

## Mortgage Loan No. 12 — 71 Fifth Ave

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BSP
<b>Original Principal Balance:</b>	\$25,000,000
<b>Cut-off Date Principal Balance:</b>	\$25,000,000
<b>% of Pool by IPB:</b>	3.1%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	71 Fifth Ground Lessor LLC
<b>Sponsor:</b>	71 Fifth, LLC
<b>Interest Rate:</b>	3.8800%
<b>Note Date:</b>	2/3/2017
<b>Maturity Date<sup>(1)</sup>:</b>	2/6/2027
<b>Interest-only Period:</b>	120 months
<b>Original Term<sup>(1)</sup>:</b>	120 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	Interest Only, ARD
<b>Call Protection:</b>	L(28),Def(88),O(4)
<b>Lockbox:</b>	Hard
<b>Additional Debt:</b>	No
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A
<b>Additional Future Debt Permitted:</b>	No

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype<sup>(2)</sup>:</b>	Other – Leased Fee
<b>Net Rentable Area (SF)<sup>(2)</sup>:</b>	161,000
<b>Location:</b>	New York, NY
<b>Year Built / Renovated:</b>	1907 / 2011
<b>Occupancy<sup>(3)</sup>:</b>	N/A
<b>Occupancy Date<sup>(3)</sup>:</b>	N/A
<b>Number of Tenants:</b>	N/A
<b>2014 NOI<sup>(3)</sup>:</b>	N/A
<b>2015 NOI<sup>(3)</sup>:</b>	N/A
<b>2016 NOI<sup>(3)</sup>:</b>	N/A
<b>TTM NOI<sup>(3)</sup>:</b>	N/A
<b>UW Economic Occupancy:</b>	100.0%
<b>UW Revenues:</b>	\$3,675,000
<b>UW Expenses:</b>	\$0
<b>UW NOI:</b>	\$3,675,000
<b>UW NCF:</b>	\$3,675,000
<b>Appraised Value / Per SF:</b>	\$130,000,000 / \$807
<b>Appraisal Date:</b>	2/1/2017

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	Springing	N/A
<b>Insurance:</b>	\$0	Springing	N/A

### Financial Information

<b>Cut-off Date Loan / SF:</b>	\$155
<b>Maturity Date Loan / SF:</b>	\$155
<b>Cut-off Date LTV:</b>	19.2%
<b>Maturity Date LTV:</b>	19.2%
<b>UW NCF DSCR:</b>	3.74x
<b>UW NOI Debt Yield:</b>	14.7%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$25,000,000	100.0%
<b>Total Sources</b>	<b>\$25,000,000</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Payoff Existing Debt	\$20,301,387	81.2%
Return of Equity	3,709,854	14.8
Closing Costs	988,760	4.0
<b>Total Uses</b>	<b>\$25,000,000</b>	<b>100.0%</b>

- (1) The 71 Fifth Ave loan has an anticipated repayment date ("ARD") of February 6, 2027 and a stated maturity date of February 6, 2032. In the event the 71 Fifth Ave loan is not repaid in full by the ARD, the interest rate will increase from the initial interest rate of 3.8800% to 7.3800%.
- (2) The 71 Fifth Ave loan is secured by land occupied by an 11-story office building with ground floor retail located at 71 Fifth Avenue in New York, NY and encumbered by a 99-year ground lease that is not part of the collateral. The improvements are not collateral for the 71 Fifth Ave loan.
- (3) Historical NOI and occupancy data are not available for this new ground lease; however, certain historical operating information and occupancy data related to the non-collateral improvements are available.

## Mortgage Loan No. 12 — 71 Fifth Ave

**The Loan.** The 71 Fifth Ave loan, is a \$25.0 million first mortgage loan secured by the leased fee interest in the non-collateral 161,000 SF Class B office building with ground floor retail space located in New York, New York. The loan has a 10-year term and is interest-only for the entire term.

**The Borrower.** The borrowing entity for the loan is 71 Fifth Ground Lessor LLC, a Delaware limited liability company and special purpose entity. The borrowing entity is owned approximately 20.1% by Ilana Kessler, approximately 20.1% by Kathryn Lapidus, approximately 20.1% by Varda Associates and approximately 39.7% by various members for whom none of these members owns more than 3.9% of the ownership. Except for the organizations and individuals identified on the organizational chart in the loan documents, there are no organizations and no individuals who directly or indirectly hold in the aggregate 20% or more of the membership interest in the borrowing entity.

**The Sponsor.** The loan's sponsor and nonrecourse carve-out guarantor is 71 Fifth, LLC. 71 Fifth, LLC represents a group of families that own both the leased fee interest and the improvements on the 71 Fifth Ave property for over six decades. The sponsor is managed by Smith Affiliate Mgmt. Corp. ("Samco Properties"), which owns and operates commercial office buildings primarily in Midtown-South in Manhattan. Samco Properties' portfolio consists of 2.0 million SF of commercial real estate and largely consists of loft-style office buildings near major transportation hubs.

**The Property.** The 71 Fifth Ave property represents both the collateral leased fee interest and the non-collateral 161,000 SF office building (the "71 Fifth Ave Office") improvements on the parcel. The 71 Fifth Ave Office is a pre-war Class B, multi-tenanted office building situated on 12,250 SF lot in New York, NY. As of January 25, 2017, the 71 Fifth Ave Office was 100.0% leased by 10 tenants. The 71 Fifth Ave Office is under a newly executed 99-year ground lease with the collateral parcel comprising the 71 Fifth Ave loan.

The 71 Fifth Ave property is situated on the southeast corner of Fifth Avenue and East 15<sup>th</sup> Street in the Flatiron neighborhood of Manhattan. The 71 Fifth Ave parcel is located along the prime commercial corridor of Fifth Avenue and the immediate area is developed with a variety of residential, retail and office properties. Additionally, the 71 Fifth Ave property is located two blocks south of Madison Square Park, the largest public open space in the immediate area and a block west of Union Square Park.

Transportation is accessible through buses running east, west, north and south in the vicinity, the 6 subway line is accessible one block east and the N and R subway lines are accessible two blocks north. The Union Square subway station is located four blocks south of the subject and provides access to the N, Q, R, 4, 5, 6 and L subway lines.

**The Market.** The property is located in the Madison/Union Square office submarket of Midtown South Manhattan. Office inventory in the Midtown South office market is 66.6 million SF and the Madison/Union Square office submarket consists of approximately 32.0 million SF. According to the appraisal, the Madison/Union Square submarket is Midtown South's largest and most sought after submarket. According to the appraisal, the direct vacancy rate for the Midtown South Manhattan office market was 5.7% as of the fourth quarter 2016 and for the Madison/Union Square submarket was 5.1%. Asking rents in the area range from \$62.98 PSF to \$78.39 PSF with the Madison/Union Square office submarket \$69.44 PSF. Midtown South is forecasted to be undersupplied in office space in the each of the next five years, with vacancy rates expected to hover around 6.4% - 7.2% over this period.

## Mortgage Loan No. 12 — 71 Fifth Ave

The appraiser identified ten similar leased fee properties, as outlined in the table below:

### Competitive Leased Fee Interest Land Sales Summary<sup>(1)</sup>

Property	Lot Size	Buildable SF	Ground Rent	Ground Rent PSF	Proximity (miles)	Sale Price
<b>71 Fifth Ave</b>	<b>12,250</b>	<b>161,000<sup>(2)</sup></b>	<b>\$3,500,000</b>	<b>\$286</b>	<b>N/A</b>	<b>\$130,000,000</b>
1700 Broadway	27,583	413,745	\$7,700,000	\$279	2.4	\$280,000,000
885 Third Avenue	26,135	387,000	\$17,068,716	\$653	2.4	\$453,000,000
760 Madison Avenue	8,937	89,370	\$212,000	\$24	3.3	\$282,415,000
1328 Broadway	28,710	430,650	\$11,819,531	\$412	1.2	\$365,000,000
635 Madison Avenue	9,087	136,305	\$3,677,574	\$405	2.8	\$145,000,000
625 Madison Avenue	35,150	476,565	\$4,612,500	\$131	2.7	\$400,000,000
600 Madison Avenue	18,075	254,565	\$2,100,000	\$116	2.7	\$210,000,000
135 West 50th Street	48,220	845,034	\$5,500,000	\$114	2.3	\$279,000,000
1372 Broadway	29,000	435,000	\$6,417,500	\$221	1.6	\$151,000,000
292 Madison Avenue	9,600	144,000	\$3,150,000	\$328	1.8	\$85,000,000

(1) Source: Appraisal.

(2) Represents the non-collateral 71 Fifth Ave Office building with 161,000 SF of net rentable area.

### Historical and Current Occupancy<sup>(1)</sup>

2013	2014	2015	2016	Current <sup>(2)</sup>
N/A	N/A	N/A	N/A	100.0%

(1) Historical occupancies for the 71 Fifth Ave Office building are unavailable. Current occupancy represents the occupancy for the non-collateral 71 Fifth Office building and is provided for information purposes only. The information was not collected at the origination as it is not applicable to the collateral.

(2) Based on the underwritten rent roll dated January 25, 2017.

### Tenant Summary<sup>(1)</sup>

Tenant	Ratings Moody's/S&P/Fitch <sup>(2)</sup>	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Ovation Travel Group	NR / NR / NR	30,000	18.6%	\$30.10	12/31/2019
FHI Development 360	NR / NR / NR	30,000	18.6%	\$35.87	12/31/2026
The Martin Agency	NR / NR / NR	15,000	9.3%	\$65.00	12/31/2021
The New School	NR / NR / NR	15,000	9.3%	\$50.53	12/31/2026
The Gate Worldwide	NR / NR / NR	15,000	9.3%	\$47.07	9/30/2024
Atrium Staffing LLC	NR / NR / NR	15,000	9.3%	\$48.57	9/30/2018
Association of American Publishers	NR / NR / NR	15,000	9.3%	\$41.21	10/31/2018
Miller Advertising Agency	NR / NR / NR	15,000	9.3%	\$26.47	8/31/2017
Pier 1 Imports <sup>(3)</sup>	NR / B / NR	11,000	6.8%	\$118.18	2/29/2020

(1) Based on the underwritten rent roll dated January 25, 2017, no rent increases were taken. The improvements are not collateral for the 71 Fifth Ave loan. The tenant information above represents leases of the ground lessee's non-collateral improvements and is provided for information purposes only.

(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) The tenant was occupying the space at the time of the January 25, 2017 underwritten rent roll but has since vacated. The tenant's lease prescribed significantly below-market rent and the lease was bought-out post-closing for the purpose of retenanting the space at market rent.

## Mortgage Loan No. 12 — 71 Fifth Ave

### Lease Rollover Schedule<sup>(1)</sup>

Year	Number of Leases Expiring <sup>(2)</sup>	NRA Expiring <sup>(3)</sup>	% 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	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2017	1	15,000	9.3	397,000	5.3	15,000	9.3%	\$397,000	5.3%
2018 <sup>(4)</sup>	2	30,000	18.6	1,356,322	18.2	45,000	28.0%	\$1,753,322	23.5%
2019	1	30,000	18.6	902,867	12.1	75,000	46.6%	\$2,656,189	35.6%
2020 <sup>(5)</sup>	1	11,000	6.8	1,300,000	17.4	86,000	53.4%	\$3,956,189	53.0%
2021	1	15,000	9.3	975,000	13.0	101,000	62.7%	\$4,931,189	66.0%
2022	0	0	0.0	0	0.0	101,000	62.7%	\$4,931,189	66.0%
2023	0	0	0.0	0	0.0	101,000	62.7%	\$4,931,189	66.0%
2024	1	15,000	9.3	706,020	9.4	116,000	72.0%	\$5,637,209	75.5%
2025	0	0	0.0	0	0.0	116,000	72.0%	\$5,637,209	75.5%
2026	2	45,000	28.0	1,834,161	24.5	161,000	100.0%	\$7,471,370	100.0%
2027 & Beyond	0	0	0.0	0	0.0	161,000	100.0%	\$7,471,370	100.0%
<b>Total</b>	<b>9</b>	<b>161,000</b>	<b>100.0%</b>	<b>\$7,471,370</b>	<b>100.0%</b>				

- (1) Based on the underwritten rent roll dated January 25, 2017. No rent steps were taken. The improvements are not collateral for the 71 Fifth Ave loan. The lease rollover schedule above represents leases of the ground lessee's non-collateral improvements and is provided for information purposes only.
- (2) Certain tenants have more than one lease.
- (3) Certain tenants may have lease termination options that are exercisable prior to the originally stated expiration date of the subject and that are not considered in the lease rollover schedule.
- (4) XO Communications Services represents an antenna space. The Number of Leases Expiring exclude such tenant. The Base Rent Expiring includes the \$9,600 rent paid by the tenant.
- (5) The lease represents Pier 1 Imports, which was occupying the space at the time of the rent roll but has vacated. The tenant's lease prescribed significantly below market rent and the lease was bought-out post-closing for the purpose retenanting the space at market rent.

### Operating History and Underwritten Net Cash Flow

	Underwritten "Look-Through" to the Non-Collateral Improvements <sup>(1)</sup>	Underwritten <sup>(2)</sup>	PSF <sup>(3)</sup>	% <sup>(3)</sup>
Rents in Place	\$7,471,370	\$3,675,000	\$22.83	100.0%
Vacant Income	0	0	0.00	0.0
<b>Gross Potential Rent</b>	<b>\$7,471,370</b>	<b>\$3,675,000</b>	<b>\$22.83</b>	<b>100.0%</b>
Total Reimbursements	\$1,154,481	\$0	0.00	0.0
<b>Net Rental Income</b>	<b>\$8,625,851</b>	<b>\$3,675,000</b>	<b>\$22.83</b>	<b>100.0%</b>
(Vacancy/Collection Loss)	(431,293)	0	0.00	0.0
Other Income	0	0	0.00	0.0
<b>Effective Gross Income</b>	<b>\$8,194,558</b>	<b>\$3,675,000</b>	<b>\$22.83</b>	<b>100.0%</b>
Total Expenses	\$3,504,861	\$0	\$0.00	0.0%
<b>Net Operating Income</b>	<b>\$4,689,697</b>	<b>\$3,675,000</b>	<b>\$22.83</b>	<b>100.0%</b>
Total TI/LC, Capex/RR	201,250	0	0.00	0.0
<b>Net Cash Flow</b>	<b>\$4,488,447</b>	<b>\$3,675,000</b>	<b>\$22.83</b>	<b>100.0%</b>

- (1) The Underwritten "Look-Through" to the Non-Collateral Improvements assumed cash flow is based on the lender's estimate of the ground lessee's income and expenses.
- (2) The Underwritten cash flow represents the average ground rent payable to the borrower.
- (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.