Deerwood Office Park

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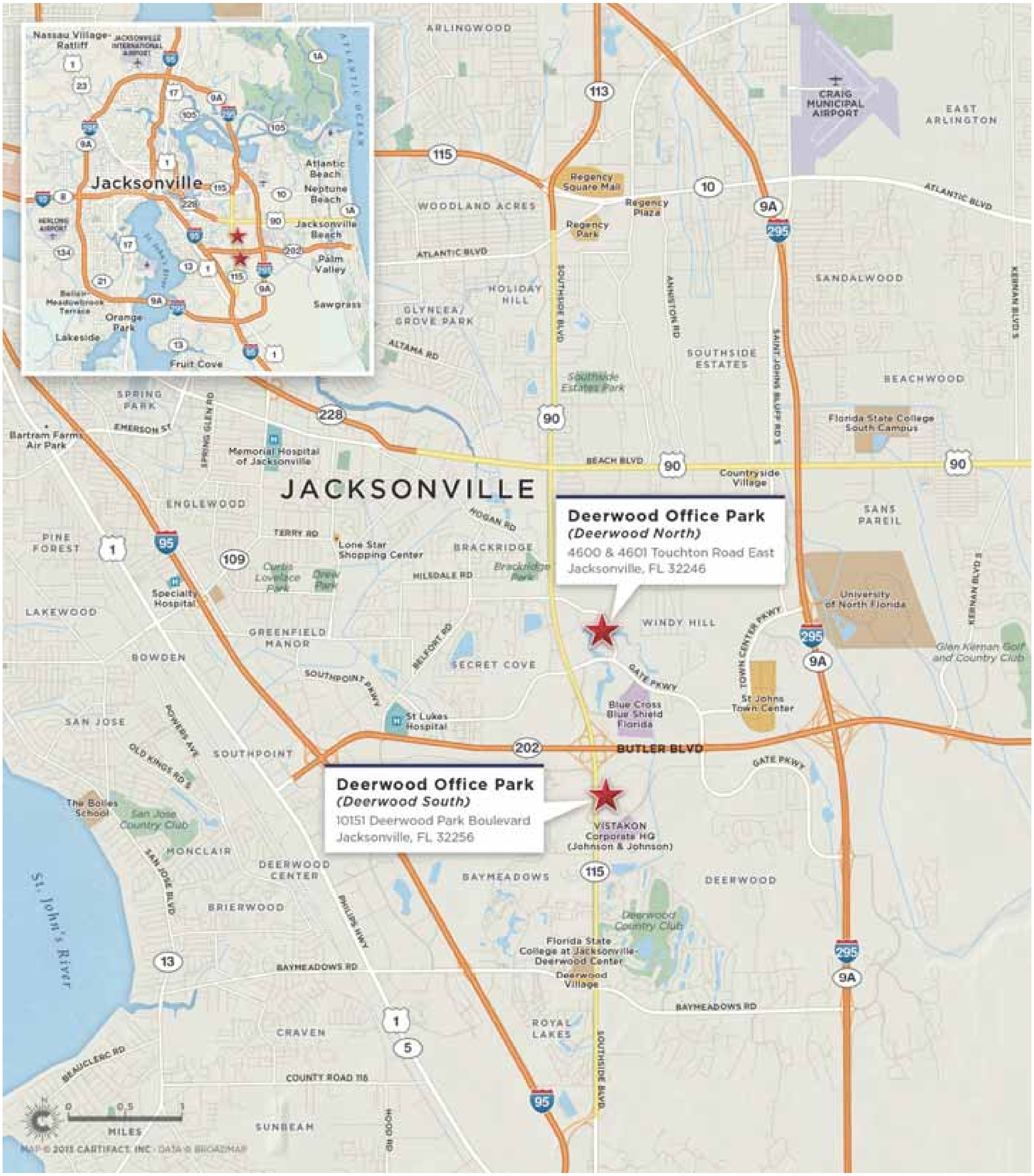

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Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	$84,500,000
Cut-off Date Principal Balance:	$84,500,000
% of Pool by IPB:	6.4%
Loan Purpose:	Acquisition
Borrowers:	FDG Deerwood North, LLC and FDG Deerwood South LLC
Sponsor:	Parkway Properties LP
Interest Rate:	3.92200%
Note Date:	3/7/2013
Maturity Date:	4/1/2023
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Grtr1%orYM(91),O(4)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee
Property Type - Subtype:	Office - Suburban
Net Rentable Area (SF):	1,018,218
Location:	Jacksonville, FL
Year Built / Renovated:	Various / N/A
Occupancy:	93.3%
Occupancy Date:	3/1/2013
Number of Tenants:	36
2010 NOI:	$10,029,991
2011 NOI:	$8,663,731
2012 NOI:	$10,457,547
UW Economic Occupancy:	92.0%
UW Revenues:	$18,753,276
UW Expenses:	$7,611,090
UW NOI[(1)]:	$11,142,186
UW NCF:	$9,526,762
Appraised Value / Per SF:	$132,900,000 / $131
Appraisal Date:	1/30/2013

Escrows and Reserves[(2)]

	Initial	Monthly	Initial Cap
Taxes:	$0	Springing	N/A
Insurance:	$0	Springing	N/A
Replacement Reserves:	$0	Springing	N/A
TI/LC:	$0	Springing	N/A
Other:	$2,736,026	$0	N/A

Financial Information

Cut-off Date Loan / SF:	$83
Maturity Date Loan / SF:	$72
Cut-off Date LTV:	63.6%
Maturity Date LTV:	54.9%
UW NCF DSCR:	1.99x
UW NOI Debt Yield:	13.2%

(1) UW NOI is higher than the 2012 NOI primarily due to three new leases totaling approximately 17,748 square feet as well as contractual rent increases.
(2) For a full description of Escrows and Reserves, please refer to the *"Escrows and Reserves"* section below.

The Loan. The Deerwood Office Park loan has an outstanding principal balance of $84.5 million and is secured by a first mortgage lien on two suburban office parks composed of eight multi-tenant office buildings located in Jacksonville, Florida. The loan has a 10-year term, and subsequent to a 36-month interest-only period, amortizes on a 30-year schedule. Proceeds from the loan, in addition to approximately $49.2 million of sponsor equity, were used to acquire the properties for $130.0 million from Flagler Development, fund upfront reserves of $2.7 million and pay closing costs of $1.0 million.

The Borrowers. The borrowing entities for the loan are FDG Deerwood North, LLC and FDG Deerwood South LLC, each a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and non-recourse guarantor is Parkway Properties LP. Parkway Properties LP is controlled by Parkway Properties, Inc. ("Parkway Properties"), a publicly traded real estate investment trust (NYSE: PKY) specializing in office properties in the southern portion of the United States. As of January 1, 2013, Parkway Properties owns or has an interest in 43 office properties located in nine states comprising approximately 11.9 million square feet of leasable space. In addition, Parkway Properties manages approximately 10.8 million square feet on behalf of third parties.

The Property. The Deerwood Office Park is comprised of two Class A office parks located in Jacksonville, Florida. Deerwood North is a four-building, 496,373 square foot office park that is approximately 93.3% leased and Deerwood South is a four-building, 521,845 square foot office park that is approximately 93.3% leased. Together the two office parks total approximately 1,018,218 square feet and are approximately 93.3% leased. The office parks were built in phases between 1996 and 2005 and are situated on approximately 75.3 acres. Both of the properties are located at the intersection of J.Turner Butler Boulevard and Southside Boulevard approximately 10 miles southeast of the Jacksonville's central business district. The properties are located within a larger 358-acre park that currently has over 4 million square of office space and is home to over 50 companies, employing over 15,000 people. Both properties have received awards including "Best Project Development" for Deerwood North by the National Association of Industrial and Office Properties ("NAIOP") and Deerwood South has received the "Best Suburban Office Park" award by the Building Owners and Managers Associations International ("BOMA") twice.

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As of March 1, 2013, the property was 93.3% leased by 36 tenants. Approximately 56.3% of the net rentable area is leased by investment grade tenants or their affiliates. The largest tenant within the portfolio, JPMorgan Chase Bank, National Association ("JPMCB"), leases approximately 18.6% of the net rentable area through June 2015 with one five-year extension option remaining. JPMCB uses the majority of its space for the processing and servicing of residential mortgages. JPMCB has been in occupancy since 1997 and in January 2012 expanded by approximately 4,254 square feet. In addition, JPMCB allowed a termination option for 81,227 square feet to expire in October 2012. In total, JPMCB occupies space at four other properties within the Jacksonville market totaling approximately 415,000 square feet. The second largest tenant within the portfolio, Fidelity Investments ("Fidelity") leases 10.5% of the net rentable area through September 2016. Fidelity uses its space as a call center for management of 401ks and high net worth individuals. Fidelity originally took occupancy in September 2006 and expanded by approximately 29,143 square feet in April 2007. Fidelity allowed a termination option for their entire premises to expire in October 2012. The third largest tenant within the portfolio, Comcast, leases 10.4% of the net rentable area through March 2021 with two five-year extension options remaining. Comcast took occupancy in 2010 and uses the location to house customer service operations and corporate training.

According to the appraisal, as of the fourth quarter of 2012, the Jacksonville office market was comprised of approximately 61.1 million square feet of office space with a vacancy rate of 13.5%. The property is located in the Southside submarket which contains approximately 16.0 million square feet of office space, of which 6.6 million was considered Class A. The Southside submarket reported an overall vacancy rate of 11.5% and a Class A vacancy rate of 5.3%. The appraisal identified seven competitive properties ranging from approximately 92,701 to 288,147 square feet that reported a weighted average occupancy of approximately 92.6% and asking rents of $18.00 to $20.50 per square foot which are in-line with rents at the properties. In addition, according to the appraisal, there are no new office properties under construction in the properties' submarket.

Property Summary

Property	Year Built	Net Rentable Area (SF)	Number of Tenants(1)	Current Occupancy	Allocated Loan Amount(2)	Appraised Value(3)	Largest Tenant
Deerwood North – Building 1	1999	135,283	5	86.6%	N/A	N/A	Carolina Casualty Insurance
Deerwood North – Building 2	2001	134,845	2	100.0%	N/A	N/A	Comcast
Deerwood North – Building 3	2003	112,347	7	88.0%	N/A	N/A	NGM Insurance
Deerwood North – Building 4	2005	113,898	2	98.4%	N/A	N/A	Fidelity Investments
Deerwood North Subtotal		**496,373**	**16**	**93.3%**	**$43,100,000**	**$67,800,000**	
Deerwood South – Building 1	1996	134,519	9	100.0%	N/A	N/A	Fortegra
Deerwood South – Building 2	1996	126,274	5	83.9%	N/A	N/A	Adecco
Deerwood South – Building 3	1997	126,121	6	96.1%	N/A	N/A	JPMorgan Chase Bank, NA
Deerwood South – Building 4	1998	134,931	4	82.8%	N/A	N/A	JPMorgan Chase Bank, NA
Deerwood South Subtotal		**521,845**	**24**	**93.3%**	**$41,400,000**	**$65,100,000**	
Total		**1,018,218**	**40**	**93.3%**	**$84,500,000**	**$132,900,000**	

(1) Number of Tenants reflects actual tenants within each property. The portfolio in total has 36 distinct tenants, some of which occupy spaces at multiple properties.
(2) Allocated Loan Amount based on each individual office park and were not determined on a building by building basis.
(3) Appraised Value based on each individual office park and were not provided on a building by building basis.

Historical and Current Occupancy(1)

Property	2009	2010	2011	2012	Current(2)
Deerwood North – Building 1	79.4%	78.8%	90.0%	85.6%	86.6%
Deerwood North – Building 2(3)	21.1%	100.0%	100.0%	100.0%	100.0%
Deerwood North – Building 3	88.1%	94.5%	94.5%	93.7%	88.0%
Deerwood North – Building 4	100.0%	100.0%	98.4%	98.4%	98.4%
Deerwood North Subtotal	**70.3%**	**93.0%**	**95.7%**	**94.3%**	**93.3%**
Deerwood South – Building 1	61.4%	41.7%	99.9%	100.0%	100.0%
Deerwood South – Building 2(4)	77.6%	23.5%	82.9%	87.7%	83.9%
Deerwood South – Building 3	87.6%	93.5%	93.5%	96.9%	96.1%
Deerwood South – Building 4	95.8%	78.5%	93.8%	92.8%	82.8%
Deerwood South Subtotal	**80.6%**	**59.4%**	**92.7%**	**94.4%**	**93.3%**
Weighted Average	**75.6%**	**75.8%**	**94.1%**	**94.4%**	**93.3%**

(1) Historical Occupancies are as of December 31 of each respective year.
(2) Current Occupancy based on March 1, 2013 rent roll.
(3) The occupancy increase from 2009 to 2010 at Deerwood North – Building 2 was the result of a new 106,253 square foot lease with Comcast.
(4) The occupancy increase from 2010 to 2011 at Deerwood South – Building 2 was primarily the result of a new 78,292 square foot lease with Adecco.

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Tenant Summary[1]

Tenant	Ratings[2] Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
JPMorgan Chase Bank, NA[3]	A2 / A / A+	189,092	18.6%	$18.39	6/30/2015
Fidelity Investments[4]	A2 / A+ / NA	107,062	10.5%	$20.65	9/30/2016
Comcast[5]	A3 / A- / BBB+	106,253	10.4%	$11.50	3/31/2021
Adecco[6]	Baa3 / BBB / NA	78,292	7.7%	$19.00	3/31/2022
NGM Insurance	NA / NA / NA	67,694	6.6%	$20.65	2/29/2016
Fortegra	NA / NA / NA	58,089	5.7%	$18.75	4/30/2022
Carolina Casualty Insurance	NA / A+ / NA	57,668	5.7%	$20.31	8/31/2017
Arizona Chemical Company	Ba3 / B+ / NA	42,911	4.2%	$19.48	9/30/2017
Black Diamond Performance	NA / NA / NA	29,031	2.9%	$19.57	8/31/2017
TD Auto Finance LLC	NA / NA / NA	28,593	2.8%	$20.73	7/31/2014

(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) JPMorgan Chase Bank has the right to terminate 21,246 square feet of its space in October 2013 with notice required by April 30, 2013.
(4) Fidelity Investments has the right to terminate its lease if the tenant signs a lease for an entire new building with the borrower or its affiliates, if the total space leased by the tenant from the borrower and its affiliates in the Jacksonville market is at least 150,000 square feet.
(5) Comcast's Base Rent PSF reflects a NNN lease.
(6) Adecco has the right to reduce its space by 20,000 square feet after August 2016, with a fee of approximately $725,617 and nine months notice. In addition, Adecco has the right to terminate its lease on December 31, 2018, subject to a termination fee of approximately $2.2 million and nine months' notice.

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	68,296	6.7%	NAP	NAP	68,296	6.7%	NAP	NAP
2013 & MTM	4	22,967	2.3	$494,453	2.8%	91,263	9.0%	$494,453	2.8%
2014	3	40,828	4.0	838,236	4.7	132,091	13.0%	$1,332,689	7.5%
2015	7	224,458	22.0	4,152,155	23.3	356,549	35.0%	$5,484,844	30.8%
2016	7	226,432	22.2	4,621,392	26.0	582,981	57.3%	$10,106,236	56.8%
2017	8	157,895	15.5	3,124,603	17.6	740,876	72.8%	$13,230,838	74.4%
2018	4	34,708	3.4	755,621	4.2	775,584	76.2%	$13,986,459	78.6%
2019	0	0	0.0	0	0.0	775,584	76.2%	$13,986,459	78.6%
2020	0	0	0.0	0	0.0	775,584	76.2%	$13,986,459	78.6%
2021	1	106,253	10.4	1,221,910	6.9	881,837	86.6%	$15,208,368	85.5%
2022	2	136,381	13.4	2,576,678	14.5	1,018,218	100.0%	$17,785,046	100.0%
2023	0	0	0.0	0	0.0	1,018,218	100.0%	$17,785,046	100.0%
2024 & Beyond	0	0	0.0	0	0.0	1,018,218	100.0%	$17,785,046	100.0%
Total	**36**	**1,018,218**	**100.0%**	**$17,785,046**	**100.0%**				

(1) Based on the underwritten rent roll.

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Operating History and Underwritten Net Cash Flow	2010	2011	2012	Underwritten	Per Square Foot	%(1)
Rents in Place(2)	$15,933,179	$14,727,035	$16,592,277	$17,785,046	$17.47	87.3%
Vacant Income	0	0	0	1,345,414	1.32	6.6
Gross Potential Rent	**$15,933,179**	**$14,727,035**	**$16,592,277**	**$19,130,460**	**$18.79**	**93.9%**
Total Reimbursements	1,260,352	1,113,833	1,086,932	1,253,535	1.23	6.1
Net Rental Income	**$17,193,531**	**$15,840,868**	**$17,679,208**	**$20,383,995**	**$20.02**	**100.0%**
(Vacancy/Credit Loss)	0	0	0	(1,630,720)	(1.60)	(8.0)
Other Income	0	0	0	0	0.00	0.0
Effective Gross Income	**$17,193,531**	**$15,840,868**	**$17,679,208**	**$18,753,276**	**$18.42**	**92.0%**
Total Expenses	**$7,163,540**	**$7,177,137**	**$7,221,662**	**$7,611,090**	**$7.47**	**40.6%**
Net Operating Income	**$10,029,991**	**$8,663,731**	**$10,457,547**	**$11,142,186**	**$10.94**	**59.4%**
Total TI/LC, Capex/RR	0	0	0	1,615,424	1.59	8.6
Net Cash Flow	**$10,029,991**	**$8,663,731**	**$10,457,547**	**$9,526,762**	**$9.36**	**50.8%**

(1) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.
(2) Underwritten Rents in Place are higher than the 2012 primarily due to three new leases totaling approximately 17,748 square feet as well as contractual rent increases.

Property Management. The properties are managed by Parkway Realty Services, LLC, an affiliate of the sponsor.

Escrows and Reserves. At closing, the borrower deposited into escrow approximately $2.5 million for free rent obligations associated with 11 tenants and $216,198 for outstanding tenant improvement and leasing commission obligations.

Tax Escrows - The requirement for the borrower to make monthly deposits to the tax escrow is waived so long as (i) the DSCR based on the trailing three month period is equal to or greater than 1.55x, (ii) the borrower provides satisfactory evidence that the required taxes and other charges have been paid prior to the date such payments are due in accordance with the loan documents and (iii) no event of default exists.

Insurance Escrows - The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as (i) the borrower provides satisfactory evidence that the properties are insured under a blanket policy in accordance with the loan documents and (ii) no event of default exists.

Replacement Reserves - The requirement for the borrower to make monthly deposits to the replacement reserve is waived so long as (i) the DSCR based on the trailing three month period is equal to or greater than 1.55x and (ii) no event of default exists. In the event replacement reserves are required to be escrowed, the borrower will deposit $16,970 on a monthly basis (approximately $0.20 per square foot annually) to the replacement reserves.

TI/LC Reserves - The requirement for the borrower to make monthly deposits to the TI/LC reserve is waived so long as (i) the DSCR based on the trailing three month period is equal to or greater than 1.55x and (ii) no event of default exists. In the event reserves are required to be escrowed, the borrower will deposit $116,667 on a monthly basis (approximately $1.37 per square foot annually) to the TI/LC reserve.

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Lockbox / Cash Management. The loan is structured with a CMA lockbox and springing cash management. The borrower was required to send tenant direction letters to tenants instructing them to deposit all rents and payments into the lockbox account. The funds are then returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event (defined below). In the event of a Cash Sweep Event, all rents will be swept to a segregated cash management account set up at such time and held in trust and for the benefit of the lender as additional security for the loan. The lender will have a first priority security interest in the cash management account. “Cash Sweep Event” means the occurrence of: (i) the DSCR based on the trailing three month period falling below 1.35x, (ii) no event of default exists, (iii) the borrower or property manager becoming the subject of a bankruptcy, insolvency or similar action, (iv) a Major Tenant Trigger Event (defined below) or (v) a Free Rent Deposit Trigger Event (defined below). During a Cash Sweep Event, all excess cash flow will be deposited into the cash management account and will be held as additional collateral for the loan, or, in the event of a Free Rent Deposit Trigger Event, held and disbursed as provided in the loan documents.

A “Major Tenant Trigger Event” occurs when Comcast, Fidelity, JPMCB and/or any replacement tenants demising 100,000 square feet or more fails to renew at least 25,000 square feet of its leased space prior to the date required to exercise any renewal options, gives notice that it will not renew or vacates its space.

A “Free Rent Deposit Trigger Event” occurs if free rent amounts due to Adecco in September 2016 and/or Comcast in January 2017 are not deposited into escrow with the lender 12 months prior to the date that the free rent periods are scheduled to begin. The borrower will be required to deposit approximately $537,000 to cover the free rent period scheduled in the Adecco lease from September 2016 to December 2016 and $1.1 million to cover the free rent period scheduled in the Comcast lease from January 2017 to September 2017.

Release Provisions. Borrower may release either Deerwood North or Deerwood South from the collateral of the loan starting in May 2015, provided that, among other things, (i) no event of default exists; (ii) borrower pays a release price of 110% of the applicable allocated loan amount and the applicable yield maintenance premium; (iii) the DSCR for the property then remaining subject to the lien of the mortgage is equal to or greater than the greater of (a) 2.00x or (b) the DSCR of the properties then subject to the lien of the mortgage immediately preceding the release based on the trailing twelve month period; and (iv) the LTV for the then remaining individual property shall be equal to or less than 64.0%.