

Various

Collateral Asset Summary – Loan No. 3

## Midwest Embassy Suites Portfolio

<b>Cut-off Date Balance:</b>	\$65,000,000
<b>Cut-off Date LTV:</b>	52.1%
<b>U/W NCF DSCR:</b>	2.17x
<b>U/W NOI Debt Yield:</b>	15.9%



Embassy Suites By Hilton Cleveland Rockside



Embassy Suites By Hilton Cincinnati Rivercenter



Embassy Suites By Hilton Columbus Dublin



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**Mortgage Loan Information**

<b>Loan Seller:</b>	GACC
<b>Loan Purpose:</b>	Acquisition
<b>Sponsor<sup>(1)</sup>:</b>	American Hotel Income Properties REIT Inc.
<b>Borrower<sup>(2)</sup>:</b>	Various
<b>Original Balance:</b>	\$65,000,000
<b>Cut-off Date Balance:</b>	\$65,000,000
<b>% by Initial UPB:</b>	7.2%
<b>Interest Rate:</b>	4.7200%
<b>Payment Date:</b>	6 <sup>th</sup> of each month
<b>First Payment Date:</b>	March 6, 2017
<b>Maturity Date:</b>	February 6, 2027
<b>Amortization:</b>	Interest only for first 36 months, 360 months thereafter
<b>Additional Debt:</b>	None
<b>Call Protection:</b>	L(27), D(89), O(4)
<b>Lockbox / Cash Management:</b>	Hard / Springing

**Reserves<sup>(3)</sup>**

	<b>Initial</b>	<b>Monthly</b>
<b>Taxes:</b>	\$100,000	\$123,073
<b>Insurance:</b>	\$0	Springing
<b>FF&amp;E:</b>	\$0	Springing
<b>PIP:</b>	\$6,750,000	NAP
<b>Ground Rent Reserve:</b>	\$125,667	\$21,167

**Financial Information**

<b>Cut-off Date Balance / Room:</b>	\$83,120
<b>Balloon Balance / Room:</b>	\$73,124
<b>Cut-off Date LTV<sup>(4)</sup>:</b>	52.1%
<b>Balloon LTV<sup>(4)</sup>:</b>	45.9%
<b>Underwritten NOI DSCR:</b>	2.55x
<b>Underwritten NCF DSCR:</b>	2.17x
<b>Underwritten NOI Debt Yield:</b>	15.9%
<b>Underwritten NCF Debt Yield:</b>	13.5%
<b>Underwritten NOI Debt Yield at Balloon:</b>	18.1%
<b>Underwritten NCF Debt Yield at Balloon:</b>	15.4%

**Property Information**

<b>Single Asset / Portfolio:</b>	Portfolio of three properties
<b>Property Type:</b>	Full Service Hospitality
<b>Collateral<sup>(5)</sup>:</b>	Fee Simple / Leasehold
<b>Location:</b>	Various
<b>Year Built / Renovated:</b>	Various / 2017
<b>Total Rooms:</b>	782
<b>Property Management<sup>(6)</sup>:</b>	Various
<b>Underwritten NOI:</b>	\$10,322,965
<b>Underwritten NCF:</b>	\$8,801,837
<b>Appraised Value<sup>(4)</sup>:</b>	\$124,700,000
<b>Appraisal Date<sup>(7)</sup>:</b>	December 2017

**Historical NOI**

<b>Most Recent NOI:</b>	\$11,497,557 (T-12 February 28, 2017)
<b>2016 NOI<sup>(8)</sup>:</b>	\$11,419,734 (December 31, 2016)
<b>2015 NOI<sup>(8)</sup>:</b>	\$12,049,046 (December 31, 2015)
<b>2014 NOI:</b>	\$12,046,279 (December 31, 2014)

**Historical Occupancy**

<b>Most Recent Occupancy:</b>	72.0% (February 28, 2017)
<b>2016 Occupancy<sup>(8)</sup>:</b>	71.3% (December 31, 2016)
<b>2015 Occupancy:</b>	73.0% (December 31, 2015)
<b>2014 Occupancy:</b>	74.5% (December 31, 2014)

- (1) The sponsor is also the sponsor of the mortgage loan identified on Annex A-1 to the Prospectus as Embassy Suites Tempe, which has a Cut-off Date Balance of \$13.5 million.
- (2) The borrowers for the Midwest Embassy Suites Portfolio Loan are: AHIP OH Cleveland Properties LLC; AHIP OH Cleveland Enterprises LLC; AHIP OH Columbus Properties LLC; AHIP OH Columbus Enterprises LLC; AHIP KY Covington Properties LLC; AHIP KY Covington Enterprises LLC. Each individual property has two related borrowers comprised of a fee owner and an operating lessee.
- (3) See "Initial Reserves" and "Ongoing Reserves" herein.
- (4) The Appraised Value, Cut-off Date LTV and Balloon LTV are calculated based on the "As Complete" value for the Midwest Embassy Suites Portfolio properties, which assumes the completion of the required PIP at each property. The estimated cost of each respective PIP was reserved in full at loan origination. Based on the "As Is" appraised value as of December, 2016 of \$114,200,000, the loan has a Cut-off Date LTV and Maturity Date LTV of 56.9% and 50.1%, respectively.
- (5) The Midwest Embassy Suites Portfolio Loan is secured by a leasehold interest in the Embassy Suites Cincinnati, River Center property and fee interests in the Embassy Suites Columbus, Dublin and Embassy Suites Cleveland, Rockside properties.
- (6) The property management for the Midwest Embassy Suites Portfolio properties are: One OH Cleveland ES Management LLC; One OH Columbus ES Management LLC; One KY Covington ES Management LLC
- (7) Appraisal Dates for the Midwest Embassy Suites Portfolio properties are 12/19/2017 for the Embassy Suites Cincinnati, River Center property, 12/21/2017 for the Embassy Suites Cleveland, Rockside property and 12/20/2017 for the Embassy Suites Columbus, Dublin property.
- (8) There were approximately 3,588 offline room nights from September 2016 through January 2017 as well as renovations between January 2016 and March 2016.

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			<b>U/W NCF DSCR:</b>	2.17x
			<b>U/W NOI Debt Yield:</b>	15.9%

Historical Occupancy, ADR, RevPAR <sup>(1)</sup>									
Year	Midwest Embassy Suites Portfolio			Competitive Set			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2014 <sup>(2)</sup>	74.5%	\$132.60	\$98.93	63.9%	\$116.44	\$74.94	116.6%	113.9%	132.0%
2015 <sup>(3)</sup>	73.7%	\$133.03	\$98.20	63.8%	\$116.72	\$74.96	115.5%	114.0%	131.0%
2016 <sup>(3)</sup>	71.8%	\$136.86	\$98.42	66.3%	\$118.82	\$79.16	108.3%	115.2%	124.3%
T-12 Feb 2017 <sup>(3)</sup>	71.9%	\$139.38	\$100.48	65.8%	\$120.49	\$80.03	109.3%	115.7%	125.6%

(1) Occupancy, ADR and RevPAR represent estimates from the hospitality research report. The variances between the underwriting, the appraisal and the above table with respect to Occupancy, ADR and RevPAR at the Midwest Embassy Suites Portfolio properties are attributable to variances in reporting methodologies and/or timing differences.

(2) Source: December 2014 hospitality research report.

(3) Source: February 2017 hospitality research report.

Portfolio Summary									
Embassy Suites Ohio MSA/Location	Rooms	Year Built/ Renov.	Ownership Interest	Allocated Loan Amount (\$)	% of Allocated Loan Amount	UW NCF	Appraised Value <sup>(1)</sup>	2013-2016 CapEx. (Approx.)	2017-2018 Reserved PIP
Columbus, Dublin	284	1999 / 2017	Fee Simple	\$25,072,173	38.6%	\$3,352,623	\$48,100,000	\$5,400,000	\$2,380,000
Cleveland, Rockside	271	2001 / 2017	Fee Simple	\$20,537,290	31.6%	\$2,323,548	\$39,400,000	\$5,600,000	\$2,520,000
Cincinnati, River Center	227	1990 / 2017	Leasehold	\$19,390,537	29.8%	\$3,125,665	\$37,200,000	\$5,200,000	\$1,850,000
<b>Total</b>	<b>782</b>			<b>\$65,000,000</b>	<b>100.0%</b>	<b>\$8,801,837</b>	<b>\$124,700,000</b>	<b>\$16,200,000</b>	<b>\$6,750,000</b>

(1) The Appraised Value is based on the "As Complete" value for the Midwest Embassy Suites Portfolio properties, which assumes the completion of the required PIP at each property. The estimated cost of each respective PIP was reserved in full at loan origination.

**The Loan.** The Midwest Embassy Suites Portfolio loan (the "Midwest Embassy Suites Portfolio Loan") is a fixed rate loan with an Original and Cut-off Date principal balance of \$65.0 million secured by the borrowers' fee simple interest in two and leasehold interest in one full service Embassy Suites hotels totaling 782 rooms (the "Midwest Embassy Suites Portfolio Properties" and individually each a "Midwest Embassy Suites Portfolio Property") located across three of Ohio's metropolitan statistical areas ("MSAs").

The Midwest Embassy Suites Portfolio Loan has a 10-year term and amortizes on a 30-year schedule after an initial 36-month interest only period. The Midwest Embassy Suites Portfolio Loan accrues interest at a fixed rate equal to 4.7200%. Loan proceeds, plus approximately \$59.2 million of loan sponsor equity, were used to acquire the Midwest Embassy Suites Portfolio for \$116.5 million, fund a \$6.75 million PIP Reserve, fund a tax reserve and pay closing costs.

The Appraised Value, Cut-Off Date LTV and Maturity Date LTV of 52.1% and 45.9%, respectively, are calculated based on the "As Complete" value of \$124.7 million for the Midwest Embassy Suites Portfolio Properties, which assumes the completion of the required property improvement plan ("PIP") at each Embassy Suites Portfolio Property, the estimated cost of which was reserved at loan origination. Based on the "As Is" appraised value as of December 2016 of \$114.2 million, the Midwest Embassy Suites Portfolio Loan has a Cut-off Date LTV and Maturity Date LTV of 56.9% and 50.1%, respectively. The appraiser also concluded an "As Stabilized" value of \$128.1 million as of December 2018, assuming PIP completion, which would result in a Cut-off Date LTV and Maturity Date LTV of 50.7% and 44.6%, respectively.

The "As-is" appraised value of \$114.2 million corresponds to the \$116.5 million purchase price of the Midwest Embassy Suites Portfolio. Additionally, the "as complete" Appraised Value of \$124.7 million corresponds to the loan sponsor's cost basis for the Midwest Embassy Suites Portfolio, which after the completion of the \$6.75 million PIP in December 2018, is expected to be \$123.25 million.

The Midwest Embassy Suites Portfolio Loan proceeds, along with \$60.0 million of sponsor equity, were used to acquire the Midwest Embassy Suites Portfolio for a purchase price of \$116.5 million, fund approximately \$7.0 million in upfront reserves and pay closing costs of approximately \$1.5 million. The most recent prior financing of the Midwest Embassy Suites Portfolio was included in the CDGJ 2014-BXCH securitization.

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			<b>U/W NCF DSCR:</b>	2.17x
			<b>U/W NOI Debt Yield:</b>	15.9%

Sources and Uses <sup>(1)</sup>					
Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Loan Amount	\$65,000,000	52.0%	Purchase Price	\$116,500,000	93.2%
Borrower Equity	\$60,007,698	48.0%	Reserves	\$6,975,667	5.6%
			Closing Costs	\$1,532,031	1.2%
<b>Total Sources</b>	<b>\$125,007,698</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$125,007,698</b>	<b>100.0%</b>

(1) The Midwest Embassy Suites Portfolio Properties were part of a 13-hotel portfolio owned by Eagle Hospitality Properties Trust, which was acquired by the seller via foreclosure in 2012. Please see "Description of the Mortgage Pool-Loan Purpose; Default History, Bankruptcy Issues and Other Proceedings" in the Prospectus.

**The Borrowers / Sponsors.** The borrowers are AHIP OH Cleveland Properties LLC; AHIP OH Cleveland Enterprises LLC; AHIP OH Columbus Properties LLC; AHIP OH Columbus Enterprises LLC; AHIP KY Covington Properties LLC and AHIP KY Covington Enterprises LLC, each a single purpose Delaware limited liability company structured to be bankruptcy-remote, each with two independent directors in its organizational structure. Each individual property has two related borrowers comprised of a fee owner and an operating lessee. The sponsor of the borrowers and the nonrecourse carve-out guarantor is American Hotel Income Properties REIT Inc., which is the United States holding company for all of American Hotel Income Properties REIT LP's ("AHIP") United States assets. AHIP is traded on the Toronto Exchange under the symbol HOT.UN and has holdings of 95 hotel properties within 30 states.

**The Properties.** The Midwest Embassy Suites Portfolio Properties consist of three full service hotels containing 782 rooms situated across three of Ohio's MSAs: Columbus, Cleveland and Cincinnati. The Midwest Embassy Suites Portfolio Properties were built between 1990 and 2001. The previous owner reportedly spent approximately \$16.2 million (\$20,700 per room) on renovations at the Midwest Embassy Suites Portfolio Properties between 2013 and 2016, which included building exteriors, public areas and guest room upgrades.

Each of the Midwest Embassy Suites Portfolio Properties operates under a recently renewed 15-year franchise agreement with Hilton Franchise Holding LLC, which expires on January 31, 2032. As part of the franchise renewal, the borrowers are required to complete a \$6.75 million (\$8,632 per room) PIP by January 2019. The \$6.75 million PIP, the estimated cost of which was fully reserved at loan origination, is aimed at enhancing the public areas at each of the Midwest Embassy Suites Portfolio Properties including the atriums, meeting rooms, corridors and public bathrooms, among others.

**Embassy Suites Columbus, Dublin:** The Embassy Suites Columbus, Dublin is an eight-story full service hotel located in the city of Dublin, Ohio, approximately 17 miles north of the Columbus central business district ("CBD"). The property opened in 1999 and features 284 suites, 12,830 sq. ft. of meeting space, a breakfast buffet area, restaurant and lounge, atrium bar, a fitness center, an indoor pool and a business center. The hotel offers oversized guestrooms relative to its competitive set according to the appraiser. Guest rooms feature a separate living area with a sofa bed, a wet bar, a refrigerator and high-speed internet access.

The Embassy Suites Columbus Dublin property is subject to a tax increment financing agreement ("TIF Agreement"). The TIF Agreement and related declaration of covenants, conditions, restrictions and easements provides certain additional restrictions on the Embassy Suites Columbus Dublin property and adjacent lots. The TIF Agreement also provides that the covenant to make the service payment in lieu of taxes has priority over other liens and encumbrances, which is similar in nature to the priority of real estate taxes. The county confirmed that the amount of tax payments will not change solely due to the TIF Agreement expiring.

From 2013 to 2017, the prior owner reportedly spent approximately \$5.4 million (\$18,500 per room) on capital improvements at the Embassy Suites Columbus, Dublin property, which included renovation of the ballroom, fitness center, back of the house and guest rooms. In addition, the borrowers are in the process of implementing a \$2.38 million (\$8,380 per room) PIP at the Embassy Suites Columbus, Dublin property. The PIP is expected to mainly focus on the public areas within the Embassy Suites Columbus, Dublin property, including the atrium and meeting rooms, among others and is required to be finished by January 2019 according to the franchise agreement.

**Embassy Suites Cleveland, Rockside:** The Embassy Suites Cleveland, Rockside property is an eight-story full service hotel located in Independence, Ohio approximately 7 miles south from downtown Cleveland. The property opened in 2001 and features 271 suites, a restaurant and lounge, a pool, a fitness center and a business center. The hotel also offers approximately 12,792 sq. ft. of meeting space, which is second highest in its competitive set according to the appraiser. Guest rooms feature a sofa bed and a mini-refrigerator.

The city of Independence is proposing a partial condemnation on the Embassy Suites Cleveland, Rockside property consisting of a utility easement with related temporary construction easement for a sanitary sewer line. The new easement is expected to run through a portion of the parking lot and along the outer boundary of the property. It is expected that construction will take place within a period of 21-30 days or less and during times designated to cause the least impact on business operations. The borrower has indicated that the piping has already been placed in the ground, with the final asphalt and landscaping to be completed.

From 2013 to 2017, the prior owner reportedly spent approximately \$5.6 million (\$20,600 per room) on capital improvements at the Embassy Suites Cleveland, Rockside property, which included renovation of the breakfast area and guest rooms. In addition, the



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## Midwest Embassy Suites Portfolio

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borrowers are in the process of implementing a \$2.52 million (\$8,782 per room) PIP at the Embassy Suites Cleveland, Rockside property. The PIP is expected to mainly focus on the public areas within the Embassy Suites Columbus, Dublin property, including the lobby and the atrium, among others and is required to be finished by January 2019 according to the franchise agreement.

Embassy Suites Cincinnati, River Center (Covington, KY): Embassy Suites Cincinnati, River Center property is a nine-story full service hotel located in Covington, Kentucky, directly across the Ohio River and approximately three miles south of downtown Cincinnati, Ohio. The property opened for business in 1990 and features 227 suites, a breakfast dining area, a bar and lounge, an indoor pool, a fitness center, a business center and approximately 8,126 sq. ft. of meeting space. The hotel offers oversized guestrooms relative to its competitive set according to the appraiser and certain rooms offer views of the Ohio River and downtown Cincinnati. Guest rooms feature a sofa bed and a mini-refrigerator.

The Embassy Suites Cincinnati, River Center property is comprised of a leasehold interest, as it is built within air rights owned by the city of Covington. The hotel is subject to an air rights lease with the city of Covington, Kentucky Municipal Properties Corporation that commenced in August 1988 and automatically renewed in June 2015 through June 2040. The air rights lease has four additional 25-year automatic renewal options that expire in June 2140. The city of Covington owns the fee simple title to the underlying land and garage and plaza. The Embassy Suites Cincinnati, River Center is built on top of these city-owned and operated structures utilizing air rights. The ground rent is equal to the lesser of 5% of room revenue in excess of \$4.5 million or \$200,000. Additionally, approximately \$50,000 of expense is associated with the air rights lease for costs that are required to be paid by the ground lessee, such as real estate taxes, assessments, other government-related fees, and repairing and maintaining one-third of the adjoining city plaza. In addition, the hotel has the right to 100 parking spaces within the garage under a parking lease for which it pays an additional \$54,000 per year. The parking lease had an initial term of 25 years with five, 25-year renewal periods, the first of which was initiated on June 30, 2015.

From 2013 to 2017, the prior owner reportedly spent approximately \$5.2 million (\$23,100 per room) on capital improvements at the Embassy Suites Cincinnati, River Center property, which included renovation to the building exterior, lobby, restaurants, fitness center, pool, elevators, mechanical systems, meeting rooms and guest rooms. In addition, the borrowers are in the process of implementing a \$1.85 million (\$8,150 per room) PIP at the Embassy Suites Cincinnati, River Center property. The PIP is expected to mainly focus on the public areas within the Embassy Suites Cincinnati, River Center property, including the lobby and the atrium, among others and is required to be finished by January 2019 according to the franchise agreement.

**Environmental Matters.** The Phase I environmental reports dated November 18, 2016 for each of Embassy Suites Columbus, Dublin and Embassy Suites Cleveland, Rockside and dated November 21, 2016 for Embassy Suites Cincinnati, River Center recommended no further action at the Midwest Embassy Suites Portfolio properties.

**The Market.** The Midwest Embassy Suites Portfolio Properties are located in three of Ohio's MSAs: Columbus, Cleveland and Cincinnati. All three of the Midwest Embassy Suites Portfolio Properties are located proximate to headquarters as well as large regional offices of several companies within their respective CBDs and derive demand from corporate clients in the area, with a weighted average segmentation of 49% for commercial, 33% for meeting and group and 18% for leisure according to the appraisals. The Midwest Embassy Suites Portfolio Properties have outperformed their respective markets and realized a weighted average RevPAR index ranging from 124.3% to 132.0% since 2014 according to hospitality research reports.

Embassy Suites Columbus, Dublin (Dublin, OH): The Embassy Suites Columbus, Dublin property is located in the city of Dublin, Ohio, within the Columbus MSA. The Embassy Suites Columbus, Dublin property is positioned at the convergence of two interstates, including interstate-270 and State Route 161, which provide access to the Columbus CBD, approximately 17 miles to the south. The city of Dublin is home to the headquarters of a number of companies as well as large regional offices, including Cardinal Health, OCLC, Wendy's Co, CareWorks, Fiserv and Express Scripts, all of which are all located within a 2.5 mile radius of the Embassy Suites Columbus, Dublin property. The Embassy Suites Columbus, Dublin property is also located 1.5 miles west of Bridge Park, a new 30-acre mixed use development that will feature 720 apartment units, 373,000 sq. ft. of office space and 115,000 sq. ft. of entertainment space, Phase I of which was delivered in the fall of 2016. According to the appraisal, the property's historical estimated demand segmentation was approximately 60% commercial, 30% meeting and group and 10% leisure.

According to the appraisal, there are two hotel developments in the immediate area and each is expected to be approximately 50% competitive with the Embassy Suites Columbus, Dublin property due mainly to their respective proximate location. A 129-key Home2 Suites by Hilton is expected to open by mid-2017 and is expected to primarily target extended-stay travelers. Additionally, a 150-Key AC Hotel by Marriott is being developed with an adjacent 19,000 square foot conference center with construction expected to be completed by the summer of 2017.

According to a February 2017 hospitality report, the Embassy Suites Columbus, Dublin property competes with six other hotels with a total of 1,607 keys. As of the trailing 12 months ended February 2017, the Embassy Suites Columbus, Dublin property reported an occupancy of 74.8%, ADR of \$135.88 and RevPAR of \$101.66, resulting in a RevPAR index of 149.4% relative to the competitive set.

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Embassy Suites Cleveland, Rockside (Independence, OH): The Embassy Suites Cleveland, Rockside property is located in the city of Independence, Ohio, within the Cleveland MSA. The hotel is just east of the intersection of Interstate-77 and 480 near Rockside Road, a major commercial thoroughfare in the area. Prominent employers in the area include Travelers Insurance, Farmers Insurance, Nations Lending Corp, UTC Aerospace Systems and the Internal Revenue Service. Additionally, the Cleveland Clinic, which had approximately 6.62 million patient visits in 2014, is located approximately one mile southwest of the Embassy Suites Cleveland, Rockside property. According to the appraisal, the property's historical estimated demand segmentation was approximately 46% commercial, 30% meeting and group and 24% leisure, with primary accounts including Airgas and Honeywell as well as Cleveland Clinic.

According to the appraisal, there is one recently opened and one proposed hotel in the submarket. A 105-room, Home2 Suites recently opened in December 2016 and is expected to be 50% competitive with the Embassy Suites Cleveland, Rockside property. Despite targeting extended-stay business, the Home2 Suites is expected to be competitive mainly due to its proximity to the Embassy Suites Cleveland, Rockside property. The proposed 120-key hotel has not begun construction.

According to a February 2017 hospitality report, the Embassy Suites Cleveland, Rockside property competes with five other hotels with a total of 1,005 keys. As of the trailing 12 months ended February 2017, the Embassy Suites Cleveland, Rockside property reported an occupancy of 67.5%, ADR of \$126.21 and RevPAR of \$85.17, resulting in a RevPAR index of 128.6% relative to the competitive set.

Embassy Suites Cincinnati, River Center (Covington, KY): The Embassy Suites Cincinnati, River Center property is situated along the banks of the Ohio River in Covington. The hotel is situated within the Covington CBD and approximately three miles north of Cincinnati CBD, which is accessible via the John A. Roebling Suspension Bridge adjacent to the Embassy Suites Cincinnati, River Center property. The Embassy Suites Cincinnati, River Center property is located within one mile of Paul Brown Stadium and the Great American Ball Park. The Embassy Suites Cincinnati, River Center property is also less than one mile from the Northern Kentucky Convention Center (110,000 sq. ft. of meeting, exhibition and social function space) and less than two miles from the Duke Energy Convention Center (750,000 sq. ft. of exhibit, meeting and entertainment space). The Embassy Suites Cincinnati, River Center property is within three miles of corporate headquarters for Fifth Third Bancorp, Macy's, Kroger and Procter & Gamble. According to the appraisal, the property's historical estimated demand segmentation was approximately 40% commercial, 39% meeting and group and 21% leisure, with primary accounts including Fidelity investments, Aramark, Procter & Gamble, Ashland, GE, Tier 1 and Net Jets.

According to the appraisal, there are two properties in Cincinnati, Ohio that may compete with the Embassy Suites Cincinnati, River Center property. The first is a 114-key Hotel Covington which opened in September 2016 five blocks away. This property is expected to be 100% competitive. The second is a 144-room Aloft Newport on the Levee which is expected to open January 2017. This hotel is considered to be 25% competitive since it is located on the southern bank of the Ohio River in a mixed-use complex with similar access to downtown Cincinnati.

According to a February 2017 hospitality report, the Embassy Suites Cincinnati, River Center property competes with four other hotels with a total of 1,829 keys. As of the trailing 12 months ended February 2017, the Embassy Suites Cincinnati, River Center property reported an occupancy of 73.5%, ADR of \$159.49 and RevPAR of \$117.28, resulting in a RevPAR index of 105.2% relative to the competitive set.

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**Cash Flow Analysis.****Cash Flow Analysis**

	2013	2014	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	T-12 2/28/2017	U/W <sup>(2)</sup>	U/W per Room
Occupancy	74.9%	74.4%	73.0%	71.3%	72.0%	71.5%	
ADR	\$127.97	\$132.70	\$136.67	\$139.30	\$139.40	\$139.16	
RevPAR	\$95.82	\$98.79	\$99.81	\$99.37	\$100.36	\$99.47	
Room Revenue	\$27,350,000	\$28,196,956	\$28,488,533	\$28,440,572	\$28,646,929	\$28,392,875	\$36,308
F&B Revenue	8,679,000	8,871,648	9,128,004	8,769,279	8,619,256	8,855,132	11,324
Other Revenue	859,000	536,878	508,908	765,284	733,059	780,209	998
<b>Total Revenue</b>	<b>\$36,888,000</b>	<b>\$37,605,482</b>	<b>\$38,125,445</b>	<b>\$37,975,135</b>	<b>\$37,999,244</b>	<b>\$38,028,216</b>	<b>\$48,629</b>
Operating Expenses	12,304,000	12,225,324	12,899,940	12,891,472	13,040,027	12,818,390	16,392
Undistributed Expenses	10,182,000	10,407,786	10,263,258	10,799,449	10,863,450	10,515,811	13,447
<b>Gross Operating Profit</b>	<b>\$14,402,000</b>	<b>\$14,972,372</b>	<b>\$14,962,247</b>	<b>\$14,284,214</b>	<b>\$14,095,767</b>	<b>\$14,694,016</b>	<b>\$18,790</b>
Management Fee <sup>(3)</sup>	1,107,000	865,204	848,991	838,919	866,050	1,330,988	1,702
Total Fixed Charges	2,087,000	2,060,889	2,064,210	2,025,561	1,732,160	3,040,063	3,888
<b>Net Operating Income</b>	<b>\$11,208,000</b>	<b>\$12,046,279</b>	<b>\$12,049,046</b>	<b>\$11,419,734</b>	<b>\$11,497,557</b>	<b>\$10,322,965</b>	<b>\$13,201</b>
FF&E <sup>(4)</sup>	1,476,000	1,504,219	1,525,018	1,519,005	1,519,970	1,521,129	1,945
<b>Net Cash Flow</b>	<b>\$9,732,000</b>	<b>\$10,542,060</b>	<b>\$10,524,028</b>	<b>\$9,900,729</b>	<b>\$9,977,587</b>	<b>\$8,801,837</b>	<b>\$11,256</b>

(1) There were approximately 3,588 offline room nights from September 2016 through January 2017 as well as renovations between January 2016 and March 2016.

(2) U/W assumptions are based on the T-12 10/31/2016 figures, which are not represented in the chart above.

(3) U/W Management Fee is 3.5% of gross revenues.

(4) U/W FF&E represents 4.0% of gross revenues.

**Property Management.** The Midwest Embassy Suites Portfolio Properties are managed by ONE Lodging Management, an affiliate of the borrowers.

**Lockbox / Cash Management.** The Midwest Embassy Suites Portfolio 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 and the borrowers and property manager are required to deposit all other rent and payments into the clearing account within one day of receipt. Unless a Trigger Period is ongoing, all amounts on deposit in the clearing account are required to be swept daily into the borrowers' account. During a Trigger Period, all amounts on deposit in the clearing account are required to be swept daily into an account controlled by the lender.

A "Trigger Period" will commence upon (i) an event of default or (ii) the commencement of a Low Debt Service Period (as defined below).

A "Low Debt Service Period" will occur if the debt service coverage ratio for the trailing 12-month period is less than 1.25x on the last day of any calendar quarter and will end if the debt service coverage ratio for the trailing 12-month period is at least 1.30x for two consecutive calendar quarters.

**Initial Reserves.** At loan origination, the borrowers deposited (i) \$100,000 into a tax reserve account (ii) \$125,667 into a ground rent reserve and (iii) \$6,750,000 into a PIP reserve account.

**Ongoing Reserves.** On a monthly basis, the borrowers are required to deposit monthly reserves of (i) 1/12 of the estimated annual real estate taxes, which currently equates to \$123,073, into a tax reserve account and (ii) \$21,167 into a ground rent reserve account, which is capped at \$250,000. Beginning February 6, 2019, the borrowers are required to deposit the greater of (x) 1/12 of 4% of the estimated annual rents deposited on a monthly basis and (y) the amount required by the franchise agreement into a reserve for furniture, fixtures and equipment ("FF&E"). In lieu of making such deposits in to the FF&E Reserve, the borrowers may deliver a letter of credit in an amount equal to 4% of rents for the 12 months prior to delivery, to be adjusted annually. In the event an acceptable blanket insurance policy is no longer in place, the borrowers will be required to deposit monthly 1/12th of the annual insurance premiums. The borrowers have a blanket insurance policy in place.

**Current Mezzanine or Subordinate Indebtedness.** None.

Various

Collateral Asset Summary – Loan No. 3

## Midwest Embassy Suites Portfolio

<b>Cut-off Date Balance:</b>	\$65,000,000
<b>Cut-off Date LTV:</b>	52.1%
<b>U/W NCF DSCR:</b>	2.17x
<b>U/W NOI Debt Yield:</b>	15.9%

**Future Mezzanine or Subordinate Indebtedness Permitted.** None.

**Partial Release.** Following the lockout period, the borrowers are permitted to obtain the release of an individual Embassy Suites Portfolio Property upon a bona fide third-party sale provided, among other things, (i) borrowers defease an amount of principal equal to 110% of the allocated loan amount for the Embassy Suites Portfolio Property being released; (ii) after giving effect to the sale and the defeasance, (a) the debt service coverage ratio for the remaining Embassy Suites Portfolio Properties is no less than the greater of the debt service coverage ratio immediately preceding the sale and 1.89x and (b) the loan to value ratio for the remaining properties is no more than the lesser of the loan to value ratio immediately preceding the sale and 52.1%; provided, that if the debt yield for the remaining Embassy Suites Portfolio Properties is 15.0% or higher, the release is not subject to such loan to value ratio condition; and (iii) there is compliance with REMIC-related requirements.



Various

Collateral Asset Summary – Loan No. 3

## Midwest Embassy Suites Portfolio

Cut-off Date Balance: \$65,000,000  
Cut-off Date LTV: 52.1%  
U/W NCF DSCR: 2.17x  
U/W NOI Debt Yield: 15.9%



### Midwest Embassy Suites Portfolio

	PROPERTY NAME	ADDRESS	CITY/STATE	ZIP CODE
1	Embassy Suites Columbus, Dublin	5100 Upper Metro Plaza	Dublin, OH	43017
2	Embassy Suites Cleveland, Rockside	5800 Rockside Woods Boulevard	Independence, OH	44131
3	Embassy Suites Cincinnati, River Center	10 East Rivercenter Boulevard	Covington, KY	41011