

3701 Towne Crossing Boulevard
Mesquite, TX 75150

Collateral Asset Summary – Loan No. 16

The Place Apartments

Cut-off Date Balance: \$24,300,000
Cut-off Date LTV: 73.9%
U/W NCF DSCR: 1.33x
U/W NOI Debt Yield: 9.7%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Acquisition
Sponsor: Edward I. Biskind
Borrower: InterGerman Place Limited Partnership
Original Balance: \$24,300,000
Cut-off Date Balance: \$24,300,000
% by Initial UPB: 2.4%
Interest Rate: 4.7100%
Payment Date: 6th of each month
First Payment Date: January 6, 2016
Maturity Date: December 6, 2025
Amortization: Interest only for first 36 months; 360 months thereafter
Additional Debt: None
Call Protection: L(26), D(90), O(4)
Lockbox / Cash Management⁽¹⁾: Springing Soft / Springing

Reserves

	Initial	Monthly
Taxes:	\$0	\$36,170
Insurance⁽²⁾:	\$0	Springing
Replacement:	\$0	\$9,208
Capital Expenditure Holdback⁽³⁾:	\$2,430,800	\$0

Financial Information

Cut-off Date Balance / Unit:	\$54,977
Balloon Balance / Unit:	\$48,358
Cut-off Date LTV⁽⁴⁾⁽⁵⁾:	73.9%
Balloon LTV⁽⁵⁾:	72.2%
Underwritten NOI DSCR⁽⁶⁾:	1.40x
Underwritten NCF DSCR⁽⁶⁾:	1.33x
Underwritten NOI Debt Yield⁽⁴⁾:	9.7%
Underwritten NCF Debt Yield⁽⁴⁾:	9.2%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Garden Multifamily
Collateral: Fee Simple
Location: Mesquite, TX
Year Built / Renovated: 1985 / NAP
Total Units: 442
Property Management: Vesta Management Services, LLC
Underwritten NOI: \$2,119,336
Underwritten NCF: \$2,008,836
"As-is" Appraised Value: \$29,600,000
"As-is" Appraisal Date: October 7, 2015
"As Stabilized" Appraised Value⁽⁵⁾: \$32,500,000
"As Stabilized" Appraisal Date: November 1, 2016

Historical NOI⁽⁷⁾

Most Recent NOI:	\$2,118,633 (T-12 August 31, 2015)
2014 NOI:	\$2,100,088 (December 31, 2014)
2013 NOI:	\$1,940,693 (December 31, 2013)
2012 NOI:	NAV

Historical Occupancy⁽⁷⁾

Most Recent Occupancy:	97.3% (November 24, 2015)
2014 Occupancy:	96.7% (December 31, 2014)
2013 Occupancy:	97.0% (December 31, 2013)
2012 Occupancy:	NAV

- (1) A soft lockbox and in place cash management will be triggered (i) upon an event of default or (ii) if the DSCR falls below 1.15x until such time that the DSCR is at least 1.20x for two consecutive calendar quarters.
- (2) If an acceptable blanket insurance policy is no longer in place, the borrower is required to deposit 1/12 of the annual premiums into the insurance reserve on a monthly basis.
- (3) Amounts in the capital expenditure holdback will be released to the borrower provided, among other things (i) no event of default is continuing and (ii) such amounts are used for planned capital expenditures set forth in the loan documents.
- (4) The Cut-off Date LTV, Underwritten NOI Debt Yield and Underwritten NCF Debt Yield are calculated net of the capital expenditure holdback reserve amount of approximately \$2.4 million. Including the capital expenditure holdback reserve amount the "As-is" Cut-off Date LTV, Underwritten NOI Debt Yield and Underwritten NCF Debt Yield are 82.1%, 8.7% and 8.3%, respectively.
- (5) The "As Stabilized" Appraised Value assumes that all scheduled renovations at the property have been completed. Based on the "As Stabilized" Appraised Value and including the capital expenditure holdback reserve amount, the Cut-off Date LTV and the Balloon LTV are 74.8% and 65.8%, respectively.
- (6) Based on amortizing payments. Based on the current interest only debt service payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 1.83x and 1.73x, respectively.
- (7) The sponsor purchased The Place Apartments property in November 2015. As such, Historical NOI and Historical Occupancy in 2012 are not available.

TRANSACTION HIGHLIGHTS

- Property.** The Place Apartments property is a Class B multifamily development located in Mesquite, Texas. The Place Apartments property was constructed in 1985 and contains 442 units in 24, two- and three-story garden style buildings. Additional improvements include a single-story leasing office and two laundry facilities. Amenities at The Place Apartments property include two swimming pools, BBQ grills, water-volleyball, clubhouse and two picnic terraces. The property has 708 surface parking spaces (1.6 spaces per unit) and the proposed renovation by the sponsor includes the completion of 30 covered parking spaces. The unit mix consists of 286 1BR/1BA, 56 1BR/1.5BA, and 100 2BR/2BA units ranging from 510-1,056 sq. ft. The units feature standard appliances, pantry, ceiling fans, balconies or patios, extra storage and walk-in closets. Select units feature vaulted ceilings, fireplaces, and/or washer and dryer connections. As of November 24, 2015, The Place Apartments property is 97.3% occupied.
- Capital Expenditure Plan.** The sponsor intends to invest approximately \$2.4 million (\$5,500 per unit) to renovate The Place Apartments property, with approximately \$935,000 (\$2,115 per unit) budgeted for interior unit renovations and electrical repairs. The Place Apartments loan is structured with an upfront holdback of approximately \$2.4 million for the renovation. The sponsor plans to install faux-wood vinyl plank flooring in the kitchens, bathrooms and entryways, new carpet in the bedrooms and living rooms, replace or resurface cabinets and countertops, install a new appliance package, replace cabinetry, plumbing hardware and light fixtures, add an accent wall in the living room area, and renovate down units that contain fire, smoke, and water damage. Improvements include, but are not limited to, exterior upgrades to the HVAC condensing units, leasing center, fitness center, pool, playground and dog park. This work must be completed within two years of the origination date. Any funds remaining after the work is completed, if any, is required to be deposited into the capital expenditure account.
- Market.** The Place Apartments property is located in the Mesquite multifamily submarket about 10 miles north of the Dallas central business district. As of Q3 2015, the Mesquite submarket features a current occupancy rate of 96.0% and a five-year average occupancy rate of 93.6%. The monthly asking rent over the same period is \$824, which is above the in-place average asking rent of \$657 for The Place Apartments property. No new units were delivered to the submarket in Q3 2015; however, 419 units were delivered over the past year, marking a 3.4% increase in inventory.