

401 Ward Parkway
Kansas City, MO 64112

Collateral Asset Summary – Loan No. 11

Intercontinental Kansas City Hotel

Cut-off Date Balance: \$30,140,000
Cut-off Date LTV: 65.1%
U/W NCF DSCR: 1.62x
U/W NOI Debt Yield: 11.5%

Mortgage Loan Information

Loan Seller:	GACC
Loan Purpose:	Acquisition
Sponsor:	TH Investment Holdings II, LLC
Borrower:	TPG KC MO I, LLC
Original Balance⁽¹⁾:	\$30,140,000
Cut-off Date Balance⁽¹⁾:	\$30,140,000
% by Initial UPB:	3.4%
Interest Rate:	4.7100%
Payment Date:	6 th of each month
First Payment Date:	March 6, 2016
Maturity Date:	February 6, 2026
Amortization:	Interest only for first 24 months; 360 months thereafter
Additional Debt⁽¹⁾:	\$45,000,000 <i>Pari Passu</i> Debt
Call Protection:	L(30), D(85), O(5)
Lockbox / Cash Management⁽²⁾:	Hard / Springing

Property Information

Single Asset / Portfolio:	Single Asset
Property Type:	Full Service Hospitality
Collateral:	Fee Simple
Location:	Kansas City, MO
Year Built / Renovated:	1972 / 2006, 2009, 2011, 2012, 2015
Total Rooms:	366
Property Management:	TPG KC Hotel Manager, LLC
Underwritten NOI:	\$8,668,889
Underwritten NCF:	\$7,594,988
"As-is" Appraised Value:	\$91,000,000
"As-is" Appraisal Date:	December 3, 2015
"As Complete" Appraised Value⁽¹⁰⁾:	\$110,000,000
"As Complete" Appraisal Date:	January 1, 2017
"As Stabilized" Appraised Value⁽¹⁰⁾:	\$114,000,000
"As Stabilized" Appraisal Date:	January 1, 2018

Reserves

	Initial	Monthly
Taxes:	\$145,115	\$72,557
Insurance⁽³⁾:	\$0	Springing
FF&E⁽⁴⁾:	\$0	At least 4% of prior month's gross revenues
PIP⁽⁵⁾:	\$15,898,677	Springing
Low Debt Service Cure⁽⁶⁾:	\$0	Springing

Historical NOI

Most Recent NOI:	\$8,683,005 (T-12 March 31, 2016)
2015 NOI:	\$8,900,607 (December 31, 2015)
2014 NOI:	\$8,466,522 (December 31, 2014)
2013 NOI:	\$8,096,470 (December 31, 2013)

Financial Information⁽⁷⁾

Cut-off Date Balance / Room:	\$205,301
Balloon Balance / Room:	\$176,296
Cut-off Date LTV⁽⁸⁾:	65.1%
Balloon LTV⁽⁸⁾:	56.6%
Underwritten NOI DSCR⁽⁹⁾:	1.85x
Underwritten NCF DSCR⁽⁹⁾:	1.62x
Underwritten NOI Debt Yield:	11.5%
Underwritten NCF Debt Yield:	10.1%

Historical Occupancy / ADR / RevPAR

Most Recent Occupancy:	66.7% / \$183.07 / \$122.15 (March 31, 2016)
2015 Occupancy:	67.4% / \$182.29 / \$122.81 (December 31, 2015)
2014 Occupancy:	67.9% / \$178.79 / \$121.46 (December 31, 2014)
2013 Occupancy:	65.4% / \$177.73 / \$116.23 (December 31, 2013)

- (5) If the franchisor requires the borrower to implement a PIP, excluding the existing PIP, borrower will be required to deposit 125% of estimated PIP costs within five days. If the borrower fails to make the PIP deposit within five days, a cash sweep will be implemented and in place until the PIP amount is deposited. A cash sweep will also be triggered if the franchise agreement has less than 12 calendar months of term remaining or has terminated.
- (6) The borrower is permitted, up to four times during the term of the loan, to make a deposit into the Low Debt Service Cure reserve account, which if applied to the principal balance, would be sufficient to increase the DSCR to equal or exceed 1.25x.
- (7) DSCR, LTV, Debt Yield and Balance / Room calculations are based on the aggregate Intercontinental Kansas City Hotel whole loan.
- (8) Cut-off Date LTV is based on the "As-is" Appraised Value and is calculated net of the approximately \$15.9 million PIP upfront reserve. Based on the full \$75.14 million whole loan amount, Cut-off Date LTV is 82.6%. Balloon LTV is calculated based on the "As Stabilized" Appraised Value.
- (9) Based on amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 2.42x and 2.12x, respectively.
- (10) The "As Complete" Appraised Value assumes the completion of the PIP renovation to the Intercontinental Kansas City Hotel property in 2016. Based on the "As Complete" Value, the Intercontinental Kansas City Hotel property has an "As Complete" LTV of 68.3%. The "As Stabilized" Appraised Value assumes that the Intercontinental Kansas City Hotel property achieves occupancy, ADR and RevPAR of 75.0%, \$197.76 and \$147.81, respectively, by January 1, 2018. Based on the "As Stabilized" Value, the Intercontinental Kansas City Hotel Property has an "As Stabilized" LTV of 65.9%.

- (1) The Original Balance and Cut-off Date Balance of \$30.14 million represents the non-controlling Note A-2 of a \$75.14 million whole loan evidenced by two *pari passu* notes. The Controlling Note A-1, with an original principal balance of \$45.0 million was included in the COMM 2016-DC2 mortgage trust. See the footnotes to the Annex A-1 for further details.
- (2) In place cash management will be triggered (i) upon an event of default, (ii) if the DSCR falls below 1.20x during any calendar quarter, no more than four times during the loan term, (iii) a PIP required by the franchisor (other than the PIP in effect) or (iv) the date which is 12 calendar months prior to expiration of the term of the franchise agreement or if the franchise agreement has terminated.
- (3) If an acceptable blanket insurance policy is no longer in place, borrower shall deposit 1/12 of the annual insurance premiums into the insurance reserve account.
- (4) The borrower is required to deposit the greater of (i) 4.0% of prior month's gross revenues and (ii) any amount required under management agreement or franchise agreement for FF&E work.

TRANSACTION HIGHLIGHTS

- **Property.** The Intercontinental Kansas City Hotel is a 366-room full service hotel located in the Country Club Plaza District of Kansas City, Missouri. The Intercontinental Kansas City Hotel, built in 1972 and renovated most recently in 2015, consists of a 10-story main tower and a six-story wing tower. There is an adjacent parking garage with 514 parking spaces at the property which equates to 1.40 spaces per room. Amenities at the Intercontinental Kansas City Hotel include 29,000 sq. ft. of meeting and event space, a rooftop ballroom, an outdoor pool area, a full service bar/restaurant called The Oak Room, fitness center and 24-hour complimentary business center. The Intercontinental Kansas City Hotel property's 29,000 sq. ft. of meeting and event space features 18 distinct meeting rooms including an approximately 5,000 sq. ft. ground floor ballroom and approximately 6,600 sq. ft. of rooftop ballroom and pre-function/bar space located on the top floor of the hotel. The guestrooms consist of 273 single king rooms, 73 double queen rooms and 20 suites with small sitting areas. Additionally, nearly all rooms have private balconies facing the main Country Club Plaza or the entrance to the hotel.
- **Property Improvement Plan.** The sponsor has planned an approximately \$15.9 million (\$43,439 per room) renovation, which is currently underway. The renovation budget includes approximately \$9.8 million (\$26,769 per room) of PIP work required under the franchise agreement, as well as approximately \$6.1 million (\$16,670 per room) of additional discretionary renovations. The renovation will address all areas of the hotel including the Oak Room restaurant and poolside area which are leased to a third party operator.
- **Sponsorship.** The Procaccianti Group ("TPG"), founded in 1964, is a second generation, privately-held real estate investment and management company with a national platform that spans all sectors of real estate. Over five decades, The Procaccianti Group has owned or managed hundreds of real estate assets in 28 states surpassing 50 million sq. ft. with a value of over \$5.0 billion. The Procaccianti Group has a 25 year history in hospitality management, having managed over 100 hotels and over 20,000 rooms.