

The Villas at Sienna Plantation



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**West Houston Airport**

**ENERGY CORRIDOR**

**Spring Valley Village**

**Piney Point Village**

**Houston**

**Missouri City**

**Sienna Plantation**

**Manvel**

**HOUSTON SOUTHWEST AIRPORT**

**2 MILES**

**The Villas at Sienna Plantation**  
8585 Sienna Springs Boulevard  
Missouri City, TX 77459

**Inset Map:** Shows the greater Houston area with major highways (I-10, I-610, I-45, I-25, I-59, I-67, I-77, I-81, I-83, I-87, I-90, I-94, I-97, I-100, I-107, I-110, I-113, I-117, I-120, I-123, I-127, I-130, I-133, I-137, I-140, I-143, I-147, I-150, I-153, I-157, I-160, I-163, I-167, I-170, I-173, I-177, I-180, I-183, I-187, I-190, I-193, I-197, I-200, I-203, I-207, I-210, I-213, I-217, I-220, I-223, I-227, I-230, I-233, I-237, I-240, I-243, I-247, I-250, I-253, I-257, I-260, I-263, I-267, I-270, I-273, I-277, I-280, I-283, I-287, I-290, I-293, I-297, I-300, I-303, I-307, I-310, I-313, I-317, I-320, I-323, I-327, I-330, I-333, I-337, I-340, I-343, I-347, I-350, I-353, I-357, I-360, I-363, I-367, I-370, I-373, I-377, I-380, I-383, I-387, I-390, I-393, I-397, I-400, I-403, I-407, I-410, I-413, I-417, I-420, I-423, I-427, I-430, I-433, I-437, I-440, I-443, I-447, I-450, I-453, I-457, I-460, I-463, I-467, I-470, I-473, I-477, I-480, I-483, I-487, I-490, I-493, I-497, I-500, I-503, I-507, I-510, I-513, I-517, I-520, I-523, I-527, I-530, I-533, I-537, I-540, I-543, I-547, I-550, I-553, I-557, I-560, I-563, I-567, I-570, I-573, I-577, I-580, I-583, I-587, I-590, I-593, I-597, I-600, I-603, I-607, I-610, I-613, I-617, I-620, I-623, I-627, I-630, I-633, I-637, I-640, I-643, I-647, I-650, I-653, I-657, I-660, I-663, I-667, I-670, I-673, I-677, I-680, I-683, I-687, I-690, I-693, I-697, I-700, I-703, I-707, I-710, I-713, I-717, I-720, I-723, I-727, I-730, I-733, I-737, I-740, I-743, I-747, I-750, I-753, I-757, I-760, I-763, I-767, I-770, I-773, I-777, I-780, I-783, I-787, I-790, I-793, I-797, I-800, I-803, I-807, I-810, I-813, I-817, I-820, I-823, I-827, I-830, I-833, I-837, I-840, I-843, I-847, I-850, I-853, I-857, I-860, I-863, I-867, I-870, I-873, I-877, I-880, I-883, I-887, I-890, I-893, I-897, I-900, I-903, I-907, I-910, I-913, I-917, I-920, I-923, I-927, I-930, I-933, I-937, I-940, I-943, I-947, I-950, I-953, I-957, I-960, I-963, I-967, I-970, I-973, I-977, I-980, I-983, I-987, I-990, I-993, I-997, I-1000, I-1003, I-1007, I-1010, I-1013, I-1017, I-1020, I-1023, I-1027, I-1030, I-1033, I-1037, I-1040, I-1043, I-1047, I-1050, I-1053, I-1057, I-1060, I-1063, I-1067, I-1070, I-1073, I-1077, I-1080, I-1083, I-1087, I-1090, I-1093, I-1097, I-1100, I-1103, I-1107, I-1110, I-1113, I-1117, I-1120, I-1123, I-1127, I-1130, I-1133, I-1137, I-1140, I-1143, I-1147, I-1150, I-1153, I-1157, I-1160, I-1163, I-1167, I-1170, I-1173, I-1177, I-1180, I-1183, I-1187, I-1190, I-1193, I-1197, I-1200, I-1203, I-1207, I-1210, I-1213, I-1217, I-1220, I-1223, I-1227, I-1230, I-1233, I-1237, I-1240, I-1243, I-1247, I-1250, I-1253, I-1257, I-1260, I-1263, I-1267, I-1270, I-1273, I-1277, I-1280, I-1283, I-1287, I-1290, I-1293, I-1297, I-1300, I-1303, I-1307, I-1310, I-1313, I-1317, I-1320, I-1323, I-1327, I-1330, I-1333, I-1337, I-1340, I-1343, I-1347, I-1350, I-1353, I-1357, I-1360, I-1363, I-1367, I-1370, I-1373, I-1377, I-1380, I-1383, I-1387, I-1390, I-1393, I-1397, I-1400, I-1403, I-1407, I-1410, I-1413, I-1417, I-1420, I-1423, I-1427, I-1430, I-1433, I-1437, I-1440, I-1443, I-1447, I-1450, I-1453, I-1457, I-1460, I-1463, I-1467, I-1470, I-1473, I-1477, I-1480, I-1483, I-1487, I-1490, I-1493, I-1497, I-1500, I-1503, I-1507, I-1510, I-1513, I-1517, I-1520, I-1523, I-1527, I-1530, I-1533, I-1537, I-1540, I-1543, I-1547, I-1550, I-1553, I-1557, I-1560, I-1563, I-1567, I-1570, I-1573, I-1577, I-1580, I-1583, I-1587, I-1590, I-1593, I-1597, I-1600, I-1603, I-1607, I-1610, I-1613, I-1617, I-1620, I-1623, I-1627, I-1630, I-1633, I-1637, I-1640, I-1643, I-1647, I-1650, I-1653, I-1657, I-1660, I-1663, I-1667, I-1670, I-1673, I-1677, I-1680, I-1683, I-1687, I-1690, I-1693, I-1697, I-1700, I-1703, I-1707, I-1710, I-1713, I-1717, I-1720, I-1723, I-1727, I-1730, I-1733, I-1737, I-1740, I-1743, I-1747, I-1750, I-1753, I-1757, I-1760, I-1763, I-1767, I-1770, I-1773, I-1777, I-1780, I-1783, I-1787, I-1790, I-1793, I-1797, I-1800, I-1803, I-1807, I-1810, I-1813, I-1817, I-1820, I-1823, I-1827, I-1830, I-1833, I-1837, I-1840, I-1843, I-1847, I-1850, I-1853, I-1857, I-1860, I-1863, I-1867, I-1870, I-1873, I-1877, I-1880, I-1883, I-1887, I-1890, I-1893, I-1897, I-1900, I-1903, I-1907, I-1910, I-1913, I-1917, I-1920, I-1923, I-1927, I-1930, I-1933, I-1937, I-1940, I-1943, I-1947, I-1950, I-1953, I-1957, I-1960, I-1963, I-1967, I-1970, I-1973, I-1977, I-1980, I



## The Villas at Sienna Plantation

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	JPMCB
<b>Original Principal Balance:</b>	\$19,740,000
<b>Cut-off Date Principal Balance:</b>	\$19,740,000
<b>% of Pool by IPB:</b>	2.6%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	Villas of Elysian at Sienna Plantation, LP
<b>Sponsors:</b>	Oren Blatt and Yacob Blatt
<b>Interest Rate:</b>	4.44700%
<b>Note Date:</b>	10/16/2015
<b>Maturity Date:</b>	11/1/2025
<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(93),O(2)
<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>	190
<b>Location:</b>	Missouri City, TX
<b>Year Built / Renovated:</b>	2014 / N/A
<b>Occupancy:</b>	95.3%
<b>Occupancy Date:</b>	9/8/2015
<b>Number of Tenants:</b>	N/A
<b>2012 NOI<sup>(1)</sup>:</b>	N/A
<b>2013 NOI<sup>(1)</sup>:</b>	N/A
<b>2014 NOI<sup>(1)</sup>:</b>	N/A
<b>TTM NOI (as of 7/2015)<sup>(2)</sup>:</b>	\$523,585
<b>UW Economic Occupancy:</b>	94.1%
<b>UW Revenues:</b>	\$3,353,804
<b>UW Expenses:</b>	\$1,677,282
<b>UW NOI<sup>(2)</sup>:</b>	\$1,676,522
<b>UW NCF:</b>	\$1,638,522
<b>Appraised Value / Per Unit:</b>	\$28,450,000 / \$149,737
<b>Appraisal Date:</b>	9/3/2015

### Escrows and Reserves<sup>(3)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$540,687	\$69,783	N/A
<b>Insurance:</b>	\$5,635	\$5,635	N/A
<b>Replacement Reserves:</b>	\$3,167	\$3,167	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other:</b>	\$0	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / Unit:</b>	\$103,895
<b>Maturity Date Loan / Unit:</b>	\$103,895
<b>Cut-off Date LTV:</b>	69.4%
<b>Maturity Date LTV:</b>	69.4%
<b>UW NCF DSCR:</b>	1.84x
<b>UW NOI Debt Yield:</b>	8.5%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$19,740,000	67.0%	Purchase Price	\$28,200,000	95.8%
Sponsor Equity	9,721,575	33.0	Closing Costs	712,086	2.3
			Upfront Reserves	549,489	1.9
<b>Total Sources</b>	<b>\$29,461,575</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$29,461,575</b>	<b>100.0%</b>

(1) Historical NOI is not available as the property was delivered in late 2014.

(2) The increase in TTM NOI to UW NOI is due to the lease up of residential units since the property was delivered in late 2014.

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

**The Loan.** The Villas at Sienna Plantation loan has an outstanding principal balance as of the Cut-off Date of \$19.7 million and is secured by a first mortgage lien on a 190-unit, garden style apartment community located in Missouri City, Texas. The loan has a 10-year term and is interest only for the entire term.

**The Borrower.** The borrowing entity for the loan is Villas of Elysian at Sienna Plantation, LP, a Texas limited partnership and special purpose entity.

**The Loan Sponsors.** The loan sponsors and nonrecourse carve-out guarantors of the mortgage loan are Oren Blatt and Yacob Blatt, co-founders of Sun Holdings Group. Sun Holdings Group is a real estate investment firm founded in Tel Aviv, Israel in 1990. The firm is currently headquartered in Houston, Texas and has acquired over 2,000 residential units in the United States with the primary focus on Texas. In addition to multifamily investments, Sun Holdings Group invests in the hospitality and retail asset classes and has grown its portfolio to over \$500.0 million of investment properties.

## The Villas at Sienna Plantation

At origination, the proceeds from the mortgage loan were used to acquire The Villas at Sienna Plantation property for \$28.2 million, which represents a purchase price of approximately \$148,421 per unit.

**The Property.** The Villas at Sienna Plantation property is a 190-unit Class A multifamily complex built in 2014 and situated on approximately 12.21 acres. The property consists primarily of 17 two-story buildings with a unit mix consisting of 78 one-bedroom units, 78 two-bedroom units and 34 three-bedroom units. The apartments feature a private patio or balcony area, fully-equipped kitchens including a dishwasher, walk-in closets, nine-foot ceilings with ceiling fans and carpeting throughout. Additionally, all units feature full-size washers and dryers. Amenities at the property include a clubhouse with separate conference room and coffee bar, 24-hour fitness center, game room with shuffle board and billiard table, swimming pool with cabanas, poolside entertainment area and gas grill, Wi-Fi throughout the community, dog park and electronic security gate. The property offers 365 parking spaces, which includes 144 attached garage spaces and 38 detached garage spaces, for a parking ratio of approximately 1.92 spaces per unit.

The Villas at Sienna Plantation property is located in Missouri City, Texas, approximately 18.0 miles southwest of the Houston central business district. The property is located along Sienna Springs Drive, an east and west thoroughfare, which provides direct access to several primary Missouri City roadways including the Sienna Parkway, Fort Bend Parkway Toll Road, State Route 6 and the Sam Houston Parkway. The property is part of a larger master-planned, mixed use community known as Sienna Plantation. Sienna Plantation is a 10,000-acre community that offers residents access to various amenities including a 12-acre recreation complex with fitness classes, eight tennis courts, community swimming pools and two resort-style waterparks, a full golf course, five different schools ranging from elementary to high school, 100 acres of parks and playground and 132 acres of lakes and waterways. The property also benefits from its proximity to various major employment centers in the surrounding area including Sugar Land, Texas Medical Center, Houston Galleria and Westchase District. The Villas at Sienna Plantation property is located within walking distance to an H-E-B grocery store and approximately 7.8 miles southeast of First Colony Mall, a 916,076 square foot regional mall anchored by Dillard's, Macy's and JCPenney. Additionally, the property is located approximately 26.0 miles southwest of William P. Hobby Airport and approximately 42.8 miles southwest of George Bush Intercontinental Airport.

The property is located in the Fort Bend submarket of the Houston multifamily market. As of the second quarter of 2015, the Fort Bend submarket occupancy rate was 90.3% with 13,520 total units while the Class A submarket occupancy rate was 86.4% with 7,219 total units. As of the second quarter of 2015, the one-mile and three-mile estimated population was 3,059 and 40,236, respectively with an estimated median household income of \$100,613 and \$101,601, respectively. The appraisal identified five comparable properties that were built between 2007 and 2014 and range in size from 240 to 312 units. The occupancy for the rent comparables ranged from 53.0% to 98.0% with a weighted average market rental rate of \$1,328 per unit. Additionally, the weighted average unit size for the comparable properties was 953 square feet. By comparison, the property's weighted average monthly in-place rental rate is \$1,495 per unit and weighted average unit size is 1,104 square feet. Within the Fort Bend submarket, there is currently one 77-unit Class A multifamily development under construction that is expected to compete with The Villas at Sienna Plantation property.

Historical and Current Occupancy <sup>(1)</sup>			
TTM <sup>(2)</sup>	T-6	T-3	Current <sup>(3)</sup>
61.7%	70.3%	81.5%	95.3%

(1) Historical occupancies represent the average occupancies for the trailing twelve-, six- and three-month periods ended July 31, 2015.

(2) The lower TTM occupancy is a result of the property being delivered to the market in late 2014.

(3) Current occupancy is as of September 8, 2015.

Multifamily Unit Mix <sup>(1)</sup>							
Unit Type	# of Units	% of Total	Occupied Units	Occupancy	Average Unit Size (SF)	Average Market Rent Per Unit	Average Monthly In-Place Rents
1 Bedroom	78	41.1%	72	92.3%	867	\$1,195	\$1,194
2 Bedroom	78	41.1	77	98.7%	1,195	\$1,593	\$1,591
3 Bedroom	34	17.9	32	94.1%	1,438	\$1,939	\$1,941
<b>Total / Wtd. Avg.</b>	<b>190</b>	<b>100.0%</b>	<b>181</b>	<b>95.3%</b>	<b>1,104</b>	<b>\$1,492</b>	<b>\$1,495</b>

(1) Based on the underwritten rent roll.

## The Villas at Sienna Plantation

	Operating History and Underwritten Net Cash Flow <sup>(1)</sup>					
	TTM <sup>(2)</sup>	T-6 <sup>(2)(3)</sup>	T-3 <sup>(2)(3)</sup>	Underwritten	Per Unit	% <sup>(4)</sup>
Rents in Place	\$1,522,648	\$2,323,092	\$2,695,252	\$3,247,440	\$17,092	94.7%
Vacant Income	0	0	0	153,764	809	4.5
<b>Gross Potential Rent</b>	<b>\$1,522,648</b>	<b>\$2,323,092</b>	<b>\$2,695,252</b>	<b>\$3,401,204</b>	<b>\$17,901</b>	<b>99.2%</b>
Total Reimbursements	173,850	257,072	338,392	28,800	152	0.8
<b>Net Rental Income</b>	<b>\$1,696,498</b>	<b>\$2,580,164</b>	<b>\$3,033,644</b>	<b>\$3,430,004</b>	<b>\$18,053</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	0	(171,500)	(903)	(5.0)
Concessions	(8,963)	(15,048)	(21,764)	(29,700)	(156)	(0.9)
Other Income	3,878	4,650	5,056	125,000	658	3.6
<b>Effective Gross Income</b>	<b>\$1,691,413</b>	<b>\$2,569,766</b>	<b>\$3,016,936</b>	<b>\$3,353,804</b>	<b>\$17,652</b>	<b>97.8%</b>
<b>Total Expenses</b>	<b>\$1,167,828</b>	<b>\$1,598,318</b>	<b>\$1,551,760</b>	<b>\$1,677,282</b>	<b>\$8,828</b>	<b>50.0%</b>
<b>Net Operating Income</b>	<b>\$523,585</b>	<b>\$971,448</b>	<b>\$1,465,176</b>	<b>\$1,676,522</b>	<b>\$8,824</b>	<b>50.0%</b>
Replacement Reserves	0	0	0	38,000	200	1.1
<b>Net Cash Flow<sup>(5)</sup></b>	<b>\$523,585</b>	<b>\$971,448</b>	<b>\$1,465,176</b>	<b>\$1,638,522</b>	<b>\$8,624</b>	<b>48.9%</b>

(1) No historical cash flows are available as the property was delivered in late 2014.

(2) T-3, T-6 and TTM columns represent the trailing three-, six- and 12-month periods, respectively, each as of July 31, 2015.

(3) T-3 and T-6 columns represent annualized figures.

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

(5) The increase in TTM Net Cash Flow to Underwritten Net Cash Flow is due to the lease up of residential units during the latter half of 2014 through early 2015.

**Property Management.** The Villas at Sienna Plantation property is managed by Tarantino Properties, Inc., a third party management company. The current management agreement commenced on October 9, 2015 and has a 12-month term and will automatically renew on a month-to-month basis unless otherwise terminated by either party. The management agreement provides for a contractual management fee of 2.5% of gross collections, payable on a monthly basis. The management fees related to The Villas at Sienna Plantation property are subordinate to the liens and interests of The Villas at Sienna Plantation loan.

**Escrows and Reserves.** At origination, the borrower was required to deposit into escrow \$540,687 for tax reserves, \$5,635 for insurance and \$3,167 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 \$69,783.

**Insurance Escrows** – On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated insurance premiums, which currently equates to \$5,635.

**Replacement Reserves** - On a monthly basis, the borrower is required to escrow \$3,167 (approximately \$200 per unit annually) for replacement reserves. The reserve is not subject to a cap.

**Lockbox / Cash Management.** The loan is structured with a springing lockbox. Upon the occurrence of a Cash Sweep Event, the borrower and manager are required to establish the lockbox account and deposit all rents and payments into the lockbox account. During a Cash Sweep Event, all funds in the lockbox account are required to be swept each business day to a segregated cash management account under the control of the lender and all excess cash flow after payment of the monthly debt service, required reserves and operating expenses will be held as additional collateral for the loan. The lender has a first priority security interest in the cash management account.

**“Cash Sweep Event”** means the occurrence of (i) an event of default, (ii) any bankruptcy action of the borrower or property manager or (iii) the debt service coverage ratio (as calculated in the loan documents) based on a trailing six months of gross income from operations is less than 1.10x.

**Permitted Mezzanine Debt.** In connection with a bona fide sale of the property and assumption of the mortgage loan pursuant to the loan documents, the owners of the transferee are permitted to obtain a mezzanine loan secured by the ownership interests in the transferee upon certain terms and conditions which include, without limitation: (i) no event of default has occurred and is continuing; (ii) the combined loan-to-value ratio does not exceed 70.0%; (iii) the debt service coverage ratio (as calculated in the loan documents), taking into account the mezzanine loan and assuming a 30 year amortization for the 12 month period following such mezzanine loan, is not less than 1.25x; (iv) the maturity date of the mezzanine loan is not earlier than the maturity date of the mortgage loan; and (v) the lenders enter into an intercreditor agreement acceptable to the mortgage lender.