

## Westin Memphis

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	GACC
<b>Original Principal Balance:</b>	\$40,000,000
<b>Cut-off Date Principal Balance:</b>	\$40,000,000
<b>% of Pool by IPB:</b>	3.6%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Senate Hotel Memphis SPE, LLC
<b>Sponsors:</b>	David B. Jones, Glenn R. Malone, Gregory O. Hnedak, L. Kirkpatrick Bobo
<b>Interest Rate:</b>	4.57000%
<b>Note Date:</b>	10/14/2016
<b>Maturity Date:</b>	11/6/2026
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(24),Def(92),O(4)
<b>Lockbox:</b>	Hard
<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<sup>(2)</sup>:</b>	Fee
<b>Property Type - Subtype:</b>	Hotel – Full Service
<b>Net Rentable Area (Rooms):</b>	203
<b>Location:</b>	Memphis, TN
<b>Year Built / Renovated:</b>	2007 / N/A
<b>Occupancy / ADR / RevPAR:</b>	81.8% / \$187.55 / \$153.32
<b>Occupancy / ADR / RevPAR Date:</b>	7/31/2016
<b>Number of Tenants:</b>	N/A
<b>2013 NOI:</b>	\$4,248,168
<b>2014 NOI:</b>	\$4,718,510
<b>2015 NOI:</b>	\$5,259,525
<b>TTM NOI (as of 7/2016):</b>	\$5,448,608
<b>UW Occupancy / ADR / RevPAR:</b>	81.8% / \$187.55 / \$153.32
<b>UW Revenues:</b>	\$16,564,180
<b>UW Expenses:</b>	\$11,115,572
<b>UW NOI:</b>	\$5,448,608
<b>UW NCF:</b>	\$4,786,041
<b>Appraised Value / Per Room:</b>	\$64,700,000 / \$318,719
<b>Appraisal Date:</b>	6/17/2016

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	\$0	N/A
<b>Insurance:</b>	\$170,743	\$17,075	N/A
<b>FF&amp;E Reserves:</b>	\$0	Springing	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other<sup>(1)</sup>:</b>	\$3,047,500	Springing	N/A

### Financial Information

<b>Cut-off Date Loan / Room:</b>	\$197,044
<b>Maturity Date Loan / Room:</b>	\$159,664
<b>Cut-off Date LTV:</b>	61.8%
<b>Maturity Date LTV:</b>	50.1%
<b>UW NCF DSCR:</b>	1.95x
<b>UW NOI Debt Yield:</b>	13.6%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$40,000,000	100.0%	Payoff Existing Debt	\$34,886,043	87.2%
			Upfront Reserves	3,218,243	8.0
			Return of Equity	1,130,116	2.8
			Closing Costs	765,599	1.9
<b>Total Sources</b>	<b>\$40,000,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$40,000,000</b>	<b>100.0%</b>

(1) The Other reserve consists of a \$3,000,000 PIP reserve and a \$47,500 ground rent reserve.

(2) The Westin Memphis loan is characterized as a fee interest because it is secured by the borrower's leasehold interest and the fee owner's overlapping interest in the Westin Memphis property.

**The Loan.** The Westin Memphis loan has an outstanding principal balance as of the Cut-off Date of \$40.0 million and is secured by a first mortgage lien on the fee and leasehold interests in the Westin Memphis, a 203 room, full service hotel located in Memphis, Tennessee. The loan has a 10-year term and will amortize on a 30-year schedule. The borrowing entity for the Westin Memphis loan is Senate Hotel Memphis SPE, LLC, a Delaware limited liability company and special purpose entity. The loan sponsors and nonrecourse carve-out guarantors are David B. Jones, Glenn R. Malone, Gregory O. Hnedak and L. Kirkpatrick Bobo. David B. Jones and Glenn R. Malone are the President-CEO and COO-CFO of Senate Hospitality Group, respectively. Senate Hospitality Group was founded in 2002 by senior executives of Opryland Hospitality Group and John Q. Hammons hotels. Senate Hospitality Group have developed numerous hotels including, the Gaylord Palms Resort & Convention Center in Nashville, Tennessee, Gaylord Texan Resort & Convention Center on the banks of Lake Grapevine and the Westin Memphis property. Senate Hospitality Group also manages and provides support functions for the Apache Casino Hotel in Lawton, Oklahoma and the Crown Plaza Louisville, among others. L. Kirkpatrick Bobo and Gregory O. Hnedak are executives and co-founders in the Hnedak Bobo Group, Inc., an upscale hospitality design firm.

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**The Property.** The Westin Memphis property is a 203 room full-service hotel located in Memphis, Tennessee. The Westin Memphis, built in 2007, is located across the street from the main entrance of the FedEx Forum, a \$250 million entertainment complex that is home to the Memphis Grizzlies NBA franchise and adjacent to the Smithsonian Rock N' Soul Museum and the Gibson Guitar custom manufacturing facility and museum. Hotel amenities include approximately 9,000 square feet of meeting space, the full service Bleu Restaurant and Lounge, a Starbucks, lobby lounge, fitness center, business center, 24-hour room service and valet or self parking in the adjacent garage. Additionally, the building has several enhancing design features, including oversized-guestrooms (average of 400 square feet) with four-fixture bathrooms, which are guestrooms made to accommodate taller-than-average people such as the NBA athletes on the ninth floor. These rooms include oversized beds, showers and door frames. During the 2015-2016 season, each of visiting NBA teams stayed at the Westin Memphis property which generated 2,377 hotel room nights. The Westin Memphis property offers 203 rooms across four bedroom types: 93 King, 89 Queen, 14 Junior Suites and 7 Executive Suites.

In 2018, the Westin Memphis property is anticipated to commence an approximately \$2.5 million (\$12,527 per room) PIP that will include an update to the lobby, guestrooms, corridors, and other construction and allowances. The renovation will occur over 24-36 months, causing minimal disruption to the hotel operations. At loan origination, \$3.0 million was reserved to complete the PIP renovation.

The Westin Memphis property is tax-exempt because the City of Memphis owns the fee interest in the Westin Memphis property. The City of Memphis leased its fee interest in the Westin Memphis property to Beale Street Development Corporation ("Beale") pursuant to a lease expiring on October 28, 2034. Beale in-turn subleased the Westin Memphis property back to the City of Memphis pursuant to a lease expiring on October 28, 2034. The City of Memphis then sub-subleased the Westin Memphis property to the borrower pursuant to a long-term sub-subground lease with the City of Memphis, with an expiration date of May 12, 2079. Beale Street Development Corporation and the City of Memphis have agreed that in the event of a termination of their respective leases by reason of lease expiration, the borrower has the right to continue to occupy of the Westin Memphis property for the full term of the sub-sublease pursuant to its direct lease with the city of Memphis, as fee owner.

The Westin Memphis property also has a parking use agreement with LPRI Beale Street Garage, LLC for the use of between 80 and 160 parking spaces at an adjacent, 513-space garage. The parking lease is co-terminus with the ground lease with Beale (and expires in October 28, 2034).

The lender obtained a leasehold mortgage from the borrower and the City of Memphis mortgaged its fee interest pursuant to such mortgage. The City of Memphis is not a borrower and is not liable for repayment of the debt.

**The Market.** The Memphis metropolitan statistical area ("Memphis MSA") is comprised of Shelby, Fayette, and Tipton Counties in Tennessee, DeSoto County in Mississippi, and Crittenden County in Arkansas. The Memphis MSA population was approximately 1.34 million in 2015 and the unemployment rate was 5.5% as of March 2016, a decline from 7.3% in December 2015. Memphis, the largest city in Tennessee, is the 23rd largest city in the U.S. by population as of 2015. The city is home to more than 650,000 people, and attracts approximately 10 million visitors to the city each year. Memphis offers numerous sporting events such as the Memphis Grizzlies, St. Louis Cardinals AAA affiliate Memphis Redbirds, the University of Memphis Tigers, and the St. Jude Classic on the PGA tour as well as world famous barbeque, music and nightlife.

Downtown Memphis is experiencing an influx of younger, newer companies gravitating towards the area. According to the appraisal, many of these companies have migrated to downtown Memphis in the last year, attracted by the density, vibrancy and uniqueness the neighborhoods and buildings have to offer. Class B space is more appealing to these companies because of the affordability while still being at the center of downtown Memphis' urban atmosphere. The Class B office vacancy rate is 11.8% and the average asking rental rate is \$13.62 per square foot. The Class A office vacancy rate is 22.4% with an asking rate of \$17.94 per square foot.

Currently, Memphis is home to three Fortune 500 companies, FedEx, AutoZone, and International Paper, which relocated its global headquarters to Memphis in 2005. FedEx is Memphis' largest employer with more than 30,000 employees. Other notable companies in Memphis include Raymond James, Deloitte, First Horizon National Bank, and First Tennessee Bank. In addition, ServiceMaster (NYSE: SERV) announced they will relocate their headquarters and approximately 1,200 employees to Peabody Place Mall in downtown Memphis in 2017 and invest approximately \$14.7 million into their space.

The Westin Memphis property is located across from the main entrance of the FedEx Forum, an entertainment complex that is home to the Memphis Grizzlies NBA franchise and the University of Memphis Tigers' basketball team. Built in 2004, the arena hosts more than 600,000 visitors annually. Immediately adjacent to the hotel, Beale Street is one of the most popular tourist attractions in Tennessee, with over six million visitors annually. The street is known as the "Home of the Blues" and was voted the "Favorite Iconic American Street" in a USA Today poll. Additionally, popular leisure attractions such as the Memphis Rock N Soul Museum, the Gibson Guitar custom factory, Memphis Music Hall of Fame Museum, AutoZone Park, and numerous restaurants and nightlife venues of the Beale Street Entertainment District are all within walking distance of the Westin Memphis Property. Bass Pro Shops also opened its newest

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store in the nearby Pyramid in April 2015. The Pyramid was originally built as a 20,142-seat arena located in downtown Memphis at the banks of the Mississippi River. It hosted the Memphis Grizzlies, concerts and shows until the FedEx Forum opened in 2004. The Bass Pro "megastore" includes shopping, restaurants, the Cypress Swamp Waterfowl Habitat, the Ducks Unlimited Water Fowling Heritage Center museum, a bowling alley, an archery range, a 32-story high outdoor observation deck, and the 120-room Big Cypress Lodge hotel.

The Westin Memphis property is also within one mile of major companies such as Raymond James, AutoZone, Deloitte, First Horizon National Bank, and First Tennessee Bank and nearby the 350,000 square foot Memphis Cook Convention Center. The Cook Convention Center hosts over 500,000 people annually and is responsible for generating more than 80,000 hotel room nights, according to a study published in 2013. The convention center has released plans for a \$55 million upgrade and expansion that would renovate the interior, recast the building's exterior with stainless steel and glass and expand the west side to the Wolf River Harbor.

The primary competitive set for the Westin Memphis property consists of five hotels, which range in size from 144 to 600 rooms. The Westin Memphis property has demonstrated superior performance relative to its competitive set. According to a third party data provider, the Westin Memphis property ended at 82.2% occupancy, \$188.15 average daily rate, and generated \$154.66 of revenue per available room. Compared to the Westin Memphis property's competitive set as noted in a third party data report dated May 2016, these performance figures represent penetration metrics of 109.5%, 120.5%, and 131.9% for occupancy, ADR, and RevPAR, respectively. Below is a chart summarizing the occupancy, ADR, and RevPAR penetration over the past three years:

Year	Historical Occupancy, ADR, RevPAR <sup>(1)</sup>								
	Competitive Set			Westin Memphis <sup>(2)</sup>			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	67.5%	\$144.58	\$97.61	79.8%	\$165.23	\$131.78	118.2%	114.3%	135.0%
2014	71.2%	\$146.83	\$104.50	79.3%	\$176.45	\$139.95	111.4%	120.2%	133.9%
2015	73.4%	\$154.40	\$113.38	81.7%	\$186.57	\$152.35	111.3%	120.8%	134.4%
TTM <sup>(3)</sup>	75.1%	\$156.20	\$117.29	82.2%	\$188.15	\$154.66	109.5%	120.5%	131.9%

(1) Data provided by a third party data provider. The competitive set consists of Sheraton Hotel Memphis Downtown, The Peabody Memphis, Doubletree Hotel Memphis Downtown, Hampton Inn Suites at Beale Street and Springhill Suites Memphis Downtown.

(2) Occupancy, ADR and RevPAR for the Westin Memphis property represents the trailing 12-month period ending on May 31, 2016 and were obtained from a third party data provider. The minor variances between the underwriting and the above table with respect to Occupancy, ADR, and RevPAR at the Westin Memphis are attributed to variance in reporting methodologies and/or timing differences.

(3) TTM represents the trailing 12-month period ending on May 31, 2016.

The appraisal determined demand segmentation of 35% leisure and 35% meeting and group and 30% corporate for the Westin Memphis Property. The market demand mix is presented in the table below.

Property	Competitive Hotels Profile <sup>(1)</sup>				
	Rooms	Year Opened	Corporate	Leisure	Group
<b>Westin Memphis</b>	203	2007	30%	35%	35%
Sheraton Hotel Memphis Downtown	600	1985	20%	25%	55%
The Peabody Memphis	464	1982	25%	35%	40%
Doubletree Hotel Memphis Downtown	280	1986	40%	35%	25%
Hampton Inn Suites at Beale Street	144	2000	40%	50%	10%
Springhill Suites Memphis Downtown	147	2002	40%	40%	20%

(1) Based on the appraisal.

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## Operating History and Underwritten Net Cash Flow

	2013	2014	2015	TTM <sup>(1)</sup>	Underwritten	Per Room <sup>(2)</sup>	% of Total Revenue <sup>(3)</sup>
Occupancy	79.9%	79.3%	82.0%	81.8%	81.8%		
ADR	\$165.03	\$176.44	\$185.81	\$187.55	\$187.55		
RevPAR	\$131.78	\$139.95	\$152.35	\$153.32	\$153.32		
Room Revenue	\$9,764,506	\$10,369,755	\$11,288,575	\$11,394,432	\$11,394,432	\$56,130	68.8%
Food & Beverage Revenue	4,442,509	4,205,785	4,206,318	4,358,768	4,358,768	21,472	26.3
Other Departmental Revenue	730,097	747,499	841,851	810,980	810,980	3,995	4.9
<b>Total Revenue</b>	<b>\$14,937,112</b>	<b>\$15,323,039</b>	<b>\$16,336,744</b>	<b>\$16,564,180</b>	<b>\$16,564,180</b>	<b>\$81,597</b>	<b>100.0%</b>
Room Expense	\$2,067,825	\$2,109,833	\$2,295,357	\$2,305,977	\$2,305,977	\$11,359	20.2%
Food & Beverage Expense	3,185,502	2,936,361	2,842,707	2,893,150	2,893,150	14,252	66.4
Other Departmental Expenses	564,870	580,744	596,462	584,420	584,420	2,879	72.1
<b>Departmental Expenses</b>	<b>\$5,818,197</b>	<b>\$5,626,938</b>	<b>\$5,734,526</b>	<b>\$5,783,547</b>	<b>\$5,783,547</b>	<b>\$28,490</b>	<b>34.9%</b>
<b>Departmental Profit</b>	<b>\$9,118,915</b>	<b>\$9,696,101</b>	<b>\$10,602,218</b>	<b>\$10,780,633</b>	<b>\$10,780,633</b>	<b>\$53,107</b>	<b>65.1%</b>
<b>Operating Expenses</b>	<b>\$3,842,330</b>	<b>\$3,896,115</b>	<b>\$4,208,646</b>	<b>\$4,204,580</b>	<b>\$4,204,580</b>	<b>\$20,712</b>	<b>25.4%</b>
<b>Gross Operating Profit</b>	<b>\$5,276,585</b>	<b>\$5,799,986</b>	<b>\$6,393,572</b>	<b>\$6,576,053</b>	<b>\$6,576,053</b>	<b>\$32,394</b>	<b>39.7%</b>
Management Fees	\$598,766	\$614,949	\$655,325	\$663,419	\$663,419	\$3,268	4.0%
Property Taxes	58,567	68,475	72,513	76,374	76,374	376	0.5
Property Insurance	226,578	248,072	229,991	200,875	200,875	990	1.2
Leases & Other Fixed Expenses	144,506	149,980	176,218	186,777	186,777	920	1.1
<b>Total Other Expenses</b>	<b>\$1,028,417</b>	<b>\$1,081,476</b>	<b>\$1,134,047</b>	<b>\$1,127,445</b>	<b>\$1,127,445</b>	<b>\$5,554</b>	<b>6.8%</b>
<b>Net Operating Income</b>	<b>\$4,248,168</b>	<b>\$4,718,510</b>	<b>\$5,259,525</b>	<b>\$5,448,608</b>	<b>\$5,448,608</b>	<b>\$26,840</b>	<b>32.9%</b>
FF&E	598,766	614,949	655,325	662,567	662,567	3,264	4.0
<b>Net Cash Flow</b>	<b>\$3,649,402</b>	<b>\$4,103,561</b>	<b>\$4,604,200</b>	<b>\$4,786,041</b>	<b>\$4,786,041</b>	<b>\$23,577</b>	<b>28.9%</b>

(1) TTM column represents the trailing 12-month period ending on July 31, 2016.

(2) Per Room values are based on 203 guest rooms.

(3) % of Total Revenue for Room Expense, Food & Beverage Expense and Other Departmental Expense are based on their corresponding revenue line items.