

Mortgage Loan No. 6 — PFC MHC Portfolio

---



*Continental Village, Jacksonville, FL*



*Ridgecrest, Ormond Beach, FL*



*Friendship Village, Sarasota, FL*



*Country Roads, Jacksonville, FL*



*Normandy Estates, Jacksonville, FL*

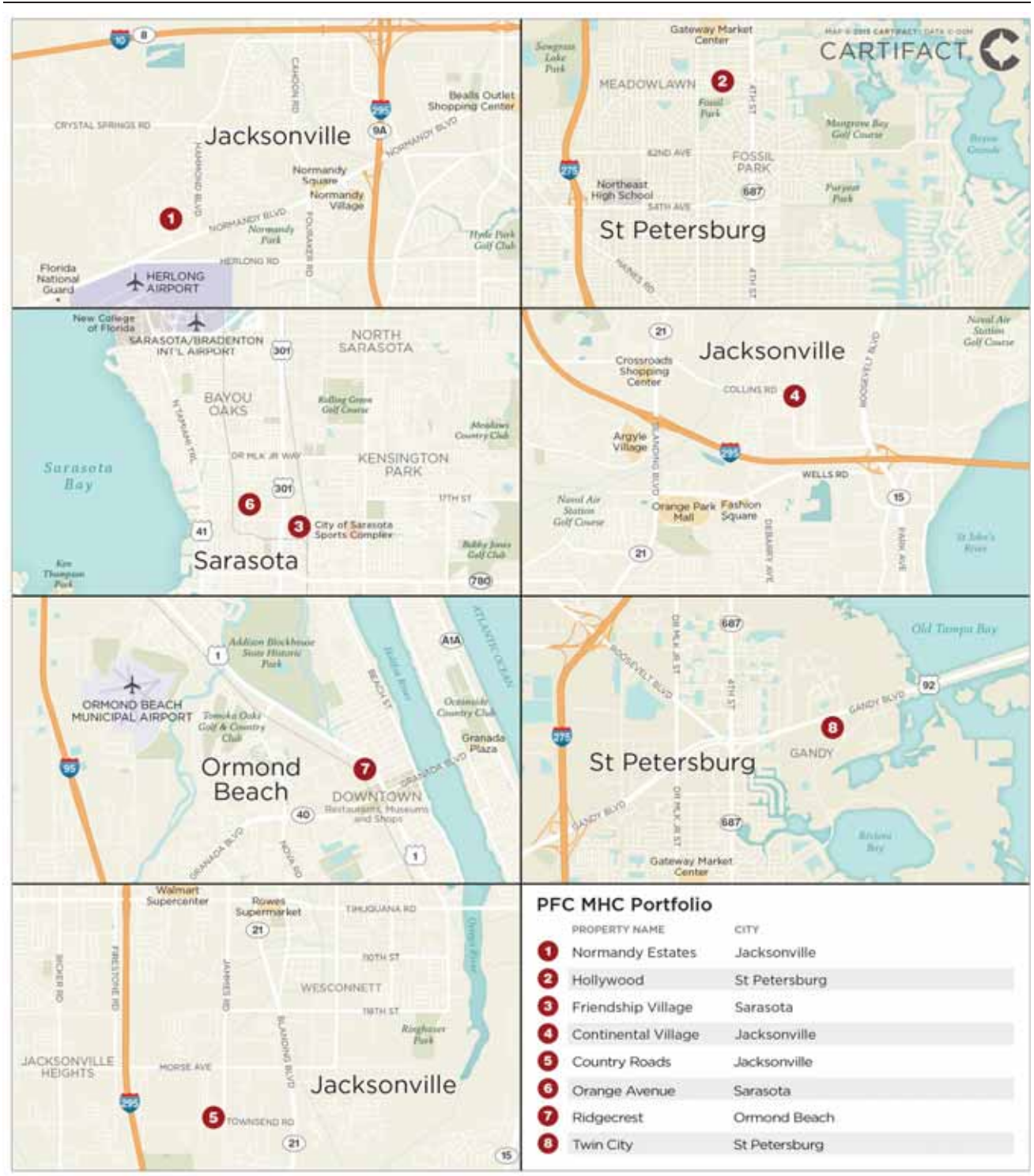


Mortgage Loan No. 6 — PFC MHC Portfolio





Mortgage Loan No. 6 — PFC MHC Portfolio



## Mortgage Loan No. 6 — PFC MHC Portfolio

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Column
<b>Original Principal Balance:</b>	\$33,616,000
<b>Cut-off Date Principal Balance:</b>	\$33,616,000
<b>% of Pool by IPB:</b>	2.8%
<b>Loan Purpose:</b>	Acquisition
<b>Borrowers:</b>	1197 N. East, LLC; 1500 N. Orange, LLC; 7230 4th Street, LLC; 10636 Gandy, LLC; 170 N. Yonge, LLC; 5400 Collins, LLC; 8985 Normandy, LLC; 6539 Townsend, LLC
<b>Sponsor:</b>	PFC Park Holdings, LLC
<b>Interest Rate:</b>	4.6200%
<b>Note Date:</b>	9/29/2014
<b>Maturity Date:</b>	10/6/2024
<b>Interest-only Period:</b>	36 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(29),Def(87),O(4)
<b>Lockbox<sup>(1)</sup>:</b>	Springing
<b>Additional Debt:</b>	No
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A
<b>Additional Future Debt Permitted:</b>	No

### Property Information

<b>Single Asset / Portfolio:</b>	Portfolio of Eight Properties
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Manufactured Housing
<b>Net Rentable Area (Pads):</b>	1,535
<b>Location:</b>	Various, FL
<b>Year Built / Renovated:</b>	Various / N/A
<b>Occupancy:</b>	73.1%
<b>Occupancy Date:</b>	1/1/2015
<b>Number of Tenants:</b>	N/A
<b>2011 NOI:</b>	N/A
<b>2012 NOI:</b>	\$2,988,412
<b>2013 NOI:</b>	\$3,116,342
<b>TTM NOI (as of 7/2014):</b>	\$3,059,975
<b>UW Economic Occupancy:</b>	73.4%
<b>UW Revenues:</b>	\$5,798,206
<b>UW Expenses:</b>	\$2,592,741
<b>UW NOI:</b>	\$3,205,465
<b>UW NCF:</b>	\$3,128,715
<b>Appraised Value / Per Pad:</b>	\$48,620,000 / \$31,674
<b>Appraisal Date:</b>	Various

### Escrows and Reserves<sup>(2)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$483,688	\$40,307	N/A
<b>Insurance:</b>	\$30,134	\$15,067	N/A
<b>Replacement Reserves:</b>	\$6,304	\$6,304	N/A
<b>Deferred Maintenance:</b>	\$9,094	N/A	N/A
<b>WDO Repair Reserve:</b>	\$10,060	N/A	N/A
<b>Guarantor Net Worth Reserve <sup>(3)</sup>:</b>	\$10,000,000	N/A	N/A

### Financial Information

<b>Cut-off Date Loan / Pad:</b>	\$21,900
<b>Maturity Date Loan / Pad:</b>	\$19,223
<b>Cut-off Date LTV:</b>	69.1%
<b>Maturity Date LTV:</b>	60.7%
<b>UW NCF DSCR:</b>	1.51x
<b>UW NOI Debt Yield:</b>	9.5%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$33,616,000	61.1%
Borrower Equity	21,382,016	38.9
<b>Total Sources</b>	<b>\$54,998,016</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Purchase Price	\$43,525,676	79.1%
Credit Enhancement Reserve	10,000,000	18.2
Closing Costs	933,060	1.7
Upfront Reserves	539,280	1.0
<b>Total Uses</b>	<b>\$54,998,016</b>	<b>100.0%</b>

- (1) For a more detailed description of Lockbox, please refer to "Lockbox/Cash Management" below.
- (2) For a more detailed description of Escrows and Reserves, please refer to "Escrows and Reserves" below.
- (3) Although the Guarantor Net Worth Reserve currently provides additional security for the loan, upon the satisfaction of certain limited conditions set forth in the mortgage loan documents, the guarantor may withdraw funds from the Guarantor Net Worth Reserve in connection with the purchase of unrelated mortgaged properties that will not provide security for the mortgage loan. The Guarantor Net Worth Reserve is designed primarily to ensure that the sponsor/guarantor maintains some net worth, the cash portion of which may be converted to real property assets. As a result, the sponsor/guarantor's net worth may vary significantly over time.

## Mortgage Loan No. 6 — PFC MHC Portfolio

**The Loan.** The PFC MHC Portfolio loan has an outstanding principal balance of \$33,616,000 and is secured by first mortgage liens on eight manufactured housing communities totalling 1,535 pads located in Jacksonville, St Petersburg, Sarasota, and Ormond Beach, Florida. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule. The loan was used to finance the acquisition of the portfolio at a purchase price of \$43,525,676 plus closing costs.

**The Borrower.** The borrowing entities for the loan are 1197 N. East, LLC; 1500 N. Orange, LLC; 7230 4th Street, LLC; 10636 Gandy, LLC; 170 N. Yonge, LLC; 5400 Collins, LLC; 8985 Normandy, LLC; and 6539 Townsend, LLC. All eight entities are bankruptcy remote, single-purpose Delaware limited liability companies. Each entity is 100% owned by PFC Park Holdings, LLC, which is 88% owned by Prairie Fire Capital, LLC.

**The Sponsor.** The loan sponsor and non-recourse carve-out guarantor is PFC Park Holdings, LLC, which was founded by Mark J. Sullivan and Peter Castleman in 2013. Mr. Sullivan previously worked in the Real Estate Investment Banking division at Goldman Sachs. Mr. Castleman previously was a managing partner at J.H. Whitney & Co.

### Portfolio Summary

Property	Allocated Loan Amount	% of Allocated Loan Amount	Underwritten Net Cash Flow	Pads	Address	City	State	Year Built	Age Restricted	Appraised Value
Normandy Estates	\$7,785,195	23.2%	\$728,415	302	8985 Normandy Boulevard	Jacksonville	FL	1970	No	\$11,260,000
Hollywood	6,602,896	19.6%	642,972	237	7230 4th Street North	St Petersburg	FL	1945	No	9,550,000
Friendship Village	4,383,493	13.0%	457,038	135	1190 North East Avenue	Sarasota	FL	1950	No	6,340,000
Continental Village	4,176,072	12.4%	324,016	200	5400 Collins Road	Jacksonville	FL	1973	No	6,040,000
Country Roads	3,159,710	9.4%	203,382	312	6537 Townsend Road	Jacksonville	FL	1947	No	4,570,000
Orange Avenue	2,841,665	8.5%	313,842	113	1500 North Orange Avenue	Sarasota	FL	1960	No	4,110,000
Ridgecrest	2,482,136	7.4%	249,883	132	170 North Yonge Street	Ormond Beach	FL	1950	Yes	3,590,000
Twin City	2,184,833	6.5%	209,167	104	10636 Gandy Boulevard North	St Petersburg	FL	1954	No	3,160,000
<b>Total</b>	<b>\$33,616,000</b>	<b>100.0%</b>	<b>\$3,128,715</b>	<b>1,535</b>						<b>\$48,620,000</b>

### The Properties.

The borrowers plan to invest approximately \$645,000 in capital expenditures post acquisition. Partial releases of properties are not permitted.

### Normandy Estates

The property is a 302-pad manufactured housing community located on a 39.78 acre site at 8985 Normandy Boulevard in Jacksonville, Florida. The improvements were built in 1970, and are in average condition. Project amenities include a clubhouse, laundry, pool and playground. The property has 600 asphalt paved driveway parking spaces (2 spaces per pad) and 62 parking spaces for the clubhouse.

The property is located in the western portion of Jacksonville, Duval County, Florida. The area is suburban in nature and is characterized by residential and commercial/retail uses along the arterial roads. Significant development in the immediate area consists of office, retail, industrial, and mixed uses along major arterials that are interspersed with multifamily complexes and single-family residential development removed from arterials. Community facilities and services are readily available in the surrounding area. St. Vincent's Healthcare is located in downtown Jacksonville, about 7 miles northeast of the property. Orange Park Mall is located about 8 miles southeast of the property and is anchored by Belk, Dillard's, Dick's Sporting Goods, JC Penney and Sears. Jacksonville Naval Air Station is located 8 miles southeast with a large military population in the immediate area. Herlong

## Mortgage Loan No. 6 — PFC MHC Portfolio

Recreational Airport is just south of the property and is Northeast Florida's primary location for light sport aircraft, skydiving, gliders and other experimental aircraft.

Access to the neighborhood is provided by I-295 which is a major north/south freeway system and is located just a mile from the property. Interstate 10 is a major east-west freeway system located within three miles from the Normandy Estates property.

### **Hollywood**

The property is a 237-pad manufactured housing community located on a 16.34 acre site at 7230 4<sup>th</sup> Street North in St Petersburg, Florida. The improvements were built in 1945. Project amenities include a clubhouse, laundry, shuffleboard, billiards, community room and RV Storage. The clubhouse is a 2,513 SF one-story building with a lounge, billiards room, kitchen, restrooms and community management office. Adjacent to this building are four shuffleboard courts. There is an 836 SF single story laundry building containing coin-operated washing machines and dryers. The property has approximately 10 sites that can accommodate multi-section homes. Each home site has concrete pads for parking. In January, 2015 the rental rates were increased throughout the park.

The property is located in St Petersburg, Florida, within Pinellas County. The property's immediate area is defined as the area bordered by I-275 on the north, 38th Avenue N on the south, Tampa Bay on the east, and I-275 on the west. Significant development in the immediate area consists of residential and single-family residential development removed from arterials with commercial uses along the main thoroughfares. Community facilities and services are readily available in the surrounding area.

Access to the neighborhood is provided by I-275 and US-92. US-92 is a major north/south freeway system and fronts the Hollywood property. I-275 is a north/south freeway system that is located just a mile from the property.

### **Friendship Village**

The property is a 135-pad manufactured housing community located on a 9.35 acre site at 1190 North East Avenue in Sarasota, Florida. The improvements were built in 1950. Project amenities include a clubhouse, laundry, shuffleboard, and RV storage. The property also has some yard space available for Boat & RV storage next to the shuffle board courts. The property has approximately 10 sites that can accommodate multi-section homes. Each home site has concrete pads for parking.

The property is located in Sarasota, Florida. The property's immediate area is defined as the area bordered by I-275 on the north, 38th Avenue N on the south, Tampa Bay on the east, and I-275 on the west. Significant development in the immediate area consists of residential and single-family residential development removed from arterials with commercial uses along the main thoroughfares. The local area has a mix of commercial uses nearby including the Ringling College of Art and Design. Ringling is a private, not for profit, accredited college.

Access to the neighborhood is provided by I-75 which is a major north/south freeway system and is located just five miles from the property. Local Highway US-301, a primary north-south freeway system located within a quarter mile from the property. The property has a good location with respect to commercial services, thoroughfares, public transportation, and community services.

### **Continental Village**

The property is a 200-pad manufactured housing community located on a 29.27 acre site at 5400 Collins Road in Jacksonville, Florida. The improvements were built in 1973. Project amenities include a clubhouse, laundry, pool and playground. The property has 60% single section sites and 40% multi-section sites. The property has 400 asphalt paved driveway parking spaces (2 spaces per pad) and 21 parking spaces for the clubhouse.

The property is located in the western portion of Jacksonville, Florida. The area is suburban in nature and is characterized by residential and commercial/retail uses along the arterial roads. Significant development in the immediate area consists of office, retail, industrial, and mixed uses along major arterials that are interspersed with multifamily complexes and single-family residential development removed from arterials. Community facilities and services are readily available in the surrounding area. St. Vincent's Healthcare is located in downtown Jacksonville, about 7 miles northeast of the property. Orange Park Mall is located just southwest of the property and is anchored by Belk, Dillard's, Dick's Sporting Goods, JC Penney and Sears. Jacksonville Naval Air Station

## Mortgage Loan No. 6 — PFC MHC Portfolio

is located just northeast with a large military population in the immediate area. Herlong Recreational Airport is just northwest of the property and is Northeast Florida's primary location for light sport aircraft, skydiving, gliders and other experimental aircraft.

Access to the neighborhood is provided by I-295 which is a major north/south freeway system and is located just a mile from the property. Interstate 10 is a major east-west freeway system located within three miles from the Continental property.

### Country Roads

The property is a 312-pad manufactured housing community located on a 39.09 acre site at 6537 Townsend Road in Jacksonville, Florida. The improvements were built in 1947. Project amenities include a clubhouse, laundry, pool and playground. The property has 60% single section sites and 40% multi-section sites. The property has 624 asphalt paved driveway parking spaces (2 spaces per pad) and 21 parking spaces for the clubhouse.

The property is located in the western portion of Jacksonville, Duval County, Florida. The area is suburban in nature and is characterized by residential and commercial/retail uses along the arterial roads. Significant development in the immediate area consists of office, retail, industrial, and mixed uses along major arterials that are interspersed with multifamily complexes and single-family residential development removed from arterials. Community facilities and services are readily available in the surrounding area. St. Vincent's Healthcare is located in downtown Jacksonville, about 7 miles northeast of the property. Orange Park Mall is located just southwest of the property and is anchored by Belk, Dillard's, Dick's Sporting Goods, JC Penney and Sears. Jacksonville Naval Air Station is located just northeast with a large military population in the immediate area. Herlong Recreational Airport is just northwest of the property and is Northeast Florida's primary location for light sport aircraft, skydiving, gliders and other experimental aircraft.

Access to the neighborhood is provided by I-295 which is a major north/south freeway system and is located just a mile from the property. Interstate 10 is a major east-west freeway system located within three miles from the property.

### Orange Avenue

The property is a 113-pad manufactured housing community located on a 6.79 acre site at 1500 North Orange Avenue in Sarasota, Florida. The improvements were built in 1960. Project amenities include a clubhouse, laundry, shuffleboard, community room and RV Storage. The recreation hall is a one room, 1,000 SF concrete block building located in the middle of the park on Second Street. It includes a small kitchen. The property also has a fenced-in yard for RV and boat storage on the Eastern end of the community. There is a one-story, 858 SF laundry building located in the middle of the Park on Third Street containing washers and dryers. The property has no sites that can accommodate multi-section homes. Each home site has concrete pads for parking. The rental rates throughout the park increased in January, 2015.

The property is located in Sarasota, Florida, within Sarasota County. The property's immediate area is defined as the area bordered by University Parkway on the north, Bahia Vista Street on the south, North Tuttle Avenue on the east, and Sarasota Bay on the west. Significant development in the immediate area consists of heavy industrial and office uses. The local area has a mix of commercial uses nearby including the Ringling College of Art and Design. Ringling is a private, not for profit, accredited college offering bachelor's degree in 14 disciplines.

Access to the neighborhood is provided by I-75 which is a major north/south freeway system and is located just six miles from the property. Local Highway US-301, a primary north-south freeway system located within a half mile from the property. The property has a good location with respect to commercial services, thoroughfares, public transportation, and community services.



## Mortgage Loan No. 6 — PFC MHC Portfolio

### Ridgecrest

The property is a 132-pad manufactured housing community located on a 9.01 acre site at 170 North Yonge Street in Ormond Beach, Florida. The improvements were built in 1950. The property is an age - restricted 55+ community. Project amenities include a clubhouse, shuffleboard and laundry center. The property has 250 asphalt paved driveway parking spaces (2 spaces per pad).

The property is located in the southern portion of Ormond Beach, Volusia County, Florida. The area is suburban in nature and is characterized by residential and commercial/retail uses along the arterial roads. Significant development in the immediate area consists of office, retail, industrial, and mixed uses along major arterials that are interspersed with multifamily complexes and single-family residential development removed from arterials. Community facilities and services are readily available in the surrounding area. Thoroughfares in the area include Interstate 95, County Road 5A, US 1. Interstate 95 (located 5 miles from the property) and US 1 (property fronts this street) are both primary regional north/south arterials connecting the property's market area with metropolitan areas north and south. The property's area is approximately 6 miles south of the Ormond Beach Airport and is about 3 miles west of the area beaches.

### Twin City

The property is a 104-pad manufactured housing community located on an 8.87 acre site at 10636 Gandy Boulevard North in St Petersburg, Florida. The improvements were built in 1954. Project amenities include a clubhouse, laundry, and Shuffleboard. The office is a 1,716 SF building that features two apartment units, a two bedroom and a one bedroom unit. The clubhouse is an 800 SF one-story building situated between manufactured homes lining West Street and Main Street. There is a 660 SF single story laundry building containing coin-operated washing machines and dryers. The property has approximately 10 sites that can accommodate multi-section homes. Each home site has gravel pads for parking. There is also street parking along Main Street. The rental rates increased throughout the park in January 2015.

The property is located in St Petersburg, Florida, within Pinellas County. The property's immediate area is defined as the area bordered by I-275 on the north, 38th Avenue N on the south, Tampa Bay on the east, and I-275 on the west. Significant development in the immediate area consists of residential and single-family residential development removed from arterials with commercial uses along the main thoroughfares.

Access to the neighborhood is provided by I-275 and US-92. US-92 is a major northeast/southwest freeway system and fronts the property. I-275 is a north/south freeway system that is located just three miles from the Twin City property.

### Unit Mix

The portfolio unit mix is described below:

#### Manufactured Housing Community Mix<sup>(1)</sup>

Property Name	# of Pads	% of Total	Occupied Pads	Occupancy	Average Monthly UW Rental Rate
Normandy Estates	302	19.7%	247	81.8%	\$407
Hollywood	237	15.4%	212	89.5%	\$395
Friendship Village	135	8.8%	133	98.5%	\$425
Continental Village	200	13.0%	133	66.5%	\$376
Country Roads	312	20.3%	98	31.4%	\$388
Orange Avenue	113	7.4%	99	87.6%	\$402
Ridgecrest	132	8.6%	106	80.3%	\$368
Twin City	104	6.8%	94	90.4%	\$367
<b>Total/Wtd. Avg.</b>	<b>1,535</b>	<b>100.0%</b>	<b>1,122</b>	<b>73.1%</b>	<b>\$392</b>

(1) Based on January 1, 2015 rent roll.



## Mortgage Loan No. 6 — PFC MHC Portfolio

### Market Analysis

The properties in the portfolio are located across Florida. Market summary is provided below:

### Market Summary

Property	MSA	Top Employer	2Q 14 Unemployment rate	2012 Population	2012 Median Income
Normandy Estates	Jacksonville	Baptist Health	5.9%	1,371,162	\$49,902
Hollywood <sup>(1)</sup>	Tampa-St Petersburg-Clearwater	Publix	5.7%	2,842,211	\$43,949
Friendship Village <sup>(2)</sup>	North Port-Bradenton-Sarasota	Home Shopping Network	5.0%	741,671	\$57,482
Continental Village	Jacksonville	Baptist Health	5.9%	1,371,162	\$49,902
Country Roads	Jacksonville	Baptist Health	5.9%	1,371,162	\$49,902
Orange Avenue <sup>(1)</sup>	North Port-Bradenton-Sarasota	Publix	5.0%	741,671	\$57,482
Ridgecrest	Dayton-Palm Coast	Florida Hospital	4.9%	498,634	\$40,838
Twin City <sup>(1)</sup>	Tampa-St Petersburg-Clearwater	Home Shopping Network	5.7%	2,842,211	\$43,949

(1) Population and Median Income data is as of 2013.

(2) Population and Median Income data is as of 2015.

### Neighborhood Analysis

All of the properties in the portfolio are conveniently located near retail stores, restaurants, beaches, public amenities, and various forms of transportation. Notably, Normandy Estates, Continental Village, and Country Roads are within a few miles of the Orange Park Mall, which features national retail chain stores such as Belk, Dillard's, Dick's Sporting Goods, JC Penney, Sears, Old Navy, Books-A-Million, and an AMC movie theater. These three properties are in neighborhoods that surround the Jacksonville Naval Air Station, which draws a large population of military professionals to the area. Friendship Village and Orange Avenue are within close proximity to a Publix grocery store and several schools including the Ringling College of Art and Design, Sarasota Military Academy, and the Sarasota School of Arts and Sciences.

## Mortgage Loan No. 6 — PFC MHC Portfolio

### Neighborhood Analysis<sup>(1)</sup>

Property	2013 Population			2013 Median HH Income			Affordability Analysis		
	1-Mile	3-Mile	5-Mile	1-Mile	3-Mile	5-Mile	MHC <sup>(2)</sup>	Single FH <sup>(2)</sup>	Apt <sup>(2)</sup>
Normandy Estates	6,741	56,938	121,384	\$42,682	\$44,079	\$41,892	\$512	\$941	\$650-\$1,000
Hollywood	14,627	91,145	186,089	\$40,482	\$42,391	\$41,202	\$454	\$827	\$800-\$1,000
Friendship Village	12,858	70,492	146,648	\$26,226	\$36,638	\$43,191	\$522	\$736	\$900-\$1,075
Continental Village	7,977	51,792	124,869	\$38,085	\$41,947	\$48,141	\$481	\$937	\$650-\$1,000
Country Roads	7,153	73,688	170,643	\$38,056	\$41,907	\$46,380	\$493	\$1,095	\$650-\$1,000
Orange Avenue	12,872	63,533	134,245	\$26,213	\$35,869	\$42,672	\$498	\$865	\$900-\$1,075
Ridgecrest	5,064	43,446	83,799	\$30,351	\$36,858	\$36,708	\$704	\$2,636	\$650-\$950
Twin City	8,122	41,492	106,474	\$48,949	\$44,119	\$43,447	\$459	\$770	\$900-\$1,050

(1) Source: Appraisals, dated July and August of 2014.

(2) Total monthly payments exclude maintenance and utilities.

### Manufactured Housing Market Analysis:

The following table provides the Manufactured Housing market analysis for all the properties:

### MHC Market Summary<sup>(1)</sup>

Property	Market Stats		Submarket Stats		Property Stats <sup>(2)</sup>	
	Avg. Rent	Occ.	Avg. Rent	Occ.	Avg. Rent	Occ.
Normandy Estates	\$387	80.0%	\$373	84.0%	\$407	81.8%
Hollywood	\$435	90.0%	\$430	85.0%	\$395	89.5%
Friendship Village	\$565	96.0%	\$489	97.0%	\$425	98.5%
Continental Village	\$386	80.0%	\$372	85.0%	\$376	66.5%
Country Roads	\$386	80.0%	\$372	85.0%	\$388	31.4%
Orange Avenue	\$565	96.0%	\$489	97.0%	\$402	87.6%
Ridgecrest	\$374	95.0%	\$353	90.0%	\$368	80.3%
Twin City	\$435	90.0%	\$430	85.0%	\$367	90.4%

(1) Source: Appraisals, dated July and August of 2014.

(2) Based on January 1, 2015 rent roll.

## Mortgage Loan No. 6 — PFC MHC Portfolio

### Operating History and Underwritten Net Cash Flow

	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	TTM <sup>(2)</sup>	Underwritten	Per Pad	% <sup>(3)</sup>
Rents in Place	\$4,853,017	\$4,993,729	\$5,073,640	\$5,229,144	\$3,456	66.2%
Vacant Income	\$0	\$0	\$0	\$1,996,932	\$1,320	25.3%
<b>Gross Potential Rent</b>	<b>\$4,853,017</b>	<b>\$4,993,729</b>	<b>\$5,073,640</b>	<b>\$7,226,076</b>	<b>\$4,776</b>	<b>91.4%</b>
Reimbursements	0	0	0	0	0	0.0%
Other Income	641,782	672,612	678,726	676,415	447	8.6%
<b>Net Rental Income</b>	<b>\$5,494,799</b>	<b>\$5,666,341</b>	<b>\$5,752,366</b>	<b>\$7,902,491</b>	<b>\$5,223</b>	<b>100.0%</b>
(Vacancy/Credit Loss) <sup>(4)</sup>	\$0	\$0	(\$0)	(\$2,104,285)	(\$1,391)	(26.6%)
<b>Effective Gross Income</b>	<b>\$5,494,799</b>	<b>\$5,666,341</b>	<b>\$5,752,366</b>	<b>\$5,798,206</b>	<b>\$3,832</b>	<b>73.4%</b>
<b>Total Expenses</b>	<b>\$2,506,387</b>	<b>\$2,549,999</b>	<b>\$2,692,391</b>	<b>\$2,592,741</b>	<b>\$1,714</b>	<b>44.7%</b>
<b>Net Operating Income</b>	<b>\$2,988,412</b>	<b>\$3,116,342</b>	<b>\$3,059,975</b>	<b>\$3,205,465</b>	<b>\$2,119</b>	<b>55.3%</b>
Replacement Reserves	39,313	63,675	5,360	76,750	51	1.3%
<b>Net Cash Flow</b>	<b>\$2,949,099</b>	<b>\$3,052,667</b>	<b>\$3,054,615</b>	<b>\$3,128,715</b>	<b>\$2,068</b>	<b>54.0%</b>

(1) The numbers provided are based on a year-to-date period ending on December 31.

(2) The TTM Column represents the trailing twelve month period ending July 31, 2014.

(3) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(4) Historical (Vacancy/Credit Loss) are included in Rents in Place on net basis.

**Property Management.** The properties are managed by PFC Park Management, LLC, an affiliate of the sponsor.

### Escrows and Reserves.

**Tax and Insurance Escrows** –The borrowers were required to pay to the lender: on the origination date an initial deposit of \$483,688 for taxes and \$30,134 for insurance, and are required to pay to the lender on each payment date (i) one-twelfth (1/12th) of the taxes and other charges that the lender estimates will be payable during the next ensuing twelve (12) months in order to accumulate with the lender sufficient funds to pay all such taxes and other charges at least thirty (30) days prior to their respective due dates, currently equal to \$40,307 and (ii) one-twelfth (1/12th) of the insurance premiums that the lender estimates will be payable for the renewal of the coverage afforded by the policies upon the expiration thereof in order to accumulate with the lender sufficient funds to pay all such insurance premiums at least thirty (30) days prior to the expiration of the policies, currently equal to \$15,067.

**Replacement Reserves** –The borrowers were required to pay to the lender on the origination date an initial deposit of \$6,304 for replacement reserve, and are required to pay to the lender on each payment date one-twelfth (1/12) of \$75,650, which is the amount (the “Replacement Reserve Monthly Deposit”) reasonably estimated by the lender in its sole discretion to be due for replacements and repairs required to be made to the properties during the calendar year to which such Replacement Reserve Monthly Deposits relate.

**Repair Reserve** – On the origination date, the borrowers paid to the lender an initial deposit of \$9,094 (125% engineer’s estimate). The borrowers are required to cause each of the items described in that certain property condition report to be completed, performed and corrected to the satisfaction of the lender. Per the property condition report, the engineer estimated immediate & short term repair cost total to be \$7,275.

**WDO Reserve:** On the origination date, the borrowers paid to the lender an initial deposit of \$10,060 to complete certain wood destroying organisms remediation and related repair work recommended in the Wood-Destroying Organisms Inspection Report / Regular Site Inspection report.

**Guarantor Net Worth Reserve**– The borrowers have established at origination with the lender a reserve in the amount of \$10,000,000 (the “Guarantor Net Worth Reserve”). Although the Guarantor Net Worth Reserve currently provides additional security for the loan, upon the satisfaction of certain limited conditions set forth in the mortgage loan documents, the guarantor may withdraw funds from the Guarantor Net Worth Reserve in connection with the purchase of unrelated mortgaged properties

## Mortgage Loan No. 6 — PFC MHC Portfolio

that will not provide security for the mortgage loan. The Guarantor Net Worth Reserve is designated primarily to ensure that the sponsor/guarantor maintains assets, initially a cash sum equal to \$10 million, provided, however, that the cash portion may be converted to real property assets. As a result, the sponsor/guarantor's net worth is expected to vary significantly over time.

**Lockbox / Cash Management.** The loan is structured with a springing lockbox. Upon written notification from the lender that the first Cash Sweep Event, if any, has occurred, the borrowers will promptly establish and maintain a cash collateral account (the "Cash Management Account") with the lockbox bank in trust for the benefit of the lender. The lender has a first priority security interest in the Cash Management Account. Upon the occurrence and during the continuance of a lockbox event, all funds deposited into the Cash Management Account will be applied by the lender to the payment of tax and insurance escrow fund, debt service, replacement reserve fund, any other amounts then due to the lender, monthly cash expenses and extraordinary expenses. Payment of any excess amounts after these items must be deposited into the excess cash flow reserve account.

"Cash Sweep Event" means: (i) an event of default, (ii) the maturity date or (iii) the debt service coverage ratio is less than 1.20x.