

Mortgage Loan No. 13 – Waterford Plaza

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$30,475,000
Cut-off Date Principal Balance:	\$30,475,000
% of Pool by IPB:	2.8%
Loan Purpose:	Acquisition
Borrower:	Waterford Plaza, LLC
Sponsor:	Parmenter Realty Fund IV Investments, Inc.
Interest Rate:	4.40000%
Note Date:	11/15/2012
Maturity Date:	12/1/2022
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(25),Grtr1%orYM(91),O(4)
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
Property Type - Subtype:	Office - CBD
Net Rentable Area (SF):	245,025
Location:	Tampa, FL
Year Built / Renovated:	1986 / N/A
Occupancy:	82.5%
Occupancy Date:	9/1/2012
Number of Tenants:	12
2009 NOI:	\$3,524,281
2010 NOI:	\$3,650,187
2011 NOI:	\$3,522,579
TTM NOI⁽¹⁾:	\$3,641,457
UW Economic Occupancy:	83.0%
UW Revenues:	\$5,755,098
UW Expenses:	\$2,610,214
UW NOI⁽²⁾:	\$3,144,884
UW NCF:	\$2,708,612
Appraised Value / Per SF:	\$44,400,000 / \$181
Appraisal Date:	9/26/2012

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$61,303	\$61,303	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$4,085	\$4,085	N/A
TI/LC:	\$600,000	\$31,500	N/A
Other⁽³⁾:	\$ 2,935,363	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$124
Maturity Date Loan / SF:	\$100
Cut-off Date LTV:	68.6%
Maturity Date LTV:	55.3%
UW NCF DSCR:	1.48x
UW NOI Debt Yield:	10.3%

(1) TTM NOI represents the trailing twelve months ending October 31, 2012.

(2) UW NOI is lower than historical levels primarily due to a projected increase in taxes based on an increasing real estate assessment.

(3) Other Initial Escrows and Reserves includes an upfront engineering reserve of approximately \$1.6 million to be used for near term improvements, including elevator modernization, roof repairs, air condition repairs, and garage repairs, an outstanding tenant improvement and leasing commissions reserve of \$1.2 million for remaining landlord obligations associated with three tenants, and a \$0.2 million rent abatement reserve.

The Loan. The Waterford Plaza loan has an outstanding balance of approximately \$30.5 million and is secured by a first mortgage lien on a 245,025 square foot office property located in Tampa, Florida. The 10-year loan amortizes on a 30-year schedule. Proceeds from the loan, along with \$14.4 million of sponsor equity, were used to acquire the property for approximately \$40.7 million, fund upfront reserves of \$3.6 million, and pay closing costs of \$0.6 million. The sponsor is an affiliate of Parmenter Realty Partners ("Parmenter"), a real estate investment management company founded in 1989 by Darryl Parmenter focused on value investing in the southeast and southwest United States.

The Property. Waterford Plaza is a 12-story, 245,025 square foot multi-tenant office building located within the Westshore submarket in Tampa, Florida. The Class A office building was constructed in 1986. The loan's collateral also includes a six-level, 896-space, aboveground parking garage, resulting in an overall parking ratio of approximately 3.7 spaces per 1,000 square feet of net rentable area. The property is currently 82.5% occupied by 12 tenants and has been over 80.0% occupied since 2009. The largest tenant at the property, URS Corporation (NYSE: URS), leases 117,964 square feet (48.1% of the net rentable area) through May 2017, and has been in occupancy since December 1989. URS Corporation is a fully integrated engineering, construction and technical services organization, which focuses on various projects in the areas of construction, oil and gas, infrastructure, and power. URS Corporation was founded in 1951 and has over 57,000 employees.

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The Market. The property is located in Tampa, Florida, approximately three miles northwest of Interstate 275, which connects Tampa to St. Petersburg approximately 18 miles to the southwest. According to the appraisal, as of the second quarter of 2012, the Tampa-St. Petersburg market had an average vacancy rate of approximately 20.9% and average asking rents of \$16.94 per square foot. The property is located in the Westshore submarket, which reported an average vacancy rate of approximately 18.6% and average asking rents of \$21.24 per square foot. The appraisal identified five competitive properties ranging from approximately 180,000 to 265,000 square feet that reported a weighted average vacancy of 15.0%.

The property is located adjacent to Island Center, which is sponsored by an affiliate of Parmenter and is encumbered by another loan in the trust (Mortgage Loan No. 14 – Island Center). As long as Waterford Plaza and Island Center are owned by an affiliate of Parmenter, neither the borrower nor the guarantor shall lease, sublease or subsublease any portion of any space of one property to a tenant of the other property, subject to certain exceptions set forth in the loan agreement.

Tenant Summary ⁽¹⁾					
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
URS Corporation ⁽³⁾	Baa3 / BBB- / NA	117,964	48.1%	\$28.60	5/31/2017
AON Consulting ⁽⁴⁾⁽⁵⁾	NA / NA / NA	34,135	13.9%	\$25.44	6/30/2023
American Integrity Insurance	NA / NA / NA	15,832	6.5%	\$28.50	7/31/2013
Marcus and Millichap	NA / NA / NA	9,267	3.8%	\$26.75	1/30/2013
Meru Networks	NA / NA / NA	8,389	3.4%	\$21.63	3/31/2014
CNBS Financial Group Inc	NA / NA / NA	5,221	2.1%	\$28.00	6/30/2018
Waterford Cafe	NA / NA / NA	2,456	1.0%	\$10.50	1/31/2014
College Defaulted Student Loans	NA / NA / NA	2,168	0.9%	\$21.22	1/31/2016
Mercuri International	NA / NA / NA	1,826	0.7%	\$23.50	4/30/2014
Momentum Consulting	NA / NA / NA	715	0.3%	\$22.28	1/31/2014
Check Point Software	NA / NA / NA	614	0.3%	\$20.50	9/30/2013

(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) If URS Corporation fails to renew its lease 18 months prior to expiration, excess cash will be swept into a reserve account capped at \$2.3 million.

(4) In 2009, AON Consulting subleased 13,395 square feet to Groelle & Salmon, with a lease expiration of November 30, 2018.

(5) AON Consulting has an early termination option on June 30, 2019, which may be exercised with 12 months notice and payment of a termination of unamortized tenant improvements and leasing commissions.

Operating History and Underwritten Net Cash Flow							
	2009	2010	2011	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$5,490,314	\$5,522,888	\$5,665,756	\$5,556,012	\$5,412,046	\$22.09	78.0%
Vacant Income	0	0	0	0	1,108,766	4.53	16.0
Gross Potential Rent	\$5,490,314	\$5,522,888	\$5,665,756	\$5,556,012	\$6,520,811	\$26.61	94.0%
Total Reimbursements	459,216	381,633	50,688	200,165	413,333	1.69	6.0
Net Rental Income	\$5,949,530	\$5,904,521	\$5,716,444	\$5,756,177	\$6,934,144	\$28.30	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(1,179,047)	(4.81)	(17.0)
Other Income	56,937	3,641	4,514	4,327	0	0.00	0.0
Effective Gross Income	\$6,006,467	\$5,908,162	\$5,720,958	\$5,760,504	\$5,755,098	\$23.49	83.0%
Total Expenses⁽³⁾	\$2,482,186	\$2,257,975	\$2,198,379	\$2,119,047	\$2,610,214	\$10.65	45.4%
Net Operating Income	\$3,524,281	\$3,650,187	\$3,522,579	\$3,641,457	\$3,144,884	\$12.83	54.6%
Total TI/LC, Capex/RR	0	0	0	0	436,272	1.78	7.6
Net Cash Flow	\$3,524,281	\$3,650,187	\$3,522,579	\$3,641,457	\$2,708,612	\$11.05	47.1%
Occupancy	87.1%	85.3%	86.1%	85.3%	82.5%		

(1) TTM column represents trailing twelve months ending October 31, 2012.

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

(3) Underwritten Total Expenses are higher than historical levels primarily due to a projected increase in taxes based on an increasing real estate assessment.

Future Additional Debt. A mezzanine loan may be originated by owners of a qualified transferee under a third party sale provided certain terms and conditions are satisfied, including: (i) the LTV of the mortgage and mezzanine loans does not exceed 70.0% based on a newly commissioned appraisal; (ii) the debt service coverage ratio (taking into account the mezzanine loan) is not less than 1.25x; (iii) the mezzanine loans shall be evidenced by lender in its sole discretion and (iv) the maturity date of the mezzanine shall be no earlier than the maturity date of the loan.