

Mortgage Loan No. 15 – Pathmark Portfolio

Mortgage Loan Information

Mortgage Loan Seller:	LCF
Original Principal Balance:	\$27,468,000
Cut-off Date Principal Balance:	\$27,468,000
% of Pool by IPB:	2.6%
Loan Purpose:	Acquisition
Borrowers⁽¹⁾:	Various
Sponsor:	Inland Diversified Real Estate Trust, Inc.
Interest Rate⁽²⁾:	4.15000%
Note Date:	9/13/2012
Anticipated Repayment Date⁽²⁾:	10/6/2022
Interest-only Period:	120 months
Original Term⁽⁴⁾:	120 months
Original Amortization:	N/A
Amortization Type:	ARD-Interest Only
Call Protection:	L(26),Grtr1%orYM(90),O(4)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset/Portfolio:	Portfolio
Title:	Fee/Leasehold
Property Type - Subtype:	Retail – Freestanding
Net Rentable Area (SF):	142,623
Location:	Various
Year Built/Renovated:	Various / Various
Occupancy:	100.0%
Occupancy Date:	12/6/2012
Number of Tenants:	3
2009 NOI⁽³⁾:	N/A
2010 NOI⁽³⁾:	N/A
2011 NOI⁽³⁾:	N/A
TTM NOI⁽³⁾:	N/A
UW Economic Occupancy:	95.0%
UW Revenues:	\$3,577,453
UW Expenses:	\$617,704
UW NOI:	\$2,959,749
UW NCF:	\$2,850,078
Appraised Value / Per SF:	\$50,300,000 / \$353
Appraisal Date:	Various

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	\$0	N/A
Insurance:	\$0	\$0	N/A
Replacement Reserves:	\$0	\$0	N/A
Ti/LC:	\$0	\$0	N/A
Other⁽⁵⁾:	\$1,250,000	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$193
ARD Loan / SF:	\$193
Cut-off Date LTV:	54.6%
ARD LTV:	54.6%
UW NCF DSCR:	2.47x
UW NOI Debt Yield:	10.8%

(1) The borrowers are Inland Diversified Wilmington Lancaster, L.L.C., Inland Diversified Seaford Merrick, L.L.C. and Inland Diversified Upper Darby 69th, L.L.C.

(2) The loan is structured with an anticipated repayment date ("ARD") of October 6, 2022. In the event that the loan is not paid off on or before the ARD, the borrower is required to make monthly payments to the lender of principal and interest in the amount of the monthly debt service payment at the initial interest rate and additional interest will accrue based on a step up in the interest rate of 200 basis points plus the initial interest rate of 4.15000%. The final maturity date of the loan is October 6, 2037.

(3) The Pathmark leases are triple net with all expenses borne by the tenant, and as such there are no historicals presented.

(4) Represents the Original Term to the ARD.

(5) Other Initial Escrows and Reserves represent an upfront reserve of \$1.25 million for the amount the landlord is required to reimburse the tenants to complete certain repairs to the properties.

The Loan. The Pathmark Portfolio loan has an outstanding principal balance of approximately \$27.5 million and is secured by a first mortgage lien on three Pathmark grocery store properties located in the Northeastern and Mid-Atlantic United States. The loan is structured with an anticipated repayment date of October 6, 2022, and a final maturity date of October 6, 2037. The loan is interest-only for 120 months and has hyperamortization after the ARD. The proceeds of the loan plus approximately \$23.0 million of sponsor equity were used to acquire the properties from Winstanley Enterprises, LLC for approximately \$48.8 million, pay closing costs of \$0.4 million and fund reserves of \$1.3 million.

The Properties. The portfolio is comprised of three grocery store properties totaling 142,623 square feet, which are 100.0% occupied by Pathmark. The Pathmark leases expire November 30, 2030.

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Property Summary							
Property	Location	Net Rentable Area (SF)	Occupancy	Year Built / Renovated	Allocated Loan Amount	Appraised Value	Underwritten Cash Flow
Seaford Pathmark	Seaford, NY	41,030	100.0%	1968 / N/A	\$12,793,000	\$24,200,000	\$1,451,548
Upper Darby Pathmark	Upper Darby, PA	52,971	100.0%	1970 / N/A	9,075,000	15,050,000	910,969
Wilmington Pathmark	Wilmington, DE	48,622	100.0%	1981 / 1987	5,600,000	11,050,000	487,561
Total / Wtd. Avg.		142,623	100.0%		\$27,468,000	\$50,300,000	\$2,850,078

Tenant Summary ⁽¹⁾								
Tenant	Location	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Sales PSF ⁽³⁾	Occupancy Costs	Lease Expiration Date
Pathmark	Seaford, NY	Caa1 / B- / NA	41,030	28.8%	\$40.00	\$864	4.6%	11/30/2030
Pathmark	Upper Darby, PA	Caa1 / B- / NA	52,971	37.1%	\$20.00	\$592	3.4%	11/30/2030
Pathmark	Wilmington, DE	Caa1 / B- / NA	48,622	34.1%	\$12.00	\$352	3.4%	11/30/2030

(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 lease.

(3) Sales PSF represents 2011 sales.

Operating History and Underwritten Net Cash Flow ⁽¹⁾			
	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$3,283,884	\$23.02	87.2%
Vacant Income	0	0.00	0.0
Gross Potential Rent	\$3,283,884	\$23.02	87.2%
Total Reimbursements ⁽¹⁾	481,856	3.38	12.8
Net Rental Income	\$3,765,740	\$26.40	100.0%
(Vacancy/Credit Loss)	(188,287)	(1.32)	(5.0)
Other Income	0	0.00	0.0
Effective Gross Income	\$3,577,453	\$25.08	95.0%
Total Expenses⁽¹⁾	\$617,704	\$4.33	17.3%
Net Operating Income	\$2,959,749	\$20.75	82.7%
Total TI/LC, Capex/RR	109,671	0.77	3.1
Net Cash Flow	\$2,850,078	\$19.98	79.7%
Occupancy	100%		

(1) The Pathmark leases are triple net with all expenses borne by the tenant and as such there are no historicals presented. The Total Reimbursements and Total Expenses are for illustrative purposes.

(2) Percentage column represents percent of Net Rental Income for all revenue.