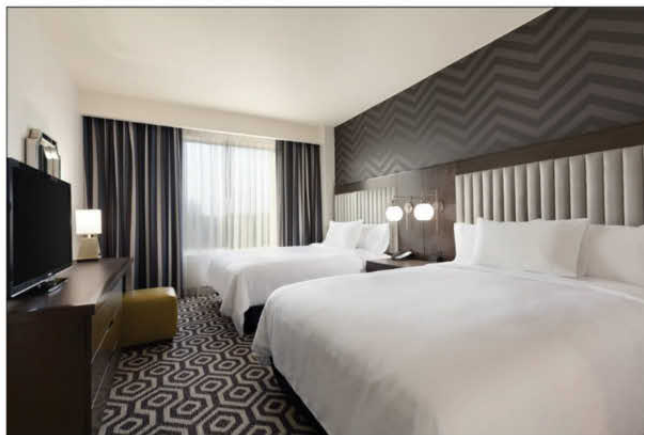


Mortgage Loan No. 6 — Embassy Suites - Hillsboro



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Mortgage Loan Information

Mortgage Loan Seller:	UBS AG
Original Principal Balance:	\$32,500,000
Cut-off Date Principal Balance:	\$32,461,538
% of Pool by IPB:	5.3%
Loan Purpose:	Refinance
Borrowers:	Hillsboro Hotel I Delaware, LLC; Parkway Hillsboro I Delaware, LLC
Sponsors:	John R. Thackeray; Kevin S. Garn; Craig C. Christensen
Interest Rate:	5.0820%
Note Date:	11/10/2016
Maturity Date:	11/6/2026
Interest-only Period:	0 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox⁽³⁾:	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Hotel – Full Service
Net Rentable Area (Rooms):	165
Location:	Hillsboro, OR
Year Built / Renovated:	2014 / N/A
Occupancy / ADR / RevPAR⁽¹⁾:	83.6% / \$165.01 / \$138.00
Occupancy / ADR / RevPAR Date⁽¹⁾:	9/30/2016
Number of Tenants:	N/A
2013 NOI⁽²⁾:	N/A
2014 NOI⁽²⁾:	N/A
2015 NOI⁽²⁾:	\$2,832,753
TTM NOI⁽¹⁾:	\$4,169,584
UW Occupancy / ADR / RevPAR:	83.6% / \$165.01 / \$138.00
UW Revenues:	\$9,271,793
UW Expenses:	\$5,222,256
UW NOI:	\$4,049,537
UW NCF:	\$3,678,666
Appraised Value / Per Room:	\$52,500,000 / \$318,182
Appraisal Date:	10/12/2016

Escrows and Reserves⁽⁴⁾

	Initial	Monthly	Initial Cap
Taxes:	\$16,765	\$16,765	N/A
Insurance:	\$62,745	Springing	N/A
FF&E Reserve:	\$0	1/12 of 4% of total departmental revenue	N/A
Future PIP Reserve:	\$0	Springing	N/A

Financial Information

Cut-off Date Loan / Room:	\$196,737
Maturity Date Loan / Room:	\$162,340
Cut-off Date LTV:	61.8%
Maturity Date LTV:	51.0%
UW NCF DSCR:	1.74x
UW NOI Debt Yield:	12.5%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$32,500,000	100.0%
Total Sources	\$32,500,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$22,218,399	68.4%
Return of Equity	9,625,417	29.6
Closing Costs	576,674	1.8
Upfront Reserves	79,510	0.2
Total Uses	\$32,500,000	100.0%

(1) Represents the trailing twelve-month period ending September 30, 2016.

(2) The property was completed and opened in December 2014. As a result, historical operating information is not available. 2015 represents the property's performance during ramp up.

(3) For a more detailed description of lockbox, please refer to "Lockbox / Cash Management" below.

(4) For a more detailed description of escrows and reserves, please refer to "Escrows and Reserves" below.

Mortgage Loan No. 6 — Embassy Suites - Hillsboro

The Loan. The Embassy Suites – Hillsboro loan is a \$32,461,538 first mortgage loan secured by the fee interest in a 165-room, full service hotel located in Hillsboro, Oregon. The loan has a 10-year term and will amortize on a 30-year basis.

The Borrowers. The borrowing entities for the loan are two tenants-in-common entities, Hillsboro Hotel I Delaware, LLC (59.277%) (the “Hillsboro Borrower”) and Parkway Hillsboro I Delaware, LLC (40.723%) (the “Parkway Borrower”, and collectively with the Hillsboro Borrower, the “Embassy Suites - Hillsboro Borrower”), both Delaware limited liability companies and special purpose entities.

The Sponsors. The loan's sponsors and nonrecourse carve-out guarantors of the Hillsboro Borrower are Kevin S. Garn and John R. Thackeray. The loan's sponsor and nonrecourse carve-out guarantor of the Parkway Borrower is Craig C. Christensen. John R. Thackeray and Kevin S. Garn are principals of the Thackeray Garn Company, a diversified commercial real estate company focused on ground-up development and value-added acquisitions. Thackeray Garn Company owns and manages approximately 2.5 million SF of retail, industrial and office space, 13 hotels (1,595 rooms) and eight multi-family communities across Utah, Idaho, Oregon, Washington, Nevada and Hawaii.

The Property. The property consists of a 165-room full service hotel located in Hillsboro, Oregon, which opened in December 2014. Improvements on the property consist of a single, seven-story building situated on 2.88 acres and a common parking lot with the adjacent Hampton Inn & Suites. The property's room mix consists of 113 king and 52 double queen beds in two-room suite configurations. The property features a three-story atrium lobby, a restaurant and lounge, four meeting/function rooms totaling 4,774 SF, a fitness center, an indoor pool, a lobby business center, a guest laundry facility and a 24-hour market pantry.

The property operates under a franchise agreement with Embassy Suites Franchise LLC, a subsidiary of Hilton Worldwide, Inc. that expires on March 31, 2036. The franchise agreement requires a program fee of 4.0% of gross room revenue and royalty fee of 5.5% of rooms revenue on a monthly basis through the term of the franchise agreement.

Recently completed in 2014, the property was developed at a total cost of approximately \$34.4 million and constructed to the latest Embassy Suites standards. As of year-end 2015, there were 217 hotels (51,379 rooms) operating under the Embassy Suites by Hilton brand in the U.S. with an average occupancy level of 78.9%, an average daily rate of \$155.63 and an average RevPAR of \$122.73.

Historical Occupancy, ADR, RevPAR⁽¹⁾

Year	Competitive Set			Embassy Suites – Hillsboro			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2015	80.5%	\$140.46	\$113.12	63.9%	\$163.66	\$104.65	79.4%	116.5%	92.5%
TTM ⁽²⁾	82.5%	\$146.29	\$120.75	83.3%	\$165.72	\$138.06	100.9%	113.3%	114.3%
YTD ⁽³⁾	84.0%	\$150.26	\$126.26	86.6%	\$171.27	\$148.29	103.0%	114.0%	117.4%

(1) Source: Hospitality research report. The competitive set consists of the following hotels: Larkspur Landing Hillsboro, Residence Inn Portland Hillsboro, Courtyard Portland Hillsboro, DoubleTree Beaverton, Hilton Garden Inn Portland Beaverton and Holiday Inn Express Portland West Hillsboro.

(2) Represents the trailing twelve months ending September 30, 2016.

(3) Represents year-to-date ending September 30, 2016.

The Market. The property is located in Hillsboro, Washington County, Oregon. Located in the Tualatin Valley between the Pacific Ocean and Portland, Hillsboro is the fifth largest city in Oregon. The property is located approximately 11.9 miles northwest of the Portland central business district (“CBD”) and approximately 13.0 miles southwest of the Portland International Airport. In the 1980's, corporations including Intel and SolarWorld moved to the area, and Hillsboro has since gradually diversified its economy with the information technology, clean energy, apparel and advanced manufacturing industries.

According to a third party market research report, the estimated 2016 population within a one-, three- and five-mile radius of the property is 14,120, 110,356 and 238,307, respectively. The annual projected growth rate over the next five years within a one-, three- and five-mile radius of the property is 1.45%, 1.58% and 1.34%, respectively. Estimated 2016 average household income within a one-, three- and five-mile radius of the property is \$75,625, \$88,137 and \$87,460, respectively. Comparatively,

Mortgage Loan No. 6 — Embassy Suites - Hillsboro

the estimated 2016 average household income for Washington County, the MSA and the state of Oregon are \$84,785, \$81,910 and \$70,530, respectively.

According to the appraisal, the information technology and software-development sectors are predominant in the Portland Metro area. The largest employer for the market is Intel, a world leader in silicon innovation and products. Since opening in Oregon in 1974, Intel has grown to seven campuses all in Washington County with Intel's largest and most advanced technological developments occurring at the Ronler Acres campus in Hillsboro, approximately 2.5 miles southwest of the property. In August 2014, Intel announced that it has agreed to invest \$100 billion over the next 30 years to construct its D1X research facility as part of Oregon's Strategic Investment Program. Hillsboro is also the landing point on three fiber optic cable systems linking the United States across the Pacific Ocean. In addition to technology, the sports apparel industry has a major presence in the Portland Metro area. Nike is headquartered in Beaverton, Oregon (4.7 miles from the property) and is currently undergoing a \$150.0 million expansion, which will reportedly add 500,000 SF of space and create roughly 2,000 new jobs to the campus. Adidas has also announced an expansion of its North American headquarters in Portland (14.7 miles from the property). In 2016, Under Armour announced plans to relocate and expand its headquarters to Southwest Portland (11.7 miles from the property). The property is located in close proximity to several attractions including Tanasbourne Town Center (1.0 mile from the property) anchored by Target and Nordstrom Rack, The Streets of Tanasbourne Shopping Center (1.1 miles from the property) anchored by Macy's and H&M, Gordon Faber Recreation Complex (2.2 miles from the property), Tualatin Hills Park & Recreation District (3.5 miles from the property), Oregon Zoo (9.4 miles from the property) and Oregon Vineyards (13.0 miles from the property).

For the 12 months ending September 30, 2016, the property reported occupancy, ADR and RevPAR of 83.6%, \$165.01 and \$138.00, respectively. The market mix for the property is comprised of approximately 65% commercial, 25% meeting and group and 10% leisure, respectively. The property features 4,774 SF of meeting space compared to its competitive set, which offers meeting space from 1,248 to 2,220 SF of meeting space. According to the appraisal, commercial and group demand are driven by Intel, Nike, Kaiser Permanente, Oracle, Columbia Sportswear and Adidas, as well as numerous vendors and contractors associated with Intel and Nike. The construction of Intel's D1X facility, the expansion of Nike headquarters, and the market's rise in popularity as a sports tournament destination have contributed to the recent growth in these segments.

Competitive Hotels Profile⁽¹⁾

Property				Estimated Market Mix			2015 Estimated Operating Statistics ⁽²⁾		
	Rooms	Year Built / Renovated	Distance	Commercial	Meeting & Group	Leisure	Occ.	ADR	RevPAR
Embassy Suites - Hillsboro	165	2014 / N/A	N/A	65%	25%	10%	63.9%	\$165.00	\$105.43
Courtyard Portland Hillsboro	155	1996 / 2011	0.6 miles	70%	20%	10%	75%-80%	\$150-\$160	\$115-\$120
DoubleTree Beaverton	98	1997 / 2012	2.8 miles	50%	25%	25%	80%-85%	\$125-\$130	\$100-\$105
Hilton Garden Inn Portland Beaverton	150	1999 / 2014	2.9 miles	70%	20%	10%	80%-85%	\$140-\$150	\$115-\$120
Subtotal/Wtd. Avg.⁽³⁾:	568			65%	22%	13%	75.4%	\$147.94	\$111.51
Secondary Competitors	404		< 2.9 miles	70%	12%	18%	77.8%	\$139.73	\$108.75
Total/Wtd. Avg.⁽³⁾:	972			67%	19%	14%	76.1%	\$145.39	\$110.67

(1) Source: Appraisal.

(2) The variances between the underwriting, the appraisal and the industry report data with respect to Occ., ADR and RevPAR at the property are attributable to variances in reporting methodologies and/or timing differences.

(3) Subtotal/Wtd. Avg. and Total/Wtd. Avg. includes the property.

Mortgage Loan No. 6 — Embassy Suites - Hillsboro

The appraisal identified recent additions to supply in the Hillsboro hospitality market that are expected to have some degree of competition with the property. Newly opened supply includes a 146-room Residence Inn by Marriott Hillsboro Brookwood (3.3 miles from the property) and a 110-room Holiday Inn Hillsboro (1.1 miles from the property). Possible future new supply to the Hillsboro hospitality market of approximately 900 rooms across eight hotels are under various stages of planning and development. A 136-room Aloft Hillsboro is under construction with scheduled completion for second quarter of 2017. Two properties under site work are an 80-room Staybridge Suites and a 112-room Towne Place Suites Beaverton with scheduled completion for the fourth quarter of 2017 and the first quarter of 2018, respectively. The two properties under site work and properties with pending applications are extended stay hotels and are not expected to compete directly with the property. According to the appraisal, the Holiday Inn Hillsboro operates at a lower price point and the proposed Aloft Hillsboro is expected to offer a select-service product with limited food and beverage facilities, resulting in secondary competition to the property.

Operating History and Underwritten Net Cash Flow

	2015 ⁽¹⁾	TTM ⁽²⁾	Underwritten	Per Room ⁽³⁾	% ⁽⁴⁾
Occupancy	64.4%	83.6%	83.6%		
ADR	\$163.80	\$165.01	\$165.01		
RevPAR	\$105.43	\$138.00	\$138.00		
Room Revenue	\$6,349,746	\$8,334,077	\$8,311,306	\$50,371	89.6%
Other Departmental Revenues ⁽⁵⁾	739,606	963,118	960,487	5,821	10.4%
Total Revenue	\$7,089,352	\$9,297,195	\$9,271,793	\$56,193	100.0%
Room Expense	1,400,268	1,797,263	1,792,353	10,863	21.6%
Other Departmental Expenses	700,518	729,407	727,414	4,409	75.7%
Departmental Expenses	\$2,100,786	\$2,526,670	\$2,519,767	\$15,271	27.2%
Departmental Profit	\$4,988,566	\$6,770,525	\$6,752,026	\$40,921	72.8%
Operating Expenses	\$1,890,378	\$2,354,441	\$2,447,318	\$14,832	26.4%
Gross Operating Profit	\$3,098,189	\$4,416,084	\$4,304,709	\$26,089	46.4%
Fixed Expenses	265,436	246,500	255,171	1,546	2.8%
Net Operating Income	\$2,832,753	\$4,169,584	\$4,049,537	\$24,543	43.7%
FF&E	283,383	372,467	370,872	2,248	4.0%
Net Cash Flow	\$2,549,370	\$3,797,117	\$3,678,666	\$22,295	39.7%

(1) The property was completed and opened in December 2014. As a result, historical operating information is not available. 2015 represents the property's performance during ramp up.

(2) Represents the trailing twelve-month period ending September 30, 2016.

(3) Per Room values are based on 165 rooms.

(4) % column represents percent of Total Revenue except for Room Expense and Other Departmental Expenses, which is based on the corresponding revenue line items.

(5) Other Departmental Revenues includes food and beverage revenue, telephone revenue, market pantry sales, internet revenue and laundry income.

Property Management. The property is managed by Western States Lodging & Management II, LLC ("Western States"), a property management company located in Taylorsville, Utah with ownership interest in the property. Western States was established in 1996 and specializes in real estate development, management and healthcare services. Western States' portfolio includes 14 hotels (1,667 rooms), 12 senior-communities, a 144-unit multifamily community and a conference center. The hotels managed by Western States include the hotels branded as Fairfield Inn, TownePlace Suites, SpringHill Suites, Courtyard by Marriott, Hilton Garden Inn, Home2 Suites, Homewood Suites, La Quinta, Embassy Suites and Hampton Inn located in Utah, Idaho and Oregon.

Mortgage Loan No. 6 — Embassy Suites - Hillsboro

Escrows and Reserves. At origination, the Embassy Suites - Hillsboro Borrower deposited aggregate reserves of \$79,510, comprised of (i) \$62,745 for insurance premiums and (ii) \$16,765 for real estate taxes.

Tax Escrows - On a monthly basis, the Embassy Suites - Hillsboro Borrower is required to fund a tax reserve in an amount equal to 1/12 of the annual estimated tax payments. Monthly deposits currently equal to \$16,765.

Insurance Escrows - The requirement of the Embassy Suites - Hillsboro Borrower to make monthly deposits to the insurance reserve is waived so long as (a) no Cash Management Period or Cash Sweep Period exists, (b) no event of default under the loan documents is continuing, (c) the lender receives evidence that premiums have been paid five days prior to the due date and (d) the Embassy Suites - Hillsboro Borrower has complied with the insurance provisions in the loan documents.

FF&E Reserves - On a monthly basis, the Embassy Suites - Hillsboro Borrower is required to escrow an amount equal to the greater of (a) 1/12 of 4.0% of total departmental revenues during the calendar year immediately preceding the calendar year in which the monthly payment occurs and (b) the aggregate amount, if any, required to be reserved for capital expenditures under the management agreement and the franchise agreement.

Future PIP Reserve - The Embassy Suites - Hillsboro Borrower is required to deposit on each monthly payment date during the continuance of a Future PIP Trigger Event (defined below), all excess cash flow into a future PIP reserve account.

A "Cash Management Period" means a period commencing upon the occurrence of (i) an event of default under the loan documents until cured, (ii) any bankruptcy or insolvency proceeding of the Embassy Suites - Hillsboro Borrower, guarantor or property manager (except that in the event of an involuntary bankruptcy, the Cash Management Period will not commence if the filing is discharged, stayed or dismissed within 30 days for the Embassy Suites - Hillsboro Borrower or the guarantor, or within 120 days (or the property manager is replaced by a qualified manager as specified in the loan documents) for the property manager), (iii) as of the date of determination, the debt service coverage ratio based on the trailing 12-month period immediately preceding the date of such determination falling below 1.45x until the date the debt service coverage ratio based on the trailing 12-month period is greater than 1.50x has been achieved for two consecutive calendar quarters, (iv) a Future PIP Trigger Event until the Embassy Suites - Hillsboro Borrower has entered into a (a) renewal franchise agreement that extends at least five years beyond the loan maturity date or (b) replacement franchise agreement or (v) if (a) the property is self-managed by the Embassy Suites - Hillsboro Borrower or any of its affiliates, any fraud or misappropriations of funds or felony indictment of the guarantor or a director or officer of the borrower or guarantor or (b) the property is managed by a third party property manager, any fraud or misappropriations of funds or felony indictment of the property manager or a director or officer of the property manager. A Cash Management Period is only permitted to be cured up to two times in the aggregate during the term of the loan.

A "Cash Sweep Period" means a period commencing upon the occurrence of (i) an event of default under the loan documents until cured, (ii) any bankruptcy or insolvency proceeding of the Embassy Suites - Hillsboro Borrower, guarantor or property manager (except that in the event of an involuntary bankruptcy, the Cash Sweep Period will not commence if the filing is discharged, stayed or dismissed within 30 days for the Embassy Suites - Hillsboro Borrower or the guarantor, or within 120 days (or the property manager is replaced by a qualified manager as specified in the loan documents) for the property manager, or (iii) as of the date of determination, the debt service coverage ratio based on the trailing 12-month period immediately preceding the date of such determination falling below 1.40x until the date the debt service coverage ratio based on the trailing 12-month period is greater than 1.50x has been achieved for two consecutive calendar quarters. A Cash Sweep Period is only permitted to be cured up to two times in the aggregate during the term of the loan.

A "Future PIP Trigger Event" means the period commencing upon the earliest of (i) the date the franchisor or the Embassy Suites - Hillsboro Borrower give notice of its intent to terminate, cancel or not extend or renew the franchise agreement, (ii) the date that is 12 months prior to the expiration of the franchise agreement, (iii) an event of default under the franchise agreement, (iv) any bankruptcy or insolvency proceeding of the franchisor or (v) the franchisor gives notice to the Embassy Suites - Hillsboro Borrower of any requirements or requests the Embassy Suites - Hillsboro Borrower to make any repairs and/or improvements at the property.

Mortgage Loan No. 6 — Embassy Suites - Hillsboro

Lockbox / Cash Management. The loan is structured with a hard lockbox and springing cash management. During the continuance of a Cash Management Period, all funds in the lockbox are required to be transferred to the cash management account every business day to be applied to payment of debt service, reserves, and other amounts due under the Embassy Suites - Hillsboro loan documents, and during a Cash Sweep Period, all excess cash flow is required to be retained by the lender as additional collateral for the loan (unless a Cash Sweep Period occurs on account of a Future PIP Trigger Event for which all excess cash flow will be deposited into a future PIP reserve account).