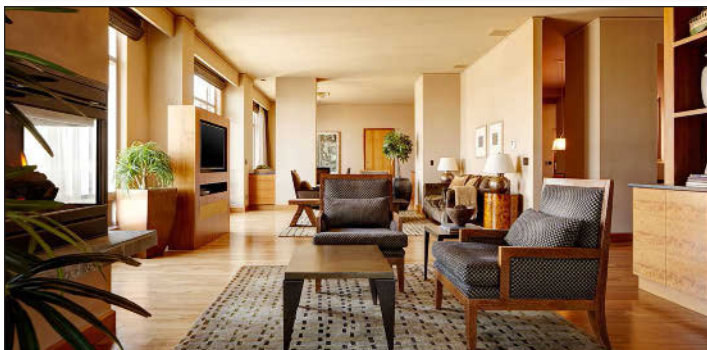


721 Pine Street  
Seattle, WA 98101

Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

<b>Cut-off Date Balance:</b>	\$50,000,000
<b>Cut-off Date LTV:</b>	54.9%
<b>U/W NCF DSCR:</b>	2.12x
<b>U/W NOI Debt Yield:</b>	11.8%







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Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

**Cut-off Date Balance:** \$50,000,000  
**Cut-off Date LTV:** 54.9%  
**U/W NCF DSCR:** 2.12x  
**U/W NOI Debt Yield:** 11.8%

### Mortgage Loan Information

<b>Loan Seller:</b>	LCM
<b>Loan Purpose:</b>	Refinance
<b>Borrower Sponsor<sup>(1)</sup>:</b>	Hedreen Holdings LLC
<b>Borrower:</b>	Hedreen Hotel LLC
<b>Original Balance<sup>(2)</sup>:</b>	\$50,000,000
<b>Cut-off Date Balance<sup>(2)</sup>:</b>	\$50,000,000
<b>% by Initial UPB:</b>	5.0%
<b>Interest Rate:</b>	4.7400%
<b>Payment Date:</b>	6 <sup>th</sup> of each month
<b>First Payment Date:</b>	June 6, 2017
<b>Maturity Date:</b>	June 6, 2027
<b>Amortization:</b>	Interest Only
<b>Additional Debt<sup>(2)</sup>:</b>	\$83,000,000 <i>Pari Passu</i> Debt
<b>Call Protection<sup>(3)</sup>:</b>	L(36), D(81), O(4)
<b>Lockbox / Cash Management:</b>	Hard / Springing

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

	Initial	Monthly
<b>Taxes:</b>	\$0	Springing
<b>Insurance:</b>	\$0	Springing
<b>FF&amp;E:</b>	\$0	Springing

### Financial Information<sup>(5)</sup>

<b>Cut-off Date Balance / Room:</b>	\$291,028
<b>Balloon Balance / Room:</b>	\$291,028
<b>Cut-off Date LTV<sup>(6)</sup>:</b>	54.9%
<b>Balloon LTV<sup>(6)</sup>:</b>	54.9%
<b>Underwritten NOI DSCR:</b>	2.45x
<b>Underwritten NCF DSCR:</b>	2.12x
<b>Underwritten NOI Debt Yield:</b>	11.8%
<b>Underwritten NCF Debt Yield:</b>	10.2%
<b>Underwritten NOI Debt Yield at Balloon:</b>	11.8%
<b>Underwritten NCF Debt Yield at Balloon:</b>	10.2%

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Property Type:</b>	Full Service Hospitality
<b>Collateral:</b>	Fee Simple
<b>Location:</b>	Seattle, WA
<b>Year Built / Renovated:</b>	2001 / 2014
<b>Total Rooms:</b>	457
<b>Property Management:</b>	Hyatt Corporation
<b>Underwritten NOI:</b>	\$15,690,855
<b>Underwritten NCF:</b>	\$13,550,974
<b>"As is" Appraised Value:</b>	\$242,300,000
<b>"As is" Appraisal Date:</b>	March 8, 2017
<b>"As Stabilized" Appraised Value<sup>(6)</sup>:</b>	\$267,000,000
<b>"As Stabilized" Appraisal Date<sup>(6)</sup>:</b>	April 1, 2021

### Historical NOI

<b>Most Recent NOI:</b>	\$16,018,146 (December 31, 2017)
<b>2016 NOI:</b>	\$15,332,692 (December 31, 2016)
<b>2015 NOI:</b>	\$14,518,134 (December 31, 2015)
<b>2014 NOI:</b>	\$12,233,256 (December 31, 2014)

### Historical Occupancy

<b>Most Recent Occupancy:</b>	87.4% (December 31, 2017)
<b>2016 Occupancy:</b>	85.3% (December 31, 2016)
<b>2015 Occupancy:</b>	86.3% (December 31, 2015)
<b>2014 Occupancy:</b>	82.4% (December 31, 2014)

- (1) The borrower sponsor is also the borrower sponsor of the mortgage loan identified on Annex A-1 to the Prospectus as Hyatt @ Olive 8, which has a Cut-off Date Balance of \$78.0 million.
- (2) The Original Balance and Cut-off Date Balance of \$50.0 million represents the non-controlling Note A-2 which, together with the \$50.0 million *pari passu* controlling Note A-1 and the \$33.0 million *pari passu* non-controlling Note A-3 comprise the Grand Hyatt Seattle Whole Loan with an aggregate original principal amount of \$133.0 million. For additional information regarding the *pari passu* notes, see "The Loan" herein.
- (3) The lockout period will be at least 36 payment dates beginning with and including the first payment date of June 6, 2017. Defeasance of the full Grand Hyatt Seattle Whole Loan is permitted after the date that is the earlier to occur of (i) two years after the closing date of the securitization that includes the last *pari passu* note to be securitized and (ii) November 6, 2020. The assumed lockout period of 36 payments is based on the expected COMM 2018-COR3 securitization closing date in May 2018. The actual lockout period may be longer.
- (4) See "Initial Reserves" and "Ongoing Reserves" herein.
- (5) DSCR, LTV, Debt Yield, and Balance / Room calculations are based on the aggregate Grand Hyatt Seattle Whole Loan balance of \$133.0 million.
- (6) The "As Stabilized" Appraised Value assumes the Grand Hyatt Seattle Property has achieved a stabilized occupancy of 84.0% and an ADR of \$291.66. Based on the "As Stabilized" Appraised Value of \$267,000,000 as of April 1, 2021, the Cut-off Date LTV and Balloon LTV are equal to 49.8%. There are no assurances that the Grand Hyatt Seattle Property will achieve the appraiser's stabilized occupancy and ADR assumptions in April 2021, or at all. The Grand Hyatt Seattle Loan was underwritten based on the "As is" Appraised Value of \$242,300,000.

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Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

**Cut-off Date Balance:** \$50,000,000  
**Cut-off Date LTV:** 54.9%  
**U/W NCF DSCR:** 2.12x  
**U/W NOI Debt Yield:** 11.8%

### Historical Occupancy, ADR, RevPAR

Year	Grand Hyatt Seattle Property <sup>(1)(2)</sup>			Competitive Set <sup>(3)</sup>			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2014	82.4%	\$208.97	\$172.21	82.0%	\$197.56	\$161.98	100.5%	105.8%	106.3%
2015	86.3%	\$224.53	\$193.81	82.4%	\$212.12	\$174.72	104.7%	105.8%	110.9%
2016	85.3%	\$236.60	\$201.86	81.2%	\$215.96	\$175.43	105.0%	109.6%	115.1%
2017	87.4%	\$244.92	\$214.11	84.3%	\$227.49	\$191.75	103.7%	107.7%	111.7%

(1) Beginning in 2014, the borrower converted 32 suites into 64 standard guestrooms, increasing the number of rooms from 425 to 446 in 2014 and from 446 to 457 in 2015. Per the borrower, the cost to convert the suites into standard guestrooms was equal to \$4,171,754 (\$65,184 per room based on 64 standard guestrooms).

(2) Source: Borrower provided financials.

(3) Source: Hospitality research report.

**The Loan.** The Grand Hyatt Seattle mortgage loan (the “Grand Hyatt Seattle Loan”) is evidenced by a \$50.0 million fixed rate *pari passu* note that is part of a whole loan (the “Grand Hyatt Seattle Whole Loan”) secured by the borrower’s fee simple interest in two condominium units comprised of a 457-room full-service hotel located at 721 Pine Street in downtown Seattle, Washington (the “Grand Hyatt Seattle Property”). The Grand Hyatt Seattle Loan is evidenced by the non-controlling Note A-2, with an original principal balance of \$50.0 million. The Grand Hyatt Seattle Whole Loan with an aggregate original principal balance of \$133.0 million is evidenced by three promissory notes. Only the Grand Hyatt Seattle Note A-2 will be included in the COMM 2018-COR3 mortgage trust. The controlling Note A-1 with an aggregate original principal balance of \$50.0 million was contributed to the COMM 2017-COR2 mortgage trust. The non-controlling Note A-3 with an aggregate original principal balance of \$33.0 million is currently held by LCM or an affiliate and is expected to be contributed to a future securitization.

The relationship between the holders of the Note A-1, Note A-2, and Note A-3 is governed by a co-lender agreement as described under “Description of the Mortgage Pool—The Whole Loans—The Non-Serviced *Pari Passu* Whole Loans” in the Prospectus.

Whole Loan Summary				
	Original Balance	Cut-off Date Balance	Note Holder	Controlling Piece
Note A-1	\$50,000,000	\$50,000,000	COMM 2017-COR2	Yes
Note A-2	\$50,000,000	\$50,000,000	COMM 2018-COR3	No
Note A-3	\$33,000,000	\$33,000,000	LCM	No
<b>Total</b>	<b>\$133,000,000</b>	<b>\$133,000,000</b>		

The Grand Hyatt Seattle Loan has an approximately 10-year term and requires interest only payments for the term of the loan. The Grand Hyatt Seattle Loan accrues interest at a fixed rate equal to 4.7400% and has a Cut-off Date Balance of \$50.0 million. Proceeds of the Grand Hyatt Seattle Whole Loan were used to retire existing debt of approximately \$92.7 million, pay closing costs of approximately \$339,000 and return approximately \$40.0 million of equity to the borrower sponsor. Based on the “As is” appraised value of \$242.3 million as of March 8, 2017, the Cut-off Date LTV ratio is 54.9%. The most recent prior financing of the Grand Hyatt Seattle Property was not included in a securitization.

Sources and Uses					
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Whole Loan Amount	\$133,000,000	100.0%	Loan Payoff	\$92,671,898	69.7%
			Return of Equity	\$39,989,192	30.1%
			Closing Costs	\$338,910	0.3%
<b>Total Sources</b>	<b>\$133,000,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$133,000,000</b>	<b>100.0%</b>

**The Borrower / Borrower Sponsor.** The borrower, Hedreen Hotel LLC, is a single purpose Delaware limited liability company structured to be bankruptcy-remote, with two independent directors in its organizational structure. The sponsor of the borrower and the nonrecourse carve-out guarantor is Hedreen Holdings LLC.

Hedreen Holdings LLC is a subsidiary of R.C. Hedreen Co. Richard Hedreen, the CEO of R.C. Hedreen Co., has over 50 years of experience in real estate development, acquisition and management. R.C. Hedreen Co. has shifted its focus primarily to luxury hotels over the past decade, but its portfolio of projects includes retail, high-rise office buildings and single and multi-family homes. Mr. Hedreen’s current real estate portfolio includes the Grand Hyatt Seattle Property, the Hyatt @ Olive 8 (also an asset in the COMM 2018-COR3 mortgage trust), the Renaissance Seattle and the 7th & Pine retail and parking property, which is located directly below the Grand Hyatt Seattle Property (but is not collateral for the Grand Hyatt Seattle Loan). All of the properties in Mr. Hedreen’s current portfolio are located in downtown Seattle and all were originally developed by Mr. Hedreen.

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Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

Cut-off Date Balance:	\$50,000,000
Cut-off Date LTV:	54.9%
U/W NCF DSCR:	2.12x
U/W NOI Debt Yield:	11.8%

Other notable developments by Mr. Hedreen include the Hilton Seattle, the Crowne Plaza Seattle Downtown hotel and the Olive 8 Condominiums which are 229 residential condominium units located above the Hyatt @ Olive 8 Property (but are not collateral for the Hyatt @ Olive 8 Loan), which were sold to individual owners after completion in 2009. Mr. Hedreen's current portfolio is valued in excess of \$750.0 million.

**The Property.** The Grand Hyatt Seattle Property is a 457-room, 30-story, AAA Four-Diamond rated, full-service hotel located at 721 Pine Street in downtown Seattle, Washington, within the Seattle central business district. The borrower completed the construction of the Grand Hyatt Seattle Property in 2001. Beginning in 2014, the borrower converted 32 suites into 64 standard guestrooms, increasing the number of rooms from 425 to 446 in 2014 and from 446 to 457 in 2015. Per the borrower, the cost to convert the suites into standard guestrooms was equal to \$4,171,754 (\$65,184 per room based on 64 standard guestrooms). The Grand Hyatt Seattle Property comprises two condominium interests, the 457-room Grand Hyatt Seattle Property (the "Hotel Unit") and the air rights above the Hotel Unit (the "Air Unit"). A third condominium interest, which is not part of the Grand Hyatt Seattle Property, contains 361,650 sq. ft. and includes 24,140 sq. ft. of ground floor retail space and a 337,510 sq. ft. multi-level parking garage which contains 950 stalls (the "7th & Pine Retail and Garage Unit"). The 7th & Pine Retail and Garage Unit is located directly below the Grand Hyatt Seattle Property and is also owned by the borrower sponsor. A loan secured by the 7th & Pine Retail and Garage Unit was included in the CFCRE 2016-C6 securitization.

The Grand Hyatt Seattle Property features 457 guestrooms and suites, a full banquet kitchen on the first floor which offers room service as well as catering services for events and meetings, an approximately 14,300 sq. ft. Ruth's Chis Steak House located at the east end of the lobby, a concierge, a Stay Fit Fitness Center with sauna, steam room, whirlpool and fitness equipment, a gift shop, a business center and valet parking. The Grand Hyatt Seattle Property offers five guestroom configurations and suites. The configurations include 350 king guestrooms (380 sq. ft.), 74 double/double guestrooms (380 sq. ft.), 21 corner suites (500 sq. ft.), 11 emerald suites (500 sq. ft.) and 1 presidential suite (1,000 sq. ft.). Each guestroom at the Grand Hyatt Seattle Property includes either a king or two double Hyatt Grand Beds, at least one LG flat-screen TV, a mini-fridge, a coffeemaker, work area with desk, dual line phones with voicemail, iron and ironing board, in-room safe, alarm clock radio, complimentary Wi-Fi throughout and expansive floor-to-ceiling windows offering views of the city. Suites include a foyer and separate sitting area.

The Grand Hyatt Seattle Property is located adjacent to the Washington State Convention Center ("WSCC") and contains a skywalk bridge located above Pike Street that connects the Grand Hyatt Seattle Property to the WSCC. The Grand Hyatt Seattle Property offers approximately 22,000 sq. ft. of flexible meeting space located on the lobby, sixth and seventh floors. Meeting space is comprised of two ballrooms, nine breakout rooms, a boardroom, an amphitheater and pre-function space.

The Grand Hyatt Seattle Property is subject to a management agreement with Hyatt Corporation who serves as the property manager for the Grand Hyatt Seattle Property. The management agreement commenced on April 20, 2001, currently runs through January 31, 2044 and contains one, five-year renewal option.

**Environmental Matters.** The Phase I environmental report, dated March 15, 2017, recommended no further action at the Grand Hyatt Seattle Property.

**The Market.** The Grand Hyatt Seattle Property is located in the area known as the retail core neighborhood in downtown Seattle, a fine dining restaurant and shopping district just south of the Denny Triangle, situated near South Lake Union. According to the appraiser, the Grand Hyatt Seattle Property is located near the area's primary generators of lodging demand including dozens of upscale retailers and restaurants, major department stores, shopping centers, hotels, office buildings and the WSCC. Because of its central location, the retail core has a substantial daytime population throughout the week. According to the appraiser, the nearby neighborhoods Denny Triangle and South Lake Union represent two of the city's fastest growing neighborhoods. Amazon's corporate headquarters was relocated to South Lake Union in 2015.

According to the Downtown Seattle Association, Amazon's footprint totals 7.6 million sq. ft. with another 3.1 million sq. ft. under development. Amazon reportedly will occupy a total of 12.0 million sq. ft. by 2022, or equal to about a fifth of the inventory of downtown's best-in-class office space. The company's growth has allowed it to expand its headquarters in Seattle; in 2016, Amazon reportedly employed about 300,000 globally (24,000 in Washington), compared to 230,000 in 2015.

In 2015, Expedia announced plans to relocate its headquarters from Bellevue to Downtown Seattle. The development plans will allow Expedia to transition its 3,500 employees to the Seattle campus, with full occupancy by 2019. Additionally, several Silicon Valley high-tech companies, such as Google and Facebook, also have a presence in Seattle. In 2016, Google announced plans to relocate its Fremont campus to South Lake Union by 2019. Google's new campus, which began construction in the second quarter of 2017, will occupy 607,000 sq. ft. of office space and will be able to accommodate 3,000 to 4,000 employees.

The borrower sponsor is currently in the process of developing Seattle's largest hotel, the Hyatt Regency located at 8th & Howell. The 1,260 room Hyatt Regency hotel broke ground in 2016, on a site previously owned by an affiliate of the borrower sponsor and has an estimated completion date in 2019. The Hyatt Regency will be adjacent to the Washington State Convention Center Addition ("WSCC Addition"), which is scheduled to open in 2020. The preliminary cost of the WSCC Addition project is estimated at over \$1.5 billion, and

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Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

**Cut-off Date Balance:** \$50,000,000  
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**U/W NCF DSCR:** 2.12x  
**U/W NOI Debt Yield:** 11.8%

the expansion is expected to more than double the size of the existing WSCC, with an additional 440,000 sq. ft. of meeting space planned for the project. The WSCC Addition project is expected to provide several economic benefits, including as much as \$240.0 million annually in visitor spending, as many as 3,900 direct and indirect jobs, and some 6,000 jobs during construction.

The demand segmentation for the Grand Hyatt Seattle Property consists of 35.0% corporate demand, 40.0% meeting and group demand and 25.0% leisure demand. The Grand Hyatt Seattle Property's top corporate accounts include the National Basketball Association, the National Football League, Microsoft, Facebook, Amazon, IBM and Boeing.

The Grand Hyatt Seattle Property's primary competitive set contains eight properties. The eight primary competitors range in size from 237 to 891 rooms and including the Grand Hyatt Seattle Property, the overall competitive set collectively contains an aggregate of 4,137 rooms.

In total, the borrower sponsor has developed approximately 55.6% of the appraiser's competitive set by number of hotels (five of nine) and 48.6% by number of rooms (2,012 of 4,137), and currently owns 33.3% of the appraiser's competitive set by number of hotels (three of nine) and 32.9% by number of rooms (1,360 of 4,137). The appraiser's primary competitors for the Grand Hyatt Seattle Property are summarized in the table below:

Primary Competitive Set <sup>(1)</sup>						
Property	Rooms	Year Opened	Meeting Space (Sq. Ft.)	Estimated 2016 Occupancy	Estimated 2016 ADR	Estimated 2016 RevPAR
<b>Grand Hyatt Seattle Property<sup>(3)</sup></b>	<b>457</b>	<b>2001</b>	<b>22,000</b>	<b>85.3%<sup>(2)</sup></b>	<b>\$236.60<sup>(2)</sup></b>	<b>\$201.86<sup>(2)</sup></b>
Renaissance Seattle <sup>(3)</sup>	557	1978	28,000	80-85%	\$190-200	\$160-170
Hilton Seattle <sup>(4)</sup>	237	1970	6,000	90-95%	\$210-220	\$200-210
Fairmont Olympic Hotel Seattle	450	1924	17,500	65-70%	\$250-260	\$180-190
Westin Seattle	891	1929	48,000	80-85%	\$210-220	\$170-180
Marriott Seattle Waterfront Hotel	358	2003	11,000	80-85%	\$260-270	\$210-220
Hyatt @ Olive 8 <sup>(3)</sup>	346	2009	10,500	80-85%	\$220-230	\$190-200
Crowne Plaza Seattle Downtown <sup>(4)</sup>	415	1983	8,500	80-85%	\$170-180	\$140-150
W Hotel Seattle	426	1999	10,000	70-75%	\$230-240	\$170-180
<b>Total / Wtd. Avg.<sup>(5)</sup></b>	<b>4,137</b>			<b>81.6%</b>	<b>\$221.90</b>	<b>\$181.18</b>

(1) Source: Appraisal.

(2) Source: Borrower provided financials.

(3) Originally developed and currently owned by the borrower sponsor.

(4) Originally developed by the borrower sponsor and subsequently sold to a third party.

(5) The Grand Hyatt Seattle Property is included in the calculations.



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Collateral Asset Summary – Loan No. 6

## Grand Hyatt Seattle

**Cut-off Date Balance:** \$50,000,000  
**Cut-off Date LTV:** 54.9%  
**U/W NCF DSCR:** 2.12x  
**U/W NOI Debt Yield:** 11.8%

### Cash Flow Analysis.

Cash Flow Analysis <sup>(1)</sup>						
	2014	2015	2016	2017	U/W	U/W per Room
Occupancy	82.4%	86.3%	85.3%	87.4%	86.4%	
ADR	\$208.97	\$224.53	\$236.60	\$244.92	\$244.92	
RevPAR	\$172.21	\$193.81	\$201.86	\$214.11	\$211.48	
Room Revenue	\$28,034,836	\$32,328,718	\$33,764,041	\$35,714,908	\$35,276,692	\$77,192
F&B Revenue	7,242,088	6,624,923	6,960,095	6,015,827	6,015,827	13,164
Other Revenue <sup>(2)</sup>	1,530,584	1,457,566	1,344,993	1,505,097	1,505,097	3,293
<b>Total Revenue</b>	<b>\$36,807,508</b>	<b>\$40,411,207</b>	<b>\$42,069,129</b>	<b>\$43,235,832</b>	<b>\$42,797,616</b>	<b>\$93,649</b>
Operating Expenses	13,585,491	13,377,852	13,717,262	13,617,583	13,512,997	29,569
Undistributed Expenses	7,582,757	8,847,528	9,025,147	9,390,911	9,360,645	20,483
<b>Gross Operating Profit</b>	<b>\$15,639,260</b>	<b>\$18,185,827</b>	<b>\$19,326,720</b>	<b>\$20,227,338</b>	<b>\$19,923,974</b>	<b>\$43,597</b>
Management Fee	1,100,353	1,208,355	1,258,116	1,381,236	1,367,237	2,992
Franchise Fee	450,453	461,846	485,524	476,692	471,860	1,033
Total Fixed Charges	1,855,198	1,997,492	2,250,388	2,351,264	2,394,022	5,239
<b>Net Operating Income</b>	<b>\$12,233,256</b>	<b>\$14,518,134</b>	<b>\$15,332,692</b>	<b>\$16,018,146</b>	<b>\$15,690,855</b>	<b>\$34,334</b>
FF&E <sup>(3)</sup>	1,840,375	2,013,926	2,096,863	2,154,091	2,139,881	4,682
<b>Net Cash Flow</b>	<b>\$10,392,881</b>	<b>\$12,504,207</b>	<b>\$13,235,829</b>	<b>\$13,864,055</b>	<b>\$13,550,974</b>	<b>\$29,652</b>

(1) Beginning in 2014, the borrower converted 32 suites into 64 standard guestrooms, increasing the number of rooms from 425 to 446 in 2014 and from 446 to 457 in 2015. Per the borrower, the cost to convert the suites into standard guestrooms was equal to \$4,171,754 (\$65,184 per room based on 64 standard guestrooms).

(2) Other Revenue includes telephone revenue, restaurant lease revenue, parking revenue, and miscellaneous other revenue.

(3) U/W FF&E represents approximately 5.0% of U/W Total Revenue.

**Property Management.** The Grand Hyatt Seattle Property is managed by Hyatt Corporation ("Hyatt").

**Lockbox / Cash Management.** The Grand Hyatt Seattle Loan is structured with a hard lockbox and springing cash management. Pursuant to the management agreement, Hyatt has established operating accounts for the Grand Hyatt Seattle Property which are currently with U.S. Bank. The operating accounts are in the name of borrower, but Hyatt has sole signature authority over the operating accounts and is entitled to draw funds from the operating accounts in accordance with the hotel management agreement. Gross revenue from the Grand Hyatt Seattle Property is deposited into a Hyatt controlled clearing account and is transferred on a daily basis to the Hyatt-controlled operating accounts unless a Cash Management Period (as defined below) is continuing. Hyatt has sole signature authority over the clearing account. The clearing account is in the name of the borrower but is pledged to the lender as security for the Grand Hyatt Seattle Loan and a deposit account control agreement was executed by the depository bank, the borrower, Hyatt and the lender in order to perfect the pledge. The lender can only take control of the clearing account after the termination of the hotel management agreement. During a Cash Management Period, all funds in the clearing account are required to be deposited into a lender-controlled cash management account and will be applied to pay monthly amounts due as required under the Grand Hyatt Seattle Loan, and any excess amounts will be retained by the lender as additional collateral for the Grand Hyatt Seattle Loan.

A "Cash Management Period" will occur (i) during the continuation of an event of default or (ii) if the debt yield is less than 7.5% as of the last day of a calendar quarter (until such time that the debt yield is at least 7.5% for two consecutive quarters).

**Initial Reserves.** None.

**Ongoing Reserves.** On a monthly basis, so long as the hotel management agreement is in effect, the borrower is required to deposit 1/12 of 5.0% of the gross income for the preceding month, into an FF&E reserve account held by Hyatt. In the event the hotel management agreement with Hyatt is no longer in effect, the FF&E reserve will be transferred into a lender-controlled FF&E reserve account. Additionally, Hyatt is required to pay all real estate taxes and insurance premiums from amounts collected from the Grand Hyatt Seattle Property and deposited into the clearing account while the hotel management agreement is in effect. In the event Hyatt fails to make payments when due and payable, the borrower is required to deposit (i) 1/12 of the annual taxes into the tax reserve account and (ii) 1/12 of the annual insurance premiums into the insurance reserve account.

**Current Mezzanine or Subordinate Indebtedness.** None.

**Future Mezzanine or Subordinate Indebtedness Permitted.** None.