

Mortgage Loan No. 4 - 8080 & 9400 North Central Expressway



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Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$56,000,000
Cut-off Date Principal Balance:	\$55,737,217
% of Pool by IPB:	4.9%
Loan Purpose:	Acquisition
Borrower:	Dallas NCX Properties LLC
Sponsor:	Rosemont Realty, LLC
Interest Rate:	5.99900%
Note Date:	10/28/2011
Maturity Date:	11/1/2016
Interest-only Period:	None
Original Term:	60 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(29),Def(29),O(2)
Lock Box:	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:	Office - Suburban
Net Rentable Area (SF):	673,188
Location:	Dallas, TX
Year Built/Renovated:	Various / Various
Occupancy:	80.4%
Occupancy Date:	1/23/2012
Number of Tenants:	85
2009 NOI:	\$6,918,398
2010 NOI:	\$7,068,273
2011 NOI⁽¹⁾:	\$5,386,262
UW Economic Occupancy:	82.0%
UW Revenues⁽²⁾:	\$11,414,889
UW Expenses:	\$5,060,293
UW NOI⁽²⁾:	\$6,354,596
UW NCF⁽²⁾:	\$5,467,728
Appraised Value:	\$81,350,000
Appraisal Date:	9/14/2011

Escrows and Reserves⁽³⁾

	Initial	Monthly	Initial Cap
Taxes:	\$1,374,885	\$130,345	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$13,242	\$13,242	N/A
Ti/LC:	\$66,667	\$66,667	\$2,400,000
Other:	\$5,899,078	\$0	N/A

Financial Information

Cut-off Date Loan/SF:	\$83
Maturity Date Loan/SF:	\$78
Cut-off Date LTV:	68.5%
Maturity Date LTV:	64.4%
UW NCF DSCR:	1.36x
UW NOI Debt Yield:	11.4%

(1) Represents the period from April 1, 2011 to December 31, 2011 annualized. The borrower has incomplete 2011 statements due to the acquisition.

(2) UW Revenues, UW NOI and UW NCF are inclusive of full contractual rent for all tenants in occupancy, regardless of the whether or not the respective tenant is currently receiving free rent. HealthTexas Provider Network recently expanded by 28,127 square feet and received five months of free rent followed by seven months of reduced rent on the entirety of its leased space. Borden Dairy Company recently signed a lease for 25,980 square feet and received eight months of free rent. A free rent reserve of \$1,923,358 was taken at closing, representing all outstanding free rent for tenants at the property, and will be released to the borrower on a monthly basis pursuant to the loan agreement. In addition, the UW NOI incorporates expected expense reduction as a result of the installation of new chillers at the property.

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

The Loan. The 8080 & 9400 North Central Expressway loan has an outstanding principal balance of approximately \$55.7 million and is secured by a first mortgage lien on two Class A office properties totaling approximately 673,188 square feet that are located in Dallas, Texas. The five-year loan amortizes on a 30-year schedule. The properties are located approximately one mile from each other along the North Central Expressway. The borrower acquired the properties in April 2011 on an all cash basis for \$80.0 million. Proceeds from the loan were used to fund upfront reserves of approximately \$7.4 million, pay closing costs of \$2.1 million and return \$56.0 million to the borrower who will retain approximately \$33.5 million in the transaction.

The Borrower. The borrowing entity for the loan is Dallas NCX Properties LLC, a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Rosemont Realty, LLC ("Rosemont"). Rosemont is a fully integrated property acquisition and management company that currently has a portfolio spanning 28 states totaling approximately 16 million square feet of predominantly office space, including 35 properties in the state of Texas. As of June 30, 2011, the company had total assets of approximately \$249.1 million. Rosemont is a repeat J.P. Morgan and CMBS borrower, having closed loans totaling approximately \$200.2 million since 2010. Rosemont owns the properties in a joint venture with Red Raven Holdings L.L.C., an entity held by King Street Capital, L.P., which is a wholly-owned subsidiary of a multi-billion dollar hedge fund.

The Properties. The 8080 & 9400 North Central Expressway loan collateral consists of two Class A office buildings in suburban Dallas, Texas. 8080 & 9400 North Central Expressway, which are seventeen and sixteen story buildings, respectively, with a total combined square footage of 673,188 feet and a current occupancy of 80.4%. At acquisition, the buildings had occupancies of 94.3% and 59.2%, respectively, which have subsequently been improved to 98.3% and 67.2%, respectively, through a combination of new lease signings, renewals and expansions. This loan is structured so that neither property may be individually released from the mortgage.

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The properties are located on North Central Expressway, a major thoroughfare leading to downtown Dallas, approximately 5 miles to the south, and Plano, approximately 13 miles to the north. The North Central Expressway went through reconstruction in 2001, and in 2005 underwent structural improvements including a \$261 million, High-Five Interchange at US-75 and I-635. The resulting convenience and capital invested has led to the establishment of an important business corridor for the suburban Dallas office market. According to appraisal, the 2011 population within one, three and five miles of the properties was 36,233, 169,098 and 444,748, respectively, and the median household income was \$41,251, \$51,648 and \$48,652, respectively. According to the appraiser, both properties are located in the Central Expressway office submarket, which consists of approximately 13.4 million square feet of space with an average vacancy rate of approximately 18.0% and asking rents of \$21.47 among Class A buildings.

8080 North Central Expressway. 8080 North Central Expressway is a seventeen story, Class A office building with a total of 285,335 square feet situated on an approximately 1.7 acre site that was constructed in 1984. The property is currently 98.3% occupied by 28 tenants. The largest tenant at the property, Healthtexas Provider Network ("Healthtexas"), is a physician-directed patient-centered healthcare organization with approximately 530 physicians, 178 healthcare centers and 1.5 million patients. Healthtexas recently signed an 11-year lease renewal that expanded their space from 64,040 square feet to 92,167 square feet and they now occupy 32.3% of the net rentable area. Healthtexas' lease expires after the loan maturity in November 30, 2022. The second largest tenant, Compass Bank, is a global group that offers individual and corporate customers a range of financial and non-financial products and services. Compass Bank (NYSE: BBVA), occupying 18.9% of the net rentable area with a lease expiration date of March 31, 2013, has a market cap of \$37.7 billion and a market price of \$7.97 per share as of April 2, 2012.

9400 North Central Expressway. 9400 North Central Expressway is a sixteen story, Class A office building with a total of 387,853 square feet situated on an approximately 6.1 acre site that was constructed in 1981 and most recently renovated in 2006. The property is currently 67.2% occupied by 58 tenants. The largest tenant at the property, The Promotion Network, is a marketing and sales promotion company that offers brand building, retail merchandising, and trade marketing services. The Promotion Network occupies 10.5% of the net rentable area and has a lease expiration date of March 31, 2016 with an option to terminate its lease on January 31, 2014. The second largest tenant, Benefit Partners, Inc., is a benefits, outsourcing, compensation, and human resource consulting company. Benefit Partners, Inc. currently occupies 7.6% of the net rentable area and has a lease expiration date of November 30, 2014.

Property Summary						
Property	Location	Net Rentable Area (SF)	Largest Tenants	Allocated Cut-off Date Balance	Appraised Value	Occupancy ⁽¹⁾
8080 North Central Expressway	Dallas, TX	285,335	Healthtexas Provider Network Compass Bank Northpark Management Company	\$32,442,007	\$47,350,000	98.3%
9400 North Central Expressway	Dallas, TX	387,853	The Promotion Network Benefit Partners, Inc. Borden Dairy Company	23,295,211	34,000,000	67.2%
Total/Weighted Average		673,188		\$55,737,217	\$81,350,000	80.4%

(1) Occupancy is as of January 23, 2012.

Historical and Current Occupancy				
Property	2009	2010	2011	Current ⁽¹⁾
8080 North Central Expressway	95.8%	94.8%	94.3%	98.3%
9400 North Central Expressway	72.2%	68.6%	59.2%	67.2%
Total	82.3%	79.8%	74.1%	80.4%

(1) Current Occupancy is as of January 23, 2012.

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Tenant Summary ⁽¹⁾						
Tenant	Property Name	Ratings ⁽²⁾ Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	Lease Expiration Date
Healthtexas Provider Network ⁽³⁾	8080 North Central Expressway	NA / NA / NA	92,167	13.7%	\$17.94	11/30/2022
Compass Bank	8080 North Central Expressway	A3 / A- / A-	53,938	8.0%	\$20.20	3/31/2013
The Promotion Network ⁽⁴⁾	9400 North Central Expressway	NA / NA / NA	40,799	6.1%	\$15.47	3/31/2016
Benefit Partners, Inc.	9400 North Central Expressway	NA / NA / NA	29,609	4.4%	\$17.00	11/30/2014
Borden Dairy Company	9400 North Central Expressway	NA / NA / NA	25,980	3.9%	\$17.25	4/30/2017
Northpark Management Company	8080 North Central Expressway	NA / NA / NA	17,166	2.6%	\$23.50	4/30/2013
IPS Advisors	8080 North Central Expressway	NA / NA / NA	16,277	2.4%	\$20.95	9/30/2012
Smith, Jackson, Boyer	9400 North Central Expressway	NA / NA / NA	13,817	2.1%	\$17.32	9/30/2016
Bradford Realty	9400 North Central Expressway	NA / NA / NA	13,515	2.0%	\$17.56	5/31/2015
Redeemed Christian Church	9400 North Central Expressway	NA / NA / NA	12,506	1.9%	\$15.00	5/31/2016

(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) Healthtexas Provider Network may terminate its lease on January 31, 2020 with no less than twelve months prior notice subject to a termination fee.

(4) The Promotion Network has a lease termination option on January 31, 2014, and two options to reduce its leased space by 10,000 square feet per option on January 31, 2013 and November 30, 2014, respectively.

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	131,874	19.6%	NAP	NAP	131,874	19.6%	NAP	NAP
2012 & MTM	22	60,255	9.0	\$1,134,173	11.4%	192,129	28.5%	\$1,134,173	11.4%
2013	15	111,777	16.6	2,316,412	23.4	303,906	45.1%	\$3,450,585	34.8%
2014	20	127,510	18.9	2,233,912	22.5	431,416	64.1%	\$5,684,497	57.4%
2015	6	21,335	3.2	365,353	3.7	452,751	67.3%	\$6,049,850	61.1%
2016	12	82,084	12.2	1,444,787	14.6	534,835	79.4%	\$7,494,636	75.6%
2017	3	36,614	5.4	627,341	6.3	571,449	84.9%	\$8,121,977	82.0%
2018	1	2,866	0.4	41,557	0.4	574,315	85.3%	\$8,163,534	82.4%
2019	1	5,229	0.8	91,508	0.9	579,544	86.1%	\$8,255,042	83.3%
2020	0	0	0.0	0	0.0	579,544	86.1%	\$8,255,042	83.3%
2021	0	0	0.0	0	0.0	579,544	86.1%	\$8,255,042	83.3%
2022	1	92,167	13.7	1,653,900	16.7	671,711	99.8%	\$9,908,942	100.0%
2023 & Beyond	4	1,477	0.2	0	0.0	673,188	100.0%	\$9,908,942	100.0%
Total	85	673,188	100.0%	\$9,908,942	100.0%				

(1) Based on the underwritten rent roll.

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Operating History and Underwritten Net Cash Flow						
	2009	2010	2011 ⁽¹⁾	Underwritten	Per Square Foot	% ⁽²⁾
Rents in Place ⁽³⁾	\$10,075,531	\$9,916,371	\$9,271,916	\$9,908,942	\$14.72	72.9%
Vacant Income	0	0	0	2,181,207	3.24	16.0
Gross Potential Rent	\$10,075,531	\$9,916,371	\$9,271,916	\$12,090,149	\$17.96	88.9%
Total Reimbursements	1,432,244	1,338,909	1,110,577	1,506,047	2.24	11.1
Net Rental Income	\$11,507,775	\$11,255,280	\$10,382,493	\$13,596,196	\$20.20	100.0%
(Vacancy/Credit Loss)	0	0	0	(2,492,538)	(3.70)	(18.3)
Other Income	237,434	220,749	217,921	311,231	0.46	2.3
Effective Gross Income	\$11,745,209	\$11,476,029	\$10,600,415	\$11,414,889	\$16.96	84.0%
Total Expenses	\$4,826,811	\$4,407,756	\$5,214,153	\$5,060,293	\$7.52	44.3%
Net Operating Income⁽⁴⁾	\$6,918,398	\$7,068,273	\$5,386,262	\$6,354,596	\$9.44	55.7%
Total TI/LC, Capex/RR	0	0	0	886,867	1.32	7.8
Net Cash Flow	\$6,918,398	\$7,068,273	\$5,386,262	\$5,467,728	\$8.12	47.9%

(1) Represents the period from April 1, 2011 to December 31, 2011 annualized. The borrower has incomplete 2011 statements due to the acquisition. The NOI does not reflect the full effect of lease up done by the sponsor.

(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) UW Rents in Place are inclusive of full contractual rent for all tenants in occupancy, regardless of the whether or not respective tenants are currently receiving free rent. Healthtexas recently expanded by 28,127 square feet and received five months of free rent followed by seven months of reduced rent on the entirety of its leased space. Borden Dairy Company recently signed a lease for 25,980 square feet and received eight months of free rent. A free rent reserve of \$1,923,358 was taken at closing, representing all outstanding free rent for tenants at the property, and will be released to the borrower on a monthly basis pursuant to the loan agreement.

(4) UW NOI incorporates expected expense reduction as a result of the installation of new chillers at the property.

Property Management. The properties will be managed by Rosemont Property Management of Texas, LLC, a subsidiary of the sponsor.

Escrows and Reserves. At closing the borrower was required to deposit into escrow \$3,206,325 for outstanding tenant improvements allowances and leasing commission obligations, \$1,923,358 for outstanding free rent credits and \$769,395 for immediate repairs. In addition, the borrower deposited \$1,374,885 in escrow for annual real estate taxes at loan origination and is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$129,092. 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. At origination and on a monthly basis thereafter, the borrower is required to deposit \$66,667 to the tenant improvement/leasing commission reserve and \$13,242 to the replacement reserves escrow. The tenant improvement/leasing commission reserve is subject to a cap of \$2,400,000.

Lock Box / 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, all excess cash flow will be trapped and held as additional collateral for the loan.