

510 Lewelling Boulevard  
San Leandro, CA 94579

Collateral Asset Summary – Loan No. 13

## Hilton Garden Inn San Leandro

**Cut-off Date Balance:** \$20,275,000  
**Cut-off Date LTV:** 59.1%  
**U/W NCF DSCR:** 1.99x  
**U/W NOI Debt Yield:** 13.8%

### Mortgage Loan Information

**Loan Seller:** CGMRC  
**Loan Purpose:** Acquisition  
**Sponsors:** Sheenal Patel and Vamsikrishna Bonthala  
**Borrower:** Seal San Leandro, LLC  
**Original Balance:** \$20,275,000  
**Cut-off Date Balance:** \$20,275,000  
**% by Initial UPB:** 2.9%  
**Interest Rate:** 4.7500%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** August 6, 2016  
**Maturity Date:** July 6, 2026  
**Amortization:** Interest Only for first 24 months; 360 months thereafter  
**Additional Debt:** None  
**Call Protection:** L(25), D(91), O(4)  
**Lockbox / Cash Management<sup>(1)</sup>:** Hard / Springing

### Reserves

	Initial	Monthly
<b>Taxes:</b>	\$101,451	\$14,493
<b>Insurance:</b>	\$53,914	\$5,990
<b>FF&amp;E:</b>	\$0	Various <sup>(2)</sup>
<b>PIP Reserve:</b>	\$4,183,856	Springing <sup>(3)</sup>

### Financial Information

<b>Cut-off Date Balance / Room:</b>	\$170,378
<b>Balloon Balance / Room:</b>	\$146,490
<b>Cut-off Date LTV<sup>(4)</sup>:</b>	59.1%
<b>Balloon LTV<sup>(4)</sup>:</b>	50.8%
<b>Underwritten NOI DSCR<sup>(5)</sup>:</b>	2.20x
<b>Underwritten NCF DSCR<sup>(5)</sup>:</b>	1.99x
<b>Underwritten NOI Debt Yield:</b>	13.8%
<b>Underwritten NCF Debt Yield:</b>	12.4%

(1) In-place cash management will be triggered (i) upon an event of default, (ii) if the DSCR falls below 1.35x during any calendar quarter, (iii) upon any default or termination of the franchise agreement, (iv) upon commencement of a material action in which the manager is a debtor or (v) if the franchise agreement is not renewed 12 months before expiration.

### Property Information

**Single Asset / Portfolio:** Single Asset  
**Property Type:** Full Service Hospitality  
**Collateral:** Fee Simple  
**Location:** San Leandro, CA  
**Year Built / Renovated:** 2002 / NAP  
**Total Rooms:** 119  
**Property Management:** NVN Seal San Leandro LLC  
**Underwritten NOI:** \$2,789,334  
**Underwritten NCF:** \$2,519,394  
**"As-is" Appraised Value<sup>(4)</sup>:** \$28,500,000  
**"As-is" Appraisal Date:** April 27, 2016  
**"As Stabilized" Appraised Value<sup>(4)</sup>:** \$34,300,000  
**"As Stabilized" Appraisal Date:** April 27, 2017

### Historical NOI

**Most Recent NOI:** \$3,142,962 (T-12 April 30, 2016)  
**2015 NOI:** \$2,756,055 (December 31, 2015)  
**2014 NOI:** \$2,020,927 (December 31, 2014)  
**2013 NOI:** \$1,520,259 (December 31, 2013)

### Historical Occupancy / ADR / RevPAR

**Most Recent Occupancy:** 87.6% / \$167.17 / \$146.44 (April 30, 2016)  
**2015 Occupancy:** 88.1% / \$160.45 / \$141.30 (December 31, 2015)  
**2014 Occupancy:** 86.4% / \$139.00 / \$120.06 (December 31, 2014)  
**2013 Occupancy:** 82.2% / \$127.62 / \$104.89 (December 31, 2013)

- (2) The monthly FF&E reserve will be the greater of (i) an amount equal to 1/12th of 2.0% of the prior year's gross revenues through and including June 6, 2017, 1/12th of 3.0% of the prior year's gross revenues beginning July 6, 2017 through and including June 6, 2018, and 1/12th of 4.0% of the prior year's gross revenues beginning July 6, 2018 and continuing thereafter or (ii) any amount required under the franchise agreement for FF&E work.
- (3) If a new PIP is required, the borrower is required to deposit the difference between 110% of the new PIP amount and the amount on deposit in the PIP reserve.
- (4) The Cut-off Date LTV and Balloon LTV are based on the "As Stabilized" Appraised Value, which assumes completion of the property improvement plan. The Cut-off Date LTV and Balloon LTV based on "As-is" Appraised Value are 71.1% and 61.2%, respectively.
- (5) Based on amortizing debt service payments. Based on the current interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 2.86x and 2.58x, respectively.

## TRANSACTION HIGHLIGHTS

- Property/Amenities.** Hilton Garden Inn San Leandro is a 119-room, full-service hotel located in San Leandro, California. The hotel was constructed in 2002 and consists of four stories. Amenities at the hotel include 1,116 sq. ft. of meeting space, a 24-hour business center, an indoor pool, a whirlpool, a fitness center, and a restaurant that serves breakfast, dinner and room service. As of April 30, 2016, Hilton Garden Inn San Leandro had an ADR and RevPAR of \$167.17 and \$146.44, respectively.
- Capital Expenditures.** Upon acquisition, the hotel will be undergoing an approximate \$3.8 million change-of-ownership property improvement plan ("PIP") and 110% of the cost was escrowed upfront. A 15-year franchise agreement with Hilton Worldwide Holdings, Inc. was executed at origination. All PIP repairs are expected to be completed within 12 months of the acquisition with guestroom television replacements to be completed within 24 months.
- Location/Market.** Hilton Garden Inn San Leandro is located in the East Bay area off of Highway 880 and 238, approximately two miles inland from the Bay. The hotel is six miles south of Oakland International Airport, 15 miles south of Oakland's CBD, and 24 miles from San Francisco's CBD. Local tourist attractions include Jack London Square, a mixed use development with shopping and entertainment, the Oakland Coliseum, which is home to the Oakland A's and Oakland Raiders and Oracle Arena, home to the Golden State Warriors. Hilton Garden Inn San Leandro has achieved a greater than 100.0% RevPAR penetration since 2010. Based on T-12 March 2016 figures, the hotel's penetration with respect to occupancy, ADR, and RevPAR were 104.5%, 103.0%, and 107.7%, respectively.
- Sponsorship.** Sheenal Patel and Vamsikrishna Bonthala are principals of Arbor Lodging Partners. Based in Chicago, Arbor Lodging Partners is a national debt and equity investor in the hospitality industry. With joint venture capital partners, Arbor Lodging Partners acquires hotel properties and loans secured by hotel properties and manages hotel operations for assets in its portfolio and in third party portfolios. Arbor Lodging Partners' portfolio includes equity investments in 14 hotels, 11 debt investments in 10 hotels and one office property.