

Mortgage Loan No. 7 – BJ's Wholesale Club Portfolio



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BJ's Wholesale Club Portfolio

	Property Name	Address	City/State	Zip Code
1	BJ's Wholesale Club - Vineland	3849 South Delsea Drive	Vineland, NJ	08360
2	BJ's Wholesale Club - Saratoga	3067 Route 50	Saratoga Springs, NY	12866
3	BJ's Wholesale Club - Waldorf	1000 St. Nicholas Drive	Waldorf, MD	20603
4	BJ's Wholesale Club - Mooresville	141 Gallery Center Drive	Mooresville, NC	28117

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|----------|-----------------------------------|----------------------|
| 1 | BJ's Wholesale Club - Vineland | Vineland, NJ |
| 2 | BJ's Wholesale Club - Saratoga | Saratoga Springs, NY |
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Mortgage Loan Information

Mortgage Loan Seller:	LCF
Original Principal Balance:	\$48,060,000
Cut-off Date Principal Balance:	\$48,060,000
% of Pool by IPB:	4.5%
Loan Purpose:	Acquisition
Borrowers⁽¹⁾:	Various
Sponsor⁽²⁾:	Ladder Capital Finance Holdings LLLP
Interest Rate⁽³⁾:	4.85000%
Note Date:	10/19/2012
Anticipated Repayment Date⁽³⁾:	11/6/2022
Interest-only Period:	120 months
Original Term⁽⁵⁾:	120 months
Original Amortization:	N/A
Amortization Type:	ARD-Interest Only
Call Protection:	YM(25),DorYM(91),O(4)
Lockbox:	Hard
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset/Portfolio:	Portfolio
Title:	Fee
Property Type - Subtype:	Retail - Freestanding
Net Rentable Area (SF):	456,175
Location:	Various
Year Built/Renovated:	Various / N/A
Occupancy:	100.0%
Occupancy Date:	12/6/2012
Number of Tenants:	1
2009 NOI⁽⁴⁾:	N/A
2010 NOI⁽⁴⁾:	N/A
2011 NOI⁽⁴⁾:	N/A
TTM NOI⁽⁴⁾:	N/A
UW Economic Occupancy:	95.0%
UW Revenues:	\$5,270,064
UW Expenses:	\$158,102
UW NOI:	\$5,111,962
UW NCF:	\$4,682,758
Appraised Value / Per SF⁽⁶⁾:	\$80,100,000 / \$176
Appraisal Date:	August 2012

Escrows and Reserves⁽⁷⁾

	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:	\$0	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$105
ARD Loan / SF:	\$105
Cut-off Date LTV:	60.0%
ARD LTV:	60.0%
UW NCF DSCR:	1.98x
UW NOI Debt Yield:	10.6%

(1) The borrowers include LBW Saratoga LLC, LBW Vineland LLC, LBW Mooresville LLC and LBW Waldorf LLC.

(2) The sponsor is an affiliate of the loan seller. Please see "Certain Affiliations, Relationships and Related Transactions Involving Transaction Parties" in the Free Writing Prospectus.

(3) The loan is structured with an anticipated repayment date ("ARD") of November 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 4.85000%. The final maturity date of the loan is November 6, 2032.

(4) The master lease is triple net with all expenses borne by the tenant and as such there are no historicals presented.

(5) Represents the Original Term to the ARD.

(6) The appraisals concluded a "Hypothetical Market Value as Dark" of \$47.2 million (\$103 per square foot).

(7) For a full description of Escrows and Reserves, please refer to the "Escrows and Reserves" section herein.

The Loan. The BJ's Wholesale Club Portfolio loan has an outstanding principal balance of \$48.1 million and is secured by a first mortgage lien on four single tenant properties that are 100% occupied by BJ's Wholesale Club totaling 456,175 square feet. The properties are located in New York, North Carolina, New Jersey, and Maryland. The loan is structured with an anticipated repayment date of November 6, 2022, and a final maturity date of November 6, 2032. The loan is interest-only for 120 months and has hyperamortization after the ARD. The proceeds of the loan plus sponsor equity of approximately \$31.5 million were used to acquire the properties from BJ's Wholesale Club as part of a sale-leaseback transaction for \$79.6 million, and pay closing costs of \$0.4 million.

The Borrowers. The borrowing entities are LBW Saratoga LLC, LBW Vineland LLC, LBW Mooresville LLC and LBW Waldorf LLC.

The Sponsor. The sponsor for the loan is Ladder Capital Finance Holdings LLLP.

The Properties. The BJ's Wholesale Club properties are located in New York, North Carolina, New Jersey and Maryland. The properties were developed between 1993 and 2003 and have all been 100% occupied by BJ's Wholesale Club ("BJ's") since original development. The properties are all located along the primary or secondary commercial corridors within their respective markets and are typically outparcels to larger retail developments or within close proximity to other big box retailers. Except for the Saratoga Springs property, all properties currently include a BJ's gas station. For the trailing twelve month period ending January 2012, the properties exhibited sales of \$401 per square foot.

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The properties were sold by BJ's to the borrower as part of a sale-leaseback transaction. Upon the borrower's acquisition of the mortgaged properties, BJ's entered into a triple net new master lease agreement for the properties which carries an initial 20-year term, with five, 5-year renewal options. Initial base rents for the properties range from \$11.25 per square foot to \$13.50 per square foot and the master lease allows for annual rent increases at the lesser of the consumer price index and 2.0%. Trailing twelve month period ending January 2012 sales ranged from \$43.7 million to \$47.1 million, and initial occupancy costs ranged from 2.7% to 3.5%. BJ's Wholesale Club is only required to report sales once a year.

Portfolio Summary								
Property	Location	Net Rentable Area (SF)	Year Built / Renovated	Allocated Loan Balance	% of Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow	
BJ's Wholesale Club - Vineland	Vineland, NJ	115,367	2003 / N/A	\$13,860,000	28.8%	\$23,100,000	\$1,342,595	
BJ's Wholesale Club - Saratoga	Saratoga Springs, NY	116,620	1993 / N/A	12,240,000	25.5	20,400,000	1,195,979	
BJ's Wholesale Club - Waldorf	Waldorf, MD	115,660	1993 / N/A	11,340,000	23.6	18,900,000	1,106,198	
BJ's Wholesale Club - Mooresville	Mooresville, NC	108,528	2000 / N/A	10,620,000	22.1	17,700,000	1,037,986	
Total		456,175		\$48,060,000	100.0%	\$80,100,000	\$4,682,758	

Historical and Current Occupancy ⁽¹⁾				
Property	2009	2010	2011	Current ⁽²⁾
BJ's Wholesale Club - Vineland	100.0%	100.0%	100.0%	100.0%
BJ's Wholesale Club - Saratoga	100.0%	100.0%	100.0%	100.0%
BJ's Wholesale Club - Waldorf	100.0%	100.0%	100.0%	100.0%
BJ's Wholesale Club - Mooresville	100.0%	100.0%	100.0%	100.0%
Weighted Average	100.0%	100.0%	100.0%	100.0%

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

(2) Current Occupancy is as of December 6, 2012.

Lease Rollover Schedule ⁽¹⁾									
Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
2012 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2013	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2014	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2015	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2016	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2017	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2018	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2019	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2020	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2021	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2022	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2023 & Beyond	1	456,175	100.0	5,479,010	100.0	456,175	100.0%	\$5,479,410	100.0%
Total	1	456,175	100.0%	\$5,479,010	100.0%				

(1) Based on the underwritten rent roll.

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BJ's Wholesale Club - Vineland. The property is located at the southeast corner of Cumberland Mall in Vineland, New Jersey. The Cumberland Mall is owned by Pennsylvania Real Estate Investment Trust and is anchored by JCPenney and Boscov's, and features Bed Bath & Beyond, Marshall's, Best Buy, Old Navy and Home Depot as junior anchors. The nearest BJ's is located approximately 24 miles east of the property in Mays Landing, New Jersey. The nearest Costco is located approximately 33 miles north of the property in Mount Laurel, New Jersey and the nearest Sam's Club is located approximately 26 miles north of the property in Williamstown, New Jersey. According to the appraisal, the Cumberland County retail market has a vacancy rate of 8.7% with average rents of \$9.62 per square foot as of the second quarter of 2012.

BJ's Wholesale Club - Saratoga. The property is located off of New York Route 50 in Saratoga Springs, New York and is less than one mile east of Interstate 87 in the primary retail corridor in Saratoga Springs. The property is located adjacent to the Wilton Mall at Saratoga Springs which is operated by Macerich and is anchored by Sears, Bon-Ton, JCPenney, Dick's Sporting Goods and a Regal Cinemas. The nearest BJ's is located approximately 27 miles south of the property in Rotterdam, New York. The nearest Costco is located approximately 116 miles southeast of the property in West Springfield, Massachusetts and the nearest Sam's Club is located approximately 27 miles south in Latham, New York. According to the appraisal, the Saratoga County retail market has a vacancy rate of 4.1% with average rents of \$14.35 per square foot as of August 2012.

BJ's Wholesale Club - Waldorf. The property is located less than one mile off of Route 301 in Waldorf, Maryland. Route 301 is the main arterierial road serving Southern Maryland, and connects to Interstate 495 approximately 15 miles north of the property, providing access to Washington, DC and the greater metropolitan area. The property is located in Waldorf's main retail corridor, with a Shoppers Food Warehouse anchored shopping center located immediately adjacent to the property, and the St. Charles Town Center located across Smallwood Drive. St. Charles Town Center is a Simon-owned mall anchored by Dick's Sporting Goods, Macy's, Kohl's and Sears. St. Charles Town Center also features over 130 specialty stores and restaurants. Other retail uses in the area include Target, Best Buy, Michael's, Ross, and TJ Maxx. The nearest BJ's is located 23 miles northwest of the property in Capital Heights, Maryland. The nearest Costco is located approximately five miles northeast of the property in Brandywine, Maryland and the nearest Sam's Club is located approximately four miles northeast of the property in Waldorf, Maryland. According to the appraisal, the Waldorf retail market has a vacancy rate of 6.3% with average rents of \$16.74 per square foot as of August 2012.

BJ's Wholesale Club - Mooresville. The property is located north of the Interstate 77 and River Highway Interchange in Mooresville, North Carolina. Access to the site is provided via Bluefield Road from the west and Gallery Center Drive from the south. The property is located in the primary retail corridor for Mooresville. Retail use in the property's immediate area includes Wal-Mart, Kohl's, Belk, Food Lion, Super Target, Bed & Beyond, Best Buy and Lowe's. Lowe's corporate headquarters is located approximately five miles south of the property. The nearest BJ's is located approximately 23 miles north of the property in Concord, North Carolina. The nearest Costco is located approximately 30 miles south of the property in Charlotte, North Carolina and the nearest Sam's Club is located approximately 18 miles southeast in Kannapolis, North Carolina. According to the appraisal, the Iredell County retail market has a vacancy rate of 9.0% with average quoted rents of \$16.84 per square foot as of the second quarter of 2012.

Tenant Summary ⁽¹⁾							
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF) ⁽³⁾	% of Total NRA	Base Rent PSF	Sales PSF ⁽⁴⁾	Occupancy Costs	Lease Expiration Date
BJ's Wholesale Club	B2 / B / NA	456,175	100.0%	\$12.01	\$401	3.0%	9/30/2032

(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) Net Rentable Area represents the aggregate square footage covered under the triple net master lease with BJ's Wholesale Club.

(4) Sales PSF represents the trailing twelve month period ending January 2012 sales.

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Underwritten Net Cash Flow ⁽¹⁾			
	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$5,479,010	\$12.01	98.8%
Vacant Income	0	0.00	0.0
Gross Potential Rent	\$5,479,010	\$12.01	98.8%
Total Reimbursements ⁽¹⁾	68,426	0.15	1.2
Net Rental Income	\$5,547,436	\$12.16	100.0%
(Vacancy/Credit Loss)	(277,372)	(0.61)	(5.0)
Other Income	0	0.00	0.0
Effective Gross Income	\$5,270,064	\$11.55	95.0%
Total Expenses⁽¹⁾	\$158,102	\$0.35	3.0%
Net Operating Income	\$5,111,962	\$11.21	97.0%
Total TI/LC, Capex/RR	429,204	0.94	8.1
Net Cash Flow	\$4,682,758	\$10.27	88.9%

(1) The master lease is triple net with all expenses borne by the tenant and as such there are no historical presented. The Total Reimbursements and Total Expenses are for illustrative purposes.

(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.

Property Management. The property is self-managed by the borrowers, LBW Saratoga LLC, LBW Vineland LLC, LBW Mooresville LLC and LBW Waldorf LLC.

Escrows and Reserves. No upfront escrows were taken at closing.

No ongoing reserves will be taken for taxes, insurance, capital expenditures, or TI/LC during the term of the loan. The properties are 100.0% occupied by BJ's Wholesale Club under a fully triple net lease with an expiration date of August 31, 2032. Under the terms of the lease agreements, the tenant pays all taxes and insurance directly, and is responsible for all capital expenditures related to the Properties.

Lockbox / Cash Management. The loan is structured with a Hard lockbox and in-place cash management. The borrower was required to send a tenant direction letter to BJ's Wholesale Club instructing them to deposit all rents and payments into the lockbox account controlled by the lender. All funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed during each interest period of the loan term in accordance with the loan documents. If there is an event of default under the loan documents, then any excess cash flow from the property will be swept into an account for the benefit of lender and held as additional collateral for the loan.

Release of Properties. The borrower may release a property or properties from the portfolio provided that, among other things; (i) no event of default has occurred or is continuing; (ii) a payment of 110% of the allocated loan amount of the property to be released and the applicable yield maintenance premium is received; (iii) the DSCR for the remaining properties after the release is equal to or greater than (A) the DSCR of all of the properties as of the closing date of the loan and (B) the DSCR of all of the individual properties immediately preceding the release; and (iv) the LTV is not greater than the lesser of (A) LTV of the properties as of the closing date of the loan and (B) LTV of the properties immediately preceding the release.

Substitution. The BJ's Wholesale Club lease provides the tenant with a right of substitution of properties provided that, among other things, the substitute property must have; (i) a value greater than or equal to the relinquished property; (ii) a remaining useful life at least equal to the relinquished property; (iii) square footage equal to or greater than the relinquished property; (iv) similar ingress and egress; (v) a parking ratio greater than or equal to the relinquished property; and (vi) visibility greater than or equal the relinquished property. The substitution right is subject to borrower's sole discretion and not to be exercised in an arbitrary or capricious manner.

The related loan documents provide that, if BJ's Wholesale Club elects to substitute a property covered by the lease, then the borrowers may obtain the release of that property upon at least 30 days notice to the lender, provided that, among other things: (i) no event of default has occurred or is continuing; (ii) rating agency approval has been obtained; (iii) the LTV of the loan following the substitution is no greater than the lesser of (A) the LTV as of the closing date of the loan and (B) the LTV immediately prior to the substitution as of the substitution date; and (iv) the DSCR for the 12 calendar months preceding the date of substitution calculated excluding the property to be released and including the substitute property is at least equal to the greater of (A) the DSCR as of the closing date of the loan and (B) the DSCR for the 12 calendar months preceding the date of substitution calculated including the property to be released and excluding the substitute property. See "Description of the Mortgage Pool – Certain Terms and Conditions for the Mortgage Loans – Releases of Individual Mortgaged Properties" in the Free Writing Prospectus.