LOAN PARTICIPATION

PLAZA GRANDE, CHERRY HILL, NJ

Fund:	BFI Capital Fund II LLC ("BFIC")	**Date:**	May 23, 2016
Deal Team:	Larry Linksman, David Hall, Chloe Chen	**Borrower:**	TSV/TGA – Garden State Park Company, LLC

Summary	
Type of Investment:	Construction Loan
Security Position:	First Lien Mortgage
Collateral Valuation:	60% LTV at closing; 40% LTV upon completion
Collateral Description:	33 acres fully approved for 507 age-restricted (55+) residential units (16 buildings). Property contains an 18,000 sq. foot finished clubhouse, two tennis courts, two bocce ball courts and indoor swimming pool. All roads, curbs and infrastructure are in place. Property is subject to a condominium regime allowing for sale of individual units, buildings and/or operation of property as multifamily rental. This Loan is secured by the two to-be-built buildings and the remaining 14 pad sites.
Commitment:	$25M total commitment to refinance the 33-acre parcel and construct two 32-unit luxury age-restricted buildings; $11.2M net funded at closing; $4.75M construction escrow, $1.73M interest reserve and $660K contingency reserve available to the Borrower to draw for construction, debt service and unforeseen cost overruns; the balance is released based on an approved draw schedule; Lender has a ROFR to finance the remaining buildings ($65+M of cost).
Whole Loan Amount:	$25,000,000
Co-Lender:	$23,750,000
BFI Capital Fund II LLC:	$1,250,000 $750,000 for BFI Capital Fund II LLC $500,000 for Participant
Loan Closing Date:	August 20, 2015
Loan Maturity Date:	September 1, 2017
Term of Participation:	14 months remaining (Assuming July 1, 2016 closing and payoff at Loan Maturity)
Interest Rate:	9%
Extension Option:	One 12-month extension option for a fee of 1%
Minimum Interest:	Prepay anytime subject to Lender's receipt of interest due for first 9 months of Loan.
Expected Closing Date:	July 1, 2016 for Participant funding

INVESTMENT OVERVIEW	
Investment Description	BFI Capital Fund II LLC ("BFIC") is offering a $500,000 participation in a $1,250,000 (5%) participation in a $25 Million first mortgage loan (the "Loan") to TSV/TGA-Garden State Park Company LLC, the owner of 33 acres fully approved for 507 age-restricted (55+) residential units in Cherry Hill, NJ. BFIC originated the Loan on August 20, 2015 and participated in a 95%/5% joint venture with an institutional co-lender. There are 14 months remaining on the initial term of the Loan assuming the Participant closes on July 1, 2016. The Loan had an initial funding of approximately $11.2M to pay off the existing mortgage, buy out the other 50% partner and pay for fees and closing costs. The initial funding represents 60% LTV at closing based on $19M value according to an appraisal prepared by U.S Real Estate Advisors, Inc dated August 3, 2015. However, the Borrower had received several verbal offers for the land at $20-$25M, which would indicate an LTV of lower than 50% at closing. There is a $4.75M construction escrow, $1.73M interest reserve and $660K contingency reserve from the Loan proceeds available to the Borrower to draw for future costs. The balance will be advanced based on the approved budget. As of May 18, 2016, $20,308,417.36 has been advanced, representing $81.23% of the whole Loan

amount. BFI commissioned KOW building consultants to tour the site, review plans/designs, and evaluate the budget.

The advance schedule is summarized below.

Summary	At Close	w/ 2 Buildings	Post Pay-downs
Initial Funding*	$11,823,561		
Construction & Other Advances		$10,785,404	
Total/Net Advanced	$11,823,561	$22,608,965	$6,908,965
*Cash Exposure (Assuming a $25m loan)***	*$11,261,061*	*$22,046,465*	*$6,346,465*
Value of Undeveloped Pads***	$18,979,847	$16,607,366	$16,607,366
Value of Completed Buildings	$0	$16,209,797	$0
Total Collateral Value	$18,979,847	$32,817,163	$16,607,366
LTV	62%	69%	42%
LTV- Cash Exposure	*59%*	67%	38%
Value Per Unit	$37,436		
Value per Completed Building	$8,104,899		

*Based on funds actually released to Borrower; does not include interest reserve, upfront fee, and contingency reserve
**Cash Exposure equates net advance minus Lender's fee.
***The number of undeveloped pads will decline as pads are utilized for development.

KOW engineer did not identify any issues and determined that the budget is adequate. The report included a comparison of the budgeted costs relative to comparable, recent projects in New Jersey. The engineer also examined the in-place infrastructure and did not find any deficiencies. The Sponsor is a licensed general contractor and all major contracts have been bid out for the first two buildings. The borrower's development schedule projects completion of the first building within 8 months which is consistent with the third party engineer who estimated a construction period of 8-9 months.

The planned buildings are part of a larger 33-acre subdivision that is approved for 16 buildings. The Lender has a ROFR to finance the remaining buildings ($65+M of cost). If Borrower refinances and completes the project with another Lender, Borrower will be required to pay a Break Up Fee of approximately $700,000 equal to 1.00% of the total remaining development cost (estimated at $5,200,000 per building) at repayment.

The site is located in Cherry Hill, NJ, a dense and highly desirable community in southern New Jersey, and is within walking distance of various retail and commercial centers. The site is highly appealing to retirees who want to downsize to lower maintenance housing within walking distance of shopping, restaurants, and transportation hubs. Demand for the product and site is well established by the adjacent project which has experienced strong demand for rental and sale product at prices that support the Borrower's projections. Additionally there is essentially no supply of age-restricted housing in the market and competitive non age-restricted projects are sold out or 95% occupied.

Over $20M has been invested by DR Horton in the site's infrastructure and all approvals, roads, and infrastructure are in place. The Sponsor has an experienced on-site local sales and leasing team that will pre-sell and pre-lease the units during construction. At the end of the construction, the condominium building is expected to achieve a $10M sell out and the rental building is expected to be refinanced for $7.2M. The rental building is expected to produce $528K in annual cash flow and have a value of $8.8M (6% cap rate).
It is anticipated that if Borrower's milestones are achieved, Lender will issue new loans to construct additional buildings. The first 2 buildings at Plaza Grande will be one rental and one condominium.

	Proceeds from condo sales and refinancing the rental will be used to pay down the bridge loan. A minimum required pay-down of $6,800,000 for the rental building and $8,900,000 for the condo building will reduce the loan balance to approximately $6.9M and Lender's collateral will include all remaining development land with roads, infrastructure and amenities (including the 18,000 sf clubhouse), appraised at approximately $17M, representing 40% LTV. Lender has the option to fund construction of the balance of the project, or borrower will turn to a conventional Lender to take out the bridge loan. The total 16-building project is expected to take 40 months to build out with a development cost of $97M. Cash inflow from sales and refinancing is projected to be $127M, enabling the developer to cash out $30M in proceeds while still retaining ownership of 360 income-producing rental units upon completion of the project. The project represents the remaining unbuilt residential units in the Master Planned Plaza Grande Community that was developed in the mid 2000's. The original development was planned for 608 units in 26 buildings. The original developer, D.R. Horton ("Horton"), constructed 101 units in 4 buildings and stopped construction during the financial crisis in 2008. Horton went into contract to sell the remaining development to the subject Borrower in 2013 and the sale closed one year later in June 2014 for total consideration of $7.3M. At acquisition, the Sponsor, John Fasciano, acquired a 50% interest in the project based on an agreed value of $13,750,000 and committed to fund the required cash equity to complete the project. With this financing, Fasciano is buying out his partner for $5,000,000 which is a discount to the $6,400,000 capital account and retaining 100% of the future economics. The acquisition included the 33-acre site, the nearly completed 18,000 sq. foot clubhouse with indoor swimming pool, two tennis courts, two bocce ball courts and all development rights for the un-built 507 units. All road and infrastructure are in-place saving Borrower over $20M in development cost. Since acquisition, Borrower has spent an additional $2.5M completing the clubhouse and redesigning the plans to accommodate smaller, single-level units that are more desirable in today's market. The Loan is guaranteed by Mr. John Fasciano, the principal of TSV/TGA-Garden State Park Company, LLC, who has over 25 years of experience in real estate development and has successfully completed over 3.5 million square feet of development/ redevelopment projects to date.
Asset Overview:	The site represents the third and final phase of a master planned community that totals 330 acres on the site of the former Garden State (Horse) Race Track. Phase 1 (not collateral): The first phase is comprised of +/-800,000 sf of retail space that is fully leased to a range of national tenants including Wegmans, Home Depot, Dick's Sporting Goods, Cheesecake Factory, and various other retail and commercial users. The majority of Phase 1 was built and leased in the early 2000s. The only unbuilt pad is leased to Costco who has announced plans for a store. Phase 2 (not collateral): The second phase is approved for +/-979 market-rate (non age-restricted) for sale and for rent residential units. Phase 2 was partially delayed due to the recession, but is now approximately 40% complete/sold and is being developed as units sell or rent. The existing (completed) Phase 2 buildings are almost fully sold out / leased at rates that support the borrower's projected pricing. The adjacent property is discussed in greater detail below and in the attached exhibits.

Phase 3 (collateral): The third phase, which is known as Plaza Grande, is a luxury age-restricted (55+) development on a 33-acre site in Cherry Hill, NJ. The 16 buildings planned for Phase 3 will contain 32 units each. The zoning/approvals for the site require the developer to include 2 low-income units in each building, leaving 30 market-rate units. The unit mix is anticipated to be 75% two-bedroom units averaging 1,150 sf and 25% one-bedroom homes averaging 800 sf. The floor plans are flexible allowing units to be easily combined if there is demand for larger units. There will be one private garage per unit available to rent or purchase and additional on street parking to provide total parking capacity of 2 cars per unit. In addition, each building will have 24 basement storage units available for rent.

The property will offer an amenity package that will meet or exceed what is available to residents of Phase 2 (the non age-restricted housing next door) or any of the competitive properties in the market. A luxury 18,000 sf clubhouse is fully completed and will be accessible only by residents of Phase 3. Already, nearly $1M has been spent on the clubhouse. The clubhouse includes Wifi throughout, an indoor pool, hot tub, sauna, two fitness room, locker rooms, yoga room, billiards room, a banquet hall, bar, a second story sun/cigar deck, wine storage room, theater room, and various meeting rooms. The clubhouse is as nice as or nicer than any community clubhouse that the Lender has toured. The clubhouse will offer storage for each resident to allow them to keep wine and small items on site. The Sponsor plans to bring in outside instructors for fitness classes and the community will have a concierge service for dry cleaning, etc. The clubhouse also includes a commercial grade kitchen so it can be used as a venue for dinners and private events. The clubhouse also contains the sales / leasing offices. Attached to the end of the write-up are several pictures of the clubhouse. Outdoor amenities will include a pool and sundeck, tennis courts, bocce courts, and various walking trails.

Unit interiors will be finished to condo-level quality including walk-in closets, stainless steel appliances, and granite countertops. Each unit will have its own washer/dryers and HVAC. Each unit will have either a private patio or "Juliette" balcony and most units will have access to a basement storage unit. The property will have an HOA that will be controlled by the developer (our borrower) until he no longer controls any units at the site (as permitted by NJ law). Annual HOA dues are anticipated to be $250 - $350 per unit per month (included in the rent for apartments).

The Location: The neighborhood area belongs to one of the most affluent regions in Southern New Jersey and benefits from its close location to recreational opportunities, entertainment, dining, offices and a train station offering a direct line to Philadelphia. Located within the neighborhood, in walking distance of the Subject, is the Market Place shopping center which features 530,000 square feet of retail space including a Wegmans (supermarket), Home Depot, Bed Bath & Beyond, Dick's Sporting Goods and other national and regional tenants. In addition, immediately adjacent to the Market Place is a 285,000 square feet lifestyle center known as Town Place. This neighborhood Main Street style center features a roster of restaurants such as Cheesecake Factory, McCormick & Schmick's as well as Barnes and Noble. It also features outdoor areas, wide sidewalks and many other attributes of downtown shopping districts, all located less than ½ mile from the Subject Property. In addition, the super-regional Cherry Hill Mall is located less than a mile away.

The Market: Demand for 55+ units being offered for lease is expected to increase in this neighborhood due to the effects of the recent economic recession, which caused a decline in home equity and retirement savings. According to a market study conducted by Otteau Valuation Group in April 2014, estimated demand is over 10,000 units based on typical trends where 4% of the 55+ households move into these projects. In addition, the demand of 55+ rental apartments is estimated to increase another 981 units/year over next 5 years, representing 1.9% annualized rental demand growth.

Age-Restricted For-Rent Demand Analysis

(10-Mile Radius of Subject Property)

	55+ Households	Ratio	55+ Rental Demand
2014 (existing)	266,491	3.86%	10,287
2019 (projected)	291,914	3.86%	11,268
Projected 5-Year Demand Increase (units)			981
Projected 5-Year Demand Increase (overall growth)			9.5%
Projected Annual Demand Increase			1.9%

Data from Otteau market study report

The supply of competitive projects totals 3,728 units. Compared with the demand of 10,287 units this suggests a substantial shortage of 55+ units in the market. The market study also shows a high level occupancy (96%) in existing projects with most of the communities built 10+ years ago without the amenities or location of the subject.

As shown in the following pages, the directly competitive properties total approximately 3,250 rental units and 380 for sale units. Nearly all of the existing supply is sold or leased. There are additional properties which are only marginally competitive with the subject which represent an additional +/-1,000 units. Phase2, which is discussed in detail on the following pages, has an additional 576 units in the master plan (it is not known if developer intends to actually build all of these units). The 60 units being contemplated at the subject plus the 576 units planned at the adjacent Phase 2, would imply a total increase in supply of approximately 14%. However, it is important to note that the future units at Phase 2 will not be built immediately and will likely come on-line over a 4-8 year period as the existing supply is absorbed. Additionally, as summarized above, the population of the target demographic in the area is expected to grow by over 600 households per year for the next 5 years.

Phase 2 (adjacent property):
The second phase, which is adjacent to the subject to the south, is known as Park Place (the condo component) and Park Lane (the rental component). When approved in 2006, the site plan reflected a total of 979 market-rate (non age-restricted) residential units split between 458 rental units and 521 for sale condos. Phase 2 is owned by a group that bought the site prior to the recession. The site was largely mothballed during the recession and the plans have not been amended. It is not known whether the developer will construct all of the planned units. To-date, approximately 313 (32% of the total planned units) have been completed with another 90 (9%) currently under construction. With the exception of certain larger unit types, the completed units are almost entirely sold or leased and a large portion of the units under construction are pre-sold. The pricing / rents that are being achieved on Phase 2 support the projected pricing at the subject. Though we do not have hard figures for the demographics of the residents in Phase 2 (as its not legal to report such figures), the Sponsor and his sales team estimate that 40% - 50% of the renters and 60+% of the condo buyers in Phase 2 are age 55 or older. This is supported by commentary and observations during the Lender's tours of Phase 2.

Phase 2 offers a similar or slightly inferior amenity package than what is planned at the subject. The clubhouse at Phase 2 is only 8,000 sf compared to the clubhouse at the subject which is 18,000 sf. In addition, the amenities at Phase 2 are shared among a larger number of residents. The sales broker acknowledged that an additional clubhouse is needed, which the developer of Phase 2 is "considering".

The tables below compare the prices and rents in Phase 2 to what is being projected by the Borrower.

Comparison of Rental Rates vs Phase 2 (Park Lane)				
1 bdrm / 1 bath	**Phase 2 (Park Lane)**		**Plaza Grande (subject)**	
Unit mix ratio	50%		20%	
Avg. size	888 SF		721 SF	
	$ Rent/ Month	$ PSF	$ Rent/ Month	$ PSF
Min. Rent	$1,890	*$2.13*	$1,428	*$1.98*
Max. Rent	$2,075	*$2.34*	$1,694	*$2.35*
Avg. Rent	$1,998	*$2.25*	$1,545	*$2.14*
2 bdrm / 2 bath	**Park Lane**		**Plaza Grande**	
unit mix ratio	50%		80%	
Avg. size	1314 SF		1069 SF	
	$ Rent/ Month	$ PSF	$ Rent/ Month	$ PSF
Min. Rent	$2,562	*$1.95*	$2,024	*$1.89*
Max. Rent	$3,318	*$2.53*	$2,726	*$2.55*
Avg. Rent	$2,852	*$2.17*	$2,291	*$2.14*
	$ Rent/ Month	$ psf	$ Rent/ Month	$ psf
Total / wtd avg	**$2,425**	**$2.21**	**$2,142**	**$2.14**

Comparison of Condo Prices vs Phase 2 (Park Place)				
1 bdrm / 1 bath	**Phase 2 (Park Place)**		**Plaza Grande (subject)**	
# of units			Yes	
Unit mix ratio			20%	
Avg. size (sf)	No 1 bdrm		721	
	units offered at		Base Price*	$ PSF
Min. Price	Park Place		$156,457	*$217.00*
Max. Price			$174,482	*$242.00*
Avg. Price*			$164,148	*$227.67*
2 bdrm / 2 bath	**Park Place**		**Plaza Grande**	
unit mix ratio**	81%		80%	
Avg. size (sf)	1,244		1,069	
	Base Price*	$ PSF	Base Price*	$ PSF
Min. Price	$241,690	*$194.28*	$221,774	*$207.46*
Max. Price	$282,140	*$226.80*	$280,720	*$262.60*
Avg. Price*	$263,158	*$211.54*	$243,319	*$227.61*

*Represents the base price, before upgrades or a garage. Base level finishes and the cost of upgrades is similar between the two projects.

**Park Place does not offer any 1-bedroom condo units; 81% of its condos are two bedroom units and the remainder are three bedroom units that are generally priced at over $450k

Competing Properties:

The attached Exhibits summarize the competing rental and condo properties in the submarket. As shown in the attached Exhibits, the projected rents and sales prices are generally in line with the neighboring Phase 2 (described below and in Exhibits) and are at the high end of the range indicated by other properties in the market. While pricing and rents are slightly above most of the competing properties, the finishes, amenity package, and location are superior to anything in the market. In addition, even among the inferior competitive properties there is very limited availability. With the exception of the Phase 2 development next door which is under construction, all of the existing rental properties are 95%+ leased and the existing condo projects have extremely limited availability. For high-quality age- restricted housing, there is virtually no competition. The Lender and the Sponsor believe the projected pricing/rents are achievable based on the demand at the adjacent property, the strength of the market, and the quality of the product being offered.

Summary of Competitive Rental Properties													
			Age			Rents					Amenities		
Property	Units	Yr Built	Restricted?	Occup.	1 bdrm	2 bdrm	3 bdrm	avg. sf	club house	pool	fitness ctr	priv. garage
Plaza Grande	30	2014	Yes	0%	$1,545	$2,291	NA	999	Yes	Yes	Yes	Yes
Non Age-Restricted:												
Park Lane*	198	2012 -	No	95%	$1,998	$2,852	NA	1,102	Yes	Yes	Yes	
Dwell	198	2012	No	95%	$1,490	$1,965	NA	1,052	Yes	Yes	Yes	Partial
Grand @ Cherry Hill	544	1974	No	94%	$1,404	$1,659	$2,255	1,123	Yes	Yes	Yes	No
Cherry Hill Towers	434	2007	No	94%	$1,310	$1,544	NA	NA	Yes	Yes	Yes	No
The Collings	70	2014	No	98%	$1,599	$2,271	$2,600	1,206	Yes	No	Yes	Partial
Burroughs Mill	308	2006	No	94%	$1,403	$1,786	$2,232	1,096	Yes	Yes	Yes	Partial
Towers of Windsor Park	525	1968	No	95%	$1,100	$1,570	$1,955	1,005	No	Yes	Yes	No
The Vista	452	NA	No	unk	$999	$1,358	$1,830	1,005	Yes	Yes	Yes	No
Age-Restricted:												
River Cove	199	2009	Yes	100%	$1,300	$1,583	NA	1,219	Yes	No	No	No
Siena	65	2012	Yes	100%	NA	$1,556	NA	1,515	Yes	No	Yes	No
Weston Club @ Sagemore	240	1996	Yes	98%	$1,900	$2,050	NA	1,147	Yes	Yes	Yes	No
Chestnut Station	15	2004	Yes	unk	NA	$1,152	NA	995	Yes	No	Yes	No
Market Total (excluding subject)	3,248											
Average Among All Reporting		1999		96%	$1,413	$1,779	$2,154	1,133				
Market Total - Age-Restricted	519											
Avg. Among Age-Restricted		2005		99%	$1,600	$1,585	NA	1,219				

*Park Lane unit is the adjacent property (Phase 2 of the master plan community). The unit count above is the existing units plus those under construction.

Competitive Age-Restricted Rental Properties:

River Cove is an age-restricted community located 12 miles southwest of the subject in an attractive setting near a park and 1 mile from a public golf and tennis facility (River Winds). Being situated next to a park and close to the River Winds golf course is a considerable amenity. However, the property is otherwise relatively isolated with no shopping, grocery, restaurants or transportation options in the immediate area. The property was completed in 2009 and is attractive but the unit finishes are inferior to what are planned at the subject and are more in-line with "standard" apartment finishes with laminate countertops, carpeting, standard appliances, and mid-grade cabinets. The community offers covered parking in an underground garage for a $45 monthly charge (above rents shown above), but does not have private garages or storage units. The site has a very basic clubhouse, but no fitness center or real amenities. The leasing agent stated that they have no units available and a waiting list for both one and two bedroom units that is fairly long. The leasing agent said she does not expect any units to be available until winter and discouraged even putting a name on the waitlist. Overall the property may compete with the subject for certain tenants that are more price conscious or want to be close to a public golf course (there are three semi-private courses within 3 miles of the subject). However, with the lack of available units, it is unlikely to be an option for potential residents.

Siena is located 4 miles north of the subject on a heavily trafficked thoroughfare in a middle class community. The development is the most recently completed age restricted property in the market with the latest buildings completed in early 2012. Their property was originally slated to have 12 buildings with a total of 180 units (115 additional), but the developer ran out of funds in the downturn (the last of the existing buildings were completed by the bank reportedly). There are still 7 pad sites at the site but the property manager and local brokers have said that they have not heard of any plans to build the last buildings. It is unclear if the property is still bank-owned. The property is fully leased and the leasing agent said they rarely have a vacancy and when they do it is quickly filled by someone on the wait list. The original plans for the site included extensive amenities and a large clubhouse, but the only component that was finished was a small "temporary" clubhouse with a fitness center and a small lounge (vastly inferior to the clubhouse at the subject). There is no pool or community amenities. The location is fair, but considerably worse than the subject with no grocer or transportation within walking distance. Units are larger but there are no private garages available or storage units, both of which are included at the subject. All parking at Siena is outside. Overall, this evidences the demand for new age-restricted rental housing, but is far inferior to the subject with regard to finishes, amenities, community, and location.

Weston Club is luxury age restricted rental property 8 miles east of the subject. It was built in 1996, so is +/-19 years older than the subject but has been well maintained and is attractive. The property has a basic clubhouse with a theater room a fitness center and an exercise room. The property has an indoor pool but does not have any outdoor amenities (pool, tennis, etc.) and overall amenities are considerably inferior to the subject. The property has an attractive location within walking distance of a high quality shopping center and a hospital complex. The location is comparable to the subject but given age and limited amenities, this property is considerably inferior to the subject. The leasing agent reported that they have 3 open units as of 7/1/2015 as a result of normal turnover, but expected all to be leased in the coming weeks. She said the property operates at effectively full occupancy with 1-5 units turning over a month but quickly re-leased. Units are slightly larger than the subject though this property does not offer private garages (all outdoor parking) or storage units. Rents are in-line with the anticipated rents at the subject (1 bedrooms higher, 2 bedrooms lower) which strongly supports the target rents given the overall inferior nature of this property. It is likely the subject will compete with this property, but given extremely limited availability and inferior quality and amenities, the subject should compete well.

Chestnut Station is located 2.2 miles NW of the subject on a small parcel, with limited parking. The property is marketed to a higher age bracket than the subject - it is closer to senior housing than an "active adult" community. The property does not offer any private garages and there are no amenities beyond a recreation room. The property has essentially no landscaping or outdoor areas and no recreation options. Laundry is in a common room with no units in individual apartments. Common areas are very basic and unit finishes are far inferior to what is planned at the subject. The property has a total of 74 units but only 15 are market rate, with the remainder income-restricted. It is not likely that this property will compete with the subject.

Competitive Non Age-Restricted Rental Properties:

Park Lane is the rental component of the adjacent Phase 2. A total of 458 rental units are planned at the site, of which 132 units (29%) have been completed with another 66 (14%) currently under construction. The developer is building new buildings as the existing stock is leased, so there are very few available units at any one time. As discussed in the memo, Phase 2 offers a comparable set of amenities, but a considerably smaller clubhouse and the amenities are shared among a larger number of residents. The developer did not complete any of the rental units prior to the recession, with the first rental building completed in 2012. The 132 units that are complete were delivered between 2012 and now, which would indicate a velocity of 3-4 (net) leases per month which is in line with color from the leasing broker on the site visit. As shown in the table, the asking rents at Phase 2 are slightly higher than the projected rents at the subject, but the units are slightly larger. The rents do not include a $300 / month charge if a resident wants a private garage, though there are private garages for only +/-40% of the units and the leasing broker said that several buildings no longer have any available garages.

Dwell is a 2012-built property that is 5 miles east of the subject, on the other side of the NJ Turnpike. The property contains 198 units with a mix of one- and two-bedroom units from 794 sf to 1,272 sf. The units are slightly larger than the subject and the asking rents are slightly lower than the subject's. Interior finishes appear nice, but not as high-end as the subject. The property offers a number of amenities, but certainly fewer and lower end than the subject. The property has a small fitness center, lounge, and outdoor pool, but no tennis courts, true clubhouse, or indoor pool. The design is oriented more towards young and middle- age residents. The property offers a limited number of private parking garages (though not connected to the buildings) which are available for $150 per month and storage units for $40 per month. The location is less desirable with only a couple fast food restaurants and a small strip center within walking distance. There are no grocery stores or train stations within walking distance. Overall, Dwell will likely compete only minimally with the subject due to differing demographics, a less desirable location, and inferior amenities.

Grand @ Cherry Hill is an older property that consists of two towers totaling 544 units. The property has always had strong occupancy (according to the leasing agent) and is currently 95+% leased. At the time of the BFI and SPC tour, there were only 3 units available (and no one-bedroom units). The property offers a full range of amenities with a lounge area, outdoor pool, and high quality fitness center. The property was built in the 70s and has a fairly dated feel. The property has good interstate access and visibility (due to height of towers), but is fairly isolated and is not walking distance from restaurants, shopping, or train lines. The property is over 40-years old and finishes are nice, but not as high end as the subject. There are no private garages or covered parking. Rents are 10-20% below the subject's which would support the projected rents at the subject given the inferior product and location of the Grand @ Cherry Hill.

Competitive Condominium Projects:

There are no existing or planned age-restricted for-sale condo projects in the market that will compete with the subject. Competition will likely come from existing non age- restricted condominium projects. As of June 2015, there were approx. 40 condos on the market in the greater Cherry Hill market (new and existing), which is the lowest level since at least June 2013 (the earliest date of the report). Monthly sales have averaged +/-9 condos per month over the past year, indicating a current supply equal to 4.4 months. Generally 6 months' of supply is considered at equilibrium and anything under is considered a "seller's market". Across all property types (single family, townhome, and condo) the supply equates to 3.9 months, the lowest level in at least three years. Overall sales volume is up slightly versus one year ago and inventory declined 26% year over year.

Below is a summary of the three closest developments. Of these, only Park Place (the adjacent Phase 2) has meaningful availability and planned future additions.

Summary of Competitive Condo Properties

			Age	%	Units	Avg. Pricing of Recent Sales*		Amenities			
Property	Units	Yr Built	Restricted?	Sold	Avail.	$ value	psf	clubhouse	pool	fitness center	priv. garage
Plaza Grande	30	2015	Yes	0%	30	$227,485	$228	Yes	Yes	Yes	Yes
Non Age-Restricted:											
Park Lane (Phase	181	2014-	No	87%	[14]	$264,221	$198	Yes	Yes	Yes	Partial
Lumberyard	119	2006	No	100%	3	$242,500	$208	No	Yes	Yes	Partial
Kings Court	20	2006	No	100%	1	$366,621	$228	Yes	Yes	Yes	No
Age-Restricted:											
Kings Run	60	2009	Yes	77%	14	$170,000	$160	No	No	Yes	No

* Prices at all properties are base pricing - prior to any upgrades, garage sales, etc.

*Park Lane unit is the adjacent property (Phase 2). There are 521 for sale units planned (including townhomes) of which 181 have been completed to date.

Lumberyard Condos (The Collings) is a luxury development 2 miles south of the subject that is not age restricted. It was finished in 2007 immediately prior to the recession and sales were stalled during the recession. Since that time all of the 119 units have been sold. The few units that are available today are resales. Collingwood is an attractive town of approx. 20,000. The property has high end finishes similar to the subject. It has a lounge a small fitness center and a patio, but no pool and overall lacks the amenity package offered at the subject. Lumberyard does not offer private garages. The property has more of an urban feel than the subject with ground floor retail and numerous restaurants and shops within walking distance. Brokers stated that the property is highly appealing to people that want to be very close to restaurants. Brokers did mention that the property is adjacent to a train track that runs every 20-30 minutes and is fairly loud, which turns off some potential residents. The development has a rental component, known as The Collings, which was completed in 2014. The rental component, which totals 70 units, is fully leased (and was 50% leased in the first month of leasing).

Kings Court is a 20-unit condo/retail development that is 4 miles south of the subject. It was completed in 2006 and it appears that all of the units were sold out in 2006 and 2007. Finishes are high end (similar to subject), with stainless steel appliances, granite countertops, hardwood flooring, etc. The property is within walking distance of two PATCO stations (the regional train line) and various restaurants, but does not offer any amenities other than available storage units in the basement. Parking is in a common garage. There has been minimal turnover at Kings Court since the units were sold out in 2006-2007. There is one 1,592 sf two-bedroom unit currently on the market, asking $379K ($238 psf) that has been on the market for 3 months. The unit is also available for rent at $2,750 per month (considerably above the projected asking prices at the subject). The last unit that sold at the property was in July of 2014 for $350K ($231 psf).

Park Place (Phase 2) is the adjacent property within the community which is planned for a total of 979 of which 521 are anticipated to be for-sale units. To-date, the developer of Park Plaza is taking a similar strategy to our borrower in that they are building new buildings as the existing buildings lease or sell. Within the condo portion 181 units have been completed to-date (or are within 90 days of delivery) comprised of one 20-unit building that was completed in 2010 and [4] additional buildings completed since that time. Additionally, there is one 20-unit building under construction that will be completed in 90 days. Of the 181 units that have been completed to-date, all but 24 have been sold. Of the 24 completed units that are currently available, 15 are larger 3-bedroom townhome units, which are priced at an average of $429K, or +/-$189 psf. The sales broker stated that there are fewer buyers for the larger, more expensive units (the subject has no three bedroom units). Within the 20-unit building that is under construction, 16 of the 20 units have been pre-sold. The developer recently announced plans for the next 20-unit building which will be completed next summer. Construction has not started, but approx. 50% of the units are already under reservation at prices that are 10% higher than the existing units. It is very challenging to obtain complete sales information for the project because most of the sales are completed through the in-house sales team, and thus are not posted or published on public listing services such as MLS. Further complicating the research is the fact that sales prices are not accurately reported in public filings. Over the last 12 months, there have been 12 sales that were publically published and the Sponsor reports that his research indicates that approximately 50 units have been sold in total over the past year which is consistent with color from the sales broker. The average base listing price of the units that are currently on the market is $375K, or $200 psf. This per square foot price is skewed downwards due to the heavy concentration of three bedroom units which are priced at +/-$429K, or $189 psf. The available two-bedroom units average $261K or approx. $210 psf, which is approximately 8% higher than gross prices at the subject and 8% lower on a per-unit basis. Phase 2 does not offer any 1-bedroom for sale units, while +/-20% of the units at the subject are expected to be one-bedroom units. The broker stated that prices in the planned building that will come on-line next summer will be +/- 10% higher than the asking prices for the existing units.

There is one pre-owned unit at the Park Place, a two bedroom 1,280 sf unit that is asking $245K, or $191 psf. The unit has been on the market a couple weeks and the broker stated that she has received strong interest and expects an offer close to or at the asking price soon. The unit was on the ground floor (the least valuable floor) and did not have a garage or balcony. This unit is in the first of the condo buildings that were built in Phase 2 and was completed in 2010 (5 years old).

Kings Run is an age-restricted for-sale project in Haddon Heights, a desirable community 4 miles south of the subject site. The 66-unit property was started immediately prior to the recession and mothballed and eventually taken back by the lender. The property was purchased as a vacant building from the bank by a real estate fund in [2008] who finished the property the following year. The investment group elected to rent the units to wait out the downturn and then began offering units for sale starting in 2014. As of June 2015, they had sold 42 of the 66 units (77%). Because the units were previously rented, not all of the units were available for purchase at one time and all units offered for sale had been lived in previously. The sales broker stated that there were 30 sales in 2014 and 12 closings so far in 2015 with another 3 contracts out for signing. The sales broker stated that the ownership group would like to have all units sold by the end of the year (which he expects to accomplish). The property offers mid-range interior finishes with granite countertops, standard appliances (non stainless) and carpet throughout (no hardwood floors). The amenity package is minimal with a small fitness center, a game room, and a lounge. There is no pool and no outdoor amenities and the overall property has the feel of a senior living facility. The available units are offered at $100K for small studios to $265K for the largest units. The average asking price, which appears in-line with recent sales, is +/-$170K, or $160 per sf. The per-unit and per-square foot pricing is considerably below what is projected for the subject (and what is being achieved within Phase 2). The community of Haddon Heights is attractive and probably comparable to Cherry Hill in overall desirability (though smaller and less dense); however the Kings Run development is unambiguously inferior to the subject with regard to finishes, amenities, nearby attractions and transportation/access. The sales broker at Kings Run agreed that the subject is a much nicer property and marketed to a less price-sensitive demographic. The sales broker also stated that Kings Run could likely achieve higher pricing, but the Sponsor would like to have all units sold by the end of the year. Due to limited availability, lower price point, and overall lower quality project, Kings Run is not likely to compete with the subject for buyers.

Valuation:

The site with improvements is currently appraised at $19M "as-is" according to an appraisal report prepared by U.S. Real Estate Advisors, Inc. dated August, 2015. This value equates to $37,475 per unit (507 units) or $1,187,500 per building pad (16 pads). The appraiser assumed condo prices of $255K - $295K which is +/-10% to 20% below the Sponsor's anticipated pricing. The appraiser then assumed a 5-year hold period and discounted all cash flows at 12% to arrive at an as-is value for the land.

The borrower considers the appraised value to be very low and has received several offers in

	excess of $20M. BFI spoke with the third party broker that presented two offers of $23M and $25M to the Sponsor. Both offers were from New Jersey-based developers. The Sponsor declined to engage with the two buyers as he believes there is ~$40+M of potential profit to be made in fully developing the site. It is estimated that each completed rental building will generate $527,000 in NOI. Assuming a 6% cap-rate, each completed rental building is valued at $8,800,000. Total condo sell out is estimated to be approximately $10,000,000 per building. Total collateral value upon completion of the first two buildings is estimated to be $33M, which represents $18.8M for the two completed buildings plus $13.9M for the undeveloped land, clubhouse and amenities in place. Prior to refinance/sale, the LTV will be 67%, and after minimum pay-downs of $6,800,000 and $8,900,000, the Loan will be at 40% LTV. Land transactions: Lender identified four sales of multifamily land over the last 18 months, though the search area had to be expanded beyond the Cherry Hill market due to a lack of relevant transactions. The pricing for the four sites ranged from $20K per buildable unit to $33K per buildable unit. The two projects at the low end of the range were not fully approved and had only prospective plans in place. The subject has all plans and approvals completed. The four sold sites did have utilities in place, but did not have all other infrastructure (roads, sidewalks, gates, etc.) as the subject does. In addition, the subject site has a completed 18,000 sf clubhouse that was built at a cost of over $1M. Overall, it appears that the subject site is superior to the four comparable transactions in regard to level of completion and location relative to amenities/attractions. In addition, the Cherry Hill community is as desirable as or more desirable than the four New Jersey communities in which the sales took place. Overall, the Subject's appraised value of $19M ($37K/ unit) is supported by the comparable.
Borrower:	The Borrower is an affiliate of Tristate Ventures, which was founded by John Fasciano. Mr. Fasciano has tremendous experience developing and redeveloping shopping centers in the mid-Atlantic market and has successfully completed over 3.5M square feet of development / redevelopment projects to date. During his career, he has been involved in management, leasing, financing, development, acquisitions and dispositions of both retail and residential properties. He has completed deals with Target, Lowes, Kohl's, Giant, Best Buy, Marshalls, TJ Maxx, Ross, Bed, Bath & Beyond, Staples, Linens 'N Things, Acme, Dicks Sporting Goods and LA Fitness. Prior to his time at Tristate, Mr. Fasciano was a partner at Fameco (which was subsequently sold to CBRE) for approximately 12 years and prior to Fameco, he spent 10 years as the Vice President / Director of retail leasing with Brentway Management / Cedar Shopping Centers (NYSE: CDR). Mr. Fasciano has successfully developed and financed over a billion dollars of real estate along the east coast. Mr. Fasciano is providing a full personal guarantee. His personal financial statement indicates total assets of $10.1M and total liabilities of $1.7M with a net worth of $8.4M. The statement indicates $1.2M of liquidity including $700K of cash (though he reports some of this has been invested in the subject and a further $200K will be contributed at closing). His other assets consist of his personal residence ($1.5M - at 2004 cost), interests in three investment properties in NJ ($1.8M), and his interest in the subject (held at $5M - his cost). The only debt (excluding the loan on the subject property) is a $500K mortgage on his residence and $1.3M of debt on the investment properties. His 2013 tax return shows $3.8M of gross income, primarily from the sale

Sources & Uses			
Bridge Loan	$25,000,000	Initial Draw	
		Pay off D.R. Horton Loan	$5,200,000
Borrower Existing Equity	$5,400,000	Buy out Partner	$5,000,000
		Legal - Operating and Financing	$100,000
		Architect Fees - 16 Buildings, Interior Design, Survey	$40,000
		Outstanding Clubhouse bill	$455,000
		Real Estate Taxes -	$130,000
		RDL fee and HOA Settlement Fee TGA Payment	$50,000
		Marketing/ Advertising/ Model Units / Events	$50,000
		Insurance - Builders Risk	$46,320
		Bridge Loan Lender's Fee	$562,500
		Operating Reserve	$35,556
		Bond & Escrow	$18,630
		Construction Contingency	$100,000
		Project Manager Expenses	$35,556
		Contingency Reserve	$658,919
		Construction Escrow	$4,750,000
		Interest Reserve	$1,732,116
			$18,964,596
		Future funding for construction	$6,035,404
		Cost to Date	$5,400,000
Total	**$30,400,000**	**Total**	**$30,400,000**

of real estate assets in a partnership. Mr. Fasciano has a FICO score of 737 and a background check was completely clean. For personal references, BFI and SPC spoke with Leo Ullman, the founder and longtime president of Cedar Realty Trust (NYSE:CDR), a REIT where Mr. Fasciano worked for 10 years. Mr. Fasciano initially oversaw leasing and later started the development arm of Cedar. In addition, Mr. Fasciano developed several retail centers in partnership with Cedar after he had left the company. Mr. Ullman gave a very strong endorsement of John's capability as a developer and his person. Mr. Ullman described John as entrepreneurial, driven, creative, and very "good with people". Mr. Ullman, who graduated from Harvard, has a JD/MBA from Columbia, and appears to be quite successful himself, said that he would not hesitate to trust John to invest his money. In addition, BFI and SPC spoke with one NJ-based broker and one Philadelphia-based broker who have each known John for 5+ years. Neither of the brokers were references suggested by the guarantor. Both had positive opinions of John and spoke highly of his abilities as a developer and manager.

The Sponsor has hired his sales and leasing team and they have the sales office and marketing materials prepared. BFI met with (and liked) the two sales / leasing agents who both have 10+ years with a focus on age-restricted housing.

Due Diligence Materials That Have Been Reviewed

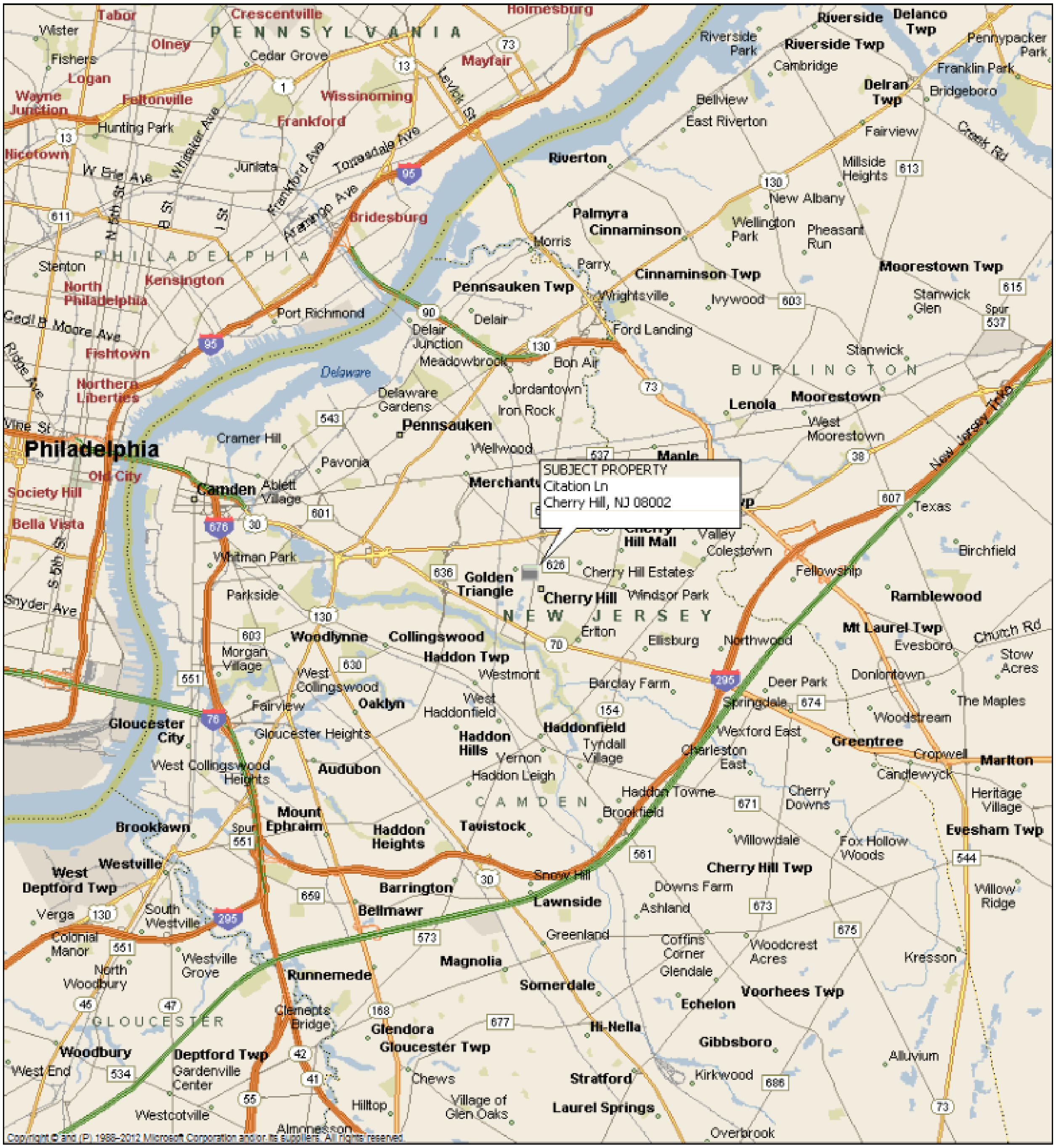
1. Executive summary of the development plan
2. John Fasciano's personal financial statement
3. John Fasciano's background check and credit report
3. John and Tina Fasciano Tax Returns 2012 and 2013
4. Plaza Grande Market Study by Otteau Valuation dated April 2014
5. Comparable sales and rent rolls have been reviewed and confirmed
6. Phase 1 Environmental site assessment by ECS Mid-Atlantic, LLC dated June 23, 2015

INVESTMENT STRATEGY OVERVIEW	
Investment Highlights:	• Senior mortgage on a well-located master plan community in Cherry Hill, New Jersey • Strong market fundamentals, including low market vacancy and high demand for 55+ units support the project • Low land basis – high barrier to enter market – central location in desirable Cherry Hill, NJ submarket • No entitlement risk – project is fully approved and permitted • City power and water on-site – Horton spent $20M on infrastructure and developer has invested an additional $5M to acquire the site and finish the 18,000 sf clubhouse and amenities. • Experienced developer with 3.5M square feet of completed development • Construction is bid and ready to begin shortly after loan closing • Units can be delivered in Winter 2015 • Marketing and leasing teams are in-place and on-site • Required pay-downs upon completion of 2 buildings will lower LTV from 60% to 40% • Lender has the option to finance all 16 buildings, approximately $97M development costs
Thesis:	High yield senior mortgage on well-located development project that is shovel ready
Risks:	- **Cost Overruns** - Mitigant: TSV/ TGA has extensive local experience and has built homes and commercial property in this market for over 20 years. KOW Associates performed a plan and budget review and confirmed its adequacy. Also, a $660K construction contingency is reserved at closing to cover any overruns. Additionally Fasciano provides completion guarantee and the general contractor is a partner in the project and motivated to finish construction and get the buildings stabilized. - **Demand for 55+ Apartments** - Mitigant: Cherry Hill demographics support development of apartment units targeted at this demographic cohort. Comparable projects are fully occupied and stabilized. The Subject location, within walking distance of the best retail in Cherry Hill, supports development targeted at this age group. The project's approvals allow for delivery of rental or condominium units, giving the developer maximum flexible to target strongest demand segment. Development as 100% rental supports a value substantially in excess of the project's cost.

7. Environmental site assessment desktop review by Bell Oldow
8. Corporate filings of TSV/TGA – Garden State Park Company, LLC (The Borrower)
9. Operating agreement between TGA Garden State Park Associates, LLC (Partner being bought out) and Tristate Garden States Park Associates, L.P.
10. Corporate financial statements of TSV/TGA – Garden State Park Company, LLC (The Borrower)
11. Construction budget and draw schedule
12. Construction budget review by KOW
13. First site inspection report by KOW, confirming infrastructure and amenities in place
14. Appraisal report prepared by U.S. Real Estate Advisors, Inc.
15. Title report
16. Insurance certificate
17. Purchase contract with D.R. Horton
18. Mortgage Note with D.R. Horton
19. Survey
20. Rental/ Condo prospects list
21. Master deed & by laws of Plaza Grande

	- **Uncertainty of the Market** - Mitigant: The loan will have performance milestones structured. Funding is limited to only 2 buildings at a time and subsequent advances will be based upon milestones being achieved.

Area Map


SUBJECT PROPERTY
Citation Ln
Cherry Hill, NJ 08002
Philadelphia
PENNSYLVANIA
NEW JERSEY
PHILADELPHIA
BURLINGTON
CAMDEN
GLOUCESTER
Camden
Cherry Hill
Cherry Hill Twp
Cherry Hill Mall
Pennsauken
Moorestown
Haddonfield
Collingswood
Voorhees Twp
Mt Laurel Twp
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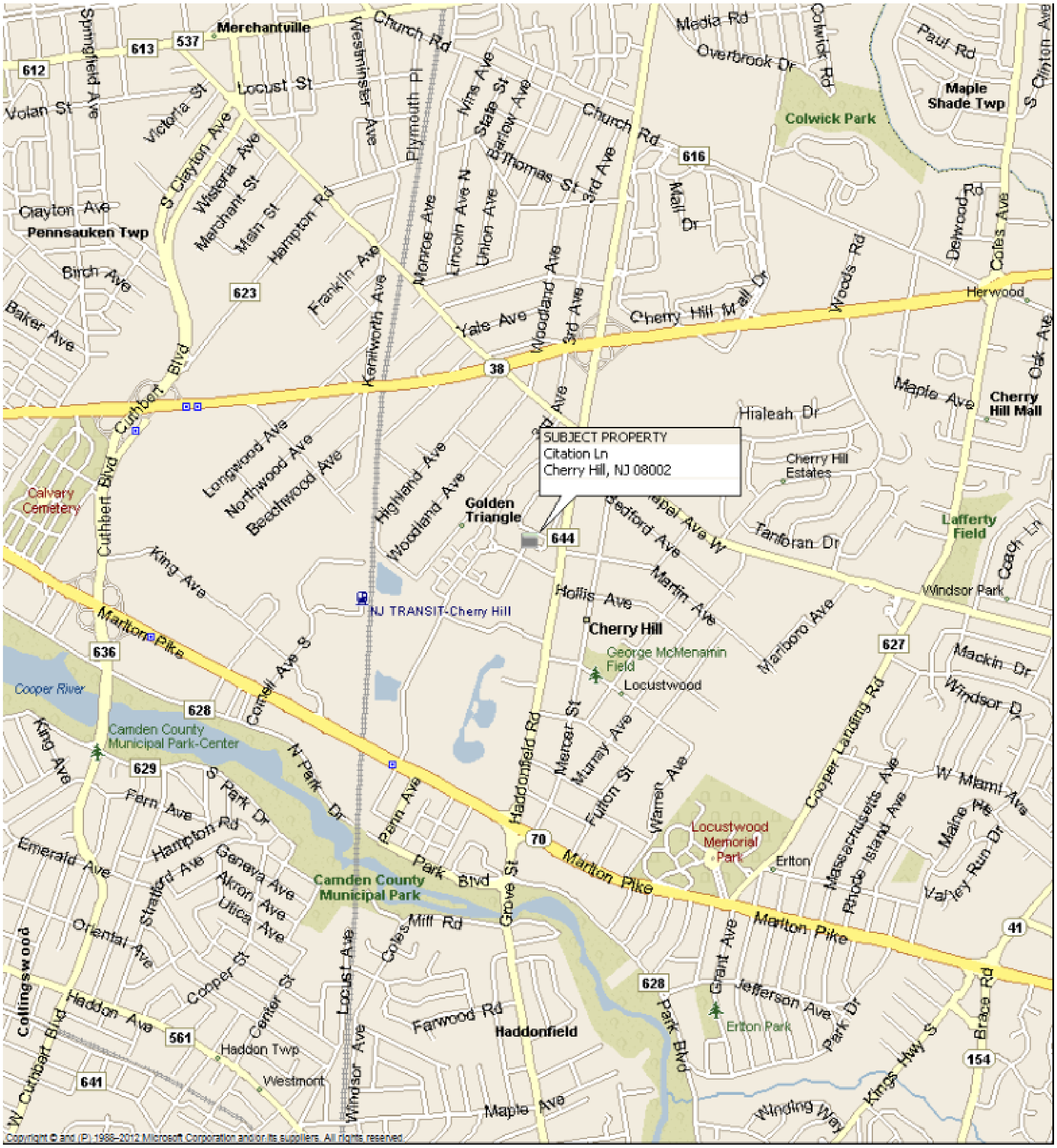
Neighborhood Map



The Site

Clubhouse **Exterior**

Clubhouse Interior