

Mortgage Loan No. 15 — Embarcadero Club Apartments

Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$16,000,000
Cut-off Date Principal Balance:	\$15,981,857
% of Pool by IPB:	2.1%
Loan Purpose:	Refinance
Borrower:	Embarcadero Club Atlanta Apartments LP
Sponsor:	Ronald Eisenberg
Interest Rate:	4.7200%
Note Date:	9/27/2016
Maturity Date:	10/6/2026
Interest-only Period:	0 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox⁽¹⁾:	Soft
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:	Multifamily – Garden
Net Rentable Area (Units):	404
Location:	College Park, GA
Year Built / Renovated:	1972, 1974 / 2005, 2014-2015
Occupancy:	93.8%
Occupancy Date:	8/31/2016
Number of Tenants:	N/A
2013 NOI:	\$1,347,758
2014 NOI:	\$1,307,104
2015 NOI:	\$1,454,100
TTM NOI⁽²⁾:	\$1,548,227
UW Economic Occupancy:	88.1%
UW Revenues:	\$3,419,803
UW Expenses:	\$1,867,906
UW NOI:	\$1,551,897
UW NCF:	\$1,446,687
Appraised Value / Per Unit:	\$22,200,000 / \$54,950
Appraisal Date:	8/19/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$48,793	\$16,927	N/A
Insurance:	\$69,891	\$9,984	N/A
Replacement Reserves:	\$181,013	\$8,417	N/A
Credit Enhancement Reserve⁽³⁾:	\$500,000	N/A	N/A
Immediate Repair Reserve:	\$89,000	N/A	N/A

Financial Information

Cut-off Date Loan / Unit:	\$39,559
Maturity Date Loan / Unit:	\$32,256
Cut-off Date LTV:	72.0%
Maturity Date LTV:	58.7%
UW NCF DSCR:	1.45x
UW NOI Debt Yield:	9.7%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$16,000,000	100.0%
Total Sources	\$16,000,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt ⁽⁴⁾	\$13,019,812	81.4%
Return of Equity	1,533,171	9.6
Upfront Reserves	888,696	5.6
Closing Costs	558,320	3.5
Total Uses	\$16,000,000	100.0%

- (1) The loan is structured with a soft lockbox and springing cash management.
- (2) Represents the trailing twelve months ending August 31, 2016.
- (3) The lender will disburse the Credit Enhancement Reserve funds to the borrower on June 30, 2017, provided that (i) the revenues and NCF, each calculated for the trailing twelve month period ending June 30, 2017 (or on the last day of any subsequent calendar quarter), are \$3,400,000 and \$1,430,000, respectively, and (ii) the borrower has provided evidence that a security gate has been installed at the property.
- (4) The prior loan was securitized in COMM 2006-C8.

Mortgage Loan No. 15 — Embarcadero Club Apartments

The Loan. The Embarcadero Club Apartments loan is a \$16.0 million first mortgage loan secured by the fee interest in a 404-unit garden style multifamily property located in College Park, Georgia. The loan has a 10-year term and will amortize on a 30-year schedule.

The Borrower. The borrowing entity for the loan is Embarcadero Club Atlanta Apartments LP, a Florida limited partnership and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Ronald Eisenberg. The sponsor is the founder and owner of Ventron Realty Corporation, a real estate management, acquisition and development company, founded in 1993. Ventron Realty Corporation's current portfolio consists of 23 properties totaling 7,180 units, with 22 of the properties located in Georgia, primarily in metro Atlanta area, and the remaining property located in Florida. Mr. Eisenberg has a net worth of approximately \$25.7 million and liquidity of approximately \$3.1 million.

The Property. The Embarcadero Club Apartments property is a 404-unit garden style multifamily property located in College Park, Georgia. The property was built in phases in 1972 and 1974 and acquired by the sponsor in 2006. The property is comprised of 40 two- and three-story apartment buildings with various unit sizes and layouts located on approximately 27.7 acres. The property has a total of 766 parking spaces, or 1.9 parking spaces per unit. As of August 31, 2016, the property was 93.8% occupied.

The property's unit mix contains 80 one-bedroom/ one-bathroom units (600 SF), 108 one-bedroom/ one-bathroom units (700 SF), 80 two-bedroom/ one-bathroom units (865 SF), 80 two-bedroom/ two-bathroom units (1,000 SF), and 56 three-bedroom/two-bathroom units (1,300 SF).

The sponsor has reportedly invested approximately \$1.5 million in capital improvements since 2012 including but not limited to: roof replacement, parking lot repairs, clubhouse upgrades, and fitness center and tennis court repairs.

The property is located in northern Georgia, approximately 10 miles southwest of the Atlanta central business district, the economic and cultural center of the region. The property is within Fulton County and within the city limits of College Park. The property is located adjacent to the intersection of Interstate 285 and Interstate 85 which provides access to the main retail node of College Park (approximately 3.5 miles) as well as regional access across the state of Georgia. The property's location offers easy access to Metropolitan Atlanta Rapid Transit (MARTA) with several stations that are within close proximity to the property, inclusive of bus stops located near the property's entrance. The property is also less than a mile from Route 29, the main local thoroughfare in College Park.

The property has access to area demand drivers including schools, shopping, entertainment and major employment centers surrounding the neighborhood. Within four miles of the property there are a number of retailers including Wal-Mart, Target, BJ's, Publix, Lowe's, Old Navy and Marshalls as well as a variety of restaurants and a Carmike Cinemas. The property is within six miles of Southern Regional Medical Center, a 331-bed full service hospital and there are seven schools, spanning elementary, high school and college within a 10 miles radius. The property is also in close proximity (less than three miles) to Hartsfield-Jackson Atlanta International Airport, which is one of the largest employers in the area. There are numerous hotels (Westin, Marriott, Sheraton, Hilton Garden Inn, and others) in close proximity (less than one mile) that support the airport. According to the sponsor, many of the residents of the property work for these hotels or at the airport. Other major employers in the area include AT&T Services Inc., Emory Healthcare Inc., Georgia Institute of Technology, SunTrust Bank, and The Coca-Cola Company.

Mortgage Loan No. 15 — Embarcadero Club Apartments

Multifamily Unit Mix ⁽¹⁾

Unit Type	No. of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate	Average Monthly Rental Rate PSF	Monthly Market Rental Rate ⁽²⁾	Monthly Market Rental Rate PSF ⁽²⁾
1 Bedroom, 1 Bath	80	19.8%	77	96.3%	600	\$616	\$1.03	\$650	\$1.08
1 Bedroom, 1 Bath	108	26.7	103	95.4%	700	\$639	\$0.91	\$650	\$0.93
2 Bedroom, 1 Bath	80	19.8	73	91.3%	865	\$672	\$0.78	\$700	\$0.81
2 Bedroom, 2 Bath	80	19.8	72	90.0%	1,000	\$727	\$0.73	\$750	\$0.75
3 Bedroom, 2 Bath	56	13.9	54	96.4%	1,300	\$800	\$0.62	\$900	\$0.69
Total/Wtd. Avg.	404	100.0%	379	93.8%	855	\$680	\$0.80	\$714	\$0.84

(1) Based on the underwritten rent roll dated August 31, 2016.

(2) Source: Appraisal.

The Market. The property is located in College Park, Georgia and is part of the South Fulton submarket which contains 33,615 market rate rental units. According to a third party market research report, as of the second quarter of 2016, monthly asking rents in the South Fulton submarket averaged \$787 per unit and vacancy averaged 8.6%. The submarket is showing a positive occupancy and rent growth trend both overall and in Class B/C properties in particular. The second quarter of 2016 vacancy rate for Class B/C properties in the submarket was 9.3% and the vacancy rate has decreased by 6.9% over the past five years. Asking rent averaged \$717 per unit and has increased by 13.6% over the past five years.

The appraisal identified four comparable rental properties ranging from 177 units to 372 units that were constructed between 1972 and 1988. The competitive set reported a weighted average occupancy of approximately 93.6%, with average rents ranging from \$689 to \$765 per unit. Average rents at the subject property are in line with the competitive set. The properties in the appraisal's competitive set are all located within approximately 5.0 miles of the property and are shown in the below table.

Competitive Set Summary⁽¹⁾

Property	Year Built / Renovated	No. of Units	Avg. Unit Size (SF)	Avg. \$/ Unit	Occupancy	Distance from Property (miles)
Embarcadero Club Apartments	1972, 1974 / 2005, 2014-2015	404⁽²⁾	855⁽²⁾	\$680⁽²⁾	93.8%⁽²⁾	N/A
Gardenwood	1988 / 2006	370	NAV	\$689	95.0%	5
Lakeside Apartment Townhomes	1987 / 2003	177	1,303	\$745	97.0%	4
Biscayne	1972 / 2002	370	NAV	\$732	90.0%	3
Lakeside Reserve	1976 / N/A	372	NAV	\$765	94.0%	4
Total/Wtd. Avg.⁽³⁾		1,289		\$731	93.6%	

(1) Source: Appraisal.

(2) Based on the underwritten rent roll dated August 31, 2016.

(3) Excludes the subject property.

Historical and Current Occupancy⁽¹⁾

2013	2014	2015	Current ⁽²⁾
88.0%	94.1%	94.3%	93.8%

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

(2) Based on the August 31, 2016 underwritten rent roll.

Mortgage Loan No. 15 — Embarcadero Club Apartments

Operating History and Underwritten Net Cash Flow

	2013	2014	2015	TTM ⁽¹⁾	Underwritten	Per Unit	% ⁽²⁾
Rents in Place	\$2,832,119	\$2,906,734	\$3,080,834	\$3,184,435	\$3,094,068	\$7,659	79.7%
Vacant Income	0	0	0	0	214,800	532	5.5
Gross Potential Rent	\$2,832,119	\$2,906,734	\$3,080,834	\$3,184,435	\$3,308,868	\$8,190	85.2%
Other Income	517,258	525,352	528,330	574,889	574,889	1,423	14.8
Net Rental Income	\$3,349,377	\$3,432,086	\$3,609,164	\$3,759,325	\$3,883,757	\$9,613	100.0%
(Vacancy)	(266,407)	(238,234)	(223,705)	(233,111)	(354,022)	(876)	(9.1)
(Concessions/ Collection Loss)	(131,589)	(115,972)	(90,507)	(106,411)	(109,933)	(272)	(2.8)
Effective Gross Income	\$2,951,381	\$3,077,880	\$3,294,952	\$3,419,803	\$3,419,803	\$8,465	88.1%
Total Expenses	\$1,603,623	\$1,770,776	\$1,840,853	\$1,871,576	\$1,867,906	\$4,624	54.6%
Net Operating Income	\$1,347,758	\$1,307,104	\$1,454,100	\$1,548,227	\$1,551,897	\$3,841	45.4%
Replacement Reserves	0	0	0	0	105,210	260	3.1
Net Cash Flow	\$1,347,758	\$1,307,104	\$1,454,100	\$1,548,227	\$1,446,687	\$3,581	42.3%

(1) The TTM column represents the trailing twelve months ending August 31, 2016.

(2) % column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.