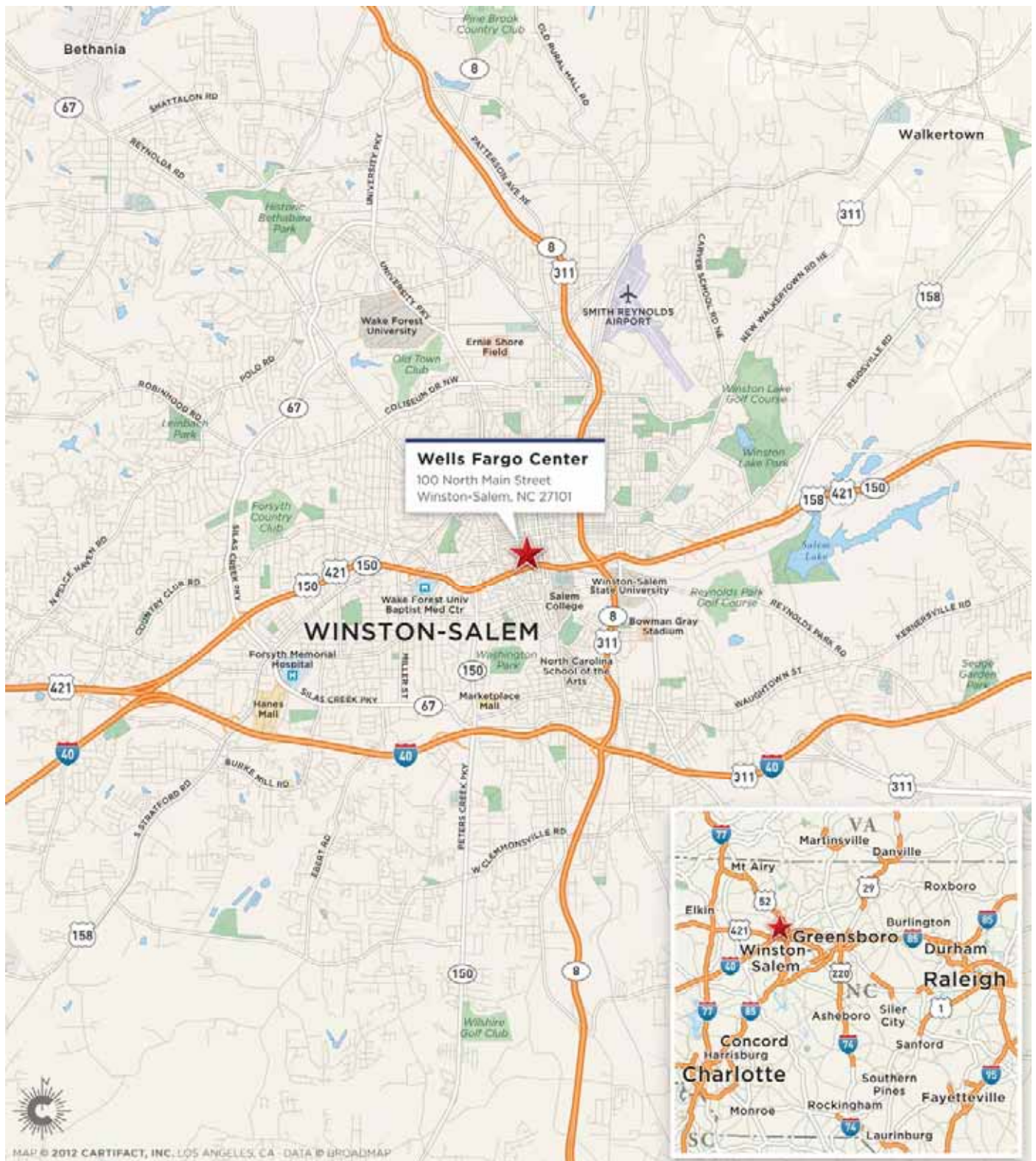


Mortgage Loan No. 8 – Wells Fargo Center



Mortgage Loan No. 8 – Wells Fargo Center



Mortgage Loan No. 8 – Wells Fargo Center

29	Wells Fargo Bank, N.A Storage 11,800 SF Exp. 9/2024	Building Storage 4,412 SF
28	Wells Fargo Bank, N.A 13,429 SF Exp. 9/2024	
27	Wells Fargo Bank, N.A 15,768 SF Exp. 9/2024	
26	U.S. Department of Veterans Affairs (GSA) 15,821 SF Exp. 11/2021	
25	Morgan Stanley Smith Barney 14,504 SF Exp. 5/2016	Triad Commercial Prop 2,706 SF Exp. 5/2021
24	Deutsche Bank 10,924 SF Exp. 1/2017	Surratt & Thompson 3,785 SF Exp. 11/2017
23	Wake Forest University Health Sciences 18,145 SF Exp. 11/2015	Vacant 936 SF
22	Wake Forest University Health Sciences 6,742 SF Exp. 11/2015	Vacant 11,556 SF
21	Wake Forest University Health Sciences 18,153 SF Exp. 11/2015	
20	U.S. Department of Veterans Affairs (GSA) 18,859 SF Exp. 11/2021	
19	U.S. Department of Veterans Affairs (GSA) 18,920 SF Exp. 11/2021	
18	U.S. Department of Veterans Affairs (GSA) 18,335 SF Exp. 11/2021	
17	U.S. Department of Veterans Affairs (GSA) 18,345 SF Exp. 11/2021	
16	Wells Fargo Bank, N.A 18,276 SF Exp. 9/2024	
15	B/E Aerospace 18,282 SF Exp. 12/2015	
14	Wells Fargo Bank, N.A 18,323 SF Exp. 9/2024	
13	Wells Fargo Bank, N.A 18,323 SF Exp. 9/2024	
12	Wells Fargo Bank, N.A 18,323 SF Exp. 9/2024	
11	Wells Fargo Bank, N.A 18,323 SF Exp. 9/2024	
10	Wells Fargo Bank, N.A 18,322 SF Exp. 9/2024	
9	Wells Fargo Bank, N.A 18,330 SF Exp. 9/2024	
8	Wells Fargo Bank, N.A 18,429 SF Exp. 9/2024	
7	Wells Fargo Bank, N.A 18,429 SF Exp. 9/2024	
6	Wells Fargo Bank, N.A 18,441 SF Exp. 9/2024	
5	Wells Fargo Bank, N.A 18,401 SF Exp. 9/2024	
4	Wells Fargo Bank, N.A 18,395 SF Exp. 9/2024	
3	Wells Fargo Bank, N.A 17,248 SF Exp. 9/2024	
2	Wells Fargo Bank, N.A 13,850 SF Exp. 9/2024	
Lobby	Wells Fargo Bank, N.A 20,090 SF Exp. 9/2024	Bldg. Common 7,496 SF
LL1	Wells Fargo Bank, N.A 7,998 SF Exp. 9/2024	Bldg. Common 1,602 SF
LL2	Barber Shop/Shoe Shine 200 SF Exp. 9/2024	Bldg. Common 1,890 SF
LL3	Wells Fargo Bank, N.A 7,601 SF Exp. 9/2024	Bldg. Common 407 SF

Lease Expiration Dates

2015
 2016
 2017
 2021
 2024
 Bldg.
 Vacant

Mortgage Loan No. 8 – Wells Fargo Center

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$41,500,000
Cut-off Date Principal Balance:	\$41,500,000
% of Pool by IPB:	3.7%
Loan Purpose:	Refinance
Borrower:	SL Winston-Salem LLC
Sponsor:	Mark Karasick
Interest Rate:	4.65000%
Note Date:	7/31/2012
Anticipated Repayment Date⁽¹⁾:	8/1/2022
Interest-only Period:	12 months
Original Term⁽²⁾:	120 months
Original Amortization:	360 months
Amortization Type:	ARD-IO-Balloon
Call Protection:	L(25),Grtr1%orYM(92),O(3)
Lockbox:	Hard
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset/Portfolio:	Single Asset
Title:	Fee/Leasehold
Property Type - Subtype:	Office - CBD
Net Rentable Area (SF):	527,673
Location:	Winston-Salem, NC
Year Built/Renovated:	1995 / N/A
Occupancy:	97.0%
Occupancy Date:	8/1/2012
Number of Tenants:	8
2009 NOI:	\$3,175,559
2010 NOI:	\$2,785,808
2011 NOI⁽³⁾:	\$4,356,157
TTM NOI⁽⁴⁾:	\$4,899,458
UW Economic Occupancy:	93.8%
UW Revenues:	\$8,080,779
UW Expenses:	\$3,748,608
UW NOI:	\$4,332,171
UW NCF:	\$3,962,800
Appraised Value / Per SF:	\$57,700,000 / \$109
Appraisal Date:	6/1/2012

Escrows and Reserves⁽⁵⁾

	Initial	Monthly	Initial Cap
Taxes:	\$46,740	\$46,740	N/A
Insurance:	\$36,663	\$11,341	N/A
Replacement Reserves:	\$9,102	\$9,102	N/A
TI/LC:	\$0	\$21,990	N/A
Other:	\$602,824	\$12,500	N/A

Financial Information

Cut-off Date Loan/SF:	\$79
ARD Loan/SF:	\$66
Cut-off Date LTV:	71.9%
ARD Date LTV:	60.1%
UW NCF DSCR:	1.54x
UW NOI Debt Yield:	10.4%

(1) The loan is structured with an anticipated repayment date ("ARD") of August 1, 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 300 basis points plus the greater of (i) the initial interest rate (4.65000%) and (ii) the then current ten year swap yield for the period from the ARD through the maturity date (the "Extension Term Interest Rate"); but in no event shall the Extension Term Interest Rate exceed 500 basis points plus the initial interest rate. The final maturity date of the loan is August 1, 2024.

(2) Represents the Original Term to the ARD.

(3) Increase in 2011 NOI from 2010 NOI is primarily the result of The U.S. Department of Veteran Affairs expanding from 37,204 to 90,280 square feet in early 2011.

(4) TTM NOI represents the trailing twelve months ending June 30, 2012.

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

The Loan. The Wells Fargo Center loan is secured by a first mortgage lien on a 527,673 square foot Class A office building and adjacent parking garage located in Winston-Salem, North Carolina. The loan is structured with an anticipated repayment date of August 1, 2022, and a final maturity date of August 1, 2024. Subsequent to an initial one year interest-only period, the loan will amortize based on a 30-year schedule through the ARD and has hyperamortization after the ARD. The proceeds of the loan were used to repay previously existing debt net of reserves of \$26.7 million, pay closing costs of \$1.5 million, fund upfront reserves of \$0.7 million and return \$12.5 million of equity to the sponsor. The previously existing debt was seller financing provided by Gramercy Capital in conjunction with the sale of the asset to the sponsor in 2008.

The Borrower. The borrowing entity for the loan is SL Winston-Salem LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Mark Karasick. Mr. Karasick is a principal of 601W Companies ("601W"), a privately owned New York based real estate firm specializing in acquisitions, ownership, development and management of real estate across the country. Over the past 15 years, 601W has acquired approximately 24 million square feet of commercial properties valued in excess of \$5.0 billion and currently has a portfolio of 16 assets with a total of 13.6 million square feet.

Mortgage Loan No. 8 – Wells Fargo Center

The Property. Wells Fargo Center is a 527,673 square foot, 31-story, Class A multi-tenant office building located in Winston-Salem, North Carolina. The collateral also includes an adjacent 800 space parking garage. The office tower was built in 1995 and includes three floors of underground parking with 215 spaces, 29 floors of tenant space and two floors of service space at the top of the building. Amenities at the property include a 16,500 square foot cafeteria with an outside dining area, fitness center operated by the YMCA, a barber shop and dry cleaner. The property takes up an entire city block within the financial district of the Winston-Salem central business district and is within a few blocks of the Forsyth County Judicial Center, the Winston-Salem Arts and Entertainment District and the Piedmont Triad Research Park ("PTRP"). The PTRP is a 200-acre life science research park administered by Wake Forest Baptist Medical Center that has seven buildings totaling approximately 800,000 square feet including the new Wake Forest BioTech Place, a \$100 million bio-technology research facility. PTRP is currently home to approximately 40 companies and employs over 1,000 people. Wells Fargo Center is two blocks north of Interstate 40 which provides access to Greensboro and Durham to the east and Charlotte to the south-west.

The property was built in 1995 for a total cost of approximately \$80.0 million and served as the headquarters of Wachovia Bank. The sponsor purchased the property from Gramercy Capital during the peak of the financial crisis in October 2008 for a total cost of approximately \$37.0 million. When the purchase and sale agreement was executed, the property was 78% leased and Wachovia, the largest tenant at the property, was still an independent company, but there were doubts as to its long-term viability. Wells Fargo ultimately purchased Wachovia after the sponsor had closed on the acquisition. Due to the turmoil in the financial markets at the time of the sale to the sponsor, Gramercy Capital agreed to provide \$27.5 million of seller financing in order to complete the transaction.

The sponsor has increased occupancy from 78% at the acquisition in 2008 to 97% as of August 1, 2012. Approximately 84.1% of the net rentable area is leased to investment grade rated tenants or their affiliates. The three largest tenants at the property are Wells Fargo Bank, N.A. ("Wells Fargo"), the U.S. Department of Veteran Affairs ("DVA") and Wake Forest University Health Sciences ("Wake Forest"). Wells Fargo leases 328,299 square feet (62.2% of the net rentable area) and its operations at the property include Commercial Banking, Retail Banking, Private Banking, Wealth Management, Portfolio Services, Corporate Security, Corporate Investigations, Fiduciary Risk Management, Insurance Business Advisory and Human Resources. Wells Fargo's lease expiration is in September 2024 with six, 5-year renewal options. Wells Fargo's lease does not allow for any termination or contraction options during the initial lease term. The U.S. Department of Veteran Affairs is the second largest tenant at the property and leases 90,280 square feet (17.1% of the net rentable area) through November 2021. The DVA has been in occupancy since 2008 and in early 2011 executed a new 10 year lease and expanded from 37,204 square feet to 90,280 square feet. The DVA is the second largest of the 14 U.S. Executive Branch Cabinet departments after the Department of Defense and provides federal benefits to U.S. veterans and their families. The Wells Fargo Center location serves as the only regional office in North Carolina. The third largest tenant, Wake Forest has been in occupancy since 2007 and directly leases 43,040 square feet (8.2% of the net rentable area) through November 2015. In March 2011, Wake Forest subleased an additional 36,646 square feet from Wells Fargo that is co-terminus with their existing lease in 2015 which brought their total occupied space to 79,686 square feet (15.1% of the net rentable area). Wake Forest is the largest employer in the region and has become a major office space user in the Winston-Salem market.

In addition to the office tower, collateral for the loan includes a five-level, 800 space parking garage that is connected to the office building via an underground walkway. The garage is encumbered by a ground lease with Forsyth County that runs through 2055 including extensions. The current rent is \$1 per year however the amount can increase up to a maximum of \$150,000 beginning in 2016. The lender underwrote the maximum potential rent of \$150,000.

According to the appraisal, the property falls within the Winston-Salem central business district submarket of the Greensboro/Winston-Salem Office market. As of the second quarter of 2012, the submarket was comprised of approximately 2.0 million square feet of which 1.2 million is Class A. The Class A office space in the submarket reported asking rents of \$20.92 per square foot and a vacancy rate of 9.9%, which is down from 13.7% the prior year.

Historical and Current Occupancy ⁽¹⁾			
2009	2010	2011 ⁽²⁾	Current ⁽³⁾
78.1%	78.8%	91.7%	97.0%

(1) Historical Occupancy based on average of each respective year.

(2) Increase in 2011 Occupancy is primarily the result of the U.S. Department of Veteran Affairs expanding its space from 37,204 to 90,280 square feet.

(3) Current Occupancy is as of August 1, 2012.

Mortgage Loan No. 8 – Wells Fargo Center

Tenant Summary ⁽¹⁾					
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Wells Fargo Bank, N.A.	A2 / A+ / AA-	328,299	62.2%	\$6.04	9/30/2024
U.S. Department of Veterans Affairs (GSA) ⁽³⁾	Aaa / AA+ / AAA	90,280	17.1%	\$22.03	11/16/2021
Wake Forest University Health Sciences ⁽⁴⁾	NA / NA / NA	43,040	8.2%	\$14.00	11/30/2015
B/E Aerospace ⁽⁵⁾	Ba2 / BB+ / NA	18,282	3.5%	\$16.85	12/31/2015
Morgan Stanley Smith Barney	Baa1 / A- / A	14,504	2.7%	\$19.13	5/31/2016
Deutsche Bank	A2 / A+ / A+	10,924	2.1%	\$18.50	1/31/2017
Surratt & Thompson	NA / NA / NA	3,785	0.7%	\$18.52	11/30/2017
Triad Commercial Properties ⁽⁶⁾	NA / NA / NA	2,706	0.5%	\$16.00	5/31/2021

(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) In early 2011 the DVA executed a new ten year lease and expanded from 37,204 square feet to 90,280 square feet. The new lease provides a termination option in the 8th year of the lease (May 2019) with 150 days' notice.

(4) The Net Rentable Area (SF) listed above represents Wake Forest's directly leased space. In March 2011, Wake Forest subleased an additional 36,646 square feet from Wells Fargo that is co-terminus with its existing lease in 2015 and brought its total occupied space in the property to 79,686 square feet (15.1% of the net rentable area).

(5) The Net Rentable Area (SF) listed above represents B/E Aerospace's directly leased space. In September 2011, B/E Aerospace subleased an additional 10,909 square feet from Wells Fargo through 2013 which brought its total occupied space in the property to 29,191 square feet (5.5% of the net rentable area).

(6) Triad Commercial Properties is the property manager and has a one-time option to terminate its lease in May 2017 subject to a termination fee equal to any unamortized landlord costs with notice on or before November 2016.

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	15,853	3.0%	NAP	NAP	15,853	3.0%	NAP	NAP
2012 & MTM	0	0	0.0	\$0	0.0%	15,853	3.0%	\$0	0.0%
2013	0	0	0.0	0	0.0	15,853	3.0%	\$0	0.0%
2014	0	0	0.0	0	0.0	15,853	3.0%	\$0	0.0%
2015	2	61,322	11.6	910,610	16.6	77,175	14.6%	\$910,610	16.6%
2016	1	14,504	2.7	277,460	5.1	91,679	17.4%	\$1,188,070	21.7%
2017	2	14,709	2.8	272,206	5.0	106,388	20.2%	\$1,460,276	26.7%
2018	0	0	0.0	0	0.0	106,388	20.2%	\$1,460,276	26.7%
2019	0	0	0.0	0	0.0	106,388	20.2%	\$1,460,276	26.7%
2020	0	0	0.0	0	0.0	106,388	20.2%	\$1,460,276	26.7%
2021	2	92,986	17.6	2,032,164	37.1	199,374	37.8%	\$3,492,441	63.8%
2022	0	0	0.0	0	0.0	199,374	37.8%	\$3,492,441	63.8%
2023 & Beyond	1	328,299	62.2	1,982,926	36.2	527,673	100.0%	\$5,475,367	100.0%
Total	8	527,673	100.0%	\$5,475,367	100.0%				

(1) Based on the underwritten rent roll.

Mortgage Loan No. 8 – Wells Fargo Center

Operating History and Underwritten Net Cash Flow							
	2009	2010	2011	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$3,438,228	\$3,501,594	\$4,610,647	\$5,007,810	\$5,475,367	\$10.38	63.5%
Vacant Income	0	0	0	0	285,354	0.54	3.3
Gross Potential Rent	\$3,438,228	\$3,501,594	\$4,610,647	\$5,007,810	\$5,760,721	\$10.92	66.9%
Total Reimbursements	2,961,725	2,594,992	3,303,199	3,331,962	2,855,172	5.41	33.1
Net Rental Income	\$6,399,953	\$6,096,585	\$7,913,845	8,39,772	\$8,615,893	\$16.33	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(535,113)	(1.01)	(6.2)
Other Income ⁽⁴⁾	275,916	242,873	5,865	220,176	0	0.00	0.0
Effective Gross Income	\$6,675,868	\$6,339,459	\$7,919,710	\$8,559,948	\$8,080,779	\$15.31	93.8%
Total Expenses	\$3,500,310	\$3,553,651	\$3,563,553	\$3,660,490	\$3,748,608	\$7.10	46.4%
Net Operating Income	\$3,175,559	\$2,785,808	\$4,356,157	\$4,899,458	\$4,332,171	\$8.21	53.6%
Total TI/LC, Capex/RR	0	0	0	0	369,371	0.70	4.6
Net Cash Flow	\$3,175,559	\$2,785,808	\$4,356,157	\$4,899,458	\$3,962,800	\$7.51	49.0%

(1) TTM column represents the trailing twelve months ending June 30, 2012.

(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.

(3) Underwritten Rents in Place are higher than the historical 2010 – 2011 due to the DVA expanding in early 2011 from 37,204 square feet to 90,280 square feet.

(4) Other Income for historical years includes tenant improvement reimbursements from the Department of Veteran Affairs/GSA lease. The amount has been included in the Rents in Place for the underwriting.

Property Management. The property is managed by Triad Commercial Property Management, LLC (“Triad”). Triad is one of the largest property management firms in central North Carolina with over 2.0 million square feet of properties under management.

Escrows and Reserves. At closing, the borrower deposited into escrow \$552,346 for abated rent associated with Wake Forest University Health Sciences, \$46,740 for real estate taxes, \$36,663 for insurance, \$32,500 for deferred maintenance, \$17,978 for environmental remediation and \$9,102 for ongoing replacement reserves.

Tax Escrows - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$46,740.

Insurance Escrows - The borrower is required to escrow 1/12 of the annual estimated annual insurance payments monthly, which currently equates to \$11,341.

Replacement Reserves - On a monthly basis, the borrower is required to escrow \$9,102 (approximately \$0.21 per square foot annually) for replacement reserves. The reserve is not subject to a cap.

TI/LC Reserves - Commencing on August 2015 and on each monthly payment date thereafter, the borrower is required to escrow \$21,990 (approximately \$0.50 per square foot annually) for tenant improvement and leasing commissions. The reserve is not subject to a cap.

Ground Rent Reserve - Commencing on January 2015 and on each monthly payment date thereafter, the borrower is required to escrow \$12,500 for ground rent payments. The reserve is not subject to a cap.

Lockbox / Cash Management. The loan is structured with a Hard lockbox and in-place cash management. The borrower was required to send tenant direction letters to all tenants instructing them to deposit all rents and payments into the lockbox account controlled by the lender. All funds in the lockbox account are 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. To the extent (i) the DSCR based on the immediately preceding trailing three month period falls below 1.25x, (ii) there is an event of default under the loan documents, (iii) the borrower or property manager becomes the subject of a bankruptcy, insolvency or similar action, (iv) a DVA Trigger Event occurs (as defined below) or (v) the loan has not been repaid in full by July 1, 2022 all excess cash flow will be deposited into the lockbox and shall be deemed additional collateral for the loan.

A “DVA Trigger Event” shall occur if either (i) the Department of Veteran Affairs fails to renew its lease for a minimum of five years, 12 months prior to its lease expiration date in November 2021 or (ii) The Department of Veteran Affairs gives notice of its intent to terminate its lease. The excess cash flow sweep will stop when either the DVA renews its lease or the borrower enters into a replacement lease with a new tenant at terms acceptable to the lender and such new tenant is in occupancy of its premises and paying contractual rent.