

Bilmar Beach Resort

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$25,000,000
Cut-off Date Principal Balance:	\$24,905,313
% of Pool by IPB:	2.5%
Loan Purpose:	Acquisition
Borrower:	Which Treasure Island Owner, LLC
Sponsor:	Kline Hotel Holdings, LLC
Interest Rate:	4.57100%
Note Date:	9/1/2016
Maturity Date:	9/1/2026
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(27),Def(89),O(4)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title⁽¹⁾:	Fee
Property Type - Subtype:	Hotel – Full Service
Net Rentable Area (Rooms)⁽²⁾:	165
Location:	Treasure Island, FL
Year Built / Renovated:	1961-1974 / 2006
Occupancy / ADR / RevPAR:	80.0% / \$156.79 / \$125.48
Occupancy / ADR / RevPAR Date:	6/30/2016
Number of Tenants:	N/A
2013 NOI:	\$2,378,668
2014 NOI⁽³⁾:	\$2,612,425
2015 NOI⁽³⁾:	\$3,185,277
TTM NOI (as of 6/2016):	\$3,360,370
UW Occupancy / ADR / RevPAR:	80.0% / \$156.79 / \$125.48
UW Revenues:	\$14,672,894
UW Expenses:	\$11,437,129
UW NOI:	\$3,235,765
UW NCF:	\$3,235,765
Appraised Value / Per Room⁽⁴⁾:	\$37,100,000 / \$224,848
Appraisal Date:	8/8/2016

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$264,482	\$24,044	N/A
Insurance:	\$0	\$39,713	N/A
FF&E Reserves:	\$0	4% of Gross Revenues	N/A
TI/LC:	\$0	\$0	N/A
Other⁽⁵⁾:	\$2,500,000	Springing	N/A

Financial Information

Cut-off Date Loan / Room:	\$150,941
Maturity Date Loan / Room:	\$122,778
Cut-off Date LTV⁽⁴⁾:	67.1%
Maturity Date LTV⁽⁴⁾:	54.6%
UW NCF DSCR:	2.11x
UW NOI Debt Yield:	13.0%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$25,000,000	69.2%	Purchase Price	\$33,000,000	91.4%
Sponsor Equity	11,110,022	30.8	Upfront Reserves	2,764,482	7.7
			Closing Costs	345,539	1.0
Total Sources	\$36,110,022	100.0%	Total Uses	\$36,110,022	100.0%

- (1) The borrower has pledged both its fee interest in the property and its leasehold interest in a reciprocal parking parcel agreement with Walgreens.
- (2) Collateral for the loan consists of 119 sponsor-owned rooms and between 46.0% and 48.0% of the rental income from 43 third party-owned condominium units, which participate in a rental program.
- (3) The increase in 2015 NOI from 2014 NOI was primarily driven by increases in average occupancy and RevPAR from 79.6% to 82.6% and \$112.09 to \$123.54, respectively, as well as a \$537,920 increase in food and beverage revenue.
- (4) The Appraised Value / Per Room, Cut-off Date LTV and Maturity Date LTV are calculated based on the "hypothetical as-is value" which assumes that the proposed renovation at the hotel is complete. At origination, the borrower was required to reserve \$2,500,000 for the renovations at the property. The "as-is" value as of August 8, 2016 is \$34.4 million, which results in a Cut-off Date LTV and Maturity Date LTV of 72.4% and 58.9%, respectively.
- (5) Other Initial Escrows and Reserves consists of a \$2,500,000 reserve for room upgrades to the property. Monthly Other Escrows and Reserves consists of a deposit requirement for the condominium assessments that is triggered during a cash sweep period.

The Loan. The Bilmar Beach Resort loan is secured by a first mortgage lien on the borrower's fee interest in 119 rooms and between 46.0% and 48.0% of the rental income from 43 third party-owned condominium units in a full-service hotel and resort in Treasure Island, Florida. The loan has an outstanding principal balance as of the Cut-off Date of approximately \$24.9 million, a 10-year term and will amortize on a 30-year schedule. The previously existing debt was securitized as part of the JPMBB 2014-C19 transaction. The borrowing entity for the loan is Which Treasure Island Owner, LLC, a Delaware limited liability company and special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is Kline Hotel Holdings, LLC, which is a privately-held hotel investment and advisory company focused on acquiring and managing hotels in urban and unique locations. The company was founded in 2007 by Jon Kline, the former President and Chief Financial Officer of Sunstone Hotels, and is headquartered in Newport Beach, California.

Bilmar Beach Resort

The Property. The Bilmar Beach Resort property is a full service, 165-room resort which has 550 feet of beach frontage and is situated on a total of 3.4 acres. The property consists of the lobby building, the three-story Beaches building (opened in 1961), the four-story Shells building (opened in 1966), the eight-story Palms building (opened in 1974), the Ballroom building, and the Sloppy Joe's building. The property features two restaurants, Sloppy Joe's on the Beach and the Beach Café, 2,925 square feet of meeting space, two heated outdoor swimming pools, a gift shop and a fitness center. Following an approximately \$16.0 million renovation that was completed in 2006, two of the three guestroom buildings (the Beaches building and the Palms building) were converted into condominiums with a total of 99 condominium-hotel units (110 hotel rooms). There are currently a total of 43 third party-owned condominium units (that participate in five-year and 11-year rental programs). Condominium unit owners who participate in the five-year and 11-year rental programs receive 52.0% and 54.0% of the rental revenue associated with their units, respectively. In order to opt out of the program, unit owners must provide 18 months' notice. The property has an automated computer program that rotates the sold condominium units for rental use. The property also has access to 241 surface parking spaces.

In September 2016, the loan sponsor acquired a 90.0% ownership interest from its former joint venture partner, WHI Real Estate Partners, by exercising its right of first refusal for a total purchase price of \$33.0 million (\$277,311 per owned room). The loan sponsor has indicated that it intends to invest an additional \$3.0 million (\$18,182 per room) into the property throughout 2017 in order to refresh rooms and improve the hotel's overall appearance. At closing, the borrower reserved \$2.5 million to fund the planned capital investment with the remainder to be funded with ongoing FF&E reserves.

The Beaches building, opened in 1961, features units ranging from 396 square feet to 822 square feet and contains 44 condominium units and 53 hotel rooms. The Shells Building, opened in 1966, features 55 hotel keys ranging from 297 square feet to 1,055 square feet. The Palms Building, opened in 1974, features units ranging from 328 square feet to 1,244 square feet and contains a total of 55 condominium units and 59 hotel rooms. Of the 165 guestrooms, there are six ADA-equipped rooms, 14 standard king rooms, 128 double-queen rooms, three double-double bed rooms, seven suites and five penthouse units. 111 of the guestrooms have full kitchens with two burner flat top stoves, refrigerators, microwaves, coffee makers and dishware.

The property is located on Gulf Boulevard on Treasure Island, a barrier island located adjacent to St. Petersburg, Florida. Bilmar Beach Resort is approximately 7.0 miles west of Interstate 275, which runs through the Tampa Bay area and connects to Interstate 75. Treasure Island is one of six barrier islands that comprise the west central Gulf Coast region and is one of 10 communities on the barrier islands in Pinellas County. Treasure Island is known for its sunsets, white sand beaches and outdoor activities such as parasailing, jet skiing, boat tours and dolphin watching. The property is in close proximity to many shopping destinations including John's Pass Village in Madeira Beach, Tyrone Square Mall in St. Petersburg, Westfield Countryside Mall in Clearwater and Sundial St. Pete in downtown St. Petersburg.

Year	Competitive Set ⁽¹⁾			Historical Occupancy, ADR, RevPAR Bilmar Beach Resort ⁽²⁾			Penetration Factor ⁽³⁾		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	70.5%	\$142.07	\$100.15	78.1%	\$133.38	\$104.20	110.8%	93.9%	104.0%
2014	73.8%	\$151.19	\$111.55	79.6%	\$140.90	\$112.09	107.9%	93.2%	100.5%
2015	75.3%	\$166.48	\$125.34	82.6%	\$149.52	\$123.54	109.7%	89.8%	98.6%
TTM ⁽⁴⁾	73.2%	\$170.09	\$124.54	80.0%	\$156.79	\$125.48	109.3%	92.2%	100.8%

(1) Data provided by a third-party information provider. The competitive set contains the following properties: Holiday Inn Hotel & Suites Clearwater Beach, Howard Johnson Resort Hotel - St. Pete Beach, Alden Suites, Postcard Inn St. Pete Beach, Guy Harvey Outpost, DoubleTree Beach Resort by Hilton Tampa Bay.

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

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

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

Bilmar Beach Resort

Competitive Hotels Profile ⁽¹⁾								
Property	Rooms	2015 Estimated Market Mix			2015 Estimated Operating Statistics			
		Year Opened	Meeting Space (SF)	Transient	Meeting and Group	Occupancy	ADR	RevPAR
Bilmar Beach Resort	165	1961⁽²⁾	2,925	87.0%	13.0%	82.6%	\$149.52	\$123.54
Holiday Inn Hotel & Suites Clearwater Beach	209	1970	4,032	85.0%	15.0%	77.0%	\$177.00	\$136.29
Howard Johnson Resort Hotel - St. Pete Beach	136	1970	0	90.0%	10.0%	76.0%	\$145.00	\$110.20
Alden Suites	143	1985	900	90.0%	10.0%	78.0%	\$170.00	\$136.20
Postcard Inn St. Pete Beach	196	1957	2,400	90.0%	10.0%	70.0%	\$166.00	\$116.20
Guy Harvey Outpost	211	1969	0	80.0%	20.0%	74.0%	\$176.00	\$130.24
DoubleTree Beach Resort by Hilton Tampa Bay	125	1987	2,112	80.0%	20.0%	82.0%	\$150.00	\$123.00
Total⁽³⁾	1,020							

(1) Based on the appraisal.

(2) The Bilmar Beach Resort property was built from 1961-1974.

(3) Total does not include the subject property.

Operating History and Underwritten Net Cash Flow							
	2013	2014	2015	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	78.1%	79.6%	82.6%	80.0%	80.0%		
ADR ⁽⁴⁾	\$133.38	\$140.90	\$149.52	\$156.79	\$156.79		
RevPAR ⁽⁴⁾⁽⁵⁾	\$104.20	\$112.09	\$123.54	\$125.48	\$125.48		
Room Revenue ⁽⁶⁾	\$4,466,661	\$5,342,360	\$5,333,587	\$5,441,873	\$5,427,011	\$32,891	37.0%
Food and Beverage Revenue	5,723,633	5,710,511	6,248,431	6,391,200	6,373,745	38,629	43.4
Other Departmental Revenue ⁽⁶⁾	1,885,432	1,828,555	2,767,306	2,880,004	2,872,138	17,407	19.6
Total Revenue	\$12,075,726	\$12,881,426	\$14,349,324	\$14,713,077	\$14,672,894	\$88,927	100.0%
Room Expense	\$1,416,986	\$1,491,010	\$1,620,997	\$1,642,091	\$1,637,606	\$9,925	30.2%
Food and Beverage Expense	3,801,928	3,956,419	4,376,115	4,387,972	4,375,988	26,521	68.7
Other Departmental Expenses	174,624	287,586	368,244	475,716	474,417	2,875	16.5
Departmental Expenses	\$5,393,538	\$5,735,015	\$6,365,356	\$6,505,779	\$6,488,011	\$39,321	44.2%
Departmental Profit	\$6,682,188	\$7,146,411	\$7,983,968	\$8,207,298	\$8,184,883	\$49,605	55.8%
Operating Expenses	\$2,195,592	\$2,205,365	\$2,359,478	\$2,385,317	\$2,385,130	\$14,455	16.3%
Gross Operating Profit	\$4,486,596	\$4,941,046	\$5,624,490	\$5,821,981	\$5,799,753	\$35,150	39.5%
Management Fees	\$362,272	\$386,443	\$430,480	\$441,392	\$440,187	\$2,668	3.0%
Property Taxes	221,091	238,734	281,021	285,494	332,994	2,018	2.3
Property Insurance	463,732	501,266	424,254	419,117	476,555	2,888	3.2
Other Expenses	650,148	746,748	819,787	819,403	819,403	4,966	5.6
FF&E	410,685	455,430	483,672	496,204	494,849	2,999	3.4
Total Other Expenses	\$2,107,928	\$2,328,621	\$2,439,213	\$2,461,611	\$2,563,988	\$15,539	17.5%
Net Operating Income	\$2,378,668	\$2,612,425	\$3,185,277	\$3,360,370	\$3,235,765	\$19,611	22.1%
Net Cash Flow	\$2,378,668	\$2,612,425	\$3,185,277	\$3,360,370	\$3,235,765	\$19,611	22.1%

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

(2) Per Room values are based on 165 guest rooms.

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

(4) ADR and RevPAR include room revenue and condominium rental fees.

(5) RevPAR for 2009, 2010, 2011 and 2012 was \$81.17, \$79.99, \$86.34, \$97.28, respectively, and Net Cash Flow for 2009, 2010, 2011, and 2012 was approximately \$1.1 million, \$1.2 million, \$1.6 million and \$2.0 million, respectively.

(6) Other Departmental Revenue consists of condominium rental revenue, resort fees and other miscellaneous income. Condominium rental revenue of \$595,976 was included in Room Revenue for the first quarter of 2014.

Property Management. The property is managed by Which Treasure Island Lessee, LLC, which is an affiliate of the borrower.

Bilmar Beach Resort

Condominium. The property is subject to a condominium regime, which consists of, among other things, the 99 units located in the Beaches Building and the Palms Building. The borrower currently holds 91 unit votes out of a total of 134 unit votes under the condominium declaration. Each unit owner is entitled to one vote for each unit in elections for the board of directors and general condominium association meetings. The loan documents require the borrower to retain a minimum of 68 of the total 134 units and control of the condominium association.

Partial Release. The borrower may defease a portion of the loan after the expiration of the lockout period in connection with the release of a parking parcel (the "Parking Parcel") upon satisfaction of certain conditions set forth in the loan documents, including, without limitation, the following: (i) defeasance of an amount equal to or exceeding \$1,550,000; (ii) the debt service coverage ratio (as calculated in the loan documents) for the remaining property based on the trailing 12-month period immediately preceding the release of the Parking Parcel equals or exceeds 1.15x; (iii) the borrower and the owner of the Parking Parcel enter into and record a reciprocal easement agreement or such other agreement that provides, among other things, the remaining property with (x) exclusive use of the same number of parking spaces as the property had as of origination, and (y) non-exclusive use of a sufficient number of parking spaces as are necessary for the remaining property to comply with existing zoning requirements, the requirements of all leases and any hotel franchise agreement or the restaurant license agreement.