





ESA Portfolio

#	PROPERTY NAME	ADDRESS	CITY/STATE	ZIP CODE
1	ESA Lexington Bates Creek	3575 Bates Creek Road	Lexington, KY	40517
2	ESA Dayton South	7851 Lois Circle	Dayton, OH	45459
3	ESA Dayton Fairborn	3131 Presidential Drive	Fairborn, OH	45324
4	ESA Fort Wayne North	5810 Challenger Parkway	Fort Wayne, IN	46818
5	ESA Dallas Plano Parkway Medical Center	4636 West Plano Parkway	Plano, TX	75093
6	ESA Fort Wayne South	8309 West Jefferson Boulevard	Fort Wayne, IN	46804
7	ESA Lexington Nicholasville Road	2650 Wilhite Drive	Lexington, KY	40503
8	ESA El Paso Airport	6580 Montana Avenue	El Paso, TX	79925
9	ESA Cincinnati Blue Ash Kenwood Road	11145 Kenwood Road	Blue Ash, OH	45242
10	ESA Dayton North	6688 Miller Lane	Dayton, OH	45414
11	ESA Dallas Greenville Avenue	12270 Greenville Avenue	Dallas, TX	75243
12	ESA Fort Worth Fossil Creek	3261 Northeast Loop 820	Fort Worth, TX	76137
13	ESA El Paso West	990 Sunland Park Drive	El Paso, TX	79922
14	ESA Fort Worth Southwest	4701 Citylake Boulevard West	Fort Worth, TX	76132
15	ESA Fort Worth City View	5831 Overton Ridge Boulevard	Fort Worth, TX	76132
16	ESA Waco Woodway	5903 Woodway Drive	Waco, TX	76712
17	ESA Cincinnati Blue Ash Reed Hartman	4630 Creek Road	Blue Ash, OH	45242
18	ESA Dallas Plano Parkway	4709 West Plano Parkway	Plano, TX	75093
19	ESA Indianapolis Airport West Southern Avenue	5350 West Southern Avenue	Indianapolis, IN	46241
20	ESA Indianapolis Northwest I 465	9370 Waldemar Road	Indianapolis, IN	46268

Sources and Uses					
Sources	\$	%	Uses	\$	%
Loan Amount	\$66,214,500	70.2%	Purchase Price	\$92,385,000	98.0%
Principal's New Cash Contribution	28,090,528	29.8	Closing Costs	1,276,016	1.4
			Reserves	644,011	0.7
Total Sources	\$94,305,028	100.0%	Total Uses	\$94,305,028	100.0%

- **The Mortgage Loan.** The mortgage loan (the “**ESA Portfolio Loan**”) is evidenced by a note in the original principal amount of \$66,214,500 and is secured by a first mortgage encumbering the borrowers’ fee simple interests in 20 hospitality properties (the “**ESA Portfolio Properties**”) located in four states. The ESA Portfolio Loan was originated by Goldman Sachs Mortgage Company on February 21, 2018 and represents approximately 7.5% of the Initial Pool Balance. The note evidencing the ESA Portfolio Loan has an outstanding principal balance as of the Cut-off Date of \$66,214,500 and an interest rate of 4.7545% *per annum*. The borrowers utilized the proceeds of the ESA Portfolio Loan to acquire the ESA Portfolio Properties, pay origination costs and fund reserves.

The ESA Portfolio Loan had an initial term of 120 months and has a remaining term of 120 months as of the Cut-off Date. The ESA Portfolio Loan requires interest only payments on each due date through and including the due date in March 2021 and thereafter requires payments of interest and principal sufficient to amortize the loan over a 30-year amortization schedule. The scheduled maturity date of the ESA Portfolio Loan is the due date in March 2028. Voluntary prepayment of the ESA Portfolio Loan is prohibited prior to the due date in September 2027. Provided that no event of default under the ESA Portfolio Loan is continuing, defeasance with direct, non-callable obligations of the United States of America is permitted at any time on or after the first due date following the second anniversary of the securitization Closing Date.

- **The Mortgaged Properties.** The ESA Portfolio Properties are a hotel portfolio comprised of 20 properties located in four states. The ESA Portfolio Properties consist of 1,949 rooms and are 72.2% occupied as of TTM December 31, 2017. The ESA Portfolio Properties carry the Extended Stay America (“**ESA**”) flag and are under an approximately 21-year management franchise agreement with ESA Management LLC. The ESA Portfolio Properties were constructed between 1987 and 2004 with recent renovations taking place between 2015 and 2017 for all 20 properties. As of December 31, 2017, the ESA Portfolio Properties were 72.2% occupied and reported an average ADR and RevPAR of \$53.77 and \$38.83, respectively.

A-3-38

ESA PORTFOLIO

The following table presents certain information relating to the ESA Portfolio Properties:

Property Name	ALA %	# Rooms	2017 NCF %	2017 Metrics			Net Cash Flow	
				Occupancy	ADR	RevPAR	2016	2017
ESA Fort Wayne South	7.5%	101	9.1%	85.1%	\$55.53	\$47.26	\$679,919	\$833,874
ESA Lexington Nicholasville Road	6.6	126	6.9	69.6%	\$52.13	\$36.27	683,436	632,705
ESA Indianapolis Northwest I 465	6.6	139	6.2	61.9%	\$59.84	\$37.02	454,532	565,379
ESA Dayton North	6.5	104	8.2	77.0%	\$57.35	\$44.14	637,511	747,609
ESA Indianapolis Airport West Southern Avenue	6.5	121	5.9	69.4%	\$58.72	\$40.78	356,544	536,245
ESA Dallas Greenville Avenue	6.4	116	4.6	63.1%	\$52.16	\$32.90	525,816	423,941
ESA Waco Woodway	6.2	95	5.7	69.0%	\$56.76	\$39.18	473,733	520,327
ESA Fort Worth Fossil Creek	5.9	85	6.0	84.2%	\$55.51	\$46.73	559,650	546,094
ESA El Paso Airport	5.4	120	4.9	67.3%	\$48.49	\$32.64	332,621	445,616
ESA Cincinnati Blue Ash Kenwood Road	5.2	133	5.5	68.8%	\$43.25	\$29.74	555,783	502,762
ESA Fort Worth City View	5.0	104	4.7	74.1%	\$52.77	\$39.10	526,130	427,708
ESA Dallas Plano Parkway	4.7	97	3.4	78.4%	\$51.93	\$40.69	678,443	314,638
ESA Cincinnati Blue Ash Reed Hartman	3.9	101	4.6	66.3%	\$55.87	\$37.07	685,833	419,122
ESA Dayton South	3.8	72	4.5	77.6%	\$52.19	\$40.50	341,853	408,526
ESA Lexington Tates Creek	3.8	72	4.1	72.9%	\$55.18	\$40.24	391,834	374,203
ESA Dayton Fairborn	3.7	72	3.9	69.2%	\$58.63	\$40.58	333,981	353,384
ESA Fort Worth Southwest	3.4	73	3.7	77.2%	\$55.01	\$42.47	310,581	340,056
ESA Fort Wayne North	3.4	72	4.1	77.3%	\$53.51	\$41.35	176,588	372,357
ESA El Paso West	3.0	73	2.5	72.5%	\$50.46	\$36.58	145,588	227,626
ESA Dallas Plano Parkway Medical Center	2.3	73	1.7	79.7%	\$52.40	\$41.79	468,560	154,276
Wtd. Avg.	100.0%	1,949	100.0%	72.2%	\$53.77	\$38.83	\$9,318,937	\$9,146,450

The following table presents certain information relating to historical occupancy, ADR and RevPAR at the ESA Portfolio Properties:

ESA Portfolio⁽¹⁾

	2015	2016	2017
Occupancy	71.5%	74.1%	72.2%
ADR	\$48.03	\$51.60	\$53.77
RevPAR	\$34.33	\$38.23	\$38.83

(1) As provided by the borrowers and represents averages for the year ended December 31, unless otherwise specified.

- **Operating History and Underwritten Net Cash 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 ESA Portfolio Properties:

Cash Flow Analysis⁽¹⁾

	2015	2016	2017	Underwritten	Underwritten \$ per Room
Rooms Revenue	\$24,332,059	\$27,222,393	\$27,624,658	\$27,624,658	\$14,174
Other Revenue ⁽²⁾	461,424	489,953	547,321	547,321	281
Total Revenue	\$24,793,483	\$27,712,346	\$28,171,979	\$28,171,979	\$14,455
Room Expense	\$3,222,490	\$3,225,157	\$3,346,062	\$3,346,062	\$1,717
Total Departmental Expense	\$3,222,490	\$3,225,157	\$3,346,062	\$3,346,062	\$1,717
Total Undistributed Expense	11,502,300	12,339,544	12,526,349	12,526,349	6,427
Total Fixed Expense	1,894,374	1,720,213	2,026,238	2,254,455	1,157
Total Operating Expenses	\$16,619,164	\$17,284,915	\$17,898,649	\$18,126,866	\$9,301
Net Operating Income	\$8,174,319	\$10,427,431	\$10,273,330	\$10,045,113	\$5,154
FF&E	991,739	1,108,494	1,126,879	1,126,879	578
Net Cash Flow	\$7,182,580	\$9,318,937	\$9,146,450	\$8,918,234	\$4,576

(1) Certain items such as straight line rent, 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) Other revenue includes guest laundry, pet, smoking penalty fees and other miscellaneous revenue.

- **Appraisal.** According to the appraisals, the ESA Portfolio Properties had an aggregate “as-is” appraised value of \$97,900,000 as of January 4, 2018 and a “when stabilized” value of \$104,000,000 as of January 1, 2020, assuming a no abnormalities or transitory conditions with respect to the operations at the ESA Portfolio Properties.

- **Environmental Matters.** According to Phase I environmental reports, dated January 8, 2018 through January 12, 2018, there are no recognized environmental conditions or recommendations for further action at the ESA Portfolio Properties other than: (i) with respect to the ESA Dallas Greenville Avenue property, an onsite groundwater monitoring well be properly plugged and abandoned by a State of Texas licensed driller on behalf of Exxon, the responsible party, (ii) with respect to the ESA Waco Woodway property, the cleanup of all observed mold growth over elevator and mechanical room, (iii) with respect to the ESA Dallas Plano Parkway Medical Center property, the immediate repair of the roof leak and cleanup of all observed mold growth, and (iv) with respect to the ESA Fort Worth Southwest property, a stained transformer that may contain polychlorinated biphenyls and this was noted on the report as an environmental concern, however, no further action was recommended.

- **The Borrowers.** The ESA Portfolio Loan was made to 20, single-purpose, single-asset entities. Legal counsel to the borrowers delivered a non-consolidation opinion in connection with the origination of the ESA Portfolio Loan. The non-recourse carveout guarantor is Alan Kandars, an indirect owner of the borrowers.

Alan Kandars is the managing member and founder of Three Wall Capital. Founded in 2008 by Alan Kandars, Three Wall Capital has subsequently completed over \$500 million in transactions in a principal investor capacity. From 1997 to 2008, Mr. Kandars worked in the Global Real Estate Group at Lehman Brothers, where he was promoted to managing director.

- **Escrows.** On the origination date, the borrowers funded (i) a tax and insurance reserve in an amount equal to \$342,116 with respect to taxes and \$81,821 with respect to insurance and (ii) a deferred maintenance and environmental escrow in an amount equal to \$220,075 with respect to ADA compliance and environmental remediation costs.

On each due date, the borrowers are required to fund (i) a tax and insurance reserve in an amount equal to one-twelfth of the amount that the lender reasonably estimates will be necessary to pay taxes and insurance premiums over the then succeeding 12-month period, unless in the case of insurance premiums, the borrowers are maintaining a blanket policy in accordance with the related loan documents and there is no continuing event of default, and upon request of the lender, the borrowers provide evidence of renewals of such policies and payment of related premiums, and (ii) an FF&E reserve in the amount of the greater of (1) the monthly amount required to be reserved for the replacement of furniture, fixtures and equipment pursuant to the franchise agreement or (2) one-twelfth of 4% of the operating income for the ESA Portfolio Properties for the previous 12-month period (as determined on the last day of February of each year).

In addition, on each due date during the continuance of an ESA Portfolio Trigger Period or an event of default under the ESA Portfolio Loan, the related loan documents require an excess cash flow reserve as discussed under “*Lockbox and Cash Management*” below.

An “**ESA Portfolio Trigger Period**” means any period (i) commencing when the debt yield as of the conclusion of any fiscal quarter falls below 10.4% until (a) the debt yield as of the conclusion of a single fiscal quarter is equal to or greater than 10.4% or (b) there is no existing event of default and the borrowers deposit with the lender a letter of credit in an amount that would cause the debt yield to exceed 10.4%, (ii) if monthly, quarterly or annual financial reports required under the related loan documents are not delivered to the lender when required until such reports are delivered and they indicate that no ESA Portfolio Trigger Period is ongoing and (iii) during the continuance of a Franchise Trigger Event.

A “**Franchise Trigger Event**” means any period (i) when the franchise agreement or management agreement, as applicable, is no longer in full force and effect as to more than two of the ESA Portfolio Properties until a replacement franchise agreement or management agreement is in full force and effect, (ii) when more than two of the ESA Portfolio Properties are removed from the “Extended Stay America” brand, until such ESA Portfolio Properties are rebranded as “Extended Stay America” or as a comparable or better brand or (iii) the implementation of a property improvement plan (“**PIP**”) for any ESA Portfolio Property if the amount is in excess of \$50,000 or if the aggregate amount of all required PIP for all affected Properties is in excess of \$250,000, whether as a condition to entering a replacement franchise agreement with ESH Strategies Franchise LLC and/or management agreement with ESA Management LLC or another franchisor or licensor acceptable to the lender or the extension of the existing franchise agreement and/or management agreement, as applicable until (a) deposits are made in amounts equal to the estimated costs to complete any PIP within 10 business days of the implementation of such PIP or (b) evidence satisfactory to the lender in its sole discretion confirming that all PIP has been completed to the satisfaction of ESA Management LLC or the replacement franchisor, as applicable.

- **Lockbox and Cash Management.** The ESA Portfolio Loan is structured with a hard lockbox and springing cash management. The related loan documents require the borrowers to require that all credit card receivables be remitted directly into the lockbox account and all cash revenues relating to the ESA Portfolio Properties and all other money received by the borrowers or the property manager with respect to the ESA Portfolio Properties (other than tenant security deposits) be deposited into such lockbox account or the cash management account once per week following receipt. For so long as no ESA Portfolio Trigger Period or event of default is continuing, all funds in the lockbox account are required to be swept into a borrower-controlled operating account on a daily basis. During the continuance of a ESA Portfolio Trigger Period or event of default, all funds in the lockbox account are required to be swept into a lender-controlled cash management account on a daily basis and all amounts on deposit in the cash management account after payment of debt service, required reserves and operating expenses, are required to be reserved in an excess cash flow reserve account as additional collateral.

■ **Property Management.** The ESA Portfolio Properties are currently managed by ESA Management LLC pursuant to a management agreement. Under the related loan documents, the ESA Portfolio Properties are required to remain managed by ESA Management LLC or any other management company approved by the lender in accordance with the related loan documents and with respect to which a Rating Agency Confirmation has been received. The lender has the right to replace, or require the borrowers to replace, the property manager and require the borrowers to engage a property manager selected by the borrowers and (unless otherwise provided in the related loan documents) reasonably approved by the lender (i) during the continuance of an event of default under the ESA Portfolio Loan, (ii) following any foreclosure, conveyance in lieu of foreclosure or other similar transaction, (iii) during the continuance of a material default by the property manager under the management agreement (after the expiration of any applicable notice and/or cure periods), (iv) if the property manager files or is the subject of a petition in bankruptcy or (v) if a trustee or receiver is appointed for the property manager's assets or the property manager makes an assignment for the benefit of its creditors or is adjudicated insolvent.

■ **Release of Collateral.** Provided no event of default under the ESA Portfolio Loan has occurred and is continuing, the borrowers have the right, at any time after the second anniversary of the securitization Closing Date to obtain the release of one or more of the ESA Portfolio Properties from the liens of the related mortgages in connection with a partial defeasance, subject to certain conditions, including, among others (i) delivery of defeasance collateral in an amount equal to the applicable ESA Portfolio Release Price, (ii) after giving effect to the release, the debt yield (as calculated under the loan documents) for the remaining ESA Portfolio Properties for the 12-month period preceding the end of the most recent fiscal quarter is no less than the greater of (a) 13.5% and (b) the debt yield immediately prior to the release, (iii) delivery of a REMIC opinion and (iv) receipt of a Rating Agency Confirmation.

An “**ESA Portfolio Release Price**” means, with respect to any ESA Portfolio Property, an amount equal to (i) until such time as the principal balance of the ESA Portfolio Loan is \$52,971,600 or less, 110% of the allocated loan amount for such ESA Portfolio Property, and (ii) thereafter, 120% of the allocated loan amount for such ESA Portfolio Property.

Property	Allocated Loan Amount
ESA Fort Wayne South	\$4,959,400
ESA Lexington Nicholasville Road	\$4,400,100
ESA Indianapolis Northwest I 465	\$4,400,100
ESA Dayton North	\$4,325,500
ESA Indianapolis Airport West Southern Avenue	\$4,288,200
ESA Dallas Greenville Avenue	\$4,226,800
ESA Waco Woodway	\$4,101,800
ESA Fort Worth Fossil Creek	\$3,878,000
ESA El Paso Airport	\$3,579,700
ESA Cincinnati Blue Ash Kenwood Road	\$3,467,900
ESA Fort Worth City View	\$3,281,400
ESA Dallas Plano Parkway	\$3,139,500
ESA Cincinnati Blue Ash Reed Hartman	\$2,610,200
ESA Lexington Bates Creek	\$2,535,600
ESA Dayton South	\$2,535,600
ESA Dayton Fairborn	\$2,461,100
ESA Fort Worth Southwest	\$2,237,300
ESA Fort Wayne North	\$2,226,100
ESA El Paso West	\$2,013,600
ESA Dallas Plano Parkway Medical Center	\$1,546,600

- **Mezzanine or Secured Subordinate Indebtedness.** Provided no event of default under the ESA Portfolio Loan, the loan documents permit future mezzanine financing of no more than \$9,932,175, subject to satisfaction of certain conditions, including, among others (i) execution of an intercreditor agreement in form and substance reasonably acceptable to the lender and the Rating Agencies, (ii) the mezzanine loan and the ESA Portfolio Loan have a combined loan-to-value ratio (as calculated under the loan documents) of no greater than 64.3%, (iii) the debt service coverage ratio (as calculated under the loan documents and taking into account the mezzanine loan and the ESA Portfolio Loan) is at least 2.27x, (iv) the debt yield (as calculated under the loan documents and taking into account the mezzanine loan and the ESA Portfolio Loan) is at least 14.1% and (v) receipt of a Rating Agency Confirmation. See “*Description of the Mortgage Pool—Additional Indebtedness—Mezzanine Indebtedness*” in the Prospectus.
- **Terrorism Insurance.** The borrowers are required to maintain terrorism insurance in an amount equal to the full replacement cost of the ESA Portfolio Properties, as well as 18 months of rental loss and/or business interruption coverage, together with a 12-month extended period of indemnity following restoration. If TRIPRA is no longer in effect, then the borrowers’ requirement will be capped at insurance premiums equal to two times the amount of the insurance premium payable in respect of the properties and business interruption/rental loss insurance required under the related loan documents. See “*Risk Factors—Terrorism Insurance May Not Be Available for All Mortgaged Properties*” in the Prospectus.