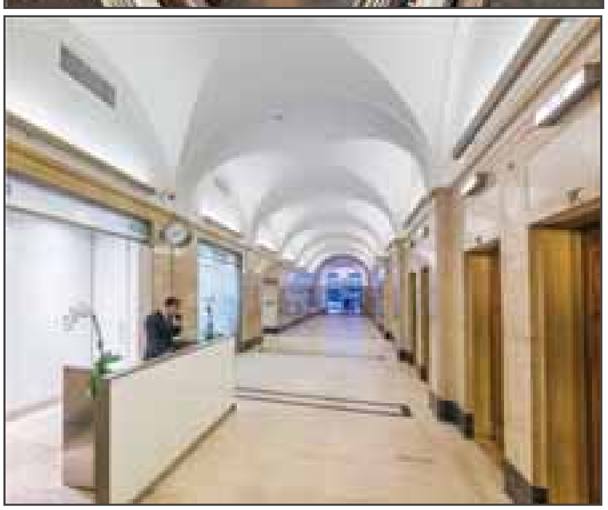
## The Club Row Building





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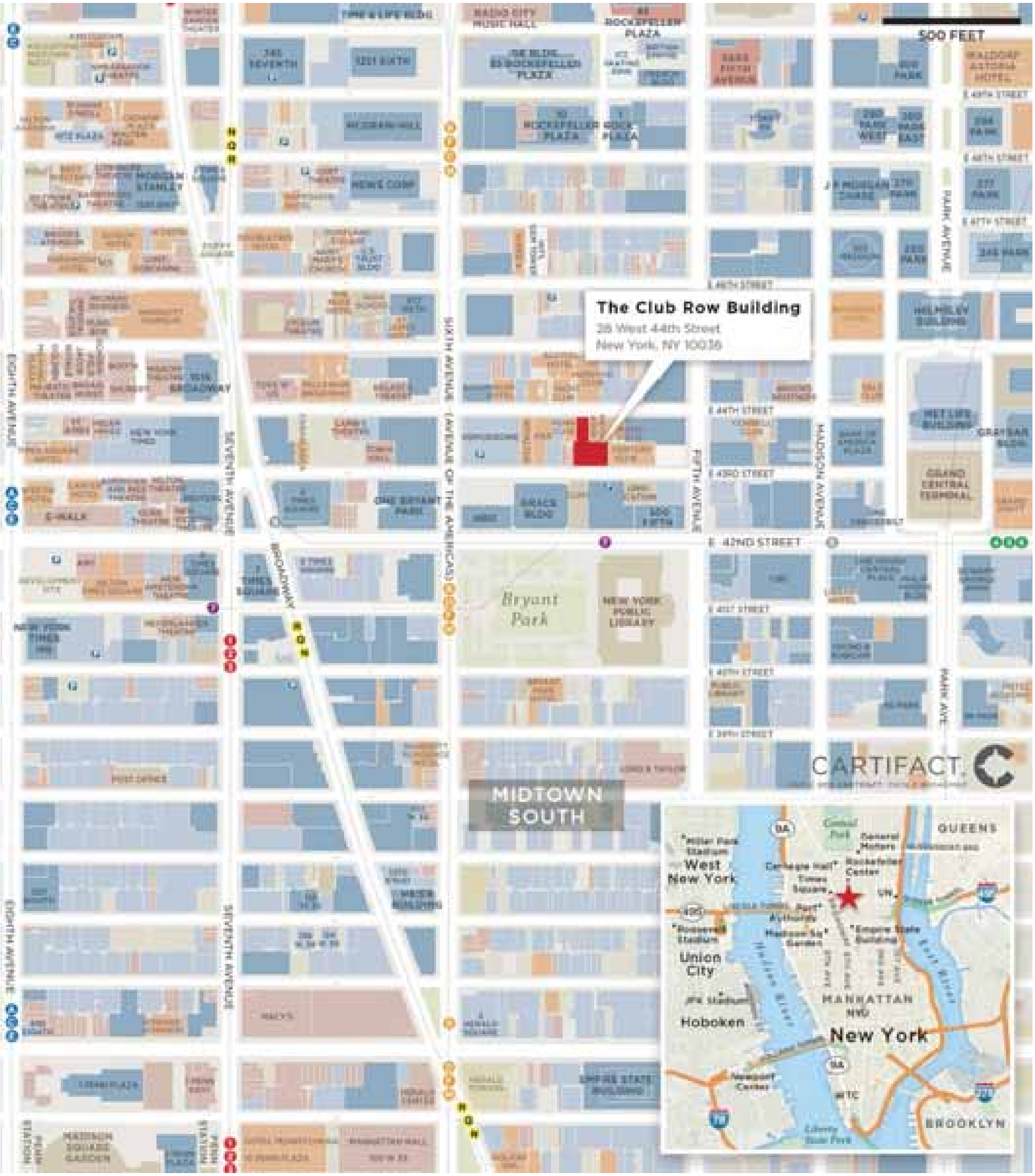

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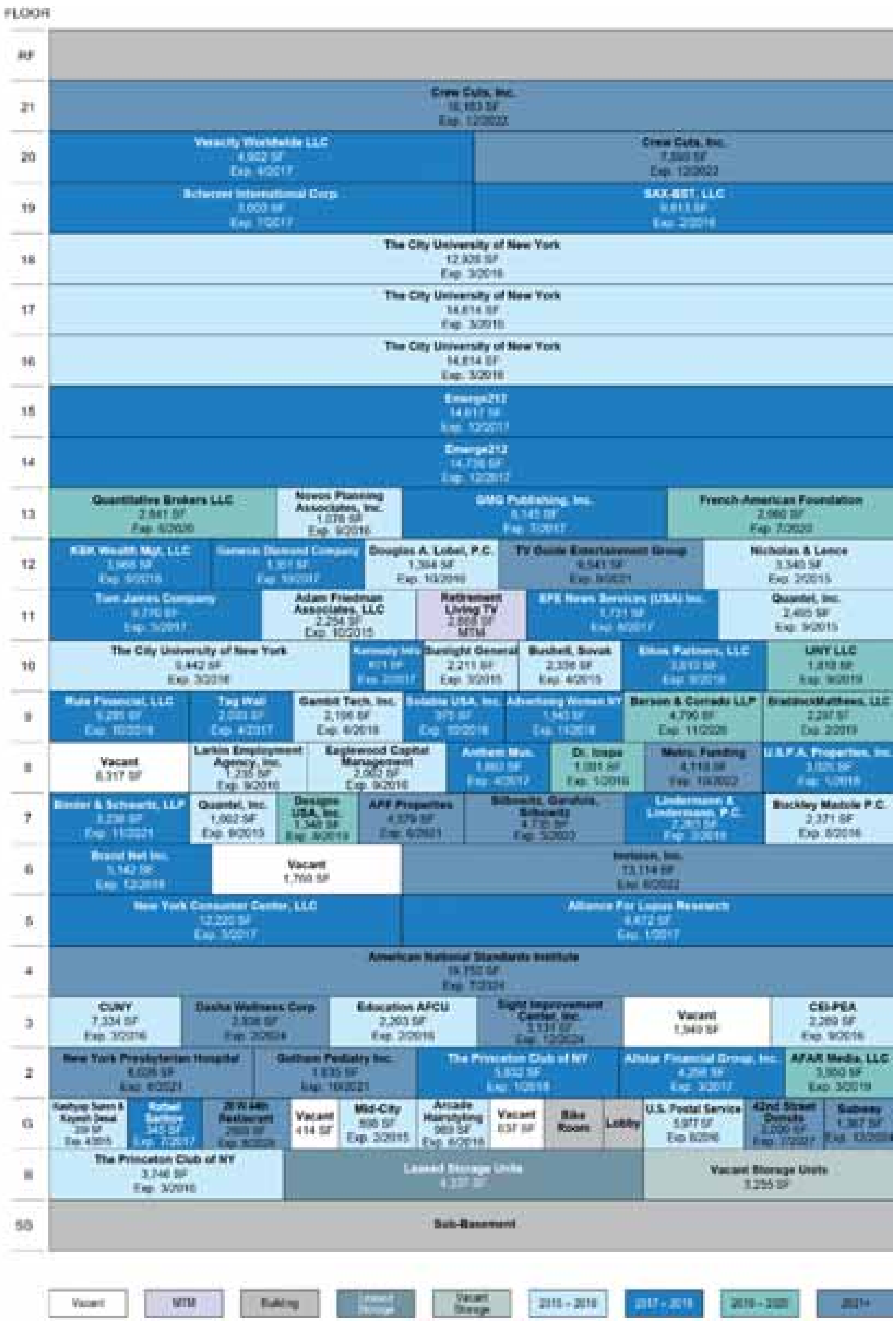

# The Club Row Building

## Mortgage Loan Information

| | |
|---|---|
| **Mortgage Loan Seller:** | JPMCB |
| **Original Principal Balance[(1)]:** | $45,000,000 |
| **Cut-off Date Principal Balance[(1)]:** | $45,000,000 |
| **% of Pool by IPB:** | 3.9% |
| **Loan Purpose:** | Acquisition |
| **Borrower:** | APF 28 W 44 Owner L.P. |
| **Sponsors:** | Ken Aschendorf and Berndt Perl |
| **Interest Rate[(1)]:** | 4.38181% |
| **Note Date:** | 12/12/2014 |
| **Maturity Date:** | 1/1/2025 |
| **Interest-only Period:** | 120 months |
| **Original Term:** | 120 months |
| **Original Amortization:** | None |
| **Amortization Type:** | Interest Only |
| **Call Protection:** | L(24),Grtr1%orYM(92),O(4) |
| **Lockbox:** | Hard |
| **Additional Debt:** | Yes |
| **Additional Debt Balance:** | $110,000,000 / $25,000,000 |
| **Additional Debt Type:** | Pari Passu / B-Note |

## Property Information

| | |
|---|---|
| **Single Asset / Portfolio:** | Single Asset |
| **Title:** | Fee |
| **Property Type - Subtype:** | Office - CBD |
| **Net Rentable Area (SF):** | 365,819 |
| **Location:** | New York, NY |
| **Year Built / Renovated:** | 1920 / 2014 |
| **Occupancy:** | 96.1% |
| **Occupancy Date:** | 10/1/2014 |
| **Number of Tenants:** | 72 |
| **2012 NOI[(2)]:** | $9,704,598 |
| **2013 NOI[(2)]:** | $10,781,841 |
| **2014 NOI[(2)(3)(4)]:** | $11,787,033 |
| **UW Economic Occupancy:** | 95.0% |
| **UW Revenues:** | $20,965,896 |
| **UW Expenses:** | $9,071,371 |
| **UW NOI[(4)]:** | $11,894,525 |
| **UW NCF:** | $10,870,232 |
| **Appraised Value / Per SF:** | $250,000,000 / $683 |
| **Appraisal Date:** | 12/1/2014 |

## Escrows and Reserves[(5)]

| | Initial | Monthly | Initial Cap |
|---|---|---|---|
| **Taxes:** | $351,400 | $351,400 | N/A |
| **Insurance:** | $0 | Springing | N/A |
| **Replacement Reserves:** | $6,100 | $6,100 | N/A |
| **TI/LC:** | $80,000 | $80,000 | $2,880,000 |
| **Other:** | $368,419 | $0 | N/A |

## Financial Information

| | A-Note[(1)] | Whole Loan |
|---|---|---|
| **Cut-off Date Loan / SF:** | $424 | $492 |
| **Maturity Date Loan / SF:** | $424 | $492 |
| **Cut-off Date LTV:** | 62.0% | 72.0% |
| **Maturity Date LTV:** | 62.0% | 72.0% |
| **UW NCF DSCR:** | 1.58x | 1.27x |
| **UW NOI Debt Yield:** | 7.7% | 6.6% |

## Sources and Uses

| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
|---|---|---|---|---|---|
| A-Note[(1)] | $155,000,000 | 72.0% | JV Partner Buy-out | $107,586,224 | 50.0% |
| B-Note[(1)] | 25,000,000 | 11.6 | Payoff of Existing Debt | 100,517,220 | 46.7 |
| Sponsor Equity | 35,129,285 | 16.3 | Closing Costs | 6,219,922 | 2.9 |
| | | | Upfront Reserves | 805,919 | 0.4 |
| **Total Sources** | **$215,129,285** | **100.0%** | **Total Uses** | **$215,129,285** | **100.0%** |

(1) The Club Row Building is part of a loan evidenced by two *pari passu* senior notes (each an "A-Note") and a subordinate B-note ("B-Note"), with an aggregate principal balance of $180.0 million. The A-Note Financial Information presented in the chart above reflects the $155.0 million senior portion of The Club Row Building Whole Loan. The interest rate above reflects the interest rate on the two A-Notes. The interest rate on the B-Note is 6.50000%.

(2) The increase in NOI from 2012 through 2014 can be attributed to lease-up at the property. The loan sponsors initially purchased the property as part of a joint venture in May 2011 (please refer to "*The Sponsors*" below) when occupancy was 87.0%. Since acquisition, the occupancy has increased to 96.1% currently as a result of 158,311 square feet of both new and renewal leases at the property with average rent per square foot of $53.54.

(3) 2014 NOI is based on the trailing twelve-month period ending November 30, 2014.

(4) The increase in UW NOI from 2014 NOI is primarily due to contractual rent increases of $427,233 through December 2015 which is partially offset by higher real estate taxes.

(5) For a full description of Escrows and Reserves, please refer to "*Escrows and Reserves*" below.

## The Club Row Building

***The Loan.*** The Club Row Building loan is secured by a first mortgage lien on a 22-story, 365,819 square foot office building located in Midtown Manhattan, New York. The whole loan has an outstanding principal balance of $180.0 million ("The Club Row Building Whole Loan"), which is comprised of two *pari passu* notes, Note A-1 and Note A-2, and a $25.0 million subordinate B-Note. Note A-2, with an outstanding principal balance as of the Cut-off Date of $45.0 million, is being contributed to the JPMBB 2015-C28 Trust. Note A-1 has an outstanding principal balance as of the Cut-off Date of $110.0 million and was contributed to the JPMBB 2015-C27 trust. The holder of Note A-1 (the "Controlling Noteholder") is the trustee of the JPMBB 2015-C27 trust. The subordinate B-Note has been sold to a third party investor. Under the related intercreditor agreement, prior to a control event with respect to the subordinate B-Note, under certain circumstances, the holder of the subordinate B-Note will have the right to approve certain major decisions with respect to The Club Row Building Whole Loan and to replace the related special servicer with or without cause. After a control event with respect to the subordinate B-Note, the holder of Note A-1, which is the trustee of the JPMBB 2015-C27 trust (or, prior to the occurrence and continuance of a control event under the related pooling and servicing agreement, the directing certificateholder), will be entitled to exercise all of the rights of the Controlling Noteholder with respect to The Club Row Building Whole Loan; however, the holder of Note A-2 will be entitled under certain circumstances, to be consulted with respect to certain major decisions. The Club Row Building Whole Loan has a 10-year term and will be interest-only for the entire term of the loan.

***The Borrower.*** The borrowing entity for The Club Row Building Whole Loan is APF 28 W 44 Owner L.P., a Delaware limited partnership and special purpose entity.

***The Sponsors.*** The loan sponsors and nonrecourse carve-out guarantors are Ken Aschendorf and Berndt Perl, on a joint and several basis, who are the principals of APF Properties ("APF"), a fully integrated real estate investment firm with a commercial portfolio valued at approximately $800 million. Founded by Ken Aschendorf, Berndt Perl and Robert Faktor in 1995, the firm has its headquarters in New York City with offices in Philadelphia, Pennsylvania and Frankfurt, Germany. APF focuses exclusively on commercial office buildings in the Northeastern seaboard region anchored by its New York and Philadelphia offices. APF previously owned the property through a joint venture with Prudential Real Estate Investors (20% APF / 80% Prudential Real Estate Investors). The joint venture purchased the property in May 2011 for a total acquisition cost of $161.0 million when the property was 87.0% occupied. APF has operated the property since its acquisition and the joint venture spent approximately $6.3 million upgrading the lobby, entrances, elevators, public corridors, bathrooms, mechanical systems and windows. Since the original acquisition, the sponsorship increased occupancy to the current level of 96.1% with a retention rate of over 80.0% for existing tenants. As part of this financing, APF purchased Prudential Real Estate Investors' equity interest in the joint venture to own all of the equity.

***The Property.*** The Club Row Building is a Class B office building located at 28 West 44th Street between 5th and 6th Avenue in Midtown Manhattan. The property was constructed in 1920 and renovated in 2014. The 22-story property totals 365,819 square feet and consists of primarily office space with a small retail component. The building houses two restaurants, a newsstand, a barber shop, a shoe repair shop, a tailor, and a post office. The property is on a through-block parcel, meaning it has two entrances, one on 44th Street and one on 43rd Street.

As of October 1, 2014, the property was 96.1% leased by 72 tenants. The largest tenant at the property, the City University of New York ("CUNY"), leases 16.3% of the net rentable area through March 2016 and has been a tenant at the property since September 2004. CUNY provides high-quality, accessible education for more than 269,000 degree credit students and 247,000 adults, continuing and professional education students at 24 campuses across New York City. CUNY operates adult and continuing professional education from this location. The second largest tenant, Emerge212 ("Emerge"), leases 8.4% of the net rentable area through December 2017 and has one extension option of either 5- or 10-years. Emerge has been a tenant at the property since June 2005. Emerge is a wholly owned subsidiary of SL Green Realty Corp. and offers boutique office space for small businesses in a turnkey solution. The space is fully furnished, fully wired and fully serviced. The company also offers pay-as-you-go conference rooms and a comprehensive menu of business services. The third largest tenant, American National Standards Institute ("ANSI"), leases 5.5% of the net rentable area through July 2024. ANSI has been a tenant at the property since January 2001. ANSI has served as coordinator of the U.S. private sector, voluntary standardization system for more than 90 years. The institute is a private non-profit organization that oversees the development of voluntary consensus standards for products, services, processes, systems and personnel in the United States. The organization also coordinates U.S. standards with international standards so that American products can be used worldwide.

The property is located in the heart of Midtown Manhattan and is within walking distance of Bryant Park, the New York Public Library, Rockefeller Center and Times Square. The property also benefits from being close to public transportation hubs such as Grand Central Terminal (serviced by the 4, 5, 6, 7, and S subway lines and the Metro North commuter rail line) which is located two blocks east, Port Authority Bus Terminal which is four blocks west, and Penn Station (serviced by the A, C, E, 1, 2, 3 subway lines and the LIRR, PATH and Amtrak rail lines) which is approximately 11 blocks southwest.

# The Club Row Building

According to the appraisal, the property is located in the Grand Central submarket of Manhattan. As of the third quarter of 2014, the submarket consists of 87 buildings totaling approximately 44.3 million square feet of office space with an overall vacancy rate of 8.5% and average rents of $64.39 per square foot. This compares to 10.8% and $60.81 per square foot respectively, when compared with the third quarter of 2013. The appraisal identified eight directly competitive properties built between 1914 and 1931 and ranging in size from approximately 72,000 to 477,207 square feet. The comparable properties reported occupancies ranging from 91.1% to 100.0% with a weighted average of 95.6%. Asking rents for the comparable properties range from $46.00 to $59.00 per square foot. The in-place office rental rate at the property is $47.42 per square foot, which is below the appraisal concluded market rent of $52.00 per square foot for floors 2-10 and $55.00 per square foot for floors 11-22. Since the beginning of 2013, the loan sponsors have executed 28 new or renewal leases.

**Historical and Current Occupancy(1)**

| 2011 | 2012 | 2013 | Current(2)(3) |
|---|---|---|---|
| 90.8% | 88.9% | 95.2% | 96.1% |

(1) Historical Occupancies are as of December 1, of each respective year.
(2) Current Occupancy is as of October 1, 2014.
(3) Current Occupancy includes 28 West 44th Restaurant LLC, which has signed a lease but is not yet in occupancy. The tenant is expected to take occupancy of its space in the second quarter of 2015.

**Tenant Summary(1)**

| Tenant | Ratings Moody's/S&P/Fitch(2) | Net Rentable Area (SF) | % of Total NRA | Base Rent | Base Rent PSF | Lease Expiration Date |
|---|---|---|---|---|---|---|
| The City University of New York | NA / NA / NA | 59,530 | 16.3% | $2,154,737 | $36.20 | 3/31/2016 |
| Emerge212 | Ba1 / BB+ / BBB- | 30,905 | 8.4% | $1,411,749 | $45.68 | 12/31/2017 |
| American National Standards Institute | NA / NA / NA | 19,986 | 5.5% | $1,083,149 | $54.20 | 7/31/2024 |
| Crew Cuts, Inc. | NA / NA / NA | 18,076 | 4.9% | $1,128,369 | $62.42 | 12/31/2022 |
| Invision, Inc. | NA / NA / NA | 13,114 | 3.6% | $549,709 | $41.92 | 6/30/2022 |
| New York Consumer Center, LLC | NA / NA / NA | 12,220 | 3.3% | $559,342 | $45.77 | 3/31/2017 |
| SAX-BST, LLC | NA / NA / NA | 9,813 | 2.7% | $671,281 | $68.41 | 2/28/2018 |
| Tom James Company | NA / NA / NA | 9,770 | 2.7% | $491,093 | $50.27 | 5/31/2017 |
| The Princeton Club of New York(3) | NA / NA / NA | 9,578 | 2.6% | $406,505 | $42.44 | 1/31/2018 |
| TV Guide Entertainment Group(4) | NA / NA / NA | 9,541 | 2.6% | $515,930 | $54.08 | 9/30/2021 |

(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 Princeton Club of New York has multiple leases at the property and the expiration date listed above reflects the expiration date of the largest space (5,832 square feet) the tenant occupies. The tenant leases 3,746 additional square feet expiring in March 2016.
(4) TV Guide Entertainment Group may terminate its lease at any time after September 2019 with at least 180 days' notice and a termination fee of three months' base rent.

**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 | 14,332 | 3.9% | NAP | NAP | 14,332 | 3.9% | NAP | NAP |
| 2015 & MTM | 11 | 18,059 | 4.9 | $912,346 | 5.1% | 32,391 | 8.9% | $912,346 | 5.1% |
| 2016 | 12 | 85,180 | 23.3 | 3,554,552 | 20.0 | 117,571 | 32.1% | $4,466,899 | 25.1% |
| 2017 | 14 | 88,185 | 24.1 | 4,292,886 | 24.2 | 205,756 | 56.2% | $8,759,785 | 49.3% |
| 2018 | 11 | 41,701 | 11.4 | 2,399,743 | 13.5 | 247,457 | 67.6% | $11,159,527 | 62.8% |
| 2019 | 5 | 10,414 | 2.8 | 528,224 | 3.0 | 257,871 | 70.5% | $11,687,751 | 65.8% |
| 2020 | 3 | 10,291 | 2.8 | 515,537 | 2.9 | 268,162 | 73.3% | $12,203,288 | 68.7% |
| 2021 | 5 | 25,219 | 6.9 | 1,202,812 | 6.8 | 293,381 | 80.2% | $13,406,100 | 75.5% |
| 2022 | 4 | 40,035 | 10.9 | 2,066,185 | 11.6 | 333,416 | 91.1% | $15,472,286 | 87.1% |
| 2023 | 0 | 0 | 0.0 | 0 | 0.0 | 333,416 | 91.1% | $15,472,286 | 87.1% |
| 2024 | 4 | 27,625 | 7.6 | 1,571,494 | 8.8 | 361,041 | 98.7% | $17,043,780 | 96.0% |
| 2025 | 0 | 0 | 0.0 | 0 | 0.0 | 361,041 | 98.7% | $17,043,780 | 96.0% |
| 2026 & Beyond | 3 | 4,778 | 1.3 | 718,844 | 4.0 | 365,819 | 100.0% | $17,762,624 | 100.0% |
| **Total** | **72** | **365,819** | **100.0%** | **$17,762,624** | **100.0%** | | | | |

(1) Based on the underwritten rent roll.

## The Club Row Building

| Operating History and Underwritten Net Cash Flow | 2012 | 2013 | 2014(1) | Underwritten | Per Square Foot | %(2) |
|---|---|---|---|---|---|---|
| Rents in Place(3)(4) | $14,648,919 | $15,283,475 | $16,950,697 | $17,762,624 | $48.56 | 80.5% |
| Vacant Income | 0 | 0 | 0 | 697,317 | 1.91 | 3.2 |
| **Gross Potential Rent** | **$14,648,919** | **$15,283,475** | **$16,950,697** | **$18,459,941** | **$50.46** | **83.6%** |
| Total Reimbursements | 2,871,415 | 3,452,114 | 3,374,858 | 3,609,423 | 9.87 | 16.4 |
| **Net Rental Income** | **$17,520,334** | **$18,735,589** | **$20,325,555** | **$22,069,364** | **$60.33** | **100.0%** |
| (Vacancy/Credit Loss) | 0 | 0 | 0 | (1,103,468) | (3.02) | (5.0) |
| **Effective Gross Income** | **$17,520,334** | **$18,735,589** | **$20,325,555** | **$20,965,896** | **$57.31** | **95.0%** |
| **Total Expenses** | **$7,815,736** | **$7,953,748** | **$8,538,522** | **$9,071,371** | **$24.80** | **43.3%** |
| **Net Operating Income** | **$9,704,598** | **$10,781,841** | **$11,787,033** | **$11,894,525** | **$32.51** | **56.7%** |
| Total TI/LC, Capex/RR | 0 | 0 | 0 | 1,024,293 | 2.80 | 4.9 |
| **Net Cash Flow** | **$9,704,598** | **$10,781,841** | **$11,787,033** | **$10,870,232** | **$29.71** | **51.8%** |

(1) 2014 historical financials are based on the trailing twelve-month period ending November 30, 2014.

(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 increase in Rents in Place from 2012 through 2014 can be attributed to lease-up at the property. The loan sponsors initially purchased the property as part of a joint venture in May 2011 (please refer to "*The Sponsors*") when occupancy was 87.0%. Since acquisition, the occupancy has increased to 96.1% currently as a result of 158,311 square feet of both new and renewal leases at the property with average rent per square foot of $53.54.

(4) The increase in Underwritten Rents in Place from 2014 Rents in Place is primarily the result of approximately 25,373 square feet of leasing activity at the property throughout 2014. The Underwritten Rents in Place also includes $427,233 in future contractual rent steps through December 1, 2015.

***Property Management.*** The property is managed by APF Properties LLC, an affiliate of the borrower.

***Escrows and Reserves.*** At origination, the borrower deposited into escrow approximately $351,400 for real estate taxes, $295,713 for outstanding tenant improvements associated with leases in effect at closing, $72,706 for outstanding free rent, rent abatements and tenant reimbursements associated with leases in effect at closing, $80,000 for future tenant improvements and leasing commissions and $6,100 for replacement reserves.

*Tax Escrows* - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to $351,400.

*Insurance Escrows* - The requirement for the borrower to make monthly deposits into the insurance escrow is waived so long as (i) no event of default exists and (ii) the borrower provides satisfactory evidence that the property is insured under an approved blanket policy in accordance with the loan documents.

*Replacement Reserves* - On a monthly basis, the borrower is required to escrow $6,100 (approximately $0.20 per square foot annually) for replacement reserves.

*TI/LC Reserves* - On a monthly basis, the borrower is required to deposit $80,000 (approximately $2.62 per square foot annually) into the TI/LC escrow. The reserve is subject to a cap of $2,880,000 (approximately $7.87 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 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 term of the loan in accordance with the loan documents. To the extent that (i) there is an event of default under the loan documents, (ii) the debt service coverage ratio (as calculated in the loan documents) based on the immediately preceding trailing six-month period falls below 1.10x or (iii) the borrower or the property manager becomes the subject of a bankruptcy, insolvency or similar action, then all excess cash flow after payment of debt service, required reserves and operating expenses will be held as additional collateral for the loan.