

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

Mortgage Loan Information

| | |
|--|--|
| Mortgage Loan Seller: | Column |
| Original Principal Balance: | \$25,264,000 |
| Cut-off Date Principal Balance: | \$25,264,000 |
| % of Pool by IPB: | 2.1% |
| Loan Purpose: | Refinance |
| Borrowers: | BMA Lakewood Apartments, LLC; BMA Oxford Apartments, LLC; BMA Eden Apartments, LLC; BMA Stonewood Apartments, LLC; BMA Bringle Ferry 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: | \$297,918 | \$27,083 | N/A |
| Insurance: | \$59,522 | \$6,614 | N/A |
| Replacement Reserves: | \$0 | \$11,917 | N/A |
| Immediate Repairs⁽³⁾: | \$84,563 | N/A | N/A |

Sources and Uses

| Sources | Proceeds | % of Total |
|----------------------|---------------------|---------------|
| Mortgage Loan | \$25,264,000 | 100.0% |
| | | |
| | | |
| Total Sources | \$25,264,000 | 100.0% |

Property Information

| | |
|--|------------------------------|
| Single Asset / Portfolio: | Portfolio of Five Properties |
| Title: | Fee |
| Property Type - Subtype: | Multifamily - Garden |
| Net Rentable Area (Units): | 572 |
| Location: | Various, NC |
| Year Built / Renovated: | Various / N/A |
| Occupancy: | 94.2% |
| Occupancy Date: | 12/18/2014 |
| | |
| Number of Tenants: | N/A |
| 2011 NOI: | N/A |
| 2012 NOI: | \$1,811,695 |
| 2013 NOI: | \$1,827,620 |
| TTM NOI (as of 11/2014): | \$2,040,109 |
| UW Economic Occupancy: | 92.4% |
| UW Revenues: | \$3,974,719 |
| UW Expenses: | \$1,823,126 |
| UW NOI: | \$2,151,593 |
| UW NCF: | \$2,008,593 |
| Appraised Value / Per Unit⁽²⁾: | \$31,580,000 / \$55,210 |
| Appraisal Date: | Various |
| | |
| | |
| | |

Financial Information

| | |
|---|----------|
| Cut-off Date Loan / Unit: | \$44,168 |
| Maturity Date Loan / Unit: | \$37,969 |
| Cut-off Date LTV⁽²⁾: | 80.0% |
| Maturity Date LTV⁽²⁾: | 68.8% |
| UW NCF DSCR: | 1.25x |
| UW NOI Debt Yield: | 8.5% |

| Uses | Proceeds | % of Total |
|-------------------------------------|---------------------|---------------|
| Payoff Existing Debt ⁽⁴⁾ | \$24,012,545 | 95.0% |
| Return of Equity | 604,376 | 2.4 |
| Upfront Reserves | 442,003 | 1.7 |
| Closing Costs | 205,077 | 0.8 |
| Total Uses | \$25,264,000 | 100.0% |

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

(2) In addition to the individual property valuations, the appraiser also valued the portfolio in the amount of \$32,843,770 (\$57,419/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) Initial Immediate Repairs reserve represents immediate repairs reserve (125% of engineer's estimate of \$67,650).

(4) Uses of the loan proceeds include first mortgage payoff to Berkadia in the amount of \$22,648,865 and first mortgage payoff to Arbor in the amount of \$1,363,680.

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

Portfolio Summary

| Property Name | City/State | Property Type | # of Units | Year Built / Renovated | Allocated Loan Balance | Allocated Ratio | Appraisal Value | Value/ Unit | UW NCF |
|------------------------|-----------------|---------------|------------|------------------------|------------------------|-----------------|---------------------|-----------------|--------------------|
| Lakewood I & II | Salisbury, NC | Multifamily | 228 | 1987/N/A | \$7,440,000 | 29.4% | \$9,300,000 | \$40,789 | \$551,046 |
| Autumn Park | Oxford, NC | Multifamily | 128 | 2004/N/A | \$7,200,000 | 28.5% | \$9,000,000 | \$70,313 | \$590,211 |
| Arbor Glen | Eden, NC | Multifamily | 96 | 2003/N/A | \$5,104,000 | 20.2% | \$6,380,000 | \$66,458 | \$430,050 |
| Stonewood | Mooresville, NC | Multifamily | 68 | 1985/N/A | \$3,040,000 | 12.0% | \$3,800,000 | \$55,882 | \$223,596 |
| Ashton Woods | Salisbury, NC | Multifamily | 52 | 2003/N/A | \$2,480,000 | 9.8% | \$3,100,000 | \$59,615 | \$213,689 |
| Total/Wtd. Avg. | | | 572 | | \$25,264,000 | 100.0% | \$31,580,000 | \$55,210 | \$2,008,593 |

The Loan. The loan has an outstanding principal balance of \$25,264,000 million and is secured by a first mortgage lien on five multifamily properties totaling 572 units. The five properties include: (i) Lakewood I & II, a 228-unit garden-style multifamily complex located in Salisbury, North Carolina; (ii) Autumn Park, a 128-unit garden-style multifamily complex located in Oxford, North Carolina; (iii) Arbor Glen, a 96-unit garden-style multifamily complex located in Eden, North Carolina; (iv) Stonewood, a 68-unit garden-style multifamily complex located in Mooresville, North Carolina; and (v) Ashton Woods, a 52-unit garden-style multifamily complex located in Salisbury, North Carolina. The loan has a 10-year term and, subsequent to a 42 month interest-only period, will amortize on a 27-year schedule.

The Borrowers. The borrowing entities are (i) BMA Lakewood Apartments, LLC; (ii) BMA Oxford Apartments, LLC; (iii) BMA Eden Apartments, LLC; (iv) BMA Stonewood Apartments, LLC and (v) BMA Bringle Ferry Apartments, LLC, all of which are bankruptcy remote, single-purpose limited liability companies. The borrowing entities are ultimately 100.0% owned by Brian A. Martin.

The Sponsor. Brian A. Martin is the sponsor and non-recourse carve-out guarantor. Mr. Martin has over 17 years of experience in the acquisition and transitioning of multifamily properties. During his career, Mr. Martin has been involved in acquisitions totaling over \$1.5 billion, encompassing approximately 35,000 units and 140 transactions. Mr. Martin is currently the president and CEO of Threshold Capital, LLC ("Threshold Capital") which he founded in 2004. Threshold Capital is 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.

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

The Properties.

Lakewood I & II: The property is a 228-unit garden-style multifamily development in Salisbury, North Carolina which was completed in 1987. Amenities at the property include an on-site leasing office, clubhouse, laundry room, swimming pool, and tennis courts. The property consists of 18, two-story residential buildings and a single-story clubhouse. The apartments feature carpeting and vinyl tile flooring, standard kitchen appliances, washer/dryer connections (two bedroom units only), and patio/balcony. The studio units are leased fully furnished, with a murphy bed, sofa, chair, end table, two bar stools and a microwave. The property has 396 parking spaces, which results in a parking ratio of 1.7 spaces per unit.

Lakewood I & II 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 | 40 | 17.5% | 32 | 80.0% | 384 | \$522 | \$1.36 | \$520 | \$1.35 |
| 1.1 (1 Bed / 1 Bath) | 91 | 39.9% | 87 | 95.6% | 512 | \$440 | \$0.86 | \$465 | \$0.91 |
| 2.1 (2 Bed / 1 Bath) | 85 | 37.3% | 77 | 90.6% | 768 | \$542 | \$0.71 | \$575 | \$0.75 |
| 2.1.5 (2 Bed / 1.5 Bath) | 12 | 5.3% | 11 | 91.7% | 768 | \$568 | \$0.74 | \$600 | \$0.78 |
| Total/Wtd. Avg. | 228 | 100.0% | 207 | 90.8% | 598 | \$497 | \$0.87 | \$523 | \$0.92 |

(1) Based on the December 2014 borrower provided rent roll.

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

(3) Source: Appraisal.

Autumn Park: The property is a 128-unit garden-style multifamily development in Oxford, North Carolina which was completed in 2004. Amenities at the property include an on-site leasing office, clubhouse, fitness center, laundry room, mail room, swimming pool, and playground. The property consists of 12, 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 (two bedroom units only), two inch blinds, and a patio/balcony. Parking is provided for 256 vehicles which results in parking ratio 2.0 parking spaces per unit.

Autumn Park 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) | 42 | 32.8% | 42 | 100.0% | 575 | \$553 | \$0.96 | \$575 | \$1.00 |
| 2.2 (2 Bed / 2 Bath) | 62 | 48.4% | 61 | 98.4% | 975 | \$689 | \$0.71 | \$703 | \$0.72 |
| 3.2 (3 Bed / 2 Bath) | 24 | 18.8% | 22 | 91.7% | 1,110 | \$790 | \$0.71 | \$790 | \$0.71 |
| Total/Wtd. Avg. | 128 | 100.0% | 125 | 97.7% | 869 | \$661 | \$0.79 | \$677 | \$0.81 |

(1) Based on the borrower provided rent roll.

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

(3) Source: Appraisal.

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

Arbor Glen: The property is a 96-unit garden-style multifamily development in Eden, North Carolina which was completed in 2003. 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 12, one, two, and three-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 (two and three bedroom units only), and a patio/balcony. Parking is provided for 231 vehicles which results in parking ratio 2.4 parking spaces per unit.

Arbor Glen 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) | 24 | 25.0% | 23 | 95.8% | 620 | \$557 | \$0.90 | \$575 | \$0.93 |
| 2.2 (2 Bed / 2 Bath) | 56 | 58.3% | 55 | 98.2% | 885 | \$657 | \$0.74 | \$675 | \$0.76 |
| 3.2 (3 Bed / 2 Bath) | 16 | 16.7% | 16 | 100.0% | 1,177 | \$768 | \$0.65 | \$775 | \$0.66 |
| Total/Wtd. Avg. | 96 | 100.0% | 94 | 97.9% | 867 | \$652 | \$0.77 | \$667 | \$0.79 |

- (1) Based on the borrower provided rent roll.
(2) Average Monthly Rental Rate and PSF are determined by weighted average on occupied units.
(3) Source: Appraisal.

Stonewood: The property is a 68-unit garden-style multifamily development in Mooresville, North Carolina which was completed in 1985. Amenities at the property include an on-site leasing office, clubhouse, laundry room, and swimming pool. The property consists of seven, 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 (two bedroom units only), and a patio/balcony. Parking is provided for 119 vehicles which results in parking ratio 1.8 parking spaces per unit.

Stonewood 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 | 47.1% | 28 | 87.5% | 520 | \$565 | \$1.09 | \$590 | \$1.13 |
| 2.2 (2 Bed / 2 Bath) | 36 | 52.9% | 34 | 94.4% | 800 | \$663 | \$0.83 | \$690 | \$0.86 |
| Total/Wtd. Avg. | 68 | 100.0% | 62 | 91.2% | 668 | \$619 | \$0.93 | \$643 | \$0.99 |

- (1) Based on the borrower provided rent roll.
(2) Average Monthly Rental Rate and PSF are determined by weighted average on occupied units.
(3) Source: Appraisal.

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

Ashton Woods: The property is a 52-unit garden-style multifamily development in Salisbury, North Carolina which was completed in 2003. Amenities at the property include an on-site leasing office, clubhouse, fitness center, laundry room, and playground. The property consists of five, 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 (two and three bedroom units only), and a patio/balcony. Parking is provided for 105 vehicles which results in parking ratio 2.0 parking spaces per unit.

Ashton Woods Unit Mix⁽¹⁾

| Unit Type | # of Units | % of Total | Occupied Units | Occupancy | Average Unit Size (Square Feet) | 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) | 15 | 28.8% | 14 | 93.3% | 560 | \$530 | \$0.95 | \$535 | \$0.96 |
| 2.1 (2 Bed / 1 Bath) | 14 | 26.9% | 14 | 100.0% | 890 | \$597 | \$0.67 | \$605 | \$0.68 |
| 2.2 (2 Bed / 2 Bath) | 15 | 28.8% | 15 | 100.0% | 890 | \$607 | \$0.68 | \$625 | \$0.70 |
| 3.2 (3 Bed / 2 Bath) | 8 | 15.4% | 8 | 100.0% | 1,080 | \$693 | \$0.64 | \$755 | \$0.70 |
| Total/Wtd. Avg. | 52 | 100.0% | 51 | 98.1% | 824 | \$597 | \$0.75 | \$614 | \$0.77 |

(1) Based on the borrower provided rent roll.

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

(3) Source: Appraisal.

The Market.

Lakewood I & II: The property is located within the town limits of Salisbury, North Carolina, 35 miles northeast of the city of Charlotte and southwest of Greensboro and Lexington, North Carolina. The region is home to manufacturing and service businesses. Daimler Trucks North America (“Daimler Trucks”) is located west of the subject, in Cleveland, North Carolina, where it operates the largest freightliner trucks manufacturing plant in the U.S. The appraiser identified a competitive set of five properties consisting of 612 units constructed between 1983 and 2002. Vacancy rates ranged from 2.0% to 10.0% with a weighted average vacancy of 4.8%. The competitive set exhibits rents ranging from \$400 to \$710 per unit.

Autumn Park: The property is located in Oxford, North Carolina which is north of Durham, NC along I-85. According to Reis, the property is located within the Raleigh-Durham Area apartment market. As of April 2014, the market’s vacancy rate was 4.3% and the average asking rent for the first four months of 2014 was \$890 per month per unit. The appraiser identified a competitive set of four properties consisting of 454 units constructed between 1997 and 2004. Vacancy rates ranged from 2.0% to 4.0% with a weighted average vacancy of 3.0%. The competitive set exhibits rents ranging from \$623 to \$782 per unit.

Arbor Glen: The property is located in Eden, North Carolina. Major developments near the subject include a shopping center anchored by Walmart and also the Morehead Memorial Hospital, which has operated since 1960 and currently is a 229 bed facility. According to Reis, the property is located within the Greensboro/Winston-Salem Apartment market. As of the first quarter 2014, the market reported a vacancy rate of 5.5% and asking rents were in the range of \$660 to \$700 per month. The appraiser identified a competitive set of four properties consisting of 556 units constructed between 1970 and 2008. Vacancy rates ranged from 5.0% to 9.0% with a weighted average vacancy of 7.0%. The competitive set exhibits rents ranging from \$497 to \$740 per unit.

Stonewood: The property is located in Mooresville, North Carolina. Mooresville is located approximately 30 miles north of the city of Charlotte, North Carolina. The neighborhood has access to I-77 via Highway 21, which provides access to the Charlotte central business district to the south. Mooresville serves as the corporate headquarters for Lowe’s Companies, Inc., a Fortune 50 company. Lowes’ 135-acre campus employs over 4,000 people. Mooresville, known as Race City USA, is also home to more than 60 NASCAR teams and racing related businesses. Additionally, Lake Norman, a major state recreational area located just west of the subject, is another major demand generator in the Mooresville area. According to appraisal, the property is located in the Iredell county submarket. As of March 2014, the submarket reported a vacancy rate of 9.2% and asking rents were at \$796 per month. The appraiser identified a competitive set of four properties consisting of 673 units constructed between 1987 and

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

1997. Vacancy rates ranged from 3.0% to 10.0% with a weighted average vacancy of 5.5%. The competitive set exhibits rents ranged from \$590 to \$788 per unit (2 bedroom units).

Ashton Woods: The property is located in Salisbury, North Carolina, approximately 35 miles northeast of the city of Charlotte. See Lakewood I & II for additional neighborhood information. The appraiser identified a competitive set of five properties consisting of 704 units constructed between 1983 and 2006. Vacancy rates ranged from 2.0% to 10.0% with a weighted average vacancy of 5.5%. The competitive set exhibits rents ranged from \$590 to \$874 per unit (2 bedroom units).

Operating History and Underwritten Net Cash Flow

| | 2012 | 2013 | TTM ⁽¹⁾ | Underwritten | Per Unit | % ⁽²⁾ |
|--|--------------------|--------------------|--------------------|--------------------|----------------|------------------|
| Rents in Place ⁽³⁾ | \$3,830,659 | \$3,861,338 | \$3,934,082 | \$3,787,927 | \$6,622 | 88.1% |
| Vacant Income | 0 | 0 | 0 | 222,787 | 389 | 5.2% |
| Other Income | 292,712 | 289,869 | 286,392 | 289,336 | 506 | 6.7% |
| Gross Potential Rent | \$4,123,371 | \$4,151,207 | \$4,220,474 | \$4,300,050 | \$7,518 | 100.0% |
| Reimbursements | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Net Rental Income | \$4,123,371 | \$4,151,207 | \$4,220,474 | \$4,300,050 | \$7,518 | 100.0% |
| (Vacancy/Credit Loss/Concessions) ⁽⁴⁾ | (510,857) | (518,477) | (338,424) | (325,331) | (569) | (7.6%) |
| Effective Gross Income | \$3,612,514 | \$3,632,730 | \$3,882,050 | \$3,974,719 | \$6,949 | 92.4% |
| Total Expenses | \$1,800,819 | \$1,805,110 | \$1,841,941 | \$1,823,126 | \$3,187 | 45.9% |
| Net Operating Income | \$1,811,695 | \$1,827,620 | \$2,040,109 | \$2,151,593 | \$3,762 | 54.1% |
| Replacement Reserves | 0 | 0 | 0 | 143,000 | 250 | 3.6% |
| Non-Recurring Items | 59,118 | 63,906 | 57,655 | 0 | 0 | 0.0% |
| Net Cash Flow | \$1,752,577 | \$1,763,714 | \$1,982,454 | \$2,008,593 | \$3,512 | 50.5% |

(1) The numbers provided are based on T12 period 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.

Historical and Current Occupancy⁽¹⁾

| Property Name | # of Units | 2012 | 2013 | Current ⁽²⁾ |
|------------------------|------------|--------------|--------------|------------------------|
| Lakewood I & II | 228 | 87.7% | 88.6% | 90.8% |
| Autumn Park | 128 | 93.2% | 92.4% | 97.7% |
| Arbor Glen | 96 | 91.1% | 86.3% | 97.9% |
| Stonewood | 68 | 87.8% | 90.3% | 91.2% |
| Ashton Woods | 52 | 85.4% | 86.7% | 98.1% |
| Total/Wtd. Avg. | 572 | 89.3% | 89.1% | 94.2% |

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

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

Mortgage Loan No. 11 — Threshold Multifamily Portfolio – Pool 4

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.