

## The Preserve at Legacy Park

### Mortgage Loan Information

|  |                                     |
|--|-------------------------------------|
| <b>Mortgage Loan Seller:</b>           | JPMCB                               |
| <b>Original Principal Balance:</b>     | \$34,000,000                        |
| <b>Cut-off Date Principal Balance:</b> | \$34,000,000                        |
| <b>% of Pool by IPB:</b>               | 2.7%                                |
| <b>Loan Purpose:</b>                   | Refinance                           |
| <b>Borrowers<sup>(1)</sup>:</b>        | Various                             |
| <b>Sponsors:</b>                       | Craig Koenigsberg and Howard Parnes |
| <b>Interest Rate:</b>                  | 4.45000%                            |
| <b>Note Date:</b>                      | 5/30/2014                           |
| <b>Maturity Date:</b>                  | 6/1/2024                            |
| <b>Interest-only Period:</b>           | 120 months                          |
| <b>Original Term:</b>                  | 120 months                          |
| <b>Original Amortization:</b>          | None                                |
| <b>Amortization Type:</b>              | Interest Only                       |
| <b>Call Protection:</b>                | L(25),Grtr1%orYM(91),O(4)           |
| <b>Lockbox:</b>                        | Springing                           |
| <b>Additional Debt:</b>                | N/A                                 |
| <b>Additional Debt Balance:</b>        | N/A                                 |
| <b>Additional Debt Type:</b>           | N/A                                 |

### Property Information

|                                    |                          |
|------------------------------------|--------------------------|
| <b>Single Asset / Portfolio:</b>   | Single Asset             |
| <b>Title:</b>                      | Fee                      |
| <b>Property Type - Subtype:</b>    | Multifamily - Garden     |
| <b>Net Rentable Area (Units):</b>  | 498                      |
| <b>Location:</b>                   | Lawrenceville, GA        |
| <b>Year Built / Renovated:</b>     | 2001 / N/A               |
| <b>Occupancy:</b>                  | 98.2%                    |
| <b>Occupancy Date:</b>             | 4/11/2014                |
| <b>Number of Tenants:</b>          | N/A                      |
| <b>2011 NOI:</b>                   | \$2,870,654              |
| <b>2012 NOI:</b>                   | \$2,965,668              |
| <b>2013 NOI:</b>                   | \$3,039,963              |
| <b>TTM NOI (as of 3/2014):</b>     | \$3,006,408              |
| <b>UW Economic Occupancy:</b>      | 95.0%                    |
| <b>UW Revenues:</b>                | \$4,889,840              |
| <b>UW Expenses:</b>                | \$2,009,164              |
| <b>UW NOI:</b>                     | \$2,880,676              |
| <b>UW NCF:</b>                     | \$2,756,176              |
| <b>Appraised Value / Per Unit:</b> | \$52,300,000 / \$105,020 |
| <b>Appraisal Date:</b>             | 4/15/2014                |

### Escrows and Reserves

|                              | Initial   | Monthly   | Initial Cap |
|------------------------------|-----------|-----------|-------------|
| <b>Taxes:</b>                | \$519,606 | \$51,961  | N/A         |
| <b>Insurance:</b>            | \$0       | Springing | N/A         |
| <b>Replacement Reserves:</b> | \$10,375  | \$10,375  | N/A         |
| <b>TI/LC:</b>                | \$0       | \$0       | N/A         |
| <b>Other:</b>                | \$126,083 | \$0       | N/A         |

### Financial Information

|                                   |          |
|-----------------------------------|----------|
| <b>Cut-off Date Loan / Unit:</b>  | \$68,273 |
| <b>Maturity Date Loan / Unit:</b> | \$68,273 |
| <b>Cut-off Date LTV:</b>          | 65.0%    |
| <b>Maturity Date LTV:</b>         | 65.0%    |
| <b>UW NCF DSCR:</b>               | 1.80x    |
| <b>UW NOI Debt Yield:</b>         | 8.5%     |

### Sources and Uses

| Sources              | Proceeds            | % of Total    | Uses                 | Proceeds            | % of Total    |
|----------------------|---------------------|---------------|----------------------|---------------------|---------------|
| Mortgage Loan        | \$34,000,000        | 100.0%        | Payoff Existing Debt | \$26,804,447        | 78.8%         |
|                      |                     |               | Return of Equity     | 6,330,663           | 18.6          |
|                      |                     |               | Upfront Reserves     | 656,064             | 1.9           |
|                      |                     |               | Closing Costs        | 208,826             | 0.6           |
| <b>Total Sources</b> | <b>\$34,000,000</b> | <b>100.0%</b> | <b>Total Uses</b>    | <b>\$34,000,000</b> | <b>100.0%</b> |

(1) The borrowers for the loan are Preston Chase Associates, L.P., a Delaware limited partnership and special purpose entity, C-C Legacy Park, LLC and HP Legacy Park, LLC, each a Delaware limited liability company and special purpose entity. The borrowers own the property as tenants-in-common.

**The Loan.** The Preserve at Legacy Park loan has an outstanding principal balance of \$34.0 million and is secured by a first mortgage lien on a 498-unit, Class A garden style multifamily property located in Lawrenceville, Georgia. The loan has a 10-year term, and will be interest-only for the entire term of the loan. The loan sponsors and nonrecourse carve-out guarantors are Craig Koenigsberg and Howard Parnes. The loan sponsors are affiliated with CLK Properties and collectively own approximately 70 multifamily properties containing 18,000 units across 15 states. The loan sponsors acquired the property in 2004 for approximately \$38.0 million.

## The Preserve at Legacy Park

**The Property.** The Preserve at Legacy Park is located on a 42.4 acre site in Lawrenceville, Georgia. The property was built in 2001 and consists of 498 one-, two- and three-bedroom units in 25, three-story buildings. Property amenities include a clubhouse with an activities room, two swimming pools, a fitness center, laundry facility, playground, business center, car wash area, an internet café and two tennis courts. Unit features include nine-foot ceilings, double crown moldings, tile entries, ceiling fans in all master bedroom and living rooms, washer-dryer connections, dishwashers and microwave ovens. The property also has 985 parking spaces resulting in a parking ratio of 1.98 spaces per unit.

**The Market.** The Preserve at Legacy Park is located in Lawrenceville, Georgia, approximately 30 miles northeast of Atlanta and 40 miles west of Athens, Georgia. According to the appraisal, the current population within a five-mile radius is approximately 217,756 people with an average household income of \$66,538. The property is located along the west side of Lawrenceville Suwanee Road, north of Georgia Highway 316 and south of Georgia Highway 120. The property is located in close proximity to local amenities including the new Atlanta Braves AAA minor league baseball stadium and the new Gwinnett Center which features the new Arena at Gwinnett Center, a convention center and the 702-seat Performing Arts Theatre. The property is also close to the Lawrence Market Shopping Center, which is 1.0 miles to the east and is anchored by Target, AMC Theatres and Ross Dress for Less, along with Sugarloaf Mills Mall, which is anchored by Saks Fifth Avenue Off 5th, Last Call Neiman Marcus, AMC Theatres and Sears Outlet.

According to the appraisal, the property is located within the South Gwinnett submarket. The South Gwinnett submarket contains an overall inventory of 27,151 units with an average occupancy of 95.8% and average asking rents of \$813 per unit as of the fourth quarter of 2013. There are approximately 16,348 Class A units within the submarket with an average occupancy of 96.1% and average asking rents of \$887 per unit as of the fourth quarter of 2013. The appraisal identified six comparable properties built between 1996 and 2007 that range in size from 262 units to 586 units and have an average occupancy of 94.2%. According to the appraisal there are currently no properties planned or proposed in the submarket.

| Unit Type                | # of Units | Unit Mix <sup>(1)</sup> |                | Occupancy    | Unit Size (SF) | Monthly In-place rents |
|--------------------------|------------|-------------------------|----------------|--------------|----------------|------------------------|
|                          |            | % of Total              | Occupied Units |              |                |                        |
| 1 Bedroom / 1 Bath       | 240        | 48.2%                   | 237            | 98.8%        | 883            | \$728                  |
| 2 Bedroom / 2 Bath       | 208        | 41.8                    | 205            | 98.6%        | 1,217          | \$884                  |
| 3 Bedroom / 2 Bath       | 50         | 10.0                    | 47             | 94.0%        | 1,472          | \$1,040                |
| <b>Total / Wtd. Avg.</b> | <b>498</b> | <b>100.0%</b>           | <b>489</b>     | <b>98.2%</b> | <b>1,082</b>   | <b>\$825</b>           |

(1) Based on the underwritten rent roll.

| Operating History and Underwritten Net Cash Flow |                    |                    |                    |                    |                    |                |                  |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|------------------|
|  | 2011               | 2012               | 2013               | TTM <sup>(1)</sup> | Underwritten       | Per Unit       | % <sup>(2)</sup> |
| Rents in Place                                   | \$4,487,889        | \$4,598,260        | \$4,706,982        | \$4,738,579        | \$4,832,400        | \$9,704        | 97.3%            |
| Vacant Income                                    | 0                  | 0                  | 0                  | 0                  | 105,376            | 212            | 2.1              |
| <b>Gross Potential Rent</b>                      | <b>\$4,487,889</b> | <b>\$4,598,260</b> | <b>\$4,706,982</b> | <b>\$4,738,579</b> | <b>\$4,937,776</b> | <b>\$9,915</b> | <b>99.4%</b>     |
| Other Rental Storage                             | 15,519             | 22,193             | 25,644             | 27,492             | 27,492             | 55             | 0.6              |
| <b>Net Rental Income</b>                         | <b>\$4,503,408</b> | <b>\$4,620,453</b> | <b>\$4,732,626</b> | <b>\$4,766,071</b> | <b>\$4,965,268</b> | <b>\$9,970</b> | <b>100.0%</b>    |
| (Vacancy/Credit Loss)                            | 0                  | 0                  | 0                  | 0                  | (248,263)          | (499)          | (5.0)            |
| Other Income                                     | 141,539            | 150,054            | 164,823            | 172,835            | 172,835            | 347            | 3.5              |
| <b>Effective Gross Income</b>                    | <b>\$4,644,947</b> | <b>\$4,770,507</b> | <b>\$4,897,449</b> | <b>\$4,938,906</b> | <b>\$4,889,840</b> | <b>\$9,819</b> | <b>98.5%</b>     |
| <b>Total Expenses</b>                            | <b>\$1,774,293</b> | <b>\$1,804,839</b> | <b>\$1,857,486</b> | <b>\$1,932,498</b> | <b>\$2,009,164</b> | <b>\$4,034</b> | <b>41.1%</b>     |
| <b>Net Operating Income</b>                      | <b>\$2,870,654</b> | <b>\$2,965,668</b> | <b>\$3,039,963</b> | <b>\$3,006,408</b> | <b>\$2,880,676</b> | <b>\$5,784</b> | <b>58.9%</b>     |
| Total TI/LC, Capex/RR                            | 0                  | 0                  | 0                  | 0                  | 124,500            | 250            | 2.5              |
| <b>Net Cash Flow</b>                             | <b>\$2,870,654</b> | <b>\$2,965,668</b> | <b>\$3,039,963</b> | <b>\$3,006,408</b> | <b>\$2,756,176</b> | <b>\$5,534</b> | <b>56.4%</b>     |
| <b>Occupancy<sup>(3)</sup></b>                   | <b>96.6%</b>       | <b>97.1%</b>       | <b>97.3%</b>       | <b>98.2%</b>       | <b>95.0%</b>       |                |                  |

(1) TTM column represents the trailing twelve month period ending March 31, 2014.

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

(3) TTM Occupancy as of April 11, 2014.