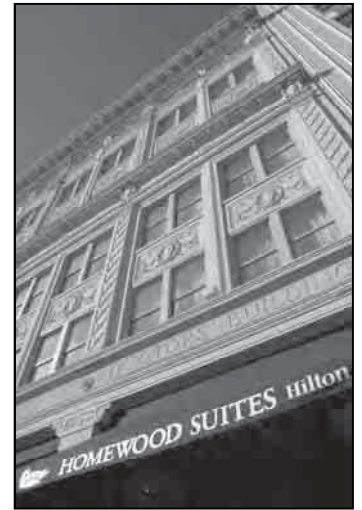


Sun Development and Management Portfolio



## Sun Development and Management Portfolio



### Sun Development and Management Portfolio

1	Embassy Suites Palmdale	39375 5th Street West	Palmdale, CA	93551
2	Hilton Garden Inn Ridgefield Park	70 Challenger Road	Ridgefield Park, NJ	07660
3	Homewood Suites Nashville	706 Church Street	Nashville, TN	37203
4	Hampton Inn & Suites South Lake Buena Vista	4971 Calypso Cay Way	Kissimmee, FL	34746
5	Candlewood Suites Hattiesburg	9 Gateway Drive	Hattiesburg, MS	39402

## Sun Development and Management Portfolio

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	JPMCB
<b>Original Principal Balance:</b>	\$56,300,000
<b>Cut-off Date Principal Balance:</b>	\$56,024,503
<b>% of Pool by IPB:</b>	5.4%
<b>Loan Purpose:</b>	Refinance
<b>Borrower<sup>(1)</sup>:</b>	Various
<b>Sponsor:</b>	Bharat N. Patel
<b>Interest Rate:</b>	4.86181%
<b>Note Date:</b>	5/17/2011
<b>Maturity Date:</b>	6/1/2016
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	60 months
<b>Original Amortization:</b>	300 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(24),Grtr1%orYM(35),O(1)
<b>Lock Box:</b>	Hard
<b>Additional Debt:</b>	Yes
<b>Additional Debt Balance:</b>	\$17,700,000
<b>Additional Debt Type:</b>	Mezzanine Loan

### Property Information

<b>Single Asset/Portfolio:</b>	Portfolio
<b>Title:</b>	Fee / Leasehold
<b>Property Type - Property Subtype:</b>	Hotel – Various
<b>Rooms:</b>	637
<b>Location:</b>	Various
<b>Year Built/Renovated:</b>	Various / Various
<b>Occupancy<sup>(2)</sup>:</b>	72.1%
<b>Occupancy Date:</b>	7/31/2011
<b>Number of Tenants:</b>	N/A
<b><u>Historical Net Operating Income</u></b>	
<b>2009<sup>(3)</sup>:</b>	\$2,984,140
<b>2010:</b>	\$6,930,716
<b>TTM<sup>(2)</sup>:</b>	\$7,820,447
<b>UW Economic Occupancy:</b>	72.1%
<b>UW Revenues:</b>	\$20,219,986
<b>UW Expenses:</b>	\$13,081,810
<b>UW Net Operating Income:</b>	\$7,138,177
<b>UW Net Cash Flow:</b>	\$7,138,177
<b>Appraised Value:</b>	\$102,600,000
<b>Appraisal Date:</b>	2/01/2011 – 4/01/2011

### Escrows and Reserves

	Initial	Monthly
<b>Taxes:</b>	\$213,802	\$79,999
<b>Insurance<sup>(4)</sup>:</b>	\$0	Springing
<b>FF&amp;E Reserve<sup>(5)</sup>:</b>	\$50,485	See note
<b>Other<sup>(6)(7)</sup>:</b>	\$113,201	See note

### Financial Information

<b>Cut-off Date Loan/Room:</b>	\$87,951
<b>Cut-off Date LTV:</b>	54.6%
<b>Maturity Date LTV:</b>	48.7%
<b>UW NCF DSCR:</b>	1.83x
<b>UW NOI Debt Yield:</b>	12.7%

(1) See "The Borrower" section on the subsequent page for a complete list of the borrowing entities.

(2) Occupancy and TTM Net Operating Income represents the trailing twelve month period ending July 31, 2011.

(3) Net Operating Income for 2009 is representative of partial operating history for the portfolio. Embassy Suites Palmdale opened in February 2010. Hilton Garden Inn Ridgefield Park opened in April 2009 and subsequently had rooms offline due to a sprinkler malfunction with all rooms being available for full occupancy in February 2010.

(4) Borrower's obligation to make monthly deposits for insurance are waived so long as (i) no event of default exists under the loan documents, (ii) the lender has received satisfactory evidence that the borrower has paid, when due, all insurance premiums and (iii) the lender shall have received satisfactory evidence that the borrower has a blanket insurance policy that complies with the provisions set forth in the loan documents.

(5) On each payment date, the borrower shall make deposits to the FF&E reserve of 3.0% of gross income from operations for the calendar month two months prior to such payment date for the first 24 months of the loan term and 4.0% of gross income from operations thereafter, provided that in no event shall the monthly FF&E deposit be less than \$50,000. The FF&E reserve is capped at \$1.0 million.

(6) Initial Other Escrows and Reserves of \$113,201 represents the tax reserve fund for disputed taxes payable to the Village of Ridgefield Park.

(7) Monthly Other Escrows and Reserves represents the ground sublease reserve and the PIP monthly deposit. The ground sublease reserve is waived so long as (i) no event of default exists under the loan documents, (ii) the lender receives evidence that the ground lease monthly payments due for the Hilton Garden Inn Ridgefield Park property are paid when due and (iii) lender receives evidence that (a) the borrower has delivered to the ground sublessor the letter of credit required by the ground sublease, (b) the letter of credit has not terminated or expired and (c) the amount of the letter of credit is sufficient to pay the amounts due under the ground lease for a twelve month period. On each payment date, the borrower shall pay to the lender an amount equal to monthly installments reasonably estimated by the lender to provide for adequate funds to complete the work described in any property improvement plan within the timeframes required by the property improvement plan, though no property improvement plan currently exists.

## Sun Development and Management Portfolio

**The Loan.** The Sun Development and Management Portfolio loan has an outstanding principal balance of approximately \$56.0 million and is secured by first mortgage liens on a portfolio of five hotels located in California, New Jersey, Tennessee, Florida and Mississippi totaling 637 rooms. The loan is sponsored by Bharat N. Patel, Chairman and CEO of Sun Development and Management Corporation, an owner and operator of 36 hotels (inclusive of four hotels that are currently being developed) throughout the United States. Four of the properties in the Sun Development and Management Portfolio are flagged with Hilton brands (Embassy Suites, Hilton Garden Inn, Homewood Suites and Hampton Inn) and one property is flagged with an InterContinental Hotels Group brand (Candlewood Suites). The five-year loan amortizes on a 25-year schedule. The proceeds of the loan, an approximately \$17.7 million interest-only mezzanine loan and additional borrower equity of \$1.17 million were used to refinance \$71.7 million of outstanding debt, pay for closing costs of \$3.1 million and fund upfront reserves of \$377,000. The sponsor's current cost basis in the portfolio is approximately \$114.3 million, resulting in a loan to cost of 49.0% and remaining equity of \$40.6 million.

**The Borrower.** The borrowing entities for the loan are Palmdale Lodging Associates LLC, Osceola Lodging Associates, LLP, Gateway Lodging Associates, LLP, Ridgefield Park Lodging Associates, LLP and Church St. Lodging Associates, LLP. Each borrower is a single purpose entity and an Indiana limited liability partnership, except for Palmdale Lodging Associates LLC, which is a California limited liability company.

**The Sponsor.** The sponsor of the borrower and the nonrecourse carve-out guarantor is Bharat N. Patel, Chairman and CEO of Sun Development and Management Corporation ("Sun Development"). Sun Development is an owner and operator of hotels throughout the United States. The company operates a diversified portfolio of both select-service and full service hotels. The company currently owns and manages approximately 36 hotels, including four hotels that are currently under development, comprising 4,000 rooms in California, Florida, Illinois, Indiana, Louisiana, Mississippi, New Jersey, Ohio, Tennessee, Texas and Wisconsin. Sun Development's strategy is to grow their portfolio by developing new hotels and acquiring and repositioning failing properties. The company has been the recipient of numerous awards, including Hilton's 2009 Developer of the Year, Hotel & Motel Magazine's Top Hotel Companies and Hotel Business Magazine Top 100 Hotel Owners & Developers.

**The Properties.** The collateral consists of five hotel properties located in California, New Jersey, Tennessee, Florida and Mississippi. Embassy Suites Palmdale is a 150-room full-service hotel located in Palmdale, California. Hilton Garden Inn Ridgefield Park is a 140-room limited-service hotel located in Ridgefield Park, New Jersey. Homewood Suites Nashville is a 113-room extended stay hotel located in Nashville, Tennessee. Hampton Inn & Suites South Lake Buena Vista is a 125-room limited-service hotel located in Kissimmee, Florida. Candlewood Suites Hattiesburg is a 109-room extended stay hotel located in Hattiesburg, Mississippi. Each of the properties was developed by the sponsor between 2007 and 2010. The sponsor developed all of the assets through ground up construction with the exception of the Homewood Suites Nashville asset which was a conversion of a historic former office building constructed in 1919.

Property Summary						
Property	Location	Rooms	Year Built / Renovated	Cut-off Date Allocated Loan Amount	Appraised Value	Occupancy <sup>(1)</sup>
Embassy Suites Palmdale	Palmdale, CA	150	2010 / N/A	\$19,305,068	\$36,000,000	70.7%
Hilton Garden Inn Ridgefield Park	Ridgefield Park, NJ	140	2009 / N/A	13,055,799	26,000,000	75.1%
Homewood Suites Nashville	Nashville, TN	113	1919 / 2007	11,165,096	17,500,000	77.4%
Hampton Inn & Suites South Lake Buena Vista	Kissimmee, FL	125	2008 / N/A	6,816,480	12,200,000	75.0%
Candlewood Suites Hattiesburg	Hattiesburg, MS	109	2007 / N/A	5,682,059	10,900,000	61.4%
<b>Total / Weighted Average</b>		<b>637</b>		<b>\$56,024,503</b>	<b>\$102,600,000</b>	<b>72.1%</b>

(1) Occupancy based on trailing twelve month period ending July 31, 2011.

**Embassy Suites Palmdale (Palmdale, CA).** Embassy Suites Palmdale is a 150-room full-service hotel located in Palmdale, California. The property is a seven-story building developed on an approximately 4.09-acre site. The hotel opened for business in February 2010 and offers a restaurant, lounge, breakfast area, gift shop, business center, 3,032 square feet of meeting space, fitness center and an indoor pool on the first floor. Guestrooms are located on the second through seventh floors and feature a suite configuration with a bedroom and separate living room. Room amenities include a sleeper sofa, flat panel television, high speed internet, a wet bar with a refrigerator and a microwave. Guests at the property receive complimentary hot breakfast and an evening cocktail reception. The property features a new format for Embassy Suites hotels and does not have an interior atrium that characterized the old format.



## Sun Development and Management Portfolio

Embassy Suites Palmdale is located approximately 63 miles north of the city of Los Angeles in Palmdale, California. The property is situated at the southwest corner of 5th Street West and Avenue P-4, west of The Antelope Valley Freeway, a north-south route that provides access to the Golden State Freeway, approximately 30 miles southwest of the property. The Palmdale Regional Airport is located approximately 5.7 miles northeast of the property. Commercial demand in the Palmdale/Antelope Valley market is primarily driven by defense contractors such as Lockheed Martin, Northrop Grumman and Boeing due to the proximity to Edwards Air Force Base, which is approximately 40.0 miles from the property. In 2010, Boeing moved testing of its 747-8 wide body commercial jet airliner to Palmdale. Other demand generators include the State of California and a variety of local athletic complexes that play host to youth sporting events.

The property uses the Embassy Suites flag through a long term franchise agreement between Embassy Suites Franchise LLC, a Hilton subsidiary, and Palmdale Lodging Associates LLC. The agreement is dated October 18, 2007 and expires on October 31, 2029. The franchise agreement provides for a franchise fee of 3% of room revenues in the first year of operation, 4% of room revenues in the second year of operation and 5% of room revenues thereafter.

Embassy Suites Palmdale cannot be released from the mortgage loan as part of a partial release.

Historical Occupancy, ADR, RevPAR									
Year	Competitive Set <sup>(1)</sup>			Embassy Suites Palmdale			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2010	65.0%	\$124.94	\$81.25	65.8%	\$136.47	\$89.85	101.2%	109.2%	110.6%
TTM <sup>(2)</sup>	64.8%	\$117.31	\$76.02	70.7%	\$129.70	\$91.67	109.1%	110.6%	120.6%

(1) Competitive set contains the following properties: Holiday Inn Palmdale Lancaster (148 rooms, opened in 1989), Courtyard Palmdale (90 rooms, opened 2000), Residence Inn Palmdale Lancaster (90 rooms, opened 2001), Hampton Inn Suites Palmdale (85 rooms, opened 2005), Staybridge Suites Palmdale (99 rooms, opened 2008) and Hilton Garden Inn Palmdale (107 rooms, opened 2008).

(2) TTM represents the trailing twelve month period ending July 31, 2011.

**Hilton Garden Inn Ridgefield Park (Ridgefield Park, NJ).** Hilton Garden Inn Ridgefield Park is a 140-room limited service hotel located in Ridgefield Park, New Jersey. The property is a five-story building developed on an approximately 3.69-acre site. The hotel opened for business in April of 2009. Hotel amenities include a swimming pool, fitness center, sundry/marketplace, restaurant and lounge known as the Great American Grill Restaurant that serves breakfast and dinner. The hotel was the first to engage in a new lobby concept pilot program that is expected to become standard at Hilton Garden Inns at some point in late 2011. The hotel has approximately 1,702 square feet of meeting space. Room amenities include nightstands, a television, a desk with a chair and lamp, a chaise lounge chair, a standing lamp, a dresser and an alarm clock/radio with MP3 connection, iron and ironing board, a coffeemaker and a hairdryer, a refrigerator, a microwave, a complimentary high speed wireless internet and two-line telephones with data port.

Hilton Garden Inn Ridgefield Park is located approximately five miles west of New York City in Ridgefield Park, Bergen County, New Jersey. Local access to the property is provided via Challenger Road, a local roadway in the Overpeck Centre mixed-use development. The road is a two way street, which terminates at the foot of the Overpeck County Park. Regional access to the property is provided by I-80 and I-95. The demand in the market is primarily driven by commercial and corporate travelers who travel to nearby corporations such as Samsung, AGFA, Daewoo and Cognizant. Samsung is the largest client of Hilton Garden Inn Ridgefield Park, representing approximately 11,000 rooms nights in 2010. Leisure demand at the hotel is generated by visitors who are taking advantage of the property's proximity to New York City and the Meadowlands. The property has public transportation access to Midtown Manhattan via public bus service that stops outside of the property and goes to the Port Authority Bus Terminal.

The property was built on land that is subject to a master lease between Hartz Mountain Industries, Inc. and The Village of Ridgefield Park. The master lease was executed in 2005 and extends until January 31, 2084. A sublease was entered into which allowed for the development of Hilton Garden Inn Ridgefield Park. The sublease was executed on June 28, 2004 and there were two amendments dated December 27, 2004 and March 8, 2005. The commencement date of the lease was July 1, 2006. The term of the sublease is fifty years and the tenant has three (3) successive extension options. The first and second extension periods are for ten years and the third extension period begins the day after the expiration of the second extension and expires on October 30, 2084 or not later than the day before the expiration of the master lease. Annual base rent is \$1,000 per guestroom but no less than \$140,000. Additional rent is calculated as 5.0% of gross revenue in excess of \$32,000 per guestroom per year plus 10.0% of gross revenue in excess of \$35,000 per guestroom per year. The property is also responsible for common area maintenance (CAM) which is proportionate to the size of the property within the development and is 6.69% of the annual charges.

## Sun Development and Management Portfolio

The property uses the Hilton Garden Inn flag through a long term franchise agreement between HLT Existing Franchise Holding LLC, a Hilton subsidiary, and Ridgefield Park Lodging Associates, LLP. The agreement is dated April 27, 2005 and expires on April 26, 2027. The franchise agreement provides for a franchise fee of 5% of gross room revenues from the preceding calendar month.

Hilton Garden Inn Ridgefield Park cannot be released from the mortgage loan as part of a partial release.

Historical Occupancy, ADR, RevPAR									
Year	Competitive Set <sup>(1)</sup>			Hilton Garden Inn Ridgefield Park			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2010	70.0%	\$119.24	\$83.52	68.5%	\$123.95	\$84.96	97.9%	103.9%	101.7%
TTM <sup>(2)</sup>	71.9%	\$122.05	\$87.71	75.1%	\$124.38	\$93.40	104.4%	101.9%	106.5%

(1) Competitive set contains the following properties: Hilton Hasbrouck Heights Meadowlands (355 rooms, opened in 1974), Holiday Inn Hasbrouck Heights Meadowlands (245 rooms, opened 1967), Marriott Teaneck @ Glenpointe (345 rooms, opened 1983), Hampton Inn Ridgefield Park (84 rooms, opened 1998) and Crowne Plaza Englewood (194 rooms, opened 1989).

(2) TTM represents the trailing twelve month period ending July 31, 2011.

**Homewood Suites Nashville (Nashville, TN).** Homewood Suites Nashville is a 113-room extended stay hotel located in the central business district of Nashville, Tennessee. The building, previously known as The Doctors' Building, was originally constructed in 1919 and is listed on the National Register of Historic Places. The building had previously been renovated and used by The Hawkins Company for offices in 1983. Enclosure of the atrium, construction of interior false balconies, and installation of the atrium skylight were performed at that time. The property was completely renovated as a hotel in December 2007. The property is a six-story building located on an approximately 0.44-acre site. The registration lobby, suite shop, business center, breakfast area, fitness center and whirlpool spa are located on the first floor. Guestrooms are located on floors two through six. In addition to guestrooms, meeting spaces are located on the sixth floor. The property has approximately 1,718 square feet of meeting space. Guestroom amenities include a flat-panel television with cable, telephone, desk with chair, dresser, nightstands, lamps, lounge chair, ceiling fan and kitchen area with sink, dishwasher, full-size refrigerator with icemaker, stove top and microwave.

Homewood Suites Nashville is located in the central business district of Nashville, Tennessee. Local access to the property is provided by Church Street and Polk Avenue. Church Street provides northeast to southwest travel through the Nashville central business district. Regional access to the area is provided by I-24, I-40 and I-65. Public transportation to the area is provided by MTA intra-city bus service and air transportation to the area is provided by the Nashville International Airport, which is located less than ten miles southeast of the property. Demand in the market is primarily driven by corporate tenants in the area. The property has rate agreements in place with local employers such as the Air National Guard, Church Street Health Management, Lifeway Christian Services and Waller, Lansden, Dortch and Davis, LLP. Other demand generators for the downtown Nashville hospitality market include the state government, entertainment districts, hospitals, athletic events and Vanderbilt University.

The property uses the Homewood Suites flag through a long term franchise agreement between Promus Hotels, Inc., a subsidiary of Hilton, and Church St. Lodging Associates, LLP. The agreement is dated April 19, 2006 and expires on April 18, 2028. The franchise agreement provides for a franchise fee of 2% of gross room revenues in year one of operation (2008), 3% of gross room revenues in year two of operation (2009) and 4% of gross room revenues thereafter.

Homewood Suites Nashville may be released from the mortgage loan as part of a partial release.

Historical Occupancy, ADR, RevPAR									
Year	Competitive Set <sup>(1)</sup>			Homewood Suites Nashville			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2008	66.4%	\$136.28	\$90.43	58.2%	\$129.46	\$75.30	87.7%	95.0%	83.3%
2009	64.7%	\$123.74	\$80.03	71.5%	\$113.83	\$81.40	110.6%	92.0%	101.7%
2010	68.5%	\$128.09	\$87.80	76.5%	\$117.17	\$89.58	111.5%	91.5%	102.0%
TTM <sup>(2)</sup>	71.7%	\$131.71	\$94.45	77.4%	\$119.37	\$92.37	107.9%	90.6%	97.8%

(1) Competitive set contains the following properties: Sheraton Hotel Nashville Downtown (472 rooms, opened in 1975), Wyndham Union Station Nashville (125 rooms, opened 1986), Holiday Inn Express Nashville Downtown (287 rooms, opened 1989), Courtyard Nashville Downtown (192 rooms, opened 1998), Homewood Suites Nashville Airport (121 rooms, opened in 1999) and Hampton Inn Suites Nashville Downtown (154 rooms, opened in 2007).

(2) TTM represents the trailing twelve month period ending July 31, 2011.

## Sun Development and Management Portfolio

**Hampton Inn & Suites South Lake Buena Vista (Kissimmee, FL).** Hampton Inn & Suites South Lake Buena Vista is 125-room limited-service hotel located in Kissimmee, Florida. The property opened for business in February 2008. The five-story building was developed on an approximately 2.83-acre site. All of the public space, including the lobby lounge / breakfast lounge, guest registration and lobby, meeting space, fitness center, sundry shop, and sales and administrative offices are located on the first floor. Additionally, some guestrooms are located on the first floor. Floors two through five include the hotel's remaining guestrooms. Project amenities include one meeting room (approximately 965 square feet) divisible into two sections, a breakfast lounge off the lobby area that provides complimentary breakfast daily, a sundry shop, fitness center, business center and outdoor swimming pool. Guestroom amenities include flat screen LCD televisions with cable, telephone, lamps, lounge chairs, artwork, mirrors, mini-safe, coffee-maker, iron and ironing board, work-desk with ergonomic chair, dresser, nightstands, microwave, and mini-refrigerator.

Hampton Inn & Suites South Lake Buena Vista is located immediately north of the retail corridor of Kissimmee and Celebration and immediately southeast of the Lake Buena Vista market. The property is located within to the Calypso Cay Resort development, a development that is comprised of the 151-room Calypso Cay Inn, a 162-unit Country Inn and Suites, two timeshare buildings and a 120-unit apartment complex. Local access to the property is provided by SR-535, Osceola Parkway, US-192 and International Drive. Regional access to the area is provided by I-4, Central Florida Greenway (SR-417), the Florida Turnpike and the Martin Andersen Beeline Expressway (SR-528). Demand in the market is primarily driven by corporate tenants in the area, including AT&T, Arnold Palmer, Celebration Hospital, Darden Restaurants, General Mills, Lockheed Martin, Lucent and Tupperware Brands Corporation. In addition to corporate tenants in the area, Disney World also serves as a major demand generator for the property. There are two free shuttles daily to and from the property to Epcot Center, which is located approximately eight miles from the property. Other demand generators in the area are Universal Studios and Osceola Heritage Park, an approximately 11,000 seat sports arena.

The property uses the Hampton Inn & Suites flag through a long term franchise agreement between Promus Hotels, Inc., a subsidiary of Hilton, and Osceola Lodging Associates, LLP. The agreement is dated March 20, 2006 and expires on March 19, 2028. The franchise agreement provides for a franchise fee of 5% of gross room revenues.

Hampton Inn & Suites South Lake Buena Vista may be released from the mortgage loan as part of a partial release.

Historical Occupancy, ADR, RevPAR									
Year	Competitive Set <sup>(1)</sup>			Hampton Inn & Suites South Lake Buena Vista			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2008	67.8%	\$93.19	\$63.22	52.9%	\$94.78	\$50.10	78.0%	101.7%	79.2%
2009	65.4%	\$80.15	\$52.43	66.7%	\$80.84	\$53.89	102.0%	100.9%	102.8%
2010	69.2%	\$77.63	\$53.68	71.9%	\$78.55	\$56.49	104.0%	101.2%	105.2%
TTM <sup>(2)</sup>	71.7%	\$81.39	\$58.36	75.0%	\$82.87	\$62.17	104.6%	101.8%	106.5%

(1) Competitive set contains the following properties: Hampton Inn Orlando Lake Buena Vista (147 rooms, opened in 1998), Courtyard Orlando Lake Buena Vista In The Marriott Village (312 rooms, opened in 2000), Springhill Suites Orlando Lake Buena Vista In The Marriott Village (400 rooms, opened in 2000), Calypso Cay Hotel & Suites (151 rooms, opened in 2000), Country Inn & Suites Orlando Maingate @ Calypso (162 rooms, opened in 2001) and Holiday Inn Express & Suites Orlando Lake Buena (148 rooms, opened in 2003).

(2) TTM represents the trailing twelve month period ending July 31, 2011.

**Candlewood Suites Hattiesburg (Hattiesburg, MS).** Candlewood Suites Hattiesburg is a 109-room extended stay hotel located in Hattiesburg, Mississippi. The property opened for business in June 2007. The property consists of a single four story building developed on an approximately 3.77 acre site. The public spaces, including the guest pantry, a 24-hour fitness room, laundry room, guest registration and lobby, and the sales and administrative offices, are located on the first floor. Guestroom amenities include one or two remote control televisions with cable, telephone, desk with chair, dresser, nightstands, lamps and lounge chair. Additionally, every room has a kitchen with refrigerator, two-burner range, dishwasher, sink, and microwave oven. In addition to indirectly owning the Candlewood Suites Hattiesburg, the sponsor indirectly owns the adjacent Holiday Inn hotel and a nearby Comfort Inn. As result, the property shares certain personnel and materials between the two other properties.

Candlewood Suites Hattiesburg is located in the southwest quadrant of I-59 and US-49 in the northwestern sector of the city of Hattiesburg, Mississippi. The property is located approximately 10 miles from the Hattiesburg-Laurel Regional Airport and 70.0 miles from the Gulfport-Biloxi International Airport. Hattiesburg is located in southern Mississippi, approximately 86.0 miles southeast of Jackson and 112.0 miles northeast of New Orleans. Demand in the market is driven by local employers. The largest generator of commercial room night demand comes from the U.S. military at nearby Camp Shelby, which is located approximately 17.0 miles from the property.

## Sun Development and Management Portfolio

The timing of military demand for rooms varies on an annual basis depending on when soldiers are in training. In 2011 the military is expected to be in occupancy from February through October. Additionally, Candlewood Suites Hattiesburg attracts some business from Wesley Medical Center, Forest General Hospital, Georgia-Pacific, FEMA, and Kohler. The state government is another source of demand, along with several petrochemical companies exploring and extracting natural gas from rural areas of Lamar and Forrest Counties. Sources of leisure demand in the competitive market are sporting and other events at the University of Southern Mississippi and youth sports events during the summer months.

The property uses the Candlewood Suites flag through a franchise agreement between Holiday Hospitality Franchising, Inc., a subsidiary of InterContinental Hotels Group, and Gateway Lodging Associates, LLP. The agreement is dated December 8, 2005 and expires on October 31, 2018. The franchise agreement provides for a franchise fee of 5% of gross room revenues.

Candlewood Suites Hattiesburg may be released from the mortgage loan as part of a partial release.

Historical Occupancy, ADR, RevPAR									
Year	Competitive Set <sup>(1)</sup>			Candlewood Suites Hattiesburg			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2008	70.8%	\$88.09	\$62.33	78.2%	\$87.24	\$68.24	110.5%	99.0%	109.5%
2009	65.5%	\$88.19	\$57.79	61.3%	\$85.09	\$52.13	93.6%	96.5%	90.2%
2010	65.2%	\$88.86	\$57.92	63.4%	\$85.94	\$54.48	97.2%	96.7%	94.1%
TTM <sup>(2)</sup>	61.2%	\$89.41	\$54.68	61.4%	\$84.20	\$51.69	100.3%	94.2%	94.5%

(1) Competitive set contains the following properties: La Quinta Inn Hattiesburg (128 rooms, opened in 1988), Comfort Inn Hattiesburg (160 rooms, opened in 1986), Hampton Inn Hattiesburg (153 rooms, opened in 1983), Fairfield Inn & Suites Hattiesburg (79 rooms, opened in 1997), Courtyard Hattiesburg (84 rooms, opened in 2006), Hilton Garden Inn Hattiesburg (90 rooms, opened in 2007) and Residence Inn Hattiesburg (84 rooms, opened in 2008).

(2) TTM represents the trailing twelve month period ending July 31, 2011.

Operating History and Underwritten Net Cash Flow							
	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	TTM <sup>(1)(2)</sup>	Underwritten	Per Room	% of Total Revenue
Occupancy	68.0%	66.5%	69.1%	72.1%	72.1%		
ADR	\$105.61	\$93.61	\$110.28	\$109.72	\$109.72		
RevPar	\$71.84	\$62.30	\$76.13	\$79.54	\$79.54		
Room Revenue	\$5,836,760	\$7,890,224	\$17,282,087	\$18,493,612	\$18,494,328	\$29,033	91.1%
Other Revenue	198,672	242,418	386,021	1,725,600	1,725,658	2,709	8.9
<b>Total Revenue</b>	<b>\$6,035,432</b>	<b>\$8,132,642</b>	<b>\$18,890,301</b>	<b>\$20,219,212</b>	<b>\$20,219,986</b>	<b>\$31,743</b>	<b>100.0%</b>
Departmental Expenses	1,367,202	2,063,667	4,653,784	4,971,752	4,971,935	7,805	24.6
<b>Departmental Profit</b>	<b>\$4,668,230</b>	<b>\$6,068,975</b>	<b>\$14,236,517</b>	<b>\$15,247,460</b>	<b>\$15,248,051</b>	<b>\$23,937</b>	<b>75.4%</b>
Operating Expenses	1,372,907	1,939,989	4,247,530	4,341,755	4,341,761	6,816	21.5
<b>Gross Operating Profit</b>	<b>\$3,295,323</b>	<b>\$4,128,986</b>	<b>\$9,988,987</b>	<b>\$10,905,705</b>	<b>\$10,906,290</b>	<b>\$17,121</b>	<b>53.9%</b>
Fixed Expenses	282,582	462,424	1,220,116	1,192,180	1,364,995	2,143	6.8
Management Fee	262,654	355,060	711,446	574,420	707,700	1,111	3.5
Franchise Fee	198,412	327,362	734,041	800,983	886,619	1,392	4.4
FF&E	0	0	392,668	517,675	808,799	1,270	4.0
<b>Total Other Expenses</b>	<b>\$743,648</b>	<b>\$1,144,846</b>	<b>\$3,058,271</b>	<b>\$3,085,258</b>	<b>\$3,768,113</b>	<b>\$5,915</b>	<b>18.6%</b>
<b>Net Operating Income</b>	<b>\$2,551,675</b>	<b>\$2,984,140</b>	<b>\$6,930,716</b>	<b>\$7,820,447</b>	<b>\$7,138,177</b>	<b>\$11,206</b>	<b>35.3%</b>
<b>Net Cash Flow</b>	<b>\$2,551,675</b>	<b>\$2,984,140</b>	<b>\$6,930,716</b>	<b>\$7,820,447</b>	<b>\$7,138,177</b>	<b>\$11,206</b>	<b>35.3%</b>

(1) Operating History for 2008 and 2009 are representative of partial operating history for the portfolio. Hampton Inn & Suites South Lake Buena Vista opened in February of 2008, Embassy Suites Palmdale opened in February 2010. Hilton Garden Inn Ridgefield Park opened in April 2009 and subsequently had rooms offline due to a sprinkler malfunction with all rooms being available for full occupancy in February 2010. 2008 column reflects operating history for Homewood Suites Nashville and Candlewood Suites Hattiesburg only. 2009 column represents operating history for Hampton Inn & Suites South Lake Buena Vista, Homewood Suites Nashville and Candlewood Suites Hattiesburg. 2010 and TTM reflect operating history for all of the hotels in the portfolio.

(2) TTM column represents the trailing twelve month period ending July 31, 2011.

**Property Management.** The properties are managed by Sun Development & Management Corp., an affiliate of the borrower and sponsor.



**Sun Development and Management Portfolio**

**Release of Properties.** After the expiration of the lockout period, the borrower may release a property or properties from the loan (except for the Embassy Suites Palmdale and Hilton Garden Inn Ridgefield Park properties, which cannot be released) by paying a release amount equal to 115% of the applicable allocated loan amount for the property and the applicable yield maintenance premium, provided that, among other things, (I) the LTV ratio (calculated including the mezzanine debt) of the remaining properties, as established by a current MAI appraisal prepared by an appraiser approved by lender shall not exceed 72.1%, (II) after the release of the applicable property, the DSCR (including the mezzanine debt) for the remaining properties subject to the liens of the mortgages based on the trailing twelve month period immediately preceding the release of the applicable individual property shall be equal to or greater than the greater of (i) 1.23 multiplied by a fraction of which (a) the numerator is the sum of the release amounts and the mezzanine release amounts of all properties subject to the liens of the mortgages (calculated including the individual property to be released) and (b) the denominator is the sum of the then-current outstanding principal amount of the loan and the mezzanine loan and (ii) the debt service coverage ratio for all of the properties then remaining subject to the liens of the mortgages (including the individual property requested to be released) immediately preceding the release of the applicable individual property based on the trailing twelve month period. Borrower shall have the right to deposit with lender cash or a letter of credit in an amount, which if used to reduce the outstanding principal balance of the loan, would cause the requirements of the DSCR test to be satisfied.

**Additional Debt.** A mezzanine loan of \$17.7 million secured by the equity interest in the borrower was provided by JPMCB and was sold to a third party institutional investor. The mezzanine loan has coterminous maturity with the mortgage loan. The mezzanine loan is interest only and has an 11.0% coupon. Including the mezzanine loan, the Cut-off Date LTV is 71.9%, the UW NCF DSCR is 1.22x and the UW NOI Debt Yield is 9.7%.