

## Canyon Ranch Portfolio

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	GECC
<b>Original Principal Balance<sup>(1)</sup>:</b>	\$30,000,000
<b>Cut-off Date Principal Balance<sup>(1)</sup>:</b>	\$30,000,000
<b>% of Pool by IPB:</b>	2.4%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	CR Resorts, LLC
<b>Sponsor:</b>	CR Operating, LLC
<b>Interest Rate:</b>	4.13000%
<b>Note Date:</b>	8/20/2014
<b>Anticipated Repayment Date:</b>	9/1/2024
<b>Interest-only Period:</b>	60 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	IO-Balloon
<b>Call Protection:</b>	L(25),Def(91),O(4)
<b>Lockbox:</b>	CMA
<b>Additional Debt:</b>	Yes
<b>Additional Debt Balance:</b>	\$120,000,000
<b>Additional Debt Type:</b>	Pari Passu

### Property Information

<b>Single Asset / Portfolio:</b>	Portfolio
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Hotel - Full Service
<b>Net Rentable Area (Rooms):</b>	277
<b>Location:</b>	Various
<b>Year Built / Renovated:</b>	Various / 2007
<b>Occupancy / ADR / RevPar:</b>	58.4% / \$501.27 / \$292.77
<b>Occupancy / ADR / RevPar Date:</b>	6/30/2014
<b>Number of Tenants:</b>	N/A
<b>2011 NOI:</b>	\$20,436,767
<b>2012 NOI:</b>	\$20,065,195
<b>2013 NOI:</b>	\$23,018,973
<b>TTM NOI (as of 6/2014):</b>	\$24,411,908
<b>UW Occupancy / ADR / RevPar:</b>	58.4% / \$501.27 / \$292.77
<b>UW Revenues:</b>	\$98,371,191
<b>UW Expenses:</b>	\$77,985,859
<b>UW NOI:</b>	\$20,385,332
<b>UW NCF:</b>	\$20,385,332
<b>Appraised Value / Per Room:</b>	\$282,100,000 / \$1,018,412
<b>Appraisal Date:</b>	June 2014

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$559,583	\$102,500	N/A
<b>Insurance:</b>	\$305,000	\$42,917	N/A
<b>FF&amp;E Reserves:</b>	\$0	4% of Gross Revenues	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other:</b>	\$0	\$0	N/A

### Financial Information<sup>(1)</sup>

<b>Cut-off Date Loan / Room:</b>	\$541,516
<b>Maturity Date Loan / Room:</b>	\$492,583
<b>Cut-off Date LTV:</b>	53.2%
<b>Maturity Date LTV:</b>	48.4%
<b>UW NCF DSCR:</b>	2.34x
<b>UW NOI Debt Yield:</b>	13.6%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan <sup>(1)</sup>	\$150,000,000	68.2%	Payoff of Preferred Equity	\$119,408,207	54.3%
Sponsor Equity	69,859,633	31.8	Payoff Existing Debt	96,483,970	43.9
			Closing Costs	3,102,874	1.4
			Upfront Reserves	864,583	0.4
<b>Total Sources</b>	<b>\$219,859,633</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$219,859,633</b>	<b>100.0%</b>

(1) Canyon Ranch Portfolio is part of a loan evidenced by three *pari passu* notes with an aggregate original principal balance of \$150.0 million. The Financial Information presented in the chart above reflects the Cut-off Date balance of the \$150.0 million Canyon Ranch Portfolio Whole Loan.

**The Loan.** The Canyon Ranch Portfolio loan (the “Canyon Ranch Portfolio Whole Loan”) is secured by a first mortgage lien on two full service destination spas totaling 277 rooms located in Tucson, Arizona and Lenox, Massachusetts (the “Canyon Ranch - Tucson Property” and the “Canyon Ranch - Lenox Property”, together, the “Canyon Ranch Portfolio Properties”). The Canyon Ranch Portfolio Whole Loan has an outstanding principal balance of \$150.0 million, which is comprised of three *pari passu* notes; Note A-1, Note A-2 and Note A-3. Note A-3 has an outstanding principal balance as of the Cut-Off Date of \$30.0 million and is being contributed to the JPMBB 2014-C24 trust. Note A-1 has an outstanding principal balance as of the Cut-off Date of \$75.0 million and was contributed to COMM 2014-UBS5 trust. Note A-2 has an outstanding principal balance as of the Cut-Off Date of \$45.0 million and was contributed to the JPMBB 2014-C23 trust. The holder of Note A-1 (the “Controlling Noteholder”) is the trustee of the COMM 2014-UBS5 trust. The trustee of the COMM 2014-UBS5 trust (or, prior to the occurrence and continuance of a control event, the directing certificateholder for that securitization) will be entitled to exercise all of the rights of the Controlling Noteholder with respect to the Canyon Ranch Portfolio Whole Loan; however, the holders of Note A-2 and Note A-3 will be entitled, under certain circumstances, to consult with respect to

## Canyon Ranch Portfolio

certain major decisions. The Canyon Ranch Portfolio Whole Loan has a 10-year term, and subsequent to a five-year interest-only period, will amortize on a 30-year schedule. The most recent prior financing of the Canyon Ranch Portfolio Whole Loan was included in the BACM 2005-2 transaction. The borrowing entity for the Canyon Ranch Portfolio Whole Loan is CR Resorts, LLC, a Delaware limited liability company and special purpose entity.

**The Sponsor.** The loan sponsor and the nonrecourse carve-out guarantor is CR Operating, LLC. CR Operating, LLC is owned by Crescent CR Holdings LLC 68% ("Crescent") and CR Founders, LLC 32% ("Founders"). Crescent is owned by a subsidiary of Barclays PLC (Barclays) and John Goff. John Goff orchestrated the formation of Crescent REIT through a \$350.0 million IPO in 1994, and its sale to Morgan Stanley in 2007 for \$6.5 billion. In 2009 Barclays foreclosed on Morgan Stanley and simultaneously entered into a joint venture with Goff Capital whereby John Goff would lead the \$1.5 billion company. Crescent has been invested in Canyon Ranch since 1996. The Founders are the original owners Mel Zuckerman and Jerold Cohen. They maintain their day to day oversight and shared vision for Canyon Ranch with Crescent who performs the day to day duties of the controlling member. The hotel is managed by ZC Management, L.L.C., which is an affiliate of CR Founders, L.L.C.

**The Properties.** The Canyon Ranch Portfolio Properties consist of two full service destination resort spas totaling 277 rooms and 471 paid guest nights, located in Tucson, Arizona and Lenox, Massachusetts. The properties were purchased and developed by co-founders Mel Zuckerman and Jerold Cohen. Crescent Real Estate Holdings LLC has been a part of ownership since 1996. Both of the resorts are operated under the Canyon Ranch brand. The brand also operates; Canyon Ranch Miami Beach, Canyon Ranch at Sea and Canyon Ranch Las Vegas none of which are collateral for this loan. The Canyon Ranch operating model, does not track occupancy by the number of rooms sold, as is typical for standard hotels, but rather on the number of paid guest nights. This is due to the fact that, as an all-inclusive property, the subjects collect revenue from each individual guest rather than from each room sold. Thus, while the subjects offer a total of 277 rooms (151 at the Canyon Ranch - Tucson Property and 126 at the Canyon Ranch - Lenox Property), its supply is based on total 471 total available paying guests (259 at Canyon Ranch - Tucson Property and 212 at Canyon Ranch - Lenox Property). The 471 available guests figure is not related to the number of total beds in the rooms, but rather the optimum number of guests on-site utilizing the facilities, restaurants, programs, consultants and activities. These guests could stay at Canyon Ranch or be housed in adjacent rental properties for day use. Canyon Ranch has operated this way for 35 years.

Canyon Ranch – Tucson. The Canyon Ranch - Tucson Property is a 151-room (259 paid guest night) full service destination resort spa located at 8600 East Rockcliff Road in Tucson, Arizona, and is located approximately 11 miles northeast of downtown Tucson. The location provides great privacy and creates a relaxed and secluded environment. The Canyon Ranch - Tucson Property has 151 rooms, but is able to accommodate 259 guests per night. Amenities at the Canyon Ranch - Tucson Property include 13,000 square feet of meeting space, a 25,000 square feet club house, a 65,000 square feet spa complex, a 20,000 square feet health and healing center, a 17,500 square feet life enhancement center, an 11,000 square feet aquatic center, 4,000 square feet golf performance center, three dining outlets, ranch store, seven outdoor tennis courts, an outdoor basketball court and three outdoor pools. The guestrooms are located throughout the property in guest unit complexes, each containing between one and four rooms. They are separated into six different categories including 77 deluxe rooms, 47 executive rooms, 17 haciendas, eight casitas, the Zpad and the Casa Grande. There are 14 rental units that owners can rent for Canyon Ranch resort use. Guestroom amenities include flat screen televisions, luxury Mascioni Italian linens, mini fridge, pillow menu with over 20 pillow options and desk. The Canyon Ranch - Tucson Property was originally constructed in 1979 and most recently renovated from 2005 through 2007 for approximately \$19.5 million dollars (\$129,019 per room). The renovations included updates to all the guestrooms and expansion of the Health and Healing Center. Planned capital expenditures for 2014 include a room update, carpeting, vehicles, spa, and IT update for approximately \$2.6 million.

Canyon Ranch – Lenox. The Canyon Ranch - Lenox Property is a 126-room (212 paid guest night) full service destination resort spa located at 165 Kemble Street in Lenox, Massachusetts, in a quiet, residential area removed from major highways. The three primary buildings are connected through enclosed, heated glass walkways and arranged around a pool and formal gardens. The Canyon Ranch - Lenox Property has 126 rooms, but is able to accommodate 212 guests per night. Amenities at the Canyon Ranch - Lenox Property include a 118,300 square feet spa facility, 3,433 square feet of meeting space, two dining outlets and an outdoor seasonal cafe, a medical center, a library, six gyms, an indoor and outdoor pool, tennis courts, a ropes challenge course, walking trails, a yoga studio and valet parking. Guestroom amenities include flat screen televisions, work desk and chair, upholstered chair and ottoman, mini fridge, wet-bar and marble sink and cast-iron tub in the bathrooms. Complimentary services include over 40 daily fitness classes, 15 daily outdoor activities, body composition analyses and fitness walks. The Canyon Ranch - Lenox Property was originally constructed in 1897. The last major renovation was completed in 2007 for approximately \$11.7 million (\$92,995 per room). The renovations included updates to all guest bathrooms; replacement of all furniture, fixtures, and equipment; new bedding; updates to main pool building; and redesign of locker rooms. Since 2005 capital expenditures have totaled \$18.4 million reflecting an ongoing commitment by ownership to improve the property. Planned capital expenditures include a complete upgrade of guest room HVAC, café remodeling, IT upgrades and facilities improvement for approximately \$4.9 million.

## Canyon Ranch Portfolio

## Operating History and Underwritten Net Cash Flow

	2011	2012	2013	TTM <sup>(1)</sup>	UW	Per Room <sup>(2)</sup>	% of Total Revenue <sup>(3)</sup>
Occupancy	56.2%	54.7%	57.6%	58.4%	58.4%		
ADR	\$455.14	\$475.16	\$488.31	\$501.27	\$501.27		
RevPAR	\$255.62	\$259.85	\$281.04	\$292.77	\$292.77		
Room Revenue	\$43,944,998	\$44,672,226	\$48,315,230	\$50,331,693	\$50,331,693	\$106,861	51.2%
Food and Beverage	648,291	595,270	663,903	644,013	644,013	1,367	0.7
Other Department Revenues	43,480,776	43,864,692	46,293,785	47,395,485	47,395,485	100,627	48.2
<b>Total Revenue</b>	<b>\$88,074,065</b>	<b>\$89,132,188</b>	<b>\$95,272,918</b>	<b>\$98,371,191</b>	<b>\$98,371,191</b>	<b>\$208,856</b>	<b>100.0%</b>
Payroll Expense	\$41,835,938	\$42,535,819	\$44,357,574	\$44,935,878	\$44,935,878	\$95,405	45.7%
Food and Beverage Expense	2,846,204	2,854,509	3,143,043	3,309,321	3,309,321	7,026	3.4
Other Departmental Expenses	10,177,660	10,264,782	10,376,552	11,228,817	11,228,817	23,840	11.4
<b>Departmental Expenses</b>	<b>\$54,859,802</b>	<b>\$55,655,110</b>	<b>\$57,877,169</b>	<b>\$59,474,016</b>	<b>\$59,474,016</b>	<b>\$126,272</b>	<b>60.5%</b>
<b>Departmental Profit</b>	<b>\$33,214,263</b>	<b>\$33,477,078</b>	<b>\$37,395,749</b>	<b>\$38,897,175</b>	<b>\$38,897,175</b>	<b>\$82,584</b>	<b>39.5%</b>
<b>Operating Expenses</b>	<b>\$11,082,651</b>	<b>\$11,531,478</b>	<b>\$12,530,484</b>	<b>\$12,609,448</b>	<b>\$12,701,176</b>	<b>\$26,966</b>	<b>12.9%</b>
<b>Gross Operating Profit</b>	<b>\$22,131,612</b>	<b>\$21,945,600</b>	<b>\$24,865,265</b>	<b>\$26,287,727</b>	<b>\$26,195,999</b>	<b>\$55,618</b>	<b>26.6%</b>
Fixed Expenses	\$1,694,845	\$1,880,405	\$1,846,292	\$1,875,819	\$1,875,819	\$3,983	1.9%
FF&E	0	0	0	0	3,934,848	8,354	4.0
<b>Total Other Expenses</b>	<b>\$1,694,845</b>	<b>\$1,880,405</b>	<b>\$1,846,292</b>	<b>\$1,875,819</b>	<b>\$5,810,667</b>	<b>\$12,337</b>	<b>5.9%</b>
<b>Net Operating Income</b>	<b>\$20,436,767</b>	<b>\$20,065,195</b>	<b>\$23,018,973</b>	<b>\$24,411,908</b>	<b>\$20,385,332</b>	<b>\$43,281</b>	<b>20.7%</b>
<b>Net Cash Flow</b>	<b>\$20,436,767</b>	<b>\$20,065,195</b>	<b>\$23,018,973</b>	<b>\$24,411,908</b>	<b>\$20,385,332</b>	<b>\$43,281</b>	<b>20.7%</b>

(1) The TTM column represents the trailing twelve months ending June 30, 2014.

(2) Per Room values based on 471 guest night.

(3) % of Total Revenue column represents the line item as a portion of Total Revenue.