

Troy Hotel Portfolio

Mortgage Loan Information

| | |
|--|-----------------------|
| Mortgage Loan Seller: | BSP |
| Original Principal Balance: | \$17,000,000 |
| Cut-off Date Principal Balance: | \$17,000,000 |
| % of Pool by IPB: | 2.4% |
| Loan Purpose: | Refinance |
| Borrower: | Troy Hotels, Inc. |
| Sponsor: | Malik Abdi Abdulnoor |
| Interest Rate: | 5.22000% |
| Note Date: | 5/8/2018 |
| Maturity Date: | 6/6/2028 |
| Interest-only Period: | None |
| Original Term: | 120 months |
| Original Amortization: | 300 months |
| Amortization Type: | Balloon |
| Call Protection: | L(24),Def(92),O(4) |
| Lockbox / Cash Management: | Springing / Springing |
| Additional Debt: | N/A |
| Additional Debt Balance: | N/A |
| Additional Debt Type: | N/A |

Property Information

| | |
|---------------------------------------|----------------------------|
| Single Asset / Portfolio: | Portfolio |
| Title: | Fee |
| Property Type - Subtype: | Hotel – Various |
| Net Rentable Area (Rooms): | 177 |
| Location: | Troy, MI |
| Year Built / Renovated: | 2016 / N/A |
| Occupancy / ADR / RevPAR: | 77.4% / \$122.21 / \$94.62 |
| Occupancy / ADR / RevPAR Date: | 3/31/2018 |
| Number of Tenants: | N/A |
| 2015 NOI⁽¹⁾: | N/A |
| 2016 NOI⁽¹⁾: | N/A |
| 2017 NOI: | \$3,200,588 |
| TTM NOI (as of 3/2018): | \$3,339,098 |
| UW Occupancy / ADR / RevPAR: | 77.4% / \$122.21 / \$94.62 |
| UW Revenues: | \$6,203,742 |
| UW Expenses: | \$3,243,660 |
| UW NOI: | \$2,960,082 |
| UW NCF: | \$2,711,933 |
| Appraised Value / Per Room: | \$29,800,000 / \$168,362 |
| Appraisal Date: | 4/13/2018 |

Escrows and Reserves

| | Initial | Monthly | Initial Cap |
|-----------------------------|-----------|----------------------|-------------|
| Taxes: | \$175,083 | \$15,917 | N/A |
| Insurance: | \$0 | \$5,177 | N/A |
| FF&E Reserves: | \$0 | 4% of Gross Revenues | N/A |
| TI/LC: | \$0 | \$0 | N/A |
| Other⁽²⁾: | \$0 | Springing | N/A |

Financial Information

| | |
|-----------------------------------|----------|
| Cut-off Date Loan / Room: | \$96,045 |
| Maturity Date Loan / Room: | \$72,396 |
| Cut-off Date LTV: | 57.0% |
| Maturity Date LTV: | 43.0% |
| UW NCF DSCR: | 2.22x |
| UW NOI Debt Yield: | 17.4% |

Sources and Uses

| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
|----------------------|---------------------|---------------|----------------------|---------------------|---------------|
| Mortgage Loan | \$17,000,000 | 100.0% | Payoff Existing Debt | \$11,167,819 | 65.7% |
| | | | Closing Costs | 264,155 | 1.6 |
| | | | Upfront Reserves | 175,083 | 1.0 |
| | | | Return of Equity | 5,392,943 | 31.7 |
| Total Sources | \$17,000,000 | 100.0% | Total Uses | \$17,000,000 | 100.0% |

(1) 2015 and 2016 financials are not available due to the timing of construction.

(2) Other Reserves represent a PIP reserve. On the date that any PIP is imposed by the franchisor pursuant to the franchise agreement, the borrower is required to deposit an amount equal to 125% of the amount required to pay for such PIP; provided, however, if such PIP requires FF&E expenditures, such portion of the PIP will be funded using funds held in the FF&E reserve account and the amount to be deposited into the PIP reserve account will be reduced by then-current amount of the funds held in the FF&E reserve account.

Troy Hotel Portfolio

The Loan. The Troy Hotel Portfolio loan has an outstanding principal balance as of the Cut-off Date of \$17.0 million and is secured by a first mortgage lien on the borrower's fee interests in one limited service hotel and one extended stay hotel totaling 177 rooms located in Troy, Michigan. The Troy Hotel Portfolio loan has a 10-year term and amortizes on a 25-year schedule. The borrowing entity for the Troy Hotel Portfolio is Troy Hotels, Inc., a Michigan corporation and special purpose entity.

The loan sponsor and nonrecourse carve-out guarantor is Malik Abdi Abdulnoor, who owns 30% of the borrowing entity, and has over 30 years of real estate experience developing, owning and operating full service, limited service and extended stay hotels throughout the state of Michigan. Mr. Abdulnoor is the CEO of Mid America Lodging Group a hospitality property management company with 33 hotels under management for which Mr. Abdulnoor is the sole or primary member. Additionally, Mr. Abdulnoor is the CEO of Stellar Development/Midwest Lodging, which is focused on the development of new hotels and currently has eight operating hotels and multiple projects under development. As of year-end 2016, Abdulnoor's portfolio included over 4,600 keys across 44 hotels and 31 development sites for an aggregate estimated market value of \$362 million.

The Portfolio. The Troy Hotel Portfolio consists of two hotel properties totaling 177 rooms located in Troy, Michigan. The two properties are cross-collateralized and cross-defaulted. A summary of each individual portfolio property is provided below:

| Portfolio Summary | | | | | | | | |
|---|----------|------------|--------------------------|------------------------------------|---------------|---------------------|--------------------|----------------|
| Property | Location | Rooms | Year Built/ Renovated | Cut-off Date ALA ⁽¹⁾ | % of ALA | Appraised Value | UW NCF | % of UW NCF |
| TownePlace Suites by Marriott Troy | Troy, MI | 87 | 2016 / N/A | \$8,574,092 | 50.4% | \$15,200,000 | \$1,367,786 | 50.4% |
| Fairfield Inn & Suites by Marriott Troy | Troy, MI | 90 | 2016 / N/A | 8,425,908 | 49.6 | 14,600,000 | 1,344,147 | 49.6 |
| Total | | 177 | | \$17,000,000 | 100.0% | \$29,800,000 | \$2,711,933 | 100.0% |

(1) Allocated based on the respective UW NCF.

| Historical Occupancy, ADR and RevPAR ⁽¹⁾ | | | | | | | | | |
|---|-----------|-------|--------------------|------|----------|--------------------|--------|---------|--------------------|
| Property | Occupancy | | | ADR | | | RevPAR | | |
| | 2016 | 2017 | TTM ⁽²⁾ | 2016 | 2017 | TTM ⁽²⁾ | 2016 | 2017 | TTM ⁽²⁾ |
| TownePlace Suites by Marriott Troy | N/A | 77.8% | 76.9% | N/A | \$123.82 | \$126.49 | N/A | \$96.37 | \$97.26 |
| Fairfield Inn & Suites by Marriott Troy | N/A | 73.6% | 77.9% | N/A | \$119.61 | \$118.13 | N/A | \$87.98 | \$92.07 |
| Wtd. Avg. ⁽³⁾ | N/A | 75.7% | 77.4% | N/A | \$121.74 | \$122.21 | N/A | \$92.10 | \$94.62 |

(1) Based on operating statements provided by the borrowers. 2016 data is not available due to the timing of construction.

(2) TTM as of March 31, 2018.

(3) Weighted by room count.

| Historical Occupancy, ADR and RevPAR Penetration Rates ⁽¹⁾ | | | | | | | | | |
|---|-----------|-------|--------------------|------|--------|--------------------|--------|--------|--------------------|
| Property | Occupancy | | | ADR | | | RevPAR | | |
| | 2016 | 2017 | TTM ⁽²⁾ | 2016 | 2017 | TTM ⁽²⁾ | 2016 | 2017 | TTM ⁽²⁾ |
| TownePlace Suites by Marriott Troy | N/A | 98.6% | 98.2% | N/A | 114.4% | 117.1% | N/A | 112.8% | 115.0% |
| Fairfield Inn & Suites by Marriott Troy | N/A | 96.5% | 101.7% | N/A | 102.7% | 101.9% | N/A | 99.1% | 103.6% |
| Wtd. Avg. ⁽³⁾ | N/A | 97.5% | 99.9% | N/A | 108.4% | 109.4% | N/A | 105.8% | 109.2% |

(1) Penetration Rates are from reports provided by a third party data provider. 2016 data is not available due to the timing of construction.

(2) TTM is as of March 31, 2018.

(3) Weighted by room count.

Troy Hotel Portfolio

The Market. The properties are located in southern Troy, Oakland County, within the Detroit-Warren-Dearborn MSA. Vehicular access to the properties is provided by Stephenson Highway and 14 Mile Road. The properties are also located within 2 miles of Interstate 75. The Detroit Metropolitan International Airport, which is located 25 miles from the properties, reported approximately 34.7 million passenger traffic in 2017 and has reported an increase in passenger traffic annually for the past five years. According to the appraisal, the Detroit-Warren-Dearborn MSA had an estimated 2017 population of approximately 4.3 million, which has remained stable since 2010. As of March 2018, unemployment in the Detroit-Warren-Dearborn MSA was 4.3%, compared to 4.7% for the state of Michigan and 4.1% for the United States over the same time period.

According to the appraiser, the properties are well situated with respect to demand generators that include corporations, medical facilities, retail centers and tourist attractions. Corporate and medical demand drivers include Valeo Inc. (adjacent), Kostal of America (adjacent), General Motors (6.6 miles), Magna International (7.0 miles) and Troy Beaumont Hospital (7.7 miles). Tourism and entertainment attractions include the Oakland Mall (1.7 miles), the Somerset Collection (5.3 miles), the Motown Historical Museum (14.4 miles), and The Henry Ford museum complex (23.4 miles) as well as casinos located in downtown Detroit and Windsor, Canada. Special events also generate demand during weekends such as the Detroit International Jazz Festival and the North American International Auto Show. Additionally, the newly constructed Little Caesars Arena (15.2 miles) (a recently opened multi-purpose arena in Midtown Detroit that serves as the new home of the Detroit Red Wing and Detroit Pistons) and the accompanying entertainment district are anticipated to increase Detroit's tourism and leisure attractions.

The appraiser identified a new supply of four proposed hotels that are in various stages of development. The Hyatt Place Royal Oak (4.0 miles) is currently under construction and the Beaumont Hospital Hotel (4.5 miles) has been approved for construction. A Home2 Suites by Hilton Troy (4.8 miles) and a Tru by Hilton Troy (1.3 miles) are both in early stage of development. However, in consideration of the locations, operating profile, branding and/or estimated performance of these proposed hotels, most of these are considered secondarily competitive by the lender.

A summary of each individual property's primary competitors is provided below:

| TownePlace Suites by Marriott Troy – Competitive Hotels Profile ⁽¹⁾ | | | | | | | | | |
|--|------------|-------------|--------------------|---------------------------|-------------------|---------------|--|-----------------|----------------|
| Property | Rooms | Year Opened | Meeting Space (SF) | 2017 Estimated Market Mix | | | 2017 Estimated Operating Statistics ⁽²⁾ | | |
| | | | | Commercial | Leisure and Group | Extended Stay | Occupancy | ADR | RevPAR |
| TownePlace Suites by Marriott Troy⁽³⁾ | 87 | 2016 | - | 40% | 15% | 45% | 77.8% | \$123.82 | \$96.37 |
| Fairfield Inn & Suites by Marriott Troy ⁽³⁾ | 90 | 2016 | 494 | 65% | 35% | 0% | 73.6% | \$119.61 | \$87.98 |
| Residence Inn by Marriott Detroit Troy Madison Heights | 96 | 1985 | - | 30% | 15% | 55% | 72.5% | \$112.50 | \$82.50 |
| Homewood Suites by Hilton Detroit Troy | 150 | 2002 | 1,352 | 35% | 15% | 50% | 82.5% | \$127.50 | \$107.50 |
| Hawthorn Suites By Wyndham Troy MI | 152 | 1985 | 750 | 30% | 20% | 50% | 77.5% | \$87.50 | \$67.50 |
| Candlewood Suites Troy | 118 | 1998 | - | 30% | 20% | 50% | 77.5% | \$92.50 | \$67.50 |
| Total⁽⁴⁾ | 606 | | | | | | | | |

(1) Based on the appraisal.

(2) 2017 Estimated Operating Statistics for Occupancy, ADR and RevPAR represent a midpoint in each respective data set.

(3) 2017 Occupancy, ADR and RevPAR are actuals based on operating statements provided by the borrower.

(4) Excludes the TownePlace Suites by Marriott Troy property.

Troy Hotel Portfolio

Fairfield Inn & Suites by Marriott Troy – Competitive Hotels Profile⁽¹⁾

| Property | Rooms | Year Opened | Meeting Space (SF) | 2017 Estimated Market Mix | | | 2017 Estimated Operating Statistics ⁽²⁾ | | |
|--|------------|-------------|--------------------|---------------------------|-------------------|---------------|--|-----------------|----------------|
| | | | | Commercial | Leisure and Group | Extended Stay | Occupancy | ADR | RevPAR |
| Fairfield Inn & Suites by Marriott Troy⁽³⁾ | 90 | 2016 | 494 | 65% | 35% | 0% | 73.6% | \$119.61 | \$87.98 |
| TownePlace Suites by Marriott Troy ⁽³⁾ | 87 | 2016 | - | 40% | 15% | 45% | 77.8% | \$123.82 | \$96.37 |
| Hampton Inn Detroit Madison Heights South Troy | 123 | 1987 | 552 | 65% | 35% | 0% | 82.5% | \$112.50 | \$92.50 |
| Holiday Inn Express Hotel & Suites Detroit North Troy | 117 | 2013 | 500 | 65% | 35% | 0% | 82.5% | \$102.50 | \$82.50 |
| Hampton Inn & Suites Detroit Troy | 122 | 2015 | 713 | 70% | 30% | 0% | 82.5% | \$127.50 | \$102.50 |
| Drury Inn & Suites Troy | 217 | 1984 | 1,050 | 65% | 35% | 0% | 67.5% | \$122.50 | \$82.50 |
| Total⁽⁴⁾ | 666 | | | | | | | | |

(1) Based on the appraisal.

(2) 2017 Estimated Operating Statistics for Occupancy, ADR and RevPAR represent a midpoint in each respective data set.

(3) 2017 Occupancy, ADR and RevPAR are actuals based on operating statements provided by the borrower.

(4) Excludes the Fairfield Inn & Suites by Marriott Troy property.

Operating History and Underwritten Net Cash Flow⁽¹⁾

| | 2017 | TTM ⁽²⁾ | Underwritten | Per Room ⁽³⁾ | % of Total Revenue ⁽⁴⁾ |
|---|--------------------|--------------------|--------------------|-------------------------|-----------------------------------|
| Occupancy | 75.7% | 77.4% | 77.4% | | |
| ADR | \$121.74 | \$122.21 | \$122.21 | | |
| RevPAR | \$92.10 | \$94.62 | \$94.62 | | |
| Room Revenue | \$5,950,241 | \$6,113,011 | \$6,113,011 | \$34,537 | 98.5% |
| Food & Beverage Revenue | 0 | 0 | 0 | 0 | 0.0 |
| Other Departmental Revenue | 87,883 | 90,731 | 90,731 | 513 | 1.5 |
| Total Revenue | \$6,038,123 | \$6,203,742 | \$6,203,742 | \$35,049 | 100.0% |
| Room Expense | \$1,087,393 | \$1,130,305 | \$1,210,636 | \$6,840 | 19.8% |
| Food & Beverage Expense | 0 | 0 | 0 | 0 | 0.0 |
| Other Departmental Expenses | 28,054 | 22,024 | 29,586 | 167 | 32.6 |
| Departmental Expenses | \$1,115,447 | \$1,152,330 | \$1,240,222 | \$7,007 | 20.0% |
| Departmental Profit | \$4,922,676 | \$5,051,413 | \$4,963,520 | \$28,042 | 80.0% |
| Management Fees | 181,144 | 186,112 | 186,112 | 1,051 | 3.0 |
| Franchise Fees | 481,785 | 446,904 | 412,468 | 2,330 | 6.6 |
| Property Taxes | 189,608 | 189,608 | 191,000 | 1,079 | 3.1 |
| Property Insurance | 40,400 | 40,400 | 62,119 | 351 | 1.0 |
| Other Expenses | 829,151 | 849,291 | 1,151,738 | 6,507 | 18.6 |
| Total General/Unallocated Expenses | \$1,722,088 | \$1,712,315 | \$2,003,437 | \$11,319 | 32.3% |
| Net Operating Income | \$3,200,588 | \$3,339,098 | \$2,960,082 | \$16,724 | 47.7% |
| FF&E | 241,525 | 248,150 | 248,150 | 1,402 | 4.0 |
| Net Cash Flow | \$2,959,063 | \$3,090,948 | \$2,711,933 | \$15,322 | 43.7% |

(1) 2015 and 2016 financials are not available due to the timing of construction.

(2) TTM column represents the trailing 12-month period ending on March 31, 2018.

(3) Per Room values are based on 177 guest rooms.

(4) % of Total Revenue for Room Expense, Food & Beverage Expense and Other Departmental Expenses are based on their corresponding revenue line items.