

Mortgage Loan No. 6 – National Industrial Portfolio II



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National Industrial Portfolio II

	Property Name	Address	City/State	Zip Code
1	Adams Road	100 and 111 Adams Road	Clinton, MA	01510
2	Gulf Bank	9700 West Gulf Bank Road	Houston, TX	77040
3	9410 Heinz Way	9410 Heinz Way	Commerce City, CO	80640
4	3407 Walters	3407 Walters Road	Van Buren, NY	13209
5	891 Beaver	891 Beaver Drive	DuBois, PA	15801
6	851 Beaver	851 Beaver Drive	DuBois, PA	15801

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| 1 | Adams Road | Clinton, MA |
| 2 | Gulf Bank | Houston, TX |
| 3 | 9410 Heinz Way | Commerce City, CO |
| 4 | 3407 Walters | Van Buren, NY |
| 5 | 891 Beaver | DuBois, PA |
| 6 | 851 Beaver | DuBois, PA |



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Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$50,133,750
Cut-off Date Principal Balance:	\$49,950,407
% of Pool by IPB:	4.7%
Loan Purpose:	Acquisition
Borrower:	NIP Owner I, LLC
Sponsors⁽¹⁾:	Various
Interest Rate:	4.75000%
Note Date:	8/3/2012
Maturity Date:	9/1/2017
Interest-only Period:	None
Original Term:	60 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(13),Grtr1%orYM(42),O(5)
Lockbox:	Hard
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee/Leasehold
Property Type - Subtype:	Industrial - Various
Net Rentable Area (SF):	2,073,014
Location:	Various
Year Built / Renovated:	Various / Various
Occupancy:	86.4%
Occupancy Date:	Various
Number of Tenants:	10
2009 NOI:	\$6,802,780
2010 NOI:	\$4,994,178
2011 NOI:	\$5,342,881
TTM NOI⁽²⁾:	\$5,678,840
UW Economic Occupancy:	86.0%
UW Revenues:	\$8,405,097
UW Expenses:	\$2,919,880
UW NOI:	\$5,485,217
UW NCF:	\$4,789,989
Appraised Value / Per SF:	\$69,150,000 / \$33
Appraisal Date:	May 2012

Escrows and Reserves⁽³⁾

	Initial	Monthly	Initial Cap
Taxes:	\$492,487	\$103,064	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$0	\$24,597	N/A
TI/LC:	\$750,000	\$46,882	N/A
Other:	\$405,250	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$24
Maturity Date Loan / SF:	\$22
Cut-off Date LTV:	72.2%
Maturity Date LTV:	66.6%
UW NCF DSCR:	1.53x
UW NOI Debt Yield:	11.0%

(1) Sponsors include Hackman Capital Partners, LLC, Calare Properties, Inc., Michael D. Hackman and William Manley, together with Oaktree Real Estate Opportunities Fund IV, L.P., Oaktree Remington Investment Fund, L.P., OCM Opportunities Fund VIIIB AIF (Delaware), L.P., OCM Opportunities Fund VIIIB (Parallel) AIF (Delaware), L.P., Oaktree Opportunities Fund VIII AIF (Delaware), L.P., Oaktree Opportunities Fund VIII (Parallel) AIF (Delaware), L.P., Oaktree Opportunities Fund VIII (Parallel 2) AIF (Delaware), L.P., and Oaktree Huntington Investment Fund AIF (Delaware), L.P. (each an "Oaktree Capital Management Fund").

(2) TTM NOI represents the trailing twelve months ending August 31, 2012.

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

The Loan. The National Industrial Portfolio II loan has an outstanding principal balance of approximately \$50.0 million and is secured by a first mortgage lien on six industrial properties totaling approximately 2.1 million square feet that are located in Colorado, Massachusetts, Pennsylvania, Texas and New York. The loan has a five-year term and amortizes on a 30-year schedule. The portfolio was previously unencumbered and the proceeds of the loan were used to fund upfront reserves of approximately \$1.6 million, pay closing costs of \$1.4 million, fund \$13.0 million to prepay ground rent for an owner-owned tax structure and return \$34.0 million of equity to the sponsors.

The Borrower. The borrowing entity for the loan is NIP Owner I, LLC, a Delaware limited liability company and special purpose entity.

The Sponsors. The loan's sponsor and nonrecourse carve-out guarantors are Hackman Capital Partners, LLC ("Hackman"), Calare Properties, Inc. ("Calare"), Michael D. Hackman, William Manley and eight individual Oaktree Capital Management Funds ("Oaktree") (collectively, the "Sponsor"). The borrower is controlled by a joint venture between affiliates of Oaktree, Hackman, KBS Realty Advisors ("KBS") and Calare. Oaktree is a global investment management firm focused on alternative markets, with approximately \$78.7 billion in assets under management. Headquartered in Los Angeles, California, the firm has over 650 employees and offices in 13 cities worldwide. Hackman is a private investment firm based in Los Angeles, California that specializes in the acquisition of industrial real estate and capital assets. Hackman and its affiliated entities own over 100 facilities throughout the United States totaling approximately 18 million square feet. KBS and its affiliated entities are large buyers of commercial real estate and structured debt investments, having completed approximately \$25 billion in transaction volume since KBS' inception in 1992. Calare is a Massachusetts based real estate investment manager servicing high net worth individuals, family offices, pension fund investors, private trusts and endowments. Calare currently has over \$130 million of equity under management which is invested in a real estate portfolio valued at over \$600 million.

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The Properties. The six-property National Industrial Portfolio II consists of five single tenant properties and one multi-tenant property. The properties are located in Colorado, Massachusetts, Pennsylvania, Texas and New York and total 2,073,014 square feet. The properties were constructed between 1962 and 2005 with uses consisting of warehouse, distribution, cold storage, office and flex. The properties are currently 86.4% leased by 10 tenants. Approximately 21.2% of the net rentable area is leased by investment grade tenants or their affiliates. The properties were originally acquired by KBS, Hackman and Calare as part of a larger 26 property portfolio in 2007 for approximately \$516 million which they financed with \$440 million of debt from Citigroup. Due to the recession, the larger portfolio experienced a drop in occupancy. Over the course of 2010 and 2011, Oaktree acquired debt positions held by Citigroup and others for an aggregate basis of approximately \$234.7 million. In late 2011, Oaktree took over control of the portfolio. KBS, Hackman and Calare remained in the deal through a small ownership stake by contributing approximately \$20 million to the joint venture.

Portfolio Summary							
Property	Location	Net Rentable Area (SF)	Year Built / Renovated	Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow
Adams Road ⁽¹⁾	Clinton, MA	801,040	1962 / 2005	\$15,515,000	30.9%	\$21,400,000	\$1,434,374
Gulf Bank	Houston, TX	245,319	1982 / 2008	10,875,000	21.7	15,000,000	1,154,154
9410 Heinz Way	Commerce City, CO	140,630	2005 / N/A	7,503,750	15.0	10,350,000	672,894
3407 Walters	Van Buren, NY	273,225	1980 / 2010	6,525,000	13.0	9,000,000	447,847
891 Beaver ⁽²⁾	DuBois, PA	410,000	1962 / 1980	5,829,000	11.6	8,040,000	637,989
851 Beaver	DuBois, PA	202,800	1988 / 1993	3,886,000	7.8	5,360,000	442,731
Total		2,073,014		\$50,133,750	100.0%	\$69,150,000	\$4,789,989

(1) Adams Road is comprised of 100 Adams and 111 Adams Road. The properties were constructed in 1962 and 100 Adams Road was later rebuilt in 2005 due to fire damage.

(2) 891 Beaver was constructed in five phases in the following periods: 1962, 1968, 1973, 1976 and 1980.

Historical and Current Occupancy ⁽¹⁾					
Property	Single Tenant (Yes / No)	2009	2010	2011	Current ⁽²⁾
Adams Road ⁽³⁾	No	93.7%	85.4%	64.2%	64.7%
Gulf Bank	Yes	100.0%	100.0%	100.0%	100.0%
9410 Heinz Way	Yes	100.0%	100.0%	100.0%	100.0%
3407 Walters	Yes	100.0%	100.0%	100.0%	100.0%
891 Beaver	Yes	100.0%	100.0%	100.0%	100.0%
851 Beaver	Yes	100.0%	100.0%	100.0%	100.0%
Weighted Average		97.6%	94.4%	86.2%	86.4%

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

(2) Current Occupancy is as of September 30, 2012.

(3) 111 Adams Road (457,040 square feet) was previously 100.0% leased by Regency Warehouse. In March 2010, the company downsized by 246,150 square feet (30.7% of the Adams Road property's net rentable area). The Sponsor has been renting portions of the unleased net rentable area to month-to-month tenants. The month-to-month tenants are not reflected in the Occupancy or the underwriting.

Property Summary								
Property	Building Type / Subtype	# of Buildings	Rail Access	Clear Heights	% Office	Largest Tenant	Largest Tenant Expiration	Largest Tenant % of NRA
Adams Road	Industrial – Whse/Dist	2	Y	22' – 30'	3%	Regency Warehouse	2/28/2015	26.3%
Gulf Bank	Industrial – Whse/Dist	1	N	27' – 31'	20%	National Oilwell Varco	3/31/2018	100.0%
9410 Heinz Way	Industrial – Whse/Dist	1	Y	28'	0%	Home Depot	11/30/2022	100.0%
3407 Walters	Industrial – Whse/Refridg	1	N	30'	12%	G&C Food Distributors	2/28/2021	100.0%
891 Beaver	Industrial – Whse/Dist	1	N	20' – 28'	6%	DuBois Logistics	2/20/2015	100.0%
851 Beaver	Industrial – Whse/Refridg	1	N	32' – 40'	4%	DuBois Logistics	2/20/2015	100.0%

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Adams Road. Located in Clinton, Massachusetts, the property consists of two buildings which were constructed in 1962 and 2005. The two buildings total 801,040 square feet and are 64.7% leased to six tenants. The property is primarily used for distribution with improvements that include loading docks, access to rail lines along the east side and 22 to 30 foot clear heights. Of the property square footage, approximately 3.0% of the net rentable area is used as office space. The largest tenant at the property is Regency Warehouse, which leases 26.3% of the net rentable area and has a lease expiring in February 2015. Regency Warehouse is an affiliate of Regency Transportation Inc. and Regency Warehousing & Distribution Inc., which has been providing transportation, warehousing and distribution services throughout New England and the Mid-Atlantic states for over 20 years. The property is located in Worcester County, within the Worcester section of the greater Boston market area. The property benefits from access to Interstate 495 and Interstate 290, and Routes 62, 70, and 110. According to the appraisal, the property is located in the Worcester submarket which reported warehouse vacancy rates of 31.0% and asking rents of \$4.50 per square foot as of the fourth quarter of 2011.

Gulf Bank. Located in Houston, Texas, the property was constructed in 1982 and renovated in 2008 with a total of 245,319 square feet and is 100.0% leased to a single tenant, National Oilwell Varco, Inc. ("National Oilwell"). The property is primarily used for distribution with improvements that include seven dock-high doors, 12 overhead bridge cranes with 3 to 20 ton capacities and 27 to 31 foot clear heights. Of the total property square footage, approximately 19.7% of the net rentable area is used as office space. National Oilwell's lease commenced in February 2008 and has a current expiration of March 2018 with one, 5-year renewal option at market rates. National Oilwell designs, constructs and manufactures components and products for oil and gas drilling and production, as well as provides oilfield services and supplies to the oil and gas industry worldwide. National Oilwell is rated A2 and A by Moody's and S&P, respectively. The property benefits from access to the Sam Houston Tollway and U.S. Highway 290, which intersects with Loop 610. According to the appraisal, the property is located in the Northwest-Far submarket which reported warehouse vacancy rates of 6.6% and asking rents of \$6.15 per square foot as of the first quarter of 2012.

9410 Heinz Way. Located in Commerce City, Colorado, the property was constructed in 2005 with a total of 140,630 square feet and is 100.0% leased to a single tenant, Home Depot. The property was built to suit for Home Depot and is primarily used for distribution, with improvements that include rail access and 28 foot clear heights. Home Depot is an original tenant and has a lease expiration of November 2022. Home Depot is the world's largest home improvement retailer, and the fourth largest retailer in the United States. Home Depot is rated A3 and A- by Moody's and S&P, respectively. The property is located approximately one and a half miles from Interstate 76 which provides primary access to Denver. According to the appraisal, the property is located in the Denver industrial market which reported vacancy rates of 6.4% and asking rents of \$4.33 per square foot as of the fourth quarter of 2011.

3407 Walters. Located in Van Buren, New York, the property was constructed in 1980 and renovated in 2010 with a total of 273,225 square feet and is 100.0% leased by a single tenant, G&C Food Distributors and Brokers, Inc. ("G&C Food Distributors"). G&C Food Distributors' lease expires in February 2021. The property is primarily used for cold storage distribution with improvements that include 38 dock-high doors and 30 foot clear heights. Of the total property square footage, approximately 12.0% of the net rentable area is used as office space. G&C Food Distributors was incorporated in 1976 and distributes a wide selection of frozen, refrigerated, and dry products. The property has local access to Syracuse through Interstate 690 and regional access to Buffalo, Rochester, Utica and Albany is provided by Interstate 90 which is adjacent to the northern boundary of the property. According to the appraisal, the property is located in the Greater Syracuse market which reported warehouse vacancy rates of 11.0% and asking rents of \$4.34 per square foot as of the first quarter of 2012.

891 Beaver. Located in DuBois, Pennsylvania, the property was constructed in 1962 and was subsequently expanded in 1968, 1973, 1976 and 1980. The property has 410,000 square feet and is 100.0% leased by a single tenant, DuBois Logistics, LLC ("DuBois Logistics"). DuBois Logistics' lease has a current expiration of February 2015 with two, 5-year renewal options at pre-determined rental rates which are higher than current rents. The property is primarily used for distribution with improvements that include 46 dock-high doors and 20 to 28 foot clear heights. Of the total property square footage, approximately 6.0% of the net rentable area is used as office space. DuBois Logistics is a division of C&S Wholesale Grocers which has over 50 facilities supplying over 3,900 independent supermarkets, chain stores, and institutions. 891 and 851 Beaver are located near Interstate 80 which is a transcontinental highway that extends from San Francisco, California to Teaneck, New Jersey, which is less than 10 miles from New York City. According to the appraisal, 891 Beaver and 851 Beaver are located in the Clearfield industrial submarket which reported vacancy rates of 8.9% and asking rents of \$2.84 per square foot as of the first quarter of 2012.

851 Beaver. Located in DuBois, Pennsylvania, the property was constructed in 1988 and renovated in 1993 with a total of 202,800 square feet and is 100.0% leased by a single tenant, DuBois Logistics. The property is adjacent to 891 Beaver. DuBois Logistics' lease has a current expiration of February 2015 with two, 5-year renewal options at pre-determined rental rates. The property is primarily used for cold storage distribution with improvements that include 43 dock-high doors and 32 to 40 foot clear heights. Of the total property square footage, approximately 3.7% of the net rentable area is used as office space.

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Top Ten Tenant Summary ⁽¹⁾						
Tenant	Property	Ratings ⁽²⁾	Net Rentable	% of Total NRA	Base Rent PSF	Lease Expiration Date
		Moody's/S&P/Fitch	Area (SF)			
DuBois Logistics ⁽³⁾	851 Beaver & 891 Beaver	NA / NA / NA	612,800	29.6%	\$2.25	2/20/2015
G&C Food Distributors	3407 Walters	NA / NA / NA	273,225	13.2%	\$2.60	2/28/2021
National Oilwell Varco	Gulf Bank	A2 / A / NA	245,319	11.8%	\$5.82	3/31/2018
Regency Warehouse	Adams Road	NA / NA / NA	210,890	10.2%	\$6.17	2/28/2015
Home Depot	9401 Heinz Way	A3 / A- / A-	140,630	6.8%	\$5.50	11/30/2022
Rotman's Furniture	Adams Road	NA / NA / NA	86,415	4.2%	\$4.25	1/31/2016
Scholastic Book Fair	Adams Road	NA / NA / NA	60,500	2.9%	\$5.00	8/31/2017
Radant Technologies	Adams Road	NA / NA / NA	58,852	2.8%	\$4.30	1/27/2018
Staples	Adams Road	Baa2 / BBB / BBB	53,911	2.6%	\$3.95	6/30/2016
ECM Plastics	Adams Road	NA / NA / NA	48,000	2.3%	\$2.95	4/30/2016

(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) DuBois Logistics leases 410,000 square feet at the 891 Beaver property at a rate of \$2.00 per square foot and 202,800 square feet at the 851 Beaver property at a rate of \$2.75 per square foot.

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	282,472	13.6%	NAP	NAP	282,472	13.6%	NAP	NAP
2012 & MTM	0	0	0.0	\$0	0.0%	282,472	13.6%	\$0	0.0%
2013	0	0	0.0	0	0.0	282,472	13.6%	\$0	0.0%
2014	0	0	0.0	0	0.0	282,472	13.6%	\$0	0.0%
2015	2	823,690	39.7	2,678,891	39.0	1,106,162	53.4%	\$2,678,891	39.0%
2016	3	188,326	9.1	721,812	10.5	1,294,488	62.4%	\$3,400,704	49.5%
2017	1	60,500	2.9	302,500	4.4	1,354,988	65.4%	\$3,703,204	53.9%
2018	2	304,171	14.7	1,680,820	24.5	1,659,159	80.0%	\$5,384,024	78.4%
2019	0	0	0.0	0	0.0	1,659,159	80.0%	\$5,384,024	78.4%
2020	0	0	0.0	0	0.0	1,659,159	80.0%	\$5,384,024	78.4%
2021	1	273,225	13.2	710,385	10.3	1,932,384	93.2%	\$6,094,409	88.7%
2022	1	140,630	6.8	773,465	11.3	2,073,014	100.0%	\$6,867,874	100.0%
2023 & Beyond	0	0	0.0	0	0.0	2,073,014	100.0%	\$6,867,874	100.0%
Total	10	2,073,014	100.0%	\$6,867,874	100.0%				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow							
	2009	2010	2011	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$7,165,416	\$6,251,220	\$6,384,098	\$6,817,026	\$6,867,874	\$3.31	70.3%
Vacant Income	0	0	0	0	1,088,994	0.53	11.1
Gross Potential Rent	\$7,165,416	\$6,251,220	\$6,384,098	\$6,817,026	\$7,956,868	\$3.84	81.4%
Total Reimbursements	659,263	580,526	1,202,521	1,435,689	1,812,430	0.87	18.6
Net Rental Income	\$7,824,679	\$6,831,745	\$7,586,620	\$8,252,716	\$9,769,297	\$4.71	100.0%
(Vacancy/Credit Loss)	0	(45,538)	(91,075)	0	(1,364,200)	(0.66)	(14.0)
Other Income	1,500	0	0	0	0	0	0.0
Effective Gross Income	\$7,826,179	\$6,786,208	\$7,495,545	\$8,252,716	\$8,405,097	\$4.05	86.0%
Total Expenses	\$1,023,399	\$1,792,030	\$2,152,664	\$2,573,876	\$2,919,880	\$1.41	34.7%
Net Operating Income	\$6,802,780	\$4,994,178	\$5,342,881	\$5,678,840	\$5,485,217	\$2.65	65.3%
Total TI/LC, Capex/RR	0	0	0	0	695,228	0.34	8.3
Net Cash Flow	\$6,802,780	\$4,994,178	\$5,342,881	\$5,678,840	\$4,789,989	\$2.31	57.0%

(1) TTM column represents the trailing twelve months ending August 31, 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.

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Property Management. The portfolio is managed by PM Realty Group, L.P. ("PMRG"). PMRG is a privately held commercial real estate firm that offers a variety of real estate services including property and facility management, leasing, marketing, development and construction management and engineering.

Escrows and Reserves. At closing, the borrower deposited into escrow \$750,000 for an initial rollover reserve, \$492,487 for real estate taxes, \$332,250 to prefund anticipated future repairs as identified in the Property Condition Reports and \$73,000 for outstanding tenant improvement obligations.

Tax Escrows - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$103,064.

Insurance Escrows - The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as no event of default has occurred and is continuing and the borrower provides satisfactory evidence that the property is insured with a blanket policy in accordance with the loan documents.

Replacement Reserves - On a monthly basis, the borrower is required to escrow \$24,597 (approximately \$0.14 per square foot annually) for replacement reserves. The reserve is not subject to a cap.

TI/LC Reserves - On a monthly basis, the borrower is required to escrow \$46,882 (approximately \$0.27 per square foot annually) for tenant improvement and leasing commissions. 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 debt yield based on the immediately preceding trailing three month period falls below 7.0%, (ii) there is an event of default under the loan documents or (iii) the borrower or property manager becomes the subject of a bankruptcy, insolvency or similar action, all excess cash flow shall be deposited into the lockbox and shall be deemed as additional collateral for the loan.

Release of Properties. Borrower may release a property or properties from the collateral for the loan after the first anniversary of the first payment date provided that, among other things: (i) no event of default has occurred and is continuing; (ii) a payment of 115% of the applicable allocated loan amount and the applicable yield maintenance premium; and (iii) after giving effect to the release for the applicable individual property, the debt yield for the properties then remaining based on the trailing twelve month period immediately preceding the release of the applicable individual property is equal to or greater than the greater of (a) the closing date debt yield of 8.78% or (b) the debt yield for all the properties (including the released property) immediately preceding the release of the applicable individual property based on the trailing twelve month period.

3407 Walters - The sole tenant at the property, G&C Food Distributors and Brokers, Inc. has a purchase option that is exercisable through November 30, 2013. In the event G&C Food Distributors and Brokers, Inc. exercises this option the borrower will be required to, among other things, release the property by paying 115% of the allocated loan amount and any applicable yield maintenance premiums.

Houston Release Parcel - Part of the Gulf Bank property includes a vacant parcel of land, the value of which was excluded from the underwriting. After the permitted prepayment date the borrower will have the right to release this parcel as collateral for the loan, subject to the satisfaction of the certain conditions contained in the mortgage loan documents.

Future Additional Debt. Commencing after the first anniversary of the first payment date, a mezzanine loan, secured by the pledge of the ownership interest in the borrower, may be obtained provided that, among other things: (i) the LTV of the then-outstanding principal balance of the mortgage loan and mezzanine loan shall not exceed 70.0% based on a recent appraisal; (ii) the current debt yield (factoring in the then-outstanding mortgage loan and mezzanine loan) is no less than the closing date debt yield of 8.78%; (iii) the combined DSCR is no less than the closing date DSCR of 1.38x; and (iv) the mezzanine lender shall enter into an intercreditor agreement reasonably acceptable to the lender.