

## Klotz Multifamily Portfolio

## Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Barclays
<b>Original Principal Balance:</b>	\$29,756,250
<b>Cut-off Date Principal Balance:</b>	\$29,756,250
<b>% of Pool by IPB:</b>	2.9%
<b>Loan Purpose:</b>	Recapitalization
<b>Borrowers<sup>(1)</sup>:</b>	Various
<b>Sponsor:</b>	Jeff Klotz
<b>Interest Rate:</b>	4.98800%
<b>Note Date:</b>	7/17/2015
<b>Maturity Date:</b>	8/6/2025
<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(24),Def(91),O(5)
<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>	1,356
<b>Location:</b>	Various
<b>Year Built / Renovated:</b>	Various / Various
<b>Occupancy:</b>	89.5%
<b>Occupancy Date:</b>	6/15/2015
<b>Number of Tenants:</b>	N/A
<b>2012 NOI<sup>(2)</sup>:</b>	N/A
<b>2013 NOI<sup>(3)</sup>:</b>	\$727,475
<b>2014 NOI<sup>(4)</sup>:</b>	\$2,360,557
<b>TTM NOI (as of 05/2015)<sup>(5)(6)</sup>:</b>	\$2,853,099
<b>UW Economic Occupancy:</b>	85.0%
<b>UW Revenues:</b>	\$8,731,093
<b>UW Expenses:</b>	\$5,575,964
<b>UW NOI<sup>(6)</sup>:</b>	\$3,155,130
<b>UW NCF:</b>	\$2,816,130
<b>Appraised Value / Per Unit:</b>	\$39,675,000 / \$29,259
<b>Appraisal Date<sup>(7)</sup>:</b>	Various

## Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$156,044	\$32,368	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$28,250	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other<sup>(8)</sup>:</b>	\$163,813	\$0	N/A

## Financial Information

<b>Cut-off Date Loan / Unit:</b>	\$21,944
<b>Maturity Date Loan / Unit:</b>	\$18,037
<b>Cut-off Date LTV:</b>	75.0%
<b>Maturity Date LTV:</b>	61.6%
<b>UW NCF DSCR:</b>	1.47x
<b>UW NOI Debt Yield:</b>	10.6%

## Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$29,756,250	100.0%	Preferred Equity Payoff <sup>(9)</sup>	\$16,616,127	55.8%
			Return of Equity	11,865,198	39.9
			Closing Costs	955,069	3.2
			Upfront Reserves	319,857	1.1
<b>Total Sources</b>	<b>\$29,756,250</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$29,756,250</b>	<b>100.0%</b>

(1) The borrowing entities for the loan are AAHF-102, LLC, AAHF-103, LLC, AAHF-107, LLC, AAHF 108, LLC, ARCO Place Acquisition I, LLC, University Townhomes Acquisition LLC, Brentwood Creek Acquisition, LLC, Brentwood Heights Acquisition, LLC, Candler Acquisition, LLC and Lakewood Forest Acquisition LLC, each a Florida limited liability company or Georgia limited liability company and a special purpose entity.

(2) 2012 NOI figures are not available as the loan sponsor was not furnished with property level statements at the time of the various acquisitions. The loan sponsor acquired eight of the properties in 2012 and the remaining two properties in 2014.

(3) 2013 NOI represents year-end 2013 financials for eight properties. Two of the properties, University Townhomes and Arco Apartments were acquired in March 2014 and October 2014, respectively.

(4) 2014 NOI represents year-end 2014 financials for nine properties. One of the properties, Arco Apartments was acquired in October 2014.

(5) TTM NOI as of May 2015 represents trailing-twelve months as of May 2015 financials for nine properties and the trailing-six months as of May 2015, annualized for Arco Apartments.

(6) Underwritten NOI is higher than TTM NOI due to a decrease in vacancy and credit loss of approximately \$547,347 across the portfolio because of increased occupancy levels.

(7) The Appraisal Dates for the properties range from June 8, 2015 to June 11, 2015.

(8) Initial Other Escrows and Reserves represents a deferred maintenance reserve.

(9) Preferred Equity Payoff includes the payoff of approximately \$2.14 million of existing debt on Cimarron Apartments and Arco Apartments.

## Klotz Multifamily Portfolio

**The Loan.** The Klotz Multifamily Portfolio loan has an outstanding principal balance of approximately \$29.8 million and is secured by a first mortgage lien on the borrowers' fee interest in a portfolio of 10 multifamily properties totaling 1,356 units across four cities in Florida and Georgia. The loan has a 10-year term and will amortize on a 30-year schedule. The loan sponsor and nonrecourse carve-out guarantor is Jeff Klotz, principal and CEO of The Klotz Group of Companies. The Klotz Group of Companies encompasses various funds investing in multifamily, residential, retail and office/warehouse properties totaling 4,231 units and over 300,000 square feet.

**The Properties.** The Klotz Multifamily Portfolio consists of 10 multifamily properties with a total of 1,356 units located across four cities in Florida and Georgia. The properties were built between 1963 and 1985 and renovated between 2006 and 2015. The properties range in size from 18 to 238 units. The properties were acquired via note sales and REOs in stages between March 2012 and October 2014 for approximately \$13.7 million. Since 2012, the sponsor has invested approximately \$11.4 million in capital improvements on the properties. With closing costs of approximately \$2.1 million, the sponsor has a total cost basis of approximately \$27.3 million. At the time of each property's acquisition, the weighted average occupancy of the portfolio was 39.0%. As of June 15, 2015, the portfolio was approximately 89.5% leased, resulting in a total growth of approximately 129.5%.

Portfolio Summary								
Property	Location	Year Built	Units	Occupancy	Cut-off Date Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow
University Townhomes	Jacksonville, FL	1966	200	97.0%	\$5,830,930	19.6%	\$7,600,000	\$496,964
Brentwood Creek Apartments	Atlanta, GA	1969	238	92.9%	4,356,750	14.6	5,550,000	598,832
Wellington Apartments	Pensacola, FL	1969	132	99.2%	3,846,500	12.9	4,900,000	354,898
Cimarron Apartments	Jacksonville, FL	1966	112	92.9%	3,605,970	12.1	4,700,000	296,165
Brentwood Heights Apartments	Atlanta, GA	1963	196	70.4%	3,297,000	11.1	4,200,000	364,291
Candler Apartments	Decatur, GA	1970	236	89.8%	3,150,000	10.6	5,200,000	248,646
Dogwood Apartments	Pensacola, FL	1974	96	96.9%	2,531,850	8.5	3,300,000	197,627
Lakewood Forest Apartments	Atlanta, GA	1969	80	72.5%	1,476,913	5.0	1,925,000	120,459
Arco Apartments	Jacksonville, FL	1965-1971	48	91.7%	1,200,000	4.0	1,700,000	99,785
Guidy Lane Apartments	Pensacola, FL	1985	18	100.0%	460,337	1.5	600,000	38,463
<b>Total</b>			<b>1,356</b>	<b>89.5%</b>	<b>\$29,756,250</b>	<b>100.0%</b>	<b>\$39,675,00</b>	<b>\$2,816,130</b>

**University Townhomes.** University Townhomes is a 200-unit garden style multifamily property located in Jacksonville, Florida. Constructed in 1966 and renovated in 2015, the property consists of 31 two-story apartment buildings located on approximately 10.5 acres. As of June 15, 2015, the property was 97.0% occupied. The property features a mix of one, two and three-bedroom units with amenities that include a pool, laundry facilities and a playground. Per the appraisal, University Townhomes is located within the Greater Arlington submarket, which reported an average occupancy of 92.0% as of the first quarter of 2015. The local trade area within a one-mile radius has an average household income of \$49,653 and an estimated population of 13,461 as of 2014. The appraisal identified six comparable properties ranging from 151 to 458 units with a reported weighted average occupancy of 91.9%.

**Brentwood Creek Apartments.** Brentwood Creek Apartments is 238-unit garden style multifamily property located in Atlanta, Georgia. Constructed in 1969 and renovated in 2006, the property consists of eight two-story apartment buildings located on approximately 17.0 acres. As of June 15, 2015, the property was 92.9% occupied. The property features a mix of one, two and three-bedroom units with amenities that include a pool, a clubhouse and laundry facilities. Per the appraisal, Brentwood Creek Apartments is located within the South Fulton submarket, which reported an average occupancy of 90.4% as of the first quarter of 2015. The local trade area within a one-mile radius has an average household income of \$34,980 and an estimated population of 12,458 as of 2014. The appraisal identified seven comparable properties ranging from 56 to 376 units with a reported weighted average occupancy of 92.1%.

**Wellington Apartments.** Wellington Apartments is a 132-unit garden style multifamily property located in Pensacola, Florida. Constructed in 1969 and renovated in 2015, the property consists of 15 two-story apartment buildings located on approximately 6.7 acres. As of June 15, 2015, the property was 99.2% occupied. The property features a mix of one, two and three-bedroom units with amenities that include laundry facilities and a playground. Per the appraisal, Wellington Apartments is located within the Pensacola apartment market, which reported an average occupancy of 95.1% as of the first quarter of 2015. The local trade area within a one-mile radius has an average household income of \$40,174 and an estimated population of 9,621 as of 2014. The appraisal identified six comparable properties ranging in size from 104 to 260 units with a reported weighted average occupancy of 95.4%; however, this figure excludes the Carriage Hills Apartments as the occupancy figures are unavailable.

## Klotz Multifamily Portfolio

**The Market.** Three of the properties, University Townhomes, Cimarron Apartments and Arco Apartments, are located in Jacksonville, Florida. The three properties are all located within the Jacksonville metropolitan statistical area and more specifically within the Greater Arlington submarket which as of the first quarter of 2015 had a vacancy rate of 6.9% and an average monthly rent of \$644 for Class B/C multifamily properties. Within the Jacksonville metropolitan statistical area, population and average household income were 1,410,519 and \$68,714, respectively, as of year-end 2014. Occupancy ranges between 92.0% and 97.0% and rent ranges between \$442 and \$546 for the three properties located in Jacksonville, Florida. The remaining three Florida properties, Wellington Apartments, Dogwood Apartments and Guidy Lane Apartments, are located in Pensacola, Florida. All three properties are located within the Pensacola apartment market which as of the first quarter of 2015 had a vacancy rate of 4.9% and an average monthly rent of \$737. Within the Pensacola apartment market, estimated population and average household income were 472,732 and \$65,812, respectively, as of year-end 2014. Occupancy ranges between 96.9% and 100% and rent ranges between \$456 and \$560 for the three properties located in Pensacola, Florida.

The remaining four properties are located in Georgia. Three of the properties, Brentwood Creek Apartments, Brentwood Heights Apartments and Lakewood Forest Apartments, are located in Atlanta, Georgia. All three properties are located within the Atlanta metropolitan statistical area which as of the first quarter of 2015 had a vacancy rate of 6.6% and an average monthly rent of \$776 for Class B/C multifamily properties. Within the Atlanta metropolitan statistical area, estimated population and average household income were 5,596,169 and \$80,942, respectively, as of year-end 2014. Occupancy ranges between 70.4% and 92.9% and rent ranges between \$322 and \$523 for the three properties located in Atlanta, Georgia. There is one property, Candler Apartments, located in Decatur, Georgia, more specifically within the Decatur/Avondale apartment submarket. As of the first quarter of 2015, the Decatur/Avondale apartment submarket had a vacancy rate of 10.3% and an average monthly rent of \$744 for Class B/C multifamily properties. Within a one-mile radius of the property, population and average household income were 11,282 and \$41,916, respectively, as of year-end 2014.

Multifamily Unit Mix <sup>(1)</sup>									
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF) <sup>(2)</sup>	Average Monthly Rental Rate <sup>(2)</sup>	Average Monthly Rental Rate PSF <sup>(2)</sup>	Monthly Market Rental Rate	Monthly Market Rental Rate PSF
1 Bedroom	659	48.6%	574	87.1%	706	\$470	\$0.67	\$562	\$0.80
2 Bedroom	570	42.0	522	91.6%	1,008	\$551	\$0.55	\$660	\$0.65
3 Bedroom	117	8.6	117	100.0%	1,094	\$652	\$0.60	\$829	\$0.76
Administration Unit	10	0.7	0	0.0%	980	\$0	\$0.00	\$0	\$0.00
<b>Total / Wtd. Avg.<sup>(3)</sup></b>	<b>1,356</b>	<b>100.0%</b>	<b>1,213</b>	<b>89.5%</b>	<b>869</b>	<b>\$522</b>	<b>\$0.61</b>	<b>\$630</b>	<b>\$0.72</b>

(1) Based on the underwritten rent roll.

(2) Average based on number of units of each unit type.

(3) The weighted Average Monthly Rental Rate and Average Monthly Rental Rate PSF excludes the administration units as no rent is attributable to them.

## Klotz Multifamily Portfolio

Operating History and Underwritten Net Cash Flow						
	2013 <sup>(1)</sup>	2014 <sup>(2)</sup>	TTM <sup>(3)</sup>	Underwritten	Per Unit	% <sup>(4)</sup>
Rents in Place <sup>(5)</sup>	\$7,010,245	\$8,366,080	\$8,711,507	\$7,601,319	\$5,606	84.3%
Vacant Income	0	0	0	844,500	623	9.4
<b>Gross Potential Rent</b>	<b>\$7,010,245</b>	<b>\$8,366,080</b>	<b>\$8,711,507</b>	<b>\$8,445,819</b>	<b>\$6,228</b>	<b>93.7%</b>
Reimbursements	292,439	417,201	492,308	571,008	421	6.3
<b>Net Rental Income</b>	<b>\$7,302,684</b>	<b>\$8,783,281</b>	<b>\$9,203,815</b>	<b>\$9,016,827</b>	<b>\$6,650</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	(3,006,177)	(2,117,952)	(1,813,711)	(1,266,364)	(934)	(14.0)
Other Income <sup>(6)</sup>	817,013	881,151	968,202	980,631	723	10.9
<b>Effective Gross Income</b>	<b>\$5,113,520</b>	<b>\$7,546,480</b>	<b>\$8,358,307</b>	<b>\$8,731,093</b>	<b>\$6,439</b>	<b>96.8%</b>
<b>Total Expenses</b>	<b>\$4,386,045</b>	<b>\$5,185,923</b>	<b>\$5,505,208</b>	<b>\$5,575,964</b>	<b>\$4,112</b>	<b>63.9%</b>
<b>Net Operating Income<sup>(7)</sup></b>	<b>\$727,475</b>	<b>\$2,360,557</b>	<b>\$2,853,099</b>	<b>\$3,155,130</b>	<b>\$2,327</b>	<b>36.1%</b>
Replacement Reserves	0	0	0	339,000	250	3.9
<b>Net Cash Flow</b>	<b>\$727,475</b>	<b>\$2,360,557</b>	<b>\$2,853,099</b>	<b>\$2,816,130</b>	<b>\$2,077</b>	<b>32.3%</b>
<b>Occupancy<sup>(8)</sup></b>	<b>78.3%</b>	<b>87.5%</b>	<b>89.5%</b>	<b>85.0%</b>		

(1) 2013 Net Operating Income represents year-end 2013 financials for eight properties. Two of the properties, University Townhomes and Arco Apartments were acquired in March 2014 and October 2014, respectively.

(2) 2014 Net Operating Income represents year-end 2014 financials for nine properties. One of the properties, Arco Apartments was acquired in October 2014.

(3) TTM column represents trailing-12 months as of May 2015 financials for nine properties and the trailing-six months as of May 2015 annualized for Arco Apartments, which was acquired in October 2014.

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

(5) Underwritten Rents in Place are based on the June 2015 rent roll.

(6) Other Income includes miscellaneous property income such as pet fees, cleaning charges, application fees, damage and repairs and lockout fees.

(7) Underwritten Net Operating Income is higher than TTM Net Operating Income due to a decrease in vacancy and credit loss of approximately \$547,347 across the portfolio because of increased occupancy levels.

(8) 2013 Occupancy only includes nine properties as University Townhomes was acquired in March 2014 and Arco Apartments was acquired in October 2014. TTM Occupancy is the occupancy as of June 15, 2015. Underwritten Occupancy represents economic occupancy.

**Release of Properties.** The borrowers are permitted to obtain the release of an individual property from the lien of the mortgage through partial defeasance after the lockout period, subject to the satisfaction of certain conditions, including, but not limited to: (i) payment of the amount equal to the greater of (a) 120% of the allocated loan amount for the applicable individual property and (b) the net sales proceeds for the applicable individual property, (ii) the debt service coverage ratio as calculated in the loan documents for the remaining property in the portfolio is no less than the greater of (a) the debt service coverage ratio as calculated in the loan documents for the 12 months immediately preceding the origination date and (b) the debt service coverage ratio as calculated in the loan documents for the remaining property in the portfolio for the 12 months immediately preceding the release of the individual property, (iii) after giving effect to such release, the loan-to-value ratio as calculated under the loan documents is not greater than the lesser of (a) the loan-to-value ratio immediately preceding the origination date and (b) the loan-to-value ratio as calculated for all of the then remaining properties (including the individual property to be released) and (iv) the debt yield for the properties then remaining as collateral shall be at least equal to the greater of (a) the debt yield immediately preceding the closing date and (b) the debt yield for all the then remaining properties immediately preceding the release of the individual property.

**Permitted Mezzanine Debt.** The loan agreement permits certain direct and indirect owners of the borrowers to obtain a mezzanine loan secured by the ownership interests in the borrowers upon certain terms and conditions set forth in the loan agreement at any time that is 12 months after the note date, which include, without limitation: (i) the amount of the future mezzanine loan shall not exceed the lesser of (a) \$2,243,750 and (b) an amount such that the loan-to-value ratio shall not exceed 80%; (ii) the debt yield, as calculated in the loan documents and including the mezzanine loan, is not less than 10.25%; (iii) the debt service coverage ratio, as calculated in the loan documents and including the mezzanine loan, is not less than 1.30x; (iv) the lender enter into an acceptable intercreditor agreement and (v) the subordinate mezzanine loan is subject to rating agency confirmation.