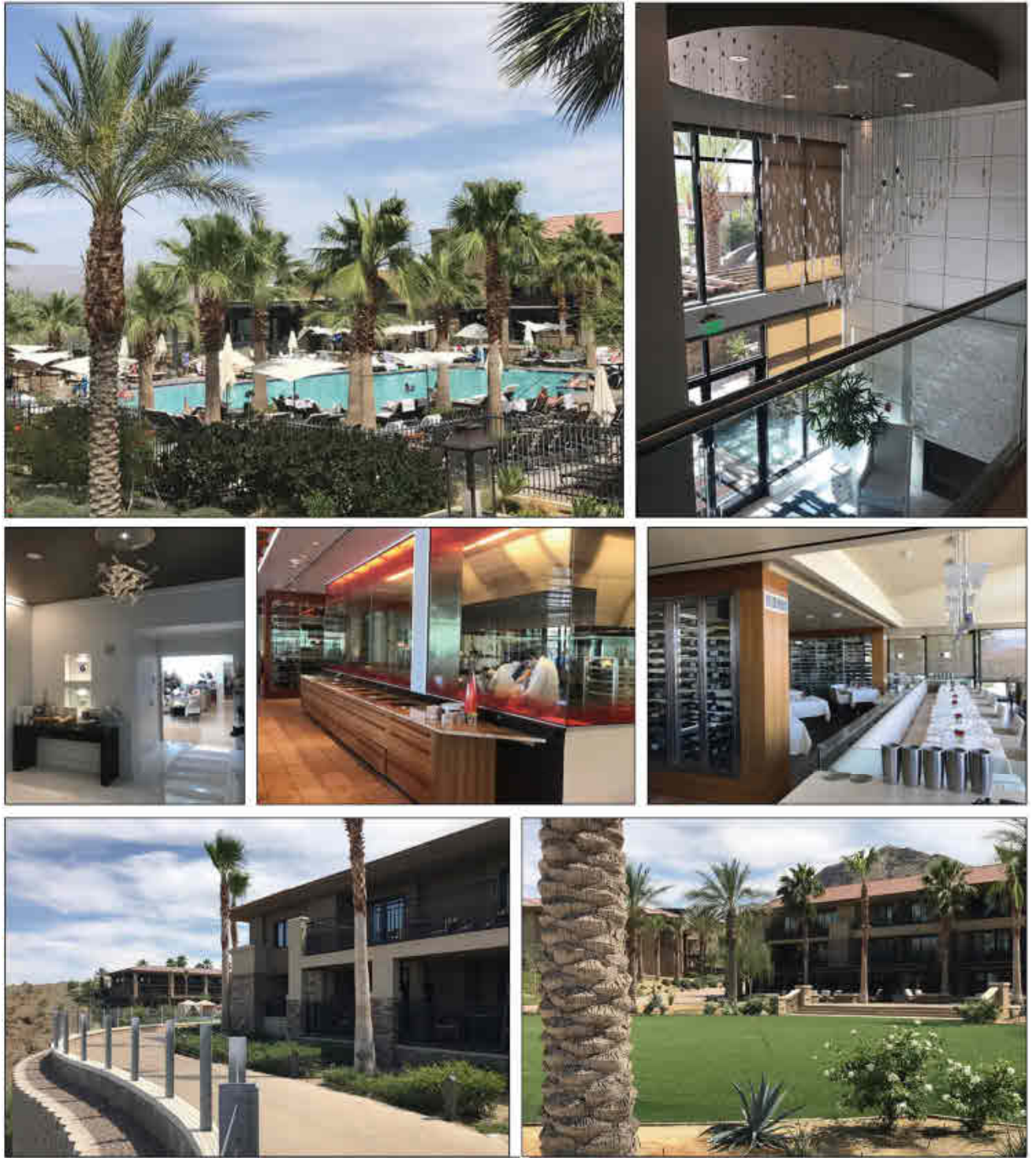


Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage



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Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage



## Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Column
<b>Original Principal Balance:</b>	\$54,000,000
<b>Cut-off Date Principal Balance:</b>	\$54,000,000
<b>% of Pool by IPB:</b>	6.7%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Newage Rancho Mirage II, LLC
<b>Sponsors:</b>	Kam Sang Co., Inc.; Ronnie Lam
<b>Interest Rate:</b>	5.660%
<b>Note Date:</b>	3/7/2017
<b>Maturity Date:</b>	4/6/2022
<b>Interest-only Period:</b>	60 months
<b>Original Term:</b>	60 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	Interest Only
<b>Call Protection:</b>	L(26),Def(29),O(5)
<b>Lockbox<sup>(1)</sup>:</b>	Soft
<b>Additional Debt:</b>	No
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A
<b>Additional Future Debt Permitted:</b>	No

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Hotel - Full Service
<b>Net Rentable Area (Rooms):</b>	244
<b>Location:</b>	Rancho Mirage, CA
<b>Year Built / Renovated:</b>	1988 / 2013 - 2014
<b>Occupancy / ADR / RevPAR:</b>	75.3% / \$361.12 / \$271.84
<b>Occupancy / ADR / RevPAR Date:</b>	4/30/2017
<b>Number of Tenants:</b>	N/A
<b>2014 NOI<sup>(2)</sup>:</b>	N/A
<b>2015 NOI<sup>(2)</sup>:</b>	\$2,573,293
<b>2016 NOI<sup>(2)</sup>:</b>	\$6,776,766
<b>TTM NOI<sup>(3)</sup>:</b>	\$7,418,179
<b>UW Occupancy / ADR / RevPAR:</b>	75.3% / \$361.12 / \$271.84
<b>UW Revenues:</b>	\$45,259,973
<b>UW Expenses:</b>	\$38,024,546
<b>UW NOI:</b>	\$7,235,427
<b>UW NCF:</b>	\$5,606,068
<b>Appraised Value / Per Room:</b>	\$92,800,000 / \$380,328
<b>Appraisal Date:</b>	1/31/2017

### Escrows and Reserves<sup>(4)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	\$119,784	N/A
<b>Insurance:</b>	\$0	\$22,159	N/A
<b>Deferred Maintenance:</b>	\$6,250	N/A	N/A
<b>Environmental Reserve:</b>	\$625	N/A	N/A
<b>FF&amp;E Reserve:</b>	\$0	\$111,590	N/A
<b>Seasonality Reserve:</b>	\$750,000	Springing	\$750,000

### Financial Information

<b>Cut-off Date Loan / Room:</b>	\$221,311
<b>Maturity Date Loan / Room:</b>	\$221,311
<b>Cut-off Date LTV:</b>	58.2%
<b>Maturity Date LTV:</b>	58.2%
<b>UW NCF DSCR:</b>	1.81x
<b>UW NOI Debt Yield:</b>	13.4%

### Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$54,000,000	75.4%
Borrower Equity	17,609,664	24.6
<b>Total Sources</b>	<b>\$71,609,664</b>	<b>100.0%</b>

Uses	Proceeds	% of Total
Payoff Existing Debt	\$40,038,828	55.9%
Partner Buyout	30,005,706	41.9
Upfront Reserves	756,875	1.1
Closing Costs	808,225	1.1
<b>Total Uses</b>	<b>\$71,609,634</b>	<b>100.0%</b>

- (1) For a more detailed description of the lockbox, please refer to "Lockbox / Cash Management" below.
- (2) The property reopened in April 2014 with the Ritz Carlton affiliation. The increase in NOI from 2015 to 2016 is primarily due to an increase in occupancy from 61.2% to 74.7%. For a more detailed description of the property's operating history, please refer to "The Property" below.
- (3) Represents the trailing twelve month period ending April 30, 2017.
- (4) For a more detailed description of escrows and reserves, please refer to "Escrows and Reserves" below.

## Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage

**The Loan.** The Ritz Carlton Rancho Mirage loan is a \$54.0 million first mortgage loan secured by the fee interest in a 244-room, full-service hotel property located in Rancho Mirage, California. The loan has a five-year term and is interest-only for the term of the loan.

**The Borrower.** The borrowing entity for the loan is Newage Rancho Mirage II, LLC, a Delaware limited liability company and special purpose entity. The borrowing entity is owned by Newage Rancho Fund, LLC (77.5%), Lamco Fund I, LLC (11.25%) and Lamco Fund II, LLC (11.25%).

**The Sponsors.** The loan's sponsors and nonrecourse carve-out guarantors are Kam Sang Co., Inc. and Ronnie Lam. Kam Sang Co., Inc., established in 1979 by current President and CEO Ronnie Lam, owns hospitality, retail, residential, restaurants, and mixed-use properties. In total, the sponsors own 1,248 keys in California and Nevada.

**The Property.** The property is an AAA Four Diamond, 244-room, full-service hotel located in Rancho Mirage, California. The property is three-stories and was constructed in 1988. The property originally opened with a Ritz Carlton flag as the seventh hotel in the chain. Vail Resorts Management Company ("Vail") purchased the hotel in 2001. Vail operated the property as the Lodge at Rancho Mirage until they sold the property in 2005 to Gencom with financing from Lehman Brothers. Gencom closed the hotel for renovations in 2006. Gencom was not able to complete the renovations and the hotel did not re-open. In 2013, the sponsors purchased control of the vacant property. The sponsors completed an extensive renovation at a cost of approximately \$29.4 million. The renovation and modernization included all guestrooms, ballrooms, common areas and facilities. The newly renovated Ritz Carlton Rancho Mirage reopened to the public in April 2014.

The unit mix at the property consists of 171 king units, 57 queen units, 12 king suites, two queen suites and two presidential suites. Each of the guestrooms features a flat-screen television, desk, chair, dresser, nightstands as well as a partition separating the bathroom from the guestroom area. Numerous rooms include a private outdoor fire pit or balcony. Amenities at the hotel include two restaurants, a lounge, 14,798 SF of meeting space, two outdoor swimming pools, a two-story 20,000 SF full-service spa with 15 treatment rooms, outdoor plunge pools and a fitness center. The food and beverage outlets are State Fare Bar & Kitchen, Lobby Lounge, Air Pool Bar, and the Edge Steakhouse. State Fare Bar & Kitchen is a three-meal restaurant, located directly off the lobby, offering classic cocktails and prized California wines. The lobby lounge is adjacent to State Fare Bar & Restaurant and leverages their kitchen and bar. The Edge Steakhouse is a signature steakhouse, situated along a cliff overlooking the valley. The meeting space includes the following: The Ritz-Carlton Ballroom (8,400 SF), Mirada Terrace (2,700 SF) and Sunrise (824 SF). There is also 25,000 SF of outdoor event space including two cliff-side event lawns. The property has a 377-space subterranean parking garage with valet services as well as self-parking. The site includes sixteen luxury condominiums, located adjacent to the spa building, which are not part of the collateral of the loan.

The Ritz Carlton Rancho Mirage property is located along Frank Sinatra Drive elevated above the Coachella Valley on a site graded on the side of the Santa Rosa Mountains in the City of Rancho Mirage. The property is located 0.8 miles west of State Route 111 (Palm Canyon Drive), and approximately 7.0 miles southeast of the Palm Springs International Airport.

**The Market.** The property is located in Rancho Mirage, California in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (or "Inland Empire"). Rancho Mirage is a resort city located in the Coachella Valley and was incorporated as a city in 1973. The Coachella Valley includes the cities of Palm Desert, Palm Springs, Indian Wells, Rancho Mirage, Cathedral City, Indio, Thousand Palms, and La Quinta, and is a two-hour drive from the cities of Los Angeles, San Diego and the Mexican border. According to the appraisal, Rancho Mirage and the Coachella Valley are known for their recreation and resort activities, especially golf, swimming, tennis, biking and hiking. The Coachella Valley boasts at least 116 golf courses, 12 of which are located in Rancho Mirage. According to appraisal, the Coachella Valley has become home to popular events and festivals including the Palm Springs Film Festival, Bob Hope Classic, Coachella Valley Music Festival, BNP Paribas Tennis Open, Stagecoach Country Music Festival and Desert Trip for a total of over 1.6 million people visiting the region annually. The area is also home to the Palm Springs Convention Center, an over 200,000 SF convention space located in downtown Palm Springs that completed an expansion and renovation in 2005, at a cost of \$34.7 million.

## Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage

According to the California Employment Development Department, the Inland Empire's employment increased 2.3% over the twelve months ending September 2016. The increase was driven primarily by payroll increases in the Government and Trade, Transportation, and Utilities sectors. Top employers in the area include Stater Brothers Markets, Arrowhead Regional Medical Center, U.S. Marine Corps. Air Ground Combat Center, Fort Irwin, Wal-Mart Stores Inc., March Air Reserve Base, United Parcel Services Inc., Loma Linda University, and U.C. Riverside and Ontario.

### Primary Local Market Historical Occupancy, ADR, RevPAR<sup>(1)</sup>

Year	Competitive Set			Ritz Carlton Rancho Mirage			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2016	61.1%	\$255.51	\$156.14	73.9%	\$353.53	\$261.33	121.0%	138.4%	167.4%
TTM <sup>(2)</sup>	60.9%	\$256.83	\$156.35	74.9%	\$353.44	\$264.69	123.0%	137.6%	169.3%

- (1) Source: Third Party Data Provider. The competitive set consists of the following hotels: Omni Rancho Las Palmas Resort & Spa, Waldorf Astoria La Quinta Resort & Club, Hyatt regency Indian Wells Resort & Spa, Le Meridien Parker Palm Springs.
- (2) Represents the trailing twelve month period ending March 31, 2017.

### Primary Local Market Competitive Hotels Profile<sup>(1)</sup>

Property	Rooms	Year Built	Meeting Space (SF)	Estimated Market Mix		2016 Estimated Operating Statistics		
				Transient	Meeting & Group	Occupancy	ADR	RevPAR
<b>Ritz Carlton Rancho Mirage</b>	<b>244</b>	<b>2014</b>	<b>18,200</b>	<b>71%</b>	<b>29%</b>	<b>74%</b>	<b>\$353.53</b>	<b>\$261.33</b>
Le Meriden Parker	144	1959	11,000	80%	20%	65%	\$362.00	\$235.30
Waldorf Astoria La Quinta Resort	796	1926	40,940	35%	65%	59%	\$276.00	\$162.84
Renaissance Indian Wells	560	1989	51,861	45%	55%	59%	\$230.00	\$135.70
Hyatt Regency Indian Wells	530	1986	26,200	45%	55%	60%	\$223.00	\$133.80
Curio Miramonte Indian Wells	215	1963	18,000	55%	45%	47%	\$192.00	\$90.24
Westin Mission Hills	512	1991	70,161	40%	60%	59%	\$210.00	\$123.90
<b>Total<sup>(2)</sup></b>	<b>3,001</b>							

- (1) Source: Appraisal.
- (2) Excludes the subject property.

### Regional Hotel Competition – Alternative Destinations

The property also competes in the luxury segment with regional hotels and resorts for leisure travelers and corporate events. Select properties in the Phoenix MSA are the leading regional competition.

### Historical Occupancy, ADR, RevPAR<sup>(1)</sup>

Year	Competitive Set			Ritz Carlton Rancho Mirage			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2015	68.8%	\$359.03	\$246.86	61.2%	\$349.27	\$213.68	89.0%	97.3%	86.6%
2016	70.8%	\$382.87	\$270.90	73.9%	\$353.53	\$261.33	104.5%	92.3%	96.5%
TTM <sup>(2)</sup>	70.7%	\$389.49	\$275.41	74.9%	\$353.44	\$264.69	105.9%	90.7%	96.1%

- (1) Source: Third Party Data Provider. The competitive set consists of the following hotels: L'Auberge De Sedona, The Unbound Collection Royal Palms Resort & Spa, Sanctuary On Camelback Mountain, Ojai Valley Inn & Spa, Four Seasons Resort Scottsdale @ Troon North.
- (2) Represents the trailing twelve month period ending March 31, 2017.

## Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage

### Regional Competitive Hotels Profile<sup>(1)</sup>

Property	Location	Rooms	Year Opened	Meeting Space (SF)	Estimated Market Mix	
					Transient	Meeting & Group
<b>Ritz Carlton Rancho Mirage</b>	<b>Rancho Mirage, CA</b>	<b>244</b>	<b>2014</b>	<b>18,200</b>	<b>71%</b>	<b>29%</b>
Sanctuary on Camelback Mountain	Paradise Valley, AZ	109	1970	5,918	69%	31%
Royal Palms	Phoenix, AZ	119	1948	6,392	55%	45%
Four Seasons Scottsdale Troon North	Scottsdale, AZ	210	1999	17,838	50%	50%
L'Auberge De Sedona	Sedona, AZ	88	1984	4,480	90%	10%
Ojai Valley Inn & Spa	Ojai, CA	303	1923	10,800	75%	25%
<b>Total<sup>(2)</sup></b>		<b>3,586</b>				

(1) Source: Appraisal.

(2) Excludes the subject property.

### Operating History and Underwritten Net Cash Flow

	2014 <sup>(1)</sup>	2015	2016	TTM <sup>(2)</sup>	Underwritten	Per Room <sup>(3)</sup>	% <sup>(4)</sup>
Occupancy	N/A	61.2%	73.9%	75.3%	75.3%		
ADR	N/A	\$353.44	\$353.53	\$361.12	\$361.12		
RevPAR	N/A	\$216.23	\$261.33	\$271.84	\$271.84		
Room Revenue	N/A	\$19,257,439	\$23,337,948	\$24,209,669	\$24,209,669	\$99,220	53.5%
Food and Beverage	N/A	14,573,769	16,118,364	16,234,662	16,234,662	66,536	35.9%
Other Departmental Revenues	N/A	3,895,874	4,583,729	4,815,642	4,815,642	19,736	10.6%
<b>Total Revenue</b>	<b>N/A</b>	<b>\$37,727,081</b>	<b>\$44,040,041</b>	<b>\$45,259,973</b>	<b>\$45,259,973</b>	<b>\$185,492</b>	<b>100.0%</b>
Room Expense	N/A	5,824,627	6,637,189	6,785,578	6,785,578	27,810	28.0%
Food and Beverage Expense	N/A	13,435,104	13,980,215	14,007,048	14,007,048	57,406	86.3%
Other Departmental Expenses	N/A	2,424,047	2,403,051	2,539,223	2,539,223	10,407	52.7%
<b>Departmental Expenses</b>	<b>N/A</b>	<b>\$21,683,778</b>	<b>\$23,020,455</b>	<b>\$23,331,848</b>	<b>\$23,331,848</b>	<b>\$95,622</b>	<b>51.6%</b>
<b>Departmental Profit</b>	<b>N/A</b>	<b>\$16,043,304</b>	<b>\$21,019,586</b>	<b>\$21,928,125</b>	<b>\$21,928,125</b>	<b>\$89,869</b>	<b>48.4%</b>
<b>Operating Expenses</b>	<b>N/A</b>	<b>\$12,041,424</b>	<b>\$12,489,948</b>	<b>\$12,837,552</b>	<b>\$12,796,081</b>	<b>\$52,443</b>	<b>28.3%</b>
<b>Gross Operating Profit</b>	<b>N/A</b>	<b>\$4,001,879</b>	<b>\$8,529,638</b>	<b>\$9,090,572</b>	<b>\$9,132,043</b>	<b>\$37,426</b>	<b>20.2%</b>
Fixed Expenses	N/A	1,428,586	1,752,872	1,672,393	1,896,617	7,773	4.2%
<b>Net Operating Income</b>	<b>N/A</b>	<b>\$2,573,293</b>	<b>\$6,776,766</b>	<b>\$7,418,179</b>	<b>\$7,235,427</b>	<b>\$29,653</b>	<b>16.0%</b>
FF&E	N/A	536,016	1,053,282	1,282,164	1,629,359	6,678	3.6%
<b>Net Cash Flow</b>	<b>N/A</b>	<b>\$2,037,277</b>	<b>\$5,723,484</b>	<b>\$6,136,015</b>	<b>\$5,606,068</b>	<b>\$22,976</b>	<b>12.4%</b>

(1) Historical financials are not available due to the property re-opening in April 2014 after a renovation.

(2) The TTM column represents the trailing twelve month period ending April 30, 2017.

(3) Per room values are based on 244 rooms.

(4) % column represents percent of Total Revenue except for Room Expense, Food and Beverage and Other Department Expenses, which is based on their corresponding revenue line items.

## Mortgage Loan No. 4 — Ritz Carlton Rancho Mirage

**Property Management.** The property operates as a Ritz-Carlton hotel under an operating agreement with the owner that expires on December 31, 2039, approximately 17 years beyond the loan term. The Ritz-Carlton brand operates 91 luxury hotels worldwide in 30 countries and territories.

**Escrows and Reserves.** At origination, the borrower deposited into escrow \$756,875; \$750,000 in the seasonality reserve, \$6,250 for deferred maintenance and \$625 in the environmental reserve.

*Tax Escrows* – On a monthly basis, the borrower is required to escrow 1/12<sup>th</sup> of the annual estimated tax payments, which currently equates to \$119,784, except to the extent the borrower has provided to the lender evidence that the property manager has paid all taxes then due and payable.

*Insurance Escrows* – On a monthly basis, the borrower is required to escrow 1/12<sup>th</sup> of the annual estimated insurance payments, which currently equates to \$22,159, except to the extent the borrower has provided to the lender evidence that the property manager has paid all insurance premiums then due and payable.

*FF&E Reserve* – On a monthly basis, the borrower is required to escrow an amount equal to the greater of (a) 1/12<sup>th</sup> of three percent of gross income from operations for the property over the trailing twelve month period, which currently equates to \$111,590 and (b) the amount required to be deposited into the reserve as defined in the management agreement (up to 5% of gross revenues).

*Seasonality Reserve* – At origination, the borrower made an initial seasonality reserve deposit of \$750,000. After the occurrence of a Seasonality Deposit Trigger (as defined below) on each payment date occurring in January, February, March, April, May, October, November and December, the borrower is required to escrow \$129,119, subject to a cap of \$750,000.

A “Seasonality Deposit Trigger” commences upon any application of the initial seasonality reserve deposit. The requirement to post the monthly seasonality deposits will be suspended to the extent the balance of the seasonality reserve account is \$750,000.

**Lockbox / Cash Management.** The Ritz Carlton Rancho Mirage loan is structured with a hard lockbox with in place cash management. Pursuant to the property management agreement, the manager collects all income from the property, pays all operating expenses and establishes an FF&E reserve pursuant to the management agreement. On a monthly basis, the property manager remits all income from the property, less expenses, working capital, the FF&E reserve and the management fee to a cash management account under the control of the lender and disbursed during each interest period of the term of the loan in accordance with the loan documents. During the continuance of a Cash Sweep Event (as defined below), all excess cash flow, after payments made in accordance with the loan documents for, amongst other things, debt service, required reserves and operating expenses, will be held as additional collateral for the loan.

A “Cash Sweep Event” means: (i) an event of default (ii) any bankruptcy action of the borrower or property manager, or (iii) the debt service coverage ratio is less than 1.20x. A Cash Sweep Event expires upon, with regard to clause (i) above, the cure of such event of default, with regards to clause (ii) above, the replacement of such property manager with another qualified manager under a replacement management agreement, and with regard to clause (iii) above, the date that the debt service coverage ratio is at least 1.25x for two consecutive calendar quarters.

The property is part of a larger project that is subject to an operating covenant with the City of Rancho Mirage, whereby the City of Rancho Mirage is required to issue tax rebates of up to 50% of to the net transient occupancy tax collected in connection with the property for each calendar year in excess of \$250,000, up to \$1 million per year and \$10 million in the aggregate to the borrower. For more information see “Description of the Mortgage Pool – Real Estate and Other Tax Considerations” in the Prospectus.