

Threshold Multifamily Portfolio II

Mortgage Loan Information

Mortgage Loan Seller:	Column
Original Principal Balance:	\$38,040,000
Cut-off Date Principal Balance:	\$38,040,000
% of Pool by IPB:	2.6%
Loan Purpose:	Refinance
Borrowers⁽¹⁾:	Various
Sponsor:	Brian A. Martin
Interest Rate:	4.41100%
Note Date:	10/10/2014
Maturity Date:	11/6/2024
Interest-only Period:	42 months
Original Term:	120 months
Original Amortization:	324 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(88),O(7)
Lockbox:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee
Property Type - Subtype:	Multifamily - Garden
Net Rentable Area (Units):	610
Location:	Various
Year Built / Renovated:	Various / N/A
Occupancy:	95.1%
Occupancy Date:	9/1/2014
Number of Tenants:	N/A
2011 NOI:	\$2,028,572
2012 NOI:	\$2,433,494
2013 NOI:	\$2,631,935
TTM NOI (as of 8/2014)⁽²⁾:	\$2,921,449
UW Economic Occupancy:	93.1%
UW Revenues:	\$5,138,581
UW Expenses:	\$2,103,609
UW NOI⁽²⁾:	\$3,034,971
UW NCF:	\$2,882,471
Appraised Value / Per Unit⁽³⁾:	\$47,550,000 / \$77,951
Appraisal Date:	7/28/2014

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$392,471	\$35,679	N/A
Insurance:	\$65,347	\$7,261	N/A
Replacement Reserves:	\$0	\$12,902	N/A
TI/LC:	\$0	\$0	N/A
Other⁽⁴⁾:	\$75,675	\$0	N/A

Financial Information

Cut-off Date Loan / Unit:	\$62,361
Maturity Date Loan / Unit:	\$53,608
Cut-off Date LTV:	80.0%
Maturity Date LTV:	68.8%
UW NCF DSCR:	1.19x
UW NOI Debt Yield:	8.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$38,040,000	100.0%	Payoff Existing Debt	\$30,560,987	80.3%
			Return of Equity	6,718,077	17.7
			Upfront Reserves	533,492	1.4
			Closing Costs	227,443	0.6
Total Sources	\$38,040,000	100.0%	Total Uses	\$38,040,000	100.0%

(1) The borrowing entities for the loan are BMA Rock Hill Apartments, LLC, BMA North Sharon Amity Apartments, LLC, and BMA Monroe III Apartments, LLC.

(2) Increase from TTM NOI to UW NOI is due to improving occupancy and an increase in rent at all properties in July 2014.

(3) In addition to the individual property valuations, the appraisal also valued the mortgaged properties for purposes of a bulk sale as a portfolio at \$49,531,257 (\$81,199 per unit), as of October 1, 2014. The above presented value is the sum of individual property values.

(4) Initial Other reserves represents deferred maintenance of \$75,675.

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The Loan. The Threshold Multifamily Portfolio II loan has an outstanding principal balance of \$38.04 million and is secured by a first mortgage lien on three multifamily properties totaling 610 units. The loan has a 10-year term and, subsequent to a 42-month interest-only period, will amortize on a 27-year schedule. The loan sponsor and nonrecourse carve-out guarantor of the mortgage loan is Brian A. Martin. Mr. Martin is the President of Threshold Capital, which he founded in 2004. Threshold Capital is a real estate investment firm specializing in the acquisition, renovation and operation of multifamily communities. Threshold Capital's real estate portfolio is currently valued at \$375 million and includes 40 multifamily properties in the Southern United States.

The Properties. The three properties include: (i) Gable Oaks, a 252-unit garden-style multifamily property located in Rockhill, South Carolina; (ii) Sharon Pointe, a 190-unit garden-style multifamily property located in Charlotte, North Carolina and (iii) Woodbrook, a 168-unit garden-style multifamily property located in Monroe, North Carolina.

Gable Oaks. The Gable Oaks property is a 252-unit garden-style multifamily development which was completed in 1997 and as of September 1, 2014 was 96.4% occupied. Amenities at the property include an on-site leasing office, clubhouse, fitness room, laundry room and a swimming pool. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, washer/dryer connections (two and three bedroom units only) and a patio/balcony. The studio units are leased fully furnished, with a murphy bed, sofa, chair, end table, two bar stools and a microwave. The property has 452 parking spaces, which results in a parking ratio of approximately 1.79 spaces per unit.

Sharon Pointe. The Sharon Pointe property is a 190-unit garden-style multifamily development which was completed in 2001 and as of September 1, 2014 was 93.2% occupied. Amenities at the property include an on-site leasing office, clubhouse, fitness center, laundry room, and a swimming pool. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, ceiling fans, washer/dryer connections (two and three bedroom units only) and a patio/balcony. The studio units are leased fully furnished, with a murphy bed, sofa, chair, end table, two bar stools and a microwave. The property has 280 parking spaces, which results in parking ratio approximately 1.47 parking spaces per unit.

Woodbrook. The Woodbrook property is a 168-unit garden-style multifamily development which was completed in 1997 and as of September 1, 2014 was 95.2% occupied. Amenities at the property include an on-site leasing office, clubhouse, fitness center, laundry room, basketball court and a swimming pool. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, ceiling fans, washer/dryer connections (two and three bedroom units only) and a patio/balcony. The studio units are leased fully furnished, with a murphy bed, sofa, chair, end table, two bar stools and a microwave. The property has 361 parking spaces, which results in parking ratio approximately 2.15 parking spaces per unit.

The Markets. **Gable Oaks.** The Gable Oaks property is located in Rockhill, South Carolina, approximately 20 miles south of the Charlotte central business district ("CBD"). The major retail development near the property is the Rockhill Galleria, a regional mall that is located approximately three miles south of the property. The neighborhood is also home to two colleges, York Technical College and Winthrop University, each located within 3.5 miles. York Technical College enrolls approximately 6,000 students and Winthrop University enrolls over 5,000 undergraduates and 1,100 graduate students. According to the appraisal, the Gable Oaks property is located within the North Pineville apartment submarket. As of the first quarter of 2014, the North Pineville submarket's 1990-1999 built apartment properties reported an occupancy of 95.0% and comparable properties had an average occupancy of 96.2%. The average monthly market rent of the property's submarket is \$833 per unit and the market rent for the property's age group is \$831 per unit. The appraisal's competitive set has an average monthly market rent of \$705 per unit (\$0.75 per square foot).

Sharon Pointe. The Sharon Pointe property is located in Charlotte, North Carolina approximately seven miles east of the Charlotte CBD. The major retail developments near the property include Compare Foods Supermarket, located adjacent to the north of the property. Hickory Grove Market Shopping Center is located within proximity to the east of the property. Eastland Mall is located approximately two miles south of the property along Central Avenue. The regional mall is anchored by Dillard's, Burlington Coat Factory, and Sears. There is a transit system stop approximately one block from the property. According to the appraisal, the property is located within the North Tryon Street apartment submarket. As of the first quarter of 2014, the North Tryon Street submarket's 2000-2009 built apartment properties reported an occupancy of 95.6% and comparable properties had an average occupancy of 95.5%. The average monthly market rent of the property's submarket is \$671 per unit and the market rent for property's age group properties is \$884 per unit. The appraisal's competitive set has an average monthly market rent of \$670 per unit (\$0.83 per square foot).

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Woodbrook. The Woodbrook property is located in the northern portion of Monroe, North Carolina, approximately five miles northeast of the Monroe CBD. Harris Teeter, Food Lion, and Bi-Lo supermarkets are located approximately 2.5 to three miles from the property. Wal-Mart Supercenter, Lowe's, and CVS are located approximately two miles east of the property along Roosevelt Boulevard. Big-K Mart and Monroe Mall (anchors include JCPenney, Belk, Sears, and Peebles) are located approximately 2.5 miles east of the property along Roosevelt Boulevard. There is a Park N Ride stop approximately 2.5 miles east of the property along Roosevelt Boulevard. According to the appraisal, the property is located within the Carmel apartment submarket. As of the first quarter 2014, the Carmel submarket's 1990-1999 built apartment properties reported an occupancy of 95.4% and comparable properties had an average occupancy of 97.6%. The average monthly market rent of the property's submarket is \$1,014 per unit and the market rent for property's age group properties is \$1,064 per unit. The appraisal's competitive set has an average monthly market rent of \$735 per unit (\$0.87 per square foot).

Gable Oaks Unit Mix ⁽¹⁾									
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Monthly In-Place Rents ⁽²⁾	Monthly In-Place Rent PSF ⁽²⁾	Monthly Market Rent ⁽³⁾	Monthly Market Rent PSF
Studio	21	8.3%	21	100.0%	336	\$526	\$1.56	\$545	\$1.62
1 Bedroom	63	25.0	62	98.4%	520	\$544	\$1.05	\$565	\$1.09
2 / 1 Bedroom	13	5.2	13	100.0%	864	\$636	\$0.74	\$670	\$0.78
2 / 2 Bedroom	107	42.5	103	96.3%	864	\$663	\$0.77	\$694	\$0.80
3 Bedroom	48	19.0	44	91.7%	1,080	\$769	\$0.71	\$804	\$0.74
Total / Wtd. Avg.	252	100.0%	243	96.4%	775	\$641	\$0.89	\$669	\$0.93

(1) Based on the underwritten rent roll.

(2) Average monthly rental rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from the borrower rent roll dated September 1, 2014.

Sharon Pointe Unit Mix ⁽¹⁾									
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Monthly In-Place Rents ⁽²⁾	Monthly In-Place Rent PSF ⁽²⁾	Monthly Market Rent ⁽³⁾	Monthly Market Rent PSF
Studio	24	12.6%	24	100.0%	440	\$540	\$1.23	\$555	\$1.26
1 Bedroom	14	7.4	13	92.9%	544	\$612	\$1.13	\$625	\$1.15
2 / 2 Bedroom	120	63.2	112	93.3%	844	\$694	\$0.82	\$715	\$0.85
3 Bedroom	32	16.8	28	87.5%	1,080	\$848	\$0.79	\$840	\$0.78
Total / Wtd. Avg.	190	100.0%	177	93.2%	811	\$695	\$0.89	\$709	\$0.91

(1) Based on the underwritten rent roll.

(2) Average monthly rental rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from the borrower rent roll dated September 1, 2014.

Woodbrook Unit Mix ⁽¹⁾									
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Monthly In-Place Rents ⁽²⁾	Monthly In-Place Rent PSF ⁽²⁾	Monthly Market Rent ⁽³⁾	Monthly Market Rent PSF
Studio	18	10.7%	18	100.0%	336	\$600	\$1.78	\$615	\$1.83
1 Bedroom	21	12.5	20	95.2%	600	\$601	\$1.00	\$625	\$1.04
2 / 1 Bedroom	10	6.0	9	90.0%	868	\$666	\$0.77	\$690	\$0.79
2 / 2 Bedroom	95	56.5	91	95.8%	868	\$732	\$0.84	\$755	\$0.87
3 Bedroom	24	14.3	22	91.7%	1,040	\$832	\$0.80	\$860	\$0.83
Total / Wtd. Avg.	168	100.0%	160	95.2%	802	\$712	\$0.95	\$735	\$0.98

(1) Based on the underwritten rent roll.

(2) Average monthly rental rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from the borrower rent roll dated September 1, 2014.

Threshold Multifamily Portfolio II

Operating History and Underwritten Net Cash Flow ⁽¹⁾						
	2012	2013	TTM ⁽²⁾	Underwritten	Per Unit	% ⁽³⁾
Rents in Place ⁽⁴⁾	\$4,568,938	\$4,745,701	\$4,854,816	\$4,956,527	\$8,125	100.0%
Vacant Income	0	0	0	0	0	0.0
Gross Potential Rent	\$4,568,938	\$4,745,701	\$4,854,816	\$4,956,527	\$8,125	100.0%
Total Reimbursements	0	0	0	0	0	0.0
Net Rental Income	\$4,568,938	\$4,745,701	\$4,854,816	\$4,956,527	\$8,125	100.0%
(Vacancy and Credit Loss) ⁽⁵⁾	(498,850)	(436,309)	(335,393)	(342,307)	(561)	(6.9)
Other Income	393,271	416,209	485,940	524,361	860	10.6
Effective Gross Income	\$4,463,359	\$4,725,601	\$5,005,363	\$5,138,581	\$8,424	103.7%
Total Expenses	\$2,029,865	\$2,093,666	\$2,083,914	\$2,103,610	\$3,449	40.9%
Net Operating Income	\$2,433,494	\$2,631,935	\$2,921,449	\$3,034,971	\$4,975	59.1%
Total TI/LC, Capex/RR	115,070	114,550	116,517	152,500	250	3.0
Net Cash Flow	\$2,318,424	\$2,517,385	\$2,804,932	\$2,882,471	\$4,725	56.1%
Occupancy⁽⁶⁾	91.4%	94.7%	95.1%	93.1%		

(1) A detailed operating statement for 2011 was not provided by the borrower.

(2) The TTM column represents the trailing twelve months ending August 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) Underwritten Rents in Place are based on the September 1, 2014 rent roll.

(5) Vacancy and Credit Loss in the TTM period represent employee discount, vacancy loss, loss from non revenue units, concessions and uncollectible rents as of September 1, 2014.

(6) Historical Occupancies are as of December 31 of each year. TTM occupancy is as of September 1, 2014. Underwritten Occupancy represents economic occupancy.

Release of Individual Properties. After the lockout period, the borrower is permitted to obtain the release of any individual property in connection with a partial defeasance of the loan, subject to the satisfaction of certain conditions, including, but not limited to the following: (i) partial defeasance of a principal amount equal to the greater of (a) 100% of the net sales proceeds with respect to such property and (b) 125% of the aggregate of the allocated loan amount for such property, (ii) after giving effect to such sale and defeasance, the debt service coverage ratio of the properties then remaining shall be no less than the greater of (a) the debt service coverage ratio immediately preceding such sale and (b) 1.20x, and (iii) after giving effect to such sale and defeasance, the loan to value ratio of the properties then remaining shall be no more than the lesser of (a) the loan to value ratio immediately preceding such sale and (b) 80%.