

Franklin Ridge Crossed Loans

Mortgage Loan Information⁽¹⁾

Mortgage Loan Seller:	SMF II
Original Principal Balance:	\$18,200,000
Cut-off Date Principal Balance:	\$18,200,000
% of Pool by IPB:	2.3%
Loan Purpose:	Acquisition
Borrowers:	FDS Franklin 9910, LLC, FDS Franklin 9920, LLC and FDS Franklin 9900, LLC
Sponsors⁽²⁾:	Various
Interest Rate:	4.82000%
Note Date:	11/9/2015
Maturity Date:	12/6/2025
Interest-only Period:	12 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(12),Grtr1%orYM(103),O(5)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information⁽¹⁾

Single Asset / Portfolio:	Crossed Assets
Title:	Fee
Property Type - Subtype:	Office – Suburban
Net Rentable Area (SF):	133,869
Location:	Nottingham, MD
Year Built / Renovated:	Various / N/A
Occupancy:	100.0%
Occupancy Date:	8/19/2015
Number of Tenants:	9
2012 NOI:	\$2,077,626
2013 NOI⁽³⁾:	\$2,155,894
2014 NOI⁽³⁾:	\$1,972,128
TTM NOI (as of 7/2015):	\$2,021,604
UW Economic Occupancy:	91.2%
UW Revenues:	\$2,818,855
UW Expenses:	\$1,009,105
UW NOI:	\$1,809,750
UW NCF⁽⁴⁾:	\$1,628,456
Appraised Value / Per SF:	\$24,420,000 / \$182
Appraisal Date:	10/13/2015

Escrows and Reserves⁽¹⁾

	Initial	Monthly	Initial Cap
Taxes:	\$125,547	\$25,109	N/A
Insurance:	\$20,320	\$1,847	N/A
Replacement Reserves:	\$0	\$2,253	\$135,180
TI/LC⁽⁵⁾:	\$0	\$22,313	\$850,000
Other⁽⁶⁾:	\$262,010	\$0	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / SF:	\$136
Maturity Date Loan / SF:	\$114
Cut-off Date LTV:	74.5%
Maturity Date LTV:	62.6%
UW NCF DSCR⁽⁴⁾:	1.42x
UW NOI Debt Yield:	9.9%

Sources and Uses⁽¹⁾

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$18,200,000	71.8%	Purchase Price	\$24,150,000	95.2%
Sponsor Equity	6,863,917	27.1	Closing Costs	806,040	3.2
Buyer Credit	300,000	1.2	Upfront Reserves	407,877	1.6
Total Sources	\$25,363,917	100.0%	Total Uses	\$25,363,917	100.0%

(1) The Franklin Ridge Crossed Loans consists of three mortgage loans, secured by the mortgaged properties identified on Annex A-1 to the prospectus as Franklin Ridge – 9910 Building (the “9910 Building”), Franklin Ridge – 9920 Building (the “9920 Building”) and Franklin Ridge – 9900 Building (the “9900 Building”), which are cross-collateralized and cross-defaulted with each other. The information above is presented in the aggregate for all three loans. Each of the mortgage loans in the Franklin Ridge Crossed Loans crossed loan group may be released from the cross-collateralization and cross-default in connection with a prepayment or an assumption. See “Release of Individual Loans in Connection with a Prepayment” and “Release of Individual Loans in Connection with an Assumption” herein.

(2) The loan sponsors of the Franklin Ridge Crossed Loans loan are Jeffrey Toporek, Richard Mann, David Stade, Claiborne Williams, Joseph Delogu and David Alperstein (the “Loan Sponsors”).

(3) The decrease in 2014 NOI from 2013 NOI is primarily due to a reset in reimbursements from Johns Hopkins in January 2014 in connection with a lease extension and Conagra vacating in February 2014. The Conagra space was backfilled by Johns Hopkins effective January 2015.

(4) UW NCF and UW NCF DSCR do not take into account a lease amendment executed by Traffic Group Inc., the fourth largest tenant within the Franklin Ridge crossed loan group, which lease amendment extends the tenant's lease by a term of seven years and annual rent for 2016 is reduced by \$11,951 from the underwritten rent. Taking into account such lease amendment, the UW NCF is \$1,616,505 and the UW NCF DSCR is 1.41x.

(5) Ongoing TI/LC reserves of \$22,313 per month will be collected for the first 24 months of each loan term. Thereafter, monthly collections of \$11,158 will commence, subject to a cap of \$850,000 as long as no event of default is continuing. Additionally, upon receipt of satisfactory evidence that each of Johns Hopkins University and Strayer University Inc. have renewed or entered into a new lease having an expiration date no earlier than December 31, 2025 and December 31, 2024, respectively, on terms no less beneficial to the landlord than those of the current leases, and all outstanding landlord obligations have been satisfied, monthly TI/LC reserve payments will be reduced to \$8,368 per month. Further, upon the occurrence of the renewals or at such time as the borrowers have provided the lender with satisfactory evidence that replacement leases are in place for a period of two calendar quarters with respect to the spaces occupied by Johns Hopkins University and/or Strayer University Inc., as applicable, such that the occupancy of the aggregate rentable square footage at the properties is at least 92%, any funds held in the TI/LC reserve in excess of \$50,000, \$100,000 and \$100,000 for the 9910 Building, the 9900 Building and the 9920 Building, respectively, will be released to the applicable borrowers, and the TI/LC cap will be reduced to \$250,000 from its current cap of \$850,000. If one or more of the mortgage loans have been released at such time, the TI/LC cap will be further reduced by \$50,000 per mortgaged property released and the amount of TI/LC reserve funds to be released to the borrowers in excess of such reduced cap will be adjusted accordingly.

(6) Initial Other Escrows and Reserves of \$262,010 represent a reserve for outstanding tenant improvements related to tenant Johns Hopkins University.

Franklin Ridge Crossed Loans

The Loans. The Franklin Ridge – 9910 Building Loan, the Franklin Ridge – 9920 Building Loan and the Franklin Ridge – 9900 Building Loan (together, the “Franklin Ridge Crossed Loans”) are three cross-collateralized and cross-defaulted loans with outstanding principal balances as of the Cut-off Date of \$7.8 million, \$5.8 million and \$4.6 million, respectively. The Franklin Ridge Crossed Loans are secured by three first mortgage liens on one one-story and two two-story Class B suburban office buildings totaling 133,869 square feet located in Nottingham, Maryland. Each loan has a 10-year term and, subsequent to a one-year interest-only period, will amortize on a 30-year schedule. The Loan Sponsors and nonrecourse carve-out guarantors are Jeffrey Toporek, Richard Mann, David Stade, Claiborne Williams, Joseph Delogu and David Alperstein. The Loan Sponsors are the principals of FD Stonewater, a national real estate development, investment, asset management and brokerage firm based in Arlington, Virginia. Collectively, FD Stonewater's principals have been involved in approximately \$10 billion of real estate transactions and 40 million square feet of lease transactions. Additionally, FD Stonewater currently holds a portfolio of approximately 1.7 million square feet of office, industrial and flex properties. FD Stonewater has acquired and/or asset managed nearly 5.8 million square feet of real estate through both its investment and development platforms over the past 12 years.

The Properties. The Franklin Ridge Crossed Loans are comprised of three Class B office properties located on Franklin Square Drive in Nottingham, Maryland. The 9900 Building is a one-story office building built in 1999 totaling 34,082 square feet. The 9910 Building and the 9920 Building are two-story office buildings developed in 2005 consisting of 56,271 square feet and 43,516 square feet, respectively. The properties are located along the east side of Interstate 95 at 9900, 9910 and 9920 Franklin Square Drive within White Marsh Town Center. White Marsh Town Center is a 2,000-acre planned community consisting of office, retail, residential and industrial uses. National retailers in the immediate area include IKEA, AMC Theatres, AC Moore, Barnes & Noble, Best Buy, Target, Dick's Sporting Goods and Lowes Home Improvement. The properties include 750 parking spaces in the aggregate, resulting in a parking ratio of approximately 5.6 parking spaces per 1,000 square feet of net rentable area.

Portfolio Summary						
Property	Year Built	Net Rentable Area (SF)	Cut-off Date Balance	Appraised Value	Underwritten Net Cash Flow	% of Underwritten Net Cash Flow
9910 Building	2005	56,271	\$7,800,000	\$10,460,000	\$648,825	39.8%
9920 Building	2005	43,516	5,800,000	7,750,000	619,140	38.0
9900 Building	1999	34,082	4,600,000	6,210,000	360,491	22.1
Total		133,869	\$18,200,000	\$24,420,000	\$1,628,456	100.0%

Historical and Current Occupancy ⁽¹⁾				
Property	2012	2013	2014	Current ⁽²⁾
9910 Building	100.0%	100.0%	100.0%	100.0%
9920 Building	97.4%	97.4%	91.2%	100.0%
9900 Building	85.7%	85.7%	100.0%	100.0%

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

(2) Current occupancy is as of August 19, 2015.

The properties were 100.0% occupied as of August 19, 2015 by nine tenants and have had an average occupancy level of 96.1% over the past three years. The largest tenant, Johns Hopkins University, leases 48.6% of the net rentable area through December 2020 and has been in occupancy since December 2005, expanding once in October 2013 and again in January 2015. The Franklin Ridge Crossed Loans properties serve as administrative offices for the John Hopkins School of Nursing, the Clinical Practice Association and the Johns Hopkins Community Physicians. Johns Hopkins Medicine is one of the leading health care systems in the United States uniting physicians and scientists of the Johns Hopkins University School of Medicine with various organizations of health professionals. The second largest tenant, Strayer University Inc., leases 17.1% of the net rentable area through December 2019 and has been in occupancy since December 2008. Strayer University Inc. is a for-profit university headquartered in Herndon, Virginia. Strayer University Inc. offers 90 different degrees serving approximately 40,000 working adults at 80 campuses in 15 states across the nation. The third largest tenant, Corvel Enterprise Corp, leases 11.6% of the net rentable area through October 2016 and has been in occupancy since April 2006, expanding once in July 2012. Corvel Enterprise Corp is a national provider of workers compensation solutions to employers, third party administrators, insurance companies and government agencies.

Franklin Ridge Crossed Loans

The Market. The Franklin Ridge Crossed Loans properties are located in the Baltimore County East office submarket which, according to the appraisal, has an overall vacancy rate of 9.3% as of the fourth quarter of 2015. The Baltimore County East submarket contains approximately 4.6 million square feet of office space as of the fourth quarter of 2015. The estimated 2015 population within a three- and five- mile radius of the properties is 84,434 and 237,257, respectively. The estimated 2015 median household income within a three- and five- mile radius of the properties is \$63,012 and \$58,119, respectively. The appraisal concluded market rent in the submarket of \$16.00 per square foot at the 9900 Building and \$22.00 per square foot at the 9910 Building and 9920 Building. The in-place rent at the 9900 Building is \$15.11 per square foot, which is below the appraisal's conclusions. The weighted average in-place rent per square foot between the 9910 Building and 9920 Building is \$23.14, which is slightly above the appraisal's conclusions.

Tenant Summary ⁽¹⁾						
Tenant	Property	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Johns Hopkins University	Various ⁽²⁾	NA / NA / NA	65,016	48.6%	\$21.03	12/31/2020
Strayer University Inc.	9920 Building	NA / NA / NA	22,857	17.1%	\$24.34	12/31/2019
Corvel Enterprise Corp	9920 Building	NA / NA / NA	15,579	11.6%	\$27.49	10/31/2016
Traffic Group Inc. ⁽³⁾	9900 Building	NA / NA / NA	12,071	9.0%	\$14.49	7/31/2016
Professional Management	9900 Building	NA / NA / NA	7,725	5.8%	\$18.04	10/31/2018
Neopost USA Inc.	9900 Building	NA / NA / NA	3,665	2.7%	\$11.75	6/30/2020
MRI Center at White Marsh	9900 Building	NA / NA / NA	3,000	2.2%	\$15.65	6/30/2016
Professional Medical	9900 Building	NA / NA / NA	2,796	2.1%	\$15.65	6/30/2016
International Hearing Systems LLC	9920 Building	NA / NA / NA	1,160	0.9%	\$20.70	6/30/2019

(1) Based on the underwritten rent roll.

(2) Johns Hopkins University leases 56,271 square feet at the 9910 Building, 4,825 square feet at the 9900 Building and 3,920 square feet at the 9920 Building. All three leases are coterminous.

(3) Traffic Group Inc. executed a lease amendment, which amendment provides for a lease expiration date of November 30, 2023.

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	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
2015 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2016 ⁽²⁾	4	33,446	25.0	693,831	24.6	33,446	25.0%	\$693,831	24.6%
2017	0	0	0.0	0	0.0	33,446	25.0%	\$693,831	24.6%
2018	1	7,725	5.8	139,363	4.9	41,171	30.8%	\$833,195	29.5%
2019	2	24,017	17.9	580,460	20.6	65,188	48.7%	\$1,413,655	50.1%
2020	2	68,681	51.3	1,410,597	49.9	133,869	100.0%	\$2,824,252	100.0%
2021	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
2022	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
2023 ⁽²⁾	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
2024	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
2025	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
2026 & Beyond	0	0	0.0	0	0.0	133,869	100.0%	\$2,824,252	100.0%
Total	9	133,869	100.0%	\$2,824,252	100.0%				

(1) Based on the underwritten rent roll.

(2) The lease rollover schedule and underwritten rent roll do not reflect the lease amendment executed by Traffic Group Inc., which amendment extends the tenant's lease by a term of seven years to November 30, 2023. Taking into account such lease amendment, the percentage of NRA expiring in 2016 is 16.0% and the percentage of NRA expiring in 2023 is 9.0%. Additionally, taking into account such lease amendment, the base rent expiring in 2016 is \$518,922 and the base rent expiring in 2023 is \$162,959.

Franklin Ridge Crossed Loans

Operating History and Underwritten Net Cash Flow							
	2012	2013	2014	TTM ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place	\$2,570,656	\$2,725,274	\$2,665,605	\$2,730,537	\$2,824,252	\$21.10	91.4%
Vacant Income	0	0	0	0	0	0.00	0.0
Gross Potential Rent	\$2,570,656	\$2,725,274	\$2,665,605	\$2,730,537	\$2,824,252	\$21.10	91.4%
Total Reimbursements	248,546	261,194	288,951	265,511	266,597	1.99	8.6
Other Income	51,702	50	0	2,377	0	0.00	0.0
Net Rental Income	\$2,870,904	\$2,986,518	\$2,954,556	\$2,998,425	\$3,090,849	\$23.09	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(271,995)	(2.03)	(8.8)
Effective Gross Income	\$2,870,904	\$2,986,518	\$2,954,556	\$2,998,425	\$2,818,855	\$21.06	91.2%
Total Expenses	\$793,278	\$830,624	\$982,428	\$976,821	\$1,009,105	\$7.54	35.8%
Net Operating Income	\$2,077,626	\$2,155,894	\$1,972,128	\$2,021,604	\$1,809,750	\$13.52	64.2%
Total TI/LC, Capex/RR	0	0	0	0	181,294	1.35	6.4
Net Cash Flow⁽³⁾	\$2,077,626	\$2,155,894	\$1,972,128	\$2,021,604	\$1,628,456	\$12.16	57.8%
Occupancy⁽⁴⁾	95.5%	95.5%	97.1%	100.0%	91.2%		

(1) TTM column represents the trailing 12-month period ending on July 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 Net Cash Flow does not take into account a lease amendment executed by Traffic Group Inc., the fourth largest tenant within the Franklin Ridge crossed loan group, which lease amendment extends the tenant's lease by a term of seven years and annual rent for 2016 is reduced by \$11,951 from the underwritten rent. Taking into account such lease amendment, the Underwritten Net Cash Flow is \$1,616,505.

(4) Historical occupancies are as of December 31 for each respective year. TTM occupancy is as of August 19, 2015. Underwritten occupancy represents economic occupancy.

Release of Individual Loans in Connection with a Prepayment. Upon expiration of the lockout period, the borrowers are permitted to obtain the release of any individual loan of the Franklin Ridge Crossed Loans provided that (i) no event of default has occurred and is continuing and (ii) the borrowers partially prepay an amount equal to the greater of (A) 120% of the outstanding principal balance for the release loan and (B) with respect to the remaining Franklin Ridge Crossed Loans loan or loans, as applicable, the amount that results in (x) the loan-to-value ratio immediately following such partial release being equal to or less than 70%, (y) the debt service coverage ratio immediately following such partial release being equal to or greater than 1.35x and (z) the debt yield immediately following such partial release being equal to or greater than 10.0%, as determined by the lender.

Release of Individual Loans in Connection with an Assumption. Upon expiration of the lockout period, the borrowers are permitted to obtain the release of any individual loan of the Franklin Ridge Crossed Loans in connection with an assumption provided that (i) no event of default has occurred and is continuing and (ii) with respect to the assumed Franklin Ridge Crossed Loans loan or loans and the remaining Franklin Ridge Crossed Loans loan or loans, as applicable, (x) the loan-to-value ratio immediately following such partial release is equal to or less than 75%, (y) the debt service coverage ratio immediately following such partial release is equal to or greater than 1.35x and (z) the debt yield immediately following such partial release is equal to or greater than 10.0%, as determined by the lender.