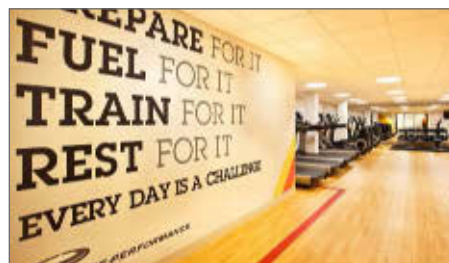
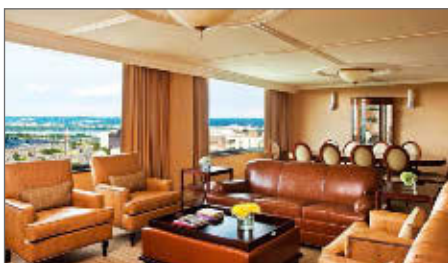
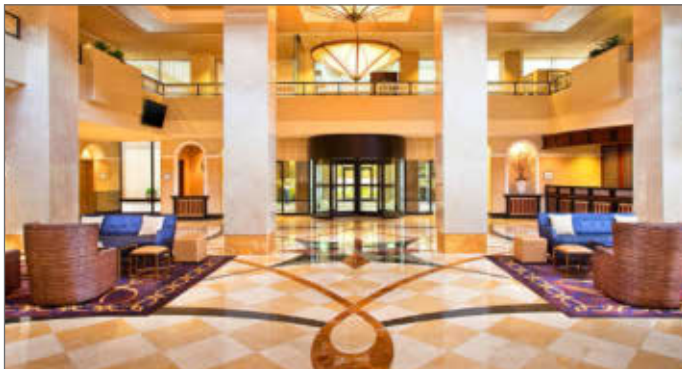
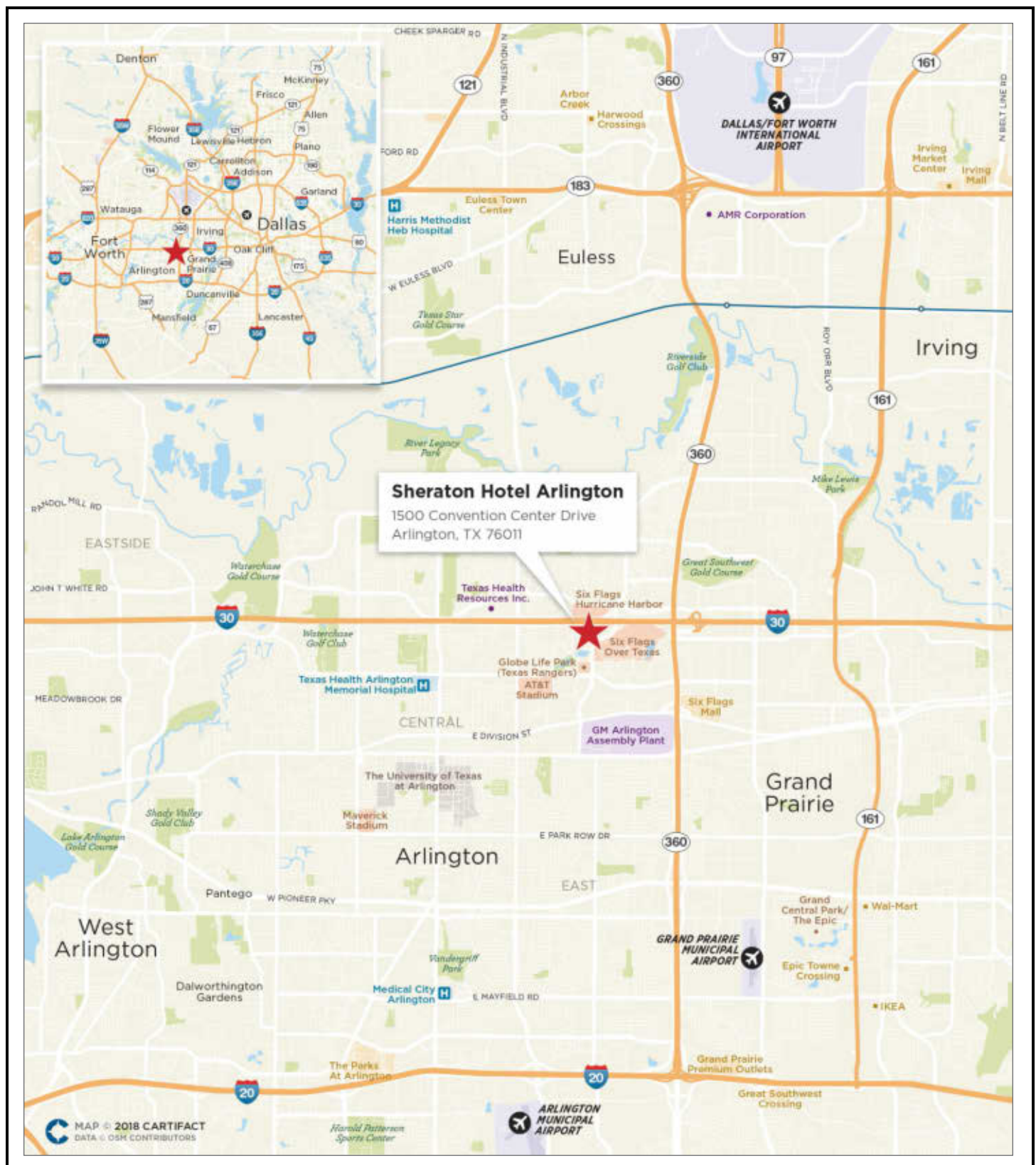


## Sheraton Hotel Arlington



## Sheraton Hotel Arlington





## Sheraton Hotel Arlington

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	GACC
<b>Original Principal Balance:</b>	\$36,400,000
<b>Cut-off Date Principal Balance:</b>	\$36,193,886
<b>% of Pool by IPB:</b>	5.1%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	UVH Arlington, LLC
<b>Sponsor:</b>	Allan Gutierrez
<b>Interest Rate:</b>	5.23000%
<b>Note Date:</b>	12/20/2017
<b>Maturity Date:</b>	1/6/2023
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	60 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(29),Def(27),O(4)
<b>Lockbox / Cash Management:</b>	Hard / Springing
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Leasehold
<b>Property Type - Subtype:</b>	Hotel – Full Service
<b>Net Rentable Area (Rooms):</b>	311
<b>Location:</b>	Arlington, TX
<b>Year Built / Renovated:</b>	1985 / 2016
<b>Occupancy / ADR / RevPAR:</b>	72.6% / \$144.18 / \$104.69
<b>Occupancy / ADR / RevPAR Date:</b>	12/31/2017
<b>Number of Tenants:</b>	N/A
<b>2015 NOI:</b>	\$4,958,476
<b>2016 NOI:</b>	\$4,637,653
<b>2017 NOI:</b>	\$5,201,393
<b>TTM NOI:</b>	N/A
<b>UW Occupancy / ADR / RevPAR:</b>	72.6% / \$144.18 / \$104.69
<b>UW Revenues:</b>	\$17,359,843
<b>UW Expenses:</b>	\$12,273,814
<b>UW NOI:</b>	\$5,086,029
<b>UW NCF:</b>	\$4,391,636
<b>Appraised Value / Per Room<sup>(1)</sup>:</b>	\$59,500,000 / \$191,318
<b>Appraisal Date:</b>	10/1/2018

### Escrows and Reserves<sup>(2)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$0	\$48,723	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>FF&amp;E Reserves:</b>	\$0	4% of Gross Revenues	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other:</b>	\$2,253,991	Springing	N/A

### Financial Information

<b>Cut-off Date Loan / Room:</b>	\$116,379
<b>Maturity Date Loan / Room:</b>	\$108,306
<b>Cut-off Date LTV<sup>(1)</sup>:</b>	60.8%
<b>Maturity Date LTV<sup>(1)</sup>:</b>	56.6%
<b>UW NCF DSCR:</b>	1.82x
<b>UW NOI Debt Yield:</b>	14.1%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$36,400,000	100.0%	Payoff Existing Debt	\$31,230,356	85.8%
			Upfront Reserves	2,253,991	6.2
			Closing Costs	1,178,794	3.2
			Return of Equity	1,736,859	4.8
<b>Total Sources</b>	<b>\$36,400,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$36,400,000</b>	<b>100.0%</b>

(1) Appraised Value / Per Room, Cut-off Date LTV and Maturity Date LTV are calculated based on the "Prospective Market Value Upon Completion of the Renovation and Stabilization" appraised value, which assumes the completion of the approximately \$2.2 million property improvement plan and sponsor-elected capital improvements. At loan origination, the borrower reserved (i) \$1.31 million in a capital improvement reserve and (ii) \$892,160 in a PIP reserve. Based on the "as is" appraised value of \$53,000,000, as of October 1, 2017, the Cut-off Date LTV and Maturity Date LTV are equal to 68.3% and 63.6%, respectively.

(2) For a full description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

**The Loan.** The Sheraton Hotel Arlington loan has an outstanding principal balance as of the Cut-off Date of approximately \$36.2 million and is secured by a first mortgage lien on the borrower's leasehold interest in a 311-room full service hotel located in Arlington, Texas. The loan has a five-year term and will amortize on a 30-year schedule. The previously existing debt was securitized in the RSO 2015-CRE3 transaction.

**The Borrower.** The borrowing entity for the Sheraton Hotel Arlington loan is UVH Arlington, LLC, a Delaware limited liability company and special purpose entity.

## Sheraton Hotel Arlington

**The Loan Sponsor.** The loan sponsor and nonrecourse carve-out guarantor is Allan Gutierrez. Allan Gutierrez is the founder and CEO of Urbana Holdings, LLC, a developer and owner of hotel, office, residential and retail properties in the Midwest, Southeast, West and Southwest regions of the U.S. Urbana Holdings, LLC is an approved franchisee for the Starwood, Marriott and Hilton Brands and its current hotel portfolio includes more than 1,000 rooms across properties in Georgia, South Carolina, Texas and California. In addition to his role as CEO of Urbana Holdings, Allan Gutierrez serves as CEO of Urbana Varro, LLC, a real-estate capital raising vehicle, and Urbana Realty Advisors, LLC, a real estate property services company.

The Sheraton Hotel Arlington property was purchased by the sponsor for \$36.0 million (approximately \$115,756 per room) in October 2014. Since purchasing the Sheraton Hotel Arlington property, Allan Gutierrez has spent approximately \$4.3 million (\$13,840 per room) on capital improvements at the property.

**The Property.** The Sheraton Hotel Arlington property is a full service hotel located in the Entertainment District submarket of Arlington, Texas and is connected, via covered walkway, to the Arlington Convention Center. The Sheraton Hotel Arlington property is approximately 18 miles west of the Dallas central business district and approximately 16 miles east of Fort Worth's central business district. The Sheraton Hotel Arlington property was built in 1985 as a Marriott branded hotel and was subsequently re-branded as a Wyndham hotel prior to 2009. In 2009, the property underwent a major renovation and re-branded again as a Sheraton. The hotel features three food and beverage outlets, a lounge, an outdoor pool, a fitness center, a business center, a sundry shop, a helipad and approximately 21,390 square feet of dedicated meeting space. The property features 311 guestrooms, comprised of 152 king rooms, 140 double/double rooms, 15 king suites and four double/double suites. All standard guestrooms and suites feature work desks and chairs, flat screen televisions, sofa chairs and mini refrigerators. The Sheraton Hotel Arlington property has 521 surface parking spaces, which results in a parking ratio of approximately 1.7 spaces per room.

The Sheraton Hotel Arlington property food and beverage outlets are the Parkside Grille, Parkside Lounge and Market Place. The Parkside Grille is an upscale lounge featuring tapas-style appetizers, signature cocktails and an array of tequilas and serves breakfast, lunch and dinner daily. The Parkside Lounge is located adjacent to the Parkside Grille on the first floor and is open from 4:00 PM to 12:00 AM daily and features the same menu as the Parkside Grille. The Market Place is a grab-and-go shop located adjacent to the lobby serving Starbucks coffee and an assortment of beverages and snacks. The Sheraton Hotel Arlington property's meeting space is spread across 13 meeting rooms, the largest of which is 6,000 square feet. The meeting space is primarily located on the first and second floors of the property with 5,140 square feet of space located in two adjacent buildings. The Sheraton Hotel Arlington property is also connected to Arlington Convention Center. The Arlington Convention Center features approximately 48,600 square feet of column-free exhibit space, a 30,000 square foot ballroom and over 8,500 square feet of separate meeting rooms.

The Sheraton Hotel Arlington property guestrooms underwent a renovation in early 2016 and the meeting space underwent renovation in 2017. The guestroom renovation included the replacement of all soft goods, refinishing of all case goods, installation of new wall vinyl and mirrors in the bathrooms and new wall vinyl, carpeting and lighting in the corridors. The meeting space renovation consisted of installing new wall vinyl, lighting, carpeting and furniture. The total renovation cost totaled approximately \$4.3 million (\$13,840 per room). In addition, the borrower reserved approximately \$2.2 million (\$7,248 per room) at loan origination, of which (i) 892,610 was reserved for the remaining completion costs of an approximately \$5.2 million Sheraton-required property improvement plan that began in 2016 and (ii) \$1.31 million was reserved for a sponsor-elected capital improvement plan, which includes the renovation of the lobby, restaurants and lounge. The capital improvement plans are expected to be completed by February 2019.

The Sheraton Hotel Arlington property is located at the intersection between Interstate 30 and Highway 360. Interstate 30 is a major east-west interstate providing access to Dallas to the east and Fort Worth to the west, and Highway 360 provides access to Interstate 20 to the north. The Sheraton Hotel Arlington property is located in close proximity to a number of area demand drivers including AT&T Stadium (home to the Dallas Cowboys), Golden Life Park in Arlington (home to the Texas Rangers), Six Flags Over Texas and Six Flags Hurricane Harbor. Golden Life Park's replacement, Globe Life Field, broke ground in September 2017 and will be home to the Texas Rangers starting in 2020. The planned \$1.1 billion development is located less than one-half mile from the Sheraton Hotel Arlington property. Texas Live!, a planned \$250.0 million entertainment district, is being developed adjacent to Globe Life Field. Texas Live! is expected to include 200,000 square feet of restaurants, retail and entertainment venues, including Rangers Republic, a 30,000 square foot dining and entertainment venue, Live! Arena, a multi-level, 35,000 square foot gathering area and a new Guy Fieri flagship restaurant. Included in the development is a \$150.0 million flagship Live! by Loews hotel, which will feature 302 rooms and a 35,000 square foot event center. The hotel is slated to open in 2019 and according to the appraisal is expected to be 75% competitive with the Sheraton Hotel Arlington property. The appraisal estimates that the developments are expected to attract 3.0 million new visitors upon opening in 2018 and create 1,025 permanent jobs in the area.

## Sheraton Hotel Arlington

The demand segmentation at the Sheraton Hotel Arlington property consists of 45.0% meeting and group, 30.0% commercial and 25.0% leisure. The primary competitive set for the Sheraton Hotel Arlington property consists of four hotels located in Arlington, ranging in size from 132 to 308 rooms and containing an aggregate of 787 rooms. In addition, the appraisal identified three hotels, which have recently opened, are currently under construction or are planned in the area, a 136-room Aloft, the 268-room Drury Plaza and the aforementioned Live! by Loews. The 136-room Aloft opened in 2018 and is expected to be 25% competitive with the Sheraton Hotel Arlington property. The 268-room Drury Plaza hotel is currently planned approximately two miles from the property and is expected to be 25% competitive with the property, according to the appraisal. The property's competitive set and historical performance relative to its competitive set are detailed below:

Historical Occupancy, ADR, RevPAR <sup>(1)(2)</sup>									
Year	Competitive Set			Sheraton Hotel Arlington <sup>(3)</sup>			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2015	69.0%	\$133.05	\$91.85	75.2%	\$133.80	\$100.63	109.0%	100.6%	109.6%
2016	73.8%	\$131.20	\$96.82	73.4%	\$137.57	\$100.92	99.5%	104.9%	104.2%
2017	66.9%	\$133.29	\$89.19	72.6%	\$144.18	\$104.69	108.5%	108.2%	117.4%
TTM <sup>(4)</sup>	66.1%	\$132.71	\$87.77	71.7%	\$143.26	\$102.66	108.5%	107.9%	117.0%

(1) The minor variances between the underwriting, appraisal and above table with respect to Occupancy, ADR and RevPAR at the Sheraton Hotel Arlington 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: Courtyard Dallas Arlington Entertainment District, Hilton Arlington, Crowne Plaza Suites Arlington Ballpark Stadium and Hilton Garden Inn Dallas/Arlington.

(3) Based on operating statements provided by the borrower, excluding the TTM. TTM data is provided by a third party travel research report.

(4) TTM represents the trailing 12-month period ending on February 28, 2018.

Competitive Hotels Profile <sup>(1)(2)</sup>									
Property	Rooms	Year Opened	Meeting Space (SF)	2016 Estimated Market Mix			2016 Estimated Operating Statistics		
				Commercial	Meeting and Group	Leisure	Occupancy	ADR	RevPAR
<b>Sheraton Hotel Arlington<sup>(3)</sup></b>	<b>311</b>	<b>1985</b>	<b>21,390</b>	<b>30%</b>	<b>45%</b>	<b>25%</b>	<b>73.4%</b>	<b>\$137.57</b>	<b>\$100.92</b>
Hilton Arlington	308	1983	11,000	35%	30%	35%	70% - 75%	\$140 - 145	\$100 - \$105
Crowne Plaza Suites Arlington Ballpark Stadium	200	1986	8,300	30%	40%	30%	70% - 75%	\$120 - \$125	\$85 - \$90
Hilton Garden Inn Dallas/Arlington	132	2009	4,630	45%	25%	30%	75% - 80%	\$130 - \$135	\$100 - \$105
Courtyard Dallas Arlington Entertainment District	147	1987	1,300	45%	20%	35%	70% - 75%	\$125 - \$130	\$90 - \$95
<b>Total<sup>(4)</sup></b>	<b>787</b>								

(1) Based on the appraisal.

(2) The appraisal only provided 2016 estimated market mix and 2016 estimated operating statistics for the competitive set.

(3) The Sheraton Hotel Arlington 2016 Occupancy, ADR and RevPAR are based on operating statements provided by the borrower.

(4) Excludes the Sheraton Hotel Arlington property.

## Sheraton Hotel Arlington

Operating History and Underwritten Net Cash Flow						
	2015	2016	2017	Underwritten	Per Room <sup>(1)</sup>	% of Total Revenue <sup>(2)</sup>
Occupancy	75.2%	73.4%	72.6%	72.6%		
ADR	\$133.80	\$137.57	\$144.18	\$144.18		
RevPAR	\$100.63	\$100.92	\$104.69	\$104.69		
Room Revenue	\$ 11,423,579	\$11,456,095	\$11,883,696	\$11,883,696	\$38,211.24	68.5%
Food & Beverage Revenue	5,052,816	4,675,060	5,042,572	5,042,572	16,214	29.0
Other Departmental Revenue	430,808	401,142	433,575	433,575	1,394	2.5
<b>Total Revenue</b>	<b>\$ 16,907,203</b>	<b>\$16,532,297</b>	<b>\$17,359,843</b>	<b>\$17,359,843</b>	<b>\$55,819</b>	<b>100.0%</b>
Room Expense	\$2,509,717	\$2,520,710	\$2,471,583	\$2,471,583	\$7,947	20.8%
Food & Beverage Expense	2,933,211	2,882,324	2,988,130	2,988,130	9,608	59.3
Other Departmental Expenses	37,459	22,707	22,769	22,769	73	5.3
<b>Departmental Expenses</b>	<b>\$5,480,387</b>	<b>\$5,425,741</b>	<b>\$5,482,482</b>	<b>\$5,482,482</b>	<b>\$17,629</b>	<b>31.6%</b>
<b>Departmental Profit</b>	<b>\$11,426,816</b>	<b>\$11,106,556</b>	<b>\$11,877,361</b>	<b>\$11,877,361</b>	<b>\$38,191</b>	<b>68.4%</b>
Management Fees	\$507,215	\$495,968	\$520,795	\$520,795	\$1,675	3.0%
Property Taxes	564,768	650,879	657,195	640,471	2,059	3.7
Property Insurance	123,644	135,039	139,611	137,165	441	0.8
Other Expenses	4,966,941	4,883,562	5,053,141	5,181,912	16,662	29.8
Ground Rent	305,772	303,455	305,226	310,989	1,000	1.8
<b>Total Other Expenses</b>	<b>\$6,468,340</b>	<b>\$6,468,903</b>	<b>\$6,675,968</b>	<b>\$6,791,332</b>	<b>\$21,837</b>	<b>39.1%</b>
<b>Net Operating Income</b>	<b>\$4,958,476</b>	<b>\$4,637,653</b>	<b>\$5,201,393</b>	<b>\$5,086,029</b>	<b>\$16,354</b>	<b>29.3%</b>
FF&E	676,288	661,292	694,394	694,394	2,233	4.0
<b>Net Cash Flow</b>	<b>\$4,282,188</b>	<b>\$3,976,361</b>	<b>\$4,506,999</b>	<b>\$4,391,636</b>	<b>\$14,121</b>	<b>25.3%</b>

(1) Per Room values are based on 311 guest rooms.

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

**Property Management.** The Sheraton Hotel Arlington property is managed by Urbana Varro Hospitality Management Company, LLC, a borrower affiliate.

**Franchise Agreement.** The Sheraton Hotel Arlington property is subject to 20 year franchise agreement with The Sheraton LLC, which commenced in October 2014 and expires in October 2034.

**Escrows and Reserves.** At origination, the borrower deposited \$1,310,000 for a capital improvement reserve, \$892,160 for a PIP reserve and \$51,831 for a ground lease reserve.

**Tax Escrows** – On a monthly basis, the borrower is required to deposit 1/12 of the estimated annual real estate taxes, which currently equates to \$48,723.

**Insurance Escrows** – If an acceptable blanket insurance policy is no longer in place, the borrower is required on a monthly basis to deposit 1/12 of the annual insurance premiums.

**FF&E Reserves** – The borrower is required to deposit monthly into an FF&E reserve the greatest of (i) 4.0% of the gross revenues for the property for the prior month, (ii) the then-current amount required by the property management agreement and (iii) the then-current amount required by any franchise agreement for approved capital expenditures and FF&E.

## Sheraton Hotel Arlington

**Lockbox / Cash Management.** The Sheraton Hotel Arlington loan is structured with a hard lockbox and springing cash management. All credit card receipts are required to be deposited directly into a clearing account controlled by the lender. The borrower and property manager are required to deposit all other rent and payments into the clearing account within one business day of receipt. Unless a Trigger Period (as defined below) is ongoing, all amounts on deposit in the clearing account are required to be swept daily into the borrower's operating account. During a Trigger Period, all amounts on deposit in the clearing account are required to be swept daily into a cash management account controlled by the lender and, provided no event of default exists, applied in accordance with the loan documents, with any excess funds to be held as additional security for the Sheraton Hotel Arlington loan during such Trigger Period.

A "Trigger Period" means a period that commences (i) upon an event of default and continues until a cure of such event of default has been accepted by the lender, (ii) upon the debt service coverage ratio (as calculated in the loan documents) falling below 1.25x as of the end of any calendar quarter and continues until the debt service coverage ratio (as calculated in the loan documents) has been at least 1.30x for two consecutive calendar quarters or (iii) upon a Rating Sweep Period (as defined below) and continues until a cure of such Rating Sweep Period.

A "Rating Sweep Period" means a period that commences upon the date that the borrower receives a third party research report for the hotel with a rating below "Upper Upscale" (the "Rating Sweep Start Date") and will end upon (i) the borrower's delivery to the lender third party research reports for three consecutive months after the Rating Sweep Start Date, with a rating of at least "Upper Upscale" and (ii) the borrower's delivery of evidence satisfactory to the lender that after the Rating Sweep Start Date, (x) the ground lessor has acknowledged the borrower's compliance with certain sections in the ground lease and (y) the borrower has resumed paying rent pursuant to certain sections of the ground lease.

**Ground Lease.** The Sheraton Hotel Arlington property is subject to a ground lease agreement with The City of Arlington, Texas. Inclusive of extension options, the term of the ground lease is 95 years which, if all extension options are exercised, will expire in 2078. The initial term of the lease commenced on October 1, 1983 with a term of 50 years, which is set to expire on September 30, 2033. The lessee has the option to renew the lease under the same terms and conditions, for three additional terms of 15 years each by giving the lessor at least one year's advance written notice. The ground lease is structured so that in 2006, annual rent was equal to \$250,000. Each year after 2006, rent is escalated by an amount that does not exceed the effective percentage in the consumer price index. The ground rent obligation, according to the sponsor's 2018 budget, is equal to \$310,989.