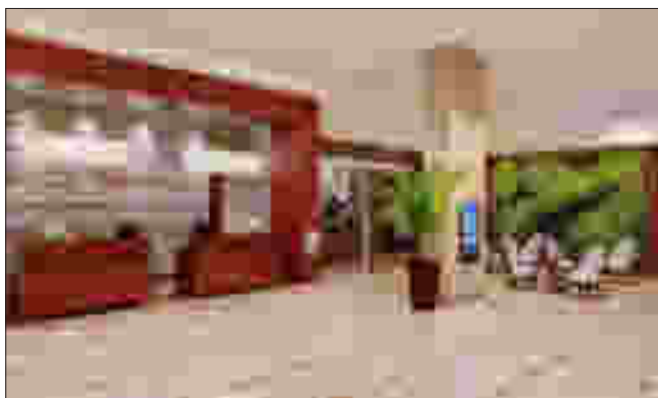


Mortgage Loan No. 10 — Westin & Element - Huntsville

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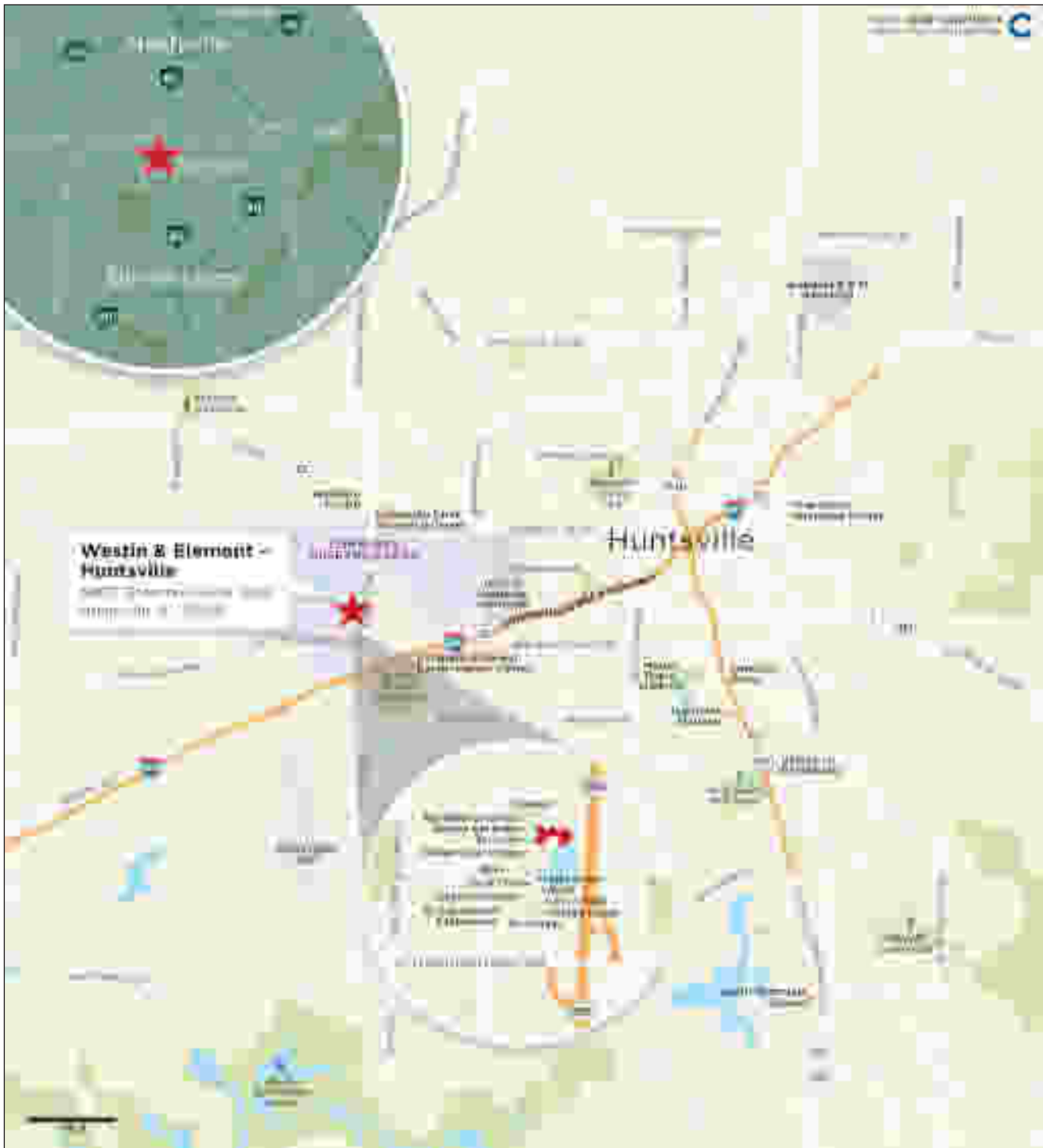


Mortgage Loan No. 10 — Westin & Element - Huntsville

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Mortgage Loan No. 10 — Westin & Element - Huntsville



## Mortgage Loan No. 10 — Westin & Element - Huntsville

### Mortgage Loan Information

Mortgage Loan Seller:	AREF
Original Principal Balance:	\$25,000,000
Cut-off Date Principal Balance:	\$25,000,000
% of Pool by IPB:	3.2%
Loan Purpose:	Refinance
Borrower:	Citrus North Hospitality, LLC
Sponsor:	John Moller
Interest Rate:	4.7450%
Note Date:	9/28/2018
Maturity Date:	10/6/2028
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(25), Def(91), O(4)
Lockbox <sup>(6)</sup> :	Hard
Additional Debt:	No
Additional Debt Balance:	N/A
Additional Debt Type:	N/A
Additional Future Debt Permitted:	No

### Escrows and Reserves<sup>(8)</sup>

	Initial	Monthly	Initial Cap
Taxes:	\$473,696	\$43,063	N/A
Insurance:	\$49,048	\$8,175	N/A
FF&E Reserve:	\$0	\$57,535	N/A
PIP Reserve:	Springing	\$0	N/A

### Sources and Uses<sup>(9)</sup>

Sources	Proceeds	% of Total
Mortgage Loan:	\$25,000,000	100.0%
Total Sources:	\$25,000,000	100.0%

### Property Information

Single Asset / Portfolio:	Portfolio of 2 assets
Title:	Fee
Property Type - Subtype:	Hotel – Various
Net Rentable Area (Rooms) <sup>(1)</sup> :	382
Location:	Huntsville, AL
Year Built / Renovated:	Various / Various
Occupancy / ADR / RevPAR:	70.9% / \$134.98 / \$95.76
Occupancy / ADR / RevPAR Date:	6/30/2018
Number of Tenants:	NAP
2015 NOI <sup>(2)</sup> :	N/A
2016 NOI <sup>(3)(4)</sup> :	\$2,055,917
2017 NOI <sup>(3)(4)</sup> :	\$2,579,460
TTM NOI <sup>(3)(4)</sup> :	\$3,832,877
UW Occupancy / ADR / RevPAR:	71.0% / \$135.21 / \$95.93
UW Revenues:	\$17,260,507
UW Expenses:	\$13,196,676
UW NOI <sup>(5)</sup> :	\$4,063,831
UW NCF:	\$3,373,411
Appraised Value / Per Room <sup>(7)</sup> :	\$58,300,000 / \$152,618
Appraisal Date:	8/14/2018

### Financial Information

Cut-off Date Loan / Room:	\$65,445
Maturity Date Loan / Room:	\$65,445
Cut-off Date LTV:	42.9%
Maturity Date LTV:	42.9%
UW NOI / UW NCF DSCR:	3.38x / 2.80x
UW NOI / UW NCF Debt Yield:	16.3% / 13.5%

Uses	Proceeds	% of Total
Payoff Existing Debt:	\$16,169,968	64.7%
Return of Equity:	8,008,592	32.0
Upfront Reserves:	522,744	2.1
Closing Costs:	298,696	1.2
Total Uses:	\$25,000,000	100.0%

- (1) Represents the combined room count for both Westin Huntsville (as defined below) and Element Huntsville (as defined below). The Westin Huntsville has 232 rooms and the Element Huntsville has 150 rooms. The sponsor renovated the Westin Huntsville from 2016 to 2018, increasing room count from 210 rooms in 2016 to 211 rooms in 2017, 221 rooms in trailing twelve months ending June 30, 2018, and 232 rooms in 2018.
- (2) 2015 NOI is not available as the sponsor acquired the property in 2015.
- (3) Represents the 2016 financials for the Westin Huntsville only. The Element Huntsville opened in April 2017, therefore, historical financials are not available.
- (4) Represents the combined financials for full year 2017 for the Westin Huntsville and an eight month period beginning in May for the Element Huntsville.
- (5) Represents trailing twelve months ending June 30, 2018.
- (6) For more description of the lockbox, please refer to "Lockbox / Cash Management" section below.
- (7) The appraiser provided an "As-Completed" value of \$61.3 million as of April 1, 2019 which assumes that the meeting space is completed which results in a Cut-off Date LTV Ratio of 40.8%.

## Mortgage Loan No. 10 — Westin & Element - Huntsville

- (8) For a more detailed description of Escrows and Reserves, refer to the “*Escrows and Reserves*” section below.
- (9) The sponsor purchased the property in 2015 for approximately \$22.0 million and invested approximately \$28.0 million (\$73,404 per room) in capital expenditure. The sponsor's total basis in the property is approximately \$50.0 million.

**The Loan.** The Westin & Element - Huntsville loan is a \$25.0 million first mortgage loan secured by the fee interest in a dual branded hotel, totaling 382 rooms, located in Huntsville, Alabama. The loan has a 10-year term and is interest-only for the term of the loan. There are no partial release provisions and thus the loan amount was not allocated in the loan documents.

**The Borrower.** The borrowing entity for the loan is Citrus North Hospitality, LLC, a Delaware limited liability company and special purpose entity. The borrowing entity is owned by Thyra Moller (2003) Trust (98.01 %) and Moller Investment Group, Inc. (1.99%).

**The Sponsor.** The loan's sponsor is John Moller, the chairman and sole shareholder of Moller Investment Group, Inc. Moller Investment Group, Inc. originally specialized in the energy sector but has now expanded and owns a large portfolio of real estate assets. The portfolio is comprised of hotel, office, industrial and multifamily assets located across California and Alabama as well as a few parcels of land, which collectively are valued at approximately \$478 million. See also “*Description of the Mortgage Pool—Litigation and Other Considerations*” in the Prospectus.

**The Properties.** The following table represents each property comprising Westin & Element – Huntsville.

Property	Property Sub-Type	Year Built	Renovated	Rooms	Occupancy <sup>(1)</sup>	UW NOI	% of UW NOI
Westin Huntsville	Full Service	2008	2016-2018	232	71.3%	\$2,552,221	62.8%
Element Huntsville	Select Service	2017	N/A	150	70.4%	1,511,610	37.2
<b>Total/Wtd. Avg:</b>				<b>382</b>	<b>70.9%</b>	<b>\$4,063,831</b>	<b>100.0%</b>

(1) Based on the trailing twelve months ending June 30, 2018.

The Westin & Element - Huntsville property is located on a 3.4-acre site within the Bridge Street Towne Center of Huntsville, Alabama. The property is comprised of an 11-story building, featuring a combined 382 guestrooms (“Westin Huntsville” – 232-room, full service hotel and “Element Huntsville” – 150-room, select service hotel). The property was originally constructed to have both a hotel and residential condominium component. The Westin Huntsville portion of the property was completed and opened in 2008 as a 210-room, full service hotel located on floors 1 through 6, but the residential units, located on floors 7-11, were not sold and remained finished in shell condition. The sponsor purchased the property in 2015 and invested approximately \$28.0 million (\$73,404 per room) to renovate Westin Huntsville as a part of a change of ownership PIP, increased the number of rooms at Westin Huntsville from 210 to 232, and converted the top five undeveloped floors into a 150-room, select service, Element Huntsville hotel. The additional 22 rooms at the Westin Huntsville were completed in January 2018 and the Element Huntsville opened in April 2017.

The property is now a dual-branded hotel with shared amenities which include the Sage Grille restaurant and lounge, fitness center, indoor/outdoor heated pool, indoor whirlpool, business center, and meeting rooms. The property's meeting space is currently undergoing expansion from 12,750 SF to 18,352 SF, with 2,975 SF attributed to new meeting space and 2,627 SF of pre-function space. The expansion is expected to be completed by April 2019 at a total remaining cost of \$1.5 million. The first floor of the property has one entrance for Westin Huntsville guests and a separate entrance, lobby, check-in desk and elevators for the Element Huntsville guests. The property also shares parking within the Bridge Street Town Centre.

## Mortgage Loan No. 10 — Westin & Element - Huntsville

### Historical Occupancy, ADR, RevPAR

#### Westin Huntsville

Year	Competitive Set <sup>(1)</sup>			Westin Huntsville <sup>(2)</sup>			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2016	69.3%	\$105.10	\$72.84	75.7%	\$137.70	\$104.25	109.2%	131.0%	143.1%
2017	70.1%	\$106.23	\$74.48	69.2%	\$140.39	\$97.13	98.7%	132.2%	130.4%
TTM <sup>(3)</sup>	70.8%	\$106.67	\$75.56	71.3%	\$142.79	\$101.86	100.7%	133.9%	134.8%

#### Element Huntsville

Year	Competitive Set <sup>(4)</sup>			Element Huntsville <sup>(2)</sup>			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2017	74.3%	\$98.21	\$72.98	64.0%	\$122.40	\$78.30	86.1%	124.6%	107.3%
TTM <sup>(3)</sup>	74.1%	\$99.34	\$73.56	70.4%	\$123.32	\$86.77	95.0%	124.1%	118.0%

(1) Source: Third party research report. Westin Huntsville property's competitive set consists of Four Points by Sheraton Huntsville Airport, Holiday Inn Huntsville Research Park, Marriott Huntsville @ The Space & Rocket Center, Embassy Suites Huntsville Hotel & Spa, and Hampton Inn & Suites Huntsville Research Park Area.

(2) Source: Borrower's Financials.

(3) Reflects the trailing twelve months ending June 30, 2018.

(4) Source: Third party research report. Element Huntsville property's competitive set consists of Candlewood Suites Huntsville Research Park, Fairfield Inn Huntsville, Residence Inn Huntsville, Homewood Suites Huntsville Village of Providence, TownePlace Suites Huntsville, Springhill Suites Huntsville West Research Park, and Hampton Inn & Suites Huntsville Research Park Area.

**The Market.** The property is located in Huntsville, Alabama, approximately 7.1 miles southwest from downtown Huntsville, and 9.0 miles northeast from the Huntsville International Airport. Huntsville is the fourth largest city in Alabama. Technology, space, and defense industries have a major presence in the city of Huntsville, and it is home to numerous Fortune 500 companies offering a broad base of manufacturing, retail and service industries.

The property is located within Bridge Street Town Centre which is a mixed-use regional fashion center with 825,402 SF of high quality shopping and dining space, 56,613 SF of office space and a 14-screen Monaco Pictures theater. According to the appraisal, Bridge Street Town Centre averages more than 18,000 visitors a day and over 6.5 million visitors annually. Bridge Street Town Centre is located within Cummings Research Park, a 3,800-acre science and technology park that is home to more than 300 companies employing 30,000 workers. According to the appraisal, Cummings Research Park is the second largest research park in the country and the fourth largest in the world.

The Westin & Element – Huntsville property is also located adjacent to the Redstone Arsenal Military Base, which houses the United States Army Materiel Command, Army's Aviation and Missile Command, the Missile Defense Agency of the Department of Defense, and NASA's Marshall Space Flight Center. The base averages 36,000-40,000 personnel daily. Other demand generators include Huntsville Botanical Garden and University of Alabama Huntsville, which are both approximately 3.3 miles away.

Furthermore, there are various construction projects and enhancements underway in downtown Huntsville including MidCity, a \$350 million urban center with a mix of residences, offices, incubator space, retail, dining, entertainment, parks and recreation and the City Centre at Big Spring, a \$100 million mixed use project including retail and restaurant spaces. According to the appraisal, Huntsville is in a growth stage with new commercial, industrial, particularly that associated with the aerospace industry, and office development occurring in outlying areas of the city, with redevelopment also occurring in the downtown core.

According to the appraisal, the 2017 market segmentation for Westin Huntsville was approximately 53% corporate demand, 27% leisure and 20% meeting and group. According to the appraisal, the 2017 market segmentation for Element Huntsville was approximately 50% corporate demand, 30% leisure and 20% meeting. As of TTM June 2018, the combined top 15 accounts at both hotels generated approximately \$1.64 million in room revenue (12.6% of total room revenue). Top corporate accounts for the Westin & Element – Huntsville property include Adtran, Aviagen, Radiance Technologies, and Cerner which are some technology and science companies who are located nearby.



## Mortgage Loan No. 10 — Westin & Element - Huntsville

According to an industry report, there are 78 hotels with approximately 7,629 rooms within the Huntsville hotel market. The Huntsville Hotel Market has a 64.1% occupancy rate, ADR of \$83.45, and a resulting RevPAR of \$53.46 for 2017, which reflect an increase of 1.4%, 3.1%, and 2.7%, respectively, over 2016. According to the appraisal, the market expects to have minimal new competitive supply added through 2021. A 131-room Hyatt Place is under construction at the northwest corner of the Bridge Street Town Centre. The Hyatt Place is expected to open in the 2nd quarter of 2019. According to the appraisal, the Hyatt Place is only 25% competitive to Westin Huntsville, and 50% competitive to Element Huntsville.

The appraiser identified five comparable rental properties for Westin Huntsville, ranging from 98 rooms to 295 rooms that were constructed between 1983 and 2013. The properties in the appraisal's competitive set are all located in Huntsville, Alabama, within approximately 7.6 miles of the property and are shown in the below table.

### Competitive Hotels Profile

#### *Westin Huntsville<sup>(1)</sup>*

Property	Rooms	Year Built	Meeting Space (SF)	2017 Estimated Operating Statistics		
				Occupancy	ADR	RevPAR
<b>Westin Huntsville</b>	<b>232</b>	<b>2008</b>	<b>12,750</b>	<b>69.6%</b>	<b>\$140.24</b>	<b>\$98</b>
Hampton Inn & Suites Research Park Area	98	2013	1,224	68% - 74%	\$105 - \$112	\$71 - \$83
Four Points by Sheraton Huntsville Airport	148	1991	6,000	68% - 72%	\$85 - \$95	\$58 - \$68
Marriott Huntsville	292	1986	15,888	68% - 72%	\$100 - \$110	\$68 - \$79
Embassy Suites Huntsville Hotel and Spa	295	2006	7,814	68% - 72%	\$105 - \$115	\$71 - \$83
Holiday Inn Huntsville Research Park	200	1983	5,240	68% - 72%	\$85 - \$95	\$58 - \$68
<b>Total<sup>(2)</sup></b>	<b>1,033</b>					

The appraiser identified seven comparable rental properties for Element Huntsville, ranging from 78 units to 123 units that were constructed between 1998 and 2013. The properties in the appraisal's competitive set are all located in Huntsville, Alabama, within approximately 2.7 miles of the property and are shown in the below table.

#### *Element Huntsville<sup>(1)</sup>*

Property	Rooms	Year Built	Meeting Space (SF)	2017 Estimated Operating Statistics		
				Occupancy	ADR	RevPAR
<b>Element Huntsville</b>	<b>150</b>	<b>2017</b>	<b>12,750</b>	<b>64.0%</b>	<b>\$122.40</b>	<b>\$78</b>
TownePlace Suites Huntsville	86	2007	NAV	68% - 75%	\$75 - \$85	\$51 - \$64
Springhill Suites West Research Park	88	2012	325	68% - 75%	\$92 - \$100	\$63 - \$75
Hampton Inn and Suites Research Park	98	2013	1,224	68% - 74%	\$105 - \$112	\$71 - \$83
Candlewood Suites Research Park	123	1998	NAV	65% - 72%	\$70 - \$75	\$46 - \$54
Fairfield Inn Huntsville	79	1999	NAV	68% - 74%	\$85 - \$95	\$58 - \$70
Homewood Suites Village of Providence	107	2006	665	68% - 72%	\$98 - \$108	\$67 - \$78
Residence Inn Huntsville	78	2002	NAV	68% - 72%	\$90 - \$95	\$61 - \$68
<b>Total<sup>(2)</sup></b>	<b>659</b>					

(1) Source: Appraisal.

(2) Excludes the subject property.

## Mortgage Loan No. 10 — Westin & Element - Huntsville

### Combined Operating History and Underwritten Net Cash Flow

	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>	2017 <sup>(3)(4)</sup>	TTM <sup>(4)(5)</sup>	Underwritten <sup>(6)</sup>	Per Room <sup>(6)</sup>	% <sup>(7)</sup>
Occupancy	N/A	75.7%	67.4%	70.9%	71.0%		
ADR	N/A	\$137.70	\$134.58	\$134.98	\$135.21		
RevPAR	N/A	\$104.25	\$ 90.73	\$95.76	\$ 95.93		
Room Revenue	N/A	\$8,012,834	\$10,603,649	\$12,963,644	\$13,375,956	\$35,016	77.5%
Food and Beverage	N/A	3,081,087	3,276,673	3,367,442	3,536,499	\$9,258	20.5%
Other Departmental Revenues	N/A	192,517	225,837	335,512	348,052	\$911	2.0%
<b>Total Revenue</b>	<b>N/A</b>	<b>\$11,286,438</b>	<b>\$14,106,159</b>	<b>\$16,666,599</b>	<b>\$17,260,507</b>	<b>\$45,185</b>	<b>100.0%</b>
Room Expense	N/A	1,839,695	2,910,879	3,453,798	3,557,901	\$9,314	26.6%
Food and Beverage Expense	N/A	2,459,839	2,531,932	2,529,524	2,656,515	\$6,954	75.1%
Other Departmental Expenses	N/A	108,517	123,136	113,987	117,575	\$308	33.80%
<b>Departmental Expenses</b>	<b>N/A</b>	<b>\$4,408,051</b>	<b>\$5,565,947</b>	<b>\$6,097,308</b>	<b>\$6,331,990</b>	<b>\$16,576</b>	<b>36.7%</b>
<b>Departmental Profit</b>	<b>N/A</b>	<b>\$6,878,387</b>	<b>\$8,540,212</b>	<b>\$10,569,291</b>	<b>\$10,928,517</b>	<b>\$28,609</b>	<b>63.3%</b>
<b>Operating Expenses</b>	<b>N/A</b>	<b>\$4,158,122</b>	<b>\$5,121,773</b>	<b>\$5,810,235</b>	<b>\$6,195,928</b>	<b>\$16,220</b>	<b>35.9%</b>
<b>Gross Operating Profit</b>	<b>N/A</b>	<b>\$2,720,265</b>	<b>\$3,418,439</b>	<b>\$4,759,055</b>	<b>\$4,732,589</b>	<b>\$12,389</b>	<b>27.4%</b>
Fixed Expenses <sup>(8)</sup>	N/A	664,348	838,979	926,178	668,758	\$1,751	3.9%
<b>Net Operating Income</b>	<b>N/A</b>	<b>\$2,055,917</b>	<b>\$2,579,460</b>	<b>\$3,832,877</b>	<b>\$4,063,831</b>	<b>\$10,638</b>	<b>23.5%</b>
FF&E	N/A	0	0	0	690,420	\$1,807	4.0%
<b>Net Cash Flow</b>	<b>N/A</b>	<b>\$2,055,917</b>	<b>\$2,579,460</b>	<b>\$3,832,877</b>	<b>\$3,373,411</b>	<b>\$8,831</b>	<b>19.5%</b>

- (1) 2015 financials are not available as the sponsor acquired the property in 2015.
- (2) Represents the 2016 financials for Westin Huntsville only. Element Huntsville opened in April 2017, therefore, historical financials for such period are not available.
- (3) Represents the combined financials for full year 2017 for Westin Huntsville and an 8 month period from 5/1/2017 to 12/31/2017 for Element Huntsville, as Element Huntsville opened in April 2017.
- (4) Represents trailing twelve months ending June 30, 2018.
- (5) The increase in 2017 NOI to Underwritten NOI is due to the opening of the 150-room Element Huntsville in April 2017 and 22 additional rooms which came online between 2016 and January 2018 at Westin Huntsville.
- (6) Per room values are based on total room count of 382 rooms.
- (7) % column represents percent of Total Revenue except for Room Expense, Food and Beverage Expense, and Other Departmental Expenses, which are based on their corresponding revenue line items.
- (8) The decrease in Fixed Expenses from TTM to Underwritten is due to the elimination of approximately \$276,108 in lease expenses paid to a third party for the usage of approximately 6,715 SF of meeting space within the Bridge Street Town Centre. The lease expires on December 1, 2018 and is not expected to be renewed by the sponsor.



## Mortgage Loan No. 10 — Westin & Element - Huntsville

### Westin Huntsville

	2015 <sup>(1)</sup>	2016	2017	TTM <sup>(2)</sup>	Underwritten	Per Room <sup>(3)</sup>	% <sup>(4)</sup>
Occupancy	N/A	75.7%	69.2%	71.3%	71.3%		
ADR	N/A	\$137.70	\$140.39	\$142.79	\$142.79		
RevPAR	N/A	\$104.25	\$97.13	\$101.86	\$101.86		
Room Revenue	N/A	\$8,012,834	\$7,491,136	\$8,212,833	\$8,625,145	\$37,177	69.4%
Food and Beverage	N/A	3,081,087	3,276,673	3,367,442	3,536,499	\$15,244	28.5%
Other Departmental Revenues	N/A	192,517	169,718	249,773	262,313	\$1,131	2.1%
<b>Total Revenue</b>	<b>N/A</b>	<b>\$11,286,438</b>	<b>\$10,937,527</b>	<b>\$11,830,048</b>	<b>\$12,423,956</b>	<b>\$53,552</b>	<b>100.0%</b>
<b>Departmental Expenses</b>	<b>N/A</b>	<b>\$4,408,051</b>	<b>\$4,546,538</b>	<b>\$4,674,628</b>	<b>\$4,909,311</b>	<b>\$21,161</b>	<b>39.5%</b>
<b>Departmental Profit</b>	<b>N/A</b>	<b>\$6,878,387</b>	<b>\$6,390,989</b>	<b>\$7,155,419</b>	<b>\$7,514,646</b>	<b>\$32,391</b>	<b>60.5%</b>
<b>Operating Expenses</b>	<b>N/A</b>	<b>\$4,158,122</b>	<b>\$4,054,782</b>	<b>\$4,206,029</b>	<b>\$4,541,405</b>	<b>\$19,575</b>	<b>36.6%</b>
<b>Gross Operating Profit</b>	<b>N/A</b>	<b>\$2,720,265</b>	<b>\$2,336,207</b>	<b>\$2,949,390</b>	<b>\$2,973,241</b>	<b>\$12,816</b>	<b>23.9%</b>
<b>Net Operating Income</b>	<b>N/A</b>	<b>\$2,055,917</b>	<b>\$1,638,644</b>	<b>\$2,230,509</b>	<b>\$2,552,221</b>	<b>\$11,001</b>	<b>20.5%</b>
<b>Net Cash Flow</b>	<b>N/A</b>	<b>\$2,055,917</b>	<b>\$1,638,644</b>	<b>\$2,230,509</b>	<b>\$2,055,263</b>	<b>\$8,859</b>	<b>16.5%</b>

- (1) 2015 financials are not available as the sponsor acquired the property in 2015.  
(2) The TTM column represent the trailing twelve month period ending June 30, 2018.  
(3) Per room values are based on 232 rooms. The sponsor renovated the Westin Huntsville from 2016 to 2018, increasing room count from 210 rooms in 2016 to 211 rooms in 2017, 221 rooms in TTM June 30, 2018, and 232 rooms in 2018.  
(4) % column represents percent of Total Revenue.

### Element Huntsville

	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	2017 <sup>(2)</sup>	TTM <sup>(3)</sup>	Underwritten	Per Room <sup>(4)</sup>	% <sup>(5)</sup>
Occupancy	N/A	N/A	64.0%	70.4%	70.4%		
ADR	N/A	N/A	\$122.40	\$123.32	\$123.32		
RevPAR	N/A	N/A	\$78.30	\$86.77	\$86.77		
Room Revenue	N/A	N/A	\$3,112,513	\$4,750,812	\$4,750,812	\$31,672	98.2%
Other Revenues	N/A	N/A	56,119	85,739	85,739	\$572	1.8%
<b>Total Revenue</b>	<b>N/A</b>	<b>N/A</b>	<b>\$3,168,632</b>	<b>\$4,836,551</b>	<b>\$4,836,551</b>	<b>\$32,244</b>	<b>100.0%</b>
<b>Departmental Expenses</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,019,409</b>	<b>\$1,422,680</b>	<b>\$1,422,680</b>	<b>\$9,485</b>	<b>29.4%</b>
<b>Departmental Profit</b>	<b>N/A</b>	<b>N/A</b>	<b>\$2,149,223</b>	<b>\$3,413,871</b>	<b>\$3,413,871</b>	<b>\$22,759</b>	<b>70.6%</b>
<b>Operating Expenses</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,066,991</b>	<b>\$1,604,206</b>	<b>\$1,654,523</b>	<b>\$11,030</b>	<b>34.2%</b>
<b>Gross Operating Profit</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,082,232</b>	<b>\$1,809,665</b>	<b>\$1,759,348</b>	<b>\$11,729</b>	<b>36.40%</b>
<b>Net Operating Income</b>	<b>N/A</b>	<b>N/A</b>	<b>\$940,816</b>	<b>\$1,602,368</b>	<b>\$1,511,610</b>	<b>\$10,077</b>	<b>31.3%</b>
<b>Net Cash Flow</b>	<b>N/A</b>	<b>N/A</b>	<b>\$940,816</b>	<b>\$1,602,368</b>	<b>\$1,318,148</b>	<b>\$8,788</b>	<b>27.3%</b>

- (1) 2015 and 2016 financials are not available as the Element Huntsville opened in 2017.  
(2) 2017 financial information based on the eight month period beginning May 2017 as the Element Huntsville opened in April 2017.  
(3) Represent the trailing twelve month period ending June 30, 2018.  
(4) Per room values are based on 150 rooms.  
(5) % column represents percent of Total Revenue.

## Mortgage Loan No. 10 — Westin & Element - Huntsville

**Property Management.** The property is managed by Crescent Hotels & Resorts, LLC. Crescent Hotels & Resorts, LLC is a hotel management company that manages a portfolio of hotels throughout the United States and Canada. The portfolio includes approximately 108 hotels ranging from luxury independent hotels to brands under the Marriott, Hilton, Intercontinental, Hyatt, Wyndham, and Radisson flags.

**Franchise Agreement.** The property operates as a dual-branded Westin & Element hotel subject to two separate franchise agreements with Westin Hotel Management, L.P., both expiring in 2035. Under the franchise agreement, Westin Huntsville is subject to a food and beverage fee of 2.0%, program fee of 1.32% and royalty fee of 6.0%. Under the franchise agreement, Element Huntsville is subject to a program fee of 4.0% and royalty fee of 5.5%.

**Escrows and Reserves.** At origination, the borrower deposited into escrow \$473,696 for real estate taxes and \$49,048 for insurance.

*Tax Escrows* – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated tax payments, which currently equals \$43,063.

*Insurance Escrows* – On a monthly basis, the borrower is required to escrow 1/12th of the annual estimated insurance payments, which currently equals \$8,175.

*FF&E Escrows* – On a monthly basis, the borrower is required to escrow 1/12th of the greater of (i) 4.0% of total gross revenues, which currently equals \$57,535 or (ii) the amount required to be reserved pursuant to the franchise agreement.

*PIP Reserve* – If at any time the franchisor or any new replacement franchisor or licensee requires a PIP to be instituted for the property in conjunction with the existing franchise agreement or any replacement franchise or license agreement, the borrower is required to deposit with the lender 110% of the estimated cost of any PIP required by the franchisor or the franchise agreement within 30 days after final determination of such future PIP.

**Lockbox / Cash Management.** The loan is structured with a hard lockbox and springing cash management. The borrower is required to cause all rents including, without limitation, all credit card company payments to be transmitted directly into the applicable lockbox account. During the continuance of a Cash Management Period (as defined below), all funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed during each interest period of the term of the loan in accordance with the loan documents.

A “Cash Management Period” will commence upon: (i) an event of default under the loan documents; (ii) if the DSCR is less than 1.50x; (iii) the date that is 24 months prior to the expiration of the franchise agreement unless the borrower has satisfied new license conditions; (iv) the loss, termination, cancellation or expiration of the franchise agreement; or (v) a future PIP is required by the franchise agreement and/or by the franchisor and the borrower fails to deposit with the lender the PIP deposit amount.