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Confidential Investment Summary

Mezzanine Debt Investment Opportunity: Springhill Suites Tampa Downtown

1105 N Tampa Street, Tampa, FL

Property Type: Newly-Built, Marriott-Flagged Select-Service Hotel

Mezzanine Financing Amount: \$3,150,000 (LDB: \$192,262 per key)



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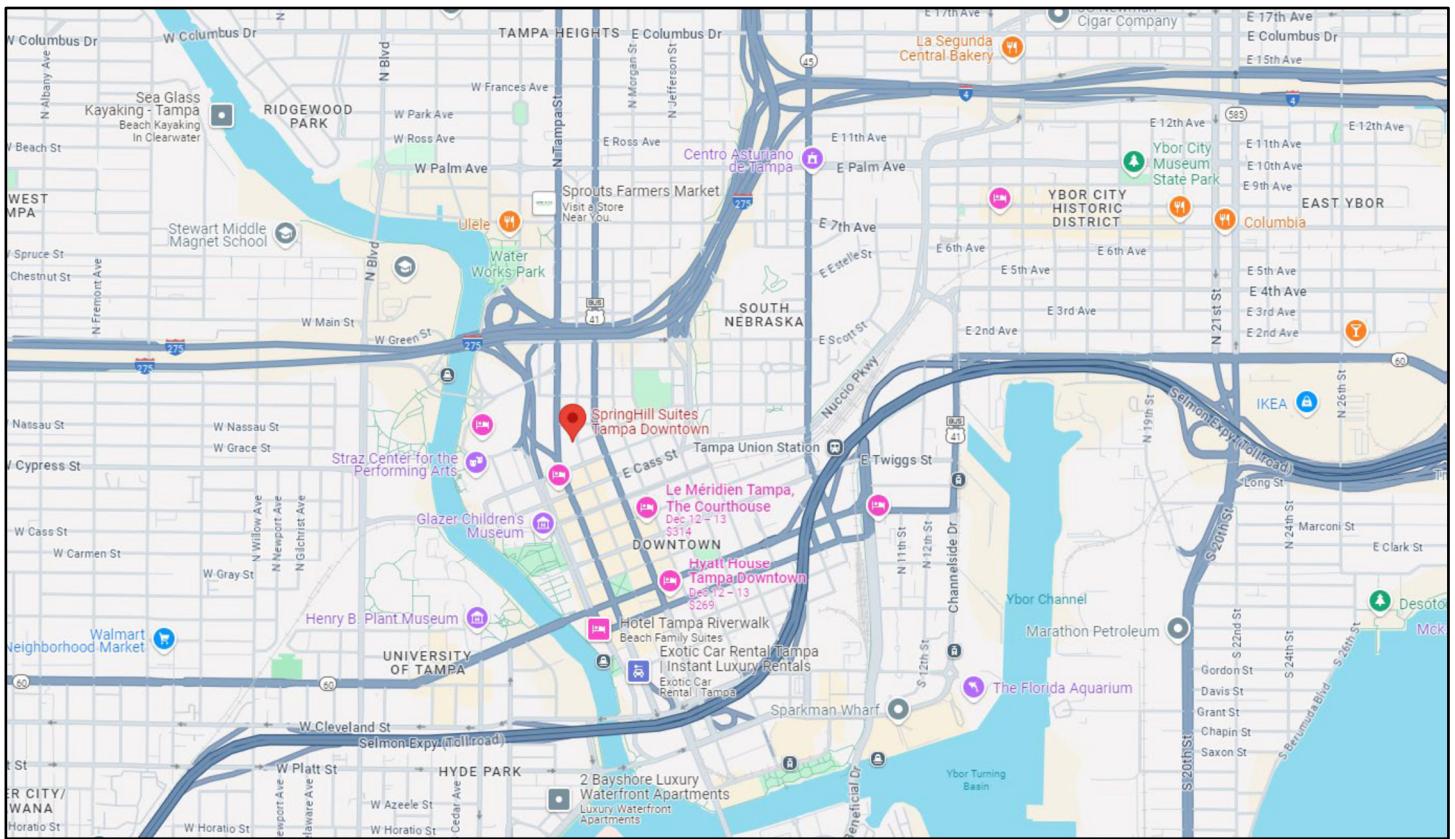
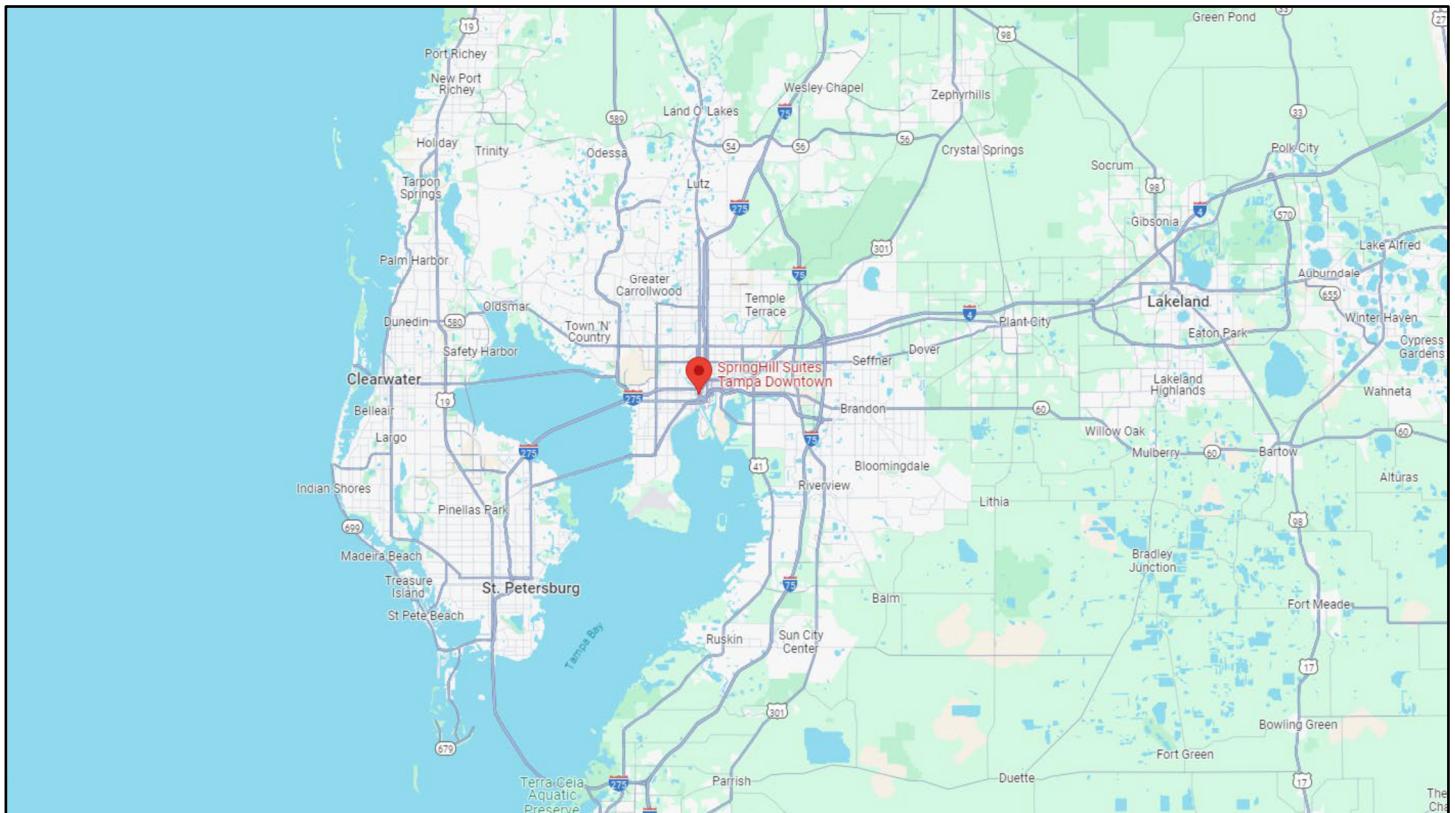
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Chief Investment Officer

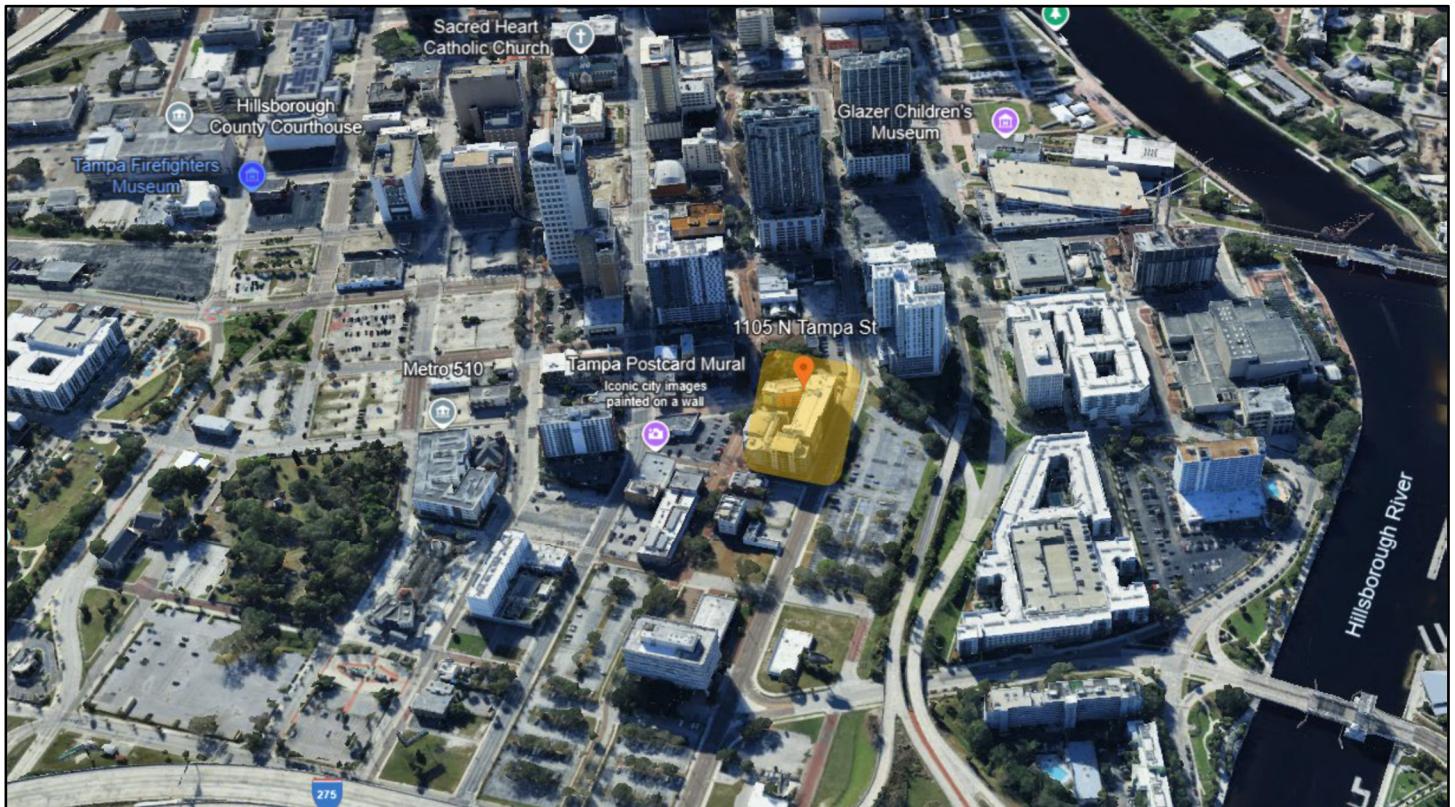
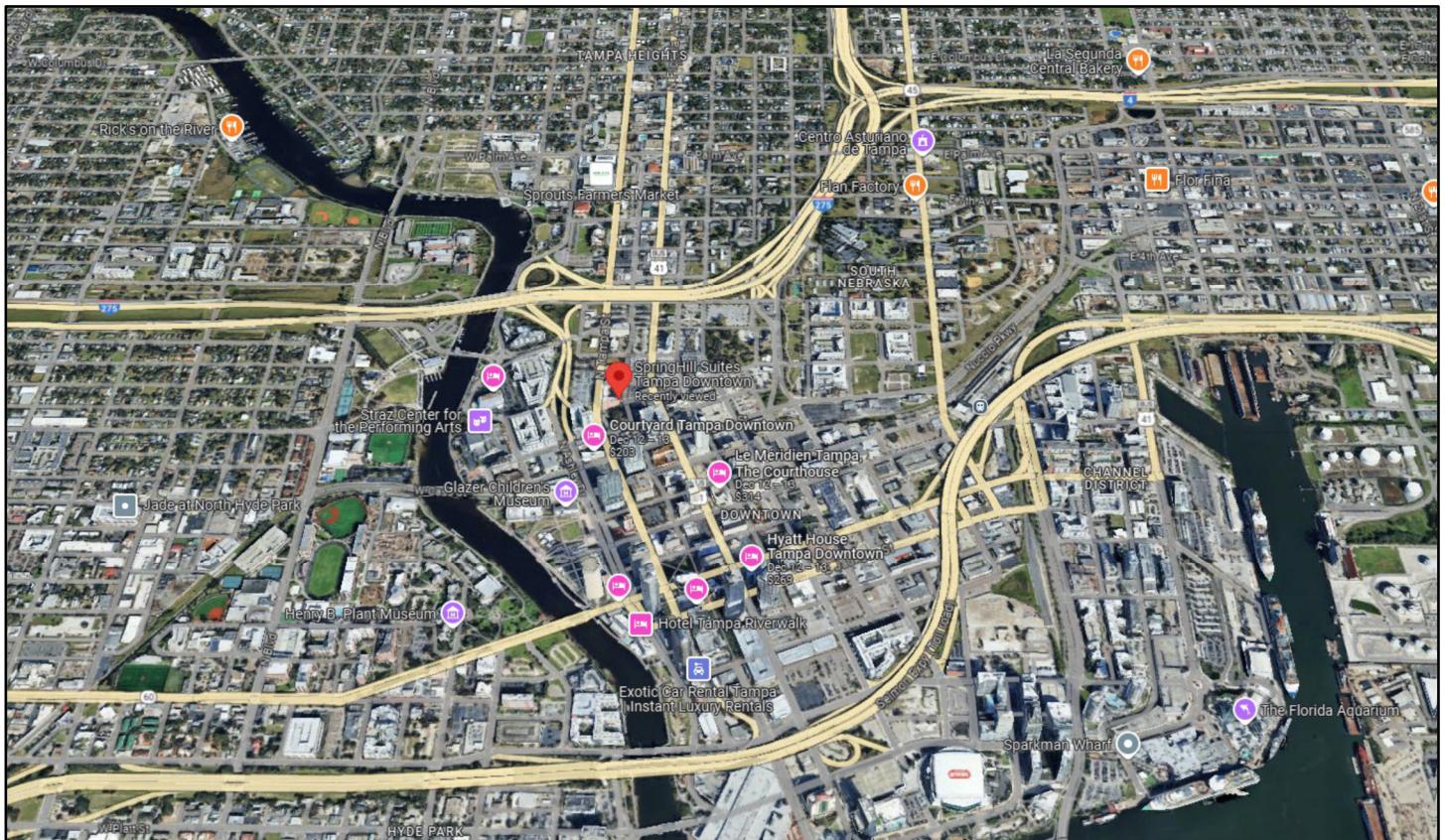
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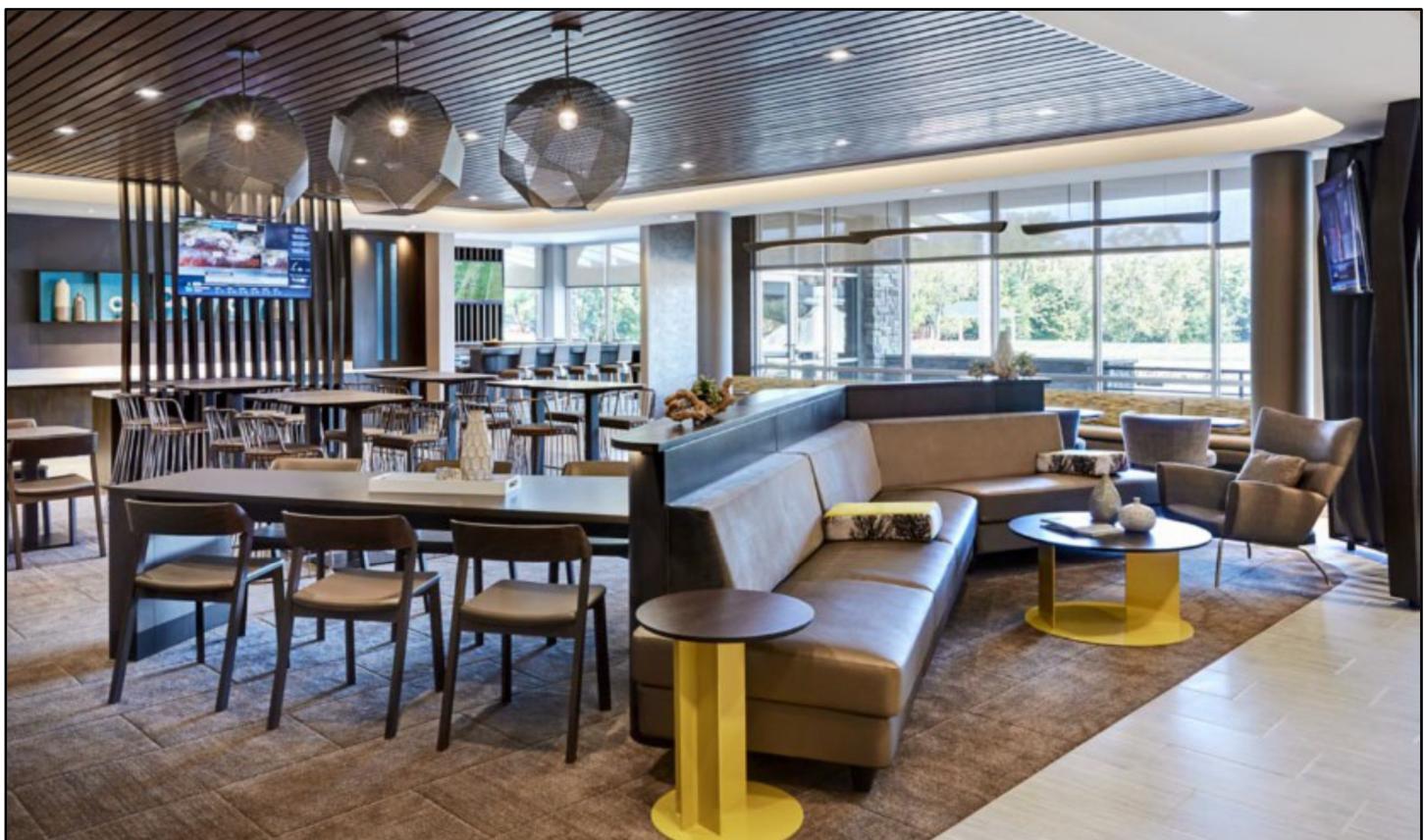
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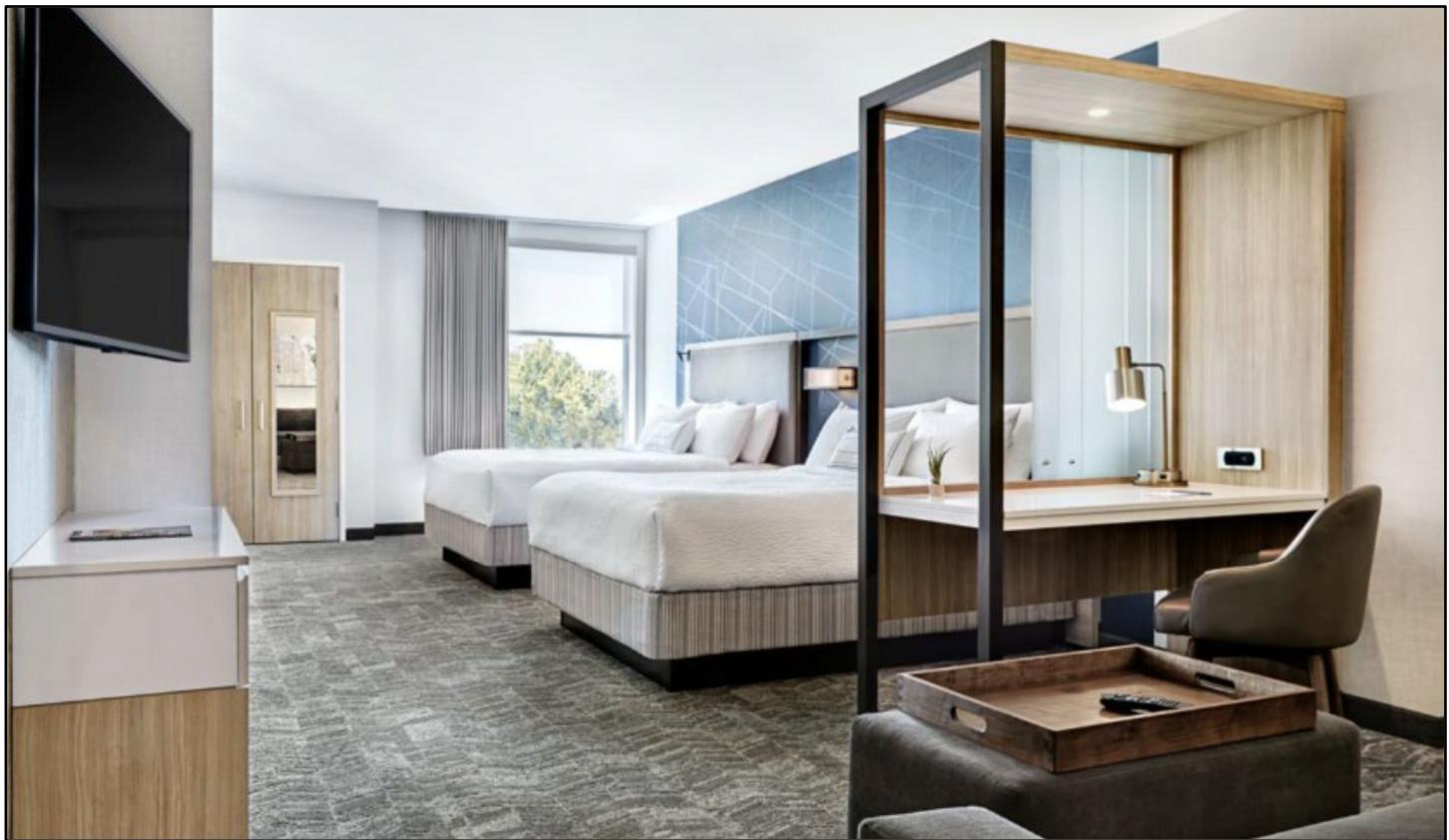
SpringHill Suites Tampa Downtown



SpringHill Suites Tampa Downtown







OPPORTUNITY

Arbor Lodging Partners LLC ("Arbor") is seeking investors to participate in a \$3,150,000 mezzanine loan (the "Mezz Loan") in connection with Benefit Street Partners' ("BSP") \$29,150,000 first mortgage loan for the post-construction refinancing of Borrower's fee-simple interest in the select-service hotel known as SpringHill Suites by Marriott Tampa Downtown (The "Property") located at 1105 N Tampa Street, Tampa, FL. Arbor Principals will invest at least 10% of the Mezz Loan amount.

We believe this opportunity offers a compelling risk-adjusted return on an investment in one of the strongest hospitality markets in the country. The last dollar basis of approximately \$193,000 per key is at a material discount to both replacement cost and recent select-service trades in the Tampa CBD. The brand-new asset, growth market, and strong brand will provide strong investor interest and liquidity in the debt and investment sales markets. The interest rate for the Mezz Loan will be **SOFR + 1225 basis points**, which will offer equity-like returns for a debt position with \$11.65 million of sponsor equity subordinate to the Mezz Loan.

TRANSACTION SUMMARY

Mezzanine Loan Amount	\$3,150,000	Property Name	Springhill Suites Tampa Downtown
Whole Loan Amount	\$32,300,000	Brand Family	Marriott
Whole Loan / Mezz Last Dollar Per Key	\$192,262	Address	1105 N Tampa Street
Loan Purpose	Construction Loan Refinancing	City, State	Tampa, FL
Loan Term (months)	36	Arbor As-Is Value / LTV	\$43.2MM / 74.7%
Amortization (months)	Interest Only	Arbor As-Stabilized Value	\$48.0MM / 67.3%
Extension Options	Two, 12-month extension options	Year Built	2025
Amortization During Extension Periods	30-yr AM in both ext. options	Keys	168
Whole Loan Blended SOFR Spread	5.26%	Borrower	Affiliate SPE of Dynamic Group Management
Mezz Loan SOFR Spread	12.25%	Franchise Expiration	2044
SOFR Floor	3.70%	Carveout Guarantors	Bob Bhagat, Suresh Patel, Chandrakant Amin & Roshan Amin
Origination / Exit / Extension Fees	1.00% / 1.00% / 0.25%	Recourse Type	Non-Recourse Subject to Carveouts
Minimum Interest	12 Months	Fee/Leasehold	Fee Simple
<u>Projected Returns (Mezz Loan) - Net of Arbor Fees</u>			
IRR Initial Term	15.3%	MOIC Initial Term	1.4x

FINANCING HIGHLIGHTS

Tampa MSA Market Strength

Tampa is one of the strongest hospitality markets in the country. The diverse economy is driven by a combination of strong population and job growth, combined with a robust set of leisure demand generators and convention / group business. The robust organic growth sets it apart from many other Florida markets. While many parts of Florida have seen declines since the post-COVID peak, Tampa has continued to see RevPAR growth. Tampa has experienced the second strongest RevPAR recovery in the country post-COVID, with RevPAR of 126% of pre-COVID levels.

New Construction

The Property was constructed in 2025 and features 168-guestrooms, an F&B outlet, meeting space, a fitness center, and rooftop pool and operates under a 20-year franchise agreement with Marriott. The urban-style Property was built above the typical brand specification, and will be the newest and nicest select-service hotel in the Tampa CBD.

Brand

The newly constructed asset will utilize the Marriott Bonvoy loyalty program, the largest loyalty program in the world. The Springhill Suites brand is popular with both leisure and corporate guests, which will allow the hotel to capitalize on the diverse demand generators of the market. Further, the brand has shown particular strength post-COVID.

Downside Protection

The sponsor will have \$11,650,000 million (\$69k/key) of equity in the deal, including approximately \$2,900,000 of new equity being contributed as part of this transaction. The last dollar basis will be below the most relevant comps in the market. Although the sponsor's pro forma is reasonable based on comparable data, the hotel can significantly underperform the sponsor pro forma and still achieve a 10% debt yield (see Comparable Properties & Data section below). Accordingly, we believe the risk of impairment to be very minimal.

UNDERWRITING SUMMARY

<u>Uses</u>		<u>Projected Performance</u>	<u>2025</u>	<u>2027</u>
Repayment of Existing Debt	\$27,512,039	Occupancy	62.5%	73.5%
Closing Costs	\$2,066,394	ADR	\$184	\$206
Shortfall & Lien Reserve	\$5,630,000	RevPar	\$115	\$152
Total Uses	\$35,208,433	Total Revenue	\$7.61MM	\$10.00MM
<u>Sources</u>		NOI / Key / (%)	\$2.45MM / \$14,585 / 32%	\$3.71MM / \$22,101 / 37%
BSP Mortgage Loan	\$29,150,000	Implied Debt Yield	7.9%	12.0%
Arbor Mezzanine Loan	\$3,150,000	Implied DSCR	0.86x	1.31x
Additional Sponsor Equity	\$2,908,433			
Total Sources	\$35,208,433			
<u>Arbor Fee Structure</u>				
Fees: 1% Sourcing Fee, 1% Exit Fee		Promote: 20% Over 10% Quarterly Cashflow Hurdle		

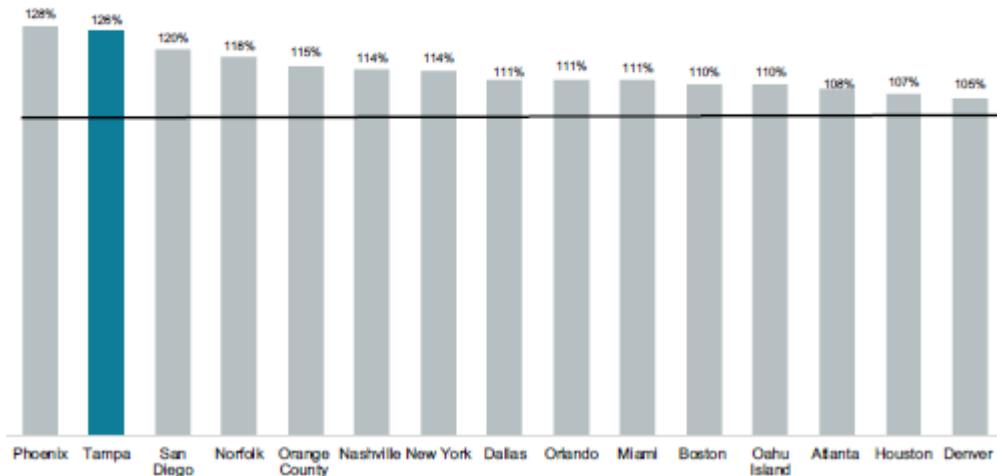
MARKET SUMMARY

The Tampa Metro area, home to over 3.2 million people, is experiencing rapid population growth, positioning it as one of the country's fastest growing regions. Its diverse cities, pleasant year-round weather, and renowned beaches have solidified the Tampa Metro as a top tier tourist destination in Florida. Notably, Tampa has emerged as a thriving business city, supported by Fortune 500 corporations, esteemed educational institutions, military bases, major ports, and successful professional sports teams. The interplay of these demand drivers enables the lodging market in Tampa to tap into many sources of demand, leading to its strong performance.

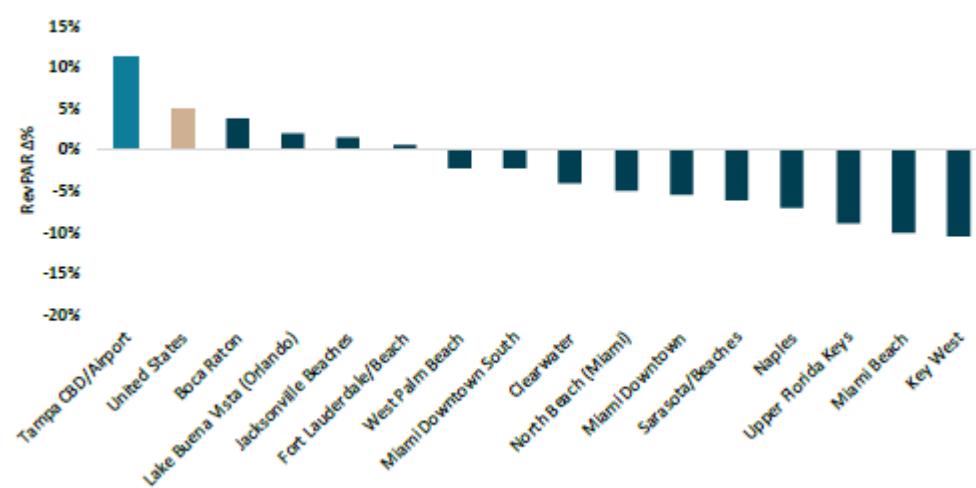
Group demand is further supported by The Tampa Convention Center, which completed a \$44.5 million Capital Improvement Plan in late 2023, its largest renovation project in history. In 2024, the Tampa Convention Center is expected to host 39 large city-wide conventions and conferences involving multiple venues, compared to 28 city-wide events in 2019.

Sports tourism has been another major group demand driver in the area. Tampa recently ranked as a top city for hosting sports events, with Tropicana Field, Raymond James Stadium, and Amalie Arena offering a wide range of event formats. In addition, the Port of Tampa Bay supports leisure demand, expecting an all-time cruise passenger record of over 1.2 million in 2024.

The strength of the market is evident by the market's robust RevPAR growth compared to pre-pandemic figures. According to JLL, Tampa ranks number two in the country for this metric:

Tampa MSA vs STR Top 25 Markets – RevPAR Recovery Index 2023 vs. February 2020 T-12

Tampa has also differentiated itself from other Florida markets by continuing to see RevPAR growth even as the drive-to-leisure markets began to see pullback from 2022 peaks. The following data from JLL is testament to the diverse demand in the market:

Recalibration from post-pandemic peak (2023 RevPAR vs. 2022)

Source: JLL; Costar

COMPARABLE PROPERTIES & DATA

The last dollar basis of approximately \$193,000 per key is well-below both replacement cost and the most relevant premium select-service trades in and near the CBD. The following chart demonstrates the favorable basis of the Mezz Loan:

Tampa CBD - Recent Premium Select-Service Sales

Property	Sale Date	Sale Price	Price/Key	CapEx	<u>Est.</u>	Year Built	Keys	% Premium to Subject
					Total/Key*			
Springhill Tampa Downtown (Subject)					\$192,262	2024	168	
Aloft Tampa Downtown	8/28/2023	\$36,740,000	\$282,615	\$3,900,000	\$312,615	2014 conversion	130	62.60%
Aloft / Element Tampa Midtown	4/5/2022	\$82,840,000	\$366,549	\$0	\$366,549	2021	226	90.65%
Hampton / Home2 Tampa Channel District	7/26/2021	\$57,500,000	\$269,953	\$0	\$269,953	2019	213	40.41%

* Mezz last dollar for Subject

One of the most compelling aspects of this investment is that we believe there is downside protection even in the event of material underperformance relative to BSP's pro forma. BSP has projected stabilized (Year 3) NOI per key of \$29,790. While we believe this to be reasonable when compared to directly competitive properties, The hotel could massively underperform without any projected principal impairment for the Mezz Loan. The following chart shows that the BSP base-case underwriting is reasonable, with Property NOI per key at only a slight premium to nearby select-service product that is 25+- years old:

NOI Per Key - Subject vs. Confidential Direct Comps

	Keys	Yr. Built	T12 Q1 2023	Trended YE 2024	Underwritten / Trended 2027
Courtyard Tampa Downtown	141	1998	\$23,447	\$25,305	\$27,651
Residence Inn Tampa Downtown	109	2000	\$22,505	\$24,309	\$26,563
<i>SHS (Subject) BSP Underwriting</i>	<i>168</i>	<i>2024</i>			<i>\$29,790</i>

While we expect performance to achieve the BSP underwriting, the following chart demonstrates that the hotel's value, based on what we believe is a reasonable cap rate, will be in excess of the Mezz Loan's last dollar basis and it will cover debt service even in the unlikely event that NOI per key underachieves expectations by over 40%.

NOI Per Key Sensitivity

NOI Per Key	NOI	Debt Yield	Imputed Value	Value Premium to Basis*	NOI/Key vs. to BSP U/W	NOI/Key vs. Courtyard T12 3/2023 Actual	DSCR**
\$29,790	\$5,004,720	15.49%	\$66,729,600	\$34,429,600			1.68 BSP U/W
\$25,000	\$4,200,000	13.00%	\$56,000,000	\$23,700,000	-16.08%	6.62%	1.41
\$20,000	\$3,360,000	10.40%	\$44,800,000	\$12,500,000	-32.86%	-14.70%	1.13
\$17,000	\$2,856,000	8.84%	\$38,080,000	\$5,780,000	-42.93%	-27.50%	0.96

* Assumes market cap rate for newer product of 7.5%

** Assumes SOFR of 4.60%

KEY RISKS AND MITIGANTS

Risk: The Sponsor is Unable to Achieve their Business Plan – Since the Property is brand new, there is no operating history. There is always ramp-up risk for a new property. The Sponsor projects a \$154.67 RevPAR in Year 3 for the Property

Mitigants:

- The Sponsor's total development cost basis of \$42.0 million (\$250,000/key) and will have \$11.65 million (\$69/key) of equity in the deal.

- Although some newly built hotels can be difficult to underwrite based on limited relevant comps, this asset has several direct comps for which we have operating data. The pro forma appears very achievable based on the comparable data we have access to. The loan basis is still attractive even if the sponsor significantly underachieves their operating projections.
- The Property will utilize the Marriott Bonvoy loyalty program, the largest loyalty program in the world.
- The Loan has an in-place lockbox and cash management.
- The sponsor recently received an offer from a reputable buyer to purchase the Property for a price that is well in excess of the mezzanine loan last dollar basis, and higher than our conservative projection of market value.

Risk: New market for the management company – Dynamic's existing assets are all in Tennessee. They do not currently operate any hotels in urban core markets.

Mitigants:

- Dynamic is an experienced Marriott operator, with several assets in the brand family across their portfolio.
- The real estate is strong enough to remain attractive to investors even if Dynamic turns out to be a less-than-optimal operator of this asset.
- In the event that Arbor needs to exercise its right as mezzanine lender, Arbor's management affiliate would be ready to take over and will already be familiar with the asset.

Investments in real estate are inherently risky, and there are no assurances that the Mezz Loan will generate positive returns.