

## Hampton Inn & Suites by Hilton - Lynnwood

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	SMF II
<b>Original Principal Balance:</b>	\$20,750,000
<b>Cut-off Date Principal Balance:</b>	\$20,722,226
<b>% of Pool by IPB:</b>	2.0%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Lynnwood Inns, Inc.
<b>Sponsors:</b>	Nizar Damji, Mariyam Damji, Shaiza Damji, Feyrouz Damji Kurji
<b>Interest Rate:</b>	5.01000%
<b>Note Date:</b>	1/12/2016
<b>Maturity Date:</b>	2/6/2026
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(25),Def(90),O(5)
<b>Lockbox:</b>	Springing
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Hotel - Limited Service
<b>Net Rentable Area (Rooms):</b>	152
<b>Location:</b>	Lynnwood, WA
<b>Year Built / Renovated:</b>	1998 / 2015
<b>Occupancy / ADR / RevPAR:</b>	81.1% / \$127.81 / \$103.70
<b>Occupancy / ADR / RevPAR Date:</b>	11/30/2015
<b>Number of Tenants:</b>	N/A
<b>2012 NOI<sup>(1)</sup>:</b>	\$1,893,655
<b>2013 NOI<sup>(1)</sup>:</b>	\$2,214,137
<b>2014 NOI<sup>(1)</sup>:</b>	\$2,274,691
<b>TTM NOI (as of 11/2015):</b>	\$2,379,064
<b>UW Occupancy / ADR / RevPAR:</b>	80.0% / \$127.81 / \$102.25
<b>UW Revenues:</b>	\$5,772,023
<b>UW Expenses:</b>	\$3,652,178
<b>UW NOI:</b>	\$2,119,845
<b>UW NCF:</b>	\$2,119,845
<b>Appraised Value / Per Room:</b>	\$30,300,000 / \$199,342
<b>Appraisal Date:</b>	11/13/2015

### Escrows and Reserves

	Initial	Monthly	Initial
<b>Taxes:</b>	\$60,468	\$11,349	N/A
<b>Insurance<sup>(2)</sup>:</b>	\$0	Springing	N/A
<b>FF&amp;E Reserves<sup>(3)</sup>:</b>	\$230,881	Springing	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other<sup>(4)</sup>:</b>	\$1,914,308	Springing	N/A

### Financial Information

<b>Cut-off Date Loan / Room:</b>	\$136,330
<b>Maturity Date Loan / Room:</b>	\$112,267
<b>Cut-off Date LTV:</b>	68.4%
<b>Maturity Date LTV:</b>	56.3%
<b>UW NCF DSCR:</b>	1.58x
<b>UW NOI Debt Yield:</b>	10.2%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$20,750,000	100.0%	Payoff Existing Debt	\$11,136,518	53.7%
			Return of Equity	7,104,402	34.2
			Upfront Reserves	2,205,657	10.6
			Closing Costs	303,422	1.5
<b>Total Sources</b>	<b>\$20,750,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$20,750,000</b>	<b>100.0%</b>

(1) Historical financials are reported based on a fiscal year ended on April 30 of each respective year.

(2) The loan documents do not require the borrower to make monthly deposits into the insurance escrow so long as an event of default does not exist and the borrower provides satisfactory evidence that the property is insured under an approved blanket policy in accordance with the terms of the loan documents.

(3) Commencing on the payment date in March 2019 and on each payment date thereafter, the borrower is required to deposit monthly into the FF&E reserve an amount equal to one-twelfth of 4% of annual gross revenues.

(4) Other Initial Escrows and Reserves represent a property improvement plan ("PIP") reserve. Additionally, the borrower is required to deposit into a future PIP reserve amounts required by any future property improvement plan.

**The Loan.** The Hampton Inn & Suites by Hilton - Lynnwood loan is secured by a first mortgage lien on the borrowers' fee simple interest in a 152-room limited service hotel property located in Lynnwood, Washington. The loan has a 10-year term and will amortize on a 30-year schedule. The previously existing debt was securitized in the BSCMS 2006-PW12 transaction. The loan sponsors and nonrecourse carve-out guarantors are Nizar Damji, Mariyam Damji, Shaiza Damji and Feyrouz Damji Kurji. The loan sponsors' hotel experience includes owning and managing six hotels, including the Hampton Inn & Suites by Hilton - Lynnwood property, which in aggregate equal 763 rooms, all of which are located in Washington.

## Hampton Inn & Suites by Hilton - Lynnwood

**The Property.** The Hampton Inn & Suites by Hilton - Lynnwood is a 152-room limited service hotel located in Lynnwood, Washington. The property was built in 1998 and renovated in 2015. Amenities at the property include an indoor pool, a fitness center, complimentary breakfast area, a gift shop and guest laundry facilities. The property's surrounding area is considered suburban and is populated with retail development, including a 1.3 million square foot regional mall known as Alderwood Mall (portions of which were securitized in MSCCG 2015-ALDR, CGCMT 2015-P1, GSMS 2015-GC32 and MSC 2015-MS1), which lies north across a free overpass. Adjacent to the Alderwood Mall is the Lynnwood Place development, a 1.3 million square foot mixed-use development, anchored by Costco.

Hampton Inn & Suites by Hilton - Lynnwood is located 15 miles north of the Seattle, Washington MSA, in Snohomish county, and is approximately one mile from Interstate 5 and Interstate 405. Snohomish County's largest employer is Boeing Company ("Boeing"), which employs about 40,000 employees. Boeing's commercial airplane wide-body assembly plant is located approximately eight miles north of the property in Everett. Additionally, Boeing is building a 1.2 million square foot plant on its Everett campus, which is expected to be completed in the first quarter of 2016. Other significant employers in Snohomish County include Naval Station Everett (approximately 6,350 employees), the Washington state government (approximately 5,400 employees), and Providence Regional Medical Center (approximately 3,500 employees).

The appraisal identified two planned hotel developments that are expected to be competitive with the Hampton Inn & Suites by Hilton – Lynnwood property. The 150-room Hilton Garden Inn is anticipated to open in early 2017 and will be located within one mile of the property. The 156-room Courtyard by Marriott is anticipated to open in June 2016 and will be located approximately 13 miles from the property.

Historical Occupancy, ADR and RevPAR <sup>(1)</sup>									
Competitive Set			Hampton Inn & Suites by Hilton - Lynnwood				Penetration Factor		
Year	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	71.1%	\$111.81	\$79.49	83.2%	\$118.84	\$98.87	117.0%	106.3%	124.4%
2014	72.8%	\$120.76	\$87.96	82.4%	\$123.36	\$101.69	113.2%	102.1%	115.6%
TTM <sup>(2)</sup>	68.3%	\$128.89	\$88.06	80.6%	\$128.72	\$103.79	118.0%	99.9%	117.9%

(1) Data provided by Smith Travel Research. The competitive set contains the following properties: La Quinta Inn & Suites Lynnwood, Embassy Suites Seattle North Lynnwood, Residence Inn Seattle North Lynnwood, Best Western Alderwood, Courtyard Seattle North Lynnwood Everett, Holiday Inn Express & Suites Lynnwood and Homewood Suites Seattle Lynnwood.

(2) TTM column represents the trailing 12-month period ending on October 31, 2015.

Competitive Hotels Profile <sup>(1)</sup>								
Property	Rooms	Year Built	2015 Estimated Market Mix			10/2015 Estimated Operating Statistics		
			Commercial	Meeting & Group	Leisure	Occupancy	ADR	RevPAR
<b>Hampton Inn &amp; Suites by Hilton - Lynnwood</b>	<b>152</b>	<b>1998</b>	<b>55%</b>	<b>15%</b>	<b>30%</b>	<b>81%</b>	<b>\$128</b>	<b>\$104</b>
Hampton Inn and Suites	170	2014	50%	20%	30%	65%-75%	\$140-\$155	\$95-\$110
Homewood Suites	240	1993	60%	25%	15%	70%-80%	\$130-\$145	\$95-\$110
Embassy Suites	120	1987	65%	15%	20%	85%-95%	\$140-\$155	\$120-\$135
Residence Inn by Marriott	70	2000	60%	5%	35%	75%-85%	\$155-\$175	\$125-\$140
Silver Cloud Inn (Mukilteo)	128	1999	65%	5%	30%	65%-75%	\$115-\$130	\$80-\$90
Towneplace Suites by Marriott	102	2005	60%	20%	20%	75%-85%	\$125-\$140	\$95-\$110
Holiday Inn Downtown Everett	243	1982	40%	40%	20%	55%-65%	\$95-\$110	\$60-\$70
Courtyard by Marriott	164	1999	80%	10%	10%	65%-75%	\$120-\$135	\$85-\$95
<b>Total<sup>(2)</sup></b>	<b>1,237</b>							

(1) Based on the appraisal.

(2) Excludes the subject property.

## Hampton Inn & Suites by Hilton - Lynnwood

Operating History and Underwritten Net Cash Flow							
	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	TTM <sup>(2)</sup>	Underwritten	Per Room <sup>(3)</sup>	% of Total Revenue <sup>(4)</sup>
Occupancy	77.3%	83.0%	81.9%	81.1%	80.0%		
ADR	\$111.37	\$115.31	\$119.78	\$127.81	\$127.81		
RevPAR	\$86.07	\$95.74	\$98.04	\$103.70	\$102.25		
Room Revenue	\$4,787,978	\$5,311,674	\$5,439,475	\$5,753,344	\$5,672,696	\$37,320	98.3%
Other Departmental Revenue	69,627	77,220	89,586	100,739	99,327	653	1.7
<b>Total Revenue</b>	<b>\$4,857,605</b>	<b>\$5,388,894</b>	<b>\$5,529,061</b>	<b>\$5,854,083</b>	<b>\$5,772,023</b>	<b>\$37,974</b>	<b>100.0%</b>
Room Expense	\$1,098,781	\$1,165,621	\$1,257,699	\$1,404,853	\$1,385,161	\$9,113	24.4%
Other Departmental Expenses	117,303	114,176	139,577	120,493	118,804	782	119.6
<b>Departmental Expenses</b>	<b>\$1,216,084</b>	<b>\$1,279,797</b>	<b>\$1,397,276</b>	<b>\$1,525,346</b>	<b>\$1,503,965</b>	<b>\$9,895</b>	<b>26.1%</b>
<b>Departmental Profit</b>	<b>\$3,641,521</b>	<b>\$4,109,097</b>	<b>\$4,131,786</b>	<b>\$4,328,737</b>	<b>\$4,268,059</b>	<b>\$28,079</b>	<b>73.9%</b>
<b>Operating Expenses</b>	<b>\$1,175,357</b>	<b>\$1,246,792</b>	<b>\$1,188,501</b>	<b>\$1,242,093</b>	<b>\$1,224,681</b>	<b>\$8,057</b>	<b>21.2%</b>
<b>Gross Operating Profit</b>	<b>\$2,466,164</b>	<b>\$2,862,306</b>	<b>\$2,943,285</b>	<b>\$3,086,644</b>	<b>\$3,043,377</b>	<b>\$20,022</b>	<b>52.7%</b>
Fixed Expenses	\$159,793	\$169,810	\$176,353	\$183,160	\$175,581	\$1,155	3.0%
Management Fees	145,728	161,667	165,872	175,622	173,161	1,139	3.0
Franchise Fee	266,988	316,692	326,369	348,798	343,909	2,263	6.0
FF&E	0	0	0	0	230,881	1,519	4.0
<b>Total Other Expenses</b>	<b>\$572,510</b>	<b>\$648,168</b>	<b>\$668,593</b>	<b>\$707,581</b>	<b>\$923,532</b>	<b>\$6,076</b>	<b>16.0%</b>
<b>Net Operating Income</b>	<b>\$1,893,655</b>	<b>\$2,214,137</b>	<b>\$2,274,691</b>	<b>\$2,379,064</b>	<b>\$2,119,845</b>	<b>\$13,946</b>	<b>36.7%</b>
<b>Net Cash Flow</b>	<b>\$1,893,655</b>	<b>\$2,214,137</b>	<b>\$2,274,691</b>	<b>\$2,379,064</b>	<b>\$2,119,845</b>	<b>\$13,946</b>	<b>36.7%</b>

(1) Historical financials are reported on a fiscal year ended on April 30 of each respective year.

(2) TTM column represents the trailing 12-month period ending on November 30, 2015.

(3) Per Room values are based on 152 guest rooms.

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