

## Texas Hotel Portfolio

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	SMF VI
<b>Original Principal Balance:</b>	\$20,725,000
<b>Cut-off Date Principal Balance:</b>	\$20,693,565
<b>% of Pool by IPB:</b>	2.9%
<b>Loan Purpose:</b>	Refinance
<b>Borrowers:</b>	Beaumont Summit Inn LLC, Van Horn Summit Inn, LLC, Beaumont Palace Inn, LLC and Palace LQ, LLC
<b>Sponsor:</b>	Bharat Bhakta
<b>Interest Rate:</b>	5.08500%
<b>Note Date:</b>	5/1/2018
<b>Maturity Date:</b>	5/6/2028
<b>Interest-only Period:</b>	None
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	300 months
<b>Amortization Type:</b>	Balloon
<b>Call Protection:</b>	L(25),Def(91),O(4)
<b>Lockbox / Cash Management:</b>	Springing / 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>	Portfolio
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Hotel – Various
<b>Net Rentable Area (Rooms):</b>	327
<b>Location:</b>	Various, TX
<b>Year Built / Renovated:</b>	Various / Various
<b>Occupancy / ADR / RevPAR:</b>	75.8% / \$102.32 / \$77.56
<b>Occupancy / ADR / RevPAR Date:</b>	2/28/2018
<b>Number of Tenants:</b>	N/A
<b>2015 NOI<sup>(1)</sup>:</b>	\$1,080,370
<b>2016 NOI<sup>(1)(2)</sup>:</b>	\$1,352,501
<b>2017 NOI<sup>(2)</sup>:</b>	\$3,147,111
<b>TTM NOI (as of 2/2018)<sup>(2)</sup>:</b>	\$3,666,610
<b>UW Occupancy / ADR / RevPAR:</b>	75.8% / \$102.32 / \$77.56
<b>UW Revenues:</b>	\$10,772,643
<b>UW Expenses:</b>	\$7,705,043
<b>UW NOI:</b>	\$3,067,600
<b>UW NCF:</b>	\$3,067,600
<b>Appraised Value / Per Room:</b>	\$39,000,000 / \$119,266
<b>Appraisal Date<sup>(3)</sup>:</b>	Various

### Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$156,228	\$27,037	N/A
<b>Insurance:</b>	\$139,066	\$13,907	N/A
<b>FF&amp;E Reserves<sup>(4)</sup>:</b>	\$0	2% of Gross Revenues	N/A
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other<sup>(5)</sup>:</b>	\$14,063	\$0	N/A

### Financial Information

<b>Cut-off Date Loan / Room:</b>	\$63,283
<b>Maturity Date Loan / Room:</b>	\$47,546
<b>Cut-off Date LTV:</b>	53.1%
<b>Maturity Date LTV:</b>	39.9%
<b>UW NCF DSCR:</b>	2.09x
<b>UW NOI Debt Yield:</b>	14.8%

### Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$20,725,000	100.0%	Payoff Existing Debt	\$14,122,637	68.1%
			Closing Costs	333,316	1.6
			Upfront Reserves	309,358	1.5
			Return of Equity	5,959,690	28.8
<b>Total Sources</b>	<b>\$20,725,000</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$20,725,000</b>	<b>100.0%</b>

(1) The Holiday Inn Express Van Horn property was developed in 2016 and opened for business in December 2016. As such, 2015 NOI and 2016 NOI figures represent operations from only the Holiday Inn & Suites Beaumont property.

(2) The Holiday Inn & Suites Beaumont property underwent an approximately \$5.1 million property improvement plan ("PIP") between March 2016 and August 2017 that affected NOI. As such, TTM NOI is higher than 2017 NOI.

(3) The Appraisal Dates for Holiday Inn Express Van Horn and Holiday Inn & Suites Beaumont are March 26, 2018 and March 23, 2018, respectively.

(4) An FF&E reserve is required under the loan documents in the amount of 2.0% of gross revenues beginning with the first payment date in June 2018 and up to and including the payment date in May 2019, 3.0% of gross revenues beginning with the payment date in June 2019 and up to and including the payment date in May 2020 and 4.0% of gross revenues beginning with the payment date in June 2020 and continuing through the remaining term of the loan.

(5) Other Initial Escrows and Reserves represents deferred maintenance.

**The Loan.** The Texas Hotel Portfolio loan has an outstanding principal balance as of the Cut-off Date of approximately \$20.7 million and is secured by a first mortgage lien on the borrowers' fee interests in a 74-room limited service hotel property located in Van Horn, Texas and a 253-room full service hotel property located in Beaumont, Texas. The loan has a 10-year term and will amortize on a 25-year schedule.

## Texas Hotel Portfolio

The loan sponsor and nonrecourse carve-out guarantor is Bharat Bhakta. Bharat Bhakta is the founder of Summit 11 Investment Group, an owner, developer and operator of senior living and hospitality assets. Additionally, Mr. Bhakta is a key principal and chief development officer of Esperanto Developments, LLC, a fully integrated hotel operator and developer located in El Paso, Texas. Esperanto Developments, LLC currently oversees day-to-day operations of a portfolio of 18 hotels totaling 1,800 rooms, including the properties secured by the Texas Hotel Portfolio loan. The portfolio includes Wyndham, IHG and Choice franchise networks.

**Holiday Inn & Suites Beaumont.** The Holiday Inn & Suites Beaumont property is a 253-room full service hotel located in Beaumont, Texas. The property was built in 1984. The loan sponsor acquired the property in 2015 and invested in a PIP totaling approximately \$5.1 million (\$20,174 per room). The property is eight stories and features amenities including an on-site business center, an indoor heated pool, fitness center and 17,426 square feet of meeting space. Additionally, the property recently introduced a flexible new food and beverage concept labeled "The Greenery" which offers a selection of styles and cuisines. Beaumont is part of the "Golden Triangle" petrochemical and industrial complex. The petrochemical industry is Beaumont's primary economic sector. Rice processing and shipbuilding are significant economic elements for the region, as well. Additionally, the Port of Beaumont is a deep-water port and was ranked the fifth busiest port in the United States by cargo tonnage in 2016. The port is also the busiest military port in the world for processing U.S. military equipment. Ford Park, a multi-purpose arena that seats approximately 8,500 people, is located approximately three miles from the property, along Interstate-10. Ford Park regularly holds events such as concerts, rodeos and other special events.

The appraisal identified one new hotel that is expected to open in June 2018 approximately 5.6 miles from the Holiday Inn & Suites Beaumont property. The Holiday Inn Beaumont East-Medical Center Area, which closed in 2009, is currently undergoing an \$8.0 million renovation and expected to be approximately 75% competitive with the Holiday Inn & Suites Beaumont property.

Historical Occupancy, ADR and RevPAR									
Year	Competitive Set <sup>(1)</sup>			Holiday Inn & Suites Beaumont <sup>(2)</sup>			Penetration Factor <sup>(3)</sup>		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2015	63.4%	\$95.66	\$60.66	67.4%	\$79.97	\$53.90	106.3%	83.6%	88.9%
2016 <sup>(4)</sup>	65.0%	\$97.02	\$63.09	61.3%	\$86.62	\$53.10	94.3%	89.3%	84.2%
2017 <sup>(4)</sup>	65.9%	\$102.72	\$67.70	72.4%	\$98.27	\$71.15	109.9%	95.7%	105.1%
TTM <sup>(5)</sup>	67.8%	\$103.35	\$70.05	76.8%	\$101.01	\$77.58	113.3%	97.7%	110.7%

(1) Data provided by a third party information provider. The competitive set contains the following properties: Holiday Inn Port Arthur Park Central, MCM Elegante Beaumont, Hampton Inn Beaumont, Hilton Garden Inn Beaumont and Residence Inn Beaumont.

(2) Based on operating statements provided by the borrowers.

(3) Penetration Factor is calculated based on data provided by a third party information provider for the competitive set and borrower-provided statements for the property.

(4) The Holiday Inn & Suites Beaumont property underwent an approximately \$5.1 million PIP between March 2016 and August 2017 that impacted operations at the related property.

(5) TTM represents the trailing 12-month period ending on February 28, 2018.

Competitive Hotels Profile <sup>(1)</sup>								
Property	Rooms	Year Built	2017 Estimated Market Mix			2017 Estimated Operating Statistics		
			Commercial	Meeting & Group	Leisure	Occupancy	ADR	RevPAR
<b>Holiday Inn &amp; Suites Beaumont</b>	<b>253</b>	<b>1984</b>	<b>55%</b>	<b>10%</b>	<b>35%</b>	<b>72.4%</b>	<b>\$98.27</b>	<b>\$71.15</b>
MCM Elegante Beaumont	276	1984	50%	15%	35%	55%-60%	\$90-\$95	\$50-\$55
Hilton Garden Inn Beaumont	100	2007	80%	10%	10%	80%-85%	\$115-\$120	\$95-\$100
Courtyard by Marriott Beaumont	78	1998	80%	10%	10%	80%-85%	\$110-\$115	\$90-\$95
<b>Total<sup>(2)</sup></b>	<b>454</b>							

(1) Based on the appraisal.

(2) Excludes the Holiday Inn & Suites Beaumont property.

## Texas Hotel Portfolio

**Holiday Inn Express Van Horn.** The Holiday Inn Express Van Horn property is a 74-room limited service hotel located in Van Horn, Texas. The property was developed by the loan sponsor in 2016 for approximately \$7.0 million. The property is three stories and features 38 king and 25 queen room layouts along with 11 suite style room layouts. Amenities include an outdoor pool, fitness center, a full breakfast buffet and on-site guest laundry services. Major demand drivers in Van Horn include Blue Origin, the commercial space exploration program funded by Jeff Bezos. Blue Origin has a dedicated launch site located in Van Horn for its New Shepard shuttle program.

Historical Occupancy, ADR and RevPAR <sup>(1)</sup>									
Year	Competitive Set <sup>(2)</sup>			Holiday Inn Express Van Horn <sup>(3)</sup>			Penetration Factor <sup>(4)</sup>		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2017	66.5%	\$92.34	\$61.37	64.3%	\$106.92	\$68.75	96.8%	115.8%	112.0%
TTM <sup>(5)</sup>	68.6%	\$93.73	\$64.28	72.4%	\$107.06	\$77.51	105.6%	114.2%	120.6%

(1) Holiday Inn Express Van Horn was developed in 2016 and opened for business in December 2016. As such, 2015 and 2016 Historical Occupancy, ADR and RevPAR are not available.

(2) Data provided by a third party information provider. The competitive set contains the following properties: Red Roof Inn Van Horn, Quality Inn Van Horn, Hampton Inn Van Horn and Holiday Inn Express & Suites Fort Stockton.

(3) Based on operating statements provided by the borrowers.

(4) Penetration Factor is calculated based on data provided by a third party information provider for the competitive set and borrower-provided statements for the property.

(5) TTM represents the trailing 12-month period ending on February 28, 2018.

Competitive Hotels Profile <sup>(1)</sup>								
Property	Rooms	Year Built	2017 Estimated Market Mix			2017 Estimated Operating Statistics		
			Commercial	Meeting & Group	Leisure	Occupancy	ADR	RevPAR
<b>Holiday Inn Express Van Horn</b>	<b>74</b>	<b>2016</b>	<b>35%</b>	<b>5%</b>	<b>60%</b>	<b>64.3%</b>	<b>\$106.92</b>	<b>\$68.75</b>
Hampton Inn Van Horn	59	2009	40%	5%	55%	70%-75%	\$115-\$120	\$85-\$90
Quality Inn Van Horn	45	1996	30%	10%	60%	70%-75%	\$85-\$90	\$60-\$65
<b>Total<sup>(2)</sup></b>	<b>104</b>							

(1) Based on the appraisal.

(2) Excludes the Holiday Inn Express Van Horn property.

## Texas Hotel Portfolio

Operating History and Underwritten Net Cash Flow							
	2015 <sup>(1)</sup>	2016 <sup>(1)(2)</sup>	2017 <sup>(2)</sup>	TTM <sup>(2)(3)</sup>	Underwritten	Per Room <sup>(4)</sup>	% of Total Revenue <sup>(5)</sup>
Occupancy	67.4%	61.3%	70.6%	75.8%	75.8%		
ADR	\$79.97	\$86.62	\$100.05	\$102.32	\$102.32		
RevPAR	\$53.90	\$53.10	\$70.60	\$77.56	\$77.56		
Room Revenue	\$4,977,403	\$4,916,697	\$8,426,998	\$9,257,573	\$9,257,573	\$28,311	85.9%
Food & Beverage Revenue	1,961,981	1,947,513	1,383,938	1,387,470	1,387,470	4,243	12.9
Other Departmental Revenue	107,283	90,095	122,111	127,600	127,600	390	1.2
<b>Total Revenue</b>	<b>\$7,046,667</b>	<b>\$6,954,305</b>	<b>\$9,933,047</b>	<b>\$10,772,643</b>	<b>\$10,772,643</b>	<b>\$32,944</b>	<b>100.0%</b>
Room Expense	\$1,381,007	\$1,265,332	\$2,002,648	\$2,101,654	\$2,101,654	\$6,427	22.7%
Food & Beverage Expense	1,362,745	1,351,698	1,050,539	1,030,464	1,030,464	3,151	74.3
Other Departmental Expenses	155,471	139,770	122,435	127,090	127,090	389	99.6
<b>Departmental Expenses</b>	<b>\$2,899,223</b>	<b>\$2,756,800</b>	<b>\$3,175,622</b>	<b>\$3,259,208</b>	<b>\$3,259,208</b>	<b>\$9,967</b>	<b>30.3%</b>
<b>Departmental Profit</b>	<b>\$4,147,444</b>	<b>\$4,197,505</b>	<b>\$6,757,425</b>	<b>\$7,513,436</b>	<b>\$7,513,436</b>	<b>\$22,977</b>	<b>69.7%</b>
<b>Operating Expenses</b>	<b>\$2,234,291</b>	<b>\$1,931,736</b>	<b>\$2,287,207</b>	<b>\$2,387,868</b>	<b>\$2,387,868</b>	<b>\$7,302</b>	<b>22.2%</b>
<b>Gross Operating Profit</b>	<b>\$1,913,153</b>	<b>\$2,265,769</b>	<b>\$4,470,218</b>	<b>\$5,125,567</b>	<b>\$5,125,567</b>	<b>\$15,675</b>	<b>47.6%</b>
Fixed Expenses	\$296,343	\$304,043	\$317,705	\$355,063	\$491,329	\$1,503	4.6%
Management Fees	140,931	229,584	297,305	322,553	323,179	988	3.0
Franchise Fee	395,509	379,641	708,096	781,342	812,553	2,485	7.5
FF&E	0	0	0	0	430,906	1,318	4.0
<b>Total Other Expenses</b>	<b>\$832,783</b>	<b>\$913,268</b>	<b>\$1,323,107</b>	<b>\$1,458,957</b>	<b>\$2,057,967</b>	<b>\$6,293</b>	<b>19.1%</b>
<b>Net Operating Income</b>	<b>\$1,080,370</b>	<b>\$1,352,501</b>	<b>\$3,147,111</b>	<b>\$3,666,610</b>	<b>\$3,067,600</b>	<b>\$9,381</b>	<b>28.5%</b>
<b>Net Cash Flow</b>	<b>\$1,080,370</b>	<b>\$1,352,501</b>	<b>\$3,147,111</b>	<b>\$3,666,610</b>	<b>\$3,067,600</b>	<b>\$9,381</b>	<b>28.5%</b>

(1) The Holiday Inn Express Van Horn property was developed in 2016 and opened for business in December 2016. As such, 2015 and 2016 operating history, Occupancy, ADR and RevPAR represents operations from the Holiday Inn & Suites Beaumont property only.

(2) The Holiday Inn & Suites Beaumont property underwent an approximately \$5.1 million PIP between March 2016 and August 2017 that impacted operations at the related property.

(3) TTM represents the trailing 12-month period ending on February 28, 2018.

(4) Per Room values based on 327 rooms.

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

**Partial Release.** Following a lockout period, the borrowers are permitted to release the Holiday Inn Express Van Horn property from the lien of the mortgage subject to, among other conditions, the prepayment of the loan in an amount equal to the greatest of (a) 150% of the allocated loan amount, (b) an amount equal to 100% of the sales proceeds for the released property, (c) an amount that would result in a maximum loan-to-value ratio of 55.0%, (d) an amount that would result in a minimum debt service coverage ratio of 2.20x, (e) an amount that would result in a minimum debt yield of 15.0% and (f) if the loan is securitized in a REMIC trust, the amount necessary such that the ratio of the unpaid principal balance of the loan to the value of the remaining property is greater than 125%, an amount as may be required such that the securitization will not fail to maintain its status as a REMIC trust as a result of such release.