

DoubleTree - Carson

Mortgage Loan Information

Mortgage Loan Seller:	RCMC
Original Principal Balance:	\$22,650,000
Cut-off Date Principal Balance:	\$22,586,644
% of Pool by IPB:	2.3%
Loan Purpose:	Refinance
Borrower:	Carson Hotel, LLC
Sponsor:	Ensemble Investments, LLC
Interest Rate:	3.96000%
Note Date:	3/27/2015
Maturity Date:	4/5/2025
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(26),Def(90),O(4)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Hotel – Full Service
Net Rentable Area (Rooms):	225
Location:	Carson, CA
Year Built / Renovated:	1988 / 2012
Occupancy / ADR / RevPAR:	81.6% / \$119.87 / \$97.77
Occupancy / ADR / RevPAR Date:	1/31/2015
Number of Tenants:	N/A
2012 NOI⁽¹⁾:	\$1,849,764
2013 NOI⁽¹⁾:	\$2,113,029
2014 NOI⁽¹⁾:	\$2,421,178
TTM NOI (as of 1/2015):	\$2,494,532
UW Occupancy / ADR/ RevPAR:	81.5% / \$118.93 / \$96.92
UW Revenues:	\$10,391,208
UW Expenses:	\$7,993,978
UW NOI⁽¹⁾:	\$2,397,230
UW NCF:	\$2,397,230
Appraised Value / Per Room:	\$31,800,000 / \$141,333
Appraisal Date:	2/17/2015

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$60,735	\$30,368	N/A
Insurance:	\$32,224	\$8,056	N/A
FF&E Reserves⁽²⁾:	\$0	4% of Gross Revenues	N/A
TI/LC:	\$0	\$0	N/A
Other⁽²⁾:	\$0	Springing	N/A

Financial Information

Cut-off Date Loan / Room:	\$100,385
Maturity Date Loan / Room:	\$79,860
Cut-off Date LTV:	71.0%
Maturity Date LTV:	56.5%
UW NCF DSCR:	1.86x
UW NOI Debt Yield:	10.6%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$22,650,000	100.0%	Payoff Existing Debt	\$19,864,199	87.7%
			Return of Equity	2,283,213	10.1
			Closing Costs	409,629	1.8
			Upfront Reserves	92,959	0.4
Total Sources	\$22,650,000	100.0%	Total Uses	\$22,650,000	100.0%

(1) The increase in historical NOI and UW NOI is partially due to an approximately \$5.2 million property renovation that took place between 2010 and 2014 and was primarily completed in 2012.

(2) The borrower will make monthly deposits into the FF&E Reserve equal to \$34,638. Based on the annual operating statements for the property, the lender may adjust the FF&E Reserve monthly deposit to the greater of (x) the then-existing FF&E Reserve monthly deposit, (y) one-twelfth of 4% of the total gross revenue for the prior fiscal year or (z) any greater amount required to be paid under the franchise agreement, the physical conditions report or the annual budget. In addition, at any time, (i) if additional PIP work is required by the franchisor under the franchise agreement, or (ii) at any time after the date that is 24 months prior to expiration of the franchise agreement the lender determines in its reasonable discretion that any future PIP work may be required, then in either case, the borrower will deposit into the PIP reserve an amount equal to 110% of the estimated costs to complete such additional PIP work, as reasonably determined by lender.

The Loan. The DoubleTree - Carson loan has an outstanding principal balance of approximately \$22.59 million and is secured by a first mortgage lien on the borrower's fee interest in the DoubleTree - Carson property, which is comprised of a 225-room full service hotel located in Carson, California. The loan has a 10-year term and will amortize on a 30-year schedule. The sponsor and nonrecourse carve-out guarantor is Ensemble Investments, LLC, which is controlled by Kambiz Babaooff, Shirin Babaooff, Randy McGrane, Darcy McGrane, Michael Moskowitz and Helen Kim Stockdale. Ensemble Investments, LLC has developed over 1.6 million square feet of building space consisting of office buildings, medical office buildings, healthcare facilities, multifamily high rises and hotels. The property is managed by Ensemble Hotel Partners, LLC, an affiliate of the loan sponsor.

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The Property. DoubleTree - Carson is a 225-room full service hotel located at 2 Civic Plaza Drive in Carson, California, approximately 17 miles south of downtown Los Angeles. The property was constructed in 1988 and the guest rooms and hotel common areas were renovated between 2010 and 2014, with primary renovations completed in 2012, at a cost, according to the loan sponsor, of approximately \$5.2 million (\$23,111/room). The collateral consists of a fee-owned parcel totaling approximately 1.44 acres along with a 46.5% tenant-in-common interest in a shared parking area. The hotel amenities include the Refinery Restaurant and Scoreboard Lounge, a three-meal restaurant and lounge, an outdoor pool and spa with cabanas and fireplaces, a fitness center, a business center, and a 5,764 square foot meeting and event space, including a 3,075 square foot ballroom which is further divisible into three rooms. The guestroom mix is comprised of 87 king rooms (365 square feet), 122 double queen rooms (365 square feet), 12 junior suites (450 square feet), two executive suites (900 square feet, including the balcony), and two presidential suites (1,214 square feet, including the balcony). The property is operated under a franchise license agreement with a subsidiary of Hilton Worldwide that expires on October 31, 2029 and does not contain any renewal options.

DoubleTree - Carson is located in Carson, California, just west of Interstate 405, between the 110 and 710 freeways, at the northeast corner of Carson Street and Civic Plaza Drive. The hotel is visible from Interstate 405 and is accessible from the adjacent Carson Street on/off-ramps. The property is centrally located within a 25-minute drive of downtown Los Angeles and Long Beach and is located within 11 miles of both the Long Beach Airport and Los Angeles International Airport. In addition, the StubHub Center, a mixed sporting venue that is the home of the LA Galaxy and the California State University Dominguez Hills campus are within two miles. The property is adjacent to the Carson Center, a city-owned convention center with an 11,950-square-foot main hall and 40,000 square feet of total leasable space that's used for trade shows, seminars, weddings, banquets, and other community events. Per the appraisal, there are no new full service hotels under construction or firmly planned in the area.

The property's competitive set listed below includes hotels in Torrance, Long Beach, and San Pedro within the South Bay submarket. The properties are all affiliated with national franchises and compete in the full-service market with on-site restaurants (with the exception of the Hampton Inn-Carson).

Historical Occupancy, ADR, RevPAR									
Competitive Set ⁽¹⁾				DoubleTree - Carson ⁽²⁾			Penetration Factor ⁽³⁾		
Year	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2012	77.8%	\$96.22	\$74.83	71.7%	\$113.24	\$81.24	92.2%	117.7%	108.6%
2013	80.4%	\$99.32	\$79.82	73.7%	\$117.27	\$86.45	91.7%	118.1%	108.3%
2014	82.2%	\$106.29	\$87.32	81.5%	\$118.93	\$96.92	99.1%	111.9%	111.0%
TTM ⁽⁴⁾	83.4%	\$107.36	\$89.49	82.3%	\$121.16	\$99.73	98.8%	112.9%	111.4%

(1) Data provided by a third party data provider. The competitive set contains the following properties: DoubleTree - Torrance South Bay, Holiday Inn - Long Beach Airport, DoubleTree - San Pedro Port of Los Angeles, Holiday Inn - Los Angeles Gateway Torrance, Courtyard - Los Angeles Torrance Palos and Hampton Inn - Los Angeles Carson Torrance.

(2) 2012-2014 information is based on operating statements provided by the borrower.

(3) Penetration Factor is calculated based on data provided by a third party data provider for the competitive set and borrower provided operating statements for the property for 2012-2014 and a third party data provider for the property's TTM.

(4) TTM represents period ending March 31, 2015 provided by a third party data provider.

Competitive Hotels Profile ⁽¹⁾									
2014 Estimated Market Mix							2014 Estimated Operating Statistics		
Property	Rooms	Year Built	Meeting Space (SF)	Commercial	Meeting & Group	Leisure	Occupancy	ADR	RevPAR
DoubleTree - Carson	225	1988	5,764	40%	20%	15%	81%	\$118.93	\$96.92
Hampton Inn - Los Angeles Carson Torrance	137	1990	0	70%	10%	20%	80%	\$110.00	\$88.00
Courtyard - Los Angeles Torrance South Bay	330	1987	1,358	60%	20%	20%	80%	\$125.00	\$100.00
Holiday Inn - Los Angeles Gateway Torrance	320	1986	3,780	30%	10%	10%	80%	\$85.00	\$68.00
DoubleTree - Torrance South Bay	367	1976	13,253	30%	10%	20%	90%	\$115.00	\$103.50
DoubleTree - San Pedro Port of Los Angeles	226	1987	15,958	30%	15%	30%	90%	\$105.00	\$94.50
Holiday Inn - Long Beach Airport	222	1969	6,029	40%	20%	20%	70%	\$105.00	\$73.50
Total⁽²⁾	1,602								

(1) Based on the appraisal.

(2) Excludes the subject property.

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Operating History and Underwritten Net Cash Flow							
	2012	2013	2014	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	71.7%	73.7%	81.5%	81.6%	81.5%		
ADR	\$113.24	\$117.27	\$118.93	\$119.87	\$118.93		
RevPAR	\$81.24	\$86.45	\$96.92	\$97.77	\$96.92		
Room Revenue	\$6,641,957	\$7,099,805	\$7,959,281	\$8,028,985	\$7,959,281	\$35,375	76.6%
Food and Beverage Revenue	2,113,511	2,109,815	2,356,382	2,358,574	2,356,382	10,473	22.7
Telephone Revenue	3,754	3,900	2,544	4,546	2,544	11	0.0
Other Revenue	133,753	189,389	73,001	69,288	73,001	324	0.7
Total Revenue	\$8,892,975	\$9,402,909	\$10,391,208	\$10,461,393	\$10,391,208	\$46,183	100.0%
Room Expense	\$1,582,596	\$1,655,906	\$2,096,734	\$2,113,335	\$2,096,734	\$9,319	20.2%
Food and Beverage Expense	1,558,447	1,552,016	1,654,456	1,653,744	1,654,456	7,353	15.9
Telephone Expense	16,406	16,202	21,551	22,485	21,551	96	0.2
Departmental Expenses	\$3,157,449	\$3,224,124	\$3,772,741	\$3,789,564	\$3,772,741	\$16,768	36.3%
Departmental Profit	\$5,735,526	\$6,178,785	\$6,618,467	\$6,671,829	\$6,618,467	\$29,415	63.7%
Operating Expenses	\$2,279,723	\$2,355,709	\$2,278,414	\$2,247,031	\$2,278,414	\$10,126	21.9%
Gross Operating Profit	\$3,455,803	\$3,823,076	\$4,340,053	\$4,424,798	\$4,340,053	\$19,289	41.8%
Fixed Expenses	\$422,541	\$378,401	\$455,324	\$461,081	\$467,266	\$2,077	4.5%
Management Fee	266,778	283,482	308,228	310,039	311,736	1,385	3.0
Franchise Fee	561,001	672,048	739,675	740,691	748,172	3,325	7.2
FF&E ⁽⁴⁾	355,719	376,116	415,648	418,456	415,648	1,847	4.0
Total Other Expenses	\$1,606,039	\$1,710,047	\$1,918,875	\$1,930,267	\$1,942,822	\$8,635	18.7%
Net Operating Income	\$1,849,764	\$2,113,029	\$2,421,178	\$2,494,532	\$2,397,230	\$10,654	23.1%
Net Cash Flow	\$1,849,764	\$2,113,029	\$2,421,178	\$2,494,532	\$2,397,230	\$10,654	23.1%

(1) The information provided in the table reflects the cash flow from operations of the hotel. TTM is based on the 12 month period ending January 31, 2015.

(2) Per Room values are based on 225 guest rooms.

(3) % of Total Revenue column for Room Expense, Food and Beverage Expenses and Telephone Expenses is based on their corresponding revenue line item.

(4) The borrower will make monthly deposits into the FF&E reserve equal to \$34,638. Based on the annual operating statements for the property, the lender may adjust the FF&E reserve monthly deposit to the greater of (x) the then-existing FF&E reserve monthly deposit, (y) one-twelfth of 4% of the total gross revenue for the prior fiscal year or (z) any greater amount required to be paid under the franchise agreement, the physical conditions report, or the annual budget.