

The Park at Veneto

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$20,200,000
Cut-off Date Principal Balance:	\$20,200,000
% of Pool by IPB:	1.8%
Loan Purpose:	Refinance
Borrower:	Reflections Property Holdings, LLC
Sponsors:	Blue Rock Partners, LLC and Stonecutter Capital Management LLC
Interest Rate:	4.65000%
Note Date:	9/1/2015
Maturity Date:	9/1/2020
Interest-only Period:	18 months
Original Term:	60 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(31),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):	282
Location:	Fort Myers, FL
Year Built / Renovated:	1987 / 2015
Occupancy:	96.1%
Occupancy Date:	9/29/2015
Number of Tenants:	N/A
2012 NOI⁽¹⁾:	N/A
2013 NOI⁽¹⁾:	N/A
2014 NOI⁽²⁾:	\$1,199,274
TTM NOI (as of 8/2015)⁽²⁾⁽³⁾:	\$1,514,706
UW Economic Occupancy:	95.2%
UW Revenues:	\$2,902,618
UW Expenses:	\$1,279,768
UW NOI⁽³⁾:	\$1,622,850
UW NCF:	\$1,538,250
Appraised Value / Per Unit:	\$28,500,000 / \$101,064
Appraisal Date:	8/7/2015

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$175,809	\$17,581	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$6,486	\$6,486	N/A
TI/LC:	\$0	\$0	N/A
Other⁽⁴⁾:	\$5,325	\$0	N/A

Financial Information

Cut-off Date Loan / Unit:	\$71,631
Maturity Date Loan / Unit:	\$67,649
Cut-off Date LTV:	70.9%
Maturity Date LTV:	66.9%
UW NCF DSCR:	1.23x
UW NOI Debt Yield:	8.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$20,200,000	100.0%	Payoff Existing Debt	\$13,866,465	68.6%
			Return of Equity	5,875,022	29.1
			Closing Costs	270,893	1.3
			Upfront Reserves	187,620	0.9
Total Sources	\$20,200,000	100.0%	Total Uses	\$20,200,000	100.0%

(1) 2012 NOI and 2013 NOI are not available as the loan sponsor purchased the property in January 2014.

(2) The increase from 2014 NOI to TTM NOI is primarily due to the property's most recent renovation and the strong demand in the market, which has led new and renewal rents to be, on average, approximately 18% higher than those at acquisition.

(3) The increase from TTM NOI to UW NOI is primarily due to underwriting units at market rent less the loss to lease.

(4) Initial Other Escrows and Reserves consist of an insurance side letter.

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The Loan. The Park at Veneto loan has an outstanding principal balance of \$20.2 million and is secured by a first mortgage lien on the borrower's fee interest in a 282-unit, garden-style multifamily property located in Fort Myers, Florida. The loan has a five-year term and, subsequent to an 18-month interest-only period, will amortize on a 30-year schedule. The previously existing debt was securitized in 2014 as part of the ACR 2014-FL2 transaction. The borrowing entity for the loan is Reflections Property Holdings, LLC, a Delaware limited liability company and special purpose entity. The loan sponsors are Blue Rock Partners, LLC and Stonecutter Capital Management LLC. Founded in 2004 and based in Tampa, Florida, Blue Rock Partners, LLC currently manages over 10,000 multifamily units across 13 Florida communities with emphasis on the Orlando and Tampa markets. Founded in 2012, Stonecutter Capital Management LLC is a real estate investment management company that currently owns more than 8,000 multifamily rental units, with approximately 4,500 units in Florida, and more than 300,000 square feet of commercial space. The nonrecourse carve-out guarantor is Randy X. Ferreira, senior partner and owner of Blue Rock Partners, LLC. Randy X. Ferreira is responsible for consistent growth and company acquisitions which now exceed 13,000 multifamily units. In addition, he oversees the day-to-day operations of accounting, property management services and the repositioning and renovation processes within the company.

The Property. The Park at Veneto is a 282-unit, Class B/B- multifamily property located in Fort Myers, Florida. Developed in 1987 and renovated in 2015, the property is situated on 12.5 acres and consists of 11 three-story apartment buildings, one clubhouse and one maintenance shop. As of September 29, 2015, the property was 96.1% occupied. The property unit features include fully equipped kitchens with stainless steel sinks, refrigerator, dishwasher, laundry equipment hook-ups and wood countertops and cabinetry. In addition, several units offer balconies, vaulted ceilings and fireplaces. Property amenities include a 2,295 square foot clubhouse which allows for leasing offices, controlled-access entry, two swimming pools, a fitness center and a tennis court. The property also has 456 parking spaces, which include 388 surface spaces and 68 carport spaces, resulting in a parking ratio of 1.62 spaces per rentable unit. The loan sponsor is expected to complete its \$2.5 million renovation plan by September 2016, which will include renovations to the interior and exterior. Upgrades to the units include repainting the cabinets, installing mini-tile backsplashes, faux-wood floors, new lighting and hardware packages with ceiling fans in the living room and master bedroom and new appliances as needed. Additionally, the landscaping was upgraded throughout the property, with a heavy focus on the main entrance, gated entrances and small ponds with water fountains. These upgrades and renovations have enabled the loan sponsor to grow revenues as new leases are executed, while maintaining current occupancy levels.

The Park at Veneto property is situated approximately three miles south of the Fort Myers central business district and approximately 15 to 20 miles northeast of the Captiva, Fort Myers and Sanibel Island beaches. The property is located in close proximity to local employers including the 355-bed Lee Memorial Hospital, the Metro Park office park and the Lee County Public Education Center. In addition, the Macy's-anchored Edison Mall is located approximately two miles north of the property. Accessibility to the property's neighborhood is provided by US-75, a major north-south thoroughfare along the southwest coast of Florida, located eight miles to the east.

The Market. The property is located within the Florida apartment market and the Fort Myers multifamily submarket. The submarket had an average vacancy rate of 3.3% as of March 2015. The submarket vacancy has trended downward over the last three years with average vacancies of 6.2% in 2012, 5.0% in 2013 and 3.6% in 2014. According to the appraisal, the 2015 estimated population within a one- and three-mile radius of the property is 10,774 and 54,511, respectively. The 2015 estimated average household income within a one- and three-mile radius of the property is \$40,525 and \$50,745, respectively. As of March 2015, the Fort Myers multifamily submarket is comprised of complexes ranging from 40 to 936 units, with an average of 208 units. According to the appraisal, development has been limited during the last five years. The appraisal identified five comparable rentals proximate to The Park at Veneto property. The property's comparables range in average unit size from 768 to 1,052 square feet with an average of 897 square feet, and indicate an average, by comparable, monthly asking rental range of \$886 to \$1,093, with an average of \$979.

Unit Type	Unit Mix ⁽¹⁾				Average Unit Size (SF)	Average Market Rent Per Unit	Average Monthly In-Place Rents
	# of Units	% of Total	Occupied Units	Occupancy			
1 BR / 1 BA	88	31.2%	83	94.3%	757	\$800	\$746
1 BR / 1 BA	32	11.4	31	96.9%	532	\$850	\$670
2 BR / 1 BA	28	9.9	26	92.9%	912	\$895	\$787
2 BR / 1 BA	16	5.7	16	100.0%	874	\$895	\$791
2 BR / 2 BA	36	12.8	36	100.0%	1,081	\$995	\$892
2 BR / 2 BA	52	18.4	52	100.0%	1,011	\$995	\$878
3 BR / 2 BA	30	10.6	27	90.0%	1,181	\$1,100	\$964
Total / Wtd. Average	282	100.0%	271	96.1%	887	\$913	\$810

(1) Based on the rent roll dated September 29, 2015 provided by the borrower.

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Operating History and Underwritten Net Cash Flow					
	2014	TTM ⁽¹⁾	Underwritten	Per Unit	% ⁽²⁾
Rents in Place ⁽³⁾	\$2,257,481	\$2,597,827	\$2,635,674	\$9,346	89.5%
Vacant Income	0	0	119,280	423	4.0
Gross Potential Rent	\$2,257,481	\$2,597,827	\$2,754,954	\$9,769	93.5%
Total Reimbursements	161,140	186,953	191,486	679	6.5
Net Rental Income	\$2,418,621	\$2,784,780	\$2,946,440	\$10,448	100.0%
(Vacancy/Credit Loss)	(196,277)	(163,054)	(141,580)	(502)	(4.8)
Other Income ⁽⁴⁾	77,397	102,941	97,758	347	3.3
Effective Gross Income	\$2,299,741	\$2,724,667	\$2,902,618	\$10,293	98.5%
Total Expenses	\$1,100,467	\$1,209,961	\$1,279,768	\$4,538	44.1%
Net Operating Income⁽⁵⁾	\$1,199,274	\$1,514,706	\$1,622,850	\$5,755	55.9%
Replacement Reserves	0	0	84,600	300	2.9
Net Cash Flow	\$1,199,274	\$1,514,706	\$1,538,250	\$5,455	53.0%
Occupancy⁽⁶⁾	96.2%	96.1%	95.2%		

(1) TTM column represents the trailing 12-month period ending on August 31, 2015.

(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 from 2014 Rents in Place to TTM Rents in Place is primarily due to the property's most recent renovation and the strong demand in the market, which has led new and renewal rents to be, on average, approximately 18% higher than those at acquisition.

(4) Other Income represents collections from previous residents, application fees, cable income, late fees, MTM fees, non-refundable pet fees, renter's insurance, short term fees, utility setup fees and other miscellaneous fees.

(5) The increase from TTM Net Operating Income to Underwritten Net Operating Income is primarily due to underwriting units at market rent less the loss to lease.

(6) 2014 Occupancy is as of December 31, 2014. TTM Occupancy is as of September 29, 2015. Underwritten Occupancy represents economic occupancy.