

Embassy Suites Charleston

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$29,580,000
Cut-off Date Principal Balance:	\$29,580,000
% of Pool by IPB:	2.4%
Loan Purpose:	Refinance
Borrower:	Tucson Charleston LLC
Sponsor:	Atrium Leveraged Loan Fund, LLC
Interest Rate:	4.20000%
Note Date:	8/5/2016
Maturity Date:	9/1/2026
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Grtr1%orYM(88),O(7)
Lockbox:	Hard
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:	Hotel - Full Service
Net Rentable Area (Rooms):	253
Location:	Charleston, WV
Year Built / Renovated:	1997 / N/A
Occupancy / ADR / RevPAR:	71.1% / \$144.14 / \$102.46
Occupancy / ADR / RevPAR Date:	6/30/2016
Number of Tenants:	N/A
2013 NOI:	\$4,325,492
2014 NOI:	\$3,909,815
2015 NOI:	\$3,878,304
TTM NOI (as of 6/2016):	\$3,989,052
UW Occupancy / ADR / RevPAR:	71.1% / \$144.14 / \$102.46
UW Revenues:	\$14,198,250
UW Expenses:	\$10,678,769
UW NOI:	\$3,519,481
UW NCF:	\$3,519,481
Appraised Value / Per Room⁽¹⁾:	\$43,000,000 / \$169,960
Appraisal Date:	6/1/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$246,400	\$35,200	N/A
Insurance:	\$0	Springing	N/A
FF&E Reserves:	\$0	4% of Gross Revenues	N/A
TI/LC:	\$0	\$0	N/A
Other⁽²⁾:	\$0	Excess Cash	\$8,065,543

Financial Information

Cut-off Date Loan / Room:	\$116,917
Maturity Date Loan / Room:	\$101,627
Cut-off Date LTV⁽¹⁾:	68.8%
Maturity Date LTV⁽¹⁾:	59.8%
UW NCF DSCR:	2.03x
UW NOI Debt Yield:	11.9%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$29,580,000	100.0%	Payoff Existing Debt	\$29,069,596	98.3%
			Closing Costs	264,004	0.9
			Upfront Reserves	246,400	0.8
Total Sources	\$29,580,000	100.0%	Total Uses	\$29,580,000	100.0%

(1) The Appraised Value / Per Room, Cut-off Date LTV and Maturity Date LTV are calculated based on the "as is" market value, which assumes an approximately \$8.1 million property improvement plan ("PIP") is completed in year one of the projection period to be funded out of property cash flow. The appraisal also provides for an "as complete" hypothetical value, which assumes that proposed renovations to the property, required under the related franchise agreement, have been completed. The full estimated cost to complete the PIP will be reserved for on an ongoing basis through a full excess cash flow sweep (the "PIP FF&E Reserve"). The "as complete" value as of June 1, 2016 is \$51.5 million, which results in a Cut-off Date LTV and Maturity Date LTV of 57.4% and 49.9%, respectively.

(2) Other Monthly Escrows and Reserves includes ongoing deposits to the PIP FF&E Reserve account. The borrower is required to deposit, (i) on a monthly basis, 4.0% of gross revenues to the FF&E reserve account (of which, 3.0% of gross revenues is to be swept directly into the PIP FF&E Reserve) and (ii) on an ongoing basis, all excess cash into the PIP FF&E Reserve account until the earlier of (a) the date on which the PIP work is completed in accordance with the franchise agreement to the franchisor's satisfaction or (b) the date on which total collections for the PIP FF&E Reserve account exceed (x) the Required PIP Amount (as defined below) in the aggregate or (y) the Annual PIP Amount (as defined below). Total collections for the PIP FF&E Reserve account will be capped at \$2.7 million annually (the "Annual PIP Amount") and approximately \$8.1 million in the aggregate (the estimated cost to fully complete the PIP) (the "Required PIP Amount"). Atrium Leveraged Loan Fund, LLC, the nonrecourse carve-out guarantor, has delivered a PIP guaranty for any shortfall, after giving credit for certain excess cash flow amounts in the event of default and acceleration of the loan, in the Annual PIP Amount, including any additional costs as a result of any change in scope of the PIP. In addition, the nonrecourse carve-out guarantor is required to maintain at least \$2.7 million in liquidity until the reserve fund is sufficient to cover the PIP costs.

The Loan. The Embassy Suites Charleston loan has an outstanding principal balance as of the Cut-off Date of \$29.58 million and is secured by a first mortgage lien on the borrower's fee interest in the 253-room Embassy Suites Charleston, a full service hotel located in Charleston, West Virginia. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule. The property was previously securitized as part of a larger hotel portfolio in the MLCFC 2006-3 securitization.

Embassy Suites Charleston

The borrowing entity for the Embassy Suites Charleston loan is Tucson Charleston LLC, a Delaware limited liability company and special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is Atrium Leveraged Loan Fund, LLC, a Delaware limited liability company and affiliate of Atrium Holding Company ("Atrium"). Atrium is a hotel and asset management company headquartered in Alpharetta, Georgia. Atrium owns 51 properties representing approximately 13,876 rooms across 26 states and 13 flags including Hilton, Marriott and Renaissance. Ron Brown, the chief executive officer of Atrium, has over 30 years of experience in the hotel industry. Mr. Brown previously served as Chairman and President of Doubletree Hotels Corporation and subsequently as Chief Financial Officer of Starwood Hotels & Resorts from 1995 to 2003.

The sponsor purchased the property in 2005 as part of a broader \$1.3 billion take-private transaction of John Q. Hammons Hotels, LP. Since 2007, the sponsor has invested approximately \$5.3 million (\$20,877 per room) in the property. More recently, in conjunction with the renewal of its franchise agreement with Hilton, Atrium has committed to the completion of an approximately \$8.1 million (\$31,880 per room) PIP required to be completed by December 2019. As detailed in the *Escrows and Reserves* table, the Embassy Suites Charleston loan closed into a full excess cash sweep, to continue until the earlier to occur of (i) the completion of all PIP work in accordance with the franchise agreement to the satisfaction of the franchisor and (ii) total collections for the PIP FF&E Reserve account exceed the Required PIP Amount.

The Property. The Embassy Suites Charleston is a nine-story, 253-room, full service hotel located in Charleston, West Virginia. The property was originally developed in 1997 and has undergone approximately \$5.3 million (\$20,877 per room) in capital expenditures since 2007. The Embassy Suites Charleston property features a complimentary breakfast and the Athletic Club Bar & Grill, a 110-seat restaurant offering lunch and dinner. Additionally, the hotel provides all catering services to the Clay Center for the Arts and Sciences, located approximately 0.5 miles southeast of the property. The Embassy Suites Charleston has approximately 11,162 square feet of meeting and event space and includes an approximately 9,520 square foot grand ballroom. Additional amenities at the property include high-speed internet, a business center, a sundry shop, a fitness center and an indoor swimming pool. The property offers 34 on-site complimentary parking spaces and leases a portion of an adjacent parking garage from Charleston Town Center Parking Limited Partnership. Overnight parking is available in the garage to guests for \$12.00 per night.

The property has 253 rooms, including 127 king rooms and 119 double-double rooms. All guest rooms feature high-speed internet access, microwave, refrigerator, pull-out sofa, coffee and tea maker, work desk area and high definition television. The guest room suites feature separate work table and living areas.

The Market. The Embassy Suites Charleston property is located at the intersection of Lee Street East, Court Street and Washington Street East. The property benefits from its proximity to several major roadways including U.S. Route 60, Interstate 64 and Interstate 77. Interstate 64, located approximately two blocks northeast, provides regional access to the surrounding cities including Columbus, located approximately 162 miles northwest, and Cincinnati, located approximately 210 miles northwest. Additionally, Yeager Airport is located approximately four and a half miles northeast of the property. Charleston, the capital of West Virginia, benefits from numerous annual events and fairs that take place throughout the year including the West Virginia Dance Festival, Symphony Sunday and The West Virginia International Film Festival. The Embassy Suites Charleston also benefits from its proximity to the Charleston Civic Center, located approximately 0.5 miles northwest of the property. The Charleston Civic Center is currently undergoing an approximately \$82.0 million renovation to expand and improve its existing facilities. Additional demand generators in the area include the West Virginia Power minor league baseball team, the West Virginia Chaos professional soccer team and the Clay Center for the Arts and Sciences of West Virginia (the "Clay Center"), a 240,000 square foot performing arts facility. The Clay Center is located approximately 0.5 miles southeast of the property.

According to a third-party data provider, the estimated population within a one-, three- and five-mile radius is 6,730, 46,541 and 67,878, respectively, with an estimated median income within a one-, three- and five-mile radius of \$32,236, \$48,633 and \$48,816, respectively. The appraisal identified two proposed hotels, neither of which have received approval from the Charleston Planning and Zoning Department; however, given the speculative nature of these projects, the appraisal does not consider these to be directly competitive with the Embassy Suites Charleston.

Embassy Suites Charleston

Historical Occupancy, ADR, RevPAR ⁽¹⁾									
Year	Competitive Set ⁽²⁾			Embassy Suites Charleston ⁽³⁾			Penetration Factor ⁽⁴⁾		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	57.3%	\$106.99	\$61.30	71.6%	\$145.16	\$103.97	125.0%	135.7%	169.6%
2014	64.6%	\$109.14	\$70.52	71.3%	\$142.67	\$101.67	110.4%	130.7%	144.2%
2015	68.0%	\$111.23	\$75.61	73.5%	\$143.95	\$105.75	108.1%	129.4%	139.9%
TTM ⁽⁵⁾	66.0%	\$109.76	\$72.49	71.1%	\$144.14	\$102.46	107.7%	131.3%	141.3%

(1) The minor variances between the underwriting, the appraisal and the above table with respect to Occupancy, ADR and RevPAR at the Embassy Suites Charleston property are attributable to variances in reporting methodologies and/or timing differences.

(2) Data provided by a third-party data provider. The competitive set contains the following properties: Holiday Inn Express Charleston Civic Center, Four Points by Sheraton Charleston, Marriott Charleston Town Center and Holiday Inn & Suites Charleston West.

(3) Based on operating statements provided by the borrower.

(4) Penetration Factor is calculated based on data provided by a third-party data provider for the competitive set and borrower-provided operating statements for the property.

(5) TTM represents the trailing 12-month period ending on June 30, 2016.

Competitive Hotels Profile ⁽¹⁾									
Property	Rooms	Year		2015 Estimated Market Mix			2015 Estimated Operating Statistics		
		Opened	Meeting Space (SF)	Commercial	Group	Leisure	Occupancy	ADR	RevPAR
Embassy Suites Charleston⁽²⁾	253	1997	11,162	60%	30%	10%	73.5%	\$143.95	\$105.75
Holiday Inn Express Charleston Civic Center	196	1978	3,233	60%	20%	20%	74.0%	\$95.00	\$70.30
Four Points by Sheraton Charleston	176	1967	9,000	60%	25%	15%	72.0%	\$115.00	\$82.80
Marriott Charleston Town Center	352	1982	17,500	45%	45%	10%	65.0%	\$125.00	\$81.25
Holiday Inn & Suites Charleston West	150	1975	12,150	55%	25%	20%	65.0%	\$95.00	\$61.75
Total⁽³⁾	874								

(1) Based on the appraisal.

(2) 2015 Occupancy, ADR and RevPAR are based on operating statements provided by the borrower.

(3) Excludes the Embassy Suites Charleston property.

Operating History and Underwritten Net Cash Flow							
	2013	2014	2015	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	71.6%	71.3%	73.5%	71.1%	71.1%		
ADR	\$145.16	\$142.67	\$143.95	\$144.14	\$144.14		
RevPAR ⁽⁴⁾	\$103.97	\$101.67	\$105.75	\$102.46	\$102.46		
Room Revenue	\$9,758,550	\$9,363,089	\$9,711,800	\$9,410,275	\$9,410,275	\$37,195	66.3%
Food and Beverage Revenue	4,821,050	4,436,197	4,382,971	4,335,597	4,335,597	17,137	30.5
Other Departmental Revenue	423,484	492,983	476,802	452,378	452,378	1,788	3.2
Total Revenue	\$15,003,084	\$14,292,269	\$14,571,573	\$14,198,250	\$14,198,250	\$56,120	100.0%
Room Expense	\$2,090,067	\$2,221,513	\$2,350,012	\$2,314,306	\$2,314,306	\$9,147	24.6%
Food and Beverage Expense	2,424,832	2,213,588	2,233,196	2,231,406	2,231,406	8,820	51.5
Other Departmental Expense	34,356	41,056	57,174	51,084	51,084	202	11.3
Departmental Expenses	\$4,549,255	\$4,476,157	\$4,640,382	\$4,596,796	\$4,596,796	\$18,169	32.4%
Departmental Profit	\$10,453,829	\$9,816,112	\$9,931,191	\$9,601,454	\$9,601,454	\$37,950	67.6%
Operating Expenses	\$3,973,540	\$3,758,853	\$3,956,680	\$3,880,707	\$3,974,810	\$15,711	28.0%
Gross Operating Profit	\$6,480,289	\$6,057,258	\$5,974,511	\$5,720,747	\$5,626,644	\$22,240	39.6%
Management Fees	\$452,790	\$428,768	\$437,147	\$425,948	\$425,948	\$1,684	3.0%
Property Taxes	440,120	646,695	580,256	267,771	476,637	1,884	3.4
Property Insurance	135,143	205,948	194,603	152,130	228,280	902	1.6
Other Expenses	523,025	294,342	301,338	317,918	408,369	1,614	2.9
FF&E	603,719	571,691	582,863	567,929	567,930	2,245	4.0
Total Other Expenses	\$2,154,797	\$2,147,444	\$2,096,207	\$1,731,695	\$2,107,164	\$8,329	14.8%
Net Operating Income	\$4,325,492	\$3,909,815	\$3,878,304	\$3,989,052	\$3,519,481	\$13,911	24.8%
Net Cash Flow⁽⁴⁾	\$4,325,492	\$3,909,815	\$3,878,304	\$3,989,052	\$3,519,481	\$13,911	24.8%

(1) TTM represents the trailing 12-month period ending on June 30, 2016.

(2) Per Room values based on 253 guest rooms.

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

(4) Historical RevPAR for 2008, 2009, 2010, 2011 and 2012 was \$103.36, \$99.83, \$100.62, \$101.77 and \$107.88, respectively, and Net Cash Flow was approximately \$4,771,834, \$4,431,989, \$4,738,897, \$4,651,937 and \$4,596,790, respectively.

Embassy Suites Charleston

Property Management. The property is managed by Atrium Hospitality LP, a Delaware limited partnership and an affiliate of the borrower.

Franchise Agreement. The property has a franchise agreement with Hilton Franchise Holding LLC, a Delaware limited liability company. The current franchise agreement is effective as of August 5, 2016 for a term of approximately 16 years, with a final expiration date of November 30, 2032. The franchise agreement provides for a monthly program fee of 4.0% of gross room revenues and a monthly royalty fee of 4.0% of gross room revenues, subject to 0.5% increases on December 1, 2019, December 1, 2020 and December 1, 2025.