

Country Squire

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$39,600,000
Cut-off Date Principal Balance:	\$39,600,000
% of Pool by IPB:	3.0%
Loan Purpose:	Acquisition
Borrower:	CLK LV NRFC Country Squire Owner LLC
Sponsors:	Craig Koenigsberg, Michael Boxer, and Jay Anderson
Interest Rate:	3.99600%
Note Date:	3/28/2013
Maturity Date:	4/1/2023
Interest-only Period:	48 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Grtr1%orYM(91),O(4)
Lockbox:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Multifamily - Garden
Net Rentable Area (Units):	972
Location:	Memphis, TN
Year Built / Renovated:	1984 / 2007
Occupancy:	96.2%
Occupancy Date:	2/21/2013
Number of Tenants:	N/A
2010 NOI:	\$3,399,911
2011 NOI:	\$3,904,352
2012 NOI:	\$3,825,526
UW Economic Occupancy:	95.0%
UW Revenues:	\$8,069,213
UW Expenses:	\$4,223,826
UW NOI:	\$3,845,386
UW NCF:	\$3,553,786
Appraised Value / Per Unit:	\$52,500,000 / \$54,012
Appraisal Date:	3/19/2013

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$256,680	\$85,560	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$24,300	\$24,300	N/A
TI/LC:	\$0	\$0	N/A
Other⁽¹⁾:	\$2,488,758	\$0	N/A

Financial Information

Cut-off Date Loan / Unit:	\$40,741
Maturity Date Loan / Unit:	\$36,121
Cut-off Date LTV:	75.4%
Maturity Date LTV:	66.9%
UW NCF DSCR:	1.57x
UW NOI Debt Yield:	9.7%

(1) Other Initial Escrows and Reserves represents an upgrade reserve of approximately \$2.5 million to fund near term improvements including roof repairs, upgrades to the exterior, balcony replacement, landscape replacement and repairs and re-tiling and resurfacing of the pools.

The Loan. The Country Squire loan has an outstanding balance of \$39.6 million and is secured by a first mortgage lien on a 972-unit, Class B multi-family property located in Memphis, Tennessee. The loan has a 10-year term and, subsequent to a 48-month interest-only period, amortizes on a 30-year schedule. Proceeds from the loan, along with approximately \$13.5 million of sponsor equity, were used to acquire the property for approximately \$49.2 million, fund upfront reserves of \$2.8 million and pay closing costs of \$1.1 million. The sponsor is a joint venture between CLK Longview (10% ownership) and NorthStar Realty Finance (90% ownership), with the nonrecourse carve-out guarantors being Craig Koenigsberg, Michael Boxer and Jay Anderson.

The Property. Country Squire is a 972-unit, Class B multifamily property located on approximately 82.54 acres in Memphis, Tennessee. The property, which consists of two-and three-story garden and low-rise style apartment buildings, was built in 1984 and was most recently renovated in 2007. The property consists of 99 residential buildings, a clubhouse, and a community/recreation center building. Amenities at the property include an outdoor pool, a playground, a sand volleyball court, lighted tennis courts, a fitness center and on-site surface parking. Occupancy as of February 21, 2013 was 96.2%.

The Market. The property is located within the Memphis metropolitan statistical area and the Cordova submarket in Memphis, Tennessee. The property is located approximately 14 miles from the Downtown central business district and the Medical Corridor and four miles from the Poplar/Interstate 240 office corridor. Major employers in the area comprise a mix of major trade and transportation, healthcare and government businesses, including Federal Express Corporation, Methodist Healthcare, Naval Support Activity Mid-South and Baptists Memorial Healthcare Corporation. According to the appraisal, as of the year-end 2012, the submarket included approximately 77,742 units in 383 buildings, and had a total occupancy of 95.4% with average asking rents of \$843 per unit. The appraisal identified four competitive properties built between 1986 and 2000 that range in size from 280 units to 464 units and have a weighted average occupancy of 94.7%.

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Unit Type	Unit Mix ⁽¹⁾		Occupied Units	Occupancy ⁽²⁾
	# of Units	% of Total		
1 Bed / 1 Bath	264	27.1	257	97.3
1 Bed / 1.5 Bath	28	2.9	24	85.7
2 Bed / 1 Bath	28	2.9	28	100.0
2 Bed / 2 Bath	652	67.1	620	95.1
Total	972	100.0%	929	96.2%

(1) Based on the appraisal.

(2) Represents current occupancy as of February 21, 2013.

Operating History and Underwritten Net Cash Flow						
	2010	2011	2012	Underwritten	Per Unit	% ⁽¹⁾
Rents in Place ⁽²⁾	\$6,901,950	\$7,310,783	\$7,398,276	\$7,532,400	\$7,749	93.9%
Vacant Income	0	0	0	300,646	309	3.7
Gross Potential Rent	\$6,901,950	\$7,310,783	\$7,398,276	\$7,833,046	\$8,059	97.7%
Total Reimbursements	128,485	186,169	189,121	186,584	192	2.3
Net Rental Income	\$7,030,435	\$7,496,952	\$7,587,397	\$8,019,630	\$8,251	100.0%
(Vacancy/Credit Loss)	0	0	0	(400,982)	(413)	(5.0)
Other Income	392,726	405,165	450,564	450,564	464	5.6
Effective Gross Income	\$7,423,161	\$7,902,117	\$8,037,961	\$8,069,213	\$8,302	100.6%
Total Expenses	\$4,023,250	\$3,997,766	\$4,212,435	\$4,223,826	\$4,346	52.3%
Net Operating Income	\$3,399,911	\$3,904,352	\$3,825,526	\$3,845,386	\$3,956	47.7%
Total Capex/RR	0	0	0	291,600	300	3.6
Net Cash Flow	\$3,399,911	\$3,904,352	\$3,825,526	\$3,553,786	\$3,656	44.0%
Occupancy⁽³⁾	92.3%	95.2%	94.8%	95.0%		

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

(2) Underwritten Rents in Place are based on the February 21, 2013 rent roll annualized.

(3) Historical Occupancy reflects the average for each respective year.