

Mortgage Loan No. 15 - Courtyard San Antonio Riverwalk

Mortgage Loan Information

Mortgage Loan Seller:	LCF
Original Principal Balance:	\$23,000,000
Cut-off Date Principal Balance:	\$23,000,000
% of Pool by IPB:	2.0%
Loan Purpose:	Refinance
Borrower:	Riverwalk CY, LLC
Sponsor:	Richard I. Finvarb; Ronald Finvarb
Interest Rate:	5.62800%
Note Date:	3/23/2012
Maturity Date:	4/6/2022
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(24),Def(92),O(4)
Lock Box⁽²⁾:	CMA
Additional Debt⁽³⁾:	Yes
Additional Debt Balance:	\$4,350,000
Additional Debt Type:	Mezzanine Loan

Property Information

Single Asset/Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Hotel – Limited Service
Rooms:	220
Location:	San Antonio, TX
Year Built/Renovated:	2009 / N/A
Occupancy:	74.7%
Occupancy Date:	12/31/2011
2009 NOI⁽¹⁾:	NAV
2010 NOI:	\$2,500,601
2011 NOI:	\$2,667,715
UW Economic Occupancy:	74.7%
UW Revenues:	\$8,756,832
UW Expenses:	\$6,099,499
UW NOI:	\$2,657,334
UW NCF:	\$2,657,334
Appraised Value:	\$37,200,000
Appraisal Date:	2/22/2012

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$183,379	\$36,676	N/A
Insurance:	\$0	\$0	N/A
FF&E⁽⁴⁾:	\$0	5% of Gross Revenues	N/A
Other⁽⁵⁾:	\$175,522	Springing	N/A

Financial Information

Cut-off Date Loan/Room:	\$104,545
Maturity Date Loan/Room:	\$87,672
Cut-off Date LTV:	61.8%
Maturity Date LTV:	51.8%
UW NCF DSCR:	1.67x
UW NOI Debt Yield:	11.6%

(1) 2009 NOI number is not available given that the asset opened in August 2009.

(2) The Courtyard San Antonio Riverwalk loan is structured with a CMA lockbox, which for purposes of this loan, means that all operating revenue from the hotel is deposited into an account controlled by Courtyard Management Corporation ("Marriott Manager") and amounts due from Marriott Manager (after the payment of certain expenses and reserves) to the borrower are deposited into a lender controlled lockbox account.

(3) A mezzanine loan has been provided by an affiliate of LCF to Riverwalk CY Mezz, LLC in the amount of \$4,350,000. It is a 10-year loan with a 73.5% LTV (when combined with the mortgage loan) on a 30 year amortization schedule carrying an 11.50% rate.

(4) Monthly FF&E is calculated as 4% of the gross revenues for Marriott Manager's prior 4 week accounting period until the monthly payment date in September 2012 and 5% of the gross revenues for Marriott Manager's prior 4 week accounting period thereafter. The FF&E account is maintained by Marriott Manager, and the lender is in the process of obtaining a security interest over such account.

(5) Includes a seasonality reserve and a parking rent reserve. Any draws from the seasonality reserve will be replenished with excess cash flow (to the extent available) until such time as the seasonality reserve is replenished to the amount reserved at closing. The requirement to make deposits to the parking rent reserve is waived so long as there is no event of default under the loan and the lender receives evidence on a monthly basis that the parking rent is being paid by Marriott Manager.

The Loan. The \$23.0 million first mortgage loan along with a \$4.35 million mezzanine loan was used to refinance an existing loan of \$26.4 million as well as fund reserves and pay closing costs. The loan is secured by a 220-room Courtyard by Marriott Hotel. The property is located at 207 North Saint Mary's Street along the San Antonio Riverwalk (the "Riverwalk"). The borrower acquired the land for the property in 2005 and was the original developer of the hotel. The hotel was completed in August 2009 for a total cost of approximately \$37.3 million. Including financing closing costs and fees of approximately \$777,221 for the loan, the borrower had a total cost basis of approximately \$38.1 million at closing of the loan.

The Property. The property is a 17-story limited service Courtyard by Marriott hotel with a total of 220 rooms. Guestrooms at the property consists of 115 king rooms (42 of which include balconies overlooking the Riverwalk) and 105 double queen rooms (14 of which include balconies overlooking the Riverwalk). Amenities at the property include a 53-seat full service restaurant called "The Bistro," which is operated by Marriott and serves three meals per day, and a 32 seat Lobby Lounge, also operated by Marriott. The property additionally includes seven indoor meeting/banquet facilities totaling 8,658 square feet. Other amenities at the property include an outdoor rooftop swimming pool and whirlpool, exercise room, business center, and market pantry.

The Market. The property is located on the Riverwalk tourist destination area of the San Antonio central business district. The Riverwalk, one of the largest tourism attractions in San Antonio, runs approximately five miles through the heart of the San Antonio central business district, providing riverfront walkways lined with restaurants, shops, bars and hotels. The property is situated in close proximity to several major attractions in the San Antonio market, including the Alamo, Alamodome and Rivercenter Mall, all located less

Mortgage Loan No. 15 - Courtyard San Antonio Riverwalk

than a half mile from the property, as well as the Henry B. Gonzalez Convention Center, a 1.3 million square feet convention hall, including a 2,500-seat performing arts center, also located approximately one quarter mile from the property.

Operating History and Underwritten Net Cash Flow					
	2010	2011	Underwritten	Per Room	% of Total Revenue
Occupancy	72.5%	74.7%	74.7%		
ADR	\$127.31	\$128.12	\$128.12		
RevPar	\$92.28	\$95.67	\$95.67		
Room Revenue	\$7,389,386	\$7,661,188	\$7,682,235	\$34,919	87.7%
Other Revenue	798,649	1,071,653	1,074,597	4,885	12.3
Total Revenue	\$8,188,035	\$8,732,841	\$8,756,832	\$39,804	100.0%
Departmental Expenses	2,174,393	2,318,176	2,286,849	10,395	26.1%
Departmental Profit	\$6,013,642	\$6,414,665	\$6,469,984	\$29,409	73.9%
Operating Expenses	2,039,944	2,309,294	2,227,251	10,124	25.4%
Gross Operating Profit	\$2,531,226	\$2,858,452	\$2,840,229	\$12,910	32.4%
Fixed Expenses	711,241	498,969	534,579	2,429	6.1
Management Fee	491,282	549,159	612,978	2,786	7.0
FF&E	270,574	389,529	437,842	1,990	5.0
Total Other Expenses	\$761,856	\$938,688	\$1,050,820	\$4,776	12.0%
Net Operating Income	\$2,500,601	\$2,667,715	\$2,657,334	\$12,079	30.3%
Net Cash Flow	\$2,500,601	\$2,667,715	\$2,657,334	\$12,079	30.3%