

Naples Grande Beach Resort



Naples Grande Beach Resort



Naples Grande Beach Resort



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|---------------------------------------|----------------------------------|------------------------|----------------------------------|
| 1. Entrance | 6. Cabanas | 11. Pool & Bar Grill | 16. Restrooms |
| 2. Lobby | 7. Palm Terrace Pool | 12. Kid's Club | 17. Water Sports Rentals & Shop |
| 3. Tower | 8. Whirlpool | 13. Handicapped Access | 18. Rhodes End Beach Bar & Grill |
| 4. Naples Grande Spa | 9. Mangrove Pool | 14. Towel Hut | 19. Lap Pool |
| 5. Catch of the Pelican Restaurant | 10. Mangrove Mountain Waterslide | 15. Glass Elevator | 20. Tennis Center |
| 21. Center Court | 26. Outdoor Dining | | |
| 22. Parking Garage | 27. Garden Villa Suites | | |
| 23. Handicapped Access Parking Garage | 28. Tram to Beach | | |
| 24. Self Parking | 29. Calm Pass Park | | |
| 25. Sunset Deck | 30. Gulf of Mexico | | |

Naples Grande Beach Resort

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance⁽¹⁾:	\$70,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$70,000,000
% of Pool by IPB:	6.8%
Loan Purpose:	Refinance
Borrowers:	NWNG LLC and NWNG Golf LLC
Sponsors⁽²⁾:	Various
Interest Rate:	4.95000%
Note Date:	12/18/2015
Maturity Date:	1/1/2026
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Grtr1%orYM(92),O(3)
Lockbox:	Hard
Additional Debt:	Yes
Additional Debt Balance:	\$95,000,000
Additional Debt Type:	Pari Passu

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype⁽³⁾:	Hotel - Full Service
Net Rentable Area (Rooms):	474
Location:	Naples, FL
Year Built / Renovated⁽⁴⁾:	1986 / 2015
Occupancy / ADR / RevPAR:	69.9% / \$249.20 / \$174.19
Occupancy / ADR / RevPAR Date:	11/30/2015
Number of Tenants:	N/A
2012 NOI⁽⁵⁾:	\$9,519,938
2013 NOI⁽⁵⁾⁽⁶⁾:	\$11,567,710
2014 NOI⁽⁶⁾⁽⁷⁾:	\$10,716,059
TTM NOI (as of 11/2015)⁽⁷⁾:	\$17,031,488
UW Occupancy / ADR / RevPAR:	69.9% / \$249.20 / \$174.19
UW Revenues:	\$59,695,441
UW Expenses:	\$42,496,139
UW NOI:	\$17,199,302
UW NCF:	\$17,199,302
Appraised Value / Per Room⁽⁸⁾:	\$263,750,000 / \$556,435
Appraisal Date:	11/13/2015

Escrows and Reserves⁽⁹⁾

	Initial	Monthly	Initial Cap
Taxes:	\$182,282	\$94,939	N/A
Insurance:	\$12,758	\$4,253	N/A
FF&E Reserves:	\$0	4% of Gross Revenues	N/A
TI/LC:	\$0	\$0	N/A
Other:	\$0	Springing	\$3,000,000

Financial Information⁽¹⁾

Cut-off Date Loan / Room:	\$348,101
Maturity Date Loan / Room:	\$300,794
Cut-off Date LTV⁽⁸⁾:	62.6%
Maturity Date LTV⁽⁸⁾:	54.1%
UW NCF DSCR:	1.63x
UW NOI Debt Yield:	10.4%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan ⁽¹⁾	\$165,000,000	100.0%	Payoff Existing Debt	\$118,194,680	71.6%
			Return of Equity	44,655,752	27.1
			Closing Costs	1,954,528	1.2
			Upfront Reserves	195,040	0.1
Total Sources	\$165,000,000	100.0%	Total Uses	\$165,000,000	100.0%

(1) The Naples Grande Beach Resort loan is part of a loan evidenced by three *pari passu* notes with an aggregate balance of \$165.0 million. The Financial Information presented in the chart above reflects the Cut-off Date balance of the \$165.0 million Naples Grande Whole Loan.

(2) For a full description of the Loan Sponsors, please refer to "The Loan Sponsors" below.

(3) The collateral for the Naples Grande Whole Loan also includes an 18-hole golf course.

(4) The Golf Property (as defined below) was built in 2000 and renovated in 2015.

(5) The increase in 2013 NOI from 2012 NOI was primarily driven by increases in room, food and beverage revenues totaling approximately \$3.6 million.

(6) The decrease in 2014 NOI from 2013 NOI was primarily driven by room renovations.

(7) The increase in TTM NOI from 2014 NOI was primarily driven by an increase in total revenue of approximately \$6.7 million resulting from room renovations and the removal of the Hilton affiliation.

(8) The Appraised Value represents the aggregate appraised value of the Resort (as defined below) and the Golf Property. As of November 13, 2015, the Resort had an appraised value of \$240.25 million, excluding both an appraised value of \$1.75 million for the Tennis Court Parcel (as defined below) and the Golf Property, which had an appraised value of \$23.5 million. Excluding the Golf Property and the Tennis Court Parcel, the Appraised Value per room equates to \$506,857, which results in a Cut-off Date LTV and Maturity Date LTV of 68.7% and 59.3%, respectively. On February 11, 2016, the borrowers released the Tennis Court Parcel in accordance with the terms of the loan documents.

(9) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

Naples Grande Beach Resort

The Loan. The Naples Grande Beach Resort loan is secured by a first mortgage lien on the fee interest in a 474-room full service hotel and 18-hole golf course located in Naples, Florida. The whole loan has an outstanding principal balance as of the Cut-off Date of \$165.0 million (the “Naples Grande Whole Loan”) and is comprised of three *pari passu* notes, Note A-1, Note A-2 and Note A-3. Note A-1, with an outstanding principal balance as of the Cut-off Date of \$70.0 million, is being contributed to the JPMBB 2016-C1 Trust. Note A-2 and Note A-3 (together, the “Companion Notes”) have an aggregate outstanding principal balance as of the Cut-off Date of \$95.0 million and are expected to be contributed to one or more future securitization trusts. The holder of Note A-1 (the “Controlling Noteholder”) will be the trustee of the JPMBB 2016-C1 Trust. The trustee of the JPMBB 2016-C1 Trust (or, prior to the occurrence and continuance of a control event under the pooling and servicing agreement, the directing certificateholder) will be entitled to exercise all of the rights of the Controlling Noteholder with respect to the Naples Grande Whole Loan; *provided, however*, that the holders of the Companion Notes will be entitled, under certain circumstances, to be consulted with respect to major decisions.

The Naples Grande Whole Loan has a 10-year term and, subsequent to a two-year interest-only period, will amortize on a 30-year schedule. Proceeds from the Naples Grande Whole Loan were used to pay off previously existing bank debt with an original principal balance of \$125.0 million held by Wells Fargo. Prior to this, the property served as collateral for the Boca Resorts Hotel Pool loan, which was securitized in the WBCMT 2006-WL7A transaction, when the property operated as the Naples Grande Resort & Club, an independent hotel.

The Borrowers. The borrowing entities for the loan are NWNG LLC and NWNG Golf LLC, each a Delaware limited liability company and special purpose entity.

The Loan Sponsors. The loan sponsors and nonrecourse carve-out guarantors are Northwood Real Estate Partners LP, Northwood Real Estate Co-Investors LP, Northwood Real Estate Partners TE (Hotel AIV) LP and Northwood Real Estate Co-Investors TE (Hotel AIV) LP, each an affiliate of Northwood Investors LLC (“Northwood”). Northwood is a privately-held real estate investment advisor that was founded in 2006 by John Kukral, the former President and CEO of Blackstone Real Estate Advisors. Northwood invests in a wide range of real estate-related investments, including single property acquisitions, property development and redevelopment, multi-property portfolio acquisitions and public and private securities investments. As of August 31, 2015, Northwood had approximately \$5.5 billion of assets under management including equity in hospitality-related properties such as The London West Hollywood in Los Angeles, California; The Cheeca Lodge & Spa in Islamorada, Florida; Tranquility Bay Beach Resort in Marathon, Florida; and The Four Seasons Prague in Prague, Czech Republic.

The Property. Naples Grande Beach Resort (the “Resort”) is an 18-story, 474-room, full service luxury resort hotel located in Naples, Florida. The Resort is located on a 24.0-acre site with approximately three miles of direct beach frontage on the Gulf of Mexico. The Resort has a long history of operating as a successful, independent hotel. The Resort was originally developed in 1986 as the Registry Resort & Club (the “Registry”) and operated as an independent hotel for a total of 23 years. In 2004, Blackstone acquired the Resort as part of its Boca Resorts portfolio acquisition and in 2005, rebranded it as The Naples Grande Resort. In 2009, the Resort was added to the Waldorf Astoria Collection of hotels and began operating as a flagged hotel for the first time as part of Hilton Worldwide. The Resort was re-named again in 2012 as The Waldorf Astoria Naples (the “Waldorf”). According to the loan sponsors, Blackstone invested approximately \$58.0 million (\$122,363 per room) in capital improvements from 2005 through 2011. In October 2013, the loan sponsors acquired the Resort for approximately \$195.5 million. Since acquiring the Resort and the Golf Property, Northwood has invested approximately \$21.0 million (\$44,304 per room), which includes approximately \$7.5 million (\$15,808 per room) for room renovations that occurred between August 2014 and January 2015, \$1.7 million in common areas, including the renovation of the Resort’s main restaurant, \$6.8 million in the golf clubhouse construction and the remaining in deferred maintenance and soft costs.

In connection with the room renovation, Northwood removed the Hilton affiliation and returned the Resort to an independent hotel. As a Hilton-flagged hotel property, the Waldorf was in the Hilton rewards program (“HHonors”) network of hotels. HHonors guests are able to earn rewards points for staying at Hilton-affiliated hotels and shopping at many national retailers. These rewards points can be redeemed for free or discounted room rates, room upgrades and free or discounted benefits, including dining, spa, golf and other activities at Hilton-affiliated hotels, including, at the time, the Waldorf. Due to the high quality property and desirable location of the hotel, the Waldorf became an attractive location for members to redeem rewards points. According to Northwood, the HHonors guests constituted a significant portion of the total guests staying at the Resort and had historical average daily rates approximately 40% below non-rewards guests and spent less on non-room items (e.g., food and beverage, spa, rentals, etc.). A key part of the loan sponsors’ strategy in removing the Hilton flag was to displace HHonors guests, which Northwood believed were limiting the hotel’s cash flow performance. The chart below compares the Resort’s pre-renovation versus post-renovation performance. As the chart indicates, the Resort’s year-over-year RevPAR increased significantly and outpaced those of the competitive set.

Naples Grande Beach Resort

Post Renovation Unflagged vs. Pre Renovation Flagged								
	February	March	April	May	June	July	August	Total / Wtd. Avg
2015 RevPAR ⁽¹⁾	\$322.24	\$326.23	\$246.07	\$138.75	\$113.55	\$124.94	\$83.12	\$191.87
2014 RevPAR ⁽¹⁾	\$290.15	\$289.08	\$196.20	\$121.71	\$123.70	\$111.66	\$89.14	\$173.02
Subject YoY Change	11.1%	12.9%	25.4%	14.0%	(8.2%)	11.9%	(6.8%)	10.9%
Comp Set YoY Change ⁽²⁾	8.3%	8.3%	3.0%	(2.4%)	1.5%	0.0%	(17.4%)	2.4%
Incremental Revenue	\$425,898	\$545,882	\$709,151	\$250,386	(\$144,333)	\$195,136	(\$88,458)	\$1,893,663

(1) Based on operating statements provided by the loan sponsors.

(2) Data provided by Smith Travel Research. The competitive set contains the following properties: Marriott Marco Island Beach Resort Golf Club & Spa, Hilton Marco Island Beach Resort & Spa, La Playa Beach & Golf Resort, Ritz-Carlton Naples, Marriott Sanibel Harbour Resort & Spa, Edgewater Beach Hotel, Hyatt Regency Coconut Point Resort & Spa, Hilton Naples and Ritz-Carlton Golf Resort Naples.

The Resort's amenities include three heated resort-style outdoor pools; approximately 78,000 square feet of meeting space; gift and sundry shops in the lobby; a business center; 15 Har-Tru tennis courts and tennis pro-shop (Eight of the tennis courts were released on February 11, 2016. Please refer to "Partial Releases" for additional information.); an 8,000 square foot fitness facility on the Tower's third floor, which features a variety of weight and cardiovascular equipment, as well as a sauna and steam room; watersports for rent including jet skis, kayaks, sailing and windsurfing; and a three-building, 16,000 square foot, 12-room spa complex, which features 12 treatment rooms, a spa villa with a soaking tub, a whirlpool bath, a sundeck and patio, a hair and nail salon, a spa shop and a tranquility pool. Outdoor features also include waterfalls and fountains, whirlpool baths, sauna and steam rooms, rain showers and a meditation space. The Resort also includes two underground parking levels and surface parking totaling 700 spaces, resulting in a parking ratio of approximately 1.48 spaces per room. Additionally, the property features access to a private 18-hole, par 72 championship golf course (the "Naples Grande Golf Club" or the "Golf Property") located approximately six miles southeast of the Resort, which also serves as collateral for the Naples Grande Whole Loan. See "The Golf Property" below for additional details.

Of the 474 guestrooms, there are 278 double-queen rooms, 78 king suites, 56 standard king rooms and 12 ADA-equipped rooms located in the main building of the Resort (the "Tower") and 50 standalone suites (the "Bungalow Suites") located adjacent to the Tower. All of the 346 standard guestrooms located in the Tower measure approximately 465 square feet and feature views of the Gulf of Mexico from a private balcony. Additional amenities include a flat screen television, walk-in shower and soaking tub. The king suites feature approximately 1,100 square feet of space, which includes a large private balcony, separate living area, dining room and one and a half baths, a whirlpool tub and two large flat screen televisions. One of the king suites, the "Grande Suite", is located on the penthouse floor and features approximately 1,200 square feet of space, which includes marble flooring throughout, a bedroom, living area, dining room and kitchenette. The bathroom features a full vanity, dual sinks, Jacuzzi tub and separate shower. The Bungalow Suites are divided into two distinct clusters. Each cluster consists of seven buildings surrounding a garden courtyard with a pool in the center. Each Bungalow Suite is approximately 700 square feet in size and includes a large living room with queen-size sleeper sofa, a master bedroom with king-size bed, a spa-style bathroom with granite countertops and stone finishes and two fully-furnished outdoor terraces. All of the Bungalow Suites were renovated by Blackstone between 2006 and 2007 for an aggregate cost of approximately \$5.3 million (\$106,000 per room), according to Northwood.

The Resort offers seven food and beverage venues. The Catch of the Pelican is an approximately 3,500 square foot dinner-only restaurant and is the Resort's signature dining venue. The menu offers premium steaks and fresh local seafood with indoor and outdoor dining spaces. In late July 2013, Northwood began an approximately \$250,000 renovation of the space, which had been offline at the time of the Resort's acquisition, and reopened it in January 2015. The renovation and reopening has led to a significant increase in food and beverage ("F&B") revenue, with the restaurant contributing approximately \$1.2 million in revenue for the trailing 12-month period ending November 30, 2015. Another increase in F&B revenue resulted from the Sunset Veranda, an approximately 5,500 square foot space located adjacent to The Catch of the Pelican. This venue was formerly considered "dead space" and was repositioned by the loan sponsors to include a fire pit, outdoor seating, beverage and cocktail service and seasonal entertainment. Aura Restaurant is an approximately 3,700 square foot restaurant located in the lobby, which offers an international breakfast and lunch menu. The Lobby Lounge offers cocktails, small dishes for lunch and dinner, seasonal live entertainment and a cigar menu. The Sprezzie Coffee Bar is located in the lobby and offers coffee, light lunch fare and pastries. The Gulf Coast Oasis Pool Bar & Grill is an approximately 756 square foot Baja-inspired restaurant located adjacent to the hotel pool offering sandwiches, salads and signature drinks. Rhode's End is an approximately 944 square foot Mediterranean-inspired restaurant located directly on the beachfront. This venue offers lunch and dinner service as well as a full cocktail menu. Access to the beach is provided via an elevated boardwalk above a protected mangrove forest that separates the Resort from the beach. The boardwalk is leased to the Resort by Collier County, Florida. The lease commenced in October 2007 and has a 10-year term with two five-year extension options. Under the terms of the lease, the Resort is obligated to provide the public, in addition to hotel guests, with complimentary golf cart tram service, which provides for quick passage over the boardwalk to the beach.

Naples Grande Beach Resort

The Resort is located within the 2,100-acre Pelican Bay Community. Pelican Bay is home to approximately 85 residential properties, including a combination of midrise condominiums, town-homes and single-family homes, several parks, tennis courts, a 27-hole golf course, approximately three miles of beachfront and the Waterside Shops, an open-air mall located less than one half mile east of the Resort. The 280,000 square foot, upscale, open-air mall is anchored by Saks Fifth Avenue and Nordstrom. The mall also features other upscale retailers such as Burberry, Gucci, Hermes, Louis Vuitton, Apple, GAP and Tiffany & Co. Other nearby attractions include the Park Shore Plaza Shopping Center, the Naples Shopping Center, the Fifth Avenue and Third Street South boutiques, galleries and restaurants and the Village on Venetian Bay.

The appraisal did not identify any directly competitive properties that are either proposed or under construction.

Year	Competitive Set ⁽¹⁾			Historical Occupancy, ADR, RevPAR Naples Grande Beach Resort ⁽²⁾			Penetration Factor ⁽³⁾		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2012	68.5%	\$239.89	\$164.42	65.5%	\$211.61	\$138.53	95.6%	88.2%	84.3%
2013 ⁽⁴⁾	73.5%	\$256.31	\$188.37	68.6%	\$224.00	\$153.56	93.3%	87.4%	81.5%
2014 ⁽⁴⁾	74.6%	\$279.14	\$208.24	67.1%	\$227.80	\$152.79	89.9%	81.6%	73.4%
TTM ⁽⁵⁾	72.2%	\$298.28	\$215.43	69.9%	\$249.20	\$174.19	96.8%	83.5%	80.9%

(1) Data provided by Smith Travel Research. The competitive set contains the following properties: Marriott Marco Island Beach Resort Golf Club & Spa, Hilton Marco Island Beach Resort & Spa, La Playa Beach & Golf Resort, Ritz-Carlton Naples, Marriott Sanibel Harbour Resort & Spa, Edgewater Beach Hotel, Hyatt Regency Coconut Point Resort & Spa, Hilton Naples and Ritz-Carlton Golf Resort Naples.

(2) Based on operating statements provided by the loan sponsors.

(3) Penetration Factor is calculated based on data provided by Smith Travel Research for the competitive set and borrower-provided operating statements for the property.

(4) The decrease in penetration factors in 2014 from 2013 is primarily due to room renovations.

(5) TTM represents the trailing 12-month period ending on November 30, 2015.

Property	Competitive Hotels ⁽¹⁾					2014 Estimated Operating Statistics		
	Rooms	2014 Estimated Market Mix		Meeting Space (SF)	Meeting and Group	Occupancy	ADR	RevPAR
		Year Opened	Transient					
Naples Grande Beach Resort	474	1986	55%	33,554	45%	67.1%	\$216.00	\$144.88
Edgewater Beach Hotel	125	1985	95%	2,521	5%	78.0%	\$360.00	\$280.80
Marriott Sanibel Harbour Resort & Spa	347	1985	75%	38,000	25%	71.0%	\$200.00	\$142.00
Naples Beach Hotel & Golf Club	319	1946	60%	23,000	40%	67.0%	\$195.00	\$130.65
Ritz-Carlton Naples	450	1985	40%	35,000	60%	73.0%	\$491.00	\$355.98
La Playa Beach Resort	189	1979	50%	11,000	50%	77.0%	\$337.00	\$260.84
Ritz-Carlton Golf Lodge	295	2002	50%	20,000	50%	61.0%	\$297.00	\$181.17
Hyatt Regency Coconut Point Resort	454	2001	60%	29,000	40%	68.0%	\$187.00	\$127.91
Marriott Marco Island Resort	726	1971	45%	55,000	55%	81.0%	\$261.00	\$211.84
Total⁽²⁾	2,905							

(1) Based on the appraisal.

(2) Excludes the Naples Grande Beach Resort property.

The Golf Property. The Naples Grande Golf Club is an 18-hole private golf course located in Naples, Florida, approximately six miles southeast of the Resort on an approximately 182.9-acre parcel. The property, designed by Rees Jones, was constructed in 2000 and renovated in 2015. The course has been named one of North America's "Top 100 Resort Courses" by Golfweek Magazine and one of the "Top 50 Courses in Florida" with a 4.5 out of 5 star rating by Golf Magazine.

The property consists of seven buildings, including a 16,000 square foot clubhouse with a bar and dining room and pro shop, several practice putting greens, chipping green, grass driving range, a 16,000 square foot maintenance building, a 6,600 square foot cart building and on-course restrooms. Additionally, members have access to hotel amenities including the pools and fitness facility.

Naples Grande Beach Resort

In 2011, the previous owner spent approximately \$500,000 on a greens renovation project. In October of 2015, the course reopened after being closed from July to October for an approximately \$179,000 renovation and regrassing of the fairways. Starting in March 2015, Northwood began construction of a new clubhouse and cart barn. The loan documents require the borrowers to complete the new clubhouse construction by May 31, 2016, which may be extended for another 12 months in accordance with the loan documents. The construction of the new clubhouse and cart barn are both anticipated to be completed in early March 2016, according to the loan sponsors. The new clubhouse will contain the typical country club features, including a pro shop, formal and casual dining rooms, bar and a full service restaurant with walk-in cooler and freezer. It will have large men's and women's locker rooms with showers. As of October 2015, the loan sponsors have invested approximately \$4.8 million in the redevelopment and anticipate investing an additional \$2.1 million through its completion. Golf-related revenue represents approximately 10.1% and 10.1% of TTM and underwritten revenue, respectively.

As of October 2015, the Naples Grande Golf Club had 525 members consisting of 215 golf members and 310 social members. Membership has ranged between 428 and 537 since 2010. The membership is uncapped. 2016 annual dues are \$3,500 for a social membership and \$8,500 for a golf membership, which entitles members to free green fees and reduced guest green fees. The initiation fee for both membership types for 2016 is \$35,000. Under the prior ownership, the club sold memberships with refundable initiation fees. According to Northwood, there are 269 memberships that were sold under this refundable program. These refundable memberships are owed a refund as they are added to the resignation list. Although the deposits must be returned to the resigning members, they are only returned upon receipt of a new deposit from a new member and on a 1:5 ratio (i.e., one membership is refunded from the resignation list for each five new joining members). Since 2008, the average annual number of refunded initiation fees is seven with an average refund of \$26,818. In 2012, the club stopped offering refundable initiation fees.

According to the appraisal, as of 2015, the estimated population within a three-mile and five-mile radius was 53,551 and 143,216 people, respectively, with an estimated average household income of \$86,985 and \$89,230, respectively.

Competitive Golf Clubs Profile ⁽¹⁾									
Property	Holes	Year Opened	Annual Dues	Initiation Fee	Golf Members	Membership Cap	Guest Green Fees		2015 Rounds (Per 18 Holes)
							In Season	Off Season	
Naples Grande Golf Club	18	2000	\$8,500	\$35,000	219	None	\$180	\$90	29,801⁽²⁾
Ritz Carlton Members Golf Club	18	2005	\$10,800	\$35,000	276	300	\$220	\$135	19,557
Longboat Key Golf Club	45	1960	\$13,900	\$50,000	1,600	None	\$135	\$89	22,500
Marriott Marco Island, The Rookery	18	2003	\$8,450	\$55,000	450	450	\$219	\$95	30,000
Ritz Carlton-Tiburon Golf Club	36	1998	\$10,800	\$70,000	350	450	\$225	\$85	31,000
Hyatt Regency-Raptor Bay Golf Club	18	2001	\$7,200	None	45	None	\$175	\$79	33,500
Total⁽³⁾	135								

(1) Based on the appraisal.

(2) The Naples Grande Golf Club was closed for approximately four months in the summer of 2015 for fairways renovation. In 2013 and 2014, the total rounds for the Golf Property were 36,069 and 35,383, respectively.

(3) Excludes the Naples Grande Golf Club.

Naples Grande Beach Resort

Operating History and Underwritten Net Cash Flow

	2012	2013	2014	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	65.5%	68.6%	67.1%	69.9%	69.9%		
ADR	\$211.61	\$224.00	\$227.80	\$249.20	\$249.20		
RevPAR ⁽⁴⁾	\$138.53	\$153.56	\$152.79	\$174.19	\$174.19		
Room Revenue ⁽⁵⁾	\$24,033,072	\$26,566,680	\$26,434,129	\$30,136,150	\$30,136,150	\$63,578	50.5%
Food and Beverage Revenue ⁽⁶⁾	14,835,025	15,859,607	16,123,410	18,986,415	19,170,303	40,444	32.1
Golf Revenue	4,909,164	5,574,674	6,147,502	6,000,379	6,000,379	12,659	10.1
Spa Revenue	2,058,334	1,870,786	1,654,416	1,563,760	1,563,760	3,299	2.6
Other Departmental Revenue ⁽⁷⁾	2,170,090	2,376,107	2,071,108	2,824,849	2,824,849	5,960	4.7
Total Revenue	\$48,005,685	\$52,247,854	\$52,430,565	\$59,511,553	\$59,695,441	\$125,940	100.0%
Room Expense	\$5,414,431	\$5,734,138	\$6,576,224	\$7,041,947	\$7,041,947	\$14,856	23.4%
Food and Beverage Expense	8,700,458	9,253,995	9,294,074	10,726,644	10,830,534	22,849	56.5
Golf Expense ⁽⁸⁾	3,763,760	2,441,340	4,395,489	3,948,868	3,948,868	8,331	65.8
Spa Expense	1,329,835	1,191,143	1,142,733	1,080,216	1,080,216	2,279	69.1
Other Departmental Expenses ⁽⁹⁾	1,443,564	1,874,673	1,715,904	1,921,519	1,921,519	4,054	68.0
Departmental Expenses	\$20,652,048	\$20,495,289	\$23,124,424	\$24,719,194	\$24,823,084	\$52,369	41.6%
Departmental Profit	\$27,353,637	\$31,752,565	\$29,306,141	\$34,792,359	\$34,872,357	\$73,570	58.4%
Operating Expenses	\$10,993,357	\$11,890,674	\$11,617,185	\$10,813,726	\$10,805,107	\$22,796	18.1%
Gross Operating Profit	\$16,360,280	\$19,861,891	\$17,688,956	\$23,978,633	\$24,067,250	\$50,775	40.3%
Management Fees	\$1,090,308	\$1,512,793	\$2,234,229	\$1,771,676	\$1,790,863	\$3,778	3.0%
Property Taxes	950,547	980,553	1,044,728	1,102,078	1,090,859	2,301	1.8
Property Insurance ⁽¹⁰⁾	2,708,833	2,707,537	1,478,219	1,456,658	1,461,375	3,083	2.4
Other Expenses ⁽⁹⁾	170,427	1,018,584	111,168	156,298	137,033	289	0.2
FF&E	1,920,227	2,074,714	2,104,553	2,460,435	2,387,818	5,038	4.0
Total Other Expenses⁽⁹⁾	\$6,840,342	\$8,294,181	\$6,972,897	\$6,947,145	\$6,867,948	\$14,489	11.5%
Net Operating Income	\$9,519,938	\$11,567,710	\$10,716,059	\$17,031,488	\$17,199,302	\$36,285	28.8%
Net Cash Flow⁽⁴⁾	\$9,519,938	\$11,567,710	\$10,716,059	\$17,031,488	\$17,199,302	\$36,285	28.8%

(1) TTM column represents the trailing 12-month period ending on November 30, 2015.

(2) Per Room values are based on 474 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) Historical RevPar for 2007, 2008, 2009, 2010 and 2011 was \$154.91, \$150.89, \$117.99, \$126.02 and \$131.56, respectively, and Net Cash Flow was approximately \$11.0 million, \$12.1 million, \$5.7 million, \$7.1 million and \$8.6 million, respectively. The Resort operated independently as The Naples Grande Resort in 2005 through 2008. The Resort operated as a flagged Waldorf Astoria hotel in 2009 through 2013.

(5) Room Revenue includes resort fees.

(6) The increase in Food and Beverage Revenue in TTM from 2014 is primarily due to the reopening of The Catch of the Pelican restaurant, which contributed approximately \$1.2 million in revenue, and the Sunset Veranda.

(7) Other Departmental Revenue consists of parking, rentals, tennis, gift shop, health club, telephone income and other miscellaneous income.

(8) Golf Expense includes the Golf Property management fee.

(9) The decrease in Other Departmental Expenses and increase in Other Expenses in 2013 from 2012 are due primarily to a one-time expense recategorization by Northwood of certain golf-related income due to incomplete historical financials received upon acquisition.

(10) The decrease in Property Insurance in 2014 from 2013 is due to the borrowers obtaining a new insurance policy after acquisition.

Property Management. The Resort is managed by Northwood Hospitality LLC ("Northwood Hospitality"), which is an affiliate of the loan sponsors. Northwood Hospitality manages the hotel portfolio acquired by Northwood. In addition to the Resort, there are currently five other properties under the management of Northwood Hospitality, including the New York Palace Hotel in New York, New York; Cheeca Lodge & Spa in Islamorada, Florida; Parrot Key Hotel and Resort in Key West, Florida; Tranquility Bay Beach House Resort in Marathon, Florida; and the London West Hollywood in Los Angeles, California.

The current hotel management agreement became effective on September 9, 2014 and was amended and extended on December 18, 2015 with an updated expiration date of December 18, 2025 and provides for an annual contractual management fee of 3.0% of gross income from operations. The management fees are subordinate to the liens and security interests of the mortgage loan.

The Golf Property is managed by Naples Grande Club Management, LLC ("Golf Club Management"), a Texas limited liability company, which is an affiliate of Century Golf Partners Management ("Century Golf"). Century Golf owns the rights to and operates many courses under the Arnold Palmer Golf Management brand.

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Additionally, Century Golf directly owns private clubs and golf courses acquired in partnership with Walton Street Capital and manages properties for third-party owners in 14 states, including PGA National Resort & Spa in Palm Gardens, Florida and Disney World Golf Courses in Lake Buena Vista, Florida.

The current golf club management agreement became effective on September 9, 2014, has an expiration date of September 9, 2019 and provides for a monthly contractual management fee equal to the lesser of (i) 3.0% of gross revenues and (ii) \$10,500. Additionally, the agreement provides for an incentive management fee equal to 15.0% of the Gross Operating Profit Improvement Incentive (as defined below). The management fees are subordinate to the liens and security interests of the mortgage loan.

The "Gross Operating Profit Improvement Incentive" means the amount by which the gross operating profit for the golf club exceeds \$1.80 million for fiscal year 2015 and \$2.04 million for fiscal year 2016 (each a "Threshold Amount"). Thereafter, the agreement provides that the Threshold Amount will increase by 3.0% annually.

Escrows and Reserves. At origination, the borrowers deposited into escrow \$182,282 for real estate taxes and \$12,758 for insurance premiums.

Tax Escrows - On a monthly basis, the borrowers are required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$94,939.

Insurance Escrows - The requirement for the borrowers to make deposits to the insurance escrow is waived so long as no event of default has occurred and is continuing and the borrowers provide satisfactory evidence that (i) the property is insured as part of a blanket policy in accordance with the loan documents and (ii) the borrowers have paid all required insurance premiums when due in accordance with the loan documents. Notwithstanding the foregoing, flood coverage is not included in the borrowers' current blanket policy, so the borrowers have been reserving 1/12 of the annual estimated insurance premium for flood coverage on a monthly basis, which currently equates to \$4,253.

FF&E Reserves - On a monthly basis, the borrowers are required to deposit an amount equal to 4.0% of gross revenue from Resort operations for the calendar month two months prior to such payment date. The reserve is not subject to a cap.

Seasonality Reserve - On each payment date in December, January, February, March, April and May, commencing on the payment date in February 2016, to the extent the debt yield on such payment date (as calculated under the loan documents on a trailing 12-month basis) is below 12.0%, the borrowers are required to escrow an amount equal to all Excess Cash Flow (as defined below). The reserve is subject to a cap of \$3.0 million.

"Excess Cash Flow" means the amount remaining after payment of hotel taxes, agent fees, debt service, required reserves and, during a Cash Sweep Event (as defined below), operating expenses.

Lockbox / Cash Management. The loan is structured with a hard lockbox and in-place cash management. At origination, the borrowers 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. In addition, the borrowers and property manager are required to deposit all revenue received (including any income from Golf Property operations) into the lockbox account within two business days of receipt. All funds in the lockbox account are swept on each business day to a segregated cash management account under the control of the lender and disbursed in accordance with the loan documents. To the extent there is a Cash Sweep Event continuing, all Excess Cash Flow on deposit in the cash management account will be held in the excess cash flow subaccount. The lender has a first priority security interest in the cash management account.

A "Cash Sweep Event" means (i) the occurrence of an event of default, (ii) the bankruptcy or insolvency action of a borrower or property manager or (iii) the debt service coverage ratio (as calculated in the loan documents) based on the trailing 12-month period is less than 1.25x.

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Partial Releases. The borrowers are permitted to release the Bungalow Suites from the lien of the mortgage at any time after the expiration of the lockout period and prior to the commencement of the open period if, among other conditions, (i) no event of default has occurred and is continuing, (ii) the borrowers pay the release price of \$17,365,000 plus the yield maintenance premium, (iii) after giving effect to the release, the loan-to-value ratio of the remaining portion of the property is no greater than the loan-to-value ratio for the property as of the origination date, (iv) after giving effect to the release, the debt service coverage ratio of the remaining portion of the property is greater than the greater of (a) the debt service coverage ratio of the property prior to the release based on the trailing 12 months and (b) the debt service coverage ratio of the property as of the origination date (as adjusted for previously applied release premiums), and (v) the borrowers comply with the terms and conditions of the condominium documents. In addition, the loan documents permitted the borrowers to release the Tennis Court Parcel (as defined below) from the lien of the mortgage at any time during the term of the mortgage loan without the payment of any release price or yield maintenance premium; provided that, among other conditions, no event of default has occurred and is continuing. For each release, if the loan-to-value ratio following the release exceeds 125%, the borrowers are required to pay down the mortgage loan as required by the loan agreement or deliver an opinion of counsel that the trust will not fail to maintain its status as a REMIC trust following the applicable release. The appraisal determined a land value for the Tennis Court Parcel of \$1.75 million. On February 11, 2016, the borrowers released the Tennis Court Parcel in accordance with the loan documents.

The “Tennis Court Parcel” means the parcel located along the north side of Seagate Drive, 500 feet west of West Boulevard, which contains eight tennis courts.

Condominium. The Resort is subject to a condominium regime, which consists of the 424 rooms located in the Tower and the 50 Bungalow Suites. The borrowers currently own all of the units and control the related condominium association board of directors. Each owner of a unit is entitled to one vote for its unit(s) in elections for the board of directors and accordingly, the borrowers will retain the ability to control the board in the event that the Bungalow Suites are released. In addition, the loan documents require the borrowers to comply with the condominium declaration and related documents in the event of a release of the Bungalow Suites.

Permitted Mezzanine Debt. The owners of the borrowers are permitted to obtain a mezzanine loan secured by the ownership interests in the borrowers upon satisfaction of certain terms and conditions which include, without limitation, (i) no event of default has occurred and is continuing, (ii) the combined loan-to-value ratio does not exceed the loan-to-value ratio as of the origination date, (iii) the combined debt service coverage ratio (as calculated in the loan documents) is not less than the debt service coverage ratio as of the origination date, (iv) the maturity date of the mezzanine loan is not earlier than the maturity date of the mortgage loan and (v) the lenders enter into an intercreditor agreement acceptable to the mortgage lender.