

Blue Lake Center

Mortgage Loan Information

Mortgage Loan Seller:	SMF II
Original Principal Balance:	\$17,240,000
Cut-off Date Principal Balance:	\$17,240,000
% of Pool by IPB:	2.1%
Loan Purpose:	Acquisition
Borrower:	POH Blue Lake LLC
Sponsors:	David Garfinkle, Craig Sternberg, Ben Colonos, David Lewin and Arnaud Sitbon
Interest Rate:	4.45000%
Note Date:	11/20/2014
Maturity Date:	12/6/2024
Interest-only Period:	60 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(26),Def(89),O(5)
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):	166,779
Location:	Birmingham, AL
Year Built / Renovated:	1982 / N/A
Occupancy:	85.6%
Occupancy Date:	11/1/2014
Number of Tenants:	20
2011 NOI:	\$1,228,470
2012 NOI:	\$1,302,431
2013 NOI:	\$1,508,522
TTM NOI (as of 8/2014):	\$1,618,695
UW Economic Occupancy:	81.6%
UW Revenues:	\$2,671,128
UW Expenses:	\$1,042,211
UW NOI:	\$1,628,917
UW NCF:	\$1,460,253
Appraised Value / Per SF:	\$23,000,000 / \$138
Appraisal Date:	10/1/2014

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$46,790	\$15,597	N/A
Insurance:	\$5,854	\$1,951	N/A
Replacement Reserves⁽¹⁾:	\$1,105,000	Springing	\$37,530
TI/LC⁽²⁾:	\$800,000	Springing	\$400,000
Other:	\$0	\$0	N/A

Financial Information

Cut-off Date Loan / SF:	\$103
Maturity Date Loan / SF:	\$95
Cut-off Date LTV:	75.0%
Maturity Date LTV:	68.5%
UW NCF DSCR:	1.40x
UW NOI Debt Yield:	9.4%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$17,240,000	74.6%	Purchase Price	\$20,800,000	90.0%
Sponsor Equity	5,867,851	25.4	Upfront Reserves	1,957,644	8.5
			Closing Costs	350,206	1.5
Total Sources	\$23,107,851	100.0%	Total Uses	\$23,107,851	100.0%

(1) The borrower is required to make monthly deposits into the replacement reserve in the amount of \$2,085 when the reserve drops below the cap.

(2) The borrower is required to make monthly deposits into the TI/LC reserve in the amount of \$13,899 when the reserve drops below the cap.

The Loan. The Blue Lake Center loan has an outstanding balance of approximately \$17.2 million and is secured by a first mortgage lien on a four-story, 166,779 square foot, Class A suburban office building located in Birmingham, Alabama. The loan has a 10-year term and, subsequent to a 60-month interest-only period, amortizes on a 30-year schedule. The sponsors and nonrecourse carve-out guarantors are David Garfinkle, Craig Sternberg, Ben Colonos, David Lewin and Arnaud Sitbon. David Garfinkle, Craig Sternberg, Ben Colonos and David Lewin are principals at PointOne Holdings, a Hollywood, Florida-based privately held real estate investment management firm. PointOne Holdings was founded in 2009 and focuses primarily on the acquisition, renovation, management and disposition of value-add, income producing and distressed residential and commercial real estate. Since 2010, PointOne Holdings has acquired over 840 multifamily units and approximately 400,000 square feet of Class "A" office space throughout the southeastern United States. The previously existing debt was included in the BSCMS 2007-PW17 securitization which was secured in part by the Blue Lake Center mortgaged property and in part by additional collateral that does not secure the Blue Lake Center mortgage loan.

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The Property. Blue Lake Center is a four-story suburban office with 166,779 square feet of Class A office space located in the Birmingham, Alabama. The property was constructed in 1982. The property seller invested approximately \$250,000 in upgrading the property's building systems since 2009. Renovations included new surveillance systems, elevator upgrades, restroom renovations, HVAC temperature controls, and a 100-ton chiller replacement. Additionally, \$1,105,000 was escrowed at closing for capital improvements related to the roof, restrooms, hallways, HVAC system, parking lot and landscape and signage. As of November 1, 2014, the property was 85.6% occupied.

The largest tenant, B.A.S.S., LLC, which operates a fishing membership organization and publishes various magazines for anglers, is headquartered at the property. The magazines offer information on conservation, fisheries, and fishing tournaments. B.A.S.S., LLC's lease commenced in November 2011 for a term of five years and eight months and encompasses 15,662 square feet (9.4% of the net rentable area). B.A.S.S., LLC recently exercised a one year extension option to extend its lease from June 2017 to June 2018. The second largest tenant, SS Nesbitt & Co., is an insurance agency that offers business insurance, personal insurance and employee benefit solutions. SS Nesbitt & Co.'s most recent lease commenced in September 2013 for a term of approximately five years and encompasses 14,430 square feet (8.7% of the net rentable area). The third largest tenant, McKesson Information Solutions LLC, is the nation's oldest health care services company, focused on the delivery of medical supplies and health care information technologies to the healthcare industry. McKesson Information Solutions LLC has been in tenancy at the Blue Lake Center since March 2009, recently extended its lease for 39 months and occupies 13,629 square feet (8.2% of the net rentable area).

The Market. Blue Lake Center is located in the Highway 280/Jefferson office submarket which, according to the appraisal, has an overall vacancy rate of 8.9% as of the second quarter of 2014 for Class A office properties. The Highway 280/Jefferson submarket contains approximately 3.5 million square feet of Class A office space as of the second quarter of 2014. 2013 population within a three- and five- mile radius of the property is 40,456 and 118,743, respectively. 2013 median household income within a three- and five- mile radius of the property is \$69,534 and \$79,038, respectively. A market research report concluded market rent in the submarket of \$21.62 per square foot as of the third quarter of 2014. The in-place rent at the property is \$19.31 per square foot, which is below the market research report's conclusions.

Tenant Summary ⁽¹⁾					
Tenant	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
B.A.S.S., LLC	NA / NA / NA	15,662	9.4%	\$18.91	6/30/2018
SS Nesbitt & Co.	NA / NA / NA	14,430	8.7%	\$20.94	7/31/2018
McKesson Information Solutions LLC	Baa2 / BBB+ / BBB+	13,629	8.2%	\$20.00	7/31/2017
Rx Benefits ⁽³⁾	NA / NA / NA	13,037	7.8%	\$18.97	Various
Principal Life Insurance Company ⁽⁴⁾	NA / NA / NA	12,166	7.3%	\$19.00	6/30/2020
FirstBank	NA / NA / NA	9,501	5.7%	\$18.96	7/31/2016
Gaines, Gault & Hendrix, PC	NA / NA / NA	8,348	5.0%	\$20.73	8/31/2020
Green Tree Servicing, AL LLC	NA / NA / NA	8,275	5.0%	\$20.09	3/31/2016
Vulcan Value Partners, LLC. ⁽⁵⁾	NA / NA / NA	6,354	3.8%	\$22.63	11/30/2015
Renal Treatment Centers-Southeast LP	NA / NA / NA	5,708	3.4%	\$18.80	2/28/2019

(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) Rx Benefits leases 10,233 square feet (\$18.96 Base Rent PSF) expiring on April 30, 2018 and 2,804 square feet (\$19.00 Base Rent PSF) expiring on July 31, 2019.

(4) Principal Life Insurance Company has a one-time right to terminate its lease on July 31, 2017 with nine months' notice and payment of a termination fee equal to unamortized costs related to tenant improvements, rental abatements and leasing commission costs.

(5) Vulcan Value Partners, LLC. is currently dark but remitting rent. Cypress Group currently subleases 2,902 square feet of space through November 2015 at \$18.60 per square foot.

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Operating History and Underwritten Net Cash Flow							
	2011	2012	2013	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$3,281,113	\$3,261,164	\$3,265,126	\$3,233,025	\$2,591,213	\$15.54	79.1%
Vacant Income	0	0	0	0	603,980	3.62	18.4
Gross Potential Rent	\$3,281,113	\$3,261,164	\$3,265,126	\$3,233,025	\$3,195,193	\$19.16	97.6%
Total Reimbursements	31,181	38,544	72,560	59,357	67,344	0.40	2.1
Other Income	24,050	16,929	15,579	12,571	12,571	0.08	0.4
Net Rental Income	\$3,336,343	\$3,316,637	\$3,353,264	\$3,304,953	\$3,275,108	\$19.64	100.0%
(Vacancy/Credit Loss)	(1,182,791)	(1,027,051)	(838,783)	(695,515)	(603,980)	(3.62)	(18.4)
Effective Gross Income	\$2,153,552	\$2,289,585	\$2,514,481	\$2,609,438	\$2,671,128	\$16.02	81.6%
Total Expenses	\$925,082	\$987,155	\$1,005,959	\$990,743	\$1,042,211	\$6.25	39.0%
Net Operating Income	\$1,228,470	\$1,302,431	\$1,508,522	\$1,618,695	\$1,628,917	\$9.77	61.0%
Total TI/LC, Capex/RR	0	0	0	0	168,664	1.01	6.3
Net Cash Flow	\$1,228,470	\$1,302,431	\$1,508,522	\$1,618,695	\$1,460,253	\$8.76	54.7%
Occupancy⁽³⁾	67.3%	73.7%	79.8%	85.6%	81.6%		

(1) TTM column represents the trailing twelve-month period ending in August 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) TTM Occupancy is as of November 1, 2014.