the transaction require the Issuer to obtain No-Downgrade Confirmation. Upon request, DBRS Morningstar will review requests from the Issuer to determine whether it will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating.

Benchmark Index: The initial Benchmark index for determining the interest rate on the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class D-E Notes, Class D-X Notes, Class E Notes, Class E-E

Notes, Class E-X Notes, Class F Notes, and Class G Notes will be based on the Term SOFR, as obtained by the Calculation Agent, identified as 1 Month CME Term SOFR; provided that the Issuer reserves the right to bifurcate the Class A Notes into two pari passu Classes, one for which the Benchmark would be Term SOFR and one for which the Benchmark would be Compounded SOFR. If a Benchmark Transition Event occurs with respect to any Benchmark, such Benchmark will be replaced with the applicable Benchmark Replacement, as determined by the Subordinate Class Representative in accordance with the procedures and notice provisions set forth in the Indenture. For a more detailed discussion of the Benchmark and its effects, see the Offering Memorandum.

Methodologies

The following are the methodologies DBRS Morningstar applied to assign ratings to this transaction. These methodologies can be found on www.dbrsmorningstar.com under the heading Methodologies & Criteria. Alternatively, please contact info@dbrsmorningstar.com or contact the primary analysts whose information is listed in this report.

- *North American CMBS Multi-Borrower Rating Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

DBRS Morningstar will perform surveillance subject to the *North American CMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of January 31, 2023. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

ADR	average daily rate	**MTM**	month to month
ALA	allocated loan amount	**MSA**	metropolitan statistical area
ARA	appraisal-reduction amount	**n.a.**	not available
ASER	appraisal subordinate entitlement reduction	**n/a**	not applicable
BOV	broker's opinion of value	**NCF**	net cash flow
CAM	common area maintenance	**NNN**	triple net
capex	capital expenditures	**NOI**	net operating income
CBD	central business district	**NRA**	net rentable area
CBRE	CB Richard Ellis	**NRI**	net rental income
CMBS	commercial mortgage-backed securities	**NR – PIF**	not rated – paid in full
CRE	commercial real estate	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCA**	property condition assessment
DPO	discounted payoff	**PCR**	property condition report
DSCR	debt service coverage ratio	**P&I**	principal and interest
DSR	debt service reserve	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	payment in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures, and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation, and air conditioning	**sf**	square foot/square feet
IO	interest only	**SPE**	special-purpose entity
LC	leasing commission	**TI**	tenant improvement
LGD	loss severity given default	**TIC**	tenants in common
LOC	letter of credit	**T-12**	trailing 12 months
LOI	letter of intent	**UW**	underwriting
LS Hotel	limited-service hotel	**WA**	weighted average
LTC	loan-to-cost ratio	**WAC**	weighted-average coupon
LTCT	long-term credit tenant	**x**	times
LTV	loan-to-value ratio	**YE**	year end
MHC	manufactured housing community	**YTD**	year to date

Definitions

Capital Expenditure (capex)
Costs incurred in the improvement of a property that will have a life of more than one year.

DBRS Morningstar Refi DSCR
A measure that divides the DBRS Morningstar Stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.

DBRS Morningstar Term DSCR
A measure that divides the DBRS Morningstar Stabilized NCF by the actual debt service payment.

Debt Service Coverage Ratio (DSCR)
A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.

Effective Gross Income (EGI)
Rental revenue minus vacancies plus miscellaneous income.

Issuer UW
Issuer underwritten from Annex A or servicer reports.

Loan-to-Value Ratio (LTV)
The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.

Net Cash Flow (NCF)
The revenue earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions, and capex (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions, and capex.

NNN (Triple Net)
A lease that requires the tenant to pay operating expenses such as property taxes, insurance, and maintenance, in addition to the rent.

Net Operating Income (NOI)
The revenue earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves, and leasing commissions.

Net Rentable Area (NRA)
The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.

Revenue Per Available Room (RevPAR)
A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.

Tenant Improvements (TIs)
The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.

Weighted Average (WA)
Calculation is weighted by the size of each mortgage in the pool.

Weighted-Average Coupon (WAC)
The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.

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