

## Mortgage Loan No. 14 — Stone Gables Apartments

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BNY Mellon
<b>Original Principal Balance:</b>	\$18,000,000
<b>Cut-off Date Principal Balance:</b>	\$17,938,143
<b>% of Pool by IPB:</b>	1.9%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Stone Gables North Carolina, LP
<b>Sponsor:</b>	Benny Tenenbaum
<b>Interest Rate:</b>	4.8700%
<b>Note Date:</b>	10/21/2015
<b>Maturity Date:</b>	11/6/2025
<b>Interest-only Period:</b>	0 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(27),Def(89),O(4)
<b>Lockbox<sup>(1)</sup>:</b>	Springing
<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:</b>	Multifamily – Garden
<b>Net Rentable Area (Units):</b>	192
<b>Location:</b>	Raeford, NC
<b>Year Built / Renovated:</b>	2013 / N/A
<b>Occupancy:</b>	95.8%
<b>Occupancy Date:</b>	10/1/2015
<b>Number of Tenants:</b>	N/A
<b>2012 NOI<sup>(2)</sup>:</b>	N/A
<b>2013 NOI<sup>(2)</sup>:</b>	N/A
<b>2014 NOI:</b>	\$822,598
<b>T4 NOI<sup>(3)</sup>:</b>	\$1,474,176
<b>UW Economic Occupancy:</b>	92.0%
<b>UW Revenues:</b>	\$2,380,146
<b>UW Expenses:</b>	\$864,169
<b>UW NOI:</b>	\$1,515,977
<b>UW NCF:</b>	\$1,477,577
<b>Appraised Value / Per Unit:</b>	\$24,100,000 / \$125,521
<b>Appraisal Date:</b>	9/3/2015

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$39,168	\$13,056	N/A
<b>Insurance:</b>	\$16,376	\$2,729	N/A
<b>Replacement Reserve:</b>	\$0	\$3,200	N/A

### Financial Information

<b>Cut-off Date Loan / Unit:</b>	\$93,428
<b>Maturity Date Loan / Unit:</b>	\$76,752
<b>Cut-off Date LTV:</b>	74.4%
<b>Maturity Date LTV:</b>	61.1%
<b>UW NCF DSCR:</b>	1.29x
<b>UW NOI Debt Yield:</b>	8.5%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$18,000,000	100.0%
<b>Total Sources</b>	<b>\$18,000,000</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Payoff Existing Debt	\$17,003,370	94.5%
Closing Costs	120,352	0.7
Upfront Reserves	55,544	0.3
Return of Equity	820,734	4.6
<b>Total Uses</b>	<b>\$18,000,000</b>	<b>100.0%</b>

- (1) Upon the occurrence of a trigger event, the borrower will be required to establish a lockbox account. A cash trap period will begin upon (i) the occurrence of an event of default or (ii) the debt service coverage ratio being less than 1.05x at the end of any quarter.
- (2) The property was newly constructed in 2013. Historical financials were not available.
- (3) Represents the trailing four month period ending July 31, 2015, annualized.

## Mortgage Loan No. 14 — Stone Gables Apartments

**The Loan.** The Stone Gables Apartments loan is an \$18.0 million first mortgage loan secured by the fee interest in a 192-unit garden-style multifamily property located in Raeford, North Carolina. The loan has a 10-year term and will amortize on a 30-year schedule.

**The Borrower.** The borrowing entity for the loan is Stone Gables North Carolina, LP, a North Carolina limited partnership and special purpose entity.

**The Sponsor.** The loan's sponsor and non-recourse carve-out guarantor is Benny Tenenbaum. The sponsor owns nine multifamily assets in New York, Texas, Georgia, North Carolina and Toronto, Canada containing more than 1,800 multifamily units.

**The Property.** The property is a class A garden-style apartment complex consisting of eight 3-story residential buildings, a leasing office, a pool house, and ten detached garage buildings. Stone Gables Apartments opened in October 2013 and as of October 1, 2015, was 95.8% occupied.

The property features 192 units including 48 one-bedrooms (25.0% of total units), 48 1,102 SF two-bedrooms (25.0% of total units), 48 1,137 SF two-bedrooms (25.0% of total units) and 48 three-bedrooms (25.0% of total units). Property amenities include a fitness center, a salt-water swimming pool with sundeck and cabana, a clubhouse, a business center, a tanning booth, a playground, a pet park, a grilling cabana, a volleyball court, and gated access. All unit kitchens include a full energy-efficient appliance package including an electric range and oven, a dishwasher and a built-in microwave oven. Additional unit amenities include granite countertops, walk-in closets, garden tubs, patios or balconies (all first floor units and select upper floor units), security alarms, washer and dryer connections, and pre-wiring for cable TV and internet. The property has a total of 365 parking spaces, or 1.9 spaces per unit.

### Multifamily Unit Mix <sup>(1)</sup>

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 <sup>(2)</sup>	Monthly Market Rental Rate PSF <sup>(2)</sup>
1 BD / 1 BA	48	25.0%	48	100.0%	806	\$864	\$1.07	\$825	\$1.02
2 BD / 2 BA	48	25.0	48	100.0	1,102	\$976	\$0.89	\$975	\$0.88
2 BD / 2 BA	48	25.0	46	95.8	1,137	\$1,037	\$0.91	\$1,025	\$0.90
3 BD / 2 BA	48	25.0	42	87.5	1,252	\$1,217	\$0.97	\$1,150	\$0.92
<b>Total/Wtd. Avg.</b>	<b>192</b>	<b>100.0%</b>	<b>184</b>	<b>95.8%</b>	<b>1,074</b>	<b>\$1,017</b>	<b>\$0.96</b>	<b>\$1,006</b>	<b>\$0.95</b>

(1) Based on the underwritten rent roll.

(2) Source: Appraisal.

**The Market.** The property is located in the northeastern portion of Raeford in the Fayetteville metropolitan statistical area ("MSA"), approximately 8 miles northwest of the Raeford central business district ("CBD") and 13 miles southwest of the Fayetteville CBD. Raeford is located in close proximity to U.S. Highway 401 and U.S. Business Highway 401. The Fayetteville MSA's economy is influenced by Fort Bragg and Pope Air Force Base — two large U.S. military installations with an aggregate acreage of more than 160,000. Fort Bragg houses the 82nd Airborne Division and the XVIII Airborne Corps of the U.S. Army. The two bases employ approximately 50,000 military personnel and 10,000 civilians. According to the appraisal, Pope Air Force Base will be terminating operations in Fayetteville but will become an Army airfield and functional part of local military operations. The appraiser noted that, for multifamily properties, the second quarter 2015 vacancy rate for the Fayetteville MSA was 10.4%, which represents a 1.1% improvement from the previous quarter, and the second quarter 2015 asking rent for the Fayetteville MSA represents 0.2% growth from the previous quarter.

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### Competitive Set Summary<sup>(1)</sup>

Property	Year Built	No. of Units	Avg. Unit Size (SF)	Avg. \$/ Unit	Occupancy	Distance from Property
<b>Stone Gables Apartments</b>	<b>2013</b>	<b>192<sup>(2)</sup></b>	<b>1,074<sup>(2)</sup></b>	<b>\$1,017<sup>(2)</sup></b>	<b>96%<sup>(2)</sup></b>	
West Park	2012	288	1,090	\$1,009	92%	3.0 miles
Addison Ridge	2014	211	1,110	\$1,139	94%	9.0 miles
Raeford Crossing	2012	291	1,051	\$815	92%	7.0 miles
The Grove at Park Place	2013	188	1,115	\$917	90%	10.0 miles
Stone Ridge	2008	216	1,147	\$859	93%	7.0 miles
<b>Total/Wtd. Avg.<sup>(3)</sup></b>		<b>1,194</b>	<b>1,098</b>	<b>\$943</b>	<b>92%</b>	

- (1) Source: Appraisal.  
(2) Based on the underwritten rent roll.  
(3) Excludes the subject property.

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

2013	2014 <sup>(2)</sup>	Current <sup>(3)</sup>
N/A	74.9%	95.8%

- (1) The property was newly constructed in 2013. Historical occupancies were not available.  
(2) Source: 2014 occupancies reflect the average occupancy for the indicated year as provided by the borrower.  
(3) Based on the underwritten rent roll.

### Operating History and Underwritten Net Cash Flow<sup>(1)</sup>

	2014	T4 Annualized <sup>(2)</sup>	Underwritten	Per Unit	% <sup>(3)</sup>
Rents in Place	\$1,537,878	\$2,252,337	\$2,245,584	\$11,696	95.4%
Vacant Income	731,048	100,209	107,400	559	4.6%
<b>Gross Potential Rent</b>	<b>\$2,268,926</b>	<b>\$2,352,546</b>	<b>\$2,352,984</b>	<b>\$12,255</b>	<b>100.0%</b>
Total Reimbursements	0	0	0	0	0.0%
<b>Net Rental Income</b>	<b>\$2,268,926</b>	<b>\$2,352,546</b>	<b>\$2,352,984</b>	<b>\$12,255</b>	<b>100.0%</b>
(Vacancy/Collection Loss)	(789,803)	(158,265)	(188,337)	(981)	(8.0%)
Other Income	114,511	176,598	215,499	1,122	9.2%
<b>Effective Gross Income</b>	<b>\$1,593,634</b>	<b>\$2,370,879</b>	<b>\$2,380,146</b>	<b>\$12,397</b>	<b>101.2%</b>
<b>Total Expenses</b>	<b>\$771,036</b>	<b>\$896,703</b>	<b>\$864,169</b>	<b>\$4,501</b>	<b>36.3%</b>
<b>Net Operating Income</b>	<b>\$822,598</b>	<b>\$1,474,176</b>	<b>\$1,515,977</b>	<b>\$7,896</b>	<b>63.7%</b>
Replacement Reserves	0	0	38,400	200	1.6%
<b>Net Cash Flow</b>	<b>\$822,598</b>	<b>\$1,474,176</b>	<b>\$1,477,577</b>	<b>\$7,696</b>	<b>62.1%</b>

- (1) The property was newly constructed in 2013. Additional historical financials were not available.  
(2) Represents the trailing four month period ending July 31, 2015, annualized.  
(3) % column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.