Presale Report

BDS 2020-FL6 Ltd.

DBRS Morningstar
September 21, 2020

Kyle Stein
Vice President
+1 917 438-1450
kyle.stein@dbrsmorningstar.com

Greg Haddad
Senior Vice President
+1 646 560-4590
greg.haddad@dbrsmorningstar.com

Edward Dittmer
Senior Vice President
+1 212 806-3285
edward.dittmer@dbrsmorningstar.com

Erin Stafford
Managing Director
+1 312 332-3291
erin.stafford@dbrsmorningstar.com

DBRS Morningstar Viewpoint
Click here to see this deal.

DBRS Morningstar Viewpoint is an interactive, data-driven, loan and property level platform that provides users with access to DBRS Morningstar presale reports, surveillance updates, transaction information, and contextual comparable data in a user-friendly manner. Complimentary registration and access to the transaction is available.

Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	232,042,000	47.375	AAA (sf)	Stable
Class B	New Rating - Provisional	32,519,000	40.000	AA (low) (sf)	Stable
Class C	New Rating - Provisional	45,747,000	29.625	A (low) (sf)	Stable
Class D	New Rating - Provisional	25,354,000	23.875	BBB (high) (sf)	Stable
Class E	New Rating - Provisional	15,984,000	20.250	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	29,212,000	13.625	BB (low) (sf)	Stable
Class G	New Rating - Provisional	19,842,000	9.125	B (low) (sf)	Stable
Preferred Shares	NR	40,235,784	0.000	NR	NR

Notes:
1. NR = not rated.
2. The Class F Notes, the Class G Notes, and the Preferred Shares will be privately placed.
3. The Class F Notes, the Class G notes, and the Preferred Shares will be issued by the Issuer only and will not be co-issued by the Co-Issuer.
4. The Sponsor intends to satisfy U.S. Risk Retention Rules through purchase and retention by BDS 2020-FL6 Retention LLC, a Delaware limited liability company and wholly owned subsidiary of the Seller, of 100% of the Preferred Shares, Class F Notes, and Class G Notes (collectively an eligible horizontal residual interest).

Table of Contents

Transaction Summary

Pool Characteristics			
Cut-Off Date Balance ($)	440,935,784	**Future Funding Obligations ($)**	48,477,282
Number of Loans	19	**Average Mortgage Asset Size ($)**	23,207,147
Number of Properties	25	**Top 10 Loan Concentration (%)**	72.9
Managed/Static	Static	**Aggregate Principal Balance of Offered Notes ($)**	351,646,000
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	74.4	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	84.0
Wtd. Avg. Fully Funded Stabilized Appraised LTV (%)	65.7	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	66.3
Wtd. Avg. Gross Interest Rate Margin (%)	3.271	**DBRS Morningstar Wtd. Avg. Interest Rate (%)**	4.577
Wtd. Avg. Remaining Term - Initial (Months)	37.0	**Wtd. Avg. Remaining Term - Fully Extended (Months)**	57.0
Wtd. Avg. DBRS Morningstar As-Is DSCR (x)[2]	0.77	**Wtd. Avg. Issuer As-Is DSCR (x)[4]**	1.11
Wtd. Avg. DBRS Morningstar Stabilized DSCR (x)[2]	1.47	**Wtd. Avg. Issuer Stabilized DSCR (x)[4]**	1.79

Participants	
Issuer	BDS 2020-FL6 Ltd.
Co-Issuer	BDS 2020-FL6 LLC
Mortgage Loan Seller	BDS III Loan Seller LLC; a wholly owned subsidiary of Bridge REIT.
Trustee	Wilmington Trust, National Association
Note Administrator	Wells Fargo Bank, National Association
Master Servicer	Wells Fargo Bank, National Association
Special Servicer	Wells Fargo Bank, National Association
Placement Agents	Amherst Pierpont Securities, LLC
	Barclays Capital Inc.
	J.P. Morgan Securities LLC
Advising Agent	BDS III Reit, Inc.
Operating Advisor	Park Bridge Lender Services LLC

Coronavirus Disease (COVID-19) Overview

With regard to the Coronavirus Disease (COVID-19) pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain. This considers the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Some regions, jurisdictions, and asset classes are, however, feeling more immediate effects. DBRS Morningstar continues to monitor the ongoing coronavirus pandemic and its impact on both the CRE sector and the global fixed income markets. Accordingly, DBRS Morningstar may apply additional short-term stresses to its rating analysis. For example, DBRS Morningstar may front-load default expectations and/or assess the liquidity position of a structured finance transaction with more stressful operational risk and/or cash flow timing considerations. For more information regarding rating methodologies and the coronavirus, please see the following DBRS Morningstar press releases: https://www.dbrsmorningstar.com/research/357883 and https://www.dbrsmorningstar.com/research/358308.

Rating Considerations

DBRS Morningstar analyzed the pool to determine the provisional ratings, reflecting the long-term risk that the Issuer will default and fail to satisfy its financial obligations in accordance with the terms of the transaction. The mortgage loan cut-off date balance of $489.4 million consists of the cut-off date balance of $440.9 million and the companion participation cut-off date balance of $48.4 million. The holder of the future funding companion participation has full responsibility to fund the future funding companion participations. The collateral pool for the transaction is static with no ramp-up period or reinvestment period; however, the Issuer has the right to acquire fully funded future funding participations subject to stated criteria during the replenishment period which ends on or about September 15, 2022 (subject to a 60 day extension for binding commitments entered during the replenishment period). The transaction will have a sequential-pay structure. Interest can be deferred for Classes C, D, E, F, and G, and interest deferral will not result in an event of default. The collateral consists of 19 mortgage assets (including one whole loan and 18 funded pari passu participations of whole loans) secured by 25 properties. Of the 25 properties, 24 are multifamily assets (97.6% of the mortgage asset cut-off date balance) and one property is a manufactured housing community (2.4% of the mortgage asset cut-off date balance). Two loans (totaling 13.4% of the mortgage asset cut-off balance) are secured by a portfolio of multiple properties that are cross-collateralized and cross-defaulted. The loans are mostly secured by cash flowing assets, most of which are in a period of transition with plans to stabilize and improve the asset value. Of these 19 loans, one loan is a whole loan and the other 18 are participations with companion participations that have remaining future funding commitments totaling $48.4 million. The future funding for each loan is to be used for capital expenditures primarily to improve unit interiors and common areas. Please see the chart below for loans with future funding companion commitments and their uses. All the loans in the pool have floating interest rates initial indexed to Libor and are IO through their initial terms. As such, to determine a stressed interest rate over the loan term, DBRS Morningstar used the one-month Libor index, which was the lower of DBRS Morningstar's stressed rates 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. When measuring the cut-off date balances against the DBRS Morningstar As-Is NCF, 15 loans, representing 77.2% of the mortgage loan cut-off date balance, had a DBRS Morningstar As-Is DSCR below 1.00x, a threshold indicative of default risk. Additionally, in our DBRS Morningstar Stabilized DSCR analysis, no loans were below 1.00x, which indicates elevated refinance risk. The properties are often transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if the other loan structural features are insufficient to support such treatment. Furthermore, even if the structure is acceptable, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

Strengths

- The transaction is sponsored by BDS III REIT, Inc. (Bridge REIT or Sponsor), a wholly owned subsidiary of Bridge Debt Strategies Fund III LP and an affiliate of Bridge Investment Group LLC (Bridge Investment Group). The Issuer, BDS 2020-FL6 Ltd, and BDS 2020-FL6 LLC, are each newly formed special purchase vehicles, (collectively, Co-Issuers) and indirect wholly owned subsidiaries of the Sponsor. The Sponsor has strong origination practices and substantial experience in originating loans and managing commercial real estate properties. Bridge Investment Group is a leading privately held real estate investment and property management firm that manages in excess of $20 billion in assets.

- An affiliate of Bridge Investment Group, an indirect wholly owned subsidiary of the Sponsor (as retention holder) will acquire the Class F notes, the Class G notes, and the Preferred Shares (Retained Securities) representing the most subordinate 20.25% of the transaction by principal balance.
- The pool has a high degree of loan granularity with an average mortgage asset cut-off date balance of 5.3%, enhancing the risk profile.
- Seventeen of the 19 loans representing 89.8% of the mortgage asset cut-off date balance are for acquisition financing, where sponsors contributed material cash equity in conjunction with the mortgage loan. Cash equity infusions from a sponsor typically result in the lender and borrower having a greater alignment of interests, especially compared with a refinancing scenario where the sponsor may be withdrawing equity from the transaction.
- The pool consists entirely of multifamily assets (97.6% of the mortgage asset cut-off date balance are apartments and one manufactured housing community property is 2.4%). Historically, multifamily properties have defaulted at much lower rates than the overall CMBS universe.
- The weighted average remaining fully extended term is 57 months, which gives sponsors enough time to execute their business plans without risk of imminent maturity.

Challenges & Considerations

- DBRS Morningstar estimated stabilized cash flows that are above the in-place cash flows. It is possible that the sponsors will not successfully execute their business plans and that the higher stabilized cash flow will not materialize during the loan term, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. A sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
- DBRS Morningstar 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, DBRS Morningstar analyzes LGD based on the As-Is LTV, assuming the loan is fully funded.
- DBRS Morningstar's WA As-Is LTV is high at 83.9%. Loans with high LTVs result in higher expected losses indicating a higher probability of default.
- The pool is heavily concentrated geographically with seven properties located in Texas that account for 44.1% of the pool.
- The pool is moderately diverse by CRE/CLO standards with a Herfindahl score of 14.9.
- There are no loans in the pool in markets with a DBRS Morningstar Market Rank of 7 or 8, and only one loan (7.7% of the pool) in markets with a DBRS Morningstar Market Rank of 6. These markets are considered more urban in nature and benefit from increased liquidity with consistently strong investor demand, even during times of economic stress. Furthermore, 11 loans, representing 50.6% of the trust balance, are secured by properties in markets with a DBRS Morningstar Market Rank of 3 or 4, which, although generally suburban in nature, have historically had a higher Probability of Default. The pool's WA DBRS Morningstar Market Rank of 3.91 indicates a high concentration of properties in less densely populated suburban areas.

DBRS Morningstar Credit Characteristics

DSCR	DBRS Morningstar As-Is DSCR (x) % of the Pool (Senior Note Balance[1])
0.00x-0.50x	36.4
0.50x-0.75x	4.2
0.75x-1.00x	47.4
1.00x-1.25x	0.0
1.25x-1.50x	12.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.77

DSCR	DBRS Morningstar Stabilized DSCR (x) % of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	0.0
0.75x-1.00x	0.0
1.00x-1.25x	16.2
1.25x-1.50x	43.2
1.50x-1.75x	34.6
>1.75x	6.0
Wtd. Avg. (x)	1.47

LTV	DBRS Morningstar As-Is Issuance LTV % of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	4.2
70.0%-80.0%	20.4
80.0%-90.0%	54.7
90.0%-100.0%	20.7
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	84.0

LTV	DBRS Morningstar Stabilized Balloon LTV % of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	4.2
50.0%-60.0%	2.4
60.0%-70.0%	65.1
70.0%-80.0%	28.3
80.0%-90.0%	0.0
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	66.3

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

Largest Loan Summary

LOAN DETAIL

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
The Everly	49,146,200	11.1	n/a	0.41	1.38	81.2	61.1
King Portfolio	48,000,000	10.9	n/a	0.93	1.38	98.1	66.6
Colter Park Apartments	41,809,710	9.5	n/a	1.39	1.69	82.8	67.4
Four50 Residences	34,000,000	7.7	n/a	0.48	1.17	72.0	70.8
The Emerson	30,932,738	7.0	n/a	0.39	1.69	84.8	64.2
Mission Hills Apartments	29,011,000	6.6	n/a	0.98	1.39	78.5	67.8
Villas of Arlington	25,700,000	5.8	n/a	1.00	1.55	88.1	74.0
The Life at Clearwood	22,030,000	5.0	n/a	1.00	1.39	90.9	70.2
Jaxon Apartment Homes	21,132,107	4.8	n/a	0.88	1.21	90.5	71.6
Chapel View Apartments	19,556,132	4.4	n/a	0.21	1.30	80.2	65.2

PROPERTY DETAIL

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
The Everly	Multifamily	Dallas	TX	1983	774	70,598	70,598
King Portfolio	Multifamily	Various	Various	Various	1,186	50,780	50,780
Colter Park Apartments	Multifamily	Phoenix	AZ	1972	384	114,307	114,307
Four50 Residences	Multifamily	Chicago	IL	2019	80	425,000	425,000
The Emerson	Multifamily	Dallas	TX	1986	486	70,694	70,694
Mission Hills Apartments	Multifamily	San Antonio	TX	2009	304	101,974	101,974
Villas of Arlington	Multifamily	Arlington	TX	1985	396	73,431	73,431
The Life at Clearwood	Multifamily	Houston	TX	2002	276	91,522	91,522
Jaxon Apartment Homes	Multifamily	Arlington	TX	1984	240	97,316	97,316
Chapel View Apartments	Multifamily	Chapel Hill	NC	1986	224	93,750	93,750

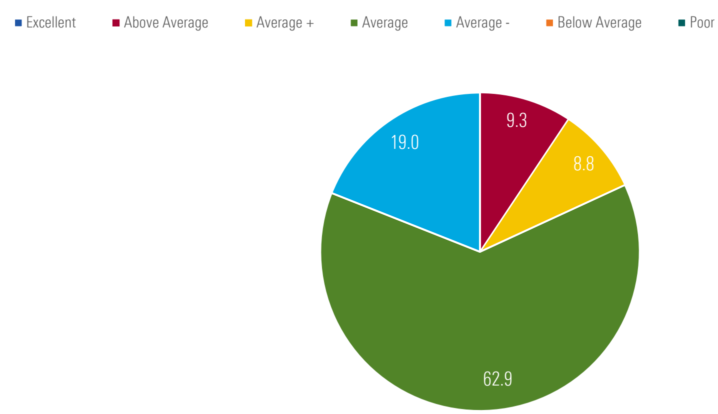
DBRS Morningstar Sample

Loan Number	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	The Everly	11.1	3,177,686	-29.1	GPR Vacancy, Other Income, Operating Expenses, Real Estate Taxes and Insurance	Average
2	King Portfolio	10.9	4,664,896	-14.7	GPR, Vacancy and Operating Expenses	Average -
3	Colter Park Apartments	9.5	3,036,849	-10.9	GPR and Operating Expenses	Average
4	Four50 Residences	7.7	2,089,258	-8.3	GPR, Vacancy and Concessions	Above Average
5	The Emerson	7.0	2,433,677	-10.4	GPR, Vacancy, Other Income and Operating Expenses	Average
6	Mission Hills Apartments	6.6	1,784,414	-21.9	GPR, Concessions, Operating Expenses and Mgmt. Fee	Average
7	Villas of Arlington	5.8	1,891,984	-19.2	GPR and Real Estate Taxes	Average
8	The Life at Clearwood	5.0	1,353,690	-34.5	GPR, Vacancy, Operating Expenses and Mgmt. Fee	Average
9	Jaxon Apartment Homes	4.8	1,147,909	-33.0	GPR, Vacancy, Concessions, Reimbursements and Other Income	Average -
10	Chapel View Apartments	4.4	1,186,148	-26.1	GPR, Vacancy, Operating Expenses and Real Estate Taxes	Average
12	The Fleetwood Apartments	3.7	1,228,600	-7.1	GPR and Other Income	Average +
14	Arch + Vine Athens	3.5	1,510,426	-11.6	GPR	Average +
16	Harmony Multifamily Portfolio	2.5	1,034,938	-15.7	GPR, Vacancy and Operating Expenses	Average

DBRS Morningstar Site Inspections

The DBRS Morningstar sample included 13 of the 19 loans in the pool. Site inspections were performed on 16 of the 25 properties in the pool (72.6% of the pool by allocated loan balance). The resulting DBRS Morningstar property quality scores are highlighted in the following charts:

DBRS Morningstar Sampled Property Quality



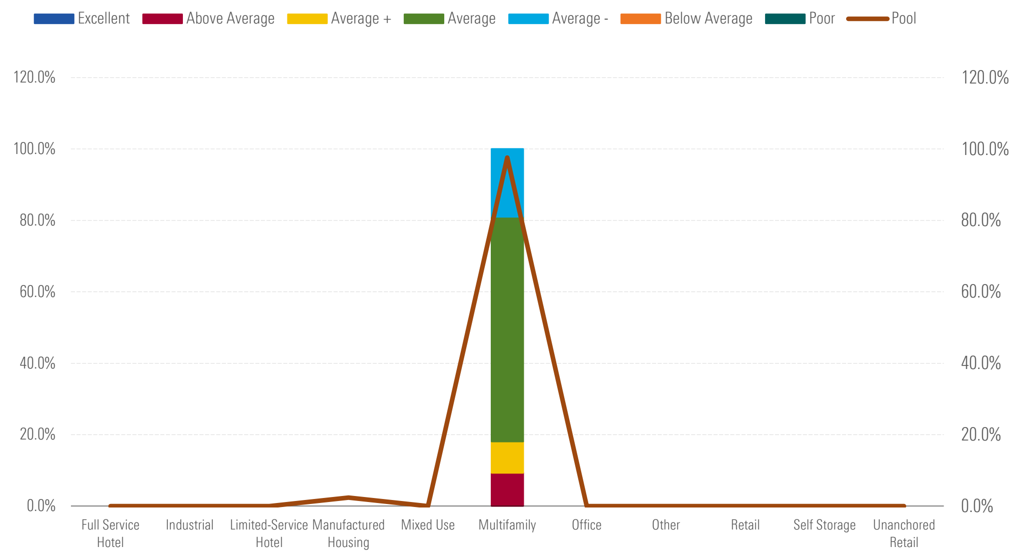
Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

A cash flow and structural review were completed on 13 of the 19 loans, representing 82.6% of the pool by loan balance. DBRS Morningstar estimated the As-Is NCF 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 Morningstar sample had an average as-stabilized NCF variance of -18.7% from the Issuer's as-stabilized NCF. For the loans not subject to NCF review, DBRS Morningstar applied an average NCF variance of -23.4% to the Issuer's as-is and stabilized NCFs, which are based on average sampled NCF variances.

DBRS Morningstar derived its Stabilized NCF by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed to be reasonably achievable, based on the individual loan sponsors' business plans and structural features of the respective loans. This often involved assuming higher than in-place rental rates for multifamily properties, based on significant ongoing renovations with rents already achieved on renovated units providing the best guidance on market rent upon renovation. For all assumptions, DBRS Morningstar took a somewhat conservative view compared with the market to account for execution risk around the business plan. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -18.7% from the Issuer's stabilized NCF.

DBRS Morningstar Sampled Property Type



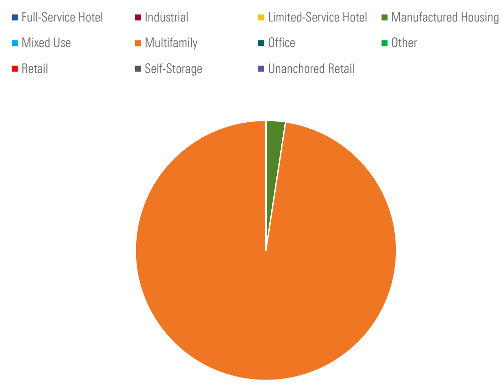
Source: DBRS Morningstar.

Model Adjustments

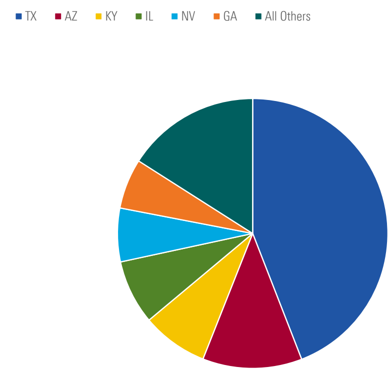
DBRS Morningstar applied value adjustments to four loans, comprising 16.2% of the cut-off date balance, to reflect compiled data by market based on weighted average cap rates and our view of the specific asset or market. Mission Hills, Point on Flamingo, Oak Hill Apartments (now known as Arch and Vine Apartments), and On the Greens, which make up 6.6%, 3.7%, 3.5%, and 2.4% of the cut-off balances, respectively, received upward cap rate adjustments. In addition, DBRS Morningstar accounted for increased business-plan execution risk, caused by coronavirus, by adding 100 basis points to each business plan score in the model.

Transaction Concentrations

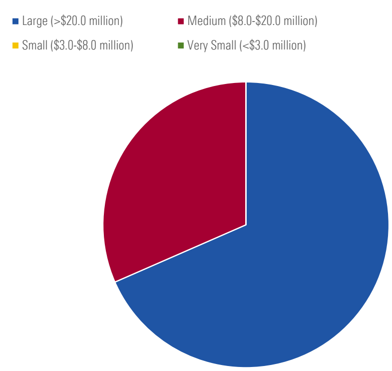
DBRS Morningstar Property Type



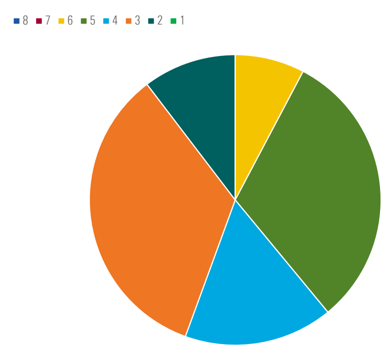
Geography



Loan Size

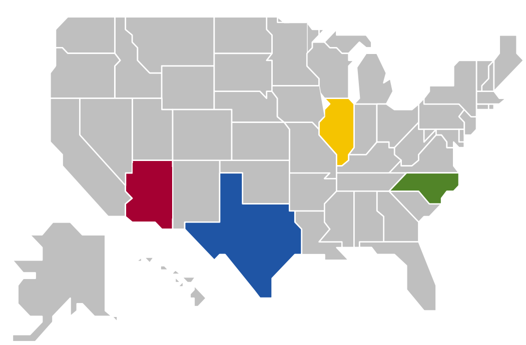


DBRS Morningstar Market Types



Largest Property Location

Property Name	City	State
The Everly	Dallas	TX
King Portfolio	Various	Various
Colter Park Apartments	Phoenix	AZ
Four50 Residences	Chicago	IL
The Emerson	Dallas	TX
Mission Hills Apartments	San Antonio	TX
Villas of Arlington	Arlington	TX
The Life at Clearwood	Houston	TX
Jaxon Apartment Homes	Arlington	TX
Chapel View Apartments	Chapel Hill	NC



Source: DBRS Morningstar.

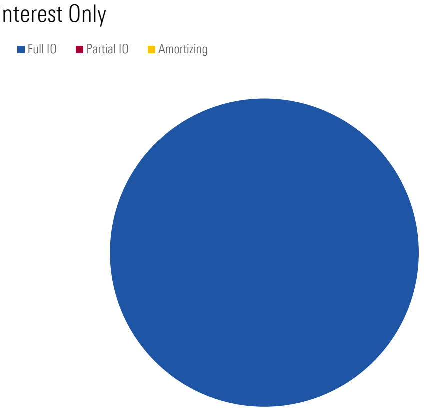
Loan Structural Features

All loans in the pool are IO during the initial loan term. Original loan terms for all loans range from 36 to 48 months. Loans also have one to two extension options with individual extension terms ranging from 12 to 24 months.

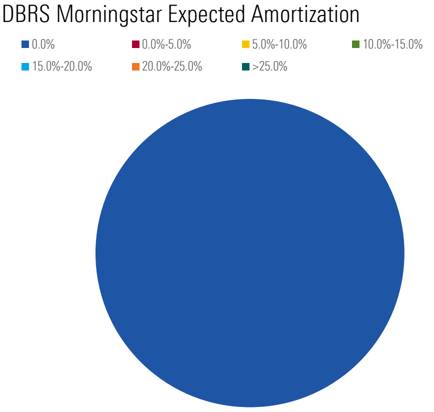
Interest Rate: The greater of the floating rate referencing one-month USD Libor as the index plus the margin or the interest rate floor for all 19 loans.

Alternate Interest Rate: If the one-month USD Libor is not available, or upon its eventual retirement, an alternate benchmark rate will be applied in accordance with the related loan documents, which generally provide for the conversion of the related interest rate to one based on an alternative benchmark rate or the prime rate. Under the Servicing Agreement, the Directing Holder, will have the right to determine when and whether a benchmark transition event has occurred, the right to select the benchmark replacement and the right in its discretion, to direct the Servicer to process any loan-level benchmark replacement conforming changes (in accordance with the loan documents). Currently, under the Servicing Agreement and Indenture, a term secured overnight financing rate (SOFR), if it exists, is the first option for an alternate benchmark index, followed by a compounded SOFR. If neither of these are available, then a to be determined alternate benchmark might be chosen. In order to compensate for differences between the successor benchmark and the current benchmark, a benchmark replacement adjustment will be included in any benchmark replacement in which event a new benchmark will be the sum of the alternate benchmark and the benchmark replacement adjustment.

Interest Only



DBRS Morningstar Expected Amortization



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

Interest Rate Protection: All the loans in the initial pool have interest rate caps to protect against rising interest rates over the term of the loan.

Additional Debt: No loans in the pool have mezzanine or B note debt.

Reserve Requirement		
Type	# of Loans	% of Pool
Tax Ongoing	18	95.8
Insurance Ongoing	9	47.1
CapEx Ongoing	11	54.3
Leasing Costs Ongoing[1]	0	0.0

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

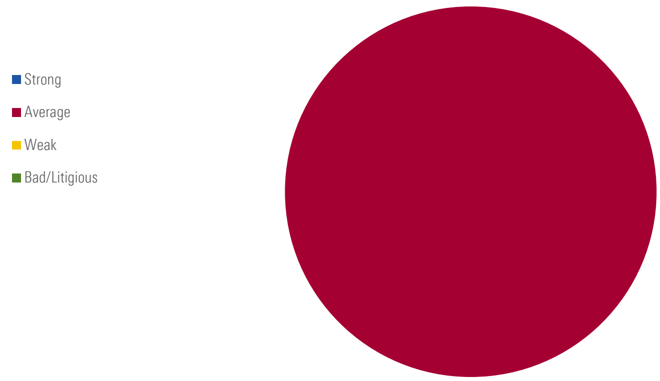
Borrower Structure		
Type	# of Loans	% of Pool
SPE with Independent Director and Non-Consolidation Opinion	9	68.4
SPE with Independent Director Only	1	4.4
SPE with Non-Consolidation Opinion Only	0	0.0
SPE Only	9	27.1

Participations: Eighteen of the 19 initial mortgage assets are participation interests in loans that have been participated into (i) the fully funded pari passu participation interest, which is part of the initial collateral and will be acquired by the Issuer on the closing date (Participations), and (ii) one or more future funding obligations that are required to be funded by the holder thereof, which will not be acquired by the Issuer on the closing date (each, a Future Funding Participation), but may be acquired during the Replenishment Period once funded.

Future Advances; Future Funding Participation: There are 18 Participations, representing approximately 92.2% of the cut-off date balance, that are participations of whole loans that have not been fully funded and have a companion Future Funding Participation. Future Funding Participations will be held by affiliates of BDS III Loan Seller LLC, (the Seller) an indirect wholly owned subsidiary of Bridge REIT. The holder of each Future Funding Participation (not the Issuer), will have the sole obligation under the related Participation Agreement to make future advances under the Future Funding Participation. Pursuant to each related Participation Agreement, the holder of the Future Funding Participation and Bridge REIT (in such capacity, the Future Funding Indemnitor) will be required to indemnify the holder of each Participation, including the Issuer, as the holder of the related Participation, against any losses, claims, damages, costs, expense, and liabilities in connection with the failure of the holder of such Future Funding Participation to make future advances when required under the related loan (as participated).

Leasehold: The Boulevard (4.2% of the cut-off balance) is subject to a payment in lieu of taxes (PILOT) agreement. The PILOT program allows for a 50% reduction in the assessed value to remain frozen for a 10-year period through November 2028. In exchange for the abatement, title was transferred to the Health, Educational and Housing Facility Board of the City of Memphis and the property was leased back to the owner. The agreement keeps the property as housing for residents with low-to-moderate income but does not require a minimum number or percentage of units to be reserved for those receiving aid. The ground lease does not track typical financeable ground lease provisions, but according to the appraisal, PILOT programs are typical in Tennessee and this lease back structure is considered effectively equal to a fee-simple interest property. If the lease is cancelled or terminated, the property will not be entitled to the abatement.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Property Release: The King Portfolio (10.9% of the cut-off balance) allows for up to three of the properties to be released subject to payment of a release price of the greater of 115% of the allocated loan amount and 100% net sale of proceeds.

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

Terrorism Insurance: As of the cut-off date, all loans carry terrorism insurance.

Collateral Interest

Loan Name	Cut-Off Date Loan Amount ($)	Future Funding Amount ($)[1]	Whole Loan Amount ($)[2]	Future Funding Uses
The Everly	49,146,200	5,496,657	54,642,857	Capex
King Portfolio	48,000,000	12,225,000	60,225,000	Capex
Colter Park Apartments	41,809,710	2,084,290	43,894,000	Capex
Four50 Residences	34,000,000	0	34,000,000	n/a
The Emerson	30,932,738	3,424,405	34,357,143	Capex
Mission Hills Apartments	29,011,000	1,989,000	31,000,000	Capex
Villas of Arlington	25,700,000	3,378,836	29,078,836	Capex
The Life at Clearwood	22,030,000	3,230,000	25,260,000	Capex
Jaxon Apartment Homes	21,132,107	2,223,693	23,355,800	Capex
Chapel View Apartments	19,556,132	1,443,868	21,000,000	Capex
The Boulevard	18,560,000	2,331,000	20,891,000	Capex
The Fleetwood Apartments	16,514,773	965,227	17,480,000	Capex
Point on Flamingo	16,275,000	641,250	16,916,250	Capex
Arch + Vine Athens	15,432,969	2,906,141	18,339,110	Capex
Tompkins Cove	12,033,931	984,109	13,018,040	Capex
Harmony Multifamily Portfolio	11,015,137	1,234,863	12,250,000	Capex
On the Greens	10,624,000	1,435,000	12,059,000	Capex
Concord Cove Apartments	9,948,283	1,197,747	11,146,030	Capex
View Ridge Park Villa	9,213,805	1,286,195	10,500,000	Capex

Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
The Everly	5,496,657	5,496,657	100.0	Y
King Portfolio	12,225,000	12,225,000	100.0	Y
Colter Park Apartments	2,084,290	2,084,290	100.0	Y
Four50 Residences	0	0	0.0	Y
The Emerson	3,424,405	3,424,405	100.0	Y
Mission Hills Apartments	1,989,000	1,989,000	100.0	Y
Villas of Arlington	3,378,836	3,378,836	100.0	Y
The Life at Clearwood	3,230,000	3,230,000	100.0	Y
Jaxon Apartment Homes	2,223,693	2,223,693	100.0	Y
Chapel View Apartments	1,443,868	1,443,868	100.0	Y
The Boulevard	2,331,000	2,331,000	100.0	Y
The Fleetwood Apartments	965,227	965,227	100.0	Y
Point on Flamingo	641,250	641,250	100.0	Y
Arch + Vine Athens	2,906,141	2,906,141	100.0	Y
Tompkins Cove	984,109	984,109	100.0	Y
Harmony Multifamily Portfolio	1,234,863	1,234,863	100.0	Y
On the Greens	1,435,000	1,435,000	100.0	Y
Concord Cove Apartments	1,197,747	1,197,747	100.0	Y
View Ridge Park Villa	1,286,195	1,286,195	100.0	Y

The Everly

Loan Snapshot

Seller	BDS III LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	49.1
Loan PSF/Unit ($)	63,496
Percentage of the Pool (%)	12.4
Fully Extended Loan Maturity/ARD	April 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.41
DBRS Morningstar Stabilized DSCR (x)	1.38
DBRS Morningstar As-Is Issuance LTV (%)	81.2
DBRS Morningstar Stabilized Balloon LTV (%)	61.1
DBRS Morningstar Property Type	Multifamily

Debt Stack ($ millions)

Trust Balance	49.1
Pari Passu	0.0
Remaining Future Funding ($ million)	5.5
Mortgage Loan Including Future Funding	54.6
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	18.1
Trust Balance	49.1

Collateral Summary

Property Type	Multifamily	**Year Built/Renovated**	1983/2019
City, State	Dallas, TX	**Physical Occupancy (%)**	72.4
Units/SF	774	**Physical Occupancy Date**	August 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the property on Thursday, September 3, 2020. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Average.

The collateral is a garden apartment complex in the Bethard neighborhood in the northeastern portion of Dallas, approximately 12.0 miles from the CBD via U.S. Hwy. 75 (North Central Expressway) and I-635. The neighborhood is triangular shaped and bordered by Forest Lane to the north, South Jupiter Road to the east, and I-635 (Lyndon B. Johnson Freeway) to the southwest. The western portion of the neighborhood, toward the interstate, consists mostly of multifamily properties of similar class, age, and appearance, with shopping and services to the northwest along Skillman Street. The area to the east, making up the greater portion of the neighborhood, consists of industrial uses, including warehouse/distribution properties, flex facilities, and service units. The property sits on the west side of Skillman Street, with ingress/egress drives of Adleta Boulevard. Skillman Street provides immediate access to I-635. A Dallas Area Rapid Transit Station (LBJ/Skillman) is in the immediate vicinity, and bus stops are at regular intervals around Adleta Boulevard. The greater area around the periphery of the Bethard neighborhood consists of densely developed residential neighborhoods, with multifamily properties predominate along the interstate corridor.

The subject is a garden apartment complex on 19.4 acres of land. The property was built in 1983 and consists of 57 three-story buildings of wood frame construction with masonry and wood sided exteriors and pitched composite roofs. Parking, drives, curbing, and sidewalks are concrete. Approximately 1,168 surface parking spaces are available. Landscaping consists of grass, ground cover, landscape rock, bushes, and mature trees. The community is gated with perimeter wrought iron fencing. Amenities include a fitness center, a business center, pools, picnic/grill areas, playgrounds, and a dog park. Renovations of the property are currently in progress.

The property has 1,260 one- and two-bedroom units, with 20 one-bedroom floorplans ranging from 497 sf to 747 sf and six two-bedroom floorplans from 839 sf to 1,004 sf. DBRS Morningstar inspected two model units and three vacant units. The model units have modern furnishings, and the decor shows very well. All inspected units had plank flooring in living rooms, kitchens, and bathrooms, with carpet in bedrooms. Appliances were consistent within the units and were either black or stainless steel. Appliances include a stove, built-in microwave, refrigerator, and dishwasher.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 November 2018	T-12 November 2019	T-4 July 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	7,671,681	7,587,553	7,988,724	8,603,712	8,192,964	-4.8
Other Income ($)	1,302,986	1,140,346	1,103,024	1,363,087	1,178,583	-13.5
Vacancy & Concessions ($)	-2,084,019	-2,332,171	-3,000,410	-680,644	-809,536	18.9
EGI ($)	**6,890,648**	**6,395,728**	**6,091,337**	**9,286,155**	**8,562,010**	**-7.8**
Expenses ($)	4,130,751	3,814,896	4,539,814	4,611,346	5,190,824	12.6
NOI ($)	**2,759,897**	**2,580,831**	**1,551,523**	**4,674,810**	**3,371,186**	**-27.9**
Capex ($)	0	0	0	193,500	193,500	0.0
NCF ($)	**2,759,897**	**2,580,831**	**1,551,523**	**4,481,310**	**3,177,686**	**-29.1**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,177,686, representing a -29.0% variance from the Issuer's as-stabilized NCF of $4,481,310. The main drivers of the variance were operating expenses, gross potential income, other income, and vacancy. DBRS Morningstar estimated expenses to be based on the trailing four months (T-4) annualized ended July 2020 inflated by 10.0% with consideration for a three-year stabilization period. Stabilized gross potential rents reflect the premiums the sponsor expects to achieve after renovations. DBRS Morningstar applied a stabilized vacancy assumption of 8.0%, which is in line with the submarket's vacancy rate for Class B/C multifamily properties. Lastly, other income is set to T-4 annualized ended July 2020 plus 2.3% to be consistent with the increase in gross potential rents from as-is to stabilized.

Coronavirus Update

With regard to the coronavirus, the magnitude and extent of performance stress posed to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. The sponsor began to evict tenants that were delinquent; however, it went on pause because of coronavirus state restrictions. Once this was lifted, the borrower resumed mass evictions in June 2020 to address approximately 15%-20% in bad debt at the property.

DBRS Morningstar Viewpoint

Prior to loan closing, the seller invested approximately $2.8 million of various levels of improvements toward 182 units (24.0% of the total). The sponsor's business plan consists of investing approximately $6.3 million ($8,096 per unit) toward capital expenditures—approximately $4.9 million for interior improvements and approximately $1.1 million for exterior improvements. After the borrower converted the neighboring Emerson clubhouse into office space, staff from The Everly are moving to The Emerson. This will allow for additional space for The Everly clubhouse to be converted back to a fitness center. Operating both properties collectively may reduce some overhead over time.

The sponsor demonstrates long-term interest in the property with more than $18.0 million in equity, representing 33.0% of the fully funded loan amount. The sponsor will raise rent immediately to force vacancy and allow renovations to be completed. After capital improvements are complete, the borrower expects to achieve an average premium of $180 per unit from loan closing. DBRS Morningstar estimated a smaller premium increase of only $20 per unit, with average rent reaching $882 per unit at stabilization. This is lower than the average rental rate of $953 per unit for comparable properties in the surrounding area as identified by the appraiser, but it is within the $860 per unit to $1,003 per unit range for the comparables. Overall, DBRS Morningstar expects the subject loan to perform well throughout the fully extended loan term.

One concern is that both properties have suffered from a high prevalence of crime, with six homicides reported on site between 2013 and 2019. As part of the acquisition, the borrower is bringing in a new, experienced property manager with stricter credit criteria for incoming tenants. The sponsor has also installed security cameras and additional lighting and has (along with other property owners) met with officials from the Dallas Police Department to increase police and security presence in the area. Still, the fallout from these types of incidents can remain with a property.

The sponsor used initial loan proceeds of $48.5 million in addition to approximately $18.1 million of borrower equity to purchase the property for $64.5 million, fund upfront reserves, and cover closing costs. The loan is also structured with approximately $6.3 million of future funding proceeds that will primarily cover capital expenditures. The loan has a three-year initial term that is full IO followed by two one-year extension options with a fully extended loan maturity date of April 2025. To qualify for the first extension term, the property must pass a debt yield test of 7.5%, pass a DSCR test of at least 1.20x, and pay an extension fee. To qualify for the second extension option, the property must pass a debt yield test of 8.0%, pass a DSCR test of at least 1.30x, and pay an additional extension fee. Based on the as-is and stabilized appraised values of $64.7 million and $89.4 million, respectively, the loan has high leverage at issuance with an LTV of 84.7%; however, it drops to a healthy balloon LTV of 61.3%. Based on the initial loan amount of $48.5 million and the purchase price of $64.5 million, the loan represents a more elevated loan-to-purchase ratio of 75.2%.

King Portfolio

Loan Snapshot

Seller	
BDS III LLC	
Ownership Interest	
Fee Simple	
Trust Balance ($ million)	
48.0	
Loan PSF/Unit ($)	
40,472	
Percentage of the Pool (%)	
13.7	
Fully Extended Loan Maturity/ARD	
July 2024	
Amortization	
n/a	
DBRS Morningstar As-Is DSCR (x)	
0.93	
DBRS Morningstar Stabilized DSCR (x)	
1.38	
DBRS Morningstar As-Is Issuance LTV (%)	
98.1	
DBRS Morningstar Stabilized Balloon LTV (%)	
66.6	
DBRS Morningstar Property Type	
Multifamily	

Debt Stack ($ millions)

Trust Balance	
48.0	
Pari Passu	
0.0	
Remaining Future Funding ($ million)	
12.2	
Mortgage Loan Including Future Funding	
60.2	
Loan Purpose	
Acquisition	
Equity Contribution/(Distribution) ($ million)	
19.5	
Trust Balance	
48.0	

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	1969-1978/1974
City, State	Various, Various	**Physical Occupancy (%)**	87.4
Units/SF	1,186	**Physical Occupancy Date**	May 2020

Portfolio Summary

Property	Cut-Off Date Loan Amount ($)	% of Loan Amount	City, State	Units	Year Built/ Renovated	Occupancy (%)
Victoria Gardens	12,236,000	25.5	Louisville, KY	336	1970/1974	81.3
King George Apartments	10,472,000	21.8	Louisville, KY	208	1973	87.0
King David Apartments	7,917,000	16.5	New Albany, IN	188	1969-1971	92.0
Iroquois Garden	6,694,000	13.9	Louisville, KY	156	1972	92.3
Abigail Gardens	5,470,000	11.4	Lexington, KY	136	1978	89.7
King Solomon Apartments	5,211,000	10.9	Jeffersonville, IN	162	1972	88.9
Total/Wtd. Avg.	**48,000,000**	**100.0**	**Various**	**1,186**	**1972/2004**	**87.4**

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar inspected four of the six properties in the portfolio, representing 72.7% of the allocated loan amount. The tours included properties in Louisville and Lexington, Kentucky. Based on the site inspections conducted on August 24, 2020, DBRS Morningstar found the portfolio's property quality to be Average (-).

The cross-collateralized portfolio consists of six multifamily properties located along major thoroughfares in tertiary and suburban markets. The portfolio's average year of construction is 1972. Overall, the properties were in average condition with limited to moderate deferred maintenance at the time of DBRS Morningstar's inspections. Below are descriptions of the four properties that DBRS Morningstar toured in the portfolio.

Victoria Gardens – Louisville, KY (25.5% of the allocated loan amount)
August 24, 2020, at 11:30 a.m.

The collateral is a garden apartment complex in a residential area at the southeast quadrant of the interchange of Interstate 265 (Gene Snyder Freeway W) and Interstate 65 (Dr. Martin Luther King, Jr. Expressway S) in the southern portion of Louisville. The subject is bordered by Interstate 65 to the west, single family residential neighborhoods to the north and east, with wooded land to the south. The west side of the interstate is mostly undeveloped forested land. The main terminal to Louisville International Airport is approximately 8.5 miles to the north. An industrial corridor is to the northwest, toward the airport. The greater areas to the north, east, and south are predominately residential, with some commercial and industrial pockets interspersed. Downtown Louisville is 14 miles to the north.

The subject property is a 336-unit garden apartment complex on 28.4 acres. Improvements were built in 1974 and consist of 30 two-story buildings of wood frame construction. Buildings include standard apartment and townhouse structures. The apartment buildings have brick veneer and vinyl sided exterior walls with pitched composite roofs. The townhouse buildings have brick veneer exteriors with composite shingled mansard style roofs. Parking and drives are asphalt with approximately 505 surface spaces provided. Landscaping is well maintained and the premises were clean. Community amenities include a pool, a playground, and laundry facilities. The pool is not open and is not tarped, a possible liability issue. Water is green and murky.

The subject property has 336 one and two-bedroom units with floorplans of 704 sf and 910 sf, respectively. Finishes varied in units inspected. Flooring included vinyl plank or tile in kitchen and baths, plank or carpeted flooring in living areas, with carpet on stairs and in bedrooms. Kitchen appliances were either white or black. Cabinetry in units inspected were dated.

According to the property manager expenditures in the amount of approximately $666,000 were disbursed in 2018-2019 including flooring, building repairs, HVAC, plumbing, appliances, windows, furniture, and equipment. Expenses currently budgeted include electrical repairs/upgrades (installing GFCI outlets and retrofitting aluminum wiring connectors), repair to down units with fire damage, and roof replacement. Management reports major competitors as Newberry Park and Elements of Louisville. Both competitors are similar class properties as the subject, with comparable floorplans, rates, and amenities. Subject occupancy was reported at 80.95% at the time of inspection. Management reports the resident profile is a general mix, with major employers including Humana Healthcare, the University of Louisville, and the U.S. Postal Service.

King George Apartments – Louisville, KY (21.8% of the allocated loan amount)
August 24, 2020, at 1:30 p.m.
The collateral is a garden apartment complex in the Bashford Manor neighborhood approximately nine miles southeast of downtown Louisville. Neighborhood boundaries are Interstate 264 to the north, Bardstown Road to the east, Bashford Manor Lane to the south, and Newburg Road to the west. Development within these boundaries is predominately residential, with an area of high-rise medical/professional, hospitality, and residential buildings at the northwest corner of the neighborhood. The subject is located directly along the south side of Interstate 264, with a budget hospitality property and multifamily complexes to the west, multifamily to the south, and a local sports field to the east. The neighborhood further to the south is mostly single family residential. A retail area is less than one mile to the south with a Walmart Supercenter, Target, and Lowe's. A large industrial area is on the west side of Newburgh Road. The main terminal of the Louisville International Airport is approximately five miles to the west.

The subject is a 208-unit multifamily property on 10.85 acres. The subject was built in 1973 and consists of 28 two-story buildings of wood frame construction with brick veneer exteriors and pitched composite roofs. Parking and drives are asphalt with approximately 538 surface spaces provided. Landscaping is basic and well maintained. Pole mounted lighting is located throughout the site. Community amenities include a clubhouse, a fitness center, laundry facilities, a courtyard, and a pool. The pool was closed at the time of inspection and covered with a quality tarp.

The property has 208 two- and three-bedroom units with floorplans of 1,126 sf and 1,450 sf., respectively. The model and two vacant units were shown by management. The model unit has plank flooring in the living room, tiled flooring in the kitchen, and carpet in the bedroom. Appliances are white and include a stove, vent hood, dishwasher, and refrigerator. Cabinetry is stained wood with solid surface countertops. Vacant units had plank, tiled, and carpeted floor coverings. Kitchen appliances were white in both units. Cabinetry was stained and white painted wood. Neither unit was rent ready.

Management reports expenditures in the amount of approximately $500,000 were disbursed in 2018 and 2019, including flooring, HVAC and appliance repair/replacement, plumbing, windows, and miscellaneous. Major competitors are reported as Addison Park Apartment and the Enclave at Breckenridge, both of similar age and class with comparable floorplans, rates, and amenities. According to on-site management, the subject's occupancy was 92.3% at the time of inspection. The resident profile is a general mix with major area employers reported as Humana Healthcare, the University of Louisville, and the U.S. Postal Service.

Iroquois Garden Apartments – Louisville, KY (13.9% of the allocated loan amount)
August 24, 2020, at 1:30 p.m.
The collateral is a garden apartment complex in the Iroquois Park neighborhood approximately eight miles south/southwest of downtown Louisville. The subject is located on the west side of New Cut Road, a primary north/south arterial that becomes Taylor road to the north. Iroquois Garden is a local access street within the subject site, accessed from New Cut Road to the south and Park Road to the north. Single family residential neighborhoods are to the south and to the east across New Cut Road. The area to the northwest is dominated by Iroquois Park. Neighborhood commercial support businesses are along both sides of New Cut Road to the south including a regional grocer anchored retail center, chain and local eateries, stand-alone retail buildings with local and national tenants, branch banks, and other service businesses. The subject is halfway between Interstate 264 to the north and Gene Snyder Freeway (KY-841/I-265) to the south, approximately 2.5 miles in each direct via New Cut Road. The Louisville International Airport lies approximately two miles to the west of the subject, with the terminal entrance 5.0 miles to the northwest.

The subject is a 156-unit garden apartment complex located on a land area of 4.74 acres. Improvements were built in 1972 and consist of five three-story buildings of masonry construction with pitched composite roofs. Parking is asphalt with approximately 227 surface spaces provided. According to on-site management, the occupancy at the time of inspection was 89.7%. Site amenities include a clubhouse, laundry facilities, a playground, a courtyard with picnic and grill areas, and a pool. The pool was closed and covered with a quality tarp. Units inspected had old mismatched appliances with dated cabinetry, countertops, and bath finishes and fixtures. Management reports major competitors as The Oaks at St. Andrews and Patriot Crossing Apartments, both of similar age and class as the subject, with comparable floorplans, rates and amenities. Major area employers are Humana Healthcare, The University of Louisville, and the U.S. Postal Service. The resident profile is a general mix.

Abigail Gardens – Lexington, KY (11.4% of the allocated loan amount)
August 24, 2020, at 2:00 p.m.
The collateral is a garden apartment complex in the Blueberry Hill-Brigadoon-Stoneybrook-Baralto neighborhood approximately 5.5 miles south of downtown Lexington. The subject is located along the west side of Camelot Drive, a side street off the south side of Wilson Downing Road. The site is bordered by the Whispering Hills residential subdivision to the east and the Meadowbrook Golf Course to the west. Southern Middle School and Southern Elementary School campuses are on the south side of Wilson Downing Road just to the northeast. The surrounding area consists of densely developed residential neighborhoods. A major retail corridor is along U.S. Hwy. 27 (Nicholasville Road), 1.2 miles to the northwest, including the Fayette Mall (Dick's, JCPenney, Macy's, Dillard's), Walmart Supercenter, Lowe's, anchored and strip retail centers, stand-alone retail, and eateries. Access to the beltway loop is

less than two miles to the northwest via Wilson Downing Road and U.S. Hwy. 27, which in turn provides access to all area highway/freeway systems and employment centers.

The subject is a 136-unit garden apartment complex on 9.20 acres. Improvements were built in 1978 and consist of six two-story resident buildings and a single-story leasing office/clubhouse. The buildings are wood frame construction with brick veneer exteriors and pitched composite roofs. Parking and drives are asphalt with approximately 320 surface spaces provided. Community amenities include a pool and laundry facilities. The pool was not open due to the coronavirus pandemic and was covered with a quality tarp. The buildings and premises are clean and well maintained, with no major deficiencies noted.

The model unit has black appliances, with a stove, vent hood, and refrigerator included. Cabinetry is light stained wood, countertops are vinyl with wood grain. Tiled flooring is in the kitchen, with plank flooring in all other rooms. The vacant and occupied units inspected had plank flooring in living areas, dining nooks, kitchens, hallways, and baths, with carpet in the bedrooms. Kitchen appliances were white in both units, with wood cabinetry and solid surface countertops.

According to property management, approximately $253,000 was spent in 2018-2019, including flooring, building repairs, HVAC replacement/repairs, plumbing, appliance repairs/replacement, windows, and furniture and equipment. Improvements currently budgeted include repair and patching of parking lots and sidewalks, repair of exterior steel stairs, bringing down units back online, correcting ADA signage issues. Management reports major competitors as Brandywine and Fayette Crossing, both of similar class, with similar amenities, floorplans, and rates. Major demand generators for the subject are reported to be the University of Kentucky, Kentucky One Health, and Xerox.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	T-12 April 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	9,467,850	9,947,554	10,089,685	11,600,906	11,172,888	-3.7
Other Income ($)	677,779	1,097,821	1,117,852	1,281,981	1,634,041	27.5
Vacancy & Concessions ($)	-1,856,576	-2,405,728	-2,596,567	-934,582	-1,204,517	28.9
EGI ($)	**8,289,054**	**8,639,647**	**8,610,970**	**11,948,305**	**11,602,412**	**-2.9**
Expenses ($)	5,220,319	5,428,753	5,451,201	6,183,206	6,641,017	7.4
NOI ($)	**3,068,735**	**3,210,894**	**3,159,769**	**5,765,099**	**4,961,396**	**-13.9**
Capex ($)	124,232	1,402,701	1,081,402	298,273	296,500	-0.6
NCF ($)	**2,944,503**	**1,808,194**	**2,078,366**	**5,466,826**	**4,664,896**	**-14.7**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $4,664,896, representing a -14.7% variance from the Issuer's as-stabilized NCF of $5,466,826. The main drivers of the variance were GPR, operating expenses, and vacancy. DBRS Morningstar applied current market rents for individual unit categories for each property resulting in a premium of $67 per unit over current leases in place based on the May 28, 2020, rent roll. This results in an average rent per unit of $785 across the multifamily portfolio. Operating expenses were set to the TTM ending April 2020 inflated by 10.0%, assuming a three year stabilization period.

Coronavirus Update

With regard to the coronavirus, the magnitude and extent of performance stress posed to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. The business plan originally called for interior unit renovations while in occupancy, however, due to the coronavirus and the resulting stay at home orders, the sponsor believes that the timeline for renovations will be longer than anticipated. In the event that stay-at-home restrictions are lifted, the sponsor will resume occupied renovations as planned.

DBRS Morningstar Viewpoint

The cross-collateralized portfolio is made up of six multifamily properties in primarily tertiary and suburban markets in Kentucky and Indiana, which represent 72.7% and 27.4% of the allocated loan amount, respectively. The borrower used initial loan proceeds of $48.0 million and borrower equity of $19.5 million to purchase the multifamily portfolio for $61.4 million, fund upfront reserves, and cover closing costs. The loan is also structured with future funding proceeds of $12.2 million that will be primarily be used to renovate the interiors and exteriors of the properties in the portfolio. The three-year full-term IO loan contains one 12-month extension with a fully extended loan maturity date of July 2024. To qualify for the extension, the property must pass a debt-yield test of 8.5% and pay an extension fee. The multifamily portfolio was purchased at a discount to market due to previous ownership's deferred maintenance and the resulting drop in occupancy. The purchase price per unit of $51,771 allows cushion should there be a significant dip in occupancy due to coronavirus or any other type of economic downturn. The subject loan exhibits high risk at issuance with an LTV of 99.2% based on the fully funded loan amount of $60.2 million and as-is appraised value of $60.7 million as of June 2020. After the sponsor invests approximately $13.8 million in interior and exterior renovations across the entire portfolio, the stabilized appraised value is expected to increase quite sharply by 49.0% to $90.4 million. DBRS Morningstar believes that the appraised value of $90.4 million may be challenging to achieve given the unforeseen challenges in renovating occupied units during the coronavirus pandemic. To reflect the elevated overall business plan risk due to the expected delay in overall stabilization of the collateral, DBRS Morningstar applied a moderate business plan score of 2.68, applying a more punitive POD adjustment.

Colter Park Apartments

Loan Snapshot

Seller
BDS III LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
41.8
Loan PSF/Unit ($)
108,879
Percentage of the Pool (%)
9.9
Fully Extended Loan Maturity/ARD
March 2025
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.39
DBRS Morningstar Stabilized DSCR (x)
1.69
DBRS Morningstar As-Is Issuance LTV (%)
82.8
DBRS Morningstar Stabilized Balloon LTV (%)
67.4
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
41.8
Pari Passu
0.0
Remaining Future Funding ($ million)
2.1
Mortgage Loan Including Future Funding
43.9
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
12.3
Trust Balance
41.8

Collateral Summary			
DBRS Property Type	Multifamily	**Year Built/Renovated**	1972/2016
City, State	Phoenix, AZ	**Physical Occupancy (%)**	93.8
Units	384	**Physical Occupancy Date**	July 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of Colter Park Apartments on Monday, March 16, 2020. Based on the guided management tour, DBRS Morningstar found the property quality to be Average.

The loan collateral is a 384-unit Class B/C multifamily community in the northwest quadrant of Phoenix, approximately five miles north of downtown Phoenix. The property is conveniently situated at the intersection of West Colter Street and North 7th Avenue, benefiting from favorable frontage along the moderately well-trafficked North 7th Avenue. The property is within a predominantly single-family residential neighborhood and across the street from the seemingly undermaintained Colter Park; there is also a grocery-anchored retail center directly adjacent to the south. The property is easily accessible from I-17 and State Route 51, which connect to downtown Phoenix and the surrounding North Phoenix suburbs. Its proximity to the nearby West Camelback Road commercial corridor and the North 7th Avenue Light Rail Stop provide favorable walkability for its tenants. The property blended well with the neighboring single-family residential homes and exhibited generally favorable exterior curb appeal at the time of DBRS Morningstar's inspection.

Per management, the collateral was approximately 92.0% occupied at the time of DBRS Morningstar's inspection with the property offering concessions in the form of discounted move-in fees. Management identified the property's primary competitors as The Vue on Camelback and Clarendon Park Apartments but indicated that the competitors offered more favorable amenities and higher-quality interior finishes than the collateral's nonrenovated units, achieving higher rents as a result. DBRS Morningstar noted that the neighborhood appeared to be mostly built out at the time of inspection. Per management, the tenant demographic included delivery drivers, teachers, and healthcare workers based in the area.

The collateral comprises 27 two-story, garden-style buildings featuring painted-stucco exterior facades accentuated by flat roofs and dark steel-gray trim. The primary entrance along West Colter Street leads to a centrally located leasing/management office that doubles as a resident clubhouse and houses the on-site fitness center and business center. Through the rear of the leasing office/resident clubhouse is one of two outdoor pool areas, with another pool and several barbecue/picnic areas spread throughout the property. The property features four shared laundry facilities and an on-site playground. DBRS Morningstar toured three units as part of the inspection, none of which had been renovated given the sponsor's recent acquisition of the collateral in March of 2020. The units generally ranked as either silver, gold, or platinum tiers based on the quality of interior finishes, and management indicated that the renovated units would be similar in finish to the platinum-level product. Silver- and gold-level units generally featured a mix of carpeted and vinyl-wood flooring in the common spaces with white kitchen appliances and slightly dated wood cabinetry; gold-tier units additionally featured upgraded lighting fixtures and hardware. By contrast, the existing platinum-tier units featured extended vinyl-wood flooring throughout the entire common area, upgraded fixtures that included ceiling fans, stainless-steel kitchen appliances, and kitchen/bathroom hardware. The property featured an abundance of well-manicured landscaping and appeared generally well maintained overall at the time of DBRS Morningstar's inspection.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Rent/ Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
Camelback Flats	Phoenix, AZ	0.9	395	1974	699	510	95.0
Seventh Apartments	Phoenix, AZ	1.5	286	1970	845	539	93.0
Daybreak Place	Phoenix, AZ	1.5	211	1978	822	611	95.0
Terra Villa	Phoenix, AZ	0.7	140	1973	730	621	99.0
Desert Willow	Phoenix, AZ	0.8	280	1973	678	631	100.0
City 15	Phoenix, AZ	1.5	161	1968	1,050	671	93.0
Total/Wtd. Avg.	**Phoenix, AZ**	**Various**	**1,473**	**Various**	**782**	**581**	**95.7**
Colter Park Apartments	**Phoenix, AZ**	**n/a**	**384**	**1972**	**957**	**667**	**94.5**

*Per Appraisal with the exception of data for Colter Park Apartments, which is based on the July 2020 rent roll.

DBRS Morningstar NCF Summary

NCF Analysis

	2017	2018	T-12 November 2019	T-5 July 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,629,830	3,836,861	3,992,058	4,236,024	5,025,477	4,601,206	-8.4
Other Income ($)	363,000	350,476	384,232	449,337	556,747	449,337	-19.3
Vacancy & Concessions ($)	-140,574	-232,618	-207,183	-461,561	-326,656	-299,079	-8.4
EGI ($)	**3,852,256**	**3,954,718**	**4,169,107**	**4,223,800**	**5,255,568**	**4,751,465**	**-9.6**
Expenses ($)	1,610,875	1,664,626	1,713,464	1,417,831	1,751,030	1,618,615	-7.6
NOI ($)	**2,241,381**	**2,290,092**	**2,455,643**	**2,805,968**	**3,504,538**	**3,132,849**	**-10.6**
Capex ($)	0	0	0	0	96,000	96,000	0.0
NCF ($)	**2,241,381**	**2,290,092**	**2,455,643**	**2,805,968**	**3,408,538**	**3,036,849**	**-10.9**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,036,849, representing a -10.9% variance from the Issuer's Stabilized NCF of $3,408,538. The primary drivers of the variance included GPR, reimbursements and other income.

DBRS Morningstar generally estimated GPR by grossing all units up to the appraiser's stabilized market rent estimate, resulting in an aggregate return on investment on GPR of 19.5% and a stabilized average rent per unit exceeding the Reis reported average submarket rent of $883 per unit. By contrast, the Issuer generally estimated GPR by grossing up all units to the borrower's stabilized rent estimate. DBRS Morningstar estimated reimbursements and other income based on the annualized T-5 ending July 31, 2020, while the Issuer based reimbursements and other income on the borrower's as-stabilized budget.

Coronavirus Update

With regard to the coronavirus, the magnitude of the performance stress posed to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Fortunately, the DBRS Morningstar As-Is NCF of nearly $2.5 million represents a coverable issuance DSCR of 1.44x based on the transaction's estimated debt service payment of $1.7 million at issuance.

DBRS Morningstar Viewpoint

The collateral was originally constructed in 1972 and, although it shows its age, the competitive set the appraiser identified is of similar vintage. Per the Q4 2019 Reis report, properties constructed between 1970 and 1979 represented the largest subset of the submarket's inventory (33.0%). As part of the acquisition, the current borrower plans to implement a $2.4 million ($6,240 per unit) capital improvement plan to upgrade the collateral and increase rents in line with other upgraded units throughout the submarket. The borrower's capital improvement plan includes $1.5 million ($3,924 per unit) for planned interior renovations, which include vinyl sheet flooring, interior paint, stainless-steel appliances, resurfaced cabinetry and bathtubs, kitchen backsplashes, upgraded fixtures and hardware, and the addition of dishwashers to 193 units. The remaining funds available for completion of the borrower's capital improvement plan will go toward exterior and common area improvements as well as several deferred maintenance items.

The property is generally well located, benefiting from its proximity to several nearby amenities including the adjacent Colter Park and grocery-anchored retail center and a Phoenix Light Rail stop nearby. Management was unaware of any new multifamily projects under construction in the area, and per Reis, the submarket's inventory will increase at an average of only 0.3% annually over the five-year period ending December 2024, effectively eliminating any competitive new supply risk. Per the appraisal, the population within a five-mile radius of the collateral will increase by 6.5% over the same period, which should result in increased demand and higher occupancy levels at the existing inventory.

Initial loan proceeds of $41.5 million in addition to the borrower's equity contribution of more than $12.3 million financed the borrower's $53.0 million acquisition of the property, covered $831,067 of closing costs associated with the transaction, and funded $31,296 of upfront reserves. Additionally, the loan permits for up to nearly $2.4 million in future funding for the sponsor to execute its proposed business plan. The three-year floating-rate loan is structured with two 12-month extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain DSCR and debt yield hurdles set forth in the loan agreement. The loan is IO through the fully extended loan period.

The fully funded loan represents a relatively high loan-to-purchase price ratio of 82.8% but an improved loan-to-stabilized-value ratio of 67.4% based on the appraiser's January 2022 appraised value estimate of $65.1 million. The DBRS Morningstar Stabilized NCF represents a stabilized DSCR of only 1.17x and, holding all else constant, a relatively high breakeven occupancy rate of 84.9% based on the structured annual debt service cap of approximately $2.6 million. Per Reis, the collateral's submarket averaged 5.4% vacancy over the five-year period ended December 2019 and will average 4.2% vacancy annually over the five-year period ending December 2024. Additionally, the collateral achieved annual occupancy rates of 97.3%, 98.5%, 97.3% and 95.3% for 2016, 2017, 2018, and the T-12 period ended November 30, 2019, respectively. The transaction further benefits from a relatively experienced sponsorship team that specializes in acquiring and repositioning Arizona multifamily assets, having acquired 1,873 units with an aggregate market value totaling more than $200.0 million since 2013.

Four50 Residences

Loan Snapshot

Seller
BDS III LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
34.0
Loan PSF/Unit ($)
425,000
Percentage of the Pool (%)
0.0
Fully Extended Loan Maturity/ARD
July 2024
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.48
DBRS Morningstar Stabilized DSCR (x)
1.17
DBRS Morningstar As-Is Issuance LTV (%)
72.0
DBRS Morningstar Stabilized Balloon LTV (%)
70.8
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

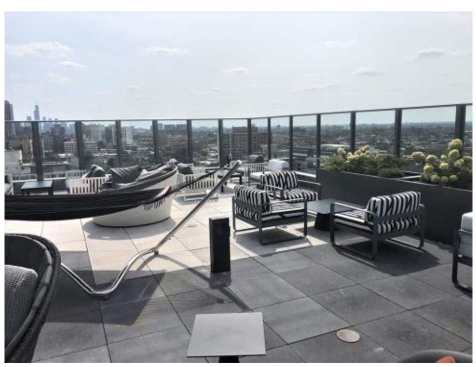
Trust Balance
34.0
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
34.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(6.8)
Trust Balance
34.0

Collateral Summary			
DBRS Property Type	Multifamily	**Year Built/Renovated**	2019
City, State	Chicago, IL	**Physical Occupancy (%)**	62.5
Units	80	**Physical Occupancy Date**	August 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the property Monday, August 31, 2020, at 12:00 p.m. Based on the site inspection, DBRS found the property quality to be Above Average.



The loan collateral is a newly constructed 80-unit high-rise apartment building in the Lake View East neighborhood on the city's North Side, approximately six miles north of downtown Chicago. The neighborhood is along the shore of Lake Michigan and is bordered by West Irving Park Road to the north, Lincoln Park to the south, and the North Center neighborhood to the west. The subject sits on the north side of West Belmont Avenue between the primary arterials of North Broadway to the west and North Sheridan Road to the east. The surrounding area is predominantly residential with a mix of new high-rise and tower apartment and condo buildings and low-to-mid-rise vintage apartment buildings. The subject is approximately two blocks west of Lakefront Trail, an approximate 19-mile walking/jogging trail along Lake Michigan that passes through neighborhood communities, city parks, beaches, and downtown Chicago. A commercial corridor is along North Broadway with shopping, dining, entertainment, and services in single-story buildings and on the ground floors of mixed-use buildings.

The subject is a high-rise urban apartment building on 0.34 acres. Improvements were completed in 2019 and consist of a 17-story building of steel and reinforced concrete construction with a mirrored glass curtain. The building has 48 covered parking spaces, with additional site amenities including a fitness center, a rooftop terrace and lounge, a ground floor lounge, package lockers, and bicycle storage.

The building has 80 studio, one-, two-, and three-bedroom units with floorplans ranging from 464 sf to 729 sf for studio and one-bedroom units; 958 sf to 1,208 sf for two-bedroom/two-bath units; and 2,285 sf and 2,290 sf for three-bedroom/three-bath units. Unit finishes include plank flooring; a full kitchen package with stainless steel appliances, including a gas range, a dishwasher, a refrigerator, a disposal, and a microwave; quartz countertops and subway tile backsplashes; and in-unit washer/dryers. Per management, the collateral was approximately 73.0% occupied at the time of DBRS Morningstar’s inspection with no concessions currently being offered.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)
Elevate Lincoln Park	Chicago, IL	1.6	191	2018	96.0
No. 508	Chicago, IL	0.7	53	2019	94.0
2950 N. Sheridan	Chicago, IL	0.4	82	2017	95.0
Centrum Lakeview	Chicago, IL	1.7	53	2017	100.0
The Scott Residences	Chicago, IL	3.2	71	2014	93.0
Old Town Park	Chicago, IL	3.3	405	2018	92.0
Total/Wtd. Avg.	**Chicago, IL**	**Various**	**855**	**Various**	**93.9**
Four50 Residences	**Chicago, IL**	**n/a**	**80**	**2019**	**62.5**

*Per Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis						
	T-12 July 2020	Budget Stabilized NCF	Appraisal Stabilized NCF	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,846,409	3,247,238	3,101,640	3,101,640	3,063,144	-1.2
Other Income ($)	42,323	323,721	308,511	308,511	308,014	-0.2
Vacancy & Concessions ($)	-2,434,655	-162,362	-170,590	-170,590	-269,749	58.1
EGI ($)	**454,077**	**3,408,597**	**3,239,561**	**3,239,561**	**3,101,409**	**-4.3**
Expenses ($)	582,278	962,434	941,187	941,187	992,151	5.4
NOI ($)	**-128,201**	**2,446,163**	**2,298,374**	**2,298,374**	**2,109,258**	**-8.2**
Capex ($)	0	0	20,000	20,000	20,000	0.0
NCF ($)	**-128,201**	**2,446,163**	**2,278,374**	**2,278,374**	**2,089,258**	**-8.3**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria.* The resulting DBRS Morningstar Stabilized NCF was $2,089,258 representing a variance of -8.30% from the Issuer's Stabilized NCF of $2,278,374. The primary drivers of the variance were the DBRS Morningstar gross potential rent and vacancy assumptions.

DBRS Morningstar assumed gross potential rent based off the August 2020 rent roll with vacant units grossed up to the appraiser's concluded stabilized market rents. By contrast, the Issuer generally estimated gross potential rent by grossing up all units to the Appraiser's stabilized rent estimate. DBRS Morningstar assumed economic vacancy to be 8.8%, consisting of 6.3% physical vacancy and a 2.0% concessions assumption.

Coronavirus Update

With regard to the coronavirus, the magnitude and extent of performance stress posed to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. DBRS Morningstar examined the collections for the property from April to August and found the following: 80% of total rent due collected from tenants in April 2020, 85% of total rent collected in May 2020, 84% of total rent due collected in June 2020, 85% of total rent due collected in July, and 98% of total rent due collected in August 2020. Although the DBRS Morningstar As-Is NCF of $848,909 does not cover the issuance DSCR of 0.47x, there is an upfront debt service reserve of $750,000 that is to be used to cover any short falls in debt service obligations and must be replenished by the Borrower whenever the reserve is drawn below $100,000 and must be restored to a minimum of $250,000. The debt service reserve will be in place until the subject achieves a DSCR of 1.15x for three consecutive months.

DBRS Morningstar Viewpoint

The collateral was originally constructed in 2019 and is among the large amount of new construction being introduced to the Chicago multifamily market in recent years. Per Reis, the property is located within the Belmont to Montrose submarket, one of 25 distinct geographic concentrations located in

Chicago, that contains 19,353 market rate rental units (3.9%) of the metro's total inventory of market rate rental apartments. New construction since 2018 for the Belmont to Montrose submarket has totaled 461 units amounting to 2.38% of new supply. As part of the refinance, the current borrower plans to lease up the property and further increase in-place rents to be in line with the appraiser's stabilized market rents. There is no future funding component associated with this transaction. The borrower is further planning on expense savings toward utilities that will be achieved with increased occupancy as well as decreasing marketing fees upon stabilization, since most fees are from tenants with brokers that require a commission.

The property is well-located, benefiting from proximity to several nearby amenities and shopping centers including a Mariano's grocery store 0.4 miles to the south of the subject. Additionally, the property is 0.2 miles away from the Belmont Harbor on Lake Michigan and features access to the Lakefront Trail that runs parallel to Lake Shore Drive. Reis reports that new construction in the area will deliver 133 units to the submarket by the end of the year with another 140 units being delivered during 2021 and 2022. Per the appraisal, the population within a three-mile radius is 365,860 and is projected to grow at 0.26% over the next five years, which should result in steady demand and higher occupancy levels for the existing inventory.

Initial loan proceeds of $34.0 million were used to refinance existing construction debt of $25,426,290, return $6,762,296 of cash equity to the borrower, cover closing costs of $1,061,414, and fund an upfront debt service reserve of $750,000. The debt service reserve is no longer required when the property achieves a DSCR of 1.15x for three consecutive months. There is no future funding component associated with this transaction because the borrower's business plan is to reach a stabilized occupancy before seeking more permanent financing. The three-year floating-rate loan is structured with one 12-month extension option that is exercisable subject to, among other criteria, the collateral's satisfaction of certain DSCR and debt-yield hurdles set forth in the loan agreement. The loan is IO through the fully extended loan period.

The fully funded loan represents a loan-to-value ratio of 72.0% before improving to a loan-to-stabilized ratio of 70.8% based on the appraiser's March 2021 appraised value estimate of $48.0 million. The DBRS Morningstar NCF represents a stabilized DSCR of 1.15x and, holding all else constant, a high break-even occupancy of 85.1% based on the structured annual debt service of approximately $1.8 million. Per Reis, the submarket vacancy rate will finished 2021 at 5.3% before falling to 4.5% by year end 2022. Asking rents are projected to fall -1.4% to $1,490 while effective rents will decline -1.9% to $1,426 by year-end 2020. The transaction further benefits from a relatively experienced sponsorship team that is a vertically integrated real estate investment management company with its multifamily arm being a vertically integrated multifamily developer and operator.

The Emerson

Loan Snapshot

Seller	BDS III LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	30.9
Loan PSF/Unit ($)	63,648
Percentage of the Pool (%)	7.8
Fully Extended Loan Maturity/ARD	April 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.39
DBRS Morningstar Stabilized DSCR (x)	1.69
DBRS Morningstar As-Is Issuance LTV (%)	84.8
DBRS Morningstar Stabilized Balloon LTV (%)	64.2
DBRS Morningstar Property Type	Multifamily

Debt Stack ($ millions)

Trust Balance	30.9
Pari Passu	0.0
Remaining Future Funding ($ million)	3.4
Mortgage Loan Including Future Funding	34.4
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	11.2
Trust Balance	30.9

Collateral Summary			
DBRS Property Type	Multifamily	**Year Built/Renovated**	1986
City, State	Dallas, TX	**Physical Occupancy (%)**	74.1
Units	486	**Physical Occupancy Date**	August 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the exterior of the property on Monday, March 16, 2020, at 4:00 p.m. but was unable to tour the interior of the property because of the ongoing coronavirus pandemic. Based on the exterior site inspection, DBRS Morningstar found the property quality to be Average.

The collateral is a garden-style apartment complex on 9.7 acres in the Bethard neighborhood in the northeastern portion of Dallas, approximately 12.0 miles from the CBD via U.S. Hwy. 75 (North Central Expressway) and I-635. The neighborhood is triangular shaped and bordered by Forest Lane to the north and I-635 (Lyndon B. Johnson Freeway) to the southwest. The western portion of the neighborhood, toward the interstate, consists mostly of multifamily properties of similar class, age, and appearance with, shopping and services to the northwest along Skillman Street. The area to the east, making up the greater portion of the neighborhood, consists of industrial uses, including warehouse/distribution properties, flex facilities, and service units. The property is encircled by Adleta Boulevard, with ingress/egress off the south side of Skillman Street, which provides immediate access to I-635. A Dallas Area Rapid Transit (DART) Station (LBJ/Skillman) is in the immediate vicinity, and bus stops are at regular intervals around Adleta Boulevard. The greater area around the periphery of the Bethard neighborhood consists of densely developed residential neighborhoods, with multifamily properties predominate around the interstate corridor.

The property was built in 1986 and consists of 20 three-story buildings of wood frame construction with brick veneer and wood sided exteriors and pitched composite roofs. The parking areas, drives, curbing, and sidewalks are concrete. Approximately 586 parking spaces are available. Landscaping consists of grass, ground cover, landscape rock, bushes, and mature trees. The community is gated with perimeter wrought iron fencing. Community amenities include a clubhouse, fitness center, and pool. DBRS Morningstar noted areas of cracked concrete parking surfaces and work striping at the time of inspection.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Rent/Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
Eleven600	Dallas, TX	0.7	216	1981/2018	984	861	87.0
Chesapeake	Dallas, TX	0.8	127	1982/2016	993	927	92.0
Riviera	Dallas, TX	0.9	244	1980/2017	1,003	803	96.0
Reserve at Lake Highlands	Dallas, TX	0.8	152	1980/2014	1,000	838	86.0
Vue on Forest	Dallas, TX	1.2	326	1983/2019	860	718	91.0
Total/Wtd. Avg.	**Dallas, TX**	**Various**	**1,065**	**Various**	**954**	**809**	**90.7**
Vineyards at the Ranch II	**Dallas, TX**	**n/a**	**486**	**1986**	**851**	**642**	**82.6**

*Per Appraisal

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 November 2018	T-12 November 2019	T-4 July 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,526,208	4,503,051	4,703,679	4,961,832	4,967,080	0.1
Other Income ($)	728,123	666,056	560,328	928,535	755,071	-18.7
Vacancy & Concessions ($)	-1,056,944	-1,157,028	-1,676,825	-400,951	-500,607	24.9
EGI ($)	**4,197,387**	**4,012,079**	**3,587,182**	**5,489,416**	**5,221,544**	**-4.9**
Expenses ($)	2,256,692	2,206,310	2,432,543	2,652,201	2,665,671	0.5
NOI ($)	**1,940,695**	**1,805,769**	**1,154,639**	**2,837,215**	**2,555,873**	**-9.9**
Capex ($)	0	0	0	121,500	122,196	0.6
NCF ($)	**1,940,695**	**1,805,769**	**1,154,639**	**2,715,715**	**2,433,677**	**-10.4**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,433,677, representing a -10.4% variance from the Issuer's stabilized NCF of $2,715,715. The primary drivers of the variance included other income and vacancy.

DBRS Morningstar generally estimated other income by grossing other income achieved over the trailing four months (T-4) ended July 31, 2020, proportionally to reflect the increase in NRI projected between the as-is and stabilized analysis. The Issuer generally estimated other income based on the borrower's stabilized budget. The borrower plans to achieve an increase in other income by charging a $35 rental fee for in-unit washer and dryer units. DBRS Morningstar additionally estimated a stabilized residential vacancy loss of 8.0%, which was in line with the Reis forecast submarket average for the five-year period ending December 2024. The DBRS Morningstar stabilized vacancy loss was also supported by appraisal-identified comparables, which generally averaged a 9.3% vacancy loss. By contrast, the Issuer applied a 6.0% residential vacancy loss.

Coronavirus Update

With regard to the coronavirus, the magnitude and extent of performance stress posed to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. The collateral's vacancy fell to 82.6% as of May 2020, but this decline was a result of a wave of evictions enforced by the sponsor to eradicate historically delinquent tenants from the property. DBRS Morningstar does not expect this low vacancy rate to persist as units are renovated and leased.

DBRS Morningstar Viewpoint

The collateral was originally constructed in 1986. Its vintage is generally in line with the surrounding submarket; according to Reis, 60.0% of the submarket's inventory has been constructed between 1980 and 1989, with no new inventory after 2000 and 35.0% built before 1980. The appraiser identified five comparable multifamily properties in the area, all of which are older than the collateral but benefited from recent renovation work between 2014 and 2019. The collateral benefited from nearly $1.3 million in capital investment between 2016 and 2019. As part of the current acquisition, the borrower plans to implement a $3.7 million ($7,699 per unit) capital improvement plan to upgrade the collateral, increase rents in line with other upgraded units throughout the submarket, and achieve stabilized occupancy levels in the future. The borrower's capital improvement plan includes $379,761 for exterior improvements and $1.7 million ($3,505 per unit) for planned interior renovations, which include new appliances, granite countertops, resurfaced cabinetry, new lighting and lighting fixtures, new plumbing, sinks, toilets, shower heads, faux wood floors, carpet, kitchen backsplashes, and paint.

The property is in the northeast quadrant of Dallas, approximately 12.0 miles from the Dallas CBD and near Dallas' Telecom Corridor. The Telecom Corridor hosts more than 600 technology companies across approximately 25.0 million sf of office space. The property is about a half mile from the LBJ/Skillman station on the DART light rail and near the interchange for Lyndon B. Johnson Freeway, which provides access to employment centers in the Dallas suburbs. The property is also adjacent to Vineyards at the Ranch I, a 774-unit property the sponsor acquired in conjunction with the subject but under separate financing. The sponsor will operate properties collectively, which may reduce some expense overhead over time. The sponsor's business plan for the adjacent property is similar to the plan for this asset. One concern is that both properties have suffered from a high prevalence of crime, with six homicides reported on site between 2013 and 2019. As part of the acquisition, the borrower is bringing in a new, experienced property manager with stricter credit criteria for incoming tenants. The sponsor has also installed security cameras and additional lighting and has (along with other property owners) met with officials from the Dallas Police Department to increase police and security presence in the area. Still, the fallout from these types of incidents can remain with a property.

About $30.5 million in initial loan proceeds and nearly $11.2 million of borrower equity financed the borrower's $40.5 million acquisition of the collateral and covered nearly $1.2 million of closing costs associated with the transaction. The loan permits for more than $3.7 million in additional future funding for capital improvements involved in the sponsor's proposed business plan. The three-year, floating-rate loan has two 12-month extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain DSCR and debt yield hurdles set forth in the loan agreement. The loan also has a soft lockbox and springing cash management that triggers if the DSCR falls below 1.05x on a trailing three-month basis after April 1, 2021. The loan is IO through the fully extended loan period.

The initial loan amount represents a relatively high loan-to-purchase price ratio of 75.3%, indicative of high-leverage financing, and the fully funded loan amount represents an even higher loan-to-purchase price ratio of 84.5%. However, the appraiser estimates the fully funded LTV to fall to 64.0% through stabilization based on the appraiser's January 2023 appraised value estimate of $53.5 million. The DBRS Morningstar As-Is NCF represents a concerningly low DSCR of just 0.43x based on the estimated debt service at issuance. The annualized NCF achieved over the T-4 period ended July 2020 is also insufficient to cover the estimated debt service at issuance, representing a T-4 DSCR of only 0.88x. The collateral's overall performance declined drastically between the T-12 ended November 30, 2019, and the T-4 period ended July 31, 2020, causing the estimated DSCR to fall below 1.00x.

The borrower has, however, successfully leased renovated units at or above its budgeted rent increase, which provides some comfort that the completion of the business plan will improve cash flow. The DBRS Morningstar Stabilized NCF represents an improved stabilized DSCR of 1.26x and, holding all else constant, a breakeven occupancy rate of 82.3% based on the structured annual debt service cap of just more than $1.9 million. Per Reis, the collateral's submarket averaged 6.9% vacancy over the five-year period ended December of 2019 and is forecast to average 8.0% vacancy over the five-year period ending December 2024. Additionally, the appraisal-identified comparables exhibited an average vacancy rate of 9.7%.

Mission Hills Apartments

Loan Snapshot

Seller	BDS III LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	29.0
Loan PSF/Unit ($)	95,431
Percentage of the Pool (%)	6.6
Fully Extended Loan Maturity/ARD	February 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.98
DBRS Morningstar Stabilized DSCR (x)	1.39
DBRS Morningstar As-Is Issuance LTV (%)	78.5
DBRS Morningstar Stabilized Balloon LTV (%)	67.8
DBRS Morningstar Property Type	Multifamily

Debt Stack ($ millions)

Trust Balance	29.0
Pari Passu	0.0
Remaining Future Funding ($ million)	2.0
Mortgage Loan Including Future Funding	31.0
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	13.0
Trust Balance	29.0

Collateral Summary

DBRS Property Type	Multifamily	**Year Built/Renovated**	2009
City, State	San Antonio, TX	**Physical Occupancy (%)**	89.5
Units	304	**Physical Occupancy Date**	August 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Tuesday, March 10, 2020, at 9:30 a.m. Based on the site inspection, DBRS Morningstar found the property quality to be Average.

The collateral is a 304-unit multifamily property in San Antonio, approximately 15.0 miles north of the San Antonio CBD. This location offers easy access to employment clusters throughout the San Antonio area from Loop 1604 and U.S. Hwy. 281. Retail use in the area is heavily concentrated along U.S. Hwy. 281 one mile to the east, and the area’s major employers include USAA, Valero Energy, and Methodist Hospital Stone Oak. The immediate surrounding development is primarily residential single-family homes to the north and west, a competitive multifamily community to the east, and undeveloped land to the south. There are several competing multifamily properties within two miles of the subject including Evans Ranch, The Redlands, Overlook at Stone Oak, and Aura Stone Oak, which is a newly constructed property that opened in Q4 2019. Management noted a handful of multifamily developments will be completed in the submarket over the next two years but believe market demand is sufficient to absorb the moderate amount of new construction.

Competitive Set

Property	Location	Units	Year Built	Avg. Rent/Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
The Heritage	San Antonio, TX	305	2005	1,079	907	93.0
ReNew at TPC	San Antonio, TX	408	2007	1,055	905	92.0
Evans Ranch	San Antonio, TX	329	2012	858	883	91.0
View at Encino Commons	San Antonio, TX	324	2002	1,176	1,099	92.0
Dwell at Legacy	San Antonio, TX	289	2015	1,445	1,101	93.0
Wiregrass at Stone Oak	San Antonio, TX	308	2014	1,068	893	92.0
Total/Wtd. Avg.	**Phoenix, AZ**	**1,963**	**Various**	**1,105**	**961**	**92.1**
Mission Hills Apartments	**San Antonio, TX**	**304**	**2009**	**1,048**	**919**	**89.5**

*Per Appraisal.

The property is a Class B, garden-style apartment community developed in 2009 that was 89.5% occupied as of August 3, 2020. The subject consists of 15 three-story residential buildings, seven detached garage buildings, and a stand-alone leasing office and clubhouse building. The clubhouse featured a spacious tenant lounge, an indoor basketball court, a fitness center that was recently updated with new equipment, and an outdoor pool. While minor improvements will be made to the amenities, the offerings generally demonstrated a modern package reflective of the property's 2009 construction vintage. The parking lot was generally in good condition throughout with no major cracking or concerns, and the landscaping was well maintained, which management noted was recently updated. The residential buildings had a tan stucco exterior that appeared well maintained throughout with no significant signs of deferred maintenance. The unit mix includes one-, two-, and three-bedroom floorplans ranging in size from 656 sf to 1,324 sf. The common living areas and bedrooms were of good size and had wood and carpet flooring, respectively. Kitchens came with light wood cabinets, plastic laminate counters, and black appliances that showed well; however, the laminate counters stood out as the most outdated feature. Management noted interior upgrades will include new stainless-steel appliances, quartz countertops, vinyl flooring, upgraded lighting, stainless-steel sinks, and new washers/dryers in every unit. Management expects these improvements to achieve rent premiums of $155 per unit, $190 per unit, and $225 per unit for one-, two-, and three-bedroom units, respectively. Overall, DBRS Morningstar found the property quality to be Average in its current condition, with upside for a stronger quality once the interior unit renovations are completed.

DBRS Morningstar NCF Summary

NCF Analysis

	2017	2018	T-12 October 2019	T-4 June 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,929,298	3,742,917	3,819,970	3,853,985	4,642,583	4,394,616	-5.3
Other Income ($)	384,112	377,609	464,172	431,701	481,250	464,172	-3.5
Vacancy & Concessions ($)	-483,097	-307,865	-252,507	-352,084	-352,925	-489,583	38.7
EGI ($)	**3,830,313**	**3,812,662**	**4,031,635**	**3,933,602**	**4,770,908**	**4,369,205**	**-8.4**
Expenses ($)	2,170,566	2,224,911	2,304,660	2,382,248	2,409,806	2,508,791	4.1
NOI ($)	**1,659,747**	**1,587,751**	**1,726,975**	**1,551,354**	**2,361,102**	**1,860,414**	**-21.2**
Capex ($)	0	0	0	0	76,000	76,000	0.0
NCF ($)	**1,659,747**	**1,587,751**	**1,726,975**	**1,551,354**	**2,285,102**	**1,784,414**	**-21.9**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria.* The resulting DBRS Morningstar Stabilized NCF was $1,784,414, which represents a -21.9% variance from the Issuer's stabilized NCF of $2,285,102. The primary drivers of the variance are GPR and concessions. DBRS Morningstar based GPR on the appraiser's market rent of $1,205 per unit, resulting in a premium of $156 per unit over in-place rents, and the Issuer based its GPR on the appraiser's market rent with a 3.0% annual rent growth factor. DBRS Morningstar assumed concessions of 4.0% of the GPR, which is equivalent to a half month of free rent.

DBRS Morningstar Viewpoint

The collateral consists of a 304-unit, Class B multifamily property in the Far North Central submarket of San Antonio. As of the rent roll dated August 3, 2020, the property is operating at an occupancy of 89.5% and average rent of $1,048 per unit. It underperforms relative to the submarket, which averages occupancy of 93.3% and averages rent of $1,068 per unit. However, DBRS Morningstar anticipates the sponsor's business plan will help bring the property's performance more in line with the overall submarket occupancy and will allow it to achieve rents closer to the submarket by vintage average of $1,203 per unit. Specifically, the sponsor has budgeted a total of $2.7 million ($8,913 per unit) for the capital improvement plan, including $2.1 million ($6,883 per unit) for interior renovations in 288 units, which will most notably include new laminate floors, quartz counters, backsplashes, and appliances in the kitchens. The sponsor also plans to implement third-party ratio utility billing system at acquisition to achieve increased utilities reimbursement and engage a new property manager to decrease the operating expenses at the property.

Demand for the Far North Central submarket is strong based its accessibility to the San Antonio CBD 15.0 miles south, major employers such as South Texas Medical Center and USAA approximately 10 miles southwest, and Joint Base San Antonio six miles west, which consolidated six U.S. Army and Air Force installations and supports nearly 65,000 jobs in the area. As of Q2 2020, Reis projects moderate multifamily supply pressure in the submarket, with 2,240 unit completions (5.3% of the current inventory) and average vacancy increasing slightly to between 6.1% and 7.5% over the next five years. DBRS Morningstar anticipates the capital improvement plan will generate a $156 per unit premium, bringing the average rent to $1,205 per unit; however, the steady flow of supply added to the submarket will require considerable concession offerings for the property’s vacancy to tighten closer to the submarket average of 6.7%.

Initial funding of $29.0 million along with $13.0 million of borrower equity will help acquire the property for $39.5 million, cover $2.3 million in closing costs, and fund upfront reserves totaling $216,537 for taxes and deferred maintenance. The loan has an initial three-year term with two one-year extension option and a $2.0 million future funding component for planned capital improvements. The resulting DBRS Morningstar Issuance and Stabilized LTVs are 78.5% and 65.7%, respectively.

Villas of Arlington

Loan Snapshot

Seller	BDS III LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	25.7
Loan PSF/Unit ($)	64,899
Percentage of the Pool (%)	6.6
Fully Extended Loan Maturity/ARD	April 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	1.00
DBRS Morningstar Stabilized DSCR (x)	1.55
DBRS Morningstar As-Is Issuance LTV (%)	88.1
DBRS Morningstar Stabilized Balloon LTV (%)	74.0
DBRS Morningstar Property Type	Multifamily

Debt Stack ($ millions)

Trust Balance	25.7
Pari Passu	0.0
Remaining Future Funding ($ million)	3.4
Mortgage Loan Including Future Funding	29.1
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	8.1
Trust Balance	25.7

Collateral Summary			
DBRS Property Type	Multifamily	**Year Built/Renovated**	1985
City, State	Arlington, TX	**Physical Occupancy (%)**	93.2
Units	396	**Physical Occupancy Date**	July 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the property on Monday, March 16, 2020, at 3:00 p.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The collateral is a 396-unit apartment complex in southeast Arlington, Texas, approximately 20 miles west of the Dallas CBD. The southeast section of Arlington is a large stretching neighborhood along the TX-30 corridor bounded by I-30 (Tom Landry Freeway) to the north and by I-20 to the south. The subject is located on the south side of Highway 303 (Pioneer Parkway), a major east-west thoroughfare that bisects the neighborhood. The subject specifically sits between W Pioneer Parkway to the north and E Arkansas Lane to the south, both of which are major east/west arterials, and the property provides access for westbound traffic off Arkansas Lane and for eastbound traffic from Pioneer Parkway. Other multifamily properties are situated adjacent to the collateral in all directions and densely-developed, predominantly single-family residential neighborhoods are just beyond. A grocery-anchored retail center is conveniently located two blocks west, and a variety of other commercial uses are scattered along both Pioneer Parkway and Arkansas Lane, including small retail strip centers, stand-alone retailers, storage facilities, and restaurants. The subject is also positioned one block north of Sam Houston High School. Accessibility to the greater Dallas-Fort Worth MSA was strong with Pioneer Parkway providing access to Highway 360 approximately one mile to the east, which in turn provides access to I-30 to the north and I-20 to the south.

The subject property is a 30-building, garden-style apartment complex built in 1985 on a 16.40-acre site. Improvements consist of 25 three-story and 4 two-story residential buildings, all of which are constructed of wood frame with tan stucco exteriors and flat roofs. The building exteriors were generally adequately maintained, although some areas of the facade showed need for new paint, and decorative tile on a number of the awnings showed signs of deterioration. Community amenities include a clubhouse with a fitness center and business center, an outdoor pool and hot tub, laundry facilities, a playground, a sports court, a picnic/grill areas, and tennis courts. The clubhouse interior has been updated and showed well, however the other amenities showed signs of aging and need for updates, which ownership plans to address over the next two years.

The property offers updated units renovated by the previous owner, however, DBRS Morningstar was only able to inspect non-renovated units, including two vacant units and a model unit. One vacant unit was rent ready, whereas the other had not yet been turned. The rent ready unit had plank flooring in the kitchen, dining, hallway and bath areas, with carpet in the living room and bedroom. Appliances were mismatched with an almond stove and white refrigerator. The unturned unit had parquet flooring in the kitchen and bathroom, with carpet in the living room and bedroom. Kitchen appliances in this unit were black and the kitchen cabinets were dated. Countertops in both units appeared to be Formica. The model unit had been upgraded with vinyl plank flooring, white painted wood cabinetry, and solid surface white countertops. Appliances were white and included a stackable washer/dryer combo in the kitchen. The owner plans to renovate all units in line with the model as they turn over. Parking and drive surfaces were noted to be worn and cracked, with faded striping, pavement markings, and curb paint. Overall, DBRS Morningstar found the property quality to be Average with slight signs of aging that the sponsor is planning to address in its capital improvement plan.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Rent/ Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
Carriage House Apartments	Arlington, TX	0.9	288	1981	937	809	92.0
Center Place	Arlington, TX	1.5	194	1984	1,172	879	95.0
Hunters Cove	Arlington, TX	1.5	240	1985	1,268	866	95.0
Trinity Trace	Arlington, TX	0.7	240	1984	1,170	897	90.0
Windscape Gardens	Arlington, TX	0.8	154	1985	960	773	98.0
Total/Wtd. Avg.	**Arlington, TX**	**Various**	**1,116**	**Various**	**1,102**	**847**	**93.6**
Villas of Arlington	**Arlington, TX**	**n/a**	**396**	**1985**	**799**	**567**	**93.1**

*Per Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	T-4 July 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,741,762	3,768,725	3,832,035	4,706,784	4,285,200	-9.0
Other Income ($)	509,576	577,840	420,313	564,954	522,659	-7.5
Vacancy & Concessions ($)	-709,170	-680,805	-941,665	-542,010	-471,372	-13.0
EGI ($)	**3,542,167**	**3,665,761**	**3,310,683**	**4,729,728**	**4,336,487**	**-8.3**
Expenses ($)	1,809,741	1,755,072	1,973,277	2,288,095	2,345,503	2.5
NOI ($)	**1,732,426**	**1,910,688**	**1,337,405**	**2,441,633**	**1,990,984**	**-18.5**
Capex ($)	0	0	0	99,000	99,000	0.0
NCF ($)	**1,732,426**	**1,910,688**	**1,337,405**	**2,342,633**	**1,891,984**	**-19.2**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,891,984, representing a -19.2% variance from the Issuer's Stabilized NCF of $2,342,633. The primary drivers of the variance included GPR, concessions, and real estate taxes. DBRS Morningstar estimated GPR by grossing all units at the appraiser's post-renovation market rents excluding a 3.0% annual rent growth, which the Issuer included in its analysis. This approach results in an average stabilized rent of $906/unit, which is a rent premium of approximately $107/unit over in-place rents, and which equates to an aggregate ROI on GPR of 15.1% for the planned renovations. DBRS Morningstar based concessions on the historical average of 4.0% of GPR, whereas the Issuer assumed the appraiser's stabilized concessions of 2.0% of GPR. DBRS Morningstar based real estate taxes on the borrower's budget inflated by 10.0%, while the Issuer's assumption was based on the appraiser's stabilized estimate.

DBRS Morningstar Viewpoint

Originally constructed in 1985, the collateral consists of a 396-unit Class B multifamily property in Arlington, Texas. As of the rent roll dated July 31, 2020, the property is operating at a 93.2% occupancy and average rent of $799/unit that demonstrates an underperformance relative to the Reis Central Arlington submarket by vintage vacancy and average rent of 3.3% and $990/unit, respectively. Capital improvements completed by the seller in 2015 totaling $2.3 million ($5,808/unit) have kept the subject's average rent of $799/unit in line with the submarket's average rent of $793/unit; however, the new sponsor will be implementing a $3.5 million ($8,750/unit) capital improvement plan to increase rents more in line with properties of similar construction vintage in the submarket.

The sponsor plans to renovate the interior of all units with a budget of $1.6 million ($3,964/unit). The interior unit renovations will encompass repainted cabinets, resurfaced counters, new backsplashes and black appliances in the kitchen, and new vinyl plank flooring, fixtures, and hardware throughout the unit. The sponsor is also budgeting for $1.9 million ($4,786/unit) of exterior and common area improvements that will consist of upgrades to some amenity areas and propertywide needs such as signage, new painting, landscaping, and deferred maintenance. The capital improvement plan will help narrow the gap of the subject's below market rent; however, it is worth noting the property's average rent is structurally limited by its smaller unit offerings, with a unit mix consisting of 356 studio and one-bedroom units and only 40 two-bedroom units. This unit mix translates to an average unit size of 567 sf that is significantly smaller than the competitive set average of 847 sf, which is reflected in the widened difference relative to the set's average rent $1,102/unit. DBRS Morningstar estimates the business plan will result in a rent premium of $107/unit and average rent of $906/unit, which would position the property's performance closer to the low end of the comparable range at $937/unit.

Initial funding of $25.7 million along with $8.4 million of borrower equity will be used to acquire the property for $32.2 million, cover $1.6 million in closing costs, and fund an escrow of $311,142 for deferred maintenance and immediate repairs. The loan has an initial four-year term with one one-year extension option and a $3.4 million future funding component for planned capital improvements. The resulting DBRS Morningstar Issuance and Stabilized LTVs are 88.1% and 74.0%, respectively.

The Life at Clearwood

Loan Snapshot

Seller	BDS III LLC
Ownership Interest	Fee Simple
Trust Balance ($ million)	22.0
Loan PSF/Unit ($)	79,819
Percentage of the Pool (%)	5.7
Fully Extended Loan Maturity/ARD	April 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	1.00
DBRS Morningstar Stabilized DSCR (x)	1.39
DBRS Morningstar As-Is Issuance LTV (%)	90.9
DBRS Morningstar Stabilized Balloon LTV (%)	70.2
DBRS Morningstar Property Type	Multifamily

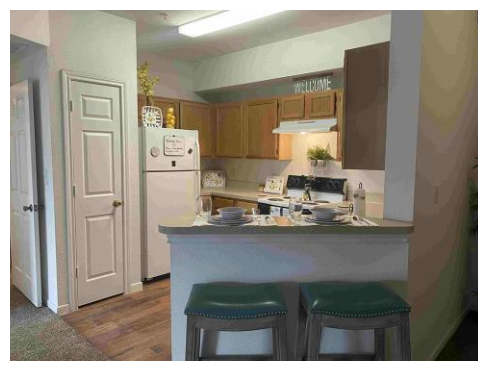
Debt Stack ($ millions)

Trust Balance	22.0
Pari Passu	0.0
Remaining Future Funding ($ million)	3.2
Mortgage Loan Including Future Funding	25.3
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	6.5
Trust Balance	22.0

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2002
City, State	Houston, TX	**Physical Occupancy (%)**	89.5
Units/SF	276/335,387	**Physical Occupancy Date**	June 2020

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property with on-site management on March 11, 2020, at 10:00 a.m. Based on the site inspection, DBRS Morningstar found the property to be Average.

The subject property is in the East Haven neighborhood of the Greater Hobby Area Submarket, approximately 11 miles southeast of Houston's central business district. The property is on the west side of I-45 and is inside Sam Houston Parkway/Beltway 8, the outer beltway around the city of Houston. The main entrance to the Houston Hobby Airport is approximately 3.5 miles to the northwest of the subject. The greater surrounding area is an even mix of residential, commercial and industrial.

Surrounding properties include a tract housing development along the east and south border, a 1,300+ vehicle automotive salvage yard to the west, multifamily properties to the north, and vacant land with light industrial uses to the south. There are several multifamily properties in the area, however, most are older and inferior in appearance. Management reports competitive properties are San Cabo, immediately adjacent, and Long Boat, a tax credit property. Sterling Court Apartments opened in 2010 and is an affordable property offering one- and two-bedrooms with slightly lower rates and similar amenities.

The collateral is a 276-unit garden apartment complex completed in 2002, consisting of 18 three-story residential buildings and one single-story leasing office/clubhouse building. The subject is an affordable Class B property on 12.01 acres, with a total NRA of 335,387 sf. The buildings are wood-frame and concrete construction on concrete slab foundations. The exterior features brick and stucco walls and pitched composite roofs. Unit mix includes two-, three-, and four-bedroom floorplans, ranging from 1,029 sf to 1,326 sf. Rents range from $883 to $1,243 per month. The units have fully equipped kitchens with white appliances, a refrigerator, a range/oven, a vent hood, a dishwasher, and a disposal. Unit finishes include vinyl plank flooring in the kitchens and baths with carpet in living rooms and bedrooms. Community amenities include gated access, a clubhouse, a fitness center, a business center, a pool, a playground, and laundry.

The property management did not report any recent capital expenditures, only ongoing maintenance and repair/replacement. A desire to upgrade units was mentioned by the property management although no plans are in motion yet.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Rent/Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
Breakers at Windmill Lakes	Houston	1.6	174	1998	1,134	829	93.0
Mirabella	Houston	4.0	240	2002	1,285	982	93.0
Carrington Park at Gulf Pointe	Houston	4.1	258	2007	1,282	1,181	93.0
The Broadwater	Pasadena	7.8	248	2003	1,133	933	94.0
Almeda Park	Houston	2.5	196	2002	913	973	95.0
Highland Meadow Village	Houston	5.1	250	2001	979	1,008	97.0
Kensington Place	Houston	6.9	216	2004	945	1,022	98.0
Total/WA	**Various**	**4.7**	**1,582**	**2003**	**1,103**	**998**	**94.7**
Clearwood Villas	**Houston**	**n/a**	**276**	**2002**	**999**	**1,029**	**86.0**

Source: Appraisal, dated June 11, 2020.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	T3 Annualized June 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,816,189	3,082,362	3,535,305	3,729,744	3,630,691	-2.7
Other Income ($)	66,694	78,717	148,630	270,480	225,768	-16.5
Vacancy & Concessions ($)	-66,865	-424,393	-727,493	-279,731	-323,131	15.5
EGI ($)	**2,816,018**	**2,736,686**	**2,956,443**	**3,720,493**	**3,533,328**	**-5.0**
Expenses ($)	1,606,228	1,800,515	2,070,534	1,584,167	2,110,638	33.2
NOI ($)	**1,209,790**	**936,171**	**885,909**	**2,136,326**	**1,422,690**	**-33.4**
Capex ($)				69,000	69,000	0.0
NCF ($)	**1,209,790**	**936,171**	**885,909**	**2,067,326**	**1,353,690**	**-34.5**

The DBRS Morningstar stabilized NCF is based on the *DBRS Morningstar Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar stabilized NCF was $1,353,690 which represents a -34.5% variance from the issuer's stabilized NCF. The major drivers of the stabilized cash flow haircut were GPR, treatment of the R&M, and general administrative expenses.

DBRS Morningstar assumed a GPR equal to the current in-place rent as of the June 30, 2020, rent roll with credit given to 50% of the assumed renovated premiums for each unit. DBRS Morningstar did not accept full credit to the premium since the sponsor recently acquired the property and has not implemented the business plan or achieved the projected rent premiums yet. R&M expenses were equal the T-3 figure, inflated by 10%, and general administrative expenses were equal to the T-12 figure, inflated by 10%. The issuer used the appraiser's stabilized expenses.

Coronavirus Update

The magnitude and extent of performance stress the coronavirus pandemic poses to global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. DBRS Morningstar received and analyzed updates regarding the property's performance as it related to the current coronavirus pandemic, and rent collections have increased to 100% in June, July, and August, from 93% in May. The sponsor has stated that the sponsor's business plan has not been interrupted to date. Generally, unit renovations will take place in the ordinary course of operation, and units will be added to the renovation queue upon being vacated. Initial tenant attrition is likely as a result of pushing rents, but these units are expected to backfill with tenants fitting the new income demographic.

DBRS Morningstar Viewpoint

The subject collateral is a garden style, class B apartment property located 11 miles southeast from the Houston CBD. Initial loan proceeds of $22.03 million in addition to an initial borrower equity contribution of $6.49 million financed the borrower's acquisition of the property and covered upfront reserves and closing costs. The loan will allow future funding of $3.2 million for property renovations, after the borrower has invested an additional $290,234 in capital improvements post-closing. This three-year floating-rate loan is structured with two 12-month extension options that are exercisable subject to the satisfaction of certain debt yield hurdles set forth in the loan agreement. The loan is IO through the fully extended loan period. The fully funded loan represents a high loan-to-purchase price ratio of 93.9%. However, the stabilized LTV is projected to significantly improve at 70.2% based on the appraiser's January 2022 stabilized value estimate of $36.0 million.

The property was constructed in 2002 and encumbered by a Land Use Restriction Agreement (LURA) for Low-Income Housing Tax Credits (HTC). LURA restricts 100% of the units for households earning 60% or less of the area median gross income (AMGI), adjusted for family size, with gross rental rates restricted to no more than 30% of the monthly income and the 60% AMGI level. The sponsor believes that the in-place rents can be pushed to the max allowed under the LURA agreement. To achieve higher rents, the sponsor plans on implementing a new marketing plan and spending $1.38 million on interior renovations and another $2.14 million on exterior renovations. Planned interior renovations include flooring as needed, new appliances, as well as paint and fixture replacements. The sponsor expects to address numerous HVAC units as well as install low-flow retrofit toilets. Planned exterior renovations include: breezeway work, new signage, exterior repaint, fencing repairs, landscaping improvements, window improvements, and sign and security installation. Additional renovations will take place to refurbish the playground, office/clubhouse, and fitness center. The sponsor has executed on similar business plans and specializes in workforce housing where the property could benefit from new management and a capital improvement plan. It has been reported that the renovation plan have not been put in motion. It is also reported that the property is in an area of high crime and incidents have occurred on the premises in recent history. To combat the crime, the borrower intends to implement a very stringent screening process to reduce both evictions/vacancy issues as well as crime within the property.

As a result of the lack of evidence for the sponsor's projected rents, and crime in the neighborhood, DBRS Morningstar took a conservative view and only accepted 50% of the sponsor's projected rent premiums. The appraiser also presented three comparable affordable housing apartments that have average unit rent rates of $913, $979, and $945 per month all of which offer similar or superior levels of common area and unit amenities, which validates DBRS Morningstar's conservative assumption to provide 50% upside to the assumed stabilized rent premiums. The concluded DBRS Morningstar rent rates after accepting the 50% rent premium is $1,096 per unit, less than the Issuer's assumed value of $1,126. DBRS Morningstar also assumed a stabilized physical vacancy rate of 7.4% in line with Reis' five-year submarket vacancy forecast, which is higher than Reis' submarket's vacancy rate of 5.4% and comp group average of 5.3%. The property has historically operated with a vacancy rate higher than the submarket, 11.5% in 2019 and 14.3% for the T-6 annualized value as of June 30, 2020.

The property's comp group selected by Reis saw a 1.4% annualized increase in asking rents compared with the submarket average gain of 0.1%. Reis forecasts submarket asking rents to average 0.6% growth over the five-year period ending December 31, 2024. Additionally, the sponsor has experience, with 15 assets in the Atlanta metro area, and six assets in the greater Houston metro area with an additional three under contract in Texas, including this property.

Jaxon Apartment Homes

Loan Snapshot

Seller
BDS III LLC
Ownership Interest
Fee Simple
Trust Balance ($ million)
21.1
Loan PSF/Unit ($)
88,050
Percentage of the Pool (%)
5.3
Fully Extended Loan Maturity/ARD
February 2025
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.88
DBRS Morningstar Stabilized DSCR (x)
1.21
DBRS Morningstar As-Is Issuance LTV (%)
90.5
DBRS Morningstar Stabilized Balloon LTV (%)
71.6
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
21.1
Pari Passu
0.0
Remaining Future Funding ($ million)
2.2
Mortgage Loan Including Future Funding
23.4
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
5.3
Trust Balance
21.1

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1984/2015
City, State	Arlington, TX	**Physical Occupancy (%)**	88.8
Units/SF	240/190,540	**Physical Occupancy Date**	August 2020

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on August 17, 2020, at 10:45 a.m. with the community manager. Based on the site inspection, DBRS Morningstar found the property to be Average (-).

The collateral is a garden style apartment complex in Arlington, Texas, a major city in the Mid-Cities region of the Dallas-Fort Worth MSA. The property is located on the west side of TX-360, a north/south highway through the metroplex, linking the southern and northern suburbs to the urban centers. Garden apartment complexes of similar age and class are to the north, south, and west of the subject. Some light industrial properties are mixed in with the multifamily properties to the south. Single family residential neighborhoods and mobile home parks are further to the west, followed by single and multifamily neighborhoods. A large industrial/warehouse area is on the east side of TX-360. Access to I-30 (Tom Landry Freeway) is 1.5 miles to the south. Six Flags Over Texas, Globe Life Park (Texas Rangers), AT&T Stadium (Dallas Cowboys), Esports Stadium Arlington & Expo Center, GM Assembly Plant, and numerous office and hospitality properties are on the south side of I-30. Ingress/egress drives are from Burney Road and Burney Oaks Lane, both of which are side streets off TX-360 Frontage Road.

The subject improvements, built in 1984, consist of 12 three-story buildings of wood frame construction with painted brick and fiber cement sided exteriors and pitched composite roofs. The subject has 240 units with one-, two-, and three-bedroom floorplans ranging from 620 sf to 1120 sf. The exterior of the property has been recently renovated (2020) and is in good condition. Per management approximately $899,000 was spent in the past 24 months for full exterior upgrades and 93 unit rehabs. Unit rehabs will continue as units become available. The units are in the process of being renovated with new vinyl plank flooring, stainless steel or black kitchen appliances, including a stove, a built-in microwave, a dishwasher, a refrigerator, and updated cabinetry and countertops. The occupied unit inspected had all of the above upgrades. Two vacant units were inspected that had not been upgraded and had old wood cabinets, Formica countertops, worn carpeting, and dated bathrooms. Asphalt parking and drives have been recently resurfaced and striped and are in good condition throughout. Approximately 250 surface and carport parking spaces are provided. Landscaping is average. Community amenities include a clubhouse, a fitness center, a business center, a pool, a picnic and grilling area, and storage units. In addition to these changes, the property has been renamed and rebranded from Jordan Creek Apartments to Jaxson Apartment Homes. Due to recent renovations the exterior of the property is in good condition; however, the condition of the unrenovated units contributed to the overall property quality of Average (-).

Management reported two major competitors, Heritage Park and Hudson. Heritage Park is 0.8 miles from the subject property, with similar amenities and average rental rates of $1069/month with a current occupancy of 95%. Hudson is 0.69 miles from subject. It includes similar amenities with average rental rates of $1097/month and has a the current occupancy of 95% .

Management indicated that the resident profile consists primarily of blue-collar workers in the manufacturing, warehousing, and service industries, with generators including the large industrial area across the interstate, as well as entertainment and sports venues, hospitality, and retail properties around I-30.

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Rent/ Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
Walnut Ridge	Arlington	0.4	264	1982	963	693	96.0
The Mark at 2600	Arlington	1.3	250	1983	880	836	96.0
Huntington Meadows	Arlington	1.6	250	1984	1,055	834	94.0
The Dalton	Arlington	1.7	72	1984	1,119	885	100.0
6Eleven Lamar	Arlington	3.5	200	1979	1,028	720	92.0
Vine	Arlington	3.0	420	1980	1,024	803	94.0
Total/WA	**Various**	**2.0**	**1,456**	**1982**	**999**	**787**	**94.7**
Jordan Creek Apartments	**Arlington**	**n/a**	**240**	**1984**	**917**	**794**	**92.1**

Source: Appraisal, dated January 29, 2020.

DBRS Morningstar NCF Summary

NCF Analysis						
	2018	2019	T6 Annualized July 2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,545,397	2,661,294	2,874,068	3,239,225	3,018,216	-6.8
Other Income ($)	489,190	486,348	510,333	472,335	428,100	-9.4
Vacancy & Concessions ($)	-500,881	-577,040	-400,363	-214,437	-392,368	83.0
EGI ($)	**2,533,706**	**2,570,602**	**2,984,038**	**3,497,123**	**3,053,948**	**-12.7**
Expenses ($)	1,806,999	1,933,741	1,367,351	1,722,951	1,846,038	7.1
NOI ($)	**726,706**	**636,861**	**1,616,687**	**1,774,173**	**1,207,909**	**-31.9**
Capex ($)				60,000	60,000	0.0
NCF ($)	**726,706**	**636,861**	**1,616,687**	**1,714,173**	**1,147,909**	**-33.0**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar NCF for the subject was $1,147,909, representing a variance of -33.03% from the Issuer's NCF of $1,714,173.

The primary drivers of the variance were gross potential rent (GPR), economic vacancy, and total expenses. DBRS Morningstar assumed a GPR value equal to the current in-place rent as of the August 18, 2020, rent roll with credit given to 50% of the assumed renovated premiums for each unit. DBRS Morningstar assumed an economic vacancy of 12.8%, greater than the Issuer's assumed value of 6.6%. DBRS Morningstar assumed expenses based on the appraisal stabilized amounts or recent actual figures with a 10% inflation adjusted to reach stabilization. The overall expense ratio was 60.4%.

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress for global structured finance transactions remains highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. DBRS Morningstar received and analyzed updates regarding the property's performance as it related to the current coronavirus pandemic. The sponsor noted the business plan was delayed by four months due to the coronavirus and is restarting. The sponsor assumes eight to nine units can be renovated per month as they become available. The property saw delinquencies increase to 8.5% and 6.5% during June and July, respectively.

DBRS Morningstar Viewpoint

The property was constructed in 1984 and renovated in 2015. Approximately 93 units have been renovated, with half receiving full renovations and the other half receiving partial renovations from the Seller. The sponsor's business plan consists of investing $3.0 million in capital expenditures in order to upgrade the property and increase rental rates in line with other renovated comparables in the submarket. Additionally, Bella Asset Management will manage the property. Bella is a national multifamily investment and property management firm with a current portfolio totaling 2,500 units. The company seeks to reposition the property through operational efficiencies by reducing payroll expenses, general administrative, and repairs & maintenance because the property's expense ratio is substantially higher than its comp group. The property will also undergo a complete rebranding.

Planned interior renovations include new stainless-steel appliances, cabinet fronts, grey subway tile backsplash, quart countertops, brushed nickel hardware, ceiling fans, resurfaced tubs, lighting packages, and barn doors to convert two- and three-bedrooms. The assumed value of these interior upgrades is $1.6 million. Exterior renovations include borrower identified maintenance/immediate repairs, paint, parking lot replacements, solar screens, signage, a leasing office refresh, a fitness center refresh, exterior building lighting, porch lighting, security cameras, cedar balconies/patios, landscaping, dog park, grills/benches, playground, pool, and furniture. The Borrower budgeted $1.36 million for these exterior renovations. The exterior improvements have enhanced the property and projected a positive curb appeal

The property is in Arlington, Texas, approximately 16 miles east of the Fort Worth CBD and 15 miles west of the Dallas CBD in the Dallas-Fort Worth-Arlington, TX MSA. According to Reis, the comp group recorded a 3.5% vacancy rate, lower than the submarket's average of 4.0% for the second quarter of 2020. The five-year vacancy forecast for North Arlington is 6.1%. DBRS Morningstar assumed a physical vacancy of 8.0%, higher than both the current submarket rate and the Issuer's assumed value of 6.1%. DBRS Morningstar assumed additional 5.0% economic vacancy loss, which accounts for the average submarket concessions provided by Reis and the Borrower's Budget for bad debt/collection loss.

The fully funded loan represents a high loan-to-purchase price ratio of 93.1%. DBRS Morningstar's NCF represents a stabilized DSCR of 1.21x based on the DBRSM stressed annual debt service. Holding all else constant, the breakeven occupancy is approximately 86.1% based on the current debt service payment of approximately $945,910.

Due to the substantial renovation, experienced sponsor, and the implementation of the management company, DBRS Morningstar believes the property will perform and receive higher rental rates because the current rental rates are $917 below the average market rate of $1,011 according to the appraisal. However, DBRS Morningstar assumes only 50% of the sponsor assumed premiums due to a lack of evidence to reach the projected rents because of the four month delay in the business plan from the coronavirus.

Transaction Structural Features

Credit Risk Retention Under U.S. credit risk-retention rules, Bridge Investment Group will be responsible for compliance with the U.S. credit risk retention requirements and it intends to satisfy such requirements through the purchase and retention, by a majority-owned affiliate, of an eligible horizontal residual interest. As of the closing date, Bridge Investment Group (the retention holder), will acquire 100.0% of the Class F, Class G, and Preferred Shares, collectively representing the most subordinate 20.25% of the transaction by the initial pool balance.

Future Advances

Eighteen of the mortgage assets, representing approximately 92.2% of the aggregate mortgage asset committed balance, are Participations having Future Funding Participations, with aggregate unfunded future funding commitment as of the Cut-Off Date, approximately $48.4 million.

The holder each Future Funding Participation (not the Issuer), will have the sole obligation under the related Participation Agreement to make future advances under the Future Funding Participation. Pursuant to each related Participation Agreement, the holder of the Future Funding Participation and Bridge REIT (in such capacity, the "Future Funding Indemnitor") will be required to indemnify the Issuer, as the holder of the related Participation, against any losses, claims, damages, costs, expense, and liabilities in connection with the failure of the holder of such Future Funding Participation to make future advances when required under the related loan (as participated).

[Bridge REIT, in its capacity as the Future Funding Indemnitor, will be required to certify that it has Segregated Liquidity (as defined in the Offering Memorandum) at least equal to the Largest One Quarter Future Advance Estimate (as defined in the Offering Memorandum). Thereafter, so long as any Future Funding Participation is held by the Seller or an affiliate thereof and any future advance obligations remain outstanding under such Future Funding Participations, the Future Funding Indemnitor will be required to certify quarterly that the Future Funding Indemnitor has Segregated Liquidity at least equal to the greater of (i) the Largest One Quarter Future Advance Estimate or (ii) the controlling Two Quarter Future Advance Estimate (as defined in the Offering Memorandum) for the immediately following two calendar quarters.

[In addition, for so long as the Seller (or an affiliate thereof) is the holder of any Future Funding Participation, Bridge REIT will agree, among other things, to cause all dividends and distributions received from the Retention Holder or an affiliate thereof on account of the retained securities to be deposited into a controlled account (the Future Funding Reserve Account) that will be pledged on behalf of the holders of the offered notes, for purposes of securing the holders of any Future Funding Participation obligation to fund future advances under the related Participation Agreements. If the Future Funding Indemnitor fails, or is unable, to provide a liquidity certification within the required time frame, unless cured in accordance with those agreements, all amounts deposited in the Future Funding Reserve Account will be disbursed only at the direction, or with the confirmation, of the Issuer and the amounts deposited in the Future Funding Reserve Account will be permitted to be used only to satisfy the future advance obligations of the holder of the Future Funding Participation under the Participation

Agreements. Any amounts deposited in the Future Funding Reserve Account that exceed the amount of the aggregate future advance commitments that then remain outstanding under the Future Funding Participations held by the Seller or an affiliate thereof will be released in accordance with written instructions delivered pursuant to the future funding account control agreement.]

Static Pool with Replenishment:

Although there is no ramp up or right to reinvest, the Issuer will, if so directed by the retention holder, cause all or a portion of principal proceeds to be deposited into a replenishment account to be available for a period, not to exceed the earlier of (i) 120 days from the date of the deposit and (ii) the end of the Replenishment Period, for the acquisition (as directed by the Retention Holder) of all or a portion of a Funded Companion Participation, subject, in each case, to the satisfaction of the Replenishment Criteria and the Acquisition and Disposition Requirements (as defined). The Issuer will not be permitted to use any principal proceeds to acquire any Funded Companion Participation after the termination of the Replenishment Period, except that the Issuer may close an acquisition within 60 days after the Replenishment Period if the Issuer entered into a binding commitment to purchase during the Replenishment Period. Any principal proceeds deposited into the Replenishment Account for use to acquire a Funded Companion Participation will not be available for payment to the Noteholders in accordance with the priority of payments (unless still unused after termination of Replenishment Period (as it may be extended) in which case, such unused principal proceeds will be deposited into the payment account and applied in accordance with the Priority of Payments—Application of Principal Proceeds.

*"**Acquisition and Disposition Requirements**" includes satisfaction of each of the following conditions: (a) such mortgage asset is being acquired or disposed of in accordance with the terms and conditions set forth in the Indenture; (b) the acquisition or disposition of such mortgage asset does not result in a reduction or withdrawal of the then-current rating issued by Moody's or DBRS Morningstar on any Class of Notes then outstanding; and (c) such mortgage asset is not being acquired or disposed of for the primary purpose of recognizing gains or decreasing losses resulting from market value changes.*

*"**Replenishment Criteria**" includes as of the related acquisition date: (i) the underlying Mortgage Loan is not a Defaulted Loan or a Specially Serviced Mortgage Loan (as defined in the Offering Circular); (ii) upon acquisition, the Funded Companion Participation will not be a Credit Risk Mortgage Asset; (iii) no Event of Default has occurred and is continuing; (iv) Indenture representations and warranties for such Funded Companion Participation and underlying Property have been met (subject to such exceptions reasonably acceptable to the Special Servicer); (v) no control termination event has occurred and is continuing; (vi) the Note Protection Tests (as defined) are satisfied as of the most recent measurement date; (vii) the acquisition price of such Funded Companion Participation is no greater than the outstanding principal balance of such Funded Companion Participation; and (viii) the acquisition of such Funded Companion Participation will not cause the principal balance of the related mortgage asset to exceed 20% of the aggregate principal balance of the mortgage assets.*

Directing Holder

The Directing Holder will be the majority holder of the Preferred Shares until a Control Shift Event occurs for such shares, then the majority holder of the Class G Notes until a Control Shift Event occurs for such notes, and then the majority holder of the Class F Notes until a Control Shift Event occurs for such notes. At closing, BDS 2020-FL6 Retention Holder LLC, ("Retention Holder"), who is also a wholly owned subsidiary of the Seller (and indirect subsidiary of Bridge REIT), will purchase 100% of the Preferred Shares (together with the Class F Notes and Class G Notes) and will be the Initial Directing Holder.

Pursuant to the Servicing Agreement for so long as no Control Termination Event has occurred, the Directing Holder will have the right to (1) remove the Special Servicer with respect to any mortgage asset and the related underlying mortgage loan without cause and replace the Special Servicer with a replacement special servicer that satisfies the requirements set forth in the Servicing Agreement, (2) consent to any major decisions to be carried out by the Servicer or Special Servicer (in each case, subject to compliance with the Servicing Standard), (3) consult with and direct the Servicer and Special Servicer with respect to any other actions to be taken or not taken with respect to any Mortgage Asset and the related underlying Mortgage Loan (subject to compliance with the Servicing Standard) and direct and require the Special Servicer to effect any Administrative Modification or, subject to satisfaction of Criteria-Based Modifications Conditions, Criteria Based Modifications (as defined below).
Certain other Modifications: The Directing Holder may, but is not required to, direct and require the Special Servicer to effect (and, upon such direction, the Special Servicer will be required to effect) any Administrative Modification or, subject to satisfaction of the Criteria-Based Modification Conditions, any Criteria-Based Modification.

> *"**Administrative Modification**" includes any modification, waiver or amendment directed by the Directing Holder that relates exclusively to (i) with respect to any Mortgage Loan, in the case of a mismatch between the benchmark replacement (including any benchmark replacement adjustment) on the Notes and the benchmark replacement (including any benchmark replacement adjustment) applicable to such Mortgage Loan, or (ii) with respect to any Mortgage Loan other than a Mortgage Loan that is, or is related to, a Credit Risk Mortgage Asset, Specially Serviced Mortgage Loan or Defaulted Loan, exit fees, extension fees, default interest, financial covenants (including cash management triggers) relating to debt yield, debt service coverage or loan-to-value, prepayment fees (including in connection with defeasance and lockouts), yield or spread maintenance provisions, reserve account minimum balance amounts and purposes or waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension when the extension is for 90 days or less.*
>
> *"**Criteria-Based Modification**" includes, with respect to any Mortgage Loan other than a Mortgage Loan that is, or is related to, a Credit Risk Mortgage Asset, Specially Serviced Mortgage Loan or Defaulted Loan, (as defined in the Offering Circular) any modification, waiver or amendment directed by the Directing Holder that would result in (i) a change in interest rate (other than as a result of any modification in accordance with clause (i) of the definition of "Administrative Modification"), (ii) a delay in the required timing of any payment of principal for*

any amortization or other principal reduction, (iii) permitting indirect owners of the related borrower to incur additional indebtedness in the form of a mezzanine loan or preferred equity, or (iv) a change of maturity date or extended maturity date, under such Mortgage Loan.

"Criteria-Based Modification Conditions" *will be satisfied only if, immediately after giving effect to a Criteria-Based Modification among other things: not more than eight Criteria-Based Modifications have been effectuated in the aggregate; any such Criteria-Based Modification would not result in a change in the Mortgage Asset margin to less than 225 basis points (where such margin is determined at the time of modification as the spread over the then-current index without regard to any applicable index floor); any resulting extension is not more than two years from the initial fully extended maturity date of such Mortgage Loan; no Event of Default has occurred and is continuing and the Note Protection Tests (as defined) are satisfied; and with respect to any Criteria-Based Modification in accordance with clause (iii) of that definition of the as-stabilized loan-to-value ratio of the related Mortgage Loan and any additional indebtedness is not higher than the as-stabilized loan-to-value ratio of such Mortgage Loan as of the closing date, as determined based on an updated appraisal.*

In directing the Special Servicer to effect any Administrative Modification or Criteria-Based Modification, the Directing Holder will be required to do so with reasonable care and in good faith, using a degree of skill and attention no less than that which it exercises with respect to comparable assets that it manages for itself and in a manner consistent with the practices and procedures then in effect followed by reasonable and prudent institutional managers of national standing relating to assets of the nature and character of the Mortgage Assets without regard to any conflicts of interest to which it may be subject. The Special Servicer's processing and effectuation of any Administrative Modification or Criteria-Based Modification will not be subject to the Servicing Standard.

[A short-term (up to six-month) forbearance or deferral of interest due to an exogenous event, such as the coronavirus pandemic, will not cause a Mortgage Loan to be a Modified Loan if (a) the Mortgage Loan was not delinquent before the exogenous event, (b) the exogenous event caused a disruption in the performance of the Mortgage Loan, and (c) the related borrower sponsor agrees to repay the forborne/deferred amounts over a term after the forbearance/deferral period and replenish any exhausted reserves].

Control Class

The controlling class in this transaction is the most senior outstanding class, or Class A Notes, so long as any Class A Notes are outstanding, then the Class B Notes, so long as any Class B Notes are outstanding; then the Class C Notes, so long as any Class C Notes are outstanding; then the Class D Notes, so long as any Class D Notes are outstanding; then the Class E Notes, so long as any Class E Notes are outstanding; then the Class F Notes, so long as any Class F notes are outstanding; and then the Class G Notes, so long as any Class G Notes are outstanding. The controlling class will be entitled to determine the remedies to be exercised under the indenture in the EOD. Interest may not be deferred on any class while it is the controlling class

Advancing and Backup Advancing

The advancing agent, Bridge REIT, will be required to advance certain delinquent scheduled interest payments, as applicable, on the mortgage assets to the extent that interest proceeds are insufficient to cover interest due on the Class A and Class B Notes. If the advancing agent fails to make a required interest advance, the backup advancing agent, Wells Fargo Bank, N.A. (rated AA with a Negative trend by DBRS Morningstar), will be required to advance certain delinquent scheduled interest payments, as applicable, to the extent that the master servicer or trustee deems such advances to be recoverable. Neither the advancing agent nor backup advancing agent will be responsible for advancing principal payments. Notes subordinate to the Class A and Class B do not receive interest advances, rather they are subject to deferred interest unless they are the control class. [Any deferred interest on any Class with permitted deferred interest will be added to the outstanding principal balance of such Class of Notes and will accrue interest at the Class C Rate, the Class D Rate, the Class E Rate, the Class F Rate, and the Class G Rate, as applicable.] [If the Advancing Agent is required to make servicing advances. If the Advancing Agent fails to make a required servicing advance, the Servicer will be required to make such servicing advance.

Note Protection Tests

The Note Protection Tests include an interest coverage test and a par value test. If either test is not satisfied, (i) the Issuer will lose the ability to use principal proceeds to purchase Funded Companion Participations, and (ii) Interest proceeds directed to the Class F, Class G and Preferred Shares will be used to pay principal of the offered notes in accordance with the Priority of Payments (as defined in the Offering Memorandum) to the extent necessary to satisfy the note protection tests.

Alternate Interest Rate

One month USD Libor is the benchmark rate. If the one-month USD Libor is not available, or upon its eventual retirement, under the Servicing Agreement and Indenture, the Directing Holder, at its discretion, will have the right to determine when and whether a benchmark transition event has occurred and the right to select the benchmark replacement. Currently, the Indenture follows the Alternative Reference Rates Committee (ARRC) of the Federal Reserve Bank of New York) recommended guidelines and a term Secured Overnight Financing Rate (SOFR), if it exists, is the first option for an alternate benchmark index, followed by a compounded SOFR. If neither of these are available, then a to-be-determined alternate benchmark might be chosen. In order to compensate for differences between the successor benchmark and the current benchmark, a benchmark replacement adjustment will be included in any benchmark replacement in which event a new benchmark will be the sum of the alternate benchmark and the benchmark replacement adjustment.

The par value test will be satisfied if the par value ratio (as defined) is equal to or greater than 120.39%.

The interest coverage test will be satisfied if the interest coverage ratio (as defined) is equal to or greater than 120.00%.

No-Downgrade Confirmation

This transaction contemplates waivers of rating agency no-downgrade confirmations. DBRS Morningstar intends to waive loan-level no-downgrade confirmations, yet to receive notice upon their occurrence. DBRS Morningstar will review all loan-level changes as part of its monthly surveillance and will not waive no-downgrade confirmations that affect any party involved in the operational risk of the transaction (e.g., replacement of the special servicer, master servicer, etc.).

Preferred Shares

The Preferred Shares are equity in the Issuer and will not be secured by any of the mortgage loans or the other collateral securing the offered notes. The Preferred Shares are subordinate to all classes of notes in all respects.

Methodologies

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

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

Surveillance

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

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

This report is based on information as of September 21, 2020. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

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

Definitions

Capital Expenditure (Capex)	Costs incurred in the improvement of a property that will have a life of more than one year.
DBRS Morningstar Refi DSCR	A measure that divides the DBRS Morningstar stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.
DBRS Morningstar Term DSCR	A measure that divides the DBRS Morningstar stabilized NCF by the actual debt service payment
Debt Service Coverage Ratio (DSCR)	A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.
Effective Gross Income (EGI)	Rental revenue minus vacancies plus miscellaneous income.
Issuer UW	Issuer underwritten from Annex A or servicer reports.
Loan-to-Value (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 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 remodeling, paid by the borrower.
Weighted Average (WA)	Calculation is weighted by the size of each mortgage in the pool.
Weighted-Average Coupon (WAC)	The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

About DBRS Morningstar

DBRS Morningstar is a global credit ratings business with approximately 700 employees in eight offices globally.

On July 2, 2019, Morningstar, Inc. completed its acquisition of DBRS. Combining DBRS' strong market presence in Canada, the U.S., and Europe with Morningstar Credit Ratings' U.S. footprint has expanded global asset class coverage and provided investors with an enhanced platform featuring thought leadership, analysis, and research. DBRS and Morningstar Credit Ratings are committed to empowering investor success, serving the market through leading-edge technology and raising the bar for the industry.

Together as DBRS Morningstar, we are the world's fourth-largest credit ratings agency and a market leader in Canada, the U.S., and Europe in multiple asset classes. We rate more than 2,600 issuers and 54,000 securities worldwide and are driven to bring more clarity, diversity, and responsiveness to the ratings process. Our approach and size provide the agility to respond to customers' needs, while being large enough to provide the necessary expertise and resources.

The DBRS group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(CRA, NRSRO affiliate, DRO affiliate). Morningstar Credit Ratings, LLC is a NRSRO affiliate of DBRS, Inc.

For more information on regulatory registrations, recognitions and approvals of the DBRS group of companies and Morningstar Credit Ratings, LLC, please see: http://www.dbrsmorningstar.com/research/highlights.pdf.

The DBRS group and Morningstar Credit Ratings, LLC are wholly-owned subsidiaries of Morningstar, Inc.