

4th & Pike

Mortgage Loan Information

Mortgage Loan Seller:	RCMC
Original Principal Balance:	\$26,000,000
Cut-off Date Principal Balance:	\$26,000,000
% of Pool by IPB:	3.0%
Loan Purpose:	Refinance
Borrower:	Fourth & Pike (DE), LLC
Sponsors:	John M. Klimp and Peter Keady
Interest Rate:	4.66000%
Note Date:	5/30/2014
Maturity Date:	6/5/2024
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(24),Def(91),O(5)
Lockbox:	CMA
Additional Debt:	Yes
Additional Debt Balance:	\$3,500,000
Additional Debt Type:	Mezzanine Loan

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office - CBD
Net Rentable Area (SF):	101,294
Location:	Seattle, WA
Year Built / Renovated:	1926 / 2013
Occupancy:	92.6%
Occupancy Date:	4/1/2014
Number of Tenants:	35
2011 NOI:	\$1,103,974
2012 NOI:	\$1,213,548
2013 NOI⁽¹⁾:	\$1,681,569
TTM NOI (as of 2/2014)⁽¹⁾:	\$1,780,426
UW Economic Occupancy:	92.9%
UW Revenues:	\$3,124,622
UW Expenses:	\$779,023
UW NOI⁽¹⁾:	\$2,345,600
UW NCF:	\$2,193,400
Appraised Value / Per SF:	\$35,000,000 / \$346
Appraisal Date:	3/26/2014

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$58,076	\$19,359	N/A
Insurance:	\$19,213	\$2,135	N/A
Replacement Reserves:	\$0	\$1,689	N/A
TI/LC:	\$200,000	\$12,662	N/A
Other⁽²⁾:	\$36,193	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$257
Maturity Date Loan / SF:	\$209
Cut-off Date LTV:	74.3%
Maturity Date LTV:	60.4%
UW NCF DSCR:	1.36x
UW NOI Debt Yield:	9.00%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$26,000,000	83.5%	Payoff Existing Debt	\$30,482,405	97.8%
Mezzanine Loan	3,500,000	11.2	Closing Costs	356,902	1.1
Sponsor Equity	1,652,789	5.3	Upfront Reserves	313,482	1.0
Total Sources	\$31,152,789	100.0%	Total Uses	\$31,152,789	100.0%

(1) UW NOI is higher than 2013 NOI and TTM NOI primarily due to ten recently executed leases totaling approximately 30,511 square feet and accounting for approximately \$880,661 in annual rent.

(2) The Initial Other Escrows and Reserves is associated with a rent concession period for the tenant Hulu.

The Loan. The 4th & Pike loan has an outstanding balance of \$26.0 million and is secured by a first mortgage lien on a 101,294 square foot, Class A-/B+ office building located in Seattle, Washington. The loan has a 10-year term and amortizes on a 30-year schedule. The loan sponsors and nonrecourse carve-out guarantors are John M. Klimp and Peter Keady. John M. Klimp is the president of Mayfield Companies, a diverse group of entities involved in the construction, management and ownership of multifamily and commercial real estate assets with a focus in the states of California, Oregon and Washington.

The Property. 4th & Pike is a ten-story, 101,294 square foot Class A-/B+ office building with 9,835 square feet of street level retail located at the corner of Fourth Avenue and Pike Street in the Seattle, Washington. The property is located approximately three blocks from Pike Place Market, four blocks from the waterfront and the Washington State Ferry terminal and one block from the Central Link light rail station. The property was constructed in 1926 in the Gothic Revival style and has been designated by the city as a historic landmark. Between 2008 and 2013 the loan sponsors invested approximately \$7.9 million in renovations that included upgrading the interior and lobby, building out tenant spaces and upgrading building systems while protecting the historic exterior. Building amenities include on-site management, concierge service, shower facilities and bike storage.

As of April 1, 2014, the property was 92.6% occupied by 35 tenants, of which 82.9% of the net rentable area was leased to office tenants and 9.7% of the net rentable area was leased to retail tenants. The top five tenants comprise 43.6% of the total net rentable

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area and 38.0% of underwritten base rent and no other tenant leases more than 4.0% of the total net rentable area. Retail tenants include Ben Bridge Jewelers, Carhartt Retail and The Walking Company.

The Market. The property is located in downtown Seattle, Washington. Per the appraisal, the property provides convenient access to the financial center, Lake Union, the Puget Sound Central Waterfront and the central business district's retail core. The property benefits from its location approximately one block from Westlake Station which serves Sound Transit and King County Metro buses as well as Central Link light rail trains that run daily between downtown Seattle and Seattle-Tacoma International Airport. Downtown Seattle possesses unique qualities including an abundance of close-in executive housing, a well-educated work force, a reliable transportation infrastructure, geographically limited growth constraints, diverse cultural attractions and a strong local commitment to preserving the vitality of downtown. Benefiting from its location on Puget Sound and views of the water and nearby mountain ranges, as well as numerous retail, hotel, cultural and sporting amenities, downtown Seattle is a draw for Puget Sound area employers. Amazon.com, Nordstrom, Starbucks, Microsoft, Adobe, JPMorgan Chase, Bank of America and IDX Systems are just a few of the major employers that have a presence in the city of Seattle.

According to the appraisal, the property is located in the downtown Seattle submarket which contains approximately 43.5 million square feet of office space and reported a fourth quarter 2013 vacancy rate of 13.9% and average asking rent of \$33.46 per square foot. Per the appraisal, market rent for comparable buildings is \$29.00 per square foot and average base rent for office tenants at the subject property is \$28.66 per square foot. The appraisal identified eight comparable properties built between 1909 and 1970 that range in size from 46,859 to 329,629 square feet with occupancies ranging from 67% to 100%, with a weighted average occupancy of 87.9%.

Tenant Summary ⁽¹⁾					
Tenant	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Taphandles	NA / NA / NA	11,976	11.8%	\$28.50	5/31/2017
Landesa	NA / NA / NA	11,770	11.6%	\$26.00	12/31/2017
Hulu	NA / NA / NA	10,236	10.1%	\$28.75	10/31/2017
Enprecis, Inc.	NA / NA / NA	5,122	5.1%	\$28.84	5/31/2018
Auction Edge, Inc.	NA / NA / NA	5,050	5.0%	\$28.75	9/30/2016
Ben Bridge Jewelers	NA / NA / NA	4,010	4.0%	\$95.26	12/31/2019
Carhartt Retail	NA / NA / NA	3,700	3.7%	\$43.00	6/30/2022
DatAvail Corporation	NA / NA / NA	3,458	3.4%	\$29.00	8/31/2018
Gendler & Mann	NA / NA / NA	2,950	2.9%	\$22.00	1/30/2015
MLA Engineering, PLLC	NA / NA / NA	2,500	2.5%	\$24.50	12/31/2014

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow							
	2011	2012	2013	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾⁽⁴⁾	\$1,845,850	\$1,905,820	\$2,341,189	\$2,410,464	\$3,034,062	\$29.95	92.1%
Vacant Income	0	0	0	0	217,094	2.14	6.6
Gross Potential Rent	\$1,845,850	\$1,905,820	\$2,341,189	\$2,410,464	\$3,251,156	\$32.10	98.6%
Total Reimbursements	6,181	33,258	45,169	44,743	44,743	0.44	1.4
Net Rental Income	\$1,852,031	\$1,939,078	\$2,386,358	\$2,455,207	\$3,295,899	\$32.54	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(235,187)	(2.32)	(7.1)
Other Income ⁽⁵⁾	46,347	55,637	57,867	54,662	63,910	0.63	1.9
Effective Gross Income	\$1,898,378	\$1,994,715	\$2,444,225	\$2,509,869	\$3,124,622	\$30.85	94.8%
Total Expenses	\$794,404	\$781,167	\$762,656	\$729,443	\$779,023	\$7.69	24.9%
Net Operating Income	\$1,103,974	\$1,213,548	\$1,681,569	\$1,780,426	\$2,345,600	\$23.16	75.1%
Total TI/LC, Capex/RR	0	0	0	0	152,200	1.50	4.9
Net Cash Flow	\$1,103,974	\$1,213,548	\$1,681,569	\$1,780,426	\$2,193,400	\$21.65	70.2%
Occupancy⁽⁶⁾	73.1%	78.6%	94.5%	92.6%	92.9%		

(1) TTM column represents the trailing twelve month period ending on February 28, 2014.

(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 is higher than historical years primarily due to new leases at the property following the completion of renovations. In 2013, ten new leases commenced totaling approximately 30,511 square feet.

(4) Underwritten Rents in Place represents in-place tenants with contractual rent steps occurring through April 2015.

(5) Other Income includes storage rent, telecom rent and miscellaneous income.

(6) Occupancy is as of December 31 of the respective year and TTM Occupancy is as of April 1, 2014.