

## Mortgage Loan No. 14 — Lofton Place Apartments

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BSP
<b>Original Principal Balance:</b>	\$15,250,000
<b>Cut-off Date Principal Balance:</b>	\$15,250,000
<b>% of Pool by IPB:</b>	2.0%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	Bentley Square POE LLC
<b>Sponsors:</b>	Joseph G. Lubeck; Mitchell B. Robbins; Steven R. Robbins
<b>Interest Rate:</b>	4.8100%
<b>Note Date:</b>	11/24/2015
<b>Maturity Date:</b>	12/6/2025
<b>Interest-only Period:</b>	60 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(29),Def(87),O(4)
<b>Lockbox<sup>(1)</sup>:</b>	Soft
<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>	258
<b>Location:</b>	Fort Worth, TX
<b>Year Built / Renovated:</b>	1984 / N/A
<b>Occupancy:</b>	93.4%
<b>Occupancy Date:</b>	12/31/2015
<b>Number of Tenants:</b>	N/A
<b>2013 NOI:</b>	\$1,247,140
<b>2014 NOI:</b>	\$1,284,539
<b>2015 NOI:</b>	\$1,447,002
<b>TTM NOI:</b>	N/A
<b>UW Economic Occupancy:</b>	90.5%
<b>UW Revenues:</b>	\$2,459,911
<b>UW Expenses:</b>	\$1,119,210
<b>UW NOI:</b>	\$1,340,701
<b>UW NCF:</b>	\$1,276,201
<b>Appraised Value / Per Unit<sup>(2)</sup>:</b>	\$21,010,000 / \$81,434
<b>Appraisal Date<sup>(3)</sup>:</b>	9/29/2016

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$27,082	\$27,082	N/A
<b>Insurance:</b>	\$29,086	\$5,817	N/A
<b>Replacement Reserves<sup>(3)</sup>:</b>	\$1,732,846	Springing	N/A
<b>Engineering Reserve:</b>	\$67,154	N/A	N/A

### Financial Information

<b>Cut-off Date Loan / Unit:</b>	\$59,109
<b>Maturity Date Loan / Unit:</b>	\$54,353
<b>Cut-off Date LTV<sup>(2)</sup>:</b>	72.6%
<b>Maturity Date LTV<sup>(2)</sup>:</b>	66.7%
<b>UW NCF DSCR:</b>	1.33x
<b>UW NOI Debt Yield:</b>	8.8%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$15,250,000	77.0%
Sponsor's Equity	4,544,802	23.0
<b>Total Sources</b>	<b>\$19,794,802</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Purchase Price	\$17,800,000	89.9%
Upfront Reserves	1,856,168	9.4
Closing Costs	138,634	0.7
<b>Total Uses</b>	<b>\$19,794,802</b>	<b>100.0%</b>

- (1) The loan is structured with a soft lockbox and springing cash management.
- (2) The appraisal's "Prospective As If Renovated" value of \$21,010,000 is utilized for the Cut-Off Date LTV ratio and Maturity Date LTV ratio calculations assuming that the property achieves a fully renovated operating level by September 29, 2016. A sum of \$1,800,000 was escrowed at origination in Replacement Reserves and Engineering Reserve to perform planned renovations at the property. Using the "As Is" value of \$18,550,000 as of September 29, 2015, the Cut-Off Date LTV ratio is 82.2% and the Maturity Date LTV ratio is 75.6%.
- (3) A monthly replacement reserve of \$5,375 will commence on the payment date occurring in January 2017.

## Mortgage Loan No. 14 — Lofton Place Apartments

**The Loan.** The Lofton Place Apartments loan is an approximately \$15.3 million first mortgage loan secured by the fee interest in a 258-unit garden style multifamily property located in Fort Worth, Texas. The loan has a 10-year term and will amortize on a 30-year schedule following an initial interest-only period of five years.

**The Borrower.** The borrowing entity for the loan is Bentley Square POE LLC, a Delaware limited liability company and special purpose entity.

**The Sponsors.** The loan's sponsors and nonrecourse carve-out guarantors are Joseph G. Lubeck, Mitchell B. Robbins and Steven R. Robbins. Joseph G. Lubeck is the founder and CEO of ELRH Investments ("ELRH"). ELRH, together with its affiliates, has acquired, operated, and sold over 150 multifamily communities with a value of over \$3 billion since 1991. In 2012, Joseph G. Lubeck merged his private portfolio of approximately 40 assets with a private REIT with 15 assets, and subsequently rebranded and grew the REIT to over 109 assets and 35,000 units. Joseph G. Lubeck owns and operates 13 multifamily properties containing 4,530 units and maintains a sizable investment in ELRH. Steven R. Robbins and Mitchell B. Robbins are the founders of Robbins Property Associates ("RPA"). RPA is a multifamily owner and operator having started business operations in 2009. Since its inception RPA has acquired and sold over 13,000 units. RPA currently owns 37 communities totaling over 10,400 units. The company recently formed Robbins Elco Management LLC, a partnership with Elco Landmark Residential Holdings, to own and manage an additional 4,662 units located in Florida, Texas and Georgia.

**The Property.** The property is a 258-unit garden-style multifamily property located in Fort Worth, Texas that was built in 1984. The property consists of 21 one-story and two-story apartment buildings located on approximately 9.9 acres. The property has a total of 410 parking spaces, or 1.59 parking spaces per unit. As of December 31, 2015, the property was 93.4% occupied.

The property contains 194 one-bedroom units (75.2%) and 64 two-bedroom units (24.8%). One-bedroom units range from approximately 600 SF to 746 SF, and 2-bedrooms range from 876 SF to 1,170 SF, with an overall average unit size of 784 SF. Amenities at the property include two swimming pools, a fitness center, a business center, a tennis court, and on-site laundry facilities. Each unit features a full appliance package, wood cabinets and floors, washer/dryer hookups, wood burning fireplaces, and balconies/patios. The lender escrowed \$1.8 million (\$6,977 per unit) at origination for the purposes of capital improvements to the property. Renovations have already been made to 50% of the units by the previous owner, including upgrades to the kitchens, bathrooms, and exterior, among others. Kitchen upgrades include new countertops, new appliances, kitchen faucets, kitchen flooring, and cabinet work (painting and hardware). Remaining interior upgrades include new lighting packages in the living room and bathrooms, painting bath vanities, adding new faucets in the bathrooms, adding washers and dryers to some units, replacing carpeting and blinds, replacing the model unit furniture, and making repairs to the A/C and water heaters. Exterior renovations are expected to include landscaping and trimming, clubhouse improvements, security cameras and key track systems, and replacements of the pool furniture.

The property has frontage along Eastchase Parkway and Meadowbrook Boulevard and is located in the Fort Worth-Arlington submarket, approximately 10 miles east of the Fort Worth central business district. Located near the property are single-family residences to the west, an apartment complex and retail to the south, and retail properties to the north and east. Restaurants and retail shopping, including a Target, Ross Dress for Less, Aldi, AMC Theatres, McDonalds, Whataburger, IHOP, CiCi's Pizza, and others are located across the street from the property. Additionally, AT&T Stadium (home of the Dallas Cowboys) and Six Flags Over Texas amusement park are located approximately 5.4 miles and 7.3 miles, respectively, west of the property in Arlington, Texas along with major retail nodes, including Eastchase Market located adjacent to the center. Located approximately 21.1 miles to the Northeast is Las Colinas, a 12,000 acre master planned community that is home to the Irving Convention Center, Four Seasons hotel, TPC Championship Golf Course, Irving Mall and a high concentration of Fortune 500 regional, national and global headquarters. Companies include Exxon Mobil, Fluor Corporation, Kimberly Clark, Toyota Motors USA and OMNI Resorts.

## Mortgage Loan No. 14 — Lofton Place Apartments

### Multifamily Unit Mix

Unit Type	No. of Units <sup>(1)</sup>	% of Total	Occupied Units <sup>(1)</sup>	Occupancy <sup>(1)</sup>	Average Unit Size (SF) <sup>(1)</sup>	Average Monthly Rental Rate <sup>(1)</sup>	Average Monthly Rental Rate PSF <sup>(1)</sup>	Monthly Market Rental Rate <sup>(2)</sup>	Monthly Market Rental Rate PSF <sup>(2)</sup>
One Bedroom	194	75.2%	182	93.8%	696	\$684	\$0.98	\$814	\$1.17
Two Bedroom	64	24.8%	59	92.2%	1048	\$878	\$0.84	\$1,022	\$0.97
<b>Total/Wtd. Avg.</b>	<b>258</b>	<b>100.0%</b>	<b>241</b>	<b>93.4%</b>	<b>784</b>	<b>\$732</b>	<b>\$0.93</b>	<b>\$865</b>	<b>\$1.10</b>

(1) Based on the December 2015 rent roll.

(2) Source: Appraisal.

**The Market.** The property is located in Fort Worth, Texas in the Fort Worth-Arlington submarket. Per a third party market research report, as of 1Q 2016 the Fort Worth Apartment Market is comprised of 167,407 units with average occupancy of 95.8%. Asking rents of \$852 are up 4.2% year over year. Asking rents are projected to increase approximately 4.1% per year over the next 5 years. The property is located within the North Arlington submarket per the report. The submarket is comprised of 35,853 units with average occupancy of 96.1% vs. 95.5% a year ago. Asking rents of \$748 as of 1Q 2016 are up 2.2% year over year. Submarket asking rents are projected to increase approximately 4.1% per year over the next 5 years. Occupancy is expected to increase to around 96.5% throughout the forecast. The report shows submarket historical occupancy dating back to 2010; the submarket has averaged 94.4% occupancy since 2011. There have only been 735 units delivered to the submarket since 2011, according to the report. No new apartment projects have completed within the last year, and one new property totaling 392 units is currently under construction within the submarket. This new property is a Class A project with asking rents that are close to double those of the subject and will therefore not compete against the subject property.

The appraiser identified six comparable rental properties, ranging from 50 units to 356 units that were constructed between 1984 and 1994. The competitive set reported a weighted average occupancy of approximately 93%, with average rents ranging from \$652 to \$861 per unit. Average rents at the property are in-line with the competitive set. The properties in the appraisal's competitive set are all located in Fort Worth within approximately 1.3 miles of the property and are shown in the below table.

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

Property	Year Built	No. of Units	Avg. Unit Size (SF)	Avg. \$/ Unit	Occupancy	Distance from Property
<b>Lofton Place Apartments</b>	<b>1984</b>	<b>258<sup>(2)</sup></b>	<b>784<sup>(2)</sup></b>	<b>\$732<sup>(2)</sup></b>	<b>93.4%<sup>(2)</sup></b>	<b>N/A</b>
Brentwood	1984	276	924	\$817	93%	0.5 mi
La Jolla on Meadowbrook	1984	160	755	\$698	94%	0.6 mi
Place at Vanderbilt	1986	333	866	\$766	91%	0.3 mi
Woods of Eastchase	1994	50	661	\$652	98%	0.3 mi
Chestnut Ridge I & II	1984	356	908	\$861	90%	1.3 mi
Horizons at Sunridge	1984	272	749	\$756	94%	0.6 mi
<b>Total/Wtd. Avg.<sup>(3)</sup></b>		<b>241</b>	<b>846</b>	<b>\$786</b>	<b>92%</b>	

(1) Source: Appraisal.

(2) Based on rent roll dated December 31, 2015.

(3) Excludes the subject property.

## Mortgage Loan No. 14 — Lofton Place Apartments

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

2012	2013	2014	2015 <sup>(2)</sup>
92.6%	93.7%	93.2%	93.4%

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

(2) Based on the December 2015 underwritten rent roll.

### Operating History and Underwritten Net Cash Flow

	2013	2014	2015	Underwritten	Per Unit	% <sup>(1)</sup>
Rents in Place	\$2,003,034	\$2,130,456	\$2,215,788	\$2,265,447	\$8,781	83.3%
Vacant Gross Up	0	0	0	13,660	53	0.5%
<b>Gross Potential Rent</b>	<b>\$2,003,034</b>	<b>\$2,130,456</b>	<b>\$2,215,788</b>	<b>\$2,279,107</b>	<b>\$8,834</b>	<b>83.8%</b>
Other Income	352,714	412,939	440,300	440,300	1,707	16.2%
<b>Net Rental Income</b>	<b>\$2,355,748</b>	<b>\$2,543,395</b>	<b>\$2,656,088</b>	<b>\$2,719,407</b>	<b>\$10,540</b>	<b>100.0%</b>
(Vacancy)	(126,915)	(169,673)	(144,436)	(218,885)	(848)	(8.0%)
(Concessions/ Collection Loss)	(44,212)	(71,050)	(39,665)	(40,611)	(157)	(1.5%)
<b>Effective Gross Income</b>	<b>\$2,184,621</b>	<b>\$2,302,672</b>	<b>\$2,471,987</b>	<b>\$2,459,911</b>	<b>\$9,535</b>	<b>90.5%</b>
<b>Total Expenses</b>	<b>\$937,481</b>	<b>\$1,018,133</b>	<b>\$1,024,985</b>	<b>\$1,119,210</b>	<b>\$4,338</b>	<b>45.5%</b>
<b>Net Operating Income</b>	<b>\$1,247,140</b>	<b>\$1,284,539</b>	<b>\$1,447,002</b>	<b>\$1,340,701</b>	<b>\$5,197</b>	<b>54.5%</b>
Replacement Reserves	0	0	0	64,500	250	2.6%
<b>Net Cash Flow</b>	<b>\$1,247,140</b>	<b>\$1,284,539</b>	<b>\$1,447,002</b>	<b>\$1,276,201</b>	<b>\$4,947</b>	<b>51.9%</b>

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