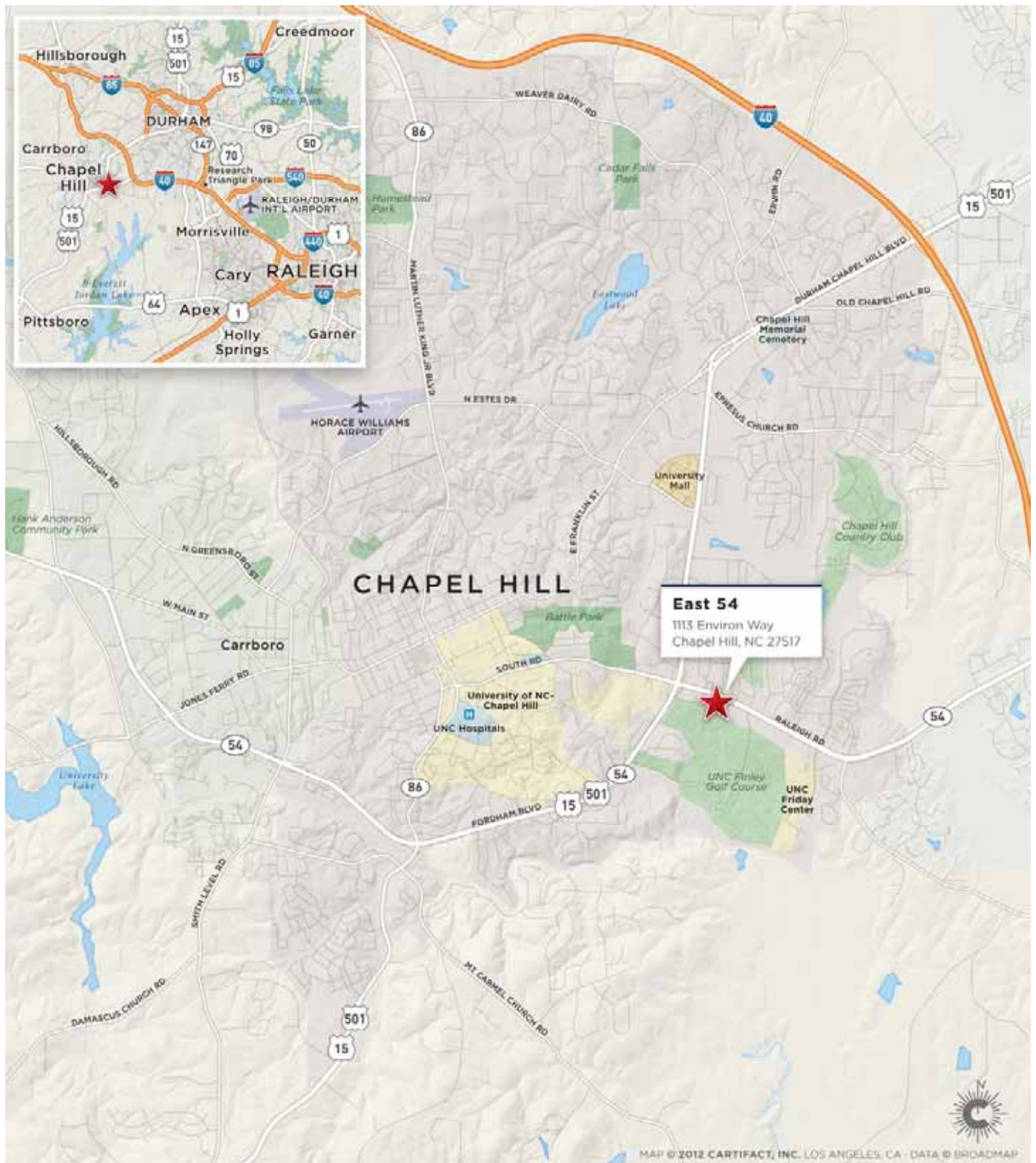


Mortgage Loan No. 10 – East 54





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## Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	JPMCB
<b>Original Principal Balance:</b>	\$33,475,000
<b>Cut-off Date Principal Balance:</b>	\$33,397,525
<b>% of Pool by IPB:</b>	2.9%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	East 54 Office Retail, LLC
<b>Sponsor:</b>	Roger L. Perry
<b>Interest Rate:</b>	4.69522%
<b>Note Date:</b>	7/26/2012
<b>Maturity Date:</b>	8/1/2022
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(26),Def(91),O(3)
<b>Lockbox:</b>	Hard
<b>Additional Debt:</b>	Yes
<b>Additional Debt Balance:</b>	\$6,525,000
<b>Additional Debt Type:</b>	Mezzanine Loan

## Property Information

<b>Single Asset/Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Mixed Use - Office/Retail
<b>Net Rentable Area (SF):</b>	170,061
<b>Location:</b>	Chapel Hill, NC
<b>Year Built/Renovated:</b>	2009-2010 / N/A
<b>Occupancy:</b>	85.6%
<b>Occupancy Date:</b>	7/9/2012
<b>Number of Tenants:</b>	31
<b>2009 NOI<sup>(1)</sup>:</b>	N/A
<b>2010 NOI<sup>(1)</sup>:</b>	N/A
<b>2011 NOI:</b>	\$1,978,667
<b>TTM NOI<sup>(2)</sup>:</b>	\$2,285,341
<b>UW Economic Occupancy:</b>	85.7%
<b>UW Revenues:</b>	\$4,659,441
<b>UW Expenses:</b>	\$1,287,712
<b>UW NOI<sup>(3)</sup>:</b>	\$3,371,730
<b>UW NCF:</b>	\$3,077,324
<b>Appraised Value / Per SF:</b>	\$51,700,000 / \$304
<b>Appraisal Date:</b>	5/11/2012

Escrows and Reserves<sup>(4)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$346,256	\$43,282	N/A
<b>Insurance:</b>	\$7,028	\$3,514	N/A
<b>Replacement Reserves:</b>	\$2,130	\$2,130	N/A
<b>TI/LC:</b>	\$1,000,000	\$0	\$765,000
<b>Other:</b>	\$1,331,619	\$0	N/A

## Financial Information

<b>Cut-off Date Loan/SF:</b>	\$196
<b>Maturity Date Loan/SF:</b>	\$160
<b>Cut-off Date LTV:</b>	64.6%
<b>Maturity Date LTV:</b>	52.6%
<b>UW NCF DSCR:</b>	1.49x
<b>UW NOI Debt Yield:</b>	10.1%

(1) The property was constructed in phases throughout 2009 and 2010.

(2) TTM NOI represents the trailing twelve months ending June 30, 2012.

(3) Underwritten NOI is higher than historical primarily due to new leases at the property and the burn off of free rent that run through July 2013.

(4) For a full description of Escrows and Reserves, please refer to the "Escrows and Reserves" section herein.

**The Loan.** The East 54 loan has an outstanding principal balance of approximately \$33.4 million and is secured by a first mortgage lien on the office and retail component of a larger mixed use development located in Chapel Hill, North Carolina. The 170,061 square feet of collateral space is comprised of 114,476 square feet of Class A office space and 55,585 square feet of Class A retail space. The 10-year loan amortizes on a 30-year schedule. The proceeds of the loan along with an approximately \$6.5 million mezzanine loan and additional borrower equity of \$2.2 million were used to refinance previously existing debt of approximately \$37.9 million, fund upfront reserves of \$2.7 million and pay closing costs of \$1.6 million. Prior to the loan closing, the entire East 54 development was encumbered by a construction mortgage loan, originated by Wells Fargo, and a mezzanine loan, originated by Barrow Street Capital, LLC ("Barrow Street"). At the loan closing, the portion of the Barrow Street mezzanine debt that was allocated to the loan collateral was converted to preferred equity.

**The Borrower.** The borrowing entity for the loan is East 54 Office Retail, LLC, a Delaware limited liability company and special purpose entity.

**The Sponsor.** The loan's sponsor and nonrecourse carve-out guarantor is Roger L. Perry. Mr. Perry is the president of East West Partners Management Company ("East West Partners"), a privately held commercial real estate development and management firm. Founded in 1973, East West Partners is a developer of mixed use commercial and residential developments in North Carolina. East West Partners has developed over 20 mixed use communities in North Carolina and over the past 20 years.

## Mortgage Loan No. 10 – East 54

**The Property.** East 54 is a mixed use development comprised of a four-story office building with ground floor retail, two residential condominium units with ground floor retail, and a 130-room Aloft hotel, located in Chapel Hill, North Carolina. Only the office space and the retail space serve as collateral for the loan. The office and retail space is considered Class A and totals 114,476 square feet and 55,585 square feet, respectively. The development was constructed by the sponsor in 2009 and 2010. The office component of the property has been certified as LEED Platinum, while the entire project received LEED Gold certification.

The property is currently 85.6% occupied by 31 regional and local tenants. The current occupancy includes 19 office tenants, totaling approximately 101,506 square feet, and 12 retail tenants, totaling 44,006 square feet. The three largest tenants, UNC Management (17,847 square feet), Kerr Drugs (13,135 square feet) and Regus Executive Suites (9,907 square feet), lease 24.0% of the net rentable area and account for 27.0% of the in-place base rent. UNC Management, the largest tenant at the property, is the University of North Carolina's endowment management company and has a lease expiration of November 2016. Established in 2003, the company currently has total assets under management of approximately \$3.0 billion. The second largest tenant at the property, Kerr Drugs, has a lease expiration of November 2029. Kerr Drugs is a community pharmacy based in North Carolina with over 70 locations across the state. Regus Executive Suites is one of the world's largest providers of flexible workplaces with approximately 1,200 locations in 550 cities and 95 countries.

The property is located directly off of Highway 54, a six lane east/west thoroughfare, which connects Chapel Hill to Interstate 40 and Raleigh approximately three miles and 30 miles east of the property, respectively. Additionally, the property is located approximately two miles west of the University of North Carolina at Chapel Hill, which has a total of 25,000 students and more than 2,600 full time faculty. The university is also home to North Carolina Memorial Hospital, which serves as the state's principal referral, diagnostic and treatment center. According to the appraiser, within a three- and five-mile radius of the property, the 2012 population is approximately 52,600 and 115,818, respectively, and the estimated 2012 average household income is \$78,699 and \$79,705, respectively.

The property is located within the Orange County submarket which had an inventory of approximately 1.2 million square feet of Class A office space with a reported vacancy of 17.4% and average Class A asking rents of \$25.13 per square foot as of the first quarter of 2012. The appraiser identified four office properties that serve as the competitive set for the property with an average occupancy of 91.5%. The retail submarket contains a total of 3.8 million square feet with reported vacancy of 5.2% and average Class A asking rents of \$18.18 per square foot as of the first quarter of 2012. The appraiser identified four retail properties that serve as the competitive set for the property with an average occupancy of 96.8%. New supply to the market for both retail and office space is limited due to high barriers of entry in the local area due to a stringent planning department. As of the end of the first quarter of 2012, there is approximately 556,905 square feet of office space currently under construction in the market, of which two of the largest buildings totaling 328,502 square feet are 100.0% pre-leased, and 516,291 square feet of retail space under construction.

Historical and Current Occupancy <sup>(1)</sup>			
2009	2010	2011	Current <sup>(2)</sup>
26.4%	47.2%	64.5%	85.6%

(1) The property was constructed in phases throughout 2009 and 2010.

(2) Current Occupancy is as of July 9, 2012.

Tenant Summary <sup>(1)</sup>						
Tenant	Tenant Type	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
UNC Management	Office	NA / NA / NA	17,847	10.5%	\$33.95	11/30/2016
Kerr Drugs	Retail	NA / NA / NA	13,135	7.7%	\$27.75	11/30/2029
Regus Executive Suites <sup>(3)</sup>	Office	NA / NA / NA	9,907	5.8%	\$21.77	9/30/2020
Delegate Advisors, LLC	Office	NA / NA / NA	9,688	5.7%	\$29.50	4/30/2018
IDB	Office	NA / NA / NA	8,867	5.2%	\$34.37	12/31/2014
Wells Fargo Asset Mgmt.	Office	A2 / A+ / AA-	8,030	4.7%	\$31.78	11/30/2016
Yankelovich Holdings Inc. <sup>(4)</sup>	Office	NA / NA / NA	7,792	4.6%	\$29.75	7/31/2019
TRSC Chapel Hill / Tobacco Road Restaurant	Retail	NA / NA / NA	7,469	4.4%	\$16.80	2/28/2023
TrueBridge Capital	Office	NA / NA / NA	4,805	2.8%	\$34.37	10/31/2014
East West Partners	Office	NA / NA / NA	4,676	2.7%	\$33.42	1/31/2024

(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) Regus Executive Suites has a right to terminate its lease on September 30, 2015 with nine months' notice, subject to the unamortized leasing costs.

(4) Yankelovich Holdings Inc. has a right to terminate its lease on July 31, 2017 with nine months' notice, subject to a termination fee of twelve months' rent (approximately \$240,505) and the unamortized leasing costs.

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Lease Rollover Schedule <sup>(1)</sup>									
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	24,549	14.4%	NAP	NAP	24,549	14.4%	NAP	NAP
2012 & MTM	0	0	0.0	\$0	0.0%	24,549	14.4%	\$0	0.0%
2013	0	0	0.0	0	0.0	24,549	14.4%	\$0	0.0%
2014	4	19,216	11.3	650,417	14.9	43,765	25.7%	\$650,417	14.9%
2015	3	4,162	2.4	138,133	3.2	47,927	28.2%	\$788,550	18.0%
2016	4	28,380	16.7	943,598	21.6	76,307	44.9%	\$1,732,148	39.6%
2017	8	19,830	11.7	632,804	14.5	96,137	56.5%	\$2,364,951	54.1%
2018	3	16,241	9.6	473,294	10.8	112,378	66.1%	\$2,838,245	64.9%
2019	2	11,930	7.0	351,814	8.1	124,308	73.1%	\$3,190,059	73.0%
2020	3	16,538	9.7	439,416	10.1	140,846	82.8%	\$3,629,475	83.1%
2021	0	0	0.0	0	0.0	140,846	82.8%	\$3,629,475	83.1%
2022	1	3,935	2.3	94,440	2.2	144,781	85.1%	\$3,723,915	85.2%
2023 & Beyond	3	25,280	14.9	646,247	14.8	170,061	100.0%	\$4,370,162	100.0%
<b>Total</b>	<b>31</b>	<b>170,061</b>	<b>100.0%</b>	<b>\$4,370,162</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow <sup>(1)</sup>					
	2011	TTM <sup>(2)</sup>	Underwritten	Per Square Foot	% <sup>(3)</sup>
Rents in Place <sup>(4)</sup>	\$3,245,702	\$3,610,883	\$4,370,162	\$25.70	80.4%
Vacant Income	0	0	726,282	4.27	13.4
<b>Gross Potential Rent</b>	<b>\$3,245,702</b>	<b>\$3,610,883</b>	<b>\$5,096,444</b>	<b>\$29.97</b>	<b>93.8%</b>
Total Reimbursements	309,004	297,232	337,354	1.98	6.2
<b>Net Rental Income</b>	<b>\$3,554,706</b>	<b>\$3,908,115</b>	<b>\$5,433,799</b>	<b>\$31.95</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	(335,394)	(372,071)	(774,358)	(4.55)	(14.3)
Other Income	1,335	180	0	0.00	0.0
<b>Effective Gross Income</b>	<b>\$3,220,647</b>	<b>\$3,536,224</b>	<b>\$4,659,441</b>	<b>\$27.40</b>	<b>85.7%</b>
<b>Total Expenses</b>	<b>\$1,241,980</b>	<b>\$1,250,883</b>	<b>\$1,287,712</b>	<b>\$7.57</b>	<b>27.6%</b>
<b>Net Operating Income</b>	<b>\$1,978,667</b>	<b>\$2,285,341</b>	<b>\$3,371,730</b>	<b>\$19.83</b>	<b>72.4%</b>
Total TI/LC, Capex/RR	0	0	294,406	1.73	6.3
<b>Net Cash Flow</b>	<b>\$1,978,667</b>	<b>\$2,285,341</b>	<b>\$3,077,324</b>	<b>\$18.10</b>	<b>66.0%</b>

(1) The property was constructed in 2009/2010.

(2) TTM column represents the trailing twelve month period ending June 30, 2012.

(3) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(4) Underwritten Rents in Place are higher than historical primarily due to new leases at the property and the burn off of free rents that run through July 2013.

**Property Management.** The properties will be managed by Tri Properties, Inc. ("Tri Properties"), a third party management firm that is not affiliated with the sponsor. Tri Properties is a Durham, North Carolina based company that specializes in acquisitions/dispositions, development/project management, brokerage, property management, and consulting. The terms of the management agreement stipulates a fee of 4.0% of gross revenues.

**Escrows and Reserves.** At closing, the borrower deposited into escrow \$1,000,000 to prefund on-going tenant improvements and leasing commissions requirement, \$722,504 for outstanding tenant improvements and leasing commissions, \$609,115 for outstanding free rent, \$346,256 for real estate taxes, \$7,028 for insurance premiums and \$2,130 for replacement reserves.

**Tax Escrows** - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$43,282.

**Insurance Escrows** - The borrower is required to escrow 1/12 of the annual estimated annual insurance payments monthly, which currently equates to \$3,514.



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*Replacement Reserves* - On a monthly basis, the borrower is required to escrow \$2,130 (approximately \$0.15 per square foot annually) for replacement reserves. The reserve is not subject to a cap.

*TI/LC Reserves* - Monthly deposits to the TI/LC Reserve are waived until the balance in the reserve falls below \$765,000 at which point the borrower will be required, on a monthly basis, to escrow \$21,260 (approximately \$1.50 per square foot annually). After the reserve balance initially falls below \$765,000, the reserve is capped at \$765,000 (approximately \$4.50 per square foot).

**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 DSCR based on the immediately preceding trailing three month period falls below 1.05x, (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, or (iv) a UNC Management Trigger (defined herein) occurs, all excess cash flow will be deposited into the lockbox and shall be deemed additional collateral for the loan.

Upon the occurrence of a UNC Management Trigger all excess cash flow will be trapped for tenant improvement and leasing commissions incurred with respect to the UNC Management space. "UNC Management Trigger" shall mean that UNC Management shall have either (a) terminated the UNC Management Lease or (b) failed to renew such Lease by the date that is nine (9) months prior to the expiration date of the UNC Management Lease.

**Additional Debt.** A mezzanine loan of approximately \$6.5 million secured by the equity interest in the borrower was provided by JPMCB and sold to a third party investor. The mezzanine loan has a coterminous maturity with the mortgage loan. The mezzanine loan is interest-only for the term of the loan and has an 11.1% coupon. Including the mezzanine loan, the Cut-off Date LTV is 77.2%, the UW NCF DSCR is 1.10x and the UW NOI Debt Yield is 8.4%.