

Mortgage Loan No. 11 — Chicago Marriott Southwest at Burr Ridge

Mortgage Loan Information

Mortgage Loan Seller:	BSP
Original Principal Balance:	\$20,000,000
Cut-off Date Principal Balance:	\$20,000,000
% of Pool by IPB:	2.6%
Loan Purpose:	Acquisition
Borrowers:	Sidra Burr Ridge, LLC; Sidra BR Properties, LLC
Sponsor:	Sidra Real Estate, Inc.
Interest Rate:	5.3500%
Note Date:	2/17/2016
Maturity Date:	3/6/2021
Interest-only Period:	60 months
Original Term:	60 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(26),Def(30),O(4)
Lockbox⁽¹⁾:	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):	184
Location:	Burr Ridge, IL
Year Built / Renovated:	2004 / 2016
Occupancy / ADR / RevPAR:	69.7% / \$147.63 / \$102.84
Occupancy / ADR / RevPAR Date:	12/31/2015
Number of Tenants:	N/A
2013 NOI:	\$2,704,141
2014 NOI:	\$2,945,076
2015 NOI:	\$2,608,413
UW Occupancy / ADR / RevPAR:	69.7% / \$147.63 / \$102.84
UW Revenues:	\$10,093,895
UW Expenses:	\$7,560,510
UW NOI:	\$2,533,385
UW NCF:	\$2,129,629
Appraised Value / Per Room⁽²⁾:	\$35,400,000 / \$192,391
Appraisal Date⁽²⁾:	1/1/2017

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$323,865	\$48,083	N/A
Insurance:	\$0	Springing ⁽³⁾	N/A
FF&E Reserve:	\$0	Springing ⁽⁴⁾	N/A
PIP Reserve⁽⁵⁾:	\$6,689,991	Springing	N/A
Engineering Reserve:	\$145,980	N/A	N/A
Seasonality Reserve⁽⁶⁾:	\$0	\$34,000	\$170,000

Financial Information

Cut-off Date Loan / Room:	\$108,696
Maturity Date Loan / Room:	\$108,696
Cut-off Date LTV⁽²⁾:	56.5%
Maturity Date LTV⁽²⁾:	56.5%
UW NCF DSCR:	1.96x
UW NOI Debt Yield:	12.7%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$20,000,000	61.7%
Sponsor Equity	12,391,807	38.3
Total Sources	\$32,391,807	100.0%

Uses	Proceeds	% of Total
Purchase Price ⁽⁶⁾	\$24,771,270	76.5%
PIP Reserve	6,689,991	20.7
Other Upfront Reserves	469,845	1.5
Closing Costs	460,701	1.4
Total Uses	\$32,391,807	100.0%

- (1) The loan is structured with a hard lockbox and springing cash management.
- (2) Represents the "Prospective Market Value Upon Completion" per the appraisal, based on completion of PIP work required to be completed by January 1, 2017, for which approximately \$6.7 million was reserved at origination. As of December 24, 2015, the appraisal concluded to a "Market Value As-Is" of \$27.9 million, which equates to a Cut-Off Date LTV of 71.7%. The appraisal also concluded a "Prospective Market Value Upon Stabilization" of \$37.4 million as of January 1, 2018 which would result in a Maturity Date LTV of 53.5%.
- (3) Monthly insurance payments are waived for so long as (i) no event of default has occurred and is continuing, (ii) the property continues to be insured by a blanket policy, and (iii) all insurance premiums are being timely paid and the lender receives evidence of such payment.
- (4) Commencing on March 6, 2018, the borrowers are required to escrow, on a monthly basis, 1/12th of 4% of the greater of (i) gross revenue for the preceding calendar year and (ii) estimated gross revenue for the current calendar year according to the most recently submitted annual budget. The estimated monthly FF&E amount is \$33,646.
- (5) Monthly Seasonality Reserve deposits required on each payment date occurring in May, June, July, August and September during the term of the loan, subject to a cap of \$170,000.
- (6) Purchase price is net of \$728,730 in seller credits.

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The Loan. The Chicago Marriott Southwest at Burr Ridge loan is a \$20.0 million first mortgage loan secured by the fee interest in a 184-room full service hotel property located in Burr Ridge, Illinois. The loan has a 5-year term and is interest-only for the term of the loan.

The Borrowers. The borrowing entities for the loan are Sidra Burr Ridge, LLC and Sidra BR Properties, LLC, each a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is Sidra Real Estate, Inc. Sidra Real Estate, Inc. operates as the U.S. real estate arm of Sana Horizon, Ltd, which is wholly owned by The Dutco Group of Companies ("Dutco"). Dutco is a Dubai based company founded in 1947, with 4 primary businesses: construction, trading, manufacturing, oil, gas and hospitality. Outside of Sidra Real Estate, Inc., Dutco owns eight hotels in and around Dubai, Seychelles and the Maldives. David Barry is the President of Sidra Real Estate, Inc. and has over 40 years of experience as a real estate attorney and investor. Mr. Barry has been an attorney at Kelley Drye LLP since the 1970s and has been representing Dutco since 1977. In 2007, Mr. Barry began working directly for Dutco, managing its U.S. real estate portfolio. Inclusive of closing costs and the PIP and engineering reserves collected at origination, the sponsors have a cost basis of approximately \$32,391,807 in the property resulting in a loan-to-cost ratio of 61.7%.

The Property. The Chicago Marriott Southwest at Burr Ridge property is a 184-room full service hotel located in Burr Ridge, Illinois. The property was originally constructed in 2004 and consists of an 8-story hotel building with a parking garage located on a 7.95-acre site. A new 20-year franchise agreement with Marriott International, Inc. ("Marriott") was implemented at origination, which extends the property's franchise agreement through January 2036.

The unit mix consists of 67 king guestrooms, 70 double guestrooms and 47 suites. Each of the guestrooms features a flat screen television with premium channel selection, telephone, desk with chair, dresser, nightstands, lamps and lounge chairs. Amenities at the property include a restaurant and lounge, a bar, over 10,700 SF of meeting space including an 8,024 SF grand ballroom, conference room and board room, a business center, fitness center and an indoor swimming pool and whirlpool. In addition, the property offers a 365-space parking garage.

An upfront PIP reserve of approximately \$6.69 million (\$36,359/room) was escrowed at origination for PIP work required by the franchise agreement to be completed by the second quarter of 2017. Planned PIP work includes extensive upgrades to the property's site, lobby, guestrooms and bathrooms, business center, restaurant, bar/lounge, fitness center and pool, ballroom and conference/meeting room facilities. The borrowers' PIP budget includes \$3.95 million (\$21,467/room) allocated to guestrooms and bathrooms, including full case-goods and soft-goods replacements that incorporate all components of Marriott's new brand design and the new Marriott entertainment package, \$525,000 allocated to ballroom, boardroom and meeting room upgrades and \$285,000 for restaurant and bar/lounge improvements including a reconfiguration of the floorplans.

The Market. The Chicago Marriott Southwest at Burr Ridge is located on Burr Ridge Parkway, 13.1 miles from Midway Airport, 18.9 miles from downtown Chicago and 17 miles from O'Hare Airport. It benefits from access and visibility on the east side of Burr Ridge Parkway, immediately southwest of the Interstate 55/294 interchange connecting the area to Indiana and Chicago's northern and western suburbs via Interstates 88 and 290.

The property is located in Burr Ridge, Illinois. The property is the only full-service hotel within a 10-mile radius, and the only hotel with conference facilities in the area. The property is situated within the Burr Ridge Village Center, a lifestyle center with a mixture of residential, retail, office and hotel uses anchored by Lifetime Fitness and national tenants such as Banana Republic, Bath & Body Works, Claire's, Eddie Bauer, Jos. A. Bank, LOFT, Kohler Waters Spa, Sunglass Hut International and Victoria's Secret and four restaurants.

Based on the appraiser's estimated 2015 data for the primary competitive set and the subject hotel's 2015 performance per the sponsor's operating statements, the subject hotel had higher figures than its primary competitive set in terms of occupancy (107.8% penetration), ADR (113.5% penetration), and RevPAR (122.3% penetration). The hotel, similarly, had higher figures than its primary competitive set in 2013 and 2014 in terms of occupancy (113.1% and 110.7% penetration, respectively), ADR (114.0% and 110.5% penetration, respectively), and RevPAR (128.8% and 122.2% penetration, respectively). Per Trip Advisor,

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the hotel is rated as the No. 1 hotel in Burr Ridge and holds a Certificate of Excellence. The properties in the hotel's competitive are shown below.

Historical Occupancy, ADR, RevPAR

Competitive Set ⁽¹⁾				Chicago Marriott Southwest at Burr Ridge ⁽²⁾			Penetration Factor		
Year	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2013	65.0%	\$117.65	\$76.52	73.5%	\$134.14	\$98.57	113.1%	114.0%	128.8%
2014	68.3%	\$125.84	\$85.97	75.6%	\$139.09	\$105.09	110.7%	110.5%	122.2%
2015	64.6%	\$130.07	\$84.09	69.7%	\$147.63	\$102.84	107.8%	113.5%	122.3%

(1) Source: Appraisal. Competitive Set metrics are derived using appraiser's estimated calendar year 2015 data for the primary competitive set.

(2) Source: Borrower financials.

Competitive Hotels Profile⁽¹⁾

Property	Estimated Market Mix							Calendar Year 2015		
	Rooms	Year Built	Meeting Space (SF)	Commercial	Meeting & Group	Leisure	Extended Stay	Occ	ADR	RevPAR
Chicago Marriott Southwest at Burr Ridge	184	2004	10,724	30%	35%	30%	5%	69.7%	\$147.63	\$102.84
Doubletree Chicago Oak Brook	428	1973	30,030	35%	30%	30%	5%	63.0%	\$123.00	\$77.49
Marriott Chicago Oak Brook	350	1981	18,600	30%	35%	30%	5%	68.0%	\$145.00	\$98.60
Springhill Suites Chicago Southwest at Burr Ridge	128	2000	770	40%	15%	35%	10%	61.0%	\$109.00	\$66.49
Total⁽²⁾	906									

(1) Source: Appraisal.

(2) Excludes the subject property.

Operating History and Underwritten Net Cash Flow

	2012	2013	2014	2015	Underwritten	Per Room ⁽¹⁾	% ⁽²⁾
Occupancy	75.8%	73.5%	75.6%	69.7%	69.7%		
ADR	\$130.24	\$134.14	\$139.09	\$147.63	\$147.63		
RevPAR	\$98.67	\$98.57	\$105.09	\$102.84	\$102.84		
Room Revenue	\$6,644,572	\$6,619,656	\$7,058,067	\$6,906,768	\$6,906,768	\$37,537	68.4%
Food and Beverage	2,808,448	2,919,926	3,106,575	3,081,762	3,081,762	16,749	30.5%
Other Departmental Revenues	188,472	165,921	168,949	105,365	105,365	573	1.0%
Total Revenue	\$9,641,492	\$9,705,503	\$10,333,591	\$10,093,895	\$10,093,895	\$54,858	100.0%
Room Expense	1,386,921	1,368,126	1,481,009	1,389,406	1,389,406	7,551	20.1%
Food and Beverage Expense	1,584,694	1,647,753	1,815,515	2,071,403	2,071,403	11,258	67.2%
Other Departmental Expenses	108,792	97,486	86,098	88,534	88,534	481	84.0%
Departmental Expenses	\$3,080,407	\$3,113,365	\$3,382,622	\$3,549,343	\$3,549,343	\$19,290	100.0%
Departmental Profit	\$6,561,085	\$6,592,138	\$6,950,969	\$6,544,552	\$6,544,552	\$35,568	64.8%
Operating Expenses	\$3,267,975	\$3,312,627	\$3,373,431	\$3,306,553	\$3,384,517	\$18,394	33.5%
Gross Operating Profit	\$3,293,110	\$3,279,511	\$3,577,538	\$3,237,999	\$3,160,035	\$17,174	31.3%
Fixed Expenses	556,189	575,370	632,462	629,586	626,650	3,406	6.2%
Net Operating Income	\$2,736,921	\$2,704,141	\$2,945,076	\$2,608,413	\$2,533,385	\$13,768	25.1%
FF&E	0	0	0	0	403,756	2,194	4.0%
Net Cash Flow	\$2,736,921	\$2,704,141	\$2,945,076	\$2,608,413	\$2,129,629	\$11,574	21.1%

(1) Per Room values are based on 184 rooms.

(2) % column represents percent of Total Revenue except for Room Expense, Food and Beverage Expense and Other Department Expenses, which are based on their corresponding revenue line items.