

Mortgage Loan No. 15 — 2000 Bering

Mortgage Loan Information

Mortgage Loan Seller:	MC-Five Mile
Original Principal Balance:	\$21,600,000
Cut-off Date Principal Balance:	\$21,600,000
% of Pool by IPB:	1.8%
Loan Purpose:	Acquisition
Borrower:	Bering Drive 2000, Ltd.
Sponsor:	Gulf United Investments Corporation
Interest Rate:	4.5000%
Note Date:	11/17/2014
Maturity Date:	12/6/2024
Interest-only Period:	60 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(27),YM1%(89),O(4)
Lockbox:	Springing
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:	Office – CBD
Net Rentable Area (SF):	192,211
Location:	Houston, TX
Year Built / Renovated:	1981 / N/A
Occupancy:	94.7%
Occupancy Date:	1/1/2015
Number of Tenants:	25
2011 NOI:	\$1,278,210
2012 NOI:	\$1,383,516
2013 NOI:	\$1,630,170
TTM NOI (as of 8/2014):	\$1,569,076
UW Economic Occupancy:	94.7%
UW Revenues:	\$3,619,514
UW Expenses:	\$1,873,106
UW NOI:	\$1,746,408
UW NCF:	\$1,575,581
Appraised Value / PSF:	\$33,300,000 / \$173
Appraisal Date:	9/16/2014

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	\$41,732	N/A
Insurance ⁽¹⁾ :	\$0	Springing	N/A
Replacement Reserves:	\$0	\$3,204	N/A
TI/LC:	\$0	\$25,000	\$500,000

Financial Information

Cut-off Date Loan / SF:	\$112
Maturity Date Loan / SF:	\$103
Cut-off Date LTV:	64.9%
Maturity Date LTV:	59.4%
UW NCF DSCR:	1.20x
UW NOI Debt Yield:	8.1%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$21,600,000	74.4%
Sponsor Equity	7,445,468	25.6
Total Sources	\$29,045,468	100.0%

Uses	Proceeds	% of Total
Purchase Price	\$28,750,000	99.0%
Closing Costs	295,468	1.0
Total Uses	\$29,045,468	100.0%

(1) The monthly insurance reserve is waived by the lender, provided that the borrower has prompt evidence that the premium is paid within five days of the due date.

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The Loan. The 2000 Bering loan has an outstanding principal balance of \$21.6 million and is secured by a first mortgage lien on a 192,211 SF office property located in Houston, Texas.

The Borrower. The loan has a 10-year term and, subsequent to a five-year interest-only period, will amortize on a 30-year schedule. The borrowing entity for the loan is Bering Drive 2000, Ltd., a Texas limited partnership and special purpose entity.

The Sponsor. The loan sponsor and nonrecourse carveout guarantor is Gulf United Investments Corporation.

The Property. The property is a 10-story office building containing a total net rentable area of 192,211 SF in addition to a 579-space, six-level parking garage. The property was built in 1981 and features a stone and glass facade, and is situated on a 2.0-acre site in the Galleria section of Houston, Texas. Property amenities include a two-story lobby, on-site property management office, on-site security with monitored key-card access, a freight loading dock, fiber optics, and a deli. The four largest tenants, Texas American Title Company, American Title Company of Houston, EMS USA Holdings, Inc., and Reasoning Mind, Inc., occupy a combined 92,250 SF, or 48.0% of the NRA, and use their leased space as their respective corporate headquarters. As of January 1, 2015, the property was 94.7% occupied. Historical occupancy since 2007 has averaged 96.0%.

Based on the current rent roll, the average length of tenancy at the property is 10 years. Of the 25 tenants, 17 (72.6% NRA) have been in occupancy more than five years, 13 (48.0% NRA) have been in occupancy for 10 years or more, and five (7.7% NRA) have been in occupancy for more than 20 years. Additionally, of the 25 tenants on the rent roll, 17 have renewed their respective leases at least once.

The Galleria is part of the Uptown District and is densely developed with upscale shopping and dining areas, entertainment venues as well as affluent single-family residential subdivisions.

The Market. The property is located in the Galleria/Uptown submarket of the City of Houston, approximately seven miles west of the downtown central business district. Primary access to the Galleria is provided by Interstate 10, Interstate 610 (West Loop South), US Highway 59 (Southwest Freeway), Westpark Tollway, and Beltway 8. The appraisal identified five comparable rental properties that range in size from 100,845 SF to 179,061 SF and have occupancies ranging from 95.0% to 98.0%. The appraiser concluded market rents PSF of \$26.00. The weighted average in-place rent of \$18.96 PSF at the property is 27.1% below the appraiser's concluded market rent.

Historical and Current Occupancy⁽¹⁾

2011	2012	2013	Current ⁽²⁾
91.0%	99.0%	97.0%	94.7%

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

(2) Current occupancy is as of January 1, 2015.

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Tenant Summary⁽¹⁾

Tenant	Ratings Fitch/Moody's /S&P ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF ⁽³⁾	Lease Expiration Date
Texas American Title Company ⁽⁴⁾	NR/NR/NR	32,142	16.7%	\$19.19	Various
American Title Company of Houston	NR/NR/NR	20,071	10.4%	\$19.34	3/13/2020
EMS USA Holdings, Inc.	NR/NR/NR	20,070	10.4%	\$22.27	6/30/2018
Reasoning Mind, Inc.	NR/NR/NR	19,967	10.4%	\$19.50	9/30/2019
The United States Of America (US Army Corps of Engineers)	AAA/Aaa/AA+	19,075	9.9%	\$19.92	12/31/2015
Matthews, Lawson, Bowick &	NR/NR/NR	12,632	6.6%	\$18.28	6/30/2016
Johnston, LLC	NR/NR/NR	9,953	5.2%	\$19.00	11/30/2015
Labanowski & Associates	NR/NR/NR	7,439	3.9%	\$17.28	8/31/2017
James Edward and Companies	NR/NR/NR	5,492	2.9%	\$16.50	3/31/2015
Dawson Consulting Group	NR/NR/NR	5,211	2.7%	\$16.50	MTM

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the leases.

(3) Base Rent PSF includes rent steps through March 31, 2015.

(4) The Texas American Title Company occupies three separate suites, of which, two sites comprise 19,838 and 10,193 SF, respectively, which have a lease term expiration of March 13, 2020 and rental rates of \$16.00 PSF; one suite comprises 2,111 SF, which has a lease term expiration of March 13, 2015 and a rental rate of \$17.00 PSF.

Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring ⁽²⁾	% of Base Rent Expiring ⁽²⁾	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring ⁽²⁾	Cumulative % of Base Rent Expiring ⁽²⁾
Vacant	NAP	10,144	5.3%	NAP	NAP	10,144	5.3%	NAP	NAP
MTM	6	14,468	7.5	\$219,352	6.4%	24,612	12.8%	\$219,352	6.4%
2015	9	49,247	25.6	921,499	27.0	73,859	38.4%	\$1,140,851	33.4%
2016	4	19,010	9.9	344,275	10.1	92,869	48.3%	\$1,485,126	43.4%
2017	1	7,439	3.9	128,546	3.8	100,308	52.2%	\$1,613,672	47.2%
2018	1	20,070	10.4	447,014	13.1	120,378	62.6%	\$2,060,685	60.3%
2019	1	19,967	10.4	389,357	11.4	140,345	73.0%	\$2,450,042	71.7%
2020	3	50,102	26.1	968,973	28.3	190,447	99.1%	\$3,419,014	100.0%
2021	0	0	0.0	0	0.0	190,447	99.1%	\$3,419,014	100.0%
2022	0	0	0.0	0	0.0	190,447	99.1%	\$3,419,014	100.0%
2023	0	0	0.0	0	0.0	190,447	99.1%	\$3,419,014	100.0%
2024	0	0	0.0	0	0.0	190,447	99.1%	\$3,419,014	100.0%
2025 & Beyond ⁽³⁾	2	1,764	0.9	0	0.0	192,211	100.0%	\$3,419,014	100.0%
Total	27	192,211	100.0%	\$3,419,014	100.0%				

(1) Based on the underwritten rent roll.

(2) Base rent includes rent steps through March 31, 2015.

(3) Includes the building's management and engineer's offices.

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Operating History and Underwritten Net Cash Flow

	2011	2012	2013	TTM ⁽¹⁾	Underwritten	PSF	% ⁽²⁾
Rents in Place	\$2,924,100	\$3,018,701	\$3,288,135	\$3,263,205	\$3,419,014	\$17.79	90.2%
Vacant Income	0	0	0	0	263,744	1.37	7.0%
Gross Potential Rent	\$2,924,100	\$3,018,701	\$3,288,135	\$3,263,205	\$3,682,758	\$19.16	97.2%
Total Reimbursements	19,471	24,930	101,401	74,447	106,716	0.56	2.8%
Net Rental Income	\$2,943,571	\$3,043,631	\$3,389,536	\$3,337,652	\$3,789,474	\$19.72	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(200,842)	(1.04)	(5.3)%
Other Income	27,996	24,100	30,122	30,882	30,882	0.16	0.8%
Effective Gross Income	\$2,971,567	\$3,067,731	\$3,419,658	\$3,368,534	\$3,619,514	\$18.83	95.5%
Total Expenses	\$1,693,357	\$1,684,215	\$1,789,488	\$1,799,458	\$1,873,106	\$9.75	51.8%
Net Operating Income	\$1,278,210	\$1,383,516	\$1,630,170	\$1,569,076	\$1,746,408	\$9.09	48.2%
Total TI/LC, Capex/RR	0	0	0	0	170,828	0.89	4.7%
Net Cash Flow	\$1,278,210	\$1,383,516	\$1,630,170	\$1,569,076	\$1,575,581	\$8.20	43.5%

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