

Mortgage Loan No. 12 — Threshold Multifamily Portfolio – Pool 1

Mortgage Loan Information

Mortgage Loan Seller:	Column
Original Principal Balance:	\$25,160,000
Cut-off Date Principal Balance:	\$25,160,000
% of Pool by IPB:	2.1%
Loan Purpose:	Refinance
Borrowers:	BMA Bellemeade Apartments, LLC; BMA McLain Heights Apartments, LLC; BMA Water's Edge Apartments, LLC and BMA Heatherwood Kensington Apartments, LLC
Sponsor:	Brian A. Martin
Interest Rate:	4.4110%
Note Date:	10/10/2014
Maturity Date:	11/6/2024
Interest-only Period:	42 months
Original Term:	120 months
Original Amortization:	324 months
Amortization Type:	IO-Balloon
Call Protection ⁽¹⁾ :	L(28),Def(85),O(7)
Lockbox:	Springing
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$226,145	\$20,559	N/A
Insurance:	\$54,623	\$6,069	N/A
Replacement Reserve:	\$0	\$10,833	N/A
Engineering Reserve:	\$43,363	N/A	N/A

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$25,160,000	100.0%
Total Sources	\$25,160,000	100.0%

Property Information

Single Asset / Portfolio:	Portfolio of Four Properties
Title:	Fee
Property Type - Subtype:	Multifamily - Garden
Net Rentable Area (Units):	520
Location:	Various, NC
Year Built / Renovated:	Various / Various
Occupancy:	95.4%
Occupancy Date:	12/18/2014
Number of Tenants:	N/A
2011 NOI:	N/A
2012 NOI:	\$1,640,846
2013 NOI:	\$1,773,502
TTM NOI (as of 11/2014):	\$1,990,553
UW Economic Occupancy:	93.7%
UW Revenues:	\$3,761,527
UW Expenses:	\$1,669,643
UW NOI:	\$2,091,884
UW NCF:	\$1,961,884
Appraised Value / Per Unit ⁽²⁾ :	\$31,450,000 / \$60,481
Appraisal Date:	Various

Financial Information

Cut-off Date Loan / Unit:	\$48,385
Maturity Date Loan / Unit:	\$41,594
Cut-off Date LTV ⁽³⁾ :	80.0%
Maturity Date LTV ⁽³⁾ :	68.8%
UW NCF DSCR:	1.23x
UW NOI Debt Yield:	8.3%

Uses	Proceeds	% of Total
Payoff Existing Debt ⁽³⁾	\$20,576,033	81.8%
Upfront Reserves	324,131	1.3
Closing Costs	197,133	0.8
Return of Equity	4,062,704	16.1
Total Uses	\$25,160,000	100.0%

(1) See "Release of Properties with Defeasance" below.

(2) In addition to the individual property valuations, the appraiser also valued the portfolio at \$32,706,470 (\$62,897/unit), as of October 1, 2014. The above presented value is the sum of individual property values. The portfolio value results in a 76.9% LTV.

(3) Uses of the loan proceeds include first mortgage payoff to Berkadia in the amount of \$19,872,872 and first mortgage payoff to Arbor in the amount of \$703,160.

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Portfolio Summary

Property Name	City / State	Property Type	# of Units	Year Built	Allocated Loan Amount	Allocated Ratio	Appraisal Value	Value / Unit	UW NCF
Crestview	Concord, NC	Multifamily	226	1984-1985	\$10,080,000	40.1%	\$12,600,000	\$55,752	\$856,013
Waters Edge	Concord, NC	Multifamily	144	1996	\$7,440,000	29.6%	\$9,300,000	\$64,583	\$595,303
Highland Ridge	High Point, NC	Multifamily	120	2004-2005	\$6,088,000	24.2%	\$7,610,000	\$63,417	\$386,398
McLain Heights	Kannapolis, NC	Multifamily	30	1996	\$1,552,000	6.2%	\$1,940,000	\$64,667	\$124,170
Total			520		\$25,160,000	100.0%	\$31,450,000	\$60,481	\$1,961,884

The Loan. The Threshold Multifamily Portfolio – Pool 1 loan has an outstanding principal balance of \$25.16 million and is secured by a first mortgage lien on four multifamily properties totaling 520 units. The loan has a 10-year term and, subsequent to a 42 month interest-only period, will amortize on a 27-year schedule. The four properties include: (i) Crestview, a 226-unit garden-style multifamily complex located in Concord, North Carolina; (ii) Waters Edge, a 144-unit garden-style multifamily complex located in Concord, North Carolina; (iii) Highland Ridge, a 120-unit garden-style multifamily complex located in High Point, North Carolina and (iv) McLain Heights, a 30-unit garden-style multifamily complex located in Kannapolis, North Carolina.

The Borrowers. The borrowing entities are (i) BMA Heatherwood Kensington Apartments, LLC; (ii) BMA Water's Edge Apartments, LLC; (iii) BMA Bellemeade Apartments, LLC and (iv) BMA McLain Heights Apartments, LLC, all of which are bankruptcy remote, single-purpose limited liability companies. The borrowers are ultimately 100.0% owned by Brian A. Martin.

The Sponsor. Brian A. Martin is the sponsor and will serve as the non-recourse carve-out guarantor for the loan. Brian A. Martin has over 17 years of experience in the acquisition and transitioning of multifamily properties, and has been involved in acquisitions totaling over \$1.5 billion, encompassing approximately 35,000 units and 140 transactions. Mr. Martin is currently the president of Threshold Capital, a real estate investment firm specializing in the acquisition, renovation and operation of multifamily communities. The firm's current portfolio includes 7,465 units within 39 properties in Texas, North Carolina, South Carolina, Louisiana and Georgia. The portfolio has a total estimated market value of over \$377.0 million.

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The Properties.

Crestview: The property is a 226-unit garden-style multifamily development which was completed in 1984-1985. Amenities at the property include an on-site leasing office/clubhouse, laundry room, two swimming pools, playground, and basketball court. The property consists of 9, two-story residential buildings and a single-story clubhouse. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, ceiling fans, washer/dryer connections, and a patio/balcony. The property has 350 parking spaces, which results in a parking ratio of 1.54 spaces per unit.

Crestview Unit Mix⁽¹⁾

Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate ⁽²⁾	Average Monthly Rental Rate PSF ⁽²⁾	Monthly Market Rental Rate ⁽³⁾	Monthly Market Rental Rate PSF ⁽³⁾
1.1 (1 Bed / 1 Bath)	80	35.4%	77	96.3%	480	\$481	\$1.00	\$500	\$1.04
1.1 (1 Bed / 1 Bath)	22	9.7%	21	95.5%	480	\$495	\$1.03	\$520	\$1.08
2.2 (2 Bed / 2 Bath)	124	54.9%	122	98.4%	764	\$586	\$0.77	\$605	\$0.79
Total/Wtd. Avg.	226	100.0%	220	97.3%	636	\$540	\$0.87	\$560	\$0.91

(1) Based on the borrower provided rent roll.

(2) Average Monthly Rental Rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from appraisal.

Waters Edge: The property is a 144-unit garden-style multifamily development which was completed in 1996. Amenities at the property include an on-site leasing office, clubhouse, laundry room, multi-purpose court, swimming pool, grilling area, and a fishing pond. The property consists of 10, three-story residential buildings and a clubhouse. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, washer/dryer connections (two and three bedroom units only) ceiling fans, and a patio/balcony. The studio units are leased fully furnished, and parking is provided for 254 vehicles which results in parking ratio 1.76 parking spaces per unit.

Waters Edge Unit Mix⁽¹⁾

Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate ⁽²⁾	Average Monthly Rental Rate PSF ⁽²⁾	Monthly Market Rental Rate ⁽³⁾	Monthly Market Rental Rate PSF ⁽³⁾
Studio	18	12.5%	18	100.0%	336	\$503	\$1.50	\$520	\$1.55
1.1 (1 Bed / 1 Bath)	42	29.2%	42	100.0%	512	\$517	\$1.01	\$530	\$1.04
2.2 (2 Bed / 2 Bath)	7	4.9%	6	85.7%	864	\$642	\$0.74	\$660	\$0.76
2.2 (2 Bed / 2 Bath)	53	36.8%	51	96.2%	864	\$649	\$0.75	\$675	\$0.78
3.2 (3 Bed / 2 Bath)	24	16.7%	21	87.5%	1,080	\$767	\$0.71	\$810	\$0.75
Total/Wtd. Avg.	144	100.0%	138	95.8%	731	\$607	\$0.92	\$635	\$0.95

(1) Based on the borrower provided rent roll.

(2) Average Monthly Rental Rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from appraisal.

Highland Ridge: The property is a 120-unit garden-style multifamily development which was completed in 2004-2005. Amenities at the property include an on-site leasing office, clubhouse, fitness center, detached garages, covered parking, laundry room, swimming pool, and a playground. The property consists of 10, two-story residential buildings and a single-story clubhouse. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, ceiling fans, two-inch blinds, washer/dryer connections, and a patio/balcony. Parking is provided for 165 vehicles which results in parking ratio 1.38 parking spaces per unit.

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Highland Ridge Unit Mix⁽¹⁾

Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate ⁽²⁾	Average Monthly Rental Rate PSF ⁽²⁾	Monthly Market Rental Rate ⁽³⁾	Monthly Market Rental Rate PSF ⁽³⁾
1.1 (1 Bed / 1 Bath)	32	26.7%	29	90.6%	627	\$512	\$0.82	\$550	\$0.88
2.2 (2 Bed / 2 Bath)	72	60.0%	66	91.7%	889	\$573	\$0.64	\$645	\$0.73
3.2 (3 Bed / 2 Bath)	16	13.3%	15	93.8%	1,211	\$686	\$0.57	\$780	\$0.64
Total/Wtd. Avg.	120	100.0%	110	91.7%	862	\$572	\$0.68	\$638	\$0.76

(1) Based on the borrower provided rent roll.

(2) Average Monthly Rental Rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from appraisal.

McLain Heights: The property is a 30-unit garden-style multifamily development which was completed in 1996. The property consists of two, three-story residential buildings. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, ceiling fans, washer/dryer connections and a patio/balcony. Parking is provided for 58 vehicles which results in parking ratio 1.93 parking spaces per unit.

McLain Heights Unit Mix⁽¹⁾

Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Monthly Rental Rate ⁽²⁾	Average Monthly Rental Rate PSF ⁽²⁾	Monthly Market Rental Rate ⁽³⁾	Monthly Market Rental Rate PSF ⁽³⁾
2.2 (2 Bed / 2 Bath)	15	50.0%	14	93.3%	870	\$598	\$0.69	\$615	\$0.71
3.2 (3 Bed / 2 Bath)	15	50.0%	14	93.3%	1,080	\$680	\$0.63	\$700	\$0.65
Total/Wtd. Avg.	30	100.0%	28	93.3%	975	\$639	\$0.66	\$658	\$0.68

(1) Based on the borrower provided rent roll.

(2) Average Monthly Rental Rate per unit and PSF are determined by weighted average on occupied units.

(3) Market Rents are sourced from appraisal.

The Market.

Crestview and Waters Edge: The properties are located in Concord, North Carolina approximately 20 miles northeast of Charlotte. Concord is the suburban community within the Charlotte-Gastonia-Concord metropolitan statistical area. The properties are located along Davidson Highway, that runs east to west through Concord. Concord is a close-in suburb of Charlotte. There are a variety of retail uses including big box retailers, freestanding retail, restaurants, and grocery-anchored centers. The Carolinas Medical Center-Northeast and the Carolina Mall (anchored by Belk, JC Penney, Sears and Staples) are within two miles of the properties along Concord Parkway North. To the west of the property along Davidson Highway near I-85 is the International Business Park at Concord, a 500-plus acre office/industrial park that is home to more than 30 companies, including five international firms and four Fortune 500 companies. Further southwest along I-85 (approximately nine miles) is Concord Mills, a 1.4-million SF outlet and value retail shopping mall owned by Simon Property Group. Concord Mills is North Carolina's largest tourist attraction, attracting 17.6 million visitors in 2005. As of the second quarter 2014, the Concord submarket reported a total inventory of 4,484 units, which equates to 4.2% of the Charlotte apartment market according to REIS. As of the second quarter 2014, there were no new deliveries to the submarket during the past quarter and a total of 312 units delivered over the past year. Submarket occupancy was 94.1% as of the second quarter 2014. Occupancy increased compared to year-end 2013 (93.5%) but slightly decreased year over year (94.2%). There are 332 units projected to be delivered to the submarket by year-end 2014, which are projected to bring occupancy down to 91.4%. Monthly asking rent in the submarket continues to increase, averaging \$769 as of the second quarter 2014, which represents a year over year increase of 4.8%.

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Highland Ridge: The property is located within the city limits of High Point, North Carolina approximately 20 miles southwest of Greensboro, and 20 miles southeast of Winston Salem. The property is approximately two miles south of I-74 and approximately three miles west of I-85. I-74 connects the neighborhood to Winston Salem to the northwest, and I-85 provides access to Greensboro to the northeast and Charlotte to the southwest. Just west of the subject is a Walmart anchored shopping center. The appraiser identified a competitive set of four properties consisting of 675 units. Vacancy rates average 9.0% with rents ranging from \$615 to \$651 per unit.

McLain Heights: The property is located within the city limits of Kannapolis, North Carolina, approximately 25 miles northeast of Charlotte. Kannapolis is situated immediately north of the City of Concord. The area immediately surrounding the property is developed predominantly with single-family residences. The majority of the commercial land uses are located along S. Cannon Blvd (Hwy 29), which becomes Concord Parkway to the south of I-85. The property is in the Concord apartment submarket along with the Crestview and Waters Edge properties.

Operating History and Underwritten Net Cash Flow

	2012	2013	TTM ⁽¹⁾	Underwritten	Per Unit	% ⁽²⁾
Rents in Place ⁽³⁾	\$3,369,244	\$3,431,453	\$3,512,447	\$3,402,785	\$6,544	84.8%
Vacant Income	0	0	0	180,240	347	4.5%
Other Income	365,785	392,066	417,795	430,945	829	10.7%
Gross Potential Rent	\$3,735,029	\$3,823,519	\$3,930,242	\$4,013,970	\$7,719	100.0%
Reimbursements	0	0	0	0	0	0.0%
Net Rental Income	\$3,735,029	\$3,823,519	\$3,930,242	\$4,013,970	\$7,719	100.0%
(Vacancy/Credit Loss/Concessions) ⁽⁴⁾	(453,298)	(382,673)	(253,386)	(252,443)	(485)	(6.3%)
Effective Gross Income	\$3,281,731	\$3,440,846	\$3,676,856	\$3,761,527	\$7,234	93.7%
Total Expenses	\$1,640,885	\$1,667,344	\$1,686,303	\$1,669,643	\$3,211	44.4%
Net Operating Income	\$1,640,846	\$1,773,502	\$1,990,553	\$2,091,884	\$4,023	55.6%
Replacement Reserves	0	0	0	130,000	250	3.5%
Non-Recurring Item	75,727	83,197	82,885	0	0	0.0%
Net Cash Flow	\$1,565,119	\$1,690,305	\$1,907,668	\$1,961,884	\$3,773	52.2%

(1) The numbers provided are based on TTM ending on November 30, 2014.

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

(3) Underwritten Rents in Place are based on the December 2014 rent roll annualized.

(4) Vacancy/Credit Loss/Concessions in the 2012, 2013 and TTM period represent employee discount, courtesy officers, vacancy loss, loss from non-revenue units, concessions and uncollectible rents.

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Historical and Current Occupancy

Property Name	# of Units	2012 ⁽¹⁾	2013 ⁽¹⁾	Current ⁽²⁾
Crestview	226	89.6%	91.3%	97.3%
Waters Edge	144	94.8%	92.2%	95.8%
Highland Ridge	120	85.5%	93.7%	91.7%
McLain Heights	30	90.1%	92.0%	93.3%
Total/ Wtd. Avg.	520	90.1%	92.1%	95.4%

(1) Historical occupancies are as of December 31 of each respective year.

(2) Current occupancy is as of December 18, 2014.

Release of Properties with Defeasance: After the lockout period, the borrowers are permitted to obtain the release of any individual property but only in connection with a third-party property sale and partial defeasance of the loan. The release is subject to the satisfaction of certain conditions, including, but not limited to the following: (i) defeasance collateral equal to the greater of (a) 100.0% of the net sales proceeds with respect to such property and (b) 125% of the aggregate of the allocated loan amount for such property, (ii) after giving effect to such sale and defeasance, the debt service coverage ratio must be no less than the greater of (a) the debt service coverage ratio immediately preceding such sale and (b) 1.20x, and (iii) after giving effect to such sale and defeasance, the loan-to-value ratio of the properties then remaining must be no more than the lesser of (a) the loan-to-value ratio immediately preceding such sale and (b) 80.0%. See *"Description of the Mortgage Pool—Partial Releases and Substitutions"* in the Prospectus Supplement.