

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

SOHO GRAND HOTEL



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TRIBECA GRAND HOTEL



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Mortgage Loan Information

Mortgage Loan Seller:	Column
Original Principal Balance⁽¹⁾:	\$110,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$110,000,000
% of Pool by IPB:	9.1%
Loan Purpose:	Refinance
Borrowers:	Soho Grand Hotel, Inc. & Tribeca Grand Hotel, Inc.
Sponsors:	Hartz Financial Corp., Hartz Financial II Corp., Hartz Mountain Industries – NJ, L.L.C.
Interest Rate:	4.0211%
Note Date:	11/4/2014
Maturity Date:	11/6/2024
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(28),Def(88),O(4)
Lockbox⁽²⁾:	Hard
Additional Debt⁽³⁾:	Yes
Additional Debt Balance⁽⁴⁾:	\$140,000,000
Additional Debt Type⁽⁵⁾:	Pari Passu, B-Note
Additional Future Debt Permitted:	No

Escrows and Reserves⁽⁶⁾

	Initial	Monthly	Initial Cap
Taxes:	\$2,732,258	\$546,452	N/A
Insurance:	\$0	Springing	N/A
FF&E Reserve:	\$0	4% of total gross monthly revenue	N/A
Engineering Reserve:	\$225,068	N/A	N/A
Seasonality Reserve:	\$1,500,000	Springing	N/A

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan ⁽¹⁾	\$250,000,000	100.0%
Total Sources	\$250,000,000	100.0%

Property Information

Single Asset/Portfolio:	Portfolio of Two Properties
Title:	Fee
Property Type - Subtype:	Hotel - Full Service
Net Rentable Area (Rooms):	Soho: 353 / Tribeca: 201
Location:	New York, NY
Year Built / Renovated:	Soho: 1996 / N/A Tribeca: 2000 / N/A
Occupancy/ADR/RevPAR⁽³⁾:	83.8%/\$357.79/\$299.88
Occupancy/ADR/RevPAR Date⁽³⁾:	11/30/2014
Number of Tenants:	N/A
2011 NOI⁽⁴⁾:	\$23,963,703
2012 NOI⁽⁴⁾:	\$22,173,277
2013 NOI⁽⁴⁾:	\$25,283,210
TTM NOI (as of 11/2014)⁽⁴⁾:	\$24,547,291
UW Economic Occupancy/ADR/RevPAR⁽³⁾:	83.8%/\$357.79/\$299.88
UW Revenues:	\$76,313,309
UW Expenses:	\$52,651,782
UW NOI:	\$23,661,527
UW NCF:	\$20,608,994
Appraised Value / Per Room⁽⁵⁾:	\$389,000,000 / \$702,166
Appraisal Date:	10/9/2014

Financial Information⁽¹⁾

Cut-off Date Loan / Room:	\$406,137
Maturity Date Loan / Room:	\$406,137
Cut-off Date LTV:	57.8%
Maturity Date LTV:	57.8%
UW NCFDSCR:	2.25x
UW NOI Debt Yield:	10.5%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$195,000,000	78.0%
Return of Equity	39,462,273	15.8
Defeasance Cost	8,281,266	3.3
Upfront Reserves	4,457,325	1.8
Closing Costs	2,799,136	1.1
Total Uses	\$250,000,000	100.0%

- (1) The Soho-Tribeca Grand Hotel Portfolio loan is part of a loan evidenced by three *pari passu* senior notes (collectively, "A-Note") and a subordinate note ("B-Note"), with an aggregate original principal balance of \$250.0 million. The financial information presented in the chart above reflects the cut-off date balance of the approximately \$225.0 million A-Note of the Soho-Tribeca Grand Hotel Portfolio loan, but not the \$25.0 million subordinate B-Note.
- (2) For a more detailed description of Lockbox, please refer to "Lockbox / Cash Management" below.
- (3) Occupancy and UW Economic Occupancy represents underwritten occupancy which is based on the trailing twelve months ending November 30, 2014.
- (4) Historical NOI represents the consolidated numbers for both properties in the portfolio.
- (5) Appraised Value is \$287,000,000 (\$813,031/Room) for Soho Grand Hotel and \$102,000,000 (\$507,463/Room) for Tribeca Grand Hotel.
- (6) For a more detailed description of Escrows and Reserves, please refer to "Escrows and Reserves" below.

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

The Loan. The Soho-Tribeca Grand Hotel Portfolio loan is a \$250 million (\$451,264 per room) first mortgage backed by the fee interest in two hotels located in New York City: the Soho Grand Hotel comprised of 353 rooms and the Tribeca Grand Hotel comprised of 201 rooms. The whole loan has an outstanding principal balance of approximately \$250.0 million (the “Soho-Tribeca Grand Hotel Portfolio Whole Loan”) as of the cut-off date, which is comprised of three *pari passu* notes, Note A-1, Note A-2 and Note A-3, and an approximately \$25.0 million subordinate B-Note. Note A-1 has an outstanding principal balance as of the cut-off date of approximately \$110.0 million and is being contributed to the CSAIL 2015-C1 Commercial Mortgage Trust. Notes A-2 and A-3, with outstanding principal balances as of the cut-off date of approximately \$85.0 million and \$30.0 million, respectively, are currently held by Column Financial, Inc. and are expected to be contributed to one or more future securitized trusts. The subordinate B-Note is currently held by SM Core Credit Finance LLC, an unaffiliated third party investor. Prior to an AB control appraisal period with respect to the subordinate B-Note, under certain circumstances, the holder of the subordinate B-Note will have the right to approve certain major decisions with respect to the Soho-Tribeca Grand Hotel Portfolio Whole Loan and to replace the special servicer with or without cause. After an AB control appraisal event with respect to the subordinate B-Note, the holder of Note A-1, will be entitled to exercise all of the rights of controlling noteholder with respect to the Soho-Tribeca Grand Hotel Portfolio Whole Loan (which prior to the occurrence and continuance of a control termination event, will be exercised by the controlling class representative); however, the holders of Note A-2 and A-3 will be entitled, under certain circumstances, to consult with respect to certain major decisions.

The Borrowers. The borrowing entities for the Soho-Tribeca Grand Hotel Portfolio Whole Loan are Soho Grand Hotel, Inc. and Tribeca Grand Hotel, Inc., each of which are Delaware corporations and special purpose entities.

The Sponsor. The sponsor is Hartz Mountain Industries – NJ, L.L.C. (“Hartz”), an entity that indirectly wholly owns the borrowers. The nonrecourse carve-out guarantors of the mortgage loan are Hartz Mountain Industries – NJ, L.L.C., Hartz Financial Corp. and Hartz Financial II Corp. The nonrecourse carve-out guaranty is capped at \$50 million. Hartz is a privately held holding and operating company owned by Leonard N. Stern and his family. Hartz portfolio includes approximately 200 properties comprised of over 34 million SF and a 300 acre land bank in New Jersey, and includes corporate offices, warehouse and distribution facilities, hotels, single and multi-family developments and retail centers.

The Properties.

Soho-Tribeca Grand Hotel Portfolio Overview

Property	Rooms	Occupancy	UW ADR	UW RevPAR	UW NCF	Value
Soho Grand Hotel	353	84.3%	\$368.39	\$310.49	\$15,287,137	\$287,000,000
Tribeca Grand Hotel	201	82.9%	\$339.18	\$281.25	\$5,321,857	\$102,000,000
Total	554	83.8%	\$357.79	\$299.88	\$20,608,994	\$389,000,000

Soho Grand Hotel: The property is a full-service, 353-room luxury boutique hotel located at 310 West Broadway between Grand and Canal Streets in the Soho neighborhood of New York City. The property is 17-stories tall, offering views of Soho, Midtown, Greenwich Village, the Lower East Side, Chinatown, Nolita, and TriBeCa. The property established itself as one of Manhattan’s first luxury downtown boutique hotels. Opened on August 4, 1996, the property is located in the heart of Soho, alongside art galleries, boutiques and restaurants.

The 353 guest rooms include ten suites and two penthouse lofts. Hotel amenities include a 24-hour guest service response, in-room dining, concierge services, fitness center, business services and guest services. Business services include scanning, printing, faxing and copying. Guest services include valet parking, free local calls, in-house pressing, same day laundry and shoe shine. Each guestroom, suite and penthouse is equipped with a pillow top mattress, goose down duvet, flat screen television, luxury amenities and gourmet mini bar. A DVD library, iPads and MacBook Pro laptops are available upon request. The property’s 16th floor “deluxe one bedroom suites” are 470 - 500 SF while the “grand suites” are 700-800 SF, both featuring a master bedroom, separate living area, dual-exposure windows, a personal wet bar, a 27-inch Apple iMac, a Samsung Smart TV, a Tivoli

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

Sound System, and an Apple iPad. Featured on the Oprah Winfrey show's "Best Hotels in the US," the penthouse suite offers 1,300-1,600 SF of interior space, a 1,200 SF terrace, two bedrooms, a separate living room, and 180 degree panoramic view.

The sponsor has spent approximately \$5.4 million or \$15,319 per room towards capital expenditures between 2011 and 2013. Additionally, the sponsor plans to spend approximately \$3.2 million or \$9,071 per room over the next three years.

Historical Occupancy, ADR, RevPAR⁽¹⁾

Year	Competitive Set			Soho Grand Hotel			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2012	81.2%	\$352.99	\$286.75	78.9%	\$356.34	\$281.09	97.1%	100.9%	98.0%
2013	85.6%	\$359.03	\$307.37	83.7%	\$368.91	\$308.96	97.8%	102.8%	100.5%
2014 ⁽²⁾	84.3%	\$354.88	\$299.18	83.8%	\$366.93	\$307.56	99.4%	103.4%	102.8%

(1) Data provided by Smith Travel Research. The competitive set contains five luxury hotels located in the Soho district.

(2) Represents data for trailing twelve months ending December 2014.

Tribeca Grand Hotel: The property is a full-service, 201-room luxury boutique hotel located on the border of Soho and TriBeCa. The property was developed by the sponsor in 2000, offering a mid-century design, with the central eight-story atrium offering an airy vaulted core.

The property offers 201 guest rooms, including one luxury penthouse. Property amenities include 24-hour guest service response, in-room dining, concierge services, fitness center, business services, valet parking, free local call service, in-house pressing, same day laundry and shoe shine. Business services include scanning, printing, faxing and copying. Each guestroom, suite and penthouse is equipped with a pillow top mattress, goose down duvet, flat screen television, frette bathrobes, C.O. Bigelow bath amenities, a gourmet minibar and WiFi. The property's penthouse suite offers 900 SF of sleeping and living areas, rich, opulent décor, private access to an exclusive rooftop terrace, and panoramic views of downtown New York through floor-to-ceiling windows. MacBook Pro laptop computers, iPods and iPads are available upon request. The property features five indoor and outdoor options for business and social events, including private parties, film screenings, executive meetings and holiday events.

The sponsor has spent approximately \$3.6 million or \$18,070 per room towards capital expenditures between 2011 and 2013. Additionally, the sponsor plans to spend approximately \$3.2 million (\$16,535 per room) over the next three years.

Historical Occupancy, ADR, RevPAR⁽¹⁾

Year	Competitive Set			Tribeca Grand Hotel			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2012	81.7%	\$321.28	\$262.53	79.9%	\$320.85	\$256.35	97.8%	99.9%	97.6%
2013	83.9%	\$335.92	\$281.88	81.5%	\$338.83	\$276.22	97.1%	100.9%	98.0%
2014 ⁽²⁾	81.1%	\$337.94	\$273.90	82.9%	\$336.95	\$279.47	102.2%	99.7%	102.0%

(1) Data provided by Smith Travel Research. The competitive set contains five luxury hotels located in the Soho district.

(2) Represents data for trailing twelve months ending December 2014.

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

The Market.

Soho Grand Hotel:

The property enjoys convenient access due to its position on a major roadway and high foot traffic area on West Broadway between Canal and Grand Street, location within a major retail, art and design, nightlife and entertainment neighborhood, and its proximity to the various attractions of lower Manhattan. The property is one block from the Canal Street Station, which provides access to the A, C, and E trains. Located just three blocks from the property are the 1, 6, and N, Q, R trains. The Newark Liberty International Airport is located approximately 13 miles from the property and is accessible via the Holland Tunnel. John F Kennedy Airport is located approximately 15 miles from the property and is accessible via Atlantic Avenue. LaGuardia Airport is located approximately 10 miles from the property and is accessible via I-278.

The property is located at Soho's south district. The immediate local area is comprised of a wide variety of uses including ground level retail, art galleries, restaurants, nightlife, residential, parking garages and mixed-use buildings. North adjacent to the property are Taka-Taka and Felix Restaurant, followed by various restaurants and small retail stores. South adjacent to the property is a Dunkin Donuts and a Bank of America. East adjacent to the property are various restaurants such as Lucky Strike and Papatzul. West adjacent to the property is The James Hotel followed by Albert Capsouto Park.

Tribeca Grand Hotel:

The property enjoys convenient access to a major roadway and high foot traffic area on Avenue of the Americas (6th Avenue) between Walker and White Street, location within a major retail, art and design, nightlife and entertainment neighborhood, and proximity to various attractions of lower Manhattan. The property is one block from the Canal Street Station, which provides access to the A, C, and E trains. Located just three blocks from the property are the 1, 6, and N, Q, R trains. The Newark Liberty International Airport is located approximately 13 miles from the property and is accessible via the Holland Tunnel. John F Kennedy Airport is located approximately 15 miles from the property and is accessible via Atlantic Avenue. LaGuardia Airport is located approximately 10 miles from the property and is accessible via I-278.

The property's immediate local area is comprised of ground level retail, art galleries, restaurants, nightlife, residential, parking garages and mixed-use buildings. North adjacent to the property is Tribeca Park and the 27-story landmarked Art Deco AT&T Long Distance Building, which includes a wide variety of office tenants. South adjacent to the property is Petrarca Vino e Cucina restaurant, followed by various other restaurants and retail stores. West adjacent to the property is a parking lot followed by residential buildings. East adjacent to the property is a Subway restaurant, followed by Los Americanos restaurant and retail stores.

Competitive Hotels Profile⁽¹⁾

Property				Estimated Market Mix			2013 Estimated Operating Statistics		
	Rooms	Year Built	Meeting Space (SF)	Commercial	Meeting & Group	Leisure	Occupancy	ADR	RevPAR
Soho Grand Hotel	353	1996	2,489	40%	10%	50%	84%	\$369.42	\$309.38
Tribeca Grand Hotel	201	2000	1,966	30%	10%	60%	82%	\$339.64	\$276.87
SIXTY SoHo	97	2001	-	50%	5%	45%	87%	\$380.00	\$330.60
SIXTY LES	141	2008	-	40%	10%	50%	83%	\$315.00	\$261.45
Standard East Village New York	145	2008	-	55%	10%	35%	80%	\$330.00	\$264.00
Smyth Tribeca Hotel	100	2009	-	55%	5%	40%	78%	\$305.00	\$237.90
The James Hotel New York	114	2010	3,850	45%	15%	40%	86%	\$400.00	\$344.00
Mondrian Soho	263	2011	2,500	45%	10%	45%	90%	\$361.00	\$324.90
Total⁽²⁾	860								

(1) Source: Appraisal.

(2) Excludes the subject properties.

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

Operating History and Underwritten Net Cash Flow

	2011	2012	2013	TTM ⁽¹⁾	Underwritten	Per Room ⁽²⁾	% of Total Revenue ⁽³⁾
Occupancy	79.2%	79.3%	83.0%	83.8%	83.8%		
ADR	\$346.62	\$343.91	\$358.62	\$357.79	\$357.79		
RevPAR	\$274.40	\$272.46	\$297.58	\$299.88	\$299.88		
Room Revenue	\$55,486,415	\$55,245,771	\$60,174,695	\$60,639,220	\$60,639,220	\$109,457	79.5%
Food and Beverage	11,604,942	11,641,150	13,769,432	14,539,014	14,539,014	26,244	19.1%
Other Department Revenues	1,120,204	1,882,941	1,101,543	862,219	1,135,075	2,049	1.5%
Total Revenue	\$68,211,561	\$68,769,861	\$75,045,670	\$76,040,453	\$76,313,309	\$137,750	100.0%
Room Expense	12,439,592	13,139,573	14,274,672	14,595,965	14,595,965	26,347	24.1%
Food and Beverage Expense	9,659,087	10,239,907	11,928,834	12,466,432	12,466,432	22,503	85.7%
Other Departmental Expenses	255,857	221,233	197,411	182,096	182,096	329	16.0%
Departmental Expenses	\$22,354,536	\$23,600,713	\$26,400,916	\$27,244,493	\$27,244,493	\$49,178	35.7%
Departmental Profit	\$45,857,025	\$45,169,149	\$48,644,754	\$48,795,960	\$49,068,816	\$88,572	64.3%
Operating Expenses	\$16,939,518	\$16,908,819	\$16,838,741	\$17,642,337	\$18,593,000	\$33,561	24.4%
Gross Operating Profit	\$28,917,507	\$28,260,330	\$31,806,013	\$31,153,623	\$30,475,816	\$55,010	39.9%
Fixed Expenses	4,953,804	6,087,053	6,522,803	6,606,332	6,814,289	12,300	8.9%
NOI	\$23,963,703	\$22,173,277	\$25,283,210	\$24,547,291	\$23,661,527	\$42,710	31.0%
FF&E	2,695,179	2,683,527	2,716,661	2,713,656	3,052,532	5,510	4.0%
Net Cash Flow	\$21,268,525	\$19,489,750	\$22,566,549	\$21,833,635	\$20,608,994	\$37,200	27.0%

(1) The TTM column represents the trailing twelve-month period ending November 30, 2014.

(2) Per Room values are based on 554 guest rooms.

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

Property Management. The Soho-Tribeca Grand Hotel Portfolio is managed by Hartz Hotel Services, Inc. Hartz Hotel Services, Inc. commenced management of the Soho-Tribeca Grand Hotel Portfolio on April 28, 2004 under a management agreement that terminates on April 30, 2034. As President and COO of Hartz Grand Hospitality division, Tony L. Fant manages the Soho Grand Hotel in Manhattan, the Tribeca Grand Hotel in Manhattan, and the Sheraton Lincoln Harbor Hotel in Weehawken, NJ. Fant brings over 20 years of hospitality industry experience to Hartz Hotel Services, Inc. Prior to opening the Soho Grand Hotel in 1996, he managed the New York Renaissance Hotel and the Crowne Plaza Hotel Manhattan.

Escrows and Reserves. At origination, the borrowers deposited into escrow \$2,732,258 for tax reserves, \$225,068 for engineering reserves, and \$1,500,000 for a seasonality reserve.

Tax Escrows – On a monthly basis, the borrowers are required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$546,452.

Insurance Escrows – On a monthly basis, the borrowers are required to escrow 1/12 of the annual estimated insurance payments, which currently equates to \$29,230. The insurance escrow will be waived as long as required insurance is provided as part of the sponsor blanket policy.

FF&E Reserve – On a monthly basis, the borrowers are required to escrow 4% of borrower's gross revenue for the calendar month that is two calendar months prior.

Seasonality Reserve – The borrowers are required to escrow (i) on each payment date occurring in September and October of each year, an amount equal to \$600,000 and (ii) on each payment date occurring in November and December of each year, an amount equal to \$300,000. Provided no event of default has occurred and is continuing, the lender will disburse to the borrowers up to \$900,000 from the seasonality reserve on each payment date in January and February, (i) if there is no Trigger Period

Mortgage Loan No. 1 — Soho-Tribeca Grand Hotel Portfolio

continuing and (ii) during a Trigger Period, to the Cash Management Account to be applied in accordance with that cash management agreement.

Lockbox / Cash Management. The Soho-Tribeca Grand Hotel Portfolio Whole Loan is structured with a hard lockbox and springing cash management. All rent and other revenue of the property is required to be directly deposited into a sweep account controlled by the lender at a financial institution acceptable to the lender (the "Lockbox Account"). Provided no Trigger Period (as defined below) is continuing, all funds contained in the Lockbox Account are required to be remitted to the borrowers at the end of each business day. During a Trigger Period or if an event of default is continuing, all funds in the Lockbox Account are required to be remitted to an account controlled by the lender (the "Cash Management Account"). During a Trigger Period, provided no event of default is then continuing, amounts in the Cash Management Account are required to be applied by the lender to the payment of debt service for the Soho-Tribeca Grand Hotel Portfolio Whole Loan, the amounts due for any required reserves, approved operating expenses and other items required by the lender. All amounts in the Cash Management Account during an event of default and all excess cash flow during a Trigger Period are required to be held as additional collateral by the lender and may be applied by the lender during an event of default in its sole discretion. All amounts on deposit in the Cash Management Account will be disbursed to the borrowers upon the termination of a Trigger Period and/or an event of default.

"Trigger Period" means any period that commences when (i) there is an event of default, (ii) a bankruptcy action of the borrowers or the property manager has commenced and has not been discharged or dismissed or (iii) the debt service coverage ratio falls below the applicable debt service coverage ratio (1.55x) for two consecutive fiscal quarters, and ends when, as applicable, (a) the event of default has been cured, (b) a bankruptcy action has been caused by the property manager, the borrowers have replaced the property manager or (c) the debt service coverage ratio rises above the cure debt service coverage ratio (1.60x) for two consecutive fiscal quarters.