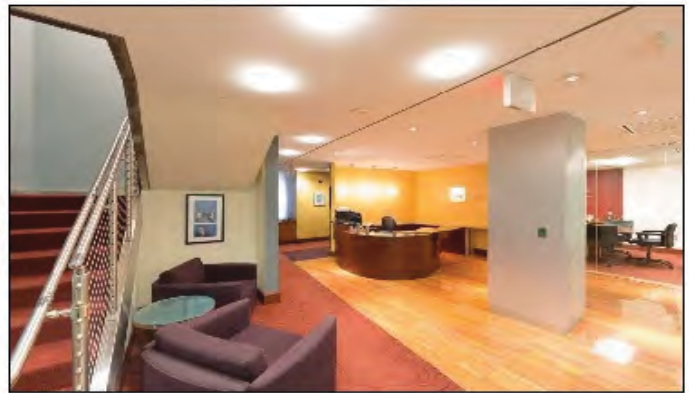


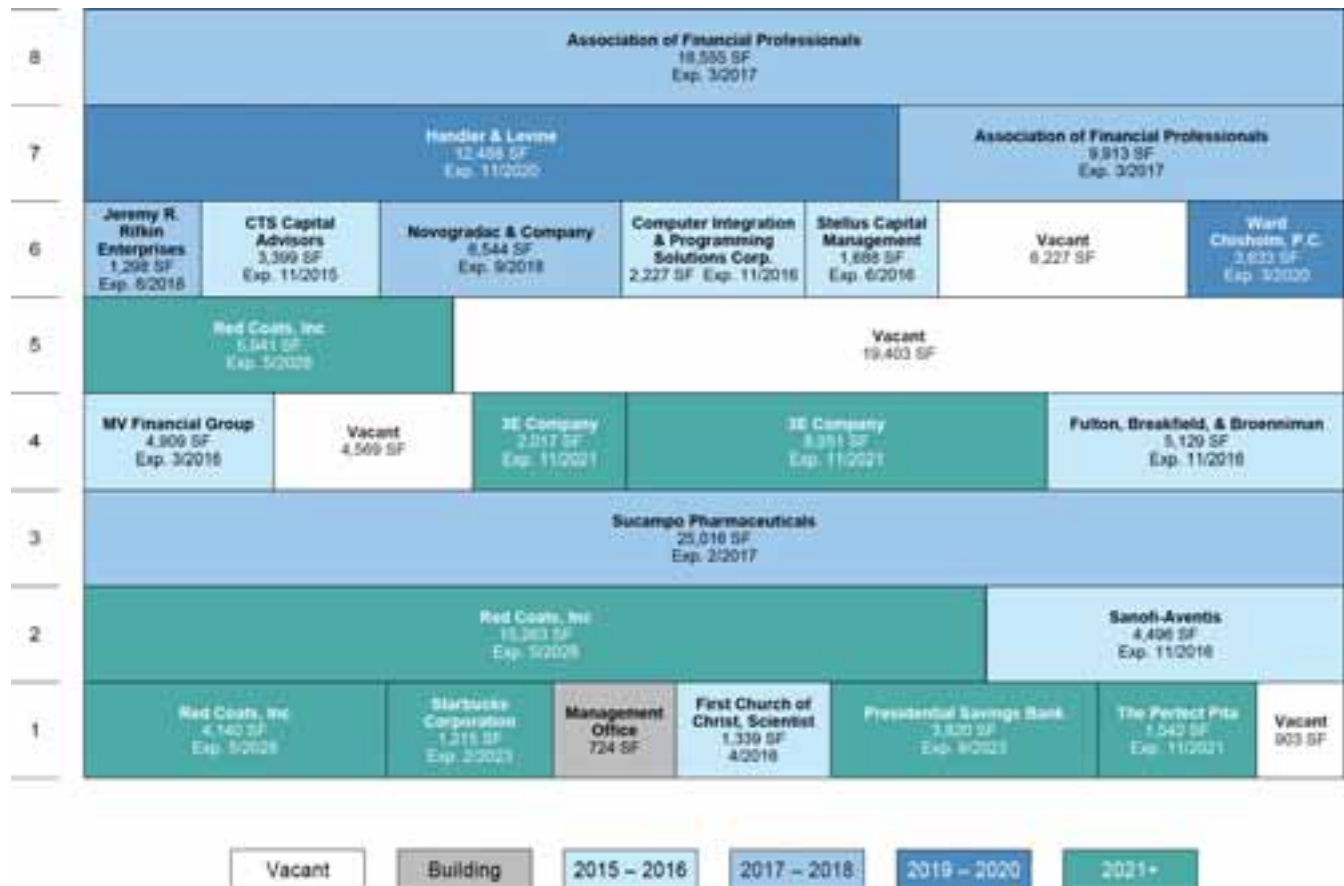
## Bethesda Office Center



## Bethesda Office Center



## Bethesda Office Center





## Bethesda Office Center

## Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$50,000,000
Cut-off Date Principal Balance:	\$50,000,000
% of Pool by IPB:	3.8%
Loan Purpose:	Acquisition
Borrower:	4520 East West, LLC
Sponsors:	William F. Peel and Barbara K. Peel
Interest Rate:	4.19950%
Note Date:	6/1/2015
Maturity Date:	6/1/2025
Interest-Only Period:	48 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(93),O(2)
Lockbox:	CMA
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):	174,449
Location:	Bethesda, MD
Year Built / Renovated:	1980 / N/A
Occupancy:	82.2%
Occupancy Date:	5/29/2015
Number of Tenants:	18
2012 NOI:	\$3,856,585
2013 NOI:	\$3,857,556
2014 NOI:	\$3,716,846
TTM NOI (as of 3/2015) <sup>(1)</sup> :	\$3,610,748
UW Economic Occupancy:	82.0%
UW Revenues:	\$6,609,740
UW Expenses:	\$2,392,254
UW NOI <sup>(1)</sup> :	\$4,217,486
UW NCF:	\$3,881,624
Appraised Value / Per SF:	\$64,900,000 / \$372
Appraisal Date:	4/28/2015

Escrows and Reserves<sup>(2)</sup>

	Initial	Monthly	Initial Cap
Taxes:	\$544,442	\$54,445	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves	\$2,908	\$2,908	N/A
TI/LC:	\$1,500,000	Springing	\$523,347
Other:	\$696,944	\$0	N/A

## Financial Information

Cut-off Date Loan / SF:	\$287
Maturity Date Loan / SF:	\$255
Cut-off Date LTV:	77.0%
Maturity Date LTV:	68.6%
UW NCF DSCR:	1.32x
UW NOI Debt Yield:	8.4%

## Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$50,000,000	73.8%	Purchase Price	\$63,500,000	93.8%
Sponsor Equity	17,707,493	26.2	Upfront Reserves	2,744,294	4.1
			Closing Costs	1,463,199	2.1
<b>Total Sources</b>	<b>\$67,707,493</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$67,707,493</b>	<b>100.0%</b>

(1) UW NOI is higher than TTM NOI primarily due to the newly executed lease with Red Coats, Inc., as well as contractual rent steps through August 2016.

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

**The Loan.** The Bethesda Office Center loan has an outstanding principal balance of \$50.0 million and is secured by a first mortgage lien on the borrower's fee interest on a 174,449 square foot office building located in Bethesda, Maryland. The Bethesda Office Center loan has a 10-year term and, subsequent to a four-year interest-only period, will amortize on a 30-year schedule.

**The Borrower.** The borrowing entity for the loan is 4520 East West, LLC, a Florida limited liability company and special purpose entity.

**The Sponsors.** The loan sponsors and nonrecourse carve-out guarantors are William F. Peel and Barbara K. Peel, both trustees for Peel Properties, LLC ("Peel Properties"). Peel Properties was founded in 1971 in Bethesda, Maryland when it purchased a small office building for William and Barbara Peel's commercial janitorial business, Red Coats, Inc. ("Red Coats"). Since then, Peel Properties has continued to purchase real estate assets for investment and has grown its portfolio to include over 440,000 square feet of office space, 373 multifamily units, eight single-family units and a marina. All of the properties are self-managed by affiliates of Peel Properties. The sponsors contributed approximately \$17.7 million in equity in connection with the acquisition of the property.

## Bethesda Office Center

**The Property.** Bethesda Office Center is a Class B+ office building located at 4520 East West Highway in Bethesda, Maryland. The property was constructed in 1980. The eight-story property totals 174,449 square feet of gross leasable area and consists of office space (95.7% of the net rentable area), ground level retail space (4.3% of the net rentable area) and four and a half levels of below grade parking totaling 348 spaces (approximately 2.0 spaces per 1,000 square feet). Bethesda Office Center is located one block from the Bethesda Metrorail Station, allowing mass-transit access to the greater Washington, D.C. metropolitan area.

As of May 29, 2015, the property was 82.2% leased by 18 tenants. The largest tenant at the property, Association of Financial Professionals ("AFP"), currently leases 16.3% of the net rentable area through March 2017 and has been a tenant at the property since December 2006. AFP is a professional society for 16,000 treasury and finance professionals around the world and uses the property as its headquarters. AFP accounts for approximately 21.0% of the in-place base rent at the property. The second largest tenant, Red Coats, currently leases 14.5% of the net rentable area through May 2028 and has been a tenant at the property since June 2015. Founded in 1960, the sponsor-affiliated Red Coats has grown to employ 10,000 employees with offices up and down the east coast in Maryland, southern Virginia, North Carolina and Florida and is currently headquartered at the property. Red Coats is engaged in the commercial and industrial property cleaning and security services business throughout the eastern United States. Red Coats currently accounts for approximately 17.0% of the in-place base rent at the property. The third largest tenant, Sucampo Pharmaceuticals ("Sucampo"), currently leases 14.3% of the net rentable area through February 2017 and has been a tenant at the property since May 2007. Sucampo is a global biopharmaceutical company focused on research, discovery, development and commercialization of proprietary drugs to treat gastrointestinal, ophthalmic, neurologic and oncology-based inflammatory disorders. Operations are conducted through subsidiaries based in the United States, Japan, Switzerland and the United Kingdom. Sucampo currently accounts for approximately 18.5% of the in-place base rent at the property.

Bethesda Office Center is located in the heart of downtown Bethesda in the Bethesda/Chevy Chase office submarket, and is less than one mile from several Washington, D.C. area demand drivers, such as the Woodmont Triangle, which features numerous restaurants, and Bethesda Row, an approximate 520,000 square foot mixed-use community situated as an outdoor shopping complex. The property is also approximately 1.6 miles north of Chevy Chase, Maryland and its retail and dining establishments including Cartier, Gucci, Dior, Louis Vuitton, Saks Fifth Avenue, Neiman Marcus and Bloomingdales. Per the appraisal, the trade area consisting of a three-mile radius contains an estimated 154,878 people with a median household income of \$128,971 as of 2015. According to the appraisal, as of the first quarter of 2015, the Bethesda/Chevy Chase office submarket contained approximately 9.7 million square feet of existing supply and maintained an overall vacancy rate of 12.6% with asking rents of \$37.83 per square foot. The appraisal identified seven properties that are directly competitive with Bethesda Office Center. The properties range from 111,121 to 378,613 square feet and range from 84.0% to 99.2% occupied. The weighted average occupancy of the group is 89.6% and the weighted average rental rate is \$37.56 per square foot.

2012	Historical and Current Occupancy <sup>(1)</sup>		Current <sup>(2)</sup>
	2013	2014	
84.5%	81.9%	67.6%	82.2%

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

(2) Current Occupancy is as of May 29, 2015.

## Bethesda Office Center

Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Tenant Summary <sup>(1)</sup>		Base Rent	Base Rent PSF	Lease Expiration Date
		Net Rentable Area (SF)	% of Total NRA			
Association of Financial Professionals	NA / NA / NA	28,468	16.3%	\$1,225,832	\$43.06	3/31/2017
Red Coats <sup>(3)</sup>	NA / NA / NA	25,344	14.5%	\$989,683	\$39.05	5/31/2028
Sucampo Pharmaceuticals	NA / NA / NA	25,016	14.3%	\$1,077,189	\$43.06	2/14/2017
Handler & Levine	NA / NA / NA	12,488	7.2%	\$504,141	\$40.37	11/30/2020
3E Company	NA / NA / NA	10,068	5.8%	\$392,149	\$38.95	11/30/2021
Novogradac & Company	NA / NA / NA	6,544	3.8%	\$253,711	\$38.77	9/30/2018
Fulton, Breakfield & Broenniman	NA / NA / NA	5,129	2.9%	\$200,544	\$39.10	11/30/2016
MV Financial Group	NA / NA / NA	4,909	2.8%	\$191,500	\$39.01	3/31/2016
Sanofi-Aventis	A1 / AA / AA-	4,496	2.6%	\$177,907	\$39.57	11/30/2016
Presidential Savings Bank	NA / NA / NA	3,820	2.2%	\$156,620	\$41.00	9/30/2023

(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) Red Coats is a wholly owned subsidiary of the sponsor.

Lease Rollover Schedule <sup>(1)</sup>									
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	31,102	17.8%	NAP	NAP	31,102	17.8%	NAP	NAP
2015 & MTM	2	4,738	2.7	\$182,463	3.2%	35,840	20.5%	\$182,463	3.2%
2016	5	18,449	10.6	715,602	12.4	54,289	31.1%	\$898,065	15.5%
2017	2	53,484	30.7	2,303,021	39.8	107,773	61.8%	\$3,201,086	55.3%
2018	2	7,842	4.5	308,629	5.3	115,615	66.3%	\$3,509,715	60.6%
2019	0	0	0.0	0	0.0	115,615	66.3%	\$3,509,715	60.6%
2020	2	16,121	9.2	656,509	11.3	131,736	75.5%	\$4,166,224	72.0%
2021	2	11,610	6.7	441,616	7.6	143,346	82.2%	\$4,607,840	79.6%
2022	0	0	0.0	0	0.0	143,346	82.2%	\$4,607,840	79.6%
2023	2	5,035	2.9	190,543	3.3	148,381	85.1%	\$4,798,383	82.9%
2024	0	0	0.0	0	0.0	148,381	85.1%	\$4,798,383	82.9%
2025	0	0	0.0	0	0.0	148,381	85.1%	\$4,798,383	82.9%
2026 & Beyond <sup>(2)</sup>	1	26,068	14.9	989,683	17.1	174,449	100.0%	\$5,788,066	100.0%
<b>Total</b>	<b>18</b>	<b>174,449</b>	<b>100.0%</b>	<b>\$5,788,066</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

(2) 2026 &amp; Beyond includes a building management office totaling 724 square feet. The space is not considered vacant as it contributes to building amenities and services.

## Bethesda Office Center

Operating History and Underwritten Net Cash Flow						Per Square Foot	% <sup>(2)</sup>
	2012	2013	2014	TTM <sup>(1)</sup>	Underwritten		
Rents in Place <sup>(3)</sup>	\$5,340,037	\$5,321,925	\$5,124,576	\$4,984,923	\$5,788,066	\$33.18	72.4%
Vacant Income	0	0	0	0	1,269,764	7.28	15.9
<b>Gross Potential Rent</b>	<b>\$5,340,037</b>	<b>\$5,321,925</b>	<b>\$5,124,576</b>	<b>\$4,984,923</b>	<b>\$7,057,830</b>	<b>\$40.46</b>	<b>88.3%</b>
Total Reimbursements	857,456	897,022	952,344	872,964	937,486	5.37	11.7
<b>Net Rental Income</b>	<b>\$6,197,493</b>	<b>\$6,218,947</b>	<b>\$6,076,920</b>	<b>\$5,857,887</b>	<b>\$7,995,316</b>	<b>\$45.83</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	(144,538)	(94,142)	0	0	(1,438,426)	(8.25)	(18.0)
Other Income <sup>(4)</sup>	49,000	53,275	52,000	52,850	52,850	0.30	0.7
<b>Effective Gross Income</b>	<b>\$6,101,955</b>	<b>\$6,178,080</b>	<b>\$6,128,920</b>	<b>\$5,910,737</b>	<b>\$6,609,740</b>	<b>\$37.89</b>	<b>82.7%</b>
<b>Total Expenses</b>	<b>\$2,245,370</b>	<b>\$2,320,524</b>	<b>\$2,412,074</b>	<b>\$2,299,989</b>	<b>\$2,392,254</b>	<b>\$13.71</b>	<b>36.2%</b>
<b>Net Operating Income<sup>(5)</sup></b>	<b>\$3,856,585</b>	<b>\$3,857,556</b>	<b>\$3,716,846</b>	<b>\$3,610,748</b>	<b>\$4,217,486</b>	<b>\$24.18</b>	<b>63.8%</b>
Total TI/LC, Capex/RR	0	0	0	0	335,862	1.93	5.1
<b>Net Cash Flow<sup>(5)</sup></b>	<b>\$3,856,585</b>	<b>\$3,857,556</b>	<b>\$3,716,846</b>	<b>\$3,610,748</b>	<b>\$3,881,624</b>	<b>\$22.25</b>	<b>58.7%</b>

(1) TTM column is based on the trailing 12 month period ending on March 31, 2015.

(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 as of March 31, 2015 include rent steps through August 2016.

(4) Other Income consists primarily of income from storage units and utilities.

(5) The decrease in Net Operating Income and Net Cash Flow from 2012 to 2014 is primarily due to occupancy falling from 84.5% to 67.6%. Underwritten Net Operating Income is higher than TTM Net Operating Income primarily due to the newly executed lease with Red Coats, Inc., as well as contractual rent steps through August 2016.

**Property Management.** The property is managed by LPC Commercial Services, Inc., a Texas corporation. The current management agreement commenced on June 1, 2015, has a 12-month term and will automatically renew each year unless otherwise terminated by either party. The management agreement provides for a contractual management fee of 1.0% of the gross rental income, payable on a monthly basis, with a minimum fee of no less than \$3,000 per month. The management fees related to the Bethesda Office Center property are subordinate to the liens and interests of the Bethesda Office Center loan.

**Escrows and Reserves.** At origination, the borrower deposited into escrow \$1,500,000 for tenant improvements and leasing commissions related to tenants other than Red Coats (of which \$500,000 may be used for renewal leases and the remainder for new accretive leasing for vacant space), \$544,442 for real estate taxes, \$543,949 for outstanding tenant improvements, \$152,995 for outstanding free rent and \$2,908 for replacement reserves.

**Tax Escrows** - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$54,445.

**Insurance Escrows** - The requirement for the borrower to make monthly deposits into the insurance escrow is waived so long as no event of default exists and the borrower provides satisfactory evidence that the property is insured under an approved blanket policy in accordance with the loan documents.

**Replacement Reserves** - On a monthly basis, the borrower is required to escrow \$2,908 (approximately \$0.20 per square foot annually) for replacement reserves.

**TI/LC Reserves** - Beginning August 1, 2017, on a monthly basis, the borrower is required to deposit \$14,538 (approximately \$1.00 per square foot annually) into the TI/LC escrow. The reserve is subject to a cap of \$523,347 (approximately \$3.00 per square foot).

**Lockbox / Cash Management.** The loan is structured with a CMA lockbox. Tenant direction letters were required to be sent to all tenants upon the origination of the loan instructing them to deposit all rents and payments into the lockbox account controlled by the lender. The funds are then returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event (as defined below). During a Cash Sweep Event, all funds in the lockbox account are swept within one business day to a segregated cash management account under the control of the lender. To the extent there is a Cash Sweep Event continuing, all excess cash flow after payment of the mortgage debt service, required reserves and operating expenses will be held as additional collateral for the loan. The lender has a first priority security interest in the cash management account.

“**Cash Sweep Event**” means the occurrence of (i) an event of default, (ii) any bankruptcy action of the borrower or property manager, (iii) the date on which the debt service coverage ratio based on a trailing three months is less than 1.20x, or (iv) a Red Coats Trigger Event (as defined below).

“**Red Coats Trigger Event**” will commence if Red Coats or Datawatch Systems Inc. does not take physical occupancy of the space demised under the Red Coats lease within 12 months of the closing date.