

## Mortgage Loan No. 13 – Le Meridien Cambridge MIT

Mortgage Loan Information			
Mortgage Loan Seller:	BANA		
Original Balance <sup>(1)</sup> :	\$21,100,000		
Cut-off Date Balance <sup>(1)</sup> :	\$21,100,000		
% of Initial Pool Balance:	2.4%		
Loan Purpose:	Acquisition		
Sponsor:	Kui Cai		
Mortgage Rate:	4.9330%		
Note Date:	11/25/2015		
First Payment Date:	1/1/2016		
Maturity Date:	12/1/2020		
Original Term to Maturity:	60 months		
Original Amortization Term:	360 months		
IO Period:	24 months		
Seasoning:	6 months		
Prepayment Provisions:	LO (30); DEF (26); O (4)		
Lockbox/Cash Mgmt Status:	Hard/Springing		
Additional Debt Type <sup>(1)</sup> :	Pari Passu		
Additional Debt Balance <sup>(1)</sup> :	\$51,100,000		
Future Debt Permitted (Type):	No (N/A)		
Reserves			
Type	Initial	Monthly	Cap
RE Tax:	\$177,680	\$88,840	N/A
Insurance:	\$0	Springing	N/A
Recurring Replacements:	\$0	(2)	N/A
Other <sup>(3)</sup> :	\$3,607,284	Springing	N/A

Property Information	
Single Asset/Portfolio:	Single Asset
Location:	Cambridge, MA 02139
General Property Type:	Hospitality
Detailed Property Type:	Full Service
Title Vesting:	Leasehold
Year Built/Renovated:	1998/2016
Size:	210 Rooms
Cut-off Date Balance per Unit <sup>(1)</sup> :	\$343,810
Maturity Date Balance per Unit <sup>(1)</sup> :	\$328,886
Property Manager:	Merritt Hospitality, LLC
Underwriting and Financial Information	
UW NOI:	\$7,939,296
UW NOI Debt Yield <sup>(1)</sup> :	11.0%
UW NOI Debt Yield at Maturity <sup>(1)</sup> :	11.5%
UW NCF DSCR <sup>(1)</sup> :	1.95x (IO) 1.53x (P&I)
Most Recent NOI:	\$7,935,266 (12/31/2015)
2nd Most Recent NOI:	\$7,922,918 (12/31/2014)
3rd Most Recent NOI:	\$6,619,112 (12/31/2013)
Most Recent Occupancy:	88.9% (2/29/2016)
2nd Most Recent Occupancy:	91.5% (12/31/2014)
3rd Most Recent Occupancy:	88.5% (12/31/2013)
Appraised Value (as of) <sup>(4)</sup> :	\$106,000,000 (10/1/2015)
Cut-off Date LTV Ratio <sup>(1)(4)</sup> :	68.1%
Maturity Date LTV Ratio <sup>(1)(4)</sup> :	65.2%

Sources and Uses							
Sources		Proceeds	% of Total	Uses <sup>(5)</sup>		Proceeds	% of Total
Loan Amount <sup>(1)</sup> :		\$72,200,000	66.9%	Purchase Price:		\$103,250,000	95.7%
Borrower Equity:		\$35,716,223	33.1%	Reserves:		\$3,784,964	3.5%
				Closing Costs:		\$881,259	0.8%
Total Sources:		\$107,916,223	100.0%	Total Uses:		\$107,916,223	100.0%

(1) The Le Meridien Cambridge MIT Mortgage Loan is a part of the Le Meridien Cambridge MIT Whole Loan, which is comprised of three *pari passu* notes with an aggregate original principal balance of \$72,200,000. The Cut-off Date Balance per Unit, Maturity Date Balance per Unit, UW NCF DSCR, UW NOI Debt Yield, UW NOI Debt Yield at Maturity, Cut-off Date LTV Ratio and Maturity Date LTV Ratio numbers presented above are based on the Le Meridien Cambridge MIT Whole Loan.

(2) The Le Meridien Cambridge MIT Borrower is required to deposit monthly 4% of rents for the calendar month two months prior for repairs and replacements to furniture, fixtures and equipment, and remodeling or redecorating and non-structural repairs to the Le Meridien Cambridge MIT Property.

(3) The Le Meridien Cambridge MIT Borrower deposited \$3,077,284 for furniture, fixtures and equipment required by the current Property Improvement Plan ("PIP") and is required to deposit monthly for any future PIP as required by any franchisor. The Le Meridien Cambridge MIT Borrower deposited \$450,000 to a seasonality reserve and is required to deposit monthly during the months of March through November an amount which if added to the underwritten net cash flow would result in a DSCR equal to 1.30x, less the amount then available in the seasonality reserve as of February 15th of each year, divided by nine. Additionally, the Le Meridien Cambridge MIT Borrower deposited \$80,000 to a ground rent reserve, which is required to be disbursed and replenished monthly to pay the monthly ground rent due.

(4) The Le Meridien Cambridge MIT Property has an "Upon Completion" appraised value as of October 1, 2016 of \$113,000,000 assuming completion of the proposed renovations. The Upon Completion appraised value produces a Cut-off Date LTV Ratio of 63.9% and a Maturity Date LTV Ratio of 61.1% based on the Le Meridien Cambridge MIT Whole Loan.

(5) The Le Meridien Cambridge MIT Borrower acquired the Le Meridien Cambridge MIT Property for a purchase price of \$103,250,000. The seller was responsible for the cost of recently completed renovations estimated at \$2,605,148 and the Le Meridien Cambridge MIT Borrower is investing approximately \$3,077,284 for additional renovations. After such additional renovations, the Le Meridien Cambridge MIT Borrower's cost basis will be approximately \$107,034,964 including closing costs and reserves.

**The Mortgage Loan.** The thirteenth largest mortgage loan (the "Le Meridien Cambridge MIT Mortgage Loan") is part of a whole loan (the "Le Meridien Cambridge MIT Whole Loan") evidenced by three *pari passu* promissory notes in the aggregate original principal amount of \$72,200,000 all of which are secured by a first priority leasehold mortgage encumbering the condominium interests subject to ground leases in a full service hospitality property known as Le Meridien Cambridge MIT in Cambridge, Massachusetts (the "Le Meridien Cambridge MIT Property"). Promissory Note A-3 in the original principal amount of \$21,100,000 represents the Le Meridien Cambridge MIT Mortgage Loan. Promissory Note A-1 in the original principal amount of \$30,000,000 is currently held by the MSBAM 2016-C28 securitization trust and Promissory Note A-2 in the original principal amount of \$21,100,000 is currently held by the MSBAM 2016-C29 securitization trust (Promissory Note A-1 and Promissory Note A-2 collectively, the "Le Meridien Cambridge MIT *Pari Passu* Companion Loans"). The Le Meridien Cambridge MIT Whole Loan is being serviced pursuant to the pooling and servicing agreement for the MSBAM 2016-C28 transaction. See "Description of the Mortgage Pool—The Whole Loans—The Non-Serviced *Pari Passu* Whole Loans—The Le Meridien Cambridge MIT Whole Loan" and "Pooling and Servicing Agreement—Servicing of the Non-Serviced Mortgage

*Loans*” in the Prospectus. The proceeds of the Le Meridien Cambridge MIT Whole Loan, together with \$35,716,223 cash equity from the Le Meridien Cambridge MIT Borrower, were used to acquire the Le Meridien Cambridge MIT Property, fund upfront reserves and pay closing costs.

**The Borrower and the Sponsor.** The borrower is 20 Sidney Street, Cambridge, LLC (the “Le Meridien Cambridge MIT Borrower”), a special-purpose Delaware limited liability company, with at least two independent directors. The majority equity interest (80%) in the Le Meridien Cambridge MIT Borrower is held by Kui Cai, the Le Meridien Cambridge MIT Mortgage Loan sponsor. The non-recourse guarantor for the Le Meridien Cambridge MIT Mortgage Loan is Apollo Bright LLC, a Delaware limited liability company, wholly owned by Kui Cai.

Kui Cai is the co-founder and approximately 29% shareholder of Longfor Properties Co. Ltd. (SEHK: 960) which is one of China's biggest property developers. Through his companies in the U.S., he owns a portfolio of seven hotels in addition to the Le Meridien Cambridge MIT Property: the Hilton Houston Westchase, Fullerton Marriott at California State University, Detroit Marriott Southfield, Atlanta Marriott Norcross, Hilton Atlanta Northeast, DoubleTree by Hilton Berkeley Marina and DoubleTree by Hilton Hotel Wilmington.

**The Property.** The Le Meridien Cambridge MIT Property is located at 20 Sidney Street with frontage on Sidney, Green and Franklin Streets in Cambridge, MA, approximately two miles from Boston and approximately four miles from Logan International Airport. Public transportation is provided by the MBTA Red Line to Boston at Central Square station, and MBTA Commuter Rail at Porter Square, in addition to numerous bus lines.

The Le Meridien Cambridge MIT Property consists of an 8-story, 210-room upper upscale full service hotel. The guestroom configuration consists of 185 standard double/double or king guestrooms that are 240 SF, eleven ADA rooms that are 304 SF, thirteen king suites that are 351 SF and one presidential suite that is 1,405 SF. All guestrooms feature flat-screen televisions, desks, lounge chairs, and complimentary Wi-Fi. The Le Meridien Cambridge MIT Property features a 150-seat restaurant and lounge serving three daily meals plus room service, approximately 17,725 SF of meeting space across eight meeting rooms and ballrooms and a roof garden, concierge services, valet, a business center, fitness room, car rental desk and access to 138 parking spaces in the adjacent garage.

The Le Meridien Cambridge MIT Property was built in 1998 and was previously known as the Hotel @ MIT. In 2009 the Le Meridien Cambridge MIT Property completed renovations and refranchising at an estimated cost of approximately \$7,572,000 (\$36,057/room). The Le Meridien Cambridge MIT Property recently completed a capital improvement plan estimated at \$2,605,148 (\$12,405/room) which included renovations of the reception area, lobby and restaurant. Additionally, planned for completion by June, 2017, the Le Meridien Cambridge MIT Mortgage Loan sponsor is investing \$3,077,284 (\$14,654/room) in renovations to the guestrooms, guestroom bathrooms, corridors, elevators and meeting space, which amount has been reserved by the Le Meridien Cambridge MIT Borrower.

The Le Meridien Cambridge MIT Property is located within a larger mixed-use development known as University Park at MIT, a 27-acre development adjacent to the MIT campus, containing ten research buildings, 674 residential units, retail uses and structured parking for 2,700 vehicles. The development is host to prominent institutions in the bioscience industry including Alkermes, Inc., Partners HealthCare System and Millennium Pharmaceuticals. There is currently a new building under development within University Park, which will be occupied by Millennium/Takeda featuring 250 SF of office space and retail, expected to be delivered in 2016.

The Le Meridien Cambridge MIT Property is a part of a mixed-use condominium structure, known as the 20 Sidney Street Condominium, comprised of a hotel unit (the Le Meridien Cambridge MIT Property), a parking unit and a commercial unit (operated as a grocery). Neither the parking unit nor the commercial unit is collateral for the Le Meridien Cambridge MIT Mortgage Loan. The hotel unit (and collateral for the Le Meridien Cambridge MIT Mortgage Loan) constitutes a 57% interest in the 20 Sidney Street Condominium and occupies floors one and floors three through eight of the building. Decisions made by the condominium require the unanimous vote of each unit owner (or leasehold owner).

The 20 Sidney Street Condominium units are subject to several ground leases with MIT. The ground lease encumbering the hotel unit (the Le Meridien Cambridge MIT Property) commenced on December 5, 2007, expires on February 13, 2072, and requires an annual base rent of \$179,114 plus percentage rent equal to 4.5% of annual gross rooms revenue in excess of the percentage rent base (percentage rent base being currently equal to \$145,814 and adjusting by 15% of any increase or decrease in the fixed debt service payment). The ground lease also requires that the use of the hotel unit must be by an “upscale” hotel or conference center and that MIT receive the right of first refusal in connection with any sale of the hotel unit.

The Le Meridien Cambridge MIT Property is currently subject to a franchise agreement with Starwood (M) International, Inc. and is operating under the Le Meridien brand. The franchise agreement is currently set to expire on December 4, 2027 with no extension options. The Le Meridien brand has existed since 1972, joined Starwood Hotels & Resorts in 2005 and currently operates over 100 hotels and resorts in 35 countries.

The Le Meridien Cambridge MIT Property generates approximately 75% of its room nights from transient demand and 25% from meeting and group business.

Year	Competitive Set			Historical Occupancy, ADR, RevPAR Le Meridien Cambridge MIT Property			Penetration Factor		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
2010	78.7%	\$180.55	\$142.10	83.8%	\$188.43	\$157.97	106.5%	104.4%	111.2%
2011	78.1%	\$193.89	\$151.38	81.3%	\$204.70	\$166.41	104.1%	105.6%	109.9%
2012	79.8%	\$207.74	\$165.72	87.1%	\$215.33	\$187.55	109.2%	103.7%	113.2%
2013	81.0%	\$212.32	\$171.92	88.5%	\$218.76	\$193.59	109.3%	103.0%	112.6%
2014	79.9%	\$236.61	\$188.98	91.5%	\$236.57	\$216.36	114.5%	100.0%	114.5%
2/29/2016 TTM	81.2%	\$248.89	\$202.02	88.9%	\$257.91	\$229.26	109.5%	103.6%	113.5%

Source: Industry Report

**The Market.** The Le Meridien Cambridge MIT Property is located in Cambridge, MA. Cambridge has a diverse commercial base including a large mall, hotels, and office and government buildings. Additionally Cambridge is considered one of the nation's leading technology and pharmaceutical locations, largely supported by the presence of Harvard University, MIT and several laboratories. Cambridge had a second quarter 2015 unemployment rate of 3.0%, as compared to Boston's rate of 4.1% and the national rate of 5.3%.

Estimated 2014 population within a one-, three-, and five-mile radius of the Le Meridien Cambridge MIT Property was 67,017, 497,648, and 984,816, respectively. Estimated household income within a one-mile radius was \$97,442.

The Cambridge/Waltham lodging submarket has the highest occupancy rate and ADR among all Suburban Boston submarkets. As of the second quarter 2015, the Cambridge/Waltham submarket had an occupancy rate of 76.6% and ADR of \$193.37, resulting in a RevPar of \$148.06. The Cambridge/Waltham hospitality market's RevPAR has grown year over year by at least 5.4% since 2010. The competitive market supply has remained flat since 2003 due to barriers to entry: when land is available for development in central Cambridge, the highest and best use is typically office, laboratory, residential or institutional. There are no directly competitive properties that are either proposed or under construction within the Cambridge/Waltham submarket.

Competitive properties with respect to the Le Meridien Cambridge MIT Property are shown in the table below:

Competitive Property Summary							
Property Name	Year Opened	No. of Rooms	Transient Demand	Group Demand	2014 Occupancy	2014 ADR	2014 RevPAR
<b>Le Meridien Cambridge MIT Property</b>	<b>1998</b>	<b>210</b>	<b>75%</b>	<b>25%</b>	<b>92%</b>	<b>\$237</b>	<b>\$216.36</b>
Courtyard Boston Cambridge	1966	203	80%	20%	87%	\$189	\$164.43
Doubletree Suites Hotel Boston	1985	308	75%	25%	85%	\$211	\$179.35
Sheraton Hotel Commander	1926	173	75%	25%	81%	\$243	\$196.83
Kimpton Hotel Marlowe	2003	236	80%	20%	81%	\$238	\$192.78
Residence Inn Boston Cambridge Center	1999	221	90%	10%	81%	\$231	\$187.11
Hyatt Regency Cambridge	1976	470	60%	40%	78%	\$210	\$163.80
Marriott Boston Cambridge	1986	433	60%	40%	82%	\$252	\$206.64
Royal Sonesta Cambridge	1963	400	65%	35%	82%	\$228	\$186.96
<b>Total/Weighted Average</b>		<b>2,654</b>			<b>83%</b>	<b>\$227</b>	<b>\$186.96</b>

Source: Appraisal

**Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the Le Meridien Cambridge MIT Property:

Cash Flow Analysis									UW per Room
	2009	2010	2011	2012	2013	2014	2015	UW	
Occupancy <sup>(1)</sup>	76.1%	83.8%	81.3%	87.1%	88.5%	91.5%	89.4%	89.4%	
ADR <sup>(1)</sup>	\$183.60	\$188.43	\$204.70	\$215.33	\$218.76	\$236.57	\$257.97	\$257.97	
RevPAR <sup>(1)</sup>	\$139.78	\$157.96	\$166.41	\$187.55	\$193.59	\$216.37	\$230.69	\$230.69	
Rooms Revenue	\$10,713,892	\$12,108,120	\$12,755,612	\$14,415,095	\$14,838,714	\$16,584,339	\$17,682,754	\$17,682,754	\$84,204
Food & Beverage	\$4,974,973	\$5,114,174	\$4,697,878	\$4,403,783	\$4,407,531	\$4,617,656	\$4,177,935	\$4,177,935	\$19,895
Other Income <sup>(2)</sup>	\$170,527	\$651,409	\$383,718	\$202,836	\$177,274	\$186,364	\$135,405	\$135,405	\$645
Total Revenue	\$15,859,392	\$17,873,703	\$17,837,208	\$19,021,714	\$19,423,519	\$21,388,359	\$21,996,094	\$21,996,094	\$104,743
Total Expenses	\$11,074,718	\$11,371,201	\$11,555,970	\$12,185,260	\$12,804,407	\$13,465,441	\$14,060,828	\$14,056,798	\$66,937
<b>Net Op. Income</b>	<b>\$4,784,674</b>	<b>\$6,502,502</b>	<b>\$6,281,238</b>	<b>\$6,836,455</b>	<b>\$6,619,112</b>	<b>\$7,922,918</b>	<b>\$7,935,266</b>	<b>\$7,939,296</b>	\$37,806
FF&E	\$634,376	\$714,948	\$713,488	\$760,869	\$776,941	\$855,534	\$879,844	\$879,843	\$4,190
<b>Net Cash Flow</b>	<b>\$4,150,299</b>	<b>\$5,787,554</b>	<b>\$5,567,749</b>	<b>\$6,075,586</b>	<b>\$5,842,171</b>	<b>\$7,067,384</b>	<b>\$7,055,423</b>	<b>\$7,059,452</b>	\$33,616
<b>NOI DSCR<sup>(3)</sup></b>	<b>1.04x</b>	<b>1.41x</b>	<b>1.36x</b>	<b>1.48x</b>	<b>1.43x</b>	<b>1.72x</b>	<b>1.72x</b>	<b>1.72x</b>	
<b>NCF DSCR<sup>(3)</sup></b>	<b>0.90x</b>	<b>1.25x</b>	<b>1.21x</b>	<b>1.32x</b>	<b>1.27x</b>	<b>1.53x</b>	<b>1.53x</b>	<b>1.53x</b>	
<b>NOI Debt Yield<sup>(3)</sup></b>	<b>6.6%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>9.5%</b>	<b>9.2%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	
<b>NCF Debt Yield<sup>(3)</sup></b>	<b>5.7%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>8.4%</b>	<b>8.1%</b>	<b>9.8%</b>	<b>9.8%</b>	<b>9.8%</b>	

(1) Occupancy, ADR and RevPAR figures have been taken from the Le Meridien Cambridge MIT sponsor-provided financial statements.

(2) Other income includes telephone, internet, cancellation revenue and miscellaneous income.

(3) NOI DSCR, NCF DSCR, NOI Debt Yield and NCF Debt Yield are based on the Le Meridien Cambridge MIT Whole Loan.