

11315 Fondren Road
Houston, TX 77035

Collateral Asset Summary – Loan No. 18

Los Arcos Apartments

Cut-off Date Balance: \$20,773,899
Cut-off Date LTV: 74.7%
U/W NCF DSCR: 1.42x
U/W NOI Debt Yield: 9.7%

Mortgage Loan Information

Loan Seller: GACC
Loan Purpose: Refinance
Sponsors: Shyam H. Hingorani
Borrower: Texas Pointe Royale Apartments, L.P.
Original Balance: \$20,850,000
Cut-off Date Balance: \$20,773,899
% by Initial UPB: 2.5%
Interest Rate: 4.7600%
Payment Date: 6th of each month
First Payment Date: February 6, 2016
Maturity Date: January 6, 2026
Amortization: 360 months
Additional Debt: None
Call Protection: L(27), D(89), O(4)
Lockbox / Cash Management⁽¹⁾: Springing Soft / Springing

Reserves

	Initial	Monthly
Taxes:	\$0	\$30,320
Insurance⁽²⁾:	\$0	Springing
Replacement⁽³⁾:	\$500,000	\$12,900
Required Repairs:	\$11,813	NAP

Financial Information

Cut-off Date Balance / Unit:	\$40,259
Balloon Balance / Unit:	\$32,959
Cut-off Date LTV:	74.7%
Balloon LTV:	61.2%
Underwritten NOI DSCR:	1.54x
Underwritten NCF DSCR:	1.42x
Underwritten NOI Debt Yield:	9.7%
Underwritten NCF Debt Yield:	8.9%

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Garden Multifamily
Collateral: Fee Simple
Location: Houston, TX
Year Built / Renovated: 1978 / 2005-2015
Total Units: 516
Property Management: Self-managed
Underwritten NOI: \$2,010,443
Underwritten NCF: \$1,855,643
Appraised Value: \$27,800,000
Appraised Date: December 7, 2015

Historical NOI

Most Recent NOI:	\$2,147,217 (T-12 October 31, 2015)
2014 NOI:	\$1,907,310 (December 31, 2014)
2013 NOI:	\$1,603,869 (December 31, 2013)
2012 NOI:	\$1,515,299 (December 31, 2012)

Historical Occupancy

Most Recent Occupancy:	98.6% (December 16, 2015)
2014 Occupancy:	98.5% (December 31, 2014)
2013 Occupancy:	96.5% (December 31, 2013)
2012 Occupancy:	91.4% (December 31, 2012)

- (1) Cash management will be triggered (i) upon an event of default, (ii) a bankruptcy or insolvency of the sponsor or property manager, unless the property manager is replaced within 30 days by an unaffiliated manager in accordance with the loan agreement or (iii) if the DSCR falls below 1.15x and will end upon (a) with respect to (i) above, such event of default is cured, (b) with respect to (ii) above, such bankruptcy or insolvency has been resolved and (c) with respect to (iii) above, when 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 insurance premiums into the insurance reserve account on a monthly basis.
- (3) Replacement reserves are subject to a cap of \$750,000.

TRANSACTION HIGHLIGHTS

- **Property.** The Los Arcos Apartments property is a 516-unit Class B- multifamily complex located in Houston, Texas. The property was constructed in 1978 and renovated over a 10 year period from 2005 to 2015. The Los property is comprised of 54 predominantly two-story garden style buildings with one-, two- and three-bedroom apartments. The property has controlled access with security keyed electronic gates at all entrances, as well as, a clubhouse, two pools, a fenced playground, picnic areas, covered parking and six laundry rooms. Individual units all feature a refrigerator, dishwasher, electric range/oven, vent-hood, garbage disposal, ceiling fans, walk-in closets and either a private patio or balcony. The unit mix consists of 224 1BR/1BA, 204 2BR/1BA, 8 2BR/1.5BA, 60 2BR/2BA, 16 3BR/2BA and 4 3BR/2.5BA units ranging from 550-1,498 sq. ft with an average of 873 sq. ft per unit. The property has 823 parking spaces which equates to a parking ratio of 1.59 spaces per unit.
- **Capital Improvements.** The borrower purchased the property in 2005 and since has invested approximately \$6.8 million (\$13,182 per unit) into the property for significant repairs and capital improvements. This capital work included renovating down units, roof replacement, exterior painting, landscaping, heating/AC upgrades, interior upgrades (flooring, cabinets, counter tops), unit appliances and security cameras. \$500,000 was reserved at origination for general capital improvements going forward.
- **Market.** The property is located in Houston, Texas, approximately twelve miles southwest of the Houston central business district within the greater Houston market and Braeswood/Fondren SW submarket. According to the appraisal, as of December 2015, the Braeswood/Fondren SW submarket contains 21,906 units with an average occupancy of 91.9% and average rent of \$0.85 PSF. The average occupancy for Class A, B, and C units is 95.1%, 92.7%, and 95.5%, respectively, with much of the vacancy within the Class D market, which has an average occupancy of 84.8%. Absorption in the submarket was positive 594 units for the same time period. As of December 16, 2015, in place rent and occupancy for the property were \$725 per unit (\$0.83 PSF) and 98.6%, respectively. According to the appraisal, there are currently no new apartment projects that are either proposed or under construction within the submarket.