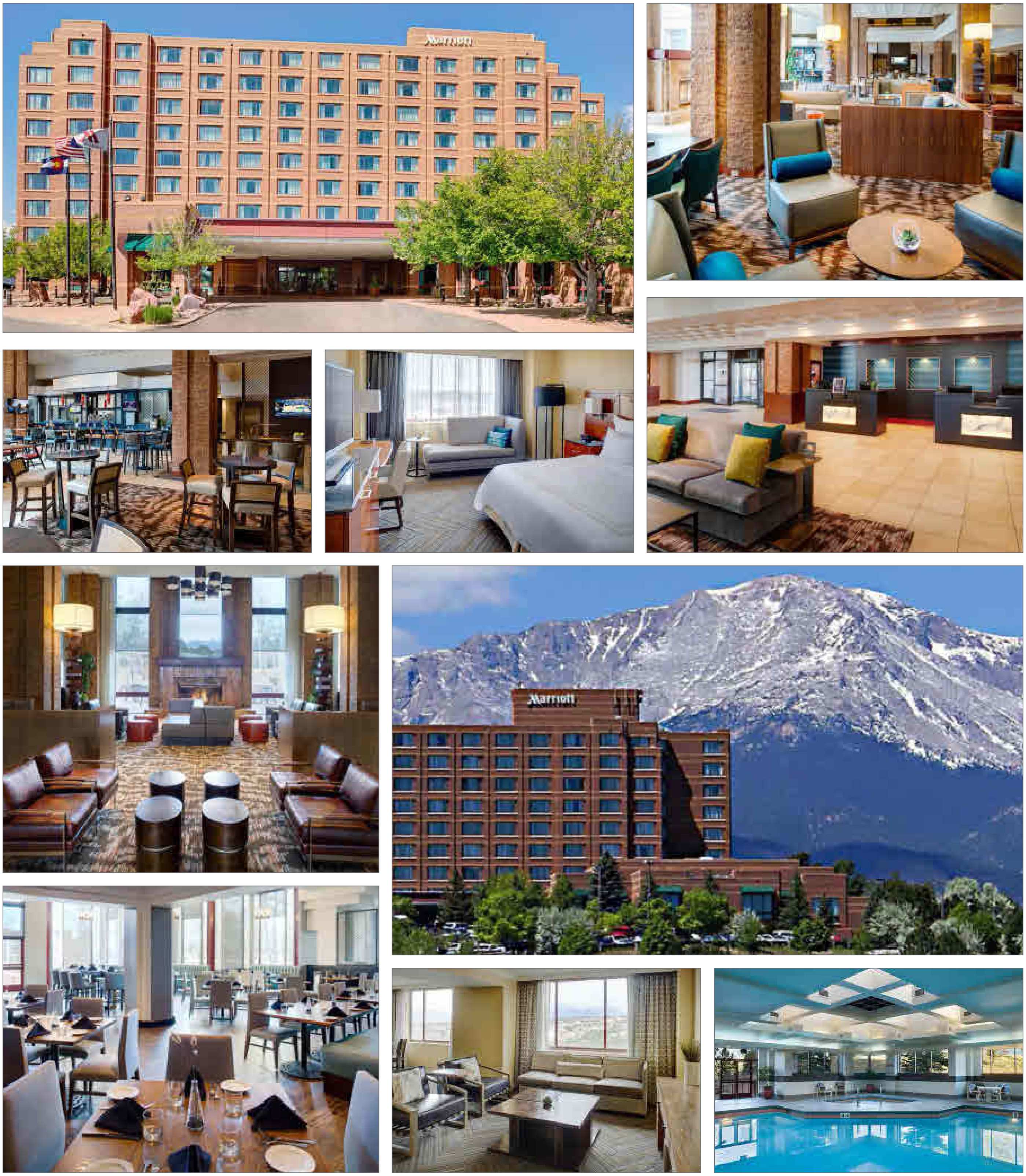
Marriott Colorado Springs



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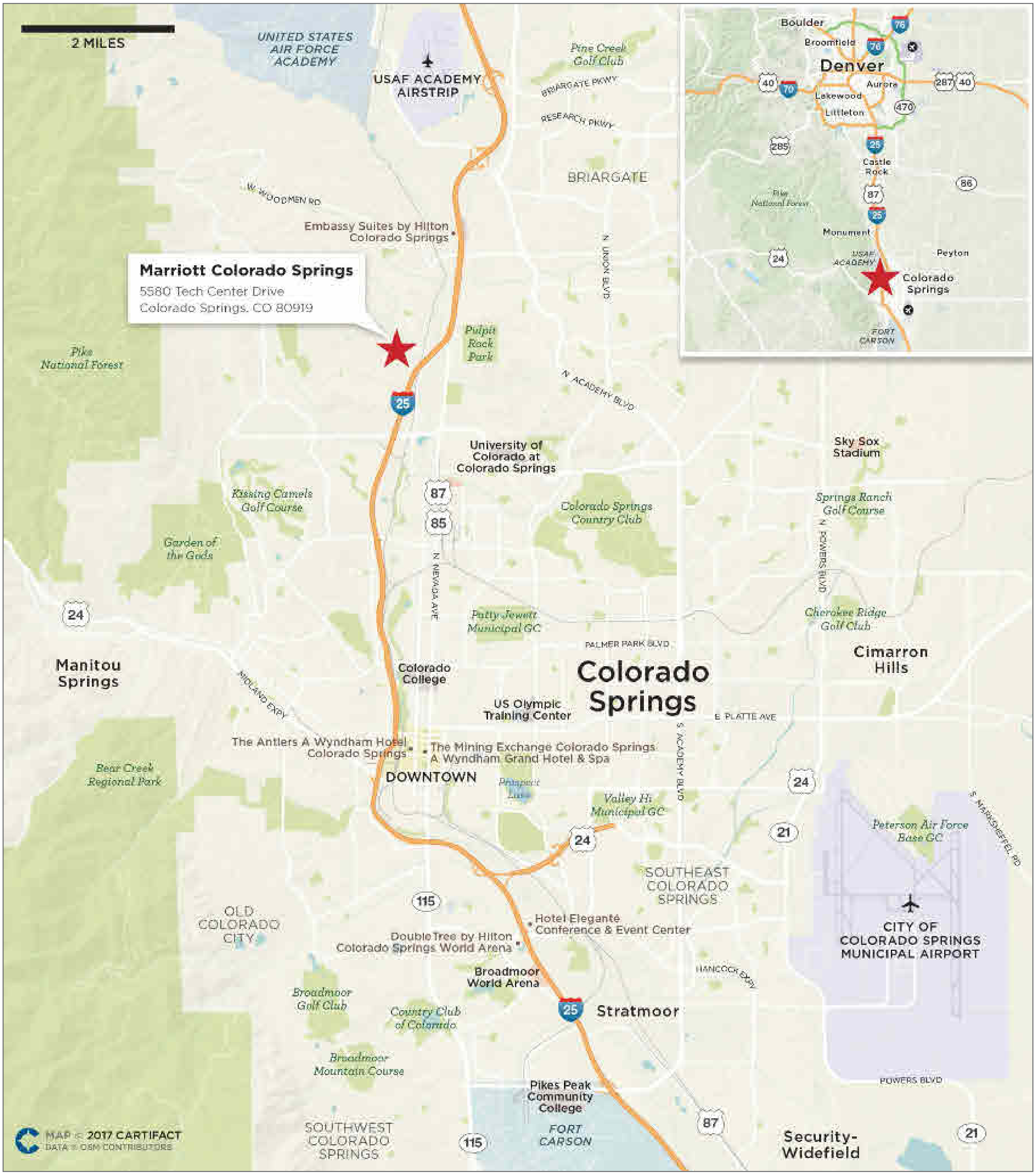

Marriott Colorado Springs

Mortgage Loan Information	
Mortgage Loan Seller:	JPMCB
Original Principal Balance:	$25,735,000
Cut-off Date Principal Balance:	$25,611,823
% of Pool by IPB:	3.3%
Loan Purpose:	Acquisition
Borrower:	Colorado Springs Hotel Owner, LLC
Sponsors:	Julie A. Dumon, Trustee of the Julie A. Dumon Trust dated March 24, 2006, Julie A. Dumon, Graham Hershman and Michael S. Payne
Interest Rate:	5.06000%
Note Date:	1/31/2017
Maturity Date:	2/1/2027
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(25),Grtr1%orYM(93),O(2)
Lockbox / Cash Management:	Hard / 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:	Hotel – Full Service
Net Rentable Area (Rooms):	309
Location:	Colorado Springs, CO
Year Built / Renovated:	1989 / 2016
Occupancy / ADR / RevPAR:	68.9% / $123.61 / $85.12
Occupancy / ADR / RevPAR Date:	12/31/2016
Number of Tenants:	N/A
2014 NOI:	$1,970,525
2015 NOI:	$3,037,925
2016 NOI :	$3,536,607
TTM NOI(1):	N/A
UW Occupancy / ADR / RevPAR:	68.9% / $123.61 / $85.12
UW Revenues:	$13,298,302
UW Expenses:	$9,835,601
UW NOI:	$3,462,701
UW NCF:	$3,462,701
Appraised Value / Per Room(2):	$40,800,000 / $132,039
Appraisal Date:	12/13/2016

Escrows and Reserves(3)

	Initial	Monthly	Initial Cap
Taxes:	$0	$23,000	N/A
Insurance:	$0	Springing	N/A
FF&E:	$32,612	3% of Gross Revenues	N/A
TI/LC:	$0	$0	N/A
Other:	$8,023,640	Springing	N/A

Financial Information	
Cut-off Date Loan / Room:	$82,886
Maturity Date Loan / Room:	$68,587
Cut-off Date LTV(2):	62.8%
Maturity Date LTV(2):	51.9%
UW NCF DSCR:	2.07x
UW NOI Debt Yield:	13.5%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	$25,735,000	65.0%	Purchase Price	$30,100,000	76.1%
Sponsor Equity	13,830,242	35.0	Upfront Reserves	8,056,252	20.4
			Closing Costs	1,408,990	3.6
Total Sources	**$39,565,242**	**100.0%**	**Total Uses**	**$39,565,242**	**100.0%**

(1) TTM NOI not available due to acquisition timing.
(2) Appraised Value / Per Room, Cut-off Date LTV and Maturity Date LTV are calculated based on the "As If Complete" hypothetical appraised value, which assumes that the proposed property improvement plan required by the franchise agreement has been completed. At origination, the borrower was required to reserve the full estimated cost of the property improvement plan, which is estimated by the loan sponsors to be approximately $8.0 million. The "as-is" value as of December 13, 2016 is $32.5 million, which results in a Cut-off Date LTV and a Maturity Date LTV of 78.8% and 65.2%, respectively.
(3) For a full description of Escrows and Reserves, please refer to "*Escrows and Reserves*" below.

The Loan. The Marriott Colorado Springs loan has an outstanding principal balance as of the Cut-off Date of approximately $25.6 million and is secured by a first mortgage lien on the borrower's fee interest in the 309-room Marriott Colorado Springs, a full service hotel located in downtown Colorado Springs, Colorado. The loan has a 10-year term and will amortize on a 30-year schedule.

The Borrower. The borrowing entity for the Marriott Colorado Springs loan is Colorado Springs Hotel Owner, LLC, a Delaware limited liability company and special purpose entity.

Marriott Colorado Springs

The Loan Sponsors. The loan sponsors and nonrecourse carve-out guarantors are Julie A. Dumon, Trustee of the Julie A. Dumon Trust dated March 24, 2006, Julie A. Dumon, Graham Hershman and Michael S. Payne. Graham Hershman and Helmut Horn co-founded Coastal Hotel Group ("Coastal"), a Seattle-based hospitality management company, in 1987 and Portfolio Hotels & Resorts ("Portfolio Hotels") in 2005. Mr. Hershman has more than 30 years of real estate experience. He served as Chief Operating Officer of Coastal for 18 years and is currently the Chief Financial Officer of Portfolio Hotels. Michael S. Payne was formerly the Operations Manager at Coastal before joining Portfolio Hotels in 2005, where he now serves as the Vice President of Operations. Headquartered in Westmont, Illinois, Portfolio Hotels is a hospitality management company that manages both franchised and independent, boutique hotels and resorts. Portfolio Hotels currently manages 18 hotels across eight states, with an additional hotel expected to open in the spring of 2018. Julie A. Dumon currently has an ownership interest in 13 hotels across eight states with a total of 2,482 rooms. Graham Hershman, Michael S. Payne and Julie A. Dumon are each partial equity owners in Portfolio Hotels.

Upon acquisition of the property for $30.1 million ($97,411 per room), the loan sponsors began an approximately $8.0 million ($25,966 per room) franchisor-required property improvement plan ("PIP") to bring the property to current Marriott brand standards. The PIP is required to be completed by January 31, 2019 and primarily includes upgrades to guestrooms, guest bathrooms and common areas, as well as mechanical, plumbing and electrical work.

The Property. The Marriott Colorado Springs property is a nine-story, 309-room, full service hotel located in Colorado Springs, Colorado and is situated on approximately 12.5 acres. The property was originally developed in 1989 as a Wyndham hotel and underwent an approximately $14.0 million ($45,307 per room) renovation between 2006 and 2007 in connection with a Marriott flag conversion. According to the loan sponsors, the previous owner has spent approximately $4.2 million ($13,633 per room) in capital expenditures at the property since 2012, of which approximately $3.5 million was spent from 2015 to 2016. Expenditures included upgrades to guestroom soft goods and meeting space, among other improvements.

The property features one 80-seat restaurant, the Ascent, which serves breakfast, lunch and dinner, a two-story lobby lounge, approximately 8,585 square feet of indoor meeting space across 10 rooms and a 7,128 square foot ballroom. The property also features 4,779 square feet of outdoor meeting space. Additional amenities at the property include an indoor and an outdoor pool, a fitness center, a business center, a market pantry, a concierge lounge, a guest laundry room, an outdoor patio and a gazebo and an airport and a local shuttle. The property features 586 parking spaces, resulting in a parking ratio of approximately 1.9 spaces per room.

The property has 309 rooms, comprised of 145 king rooms, 124 double-double rooms, 36 junior suites and four hospitality suites. Each guestroom features high-speed internet access, a 42-inch LED television, a coffee maker, a mini-refrigerator and a safe. Each suite features an additional sitting area as well as concierge lounge access.

The Marriott Colorado Springs property is located along the west side of Interstate 25 at the Rockrimmon Boulevard exit. The property benefits from its proximity to the Interstate 25 corridor, which is located approximately 0.4 miles from the property and provides primary regional north/south access to the Colorado Springs metro-area and Denver, which is approximately 63.0 miles north. U.S. Highway 24, which is accessible via Interstate 25 approximately 4.8 miles south of the property, provides primary east/west access. The property is located approximately 6.8 miles north of the Colorado Springs central business district and benefits from its proximity to several demand drivers such as the U.S. Air Force Academy, which is home to 4,400 cadets and attracts approximately 1.0 million visitors annually and Pikes Peak, which is the second most visited mountain in the world according to a non-profit conservancy organization. Additional demand drivers include the University of Colorado - Colorado Springs, which had more than 12,000 students enrolled for the fall 2016 semester, the Garden of the Gods National Landmark and the Cheyenne Mountain Zoo.

Colorado Springs features numerous military bases and institutions, including the Peterson Air Force Base, Fort Carson Military Reservation, Schriever Air Force Base and the North American Aerospace Defense Command, and is home to approximately 240 aerospace and defense contractors. According to the appraisal, Colorado Springs has been experiencing new development, such as the downtown Innovation District, which is currently under development and the National Cyber Security Intelligence Center, which opened in 2016. Other notable developments include the approximately $100.0 million expansion of the St. Francis Medical Center and the new Children's Hospital Colorado, Colorado Springs, which will be the first pediatric-only hospital in southern Colorado. These projects are expected to be completed in 2019 and 2018, respectively. Colorado Springs also features the 35-acre U.S. Olympic Complex, which serves as the home to the U.S. Olympic Committee, 23 National Olympic Governing Bodies and over 50 National Sports Organizations. The complex is also expected to include the U.S. Olympic Museum that is expected to open in 2018.

According to the appraisal, the estimated population within a one-, three- and five-mile radius is 6,450, 65,986 and 181,410, respectively. The estimated median income within a one-, three- and five-mile radius is $55,414, $60,794 and $59,820, respectively. The appraisal does not identify any new or proposed directly competitive properties in the area.

Marriott Colorado Springs

Historical Occupancy, ADR, RevPAR[1]									
	Competitive Set[2]			Marriott Colorado Springs[3]			Penetration Factor[4]		
Year	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2014	57.1%	$97.06	$55.41	57.9%	$110.95	$64.25	101.4%	114.3%	116.0%
2015	57.2%	$102.90	$58.88	61.1%	$119.29	$72.86	106.8%	115.9%	123.7%
2016	59.9%	$109.79	$65.78	68.9%	$123.61	$85.12	115.0%	112.6%	129.4%

(1) The variances between the underwriting, appraisal and above table with respect to Occupancy, ADR and RevPAR at the Marriott Colorado Springs property are attributable to variances in reporting methodologies and/or timing differences.
(2) Data provided by an industry report. The competitive set contains the following properties: Radisson Hotel Colorado Springs Airport, Hotel Eleganté Conference & Event Center Colorado Springs, Embassy Suites by Hilton Colorado Springs, The Antlers A Wyndham Hotel Colorado Springs and Doubletree by Hilton Colorado Springs World Arena.
(3) Based on operating statements provided by the borrower.
(4) Penetration Factor is calculated based on data provided by an industry report for the competitive set and borrower-provided operating statements for the property.

Competitive Hotels Profile[1][2]								
			2016 Estimated Market Mix			2016 Estimated Operating Statistics		
Property	Rooms	Year Opened	Commercial	Meeting and Group	Leisure	Occupancy	ADR	RevPAR
Marriott Colorado Springs[3]	**309**	**1989**	**59%**	**31%**	**10%**	**68.9%**	**$123.61**	**$85.12**
Embassy Suites by Hilton Colorado Springs	205	1985	40%	30%	30%	65-70%	$120-125	$80-85
The Antlers A Wyndham Hotel Colorado Springs	273	1990	45%	30%	25%	65-70%	$125-130	$85-90
Mining Exchange A Wyndham Grand Hotel & Spa	117	2012	35%	25%	40%	65-70%	$140-150	$95-100
DoubleTree by Hilton Colorado Springs World Arena	299	1986	40%	40%	20%	55-60%	$80-85	$45-50
Hotel Eleganté Conference & Event Center Colorado Springs	500	1974	20%	40%	40%	45-50%	$100-105	$45-50
Total[4]	**1,394**							

(1) The variances between the underwriting, appraisal and above table with respect to Occupancy, ADR and RevPAR at the Marriott Colorado Springs property are attributable to variances in reporting methodologies and/or timing differences.
(2) Based on the appraisal.
(3) 2016 Occupancy, ADR and RevPAR are based on operating statements provided by the borrower.
(4) Excludes the Marriott Colorado Springs property.

Marriott Colorado Springs

Operating History and Underwritten Net Cash Flow	2014	2015	2016	Underwritten	Per Room(1)	% of Total Revenue(2)
Occupancy	57.9%	61.1%	68.9%	68.9%		
ADR	$110.95	$119.29	$123.61	$123.61		
RevPAR(3)	$64.25	$72.86	$85.12	$85.12		
Room Revenue	$7,246,130	$8,217,863	$9,626,069	$9,626,069	$31,152	72.4%
Food and Beverage Revenue	2,874,929	3,378,013	3,431,265	3,431,265	11,104	25.8
Other Departmental Revenue	248,409	375,176	240,353	240,968	780	1.8
Total Revenue	**$10,369,468**	**$11,971,052**	**$13,297,687**	**$13,298,302**	**$43,037**	**100.0%**
Room Expense	$1,624,946	$1,763,915	$2,062,439	$2,062,439	$6,675	21.4%
Food and Beverage Expense	1,883,508	1,979,663	2,050,155	2,050,155	6,635	59.7
Other Departmental Expenses	26,267	18,313	19,708	19,708	64	8.2
Departmental Expenses	**$3,534,721**	**$3,761,891**	**$4,132,302**	**$4,132,302**	**$13,373**	**31.1%**
Departmental Profit	**$6,834,747**	**$8,209,161**	**$9,165,385**	**$9,166,000**	**$29,663**	**68.9%**
Operating Expenses	**$3,709,164**	**$3,924,094**	**$4,261,962**	**$4,333,069**	**$14,023**	**32.6%**
Gross Operating Profit	**$3,125,583**	**$4,285,067**	**$4,903,423**	**$4,832,931**	**$15,641**	**36.3%**
Management Fees	$309,528	$351,354	$396,878	$398,949	$1,291	3.0%
Property Taxes	305,589	301,852	306,696	328,286	1,062	2.5
Property Insurance	104,447	102,950	100,988	80,716	261	0.6
Other Expenses	25,053	22,241	30,347	30,347	98	0.2
FF&E	410,441	468,745	531,907	531,932	1,721	4.0
Total Other Expenses	**$1,155,058**	**$1,247,142**	**$1,366,816**	**$1,370,230**	**$4,434**	**10.3%**
Net Operating Income	**$1,970,525**	**$3,037,925**	**$3,536,607**	**$3,462,701**	**$11,206**	**26.0%**
Net Cash Flow	**$1,970,525**	**$3,037,925**	**$3,536,607**	**$3,462,701**	**$11,206**	**26.0%**

(1) Per Room values based on 309 guest rooms.
(2) % of Total Revenue for Room Expense, Food and Beverage Expense and Other Departmental Expenses is based on their corresponding revenue line items.
(3) Historical RevPAR for 2010, 2011, 2012 and 2013 was $56.28, $56.86, $57.18 and $63.88, respectively, and Net Cash Flow was approximately $1.5 million, $1.7 million, $1.6 million and $2.1 million, respectively.

Property Management. The property is managed by Portfolio Hotels, LLC, an Illinois limited liability company and an affiliate of the borrower.

Franchise Agreement. The borrower has a franchise agreement with Marriott International, Inc., a Delaware corporation. The current franchise agreement is effective as of January 31, 2017 for a term of 20 years, with a final expiration date of January 31, 2037. The franchise agreement provides for monthly program fees equal to (i) 5.0% of gross room revenues for the first two years of the term and 6.0% thereafter, and (ii) 3.0% of gross food and beverage revenues. There is also a marketing fee equal to 1.0% of gross room revenues.

Escrows and Reserves. At origination, the borrower deposited into escrow $8,023,640 for the property improvement plan and $32,612 for FF&E reserves.

Tax Escrows - On a monthly basis, the borrower is required to deposit 1/12 of the annual estimated tax payments, which currently equates to $23,000.

Insurance Escrows - The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as (i) no event of default exists and (ii) the borrower provides satisfactory evidence that the property is insured under an acceptable blanket policy in accordance with the loan documents.

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FF&E Reserves - On a monthly basis, commencing on the first payment date through the payment date in January 2018, the borrower is required to deposit an amount equal to 3.0% of gross revenues from operations for the calendar month two months prior to such payment date for FF&E. On the payment date in February 2018 and on each payment date through and including the payment date in January 2019, the borrower is required to deposit an amount equal to 4.0% of gross revenues from operations for the calendar month two months prior to such payment date. On the payment date in February 2019 and on each payment date remaining in the term, the borrower is required to deposit an amount equal to 5.0% of gross revenues from operations for the calendar month two months prior to such payment date.

PIP Reserves - In the event that the borrower is required to complete a future property improvement plan mandated by any franchisor, the borrower will be required, on a monthly basis, to deposit an amount reasonably estimated by the lender to complete the related property improvement plan.

Lockbox / Cash Management. The loan is structured with a hard lockbox and springing cash management. At origination, the borrower and property manager were required to deliver written instructions to credit card companies to deposit all revenues into a lockbox account controlled by the lender. All funds in the lockbox account are returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event (as defined below). Following the occurrence and during the continuance of a Cash Sweep Event, all funds are required to be swept each business day to a segregated cash management account under the control of the lender and disbursed on each payment date in accordance with the loan documents. To the extent a Cash Sweep Event is continuing, all excess cash flow on deposit in the cash management account is required to be held in the excess cash flow subaccount as additional security for the loan. The lender has been granted a first priority security interest in the cash management account.

A "Cash Sweep Event" means the occurrence of (i) an event of default, (ii) a bankruptcy or insolvency action of the borrower or property manager or (iii) the date that the debt service coverage ratio (as calculated in the loan documents) based on the trailing 12-month period is less than 1.30x on any date of determination from the origination date through March 1, 2019 or 1.40x thereafter (a "DSCR Trigger Event").

A Cash Sweep Event may be cured by, (a) with respect to clause (i) above, the acceptance by the lender of a cure of the related event of default, (b) with respect to clause (ii) above, solely with respect to the property manager, if the property manager is replaced with a qualified property manager in accordance with the loan documents within 60 days of the bankruptcy or insolvency action and (c) with respect to clause (iii) above, if the debt service coverage ratio based on the trailing 12-month period is 1.35x or greater for two consecutive calendar quarters through March 1, 2019 and 1.45x or greater thereafter. Each cure is subject to the following conditions: (1) a Cash Sweep Event cure may occur no more than two times in the aggregate during the term of the loan and (2) the borrower must pay all of the lender's reasonable expenses incurred in connection with the cure. The borrower may not cure a Cash Sweep Event caused by the bankruptcy or insolvency action of a borrower.