NOVEMBER 2016

STRUCTURED FINANCE: CMBS

PRESALE REPORT

RAIT 2016-FL6 Trust

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Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Rating	Trend
Class A	New Rating - Provisional	$143,806,000	44.250%	AAA (sf)	Stable
Class A-S	New Rating - Provisional	$27,730,000	33.500%	AAA (sf)	Stable
Class B	New Rating - Provisional	$16,122,000	27.250%	AA (low) (sf)	Stable
Class C	New Rating - Provisional	$12,252,000	22.500%	A (low) (sf)	Stable
Class D	New Rating - Provisional	$16,767,000	16.000%	BBB (low) (sf)	Stable
Class E	New Rating - Provisional	$10,318,000	12.000%	BB (sf)	Stable
Class F	New Rating - Provisional	$7,093,000	9.250%	B (sf)	Stable
Class G	New Rating - Provisional	$23,861,193	0.000%	NR	Stable
Class X	New Rating - Provisional	$216,677,000	0.000%	NR	Stable

Notes:
1. NR = not rated.
2. All classes will be privately placed.
3. Classes A, A-S, B, C and D represent the Offered Notes.
4. Classes E, F, G and X are non-offered notes and will be retained by the Issuer.
5. Classes C, D, E, F, G and X are deferrable interest notes. DBRS ratings contemplate timely payments of distributable interest and ultimate recovery of Deferred Interest inclusive of interest payable on deferred interest at the applicable note rate, to the extent permitted by law. Thus, DBRS will assign its “Interest in Arrears “designation to the Deferred Interest Classes in months when classes are subject to deferred interest.
6. The Class X balance is notional. DBRS ratings on IO certificates address the likelihood of receiving interest based on the notional amount outstanding. DBRS considers the IO certificate’s position within the transaction payment waterfall when determining the appropriate rating.

Transaction Summary

POOL CHARACTERISTICS			
Cut-Off Loan Balance	$257,949,193	**Wtd. Avg. Remaining Term[2]**	25
Remaining Future Funding Commitment	$12,579,621	**Wtd. Avg. Remaining Term - Fully Extended**	47
Maximum Mortgage Loan Commitment	$270,528,814	**Wtd. Avg. DBRS Term DSCR[3,4]**	0.93x
Number of Loans	23	**Wtd. Avg. DBRS Refi DSCR[3,5]**	0.92x
Number of Properties	33	**Wtd. Avg. DBRS Debt Yield[3,6]**	6.2%
Average Loan Size	$11,762,122	**Wtd. Avg. DBRS Exit Debt Yield[3,5]**	8.3%
Top Ten Loan Concentration	65.3%	**Avg. DBRS In-Place NCF Variance**	-9.5%
Wtd. Avg. Interest Rate[1]	5.182%	**Avg. DBRS Stablized NCF Variance**	-17.2%

Note: All DSCR and Debt Yield calculations in this table and throughout the report are based on the maximum mortgage loan commitment for each loan.
1. Based on a WA of the gross margin and LIBOR floor.
2. Assumes that the initial term to maturity of each loan is not extended.
3. Includes pari passu debt, but excludes subordinate debt.
4. Based on DBRS In-Place NCF and stressed interest rates.
5. Based on DBRS Stabilized NCF.
6. Based on DBRS In-Place NCF.
7. As measured against the Issuer UW NCF.
8. As measured agsint the Issuer UW Stabilized NCF.

PARTICIPANTS	
Issuer	RAIT 2016-FL6 Trust
Trust Depositor	RAIT 2016-FL6, LLC
Mortgage Loan Seller:	RAIT Partnership, L.P.
Structuring Agent	UBS Securities LLC
Co-Lead Managers and Joint Bookrunners:	UBS Securities LLC
	Citigroup Global Markets Inc.
	Barclays Capital Inc.
Servicer, Special Servicer, Advancing Agent and Trust Administrator:	RAIT Partnership, L.P.[1]
Operating Advisor:	Trimont Real Estate Advisors, LLC
Indenture Trustee and Backup Advancing Agent:	Wells Fargo Bank, National Association
Owner Trustee:	Wells Fargo Bank Delaware Trust Company, N.A.
Trust Administrator:	RAIT Partnership, L.P.

1. Except that the Trust Operating Advisor, Trimont Real Estate Advisors, LLC, will act as special servicer with respect to the South Terrace Apartments Mortgage Loan.

The collateral for the transaction consists of 23 recently originated floating-rate mortgages secured by 33 transitional commercial real estate properties totaling $257.9 million based on current cut-off balances and $270.5 million based on the fully funded loan amount (including the future funding non-controlling pari passu participation interests). The loans are secured by currently cash flowing assets, some of which are in a period of transition, with plans to stabilize and improve the asset value. The floating-rate mortgages were analyzed to determine the probability of loan default over the term of the loan and its refinance risk at maturity, based on a fully extended loan term. Due to the floating-rate nature of the loans, the index (one-month LIBOR) was modeled at the lower of a DBRS stressed rate that corresponded to the remaining fully extended term of the loans and 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 cut-off balances were measured against the DBRS In-Place NCF and their respective stressed constants, there were 16 loans, representing 71.2% of the pool, with term DSCRs below 1.15x, a threshold indicative of a higher likelihood of term default. Additionally, to assess refinance risk, DBRS applied its refinance constants to the balloon amounts, resulting in 16 loans, or 78.3% of the pool having refinance DSCRs below 1.00x relative to the DBRS Stabilized NCF. The properties are often transitioning, with potential upside in the cash flow; however, DBRS does not give full credit to the stabilization if there are no holdbacks or other loan structural features in place were insufficient to support such treatment. Furthermore, even with structural features provided, DBRS generally does not assume the assets to stabilize above market levels.

The transaction is a sequential-pay structure.

Rating Considerations

STRENGTHS

- The loans were all sourced by a commercial mortgage originator with strong origination practices. Classes X, E, F and G will be retained by the Issuer. Classes E, F and G represent 16.0% of the transaction balance. Class X is notional.
- The loans are secured by traditional property types (i.e., multifamily, retail, office, industrial), with no exposure to higher volatility property types such as hotels.
- The properties are located in primarily core (urban and suburban) markets, which benefit from greater liquidity. Only two loans, representing 7.3% of the pool, are located in tertiary markets and only one loan, representing 3.9% of the pool, is located in a rural market.
- Thirteen loans totaling 62.1% of the deal balance represent acquisition financing, with borrowers contributing equity to the transaction.
- All loans are structured with cash management in place from origination. Two loans, representing 9.9% of the pool, are structured with a springing cash management in the form of a hard lockbox for GSA tenants and soft lockboxes for all other tenants at the property. One additional loan, representing 3.3% of the pool, is entirely structured with a springing cash management in the form of a hard lockbox. Additionally, all loans are structured with reserves for future capital improvements or leasing costs.
- The borrowers of each loan have purchase LIBOR rate caps that have a range of 0.5% to 4.5% to protect against a rise in interest rates over the term of the loan.

CHALLENGES AND CONSIDERATIONS

- The pool is relatively concentrated based on loan size, as there are only 23 loans in the pool and it has a concentration profile similar to a pool of 17 equally sized loans. The ten largest loans represent 65.3% of the pool and the largest three loans represent 30.3% of the pool. Furthermore, the pool is relatively geographically non-diverse. The top five states – California, Texas, North Carolina, Florida and Nevada – account for 15 loans and 25 properties, representing 74.4% of the pool.
  - *Although the concentration profile is similar to a pool of 17 equally sized loans, which is typically worse than most fixed-rate conduit transactions, the concentration profile is superior compared to many floating-rate transactions that generally have less than 20 loans and a concentration profile more similar to a pool of ten to 15 loans.*
- The loans have been underwritten by DBRS to a stabilized cash flow that is, in some instances, above the current in-place cash flow. There is a possibility that the sponsors will not execute their business plans as expected and the higher stabilized cash flow will not materialize during the loan term. Failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.

  - *DBRS made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the future funding amounts to be sufficient to execute such plans. In addition, the WA DBRS Debt Yield is based on the DBRS In-Place NCF and the fully funded loan amount (including the future funding non-controlling pari passu participation interests) is 6.2%, which is significantly lower than the WA DBRS Exit Debt Yield, based on DBRS Stabilized NCF at 8.3%. This indicates a fair amount of upside is being modeled.*
- The Issuer, Servicer, Special Services, Mortgage Loan Seller, Advancing Agent and Trust Administrator are the same party, a non-rated entity. Furthermore, RAIT Partnership, L.P. is also the sponsor of one loan, South Terrace Apartments, representing 10.7% of the pool.
  - *RAIT Financial Trust was established in 1998 and has a proven track record of originating and servicing commercial mortgage loans. Within the servicing agreement, the Indenture Trustee has been enlisted as backup servicer and advancing agent to step in should there be an un-remedied servicer event of default. Wells Fargo Bank National Association, as Indenture Trustee, is considered a large, highly experienced commercial mortgage servicer. Wells Fargo Bank, National Association is currently rated AA by DBRS, which meets the Advancing Requirement.*
  - *The Trust Operating Advisor, Trimont Real Estate Advisors, LLC, will act as special servicer with respect to the South Terrace Apartments Mortgage Loan.*
- Three loans have future funding commitments residing outside the trust with the future funding non-controlling pari passu participation interests. The failure of the holder of the future funding non-controlling pari passu participation interests (an affiliate of the trust asset seller and sponsor) to make future advances as required by the loan documents could result in liability to the trust.
  - *The future funding commitments will be first and foremost funded by a committed warehouse line. RAIT 2016-FL6 A-2 Holdings, LLC and RAIT Partnership, L.P. have indemnified the trust against any liability relating to funding the future commitments. Additionally, the parent of the obligor, RAIT Financial Trust, owns and currently manages a portfolio of commercial real estate assets totaling approximately $2.2 billion, comprised of over 17,197 multifamily units and 6.6 million sf of office and retail space, as of June 30, 2016. As of the same period, RAIT Financial Trust had $5.5 billion of assets under management across both the equity and debt platforms, which is considered sufficient to advance the future funds, especially considering the total amount is relatively small at only $12.6 million.*
- The overall WA DBRS Term and Refi DSCRs of 0.93x and 0.92x, respectively, and corresponding DBRS Debt and Exit Debt Yields of 6.2% and 8.3%, respectively, are considered high-leverage financing.
  - *The DBRS Term and Refinance DSCRs assume an average stressed DBRS interest rate of 6.5%, which is greater than the current rate spreads, ranging from 4.75% to 6.25% and the current WA interest rate of 5.8%. The average DBRS stressed interest rate of 6.5% is also conservative relative to the current U.S. 10-year treasury of approximately 2.2%.*
  - *The assets are generally well-positioned to stabilize and any realized cash flow growth would help to offset a rise in interest rates and also improve the overall debt yield of the loans. DBRS associates its probability of default based on the assets' in-place cash flow that does not assume that the stabilization plan and cash flow growth will ever materialize.*
  - *Regarding the significant refinance risk indicated by the DBRS Refi DSCR of 0.92x, the credit enhancement levels are reflective of the increased leverage that are substantially higher than recent fixed-rate transactions.*
- All loans in the pool are two- to three-year floating rate loans, with 24- to 36-month extension options out to a fully extended term of five years, creating interest rate risk.
  - *The borrowers of all loans have purchased interest rate caps to protect against a rise in interest rates over the term of the loan. Given that the rate caps had relatively low LIBOR strike rates, ranging from 0.5% to 4.5%, the WA DBRS stressed interest rate for the pool is only 0.7% higher than the pool's WA interest rate.*
- DBRS considered eight loans, representing 46.2% of the pool, to have Weak or Bad (Litigious) sponsorship quality resulting from limited net worth and liquidity or past credit issues.
  - *Loans with Weak or Bad (Litigious) sponsors were modeled with increased POD levels to mitigate increased risk.*

DBRS Credit Characteristics

DBRS TERM DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	27.0%	27.0%
0.90x-1.00x	16.2%	16.2%
1.00x-1.15x	27.9%	27.9%
1.15x-1.30x	25.1%	25.1%
1.30x-1.45x	0.0%	0.0%
1.45x-1.60x	0.0%	0.0%
1.60x-1.75x	0.0%	0.0%
>1.75x	3.7%	3.7%
Wtd. Avg.	0.93x	0.93x

DBRS REFI DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	57.4%	57.4%
0.90x-1.00x	20.9%	20.9%
1.00x-1.15x	10.3%	10.3%
1.15x-1.30x	7.7%	7.7%
1.30x-1.45x	0.0%	0.0%
1.45x-1.60x	3.7%	3.7%
1.60x-1.75x	0.0%	0.0%
>1.75x	0.0%	0.0%
Wtd. Avg.	0.92x	0.92x

DBRS DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	38.8%	38.8%
6.0%-8.0%	41.8%	41.8%
8.0%-10.0%	15.7%	15.7%
10.0%-12.0%	0.0%	0.0%
12.0%-14.0%	3.7%	3.7%
14.0%-16.0%	0.0%	0.0%
>16.0%	0.0%	0.0%
Wtd. Avg.	6.2%	6.2%

DBRS EXIT DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	3.7%	3.7%
6.0%-8.0%	50.4%	50.4%
8.0%-10.0%	34.5%	34.5%
10.0%-12.0%	7.7%	7.7%
12.0%-14.0%	3.7%	3.7%
14.0%-16.0%	0.0%	0.0%
>16.0%	0.0%	0.0%
Wtd. Avg.	8.3%	8.3%

1. Includes pari passu debt, but excludes subordinate debt.

Largest Loan Summary

LOAN DETAIL

Loan Name	Trust Balance	% of Pool	DBRS Shadow Rating	DBRS Term DSCR (x)	DBRS Refi DSCR (x)	DBRS Debt Yield	DBRS Exit Debt Yield
South Terrace Apartments	$28,960,000	10.7%	n/a	1.08	0.81	7.3%	7.3%
Montague Business Center	$30,650,000	11.3%	n/a	0.45	0.87	2.9%	7.9%
3000 South Robertson	$22,380,000	8.3%	n/a	0.27	0.80	1.4%	7.3%
Clear Lake Apartments	$16,600,000	6.1%	n/a	1.16	0.88	8.0%	8.0%
Lakeshore Business Center	$16,150,000	6.0%	n/a	0.91	1.17	4.9%	10.7%
Jupiter Medical Office	$14,261,814	5.3%	n/a	1.23	0.95	8.2%	8.2%
San Antonio Portfolio	$14,057,000	5.2%	n/a	1.00	0.94	6.5%	8.0%
Ocean City Square	$12,000,000	4.4%	n/a	0.97	0.87	7.9%	7.9%
Sparling Technology Center	$11,000,000	4.1%	n/a	1.27	0.90	8.3%	8.3%
Belle Mill Landing	$10,500,000	3.9%	n/a	0.90	0.87	5.8%	8.0%
Denbigh Village	$10,000,000	3.7%	n/a	1.75	1.49	12.1%	13.6%
DW Valley View Business Center	$8,950,000	3.3%	n/a	0.74	0.75	4.7%	6.9%
Sutton Place	$8,925,000	3.3%	n/a	1.15	0.93	7.2%	8.4%
900 Georgia	$8,850,000	3.3%	n/a	1.16	0.87	8.0%	8.0%
Canyon Gate Shopping Center	$8,400,000	3.1%	n/a	1.18	0.96	8.7%	8.7%

PROPERTY DETAIL

Loan Name	DBRS Property Type	City	State	Year Built	SF/Units	Loan per SF/Units	Maturity Balance per SF/Units
South Terrace Apartments	Multifamily	Durham	NC	2002	328	$88,293	$88,293
Montague Business Center	Office	San Jose	CA	1982	145,951	$210	$210
3000 South Robertson	Office	Los Angeles	CA	1986	109,930	$204	$204
Clear Lake Apartments	Multifamily	Webster	TX	1982-1985	284	$58,451	$58,451
Lakeshore Business Center	Office	Fort Lauderdale	FL	1987-2001	234,954	$69	$69
Jupiter Medical Office	Office	Jupiter	FL	1990	186,664	$131	$131
San Antonio Portfolio	Multifamily	San Antonio	TX	1983	424	$33,153	$33,153
Ocean City Square	Anchored Retail	Ocean City	MD	1963	112,265	$107	$107
Sparling Technology Center	Office	Lynnwood	WA	2000	69,798	$158	$158
Belle Mill Landing	Anchored Retail	Red Bluff	CA	1982	119,888	$88	$88
Denbigh Village	Unanchored Retail	Newport News	VA	1971	341,400	$29	$29
DW Valley View Business Center	Industrial	Las Vegas	NV	1963	161,886	$55	$55
Sutton Place	Multifamily	Mobile	AL	1978	208	$42,909	$42,909
900 Georgia	Industrial	Deer Park	TX	1998	127,823	$69	$69
Canyon Gate Shopping Center	Anchored Retail	Las Vegas	NV	1994-1996	74,069	$113	$113

Note: Loan metrics are based on whole-loan balances.

DBRS Sample

DBRS performed a property- and loan-level review on 16 of the 23 loans in the pool.

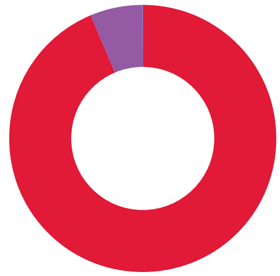
DBRS SAMPLE RESULTS

Prospectus ID	Loan Name	% of Pool	DBRS Stabilized NCF	DBRS Stabilized NCF Variance	DBRS Major Variance Drivers	DBRS Property Quality
1	South Terrace Apartments	10.7%	$2,117,487	-6.5%	GPR; Vacancy; Management Fee	Average
2	Montague Business Center	11.3%	$2,424,563	-19.4%	GPR	Average
3	3000 South Robertson	8.3%	$1,639,769	-24.5%	TI/LC; GPR	Average
4	Clear Lake Apartments	6.1%	$1,325,221	-24.2%	GPR	Average
5	Lakeshore Business Center	6.0%	$1,721,319	-2.7%	GPR; Vacancy	Average
6	Jupiter Medical Office	5.3%	$1,992,363	-18.5%	TI/LC; GPR; Vacancy	Average
7	San Antonio Portfolio	5.2%	$1,128,432	-31.4%	GPR; Other Income; Vacancy	Below Average
8	Ocean City Square	4.4%	$949,116	-14.1%	GPR; Vacancy; TI/LC; Reimbursements	Average
9	Sparling Technology Center	4.1%	$909,540	-0.6%	Minimal Variance	Average
10	Belle Mill Landing	3.9%	$837,149	-19.6%	Vacancy; Reimbursements	Average
11	Denbigh Village	3.7%	$1,360,974	13.6%	Positive Variance	Average
12	DW Valley View Business Center	3.3%	$616,410	-33.5%	GPR; Vacancy; Reimbursements	Average
15	Canyon Gate Shopping Center	3.1%	$732,436	-12.5%	Vacancy; TI/LC	Average
18	Sonora Palms Apartments	2.4%	$635,711	-10.8%	GPR; Expenses	Average
21	15991 Red Hill Avenue	1.9%	$305,759	-27.3%	TI/LC; Vacancy	Average
22	Oak Pointe Apartments	1.8%	$295,829	-44.0%	GPR	Average

DBRS SITE INSPECTIONS

DBRS performed site inspections and conducted meetings with the on-site property manager, leasing agent or representative of the borrowing entity for 16 loans, representing 81.5% of the pool. The resulting DBRS property quality scores are highlighted in the chart to the right.

DBRS Sampled Property Quality



Property Quality	% of Pool	# of Loans
Excellent	0.0%	0
Above Average	0.0%	0
Average	93.6%	15
Below Average	6.4%	1
Poor	0.0%	0

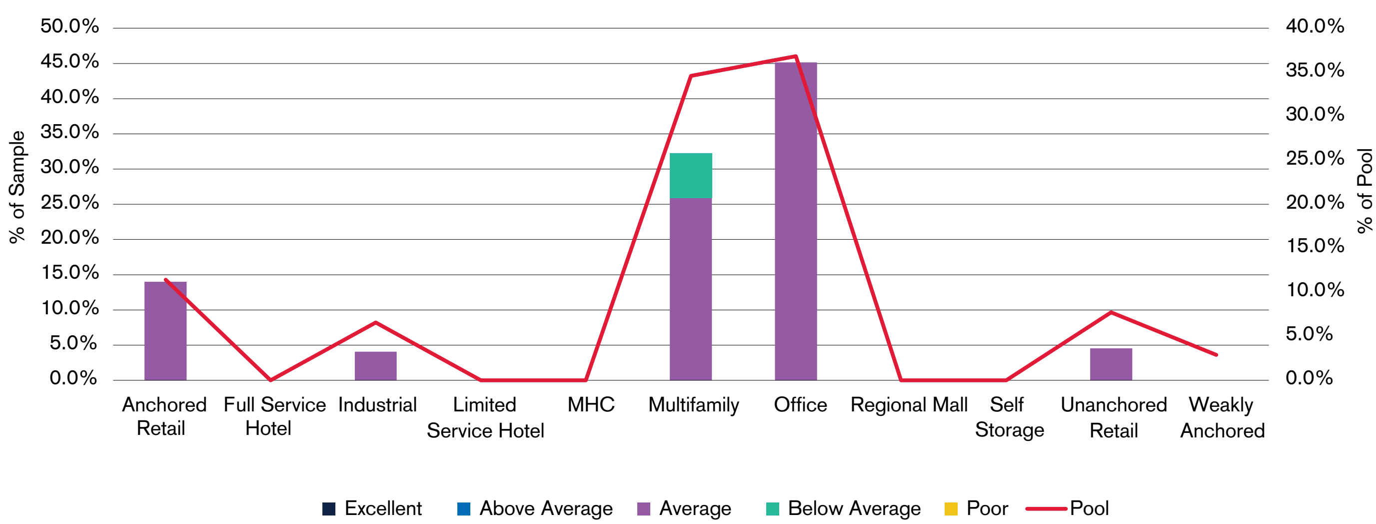
DBRS CASH FLOW ANALYSIS

A cash flow underwriting review and a cash flow stability and structural review were completed on 16 loans, representing 81.5% of the pool by loan balance. For the loans not subject to underwriting review, DBRS applied the average NCF variance.

DBRS In-Place NCF was estimated based on the current performance of the property, without giving any credit to future upside that may be realized by the sponsors upon execution of their business plan. The DBRS sample had an average In-Place NCF variance of -9.5% from the Issuer UW NCF and ranged from -29.3% to +22.1%.

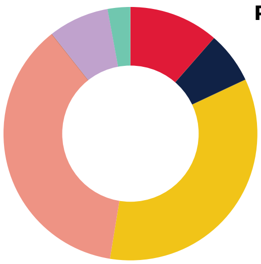
DBRS Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that were believed by DBRS to be reasonably achievable based on the sponsor's business plan. This often involved underwriting higher than in-place rental rates for multifamily properties based on significant renovations being performed, with rents already being achieved on renovated units providing the best guidance as to the market rent upon renovation. For commercial properties, the largest source of upside was typically in higher than in-place occupancy rates. For all assumptions, DBRS took a somewhat conservative view compared to market in order to account for execution risk around the business plan. For those loans with future funding for leasing costs, DBRS estimated the total cost to stabilize the property at the underwritten occupancy rate and gave credit in the cash flow to offset underwritten leasing costs if the future funding was not exhausted. The DBRS sample had an average Stabilized NCF variance of -17.2% and ranged from -44.0% to +13.6%.

DBRS Sampled Property Type



Transaction Concentrations

DBRS Property Type

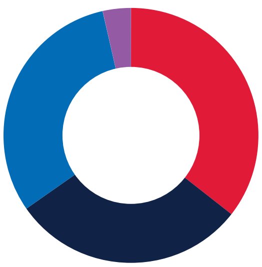


Property Type	% of Pool	# of Loans
Anchored Retail	11.4%	3
Full Service Hotel	0.0%	0
Industrial	6.6%	2
Limited Service Hotel	0.0%	0
MHC	0.0%	0
Multifamily	34.6%	8
Office	36.8%	6
Regional Mall	0.0%	0
Self Storage	0.0%	0
Unanchored Retail	7.7%	3
Weakly Anchored	2.9%	1

Geography

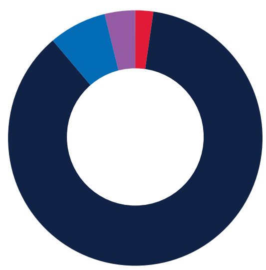
State	% of Pool	# of Properties
CA	25.4%	4
TX	20.6%	7
NC	10.7%	1
FL	11.2%	4
NV	6.4%	9
AL	6.2%	2
All Others	19.5%	6

Loan Size



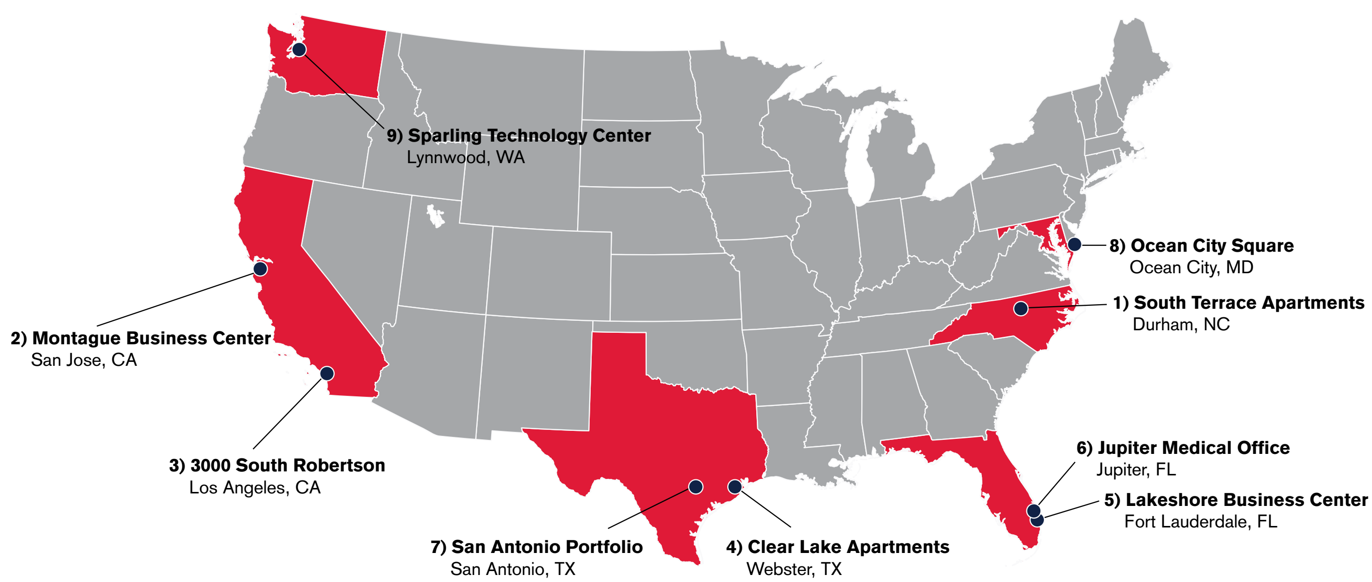
Loan Size	% of Pool	# of Loans
Very Large (>$20.0 million)	35.6%	4
Large ($10.0-$20.0 million)	29.7%	6
Medium ($5.0-$10.0 million)	31.2%	11
Small ($2.0-$5.0 million)	3.6%	2
Very Small (<$2.0 million)	0.0%	0

DBRS Market Types



Market Type	% of Pool	# of Loans
Urban	2.3%	1
Suburban	86.5%	19
Tertiary	7.3%	2
Rural	3.9%	1

Largest Property Locations



Loan Structural Features

Loan Terms: All interest-only loans, with typical terms of a three-year initial term, with two one-year extension options at the borrower's option.

Interest Rate: Floating rate referencing one-month USD LIBOR as the index, plus the margin or the interest rate floor.

Interest Rate Protection: To ensure the borrower's ability to make debt service payments, all of the loans have an interest rate cap in place, with an interest rate cap provider currently carrying a DBRS rating of "A" or better. Rate caps vary for each loan and can range from 0.5% to 4.5%. If the DBRS stressed interest rate was less than the interest rate cap purchased by the borrower, the DBRS modeling would default to the lower of the DBRS stressed interest rate or the rate cap for the loan.

Pari Passu Notes: One loan, representing 5.3% of the pool, has pari passu debt as identified in the table below.

PARI PASSU NOTES

Loan	Balance	% of Pool	Deal ID	% of Total Pari Passu Loan	Controlling Piece (Y/N)
Jupiter Medical Office	$14,261,814	5.3%	RAIT 2016-FL6	58.5%	Y
	$10,138,186	2.9%	RAIT 2015-FL5	41.5%	N
	$24,400,000	**n/a**	**n/a**	**100.0%**	**n/a**

Additional Debt: Montague Business Center, representing 11.3% of the pool, has existing secured debt held outside of the trust in the form of a PACE loan. The PACE loan was originated by the California Statewide Communities Development Authority, with respect to one of the two buildings secured by the subject loan, in the original principal amount of $541,874, which will amortize over a 27-year period as an assessment on the tax bill for the related tax parcel and will have the same penalties, remedies and lien priorities as real property taxes on such tax parcel. The borrower is also permitted to incur an additional PACE loan with respect to the second building secured as long as the original principal balance does not exceed $550,000 and also provided that other criteria/conditions are met. For additional information, please refer to the individual loan summary for Montague Business Center (page 19) of this report.

Two loans, representing 16.0% of the pool, are structured with mezzanine debt held outside the trust. The mezzanine loan is generally used for capital improvements or leasing costs that are generally expected to maintain or improve the value of the asset. The mezzanine financing for two of the loans was originated by an affiliate of RAIT and is currently held and may continue to be held by RAIT Partnership L.P. While there are only two of these instances, DBRS considers the relationship between RAIT as the lender, servicer and as the potential borrower to be a conflict. The documents require RAIT, as servicer, to perform all duties according to the servicing standard; however, in an effort to monitor this more closely, DBRS has requested notice of any transfer, sale, or default of the mezzanine note so the potential future relationship can be appropriately reviewed. Future additional secured debt is not permitted for any of the loans in the pool.

SUBORDINATE DEBT

Loan Name	Trust Balance	Future Funding Amount	Pari Passu Balance	B-Note Balance	Other Secured Debt Balance[1]	Mezz/ Unsecured Debt Balance	Future Mezz/ Unsecured Debt (Y/N)	Future Secured Debt (Y/N)	Total Debt Balance
South Terrace Apartments	$28,960,000	$0	$0	$0	$0	$4,470,969	N	N	$33,430,969
Montague Business Center	$24,100,000	$6,550,000	$0	$0	$541,874	$0	N	Y	$31,191,874
Jupiter Medical Office	$14,261,814	$0	$10,138,186	$0	$0	$2,600,000	N	N	$27,000,000

1. Montague Business Center has existing secured debt in the form of a PACE loan of $541,847.

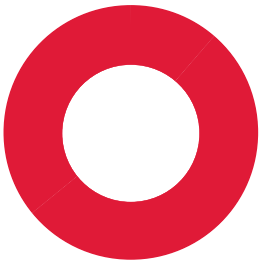
Future Funding: Three loans, representing 25.6% of the pool, have a future funding component. As of the cut-off date, the aggregate remaining future funding participations totaled nearly $12.6 million and ranged from approximately $1.7 million to $6.6 million. The proceeds necessary to fulfill the future obligations will be drawn on primarily from a Committed Warehouse Line and will be held outside the trust, but will be pari passu with the trust participations. The vast majority of these future funding participations will be utilized by the borrowers to fund property renovations and cover leasing costs. Each property has a business plan to execute that is expected to increase net cash flow. It is DBRS's opinion that the business plans were generally achievable given market conditions, recent property performance and adequate available future funding (or up front reserves) for planned renovations and leasing costs.

During the period beginning on the closing date and ending on the payment date in December 2018, the Issuer may (at the direction of the Directing Holder) allow certain principal proceeds to be deposited into a future funding acquisition account for the acquisition of all or a portion of the related future funding participations. Funds in the acquisition account will be made available for a period not to exceed the earlier of (i) 120 days from the date of deposit and (ii) the end of the ending of the payment date in December 2018. The acquisition criteria requires that the underlying mortgage loan is not a defaulted mortgage loan or specially serviced and no event of default has occurred and is continuing.

FUTURE FUNDING NOTES

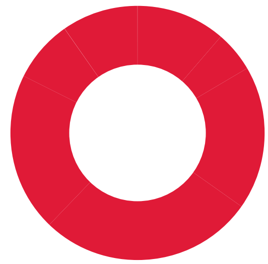
Property Name	% of Pool	Trust Amount	Future Funding Amount	Whole Loan Amount	Future Funding Uses
Montague Business Center	11.3%	$24,100,000	$6,550,000	$30,650,000	Leasing Costs
3000 South Robertson	8.3%	$17,880,000	$4,500,000	$22,380,000	Capital Improvements; Leasing Costs
Lakeshore Business Center	6.0%	$14,365,135	$1,784,865	$16,150,000	Leasing Costs

Interest Only



IO Term	% of Pool	# of Loans
Full IO	100.0%	23
Partial IO	0.0%	0
Amoritization	0.0%	0

DBRS Expected Amortization



Expected Amoritization	% of Pool	# of Loans
0%	100.0%	23
0.0%-5.0%	0.0%	0
5.0%-10.0%	0.0%	0
10.0%-15.0%	0.0%	0
15.0%-20.0%	0.0%	0
20.0%-25.0%	0.0%	0
>25.0%	0.0%	1

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		
Type	**Loans**	**% of Pool**
Tax Ongoing	23	100.0%
Insurance Ongoing	23	100.0%
CapEx Ongoing	11	43.7%
Leasing Costs Ongoing[1]	1	4.7%

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

BORROWER STRUCTURE		
Type	**Loans**	**% of Pool**
SPE with Independent Director and Non-Consolidation Opinion	4	35.6%
SPE with Independent Director Only	0	0.0%
SPE with Non-Consolidation Opinion Only	0	0.0%
SPE Only	19	64.4%

Property Release: Three loans (Montague Business Center, Jupiter Medical Office and DW Valley View Business Center), representing 15.1% of the pool, allow for the release of various improved and unimproved portions of the collateral for release prices generally at 125% of the allocated loan amount. The release of the parcel is subject to the absence of default and the lender's determining that the portion of collateral is substantially unimproved. Furthermore, the release will not have a material adverse effect on the subject's value, will be in compliance with applicable laws and will be transferred to an unaffiliated third party. No cash flow or value was attributed to any such unimproved release parcel.

Sponsor Strength

Sponsor Strength	% of Pool	# of Loans
Strong	0.0%	0
Average	53.8%	15
Weak	32.0%	6
Bad (Litigious)	14.2%	2

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

Terrorism Insurance: Terrorism insurance is in place for each loan in the pool and each loan requires the borrower to maintain insurance against acts of terrorism insurance subject to a test of commercial reasonableness.

South Terrace Apartments

Durham, NC

Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$29.0

Total Future Advance ($ MM)
$0.0

Total Loan Commitment ($ MM)
$29.0

Loan psf/Unit
$88,293

Percentage of the Pool
10.7%

Fully Extended Maturity Date
May 2021

Amortization
n/a

DBRS Term DSCR
1.08x

DBRS Refi DSCR
0.81x

DBRS Debt Yield
7.3%

DBRS Exit Debt Yield
7.3%

Competitive Set

Multifamily, Large, Zip Code Prefix 227

Median Debt Yield
8.3%

Median Loan PSF/Unit
$59,450

Debt Stack ($ MM)

Total Loan Commitment
$29.0

Pari Passu
$0.0

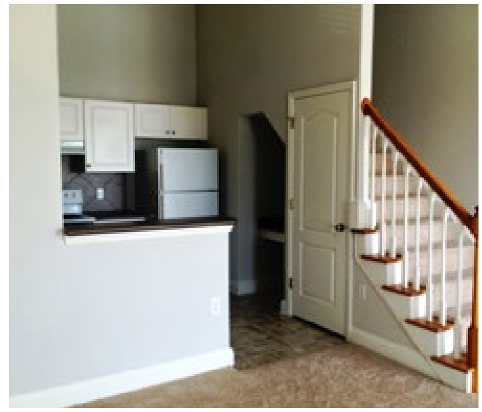
Mezz/Other Secured Debt
$4.5

Total Debt
$33.4

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ MM)
$1.9



COLLATERAL SUMMARY

DBRS Property Type	Multifamily	**Year Built/Renovated**	2002-2003/2013-2015
City, State	Durham, NC	**Physical Occupancy**	95.4%
Units	328	**Physical Occupancy Date**	September 2016

This loan is secured by the borrower's fee interest in the South Terrace Apartments, a 328-unit multifamily property in Durham, North Carolina. The collateral, consisting of 30 garden-style buildings on a 25.1-acre property, was built from 2002 to 2003, and renovated between 2013 and 2015. As of the September 2016 rent roll, the apartment complex was 95.4% occupied. The property was sold, at an undisclosed price, to an affiliate of RAIT Financial Trust (RAIT) partnership in June 2013 with the seller, Adam Kauffman, retaining a minority interest in the property. Loan proceeds of $29.0 million, along with $1.9 million of sponsor equity, refinanced $29.0 million of existing debt, funded $36,375 for immediate repairs and covered closing costs.

Since January 2014, the collateral has reported an average occupancy of 95.2%. The unit mix at South Terrace Apartments consists of 72 one-bedroom units, 160 two-bedroom units and 96 three-bedroom units. The units vary in size from 805 sf to 1,505 sf and are equipped with private balconies, fireplaces, washer-dryer hookups and walk-in closets. Community amenities at the gated property consist of a swimming pool, playground, fitness center and a clubhouse.

BUSINESS PLAN

The sponsor's business plan is to continue stable operations at the apartment complex and make cosmetic upgrades to the units, specifically the kitchens, to keep in line with the surrounding market and competitive properties.

MARKET OVERVIEW

Durham is a city of 251,893 residents in North Carolina. The city is 24.7 miles northwest of Raleigh and is part of the Durham-Chapel Hill MSA. Durham houses Duke University and North Carolina Central University. It is also one of the three hub cities that form Research Triangle Park, one of the largest research and development corporate parks in the world. The park houses over 170 international companies, including IBM and Cisco Systems, Inc. (Cisco). According to the U.S. Bureau of Labor Statistics, as of August 2016, the Durham-Chapel Hill MSA had an unemployment rate of 4.5%, comparing favorably to the national average of 4.9%.

Within Durham, the apartment complex is located off East Woodcroft Parkway in a residential neighborhood. Primary access to the neighborhood is provided by NC-55 and NC-54, which intersect about two miles from the property. Area demographics within a three-mile radius of the collateral reflect a middle-class populace composed of 58,807 residents with a median household income of $68,490. According to the appraisal, the neighborhood has recently settled from its growth period to the stable stage of its development cycle. It is forecast that property values in the area will either remain stable or slightly increase over the near term.

According to REIS, as of Q3 2016, multifamily properties in the South Durham submarket reported an average vacancy of 3.9% and average rent of $1,010 per month. In comparison, as of the most recent rent roll, the collateral's vacancy of 4.6% was slightly higher than the submarket, but still considered low. Additionally, rental rates at the subject average about $978 per month, making them slightly below market. Finally, the appraisal identified five properties in the local market that compete with the subject. For information on how South Terrace Apartments compares to its competitive set, please see table below.

COMPETITIVE SET

Property	Location	Distance from Subject	Units	Year Built	Occupancy
Hamptons	Durham, NC	2.0 miles	286	1998	90.0%
Colonial Village at Woodlake	Durham, NC	0.8 miles	266	1996	96.0%
Lodge at Southpoint	Durham, NC	4.3 miles	480	2000	93.0%
Encore at the Park	Durham, NC	3.2 miles	280	2001	98.0%
Legacy at Meridian	Durham, NC	0.7 miles	280	2001	92.0%
South Terrace Apartments - Subject	**Durham, NC**	**n/a**	**328**	**2002-2003**	**95.4%**

Source: Appraisal.

SPONSORSHIP

The sponsor for this loan is RAIT. As a result of the potential conflict, DBRS made a qualitative modeling adjustment for the sponsor. RAIT invests and manages a real estate portfolio that includes over 5,700 multifamily units with an average occupancy rate of 93.8%. Property management is provided by the sponsor-affiliate, RAIT Residential, for a contractual management fee of 3.0%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 12, 2016, DBRS found the property quality to be Average.

The property is comprised of 30 buildings including a clubhouse/ leasing office and fitness center. The individual buildings are nicely spread throughout the property with vast green space in between. Lawns were well manicured and the various building exteriors were generally in good shape, with a few buildings that had paint removed from banisters because of current ongoing work to repair and repaint. The property has a security building at the front that was unmanned at the time of inspection. Additionally, there is a security gate as a side entrance that was open at the time of inspection. The property also includes an outdoor playground near the pool area for the tenants with children to enjoy. According to the property manager, who has been at the site for 11 years, the property is approximately 60% young families and 40% young adults and students (though, is not student housing). The property manager noted that in his time there the occupancy has remained very stable and rental rates have seen steady increases. When asked what wish list items the property manager would have for the subject, he simply noted additional maintenance staff. While DBRS did not notice any deferred maintenance, disrepair or unsightly garbage, the property manager suggested that this was because of the few employees he had working extremely hard and putting in more hours. He suggested that having additional staff would spread the work more evenly and would enable them to respond to all requests more quickly.

Units at the property are currently receiving upgrades to the kitchens. According to the property manager, this decision was made as a result of a new property in the area that had all the latest design features such as stainless steel appliances and dark granite-like countertops. While they have not seen an occupancy decline and residents at the property have not complained because of the new addition to the market, he mentioned that they prefer to stay ahead of the curve in order to remain at the top of their competitive set. DBRS toured both renovated units and units that have not undergone renovations and each were of average quality. All bedrooms had their own baths and large walk-in closets, and every unit included a large balcony or patio. Some larger units, such as the three-bedroom units, were split-level, making them feel more like a house than an apartment. Overall, the property was aesthetically pleasing, boasted large unit sizes, and appeared to be well suited for the area and tenants.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	2015	T-12 September 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$3,815,275	$3,719,525	$3,862,648	$3,853,628	$3,992,934	$3,977,124	-0.4%
Other Income	$270,010	$284,471	$308,720	$287,656	$308,720	$308,720	0.0%
Vacancy & Concessions	-$495,277	-$361,501	-$307,196	-$269,120	-$298,581	-$382,232	28.0%
EGI	**$3,590,008**	**$3,642,494**	**$3,864,172**	**$3,872,164**	**$4,003,073**	**$3,903,612**	**-2.5%**
Expenses	$1,477,145	$1,521,130	$1,583,411	$1,577,696	$1,626,506	$1,693,301	4.1%
NOI	**$2,112,862**	**$2,121,364**	**$2,280,761**	**$2,294,468**	**$2,376,567**	**$2,210,311**	**-7.0%**
Capex	$0	$0	$0	$0	$111,192	$92,824	-16.5%
NCF	**$2,112,862**	**$2,121,364**	**$2,280,761**	**$2,294,468**	**$2,265,375**	**$2,117,487**	**-6.5%**

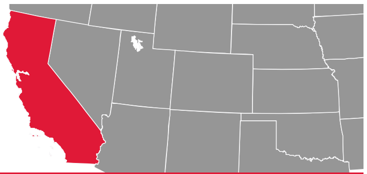
DBRS underwrote GPR based on the leases in place as of the September 27th, 2016, rent roll, with vacant units grossed up at the appraiser's concluded market rent. DBRS underwrote a 6% vacancy factor, which is slightly higher than the property's current 4% vacancy estimate and materially higher than the submarket vacancy of 3.9% and the 3.2% vacancy reported for comparably aged properties. Utility reimbursement income was underwritten to the T-12 level, as was other income. The resulting DBRS UW EGI is 2.7% below the Borrower's In Place level.

Operating expenses were underwritten based on the T-12 inflated 3%, which is slightly higher than the appraiser's estimate. Real estate taxes were underwritten based on the appraiser's estimate for the 2016 reassessment of the property. The insurance premium of was underwritten to the actual bill of $60,834. A management fee of 4.0% of EGI was applied. The resulting DBRS UW expense load is 1.4% higher than the appraiser's assumptions.

Below-the-line deductions included $283 per unit for replacement reserves, in line with the engineer's inflated recommendation. The resulting DBRS NCF was $2,117,487, a variance of -6.5% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

DBRS considers the property to be stabilized. The subject has a DBRS Refi DSCR of 0.81x and a DBRS Exit Debt Yield of 7.3%, indicative of higher leverage. However, according to Real Capital Analytics, sales from 2015 on within a one-mile radius range from $60.9 thousand per unit to $120.9 thousand per unit, with the most recent sale from August 2016 at $117.6 thousand per unit. The subject property has a loan amount equal to $88.4 thousand per unit that is within the lower end of the range of sales in the area. The subject loan is secured by a large multifamily property in Durham, North Carolina. The property is located within Research Triangle Park; an area created by the triangle of North Carolina State University, Duke University and the University of North Carolina at Chapel Hill, which has been a desirable tech and business sector since the 1950's when the area gained its nickname. Major demand drivers come from the three universities as well as a presence of tech/biotech/pharma companies located in Research Triangle Park, including IBM, GlaxoSmithKline plc, Cisco, the United States Environmental Protection Agency and the Centers for Disease Control and Prevention. The property is well positioned between several office parks and universities (though, not a student housing facility). The complex, while currently performing well, is completing renovations to units to upgrade kitchens and porches/balconies. The proven historical success in occupancy and ability to retain tenants, with 20% of current residents having leases that began over three years ago, shows great support that these improvements will continue that trend.



Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$24.1

Total Future Advance ($ MM)
$6.6

Total Loan Commitment ($ MM)
$30.7

Loan psf/Unit
$210

Percentage of the Pool
11.3%

Fully Extended Maturity Date
January 2021

Amortization
n/a

DBRS Term DSCR
0.45x

DBRS Refi DSCR
0.87x

DBRS Debt Yield
2.9%

DBRS Exit Debt Yield
7.9%

Competitive Set

Office, Medium, Zip Code Prefix 951

Median Debt Yield
11.6%

Median Loan PSF/Unit
$115

Debt Stack ($ MM)

Total Loan Commitment
$30.7

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.5

Total Debt
$31.2

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ MM)
$11.5

Montague Business Center

San Jose, CA

COLLATERAL SUMMARY

DBRS Property Type	Industrial/Office	**Year Built/Renovated**	1982/2016
City, State	San Jose, CA	**Physical Occupancy**	62.0%
SF	145,951	**Physical Occupancy Date**	July 2016

This loan is secured by the borrower's fee interest in the Montague Business Center, a 145,951 sf industrial/office property located in San Jose, California, consisting of the 55,484 sf 408-410 East Plumeria Drive office building (Plumeria) and the 90,637 sf 2730 Junction Avenue industrial building (Junction). The $30.7 million whole loan consists of a $24.1 million initial mortgage loan and $6.6 million of future funding for TI/LCs. Loan proceeds along with $11.5 million of sponsor equity facilitated the sponsor's $30.3 million acquisition of the property and, in addition to the $6.6 million of future funding, facilitated a $2.8 million capex reserve ($50 psf on the Plumeria building), a $621,000 debt service reserve and covered $1.9 million of closing costs as well as other miscellaneous reserves. The loan was originated in December 2015 and has an initial three-year term followed by two one-year extension options. Additionally, there is $541,874 property-assessed clean energy (PACE) loan that covered HVAC and roof improvements on the Plumeria building. Up to $550,000 of future PACE financing may be incurred on the Junction building if a maximum 75.0% LTV threshold on the whole loan is not exceeded and the then DSCR would not decrease post-funding of the new PACE loan.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
County of Santa Clara	90,467	62.0%	$14.40	100.00%	12/2020	N
Vacant Space	55,484	38.0%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**145,951**	**100.0%**	**$8.93**	**100.0%**	**Various**	**N**

The collateral was 81.1% physically occupied until prior tenant SpiderCloud Wireless vacated its 27,908 sf space at the end of its lease in February 2016. As of the July 31, 2016, rent roll, the property was 62.0% occupied by the County of Santa Clara (the County), which fully leases the Junction building. The County uses its space to store disaster recovery supplies and has no office or research and development (R&D) build-out. The tenant's lease extends through December 2020 and its current rent is 47.8% below the appraiser's market rent estimate of $27.60 psf for office/R&D space. The appraiser concluded a TI package of $70.00 psf would be needed to convert this space to office/R&D use.

BUSINESS PLAN

The sponsor is currently pursuing two different leasing strategies: (1) Negotiate with the County to terminate its lease early and assist in the relocation to a more suitable industrial building in the area at a more favorable rent. The sponsor has agreed to cover moving costs of roughly $125,000 if the tenant obliges. Once successful, future funding would allow the sponsor to covert the Junction building to modern office/R&D space. Prior to a termination of the County's lease, a new approved lease for a replacement tenant would need to be in place. The Plumeria building is in the final stage of a full renovation and of the loan's $2.8 million capex reserve, just over $600,000 remains unfunded, which may be used for any needed TI work. The Plumeria renovations include full interior and exterior upgrades along with roof and HVAC replacement, all of which are scheduled to be completed by November 30, 2016. The sponsor plans to have a new lease commence at Plumeria by mid-2017. (2) Recently, the County has expressed interest in moving some of its operations to the renovated Plumeria building as they are in need of more space. This leasing strategy would also include an extension of the existing Junction building lease at a market rental rate.

MARKET OVERVIEW

San Jose, the third-largest city in California, is part of the larger Santa Clara County, which had an estimated 2015 population of about 1.9 million people (U.S. Census Bureau). The northern portion of Santa Clara County is more commonly known as Silicon Valley, the home of the nation's largest concentration of tech firms, which range from garage startups to Fortune 500 companies. The technology sector is a core target for venture capital in the region. According to a 2013 PwC report, of the $29.6 billion of venture capital invested in the United States approximately 42.0% was allocated to Silicon Valley firms. Software accounted for nearly half of the total 2013 investment, followed by IT Services and Consumer Services. Unsurprisingly, the market has responded positively to the increased activity; however, the associated risk with a large dependence on one industry along with significant rises in business and living costs provides some concern going forward.

Within San Jose, the collateral is located at the corner of Montague Expressway and East Plumeria Drive, within the city's North First Street Corridor, which is home to some of Silicon Valley's most notable tech companies, including eBay, Cisco Systems, Broadcom Corporation and Samsung. The subject is only five minutes away from the San Jose International Airport and primary access to the area is provided by I-880, Hwy. 101 and State Route 237. According to the U.S. Bureau of Labor Statistics, as of September 2016, the San Jose-Sunnyvale-Santa Clara MSA reported an unemployment rate of 3.8%, and it has not surpassed 6.0% since October 2013.

According to CoStar, office properties in the very small Plumeria Drive submarket have a current average vacancy rate of 32.4% and an average gross rental rate of $25.36 psf across 27 properties. Meanwhile, there are 45 flex R&D properties in the submarket that report an average vacancy and gross rental rate of 14.7% and $19.75 psf, respectively. All but seven of these flex R&D properties are reported to be 100.0% leased. Within a 0.5-mile radius of the subject, the average office vacancy rate improves to 16.7% while the R&D average vacancy rate escalates to 20.1%. The appraiser notes the availability of large blocks of space has become limited and, after three years of strong performance in the Silicon Valley office/R&D sector, construction activity has increased to accommodate rising demand. Furthermore, larger companies in the area have generally committed to sufficient space to accommodate their near-term needs and, as a result, the predominance of upcoming absorption is anticipated to be driven by small- to mid-sized tenants. Finally, the appraisal identified five office properties in the local market that compete with the subject. The competing assets consist of a mix of standard office properties and those with additional R&D space. 2720 Zanker Road represents a current listing and was not considered by the appraiser to represent conditions in the local market. For information on how the Montague Business Center compares to its competitive set, refer to the table below.

COMPETITIVE SET

Property	Distance from Subject	SF	% of Office Space	Year Built	Occupancy	Quoted Base Rent PSF
Zanker Business Center	1.9 miles	120,402	50.0%	1984	82.0%	$23.40
Valley Technology Centre	0.4 miles	84,600	100.0%	1995	78.0%	$22.80-$26.40
Orchard Commons	0.9 miles	30,000	70.0%	1980	100.0%	$27.00
3833 North First Street	2.0 miles	80,908	70.0%	1984	100.0%	$23.88
2720 Zanker Road	0.4 miles	66,300	100.0%	1998	0.0%	$27.00
Subject - Montague Business Center	**n/a**	**145,951**	**42.1%**	**1982**	**62.0%**	**$27.60**

Source: Appraisal.

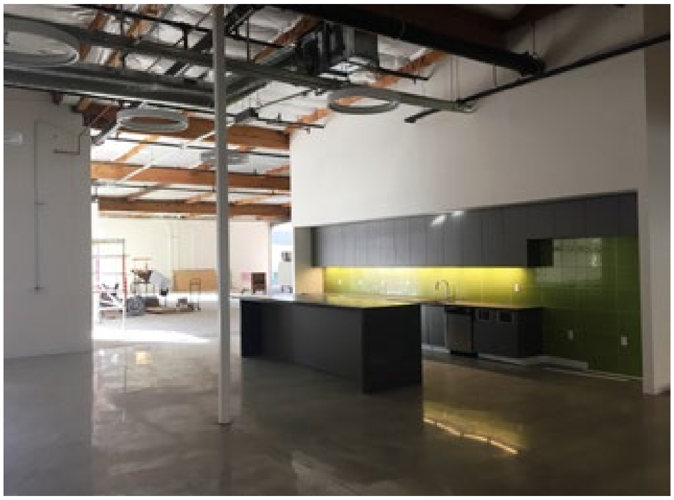
SPONSORSHIP

The loan is sponsored by Hamid Rezapour and Vertical Ventures Capital, LLC (Vertical Ventures), both of which also serve as the non-recourse guarantors. Hamid Rezapour is the founder and chairman at Vertical Ventures, a private real estate investment and develop–ment firm that specializes in the acquisition of office, R&D and industrial assets located in California. Mr. Rezapour has more than 15 years of experience and has reportedly been involved in over $300.0 million of commercial real estate transactions. Two prior bankruptcies have been disclosed by Mr. Rezapour, one personal and one business related. The personal bankruptcy occurred in 2013, when Mr. Rezapour filed Chapter 13 bankruptcy solely to get the attention of the servicer of his residential mortgage. Chapter 11 bankruptcy was filed in 2010 when a special-purpose entity Mr. Rezapour controlled was unable to obtain new bank financing on a 2008 portfolio acquisition of three properties and was unsuccessful in extending the existing financing originated from private sources. The properties involved in the Chapter 11 bankruptcy were ultimately returned to the lender and the Chapter 13 bankruptcy was later dismissed. DBRS increased the loan's POD to mitigate concern with the sponsor's prior bankruptcies. Property management is provided by Vertical Ventures for a contractual management fee of 3.0%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting held on October 5, 2016, DBRS found the property quality to be Average.



The subject sits south of East Plumeria Drive, between Montague Expressway to the east and Junction Avenue to the west. The majority of surrounding development consists of comparable single-story office/R&D space along with low-rise office buildings. A small retail center and multiple multifamily rental communities lie just north of the subject. Heavy traffic flow was noted along Montague Expressway at the time of inspection with both buildings benefiting from strong visibility, particularly the prominent corner location of the Plumeria building. Large trees line the perimeter of the property, helping to create a desirable setting for the office park.

DBRS toured the interior of the Plumeria building where renovation work was nearing completion. The single-story build-out has an open layout that includes grey carpet tiles, narrow support columns and limited interior walls and that can be easily configured to a future tenant's specifications. A small lobby with modern decorative LED lighting sits at the front of the building. In the rear, a contemporary kitchen, exposed ceilings and polished concrete floors are featured along with a glass roll-up garage door that leads to an outdoor patio area that is assured to be a desirable tenant amenity. While the space is intended to be transformed into a turn-key space for a single user, a portion of the floorplate toward the back of the building will be left in shell condition to allow for a future tenant's ideal configuration. Construction workers were focusing on the exterior facade upgrades at the time of inspection. Despite being in the midst of a major renovation, the potential of Plumeria building could be visualized and when work is completed, it should be one of the nicest and most desirable buildings of its size in the area.

The adjacent Junction building is larger in size and according to the sponsor representative, the County does not maintain any full-time staff on site. DBRS was unable to tour the interior of the Junction building but through the glass of the main doors was able to visually confirm the County's space is consistent with a low clear-height industrial use. Minimal lights are kept on inside the space. From the exterior, the building looks like a typical office/R&D building and appeared to be well maintained. The main entrance faces Junction Avenue while the rear of the building runs along Montague Expressway and includes a large fenced area connected to the building. Overall, the subject has a parking ratio of 3.6 spaces/1,000 sf, which exceeds the zoning requirement of 2.9 spaces/1,000 sf. Given the County's current operations at the Junction building, a temporary surplus of available parking capacity is likely for the Plumeria building.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	T-6 June 2015	T-7 July 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$1,673,088	$1,586,382	$1,446,252	$4,005,396	$3,647,789	$2,834,078	-22.3%
Recoveries	$415,999	$382,368	$362,442	$793,324	$815,790	$809,696	-0.7%
Other Income	$0	$0	$0	$0	$0	$0	0.0%
Vacancy	$0	$0	$0	-$145,479	-$446,358	-$364,377	-18.4%
EGI	**$2,089,087**	**$1,968,750**	**$1,808,694**	**$4,653,241**	**$4,017,221**	**$3,279,397**	**-18.4%**
Expenses	$497,628	$517,872	$472,467	$799,675	$831,273	$825,644	-0.7%
NOI	**$1,591,459**	**$1,450,878**	**$1,336,226**	**$3,853,566**	**$3,185,948**	**$2,453,753**	**-23.0%**
Capex	$0	$0	$0	$0	$32,109	$29,190	-9.1%
TI/LC	$0	$0	$0	$0	$145,951	$0	-100.0%
NCF	**$1,591,459**	**$1,450,878**	**$1,336,226**	**$3,853,566**	**$3,007,888**	**$2,424,563**	**-19.4%**

DBRS underwrote the County at their existing rental rate and grossed up the Plumeria building at $27.60 psf, equal to the appraiser's market estimate. Full reimbursements excluding non-recoverable expenses were underwritten based on prevailing market conditions and the appraiser's estimate. The appraiser's estimated a combined vacancy and credit loss of 5.0%. DBRS concluded a higher vacancy of 10.0% based on current and historical CoStar submarket data while also factoring in execution risk. CoStar classifies the subject as a Class C Flex R&D property and of the 45 R&D properties in the submarket, all but seven are currently 100.0% leased and five of them are fully vacant, significantly skewing the underlying data.

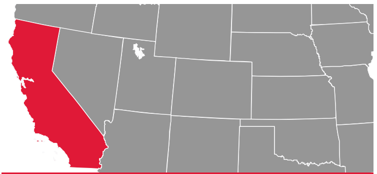
Operating and fixed expenses were generally underwritten based on 2018 estimated expenses, with a 3.5% management fee applied, which is in line the appraiser's figure. Real estate taxes incorporated a California Proposition 13 analysis that uses the current tax rate of 1.193% against the assumed assessed value equal to the total loan amount of $30.7 million loan amount plus the $2.8 million capex renovation and incorporates current direct assessments. Total expenses equated to $5.63 psf.

DBRS underwrote capex of $0.20 psf which was greater than the engineer's inflated annual estimate of $0.09 psf. TIs for a new lease were estimated based on a blend of $70.00 psf for the Junction building and $20.00 psf for the Plumeria building, in line with the appraiser's estimates. Renewal TIs were underwritten at $2.50 psf for all space based on the appraiser's concluded market figure. New and renewal LCs were underwritten to 6.0% and 2.5%, respectively, based on the appraiser's estimates. Based on these assumptions, there will still be nearly $3.8 million of the $6.6 million escrowed for leasing costs at the property remaining after assumed stabilization and prior to the expiry of the County's existing lease. Therefore, this amount was given as a straight-line credit over the extended loan term and resulted in no leasing costs being underwritten. The resulting DBRS Stabilized NCF was $2,424,563, a variance of -19.4% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

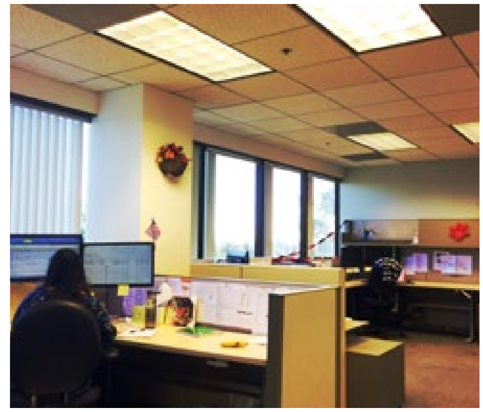
The subject consists of a well-located office property within Silicon Valley. After nearly a year of seasoning, the sponsor has made significant progress with the initial part of their business plan (the full renovation of the Plumeria building), which is anticipated to be completed by November 30, 2016. The space will be in turn-key condition when finished, which provides an advantage in the local market as most target tech industry tenants are looking for attractive and functional space to acquire top-tier talent but also consider lease commencement flexibility to be of high importance. The local submarket currently consists of a mix of stabilized properties, transitional properties similar to the subject and newer large scale developments. This wide assortment is reflected in the CoStar submarket statistics and on a closer inspection of available buildings of similar size and quality, conditions in the local market are more favorable, as evidenced by the appraiser's concluded vacancy and collection loss of 5.0% for the subject. However, the ever-expanding technology sector has led some to highlight the growing industry-dependence risk for the greater Silicon Valley market. That said, the subject property should be able to capitalize on the renovation of the Plumeria building once complete and both term and execution risk for the loan are mitigated by the loan's debt service reserve and the in-place County lease, which can only be terminated if the sponsor identifies a qualified replacement. The sponsor's cash equity contribution of $11.5 million toward the original acquisition of the property displays a high level of commitment; however, the guarantor's history of voluntary bankruptcy filings is of concern and DBRS increased the loan's POD to account for this risk.

The loan is adequately structured with $74.40 psf of future funding available to re-tenant the Plumeria building and if needed, substantially renovate the currently occupied Junction building as well. Based on the fully funded loan amount, the DBRS Stabilized NCF results in a DBRS Debt Yield of 7.9%, reflecting elevated leverage. On a psf basis, the whole-loan leverage of $210.00 psf is only slightly below the average of $234.11 psf for the 23 office properties measuring less than 275,000 sf within a one-mile radius that have traded since 2013, according to Real Capital Analytics, and the subject property itself has not fully been converted to office use.



3000 S. Robertson

Culver City, CA



Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$18.0

Total Future Advance ($ MM)
$4.4

Total Loan Commitment ($ MM)
$22.4

Loan psf/Unit
$204

Percentage of the Pool
8.3%

Fully Extended Maturity Date
December 2020

Amortization
n/a

DBRS Term DSCR
0.27x

DBRS Refi DSCR
0.80x

DBRS Debt Yield
1.4%

DBRS Exit Debt Yield
7.3%

Competitive Set

Office, Medium, Zip Code Prefix 900

Median Debt Yield
10.0%

Median Loan PSF/Unit
$138

Debt Stack ($ MM)

Total Loan Commitment
$22.4

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$22.4

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ MM)
$13.1

COLLATERAL SUMMARY

DBRS Property Type	Office	**Year Built/Renovated**	1986
City, State	Culver City, CA	**Physical Occupancy**	38.7%
SF	109,930	**Physical Occupancy Date**	September 2016

This loan is secured by the borrower's fee interest in 3000 South Robertson, a 109,930 sf office property in Culver City, California. Loan proceeds of $18.0 million, along with $13.0 million of sponsor equity and $4.5 million of future funding, facilitated the sponsor's $26.7 million acquisition of the property, allocated $2.0 million of capital improvement upgrades, funded a $1.1 million capex reserve, financed $1.4 million toward an interest reserve and covered acquisition fees and closing costs.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
Kaiser Foundation Health Plan	31,174	28.4%	$27.40	69.7%	Various	Y
Online Labs, Inc.	2,597	2.4%	$27.37	5.8%	7/2022	N
Osada Inc.	1,831	1.7%	$29.55	4.4%	7/2019	N
Food & Water Watch	1,582	1.4%	$34.20	4.4%	3/2017	N
Ainong USA	1,576	1.4%	$26.76	3.4%	1/2019	N
Subtotal/Wtd. Avg.	**38,760**	**35.3%**	**$27.75**	**87.7%**	**Various**	**Various**
Other Tenants	2,820	2.6%	$53.36	12.3%	Various	N
Vacant Space[1]	68,350	62.2%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**109,930**	**100.0%**	**$29.49**	**100.0%**	**Various**	**Various**

1. All month-to-month tenants and tenants with near term expiry have been included in Vacant Space.

The collateral consists of a four-story office building and a five-story parking garage situated across a 1.4-acre property. As of the Septembers 2016 rent roll, the office property was 38.7% occupied by eight tenants. Between 2006 and 2011, the office property exhibited much stronger occupancy levels that ranged between 87.0% and 90.0%. However, in 2012, the property owner passed away and the collateral went into the control of the trustee of the owner's estate; it was during this time that occupancy subsequently fell.

Kaiser Foundation Health Plan Inc. (Kaiser), an entity of Kaiser Permanente, is the largest tenant by NRA at the property. Kaiser recently signed a ten-year extension to its existing lease for 25,302 sf, extending it to August 2026, but has a one-time termination right in March 2023. If the tenant exercises its termination right for the aforementioned space, the tenant must give a 12-month written notice to the landlord and pay a termination fee of $535,982. Kaiser's original lease at the property started in March 2008 and was scheduled to expire in April 2016, but the previous owner negotiated the expansion. Kaiser recently expanded into an additional 5,872 sf through May 2021 at an initial rate of $33.00 psf, under the current ownership. Kaiser uses its space at the property primarily for administrative and back-office functions. No other tenant besides Kaiser represents more than 2.4% of total NRA or 5.8% of total DBRS UW base rent. The remaining tenancy at the property is comprised of a diverse range of industries, ranging from political advocacy groups to medical equipment sales. DBRS underwrote Court Deli, representing 0.9% of total NRA, as vacant due to its near-term lease expiry in December 2016. An LOI has been signed by UPS for approximately 7,003 sf at an initial base rent of $38.40 full-service gross (FSG) psf with 3.0% annual escalations and an eight-month rental abatement. UPS is currently a MTM tenant that is paying $28.68 psf for 1,831 sf at the property. DBRS did not include revenue per the LOI for UPS in its occupied revenue calculation, as the lease is not expected to be executed prior to deal closing. Another lease for 4,336 sf is purportedly expected to be executed in November 2016, but contractual lease terms were not disclosed. If the LOI for UPS and the lease for 4,336 are executed, physical occupancy at the property would increase to 49.0% from 38.7% as of the September 2016 rent roll. Two tenants, Laurence H. Lisher and Confidential Pictures, which represented 3.6% of property NRA, have vacated the property since the June 2016 rent roll. While Laurence H. Lisher was a MTM tenant, Confidential Pictures vacated their space prior to their September 2017 lease expiry. The loss of the two tenants, along with the vacancy consideration of UPS and Court Deli, are the primary contribution factors to the drop in occupancy from 47.0% in the June 2016 rent roll to the 38.7% occupancy figure in the September 2016 rent roll. The property lost one of its largest tenants, Everest College, when it filed bankruptcy as a subsidiary of Corinthian Colleges, Inc. in early 2015. Everest College vacated the entire third floor, representing 28,063 sf and 25.5% of NRA, without any notice.

BUSINESS PLAN

Upon acquisition, the sponsor's original business plan was to invest roughly $1.9 million in capex into the property to reposition and rebrand the asset. The capital improvement plan includes upgrades to the building facade, a lobby renovation and improvements to the property signage, elevators and parking garage. Once the renovation is complete, the sponsor plans to market the property to back-office tenants as a low-cost alternative to typical office spaces in West Los Angeles and Culver City. The sponsor assumed market leasing at $34.20 FSG psf with $55.00 psf of TIs at closing.

Since closing, the borrower has raised an additional $2.0 million of equity to complete a more robust capital improvement plan. The main focus of the additional work will be on the courtyard area, which is the entrance to the building. The new capital improvement plan has commenced and is expected to be complete by March 2017. The borrower expects to achieve market rents above $37.80 FSG psf in connection with the updated capital improvement budget. The $1.1 million upfront capital improvement, $2.0 million sponsor equity contribution and $750,000 future funded value-added capital improvement reserve total approximately $3.9 of planned capital expenditures.

MARKET OVERVIEW

Culver City is located within Los Angeles County and is approximately 10.0 miles southwest of Los Angeles. As of September 2016, the unemployment rate for the Los Angeles-Long Beach-Glendale MSA was slightly higher than the 5.0% national average at 5.2% (U.S. Bureau of Labor Statistics). However, according to the appraisal, the Los Angeles region currently exceeds the national levels for median household income, with 23.5% of households making over $100,000 annually. Independent of Los Angeles, Culver City is known for housing numerous movie studios and technology startups. The city also benefits from having more affordable rents than typical in Los Angeles.

Within Culver City, the collateral is located at the southeast intersection of South Robertson Boulevard and National Boulevard. Primary access to the area is provided by the Santa Monica Freeway (I-10), which directly connects the office building, and the Culver City Metro Expo Line stop, which is located only 0.5 miles south. The subject property is also 1.0 mile northwest of the Hayden Tract, a creative office hub with 1.3 million sf of office space that is known for its unique architecture and media- and technology-focused tenants. The property is notably one of the only mid-rise office buildings in the immediate area.

According to CoStar, existing office properties in the collateral's submarket currently report an average vacancy of 8.7%, average five-year vacancy of 9.0% and a gross rental rate of $37.12 psf. Existing Class B offices within a one-mile radius of the subject report an average vacancy of 12.7%, average five-year vacancy rate of 14.2% and average gross rental rate of $43.75 psf. In comparison, the collateral's in-place vacancy of 61.3% is significantly higher than the submarket average. The DBRS UW lease in place of $29.49 psf is significantly below the CoStar market rental rates and the appraiser concluded market rent of $34.20 psf spaces. The appraisal identified six office properties in the local market that compete with the subject. The appraisal stated that the collateral has one of the largest parking garages in the area, giving it a slight competitive advantage. The property's in-place vacancy figure is significantly higher the appraiser's comparable office properties, which exhibit a WA vacancy figure of 13.8%. For more information on how 3000 South Robertson compares to its competitive set, refer to the table below.

COMPETITIVE SET

Property	Location	Distance from Subject	SF	Year Built	Occupancy
Sepulveda Center	Los Angeles, CA	2.3 miles	179,488	1982	79.0%
Executive Tower	Los Angeles, CA	4.1 miles	242,173	1989	96.0%
Olympic Center	Los Angeles, CA	3.5 miles	160,094	1985	95.0%
300 Corporate Pointe	Culver City, CA	5.0 miles	114,934	1985	87.0%
400 Corporate Pointe	Culver City, CA	4.6 miles	164,598	1988	94.0%
600 Corporate Pointe	Culver City, CA	4.5 miles	275,443	1989	72.0%
Total/Wtd. Avg. Comp. Set	**Various, CA**	**Various**	**1,136,730**	**Various**	**86.2%**
3000 South Robertson - Subject	**Culver City, CA**	**n/a**	**109,930**	**1986**	**38.7%**

Source: Appraisal, except the subject's occupancy figure is based on the rent roll dated September 30, 2016.

SPONSORSHIP

This loan is sponsored by a joint venture between Watt Companies, Inc. and Edge Principal Advisors with Watt Investment Partners, LLC serving as the guarantor. Watt Companies, Inc. is a real estate investment and development company founded in 1947 and based in Santa Monica, California. Edge Principal Advisors is a New York-based private real estate platform that has been involved in commercial real estate transactions exceeding $3.0 billion in asset value. Property management at the collateral is provided by a third-party company, RiverRock Real Estate Group, Inc., for a contractual management fee of the greater of 1.75% of EGI or $36,000 per month.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 3, 2016, DBRS found the property quality to be Average.

The four-story office property and five-story parking garage are situated between residential buildings to the north and an auto repair shop to the south. The property has excellent visibility from Santa Monica Freeway (I-10) to the east, but is accessed via South Robertson Boulevard, a busy local commercial thoroughfare, to the west. The surrounding area is built-out with surrounding land uses being predominately comprised of office, retail, industrial and single-family homes. The property is located approximately a mile northeast of Southern California Hospital at Culver City, a major economic driver in the area. The property's facade featured a combination of steel beam with concrete paneling and glass spandrels. The south side facade facing I-10 was being painted at the time of the inspection to a light grey, dark grey, black and orange color array and the property manager conveyed that all exterior facade renovations were expected to be completed in the next three to four weeks. The facade of the parking lot structure, which faces South Robertson Boulevard exhibited signage for Everest College, a tenant that vacated its space in early 2015. The property's vintage and general exterior appearance appeared to be dated, but was in line with the quality and vintage of most of the commercial buildings in the immediate area.

The property offered a small outdoor courtyard between the office structure and the parking lot with well-maintained landscaping and a concrete pathway that leads the property's primary entrance and a small deli shop. The interior entryway also appeared to be dated with a mix of tiling and carpeting leading to an attractive granite-walled elevator bank. The largest tenant in occupancy at the property, Kaiser, occupied the fourth floor and was in the process of building out its recently signed space on the second floor. Kaiser's office layout on the fourth floor contained a mixture of interior and exterior offices with high cubicle walls, exterior executive offices and common seating areas. Kaiser also offered a modern waiting area decorated with wall art, a wooden paneled receptionist desk, modern furniture and an executive boardroom and balcony that overlook the property's courtyard. While Kaiser had a substantial build-out with interior walls creating several different office suites, many of the other occupied office space toured contained little build-out. Food and Water Watch did not have cubicles and used card tables and a mixture of home furniture to furnish their space. The vacated space of Laurence H. Lisher, a law office, contained high cubicle walls, stacked cardboard boxes, and stained red carpeting. Occupied offices in the building generally contained grey carpeted flooring, white painted gypsum board walls and white acoustical ceiling panels, typical of Class B office space aesthetic. The vacant third floor, formerly occupied by Everest College, appeared to be in vanilla box condition with all interior walls recently torn down, and the space offered pristine views of the Hollywood sign and the City of Los Angeles. The property's overall quality appeared to be in line with Class B office space, but the lack of previous capital investment by tenants and the previous owner was evident.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	T-12 September 2015	T-10 September 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$1,857,533	$1,732,162	$1,301,247	$3,373,014	$3,286,934	$3,592,319	9.3%
Recoveries	$213,824	$132,297	$40,723	$94,357	$102,914	$128,919	25.3%
Other Income	$174,029	$173,037	$168,300	$223,933	$363,054	$265,225	-26.9%
Vacancy	-$14,910	-$86,637	-$99,877	-$2,176,931	-$29,720	-$477,929	1508.1%
EGI	**$2,230,476**	**$1,950,859**	**$1,410,393**	**$1,514,373**	**$3,723,182**	**$3,508,535**	**-5.8%**
Expenses	$1,120,551	$1,140,403	$1,083,824	$1,119,203	$1,391,124	$1,400,816	0.7%
NOI	**$1,109,925**	**$810,456**	**$326,569**	**$395,170**	**$2,332,058**	**$2,107,719**	**-9.6%**
Capex	$0	$0	$0	$0	$21,986	$21,986	0.0%
TI/LC	$0	$0	$0	$0	$137,413	$445,965	224.5%
NCF	**$1,109,925**	**$810,456**	**$326,569**	**$395,170**	**$2,172,659**	**$1,639,768**	**-24.5%**

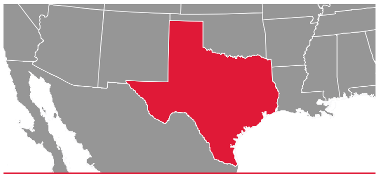
DBRS underwrote GPR based on the leases in place as of the September 30, 2016, rent roll, with rent steps accepted through May 2017 and the vacant suites grossed up at the appraiser's concluded market rent. DBRS underwrote the MTM lease for UPS and the near-term lease expiry for Court Deli, representing 4.4% of NRA, as vacant. Expense reimbursements were based on the appraiser's Year 3 recovery ratio to DBRS UW stabilized expenses. The DBRS UW stabilized vacancy figure of 12.4% represents a blend of 12.5% for office and 5.0% for antenna income. The DBRS UW vacancy of 12.4% is slightly below the existing Class B office properties within a one-mile radius of the subject vacancy rate figure of 12.7% and below the appraiser's comparable office property WA vacancy figure of 13.8%, but above the appraiser's stabilized vacancy figure of 10.0%. The resulting DBRS UW EGI was 79.8%% above the T-12 ending September 30, 2015, level because of the income associated with the vacant space grossed up at appraiser's market rent.

Expenses were general underwritten to the T-12 ending September 2015 figure inflated by 10%. Real estate taxes were underwritten to the appraiser's Year 3 stabilized figure, which is a variance of 4.9% from the current tax figure. Insurance was based on the actual premium inflated by 10.0%. A management fee of 4.0% of EGI was applied, which above the contractual level of 1.75% to a third-party affiliate. The resulting DBRS UW expense load is 22.8% above the T-12 ending September 30, 2015, level. The resulting DBRS UW expense of $12.74 psf is within the appraiser's expense comparable, which exhibit total expenses ranging from $12.31 psf to $12.83 psf.

DBRS underwrote replacement reserves to $0.20 psf, which is slightly higher than the engineer's inflated estimate of $0.19 psf. TI assumptions for new and renewal leases were underwritten at $30.00 psf and $15.00 psf, respectively, for all space, which is in line with the appraiser's conclusions. However, DBRS assumed a $55.00 psf TI assumption for its TI needed for stabilization calculation, which is based on the sponsor's plan to offer $55.00 psf TIs at the property for new tenants. LCs of 6.0% and 3.0% were underwritten for new and renewal leases, respectively. The resulting DBRS Stabilized NCF was $1,639,768, a variance of -24.5% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

The subject loan is secured by a Class B office property in Los Angeles, California. The property is located in a built-out corridor with excellent visibility from the I-10. The office building and parking structure appeared dated, but the overall appearance of the property should significantly benefit from the planned renovation at the property, which will be funded by $1.9 million of loan reserves and $2.0 million of sponsor equity. The property's largest tenant, Kaiser, recently renewed their lease under the prior ownership, and expanded their footprint at the property under the current ownership. The expansion lease was signed at a base rental rate of $33.00 psf, which is in line with the appraiser's concluded market rent of $34.20 psf, and the tenant received TIs of $25.00 psf, which is below the appraiser's concluded new market TI of $30.00 psf. The leasing commitment by Kaiser, an investment-grade tenant, is indicative that the property can attain a quality tenant despite its location on the outskirts of Culver City and the Westside Office market. The property's in-place vacancy figure of 61.3%, as of the September 2016 rent roll, is significantly above the CoStar submarket vacancy rate of 8.7% and the appraiser's comparable office properties' WA vacancy figure of 13.7%. The property historically performed at a higher occupancy, prior to the previous sponsor's death in 2012, with occupancy levels ranging between 87.0% and 90.0% from 2006 to 2011. The current sponsor, a joint venture between Watt Companies, Inc. and Edge Principal Advisors, plan to offer $55.00 psf TIs, which is significantly above the appraiser's new TI assumption of $30.00 psf, to attract tenants to the center. The loan was structured with a future funding TI/LC reserve of $3.75 million, equal to $34.11 psf, which should be beneficial in the sponsor's attempt to stabilize the property. The DBRS Term DSCR of 0.13x, which does not take into consideration any potential upside in revenue, results in a high corresponding POD. The loan was structured with a $1.25 million interest reserve at closing, but as of October 2016, the debt service reserve has an unfunded balance of $812,206. The remaining interest reserve funds could cover the fully funded debt service for approximately ten months. The sponsor recently executed an LOI for the renewal and expansion of MTM tenant UPS and is in discussions with a new tenant to occupy 4,336 sf at the property. However, the sponsor had yet to execute a lease with a new tenant since the loan origination in November 2015. The property's overall leasing efforts should be aided by the completion of exterior renovations in March 2017. The DBRS Refi DSCR of 0.80x suggests a higher likelihood of maturity default. However, the fully funded leverage of $204.00 psf is significantly lower than Real Capital Analytics' comparable office sales within a 2.5-mile radius of the subject property, which have averaged $540.00 psf across 25 transactions since November 2014. The sponsor's $13.0 million equity contribution, represents 35.9% of the total $36.2 million acquisition cost.



Clear Lake Apartments

Webster, TX

Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$16.6

Total Future Advance ($ MM)
$0.0

Total Loan Commitment ($ MM)
$16.6

Loan psf/Unit
$58,451

Percentage of the Pool
6.1%

Fully Extended Maturity Date
October 2021

Amortization
n/a

DBRS Term DSCR
1.16x

DBRS Refi DSCR
0.88x

DBRS Debt Yield
8.0%

DBRS Exit Debt Yield
8.0%

Competitive Set

Multifamily, Large, 77598

Median Debt Yield
9.7%

Median Loan PSF/Unit
$41,522

Debt Stack ($ MM)

Total Loan Commitment
$16.6

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$16.6

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ MM)
$5.3

COLLATERAL SUMMARY

DBRS Property Type	Multifamily	**Year Built/Renovated**	1998-1985
City, State	Webster, Texas	**Physical Occupancy**	96.8%
SF/Units	284	**Physical Occupancy Date**	July 2016

This loan is secured by the borrower's fee interest in Clear Lake Apartments, a 284-unit multifamily property in Webster, Texas, a city located roughly 25 miles southeast of Houston in the Clear Lake/NASA submarket. Loan proceeds of $16.6 million, in conjunction with $5.3 million of sponsor equity, facilitated the $19.3 million acquisition of the property, funded a $1.7 million capex reserve, paid origination fees and covered closing costs.

Built between 1982 and 1985, the collateral is comprised of 71 two-story garden-style apartment buildings across a 5.9-acre site. On average, units encompass 892 sf, and the unit mix consists of 76 one-bedroom units, 168 two-bedroom/one-bathroom units and 40 two-bedroom/two-bathroom units. All units are equipped with washer-dryer hookups and walk-in closets, and select units also feature private balconies and fireplaces. Common area amenities are comprised exclusively of three outdoor swimming pools. As of the July 2016 rent roll, the property was 96.8% occupied.

BUSINESS PLAN

The sponsor plans to spend $1.7 million to reposition the property as a B+ apartment complex, improve its competitive position in the submarket and drive-up rental rates. Renovations will be made to the subject's exterior, and all interior units will be upgraded. Exterior renovations are scheduled to be completed in 18 months and will include: a new coat of paint on the buildings, new siding, refurbishments in the leasing center and the installation of a new outdoor amenity area to include a barbecue area, playground and dog park. Interior renovations will commence as units turn over, and the sponsor's objective is to have all units upgraded within the next three years. Interior upgrades will include the installation of new stainless steel appliances, cabinets and flooring, as well as countertop resurfacing, new paint and plumbing updates.

MARKET OVERVIEW

Webster is located in the broader Houston-Sugar Land-Baytown MSA, which reported an estimated population of 6.8 million as of the 2012 U.S. Census, ranking it the fifth-largest metropolitan area in the United States. The Greater Houston area, as it's commonly referred to as, is recognized internationally for its energy industry, biomedical research and aeronautics sector. Major employers in the Houston MSA include Chevron Corporation, Shell Oil Company, JPMorgan Chase & Co., KBR and ExxonMobil Corporation. According to the U.S. Bureau of Labor Statistics, as of August 2016, the Houston-Sugar Land-Baytown MSA reported an unemployment rate of 5.8%, higher than the 4.9% national average, as average employment growth across Houston has slowed due to the downturn in the oil and gas industry.

The collateral is located in the City of Webster just north of I-45, which provides direct access to the subject neighborhood and connects Webster with the Greater Houston area. The property is located in a school district that is ranked fourth out of 82, and area demographics within a three-mile radius of the property reflect a middle class populace composed of 33,364 residents with a median household income of $67,133. As mentioned, the subject is part of the Clear Lake/NASA submarket, which benefits from main employment drivers that are not related to oil and gas. As a result, the area has been better insulated from the economic slowdown that has been observed in other submarkets that are more reliant on the oil and gas industry, which has been experiencing a period of decline over the last few years. Main employment drivers include the aerospace, petrochemical and tourism industries, and major area employers include NASA's Johnson Space Center and the William P. Hobby Airport. The Clear Lake Regional Medical Center, which is the largest hospital in the area, is also located in the Clear Lake submarket and acts as a major demand generator for the area.

According to Reis, as of Q2 2016, the Clear Lake submarket was comprised of 21,285 multifamily units. Importantly, no inventory has been added to the submarket since 2011, which has helped keep vacancy rates in the low to mid-90% range over the last five years. Average vacancy across properties of a similar vintage to the collateral was reported to be 2.8% at the end of Q2 2016, and the average rent was reported to be $921 per month. In comparison, as of the most recent rent roll dated July 31, 2016, the collateral's vacancy was 3.4% and in-place rental rates at the subject average about $815 per month, making them 11.5% below market. However, once renovated the property should be able to command rents more in line with local averages. The appraisal identified five properties in the local market that compete with the subject. For information on how Clear Lake Apartments compares to its competitive set, refer to the table below.

COMPETITIVE SET

Property	Location	Distance from Subject	Units	Year Built	Occupancy
Lakeshire Place	Webster, TX	1.0 miles	304	1979	97.0%
The Hamptons	Houston, TX	2.6 miles	347	1977	93.0%
Clear Lake Falls	Webster, TX	0.5 miles	90	1983	98.0%
Huntley	Webster, TX	1.3 miles	214	1985	94.0%
The Lodge on El Dorado	Webster, TX	0.9 miles	324	1980	94.0%
Clear Lake Apartments - Subject	**Webster, TX**	**n/a**	**284**	**1982**	**96.6%**

Source: Appraisal and the subject's July 2016 rent roll.

According to both the appraisal and Reis, 416 new multifamily units will be added to the submarket before the end of the year and an additional 539 units are expected to be added by the end of 2017. However, the majority of these units are part of the following two luxury Class A complexes that will not be competitive with the subject: the Towers of Seabrook (416 units) and San Palmilla (347 units). As a result, the new supply in the Clear Lake submarket is not expected to erode occupancy at the subject property.

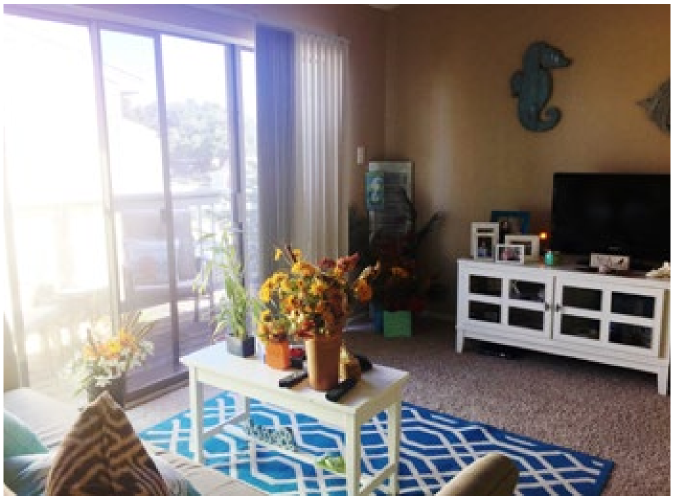
SPONSORSHIP

The sponsor for this loan is 29th Street Capital, a private real estate investment company with offices in Chicago and San Francisco. 29th Street Capital was formed in 2009 by Stan Beraznik, the subject loan's non-recourse guarantor. To date, 29th Street Capital has acquired more than $1 billion of commercial assets, including 40 multifamily properties totaling more than 6,800 units in 12 states. Clear Lake Apartments will be 29th Street Capital's seventh purchase in the Greater Houston Market, bringing total Houston based owned units to 2,029, and it also represents the sponsor's target investment, as the company specializes in the acquisition of multifamily properties in strong submarkets in need of capital improvement. Property management is provided by third-party company Stonemark Management, LLC (Stonemark) for a contractual management fee of 3.0%. Stonemark currently manages 42 multifamily properties throughout the southeastern U.S. and Texas, including four in Houston, totaling 906 units.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management tour conducted on October 4, 2016, DBRS found the property quality to be Average.



The property is situated on El Camino Real less than a mile north of I-45, providing it with convenient access to the highways that connect the subject with the greater Houston MSA. The subject is located roughly a mile southwest of the Johnson Space Center, and its immediate neighborhood is a combination of both single and multifamily housing, as well as commercial, retail and some lodging. The subject is located across the street from another garden-style apartment complex, the exterior of which appears very comparable in terms of both vintage and class. The property has good visibility from El Camino Real and may be easily accessed from cars driving north or south along the roadway. The complex is enveloped by a black iron fence; however, entrance to the property is not gated. There is clear property signage located at its only vehicular access point on the east side of El Camino Real, and the leasing office is located immediately upon entering the property. Exterior landscaping, which is comprised of a combination of freshly mowed grass, shrubs, mature trees, hedges and some palm trees, is attractive, well-kept and appropriate for both the development and the neighborhood. Overall, the subject demonstrates average curb appeal, shows well from the roadway and fits in well with comparable multifamily developments in the immediate area.

The exterior of the collateral buildings is a combination of brick veneer, cement and wood, as well as pitched roofs covered with asphalt shingles. All exterior paint is a neutral khaki color with a cream-colored trim. Intra-property roadways, which traverse the complex, are easy to navigate and generally in average condition, though some deferred maintenance related to cracking and striping was observed during the site inspection. The complex features three outdoor swimming pools, all of which were clean and well-kept with attractive black iron patio furniture, including tables, chairs, umbrellas and lounge chairs.

DBRS viewed two vacant units and one occupied unit during the site inspection. At the time of the site inspection, renovations — exterior, interior or otherwise — were not observed to have commenced, and the units inspected by DBRS had not yet been renovated and were comparable in terms of maintenance and upgrades required. The living areas and bedrooms featured light beige wall-to-wall carpeting, and the walls were painted a soft gray or beige color with light cream trim. The kitchens and the bathrooms both featured gray countertops, wood cabinetry painted white and white vinyl faux-tile flooring. The kitchens were equipped with dated, black-and-white appliance packages and the bathrooms featured combination tub/showers. Each unit featured an outdoor patio that was accessible through the living area via a sliding glass door, as well as white ceiling fans installed in both the living area and bedroom. One of the two vacant units also came equipped with a working fireplace in the living area. Natural lighting was very limited in all three units. Overall, while the units were clean and appeared to have been well maintained over the years, they were very dated and would require upgrades to be competitive with other Class B+ apartment complexes in the area.

DBRS NCF SUMMARY

NCF ANALYSIS

	T-12 May 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$2,910,290	$3,364,611	$3,460,028	$2,971,538	-14.1%
Other Income	$0	$299,368	$310,703	$293,913	-5.4%
Vacancy & Concessions	-$6,000	-$385,390	-$353,108	-$260,050	-26.4%
EGI	**$2,904,290**	**$3,278,589**	**$3,417,624**	**$3,005,401**	**-12.1%**
Expenses	$1,285,277	$1,527,708	$1,575,265	$1,585,040	0.6%
NOI	**$1,619,013**	**$1,750,881**	**$1,842,359**	**$1,420,361**	**-22.9%**
Capex	$0	$0	$95,140	$95,140	0.0%
NCF	**$1,619,013**	**$1,750,881**	**$1,747,219**	**$1,325,221**	**-24.2%**

DBRS underwrote stabilized GPR based on the premium estimated by the appraiser over current in-place rents, with all vacant units grossed up at the appraiser's concluded market rent by unit type. DBRS underwrote a 5% vacancy factor, which is higher than the subject's current 3.4% physical vacancy and the 2.8% vacancy reported across comparably aged properties in the submarket. DBRS UW bad debt and concessions at 2% and 1% of GPR, respectively, in line with the appraiser's estimates and bringing collective underwritten vacancy to 8%. Net rental income was further reduced by the appraiser's concluded rent for two non-revenue units, in line with the appraisal. DBRS underwrote a 100% utility reimbursement, reduced by the cumulative 8% underwritten vacancy factor, and Other Income based on the in-place amount. The resulting DBRS UW EGI is 8.3% below the Year 3 budgeted level.

Operating expenses were underwritten to the T-12 period ended May 31, 2016, inflated by 10%, which is slightly higher than Year 3 budgeted operating expenses, in aggregate. Real estate taxes were underwritten based on the Year 3 budget, which assumes a reassessment of the property in 2017 and includes the Texas gross tax receipt. The actual insurance premium, inflated by 3% in each of the next two years, was underwritten. A management fee of 3.0% of EGI was applied, in line with the contractual fee paid to a third-party management company. The resulting DBRS UW expense load is slightly higher than the Year 3 budget.

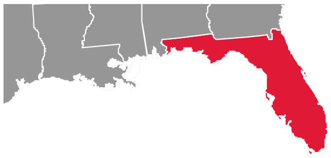
Below-the-line deductions included $335 per unit for replacement reserves, in line with the inflated amount per year concluded in the PCR. The resulting DBRS NCF was $1,325,221, a variance of -19.3% from the Issuer's stabilized NCF.

DBRS VIEWPOINT

The subject property benefits from its location within a strong submarket that is well insulated from the broader downturn observed in the oil and gas industry, as primary employment drivers are related to the aerospace, petrochemical and tourism industries, rather than oil and gas, and there has been no growth in multifamily supply since 2011. The subject is located near I-45, providing it with convenient access to the broader Houston MSA, and the subject also benefits from its location proximate to the area's largest employers. The property will undergo substantial renovations that are not only expected to enhance its competitive position within the submarket but also drive rent premiums that will be more in line with market rates. The sponsor has expertise specific to the local real estate market, as this represents the company's seventh purchase in the Greater Houston area, bringing total Houston-based owned units to 2,029, as well as significant experience repositioning apartment communities in need of capital improvement. Based on the DBRS Stabilized NCF, the DBRS Exit Debt Yield and DBRS Refi DSCR are 8.0% and 0.88x, respectively, which is indicative of high-leverage financing and elevated default risk. The sponsor contributed $5.3 million of fresh cash equity toward the acquisition of the subject, and the loan's exposure of $58,451 per unit is 19.4% lower than the average sales price of $72,479 per unit across 25 apartment communities built before 1989 and sold over the last two years within a five-mile radius, according to Real Capital Analytics.

Lakeshore Business Center

Fort Lauderdale, FL



COLLATERAL SUMMARY

DBRS Property Type	Office	**Year Built/Renovated**	1975/2000
City, State	Fort Lauderdale, FL	**Physical Occupancy**	57.2%
Units/SF	234,954	**Physical Occupancy Date**	September 2016

This loan is secured by the borrower's fee interest in the Lakeshore Business Center, a four-building office complex located in Fort Lauderdale, Florida, encompassing a total of 234,954 sf. The four buildings are branded as Lakeshore Business Centers I through III (LBC I, LBC II and LBC III), with LBC I representing two approximately 50,000 sf buildings that share a common loading dock area. Loan proceeds of $14.4 million, along with $6.2 million of sponsor equity and $1.8 million of future funding, were used to facilitate the sponsor's $18.3 million acquisition of the property, fund a $1.8 million TI/LC reserve, fund an upfront capex reserve of $791,751 and cover closing costs.

Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$14.5

Total Future Advance ($ MM)
$1.7

Total Loan Commitment ($ MM)
$16.2

Loan psf/Unit
$69

Percentage of the Pool
6.0%

Fully Extended Maturity Date
December 2020

Amortization
n/a

DBRS Term DSCR
0.91x

DBRS Refi DSCR
1.17x

DBRS Debt Yield
4.9%

DBRS Exit Debt Yield
10.7%

Competitive Set

Office, Large, Zip Code Prefix 333

Median Debt Yield
9.1%

Median Loan PSF/Unit
$124

Debt Stack ($ MM)

Total Loan Commitment
$16.2

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$16.2

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ MM)
$6.2

PORTFOLIO SUMMARY

Property	Location	SF	Year Built/ Renovated	Allocated Loan Amount[1]	% of Cut-Off Date Loan Amount	Occupancy	% Office Build Out	Largest Tenant
Lakeshore Business Center I	5100 & 5200 NW 33rd Ave, Fort Lauderdale, FL	100,188	1987/2011-12	$6,077,957	37.6%	47.2%	90.1%	ECI Telecom, Inc.
Lakeshore Business Center II	3201 W Commercial Blvd, Fort Lauderdale, FL	95,941	1989/2011-12	$6,425,269	39.8%	59.9%	73.1%	Social Security Administration
Lakeshore Business Center III	3125 W Commercial Blvd, Fort Lauderdale, FL	38,825	2001/NAP	$3,646,774	22.6%	76.5%	100.0%	John J. Kirlin, Inc.
Total/Wtd. Avg.	**Various**	**234,954**	**Various**	**$16,150,000**	**100.0%**	**57.2%**	**84.8%**	**Various**

1. Allocated loan amount inclusive of future funding.

Lakeshore Business Center consists of four low-rise flex-office buildings that were collectively 57.2% occupied as of the September 2016 rent roll. The former owner sold the property as the firm was unfamiliar with the South Florida market and unable to properly lease-up the buildings. Three of the four buildings are of similar vintage, each having been constructed between 1987 and 1989, and they feature a similar design and layout. These three older buildings each contain roughly 10.0% to 25.0% of warehouse and flex-space. The newest of the four buildings was constructed in 2000, as strictly an office building and has no flex or warehouse space. The current rent roll is very granular with no tenant representing more than 6.9% of the NRA.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
Social Security Administration (GSA)	16,197	6.9%	$14.58	13.7%	11/2019	N
John J. Kirlin, Inc.[1]	15,094	6.4%	$12.00	10.5%	9/2022	N
ECI Telecom, Inc.	13,708	5.8%	$13.48	10.7%	3/2020	N
Reynolds, Smith & Hills	10,840	4.6%	$16.35	10.3%	3/2019	N
Evolis, Inc.	9,911	4.2%	$13.48	7.8%	11/2018	N
Subtotal/Wtd. Avg.	**65,750**	**28.0%**	**$13.88**	**53.0%**	**Various**	**N**
Other Tenants	64,850	27.6%	$12.46	47.0%	Various	N
Vacant Space[2]	104,354	44.4%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**234,954**	**100.0%**	**$13.18**	**100.0%**	**Various**	**N**

1. Tenant has a termination option on March 30, 2020 with 365 days notice.
2. DBRS Vacant space includes two tenants representing 3,833 sf currently operating on a month-to-month basis.

BUSINESS PLAN

The sponsor's business plan for this property is to lease-up the vacant space over the next three years and stabilize the property by the end of 2018. The sponsor intends to increase the desirability of the asset by implementing a $791,751 capital improvement program to renovate the common areas, building exteriors and vacant suites across the four buildings. The sponsor also has $1.8 million of future funded TI/LC reserves to assist with the lease-up. The TI/LC reserves amount to $17.75 psf on all currently vacant square footage and $7.60 psf for the entire collateral. The appraiser estimates between $10.00 and $5.00 psf in market TIs for new five-year leases at the subject.

MARKET OVERVIEW

Fort Lauderdale is a city of 165,521 people approximately 26.4 miles north of Miami. The city is part of the Miami-Fort Lauderdale-Pompano Beach MSA. With a population of over 5.6 million, the MSA ranks as the eighth-most populous in the nation. The region is home to four Fortune 500 companies, including World Fuel Services, AutoNation, Office Depot and Ryder System, Inc. Overall, South Florida benefits from a diverse economic base that spans several industries, including health-care, retail and technology. As a result of its geographic position, the MSA is the primary gateway to Latin American businesses and is thus a hub for international trading. Consequently, South Florida has the largest concentration of international banks in the United States and serves as headquarters of Latin American operations for numerous international corporations.

Within Fort Lauderdale, the collateral is situated along West Commercial Boulevard in Cypress Creek, a suburban office market about ten miles northwest of the downtown core. Primary access to the office property is provided by I-95 and the Florida Turnpike. Area demographics within a three-mile radius of the collateral reflected a local populace composed of 25,230 residents who make a median household income of $37,908 per annum. According to CoStar, there are 252 office properties encompassing 8.1 million sf in the collateral's Cypress Creek submarket that currently have an average vacancy of 15.1% and gross rental rate of $23.57 psf. The five-year average vacancy rate for the submarket is 16.3%, with offices within one mile of the subject demonstrating a five-year average vacancy rate of 16.9%. Total availability, which includes space available for sublease, is 22.3% for the submarket and 30.7% for offices within one mile of the subject. The appraisal identified six properties in the local market that compete with the subject. For information on how the Lakeshore Business Center compares to its competitive set, refer to the table below.

COMPETITIVE SET

Property	Location	Distance from Subject	SF	Year Built	Occupancy
Fort Lauderdale Commerce	Fort Lauderdale, FL	0.7 miles	61,149	1987	80.0%
Powerline Business Center	Fort Lauderdale, FL	3.4 miles	82,330	1986	60.0%
Palm Crossing	Fort Lauderdale, FL	0.5 miles	193,107	1986	87.0%
3230 W. Commercial Boulevard	Fort Lauderdale, FL	0.2 miles	175,004	1999	80.0%
The Exchange	Fort Lauderdale, FL	0.2 miles	174,473	1986	85.0%
Cypress Creek Executive Court	Fort Lauderdale, FL	2.0 miles	73,297	1986	90.0%
Lakeshore Business Center - Subject	**Fort Lauderdale, FL**	**n/a**	**234,954**	**1986-2000**	**57.2%**

Source: Appraisal.

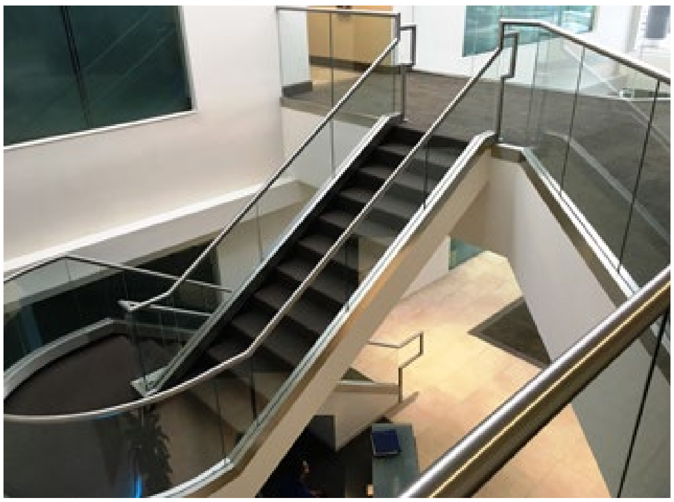
SPONSORSHIP

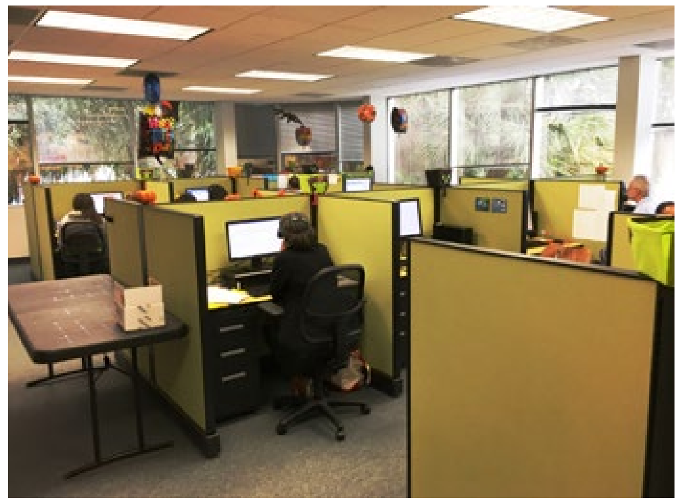
The sponsor and guarantor for this loan is Mukang Cho, the CEO and Principal of Morning Calm Management, a real estate management and investment firm with ownership interests in roughly 6.0 million sf of office and retail properties across the country. Unlike the seller, the sponsor is experienced with the South Florida market and currently owns and operates roughly 2.0 million sf of commercial assets in the state of Florida. Property management is provided by the sponsor's company, Morning Calm Management, for a contractual fee of 3.0%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 11, 2016, DBRS found the property quality to be Average.





The subject is located approximately ten miles northwest of downtown Fort Lauderdale, just west of the intersection of Commercial Boulevard and NW 31st Avenue. This location is roughly equidistant between I-95 to the east and the Florida Turnpike to the west, both of which are major four-lane highways traversing north and south through the area. Two of the four collateral buildings are located directly along the north side of Commercial Boulevard and have a high degree of visibility form the roadway. The remaining two buildings are located further north, away from Commercial Boulevard and have an inferior level of visibility. There are two curb cuts along Commercial Boulevard that are only accessible by vehicles travelling from the east. NW 33rd Avenue runs along the western edge of the property, providing access to the remainder of the collateral. Land uses along Commercial Boulevard primarily consist of low-rise commercial developments including single- and multi-tenant office buildings, anchored and unanchored retail centers. The immediate neighborhood includes some light industrial and single-family and multifamily residences.

LBC I is comprised of the two buildings not located along Commercial Boulevard and which suffer from a visibility standpoint. It is not surprising that these two buildings collectively account for more than half of the vacant space in the center, totaling approximately 53,000 sf, or 22.5% of the NRA. The other older flex building, LBC II, suffers from high vacancy as well at 40% building-specific vacancy and 16.4% vacancy as a percent of total collateral NRA. LBC I and II are of similar vintage and design and the three buildings are generally laid out with smaller traditional office space on the second floor of each building, while the ground floor features larger office space as well as flex and warehouse spaces. The warehouse spaces are oriented towards the rear of each building in order to accommodate truck deliveries. The second floor office space typically spans the outer half of each floor, allowing the first floor warehouse space below to take advantage of two-story clear heights totaling approximately 22 feet. LBC III, the newest of the collateral buildings and the only one without any flex space, has the highest occupancy of the four buildings, at 76.5%, and its vacant square footage represents just 3.9% of the total NRA. LBC III is a two-story structure with roughly 19,000 sf of office space on each level. The older buildings, LBC I and LBC II, have floor-to-ceiling windows on the ground-floor flex space and are clad in reflective glass on the upper floors. LBC III is a predominately white building with solar reflective windows. The largest tenants in each of LBC II (Social Security Administration) and LBC III (The Kirlin Group) have exterior signage displayed on their respective buildings.

DBRS toured a number of different tenant spaces amongst the collateral buildings. The office build-outs were typical for Class B space and varied somewhat with a mixture of open floorplans and exterior or interior offices. Typical space was carpeted in the office areas and had vinyl tiles in the breakrooms. Each building's lobby and common area corridors have been renovated by the previous borrower as recently as 2011. Since acquiring the asset in November 2015, the current sponsor has replaced all carpeting nearest the elevators, as this receives the heaviest amount of wear. In addition, the borrower has painted the exteriors of the buildings, including the structural columns, and has installed electronic digital directories on the first and second floor in each building's lobby area. Parking was ample at the subject, with approximately 940 total spaces across all buildings. The borrower is planning to re-stripe and seal all lots in the near term and has budgeted approximately $100,000 for this expense.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	T-12 September 2015	T-9 September 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$3,318,667	$3,171,046	$2,020,893	$1,988,366	$3,451,369	$3,114,006	-9.8%
Recoveries	$1,252,502	$1,012,109	$972,531	$924,382	$1,184,640	$1,184,640	0.0%
Other Income	$459,401	$370,664	$10,508	$0	$0	$0	0.0%
Vacancy	-$967,800	-$1,258,381	-$98,053	$0	-$873,752	-$700,651	-19.8%
EGI	**$4,062,769**	**$3,295,437**	**$2,905,879**	**$2,912,748**	**$3,762,257**	**$3,597,995**	**-4.4%**
Expenses	$2,067,915	$1,921,976	$1,477,975	$1,636,598	$1,700,082	$1,707,651	0.4%
NOI	**$1,994,854**	**$1,373,461**	**$1,427,904**	**$1,276,150**	**$2,062,175**	**$1,890,344**	**-8.3%**
Capex	$0	$0	$0	$0	$58,739	$59,852	1.9%
TI/LC	$0	$0	$0	$0	$234,954	$109,173	-53.5%
NCF	**$1,994,854**	**$1,373,461**	**$1,427,904**	**$1,276,150**	**$1,768,483**	**$1,721,319**	**-2.7%**

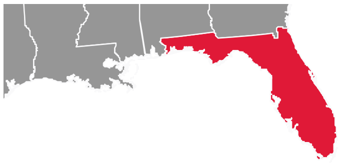
DBRS underwrote GPR based on the leases in place as of the September 1, 2016, rent roll. The vacant space was grossed up at the appraiser's market rent estimate per space type, with rents ranging between $9.00 psf for strictly warehouse space to $16.00 psf for office space smaller than 15,000 sf in the newer of the four buildings. Average DBRS UW rent psf for vacant space was $13.35 psf. DBRS applied a markdown based on 110% of the appraiser's market rent for in-place legacy leases. A vacancy rate of 22.5% was applied to the total potential income. This amount is consistent with existing office CoStar vacancy data for Fort Lauderdale's Cypress Creek submarket of between 18.2% and 19.7%, while taking into account some execution risk of the borrower's business plan. Expense reimbursements are based on the stabilized year three pro forma and represent a recovery ratio of 78.4% that is justified given the underwritten vacancy and generally NNN nature of the leases.

Operating expenses and insurance were underwritten based on stabilized year three pro forma expenses. Real estate taxes were based on the appraiser's re-assessed value of 80% of the as-stabilized appraised value of the buildings. The underwritten tax amount is approximately 3.0% higher than the pro forma year three taxes. A management fee of 4.0% of EGI was applied, which is above the contractual rate of 3.0% with an affiliate of the borrower.

Below-the-line deductions included $0.25 psf for capex that is in line with the engineer's inflated recommendation. Office TI assumptions for new and renewal leases of $10.00 and $5.00, respectively, were based on the appraiser's estimate and assume five-year lease terms. TIs for the Flex/Warehouse space of $5.00 psf for new leases and $2.50 psf for renewals were also based on the appraiser's estimates and five-year terms. LCs of 5.0% and 3.0% were underwritten for new and renewal leases, respectively, for all office, flex and warehouse space. The resulting DBRS Stabilized NCF was $1,721,319, a variance of -2.7% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

The subject loan is secured by a four-building office park in northwest Fort Lauderdale, located in a high-traffic area along a major commercial thoroughfare. The borrower acquired the property late last year when it was approximately 50% occupied and has since been able to increase occupancy 57.2%, through a combination of moving and renewing existing tenants as well singing a few new tenants. Feedback from tenants is that the property represents a value in terms of rent, but the buildings had reportedly lost occupants in part because of uncompetitive TIs and tenant inducement packages. The future funding component of the loan equates to approximately $17.75 psf in reserves available to lease the remaining vacant space, based on the subject's current physical occupancy. DBRS's stabilization assumes a conservative lease-up occupancy of just 77.5%, as a result of the inferior visibility of LBC I, as well as to account for execution risk of the business plan. The borrower is experienced in the South Florida market and currently owns and operates roughly 2.0 million sf of commercial assets in the state of Florida. In total, the sponsor has $6.2 million of invested cash equity in the property, equating to 33.9% of the purchase price. According to Real Capital Analytics, properties comparable to the subject that have traded within the past 18 months had an average sales psf of approximately $114, slightly below the appraiser's median-adjusted sales comparables of $119 psf and well above the subject's November 2015 sales price psf of $77.89. The property sold at a discount based on its near 50% occupancy at the time of sale and the borrower benefited from a motivated seller that was looking to dispose of its remaining office asset in Florida. The mortgage debt inclusive of future funding totals $68.74 psf, which is reasonable based on these comparables. The loan, inclusive of the future funding component, has a DBRS Exit Debt Yield of 10.7%, based on the DBRS UW NCF that is relatively strong and indicates a relatively high probability of refinance.



Jupiter Medical

Jupiter, FL

Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$14.3

Total Future Advance ($ MM)
$0.0

Total Loan Commitment ($ MM)
$14.3

Loan psf/Unit
$76

Percentage of the Pool
5.3%

Fully Extended Maturity Date
January 2019

Amortization
n/a

DBRS Term DSCR
1.23x

DBRS Refi DSCR
0.95x

DBRS Debt Yield
8.2%

DBRS Exit Debt Yield
8.2%

Competitive Set

Office, Large, Zip Code Prefix 334

Median Debt Yield
10.0%

Median Loan PSF/Unit
$118

Debt Stack ($ MM)

Total Loan Commitment
$14.3

Pari Passu
$10.1

Mezz/Other Secured Debt
$2.6

Total Debt
$27.0

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ MM)
$5.1

COLLATERAL SUMMARY

DBRS Property Type	Office/Flex	**Year Built/Renovated**	1990
City, State	Jupiter, FL	**Physical Occupancy**	97.1%
SF	186,664	**Physical Occupancy Date**	September 2016

The loan is secured by the fee interest in Jupiter Medical, a 186,664 sf office and research & development (R&D) property in Jupiter, Florida, just north of Palm Beach. The $14.3 million trust asset represents a pari passu participation in a $24.4 million mortgage loan. The trust asset and the other $10.1 million pari passu participation were previously securitized in the RAIT 2014-FL2 and RAIT 2013-FL1 transactions.

The $24.4 million senior loan, along with $2.6 million of mezzanine debt and $5.1 million of sponsor equity, facilitated the sponsor's $30.7 million purchase of the subject property in December 2013, funded reserves to pay future TI/LC expenses ($1.1 million) and complete capital improvements ($1.5 million) and also paid RAIT fees and interest rate caps, funded escrows and covered closing costs. Since acquisition, the sponsor has drawn down the capex reserve to $502,277 in order to complete the roof replacement, exterior painting and minor cosmetic renovations at the property. The TI/LC reserve has been drawn down to $590,359 in conjunction with a renewal lease for Jupiter Medical Center and a new lease for Central Institute for Human Performance (CIHP), both as of September 2016. The subject's 16-acre land parcel allows for development of 90,000 sf of additional office/R&D space and the loan documents allow for the release of the excess land at no cost, as long as it is not necessary for operation of the subject property and the resulting property would comply with all zoning requirements.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
GE Medical Systems	83,483	44.7%	$17.22	44.1%	12/2019	Y
Florida Turbine Technologies	64,343	34.5%	$16.51	32.6%	12/2020	N
Jupiter Medical Center	17,321	9.3%	$21.00	11.2%	9/2026	N
Central Institute for Human Performance	9,441	5.1%	$18.25	4.4%	3/2024	N
Jupiter Kidney Center	6,729	3.6%	$21.49	5.3%	1/2020	N
Subtotal/Wtd. Avg.	**181,317**	**97.1%**	**$17.93**	**97.5%**	**Various**	**Various**
Vacant Space	5,347	2.9%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**186,664**	**100.0%**	**$17.93**	**100.0%**	**Various**	**Various**

As of September 2016, the building is 97.1% leased and occupied by five tenants that use the space primarily for R&D and medical offices. The largest tenant, GE Medical Systems (GE), has been in occupancy of the property since it was built in 1990 (originally as Marquette Electronics, until it was acquired by GE in 1999). While GE has a long history at the property and most recently renewed in 2012, the tenant has downsized over time. It is not currently fully utilizing its existing space, with its R&D space used as a repair facility for damaged devices as well as for general storage. Florida Turbine Technologies, Inc. (FTT), the second-largest tenant, was the prior owner of the building and executed a seven-year lease in conjunction with the sale of the building to the current borrower in December 2013. FTT uses the subject as its headquarters and has significant office build-out, in addition to their R&D space. New tenant, CIHP, recently signed a 7.5-year lease paying $18.25 psf NNN in year one, with base rent increasing by the greater of 2.0% and CPI, annually. CIHP runs a sports performance and rehabilitation clinic. Their space consists primarily of a spacious, wide-open training and rehabilitation facility on the ground floor, with a small office portion built out on the second floor that overlooks the main level. The remaining tenants, Jupiter Medical Center and Jupiter Kidney Center, are the only ones using their spaces for purely office or medical office uses.

BUSINESS PLAN

The sponsor's business plan at the time of acquisition was to execute capital improvements that include roof replacement, exterior painting and minor cosmetic renovations, all of which have been completed. The leasing reserve was established to account for tenants whose leases were scheduled to expire during the loan term and to account for future tenanting needs. Additionally, the sponsor has created, and received city approval for, a development plan for the collateral's vacant 16-acre land parcel, much of which is currently used as surface parking. The land parcel has been approved to allow for the development of 90,000 sf of additional office/R&D space, as well as a new two- to three-story parking garage, in order to accommodate parking needs displaced from the removal of a portion of the surface lots. However, if the sponsor decides not to use the land, loan documents allow for the parcel's release at no cost as long as it is not necessary for operation of the subject property and the resulting property would comply with all zoning requirements. Given the current high occupancy and lack of immediate and short-term rollover associated with the property, DBRS views the subject loan as stabilized.

MARKET OVERVIEW

Jupiter is a coastal city of 60,681 residents as per the U.S. Census Bureau (2014). Jupiter is 89.1 miles north of Miami and part of the larger Miami-Fort Lauderdale-West Palm Beach MSA. The MSA is home to four Fortune 500 companies, including World Fuel Services, AutoNation, Office Depot and Ryder System, Inc., and benefits from a diverse economic base overall. Major industries in the area include the health-care, retail and technology sectors while top area employers include Tenet Healthcare, NextEra Energy Resources and the University of Miami. As a result of its geographic position, Miami acts as the primary gateway to Latin American businesses and is thus a hub for international trading. Consequently, Miami and Southern Florida have the largest concentration of international banks in the United States and serve as headquarters of Latin American operations for numerous international corporations.

The subject is located in close proximity to Jupiter Medical Center, Scripps Research Institute (Scripps) and the Max Planck Florida Institute for Neuroscience. State and county money totaling nearly $200 million was spent to lure Scripps to the area in 2009, and the three facilities have made the subject's location highly desirable for medical and biotech tenants. A special district has been created in which the subject is located, that allows zoning for clinical research. The collateral's R&D and lab space generates significantly higher rental rates than standard industrial space that averages roughly $12.00 psf gross the Jupiter submarket. Conversely, the average rental rate for office space in the submarket is approximately $28 psf gross, which is slightly above the in-place rents for the collateral's medical office tenants that range from $21 psf to $21.49 psf gross. Finally, according to CoStar, industrial and office properties in the Jupiter submarket have an average vacancy rate of 2.4% and 10.7%, respectively. In comparison, the collateral outperforms the submarket in regards to occupancy.

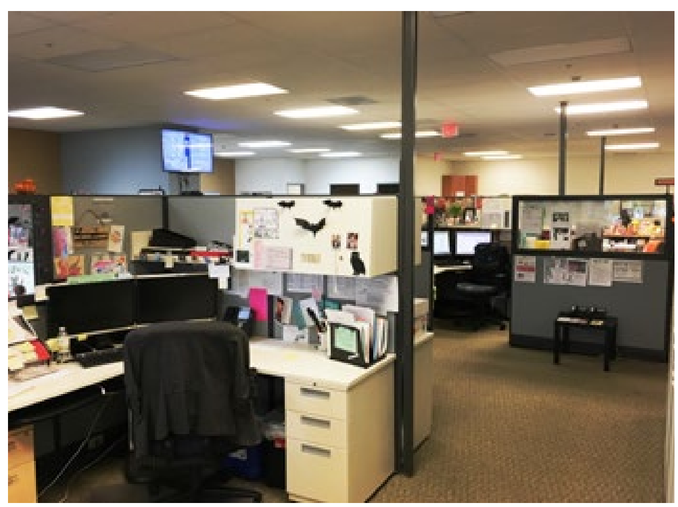
SPONSORSHIP

The carveout guarantors for this loan are principals of PointOne Holdings (PointOne), a real estate investment company founded in 2010 that has a focus in the Southeastern U.S. Since 2010, PointOne has acquired several underperforming properties, including both multifamily and office assets. Property management is provided by a third-party, NAI/Merin Hunter Codman, Inc., for a contractual management fee of 3.0%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 11, 2016, DBRS found the property quality to be Average.



The subject is located approximately four miles east of I-95 in a primarily residential neighborhood along a two-way six-lane thoroughfare. There are two primary curb cuts along Military Trail that are both left-turn accessible, with the bulk of parking located to the north of the property. CIHP's new lease as of September 2016, is for 9,441 sf of previously vacant space that is located in the southeast corner of the property overlooking a pond with an outdoor patio. Although the outdoor patio is not included in the tenant's leased square footage, CIHP's lease allows for their sole use of this space and they plan to utilize this space for outdoor training, physical therapy and rehabilitation work. The only access to the outdoor area is through CIHP's space. The CIHP space was previously occupied by GE for various uses, including a dining area and a fitness center, and was surrendered when GE last downsized in 2012, being vacant since that time. The property manager advised that CIHP's build-out, which was still on-going at the time of inspection, would total approximately $100 psf, with the landlord responsible for 20% of the total cost. This is in line with his estimate of new tenant TI's at the property of between $20 psf to $30 psf. The remainder of the vacant space is in shell condition and will likely need significant investment prior to being occupied by a new tenant.

The current tenants' spaces were in good condition and, with the exception of GE, appeared to be fully utilized. The GE and FTT spaces are built out as a mixture of office, industrial and R&D lab space. FTT operates, in part, under government contracts and thus requires a higher level of security for entry to its space as compared to other tenants at the property. Access to FTT's space is controlled via keycard at a various exterior and interior locations. Jupiter Medical Center recently renewed its lease for a ten-year term that runs to September 2026, and although no TI is explicitly stated in the lease, the landlord has agreed to renovate the existing common area bathrooms nearest the tenant and to refresh a portion of Jupiter Medical Center's space in conjunction with the renewal. The tenant is reportedly quite happy with their existing space as it addresses their requirements in terms of proximity to the nearby Jupiter Health Center hospital. Jupiter Kidney Center's space includes testing and equipment rooms for dialysis, patient rooms and small offices as well as a reception area at the tenant's front entrance.

The roof replacement was confirmed to have been completed during the property tour and the building exterior had been given a fresh coat of paint, changing the exterior from brown to a more attractive light gray color scheme. Remaining items to be addressed by the reserved capex funds include branding the property by creating a logo and adding new signage near the entrance, as well as directional signage throughout the subject.

The property is considered a rare commodity in the Jupiter neighborhood given the various types of space offered, including industrial, office and medical. Other positive attributes include the single-story nature of the property for patients, nearby access of I-95 and the loading docks. The location, less than one mile southwest of Jupiter Medical Center, is also beneficial as much of the appointment scheduling is handled at the subject. The property has access to backroads that lead directly to the hospital and that have 25-mph speed limits that allow for patients to be shuttled back and forth from the property via golf carts while avoiding the busy main thoroughfares in the area.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	2015	T-12 July 2016	Issuer NCF	DBRS NCF	NCF Variance
GPR	$2,868,904	$2,865,822	$3,058,174	$3,318,629	$3,260,559	-1.7%
Recoveries	$895,532	$881,734	$958,172	$963,492	$963,492	0.0%
Other Income	$803	$3,759	$2,040	$0	$0	0.0%
Vacancy	$0	$0	$0	-$419,022	-$422,405	0.8%
EGI	**$3,765,239**	**$3,751,315**	**$4,018,386**	**$3,863,099**	**$3,801,646**	**-1.6%**
Expenses	$1,268,953	$1,323,671	$1,330,044	$1,382,949	$1,380,491	-0.2%
NOI	**$2,496,286**	**$2,427,644**	**$2,688,342**	**$2,480,150**	**$2,421,155**	**-2.4%**
Capex	$0	$0	$0	$37,000	$37,000	0.0%
TI/LC	$0	$0	$0	$0	$397,109	100.0%
NCF	**$2,496,286**	**$2,427,644**	**$2,688,342**	**$2,443,150**	**$1,987,046**	**-18.7%**

DBRS underwrote the GPR to the in-place rent per the October 2016 rent roll, with vacant space grossed up at the appraiser's concluded market rent for flex/R&D space of $15 psf NNN. Only 2.9% of the building is currently vacant and the vacancy is concentrated in a single space at the back of the property, between CIHP and Jupiter Kidney Center, which may be difficult to lease given its lack of visibility.

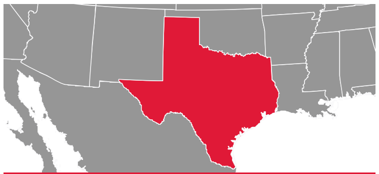
Expense reimbursements were based on the Issuer's Year 1 pro forma and are in line with the borrower's budget. The UW recovery ratio is 69.8%, which reflects a mix of NNN and modified gross leases at the subject. A vacancy rate of 10.0% was applied, in line with CoStar's submarket vacancy and availability rates for Class B office space of 7.0% and 12.9%, respectively. The appraiser applied a combined vacancy and credit loss of 5%, based on the mix of current space use at the property and lower overall market vacancy and availability for industrial space of between 2% and 5%.

Operating expenses were generally underwritten based on the Issuer's Year 1 pro forma, with the exception of the management fee that was underwritten to 4% of EGI. The property is managed by a third party for a 3% contractual fee. The appraiser is anticipating increasing real estate taxes over the next several years based on the subject's current assessed value of approximately 50% of the appraised value. Given the subject's generally NNN lease structure, increases in real estate taxes are able to be passed through to tenants on a pro rata basis. Overall expenses are 3.8% above the T-12 ending July 2016 levels and the subject's expense ratio of 36.6% is well within the appraiser's range of between 31.9% and 46.9% for similar properties.

Capex was underwritten to $0.20 psf, which is in excess of the engineer's inflated recommendation of $0.07 psf. No immediate repairs or deferred maintenance were noted in the engineering report. DBRS estimated TI costs at $20 psf for new leases and $5 psf for renewal leases, based on the high end of the appraiser's range for R&D and medical office space. LCs were included at the appraiser's estimates of 6% and 3% for new and renewal leases, respectively. DBRS decreased the renewal probability for all space from 65% to 50%, to mitigate the fact that GE is not fully utilizing their space at the property and their lease expires in December 2019, approximately 11 months after the fully extended loan maturity date. Funds available from the $590,359 remaining in the TI/LC reserve were used to offset UW TI/LC expenses. The resulting TI/LC's totaled $2.12 psf. The DBRS Stabilized NCF was $1,987,046, a variance of -18.7% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

The subject is located in a densely developed area just a couple of miles from the Atlantic Ocean and in close proximity to multiple biotech and medical demand generators. While GE and FTT pay in excess of $20 psf gross-equivalent for space that could be considered industrial in nature, R&D space in the submarket is in high demand as a result of a lack of available land for development. Following the lease renewal of Jupiter Medical Center in May 2016, the property has no tenant rollover during the fully extended five-year loan term, with final maturity in January 2019. However, there is refinance risk, as the property faces a possible future downsizing or vacancy of largest tenant GE, who is not fully utilizing their space and whose lease expires in December 2019. Based on the TI/LC reserves in place today, there is approximately $7.00 psf on hand to address re-leasing GE's space. Although underused, GE's leased space was observed to be in good condition and would not require much in the way of landlord investment to lease the space for a similar user. Given the proximity to the Jupiter Medical Center hospital less than one mile from the subject, the subject is an attractive and relatively low-cost medical office option for health-care-related tenants, as evidenced by the recent lease signed by CIHP. Two of the principals of PointOne have significant commercial real estate experience in Florida, but also have a relatively high number of prior defaults and foreclosures and two of the principals have very minimal commercial real estate experience. DBRS considered sponsorship to be relatively weak and as a result the loan was modeled with an increased POD. Although refinance risk exists, the subject has exhibited high historical occupancy in excess of 92% for the past several years and the borrowers have three years in to order plan for any void left by GE after loan maturity. The refinance risk is elevated given the potential roll and the DBRS Exit Debt Yield of 8.1%, however, the $131 loan psf exposure is supportable given recent sales reported by Real Capital Analytics within a ten-mile radius of the subject averaging $171 psf.



San Antonio Portfolio

San Antonio, TX

Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$14.1

Total Future Advance ($ MM)
$0.0

Total Loan Commitment ($ MM)
$14.1

Loan psf/Unit
$33,153

Percentage of the Pool
5.2%

Fully Extended Maturity Date
December 2019

Amortization
n/a

DBRS Term DSCR
1.00x

DBRS Refi DSCR
0.94x

DBRS Debt Yield
6.5%

DBRS Exit Debt Yield
8.0%

Competitive Set

Multifamily, Large, San Antonio, Suburban

Median Debt Yield
8.6%

Median Loan PSF/Unit
$41,369

Debt Stack ($ MM)

Total Loan Commitment
$14.1

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$14.1

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ MM)
$3.6

COLLATERAL SUMMARY

DBRS Property Type	Multifamily	**Year Built/Renovated**	1983 / N/A
City, State	San Antonio, TX	**Physical Occupancy**	86.3%
Units	424	**Physical Occupancy Date**	August 2016

This loan is secured by the borrower's fee interest in the San Antonio Portfolio, a two-property portfolio comprised of 424 multifamily units. The properties, Vista Meadows Apartments (Vista Meadows) and Fredericksburg Place Apartments (Fredericksburg Place), are located about 6.5 miles from each other in San Antonio, Texas and both were built in 1983. Loan proceeds of $14.1 million, in conjunction with $3.6 million of sponsor equity, facilitated the sponsor's $15.1 million acquisition of the portfolio, funded a $1.9 million capex reserve and covered closing costs.

Vista Meadows is a 200-unit Class C garden-style multifamily property located in Southwest San Antonio, while Fredericksburg Place is a 224-unit Class C garden-style multifamily property in Northwest San Antonio. The unit mix at both properties consists of one- and two-bedroom apartments that range in size from 480 sf to 870 sf. Units come equipped with washer and dryer connections, private balconies and exterior storage rooms. Common area amenities include a swimming pool, playground, laundry facilities and an onsite leasing office. Vista Meadows also offers gated access, an additional swimming pool and spa and two tennis courts. As of the August 2016 rent roll, the WA occupancy of the portfolio was 86.3%, driven by an 86.5% occupancy rate at Vista Meadows and an 86.2% occupancy rate at Fredericksburg Place.

The properties are subject to a 15-year Land Use Restriction Agreement (LURA) that expires on October 1, 2021. The LURA requires that at least 90.0% of units must be occupied by eligible tenants and that 20.0% of the units shall be leased to low-income tenants earning no more than 50.0% of the median income of the area. In this case, eligible tenants under the LURA are defined as residents of a unit that do not earn more than a combined income of $96,314 annually, while low-income tenants classify as those who collectively earn between $21,800 and $31,100 per year.

BUSINESS PLAN

The sponsor's business plan is to execute a $1.9 million portfolio-wide renovation ($4,557 per unit) that will upgrade the building exteriors and apartment units and reposition the assets as Class B apartment communities. The exterior updates are expected to be done by YE2016, while the apartment unit upgrades are scheduled to be completed as units turn over during the next two years. To-date, 152 of the property's 424 units have already been renovated and these units are generating average rent premiums well in excess of the appraiser's $75 psf estimated rent premium for both properties (i.e., 37.3% to 80.0% higher). Since post-renovated units will still be affordable, the LURA restrictions are not anticipated to impact the subject property's projected rent levels after renovations and upgrades.

MARKET OVERVIEW

San Antonio is home to roughly 1.1 million residents, with the area's main industries include the biotechnology, biomedical, energy, manufacturing and military sectors. The local area contains 12 accredited colleges and universities, three amusement parks, eight malls and several museums, golf courses, restaurants and clubs. According to the U.S. Bureau of Labor Statistics, the San Antonio-New Braunfels MSA reported an unemployment rate of 4.1% as of August 2016, well below the national average of 4.9%.

Vista Meadows is situated in Southwest San Antonio along Callaghan Road, a major north-south corridor about six miles northeast of the Lackland Air Force Base and eight miles northwest of downtown San Antonio. Surrounding land uses are comprised primarily of single- and multifamily housing, as well as some commercial and retail. Vacant lots are adjacent to the north and south sides of the property and there is a large area of vacant land west of the subject across Callaghan Road. In general, the area has a low-income demographic profile, with median household income of roughly $35,388 within a three-mile radius. According to Reis, the Southwest submarket reported a 6.0% average vacancy rate in Q2 2016, and the average vacancy of properties comparable in age to the subject was higher at 6.9%. The average rental rate was reported to be $600 per unit for the broader submarket and $629 per unit for similarly aged properties versus the subject's current average in-place rental rate of $580 per unit. The appraisal identified five properties in the local market that compete with the subject. For information on how Vista Meadows compares to its competitive set, refer to the table below.

VISTA MEADOWS APARTMENTS COMPETITIVE SET

Property	Location	Distance from Subject	Units	Year Built	Occupancy
Avistar on the Hills	San Antonio, TX	2.2 miles	117	1979	95.0%
Broad Viewe Apartments	San Antonio, TX	3.5 miles	80	1985	76.0%
Callaghan Crossing	San Antonio, TX	1.6 miles	198	1974	90.0%
Monterrey Park	San Antonio, TX	2.3 miles	176	1984	94.0%
Summer Place Apartments	San Antonio, TX	3.8 miles	159	1984	100.0%
Vista Meadows Apts - Subject	**San Antonio, TX**	**n/a**	**200**	**1983**	**86.5%**

Source: Appraisal and August 2016 rent roll.

Fredericksburg Place is 6.5 miles northeast of Vista Meadows, three miles northwest of downtown San Antonio and just north of the fast-growing Deco District. The property is situated west of I-10 along a commercial development corridor that connects downtown with the Medical Center, a submarket that contains the United Services Automobile Association headquarters campus and the South Texas Medical District, two of San Antonio's largest employers. Surrounding land uses consist of a combination of older commercial, retail and residential uses. In general, the area has a low-income demographic profile, with a median household income of roughly $35,338 within a three-mile radius of the subject. According to Reis, in Q2 2016, the average vacancy across San Antonio's Northwest submarket was very low at 2.7%, and properties of a vintage comparable to Fredericksburg Place reported an even lower average vacancy rate of just 0.8%.

Average rent in the Northwest submarket is roughly $600 per unit versus the subject's current average in-place rental rate of $592 per unit. The appraisal identified five properties in the local market that compete with the subject. For information on how Fredericksburg Place compares to its competitive set, refer to the table below.

FREDERICKSBURG PLACE COMPETITIVE SET

Property	Location	Distance from Subject	Units	Year Built	Occupancy
Dakota Apartments	San Antonio, TX	1.8 miles	117	1979	95.0%
Gardenwood	San Antonio, TX	1.0 miles	80	1985	76.0%
Parque De Oro Apartments	San Antonio, TX	0.4 miles	198	1974	90.0%
Springwood Apartments	San Antonio, TX	0.4 miles	176	1984	94.0%
Summer Place Apartments	San Antonio, TX	3.0 miles	159	1984	100.0%
Fredericksburg Place - Subject	**San Antonio, TX**	**n/a**	**224**	**1983**	**86.2%**

Source: Appraisal and August 2016 rent roll.

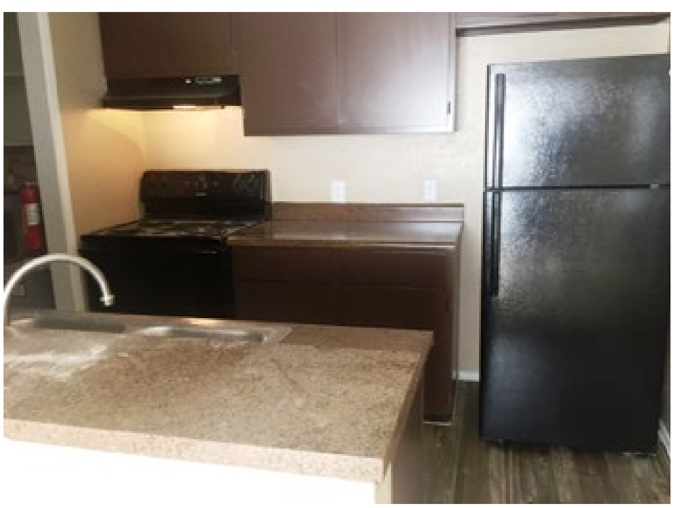
SPONSORSHIP

The sponsors and non-recourse guarantors for the subject loan include: Richard Fishman, Susann Fishman and The Fishman Family Trust. Richard Fishman is a principal at The ValCap Group, LLC (The ValCap Group), a real estate company that specializes in value-added acquisitions of apartment buildings. The company currently has a portfolio of 19 multifamily properties totaling 3,400 units and recently completed the repositioning of Oaks at Westlake, a 268-unit property in West San Antonio that also had a LURA in place. Property management is provided by The ValCap Group for a contractual management fee of 3.5%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management tour conducted on October 5, 2016, DBRS found the property quality to be Below Average.



Fredericksburg Place and Vista Meadows are located 6.5 miles apart in San Antonio's Northwest and Southwest submarkets, respectively. The properties are situated along major thoroughfares with clear signage and average visibility. Accessibility is also average, with only one point of ingress/egress at each property. Both properties are completely enveloped by perimeter fencing; but only Vista Meadows features locked code-activated gates, a concern given certain safety issues related to crime and vagrancy that DBRS observed at the Fredericksburg property during the site inspection. Surrounding land uses are a combination of commercial, retail, and residential, and there is also an abundance of vacant land that lies directly west of Vista Meadows, as well as smaller vacant lots that lie adjacent to the north and south sides of the property. Common area amenities, including outdoor pools, tennis courts at Vista Meadows and a playground at Fredericksburg Place, appeared clean, well-maintained and recently refreshed on the date of the site inspection. Exterior landscaping, comprised of a combination of grass, shrubs, mature trees and hedges, looked attractive, well-kept and appropriate for both properties, though DBRS did note large areas of deferred maintenance where grass needed to be re-sodded at each property. Overall, the subject demonstrates average curb appeal, shows well from the roadway and fits in well with the broader neighborhood.

The properties are situated on comparably sized lots (i.e., seven acres) and consist of 15 to 17 two-story, garden-style apartment buildings. The exterior of the collateral is a combination of brick veneer, cement and wood, and the roofs are pitched with asphalt shingles. All exterior paint is a neutral khaki or brown color with cream-colored wood trim around the windows, doors and other facade penetration areas. Black metal staircases, a number of which showed visible signs of rust, lead to second-story units. The building exteriors are generally in average condition; however, during the site tour DBRS noted visible signs of deferred maintenance and general neglect, including cracked and/or faded siding that was far more prevalent at the Fredericksburg property. Sidewalks and intra-property roadways that traverse both complexes are easy to navigate and generally in average condition, though some deferred maintenance related to cracking and striping was observed during the site inspection.

During the site inspection, DBRS viewed several vacant units at each property, all of which had already been upgraded. Notably, the quality of the renovations was not consistent across the two properties; rather, the craftsmanship at the Fredericksburg property appeared rushed and of a lesser overall quality than its sister property. Notwithstanding this inconsistency, all renovated units now feature faux-wood vinyl flooring in the main living area, vinyl tile flooring in the kitchen and bathroom and wall-to-wall carpeting in the bedrooms. The kitchens are equipped with matching black appliance packages and both kitchens and bathrooms feature laminate countertops and cabinets that are a dark maroon color. The bathrooms feature white combination tub/showers with matching toilets and built-in porcelain sinks, as well as a wall-mounted medicine cabinet with mirror. The walls of each unit are painted a neutral shade of beige with cream-colored wood trim around the doorways, floors and ceilings. All units offer ceiling fans in the master bedrooms, as well as a private patio or balcony that is accessible via a sliding glass door in the living area. Natural lighting is generally limited; however, each unit features sufficient incandescent lighting fixtures throughout.

In summary, while both the Vista Meadows and Fredericksburg properties demonstrate average curb appeal, well-kept exterior landscapes and show well from the roadway, the combined effect of safety concerns and subpar unit upgrades at the Fredericksburg property lower the overall portfolio quality to Below Average.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	T-12 August 2015	T-7 July 2016	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$2,103,573	$2,195,221	$3,595,320	$3,765,600	$3,647,887	$3,364,992	-7.8%
Other Income	$960,050	$1,078,495	$352,473	$247,596	$376,620	$211,431	-43.9%
Vacancy & Concessions	-$411,356	-$443,592	-$783,981	-$326,896	-$364,789	-$458,070	25.6%
EGI	**$2,652,267**	**$2,830,123**	**$3,163,812**	**$3,686,300**	**$3,659,717**	**$3,118,353**	**-14.8%**
Expenses	$1,466,298	$1,506,660	$1,762,321	$1,606,584	$1,887,277	$1,883,921	-0.2%
NOI	**$1,185,969**	**$1,323,463**	**$1,401,491**	**$2,079,716**	**$1,772,441**	**$1,234,432**	**-30.4%**
Capex	$0	$0	$0	$128,400	$127,200	$106,000	-16.7%
NCF	**$1,185,969**	**$1,323,463**	**$1,401,491**	**$1,951,316**	**$1,645,241**	**$1,128,432**	**-31.4%**

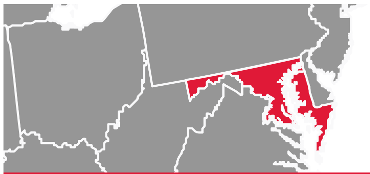
DBRS underwrote GPR based on the appraiser's estimated rent premiums over current in-place rents, as renovated units at both properties are already generating average rents equal to or in excess of the appraiser's concluded rent premium and all vacant units were grossed up at the appraiser's concluded market rent by unit type. DBRS underwrote a 10% vacancy factor, higher than the 6.9% and 0.8% vacancy rates reported for comparably aged properties in the Southwest and Northwest submarkets, respectively, but more in-line with historical occupancy. DBRS underwrote bad debt and concessions in-line with their respective T-12 periods ending August 31, 2015. DBRS underwrote 100% utility reimbursement, reduced by the 10% UW vacancy factor. The resulting DBRS UW EGI is 14.8% below the Year Three issuer UW stabilized level.

Operating expenses were underwritten to Year Three stabilized levels, in-line with the issuer's estimate. Real estate taxes were also underwritten based on the Year Three stabilized level, as was the insurance premium. A management fee of 4.0% of EGI was applied, higher than the 3.5% contractual fee paid to the sponsor-affiliated management company but in-line with the market. The resulting DBRS UW expense load is in-line with the Year Three budget and the expense ratio at 60.4% is considered sustainable.

Below-the-line deductions included $250 per unit for replacement reserves, in line with the minimum per unit amount underwritten by DBRS for comparable multifamily properties, but lower than the inflated amount per year concluded in the PCR, as several required line items outlined therein are within the capex budget and will be completed in the near future. The resulting DBRS NCF was $1,128,432, a variance of -31.4% from the Issuer's stabilized NCF.

DBRS VIEWPOINT

The subject property is comprised of two Class C apartment communities located along major thoroughfares in mature San Antonio submarkets that are home to some of San Antonio's largest employers. The property is currently undergoing renovations that are expected to enhance its competitive position and drive rent premiums. To-date, 152 units of the property's 424 units have already been renovated and these units are generating average rent premiums well in excess of the appraiser's estimates. The property is subject to a LURA that could potentially limit rent premiums commanded by renovated units; however, since the renovated units are still considered affordable, the LURA restrictions are not anticipated to affect post-renovation rent premiums. The sponsor has expertise specific to value-added acquisitions of apartment buildings, as well as the local real estate market, having recently completed the repositioning of Oaks at Westlake, a 268-unit property in West San Antonio that also had a LURA in place. Based on the DBRS Stabilized NCF, the DBRS Exit Debt Yield and DBRS Refi DSCR are 8.0% and 0.93x, respectively, indicative of high-leverage financing and elevated default risk. In addition, safety concerns were noted during the site inspection at Fredericksburg Place and both properties are located in lower-income neighborhoods. The sponsor contributed $3.6 million of fresh cash equity towards the acquisition of the subject and the loan's exposure of $33,153 per unit is 53.1% lower than the average sales price of $70,668 per unit across 53 total sales over the last two years within a five-mile radius, according to Real Capital Analytics.



Loan Snapshot

Seller
RAIT Partnership, L.P.

Ownership Interest
Fee Simple

Cut-Off Trust Balance ($ MM)
$12.0

Total Future Advance ($ MM)
$0.0

Total Loan Commitment ($ MM)
$12.0

Loan psf/Unit
$107

Percentage of the Pool
4.4%

Fully Extended Maturity Date
May 2021

Amortization
n/a

DBRS Term DSCR
0.97x

DBRS Refi DSCR
0.87x

DBRS Debt Yield
7.9%

DBRS Exit Debt Yield
7.9%

Competitive Set

Anchored Retail, Medium, MD, Tertiary

Median Debt Yield
9.9%

Median Loan PSF/Unit
$98

Debt Stack ($ MM)

Total Loan Commitment
$12.0

Pari Passu
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$12.0

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ MM)
$1.1

Ocean City Square

Ocean City, MD

COLLATERAL SUMMARY

DBRS Property Type	Anchored Retail	**Year Built/Renovated**	1983/2010
City, State	Ocean City, MD	**Physical Occupancy**	91.6%
SF	112,265	**Physical Occupancy Date**	August 2016

This loan is secured by both the fee and leasehold interest in Ocean City Square, an 112,265 sf anchored retail center in Ocean City, Maryland. The subject property was built in 1983, renovated in 2010 and 91.6% occupied as of the August 2016 rent roll. Loan proceeds of $12.0 million, along with $1.1 million of sponsor equity, refinanced $10.0 million of existing debt, funded a $1.3 million capex reserve to construct an outparcel building, allocated $950,000 toward outstanding TI/LC obligations, and covered miscellaneous expenses and closing costs. The three-year loan is IO throughout.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
Food Lion	40,883	36.4%	$7.17	23.5%	6/2019	Y
Blue Waves	8,000	7.1%	$22.00	14.1%	8/2026	N
Long & Foster	5,304	4.7%	$15.30	6.5%	6/2019	N
Sherwin-Williams	5,000	4.5%	$16.20	6.5%	10/2017	N
Crabcake Factory	4,850	4.3%	$14.00	5.4%	11/2026	N
Subtotal/Wtd. Avg.	**64,037**	**57.0%**	**$10.92**	**56.0%**	**Various**	**Various**
Other Tenants	38,842	34.6%	$15.51	48.2%	Various	N
Vacant Space	9,386	8.4%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**112,265**	**100.0%**	**$12.65**	**104.2%**	**Various**	**Various**

The collateral is anchored by Food Lion, a grocery store that has been located at Ocean City Square since 1984. The tenant generated sales of $397 psf in 2015 while operating with the low occupancy cost of 2.7%. Food Lion has exhibited a positive sales trend since 2013, growing by 4.3% annually, and 2015 sales were slightly higher than the tenant's average of $382 psf since 2013. Food Lion's current lease extends until June 2019 but is structured with six remaining five-year options to extend at $7.40 psf, which is well below the appraiser's estimate of market rent for this space of $10.00 psf. The second-largest tenant, Blue Waves, recently began occupying the collateral in June 2016. Blue Waves executed a ten-year lease that extends until September 2026. No other tenant represents more than 4.7% of the NRA, and tenants occupying 64.5% of the NRA have been located at the property for more than ten years.

BUSINESS PLAN

The sponsor's business plan is to lease up the property through the construction of a new outparcel and the turnover of old space. The sponsor recently completed the construction of a new 12,100 sf outparcel building. Blue Waves has taken occupancy of its space in the new building and is open for business. Additionally, space was turned over for two new in-line tenants, Crabcake Factory and Linen Outlet. The plan was to have these tenants in their spaces and operating for the summer tourism season. However, according to the property representative, Crabcake Factory did not open until September 2016 due to a slower than expected build-out. Finally, the sponsor is currently in negotiations with a liquor store to lease the remaining 4,100 sf of the new outparcel building. If the store leases the space, occupancy would increase to 95.3%.

MARKET OVERVIEW

Ocean City is a popular tourist beach destination in Maryland that reports an average of 8,000,000 visitors per year. As it is a beachfront destination, Ocean City experience tourist highs during the summer months. According to the appraisal, more than half of Ocean City's visitors vacation between June and August. Nevertheless, tourism during off-season has improved since the construction of the Roland E. Powell Convention Center in 1997. The convention center is often used for sporting events and concerts and thus provides a reason for guests to be in Ocean City year-round. Besides tourism, major economic drivers in the city are mainly limited to the commercial fishing sector and service jobs. The city is part of the larger Salisbury MSA, which, according to the U.S. Bureau of Labor Statistics, reported an unemployment rate of 4.6% as of September 2016, which compared favorably to the 5.0% national average at that time.

Within Ocean City, the collateral is located with frontage along the Coastal Highway. Access to the area is also provided by the Ocean City Expressway. The Ocean City Boardwalk, a popular tourist destination, is 7.0 miles south of the retail center.

According to the property representative, the northern part of the island, where the collateral is located, is more oriented toward families compared to the southern end near the Ocean City Boardwalk, where young adults and college students vacation. Area demographics within a three-mile radius reflect a middle-class populace composed of 6,189 residents and a median household income of $55,505. According to CoStar, retail properties within a three-mile radius of Ocean City Square had an average vacancy and rental rate of 2.8% and $22.54 psf as of November 9, 2016. In comparison, the subject is underperforming against the market in terms of vacancy of 8.4% and an in-place rental rate of $12.77 psf. Additionally the subject is underperforming against the appraiser's weighted average market rent of $14.75 psf. The appraisal identified three retail properties in the local market that compete with the collateral, none of which the property representative identified as being a true competitor of the subject. The subject is the main grocer and the only supermarket on the island. For information on how Ocean City Square compares to its competitive set, refer to the table below.

COMPETITIVE SET

Property	Location	Distance from Subject	SF	Year Built/ Renovated	Occupancy
Montego Bay	Ocean City, MD	1.0 miles	74,294	1976	93.0%
White Marlin Mall	Ocean City, MD	8.0 miles	197,098	1983	97.0%
Gold Coast Mall	Ocean City, MD	0.3 miles	112,500	1977	98.0%
Ocean City Square - Subject	**Ocean City, MD**	**n/a**	**112,265**	**1983/2010**	**91.6%**

Source: Appraisal.

SPONSORSHIP

The sponsor for this loan is Craig Bernstein, the co-founder of Jackson Oats Shaw, a privately held real estate company headquartered in Atlanta. The firm's portfolio consists of 45 commercial assets primarily located in the Southeastern Region of the United States. Property management at the subject is provided by the third-party company, Jackson Corporate Real Estate, LLC, for a contractual management fee of 3.0%.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting held on October 5, 2016, DBRS found the property quality to be Average.

The collateral consists of a neighborhood shopping center located in a built-out retail corridor in Ocean City. The property is situated along the west side of Coastal Highway, a busy six-lane roadway that divides the fully built-out retail corridor to the west of Coastal Highway and the high-rise condominiums and hotels that make up the east side and beach front of Ocean City. Coastal Highway stretches nine miles along the island and is the major roadway of Ocean City. The main L-shaped structure is slightly set back from the highway and the subject's four outparcels are located along the major thoroughfare. Due to the setback configuration of the property, the visibility of the façade-mounted, tenant-specific signage to traffic on Coastal Highway was good for the grocery store but rather limited for other tenants. To the north is a CVS Pharmacy and to the south is a boat inlet and residential area that allows residents to access the Assowoman Bay. The western portion of the property backs up to a residential area as well. The property can be easily accessed from Coastal Highway as well as Edward Taylor Road, which runs west to east along the northern portion of the subject. The immediate area is fully built-out with commercial use along the western portion of Coastal Highway, and hotels and condominium buildings facing the ocean along the east side of Coastal Highway.

The property appeared to be well-maintained with limited deferred maintenance, such as asphalt staining and cracking noted throughout the premises. The cars in the parking lot were concentrated near Food Lion, located at the southern end of the center. The Food Lion featured a traditional supermarket layout, and appeared to be comparable to the build-out quality of the other tenants at the subject property. The property representative noted that a vast majority of the grocer's sales take place during the peak tourism season. At the time of inspection, the planned outparcel building was complete and the surf shop tenant (Blue Waves) has been in operation since June 2016. In addition to the new outparcel building, Crabcake Factory recently built out its space and has been in operation since September 2016. These two tenants' spaces exhibited higher quality finishes relative to the build-outs of other tenants at the subject property. The DBRS site inspection took place during Ocean City's offseason, and several tenants were not in operation at the time of inspection. According to the property representative, multiple tenants are not open for business outside of the June-August tourism season.

DBRS NCF SUMMARY

NCF ANALYSIS

	2013	2014	2015	Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$970,069	$1,006,865	$983,242	$1,247,612	$1,485,793	$1,418,360	-4.5%
Recoveries	$182,601	$240,771	$253,682	$348,033	$380,374	$370,374	-2.6%
Other Income	$956	$1,339	$3,616	$0	$0	$0	0.0%
Vacancy	$0	$0	$0	-$1,120	-$180,752	-$214,092	18.4%
EGI	**$1,153,627**	**$1,248,974**	**$1,240,540**	**$1,594,525**	**$1,685,415**	**$1,574,642**	**-6.6%**
Expenses	$329,624	$395,434	$375,222	$433,006	$445,217	$461,516	3.7%
NOI	**$824,002**	**$853,541**	**$865,318**	**$1,161,519**	**$1,240,198**	**$1,113,126**	**-10.2%**
Capex	$0	$0	$0	$0	$22,453	$21,890	-2.5%
TI/LC	$0	$0	$0	$0	$112,265	$142,121	26.6%
NCF	**$824,002**	**$853,541**	**$865,318**	**$1,161,519**	**$1,105,480**	**$949,116**	**-14.1%**

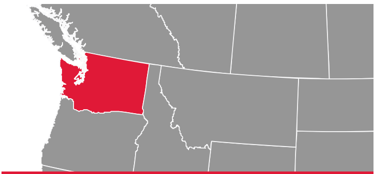
DBRS underwrote GPR based on the leases in place as of the August 31, 2016, rent roll, with vacant units grossed up at the appraiser's concluded market rent. DBRS applied a rental rate markdown to 110% of the appraiser's concluded market rents, which resulted in a downward adjustment to four tenants totaling $40,933, or 2.9% of GPR. Expense reimbursements were based on a full pass-through of DBRS UW expenses less the underwritten management fee and a non-CAM R&M expense. DBRS underwrote vacancy at 12.0% based on the in-place economic vacancy at the subject.

Operating expenses and insurance were underwritten based on stabilized year two pro forma expense. Real estate taxes were based on the actual 2016 taxes inflated by 3.0%. The underwritten tax amount is approximately 3% higher than the pro forma year two taxes. A management fee of 4.0% of EGI was applied, which is above the contractual rate of 3.0% with a third-party management firm.

Below-the-line deductions included $0.20 psf for capex, which is above the engineer's inflated recommendation of $0.19 psf. Leasing costs were underwritten to a combined $1.30 psf and were based on appraiser's estimates. TI assumptions for new and renewal leases were underwritten at $5.00 and $2.00, respectively, for anchor space, and $10.00 and $5.00 psf for in-line space. For all spaces, LCs of 6.0% and 3.0% were underwritten for new and renewal leases, respectively. The resulting DBRS NCF was $949,116, a variance of -14.1% to the Issuer's Stabilized NCF.

DBRS VIEWPOINT

The property is well-located in an infill corridor in a tourist beach destination with high barriers to entry. Prior to this loan's funding, the borrower had a CMBS loan application to refinance the existing debt. According to the issuer, the CMBS loan application was declined, mainly due to investor concerns over the outparcel construction component of the business plan. Since then, the borrower has successfully completed the construction of the new outparcel building and has leased a majority of the outparcel's space. Additionally, the remaining 4,100 sf of space is expected to be leased in November 2016. The collateral benefits by being anchored by the only major grocer on the island, Food Lion, which has been at the property for over 30 years. Food Lion has six five-year renewal options to extend at a below-market rent that starts at $7.40 psf and never rises above $8.11 psf, and while sales are not exceptional at $397 psf, the occupancy cost of 2.7% is low for a grocer. Additionally, the majority of the grocer's sales are generated over a short time period during the summer vacation season. In addition to completing the outparcel construction, the sponsor has executed the second aspect of its business plan, leasing 9,070 sf to Linen Outlet and Crabcake Factory. These leases brought physical occupancy to 91.6% as of August 2016. It is expected the borrower will lease the remaining vacant space at the new outparcel to a liquor store in November 2016, which would increase occupancy to 95.3%, which is directly in line with the appraiser's stabilized occupancy of 95.0%. The property benefits from long-term ownership that has shown a commitment to investing capital in the asset, as the sponsor is a member of the Bernstein family, the original developer of the subject property, who has owned it for over 30 years. While the loan represents elevated refinance risk, as evidenced by the DBRS Refi DSCR of 0.87x and DBRS Exit Debt Yield of 7.9%, the sponsor is providing $1.1 million of fresh equity to refinance the loan, and if the LOI on the remaining vacant space in the new outparcel building is executed, the NCF would rise moderately and increase the DBRS Exit Debt Yield to 8.5%.



Loan Snapshot

Seller
RAIT Partnership, L.P.
Ownership Interest
Fee Simple
Cut-Off Trust Balance ($ MM)
$11.0
Total Future Advance ($ MM)
$0.0
Total Loan Commitment ($ MM)
$11.0
Loan psf/Unit
$158
Percentage of the Pool
4.1%
Fully Extended Maturity Date
February 2021
Amortization
n/a
DBRS Term DSCR
1.27x
DBRS Refi DSCR
0.90x
DBRS Debt Yield
8.3%
DBRS Exit Debt Yield
8.3%

Competitive Set

Office, Medium, Zip Code Prefix 980
Median Debt Yield
10.1%
Median Loan PSF/Unit
$137

Debt Stack ($ MM)

Total Loan Commitment
$11.0
Pari Passu
$0.0
Mezz/Other Secured Debt
$0.0
Total Debt
$11.0

Loan Purpose

Refinance
Equity Contribution/ (Distribution) ($ MM)
$2.1

Sparling Technology Center

Lynnwood, WA

COLLATERAL SUMMARY

DBRS Property Type	Office	**Year Built/Renovated**	2002/2012
City, State	Lynnwood, WA	**Physical Occupancy**	81.4%
SF	69,798	**Physical Occupancy Date**	October 2016

This loan is secured by the borrower's fee interest in Sparling Technology Center, a 69,798 sf office property in Lynnwood, Washington. Loan proceeds of $11.0 million, along with $2.1 million of sponsor equity, were used to refinance $11.5 million, fund a TI reserve of $1.2 million and pay closing costs. The loan is two years full IO with two one-year extension options.

TENANT SUMMARY

Tenant	SF	% of Total NRA	DBRS UW Base Rent PSF	% of Total DBRS UW Base Rent	Lease Expiry	Investment Grade? (Y/N)
Stantec Consulting Services, Inc.	27,489	39.4%	$18.00	47.8%	8/2021	N
Coldwell Banker Bain	5,255	7.5%	$18.75	9.5%	7/2022	N
Fidelity National Financial	4,719	6.8%	$19.25	8.8%	7/2019	N
AACO A1 Healthcare Services, Inc.	2,508	3.6%	$17.50	4.2%	3/2017	N
Engle Martin & Associates, Inc.	2,498	3.6%	$17.56	4.2%	1/2019	N
Subtotal/Wtd. Avg.	**42,469**	**60.8%**	**$18.18**	**74.6%**	**Various**	**N**
Other Tenants	14,337	20.5%	$18.37	25.4%	Various	N
Vacant Space	12,992	18.6%	n/a	n/a	n/a	n/a
Total/Wtd. Avg.	**69,798**	**100.0%**	**$18.22**	**100.0%**	**Various**	**N**

The collateral consists of a four-story office building and on-site subgrade parking deck, as well as an additional level of covered parking totaling 228 spaces, situated across a 1.35-acre property. The property was originally built in 2002, and received $375,000 in common area upgrades in 2015. As of the October 2016 rent roll the property was 81.4% leased to 12 tenants. The largest tenant, Stantec Consulting Services Inc. (Stantec), currently leases 27,489 sf, approximately 39.4% of the NRA. Stantec provides engineering, consulting and design services in the public and private sectors and has over 15,000 employees in over 250 locations. Stantec recently signed a renewal to remain at the property for an additional five years, through August 2021, but also downsized by 2,107 sf. No other tenant represents more than 7.5% of the total NRA. Only 29.5% of the total NRA have a lease term that rolls during the fully extended loan term.

BUSINESS PLAN

The borrower's plan was to extend its signature tenant, Stantec, for five additional years, which it has successfully accomplished. The loan was structured with $1.2 million in upfront TILC reserves, however, the Stantec renewal was accomplished with minimal inducements in the form of landlord work. The borrower will be working to lease up the remaining space to bring the property back up to market levels and will have the $1.2 million upfront TILC reserve at its disposal to accomplish its goal.

MARKET OVERVIEW

Lynnwood is located approximately 16.0 miles north of the Seattle CBD, within the Seattle-Tacoma-Bellevue MSA. This MSA is the 15th most populous metropolitan area in the nation. As of September 2016, the unemployment rate for the MSA was 4.4%, below the 5.6% rate for the state of Washington and the 5.0% national average (U.S. Bureau of Labor Statistics). According to the appraisal, the Seattle-Tacoma-Bellevue MSA currently exceeds the state of Washington for median household income by 14.2%, with the median household making over $71,126 annually. Major employers include The Boeing Company, Amazon.com, Inc. and Expedia, Inc. Other important industries include the biotech sector, health services, education and government.

Within Lynnwood, the collateral is located at the southwest intersection of 194th Street SW and 40th Avenue West. Primary access to the area is provided by I-5 that directly connects the area with the Seattle CBD and I-405 that connects the area with Bellevue. The collateral is 0.9 miles from 1-5 by way of 196th Street SW and 1.7 miles southwest of I-405 which is accessible by way of I-5. Additionally, the collateral is 0.9 miles south of Alderwood Mall and 2.1 miles east of Edmonds Community College.

According to CoStar, the collateral is located in the Edmonds/Lynnwood submarket that currently has an inventory of 5.0 million sf across 333 office buildings. As of November 2016, the aforementioned office properties averaged a vacancy rate of 6.7%, an availability rate of 7.9% and an average gross asking rental rate of $22.96 psf. While vacancy is currently quite low in the submarket, the five-year historical average vacancy is much higher at 12.0%. The subject is considered Class A by CoStar. When narrowed down to include only Class A office properties in the submarket, vacancy and availability rates are higher at 12.3% and 12.2%, respectively, with an with an average five-year vacancy rate of 21.0% and an average gross rental rate of $27.10 psf across nine properties comprising 828,793 sf of GLA. In comparison, Class B office properties in the submarket reported vacancy and availability rates of 6.2% and 8.0% respectively, with an average five-year vacancy rate of 10.9% and an average gross rental rate of $22.38 psf across 141 properties, comprising 3.0 million sf of GLA. Two new recently signed leases averaged a DBRS UW gross rent of approximately $25.58 psf, which was slightly lower than the submarket average rate for Class A office space.

SPONSORSHIP

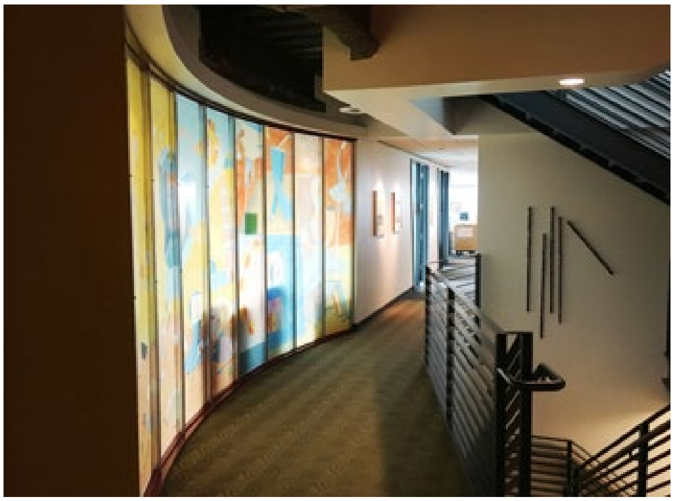
This loan is sponsored by Duncan Matteson and James Blake of JB Matteson, Inc. (JB Matteson). JB Matteson was founded 50 years ago by Duncan Matteson Sr. in San Francisco and has a primary focus on multifamily properties. The company has invested over $1.5 billion in real estate throughout the Western United States. Duncan Matteson joined the firm in 1986, and is currently the Co-President and COO and is responsible for client service, financial accounting, business management, staffing, and risk management. James Blake joined the company in 1989, and is currently the Executive Vice President and CLO and oversees client services, transaction management, structuring, legal and risk management and corporate governance. JB Matteson was involved in a short sale in 2010, for an apartment portfolio that had lost cash flow as a result of an inability to gain funding from Citibank to complete renovations. In 2012, JP Matteson had an apartment complex in Las Vegas foreclosed upon because of the property's value not supporting the loan balance as a result of its inflated value when purchased in 2007. In 2013, a multi-tenant office building was struck by large vacancies because of the recession and was ultimately sold via a Trustee's sale. Another foreclosure occurred in 2015, on a neighborhood grocery-anchored retail center that was also negatively impacted by the recession when the anchor tenants opted not to renew the lease. Finally, a Class A office building in Las Vegas is being conveyed to the lender through a Trustee's sale after losing a major tenant and suffering from the market's decline.

Property management at the collateral is provided by a third-party company, Hoban & Associates, Inc d/b/a Coast Real Estate Management, Inc. (Coast Management), for a contractual management fee of 4.0%. Coast Management was founded in 1987, and is currently managing over $4.0 billion in assets including 15,000+ units of affordable housing and 5.0 million sf of office, retail, light-industrial, medical and dental facilities. While they operate nationally, they have the strongest presence in the northwest region of the United States.

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 3, 2016, at 9.00 am, DBRS found the property quality to be Average.



The four-story, multi-tenant office building is located along 194th Street SW, set back from 196th Street that is a main thoroughfare in Lynnwood, behind a small strip center and a limited-service hotel. The subject's immediate surroundings include a mixture of medical office buildings, a limited-service hotel, a multifamily building and a single-tenant industrial and office flex building. Area demand drivers include local government buildings, several anchored and unanchored retail centers, as well as Alderwood Mall, located less than a mile from the subject. Alderwood Mall is a regional shopping mall managed by General Growth Properties and anchored by Macy's, Nordstrom, Inc. and Sears. The property benefits from its proximity to I-5 and I-405, located within approximately a mile and two miles, respectively.

Access to the site is available from one point of entry and exit along 194th Street SW. The site is configured with one office building, with surrounding surface parking and a subterranean parking garage below. The subject features a total of 228 parking spaces, resulting in a 3.3 parking ratio per 1,000 sf of GLA. Parking lots were well maintained, with minor cracking at a number of locations and indications of regular wear. The site is set back from the main thoroughfare, surrounded by large trees, secluding it from noise pollution. Landscaping is well maintained and consists of small grass lawns, bushes and flowers surrounding the building. Overall, the building appears to be in good physical condition and has positive curb appeal. The building common areas received a $375,000 investment in 2015. The building lobby and common areas were in good condition and looked modern.

DBRS toured several tenant spaces, including Stantec, Chicago Title Insurance Company and two vacant suites. The layout and finish quality varied by tenant and use; however, most of the spaces have a more traditional office layout with private offices located around the perimeter of the building and cubical work stations located toward the building's interior. Stantec occupies the fourth floor and a portion of the third floor of the building. The two spaces are connected via a private staircase. Stantec recently executed a renewal through 2021, which reduced its footprint by about 3.0%, but it still occupies 39.4% of the subject NRA. The vacant suites toured by DBRS were fully built out and in move-in ready condition with minimal TI or landlord work needed. The property manager has been working at the property for approximately eight years and appeared to be knowledgeable about the property and the local area. Management indicated that TI allowances ranged between $20 psf and $30 psf on new leasing, however, can be much lower depending on the condition of the space. Stantec received minimal landlord work as part of its recent renewal that included upgrades to HVAC systems, new carpeting and minor interior cosmetic updates. Management has a positive opinion of the office market overall and projects more office tenants will start looking at suburban office space as CBD vacancies decline and rents increase. Management believes Redstone Corporate Center and Alderwood Business Center are the subject's biggest competitors because of their larger size and amenities offered, however, the subject is well-positioned within the market given its convenient location and recent renovations.

DBRS NCF SUMMARY

NCF ANALYSIS

	2014	2015	T-12 August 2016	2016 Budget	Issuer NCF	DBRS NCF	NCF Variance
GPR	$1,222,209	$1,155,266	$1,158,623	$1,426,763	$1,204,623	$1,269,096	5.4%
Recoveries	$568,473	$514,041	$482,715	$478,528	$560,076	$569,346	1.7%
Other Income	$18,944	$26,037	$26,672	$18,600	$37,131	$20,000	-46.1%
Vacancy	$16,255	$0	$0	-$214,442	-$139,103	-$275,766	98.2%
EGI	**$1,825,881**	**$1,695,343**	**$1,668,010**	**$1,709,449**	**$1,662,727**	**$1,582,676**	**-4.8%**
Expenses	$680,969	$638,234	$464,225	$619,281	$663,767	$659,176	-0.7%
NOI	**$1,144,912**	**$1,057,109**	**$1,203,785**	**$1,090,168**	**$998,960**	**$923,500**	**-7.6%**
Capex	$0	$0	$0	$0	$13,960	$13,960	0.0%
TI/LC	$0	$0	$0	$0	$69,798	$0	-100.0%
NCF	**$1,144,912**	**$1,057,109**	**$1,203,785**	**$1,090,168**	**$915,202**	**$909,540**	**-0.6%**

DBRS underwrote GPR based on the leases in place as of the October 11, 2016, rent roll, with vacant suites grossed up at the appraiser's concluded market rent of $18 psf. DBRS marked down two above-market leases to 110% of the appraiser's market rent, which resulted in a minimal $2,127 markdown. Subject leases are on NNN terms, therefore expenses were fully reimbursed excluding the management fee and non-recoverable expenses. The DBRS UW stabilized vacancy figure of 15.0% is significantly higher than the appraiser's stabilized estimate of 5.0%, but generally in line with the 12.3% and 15.6% vacancy and availability rates, respectively, for existing Class A office properties within the submarket. DBRS underwrote Other Income based on average historical levels, which was below the appraiser's estimate and made up approximately 1.3% of the EGI. Other Income is obtained primarily from covered parking and storage. Many of the covered parking spaces are given as rent concessions, while others achieve monthly rents of $25 to $50 per space. The resulting DBRS UW EGI was 3.6% below the T-12 ending August 30, 2016.

Operating expenses, including real estate taxes and insurance, were generally underwritten based on the Issuer's Year 3 pro forma, except for the management fee that was underwritten to 4% of EGI. The property is managed by a third party for the same contractual fee. The DBRS UW real estate tax is approximately 23.3% and 6.1% higher than the YE2015 level and the appraiser's estimate, respectively. Given the subject's generally NNN lease structure, increases in real estate taxes are able to be passed through to tenants on a pro rata basis. Overall expenses are 42.0% above the T-12 level and the subject's expense ratio excluding management fee of 37.6% is well within the appraiser's range of between 28.0% and 38.8% for similar properties. The resulting DBRS UW expense of $9.44 psf is higher than the appraiser expense comparable, exhibiting total expenses ranging from $7.83 psf to $9.22 psf.

DBRS underwrote replacement reserves to $0.20 psf, which is slightly higher than the engineer's inflated estimate of $0.10 psf. TI assumptions for new and renewal leases were $20.00 psf and $10.00 psf for all space, respectively, based on a ten-year lease, in line with the appraiser's conclusions. LCs of 7.5% and 4.0% were underwritten for new and renewal leases, respectively, also based on the appraiser's assumptions. The loan is structured with $1.2 million of upfront TI/LC reserves that were used to offset UW TI/LC expenses. The resulting DBRS Stabilized NCF was $909,540, a variance of -0.6% from the Issuer's Stabilized NCF.

DBRS VIEWPOINT

The subject loan is secured by a relatively new Class A Office property with good curb appeal located in Lynnwood, Washington. The collateral for the loan benefits from a good location within close proximity to I-5, I-405 and Alderwood Mall. The property's largest tenant, Stantec, recently renewed its lease in April 2016, for an additional five years, but reduced its footprint at the property by 2,107 sf. The renewal lease was signed at a base rental rate of $18.00 psf, which is inline the appraiser's concluded market rent. The tenant received minimal inducements, all of which were in the form of landlord work. The execution of this lease renewal represented the majority of the sponsor's business plan and should provide some cash flow stability to the property over the medium term. The property's in place vacancy figure of 18.6%, as of the October 2016 rent roll, is significantly above the CoStar submarkets vacancy rate of 6.7%. The loan was structured with an upfront TI/LC reserve of $1.2 million, equal to $17.55 psf on all collateral sf, which should be beneficial in the sponsor's attempt to lease up the remaining vacant space at the property. The rollover during the loan term is relatively low, with the largest rollover occurring in 2017, when two leases comprising 11.1% of the NRA expire. The largest tenant lease, Stantec, comprising 49.2% of the NRA, expires six months after loan expiration, which might pose some challenges if the tenant does not renew prior to refinance. In addition, the DBRS Refi DSCR of 0.75x suggests a higher likelihood of maturity default. However, the leverage of $158 psf is reasonable given Real Capital Analytics' comparable office sales within a five-mile radius of the subject property showing an average of $191 psf across 28 transactions since January 2014. The loan sponsor had several workouts and foreclosures since 2009. DBRS modeled the loan sponsor as Weak, which increased the loan's POD, and the sponsor has shown commitment to this particular asset by contributing $2.1 million of cash equity in order to obtain the subject loan.

Transaction Structural Features

Deferrable Floating Rate Notes: The Class C, Class D, Class E, Class F, Class G and Class X notes will be considered deferrable notes. With respect to the deferrable notes, to the extent 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 rather be deferred. The ratings assigned by DBRS contemplate the timely payments of distributable interest and, in the case of the deferrable notes, the ultimate recovery of deferred interest (inclusive of 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 ratings contemplate timely payments of distributable interest and ultimate recovery of Deferred Interest inclusive of interest payable on deferred interest at the applicable note rate, to the extent permitted by law. Thus, DBRS will assign its “Interest in Arrears” designation to the Deferred Interest Classes in months when classes are subject to deferred interest.

Future Funding: Certain unfunded future funding participations (which will not be part of the initial collateral pool) that are funded after the closing date may be acquired by the Issuer up until December 2018, with such purchases made using proceeds held in the permitted funded companion participation acquisition account. This account will have a zero balance at securitization and will be funded from optional prepayment proceeds. Once prepayment proceeds are deposited into this account, they must be used to acquire future funded participations within 120 days. DBRS accounted for the potential change in pool composition and these assumptions are reflected in the credit enhancement levels.

Advancing: RAIT Partnership, L.P. – an affiliate of the seller and an indirect qualified REIT subsidiary of RAIT Financial Trust – is the advancing agent and will be required to make interest advances only on Classes A, A-S and B. No interest advancing is required on the Class C, Class D, Class E, Class F, Class G and the Class X Notes. The servicer, currently RAIT Partnership, L.P., will be required to make property protection advances pursuant to the terms of the servicing agreement upon determination that such advances are needed. Wells Fargo Bank, National Association (rated AA by DBRS) is the backup advancing agent for both interest and property protection advances.

Back-Up Advancing and Back-Up Servicer: The servicing agreement provides for the Indenture Trustee to provide advancing in the event the servicer does not. The servicing agreement also provides that the Indenture Trustee will act as the successor servicer or Special Servicer in the event that the servicer resigns or is terminated. If the Indenture Trustee is unwilling to step into that role, it may appoint a Successor Servicer and/or Special Servicer.

Control Rights of the Directing Holder: The Directing Holder is the holder of the majority of the most subordinate of the Class E, F or G Notes that is outstanding. The Directing Holder will have the right to replace the Special Servicer with or without cause and the Directing Holder may also advise and direct the Servicer and Special Servicer with respect to any actions taken or not taken with respect to the Mortgage Loans. Initially, Classes E, F and G will be retained by an affiliate of RAIT, and therefore the Directing Holder rights will be retained by an affiliate of RAIT until a Control Shift event has occurred to Class E. The Directing Holder will have no control or consent rights with respect to the Jupiter Medical Office mortgage loan, which has a pari passu note in RAIT 2015-FL5.

Control Shift Event: A Control Shift Event will occur with respect to any of the Class G Notes, the Class F Notes or the Class E Notes if, and for so long as, there is 25% of the class remaining. This calculation excludes any deferred interest that may be due on the Notes. If control passes to the Class D Notes, the operating advisor will be able to advise on the selection of the Servicer and/or Special Servicer.

Controlling Class: The Controlling Class will initially be the Class A Notes, or the most senior class of notes outstanding. The Controlling Class has the ability to direct the Indenture Trustee if an Indenture event of default of the transaction has occurred and continues to occur, such as non-payment of interest to Classes A, A-S and B, non-payment of principal, a breach of any covenants within the Indenture or the Issuer's failing to be a qualified REIT, among others.

Servicing Standard: The servicing agreement contains the typical servicing standard and obligation for that to prevail over Directing Holder instruction.

Rating Agency Confirmation (RAC) or No Downgrade Confirmation: Certain events within the transaction, including the change of servicer(s), require the Issuer to obtain a RAC. It is not the intent for DBRS to waive these RACs and its analysis will be included within its surveillance reports.

Originator

RAIT Partnership, L.P. (RAIT) is the originator of the loans in the pool. DBRS met with RAIT origination employees in the company's Philadelphia office on June 4, 2013, to perform an originator evaluation. Upon completion of the review, DBRS is comfortable with RAIT as an originator of securitized commercial mortgages.

RAIT is organized and managed like a bank. All loans must be unanimously approved by a credit committee consisting of four senior RAIT executives. The company is a direct originator of commercial mortgage loans and employs separate origination and underwriting staff. Loan originators and underwriters are highly experienced in commercial real estate and most have been with RAIT for several years. In addition, RAIT maintains a full-service legal function, staffed by experienced real estate attorneys, who are involved in the origination process from application through loan closing.

Loan documents are standardized but do allow for some negotiated exceptions to be approved by the credit committee. Once a loan application is approved, the underwriter arranges for the various third-party reports (including appraisals and property condition assessments) and begins its cash flow and borrower/guarantor financial analysis. The underwriter, as part of the financial analysis, reviews tax returns, financial statements, credit references and credit checks of all individuals with an ownership stake of at least 20%. All properties are inspected by a RAIT employee, usually the underwriter, after the draft appraisal has been received. The underwriter collects and reviews annual property operating statements for the previous three years, as well as monthly operating statements for the trailing 12 months.

Legal counsel is involved regarding borrower structuring and any loan document negotiations. If loan terms materially change after application, the loan must be re-approved by the credit committee. The company maintains an approved list of vendors, such as appraisal firms and outside counsel, based on past performance. The underwriter, along with internal and outside counsel, handles the closing function. A kick-off call is conducted with the underwriter, legal counsel and the borrower to ensure a smooth transition to the servicing team.

Servicer and Special Servicer

RAIT participates in DBRS's CMBS servicer evaluation program. DBRS most recently met with RAIT in their office on October 8, 2015, to perform the periodic evaluation of the company's primary and special servicing capabilities. Servicing functions at RAIT are handled by two groups: servicing and asset management, each headed by an experienced and tenured manager. Servicing handles administrative functions, such as new loan setup, payment processing, cash management and escrow administration. The asset management group is responsible for all real estate-related matters, as well as special servicing. Both groups have been stable and have exhibited minimal turnover.

The servicing group consists of a manager and three full-time employees and is assisted by an experienced insurance professional with more than 25 years of experience. Since its implementation in 2007, RAIT continues to use Midland Loan Services, Inc.'s Enterprise!® (Enterprise!®) loan servicing system as its system of record. All cash transactions are posted on Enterprise!® and key loan document images are stored in the system. The majority of RAIT's loans have cash management agreements in place that are administered by the servicing team. All investor reporting is reviewed and approved by senior management and all investor accounts are reconciled on a monthly basis. RAIT uses vendors for certain functions, such as real estate taxes, insurance compliance and UCC filings and maintains adequate controls over its vendors.

The 10-person asset management team continues to be responsible for financial statement analysis, periodic site inspections and loan covenant and trigger monitoring. All loan triggers are added to the servicing system for easy tracking. Customer requests, such as lease approvals, assumptions or modifications, are also handled by asset management. The collection process is initially handled by the servicing group, with active involvement by the asset management team as necessary.

The company continues to maintain its internal risk rating program as part of its surveillance process. Loans are risk rated on a scale of one to five, taking into account items such as payment delinquency, cash flow performance and loan-to-value ratios, among others.

Special servicing is handled by a subset of the asset management team. Upon a loan's designation as specially serviced, the asset manager immediately works to prepare an asset status report and engages legal counsel, if necessary. Once the asset status report is completed, the asset manager develops an action plan to resolve the existing default. The action plan considers net present value calculations of the various resolution alternatives, borrower financial status and local market conditions, among other factors. Action plans are presented to credit committee for approval. RAIT and its asset managers have significant experience with foreclosures and borrower bankruptcies and have access to the company's legal team to assist in the resolution process. During the servicer evaluation, RAIT presented several special servicing case studies to DBRS analysts.

Quality control in the servicing and asset management functions is typical of a small servicing shop, with separation of duties and designated review and approval processes. The company is subjected to both internal and external audits, including Regulation AB and Uniform Single Attestation Program (USAP) reviews.

As of June 30, 2015, RAIT actively serviced 287 loans totaling $2.44 billion, including securitized loans and loans owned by RAIT or its affiliates.

Surveillance

Given the transitional nature of these loans and the portfolio, DBRS anticipates that the pool will be reviewed as part of its monthly surveillance process, with regular updates from the servicer with respect to loan performance. DBRS will work with Bancorp to take in a monthly feed to produce monthly reports that will be available to investors upon request from the Issuer. In addition, the ratings will be subject to, at minimum, an annual review.

CMBS Rating Methodology – Highlights

The CMBS Rating Methodology (the CMBS methodology) was employed to rate this transaction. In order to establish a probability of default DBRS uses in-place cash flow. However, because of the transitional nature of the loans that are underperforming or have no cash flow, DBRS looks to a stabilized NCF to determine severity of loss using the structure in place for the borrower to execute on its business plan through the transition. The following paragraphs highlight this approach. In addition, because many of the underlying loan obligations are floating-rate with a maximum five-year fully extended term, DBRS employed its Unified Interest Rate Model to stress the interest rate for these loans based on the three-month LIBOR and the full remaining loan (with all extension options) at a base-case forward rate stress.

As consistent with the CMBS methodology, DBRS begins the rating process by picking a statistically relevant sample for diversified pools by property type, loan originator and geographic location. In the case of this transaction, DBRS performs reviews of all sample loans in the pool and reviews all third-party reports, including engineering and environmental reports, to ensure no significant contingencies exist, such as environmental contamination, structural faults or deferred maintenance. The appraisal is reviewed for historical usages, market dynamics and competitive property statistics, in addition to a relative as-is and as-stabilized value. Consistent with the CMBS methodology, DBRS looks at in-place NCF to derive the DSCR that will be used to measure the risk of default. DBRS then determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e., future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

DSCR

DSCR is, in our view, the best measure of the default risk of a loan, as it incorporates the current operating performance of the property (NCF) and its capacity to service debt.

SUBORDINATION LEVELS

DBRS sizes diversified pooled transactions (defined as those with greater than 20 loans with multiple borrowers) on a POD and severity-of-loss model. The rating of a diversified pooled CMBS transaction is the sum of the weighted-average loan-level credit enhancement (or expected losses) at the respective rating categories. DBRS determines the expected loss of an individual loan by multiplying its assigned POD by its assigned loss severity for each of the rating categories.

Loan Credit Enhancement = POD x LGD
Transaction Credit Enhancement = ∑ of [Loan Credit Enhancement x Current Percent of Pool]

POD

A loan's POD is primarily driven by the more conservative/constraining of its DBRS Refi DSCR and its DBRS Term DSCR. The constraining DSCR is used to reference the DBRS POD curve, which assigns a POD for any given DSCR. The POD curve used by DBRS is based on a combination of jurisdictional studies of cash flow volatility where available and publicly available data for commercial mortgage defaults.

POD ADJUSTMENT FACTORS

The POD is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of property qualities. Adjustment factors include concentration risk, recourse, property quality, sponsorship strength and single tenancy.

LGD

DBRS determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e. future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get to a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

Recoverable Proceeds = Cash Flow/Debt Yield Benchmark + €/£/$ Equity Requirement
Loss % Given Default = 1 - [Loan's Applicable Debt Yield/(Debt Yield Benchmark * (1 - Equity Requirement as % of Value))]

SEVERITY OF LOSS ADJUSTMENT FACTORS

Loss given default is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of certain property qualities. Adjustment factors include market, owner occupancy and loan size.

OPERATIONAL RISK REVIEWS

DBRS reviews loan originators, services and operating advisors apart from transaction analytics and determines whether they are acceptable parties.

RATINGS

DBRS CMBS ratings address the likelihood of timely payment of interest and ultimate payment of principal to the certificates by the final rated maturity date. DBRS does not rate to an expected or scheduled maturity date set forth by the Issuer; therefore, while DBRS will identify transactions and certificates that have considerable extension risk, the ratings are not affected as loans extend.

CMBS Rating Methodology provides DBRS's processes and criteria and is available by contacting us at info@dbrs.com or by clicking on Methodologies at www.dbrs.com.

Notes:

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

Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

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

DBRS Term DSCR
A measure that divides DBRS 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 (NOI) or net cash flow (NCF) 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 (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 revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income (NOI) less tenant improvements, leasing commissions and capital expenditures.

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 revenues 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 remodelling, 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.

DBRS