

Shaner Hotels Limited Service Portfolio



Shaner Hotels Limited Service Portfolio



SHANER HOTELS LIMITED SERVICE PORTFOLIO

PROPERTY	ADDRESS	CITY, STATE	ZIP
1 Holiday Inn Express - Charleston	100 Civic Center Drive	Charleston, WV	25301
2 Courtyard - Mechanicsburg	4921 Gettysburg Road	Mechanicsburg, PA	17055
3 Courtyard - St. Augustine	2075 State Road 16	St. Augustine, FL	32084
4 Fairfield Inn & Suites - Augusta	2145 Gordon Highway	Augusta, GA	30909
5 Courtyard - Jacksonville - 1295 East	9815 Lantern Street	Jacksonville, FL	32225
6 Fairfield Inn & Suites - Lakeland	4307 Sterling Commerce Drive	Plant City, FL	33566
7 Fairfield Inn & Suites - St. Augustine	305 Outlet Mall Boulevard	St. Augustine, FL	32084

Shaner Hotels Limited Service Portfolio

Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$49,750,000
Cut-off Date Principal Balance:	\$49,750,000
% of Pool by IPB:	3.4%
Loan Purpose:	Refinance
Borrowers⁽¹⁾:	Various
Sponsor:	Lance T. Shaner
Interest Rate:	4.52700%
Note Date:	10/31/2014
Maturity Date:	11/1/2024
Interest-only Period:	24 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox:	Hard
Additional Debt:	Yes
Additional Debt Balance:	\$8,050,000
Additional Debt Type:	Mezzanine Loan

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee / Leasehold
Property Type - Subtype:	Hotel - Limited Service
Net Rentable Area (Rooms):	732
Location:	Various
Year Built / Renovated:	Various / Various
Occupancy / ADR / RevPAR:	73.4% / \$96.93 / \$71.11
Occupancy / ADR / RevPAR Date:	8/31/2014
Number of Tenants:	N/A
2011 NOI:	\$3,168,150
2012 NOI:	\$4,116,135
2013 NOI:	\$4,673,646
TTM NOI (as of 8/2014):	\$5,342,856
UW Occupancy / ADR / RevPAR:	73.4% / \$96.93 / \$71.11
UW Revenues:	\$20,021,078
UW Expenses:	\$14,708,924
UW NOI:	\$5,312,154
UW NCF:	\$5,312,154
Appraised Value / Per Room:	\$72,250,000 / \$98,702
Appraisal Date:	9/1/2014

Escrows and Reserves⁽²⁾

	Initial	Monthly	Initial Cap
Taxes:	\$313,522	\$47,334	N/A
Insurance:	\$127,795	\$21,303	N/A
FF&E Reserves:	\$0	4% of Gross Revenues	N/A
TI/LC:	\$0	\$0	N/A
Other:	\$358,224	\$210,732	N/A

Financial Information

Cut-off Date Loan / Room:	\$67,964
Maturity Date Loan / Room:	\$58,084
Cut-off Date LTV:	68.9%
Maturity Date LTV:	58.8%
UW NCF DSCR:	1.75x
UW NOI Debt Yield:	10.7%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$49,750,000	86.1%	Payoff Existing Debt	\$42,367,985	73.3%
Mezzanine Loan	8,050,000	13.9	Return of Equity	13,369,180	23.1
			Closing Costs	1,263,294	2.2
			Upfront Reserves	799,541	1.4
Total Sources	\$57,800,000	100.0%	Total Uses	\$57,800,000	100.0%

(1) For a full description of the borrowers, please refer to "The Borrowers" below.

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

The Loan. The Shaner Hotels Limited Service Portfolio loan has an outstanding principal balance of \$49.75 million and is secured by a first mortgage lien on the fee or leasehold interests in seven limited service hotels totaling 732 rooms located in Florida, West Virginia, Pennsylvania and Georgia. The loan has a 10-year term, and subsequent to a two-year interest-only period, will amortize on a 30-year schedule.

The Borrowers. The borrowing entities for the loan are Shaner Select Services Hotels II, LLC, Shaner Select Services Hotels III, LLC, Shaner Select Services Hotels IV, LLC, Shaner Select Services Hotels V, LLC, Shaner Select Services Hotels VI, LLC, Shaner Augusta 141 LLC and Shaner Charleston LLC, each a Delaware limited liability company and a special purpose entity.

Shaner Hotels Limited Service Portfolio

The Sponsor. The loan sponsor and nonrecourse carve-out guarantor is Lance T. Shaner, chairman and CEO of Shaner Hotel Group ("Shaner"). Shaner, a leading owner-operator in the hospitality industry, owns or manages 40 hotel properties in 17 states and two countries with gross revenues in excess of \$150.0 million. Shaner's hotels comprise 16 different brands, and Shaner employs approximately 2,700 people.

The Portfolio. The collateral consists of seven limited service hotels totaling 732 rooms located in Florida, West Virginia, Pennsylvania and Georgia. The portfolio is comprised of three Courtyards (286 rooms, 45.9% of UW NCF), three Fairfield Inn & Suites (251 rooms, 37.7% of UW NCF) and one Holiday Inn Express (195 rooms, 16.4% of UW NCF).

Portfolio Summary								
Property	Location	Rooms	Year Built / Renovated	Cut-off Date Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow	% of Underwritten Net Cash Flow
Holiday Inn Express - Charleston	Charleston, WV	195	1978 / 2013	\$9,640,000	19.4%	\$14,000,000	\$869,912	16.4%
Courtyard - Mechanicsburg	Mechanicsburg, PA	91	2007 / NA	8,950,000	18.0	13,000,000	942,585	17.7
Courtyard - St. Augustine	St. Augustine, FL	98	2009 / NA	7,400,000	14.9	10,750,000	901,029	17.0
Fairfield Inn & Suites - Augusta	Augusta, GA	82	2009 / NA	7,230,000	14.5	10,500,000	834,651	15.7
Courtyard - Jacksonville - I295 East	Jacksonville, FL	97	2009 / NA	6,370,000	12.8	9,250,000	595,718	11.2
Fairfield Inn & Suites - Lakeland	Plant City, FL	87	2008 / NA	5,510,000	11.1	8,000,000	599,388	11.3
Fairfield Inn & Suites - St. Augustine	St. Augustine, FL	82	2009 / NA	4,650,000	9.3	6,750,000	568,871	10.7
Total		732		\$49,750,000	100.0%	\$72,250,000	\$5,312,154	100.0%

Geographic Summary									
State	# of Properties	Cut-off Date Allocated Loan Amount	% of Allocated Loan Amount	# of Rooms	% of Rooms	Appraised Value	% of Appraised Value	Underwritten Net Cash Flow	% of Underwritten Net Cash Flow
Florida	4	\$23,930,000	48.1%	364	49.7%	\$34,750,000	48.1%	\$2,665,006	50.2%
West Virginia	1	9,640,000	19.4	195	26.6	14,000,000	19.4	869,912	16.4
Pennsylvania	1	8,950,000	18.0	91	12.4	13,000,000	18.0	942,585	17.7
Georgia	1	7,230,000	14.5	82	11.2	10,500,000	14.5	834,651	15.7
Total	7	\$49,750,000	100.0%	732	100.0%	\$72,250,000	100.0%	\$5,312,154	100.0%

Brand Summary									
Flag	# of Properties	Cut-off Date Allocated Loan Amount	% of Allocated Loan Amount	# of Rooms	% of Rooms	Appraised Value	% of Appraised Value	Underwritten Net Cash Flow	% of Underwritten Net Cash Flow
Courtyard	3	\$22,720,000	45.7%	286	39.1%	\$33,000,000	45.7%	\$2,439,332	45.9%
Fairfield Inn & Suites	3	17,390,000	35.0	251	34.3	25,250,000	34.9	2,002,910	37.7
Holiday Inn Express	1	9,640,000	19.4	195	26.6	14,000,000	19.4	869,912	16.4
Total	7	\$49,750,000	100.0%	732	100.0%	\$72,250,000	100.0%	\$5,312,154	100.0%

Shaner Hotels Limited Service Portfolio

Property	Historical Occupancy, ADR and RevPAR ⁽¹⁾											
	Occupancy				ADR				RevPAR			
	2011	2012	2013	TTM ⁽²⁾	2011	2012	2013	TTM ⁽²⁾	2011	2012	2013	TTM ⁽²⁾
Holiday Inn Express - Charleston	69.4%	69.1%	69.3%	68.6%	\$82.34	\$85.82	\$85.64	\$86.82	\$57.13	\$59.32	\$59.33	\$59.53
Courtyard - Mechanicsburg	74.5%	76.4%	75.0%	75.8%	\$109.85	\$110.15	\$114.72	\$115.32	\$81.84	\$84.19	\$86.00	\$87.47
Courtyard - St. Augustine	63.8%	71.0%	73.8%	76.5%	\$87.28	\$92.27	\$95.10	\$99.56	\$55.65	\$65.55	\$70.17	\$76.17
Fairfield Inn & Suites - Augusta	75.8%	74.1%	70.5%	72.3%	\$95.55	\$100.14	\$107.29	\$108.78	\$72.39	\$74.24	\$75.59	\$78.64
Courtyard - Jacksonville - I295 East	66.6%	78.8%	72.9%	74.0%	\$85.07	\$79.96	\$82.17	\$90.33	\$56.62	\$63.00	\$59.86	\$66.82
Fairfield Inn & Suites - Lakeland	63.2%	66.5%	69.5%	72.1%	\$82.63	\$90.91	\$91.67	\$96.70	\$52.23	\$60.46	\$63.75	\$69.68
Fairfield Inn & Suites - St. Augustine	65.0%	70.8%	77.2%	80.0%	\$78.21	\$82.26	\$87.21	\$91.94	\$50.85	\$58.22	\$67.35	\$73.55
Weighted Average⁽³⁾	68.4%	72.0%	72.1%	73.4%	\$88.27	\$90.85	\$93.48	\$96.93	\$60.36	\$65.42	\$67.41	\$71.11

(1) Based on operating statements provided by the borrowers.

(2) TTM as of August 31, 2014.

(3) Weighted by room count.

Property	Historical Occupancy, ADR and RevPAR Penetration Rates ⁽¹⁾														
	Occupancy					ADR					RevPAR				
	2010	2011	2012	2013	TTM ⁽²⁾	2010	2011	2012	2013	TTM ⁽²⁾	2010	2011	2012	2013	TTM ⁽²⁾
Holiday Inn Express - Charleston ⁽³⁾	117.2%	135.7%	114.1%	131.5%	107.6%	100.0%	97.4%	97.4%	89.2%	88.0%	117.2%	132.2%	111.1%	117.3%	94.6%
Courtyard - Mechanicsburg	117.7%	119.4%	120.1%	120.4%	118.4%	114.0%	118.1%	116.8%	117.7%	118.5%	134.3%	141.0%	140.3%	141.8%	140.4%
Courtyard - St. Augustine	103.5%	112.3%	119.9%	116.6%	120.5%	102.8%	105.4%	104.7%	101.6%	100.1%	106.4%	118.3%	125.5%	118.4%	120.6%
Fairfield Inn & Suites - Augusta ⁽⁴⁾	118.5%	118.4%	116.8%	115.7%	107.7%	112.0%	118.3%	121.9%	128.8%	125.2%	132.7%	140.1%	142.3%	149.0%	134.8%
Courtyard - Jacksonville - I295 East	112.0%	117.7%	126.6%	114.7%	114.8%	124.0%	121.7%	112.0%	114.1%	110.5%	138.9%	143.2%	141.8%	130.9%	126.9%
Fairfield Inn & Suites - Lakeland	112.2%	114.4%	117.2%	114.3%	116.4%	92.1%	95.0%	99.9%	96.5%	93.5%	103.4%	108.8%	117.1%	110.3%	108.9%
Fairfield Inn & Suites - St. Augustine	93.0%	107.5%	110.1%	111.5%	115.6%	104.5%	104.5%	103.4%	103.6%	101.8%	97.1%	112.4%	113.9%	115.4%	117.7%
Weighted Average ⁽⁵⁾	111.6%	120.5%	117.5%	119.9%	113.6%	106.2%	107.1%	106.4%	104.6%	102.8%	118.6%	128.8%	125.2%	124.8%	116.8%

(1) 2010, 2011, 2012, 2013 and TTM Penetration Factors are per reports provided by a third party data provider.

(2) TTM is as of August 31, 2014.

(3) In the TTM period, the Holiday Inn Express - Charleston's competitive set was adjusted to include a 94 room Wingate By Wyndham Charleston and a 64 room Country Inn & Suites Charleston South and the removal of the 225 room Ramada Charleston Downtown.

(4) Beginning in December 2013, the Fairfield Inn & Suites - Augustas's competitive set was expanded to include a newly constructed 88 room Hampton Inn Augusta Gordon Highway.

(5) Weighted by room count.

Holiday Inn Express - Charleston (Charleston, WV). The Holiday Inn Express - Charleston is a six-story, limited service hotel situated on a 2.08 acre site on Civic Centre Drive, off of Route 60 and Interstate 64 in Charleston, West Virginia. The property, which was constructed as a Sheraton, was built in 1978 and is comprised of 195 guest rooms of various layouts. The Holiday Inn Express - Charleston features a business center, fitness center, breakfast room and approximately 2,383 square feet of meeting space. Between 2011 and 2013, the loan sponsor invested approximately \$3.7 million (approximately \$18,813 per room) in capital expenditures. The property is located in Charleston, the capital of West Virginia and the state's primary business center. The city of Charleston had an average household income of \$47,582 and an estimated total population of 50,821 residents as of 2013 according to the U.S. Census. According to the appraisal, in 2013 the property generated approximately 60% of its room nights from commercial business, 22% from leisure business and 18% from meeting and group business. The primary competitive set for the property consists of six hotels, which range in size from 84 to 176 rooms. Per the appraisal, there is one new hotel project under construction in the Charleston market at this time: a 110-room Courtyard by Marriott which is scheduled to open in the fourth quarter of 2014 and is located approximately 0.2 miles from the subject property.

Courtyard - Mechanicsburg (Mechanicsburg, PA). The Courtyard - Mechanicsburg is a three-story, limited service hotel situated on a 6.29 acre site, on Gettysburg Road in Mechanicsburg, Pennsylvania. The property was built in 2007 and is comprised of 91 guest rooms of various layouts. The Courtyard - Mechanicsburg features an indoor pool, a business center, fitness center, café and 635 square feet of meeting space. The property is located in Mechanicsburg, home to a number of major corporations including Rite Aid, Acosta and Ahold USA, among others. Mechanicsburg is approximately eight miles southwest of the state capitol of Harrisburg and 20 miles from Hershey, home of Hershey Chocolate and Hershey Park. The Harrisburg-Carlisle metropolitan statistical area had a median household income of approximately \$55,300 and an estimated total population of approximately 557,700 residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 60% of its room nights from commercial business, 25% from meeting and group business and 15% from leisure business. The primary competitive set

Shaner Hotels Limited Service Portfolio

for the property consists of seven hotels, which range in size from 64 to 219 rooms. Per the appraisal, there is one new hotel project currently under construction in the Mechanicsburg market: a 120-room Towneplace Suites by Marriott which is scheduled to open in the fourth quarter of 2014 and is located approximately 0.9 miles from the subject property. Approximately \$1.6 million is expected to be spent in conjunction with the hotel's property improvement plan over the next two years.

Courtyard - St. Augustine (St. Augustine, FL). The Courtyard - St. Augustine is a three-story, limited service hotel situated on a 2.75 acre site in the historic city of St. Augustine, Florida and near the World Golf Village. The property was built in 2009 and is comprised of 98 guest rooms of various layouts. The Courtyard - St. Augustine features an outdoor pool, bistro, business center, fitness center, lounge and approximately 638 square feet of meeting space. St. Augustine is the oldest continuously occupied European settlement in the United States, featuring an array of historical monuments and sites, as well as access to a number of popular beaches. The hotel is also located near the World Golf Village, a golf resort created by the PGA Tour which showcases the World Golf Hall of Fame and features two championship golf courses. The Courtyard - St. Augustine is located in the Jacksonville metropolitan statistical area, which had a per capita income of \$42,356 and an estimated total population of approximately 1.4 million residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 45% of its room nights from leisure business, 43% from commercial business and 12% from meeting and group business. The primary competitive set for the property consists of seven hotels, which range in size from 54 to 162 rooms. Per the appraisal, there are two new hotel projects under construction in the St. Augustine market at this time: a 95-room DoubleTree by Hilton which is scheduled to open in December 2014 and a 200-room Courtyard by Marriott expected to open in October 2015.

Fairfield Inn & Suites - Augusta (Augusta, GA). The Fairfield Inn & Suites - Augusta is a four-story, limited service hotel situated on a 2.12 acre site near Fort Gordon, a U.S. Army military base which is home to the U.S. Army Signal Corps and Signal Center, in Augusta, Georgia. The property was built in 2009 and is comprised of 82 guest rooms of various layouts. The Fairfield Inn & Suites - Augusta features an indoor pool, a fitness center and breakfast area. Since 2009, the loan sponsor has invested \$87,344 (approximately \$1,065 per room) in capital expenditures. Approximately \$25,910 in capital expenditures was budgeted for 2014. The property is located in Augusta, the third largest city in the state of Georgia and an important hub for the medical, biotechnology, military and nuclear power industries. Augusta is also home to Augusta National Golf Club, the annual host to the Masters Tournament. The Augusta-Richmond County metropolitan statistical area had a median household income of approximately \$45,000 and an estimated total population of approximately 572,500 residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 60% of its room nights from commercial business, 20% from meeting and group business and 20% from leisure business. The primary competitive set for the property consists of five hotels, which range in size from 61 to 150 rooms. Per the appraisal, there is one new hotel project under construction in the Augusta market at this time: a 124-room Residence Inn which is scheduled to open in March 2015. A 90-room SpringHill Suites is also under consideration, although no construction schedule has yet been set.

Courtyard - Jacksonville - I295 East (Jacksonville, FL). The Courtyard - Jacksonville - I295 East is a four-story, limited service hotel situated on a 2.50 acre site between downtown Jacksonville and the Naval Station Mayport. The property was built in 2009 and is comprised of 97 guest rooms of various layouts. The Courtyard - Jacksonville - I295 East features an outdoor pool, bistro, business center, fitness center, lounge and approximately 700 square feet of meeting space. Jacksonville is Florida's most populous city and an important financial and insurance center, as well as home to two naval bases, several hospitals and medical facilities and the NFL's Jacksonville Jaguars. Jacksonville is also a popular tourist destination due to its proximity to a number of beaches and golf courses. The Jacksonville metropolitan statistical area had a per capita income of \$42,356 and an estimated total population of approximately 1.4 million residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 50% of its room nights from commercial business, 35% from leisure business and 15% from meeting and group business. The primary competitive set for the property consists of four hotels, which range in size from 73 to 112 rooms. Per the appraisal, there are no new hotel projects currently under construction in the Jacksonville market.

Fairfield Inn & Suites - Lakeland (Plant City, FL). The Fairfield Inn & Suites - Lakeland is a three-story, limited service hotel situated on a 2.65 acre site in Plant City, Florida. The property was built in 2008 and is comprised of 87 guest rooms of various layouts. The Fairfield Inn & Suites - Lakeland features an outdoor pool, a fitness center, business center and breakfast area. The property is located in Plant City, within the Tampa metropolitan statistical area and approximately 22 miles east of the Tampa central business district. Local attractions include LEGOLAND, alligator nature tours, Lakeland Center (home to the Lakeland Raiders of the Xtreme Indoor Football League) and Sun 'N Fun, a non-profit promoting aviation education and known for its annual weeklong airshow. The Tampa metropolitan statistical area had per capita income of \$41,412 and an estimated total population of approximately 2.8 million residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 55% of its room nights from commercial business, 25% from leisure business and 20% from meeting and group business. The primary competitive set for the property consists of five hotels, which range in size from 60 to 119 rooms. Per the appraisal, there are no new hotel projects currently under construction in the property's submarket. Minor upgrades totaling approximately \$200,000 (approximately \$2,299 per room) are expected to be completed within the next year.

Shaner Hotels Limited Service Portfolio

Fairfield Inn & Suites - St. Augustine (St. Augustine, FL). The Fairfield Inn & Suites - St. Augustine is a three-story, limited service hotel situated on a 2.57 acre site in the historic city of St. Augustine, Florida and near the World Golf Village. The property was built in 2009 and is comprised of 82 guest rooms of various layouts. The Fairfield Inn & Suites - St. Augustine features an outdoor pool, a fitness center, business center and breakfast area. St. Augustine is the oldest continuously occupied European settlement in the United States, featuring an array of historical monuments and sites, as well as access to a number of popular beaches. The hotel is also located near the World Golf Village, a golf resort created by the PGA Tour which showcases the World Golf Hall of Fame and features two championship golf courses. The Fairfield Inn & Suites - St. Augustine is located in the Jacksonville metropolitan statistical area, which had a per capita income of \$42,356 and an estimated total population of approximately 1.4 million residents as of 2013 according to a report by Moody's Analytics. According to the appraisal, in 2013 the property generated approximately 45% of its room nights from leisure business, 35% from meeting and group business and 20% from commercial business. The primary competitive set for the property consists of seven hotels, which range in size from 48 to 108 rooms. Per the appraisal, there are two new hotel projects under construction in the St. Augustine market at this time: a 95-room DoubleTree by Hilton which is scheduled to open in December 2014 and a 200-room Courtyard by Marriott expected to open in October 2015.

Operating History and Underwritten Net Cash Flow							
	2011	2012	2013	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	68.4%	72.0%	72.1%	73.4%	73.4%		
ADR	\$88.27	\$90.85	\$93.48	\$96.93	\$96.93		
RevPAR	\$60.36	\$65.42	\$67.41	\$71.11	\$71.11		
Room Revenue	\$16,127,001	\$17,525,957	\$18,011,014	\$18,999,996	\$18,999,996	\$25,956	94.9%
Other Department Revenues	698,552	930,219	962,817	1,021,082	1,021,082	1,395	5.1
Total Revenue	\$16,825,553	\$18,456,176	\$18,973,831	\$20,021,078	\$20,021,078	\$27,351	100.0%
Room Expense	\$4,941,269	\$5,143,913	\$5,104,454	\$5,256,127	\$5,256,127	\$7,181	27.7%
Other Departmental Expenses	743,120	818,191	807,254	849,592	849,592	1,161	83.2
Departmental Expenses	\$5,684,389	\$5,962,104	\$5,911,708	\$6,105,719	\$6,105,719	\$8,341	30.5%
Departmental Profit	\$11,141,164	\$12,494,072	\$13,062,123	\$13,915,359	\$13,915,359	\$19,010	69.5%
Operating Expenses	\$4,561,369	\$4,590,461	\$4,586,941	\$4,649,020	\$4,649,020	\$6,351	23.2%
Gross Operating Profit	\$6,579,795	\$7,903,611	\$8,475,182	\$9,266,339	\$9,266,339	\$12,659	46.3%
Management Fees ⁽⁴⁾	\$504,767	\$553,685	\$569,215	\$600,632	\$600,632	\$821	3.0%
Franchise Fees	1,267,731	1,449,379	1,506,604	1,537,743	1,537,743	2,101	7.7
Property Taxes	502,330	583,365	514,670	529,640	558,235	763	2.8
Property Insurance	292,795	291,800	279,612	287,134	284,250	388	1.4
Ground Lease	171,000	171,000	172,482	167,491	172,482	236	0.9
FF&E ⁽⁵⁾	673,022	738,247	758,953	800,843	800,843	1,094	4.0
Total Other Expenses	\$3,411,645	\$3,787,476	\$3,801,536	\$3,923,483	\$3,954,185	\$5,402	19.8%
Net Operating Income	\$3,168,150	\$4,116,135	\$4,673,646	\$5,342,856	\$5,312,154	\$7,257	26.5%
Net Cash Flow	\$3,168,150	\$4,116,135	\$4,673,646	\$5,342,856	\$5,312,154	\$7,257	26.5%

(1) The TTM column represents the trailing twelve-month period ending on August 31, 2014.

(2) Per Room values are based on 732 guest rooms.

(3) % of Total Revenue column for Room Expense and Other Departmental Expenses is based on their corresponding revenue line item.

(4) Historical Management Fees were adjusted to 3.0% of Total Revenue.

(5) Historical FF&E was adjusted to 4.0% of Total Revenue.

Shaner Hotels Limited Service Portfolio

Property Management. The portfolio is managed by Shaner Hotel Holdings Limited Partnership, an affiliate of the loan sponsor.

Franchise Agreements. Shaner has franchise agreements with Marriott International, Inc. for six of the seven properties in the portfolio and with Holiday Hospitality Franchising, Inc. for the Holiday Inn Express - Charleston property.

Marriott Properties. Courtyard - Mechanicsburg, Courtyard - St. Augustine, Fairfield Inn & Suites - Augusta, Courtyard - Jacksonville - I295 East, Fairfield Inn & Suites - Lakeland and Fairfield Inn & Suites - St. Augustine each have franchise agreements in place with Marriott International, Inc. Courtyard - Mechanicsburg pays a franchise fee of 5.0% of gross room sales and a marketing fee of 2.0% of gross room sales. Courtyard - St. Augustine and Courtyard - Jacksonville - I295 East each pay a franchise fee of 5.5% of gross room sales and a marketing fee of 2.0% of gross room sales. Fairfield Inn & Suites - Augusta, Fairfield Inn & Suites - Lakeland and Fairfield Inn & Suites - St. Augustine each pay a franchise fee of 4.5% of gross room sales and a marketing fee of 2.5% of gross room sales.

Holiday Inn Property. The Holiday Inn Express - Charleston pays a franchise fee of 6.0% of gross room sales and a services contribution fee of 3.0% of gross room sales. Additionally, the hotel is subject to a monthly technology fee of \$11.91 per room, subject to periodic increases.

Franchise Agreement Summary				
Property	Flag	Franchise Fee (% of gross room revenue) ⁽¹⁾		Expiration Date
Holiday Inn Express - Charleston	Holiday Hospitality Franchising, Inc.	9.0%		March 2020
Courtyard - Mechanicsburg	Marriott International, Inc.	7.0%		October 2026
Courtyard - St. Augustine	Marriott International, Inc.	7.5%		April 2028
Fairfield Inn & Suites - Augusta	Marriott International, Inc.	7.0%		January 2028
Courtyard - Jacksonville - I295 East	Marriott International, Inc.	7.5%		April 2029
Fairfield Inn & Suites - Lakeland	Marriott International, Inc.	7.0%		January 2028
Fairfield Inn & Suites - St. Augustine	Marriott International, Inc.	7.0%		December 2028

(1) Includes marketing fees due under the franchise agreements.

Ground Lease. The Holiday Inn Express - Charleston property is subject to two ground leases which commenced in 1973 and expire on August 31, 2023. The ground lease on the hotel has five additional 10-year extensions remaining and the ground lease on the parking lot has two additional five-year extensions remaining. The current total ground rent payment for the hotel ground lease consists of base rent of \$60,000 per year, plus additional rent equal to 5% of gross room sales in excess of \$2.2 million, subject to a cap of \$3.2 million (which increases by \$200,000 for each additional renewal period). The current total ground rent payment for the parking ground lease is \$71,000 annually, which is adjusted during each renewal period in accordance with the Consumer Price Index (with a minimum rent of \$84,000 for each renewal period).

Escrows and Reserves. At origination, the borrowers were required to deposit into escrow \$313,522 for real estate taxes, \$275,000 for a PIP reserve, \$127,795 for insurance premiums, \$82,399 for a ground rent reserve and \$825 for deferred maintenance.

Tax Escrows - The borrowers are required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$47,334.

Insurance Escrows - The borrowers are required to escrow 1/12 of the annual estimated insurance premiums monthly, which currently equates to \$21,303.

FF&E Reserve - On a monthly basis, the borrowers are required to deposit 1/12 of an amount equal to 4.0% of gross revenues from the hotel for the calendar month two months prior to such payment date for FF&E.

PIP Reserve - On the payment date occurring in December 2014 and on each payment date through and including the payment date in May 2015, the borrowers are required to escrow \$195,000 for certain PIP expenses.

Ground Lease Reserve - On a monthly basis, the borrowers are required to escrow \$15,732 for ground rent.

Shaner Hotels Limited Service Portfolio

Lockbox / Cash Management. The loan is structured with a hard lockbox and in-place cash management. At origination, the borrowers and manager were required to direct credit card companies to deliver all receipts directly into the lockbox account. All funds in the lockbox account are swept daily to a segregated cash management account under the control of the lender and disbursed during each interest period in accordance with the loan documents. To the extent there is a Cash Sweep Event (as defined below), all excess cash flow after payment of the debt service, required reserves and operating expenses will be held as additional collateral for the loan. The lender will have a first priority security interest in the cash management account.

A "Cash Sweep Event" means the occurrence of: (i) an event of default, (ii) either any borrower or property manager becomes the subject of a bankruptcy, insolvency or similar action, (iii) the debt service coverage ratio as calculated in the loan documents based on the trailing twelve months falls below 1.15x or (iv) any franchise agreement or replacement franchise agreement is terminated or not renewed, extended or replaced on or prior to the date that is 12 months prior to the termination or expiration date of such franchise agreement either (i) subject to and in compliance with the terms of any such franchise agreement, or (ii) on terms and conditions acceptable to lender, in each case within 30 days of such termination or expiration.

Additional Debt. The \$8.05 million mezzanine loan is secured by the direct equity interests in the borrowers and is coterminous with the mortgage loan. The mezzanine loan is interest-only for the term of the loan and has a 10.00000% coupon. Including the mezzanine loan, the Cut-off Date LTV is 80.0%, the UW NCF DSCR is 1.38x and the UW NOI Debt Yield is 9.2%. The lenders have entered into an intercreditor agreement. The mezzanine loan is cross-collateralized and cross-defaulted with three other mezzanine loans related to mortgage loans, which are not included in the pool, through guaranties and pledge agreements signed by the various mezzanine loan borrowers. The total amount of mezzanine debt including the cross-collateralized and cross-defaulted loans is approximately \$31.6 million.