

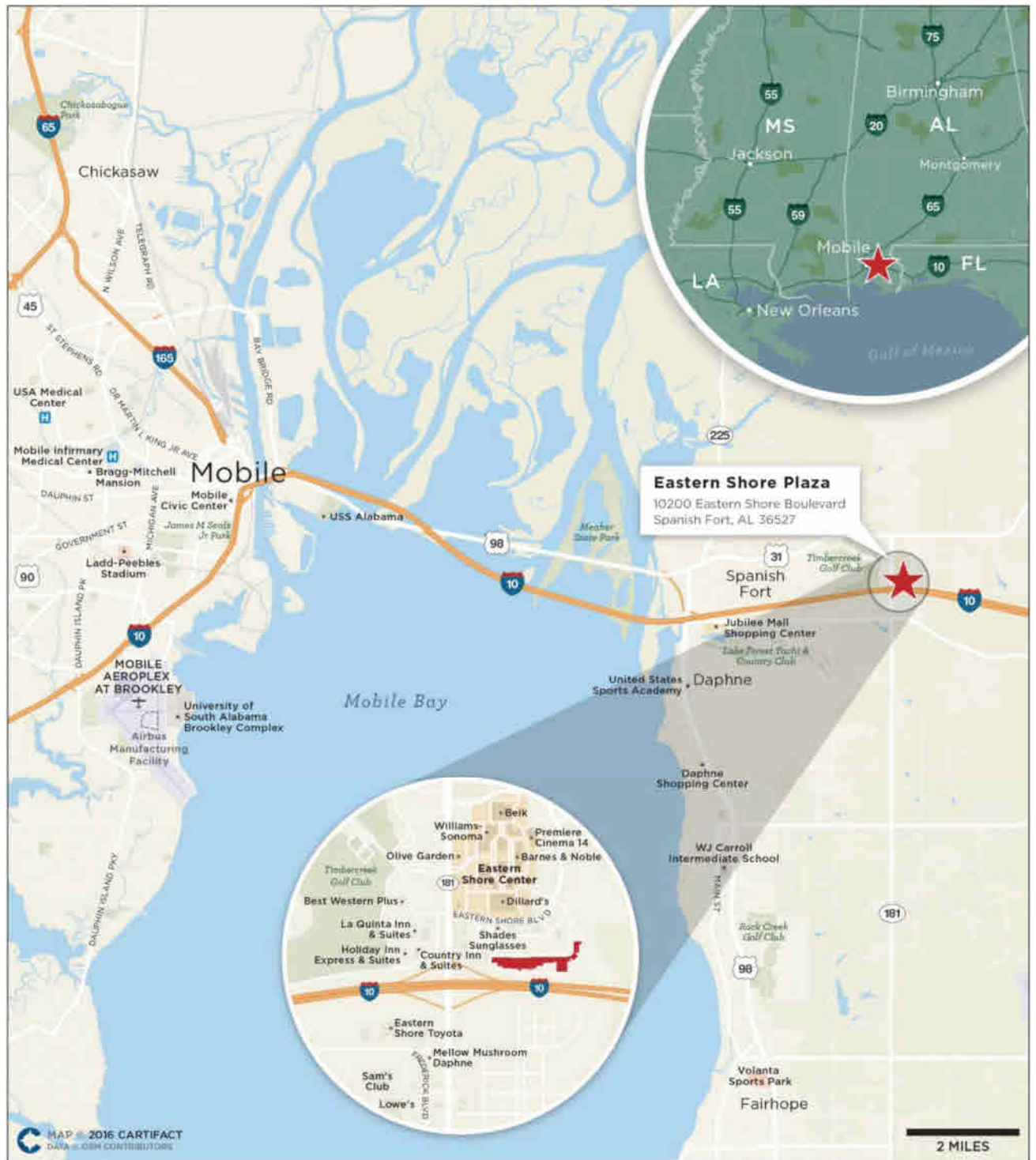
Mortgage Loan No. 8 — Eastern Shore Plaza



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Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$24,000,000
Cut-off Date Principal Balance:	\$24,000,000
% of Pool by IPB:	3.1%
Loan Purpose:	Acquisition
Borrower:	Eastern Shore Plaza, LLC
Sponsor:	Hardam S. Azad
Interest Rate:	4.7800%
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 ⁽²⁾ :	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:	Retail – Anchored
Net Rentable Area (SF):	270,105
Location:	Spanish Fort, AL
Year Built / Renovated:	2004 / N/A
Occupancy:	95.5%
Occupancy Date:	8/16/2016
Number of Tenants:	21
2013 NOI:	\$2,646,425
2014 NOI:	\$2,582,330
2015 NOI:	\$2,515,763
TTM NOI ⁽¹⁾ :	\$2,504,217
UW Economic Occupancy:	95.0%
UW Revenues:	\$3,141,837
UW Expenses:	\$662,051
UW NOI:	\$2,479,786
UW NCF:	\$2,304,270
Appraised Value / Per SF:	\$35,000,000 / \$130
Appraisal Date:	8/4/2016

Escrows and Reserves⁽³⁾

	Initial	Monthly	Initial Cap
Taxes:	\$0	\$16,617	N/A
Insurance:	\$14,307	\$7,153	N/A
Replacement Reserves:	\$0	\$3,376	\$121,547
TI/LC:	\$0	\$11,250	\$400,000
Outstanding Tenant Improvements:	\$230,000	\$0	N/A
Rent Abatement Reserve:	\$53,000	N/A	N/A
Sweep Lease Reserve:	\$0	Springing	N/A

Financial Information

Cut-off Date Loan / SF:	\$89
Maturity Date Loan / SF:	\$76
Cut-off Date LTV:	68.6%
Maturity Date LTV:	59.0%
UW NCF DSCR:	1.53x
UW NOI Debt Yield:	10.3%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$24,000,000	72.3%
Sponsor Equity	9,217,484	27.7
Total Sources	\$33,217,484	100.0%

Uses	Proceeds	% of Total
Purchase Price	\$32,300,000	97.2%
Closing Costs	620,177	1.9
Upfront Reserves	297,307	0.9
Total Uses	\$33,217,484	100.0%

(1) Represents trailing twelve months ending June 30, 2016.

(2) For a more detailed description of lockbox, please refer to "Lockbox / Cash Management" below.

(3) For a more detailed description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

Mortgage Loan No. 8 — Eastern Shore Plaza

The Loan. The Eastern Shore Plaza loan is a \$24.0 million first mortgage loan secured by the fee interest in a 270,105 SF anchored retail center located in Spanish Fort, Alabama. The loan has a 10-year term and will amortize on a 30-year schedule after an initial 24-month interest-only period.

The Borrower. The borrowing entity for the loan is Eastern Shore Plaza, LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Hardam S. Azad. The borrowing entity is owned by Hardam S. Azad, The Azad Family Trust and other limited partners. Hardam S. Azad is a Houston-based real estate professional who has owned and managed investment real estate for over three decades. His current portfolio includes 15 properties with over 1.2 million SF of retail space in Texas, Louisiana, Oklahoma, Alabama, and Tennessee. He founded and runs AZAD R.E. Investments Group, which exclusively invests in and manages shopping centers. The sponsor has been employed full time in his property acquisition, management, and disposition businesses since late 1995. The sponsor has borrowed over \$20 million in loans that were included in CMBS 2.0 securitizations and each such loan has performed as expected with no delinquencies.

The Property. The Eastern Shore Plaza property is a 270,105 SF anchored retail center built in 2004 and located in Spanish Fort, Alabama. The approximately 36.8-acre site is improved by three buildings divided into 25 units and 95.5% leased to 21 tenants. Building one (245,355 SF) contains 18 tenant spaces including Ashley Furniture, Best Buy, Ross Dress for Less, Michael's and PetSmart and smaller in-line tenants. Building two (12,750 SF) is located on the northeast side of the property and is fully occupied by Party City. Building three (12,000 SF) is a dual-tenant building currently leased to Shades Sunglasses & Apparel and Sleep Center. Approximately 86.0% of the total space is leased to national tenants. Approximately 83.2% of the space is leased to tenants who have been at the property for 10 years or more (including all six of the anchor / junior anchors), all of which have renewed their original leases. Since 2015, 14 tenants comprising 70.0% of the space have renewed their leases, and three new leases were signed for an additional 5.2% of the space. The property has averaged approximately 95.0% occupancy since 2006.

The property has 1,528 parking spaces amounting to a parking ratio of approximately 5.66 per 1,000 SF of net rentable area. The parking areas are along the front of the buildings and provide parking to the storefronts. The property is situated on Eastern Shore Boulevard, has visibility and benefits from traffic counts of approximately 64,700 vehicles per day due to surrounding attractions and easy access from main roads. The property's pylon sign with a reader board is visible from Interstate 10. Eastern Shore Parkway intersects with Route 181 one-quarter mile west of the property. The property's location and visible signage draw in shoppers from the entire Mobile metropolitan statistical area.

The property is part of a retail development area considered the commercial hub of Baldwin County. The retail development area is located at the intersection of Interstate 10 and Route 181, consists of approximately 1.0 million SF, and includes the Eastern Shore Plaza property, Eastern Shore Center (a 540,000 SF lifestyle center), Eastern Shore Crossing, a Publix-anchored shopping center and Lowe's Home Improvement, all within a half mile of Eastern Shore Plaza.

The Market. The property is located in Baldwin County, Alabama, approximately 10 miles east of Mobile, Alabama, and 45 miles west of Pensacola, Florida. Baldwin County ranked as the 8th fastest growing area of the United States in 2014. The county was also the fastest growing county in Alabama in 2015.

The population within a 5-mile radius of the property has witnessed significant population and income growth over the last five years. From 2010-2015, the population increased nearly 16% and average household income, which is approximately \$87,000, has increased 3%. The positive population and income trends are projected to continue through 2020, with population and average household income increasing by 11% and 16%, respectively. There has been recent development within the immediate area of the property. Less than a mile south of the property next to Sam's Club, Thomas Hospital is moving forward with plans to build a \$22 million, 24-hour full service emergency room with overnight hospital rooms. This type of emergency room will be only one of three in the state. DR Horton recently built three single-family home communities within a mile of the property. Route 181, which is a commercial thoroughfare featuring restaurants, limited service hotels, and small offices, is continuing to attract

Mortgage Loan No. 8 — Eastern Shore Plaza

new businesses such as Dunkin Donuts and CVS, who are in process of building new stand-alone stores within a mile of the property along Highway 181.

The property is located in the Baldwin County submarket within the Mobile retail market. As of the second quarter 2016, the Baldwin market had a total inventory of 16,313,700 SF with average asking rents of \$13.47 PSF. While the greater Mobile market had a slow first half of 2016, year-to-date absorption in Baldwin County was strong at 113,397 SF. The submarket quickly absorbed the 94,329 SF of new inventory, reflecting the area's strength and potential for further growth. The submarket reported a second quarter vacancy rate of 3.9% with asking rents quoted at \$13.47 PSF. The second quarter of 2016 vacancy rate (3.9%) is consistent with last year (4.0%) and consistent with the average vacancy over the past nine years (4.0%). The historic vacancy trend indicates stable long-term demand for retail space in the Baldwin County market. According to the appraisal, the property's competitive set consists of the six properties detailed in the table below.

Competitive Set Summary⁽¹⁾

Property	Year Built / Renovated	Total GLA (SF)	Est. Occ.	Proximity (miles)	Anchor Tenants
Eastern Shore Plaza	2004 / N/A	270,105⁽²⁾	95.5%⁽²⁾	NAP	Ashley Furniture, Best Buy, Ross Dress for Less, Michael's, PetSmart, Old Navy, Cost Plus World Market⁽²⁾
Shoppes of Daphne	2008 / N/A	9,343	100.0%	5.0	Retail strip center – six tenants
The Shoppes at Fairhope Village	2009 / N/A	62,740	95.5%	8.0	Publix
Magnolia Place Shopping Center	1986 / N/A	85,018	100.0%	4.5	Publix
Bay Point Shopping Center	1995 / N/A	20,278	100.0%	4.4	Retail Strip Center
Azalia Road Retail	2008 / N/A	55,833	100.0%	18.7	Dollar Tree, Haverly's, Infirmary Health
Azalea Shopping Center	1964 / N/A	131,208	84.2%	18.0	Party City, Dollar Tree

(1) Source: Appraisal.

(2) Based on the August 16, 2016 underwritten rent roll.

Historical and Current Occupancy⁽¹⁾

2013	2014	2015	Current ⁽²⁾
97.0%	95.0%	90.0%	95.5%

(1) Source: Historical Occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year.

(2) Based on the August 16, 2016 underwritten rent roll.

Mortgage Loan No. 8 — Eastern Shore Plaza

Tenant Summary⁽¹⁾

Tenant	Ratings Moody's/S&P/Fitch ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Sales PSF ⁽³⁾	Occupancy Costs ⁽³⁾	Lease Expiration Date
Ashley Furniture	NR / NR / NR	45,000	16.7%	\$5.35	\$108.96	7.0%	12/31/2021
Best Buy	Baa1/BBB-/BBB-	30,981	11.5%	\$12.00	N/A	N/A	3/31/2021
Ross Dress for Less	A3/A-/NR	30,187	11.2%	\$10.25	N/A	N/A	1/31/2021
Michael's	Ba2/B+/NR	21,360	7.9%	\$10.75	N/A	N/A	8/31/2020
PetSmart	B3/B+/NR	20,087	7.4%	\$12.75	N/A	N/A	9/30/2025
Old Navy	Baa2/BB-/BB+	18,982	7.0%	\$8.37	\$176.57	5.8%	7/31/2020
Cost Plus World Market	NR / NR / NR	18,230	6.7%	\$7.00	N/A	N/A	1/31/2027
Party City	NR / NR / NR	12,750	4.7%	\$12.25	\$98.45	14.8%	12/31/2018
Dollar Tree	Ba2/BB-/NR	10,000	3.7%	\$10.00	\$125.25	9.5%	7/31/2020
Tuesday Morning	NR / NR / NR	9,660	3.6%	\$9.50	\$115.02	9.7%	1/31/2024

(1) Based on the August 16, 2016 underwritten rent roll, including rent steps occurring through the next twelve months.

(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) Sales PSF and Occupancy Costs represent comparable tenant sales (tenants with 12 months reported sales) and occupancy costs for the most recent twelve-month period available as provided by the sponsors.

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	12,168	4.5%	NAP	NAP	12,168	4.5%	NAP	NAP
MTM	0	0	0.0	\$0	0.0%	12,168	4.5%	\$0	0.0%
2016	0	0	0.0	0	0.0	12,168	4.5%	\$0	0.0%
2017	2	9,100	3.4	25,600	1.0	21,268	7.9%	\$25,600	1.0%
2018	4	20,950	7.8	241,788	9.3	42,218	15.6%	\$267,388	10.3%
2019	2	4,800	1.8	88,000	3.4	47,018	17.4%	\$355,388	13.7%
2020	4	54,842	20.3	611,976	23.5	101,860	37.7%	\$967,364	37.2%
2021	5	114,268	42.3	1,057,053	40.6	216,128	80.0%	\$2,024,417	77.8%
2022	1	6,000	2.2	102,000	3.9	222,128	82.2%	\$2,126,417	81.7%
2023	0	0	0.0	0	0.0	222,128	82.2%	\$2,126,417	81.7%
2024	1	9,660	3.6	91,770	3.5	231,788	85.8%	\$2,218,187	85.3%
2025	1	20,087	7.4	256,109	9.8	251,875	93.3%	\$2,474,296	95.1%
2026 & Beyond	1	18,230	6.7	127,610	4.9	270,105	100.0%	\$2,601,906	100.0%
Total	21	270,105	100.0%	\$2,601,906	100.0%				

(1) Based on the August 16, 2016 underwritten rent roll. Rent includes base rent and rent steps occurring over the next twelve months.

Mortgage Loan No. 8 — Eastern Shore Plaza

Operating History and Underwritten Net Cash Flow

	2013	2014	2015	TTM ⁽¹⁾	Underwritten ⁽²⁾	PSF	% ⁽³⁾
Rents in Place	\$2,802,976	\$2,815,978	\$2,771,737	\$2,712,459	\$2,601,906	\$9.63	78.7%
Vacant Income	0	0	0	0	130,680	0.48	4.0
Percentage Rent ⁽⁴⁾	4,821	0	0	16,681	18,140	0.07	0.5
Gross Potential Rent	\$2,807,798	\$2,815,978	\$2,771,737	\$2,729,140	\$2,750,726	\$10.18	83.2%
Total Reimbursements	512,807	474,710	498,265	473,826	556,471	2.06	16.8
Net Rental Income	\$3,320,605	\$3,290,688	\$3,270,002	\$3,202,966	\$3,307,197	\$12.24	100.0%
(Vacancy/Collection Loss)	0	0	0	0	(165,360)	(0.61)	(5.0)
Other Income	3,207	3,338	1,702	138	0	0.00	0.0
Effective Gross Income	\$3,323,812	\$3,294,026	\$3,271,704	\$3,203,104	\$3,141,837	\$11.63	95.0%
Total Expenses	\$677,387	\$711,696	\$755,941	\$698,887	\$662,051	\$2.45	21.1%
Net Operating Income	\$2,646,424	\$2,582,330	\$2,515,763	\$2,504,217	\$2,479,786	\$9.18	78.9%
Total TI/LC, Capex/RR	40,516	40,516	40,516	40,516	175,516	0.65	5.6
Net Cash Flow	\$2,605,909	\$2,541,815	\$2,475,248	\$2,463,701	\$2,304,270	\$8.53	73.3%

(1) TTM Column represents the trailing twelve month period ending June 30, 2016.

(2) Underwritten Rents In Place includes base rent, rent steps occurring over the next twelve months and a \$0.48 PSF free rent adjustment.

(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) Percentage Rent consists of a fixed percentage of a tenant's sales.

Property Management. The property is managed by Azad Commercial Realty Services, LLC, an affiliate of the sponsor.

Escrows and Reserves. At origination, the borrower deposited into escrow a sum of \$230,000 for outstanding tenant improvements associated with Ashley Furniture, Shades Sunglasses and Doctor's Diet Program, \$53,000 for rent abatements associated with Shades Sunglasses and Casual Apparel and The Sleep Center of Lower Alabama, LLC and \$14,307 for insurance.

Tax Escrows – On a monthly basis, the borrower is required to escrow 1/12th of annual tax payments, currently equal to \$16,617.

Insurance Escrows – On a monthly basis, the borrower is required to escrow 1/12th of annual insurance payments equal to \$7,153.

Replacement Reserves – On a monthly basis, the borrower is required to escrow \$3,376 for replacement reserves, subject to a cap of \$121,547.

TI/LC Reserve – On a monthly basis, the borrower is required to escrow \$11,250 for tenant improvements and leasing commissions, subject to a cap of \$400,000.

Sweep Lease Reserve – On each monthly payment date during a Cash Sweep Period (as defined below) that was caused and exists solely due to a Specified Tenant Sweep Event (as defined below), the borrower is required to deposit all excess cash flow generated by the property, after the payment of debt service, required reserves and operating expenses, among other things, for the immediately preceding interest period into a lease sweep reserve.

Lockbox / Cash Management. The Eastern Shore Plaza loan is structured with hard lockbox and springing cash management. The tenants have been directed to remit all payments due under their leases directly into the lockbox account controlled by the lender. During the continuance of a Cash Sweep Period (as defined below), all funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed during each interest period of the term of the loan in accordance with the loan documents. During the continuance of a Cash Sweep Period, all excess cash flow, after payments made in accordance with the loan documents for, among other things, debt service, required reserves and operating expenses, will be held as additional collateral for the loan.

Mortgage Loan No. 8 — Eastern Shore Plaza

A "Cash Sweep Period" will commence upon (i) the occurrence and continuance of an event of default, (ii) the debt service coverage ratio being less than 1.15x or (iii) a Specified Tenant Sweep Event. A Cash Sweep Period expires upon, with regard to clause (i) above, the cure of such event of default, with regard to clause (ii) above, the date that the debt service coverage ratio is at least 1.20x for two consecutive calendar quarters, and with regard to clause (iii) above, the cure of all Specified Tenant Sweep Events.

A "Specified Tenant Sweep Event" will be triggered if the Ashley Furniture tenant, the Best Buy tenant, the Ross Dress for Less tenant, any other tenant occupying at least 25,000 SF of NRA at the property or any replacement tenant (i) defaults on its lease beyond notice and cure periods (or if the borrower defaults under any such lease beyond any notice and cure periods), (ii) goes dark or vacates its space, (iii) files for bankruptcy, (iv) terminates its lease, (v) does not renew its lease at least 12 months prior to the scheduled lease expiration, or (vi) exercises rights or remedies pursuant to a co-tenancy provision under such its lease (including, without limitation, a reduction of rent or termination of such lease).