

## Prescott Place I & II

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Barclays
<b>Original Principal Balance:</b>	\$23,000,000
<b>Cut-off Date Principal Balance:</b>	\$22,919,771
<b>% of Pool by IPB:</b>	2.7%
<b>Loan Purpose:</b>	Refinance
<b>Borrowers:</b>	CNC-Swagat Eight Limited Partnership and CNC-Swagat Nine Limited Partnership
<b>Sponsor:</b>	Chowdary Yalamanchili
<b>Interest Rate:</b>	4.80000%
<b>Note Date:</b>	10/31/2014
<b>Maturity Date:</b>	11/6/2024
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(27),Def(89),O(4)
<b>Lockbox:</b>	CMA
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Portfolio
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Multifamily - Garden
<b>Net Rentable Area (Units):</b>	654
<b>Location:</b>	Mesquite, TX
<b>Year Built / Renovated<sup>(1)(2)</sup>:</b>	Various / N/A
<b>Occupancy:</b>	86.4%
<b>Occupancy Date:</b>	12/16/2014
<b>Number of Tenants:</b>	N/A
<b>2011 NOI<sup>(3)</sup>:</b>	N/A
<b>2012 NOI:</b>	\$2,329,512
<b>2013 NOI:</b>	\$2,442,003
<b>TTM NOI (as of 10/2014):</b>	\$2,654,006
<b>UW Economic Occupancy:</b>	84.2%
<b>UW Revenues:</b>	\$5,185,010
<b>UW Expenses:</b>	\$2,357,029
<b>UW NOI:</b>	\$2,827,981
<b>UW NCF:</b>	\$2,591,261
<b>Appraised Value / Per Unit:</b>	\$32,200,000 / \$49,235
<b>Appraisal Date:</b>	9/2/2014

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	\$45,209	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$19,727	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other<sup>(4)</sup>:</b>	\$312,050	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / Unit:</b>	\$35,046
<b>Maturity Date Loan / Unit:</b>	\$28,724
<b>Cut-off Date LTV:</b>	71.2%
<b>Maturity Date LTV:</b>	58.3%
<b>UW NCF DSCR:</b>	1.79x
<b>UW NOI Debt Yield:</b>	12.3%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$23,000,000	100.0%	Payoff Existing Debt	\$18,440,422	80.2%
			Return of Equity <sup>(5)</sup>	3,146,365	13.7
			Closing Costs	1,101,163	4.8
			Upfront Reserves	312,050	1.4
<b>Total Sources</b>	<b>\$23,000,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$23,000,000</b>	<b>100.0%</b>

(1) The portfolio's two properties, Prescott Place II and Prescott Place I were built in 1983 and 1982, respectively.

(2) According to the loan sponsor, approximately \$3.1 million or approximately \$4,732 per unit in capital improvements was spent from 2011 to 2014.

(3) 2011 figures are not available due to incomplete financial statements.

(4) The Initial Other Escrows and Reserves include \$312,050 for deferred maintenance.

(5) Of the approximately \$3.1 million return of equity, approximately \$2.8 million was used to reimburse the loan sponsor for the payoff of a previously existing mezzanine loan encumbering the properties. Net of the mezzanine loan payoff, \$351,457 of equity is being returned to the borrower.

## Prescott Place I & II

**The Loan.** The Prescott Place I & II loan has an outstanding principal balance of approximately \$22.9 million and is secured by a first mortgage lien on the fee interests in two multifamily garden apartment complexes comprised of 654 units located in Mesquite, Texas, approximately 10 miles east of the Dallas central business district. The loan has a 10-year term and amortizes on a 30-year schedule. The loan sponsor and nonrecourse carve-out guarantor is Chowdary Yalamanchili, the Chief Executive Officer of CNC Investments ("CNC"), a privately held real estate company founded in 1982. CNC is involved in the acquisition, construction, rehabilitation and management of a diverse portfolio of more than 120 properties comprised of 32,000 residential units and over 300,000 square feet of office properties worth more than \$2.0 billion. Following the market downturn in 2008, Chowdary Yalamanchili was the sponsor of two partnerships that filed for bankruptcy protection between July 2009 and March 2011. The bankruptcies were not related to the Prescott Place I & II property, see "Description of the Mortgage Pool—Mortgaged Property Considerations—Litigation Considerations; Bankruptcy Issues and Other Proceedings" in the prospectus supplement. The previously existing debt was securitized in 2005 as part of the CSFB 2005-C1 securitization.

**The Property.** The Prescott Place I & II property is a 654-unit, garden-style multifamily portfolio in Mesquite, Texas located 10 miles east of the Dallas central business district and adjacent to Interstate 635. The portfolio is comprised of two properties, Prescott Place II and Prescott Place I. The properties have direct access to Highway 30, Interstate 635 and US Highway 80, all of which are primary arterial thoroughfares for the greater Dallas area. The property is approximately 20 minutes away from the Dallas central business district and 40 minutes away from the Dallas/Fort Worth International Airport. US Highway 80 provides east-to-west access to the properties and connects them to Fort Worth, Texas and Shreveport, Louisiana. Secondary access to the neighborhood is provided by Beltline Road, Northwest Highway, North Buckner Boulevard and Garland Road.

The properties consist of 46 buildings with a unit mix comprised of 34 studios, 378 one-bedroom units, 46 two-bedroom/one-bath units and 196 two-bedroom/two-bath units. Amenities at the properties include four swimming pools, two tennis courts, on-site laundry and multiple grilling and picnic areas. The properties feature a 1,140-space parking lot, resulting in a parking ratio of 1.7 spaces per unit. Unit amenities include private balconies, full-size washer/dryer connections and select units feature wood-burning fireplaces. As of December 16, 2014, the properties had a combined occupancy rate of 86.4%. Prescott Place II was 88.1% occupied as of December 16, 2014 and Prescott Place I was 84.6% occupied as of December 16, 2014. Since 2010, occupancy at the properties has increased by 8.5%. According to the loan sponsor, approximately \$3.1 million or approximately \$4,732 per unit was invested on capital improvements at the properties.

**The Market.** According to the appraisal, the properties are located in the Dallas multifamily market and more specifically within the Mesquite submarket. As of the second quarter of 2014, the Dallas market had a multifamily vacancy rate of 5.1% and the Mesquite submarket had a vacancy rate of 4.9%. Additionally, as of the first quarter of 2014, average multifamily asking rents per square foot for the Dallas market were at \$1.12 and \$0.93 per square foot for the Mesquite submarket. Within the Mesquite submarket, the effective rent per square foot has increased from \$0.85 as of the third quarter of 2012 to \$0.92 as of the second quarter of 2014. According to the appraisal, no new construction is expected to take place in the Mesquite submarket over the next two years and vacancy rates are expected to remain stable in the submarket.

According to the appraisal, within a five-mile radius, a majority of the population is employed in the retail trade, health care and educational services sectors. The Prescott Place I & II property is located in close proximity to the Town East Mall, the Marketplace at Town Centre and the AMC Mesquite 30. 2014 population within a one-, three- and five- mile radius of the properties is 12,000, 107,288 and 315,840, respectively. 2014 median household income within a one-, three- and five- mile radius of the properties is \$57,239, \$56,730 and \$55,360, respectively.

Multifamily Unit Mix <sup>(1)</sup>									
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate <sup>(2)</sup>	Average Monthly Rental Rate PSF <sup>(2)</sup>	Monthly Market Rental Rate <sup>(3)(4)</sup>	Monthly Market Rental Rate PSF <sup>(3)(4)</sup>
Studio	34	5.2%	32	94.1%	500	\$575	\$1.15	\$550	\$1.10
1 Bedroom	378	57.8	339	89.7%	618	\$660	\$1.07	\$642	\$1.04
2 Bedroom / 1 Bath	46	7.0	38	82.6%	854	\$831	\$0.97	\$824	\$0.97
2 Bedroom / 2 Bath	196	30.0	156	79.6%	977	\$885	\$0.91	\$873	\$0.88
<b>Total / Wtd. Avg.</b>	<b>654</b>	<b>100.0%</b>	<b>565</b>	<b>86.4%</b>	<b>736</b>	<b>\$729</b>	<b>\$0.99</b>	<b>\$719</b>	<b>\$0.98</b>

(1) Based on the underwritten rent roll.

(2) Average Monthly Rental Rate and Average Monthly Rental Rate PSF are based on the weighted average occupied units.

(3) Per the appraisal.

(4) Monthly Market Rental Rate and Monthly Market Rental Rate PSF are based on total units.

## Prescott Place I & II

Operating History and Underwritten Net Cash Flow						
	2012	2013	TTM <sup>(1)</sup>	Underwritten	Per Unit	% <sup>(2)</sup>
Rents in Place	\$5,214,936	\$5,228,605	\$5,398,800	\$4,937,820	\$7,550	85.6%
Vacant Income	0	0	0	832,380	1,273	14.4
<b>Gross Potential Rent</b>	<b>\$5,214,936</b>	<b>\$5,228,605</b>	<b>\$5,398,800</b>	<b>\$5,770,200</b>	<b>\$8,823</b>	<b>100.0%</b>
(Concessions)	(489,396)	(313,964)	(366,337)	(366,337)	(560)	(6.3)
(Vacancy/Credit Loss)	(838,405)	(778,722)	(729,900)	(909,299)	(1,390)	(15.8)
Other Income <sup>(3)</sup>	566,829	635,980	690,446	690,446	1,056	12.0
<b>Effective Gross Income</b>	<b>\$4,453,964</b>	<b>\$4,771,899</b>	<b>\$4,993,009</b>	<b>\$5,185,010</b>	<b>\$7,928</b>	<b>89.9%</b>
<b>Total Expenses</b>	<b>\$2,124,452</b>	<b>\$2,329,896</b>	<b>\$2,339,003</b>	<b>\$2,357,029</b>	<b>\$3,604</b>	<b>45.5%</b>
<b>Net Operating Income</b>	<b>\$2,329,512</b>	<b>\$2,442,003</b>	<b>\$2,654,006</b>	<b>\$2,827,981</b>	<b>\$4,324</b>	<b>54.5%</b>
Total TI/LC, Capex/RR	0	0	0	236,720	362	4.6
<b>Net Cash Flow</b>	<b>\$2,329,512</b>	<b>\$2,442,003</b>	<b>\$2,654,006</b>	<b>\$2,591,261</b>	<b>\$3,962</b>	<b>50.0%</b>
<b>Occupancy<sup>(4)</sup></b>	<b>84.1%</b>	<b>85.0%</b>	<b>86.4%</b>	<b>84.2%</b>		

(1) The TTM column represents the trailing twelve months ending on October 31, 2014.

(2) Percentage column represents percent of Gross Potential Rent for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) Other Income includes phone and cable income, utility reimbursements and miscellaneous tenant fees.

(4) Historical Occupancies are as of December 31 of each respective year. The TTM Occupancy is as of December 16, 2014.

**Release of Individual Properties.** None.