

LOAN #13: DUNN HOSPITALITY PORTFOLIO

Mortgaged Property Information		Mortgage Loan Information	
Number of Mortgaged Properties	3	Loan Seller	GACC
Location (City/State)	Various	Cut-off Date Principal Balance	\$32,333,356
Property Type	Hospitality	Cut-off Date Principal Balance per Room	\$102,973.11
Size (Rooms)	314	Percentage of Initial Pool Balance	2.4%
Total TTM Occupancy as of 7/31/2016	78.9%	Number of Related Mortgage Loans	None
Owned TTM Occupancy as of 7/31/2016	78.9%	Type of Security	Fee Simple
Year Built / Latest Renovation	Various / NAP	Mortgage Rate	5.16000%
Appraised Value ⁽¹⁾	\$48,000,000	Original Term to Maturity (Months)	120
Appraisal Date	9/1/2017	Original Amortization Term (Months)	360
Borrower Sponsor	Mark E. Hamister	Original Interest Only Period (Months)	NAP
Property Management	Hamister Group, LLC	First Payment Date	1/6/2017
		Maturity Date	12/6/2026
Underwritten Revenues	\$11,194,232	Escrows	
Underwritten Expenses	\$6,998,424		
Underwritten Net Operating Income (NOI)	\$4,195,808		
Underwritten Net Cash Flow (NCF)	\$3,748,039		
Cut-off Date LTV Ratio ⁽¹⁾	67.4%		
Maturity Date LTV Ratio ⁽¹⁾	55.8%		
DSCR Based on Underwritten NOI / NCF	1.97x / 1.76x		
Debt Yield Based on Underwritten NOI / NCF	13.0% / 11.6%		

Sources and Uses					
Sources	\$	%	Uses	\$	%
Loan Amount	\$32,400,000	68.7%	Purchase Price	\$42,500,000	90.2%
Principal's New Cash Contribution	14,728,951	31.3	Reserves	3,822,070	8.1
			Closing Costs	806,881	1.7
Total Sources	\$47,128,951	100.0%	Total Uses	\$47,128,951	100.0%

- (1) The Appraised Value represents the "As Complete" appraised value. The "as-is" appraised value for the Dunn Hospitality Portfolio Properties is \$42,500,000 as of September 1, 2016. Based on the "as-is" appraised value, the Cut-off Date LTV Ratio is 76.1%.
- (2) The FF&E reserve deposits are capped at \$3,125,000 after the commencement of the third year of the loan term and upon determination that the PIP work has been completed. The monthly amount is estimated based on an underwritten FF&E amount. On each monthly payment date, the borrower is required to deposit (i) during the first year of the loan term, 2% of the prior month's revenue, (ii) during the second year of the loan term, 3% of the prior month's revenue, and (iii) after the commencement of the third year of the loan term, the greater of (a) 4% of the prior month's revenue, (b) the then-current amount required by the management agreement or (c) the then-current amount required by the franchise agreement for approved capital expenditures and the repair and replacement of the FF&E into the ongoing replacement reserve.
- (3) Other Upfront reserve represents a PIP reserve of \$3,600,000, a seasonal working capital funds reserve of \$120,000 and a deferred maintenance reserve of \$13,750. The seasonality working capital funds reserve may be released at any time beginning on the due date in January 2019 if the debt service coverage ratio based on underwritten net cash flow for each month in the 12 month period preceding the request is at least 1.20x.

The following table presents certain information relating to the 2015 demand analysis with respect to the Dunn Hospitality Portfolio Properties based on market segmentation, as provided in the appraisals for the Dunn Hospitality Portfolio Properties:

2015 Accommodated Room Night Demand⁽¹⁾

Property	Meeting and Group	Leisure	Commercial
Courtyard Evansville East	10%	20%	70%
Hilton Garden Inn Evansville	10%	20%	70%
Residence Inn Columbus	10%	15%	75%

(1) Source: Appraisal.

The following table presents certain information relating to historical occupancy, ADR and RevPAR at each of the Dunn Hospitality Portfolio Properties and its competitive set, as provided in market reports for the Dunn Hospitality Portfolio Properties:

Historical Statistics⁽¹⁾

	Courtyard Evansville East Property			Competitive Set ⁽²⁾			Penetration		
	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016
Occupancy	66.0%	72.0%	73.0%	69.9%	73.3%	73.3%	94.4%	98.3%	99.5%
ADR	\$128.32	\$132.75	\$135.78	\$107.55	\$110.51	\$113.02	119.3%	120.1%	120.1%
RevPAR	\$84.68	\$95.63	\$99.05	\$75.21	\$80.98	\$82.85	112.6%	118.1%	119.6%

(1) Source: September 2016 travel research report

(2) The competitive set consists of the Hampton Inn Evansville, the Fairfield Inn Evansville East, the Residence Inn Evansville East, the Drury Inn & Suites Evansville East and the Hilton Garden Inn Evansville.

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	Hilton Garden Inn Evansville Property			Competitive Set ⁽²⁾			Penetration		
	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016
Occupancy	72.9%	81.3%	79.8%	64.7%	70.5%	69.4%	112.7%	115.2%	114.9%
ADR	\$127.94	\$129.58	\$131.24	\$99.37	\$100.39	\$102.82	128.8%	129.1%	127.6%
RevPAR	\$93.23	\$105.33	\$104.73	\$64.25	\$70.82	\$71.39	145.1%	148.7%	146.7%

(1) Source: September 2016 travel research report.

(2) The competitive set consists of the Holiday Inn Evansville Airport, the Hampton Inn Evansville, the Fairfield Inn Evansville East, the Residence Inn Evansville East and the Drury Inn & Suites Evansville.

	Residence Inn Columbus Property			Competitive Set ⁽²⁾			Penetration		
	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016	2014	2015	TTM 9/30/2016
Occupancy	73.6%	81.3%	82.3%	71.3%	73.3%	72.6%	103.3%	111.0%	113.3%
ADR	\$102.82	\$104.42	\$111.78	\$95.82	\$99.28	\$102.99	107.3%	105.2%	108.5%
RevPAR	\$75.72	\$84.94	\$91.95	\$68.31	\$72.73	\$74.76	110.8%	116.8%	123.0%

(1) Source: September 2016 travel research report.

(2) The competitive set consists of the Comfort Inn & Suites Columbus, the Courtyard Columbus Tipton Lakes, the Hampton Inn Columbus Taylorsville Edinburgh, the Hilton Garden Inn Columbus Edinburgh, the La Quinta Inns & Suites Columbus Edinburgh and the Holiday Inn Express Columbus Edinburgh.

- **Operating History and Underwritten Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow, on an aggregate basis and per room, at the Dunn Hospitality Portfolio Properties:

Cash Flow Analysis⁽¹⁾

	2013	2014	2015	TTM 7/31/2016	Underwritten	Underwritten \$ per Room
Room Revenue	\$7,934,000	\$9,666,015	\$10,865,951	\$11,366,729	\$10,460,072	\$33,312
Food & Beverage Revenue	408,000	510,665	560,139	531,971	531,971	1,694
Other Revenue	141,000	181,149	197,896	200,995	202,189	644
Total Revenue	\$8,483,000	\$10,357,829	\$11,623,986	\$12,099,695	\$11,194,232	\$35,650
Room Expense	\$1,610,000	\$1,751,457	\$1,910,272	\$2,125,844	\$1,885,283	\$6,004
Food & Beverage Expense	511,000	634,062	716,743	724,465	554,059	1,765
Other Expense	151,000	180,868	188,261	195,776	192,430	613
Total Departmental Expense	\$2,272,000	\$2,566,387	\$2,815,276	\$3,046,085	\$2,631,772	\$8,381
Total Undistributed Expense	3,107,000	3,592,641	3,861,505	4,037,107	3,760,136	11,975
Total Fixed Charges	360,000	748,938	607,278	599,196	606,517	1,932
Total Operating Expenses	\$5,739,000	\$6,907,966	\$7,284,059	\$7,682,388	\$6,998,424	\$22,288
Net Operating Income⁽²⁾	\$2,744,000	\$3,449,863	\$4,339,927	\$4,417,307	\$4,195,808	\$13,362
FF&E	340,000	414,473	464,960	483,987	447,769	1,426
Net Cash Flow	\$2,404,000	\$3,035,390	\$3,874,967	\$3,933,320	\$3,748,039	\$11,936
Occupancy⁽²⁾	68.0%	70.5%	77.0%	78.9%	74.0%	
NOI Debt Yield⁽²⁾	8.5%	10.7%	13.4%	13.7%	13.0%	
NCF DSCR	1.13x	1.43x	1.82x	1.85x	1.76x	

(1) Certain items such as interest expense, interest income, depreciation, amortization, debt service payments and any other non-recurring or non-operating items were excluded from the historical presentation and are not considered for the underwritten cash flow.

(2) Historical Net Operating Income and Occupancy reflect the ramp-up period for the Courtyard Evansville East Property, which was delivered in 2013.