

3700 Watonga
Houston, TX 77092

Collateral Asset Summary – Loan No. 16

Adobe Springs

Cut-off Date Balance: \$20,000,000
Cut-off Date LTV: 73.4%
U/W NCF DSCR: 1.46x
U/W NOI Debt Yield: 9.5%

Mortgage Loan Information

Loan Seller: JLC
Loan Purpose: Refinance
Sponsors: Michael G. Tombari; Kenneth L. Hatfield
Borrower: RRP Indian Springs, LLC
Original Balance: \$20,000,000
Cut-off Date Balance: \$20,000,000
% by Initial UPB: 2.2%
Interest Rate: 4.4620%
Payment Date: 6th of each month
First Payment Date: August 6, 2016
Maturity Date: July 6, 2026
Amortization: Interest only for first 24 months, 360 months thereafter
Additional Debt: None
Call Protection: L(27), D(89), O(4)
Lockbox / Cash Management⁽¹⁾: Springing Soft / Springing

Property Information

Single Asset / Portfolio: Single Asset
Property Type: Garden Multifamily
Collateral: Fee Simple
Location: Houston, TX
Year Built / Renovated: 1978 / 2013-2015
Total Units: 408
Property Management: American Realty Investors I, L.P.
Underwritten NOI: \$1,893,088
Underwritten NCF: \$1,770,688
Appraised Value: \$27,260,000
Appraisal Date: May 9, 2016

Historical NOI

Most Recent NOI: \$1,894,973 (T-12 June 30, 2016)
2015 NOI: \$1,765,999 (December 31, 2015)
2014 NOI: \$1,471,641 (December 31, 2014)

Reserves

	Initial	Monthly
Taxes:	\$150,000	\$21,000
Insurance:	\$45,000	\$11,800
Replacement:	\$1,000,000	\$10,098

Historical Occupancy

Most Recent Occupancy: 95.3% (June 24, 2016)
2015 Occupancy: 95.8% (December 31, 2015)
2014 Occupancy: 94.3% (December 31, 2014)

Financial Information

Cut-off Date Balance / Unit:	\$49,020
Balloon Balance / Unit:	\$41,827
Cut-off Date LTV:	73.4%
Balloon LTV:	62.6%
Underwritten NOI DSCR⁽²⁾:	1.56x
Underwritten NCF DSCR⁽²⁾:	1.46x
Underwritten NOI Debt Yield:	9.5%
Underwritten NCF Debt Yield:	8.9%

- (1) A cash management period will be triggered if the DSCR is less than 1.10x.
(2) Based on amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 2.09x and 1.96x, respectively.

TRANSACTION HIGHLIGHTS

- Property.** Adobe Springs is a 408-unit garden apartment complex located on a 12.5-acre site. The development consists of 26 two-story buildings with an average unit size of 761 sq. ft., and 529 surface parking spaces. Adobe Spring's unit mix is comprised of 300 1-bedroom/1-bathroom units, 40 2-bedroom/1-bathroom units and 68 2-bedroom/2-bathroom units. Property amenities include a community pool, fitness center, exercise/fitness room and four laundry facilities.
- Management.** The property is managed by American Realty Investors I, L.P. ("ARI"), which is an affiliate of the sponsors. ARI was founded over 30 years ago and currently manages 4,451 units, of which 3,781 units are located in the Houston market.
- Market.** The property is located in a residential neighborhood in the north west portion of Houston, TX in the Brookhollow / NW Crossing submarket, approximately eight miles northwest of the Houston central business district. As of 2Q 2016, the overall Brookhollow / NW Crossing multifamily submarket was comprised of 19,593 units and had a reported average occupancy of 93%, in line with the weighted average occupancy of five rental comparables identified by the appraiser of 93%.
- Capital Improvements.** The sponsors have invested approximately \$1.8 million (\$4,419 per unit) in capital improvements since their acquisition of the property in 2012, with approximately \$866,509 attributable to interior unit elements and approximately \$850,482 attributable to common areas and amenities.