

Mortgage Loan No. 12 — Sheraton Lincoln Harbor Hotel

Mortgage Loan Information

Mortgage Loan Seller:	RMF
Original Principal Balance⁽¹⁾:	\$20,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$20,000,000
% of Pool by IPB:	2.1 %
Loan Purpose:	Refinance
Borrower:	River-PW Hotel Limited Partnership
Sponsor:	Hartz Financial Corp.
Interest Rate:	4.9900%
Note Date:	10/1/2015
Maturity Date:	10/6/2025
Interest-only Period:	96 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(28),Def(88),O(4)
Lockbox:	Hard
Additional Debt⁽¹⁾:	Yes
Additional Debt Balance⁽¹⁾:	\$60,000,000
Additional Debt Type⁽¹⁾:	Pari Passu
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Hotel – Full Service
Net Rentable Area (Rooms)⁽²⁾:	358
Location:	Weehawken, NJ
Year Built / Renovated:	1991, 1999 / 2009-2010, 2015
Occupancy / ADR / RevPAR:	83.9% / \$197.32 / \$165.59
Occupancy / ADR / RevPAR Date:	7/31/2015
Number of Tenants:	N/A
2012 NOI:	\$6,758,257
2013 NOI:	\$7,517,525
2014 NOI:	\$8,831,821
TTM NOI⁽³⁾:	\$8,649,021
UW Occupancy / ADR / RevPAR:	83.9% / \$197.37 / \$165.59
UW Revenues⁽²⁾:	\$22,491,786
UW Expenses⁽²⁾:	\$13,268,309
UW NOI⁽²⁾:	\$9,223,477
UW NCF⁽²⁾:	\$8,211,347
Appraised Value / Per Room⁽⁴⁾:	\$128,000,000 / \$357,542
Appraisal Date:	8/20/2015

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$0	Springing ⁽³⁾	N/A
Insurance:	\$0	Springing ⁽³⁾	N/A
FF&E:	\$0	\$86,891 ⁽³⁾	N/A
Additional Room Reserve⁽²⁾:	\$1,700,000	\$0	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / Room⁽²⁾:	\$223,464
Maturity Date Loan / Room⁽²⁾:	\$217,043
Cut-off Date LTV⁽⁴⁾:	62.5%
Maturity Date LTV⁽⁴⁾:	60.7%
UW NCF DSCR⁽²⁾:	1.60x
UW NOI Debt Yield⁽²⁾:	11.5%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan ⁽¹⁾	\$80,000,000	100.0%
Total Sources	\$80,000,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$58,865,158	73.6%
Return of Equity	18,740,653	23.4
Upfront Reserves	1,700,000	2.1
Closing Costs	694,189	0.9
Total Uses	\$80,000,000	100.0%

- (1) The Sheraton Lincoln Harbor Hotel loan is part of a larger split whole loan evidenced by two *pari passu* notes, with an aggregate original principal balance of \$80.0 million. The financial information presented in the chart above reflects the cut-off date balance of the \$80.0 million Sheraton Lincoln Harbor Hotel Whole Loan.
- (2) The property currently has 343 rooms. During the first quarter of 2016, the borrower plans to reconfigure the administrative and meeting space and use that space to add an additional 15 rooms, bringing the room count of the property to 358 rooms. The per unit and underwritten metrics are based on 358 rooms. \$1,700,000 was reserved for the additional rooms and renovations are expected to be complete in February 2016. The underwritten metrics include the additional fifteen guestrooms.
- (3) Represents trailing twelve months ending July 31, 2015.

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- (4) The appraiser concluded an "as-complete" appraised value of \$130,000,000 with an "as-complete" date of August 20, 2015 (assuming the completion of the 15-room expansion) and an "as-stabilized" appraised value of \$143,000,000 with an "as-stabilized" date of August 20, 2017. The Cut-Off Date LTV and Maturity Date LTV as based on the "as-stabilized" appraised value are 55.9% and 54.3%, respectively.
- (5) Monthly reserves for real estate taxes and insurance premiums are required only during the occurrence and continuation of a Cash Sweep Event. A "Cash Sweep Event" will commence upon the earliest of (i) the occurrence of an event of default; (ii) the occurrence of a bankruptcy action of the borrower, the guarantor or the property manager that has not been dismissed within 60 days; or (iii) a DSCR Trigger Event. A "DSCR Trigger Event" occurs upon any date the amortizing debt service coverage ratio based on the trailing 12-month period immediately preceding the date of such determination is less than 1.10x.
- (6) Monthly replacement reserves are required in an amount equal to 4.0% of operating income for the calendar month that is two months prior to when the deposit is to be made (initially estimated to be \$86,891).
- (7) The upfront Additional Room Revenue Reserve in the amount of \$1,700,000 will be used for the construction and addition of 15 rooms on the second floor of the Sheraton Lincoln Harbor Hotel property. Within one year of the origination date, the borrower is required to either (i) complete all additional rooms or (ii) restore the property to its original condition.

The Loan. The Sheraton Lincoln Harbor Hotel loan, which is part of a larger split whole loan, is a first mortgage loan secured by the borrower's fee interest in a 358-room full service hotel property located in Weehawken, New Jersey. The whole loan has an outstanding principal balance of \$80.0 million ("Sheraton Lincoln Harbor Hotel Whole Loan") as of the cut-off date, which is comprised of two *pari passu* notes, Note A-1 and Note A-2. Note A-2 has an outstanding principal balance as of the cut-off date of \$20.0 million and is being contributed to the CSAIL 2016-C5 Commercial Mortgage Trust. Note A-1 has an outstanding principal balance as of the cut-off date of \$60.0 million and was contributed to the WFCM 2015-C31 Commercial Mortgage Trust. The Sheraton Lincoln Harbor Hotel Whole Loan has a 10-year term and will amortize on a 30-year schedule, after an eight-year interest-only period.

Whole Loan Note Summary

	Original Balance	Cut-off Date Balance	Note Holder	Note in Controlling Securitization
Note A-1	\$60,000,000	\$60,000,000	WFCM 2015-C31	Yes
Note A-2	20,000,000	20,000,000	CSAIL 2016-C5	No
Total	\$80,000,000	\$80,000,000		

The Borrower. The borrowing entity for the loan is River-PW Hotel Limited Partnership, a New Jersey limited partnership and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Hartz Financial Corp. Hartz Financial Corp., is a New Jersey corporation formed in 1997 and is a wholly-owned subsidiary of Hartz Mountain Development Corp. ("HMDC"). HMDC is wholly-owned by Hartz Mountain Industries, Inc., which is indirectly wholly-owned by The Hartz Group, Inc. The Hartz Group, Inc., is a privately held enterprise with interests in real estate, oil, gas and financial management. The Hartz real estate portfolio includes approximately 185 properties comprised of over 35 million SF and 300 acres of land in the Northern New Jersey/New York area. The Hartz real estate portfolio is managed through its in-house property and asset management team and includes corporate offices, warehouse and distribution facilities, hotels, single and multi-family developments, retail centers, movie theaters, restaurants and land.

The Property. The property is a 10-story, 358-room full service, Sheraton hotel property located in Weehawken, New Jersey. The property was originally constructed in 1991. In 1999, the West Tower was constructed and the hotel was converted to the Sheraton flag. The buildings are interconnected, and the West Tower is accessible via an enclosed corridor from the south side of the Main Tower. The ground level of the Main Tower accommodates the lobby, registration desk, Sheraton Link (business center), a restaurant, lounge, kitchen, fitness center, indoor pool, meeting space, and administrative areas.

Guestrooms are located on levels two through ten of each building and are configured as suites that feature floor plans with sitting areas in addition to the bedroom. Guestrooms offer one or two beds, dressers, sleeper-sofa, coffee table, upholstered armchair, ottoman, desk and chair, end table, and lamps. In-room amenities include a built-in hair dryer, iron and ironing board, two-line phone, safe, microwave, mini-refrigerator, coffee maker, wireless high-speed Internet access, as well as a 32" or 37" flat panel television. The bathrooms feature a tub and shower combination with a separate vanity area. Prior to the completion of the current planned renovation, the guestroom mix includes 176 king bedrooms, 150 double/double bedrooms, nine executive suites and

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eight queen bedrooms. The Sheraton Lincoln Harbor Hotel features a Sheraton Club lounge – which extends exclusive access for complimentary breakfast, all-day snacks and beverages, free Wi-Fi, and personalized service to VIP and Club guests and is located on the top floor of the West Tower. Parking is provided on a parcel located adjacent to the property for which there are 202 surface parking spaces resulting in a parking ratio of 0.6 spaces per room. Parking is available to guests on an exclusive basis at the property between the hours of 6:00pm and 8:00am Monday through Friday and at all other times on a non-exclusive basis. The 20-year franchise agreement with The Sheraton, LLC expires on March 16, 2029, with no extension options.

From 2009 to 2010, the property underwent a \$13.5 million (\$39,359 per room, based on 343 room count) four-phase property improvement plan. The restaurant and lounge recently completed a \$500,000 renovation which included the addition of an entrance from the exterior of the hotel as well as two private dining rooms that can seat 80 and 60 people, respectively. The restaurant and lounge is leased to a borrower affiliated entity, Harbor Boulevard Restaurant, L.L.C., with a 50-year lease term expiring on September 26, 2039, with six, eight-year renewal options remaining. In lieu of paying rent, the restaurant contributes \$121,252 annually to debt service and also pays an additional charge equal to 4.0% of gross sales for room and banquet services.

A planned renovation budgeted at \$1.7 million (\$113,333 per room, based on the additional 15 room count) will increase the guestroom count to 358 rooms by converting the existing administrative and meeting rooms on the second floor into fifteen additional guestrooms. The second floor renovations will take place in January and February of 2016, and will include eliminating the second floor meeting space and relocating the administrative offices.

The Market. The property is located in Weehawken, New Jersey, within the greater New York-Newark-Jersey City, NY-NJ-PA metropolitan statistical area. The NY-NJ-PA metropolitan statistical area has an estimated population of approximately 20.1 million. According to the Bureau of Labor Statistics, the unemployment rate for the NY-NJ-PA metropolitan statistical area was 5.6% as of April 2015. In comparison, the unemployment rate in New Jersey was 6.2% and the national unemployment rate was 5.4% for the same period. More specifically, the property is part of the Northern New Jersey region which extends 45 to 55 miles west of Midtown Manhattan in Hudson County. Hudson County benefits from a diverse economic base and convenient accessibility to public transportation into New York City via bus, rail, and waterway services. NJ Transit provides bus and rail service throughout the region and into New York City, with additional rail service provided by Amtrak, Conrail, and the Port Authority Trans Hudson (PATH). The region is also supported by Newark-Liberty International Airport (13.0 miles southwest) which is the sixth largest airport in the world for passenger travel. Top employers within Hudson County primarily consist of financial services firms including UBS Financial Services, Bank of Tokyo Mitsubishi Trust, Insurance Service Office Inc., Goldman Sachs & Co. Inc., Mellon Bank, JP Morgan Chase Bank, and Citigroup Inc. Other top employers are positioned within the education, healthcare, government, distribution, and pharmaceutical sectors.

The property is located along the banks of the Hudson River at the southeast corner of 19th Street and Harbor Boulevard within the Lincoln Harbor neighborhood of Weehawken's Waterfront district. The Lincoln Harbor neighborhood sits across the river from New York City and is accessible via the Lincoln Tunnel which leads into the city's Hudson Yards and Garment District to the east. Lincoln Harbor serves as one of two major waterfront developments in Weehawken, which has experienced growth along the western shores of the Hudson River over the past decade. Lincoln Harbor is a 60.0-acre mixed use development opposite midtown Manhattan that contains five office buildings totaling 1.53 million SF completed from 1987 to 1989 and is occupied by UBS and Citigroup. One of the office buildings is being redeveloped as a 227-unit apartment building. Lincoln Harbor also accommodates more than 70,000 SF of retail shops and restaurants, a 245-unit condominium, as well as a public park, 250 slip marina, and a waterfront walkway.

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Historical Occupancy, ADR, RevPAR⁽¹⁾

Year	Competitive Set			Sheraton Lincoln Harbor Hotel ⁽²⁾			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	79.6%	\$192.61	\$153.28	82.7%	\$187.35	\$154.98	103.9%	97.3%	101.1%
2014	79.2%	\$200.80	\$159.09	84.5%	\$196.62	\$166.23	106.7%	97.9%	104.5%
TTM ⁽³⁾	77.2%	\$203.70	\$157.29	83.9%	\$197.32	\$165.59	108.7%	96.9%	105.3%

(1) Source: Third Party Data Provider. The competitive set includes the following hotels: Hilton Meadowlands, Courtyard Jersey City Newport, Hyatt Regency Jersey City, Westin Jersey City, Renaissance Meadowlands Hotel and DoubleTree Hotel Jersey City.

(2) Source: Borrower financials.

(3) Represents the trailing twelve month period ending July 31, 2015.

Operating History and Underwritten Net Cash Flow

	2013	2014	TTM ⁽¹⁾	Underwritten ⁽²⁾	Per Room ⁽²⁾	% ⁽³⁾
Occupancy	82.7%	84.5%	83.9%	83.9%		
ADR	\$187.35	\$196.62	\$197.32	\$197.37		
RevPAR	\$154.98	\$166.23	\$165.59	\$165.59		
Room Revenue	\$19,402,459	\$20,868,775	\$20,730,945	\$21,637,645	\$60,440	96.2%
Food and Beverage	150,142	169,940	177,287	185,000	517	0.8%
Other Departmental Revenues	572,799	600,566	537,619	561,010	1,567	2.5%
Restaurant Lease	91,839	91,839	91,839	108,131	302	0.5%
Total Revenue	\$20,217,239	\$21,731,120	\$21,537,690	\$22,491,786	\$62,826	100.0%
Room Expense	4,700,785	4,695,894	4,654,481	4,858,052	13,570	22.5%
Food and Beverage Expense	110,231	105,398	129,780	135,427	378	73.2%
Other Departmental Expenses	16,861	18,093	18,864	19,685	55	3.5%
Departmental Expenses	\$4,827,877	\$4,819,385	\$4,803,125	\$5,013,164	\$14,003	22.3%
Departmental Profit	\$15,389,362	\$16,911,735	\$16,734,564	\$17,478,623	\$48,823	77.7%
Operating Expenses	\$6,376,653	\$6,518,952	\$6,619,767	\$6,728,867	\$18,796	29.9%
Gross Operating Profit	\$9,012,708	\$10,392,783	\$10,114,797	\$10,749,756	\$30,027	47.8%
Fixed Expenses	1,495,183	1,560,962	1,465,777	1,526,279	4,263	6.8%
Net Operating Income	\$7,517,525	\$8,831,821	\$8,649,021	\$9,223,477	\$25,764	41.0%
FF&E	1,020,135	1,088,225	964,753	1,012,130	2,827	4.5%
Net Cash Flow	\$6,497,390	\$7,743,596	\$7,684,268	\$8,211,347	\$22,937	36.5%

(1) The TTM column represent the trailing twelve month period ending July 31, 2015.

(2) Per room values are based on 358 rooms. During the 1st quarter of 2016, the borrower plans to reconfigure administrative and meeting space and use that space to add an additional 15 rooms bringing room count at the property to 358 rooms. The underwritten metrics are based on 358 rooms. \$1,700,000 has been reserved for this renovation and renovations are expected to be complete in February 2016. The underwritten metrics include the additional fifteen guestrooms.

(3) % column represents percent of Total Revenue except for Room Expense, Food and Beverage Expense and Other Departmental Expenses, which is based on their corresponding revenue line items.