Mortgage Loan No. 2 – National Industrial Portfolio

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National Industrial Portfolio

1	555 Taylor	555 Taylor Road	Enfield, CT	06082
2	15 Independence	15 Independence Drive	Devens, MA	01434
3	Highland Park	170 Highland Park Drive	Bloomfield, CT	06002
4	Moosup Pond	85 Moosup Pond Road	Plainfield, CT	06354
5	50 Independence	50 Independence Drive	Devens, MA	01434
6	1040 Sheridan	1040 Sheridan Street	Chicopee, MA	01022
7	1045 Sheridan	1045 Sheridan Street	Chicopee, MA	01022

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Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	$92,500,000
Cut-off Date Principal Balance:	$92,383,622
% of Pool by IPB:	8.1%
Loan Purpose:	Refinance
Borrower:	NIP Owner II, 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
Property Type - Subtype:	Industrial - Various
Net Rentable Area (SF):	2,908,619
Location:	Various
Year Built/Renovated:	Various / Various
Occupancy[(2)]:	93.9%
Occupancy Date:	Various
Number of Tenants:	13
2009 NOI:	$11,739,986
2010 NOI[(3)]:	$8,509,764
2011 NOI[(4)]:	$10,237,068
TTM NOI[(5)]:	$10,582,276
UW Economic Occupancy:	91.3%
UW Revenues:	$15,565,375
UW Expenses:	$5,324,301
UW NOI:	$10,241,075
UW NCF:	$9,368,840
Appraised Value / Per SF:	$128,300,000 / $44
Appraisal Date:	May 2012

Escrows and Reserves[(6)]

	Initial	Monthly	Initial Cap
Taxes:	$412,748	$156,813	N/A
Insurance:	$0	Springing	N/A
Replacement Reserves:	$3,136,432	$27,480	N/A
TI/LC:	$0	$72,250	N/A
Other:	$3,928,868	$0	N/A

Financial Information

Cut-off Date Loan/SF:	$32
Maturity Date Loan/SF:	$29
Cut-off Date LTV:	72.0%
Maturity Date LTV:	66.2%
UW NCF DSCR:	1.62x
UW NOI Debt Yield:	11.1%

(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 VIIB AIF (Delaware), L.P., OCM Opportunities Fund VIIB (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., Oaktree Huntington Investment Fund AIF (Delaware), L.P. (each an "Oaktree Capital Management Fund").
(2) Occupancy includes Kraft Foods, which has been dark since 2007. Kraft Foods represents approximately 12.7% of the net rentable area on a lease through March 2020 and continues to remain in compliance with its obligations under the lease. Excluding the Kraft Foods space, the Occupancy is 81.1%.
(3) The reduction in NOI from 2009 to 2010 is a result of LEGO downsizing its leased space in 555 Taylor.
(4) The increase in NOI from 2010 to 2011 is a result of LEGO subsequently releasing space and Coca-Cola executing a new lease at 555 Taylor.
(5) TTM NOI represents the trailing twelve months ending July 31, 2012.
(6) For a full description of Escrows and Reserves, please refer to the *"Escrows and Reserves"* section herein.

The Loan. The National Industrial Portfolio loan has an outstanding principal balance of approximately $92.4 million and is secured by a first mortgage lien on seven industrial properties totaling approximately 2.9 million square feet that are located in Connecticut and Massachusetts. 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 $7.5 million, pay closing costs of $2.3 million and return $80.8 million of equity to the sponsors.

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

The Sponsor. 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 owns over 100 facilities throughout the United States totaling approximately 18 million square feet. KBS and its affiliated entities is one of the nation's largest buyers of commercial real estate and structured debt investments, having completed approximately $25 billion in transaction volume since its 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 current 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 seven-property National Industrial Portfolio consists of five single tenant properties and two multi-tenant properties. The portfolio is located in Connecticut and Massachusetts and totals approximately 2,908,619 square feet. The properties were constructed between 1958 and 1999 with uses consisting of warehouse, distribution, office and flex. The properties are 93.9% leased and 81.1% physically occupied by 13 tenants. Approximately 71.3% of the net rentable area is leased to investment grade rated 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 Balance	% of Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow
555 Taylor	Enfield, CT	1,185,569	1975 -1995 / 1991,1999	$36,915,000	39.9%	$51,200,000	$3,341,553
15 Independence	Devens, MA	370,545	1999 / NA	16,367,000	17.7%	22,700,000	$1,719,215
Highland Park	Bloomfield, CT	449,000	1986 / 1994,1998	16,006,000	17.3%	22,200,000	$1,555,930
Moosup Pond	Plainfield, CT	530,500	1958 / 2004	10,022,000	10.8%	13,900,000	$1,480,626
50 Independence	Devens, MA	236,505	1997 / 2003	9,517,000	10.3%	13,200,000	$935,106
1040 Sheridan	Chicopee, MA	74,500	1984 / 1995	1,943,000	2.1%	2,700,000	$168,566
1045 Sheridan	Chicopee, MA	62,000	1978 / 1990	1,730,000	1.9%	2,400,000	$167,844
Total		**2,908,619**		**$92,500,000**	**100.0%**	**$128,300,000**	**$9,368,873**

Historical and Current Occupancy(1)

Property	Single Tenant (Yes / No)	2009	2010	2011	Current(2)
555 Taylor(3)	No	100.0%	44.7%	77.2%	87.2%
15 Independence(4)	Yes	100.0%	100.0%	100.0%	100.0%
Highland Park	Yes	100.0%	100.0%	100.0%	100.0%
Moosup Pond	Yes	100.0%	100.0%	100.0%	100.0%
50 Independence	No	78.4%	89.0%	89.0%	88.9%
1040 Sheridan	Yes	100.0%	100.0%	100.0%	100.0%
1045 Sheridan	Yes	100.0%	100.0%	100.0%	100.0%
Weighted Average		**98.2%**	**76.6%**	**89.8%**	**93.9%**

(1) Historical occupancies are as of December 31 of each respective year.
(2) Current Occupancy is as of July 1, 2012.
(3) The 2010 Occupancy decline is a result of LEGO downsizing its leased space. The Occupancy increase in 2011 is a result of LEGO subsequently releasing space and Coca-Cola executing a new lease.
(4) The property is 100% leased to Kraft Foods, which is currently dark. Kraft's lease expires in March 2020 and it remains in compliance with its obligations under the lease.

Property Summary

Property	Building Type / Subtype	# of Buildings	Rail Access	Clear Heights	% Office	Largest Tenant	Largest Tenant Expiration	Largest Tenant % of NRA
555 Taylor	Industrial – Flex	5	N	22' – 48'	25%	Advanced Auto Parts	8/31/2024	37.6%
15 Independence	Industrial – Warehouse/Dist	1	N	30'	3%	Kraft Foods	3/31/2020	100.0%
Highland Park	Industrial – Warehouse/Dist	1	Y	26' - 29'	5%	Home Depot	11/30/2022	100.0%
Moosup Pond	Industrial – Warehouse/Dist	1	Y	20' - 30'	3%	Staples	5/31/2015	100.0%
50 Independence	Industrial – Warehouse/Dist	1	N	30'	3%	US Gypsum	4/14/2018	65.2%
1040 Sheridan	Industrial – Warehouse/Dist	1	N	24'	13%	United Plastics	8/14/2017	100.0%
1045 Sheridan	Industrial – Flex	2	Y	24'	8%	Friendly's	4/1/2014	100.0%

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555 Taylor. Located in Enfield, Connecticut, the property consists of five buildings which were constructed between 1975 and 1995 that were renovated in 1991 and 1999. The five buildings total approximately 1,185,569 square feet and are 87.2% occupied by Advanced Auto Parts, LEGO, Coca-Cola and Day Care CCLC. The buildings are primarily used for distribution, research and development and office. The improvements feature, in aggregate, 88 loading docks, one of which is a drive-in dock and approximately 22 to 48 foot clear heights. Of the total property square footage, approximately 25.0% of the net rentable area is office space. The largest tenant at the property, Advanced Auto Parts, executed a 12 year lease for 37.6% of the net rentable area in June 2012 with a lease expiration in August 2024. Advanced Auto Parts (NYSE: AAP), is a leading specialty retailer of automotive aftermarket parts, accessories, batteries and maintenance items with over 3,500 stores primarily in the United States. The second largest tenant at the property, LEGO, leases 25.4% of the net rentable area, the majority of which is leased through April 2020. The LEGO Group is a privately held company based in Denmark and is the world's third largest manufacturer of play materials. This property serves as the U.S. headquarters of LEGO. The third largest tenant, Coca-Cola, executed a new lease for 23.5% of the net rentable area in January 2011 with a lease expiration in December 2015. The Coca-Cola Company is a beverage company that engages in the manufacture, marketing, and sale of nonalcoholic beverage worldwide. 555 Taylor and Highland Park are located less than five miles east of Interstate 91 which provides access to most areas of central Connecticut and the northeast region of the United States. According to the appraisal, the properties are located in the Northern Hartford County industrial submarket which reported a vacancy rate of 15.5% with asking rents of $4.35 per square foot as of the first quarter of 2012.

15 Independence. Located in Devens, Massachusetts, the property was constructed in 1999 and is 100% leased. However, the property is currently unoccupied. The property is built for distribution with improvements that include 48 loading docks, two of which are drive-in docks, and 30 foot ceiling clear heights. Of the total property square footage, approximately 3.0% of the net rentable area is office space. The sole tenant at the property, Kraft Foods, which leases the entire 370,545 square feet through March 31, 2020, vacated the space after the sale of a juice division prior to the sponsor's acquisition of the portfolio in 2007. Despite the fact that Kraft Foods is no longer in occupancy, it has remained in compliance with its obligations under the lease. Kraft Foods Inc. manufactures and markets packaged food products worldwide. 15 Independence along with 50 Independence are located approximately five miles northwest of Interstate 495 which runs from the Rhode Island border from the south through Boston's outer suburbs to the New Hampshire border to the north. According to the appraisal, the properties are located in the 495 North submarket which reported a vacancy rate of 11.3% with asking rents of $5.92 per square foot as of the first quarter of 2012.

Highland Park. Located in Bloomfield, Connecticut, the property was constructed in 1986 and renovated in 1994 and 1998 with a total of 449,000 square feet. The property is 100% occupied by a single tenant, Home Depot. The property is primarily used for distribution with improvements that include 53 loading docks, four of which are drive-in docks, along with an additional nine rail access doors, and 26 to 29 foot clear heights. Of the total property square footage, approximately 5.0% of the rent rentable area is used as office space. Home Depot is an original tenant and has a lease expiration of November 30, 2022. The Home Depot is the world's largest home improvement retailer, and the second largest retailer in the United States.

Moosup Pond. Located in Plainfield, Connecticut, the property was constructed in 1958 and was renovated in 2004 with a total of 530,500 square feet and is 100% occupied by a single tenant, Staples. The property is primarily used for distribution with improvements that include 37 loading docks, five of which are drive-in docks, along with an additional four rail access doors, and 20 to 30 foot clear heights. Of the total property square footage, approximately 3.4% of the net rentable area is used as office space. Staples originally leased approximately 48% of the net rentable area when they took occupancy in 2002 and subsequently expanded to 100% of the property in 2004. Staples is the world's largest office supply retailer. The company sells office products, furniture, computers and other merchandise and has 1,583 stores in the United States. Staples' lease runs through May 2015 and it has three, 3-year renewal options with a nine-month notice period. The property is located approximately five miles west of Interstate 395 which is the primary north/south thoroughfare in eastern Connecticut. According to the appraisal, the property is located in the Town of Plainfield submarket, which reported a vacancy rate of 2.4% and asking rents of $2.26 per square foot as of the first quarter of 2012.

50 Independence. Located in Devens, Massachusetts, the property was constructed in 1997 and renovated in 2003 with a total of 236,505 square feet and is 88.9% occupied by three tenants. The property is primarily used for distribution with improvements that include 24 loading docks, two of which are drive-in docks, and 30 foot clear heights. Of the total property square footage, approximately 2.5% of the net rentable area is used as office space. The largest tenant at the property, US Gypsum leases approximately 65.2% of the net rentable area and has a lease through April 2018. US Gypsum engages in the manufacturing and distribution of building materials worldwide.

1040 Sheridan. Located in Chicopee, Massachusetts, the property was constructed in 1984 and renovated in 1995 with a total of 74,500 square feet and is 100% occupied by a single tenant, United Plastics. The property is primarily used for light manufacturing, research and development and distribution. The improvements include seven loading docks, two of which are drive-in docks, and 24 foot clear heights. Of the total property square footage, approximately 12.9% of the net rentable area is used as office space. United Plastics has been in occupancy since 2000 and in 2010 exercised an option to extend their lease by seven years through August 2017. United Plastics is a full-service manufacturer of precision plastic products and value-added services for the medical, industrial and datacenter markets. In April 2012, MedPlast Inc., agreed to acquire United Plastics. MedPlast Inc. is a leading provider of highly engineered custom plastic processing solutions serving the global healthcare market. 1040 Sheridan and 1045 Sheridan are located within two miles of Interstate 91, which runs north/south through central Massachusetts and the greater Springfield area and Interstate 90, which connects downtown Boston to the east through central Massachusetts to New York to the west. According to the appraisal, the vacancy rate for warehouse properties in the market as of the end of 2011 was 20.0% with asking rents ranging from $1.50 to $3.50 per square foot.

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1045 Sheridan. Located in Chicopee, Massachusetts, the property was constructed in 1978 and renovated in 1990 with a total of 62,000 square feet and is 100% occupied by a single tenant, Friendly's. The property is primarily used for distribution with improvements that include approximately 28,800 square feet of refrigerated storage space, 9 loading docks, one of which is drive-in dock, along with an additional two rail access doors and 24 foot clear heights. Of the total property square footage approximately 8.1% of the net rentable area is used as office space. Friendly's is a vertically integrated restaurant company. Together with its franchise base, the company has system-wide sales in excess of $550 million and over 7,500 retail locations. In late 2011, Friendly's Ice Cream Corp voluntarily filed for Chapter 11 bankruptcy and emerged in January 2012 after a reorganization that included selling its business to the newly created Friendly's Ice Cream LLC. The tenant has been in occupancy since 1999 and has recently extended their lease to February 2014.

Tenant Summary[1]

Tenant	Property	Ratings[2] Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Staples	Moosup Pond	Baa2 / BBB / BBB	530,500	18.2%	$3.50	5/31/2015
Home Depot	Highland Park	A3 / A- / A-	449,000	15.4%	$4.05	11/30/2022
Advanced Auto Parts	555 Taylor	Baa3 / BBB- / NA	445,597	15.3%	$4.50	8/31/2024
Kraft Foods[3]	15 Independence	Baa2 / BBB / BBB-	370,545	12.7%	$5.45	3/31/2020
LEGO[4]	555 Taylor	NA / NA / NA	300,908	10.3%	$6.29	4/30/2020
Coca-Cola	555 Taylor	Aa3 / A+ / A+	278,207	9.6%	$3.20	12/31/2015
US Gypsum[5]	50 Independence	NA / NA / NA	154,318	5.3%	$5.46	4/14/2018
United Plastics[6]	1040 North Sheridan	NA / NA / NA	74,500	2.6%	$3.75	8/14/2017
Friendly's	1045 North Sheridan	NA / NA / NA	62,000	2.1%	$5.14	4/1/2014
Hollingsworth & Vose	50 Independence	NA / NA / NA	31,000	1.1%	$4.25	1/31/2015

(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) The Kraft Foods space has been dark since the Sponsor acquired the portfolio in 2007. Kraft Foods continues to remain in compliance with its obligations under the lease.
(4) LEGO has multiple leases at the property and the lease expiration date listed above reflects the expiration date of the largest space that LEGO occupies. In total, LEGO has 69,990 square feet expiring in January 2013 and 230,918 square feet expiring in April 2020. No income was underwritten for the LEGO space expiring in 2013.
(5) US Gypsum has the right to terminate its lease in April 2015 subject to a termination fee equal to three months of basic rent and any unamortized landlord costs with twelve months' notice. The termination fee will be controlled by the lender.
(6) United Plastics has the right to terminate its lease in August 2015 subject to a termination fee equal to six months of basic rent and any unamortized landlord costs with twelve months' notice. The termination fee will be controlled by the lender.

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	177,871	6.1%	NAP	NAP	177,871	6.1%	NAP	NAP
2012 & MTM	1	25,000	0.9	$112,500	0.9%	202,871	7.0%	$112,500	0.9%
2013	1	69,990	2.4	0	0.0	272,861	9.4%	$112,500	0.9%
2014	2	71,173	2.4	389,220	3.2	344,034	11.8%	$501,720	4.1%
2015	3	839,707	28.9	2,878,762	23.5	1,183,741	40.7%	$3,380,483	27.6%
2016	0	0	0.0	0	0.0	1,183,741	40.7%	$3,380,483	27.6%
2017	1	74,500	2.6	279,375	2.3	1,258,241	43.3%	$3,659,858	29.9%
2018	1	154,318	5.3	842,160	6.9	1,412,559	48.6%	$4,502,017	36.8%
2019	0	0	0.0	0	0.0	1,412,559	48.6%	$4,502,017	36.8%
2020	2	601,463	20.7	3,912,562	32.0	2,014,022	69.2%	$8,414,580	68.8%
2021	0	0	0.0	0	0.0	2,014,022	69.2%	$8,414,580	68.8%
2022	1	449,000	15.4	1,818,450	14.9	2,463,022	84.7%	$10,233,030	83.6%
2023 & Beyond	1	445,597	15.3	2,005,187	16.4	2,908,619	100.0%	$12,238,216	100.0%
Total	**13**	**2,908,619**	**100.0%**	**$12,238,216**	**100.0%**				

(1) Based on the underwritten rent roll.

J.P.Morgan

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Operating History and Underwritten Net Cash Flow

	2009	2010	2011	TTM(1)	Underwritten	Per Square Foot	%(2)
Rents in Place(3)(4)	$12,809,362	$10,390,629	$11,564,785	$11,759,589	$12,238,216	$4.21	71.8%
Vacant Income	0	0	0	0	714,160	0.25	4.2
Gross Potential Rent	**$12,809,362**	**$10,390,629**	**$11,564,785**	**$11,759,589**	**$12,952,376**	**$4.45**	**75.9%**
Total Reimbursements	2,705,138	2,307,348	3,724,018	3,223,296	4,103,274	1.41	24.1
Net Rental Income	**$15,514,499**	**$12,697,977**	**$15,288,803**	**$14,982,885**	**$17,055,650**	**$5.86**	**100.0%**
(Vacancy/Credit Loss)	(32,938)	(342,328)	(122,473)	119,970	(1,490,275)	(0.51)	(8.7)
Other Income	0	7,388	0	214	0	0.00	0.0
Effective Gross Income	**$15,481,562**	**$12,363,037**	**$15,166,331**	**$15,103,069**	**$15,565,375**	**$5.35**	**91.3%**
Total Expenses	**$3,741,576**	**$3,853,273**	**$4,929,263**	**$4,520,793**	**$5,324,301**	**$1.83**	**34.2%**
Net Operating Income	**$11,739,986**	**$8,509,764**	**$10,237,068**	**$10,582,276**	**$10,241,075**	**$3.52**	**65.8%**
Total TI/LC, Capex/RR	0	0	0	0	872,235	0.30	5.6
Net Cash Flow	**$11,739,986**	**$8,509,764**	**$10,237,068**	**$10,582,276**	**$9,368,840**	**$3.22**	**60.2%**

(1) TTM column represents the trailing twelve months ending July 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.
(3) The reduction in 2010 Rents in Place is a result of LEGO downsizing its leased space in 555 Taylor. The increase in 2011 Rents in Place is a result of LEGO subsequently releasing space and Coca-Cola executing a new lease at 555 Taylor.
(4) Underwritten Rents in Place are higher than the historical primarily due to a new 445,597 square foot lease that was executed with Advanced Auto Parts in June 2012.

Escrows and Reserves. At closing, the borrower deposited into escrow $3,136,432 to prefund anticipated future repairs as identified in the Property Condition Reports, $2,793,033 for outstanding tenant improvement obligations associated with Advanced Auto Parts, Staples and Home Depot, $1,002,593 for abated rent associated with Advanced Auto Parts, $412,748 for real estate taxes, $118,241 for deferred maintenance and $15,000 for environmental.

Tax Escrows - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to $156,813.

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

Replacement Reserves - On a monthly basis, the borrower is required to escrow $27,480 (approximately $0.11 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 $72,250 (approximately $0.30 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 deposited into the lockbox and shall be deemed 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) payment of 115% of the applicable allocated loan amount and the applicable yield maintenance premium; (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) 9.87% 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 12 month period.

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 recently prepared 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 9.87%; (iii) the combined DSCR is no less than the closing date DSCR of 1.56x and; (iv) the mezzanine lender shall enter into an intercreditor agreement reasonably acceptable to the lender.