

11111 North 7th Street
Phoenix, AZ 85020

Collateral Asset Summary – Loan No. 13

Pointe Hilton Tapatio Cliffs Resort

Cut-off Date Balance: \$25,909,324
Cut-off Date LTV: 29.4%
U/W NCF DSCR: 2.09x
U/W NOI Debt Yield: 19.4%

Mortgage Loan Information

Loan Seller:	GACC
Loan Purpose:	Recapitalization
Sponsor:	Andrew Segal
Borrower:	11111 North 7th Street Property DE, LLC
Original Balance:	\$26,000,000
Cut-off Date Balance:	\$25,909,324
% by Initial UPB:	2.9%
Interest Rate:	4.8000%
Payment Date:	6 th of each month
First Payment Date:	June 6, 2016
Maturity Date:	May 6, 2026
Amortization:	360 months
Additional Debt⁽¹⁾:	Future Mezzanine Debt Permitted
Call Protection:	L(27), D(89), O(4)
Lockbox / Cash Management⁽²⁾:	Hard / Springing

Reserves

	Initial	Monthly
Taxes⁽³⁾:	\$0	Springing
Insurance⁽³⁾:	\$0	Springing
FF&E⁽³⁾:	\$0	Springing
Required Repairs:	\$724,638	NAP
Renovation Work:	\$7,000,000	\$0
Pipeline Work:	\$3,712,769	\$0
Debt Service⁽⁴⁾:	\$825,000	\$0
Ground Rent⁽³⁾:	\$18,250	Springing
Seasonal Working Capital⁽³⁾⁽⁴⁾:	\$0	Springing

Financial Information

Cut-off Date Balance / Room:	\$44,365
Balloon Balance / Room:	\$36,362
Cut-off Date LTV:	29.4%
Balloon LTV:	24.1%
Underwritten NOI DSCR:	3.07x
Underwritten NCF DSCR:	2.09x
Underwritten NOI Debt Yield:	19.4%
Underwritten NCF Debt Yield:	13.2%

Property Information

Single Asset / Portfolio:	Single Asset
Property Type:	Full Service Hospitality
Collateral:	Fee Simple/Leasehold
Location:	Phoenix, AZ
Year Built / Renovated:	1982 / 2007, 2016
Total Rooms:	584
Property Management:	Hilton Management LLC
Underwritten NOI:	\$5,027,772
Underwritten NCF:	\$3,424,068
Appraised Value:	\$88,200,000
Appraisal Date:	November 17, 2015

Historical NOI

Most Recent NOI:	\$4,912,073 (T-12 March 31, 2016)
2015 NOI:	\$4,333,659 (December 31, 2015)
2014 NOI:	\$3,619,249 (December 31, 2014)
2013 NOI:	\$2,368,110 (December 31, 2013)

Historical Occupancy / ADR / RevPAR

Most Recent Occupancy:	56.2% / \$144.48 / \$81.20 (March 31, 2016)
2015 Occupancy:	55.6% / \$144.51 / \$80.36 (December 31, 2015)
2014 Occupancy:	58.6% / \$138.23 / \$80.95 (December 31, 2014)
2013 Occupancy:	57.4% / \$130.70 / \$75.08 (December 31, 2013)

- (1) Mezzanine debt is permitted provided, among other conditions, (i) a combined DSCR of no less than 1.50x and (iii) the term of the mezzanine debt is coterminous with the mortgage loan.
- (2) In place cash management will be triggered (i) upon an event of default or (ii) if the DSCR falls below 1.50x during any calendar quarter.
- (3) Provided Hilton Management LLC ("Hilton") is collecting the required monthly reserves for (and making the applicable payments for) real estate taxes, insurance, FF&E, ground rent and seasonal working capital pursuant to the terms of the management agreement with Hilton, the borrower is not required to deposit related monthly reserves with lender. In the event Hilton is removed as, or is no longer, the manager of the property, or if Hilton defaults in its obligations under the management agreement beyond all cure periods (or, with respect to insurance, also if an acceptable blanket policy is no longer in place), the borrower will be required to provide monthly reserves in an amount equal to: (i) with respect to taxes, 1/12 of annual taxes, (ii) with respect to insurance, 1/12 of annual premiums, (iii) with respect to FF&E, the greater of (i) 4.0% of prior month's gross revenues and (ii) any amount required under a management agreement or franchise agreement for FF&E work, (iv) with respect to ground rent, 1/12 of the then current ground rent payable, and (v) with respect to seasonal working capital, the product of (A) the sum of the prior year's negative monthly seasonality cash flows and (B) negative one, rounded upwards to the nearest ten thousand dollar increment.
- (4) On the payment date in May of each year, the borrower is required to deposit an amount equal to \$825,000 less the amount on deposit in the debt service reserve account, subject to a cap of \$825,000.

TRANSACTION HIGHLIGHTS

- **Property.** The Pointe Hilton Tapatio Cliffs Resort property is a full-service 584-room hotel located in Phoenix, Arizona. The five-story property was built in 1982 and renovated in 2007 and 2016. The \$21.9 million renovation included a complete guestrooms update, along with renovations to the lobby, food and beverage outlets, and technology updates. In 2008, approximately \$4.4 million was spent constructing the Highland Center, which contains approximately 12,000 sq. ft. of meeting and exhibit space. The property is comprised of 37 buildings, with a main building, meeting and banquet buildings, multiple restaurant buildings and guestroom buildings. The property offers three restaurants, two lounges totaling approximately 37,840 sq. ft., eight outdoor pools, an 18-hole golf course and a spa. As of March 31, 2016, Pointe Hilton Tapatio Cliffs Resort had an ADR and RevPAR of \$144.48 and \$81.20, respectively.
- **Location.** The resort is located approximately 10 miles north of the central business district and approximately 14 miles north of Phoenix Sky Harbor International Airport. The University of Phoenix Stadium, home to the Arizona Cardinals, is located approximately 18 miles from the resort. Maricopa County is the largest incorporated area within the metropolitan statistical area with an estimated population of 4.6 million.
- **Capital Expenditure Plan.** The sponsor will invest approximately \$7.0 million (\$11,978 per room) to renovate guestrooms and bathrooms. The improvements will consist of the replacement of all hard and soft goods including new carpet, drapes, beds, bathroom tiling and tub surrounds. Additionally, the sponsor is working with the local agencies to redirect the water supply used to water the golf course to a more cost effective location. Approximately \$3.7 million has been reserved upfront for the completion of the water pipeline work.
- **Ground Lease.** Approximately 32.5 acres of the property's golf course is situated on land leased from the City of Phoenix. The ground lease has an initial term of 65 years and expires in March 2054 with a sponsor-elected right to extend the term for an additional 65 years. As of June 1, 2016, the ground rent payment was \$3,158 per month. Pursuant to the ground lease, rent increases every five years based on the consumer price index (assumed 3.0% in underwriting), with the next increase in 2019. In addition, approximately 45 acres of the golf course is situated on land subject to an easement that will continue so long as the borrower continues to operate the golf course.