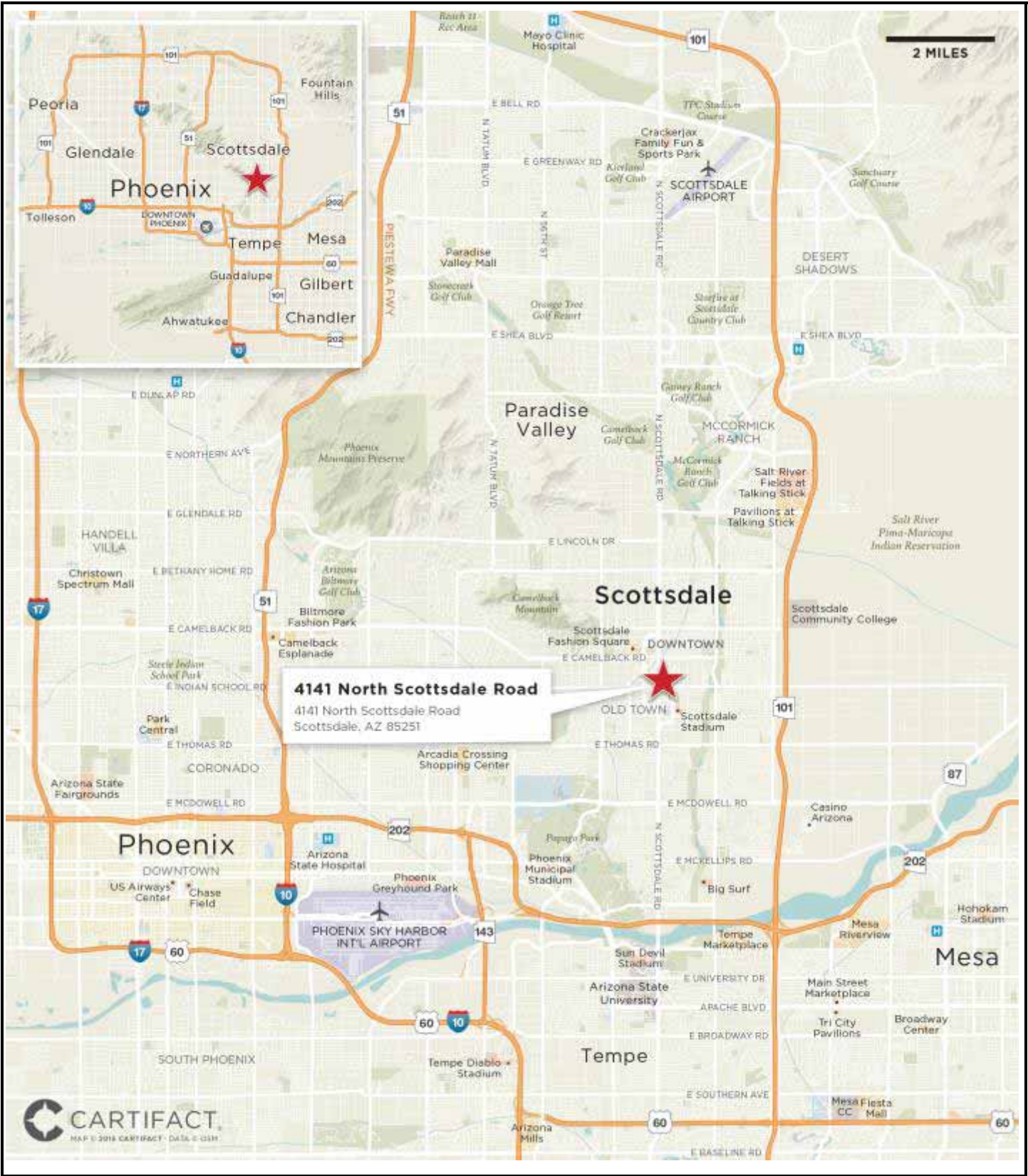


4141 North Scottsdale Road



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4141 North Scottsdale Road

Mortgage Loan Information

Mortgage Loan Seller:	SMF II
Original Principal Balance:	\$26,500,000
Cut-off Date Principal Balance:	\$26,500,000
% of Pool by IPB:	3.2%
Loan Purpose:	Acquisition
Borrower:	4141 North Scottsdale, LLC
Sponsor:	Joaquin Charles de Monet
Interest Rate:	4.10500%
Note Date:	1/16/2015
Maturity Date:	2/6/2025
Interest-only Period:	48 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(24),Def(91),O(5)
Lockbox:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office – Suburban
Net Rentable Area (SF):	150,892
Location:	Scottsdale, AZ
Year Built / Renovated:	1989 / 2012
Occupancy:	87.0%
Occupancy Date:	1/13/2015
Number of Tenants:	4
2011 NOI⁽¹⁾:	N/A
2012 NOI⁽¹⁾:	N/A
2013 NOI:	\$1,454,380
TTM NOI (as of 8/2014)⁽²⁾:	\$1,501,511
UW Economic Occupancy:	88.9%
UW Revenues:	\$3,439,624
UW Expenses:	\$1,149,435
UW NOI⁽²⁾:	\$2,290,189
UW NCF:	\$2,094,030
Appraised Value / Per SF:	\$36,100,000 / \$239
Appraisal Date:	11/20/2014

Escrows and Reserves⁽³⁾

	Initial	Monthly	Initial Cap
Taxes:	\$81,609	\$20,402	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	\$3,772	N/A
TI/LC:	\$0	\$12,574	N/A
Other:	\$1,022,079	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$176
Maturity Date Loan / SF:	\$156
Cut-off Date LTV:	73.4%
Maturity Date LTV:	65.2%
UW NCF DSCR:	1.36x
UW NOI Debt Yield:	8.6%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$26,500,000	73.6%	Purchase Price	\$34,500,000	95.8%
Preferred Equity ⁽⁴⁾	4,830,000	13.4	Upfront Reserves	1,103,688	3.1
Sponsor Equity	4,666,335	13.0	Closing Costs	392,647	1.1
Total Sources	\$35,996,335	100.0%	Total Uses	\$35,996,335	100.0%

(1) A sale leaseback for the property was completed in December 2011 by Coventry Health, which was acquired by the largest tenant, Aetna in 2012. As such, 2011 NOI and 2012 NOI are not available.

(2) UW NOI is higher than TTM NOI due to tenants Fresenius, Keyser and Catalyst Media Design signing leases in 2014 for a combined total of 16.0% of net rentable area and 17.4% (\$561,396) of underwritten base rent. Additionally, Aetna's rent was underwritten to the average for its remaining lease term which represents an increase of \$220,284 over the trailing twelve-month period ending in August 2014.

(3) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

(4) An affiliate of the lender made a preferred equity investment in the aggregate of \$13.0 million. The investment has a term of 12 months, which may be extended by six months, at a rate of 9.0%. In addition to the preferred equity interest in the parent entity of the borrower, the investment was made in four other entities that ultimately own four other properties within the sponsor's portfolio that are not included in the collateral pool. See "Preferred Equity" below and "Description of the Mortgage Pool – Additional Debt – Preferred Equity" in the prospectus supplement.

The Loan. The 4141 North Scottsdale Road loan has an outstanding principal balance of \$26.5 million and is secured by a first mortgage lien on a three-story, 150,892 square foot, Class A suburban office building located in Scottsdale, Arizona. The loan has a 10-year term, and, subsequent to a four-year interest-only period, amortizes on a 30-year schedule.

4141 North Scottsdale Road

The Borrower. The borrowing entity for the 4141 North Scottsdale Road loan is 4141 North Scottsdale, LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan sponsor and nonrecourse guarantor is Joaquin Charles de Monet. Joaquin Charles de Monet is the founder and principal of Palisades Capital Advisers, a boutique commercial real estate investment manager and adviser. Palisades Capital Advisers specializes in commercial real estate investing and management, portfolio optimization and energy efficient consulting. Joaquin Charles de Monet has been active in real estate since 1997 and has managed over \$10 billion of real estate investments worldwide. Previously, Joaquin Charles de Monet served as president and CEO of Arden Realty, Inc. a full integrated office platform of GE Capital Real Estate and its parent company General Electric.

The Property. 4141 North Scottsdale Road is a three-story suburban office with 150,892 square feet of Class A office space located in Scottsdale, Arizona. The property was constructed in 1989 and underwent approximately \$1.1 million in capital improvements in 2012. Renovations included a new roof, extensive landscape remodeling, new signage and exterior lighting and turn-key renovations to two speculative suites.

As of January 13, 2015, the property was 87.0% occupied. The largest tenant, Aetna, a diversified healthcare benefits company, operates in three segments: health care, group insurance, and large case pensions. The health care segment provides medical, pharmaceutical, dental, behavioral health and vision plans on an insured basis, and an employer-funded or administrative basis. The group insurance segment also provides insurance products principally to employers that sponsor its products for the benefit of their employees and their dependents. The large case pensions segment manages various retirement products, including pension and annuity products for tax-qualified pension plans. Aetna's lease commenced in December 2011 for a term of 10 years and encompasses 107,157 square feet (71.0% of the net rentable area). The second largest tenant, Fresenius, is the world's largest provider of dialysis products and services. Fresenius' lease commenced in July 2014 for a term of 13 years and encompasses 15,317 square feet (10.2% of the net rentable area). The third largest tenant, Keyser, is a commercial real estate advisory firm that specializes in transaction and project management, site selection, space efficiency planning, incentive negotiations and other services related to commercial real estate leasing. Keyser's lease commenced in August 2014 for a term of approximately seven years and encompasses 6,000 square feet (4.0% of the net rentable area).

4141 North Scottsdale Road is located in the Scottsdale South office submarket which, according to the appraisal, has an overall vacancy rate of 13.2% as of the third quarter of 2014 for office properties. The Scottsdale South submarket contains an estimated 6,489,381 square feet of office space as of the third quarter of 2014. 2014 population within a three- and five-mile radius of the property is 90,844 and 183,188, respectively. 2014 median household income within a three- and five- mile radius of the property is \$47,875 and \$43,985, respectively. A market research report concluded market rent in the submarket of \$27.67 per square foot. The in-place rent at the property is \$23.95 per square foot, which is below market according to the research report's conclusions. The appraisal identified five competitive properties ranging from 106,995 to 152,007 square feet with occupancies ranging from approximately 85.0% to 100.0% occupied. According to the appraisal, asking rents for all properties that disclosed within the submarket averaged \$27.88 per square foot.

Historical and Current Occupancy ⁽¹⁾			
2011	2012	2013	Current ⁽¹⁾
71.0%	71.0%	71.0%	87.0%

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

(2) Current Occupancy is as of January 13, 2015.

Tenant Summary ⁽¹⁾					
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Aetna	Baa2 / A / A-	107,157	71.0%	\$23.36	12/31/2021
Fresenius	NA / NA / NA	15,317	10.2%	\$22.60	5/31/2027
Keyser	NA / NA / NA	6,000	4.0%	\$24.50	3/31/2021
Catalyst Media Design	NA / NA / NA	2,843	1.9%	\$24.00	10/31/2017

(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.

4141 North Scottsdale Road

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	19,575	13.0%	NAP	NAP	19,575	13.0%	NAP	NAP
2015 & MTM	0	0	0.0	\$0	0.0%	19,575	13.0%	\$0	0.0%
2016	0	0	0.0	0	0.0	19,575	13.0%	\$0	0.0%
2017	1	2,843	1.9	68,232	2.1	22,418	14.9%	\$68,232	2.1%
2018	0	0	0.0	0	0.0	22,418	14.9%	\$68,232	2.1%
2019	0	0	0.0	0	0.0	22,418	14.9%	\$68,232	2.1%
2020	0	0	0.0	0	0.0	22,418	14.9%	\$68,232	2.1%
2021	2	113,157	75.0	2,805,106	87.1	135,575	89.8%	\$2,873,338	89.2%
2022	0	0	0.0	0	0.0	135,575	89.8%	\$2,873,338	89.2%
2023	0	0	0.0	0	0.0	135,575	89.8%	\$2,873,338	89.2%
2024	0	0	0.0	0	0.0	135,575	89.8%	\$2,873,338	89.2%
2025	0	0	0.0	0	0.0	135,575	89.8%	\$2,873,338	89.2%
2026 & Beyond	1	15,317	10.2	346,164	10.8	150,892	100.0%	\$3,219,502	100.0%
Total	4	150,892	100.0%	\$3,219,502	100.0%				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow⁽¹⁾

	2013	TTM ⁽²⁾	Underwritten	Per Square Foot	% ⁽³⁾
Rents in Place ⁽⁴⁾	\$2,405,675	\$2,470,616	\$3,219,502	\$21.34	83.2%
Vacant Income	0	0	428,300	2.84	11.1
Gross Potential Rent	\$2,405,675	\$2,470,616	\$3,647,802	\$24.17	94.3%
Total Reimbursements	37,170	44,370	44,370	0.29	1.1
Other Income	142,541	144,440	175,752	1.16	4.5
Net Rental Income	\$2,585,386	\$2,659,426	\$3,867,924	\$25.63	100.0%
(Vacancy/Credit Loss)	0	0	(428,300)	(2.84)	(11.1)
Effective Gross Income	\$2,585,386	\$2,659,426	\$3,439,624	\$22.80	88.9%
Total Expenses	\$1,131,006	\$1,157,915	\$1,149,435	\$7.62	33.4%
Net Operating Income	\$1,454,380	\$1,501,511	\$2,290,189	\$15.18	66.6%
Total TI/LC, Capex/RR	0	0	196,160	1.30	5.7
Net Cash Flow	\$1,454,380	\$1,501,511	\$2,094,030	\$13.88	60.9%

(1) A sale leaseback for the property was completed in December 2011 by Coventry Health, which was acquired by the largest tenant, Aetna in 2012. As such, 2011 NOI and 2012 NOI are not available.

(2) TTM column represents the trailing twelve-month period ending in August 2014.

(3) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(4) Underwritten Rents in Place is higher than TTM Rents in Place due to tenants Fresenius, Keyser and Catalyst Medical Design signing leases in 2014 for 16.0% of net rentable area and 17.4% (\$561,396) of underwritten base rent. TTM Occupancy is as of January 13, 2015. Additionally, Aetna's rent was underwritten to the average for its remaining lease term which represents an increase of \$220,284 over the trailing twelve-month period ending in August 2014.

Property Manager. The property is managed by Jones Lang LaSalle Americas, Inc.

4141 North Scottsdale Road

Escrows and Reserves. At origination, the borrower deposited approximately \$582,046 related to tenant improvements for Fresenius, \$150,617 related to a free rent reserve for Fresenius, \$126,760 related to tenant improvements for Keyser, \$125,156 for deferred maintenance, \$81,609 for real estate taxes and \$37,500 related to a free rent reserve for Keyser.

Tax Escrows - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$20,402.

Insurance Escrows - Monthly insurance escrows are suspended so long as the borrower provides satisfactory evidence that the property is insured on a blanket policy.

Replacement Reserves - On a monthly basis, the borrower is required to escrow \$3,772 (approximately \$0.30 per square foot annually and as recommended in the engineering report) for replacement reserves.

TI/LC Reserves - On a monthly basis, the borrower is required to escrow \$12,574 (approximately \$1.00 per square foot annually) for TI/LC reserves.

Lockbox / Cash Management. The loan is structured with a springing lockbox and springing cash management. From and after the commencement of a Sweep Event Period, the borrower is required to direct all tenants at the 4141 North Scottsdale Road property to deposit all rents directly into a lockbox account. During a Sweep Event Period, all funds in the lockbox account will be swept daily to a cash management account under the control of the lender and all excess cash flow after payment of debt service, required reserves and operating expenses will be held as additional collateral for the loan (unless such Sweep Event Period is related to a Major Tenant Trigger Period, in such case excess cash flow will be reserved for the payment of tenant improvement and leasing commission costs to re-tenant the space occupied by Aetna).

A “Sweep Event Period” means (i) there is an event of default under the loan documents, (ii) debt service coverage ratio as calculated in the loan documents based on a trailing twelve month period falls below 1.15x or (iii) a Major Tenant Trigger Period has commenced.

A “Major Tenant Trigger Period” means that Aetna (i) is in monetary default or other material default under its lease, which default continues beyond any applicable notice and/or grace period, (ii) terminates, or gives notice to terminate, its lease, (iii) becomes a debtor in any bankruptcy or other insolvency proceeding or (iv) fails to extend the term of its lease for a period of no less than five years on or prior to the earlier of December 31, 2020 or the last date Aetna can give notice of its decision to renew, pursuant to the lease. No Major Tenant Trigger Period will commence if (a) a satisfactory replacement lease for a term of no less than five years is entered into with a replacement tenant and (b) tenant improvements and leasing commissions associated with re-tenanting the related space have been paid.

Preferred Equity. An affiliate of the lender, Starwood Mortgage Funding IV, LLC (the “Preferred Equity Holder”), made a preferred equity investment in the aggregate of \$13,000,000. The preferred equity allocated to the 4141 North Scottsdale borrower is \$4,830,000. In addition to the preferred equity in the parent entity of the 4141 North Scottsdale Road borrower, the investment was made in four other entities that ultimately own four other properties within the sponsor's portfolio that are not included in the collateral pool. The Preferred Equity Holder is entitled to a 9.0% return, subject to increase to 14.0% following certain events of default, which include, among other things, the failure to redeem the Preferred Equity Holder's interests within 12 months following the Preferred Equity Holder's initial capital contribution, or, in the event an extension option is exercised, 18 months following the Preferred Equity Holder's initial capital contribution. The preferred equity return is paid monthly solely out of excess cash after payment of all debt service on the mortgage loan, funding of reserves and payment of operating expenses. In the event cash flow is insufficient to support payment of the preferred equity return, Palisades Private Capital Fund II, LLC, the operating manager of the borrower, is required to make additional capital contributions necessary for the borrower to distribute any portion of the preferred equity return then due. See “*Description of the Mortgage Pool – Additional Debt – Preferred Equity*” in the prospectus supplement.