

Sheraton DFW

Mortgage Loan Information		Property Information	
Mortgage Loan Seller:	GACC	Single Asset / Portfolio:	Single Asset
Original Principal Balance:	\$34,000,000	Title:	Fee
Cut-off Date Principal Balance:	\$33,915,785	Property Type - Subtype:	Hotel – Full Service
% of Pool by IPB:	3.1%	Net Rentable Area (Rooms):	302
Loan Purpose:	Acquisition	Location:	Irving, TX
Borrower:	DFW H38 Owner LLC	Year Built / Renovated:	1982 / 2014
Sponsors:	Robert E. Buccini, Christopher F. Buccini and David B. Pollin	Occupancy / ADR / RevPAR:	78.4% / \$129.29 / \$101.38
Interest Rate:	4.57200%	Occupancy / ADR / RevPAR Date:	3/31/2017
Note Date:	7/12/2017	Number of Tenants:	N/A
Maturity Date:	8/6/2027	2014 NOI⁽¹⁾:	N/A
Interest-only Period:	None	2015 NOI:	\$3,540,210
Original Term:	120 months	2016 NOI:	\$4,607,788
Original Amortization:	360 months	TTM NOI (as of 3/2017):	\$4,830,411
Amortization Type:	Balloon	UW Occupancy / ADR / RevPAR:	78.4% / \$129.29 / \$101.38
Call Protection:	L(26),Def(89),O(5)	UW Revenues:	\$18,195,622
Lockbox/Cash Management:	Hard / Springing	UW Expenses:	\$12,896,870
Additional Debt:	Yes	UW NOI:	\$5,298,752
Additional Debt Balance:	\$4,500,000	UW NCF:	\$4,570,927
Additional Debt Type:	Mezzanine Loan	Appraised Value / Per Room:	\$46,000,000 / \$152,318
		Appraisal Date:	6/7/2017

Escrows and Reserves				Financial Information	
	Initial	Monthly	Initial Cap		
Taxes:	\$263,550	\$37,650	N/A	Cut-off Date Loan / Room:	\$112,304
Insurance:	\$0	Springing	N/A	Maturity Date Loan / Room:	\$91,241
FF&E:	\$0	4.0% of Gross Revenues	N/A	Cut-off Date LTV:	73.7%
TI/LC:	\$0	\$0	N/A	Maturity Date LTV:	59.9%
Other⁽²⁾:	\$1,997,444	\$0	N/A	UW NCF DSCR:	2.19x
				UW NOI Debt Yield:	15.6%

Sources and Uses					
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$34,000,000	67.8%	Purchase Price	\$46,000,000	91.7%
Mezzanine Loan	4,500,000	9.0	Upfront Reserves	2,260,994	4.5
Sponsor Equity	11,658,466	23.2	Closing Costs	1,897,472	3.8
Total Sources	\$50,158,466	100.0%	Total Uses	\$50,158,466	100.0%

(1) Sheraton DFW underwent a major renovation in 2014. As such, 2014 NOI is not available.

(2) Other Reserves represent \$1,914,000 for a PIP reserve and \$83,444 for required repairs.

The Loan. The Sheraton DFW loan has an outstanding principal balance as of the Cut-off Date of approximately \$33.9 million and is secured by a first mortgage lien on the borrower's fee interest in the 302-room Sheraton DFW, a full service hotel located in Irving, Texas. The loan has a 10-year term and will amortize on a 30-year schedule. The most recent prior financing was not included in a securitization.

The borrowing entity for the Sheraton DFW loan is DFW H38 Owner LLC, a Delaware limited liability company and special purpose entity. The loan sponsors and nonrecourse carve-out guarantors are Robert E. Buccini, Christopher F. Buccini and David B. Pollin, on a joint and several basis. The loan sponsors are principals in The Buccini/Pollin Group Inc. and have acquired or developed real estate assets, including 35 hotels, 6.0 million sq. ft. of office and retail space, 10 residential communities and entertainment venues including PPL Park, home of the Philadelphia Union Major League Soccer team. The loan sponsors own 27 hotels totaling approximately 5,600 rooms across 11 states, including the nearby Doubletree DFW Airport North, which they acquired in December 2014. The loan sponsors operate brands including Sheraton, Westin, Hampton Inn & Suites, Hilton, Homewood Suites, Embassy Suites, Aloft, Hilton Garden Inn, Fairfield Inn, and Crowne Plaza.

PM Hotel Group, the property manager, is an affiliate of the sponsor and a hotel management company, operating full service and select service hotels for all major brands. The company manages nearly 40 hotels and development projects, comprised of more than 9,000 rooms, throughout the United States.

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The Property. Sheraton DFW is a 12-story, 302-room, full service hotel located in Irving, Texas. The property was originally developed in 1982 and, according to the loan sponsor, underwent an approximately \$6.8 million (\$22,516 per room) renovation commencing in 2014 (completed April 2015) to upgrade the hotel's guest rooms, guest bathrooms, top floor club lounge, meeting space, fitness center and central atrium and to create a brand new lobby lounge and sports bar. The Sheraton DFW property features 302 guestrooms offered in single king, ADA-single king, double and king suite configurations. Typical guest room furnishings include approximately 300 square feet, signature Sheraton Sleep Experience beds, 37" flat screen HD TVs, high-speed wireless internet, brand new soft goods, desk and chair, nightstand, lamps, two lounge chairs, carpeting, wall coverings, artwork, and upgraded doors. Typical guest bathroom features include a stand-in shower or tub, and separate vanity area with granite counter, and neutral floor tile.

The Sheraton DFW property amenities include a front desk and entry sitting area, 19,676 square feet of meeting space (inclusive of an approximate 10,080 square foot ballroom), breakfast area, room service, three food and beverage outlets, a 1,500 square foot fitness room, outdoor heated swimming pool, business/guest lounges, guest laundry, a 24-hour complimentary shuttle to the airport and area attractions within a 5-mile radius of the property and wireless high-speed internet. The three food and beverage outlets are: Recolte, a three-meal restaurant located adjacent to the lobby, which features 130 seats and offers regional American cuisine; LOCAL Texas Tap & Kitchen, a casual gastropub outfitted with large TVs, billiards, foosball, shuffleboard tables and a 3,800 square foot dining and taproom space, which is frequently rented out; Whiskey Tango, an 82-seat lobby-level restaurant and bar lounge featuring Texas-styled cocktails and locally brewed beers in addition to Starbucks coffee drinks, small bites and pastries.

Following the acquisition, the sponsors are required to invest an additional approximately \$2.0 million (\$6,337 per room) in required PIP renovations. The PIP renovations include upgrades of the guestroom case goods as well as new paint, carpet, window treatments, lighting and other miscellaneous repairs throughout the hotel. At origination, the borrower deposited \$1,914,000 into a PIP reserve account. The PIP renovations are required to be completed by November 30, 2019.

The Market. The Sheraton DFW property is located approximately 16.9 miles northwest of Downtown Dallas, approximately 27.0 miles northeast of Downtown Fort Worth and immediately adjacent to the north side of DFW International Airport. The Sheraton DFW property is located in the DFW submarket and within the heart of the DFW Airport commercial hub. The immediate surrounding area features approximately 31.6 million square feet of office space, more than 100,000 employees and 50,000 residents, hundreds of restaurants and 190 acres of parks. The Sheraton DFW property provides direct access to several local demand generators including the DFW International Airport, Las Colinas, Irving Convention Center, Cypress Waters, and Water Street. The Sheraton DFW property has visibility from both directions along Highway 114.

The primary competitive set for the Sheraton DFW property consists of six hotels, which range in size from 156 to 811 rooms, and contain an aggregate of 2,583 rooms. The appraiser does not anticipate any new supply that will compete with the Sheraton DFW property. According to a third party market report, the property has outperformed its competitive set in terms of Occupancy and RevPAR since 2016. Additionally, the Sheraton DFW property has improved its penetration rates after its renovation. The competitive set and historical performance relative to its competitive set are detailed below:

Year	Historical Occupancy, ADR, RevPAR ⁽¹⁾								
	Competitive Set ⁽²⁾			Sheraton DFW ⁽²⁾			Penetration Factor ⁽²⁾		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2015	75.0%	\$127.12	\$95.33	72.7%	\$122.56	\$89.09	96.9%	96.4%	93.5%
2016	74.8%	\$130.71	\$97.74	78.7%	\$127.23	\$100.10	105.2%	97.3%	102.4%
TTM ⁽³⁾	73.2%	\$136.02	\$99.62	78.4%	\$131.35	\$102.97	107.0%	96.6%	103.4%

(1) The minor variances between the underwriting, appraisal and above table with respect to Occupancy, ADR and RevPAR at the Sheraton DFW property are attributable to variances in reporting methodologies and/or timing differences.

(2) Data provided by a third party travel research report. The competitive set contains the following properties: Doubletree DFW Airport North, Marriott Dallas Fort Worth Airport North, Westin Dallas Fort Worth, Omni Dallas Hotel Park West, Hyatt Regency DFW Airport and NYLO Hotel Dallas Las Colinas.

(3) TTM represents the trailing 12-month period ending on August 31, 2017.

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Competitive Hotels Profile⁽¹⁾

Property	Rooms	Year Opened	Meeting Space (SF)	2016 Estimated Market Mix			2016 Estimated Operating Statistics		
				Commercial	Meeting and Group	Leisure	Occupancy	ADR	RevPAR
Sheraton DFW⁽²⁾	302	1982	19,676	60%	30%	10%	78.8%	\$127.59	\$100.52
Doubletree DFW Airport North	282	1974	13,100	60%	30%	10%	73.0%	\$118.00	\$86.14
Marriott Dallas Fort Worth Airport North	491	1982	18,200	55%	30%	15%	76.0%	\$142.00	\$107.92
Westin Dallas Fort Worth	506	1987	22,700	45%	45%	10%	74.0%	\$131.00	\$96.94
Omni Dallas Hotel Park West	337	1989	17,000	60%	30%	10%	75.0%	\$126.00	\$94.50
Hyatt Regency DFW Airport	811	1986	92,000	60%	35%	5%	74.0%	\$135.00	\$99.90
Four Points by Sheraton	156	2016	10,000	60%	25%	15%	50.0%	\$115.00	\$57.50
Total⁽³⁾	2,583								

(1) Based on the appraisal.

(2) 2016 Occupancy, ADR and RevPAR are based on operating statements provided by the borrower.

(3) Excludes the Sheraton DFW property.

Operating History and Underwritten Net Cash Flow

	2015	2016	TTM ⁽¹⁾⁽²⁾	Underwritten ⁽²⁾	Per Room ⁽³⁾	% of Total Revenue ⁽⁴⁾
Occupancy	72.8%	78.8%	78.4%	78.4%		
ADR	\$122.49	\$127.59	\$129.29	\$129.29		
RevPAR	\$89.11	\$100.52	\$101.38	\$101.38		
Room Revenue	\$9,823,000	\$11,080,758	\$11,174,622	\$11,174,622	\$37,002	61.4%
Food and Beverage Revenue	5,207,000	6,235,624	6,486,390	6,588,000	21,815	36.2
Other Departmental Revenue	463,000	409,572	399,671	433,000	1,434	2.4
Total Revenue	\$15,493,000	\$17,725,954	\$18,060,683	\$18,195,622	\$60,250	100.0%
Room Expense	\$2,999,000	\$3,187,195	\$3,149,717	\$2,976,609	\$9,856	26.6%
Food and Beverage Expense	3,362,000	3,843,345	3,896,270	3,824,000	12,662	58.0
Other Departmental Expenses	65,000	69,847	66,743	74,000	245	17.1
Departmental Expenses	\$6,426,000	\$7,100,387	\$7,112,730	\$6,874,609	\$22,764	37.8%
Departmental Profit	\$9,067,000	\$10,625,567	\$10,947,953	\$11,321,013	\$37,487	62.2%
Operating Expenses	\$4,455,000	\$4,775,000	\$4,843,085	\$4,743,755	\$15,708	26.1%
Gross Operating Profit	\$4,612,000	\$5,850,567	\$6,104,868	\$6,577,257	\$21,779	36.1%
Management Fees	\$464,790	\$531,779	\$541,820	\$545,869	\$1,808	3.0%
Property Taxes	416,000	495,000	515,665	515,665	1,708	2.8
Property Insurance	130,000	138,000	138,467	138,467	459	0.8
Other Expenses	61,000	78,000	78,505	78,505	260	0.4
Total Other Expenses	\$1,071,790	\$1,242,779	\$1,274,457	\$1,278,506	\$4,233	7.0%
Net Operating Income	\$3,540,210	\$4,607,788	\$4,830,410	\$5,298,752	\$17,546	29.1%
FF&E	619,720	709,038	722,427	727,825	2,410	4.0
Net Cash Flow	\$2,920,490	\$3,898,750	\$4,107,983	\$4,570,927	\$15,136	25.1%

(1) TTM column represents the trailing 12-month period ending on March 31, 2017.

(2) The increase in UW NOI from TTM NOI is attributed to the increase in Food and Beverage Revenue of \$101,610 and the decrease in Room Expense of \$173,108, which are both underwritten to the loan sponsor's budget for 2017. The Food and Beverage Outlets at the property were recently renovated and the property has new management following the acquisition.

(3) Per Room values based on 302 guest rooms.

(4) % of Total Revenue for Room Expense, Food and Beverage Expense and Other Departmental Expenses is based on their corresponding revenue line items.

Property Management. The property is managed by PM Hotel Group, an affiliate of the borrower.

Franchise Agreement. The property has a franchise agreement with The Sheraton LLC, which is effective as of July 12, 2017 and expires on July 12, 2037.

Additional Debt. The \$4.5 million mezzanine loan is secured by equity interests in the borrower and was originated by MSC-4440 WJC Holdco, LLC, a subsidiary of Morrison Street Capital Management. The mezzanine loan accrues interest at a *per annum* fixed rate of 11.00000% and is interest-only for the full term of the loan and coterminous with the Sheraton DFW loan. Including the Sheraton DFW mezzanine loan, the NCF DSCR, NOI Debt Yield and Cut-off Date LTV are 1.77x, 13.8% and 83.5%, respectively. An intercreditor agreement is in place with respect to the Sheraton DFW loan and the related mezzanine loan.