Presale Report
FS 2023-4SZN

DBRS Morningstar
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Capital Structure

Commercial Mortgage Pass-Through Certificates

Description	Rating Action	Balance ($)	BLTV (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	$178,000,000	39.5	AAA (sf)	Stable
Class X	New Rating - Provisional	$178,000,000	n/a	AAA (sf)	Stable
Class B	New Rating - Provisional	$32,900,000	46.8	AA (sf)	Stable
Class C	New Rating - Provisional	$25,800,000	52.6	AA (low) (sf)	Stable
Class D	New Rating - Provisional	$73,170,000	68.8	BBB (low) (sf)	Stable
Class E	New Rating - Provisional	$62,840,000	82.8	BB (low) (sf)	Stable
Class F	New Rating - Provisional	$16,290,000	86.4	B (high (sf)	Stable
Class HRR	New Rating - Provisional	$21,000,000	91.1	B (sf)	Stable

1. The Notional Amount of the Class X Certificates will be equal to the Certificate Balance of the Class A Certificate and will pay in the same priority as Class A. Class X will not be entitled to distributions of principal.
2. DBRS Morningstar's credit rations on the Certificates address the credit risk associated with the identified financial obligations in accordance with the relevant transaction documents. DBRS Morningstar's credit ratings do not address non-payment risk associated with contractual payment obligations contemplated in the applicable transaction document(s) that are not financial obligation. DBRS Morningstar's long-term credit ratings provide opinions on risk of default. DBRS Morningstar considers risk of default to be the risk that an issuer will fail to satisfy the financial obligations in accordance with the terms under which a long-term obligation has been issued.
n/a = not applicable.
NR = not rated.

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Collateral Spotlight

Four Seasons Palm Beach

Four Seasons Surfside

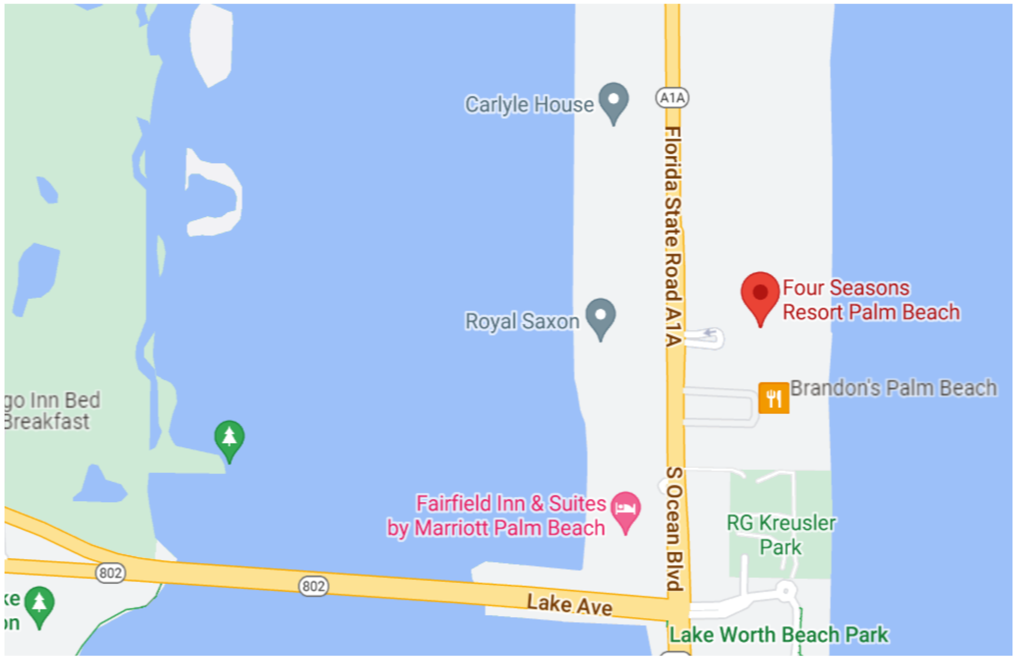






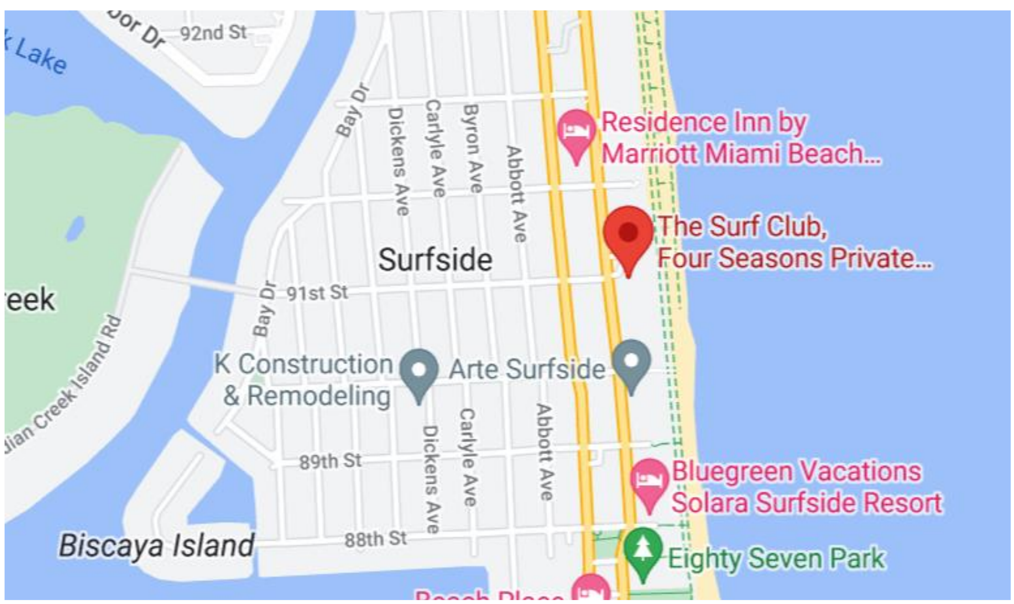

Source: DBRS Morningstar.

Palm Beach



Source: Google Maps.

Surf Club



Source: Google Maps.

Transaction Summary

Trust Characteristics			
Trust Loan Notional Balance ($)	410,000,000	**No. Properties**	2
Loan Purpose	Refinance	**Property Type**	Full Service Hotel
Structure	REMIC	**Location(s)**	Palm Beach and Surfside, Florida.
Rated Final Distribution Date	November 2039	**DBRS Morningstar Market Rank**	5.0
DBRS Morningstar BLTV (%)	91.06	**DBRS Morningstar Cap Rate (%)**	7.14
DBRS Morningstar ELTV (%)	91.06	**DBRS Morningstar Value ($)**	450,258,625
DBRS Morningstar Debt Yield (%)	7.84	**Quality/Volatility Adjustment (%)[3]**	7.00
DBRS Morningstar DSCR (x)[2]	0.89	**Herfindahl Adjustment (%)**	0.2
Appraised LTV (%)[1]	51.3	**Other Adjustments (Y/N)[3]**	Y
Issuer UW DSCR (x)[2]	1.15	**DBRS Morningstar NCF Variance (%)**	-22.6%

1. Based on the As-is Appraised Value of $799.8 million.
2. Based on fixed interest rate of 8.700%.
3. For more information on DBRS Morningstar Metrics and Adjustments, see the DBRS Morningstar LTV Sizing Benchmarks and Adjustments section. DBRS Morningstar elected to forego the tapering of its Quality/Volatility Adjustment for the subject transaction.

Participants	
Depositor	Citigroup Commercial Mortgage Securities, Inc.
Mortgage Loan Sponsors	Citi Real Estate Funding Inc., German American Capital Corporation
Trustee	Wilmington Trust, National Association
Master Servicer	Berkadia Commercial Mortgage LLC
Special Servicer	Situs Holdings, LLC
Certificate Administrator	Citibank, N.A.
Operating Advisor	Pentalpha Surveillance LLC

DBRS Morningstar Perspective

The FS 2023-4SZN transaction is secured by the borrower's fee-simple interests in The Four Seasons Palm Beach and The Four Seasons Surf Club properties, encompassing 309 keys. The two luxury hotel and resort properties are well located on the eastern seaboard of South Florida and offer direct frontage on the Atlantic Ocean. The hotels are the epitome of luxury and considered to be among the top hotels in Florida as well as the country. DBRS Morningstar has a positive view of the portfolio considering the excellent quality of the collateral, prime beachfront location of the portfolio, and the commitment and experience of the Sponsor within the Southern Florida market.

The 207-key Four Seasons Palm Beach offers 500 feet of direct ocean frontage, presenting sweeping views of the Atlantic Ocean. The hotel offers exceptional accommodations as well as luxurious amenities, such as two outdoor resort-style swimming pools, beachfront cabanas on Palm Beach, a full-service spa and salon with 11 treatment rooms, and a fitness center. Mauro Colagreco, world-renowned chef, operates Florie's, one of the F&B outlets at the property. In 2019, the Sponsor completed an intensive $74 million capital improvement project that included the renovation of all 207 rooms and suites, new landscape architecture, the re-conception of the F&B outlets, and renovation of the pool deck. As of 2023, the Sponsor completed an additional $6.3 million capital improvement plan to refresh the ballrooms and meeting spaces. Given the exceptional caliber of the asset, the Four Seasons Palm Beach has been acknowledged as a AAA Five Diamond Hotel since 2009 and a Forbes Travel Guide Five Star award winner for more than 40 consecutive years. DBRS Morningstar contends that the significant capital invested in the property with continued near-term investment will maintain the asset's position as a luxury destination and its status as a competitive leader within the Palm Beach market.

The Four Seasons Surf Club is an iconic luxury hotel and resort that provides 815 feet of direct ocean frontage. The luxury resort features 102 keys—77 guestrooms and 25 condominiums owned by third parties. The 25 condominium keys are managed by the Sponsor with a revenue-sharing program. The original Surf Club was established as a private social club for celebrities and socialites in the early 1930s, and the Sponsor developed the adjacent property as the Four Seasons Surf Club in 2017. The property presents guests with luxurious accommodations as all 102 keys offer impressive ocean views. Amenities include three outdoor resort-style swimming pools, beachfront cabanas, beachfront lawns and gardens, a full-service spa with six treatment rooms, and a fitness center. F&B outlets at the property include Lido Restaurant and Terrace, Winston's on the Beach, the Champagne Bar, and the Surf Club Restaurant, which is led by world-renowned Michelin star chef, Thomas Keller. F&B revenue accounts for 32.9% of DBRS Morningstar's revenue assumption of the collateral, highlighting the resort's popularity with non-guests to dine and visit. Ranked as the top hotel in the world and the number one hotel in Florida by Condé Nast Traveler, the collateral is also an AAA Five Diamond Hotel and a Forbes Travel Guide Five Star award winner. DBRS Morningstar has a favorable outlook on the asset considering its recent build, historical reputation, and excellent property quality.

The portfolio's local markets benefit from its strong base in tourism, proximity to the Atlantic Ocean, and access to Miami. The collateral attracts visitors from around the world as a result of the excellent amenities and accommodation, and reputation as two of the most luxurious hotels and resorts in the U.S. Local demographics are generally favorable and show an affluent community. There is limited competition and currently no new construction or development of similar products in the area. DBRS Morningstar believes that the portfolio will remain a leader in the luxury hotel and resort market within Miami and the U.S.

Strengths

Luxurious Trophy-Asset Hotels and Resorts

- The portfolio consists of two iconic luxury beachfront resorts in South Florida offering award-winning accommodations, excellent amenities, and exceptional service. Both properties benefit from high barriers to entry because of severe supply constraints, which further asserts the portfolio's dominance in its markets and insulates the hotels from any future supply growth. DBRS Morningstar assigned a property quality grade of Excellent to the portfolio.
- The Four Seasons Palm Beach has been acknowledged as an AAA Five Diamond Hotel since 2009 and the only AAA Five Diamond Hotel on the island, as well as a Forbes Travel Guide Five Star award winner for more than 40 consecutive years. The asset features state-of-the art amenities such as two outdoor resort-style swimming pools, a full-service spa, a fitness center, and 500 feet of direct ocean frontage. In addition to room revenues, the subject generates revenue from alternative sources such as F&B, resort fees, and space rentals, among others.
- The Four Seasons Surf Club is an AAA Five Diamond Hotel, a Forbes Travel Guide Five Star award winner, and currently ranks as the top hotel in the world and the number one hotel in Florida by Condé

Nast Traveler. In addition to exceptional accommodations and service, the hotel offers three outdoor resort-style swimming pools, beachfront lawns and gardens, and a full-service spa and fitness center. The hotel also offers impressive F&B outlets, including Lido Restaurant and Terrace, Winston's on the Beach, the Champagne Bar, and the Surf Club Restaurant, led by world-renowned Michelin star chef, Thomas Keller.

Recent Build and Renovation of the Portfolio

- The Sponsor completed a $74 million renovation ($356,623 per key) in the Four Seasons Palm Beach in 2019. The completed projects included the full renovation of common areas, such as repositioning of the arrival experience with new landscape architecture; remodeling of the pool deck, including the addition of a second pool as an adults-only offering; and reconceiving the two F&B offerings, Florie's and Seaways. Furthermore, all of the guest rooms were redesigned, including renovation of bathrooms and balconies. The sponsor recently completed a renovation that upgraded the ballrooms and all meeting spaces to further improve group demand for approximately $6.3 million. Following the major renovations in 2019, the collateral has outperformed its competitive set in achieving RevPAR penetration rates of 157.0% in 2021 and 159.9% in 2022. DBRS Morningstar views the transformative renovation as a key element to enhance to hotel's performance and maintain its status as a competitive leader within the Palm Beach market.
- The Four Seasons Surf Club was constructed in 2017. Located on the renowned beaches of northern Miami, the collateral presents 815 feet of direct ocean frontage. In addition to its irreplaceable location, the property offers the epitome of luxurious accommodations, services, and amenities for guests. Historically, the property has outperformed its competitive set by increasing its RevPAR penetration rate to 207.4% as of the T-12 ended July 21, 2023, from 164.5% in 2019. Given the recent build and exceptional quality of the asset, DBRS Morningstar contends that the Four Seasons Surf Club will maintain its strong status within the greater Miami luxury market and remain one of the most iconic luxury resorts in the U.S.

Brand Affiliation

- The portfolio benefits from its affiliation with Four Seasons Hotels and Resorts, the leading luxury operator of hotels and resorts with a current portfolio of 126 properties. Four Seasons Hotels and Resorts has received numerous Forbes Travel Guide Five Star awards across its portfolio for eight years in a row. The Four Seasons Surf Club has operated under the Four Seasons flag since it opened in 2017, and the current management agreement runs through 2038. Since 1994, the Four Seasons Palm Beach has been managed by Four Seasons Hotels and Resorts, and the current management agreement runs through 2035. The Four Seasons Palm Beach benefits from an agreement that will terminate in 2034, where no other Four Seasons hotel can be developed on the eastern seaboard of Florida without its consent.

Experienced Sponsor

- The portfolio benefits from an experienced Sponsor in Fort Hospitality Group, a private real estate and hospitality firm based in Miami. The firm specializes in delivering luxurious hotels and resorts in exceptional locations that deliver beauty, intricate designs and architecture, excellent service, and award-winning amenities. Fort Hospitality owns several luxury hotels and resorts in Florida, such as the Four Seasons Hotel Miami, the Four Seasons Hotel Fort Lauderdale, and the Surf Club at Norman's Cay.

Concerns

RevPAR Sustainability

- The lodging industry was one of the sectors most severely affected by the coronavirus pandemic and the ensuing travel restrictions. The industry recovered quickly and RevPAR growth was significant for many upscale and luxury properties in prime leisure destinations as a result of the increase in demand that emerged out of the pandemic. Both subject properties displayed immense RevPAR growth after the pandemic, however, the portfolio has shown RevPAR decline since 2022. RevPAR at the Four Seasons Palm Beach has declined by 7.1% from 2022 to the T-12 ended July 31, 2023, while RevPAR at the Four Seasons Surf Club has also declined by 6.2% in the same period. The RevPAR declines highlight the moderation in demand and performance from historical highs. To account for the portfolio's decline in RevPAR, DBRS Morningstar concluded to a RevPAR that was moderated down from the T-12 ended July 31, 2023 performance. In addition, the cash flow volatility score was lowered relative to recent comparable hotel transactions, resulting in lower proceeds at each rating category. The BBB (low) proceeds were limited to a 68.8% attachment point based on the DBRS Morningstar value or approximately $1.0 million per unit which represents a stressed value of over -60% below the appraised value of $2.6 million per unit.
- Many economists warn that the U.S. economy could fall into recession in late 2023 or early 2024. If the economy does falter, leisure and group travel could decline and negatively affect the portfolio's RevPAR.
- To account for the operationally intense nature of hotel properties and the sectors cyclical performance, the DBRS Morningstar Lodging LTV Sizing Benchmarks incorporate higher stresses when compared with multifamily and other commercial property types.

Four Seasons Surf Club Residential Rental Income Associated with Condominium Units

- The revenue associated with the Four Seasons Surf Club includes rental income from 25 condominium units that participate in a Sponsor-managed revenue sharing program. The ADRs for the condominiums have experienced significant growth since the pandemic, increasing by 14.7% to $3,728 in 2021 and by 63.1% in 2022 to $6,079. During this same time, occupancy declined but RevPar ultimately increased by over 13.0%. As a result of the RevPAR growth, the residential rental income has become a meaningful contributor of income and accounts for approximately 23.4% of the property's revenue. The majority of the condominium units that agreed to participate in the rental program entered into agreements between 2016–18 with 10-year terms. The leases have a concentrated lease expiration schedule, with 60.0% of the leases expiring during the loan term, between 2026 and 2027. Upon expiration, if a condominium owner elects to remove the unit from the rental program, income available to service debt could be reduced. It should be noted that, of the 25 units, seven are Sponsor-owned and the loan requires the Sponsor-owned units to remain in the rental pool condominium program throughout the loan term, subject to certain conditions. In addition, according to the Sponsor, the condominium unit owners are wealthy individuals with multiple vacation homes and it would be a very rare occurrence for an owner to decide to live in the unit full time. Lastly, given the relatively low occupancy rate of less than 40% as of the TTM ending July 2023, even if the unit count is reduced the sponsor should have the ability to push higher occupancy in the remaining units.

High Percentage of Food and Beverage Revenue

- Approximately 30.5% of the portfolio's total revenue is derived from F&B sales. F&B income generally experiences greater volatility than income generated from room sales, given the lower margin nature of the revenue stream. However, the F&B outlets at the Four Seasons Palm Beach have been renovated and re-conceived to use their house kitchens with a designated chef to create unique menus catering to different guests. The Four Seasons Surf Club features the Surf Club Restaurant, led by Thomas Keller, a Michelin star chef. The restaurants at the properties have strong local followings because of their celebrity chef affiliations, which also help to shield this revenue stream from transient demand fluctuations.

Sponsor Cash-Out

- The refinance includes approximately $56.5 million of cash-out proceeds to the Sponsor. DBRS Morningstar generally views cash-out refinancing transactions as less favorable than acquisition financings as sponsors typically have less incentive to support a property through times of economic stress if less of their own cash equity is at risk. Regarding the subject properties, the sponsor still has approximately $385 million of implied equity based on the As-Is appraised value. Also, the Sponsor has shown commitment to the properties, being the developer of the Four Seasons Surf Club and investing approximately $73.8 million of capital recently into the Four Seasons Palm Beach.

Low Debt Service Coverage Ratio

In today's challenging interest rate environment, base rates have increased significantly from before the Fed's interest rate hike regime that began in mid-2022. Base rates and spreads in 2021 were especially low, in some cases leading to SASB interest rates below 3.0% at origination. The rise in interest rates over the past year has severely constrained DSCR's and in the case of the subject loan, the DSCR is 1.15x based on the issuer's NCF's. Due to the fixed-interest rate structure of the loan, the DSCR will only be able to improve through higher cash flows as opposed to lower base interest rates that could occur with a floating-rate loan. To mitigate this risk, the loan is structured with a DSCR threshold defined as if the debt service coverage ratio falls below (a) 1.15x during the first three years of the loan term or (b) 1.25x during the last year of the Loan term. If the DSCR breaches the minimum limit, it will be considered a DSCR Trigger Event and all cash accounts held by the borrower would be serviced by a cash management agreement, controlled by the lender. In order for the DSCR to fall below a 1.0x coverage on the whole loan, the issuer's NCF's would need to decline by approximately -15%. In addition, even after stressing the issuer's NCF's down by -15%, the DSCR at the BBB(low) rating category is positive at approximately 1.29x based on the issuer's NCF's and provides ample coverage for interest payments to the IG certificates. Lastly, the portfolio's irreplaceable ocean frontage ($110.0 appraised land value) and strong performance translates into significant value and a low LTV of 51.3% based on the As-Is appraised value of $799.8 million. Based on the appraised value, the sponsor has approximately $385.0 million of implied equity to protect, which aligns their incentives with certificate investors.

Legal and Structural Considerations

Wind/Named Storm Insurance

- Faced with mounting natural disasters and inflationary pressures, the insurance industry has increased premiums and been selective on the markets they serve. In some cases, insurance providers have left markets primarily viewed as having higher risk , for example FL, CA, TX, VA and LA. These recent developments have made obtaining insurance coverage costly and property owners have responded by adjusting coverages or raising deductibles. Specific to the subject portfolio, insurance costs have increased over 225% from 2019 to the current premium.
- With regard to Wind/Named Strom coverage (which includes business interruption and loss amplification), issuers of recent SASB transactions began lowering the estimated term for losses, from a 10,000 year loss period to a 1,000 year loss period. For the subject transaction, the Four Seasons Palm Beach has a Wind/Named Strom sublimit per occurrence coverage of $75.0 million which equates to approximately the 1,000-year return period from the insurance loss estimates. The Four Seasons Surf Club has $202,743,060 of Wind/Named Storm coverage for the Historic Building, Hotel and North Tower and $153,881,961 of Wind/Named Storm coverage for the West Parking Garage and South Tower. The total Surf Club coverage exceeds the insurable value and therefore a corresponding loss return period was not provided. The issuer's third-party insurance consultant indicated the insurance industry standard is to look to the 250-year return period, however, higher return periods are looked at depending on the underlying exposure and specifics of the transaction. For SASB transactions, return periods greater than 250-years have generally been viewed as market standard and a mitigant to the non-recourse nature of SASB loans. Morningstar expects insurance coverage on CRE properties to face mounting price pressures and coverage difficulties, and while the Wind/Named Storm loss period for the subject transaction is lower than historical SASB transactions, the third-party insurance specialist concluded that the insurance coverages and associated limits meet the insurance levels required by the lenders and are generally in line with market standards for prudent lenders on comparable transactions. Lastly, the loan requires the borrower to maintain at least $75.0 million of Wind/Name Storm coverage upon policy renewal, annually receive an updated Probable Max Loss (PML) estimate and add additional recourse to the borrower for any gap in Wind/Name Storm coverage required in the loan agreement.

Release Provisions

After the Defeasance Lockout Date (assumed to be two years after the date of securitization), the Sponsor may sell one of the properties and release the other property from the lien of the loan. The release conditions include a paydown equal to the greater of (a) 110% of the allocated loan amount of such property and (b) 90% of the net sale proceeds. Also, after such release, the debt yield is at least equal to the great of (a) 12.0% and (b) the same immediately prior to such release.

Mortgage Loan and Debt Capital Structure

Mortgage Loan Summary			
Mortgage Loan Balance	410,000,000	**Cash Management**	Springing
Amortization	Interest Only	**Lockbox**	Soft
Interest Rate	8.700	**Interest Accrual**	30/360
Fixed/Floating Rate	Fixed	**Assumable**	Y
Interest Rate Cap, Strike Rate	n/a	**Prepayable**	Y
Initial Loan Term	48	**Extension Terms**	n/a

Citi Real Estate Funding Inc., and German American Capital Corporation will originate the four-year, fixed-rate loan that pays interest on an IO basis throughout the loan maturity date.

Debt Structure					
Tier	**Debt Amount ($)**	**Interest Rate (%)**	**Payment Terms**	**DBRS Morningstar DSCR (x)**[1]	**DBRS Morningstar LTV (%)**
Mortgage Loan	410,000,000	8.700	Interest Only	0.89	91.06
Total/WA	**410,000,000**				

1. Based on fixed interest rate of 8.700%.

The transaction will be subject to the credit risk retention requirements of Section 15G of the Securities Exchange Act of 1934, as added by Section 941 of the Dodd-Frank Wall Street reform and Consumer Protection Act. DBRS Morningstar expects an economic interest in the mortgage loan's credit risk to be retained as eligible horizontal interest in the form of the Class HRR Certificates.

Risk Retention			
Applicable	**Type**	**Interest**	**Risk Retention Holder**
Yes	Horizontal	HRR	Franklin HRR CMBS Holdings, Inc.

Note: Risk retention is defined as the credit risk retention requirements of Section 15G of the Exchange Act, as added by Section 941 of the DoddFrank Act.

Sources and Uses

Loan proceeds will be used to repay existing debt, return equity, and pay for closing costs. The sources and uses listed below are estimate and may change once the loan has been originated.

Source	Amount ($)	% of Total	Uses	Amount ($)	% of Total
Mortgage Loan	410,000,000	100.0	Repay Existing Debt	345,000,000	84.1
			Return of Sponsor Equity	56,500,000	13.8
			Closing Costs	8,500,000	2.1
Totals	**410,000,000**	**100.0**		**410,000,000**	**100.0**

Note Structure

The whole mortgage loan is evidenced by four senior A notes, as outlined in the table below. The trust comprises of all of the Senior A notes.

Note	Mortgage Loan Seller	Balance ($)
A-1- Palm Beach	Citi Real Estate Fund, Inc.	166,635,000
A-2- Palm Beach	German American Capital Corporation	71,415,000
A-1 - Surf Club	Citi Real Estate Fund, Inc.	120,365,000
A-2- Surf Club	German American Capital Corporation	51,585,000

Collateral Summary

The collateral for the transaction features 309 keys across the two full-service luxury hotels in the portfolio, the Four Seasons Palm Beach and the Four Seasons Surf Club. Situated on irreplaceable beachfront locations, the properties represent two of the top premier luxury hotels in South Florida.

The Four Seasons Palm Beach is a luxury beachfront hotel and resort in Palm Beach. The resort features 207 keys across a 7.6-acre site that provides 500 feet of direct ocean frontage. The hotel's room mix features one king bed or two queen bed layouts, while suites vary in bed count and room count. The property offers various amenities, such as two outdoor resort-style swimming pools—one of which is adults-only—with lounge seating, beachfront cabanas on Palm Beach, a full-service spa and salon with 11 treatment rooms, and a fitness center. F&B outlets at the property include Florie's, a restaurant partnered with Mauro Colagreco, the chef behind the restaurant, and Seaway Restaurant, a beachfront restaurant offering sweeping views of Palm Beach. The collateral has approximately 21,128 sf of functional indoor and outdoor spaces usable for conferences, weddings, meetings, and private events. In 2019, the Sponsor completed a $74 million renovation that included the full renovation of common areas such as repositioning the arrival experience with new landscape architecture, remodeling the pool deck with the addition of a second pool as an adults-only offering, and reconceiving the two F&B offerings, Florie's and Seaways. All 207 rooms and suites were redesigned, including renovation of bathrooms and balconies. The Sponsor completed the remaining enhancements in 2023 by upgrading the ballrooms and all meeting spaces for an executed cost of $6.3 million.

The Four Seasons Surf Club is an iconic, luxury beachfront hotel in Surfside, Florida, which is also known as Miami's "Uptown Beach." This luxury resort features 102 keys (77 guestrooms and 25 condominium owned by third parties) across a 2.3-acre site that provides 815 feet of direct ocean frontage. Originally established as a private social club during the height of prohibition, the Surf Club has been frequented by impressive guests such as Winston Churchill, Frank Sinatra, and the Duke and Duchess of Windsor. In 2017, the Sponsor developed the Four Seasons Surf Club Hotel and Residences adjacent to the historical Surf Club site. The hotel's room mix features one king bed or two queen bed layouts, while suites vary in bed count and room count. The 25 third-party owned condominiums are managed by the Sponsor with a revenue sharing program. All of the guestrooms and condominiums have sweeping views of the ocean. The property offers various amenities, such as three outdoor resort-style swimming pools featuring an adults-only swimming pool and lounge seating, beachfront cabanas, beachfront lawns and gardens, a full-service spa with six treatment rooms, and a fitness center. F&B outlets at the property include Lido

Restaurant and Terrace, Winston's on the Beach, the Champagne Bar, and the Surf Club Restaurant, led by world-renowned Michelin star chef, Thomas Keller. The collateral has approximately 7,704 sf of functional indoor and outdoor spaces usable for conferences, weddings, meetings, and private events.

The portfolio contains exceptional assets that have received a number of awards and recognitions. The Four Seasons Palm Beach has been acknowledged as AAA Five Diamond Hotel since 2009 and the only AAA Five Diamond Hotel on the island as well as being a Forbes Travel Guide Five Star award winner for more than 40 consecutive years. The Four Seasons Surf Club is also an AAA Five Diamond Hotel, a Forbes Travel Guide Five Star award winner, and currently ranks as the top hotel in the world and the number one hotel in Florida by Condé Nast Traveler. Furthermore, both assets position themselves as leaders within their competitive sets and benefit from high barriers to entry, which further strengthens the collateral's position as two of the best luxury hotels and resorts in South Florida as well as the country.

Guestroom Configuration	Units
Palm Beach	
King	110
Double/Double	48
Studio Suite	35
One-Bedroom Suite	10
Two-Bedroom Suite	4
Subtotal	**207**
Surf Club Guestroom	
Surf Club King Room	8
City View King Room	9
Bay View King Room	15
Oceanfront King Room	16
Oceanfront Double Room	8
Ocean Bungalow	5
Sunset Studio Suite	8
Sunrise Studio Suite	8
Subtotal	**77**
Surf Club Condo Room	
Surf Club One-Bedroom Residence	1
Bay View One-Bedroom Residence	5
Oceanfront One-Bedroom Residence	6
City View Two-Bedroom Residence	2
Bay View Two-Bedroom Residence	4
Oceanfront Two-Bedroom Residence	4
Oceanfront Four-Bedroom Residence	2
Marybelle Penthouse Three-Bedroom	1
Subtotal	**25**
Total /Average	**309**

Source: Appraisal.

Food & Beverage Facilities	Seating Capacity
Palm Beach	
Florie's by Mauro Colagreco	275
Seaway Restaurant	75
Pool Deck	154
Surf Club	
Lido Restaurant and Terrace	144
Amadeo Sushi Bar	30
Champagne Bar	75
Winston's on the Beach	70
The Surf Club Restaurant (Thomas Keller)	148

Source: Appraisal.

Indoor Meeting & Banquet Facilities	Square Footage	Outdoor & Pre-Function Event Space	Square Footage
Palm Beach (First level)		**Surf Club**	
The Living Room	2,856	Terrace	2,472
Royal Poinciana Ballroom	6,000	Event Lawn	2,304
Royal Poinciana Foyer	1600	Subtotal	4,776
Banyan Room	960		
Seagrape	270		
Palm Beach (Second level)			
Flagler Ballroom	6,000		
Flagler Foyer	2,436		
Mizner Room	1,104		
Executive Boardroom	638		
Phipps Room	270		
Subtotal	**22,134**		
Surf Club			
Art Gallery	1,392		
Barton Room	1,000		
Boardroom	536		
Subtotal	**2,928**		
Total Indoor	**24,298**	**Total Outdoor & Pre-Function**	**4,776**

Source: Appraisal.

Amenities & Services	
Palm Beach	
Two Outdoor Swimming Pools	Retail Outlets
Two Indoor Hot Tubs	Guest Laundry Facility
Fitness Center	Concierge
Full-Service Spa and Wellness Center	Room Service
Beach Services	Beach Cruiser Bikes
Kid's for All Seasons Children's Area	Teen Gaming Room
Outdoor Patio and Lounge	House Car Service
Business Center	
Surf Club	
Two Outdoor Swimming Pools	Kids' Club
Fitness Center	Retail Outlets
Full-Service Spa	

Source: Appraisal.

Infrastructure	
Palm Beach	
Parking Spaces	202 (Valet Only)
Elevators	8 Guest, 4 Service
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Steel Frame
Surf Club	
Parking Spaces	Off-Site Garage
Elevators	2 Guest
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Steel, Reinforced Concrete

Source: Appraisal.

Historical Performance Overview

HISTORICAL OPERATING PERFORMANCE (Palm Beach)

Year	Occupancy (%)	% Change	ADR ($)	% Change	RevPAR ($)	% Change
2018	60.3	—	812.20	—	490.00	—
2019	45.6	-24.3	765.14	-5.8	349.56	-28.6
2020	78.5	72.1	867.28	13.3	681.00	94.8
2021	51.3	-34.7	1,168.33	34.7	598.96	-12.0
2022	55.8	8.8	1,344.50	15.1	750.23	25.3
2022/23 Fiscal Year Ending July 31	56.6	-1.4	1,231.02	-8.4	697.18	-7.1

Source: Appraisal and July TTM

HISTORICAL OPERATING PERFORMANCE (Surf Club)

Year	Occupancy (%)	% Change	ADR ($)	% Change	RevPAR ($)	% Change
2018	50.3	—	1,340.96	—	674.50	—
2019	63.9	27.0	1,413.79	5.4	903.13	33.9
2020	41.3	-35.3	1,528.72	8.1	631.97	-30.0
2021	72.7	75.9	1,969.50	28.8	1,431.85	126.6
2022	61.4	-15.5	2,771.54	40.7	1,702.31	18.9
2022/23 Fiscal Year Ending July 31	60.7	-1.4	2,631.31	-5.1	1,595.96	-6.2

Source: Appraisal and July TTM

Market Overview

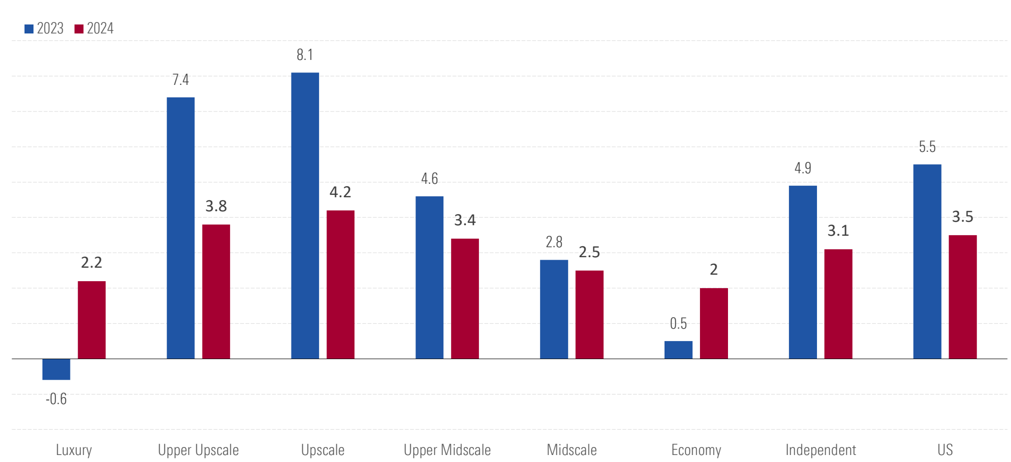
The Four Seasons Palm Beach is located within the greater Palm Beach County Market, which is widely regarded as one of the most desirable resort destinations in the U.S. Palm Beach County is characterized by its unparallel white-sand beaches, exceptional dining and shopping options, and world-class golf, tennis, and polo, attracting wealthy individuals from all over the world. Over the past decade, Palm Beach has benefited from public and private infrastructure projects and an increase in employment opportunities, harnessing its status as a top-tier resort destination for leisure and group travelers. In addition to excellent tourism attractions, Palm Beach is also home to diverse employment opportunities, ranging from finance to technology to healthcare and more. Many private-equity funds, hedge-fund management companies, and venture-capital groups are based within the area, given its wealth and prosperity. The Palm Beach County market is part of the greater Miami-Fort Lauderdale-Pompano Beach economic base, which is the most populous MSA in Florida. The Palm Beach County hospitality market showed favorable recovery from the pandemic. As of May 2023, RevPAR in the Palm Beach area increased by approximately 70.0% from pre-pandemic amounts while the county welcomed more than 9.1 million visitors.

The Four Seasons Surf Club is in Miami's uptown neighborhood, Surfside, which is part of the greater Miami Beach market. The Miami Beach market offers a variety of tourist and leisure attractions such as expansive beaches, South Beach, lively neighborhoods for shopping and dining, and cultural destinations, such as the Wynwood Arts District, Midtown Miami, and the Miami Design District. The Miami Beach market benefits from international travel thanks to its convenient location to Latin America and the Caribbean. According to the Greater Miami Convention & Visitors Bureau, in 2021, an estimated 15.9 million overnight visitors and an additional 8.3 million day visitors came to the area, creating a $19.2 billion economic impact. Additionally, Miami is ranked as a global city for its importance in finance, commerce, media, entertainment, arts, and international trade. The city is home to many company headquarters and television studios, as well as the largest concentration of international banks in the U.S. As of May 2023, similar to the Palm Beach County market, RevPAR in Miami increased by approximately 37.0% from pre-pandemic amounts.

Hospitality Market Overview

The lodging industry was one of the sectors most severely affected by the pandemic. Leisure travels almost came to a complete stop because of pandemic-related travel restrictions. In spite of this, the lodging industry recovered quickly and showed considerable growth in 2021 and 2022. The growth has shown signs of moderating, with the luxury hotel market reported a decline in RevPAR growth in 2023 in comparison with other hotel markets, and the hotels in the subject portfolio experienced this trend.

Exhibit 1 RevPAR Percent Change, US and Chain Scales



Source: PwC, based on data from STR.

The softening of RevPAR growth within the luxury hotel market is driven by an abundant supply and the return to normalcy after the pandemic. The pandemic-related restrictions prohibiting international travel benefited domestic luxury hotels and resorts in destination locations, leading to immense RevPAR growth. Additionally, as shown in the detailed demand and supply table, although demand for luxury hospitality spiked in 2023, a large supply volume diminishes RevPAR growth. Looking ahead, both demand and supply in 2024 are expected to moderate, which would slightly fuel RevPAR growth for luxury hotels.

Exhibit 2 Chain Scale Outlook, Percent Change From Prior Year 2023 & 2024

Chain Scale Outlook, Percent Change From Prior Year (2023)

Chain Scale	Demand	Supply	Occupancy	ADR	RevPAR
Luxury	6	4.4	1.5	-2.1	-0.6
Upper upscale	5.3	1.8	3.5	3.8	7.4
Upscale	5.6	2.8	2.8	5.2	8.1
Upper midscale	2.8	2.4	0.4	4.2	4.6
Midscale	-0.1	0.9	-1	3.8	2.8
Economy	-3.5	-1	-2.5	3.1	0.5
Independent hotels	2.9	0.8	2.1	2.7	4.9
US total	**2.8**	**1.4**	**1.3**	**4.1**	**5.5**

Source: PwC, based on STR and CoStar data.

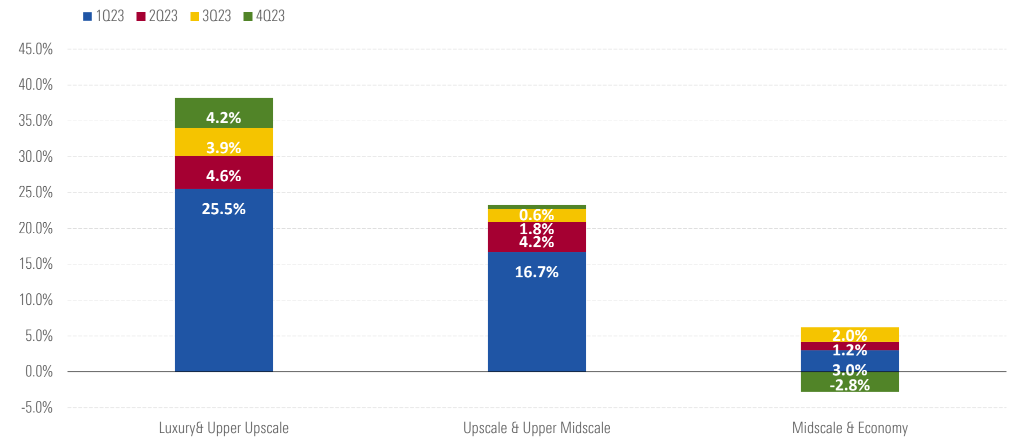
Chain Scale Outlook, Percent Change From Prior Year (2024)

Chain Scale	Demand	Supply	Occupancy	ADR	RevPAR
Luxury	3.3	3.2	0.1	2.1	2.2
Upper upscale	2.2	1.5	0.6	3.2	3.8
Upscale	2.6	2.2	0.3	3.9	4.2
Upper midscale	1.9	2	0	3.5	3.4
Midscale	1.1	1	0.1	2.4	2.5
Economy	0.5	0.3	0.2	1.9	2
Independent hotels	1.4	1.4	-0.1	3.1	3.1
US total	**1.7**	**1.5**	**0.2**	**3.4**	**3.5**

Source: PwC, based on STR and CoStar data.

STR and Tourism Economics recently lowered their growth projections, as part of their August update across the U.S. hotel sector, with occupancy expected to grow 0.8% and ADR to grow 3.6% from the year prior. Conditions are projected to remain subdued into 2024, with occupancy expected to be up 1.0% and ADR up 3.0%.

Exhibit 3 Upper-tier hotels to lead RevPAR growth (YoY change in RevPAR)



Source: STR.

On par with PwC, STR, and Tourism Economics' forecast, DBRS Morningstar is cautiously optimistic about leisure travel and expects it to continue recovering to pre-pandemic levels at a moderated pace in the near term.

Competitive Set Overview

The appraisal has identified the following comparables based on an evaluation of the occupancy rate, rate structure, market orientation, chain affiliation, location, facilities, amenities, reputation, and quality of each area hotel.

PRIMARY COMPETITORS – OPERATING PERFORMANCE (Palm Beach)

		Segmentation (2022)		Estimated 2021				Estimated 2022					
Property	**Number of Rooms**	**Transient (%)**	**Meeting and Group (%)**	**Weighted Annual Room Count**	**Occ (%)**	**Average Rate**	**RevPAR**	**Weighted Annual Room Count**	**Occ (%)**	**Average Rate ($)**	**RevPAR**	**Occupancy Penetration (%)**	**Yield Penetration (%)**
Four Season Resort Palm Beach	207	60	40	207	51.3	1,168.33	598.96	207	55.8	1,344.5	750.23	85.4	131.3
Breakers Palm Beach Hotel	538	50	50	538	50 - 55	1,000 - 1,025	550 - 575	538	70 - 75	1,000 - 1,025	725 - 750	110 - 120	120 - 130
Eau Palm Beach Resort & Spa	309	55	45	309	50 - 55	900 - 925	450 - 475	309	60 - 65	875 - 900	550 - 575	90 - 95	95 - 100
Totals/Averages	**1,054**	**53%**	**47%**	**1,054**	**53.6%**	**$1,010.12**	**$541.34**	**1,054**	**66.4%**	**$1,030.92**	**$684.50**	**101.7%**	**119.8%**

Source: Appraisal.

PRIMARY COMPETITORS – OPERATING PERFORMANCE (Surf Club)

		Segmentation (2022)		Estimated 2021				Estimated 2022					
Property	**Number of Rooms**	**Transient (%)**	**Meeting and Group (%)**	**Weighted Annual Room Count**	**Occ (%)**	**Average Rate**	**RevPAR**	**Weighted Annual Room Count**	**Occ (%)**	**Average Rate ($)**	**RevPAR**	**Occupancy Penetration (%)**	**Yield Penetration (%)**
Four Seasons Hotel at The Surf Club Surfside	102	95	5	104	72.7	1,969.50	1,431.85	102	61.4	2,771.54	1,702.31	94.8	176.1
Acqualina Resort & Residences on the Beach	97	95	5	97	60 - 65	900 - 925	575 - 600	97	60 - 65	1,000 - 1,025	650 - 675	95 - 100	65 - 70
Ritz-Carlton Bal Harbour Miami	102	85	15	95	65 - 70	900 - 925	625 - 650	102	55 - 60	1,100 - 1,125	650 - 675	90 - 95	65 - 70
Setai South Beach	150	95	5	150	60 - 65	1,350 - 1,375	825 - 850	150	60 - 65	1,500 - 2,000	1,025 - 1,050	90 - 95	100 - 110
St. Regis Bal Harbour Resort	216	80	20	214	70 - 75	1,100 - 1,125	800 - 825	216	70 - 75	1,200 - 1,225	850 - 875	100 - 110	85 - 90
Totals/Averages	**667**	**88%**	**12%**	**660**	**69.1%**	**$1,248.22**	**$861.95**	**667**	**67.4%**	**$1,491.11**	**$966.40**	**100.0%**	**100.0%**

Source: Appraisal.

Ratings Rationale

DBRS Morningstar's ratings on FS 2023-4SZN reflects its analysis of the sustainable cash flow and value of the property securing the loan held by the trust; the presence of the loan structural features, such as the lack of amortization, partial pro rata pay structure (if applicable); and qualitative factors such as DBRS Morningstar's opinion of the quality of the underlying collateral property, the current and expected performance of the real estate market in which the property is located, and the current and future state of the macroeconomic environment and its potential impact on the performance of commercial properties.

Analytical Metrics

The table below presents DBRS Morningstar's NCF and valuation metrics as compared with the issuer/arranger's assumptions:

Metric	DBRS Morningstar	Issuer/Arranger
Occupancy (%)	58.10	59.5
Average Daily Rate ($)	1,596.74	1,677.36
Revenue Per Available Room ($)	927.97	997.64
Net Cash Flow ($)	32,148,692	41,527,197
Variance to Arranger NCF (%)	-22.6	n/a
Capitalization Rate (%)[1]	7.14%	5.19%
Concluded Value/Appraised Value ($)[2]	450,258,625	799,800,000
Value Variance (%)	-43.4%	n/a
Value per Room ($)	1,457,148	2,588,350
Whole Loan DSCR on NCF (x)[3]	0.89	1.15
Whole Loan-to-Value Ratio (%)	91.06	51.3

1. The Issuer's capitalization rate is the issuer's underwritten NCF divided by the portfolio stabilized appraised value.
2. The Issuer's Appraised Value is based on the appraisal's as-is value.
3. Based on fixed interest rate of 8.700%.

Site Inspection Summary

DBRS Morningstar toured the properties on August 14, 2023, with members of the hotel management team. Based on the site inspection and guided tour, DBRS Morningstar found the portfolio quality to be Excellent.

Four Seasons Palm Beach

The subject is well situated along Ocean Avenue within Palm Beach, FL, with convenient access from Palm Beach International Airport, as well as surrounding communities. The immediate area is well developed, with significant barriers to entry. The subject benefits from its proximity to acclaimed Worth Avenue shops, three championship golf courses, the International Polo Club, and Downtown West Palm Beach, all of which are within a short driving distance. The oceanfront resort features an expansive, but intimate, stretch of white-sand beach along the Atlantic Ocean.

The property Is slightly set back from the main thoroughfare, secluded behind palm trees and foliage, allowing for privacy. Although sheltered from the main road, there is appropriate signage to facilitate easy accessibility. The landscaping around the perimeter is manicured and lush green, which shows well. The 207-guestroom hotel was constructed in a 'U' shape and is divided into three main buildings: the north wing, the south wing, and the main building. Building exteriors have been well maintained, and the subject fits in well within the immediate area. Once at the property's main entrance, guests pull in to the hotel's cobblestone-paved porte cochere for valet service. Upon entering the lobby, guests will find a wide open space with sleek tile flooring and large marble columns that stretch up to the ceilings. The lobby is well-appointed with artwork, seating and tables, and features a coastal theme design, which makes for a relaxed and comfortable atmosphere. On the right-hand side of the lobby, guests can find the large concierge desk where they can check in. Straight ahead from the entrance is a restaurant, Florie's, which showed well and appeared to be in outstanding condition. Further down the lobby is the walkway toward the hotel's event spaces as well as elevators to guestroom levels.

According to management, the main building contains the larger suites with the standard entry level guestrooms predominantly situated in each wing. However, there are large one- and two-bedroom suites situated out at the end of the wings, which have unobstructed views of the Atlantic Ocean and the beach. Approximately 70% of the subject suites have full ocean view, with the remaining having at least partial views of the ocean. The 2019 re-design of the hotel interiors and suites was inspired by Palm Beach elements and features cabana and coastal style design. The hotel interiors were clean and in excellent condition.

Management believes that the 2019 re-imagining of the hotel solidified the subject's place as a unique, iconic and quintessential part of Palm Beach and "not just another luxury offering". According to management, every single suite type was looked at during the repositioning of the hotel. Renovations added a second pool and completely re-did ballroom and meeting space. Florie's, the new restaurant, was also added, in partnership with Mauro Colagreco, a 3-star Michelin chef. Additional ballroom renovations have been completed as part of their 2023 capex plan.

The Living Room ballroom space was previously an open space that was part of the lobby. This space was privatized as part of the 2018-2019 renovation and turned into a meeting and event space. As part of their 2023 renovations, the fountain outside this space was removed and the outdoor space was privatized as part of the Living Room, allowing for an outdoor experience on pleasant days. This space is well suited for wedding receptions and corporate events. The hotel's Royal Poinciana Ballroom features approximately 6,000 sf of divisible space, which could host up to 1,000 people. Another ballroom, the Banyan Ballroom, is situated one floor above the Royal Poinciana Ballroom and features an identical layout. There were new floor to ceiling windows added in the foyer for the Banyan Ballroom as part of the recent renovations. The lack of windows prior to the renovation made this space not as appealing as the Royal Poinciana Ballroom, however, this is no longer the case. The addition of the windows will allow the hotel to increase their sales volume, as it makes this ballroom more attractive than it was previously. The ballroom spaces have a spacious and open feel and showed well. The spaces have a foyer with large windows, which allow for abundant natural light to flow in and is great for receptions.

Prior to the renovations, the hotel would host approximately three million-dollar or more buyouts per year. With the renovations completed, they expect to do about six to eight per year. Buyouts can range from one weekend for up to 10 days for weddings, corporate events or special gatherings.

Additional hotel amenities include a teen room, a fitness center, spa, kids center and a tennis court. All amenities appeared to be in excellent condition. The teen room featured various games and gaming consoles for kids and teens to play with, which can be very popular during rainy days. The fitness center was spacious and featured Matrix and Peloton branded equipment, as well as two smaller yoga studios. The hotel spa was expansive, clean and well maintained, which is reportedly popular with guests and locals alike.

The repositioning of the hotel had a significant impact on the rate increase the hotel experienced coming out of the pandemic. No major renovations are planned for the near future, besides items that may be required by Four Seasons, however, these items are generally covered by the subject’s generous FF&E reserve. Additionally, the management shared their openness to investing in capital improvements above and beyond the minimums, which may be required by Four Seasons, especially if it can be accretive to the subject’s bottom line.

DBRS Morningstar toured six guestroom types, consisting of the Studio Suite, Standard Oceanview Suite, Ocean Grand One Bedroom Suite, Ocean Terrace Suite, Oceanview Cabana Terrace Room, and The Sea Breeze Presidential Suite. DBRS Morningstar found all guestrooms to be clean and in excellent condition. The guestroom designs aligned well with the property’s overall coastal and cabana style elements. The Studio Suite is their entry level suite type. The room has a relatively spacious feel and features a step out balcony as well as a pool and ocean view. Standard Oceanview Suite type comprises a significant portion of the unit mix at the subject. This is the suite type where group business bookings would be situated. This room type tends to average $700-$800 per night and can rent for upwards of $1,500 during high season. The Ocean Terrace Suite is a new suite type at the subject. It comprises two standard ocean view guestrooms, which were combined during the 2019 renovation to make a large one-bedroom suite. A similar upgrade was completed with two other suites at the subject. The suite is spacious and features a large walk out terrace with unobstructed views of the pool and the ocean. This suite type can command anywhere from $4,000 to $6,000 per night, and up to $8,000 per night during high season. The Oceanview Cabana Terrace Suite is another one bedroom suite type at the subject, which has direct access to pool. This suite type was previously a standard room with no access to the pool, however, stairs were added in during the 2019 renovation to allow for this. The Oceanview Cabana Terrace Suite can rent for as high as $1,500 or more during high season. The Sea Breeze Presidential Suite is the only suite type of its kind at the property. The two bedroom suite is spacious and features abundant living space, including a media room. Large windows allow for ample natural light to flow in the suite. Additionally, the suite allows for private and direct access to the pool and the beach. Sea Breeze Presidential Suite type is not published online and can only be booked directly through the hotel. The Sea Breeze Presidential Suite can command several times the rate of other suites at the subject.

Guest composition for the hotel is approximately 93% domestic, with approximately 65% of that demand coming from the northeast states (NY, NJ, CT, and NH). International travelers are a growth focus for the hotel, particularly within the middle east and gulf cooperation council countries (GCC). The hotel hired a new representative who is focusing on attracting clientele from these countries for the Palm Beach and the Surfside hotels. Hiring this new representative is already showing results as the hotel received interest from a GCC royal family, as well as an African delegation, who reportedly did not have Palm Beach or Surfside on their radar previously.

Four Seasons Surf Club

The subject is well situated along Collins Avenue within Surfside, FL, with convenient access from the Miami International Airport and the Fort Lauderdale-Hollywood International Airport. The immediate area surrounding the hotel is well developed, with significant barriers to entry. The property was newly constructed in 2017, and features a sleek and modern spandrel glass façade that is impossible to miss from the main thoroughfare. The hotel has excellent visibility and appropriately appointed signage, which allows for good accessibility. The property comprises a 12-story hotel tower sitting atop the original Surf Club, as well as a North and a South Building, which feature residential units. The north building houses the residential-hotel units. The hotel features tall palm trees and well-trimmed foliage, as well as manicured landscaping around the perimeter, which showed well and complemented the property. Building exteriors were well maintained, and the subject fit in well within the immediate area.

Once at the property’s main entrance, guests pull in to the hotel’s cobblestone paved porte cochere for valet service. The hotel lobby is situated within the original Surf Club building, which features a Mediterranean theme that pays homage to its Surf Club roots. Upon entering the lobby, hotel guests will find the concierge desk where they can check in. The hotel lobby is expansive, with tall ceilings, and features high quality stone columns and arches, as well as Mediterranean style floor tiles. The overall historic design, look and feel of the Surf Club present a pleasant contrast to the contemporary feel of the hotel and residence buildings, and facilitate a unique experience for guests. The sponsor went to great lengths in order to preserve and maintain the overall look, feel and integrity of the original Surf Club Building. The original hotel lobby and ballrooms were raised by about 20 feet on piles in order to allow for the construction of the lower level, without destroying the historic piece. The newly constructed basement space houses back-of-the-house items such as room service and kitchen. Further down the lobby is the hotel’s acclaimed Lido restaurant. Prior to its current use as one of the hotel bars and restaurants, Lido space housed the two original Surf Club ballrooms. Situated within Lido is the subject’s newly created restaurant, within a restaurant concept, Amadeo. Amadeo was newly created to add an additional option for hotel guests and expanded F&B offerings at the subject. Meticulous attention was paid to maintaining the original look and feel of this space. Overlooking Amadeo, is The Fresco ceiling painting, which was discovered during construction and preserved back to its original condition.

There is a clear distinction when traversing between the historic Surf Club and the modern hotel and residence buildings. Hotel and residence building interiors are well appointed with contemporary finishes and were maintained in excellent condition. Approximately 60% of the suites have unobstructed views of the Atlantic Ocean and 40% feature city or bay view suites. DBRS Morningstar toured four guestroom types, consisting of a City View Room, Ocean View Corner King Room, a Surf Club One-Bedroom Hotel Residence, and a Bay View One-Bedroom Hotel Residence. DBRS Morningstar found all guestrooms to be in excellent condition. The hotel interiors were designed by Joseph Durant, including FF&E, which was all custom made for the hotel and all generally identical across different suites. Rooms are all automated and integrated with smart features, Iding motorized blinds and drapes, which open automatically upon entering into the suite, allowing for breathtaking views of the Atlantic Ocean or the City. The in-suite smart features are popular with guests and help enhance the overall guest experience. The guestrooms feature floor to ceiling windows, which allow for abundant sunlight to flow in. Guestrooms are appointed with luxury finishes, including luxurious Italian marble flooring, tub surround and countertops, as well as luxury brass handles and fixtures. Hotel residences have their own private floors, which are appointed with a full kitchen, with Miele stainless steel appliances as well as in-unit washer and dryers. In-unit washer and dryers reportedly do not get much use, but guests do take advantage of turndown and laundry service. According to management, approximately 10% of the ancillary revenue for the hotel comes from Hotel Residences. DBRS Morningstar was not able to see any of the larger suites because the hotel was accommodating a large, 16 room group from the GCC market, the rooms for which were reportedly sold at the $2,500 to $3,000 per night range, per suite. Additionally, the subject guest rool includes two Oceanfront four-bedroom residences. These suites comprise two two-bedroom residences that were combined post construction. Management reported that the four-bedroom suites generate more than a million dollars in revenue for the hotel per year.

Since FF&E are conforming across different suite types, guest room choice generally comes down to room size, layout and positioning. The hotel has a repeat guest ratio of about 40% and the hotel rooms command an average rate of around $1,000 per night, which has been fairly consistent. Hotel Residences can command rates as high as $5,000 to $6,000 per night. The hotel four bedroom residences and the penthouse are very similar. These suites can command nightly rates that are several times higher than the standard Hotel Residences and will sometimes get booked for three months at a time. Four Season manages Hotel Residence bookings so that it is done equitably.

Guest composition for the hotel is comparable with Four Seasons Palm Beach, which is predominantly driven by domestic demand, with a large portion of that demand coming from the northeast states. As part of the sponsor’s broader plan for the portfolio, international travelers are a growth focus for the hotel, particularly within the middle east and GCC. Management’s plan is to prioritize Four Seasons Surfside with attracting clients from the GCC market, which they expect will organically flow over to Palm Beach.

The hotel experienced significant growth over 2019. Management worked specifically with Four Seasons about the uniqueness of the property to help drive this rate increase and the hotel committed to a rate-driven policy during this time. Given the amount of repeat guests, management is comfortable pushing rate over occupancy, as they are confident that they will do a minimum level of occupancy and their repeat clientele would happily accept a rate increase if that means lower occupancy, hence more privacy for them. According to management, the hotel has significant pricing power and would rather avoid reducing room rate in order to buy occupancy. The hotel is so much above the market in terms of rate that they do not believe this would be accretive to their bottom line because of the loss in the rate.

Third-Party Reports

As part of its analysis, DBRS Morningstar reviewed the appraisal report, PCR, and environmental site assessment (ESA), prepared in connection with the subject transaction.

Appraisal

DBRS Morningstar reviewed the appraisal reports that HVS Consulting & Valuation prepared for both the Four Season Surf Club and the Four Season Palm Beach. The as-is appraised value as of September 26, 2023, was $535,800,000, or $2,588,000 per key for the Four Seasons Palm Beach. The as-is appraised value as of September 18, 2023, was $264,000,000, or $2,775,000 per key for Four Seasons Surf Club.

Property Condition Report

EBI Consulting prepared PCRs dated August 15, 2023, and identified immediate repairs amounting to $3,100 to the Four Seasons Palm Beach, and $13,000 to the Four Seasons Surf Club. The engineer recommended an inflated annual replacement reserve cost of $1,423 and $2,940 per guest room for the Four Seasons Palm Beach and the Four Seasons Surf Club, respectively, over a seven-year term.

Environmental Site Assessment

EBI Consulting provided a Phase I ESA dated August 15, 2023, for the portfolio and did not identify any recognized environmental conditions, controlled recognized environmental conditions, or significant data gaps in connection with either of the two properties presented, thus recommending no further action at this time.

DBRS Morningstar NCF Analysis

DBRS Morningstar determined its concluded sustainable NCF of the underlying property by applying the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. DBRS Morningstar typically makes adjustments to the property rental stream to account for vacancies, market rents, other income, reimbursable expenses per the lease terms, and any other relevant items. To estimate the property's normalized revenue stream, DBRS Morningstar's analysis includes a review of lease terms along with historical financial statements (as available), third-party market reports, appraisal data, PCRs, ESAs, SRAs (as available), and relevant market data, which may include research reports produced by third-party information companies. DBRS Morningstar's revenue and expense estimates, as well as its analytical approach are discussed below.

Departmental Revenue – For the Four Seasons Palm Beach, DBRS Morningstar concluded a RevPAR assumption of $647.89 per key based on an occupancy rate of 56.6% and an ADR of $1,143.99 per key. F&B income and other income was based on the percentage against the total room revenue from the figures for the T-12 ended July 31, 2023. For the Four Seasons Surf Club, DBRS Morningstar concluded a RevPAR assumption of $1,496.38 per key based on an occupancy rate of 61.1% and an ADR of $2,448.05 per key. F&B income and other income was based on the percentage against the total room revenue from the figures for the T-12 ended July 31, 2023. For the portfolio, DBRS Morningstar concluded its sustainable occupancy rate and ADR based on a review of the portfolio's pre- and post-pandemic performance, capital invested, and penetration rates relative to its competitive set.

Departmental Expenses – DBRS Morningstar generally used the percentage for the T-12 ended July 31, 2023, against the total room revenue.

Undistributed Expenses – DBRS Morningstar generally used the percentage for the T-12 ended July 31, 2023, against the total room revenue.

Management Fee and Fixed Expenses – DBRS Morningstar concluded the contractual base management fees and Incentive Management Fees based on the contractual terms for the portfolio. The Thomas Keller restaurant management agreement is subordinate to the terms and provisions of the subject mortgage. DBRS Morningstar concluded real estate taxes based on the July Reforecast figure. DBRS Morningstar concluded insurance costs based on the actual insurance premium.

Replacement Reserves and FF&E – For the Four Seasons Palm Beach, DBRS Morningstar concluded to a FF&E reserve of 4.0% which is higher than the contractual 3.0%. For the Four Seasons Surf Club, DBRS Morningstar concluded to 5.0% of gross revenue, less the Thomas Keller restaurant revenue and non-collateral condo units rental revenue. As it pertains to the non-collateral condo units, DBRS Morningstar included a 5.0% FF&E reserve applied to the net revenue received from the condo units, which is consistent with the contractual terms.

NCF Analysis

	2021	**2022**	**TTM July 2023**	**2023 July Reforecast**	**Issuer Stabilized NCF**	**DBRS Morningstar Stabilized NCF ($)**	**NCF Variance (%)**
Occupancy (%)	58.4%	58.2%	58.0%	59.5%	59.5%	58.1%	-2.4
ADR ($)	1,501.20	1,828.61	1,714.72	1,677.36	1,677.36	1,596.74	-4.8
RevPAR ($)	877.04	1,064.32	993.86	997.64	997.64	927.97	-7.0
Total Departmental Revenue ($)	158,065,170	193,027,019	187,070,789	189,369,963	189,369,963	174,682,947	-7.8
Total Departmental Expense ($)	61,079,749	75,856,688	78,288,099	78,722,782	78,722,782	73,103,143	-7.1
Total Departmental Profit ($)	**96,985,421**	**117,170,330**	**108,782,689**	**110,647,181**	**110,647,181**	**101,579,804**	**-8.2**
Total Undistributed Expense ($)	34,386,677	40,522,636	39,260,824	38,929,300	38,792,093	39,231,134	1.1
Total Fixed Expense ($)	17,633,837	19,677,880	21,071,458	22,315,200	23,922,761	23,472,572	-1.9
NOI ($)	**44,964,907**	**56,969,813**	**48,450,405**	**49,402,681**	**47,932,327**	**38,876,098**	**-18.9**
FF&E ($)	5,155,363	8,171,077	6,963,470	6,404,500	6,405,130	6,727,406	5.0
NCF ($)	**39,809,544**	**48,798,735**	**41,486,935**	**42,998,181**	**41,527,197**	**32,677,801**	**-22.6**

DBRS Morningstar Valuation

DBRS Morningstar's concluded capitalization rate for the property was 7.14%, which resulted in a value of approximately $450,258,625 million, or $1,457,148 per room. The DBRS Morningstar concluded value is approximately 43.7% below the appraiser's concluded appraised value of $799,800,000.

DBRS Morningstar LTV Sizing Benchmarks and Adjustments: DBRS Morningstar's maximum LTV thresholds at each rating category were based on the loan and transaction factors relevant to the analysis as described herein. Based on the transaction's collateral composition, DBRS Morningstar elected to use its Hospitality LTV Sizing Benchmarks as the starting point for the direct sizing analysis. DBRS Morningstar adjusted its maximum LTV thresholds (the Quality/Volatility Adjustment) to account for the following factors:

Cash Flow Volatility: The portfolio captured immense performance growth after the pandemic, capitalizing on international travel restrictions and Florida's relaxed pandemic restrictions in comparison with other domestic destinations. The Four Seasons Palm Beach increased RevPAR by 114.9% from 2019 to 2022, highlighting the demand for the asset and capturing growth from the recent renovations. The Four Seasons Surf Club also increased RevPAR by 88.5% from 2019 to 2022. However, since 2022, the portfolio's RevPAR has declined by 6.6% highlighting the lodging industry's volatile performance and the moderation of demand and performance following the pandemic.

As a result of these factors, DBRS Morningstar elected to increase its LTV thresholds by 1.00%.

Property Quality: The portfolio is the epitome of luxury, offering exceptional accommodations, award-winning amenities, and excellent services. The Four Seasons Palm Beach and Four Seasons Surf Club both offer direct ocean frontage with unrivaled views of the Atlantic Ocean and beaches. Since 2019, the sponsor has invested more than $80.1 million, or $387,242 per key, in the Four Seasons Palm Beach, which included re-designing all guestrooms and suites, repositioning the arrival experience with new landscape architecture and F&B outlets, and remodeling the pool deck. The Four Seasons Surf Club is an iconic, historical asset that currently ranks as the top hotel in the world and the number one hotel in Florida by Condé Nast Traveler. Both assets are two of the most luxurious hotels and resorts in South Florida and the country U.S.

As a result of these factors, DBRS Morningstar elected to increase its LTV thresholds by 4.00%.

Market/Location: Both properties are located on prime oceanfront site in Southern Florida. The Four Seasons Palm Beach is the only luxury resort on the island while the Four Seasons Surf Club is the only luxury resort in Surfside, which maintains the portfolio's competitive advantage. The markets benefit from substantial barriers to entry as a result of the lack of developable oceanfront land available and high development costs. Furthermore, the Miami and Palm Beach markets have displayed immense growth within the hospitality industry since the pandemic and are currently leading the country in ADR and RevPAR as of Q1 2023.

As a result of these factors, DBRS Morningstar elected to increase it LTV thresholds by 2.00%.

DBRS Morningstar elected to forgo the tapering of its Quality/Volatility Adjustment as a result of the exceptional quality of the portfolio; strong historical performance; management under the Four Seasons, which is deemed one of the best luxury hotel operators in the world; Sponsor commitment to the portfolio of two of the most luxurious hotels and resorts in South Florida and the U.S., and strong characteristics of the transaction.

DBRS Morningstar SASB Legal Considerations

Benchmark Features	Credit Neutral Benchmark: The section highlights items that DBRS Morningstar considers to have credit neutral properties with respect to legal considerations. Structurally, DBRS Morningstar does not require legal documents to include specific features. However, DBRS Morningstar typically looks for certain items to be addressed (in context) or otherwise and if not credit neutral include an appropriate mitigant. DBRS Morningstar reserves discretion to apply structural or cash-flow penalties or highlight weaknesses or strengths based on any deviation from its credit neutral expectations for individual features and/or for the totality of cumulative weaknesses or strengths throughout a particular structure, which penalties or highlights may or may not apply similarly in the context of another transaction depending on the totality strengths or weaknesses of the transaction.	Loan specific – Features may not apply depending on transaction/interest rate/security type below. Trust specific – Most features are standard and will apply. Identify deviations from benchmark and classify as individual weakness or mitigant. +/- Column will generally be reserved for exceptions falling outside of the benchmarks. Any deviation that merits an LTV-based adjustment in the tool should receive either a "+" or "-" depending on the direction.	+/-
Loan Level Legal Considerations			
Mortgage Summary	Loan Structure (vs. Trust Structure): Initial Term/Extension Conditions Interest Rate (Floating vs. Fixed) Portfolio or Single Asset: Security Type(s): Fee or leasehold Note vs. Pass-Through Structure Agented (Y/N) Additional Debt (outside of trust)	Whole Loan Amount: $410,000,000 Trust Loan Amount: $410,000,000 Initial Term: 4-year Extension Options: None Interest Rate type: Fixed Single Asset or Portfolio: 2 Full-Service Hotels Note vs. Pass-Through Structure: Pass-Through Structure Fee/Leasehold Interest: Fee Agented: Y Existing Additional Debt (outside Trust): None	
Existing Debt	DBRS Morningstar quantitatively factors in existing whole loan debt (in and outside of Trust) into the ratings analysis including (i) pari passu companion debt (outside the trust) (ii) existing subordinate debt, (iii) mezzanine debt, (iv) debt-like preferred equity, and evaluates in place industry standard co-lender, subordination agreement and/or intercreditor agreements, as applicable. [See CLA/ICA benchmark standards below]. DBRS Morningstar evaluates maximum LTV and minimum DSCR/DY tests and prerequisites.	Whole Loan Amount: $410,000,000 Trust Loan Amount: $410,000,000 Promissory Notes: PB Note A-1, PB Note A-2, SC Note A-1 and SC Note A-2 Existing Additional Debt (outside Trust): None	
Floating Rate: **Interest Rate Cap** **Benchmark**	Floating rate loan to include benchmark with appropriate fallback language and appropriate mechanism for conforming loan alternative rate with cap (minimizing cost and liability to Trust). Follow CREFC and ARRC guidelines. Floating rate mortgage borrowers acquire an interest rate cap to mitigate interest rate exposure during the loan term (including any extensions) in a notional amount at least equal to the mortgage balance. Loan documents require rate cap providers meet the DBRS Morningstar counterparty rating of "A" or higher, or if not rated by DBRSM, an equivalent rating by another NRSRO. DBRS Morningstar calculates a stressed DSCR at the lower of the strike rate or the Unified Interest Rate Analytical Tool UIRAT rate to ensure appropriate debt service coverage in the context of the ratings assigned. Methodology: Interest Rate Stresses for U.S. Structured Finance Transactions	Interest Rate Benchmark: N/A Benchmark Fallback: N/A Rate Cap Provider/Rating: N/A Actual/Maximum Permitted Strike Rate: N/A Rate Cap Required for Extension(s): N/A	
Security	The security for a securitized mortgage loan includes a perfected, first-priority security interest subject only to customary permitted exceptions (with no unsubordinated purchase option or ROFR) in (a) the fee simple	Identify any notable title restrictions: N/A Purchase Options/ROFR: N/A	

	estate, or (b) ground leasehold estate; provided customary ground lease lender protections are provided [see e.g. CREFC Model Rep 36 and leasehold estate collateral section below]	
Borrower Structure	Borrower entity (ies) are structured as a bankruptcy remote SPE; Recycled SPEs address risks related to prior operations and have no outstanding obligations or liabilities. Delivery of an organization chart to identify sponsor/guarantor relationships, satisfactory organization and authority opinions, including standard DE (or other state) bankruptcy opinions and a non-consolidation opinion that considers the impact of any affiliate guarantees or agreements, any other bad facts impacting consolidation, along with appropriate party pairings rendered by experienced BK counsel. Lack of a satisfactory Nonconsolidation Opinion could render the transaction not ratable.	SPE exceptions: N/A Recycled SPEs : Eight recycled SPE's, each of which is an affiliate of the sponsor. The Borrowers will be required to make backward looking representations regarding their compliance with special purpose entity requirements prior to entering into the loan. NonCon Opinion: Yes Independent Director: Yes Guarantor: Fort Hospitality Group LLC No warm-body guarantor. Atypical borrower structures: N/A
Recourse Carve out Guaranty	Market recourse carve out guaranty covering typical bad boy events, [e.g. fraud, misrepresentation, environmental liabilities, prohibited transfers and debt, and voluntary or collusive bankruptcy events provided by a sponsor affiliate with ongoing net worth and liquidity covenants commensurate with the loan size without a cap on bad boy event loss].	Recourse Carve Out Cap Amount: The guarantor's aggregate liability under the non-recourse guaranty for full recourse bankruptcy events is capped at $150.0 MM. Qualified or Unusual Carve Outs: None Unusual Omissions or Inclusions: Minimum Net Worth: Guarantor is required to maintain a net worth (exclusive of the portfolio) of not less than $150.0 MM. In the even the borrower obtains an insurance policy with a sublimit for windstorm/named storm that is less than the 1,000 year PML level, the net worth requirement will automatically increase by $10.0 MM. Minimum Liquidity: Guarantor is not subject to ongoing minimum liquidity requirements.
Permitted Indebtedness	Permitted Future Indebtedness: Limited to unsecured short-term trade payables incurred in the ordinary course of business and certain lease obligations capped at 2-4% of the outstanding balance of the loan (or allocated loan amount, if portfolio) ("Customary Permitted Indebtedness"). If other future additional debt is permitted, provisions to include (i) maximum LTV, minimum Debt Yield and DSCR tests, (ii) requirement for the lenders to enter into an industry standard intercreditor agreement subject to servicer approval under the servicing standard, (iii) RAC, (iv) delivery of a REMIC opinion, and (v) preclusion on debt secured by the property.	Other than Customary Permitted Indebtedness, Future Additional Debt permitted: No
Co-Lender Agreement **Additional Debt** **Pari Passu/Senior, Subordinate**	If the mortgage loan in a the trust is split into multiple notes so the whole loan is not in the trust, there is a co-lender agreement as follows: (i) on a customary form for similar rated transactions and satisfactory to a prudent mortgage lender, (ii) contains certain consent and/or consultation rights among the note holders, (iii) contains appropriate (industry/market) transfer restrictions and requirements related to the notes (including the portion of the loan not being deposited into the CMBS trust issuing the rated certificates) (iv) includes a requirement for lead servicer subject to the servicing standard and consistent provisions applicable to the non-trust companion loans and (v) contains	N/A

	appropriate payment allocations for amounts received on the whole loan among the noteholders. Payments to be applied first to the senior notes, on a pro rata and pari passu basis based on their relative principal balances and then to junior notes (if any) on a pro rata and pari passu basis based on their relative principal balances. If junior notes are being deposited into the trust and used to make payments on rated certificates, principal payments on the senior notes will not be made until after interest payments are made on the junior notes. As long as any junior note is included in a securitization, any purchase option or cure rights of a junior noteholder under the co-lender agreement do not apply.	
Mezzanine Intercreditor Agreement	Any mezzanine loan (x) to be subject to a pre-determined interest rate and (y) to have a term that is co-terminus with the mortgage loan. Mezzanine lender to be "qualified transferee" unaffiliated with the borrower. [See permitted transfers] The holders of the senior loan and the mezzanine loan will enter into an intercreditor agreement on a customary form for similar rated transactions and satisfactory to a prudent mortgage. The intercreditor agreement to include mezzanine lender transfer restrictions, restriction on access to information and rights of any borrower or borrower related party, subordination of mezzanine loan payments, and certain restrictions and requirements related to mezzanine lender remedies and rights while the senior loan is outstanding and may include certain consent, cure, purchase option and/or other rights of the mezzanine lender (so long as mezzanine lender is unaffiliated with borrower).	N/A: No existing mezzanine debt and future mezzanine debt is not permitted
Reserves	All unfunded obligations, including outstanding TI/LCs and free/gap rent, along with any amount necessary to cover immediate repairs and zoning or fire/life safety issues are reserved upfront at closing. In certain cases, certain obligations may be secured by a Letter of Credit (LOC) or guaranteed by a creditworthy entity so long as the amount does not trigger a non-consolidation opinion exception.	Unfunded obligations reserved/not reserved: None Reserve Alternatives: N/A
Lockbox and Cash Management	The loan documents should require a hard in place lender controlled lockbox where tenants or the property manager (as applicable) are directed to deposit payments at closing with an Eligible Institution, therefore preventing delays upon the occurrence of a cash management trigger. DBRS Morningstar evaluates cash management triggers on a case-by-case basis, but generally expects market trigger levels to be set within a reasonable range relative to the initial DSCR or debt yield levels, and for certain property types (e.g. Office, Retail, Industrial) upon appropriate major lease non-renewal or termination events and any uncured EOD and lender control and discretion over application of funds following an EOD.	Lockbox at Close: Yes, soft lockbox and springing cash management Cash Management Triggers: DY, DSCR, LTV tests: DY < 8.5% during the first three years of the loan term or 10.0% during the last year of the loan DSCR < 1.15x during the first three years of the loan term or 1.25x during the last year of the loan Major Lease Triggers: N/A Trigger Avoidance - Cures: Borrower may deliver cash or a letter of credit as cash collateral to satisfy the above thresholds Unusual Provisions: N/A
Permitted Transfers	Transfer provisions are evaluated on a case-by-case basis. Typically, qualified transferee criteria are appropriate to the size and complexity of the securitized loan. For transfers of a controlling interest and/or significant equity interest, loan documents should provide for a new non-consolidation opinion and new carve out guaranty in substantially the same form as closing guaranty with creditworthy (experienced)	Qualified Transferee: Entity or institution that has total net worth in excess of $300.0 MM, excluding the property, and is regularly engaged in the business of owning and operating full service hotels similar to the

	replacement guarantor with qualifications at least commensurate with existing guarantor. If the lender has discretion to approve a transferee notwithstanding other criteria, RAC is customary for such transfers.	properties with a portfolio of no less than 750 keys. New Non-Con Required: Yes New Carve Out Guaranty Required: Yes
Prepayments	Principal payments [including payments and proceeds paid post-EOD and casualty and condemnation proceeds] on the note components are allocated sequentially, and correspondingly, sequentially among the certificates. If any portion of principal payments are allocated pro-rata, DBRS Morningstar may apply a penalty based on a quantitative analysis. Application of those penalties are outlined in "North American Single-Asset/Single-Borrower Ratings Methodology" are also paid sequentially. Full pro rata payment of such proceeds may not permit DBRS Morningstar to rate the transaction.	Prepayment Structure: Defeasance – Loan may be defeased in whole after the earlier to occur of (i) 3 years from loan closing or (ii) 2 years after the date of securitization (Defeasance Lockout Date). Prepayment – Prepayment of the loan is locked out except for the last 12 months of the loan term Partial Pro Rata Structure: N/A
Property Releases	Property partial release provisions to include typical provisions of a prudent lender for a partial release (including no EOD, title, zoning, covenant compliance updates). For portfolio transactions: should include "no cherry picking" provisions that reduce the risk of adverse selection of the portfolio assets. These provisions may include, among others, minimum DSCR or debt yield provisions, maximum LTV or a combination thereof, which are evaluated on a case-by-case basis. Typically, properties that can be released from a securitized portfolio of assets will have a minimum release price of at least 115% of the allocated loan amount to be coordinated with prepayments (above), which release price(s) are expected to remain fixed throughout the life of the transaction without provisions for reappraisal or reallocation (which are generally credit negative).	Unusual Release Provisions: The borrower is entitled to release (without a requirement for defeasance or prepayment of the loan unless certain conditions are triggered which require payment of a release price) a non-income producing parking outparcel at the Surf Club subject to certain terms and conditions in the loan agreement. Minimum Release Price Provisions: Following the Defeasance Lockout Date, in connection with the sale of one of the properties to an unaffiliated third party purchaser, the borrower may release such property equal to the greater of 110% of the allocated loan amount and 90% of the net sales proceeds; and after giving effect to such release, the debt yield is at least equal to the greater of 12.0% and the debt yield immediately prior to such release. Reappraisal or Reallocation Provisions: N/A
Property Management	The property manager may be affiliated with borrower, as determined in the context of borrower strength, or a third party manager in either case with experience, and reputation commensurate with deal size and property type. The lender typically retains the right to replace the property manager with a "Qualified Manager" following certain insolvency or bankruptcy actions or an EOD under the loan documents. The Qualified Manager should be defined in the context of deal size and property type to be consistent with initial property manager.	Affiliated Property Manager?: No – Properties are managed by Four Seasons Hotels Limited Qualified Manager Definition: Person approved by lender in writing Replacement Manager Provisions: N/A
Property Insurance	Borrowing entities should maintain an adequate level of all risk hazard insurance on the securitized property(s) on a full replacement-cost basis together with other customary and prudent insurance coverage in scope and amount including terrorism insurance; provided a premium cap is acceptable and flood, wind and seismic insurance, if applicable. Property-level insurers should meet a DBRS Morningstar minimum rating of A (low), or an equivalent rating from at least one other NRSRO. Certain syndicate level coverages are also acceptable. For seismic insurance, DBRS Morningstar may evaluate insurance providers on a case-by-case basis.	Appraiser Insurable Value: FS Surf Club: Hotel $23,086,409 / FF&E $3,172,200; Historic Building $8,106,523; North Tower $104,268,020; South Tower $129,803,183; West Parking Garage $9,102,530 FS Palm Beach: Building $66,276,634 / FF&E $6,437,700

	Properties with elevated probable maximum loss (PML) estimates, generally greater than 20%, should carry seismic/earthquake insurance or funds for seismic retrofitting have been reserved in the loan documents.	Property Insurance Limit: FS Surf Club: $202,743,060 per occurrence, reinstating after every loss and $100,000 deductible FS Palm Beach: $135,896,996 per occurrence, reinstating after every loss and $100,000 deductible. Notable Rating Exceptions: Otherwise Rated Insurers- Borrower is allowed to maintain Otherwise Rated Insurers unless their Best rating is downgraded. They are not required to replace at renewal. Terrorism Insurance: Yes – Both properties provided by Four Seasons with a limit of $400.0 MM per occurrence and in the annual aggregate, with a deductible $25,000. Seismic Insurance: Yes – Both properties each have $30.0 MM per occurrence and in the annual aggregate with $100,000 deductible Flood/Wind: FS Surf Club: Wind and Named Storm Included for full policy limits FS Palm Beach: Wind included for full policy limits and Named Storm $75.0 MM sublimit per occurrence. Borrower is required to maintain at a minimum, $75.0 MM of Wind/Named Storm coverage upon expiration and renewal of the applicable policy. In addition, the borrower is reqwuired to provide a Probable Maxium Loss (PML) report annualy based on the 1,000 year return modeling to check wind/named storm coverage and in the even the 1,000 year PML results are higher than $75.0 MM the sponsor will need to buy additional insurance.
Environmental	DBRS Morningstar reviews Phase I ESA reports (generally expected to be current within 12 months or loan closing and meet ASTM standards) and evaluates environmental risk on a case-by-case basis. Handling of recognized environmental conditions (RECs) are addressed in the loan documents including reserves, if applicable, and an Environmental Indemnity executed by a creditworthy guarantor. Environmental insurance policies may be acceptable in additional to cash reserves, LOCs or an indemnity if the policy limits are sufficient given the level of risk and the policy is for a term that extends beyond the latest possible extended maturity date of the loan.	Indemnity: Yes, Borrower and Guarantor Reserves: N/A Insurance: N/A
Zoning/Building Code	Properties should conform to zoning and use laws, or constitute legal non-conforming uses or structures covered by law and ordinance insurance, and if legal nonconforming use or structure cannot be rebuilt to the same use and structure (after any event or time), another other satisfactory risk mitigant to minimize the potential deficiency.	Legal Non-Conforming Use(s): Yes, both properties Law and Ordinance Insurance Required: Yes, includes loss to undamaged portion of

	No building code violations should exist unless sufficient reserves or mitigants are in place for timely cure without interfering with operation and occupancy. [See Reserves section above]	policy, demolition costs and increased cost of construction Other Mitigant: N/A Material Code Violations: N/A
Casualty/Condemnation	The lender should have control of awards in excess of 5% of the loan amount (or 5% of the allocated loan amount for portfolio loans). Proceeds and awards are expected to be held and disbursed by the lender or an eligible institution and made available to the borrower only with lender consent for restoration if the casualty exceeds customary thresholds or following condemnation so long as leases contributing sufficient net rental income remain in place. Loan documents should provide for awards to be paid sequentially. [See Prepayments section above]	Restoration Threshold: 5% of outstanding allocated loan amount for each property. Casualty Rebuild Threshold: 30% of fair market value and total floor area of the individual property Condemnation Rebuild Threshold: 10% of FMV and total floor area of the individual property and net rentable area of the individual property around periphery with no improvements taken Business Interruption Insurance Terms: Both properties, 18 months from the date of casualty and containing an extended period of indemnity endorsement covering the 12-month period commencing on the date on which the property has been restored.
Servicing Expenses	The loan documents require that special servicing, workout and liquidation fees and expenses and other fees related to administration and servicing of the loan are covered by the borrower.	Limits on Borrower Obligations: N/A
Condominium(s)	DBRS Morningstar evaluates condominium structures on a case-by-case basis. The applicable borrowing entity (ies) should control or have veto rights over the condominium board and budget. Recognized rights of lender declaration not to be amended without lender consent. Interrelated condo units will be evaluated for credit impact.	The Four Seasons Surf Club is a condominium property and subject to a condominium declaration. and comprised of 151 condominium units. The units are split between 119 traditional condominium units and 32 transient condominium units. The collateral in the subject has a total of 102 keys (77 hotel guest rooms and 25 third-party owned participating (non-collateral) condominium units. Condominium unit owners pay Shared Component Costs that cover costs associated with common area repair, maintenance, replacements, management, operation, taxes and insurance.
Ground Lease/Leasehold Estate	DBRS Morningstar evaluates ground lease structures on a case-by-case basis, and generally expects confirmation of industry typical representations, including, a recorded memorandum, a term extending a sufficient period beyond the loan term, notice and cure provisions, no amendments without lender's consent, new lease provisions, no superior liens, ability to sublease without cumbersome restrictions, ability of lender to foreclose and subsequently assign the ground lease and to control insurance or condemnation proceeds. [see CREFC 36]	N/A
Borrower Structure: DST, TIC, Sharia Law	To be identified and outlined on case-by-case basis.	N/A
Hospitality Properties	DBRS Morningstar evaluates hospitality properties on a case-by-case basis. Loan documents for each loan secured by a hospitality property operated pursuant to a franchise agreement [in place for the term of the loan] generally include an executed comfort letter or similar agreement signed by lender and the franchisor. The security includes a	Franchise Agreement Term: N/A

	security interest in the revenues for which a UCC financing statement has been filed in the appropriate filing office.	
Tax Abatements	DBRS Morningstar evaluates tax abatements and incentive programs on a case-by-case basis and weighs the cost of the restrictions / conditions with the tax savings.	N/A
Other Considerations	Loan Level Exceptions to Borrower Representations and Warranties	N/A
Trust Level Considerations		
Certificate Summary	n/a	P&I Certificate(s) To Be Issued: Classes A, B, C, D, E, F and risk retention class (HRR). IO Certificate(s) To Be Issued: Class X Interest Accrual: Pass-through rates reflected in the offering documents. Distribution Date(s): 10th of each month subject to a succeeding business day convention. [Note: Determination Date is the 6th. The Distribution Date is 4 Business Days after the Determination Date. Not sure if you want to provide more detail]
Rated Final Distribution/Hard Tail Period	DBRS Morningstar determines a credit neutral hard tail period and rated final distribution date on a case-by-case basis based on the complexity and potential delays in realization on the collateral (such as multiple debtors and properties, multiple notes and creditors, complex collateral structure and delays in the exercise of remedies under various state foreclosure laws). The Hard Tail period is the period between (x) the maturity date of the loan plus (i) loan extensions contemplated in the loan documents and (ii) extension modification periods exercisable by the special servicer in the servicing agreement, and (y) the rated final distribution date. If a ground lease constitutes a portion of the collateral, the Trust & Servicing Agreement (TSA) is expected to restrict the rights of the special servicer to extend the loan to a date no longer than 20 years prior to the termination date of the ground lease. The hard tail period should reflect an appropriate period of time to realize on the collateral assuming the occurrence of a maturity date payment default. For example, operationally complex property types, transactions with multiple layers of debt, and/or portfolios of assets might warrant hard tail periods of 7 or 9 years, while less complex transactions might only warrant a 5-year hard tail period. In order to maintain the integrity of the hard tail period during the transaction, the TSA should preclude maturity date extensions during any portion of the hard tail period.	Rated Final Distribution: November 2039 Hard Tail Period: 7 years Servicer Permitted Extensions: 5 years
Payment Structure	DBRS Morningstar generally views sequential payment of principal and interest distributions on the certificates as credit neutral. If a portion of principal payments are allocated pro-rata, DBRS Morningstar may apply a penalty based on a quantitative analysis. Any pro-rata prepayment provisions are expected to (i) be limited to a specified percent or amount, (ii) not apply post default, and (iii) pertain to voluntary prepayments (i.e. not casualty or condemnation proceeds). DBRS Morningstar evaluates interest-only certificates, payment priorities and corresponding ratings according to its Rating North American CMBS Interest-Only Certificates Methodology.	Principal and Interest: Sequential pay Prepayment Amount: N/A Pro Rata Cap: N/A Interest Only Certificates: paid interest pari-passu with the Class A certificate in the waterall.

Payment Timing	Since DBRS Morningstar's ratings address timely payment of interest and ultimate payment of principal on the rated certificates, a review of the loan documents and securitization documents is generally conducted to confirm if payment dates on the loan(s) and any hedges, taking into account any grace and cure periods, are at times sufficient to accommodate timely receipt of proceeds from such collateral for distribution to certificateholders on the distribution date enumerated in the servicing agreement. In addition, principal and interest advancing by the servicer or trustee are expected to be performed in time for distribution to certificateholders on the distribution date.	Exceptions: N/A
Realized Losses	Any realized loss applied to reduce principal balance certificates should be applied bottom up beginning with the lowest rated class until reduced to zero. Any realized loss applied to a principal balance certificate should also reduce the notional amount of any corresponding interest only certificate. Any exceptions are evaluated on a case-by-case basis.	Loss Allocation: Class HRR, F, E, D, C, B, A
Appraisal Reductions	The TSA should require the special servicer to calculate and apply Appraisal Reduction Amounts (ARAs) in conformity with the TSA and market practice. This process generally includes obtaining new appraisal(s) for the collateral within a customary timeframe if certain triggers occur, such as an uncured default, certain material modifications of the loan, the property becoming REO property, a receiver being appointed for the property, or certain bankruptcy or insolvency actions involving the borrower. If such appraisals are not received within a customary time frame, the TSA generally should include application of an automatic haircut for purposes of calculating the ARA.	New Appraisals Required Upon Triggers: Yes Major Triggers: 60 days after uncured payment delinquency (other than maturity default), 90 days after an uncured balloon payment default (unless a refinancing or sale is anticipated within 120 days), certain bankruptcy events related to borrower, and other customary triggers. New Appraisal Deadline: 60 days after the underlying trigger event occurs. Auto-ARA Feature: Yes Auto-ARA Amount: 25% of the outstanding principal balance of the mortgage loan. ARA Amount: The amount equal to the excess of (a) the outstanding loan principal balance plus all accrued and unpaid interest, unreimbursed administrative and property protection advances and interest on all advances, all currently due and unpaid real estate taxes and assessments and insurance premiums and other amounts due including all unpaid trust fund expenses over (b) the sum of the aggregate of either (x) 90% of the related appraised value or (y) the assumed appraised value of the property, net of any senior liens, plus any escrows or reserve amounts, including for taxes and insurance premiums.
Credit Risk Retention	U.S. originated transactions are subject to the U.S. credit risk retention rules. An economic interest in the credit risk of the trust loan is expected to be retained as either an eligible horizontal or vertical interest. The retaining sponsor intends to satisfy the risk retention requirements through the purchase and retention by an issuer-affiliated entity or third-party purchaser (TPP).	Reg RR Risk Retention Required: Yes Economic Interest Type: Eligible Horizontal Interest Economic Interest Form: Class HRR Certificates

		TPP: Yes TPP Entity: Franklin HRR CMBS Holdings, LLC
Controlling Class/Directing Certificateholder	Typically, one or more of the subordinate classes of certificates (or a representative or directing certificateholder appointed by the applicable class) are provided certain consent and direction rights over major decisions under the TSA prior to the occurrence and continuance of certain trigger events. After the occurrence and during the continuance of such triggers, the consent and/or direction rights will terminate. The controlling class is also typically provided the right to terminate and replace the special servicer. Any consent and direction rights of controlling certificateholders or the directing certificateholder should be subject to a servicing standard override and an immediate action override, any borrower or borrower affiliate to be precluded from exercising any such rights, and customary formulas based on the outstanding principal of the respective holder to determine the termination of a consent or consultation period (typically 25% of the control eligible class outstanding).	Controlling Eligible Class: Class HRR, and so long as held at least 50% by the TPP Entity or an affiliate, the Class E and Class F Other Provisions: Controlling Class Representative: Franklin HRR CMBS Holdings, LLC and who is elected by holders of more than 50% of controlling class balance.
Servicing and Special Servicing	The servicing and special servicing of mortgage loans and REO loans should be performed by qualified servicer/special servicer in accordance with a servicing standard on behalf of the trust and in the best interests of the certificate holders as a collective whole and without regard to any conflicts of interest. Customary special servicing events should result in the transition of the loan to special servicing.	Servicing Standard: Yes Servicer Ranking: MOR CS3 required Special Servicer Ranking: MOR CS3 required
Replacement of Special Servicer	The TSA typically provides rights to certain parties to remove the special servicer, with or without cause. Any termination of the special servicer or servicer should require replacement with a special servicer or servicer meeting certain customary requirements. TSA is also expected to specify certain events that provide rights to terminate the servicer or special servicer for certain material breaches, bankruptcy actions, or failure to maintain specified ratings or rankings.	Special Servicer Replacement Rights: Controlling Class or a certain percent of certificateholders, at times set forth in the servicing agreement.
Advancing	The TSA should provide for (i) principal and interest advancing, (ii) property protection advancing, and (iii) administrative expense advancing. Advancing should be subject to a recoverability determination and appraisal reductions, as applicable. In certain circumstances, emergency advancing or other mechanics are expected to allow payment of emergency expenses (such as to avoid an insurance lapse or tax lien).	Advancing: Yes Details: Standard and required subject to recoverability determination and ARAs.
Operating Advisor	Where an operating advisor is being engaged under the TSA, it should have certain limited rights to monitor the performance of the special servicer and provide certain oversight with respect to the special servicer. An operating advisor consultation trigger event generally occurs when the outstanding certificate balance of the control class certificates (after applying any realized losses and cumulative ARAs) is 25% or less than its initial certificate balance. After such trigger event occurs, the operating advisor may also consult on a non-binding basis with the special servicer regarding any asset status reports and with respect to major decisions processed by the special servicer.	Operating Advisor: Pentalpha Surveillance LLC
Rating Agency Confirmation and Notices	DBRS Morningstar evaluates rating agency confirmation (RAC) or notification (RAN) requirements (or lack thereof) on a case-by-case basis. DBRS Morningstar generally anticipates that the TSA and/or the loan documents will require a RAC prior to certain material loan amendments, modifications, borrower requests and/or material amendments to the loan agreement, and TSA. Where applicable, RAC is also expected over material amendments to mezzanine intercreditor	Standard

	agreements and co-lender agreements. DBRS Morningstar evaluates any timing restrictions and/or notice requirements for a RAC on a case-by-case basis. The TSA should provide for certain material documents and notices to be provided for review during the term of the securitization trust.	
Trust Fees/Borrower Fees	Certain administrative fees may be paid out of payments received on the loan prior to payments being made to the certificateholders, such as the servicing fee, the trustee fee, the certificate administrator fee, the CREFC fee and any applicable operating advisor fees. Special servicing fees, liquidation fees and work-out fees are expected not to exceed any caps on such fees in the loan agreement and to be paid by the borrower. Generally, there is no cap on modification fees that the special servicer may charge the borrowers and typically modification fees received by the special servicer over the lifetime of the mortgage loan are required to offset (on a 1:1 basis) any liquidation and workout fees that the special servicer could otherwise charge the issuing entity. Modification fees are fees with respect to a modification, extension, waiver, or amendments that modify, extend, amend, or waive any term of the loan documents, other than (1) any assumption fees, defeasance fees, consent fees, or assumption application fees, and (2) liquidation, workout, and special-servicing fees.	Trustee Name and Rating: Wilmington Trust, N. A. Servicing Fee: 0.00475% Trustee Fee: 0.0112% Certificate Administrator Fee: included in Trustee Fee CREFC Fee: 0.0005% Operating Advisor Fee: 0.00349% Work-out/Liquidation Fee: 0.50% Special Servicing Fee: 0.25% Modification Fee: netted but not capped
Borrower and Borrower Affiliate Restrictions	Any controlling class certificateholder, directing certificateholder, certificateholder, additional debtholder (mezz), servicer, special servicer or other applicable party should be subject to restrictions on consent rights, consultation rights, decisions and/or access to workout and other related information if such entity is a borrower or borrower affiliate.	N/A
Minimum Rating Requirements	DBRS Morningstar maintains minimum rating requirements for permitted investments, eligible trust accounts, eligible institutions, and insurer ratings in accordance with its Legal Criteria for U.S. Structured Finance Methodology, among others. Generally, DBRS Morningstar requires a minimum rating for investments with a maturity of 30 days or less, a DBRS Morningstar short term rating of at least R-1(middle) or long term rating of at least A; with a maturity of 90 days or less, a DBRS Morningstar short term rating of at least R-1(middle) or long term rating of at least AA(low); with a maturity of 180 days or less, a DBRS Morningstar short term rating of at least R-1(high) or long term rating of at least AA; and with a maturity of 365 days or less, a DBRS Morningstar short term rating of at least R-1(high) or long term rating of at least AAA, in each case, if not rated by DBRS Morningstar, then at least an equivalent rating by two other NRSROs.	Trustee Rating: A Certificate Administrator Rating: BBB(low) Custodian Rating: Included in Certificate Administrator Advancing Agent Rating: Trustee is back up advancing agent

Methodologies

The principal methodology DBRS Morningstar applied to assign ratings to this transaction is the *North American Single-Asset/Single-Borrower Methodology*. This methodology can be found on www.dbrsmorningstar.com under the heading Methodologies & Criteria. Alternatively, please contact info@dbrsmorningstar.com or contact the primary analysts whose information is listed in this report.

For a list of the related methodologies for our principal Structured Finance asset class methodologies that may be used during the rating process, please see the *DBRS Morningstar Global Structured Finance Related Methodologies* document on www.dbrsmorningstar.com. Please note that not every related methodology listed under a principal Structured Finance asset class methodology may be used to rate or monitor an individual structured finance or debt obligation.

Surveillance

DBRS Morningstar will perform surveillance subject to its *North American CMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of October 12, 2023. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Appendix A - Environmental, Social and Governance (ESG) Considerations

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	
	Emissions, Effluents, and Waste	Do the costs or risks result in a higher default risk or lower recoveries for the securitized assets?	N	
	Carbon and GHG Costs	Do the costs or risks related to GHG emissions result in higher default risk or lower recoveries of the securitized assets?	N	
		Are there potential benefits of GHG-efficient assets on affordability, financeability, or future values (recoveries)?	N	
		Carbon and GHG Costs:		
	Climate and Weather Risks	Are the securitized assets in regions exposed to climate change and adverse weather events affecting expected default rates, future valuations, and/or recoveries?	N	
Social		**Overall:**	**N**	
	Social Impact of Products and Services	Do the securitized assets have an extraordinarily positive or negative social impact on the borrowers and society, and do these characteristics of these assets result in different default rates and/or recovery expectations?	N	
		Does the business model or the underlying borrower(s) have an extraordinarily positive or negative effect on their stakeholders and society, and does this result in different default rates and/or recovery expectations?	N	
		Considering changes in consumer behavior or secular social trends: does this affect the default and/or loss expectations for the securitized assets?	N	
		Social Impact of Products and Services:		
	Human Capital and Human Rights	Are the originator, servicer, or underlying borrower(s) exposed to staffing risks and could this have a financial or operational effect on the structured finance issuer?	N	
		Is there unmitigated compliance risk due to mis-selling, lending practices, or work-out procedures that could result in higher default risk and/or lower recovery expectations for the securitized assets?	N	
		Human Capital and Human Rights:		
	Product Governance	Does the originator's, servicer's, or underlying borrower(s)' failure to deliver quality products and services cause damage that may result in higher default risk and/or lower recovery expectations for the securitized assets?	N	
	Data Privacy and Security	Does the originator's, servicer's, or underlying borrower(s)' misuse or negligence in maintaining private client or stakeholder data result in the risk of financial penalties or losses to the issuer?	N	
Governance		**Overall:**	**N**	
	Corporate / Transaction Governance	Does the transaction structure affect the assessment of the credit risk posed to investors due to a lack of appropriate independence of the issuer from the originator and/or other transaction parties?	N	
		Considering the alignment of interest between the transaction parties and noteholders: does this affect the assessment of credit risk posed to investors because the alignment of interest is inferior or superior to comparable transactions in the sector?	N	
		Does the lack of appropriately defined mechanisms in the structure on how to deal with future events affect the assessment of credit risk posed to investors?	N	
		Considering how the transaction structure provides for timely and appropriate performance and asset reporting: does this affect the assessment of credit risk posed to investors because it is inferior or superior to comparable transactions in the sector?	N	
		Consolidated ESG Criteria Output:	**N**	

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer. If any factor is proposed to have a Significant Effect, this should be reflected in the Press Release

ESG Considerations

Environmental

There were no environmental factors that had a relevant or significant effect on the credit analysis. For more details about which environmental factors could have an effect on the credit analysis, please refer to the checklist above.

Social

There were no social factors that had a relevant or significant effect on the credit analysis. For more details about which social factors could have an effect on the credit, please refer to the checklist above.

Governance

There were no governance factors that had a relevant or significant effect on the credit analysis. For more details about which governance factors could have an effect on the credit analysis, please refer to the checklist above.

The above ESG discussion relates to credit risk factors that could impact the issuer's credit profile and, therefore, the rating of the issuer. They are separate from ESG sustainability factors, which are generally outside the scope of this analysis. A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings at https://www.dbrsmorningstar.com/research/396929/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings.

Glossary

ADR	average daily rate	**MTM**	month to month
ALA	allocated loan amount	**MSA**	metropolitan statistical area
ARA	appraisal-reduction amount	**n.a.**	not available
ASER	appraisal subordinate entitlement reduction	**n/a**	not applicable
BOV	broker's opinion of value	**NCF**	net cash flow
CAM	common area maintenance	**NNN**	triple net
capex	capital expenditures	**NOI**	net operating income
CBD	central business district	**NRA**	net rentable area
CBRE	CB Richard Ellis	**NRI**	net rental income
CMBS	commercial mortgage-backed securities	**NR – PIF**	not rated – paid in full
CRE	commercial real estate	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCA**	property condition assessment
DPO	discounted payoff	**PCR**	property condition report
DSCR	debt service coverage ratio	**P&I**	principal and interest
DSR	debt service reserve	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	payment in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures, and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation, and air conditioning	**sf**	square foot/square feet
IO	interest only	**SPE**	special-purpose entity
LC	leasing commission	**TI**	tenant improvement
LGD	loss severity given default	**TIC**	tenants in common
LOC	letter of credit	**T-12**	trailing 12 months
LOI	letter of intent	**UW**	underwriting
LS Hotel	limited-service hotel	**WA**	weighted average
LTC	loan-to-cost ratio	**WAC**	weighted-average coupon
LTCT	long-term credit tenant	**x**	times
LTV	loan-to-value ratio	**YE**	year end
MHC	manufactured housing community	**YTD**	year to date

Definitions

Capital Expenditure (capex) Costs incurred in the improvement of a property that will have a life of more than one year.
DBRS Morningstar Market Rank (DBRSM MR) The Market Rank is a number of one through eight that corresponds to the underlying property's zip code. For portfolio loans with multiple underlying properties, the Market Rank applied reflects an approximation of the weighted-average figure based on the corresponding model coefficients.
DBRS Morningstar MSA Group (DBRSM MSA) The MSA Group is a number of one through three for the top 25 largest MSAs and is based on the MSA's historical performance. All MSAs outside of the top 25 reflect a MSA Group number of zero. For portfolio loans with multiple underlying properties, the MSA Group applied reflects an approximation of the weighted-average figure based on the corresponding model coefficients.
DBRS Morningstar Refi DSCR A measure that divides the DBRS Morningstar Stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.
DBRS Morningstar Term DSCR A measure that divides the DBRS Morningstar Stabilized NCF by the actual debt service payment.
Debt Service Coverage Ratio (DSCR) A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.
Effective Gross Income (EGI) Rental revenue minus vacancies plus miscellaneous income.
Issuer UW Issuer underwritten from Annex A or servicer reports.
Loan-to-Value Ratio (LTV) The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.
Net Cash Flow (NCF) The revenue earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions, and capex (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions, and capex.
NNN (Triple Net) A lease that requires the tenant to pay operating expenses such as property taxes, insurance, and maintenance, in addition to the rent.
Net Operating Income (NOI) The revenue earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves, and leasing commissions.
Net Rentable Area (NRA) The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.
Revenue Per Available Room (RevPAR) A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.
Tenant Improvements (TIs) The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.
Weighted Average (WA) Calculation is weighted by the size of each mortgage in the pool.
Weighted-Average Coupon (WAC) The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

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