

Mortgage Loan No. 12 — Holcomb Woods

Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$18,500,000
Cut-off Date Principal Balance:	\$18,500,000
% of Pool by IPB:	2.4%
Loan Purpose:	Refinance
Borrowers:	1615 Holcomb Member, LLC; 1625 Holcomb Member LLC
Sponsors⁽¹⁾:	Alan Ades; Aaron Stauber; Daniel Stauber; Robert Ades; Maurice Ades
Interest Rate:	4.3000%
Note Date:	10/14/2016
Maturity Date:	11/6/2026
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(24),Def (92),O(4)
Lockbox⁽⁶⁾:	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office – Suburban
Net Rentable Area (SF):	239,139
Location:	Roswell, GA
Year Built / Renovated:	1983, 1985 / 1998
Occupancy:	86.6%
Occupancy Date:	9/30/2016
Number of Tenants:	29
2013 NOI⁽²⁾:	N/A
2014 NOI⁽²⁾:	N/A
2015 NOI:	\$1,160,710
TTM NOI⁽³⁾⁽⁴⁾:	\$1,257,910
UW Econmic Occupancy:	85.4%
UW Revenues:	\$2,650,350
UW Expenses:	\$716,895
UW NOI⁽⁴⁾:	\$1,933,455
UW NCF:	\$1,689,076
Appraised Value / Per SF:	\$27,250,000 / \$114
Appraisal Date:	8/29/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$19,272	\$19,272	N/A
Insurance:	\$0	Springing ⁽⁶⁾	N/A
Replacement Reserves:	\$0	\$5,091	\$240,000
TI/LC:	\$0	\$16,292	\$600,000
Free Rent Reserve:	\$68,876	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$77
Maturity Date Loan / SF:	\$66
Cut-off Date LTV:	67.9%
Maturity Date LTV:	57.7%
UW NCF DSCR:	1.54x
UW NOI Debt Yield:	10.5%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$18,500,000	100.0%
Total Sources	\$18,500,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$12,474,980	67.4%
Return of Equity	5,573,180	30.1
Closing Costs	363,693	2.0
Upfront Reserves	88,147	0.5
Total Uses	\$18,500,000	100.0%

- (1) The nonrecourse carveout guarantors, Alan Ades, Aaron Stauber, Daniel Stauber, Robert Ades, and Maurice Ades, are all principals of Rugby Realty – Rexhall Realty and are joint and several guarantors on the carveouts.
- (2) The sponsor acquired the property in December 2014; therefore, 2013 NOI and 2014 NOI are not available.
- (3) Represents trailing twelve months ending June 30, 2016.
- (4) UW NOI is higher than TTM NOI due to an increase in occupancy. The property is currently 86.6% leased (excluding the 5,352 SF of Arclin USA, LLC space which the tenant has indicated that it intends to vacate as of 12/31/2016), compared to 64.4% at acquisition in December 2014, 59.0% in June 2015, 67.5% in December 2015 and an average occupancy of 78.3% for the trailing twelve months ending September 2016.
- (5) The loan is structured with a hard lockbox and springing cash management.
- (6) Monthly insurance reserve is waived for so long as (i) no event of default has occurred and is continuing, (ii) the property is insured under a blanket insurance policy approved by the lender in its reasonable discretion, (iii) the borrower provides evidence of renewal of the blanket policy and (iv) the borrower provides evidence that all insurance premiums have been timely made.

Mortgage Loan No. 12 — Holcomb Woods

The Loan. The Holcomb Woods loan is an \$18.5 million first mortgage loan secured by the fee interest in a 239,139 SF office building located in Roswell, Georgia. The loan has a 10-year term and will amortize on a 30-year schedule, following an interest-only period of 24 months.

The Borrowers. The borrowing entities for the loan are 1615 Holcomb Member, LLC and 1625 Holcomb Member, LLC, each a Delaware limited liability company and special purpose entity. The borrowing entities own the property as tenants-in-common.

The Sponsor. The loan's sponsors and nonrecourse carve-out guarantors are Alan Ades, Aaron Stauber, Daniel Stauber, Robert Ades, and Maurice Ades, all of which are principals of Rugby Realty – Rexxhall Realty and are joint and several guarantors on the recourse carveouts. Rugby Realty - Rexxhall Realty is a real estate company formed in 1980 with corporate headquarters in Secaucus, New Jersey. The sponsor possesses a portfolio of properties located throughout Georgia, Florida, New York, New Jersey, Pennsylvania and Connecticut. The sponsor's current portfolio features over 7.3 million SF and an estimated valuation of \$830.0 million. The sponsor has experience in the Atlantic Metro market, having acquired approximately 1.0 million SF in the area.

The Property. The property is a 239,139 SF suburban office building located in Roswell, Georgia. The improvements consists of six, single-story office buildings configured as a suburban office park built in two phases. Buildings 100 and 200 were completed in 1983, and buildings 300 and 400 were completed in 1985, and the improvements are situated on a 21.6 acre site.

As of September 30, 2016, the property was 86.6% leased by 29 tenants featuring companies engaged in technology, manufacturing, communications, engineering and construction, and transportation industries, among others. The three largest tenants at the property, Arclin USA, LLC (21,129 SF; 8.8% of NRA), Fulton Communications (19,726 SF; 8.2% of NRA) and Courion Corporation (Core Security) (18,004 SF; 7.5% of NRA) operate their corporate headquarters at the property. Arclin USA, LLC has been at the property since November 2012. Lennar Georgia, Inc. (11,150 SF; 4.7% of NRA; rated Ba1/BB/BB+ by Moody's/S&P/Fitch) operates its regional headquarters at the property and is the parent company of Universal American Mortgage Co. (2,336 SF; 1.0% of NRA), another in-place tenant at the property.

The property is located on Holcomb Woods Parkway at Holcomb Bridge Road, and is less than 0.5 miles from Georgia 400, the main north-south arterial for the region which provides direct access to downtown Atlanta and the surrounding northern suburbs. The property's location just off of Georgia 400 places the property with easy access to infrastructure in Roswell, close proximity to Alpharetta and a short drive to central perimeter area in Sandy Springs. The Atlanta central business district and downtown Buckhead are also within a 30-minute drive from the property. Additionally, the immediate area offers a wide array of amenities for corporate tenants, including several golf courses and exclusive country clubs, and a host of walkable amenities including 16 restaurants, four banks, two other office parks, two retail destinations, and two private health clubs.

The Market. The property is located in the city of Roswell, located in Fulton County and is part of the Atlanta-Sandy Springs-Roswell metropolitan statistical area. More locally, the property is situated in an area regarded as the Georgia 400 Corridor, which features numerous office parks and commercial centers in Atlanta's northern suburbs. The Georgia 400 Corridor is a major market for corporate offices. Microsoft recently signed a 43,000 SF lease to anchor the 228,000 SF, 8000 Avalon office building that is currently under construction.

As of the second quarter of 2016, the North Fulton office submarket contained 14.4 million SF of office space with an overall vacancy rate of 12.5%. The appraisal concluded market rents of \$11.50 PSF for the office space. According to the appraisal, the property's competitive set consists of the five properties detailed in the table below.

Mortgage Loan No. 12 — Holcomb Woods

Competitive Set Summary⁽¹⁾

Property	Year Built/ Renovated	Total GLA (SF)	Est. Rent PSF	Est. Occ.	Proximity (miles)
Holcomb Woods	1983, 1985 / 1998	239,139⁽²⁾	\$10.68⁽²⁾	86.6%⁽²⁾	N/A
Kings Landing	1999	75,843	\$11.00	68.0%	2.0
Pavilion Center One	1985	44,612	\$17.25	85.0%	2.0
Brookside Concourse Portfolio	1999	155,050	\$13.00	100.0%	7.0
Lakeview 400, Building 200	1997	89,719	\$11.50	100.0%	7.0
One Point Royal	1996	145,008	\$21.50	89.0%	5.0

(1) Source: Appraisal.

(2) Based on the September 30, 2016 underwritten rent roll.

Historical and Current Occupancy⁽¹⁾

2013	2014	2015	Current ⁽²⁾
N/A	64.4%	67.5%	86.6%

(1) Source: Historical Occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year. The sponsor acquired the property in December 2014, as a result historical occupancy for 2013 is not available.

(2) Based on the September 30, 2016 underwritten rent roll.

Tenant Summary⁽¹⁾

Tenant	Ratings Moody's/S&P/ Fitch ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Arclin USA, LLC	N/A	21,129	8.8%	\$5.35	8/31/2023
Fulton Communications	N/A	19,726	8.2%	\$10.93	6/30/2020
Courion Corporation (Core Security)	N/A	18,004	7.5%	\$10.50	4/30/2021
P. Marshall & Associates	N/A	17,197	7.2%	\$12.47	12/31/2019
OTR Capital	N/A	16,101	6.7%	\$5.00	7/25/2021
Lennar Georgia, Inc.	Ba1 / BB / BB+	11,150	4.7%	\$9.70	6/30/2019
Farmers Insurance Exchange	N/A	8,750	3.7%	\$7.65	4/30/2018
Enveniam Inc.	N/A	8,343	3.5%	\$9.38	8/31/2017
Keyston Bros Inc.	N/A	7,327	3.1%	\$12.57	7/31/2021
Summit Autism Center ATL	N/A	6,614	2.8%	\$10.65	12/31/2018

(1) Based on the September 30, 2016 underwritten rent roll, including rent increases occurring through November 30, 2017.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

Mortgage Loan No. 12 — Holcomb Woods

Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	NRA Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative NRA Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	32,695	13.7%	NAP	NAP	32,695	13.7%	NAP	NAP
MTM	0	0	0.0	\$0	0.0%	32,695	13.7%	\$0	0.0%
2016	0	0	0.0	0	0.0	32,695	13.7%	\$0	0.0%
2017	4	15,995	6.7	152,143	6.9	48,690	20.4%	\$152,143	6.9%
2018	6	30,240	12.6	304,047	13.8	78,930	33.0%	\$456,189	20.7%
2019	7	45,529	19.0	516,722	23.4	124,459	52.0%	\$972,911	44.1%
2020	3	27,411	11.5	300,573	13.6	151,870	63.5%	\$1,273,484	57.7%
2021	6	58,451	24.4	615,248	27.9	210,321	87.9%	\$1,888,732	85.6%
2022	2	7,689	3.2	84,670	3.8	218,010	91.2%	\$1,973,402	89.5%
2023	1	21,129	8.8	231,785	10.5	239,139	100.0%	\$2,205,188	100.0%
2024	0	0	0.0	0	0.0	239,139	100.0%	\$2,205,188	100.0%
2025	0	0	0.0	0	0.0	239,139	100.0%	\$2,205,188	100.0%
2026 & Beyond	0	0	0.0	0	0.0	239,139	100.0%	\$2,205,188	100.0%
Total	29	239,139	100.0%	\$2,205,188	100.0%				

(1) Based on the September 30, 2016 underwritten rent roll. Base Rent Expiring includes base rent and rent increases occurring through November 30, 2017.

Operating History and Underwritten Net Cash Flow⁽¹⁾

	2015	TTM ⁽²⁾	Underwritten ⁽³⁾	PSF	% ⁽⁴⁾
Rents in Place	\$1,570,616	\$1,627,036	\$2,205,188	\$9.22	71.1%
Vacant Income	0	0	375,993	1.57	12.1
Gross Potential Rent	\$1,570,616	\$1,627,036	\$2,581,179	\$10.79	83.2%
Total Reimbursements	317,984	331,786	521,064	2.18	16.8
Net Rental Income	\$1,888,600	\$1,958,822	\$3,102,244	\$12.97	100.0%
(Vacancy/Collection Loss)	0	0	(451,893)	(1.89)	(14.6)
Other Income	11,889	22,505	0	0.00	0.0
Effective Gross Income	\$1,900,489	\$1,981,327	\$2,650,350	\$11.08	85.4%
Total Expenses	\$739,779	\$723,417	\$716,895	\$3.00	27.0%
Net Operating Income	\$1,160,710	\$1,257,910	\$1,933,455	\$8.09	73.0%
Total TI/LC, Capex/RR	0	0	244,379	1.02	9.2
Net Cash Flow	\$1,160,710	\$1,257,910	\$1,689,076	\$7.06	63.7%

(1) The sponsor acquired the property in December 2014; therefore, 2013 and 2014 cash flows are not available.

(2) TTM column represents the trailing twelve months ending June 30, 2016.

(3) Underwritten Rents in Place includes Base Rent and Rent Increases occurring through November 30, 2017. Underwritten Net Operating Income is higher than TTM Net Operating Income due to an increase in occupancy. The property is currently 86.6% leased (excluding the 5,352 SF of Arclin USA, LLC space which the tenant has indicated that it intends to vacate as of 12/31/2016), compared to 64.4% at acquisition in December 2014, 59.0% in June 2015, 67.5% in December 2015 and an average occupancy of 78.3% for the trailing twelve months ending September 2016.

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