

Wellington Marketplace

Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$22,000,000
Cut-off Date Principal Balance:	\$22,000,000
% of Pool by IPB:	2.8%
Loan Purpose:	Refinance
Borrower:	FWI 16 LLC
Sponsor:	Thomas J. Cannon
Interest Rate:	5.12000%
Note Date:	3/30/2017
Maturity Date:	4/6/2027
Interest-only Period:	48 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(26),Def(90),O(4)
Lockbox / Cash Management:	Springing / Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Retail – Anchored
Net Rentable Area (SF)⁽¹⁾:	189,213
Location:	Wellington, FL
Year Built / Renovated:	1989 / 2014
Occupancy:	92.0%
Occupancy Date:	3/1/2017
Number of Tenants:	50
2014 NOI:	\$1,730,105
2015 NOI:	\$1,831,835
2016 NOI:	\$1,910,904
TTM NOI (as of 2/2017)⁽²⁾:	\$1,965,133
UW Economic Occupancy:	92.9%
UW Revenues:	\$3,212,027
UW Expenses:	\$1,078,158
UW NOI⁽²⁾:	\$2,133,868
UW NCF:	\$2,006,959
Appraised Value / Per SF:	\$33,975,000 / \$180
Appraisal Date:	3/2/2017

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$252,213	\$42,036	N/A
Insurance:	\$128,781	\$9,199	N/A
Replacement Reserves:	\$0	\$2,365	N/A
TI/LC:	\$0	\$9,461	\$400,000
Other⁽³⁾:	\$536,031	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$116
Maturity Date Loan / SF:	\$105
Cut-off Date LTV:	64.8%
Maturity Date LTV:	58.7%
UW NCF DSCR:	1.40x
UW NOI Debt Yield:	9.7%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$22,000,000	97.3%	Payoff Existing Debt ⁽⁴⁾	\$21,515,907	95.1%
Sponsor Equity	616,567	2.7	Upfront Reserves	917,024	4.1
			Closing Costs	183,636	0.8
Total Sources	\$22,616,567	100.0%	Total Uses	\$22,616,567	100.0%

(1) The property's square footage of 189,213 includes 13,386 square feet built on an outparcel ground leased by Walgreens and built by Walgreens in 2014. Walgreens is in year five of its 20-year initial ground lease term. The fully-extended ground lease term expires in February 2088.

(2) UW NOI is higher than TTM NOI in part due to UW NOI including future contractual rent steps taken through April 2018.

(3) Initial Other Escrows and Reserves consists of (i) a \$500,000 Rocky's Ace Hardware lease renewal reserve, (ii) a \$24,193 free rent reserve for four months of free rent relating to Once Upon a Child and (iii) an \$11,838 deferred maintenance reserve. Upon Rocky's Ace Hardware extending the term of its lease or borrower re-leasing the space demised under the Rocky's Ace Hardware lease to an acceptable replacement tenant, and payment of any leasing costs associated with the space, \$150,000 of the reserve, if available, is required to be transferred into a general tenant improvements and leasing commissions reserve account for future re-tenanting costs with the balance of the reserve, if any, required to either be returned to the borrower, if no cash sweep period then exists, or be deposited to the cash management account, if a cash sweep period then exists.

(4) The mortgage loan refinanced a CMBS loan in the original principal amount of approximately \$30 million that was included in the WBCMT 2007-C32 transaction. The prior mortgage loan was transferred to special servicing in April 2012 for imminent monetary default after Walmart, which was expected to take occupancy at the property, exercised a termination option due to failure to obtain permits within an expedited period, various smaller tenants vacated the property and the property experienced higher-than-expected operating expenses. In August 2012, the borrower and the special servicer agreed to a workout strategy, including applying an approximately \$5.8 million Walmart holdback reserve to make a partial prepayment of the prior loan. In connection with such workout, a prior joint venture partner of the current loan sponsor assigned its interests in the borrower to the loan sponsor.

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The Loan. The Wellington Marketplace loan has an outstanding principal balance as of the Cut-off Date of approximately \$22.0 million and is secured by a first mortgage lien on the borrower's fee interest in a 189,213 square foot anchored shopping center located in Wellington, Florida. The loan has a 10-year term and, subsequent to a four-year interest-only period, will amortize on a 30-year schedule. The borrowing entity for the loan is FWI 16 LLC, a Delaware limited liability company. The previously existing debt secured by the Wellington Marketplace property was securitized in the WBCMT 2007-C32 transaction.

The loan sponsor and nonrecourse carve-out guarantor is Thomas J. Cannon. Mr. Cannon is the owner of Flag Wharf Inc., a commercial real estate company that began its operations in 1972. Flag Wharf Inc. is focused on the acquisition and long-term ownership of commercial income-producing real estate. The company currently owns and/or manages in excess of 4.0 million square feet of commercial space including retail, industrial and office. Flag Wharf Inc. has a portfolio of 12 grocery anchored shopping centers located primarily in Georgia and Florida, including eight other grocery anchored shopping centers in Florida. Flag Wharf Inc. also offers property management services to the company's existing properties, as well as to third-party owners.

The Property. The Wellington Marketplace property is a 189,213 square foot shopping center located in Wellington, Florida, approximately 17.0 miles southwest of downtown West Palm Beach. The improvements were constructed in 1989 and consist of three single-story buildings and three freestanding buildings on an approximately 18.7 acre site. The site has frontage on two arterial roads. Primary access to the property is provided by Wellington Trace and Greenview Shores Boulevard through six curb cuts located along both arterials. The property is also accessible via cross easements with adjacent properties, adding two additional access points to bring the total curb cuts providing access to the property to eight. According to the appraisal, in 2015, the average daily traffic count on the Wellington Trace and Greenview Shores Boulevard was 23,500 and 17,800, respectively. Regional access is provided by Florida's Turnpike, which is a north-south toll road that runs through 11 counties in the Florida peninsula. The property is located along a retail corridor with diversified tenancy within a residential area. According to the zoning report, the property contains 888 parking spaces, resulting in a parking ratio of approximately 4.7 spaces per 1,000 square feet, with 31 additional parking spaces available via a cross-easement agreement with an adjacent property.

As of March 1, 2017, the Wellington Marketplace property was 92.0% occupied by 50 diverse tenants that provide a variety of goods and services to the surrounding neighborhood. The property is anchored by Rocky's Ace Hardware (23,411 square feet; 12.4% of net rentable area; 11.5% of underwritten base rent; July 2018 expiration), Beall's Outlet (22,888 square feet; 12.1% of net rentable area; 8.0% of underwritten base rent; November 2018 expiration), Movies at Wellington (20,490 square feet; 10.8% of net rentable area; 5.3% of underwritten base rent; November 2020 expiration) and Walgreens (13,386 square feet; 7.1% of net rentable area; 5.6% of underwritten base rent; February 2033 expiration). The two largest tenants, Rocky's Ace Hardware and Beall's Outlet, have been at the property since 2008. The largest tenant, Rocky's Ace Hardware, is a franchise of Ace Hardware Corporation, a retailers' cooperative based in Oak Brook, Illinois. Ace Hardware operates 17 distribution centers in the United States and additional distribution facilities in China, Panama and the United Arab Emirates. Rocky's Ace Hardware is in its initial ten-year term with three additional five-year renewal options remaining. On May 4, 2017, Rocky's Ace Hardware executed its first renewal option early for an additional five years, which expires on July 31, 2023. The second largest tenant, Beall's Outlet, is a subsidiary discount clothing store of Beall's, Inc. that operates over 530 retail store sites across the southern and eastern United States. Beall's Inc. is the parent company of Beall's Department Store, Inc, Beall's Outlets, Inc. and Burke's Outlet Stores, LLC. Beall's Outlet has been at the property since 2008 and is in its initial ten-year term and has three five-year renewal options remaining. The third largest tenant, Movies at Wellington, is an independent movie theatre showing a mixture of current blockbuster movies and smaller-release films. The theatre features eight screens and has been open for business since 2000. Movies at Wellington has two five-year renewal options remaining under its lease. The fourth largest tenant, Walgreens, has been at the property since 1988, built a new building at its outparcel location in 2014, and is in year five of its 20-year initial ground lease. Its fully extended ground lease term expires in February 2088. Other national and regional tenants include You Fit Health Clubs, Dunkin' Donuts, Subway, Papa John's Pizza and H&R Block. The property also includes a freestanding bank (Floridian Community Bank) and a freestanding restaurant (Park Avenue BBQ & Grill).

The Market. The Wellington Marketplace property is located in Wellington, Palm Beach County, Florida. Wellington is approximately 17 miles southwest of downtown Palm Beach, Florida, 70 miles northwest of Miami and 200 miles southeast of Tampa. According to the appraisal, the estimated 2016 average household income within a one-, three- and five-mile radius is approximately \$104,925, \$103,101 and \$105,824, respectively. In 2016, the estimated total population within a one-, three- and five-mile radius was approximately 12,795, 46,828 and 109,599, respectively. Total employment has increased annually from 2006 to 2015 in the state of Florida by an average of 0.5% and increased annually by an average of 0.6% in the local area. From 2014 to 2015 unemployment decreased in Florida by 0.9% and decreased by 0.9% in the local area.

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According to the appraisal, for 2016, the South Florida retail market had an overall average vacancy rate of 4.0% and average asking rents of \$25.03 per square foot. The average vacancy rate declined to 4.2% in 2016, from 4.9% during 2015, with the average asking rent for 2016 increasing to \$24.19 per square foot, from \$23.18 per square foot in 2015. Within the Royal Palm Beach / Wellington retail submarket, where the Wellington Marketplace property is located, the average vacancy rate declined to 5.5% in 2016 from 6.3% during 2015, with average asking rents increasing to \$17.97 per square foot in 2016, from \$17.66 per square foot in 2015. During the fourth quarter of 2016, average vacancy rates and average asking rents were 4.5% and \$20.28, respectively. The appraisal identified five properties as directly competitive with the Wellington Marketplace property, ranging in size from 62,251 square feet to 123,807 square feet. The competitive properties reported occupancies ranging from 94% to 100% with a weighted average of approximately 96.5%. The competitive properties have average asking rents ranging from \$18.00 to \$25.00 per square foot, versus weighted average in-place rents of \$13.69 per square foot at the Wellington Marketplace property.

Tenant Summary ⁽¹⁾						
Tenant	Ratings ⁽²⁾ Moody's / S&P/ Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rent	Lease Expiration Date
Rocky's Ace Hardware ⁽³⁾	NA / NA / NA	23,411	12.4%	\$12.00	11.5%	7/31/2018
Beall's Outlet	NA / NA / NA	22,888	12.1%	\$8.52	8.0%	11/1/2018
Movies at Wellington	NA / NA / NA	20,490	10.8%	\$6.37	5.3%	11/30/2020
Walgreens ⁽⁴⁾	Baa2 / BBB / BBB	13,386	7.1%	\$10.27	5.6%	2/28/2033
You Fit Health Clubs	NA / NA / NA	10,350	5.5%	\$11.00	4.6%	4/30/2022
Consign & Design	NA / NA / NA	6,600	3.5%	\$15.95	4.3%	6/30/2017
Jo Jo's Raw Bar & Grill	NA / NA / NA	6,059	3.2%	\$13.50	3.3%	4/30/2021
Park Avenue BBQ & Grill	NA / NA / NA	5,200	2.7%	\$20.46	4.3%	8/31/2019
Romeo's Pizzeria	NA / NA / NA	4,323	2.3%	\$12.11	2.1%	8/31/2017
Floridian Community Bank	NA / NA / NA	4,047	2.1%	\$25.00	4.1%	7/31/2019

(1) Based on the underwritten rent roll dated March 1, 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.

(3) On May 4, 2017, Rocky's Ace Hardware executed its first renewal option early for an additional five years, which expires on July 31, 2023.

(4) Walgreens has been at the property since 1988, built its improvements on an outparcel location in 2014, and is in year five of its 20-year initial ground lease term. The fully extended term expires in February 2088.

Lease Rollover Schedule ^{(1) (2)}									
Year	Number of Leases Expiring	Net Rentable Area Expiring ⁽²⁾	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	15,064	8.0%	NAP	NAP	15,064	8.0%	NAP	NAP
2017 & MTM	6	13,974	7.4	\$236,582	9.6%	29,038	15.3%	\$236,582	9.6%
2018	9	56,567	29.9	657,355	26.8	85,605	45.2%	\$893,937	36.5%
2019	16	32,425	17.1	698,059	28.5	118,030	62.4%	\$1,591,996	64.9%
2020	10	30,916	16.3	313,918	12.8	148,946	78.7%	\$1,905,915	77.7%
2021	4	9,609	5.1	162,774	6.6	158,555	83.8%	\$2,068,689	84.4%
2022	3	15,472	8.2	215,129	8.8	174,027	92.0%	\$2,283,818	93.1%
2023	0	0	0.0	0	0.0	174,027	92.0%	\$2,283,818	93.1%
2024	0	0	0.0	0	0.0	174,027	92.0%	\$2,283,818	93.1%
2025	1	1,800	1.0	30,600	1.2	175,827	92.9%	\$2,314,418	94.4%
2026	0	0	0.0	0	0.0	175,827	92.9%	\$2,314,418	94.4%
2027	0	0	0.0	0	0.0	175,827	92.9%	\$2,314,418	94.4%
2028 & Beyond	1	13,386	7.1	137,500	5.6	189,213	100.0%	\$2,451,917	100.0%
Total	50	189,213	100.0%	\$2,451,917	100.0%				

(1) Based on the underwritten rent roll dated March 1, 2017 and includes rent steps through April 2018.

(2) Certain tenants may have termination or contraction options (which may become exercisable prior to the originally stated expiration date of the tenant lease) that are not considered in the above Lease Rollover Schedule.

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Operating History and Underwritten Net Cash Flow							
	2014	2015	2016	TTM ⁽¹⁾	Underwritten ⁽²⁾	Per Square Foot	% ⁽³⁾
Rents in Place	\$2,278,512	\$2,343,969	\$2,461,061	\$2,461,122	\$2,451,917	\$12.96	71.0%
Vacant Income	0	0	0	0	179,628	0.95	5.2
Gross Potential Rent	\$2,278,512	\$2,343,969	\$2,461,061	\$2,461,122	\$2,631,545	\$13.91	76.2%
Total Reimbursements	746,348	757,428	704,142	770,440	820,643	4.34	23.8
Net Rental Income	\$3,024,860	\$3,101,397	\$3,165,203	\$3,231,562	\$3,452,188	\$18.24	100.0%
(Vacancy/Credit Loss)	(317,330)	(283,068)	(227,767)	(232,538)	(244,963)	(1.29)	(7.1)
Other Income	14,697	6,248	29,281	29,839	4,800	0.03	0.1
Effective Gross Income	\$2,722,227	\$2,824,577	\$2,966,717	\$3,028,863	\$3,212,027	\$16.98	93.0%
Total Expenses	\$992,122	\$992,742	\$1,055,813	\$1,063,730	\$1,078,158	\$5.70	33.6%
Net Operating Income	\$1,730,105	\$1,831,835	\$1,910,904	\$1,965,133	\$2,133,868	\$11.28	66.4%
Total TI/LC, Capex/RR	0	0	0	0	126,909	0.67	4.0
Net Cash Flow⁽⁴⁾	\$1,730,105	\$1,831,835	\$1,910,904	\$1,965,133	\$2,006,959	\$10.61	62.5%
Occupancy⁽⁵⁾	89.6%	90.9%	92.9%	92.0%	92.9%		

(1) TTM column represents the trailing 12-month period ending February 28, 2017.

(2) Underwritten Rents in Place includes rent steps taken through April 2018.

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

(4) Underwritten Net Operating Income is higher than TTM Net Operating Income in part due to Underwritten Net Operating Income including future contractual rent steps taken through April 2018.

(5) Historical Occupancies are as of December 31 of each respective year. TTM Occupancy is as of March 1, 2017. Underwritten Occupancy represents economic occupancy.