

BMO 2023-C5 Mortgage Trust

Class	Amount (\$)	Expected Rating	Expected Rating Outlook	CE (%)	Legal Final Maturity
A-1	12,893,000	AAAsf	Stable	30.000	June 2056
A-2	111,092,000	AAAsf	Stable	30.000	June 2056
A-SB	13,883,000	AAAsf	Stable	30.000	June 2056
A-4 ^a	132,000,000	AAAsf	Stable	30.000	June 2056
A-5 ^a	180,830,000	AAAsf	Stable	30.000	June 2056
X-A ^b	450,698,000	AAAsf	Stable	30.000	June 2056
A-S	70,824,000	AAAsf	Stable	19.000	June 2056
B	31,388,000	AA-sf	Stable	14.125	June 2056
C	24,145,000	A-sf	Stable	10.375	June 2056
X-B ^b	126,357,000	A-sf	Stable	—	June 2056
Dc	12,877,000	BBBsf	Stable	8.375	June 2056
X-D ^{b, c}	12,877,000	BBBsf	Stable	—	June 2056
E ^c	6,438,000	BBB-sf	Stable	7.375	June 2056
X-E ^{b, c}	6,438,000	BBB-sf	Stable	—	June 2056
F-RR ^{c, d}	12,073,000	BB-sf	Stable	5.500	June 2056
X-FRR ^{b, c, d}	12,073,000	BB-sf	Stable	—	June 2056
G-RR ^{c, d}	6,438,000	B-sf	Stable	4.250	June 2056
X-GRR ^{b, c, d}	6,438,000	B-sf	Stable	—	June 2056
J-RR ^{c, d}	27,364,241	NR	—	—	June 2056
X-JRR ^{b, c, d}	27,364,241	NR	—	—	June 2056
Combined VRR Interest ^e	13,743,821	—	—	—	—
Total					

^aThe initial certificate balances of classes A-4 and A-5 are not yet known but are expected to be \$312,830,000 in aggregate, subject to a 5% variance. The certificate balances will be determined based on the final pricing of those classes of certificates. The expected class A-4 balance range is \$0-\$132,000,000, and the expected class A-5 balance range is \$180,830,000-\$312,830,000. The balances for classes A-4 and A-5 reflect the midpoint of each range.

^bNotional amount and interest only. ^cPrivately placed and pursuant to Rule 144A. ^dHorizontal risk retention interest. ^eVertical risk retention interest CE - Credit enhancement. NR - Not rated.

The certificates represent the beneficial ownership interest in the trust, the primary assets of which are 34 loans secured by 190 commercial properties having an aggregate principal balance of approximately \$657.6 million as of the cut-off date. The loans were contributed to the trust by Bank of Montreal, Citi Real Estate Funding Inc., KeyBank National Association, Zions Bancorporation, N.A., BSPRT CMBS Finance, LLC, 3650 Real Estate Investment Trust 2 LLC, Starwood Mortgage Capital LLC, German American Capital Corporation and UBS AG. The master servicer is expected to be Midland Loan Services, a Division of PNC Bank, National Association, and the special servicer is expected to be Rialto Capital Advisors, LLC.

Interactive Deal Tool

Fitch Ratings CMBS Portal

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The expected ratings disclosed in this report do not reflect final ratings but are solely based on information provided by the issuer as of May 18, 2023. The transaction is expected to close on June 21, 2023.

Presale Disclaimer

Representations, Warranties and Enforcement Mechanisms Appendix

Applicable Criteria

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Key Rating Driver Impact

KRD Impact	Rating Impact
Higher Leverage Compared to Recent Transactions	Negative
Property Type Concentration	Positive
Lower Pool Concentration	Positive

Source: Fitch Ratings

Key Rating Drivers

Higher Leverage than Recent Transactions: The pool has higher leverage than recent Fitch-rated transactions. The pool's Fitch loan-to-value ratio (LTV) of 94.5% is higher than the YTD 2023 average of 89.8% but lower than the 2022 average of 99.3%. However, the pool's Fitch net cash flow (NCF) debt yield (DY) of 10.6% is higher than both the YTD 2023 average of 10.5% and the 2022 average of 9.9%. Excluding credit opinion loans, the pool's Fitch LTV and DY are 98.0% and 10.2%, respectively, compared with the equivalent conduit YTD 2023 LTV and DY averages of 76.9% and 10.1%, respectively.

Lower Pool Concentration: The pool has lower pool concentration than recently rated Fitch transactions. The top 10 loans in the pool make up 56.4% of the pool, lower than the YTD 2023 average of 62.5% and in line with the 2022 average of 55.2%.

Property Type Concentration: Loans secured by industrial properties represent 25.1% of the pool by balance, higher than the YTD 2023 and 2022 averages of 16.5% and 11.1%, respectively. Some CMBS property types have a higher average likelihood of default than others. Industrial property types are on the lower end of likelihood to default under Fitch's "Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria."

Highlights

Effect	Highlight
+	Above Average Amortization: Based on the scheduled balances at maturity, the pool will pay down by 5.5%, which is above the YTD 2023 average of 2.0% and the 2022 average of 3.3%. The pool has 22 interest-only (IO) loans (66.2% of the pool by balance), which is higher than the YTD 2023 average of 77.2% and the 2022 average of 77.5%. Six loans (23.8% of the pool) are partial IO, which is below the YTD 2023 average of 7.4% and the 2022 average of 10.2%, respectively.
Neutral	Investment Grade Credit Opinion Loans: Three loans, representing 11.4% of the pool, received an investment grade credit opinion. Oak Street NLP Fund Portfolio (4.6%) received a standalone credit opinion of 'A-sf', Harborside 2-3 (4.6%) received a standalone credit opinion of 'BBBsf' and Pacific Design Center (2.3%) received a standalone credit opinion of 'BBB-sf'. The pool's total credit opinion percentage is below the YTD 2023 average of 21.6% and the 2022 average of 14.4%.
+	No Meaningful Changes from Prior Transactions: This transaction is the second securitization this year by this issuer. Fitch has rated a total of four other transactions issued by this shelf. All transactions have been collateralized with comparable credit quality and assets and have used the similar structure and transaction parties. Fitch's projected asset loss on the transaction's credit enhancement (CE) is consistent with prior transactions.
Neutral	Mortgage Coupons: The pool's weighted average (WA) mortgage coupon is 6.74%, which is higher than the YTD 2023 average of 6.29% and the 2022 average of 4.54%. Interest rates have risen recently, approaching long-term averages. However, the pool's WA loan constant (7.2%) remains well below the Fitch WA loan constant of 10.6% for the pool.
+	No Libor/SOFR Exposure: All loans in the pool are fixed-rate mortgages. As a result, neither the assets nor the rated notes have Libor/SOFR exposure.
Neutral	Minimal Credit Impact from ESG: The highest level of ESG credit relevance is a score of '3'. This means that ESG issues are credit-neutral or have only a minimal credit impact on the transaction, due to either their nature or the way in which they are being managed. See the ESG Navigator chart in <i>Appendix 2</i> for details.

Source: Fitch Ratings

Key Transaction Parties

Role	Name	Fitch Rating
Depositor	BMO Commercial Mortgage Securities LLC	AA-/F1+/Negative (Parent)
Sponsors, Mortgage Sellers and Originators	Bank of Montreal	AA-/F1+/Negative
	Citi Real Estate Funding Inc.	A/F1/Stable (Parent)
	KeyBank, National Association	A-/F1/Stable (Parent)
	Zions Bancorporation, N.A.	BBB+/F1/Stable
	BSPRT CMBS Finance, LLC	NR
	3650 Real Estate Investment Trust 2 LLC	NR

Role	Name	Fitch Rating
	Starwood Mortgage Capital LLC	NR
	German American Capital Corporation	BBB+/F2/Positive (Parent)
	UBS AG	A+/F1/Negative
	Arbor Private Label, LLC	NR
	Goldman Sachs Bank USA	A/F1/Stable (Parent)
Master Servicer	Midland Loan Services, a Division of PNC Bank, National Association	CMS2+
Special Servicer	Rialto Capital Advisors, LLC	CSS2+
Trustee and Certificate Administrator	Computershare Trust Company, National Association	BBB/F3/Stable
Operating Advisor	Park Bridge Lender Services LLC	NR
Underwriters	BMO Capital Markets Corp.	AA-/F1+/Negative (Parent)
	Citigroup Global Markets Inc.	A/F1/Stable (Parent)
	KeyBanc Capital Markets Inc.	A-/F1/Stable (Parent)
	Deutsche Bank Securities Inc.	BBB+/F2/Positive (Parent)
	UBS Securities LLC	A+/F1/Negative
	Bancroft Capital, LLC	NR
	Drexel Hamilton, LLC	NR

^aGreat Lakes Crossing Outlets (5.7% of the pool) was co-originated by Bank of Montreal, DBR Investments Co. Limited and Goldman Sachs Bank USA; Bank of Montreal and German American Capital Corporation are contributing the notes included in this transaction. Harborside 2-3 (4.6% of pool) was co-originated by Citi Real Estate Funding Inc. and Bank of Montreal; Citi Real Estate Funding Inc. and Bank of Montreal are contributing the notes included in this transaction.
Source: Fitch Ratings, BMO 2023-C5

Transaction Comparison

Fitch selected the below comparable transactions as they are considered to have similar features, including similar key attributes such as leverage profiles, property-type compositions, geographic concentrations and loan concentrations, among others.

General Information	BMO 2023-C5	MSWF 2023-1	BMARK 2023-B38	YTD 2023	2022
Pool Balance (\$ Mil.)	657.6	664.0	656.9	825.9	949.8
Number of Loans	34	30	25	30	49
Number of Properties	190	30	42	79	112
% of Pool Largest 10 Loans	56.4	60.3	68.5	62.5	55.2
Average Loan Size (\$ Mil.)	19.3	22.1	26.3	25.2	20.1
% of Pool with Investment Grade Credit Opinion	11.4	15.2	34.7	21.6	14.4
WA Mortgage Rate (%)	6.65	6.70	6.27	6.29	4.54
WA Loan Constant (%)	7.16	6.97	6.56	6.61	4.93
Fitch WA Constant (%)	10.58	10.12	9.82	10.05	10.02
Issuer WA DSCR (x)	1.73	1.68	1.95	1.90	2.53
Issuer WA Capitalization Rate (%)	6.40	5.94	6.38	6.27	5.62
Fitch WA Capitalization Rate (%)	9.76	9.26	8.91	9.17	9.08
Fitch Value Decline (%) ^a	43.6	43.9	38.2	42.8	48.6
Issuer WA LTV (%)	54.1	52.0	51.5	52.1	52.9
Fitch WA LTV (Trust Amount) (%)	94.5	92.6	85.1	89.8	99.3
Issuer NCF Debt Yield (%)	12.2	11.6	12.6	12.3	11.4
Fitch NCF Debt Yield (%)	10.6	10.2	10.6	10.5	9.9
Cash Flow Variance (%) ^b	13.1	12.1	15.7	14.8	13.2
% of Pool with Single-Tenant Occupancy ^c	18.6	37.2	18.2	24.3	20.3
% of Pool with Pari Passu Participations	49.1	69.4	69.2	50.1	47.3
% of Pool with Subordinate Secured Debt	6.8	5.3	10.0	6.4	13.5
% of Pool with Subordinate Unsecured Debt	4.6	4.5	4.5	5.2	4.4
% of Pool with Future Debt Permitted	6.8	22.7	16.5	5.6	10.3
% of Pool with Acquisition Loan Purpose	22.7	11.8	18.9	20.5	26.7
WA Original Loan Term (Months)	109.7	110.7	98.9	88.9	113.0
WA Seasoning (Months)	2.4	1.4	3.7	2.4	1.9
% Paydown (Securitization to Maturity)	5.5	1.6	1.9	2.0	3.3
% of Pool, Interest-Only Loans	66.2	82.0	81.2	77.2	77.5
% of Pool, Partial Interest-Only Loans	10.1	14.7	1.5	7.4	10.2
% of Pool, Anticipated Repayment Date	0.0	9.9	8.3	1.9	3.5
Effective Loan Count	23.8	19.4	17.5	21.0	24
Effective Property Type Count	5.0	4.1	3.1	3.5	—
Effective Geographic Count	13.2	14.3	12.5	14.2	—

General Information	BMO 2023-C5	MSWF 2023-1	BMARK 2023-B38	YTD 2023	2022
Credit Enhancement Levels at Select Categories (%)					
AAAsf (Junior)	19.000	20.750	18.375	19.000	20.500
AA+sf	—	—	—	—	—
AAsf	—	—	—	—	—
AA-sf	14.125	15.500	13.500	14.125	15.875
A+sf	—	—	—	—	—
Asf	—	—	—	—	—
A-sf	10.375	11.625	9.875	10.250	11.625
BBB+sf	—	—	—	—	—
BBBsf	8.375	9.125	7.500	7.875	8.875
BBB-sf	7.375	8.000	6.375	6.750	6.875
BB+sf	—	—	—	—	—
BBsf	—	—	—	—	—
BB-sf	5.500	5.875	4.250	4.750	4.500
B+sf	—	—	—	—	—
Bsf	—	—	—	—	—
B-sf	4.250	4.500	2.750	3.375	3.500

^aDiscount of the Fitch stressed value to the appraised value of the collateral. ^bBased on pro-rated cash flows for pari passu loans. ^cDefined as $\geq 75\%$ of net rentable area (NRA).

Note: The information in this table, along with other deals and cohorts, is available in Excel spreadsheet format through Fitch's Interactive Deal Tool. All deal averages represent a simple average of Fitch-rated transactions. The 2023 YTD averages only include closed transactions as of the presale publication date.

Source: Fitch Ratings, BMO 2023-C5

Key Sector Risks

Sector or Asset Outlook

Fitch's 2023 asset performance outlook for U.S. CMBS is deteriorating. Fitch expects overall U.S. CMBS property performance to deteriorate as NCFs decline from 2022 levels due to slowing revenue growth and increased expenses. Fitch projects loan delinquencies will increase to between 4.0% and 4.5% by YE23, from 1.8% as of YE22, as growing macroeconomic headwinds and higher interest rates contribute to an increase in maturity defaults.

Macro or Sector Risks

Property Sector Outlooks: All of Fitch's 2023 U.S. CMBS property sector outlooks are deteriorating due to growing macroeconomic headwinds.

Office: There will be a bifurcation of office performance as the secular shift in remote working affects individual properties differently. Healthy demand will remain for new construction close to transportation hubs and possessing state-of-the-art technology, environmental certifications, flexible layouts and onsite amenities. Conversely, older properties with rigid layouts and outdated plant will become obsolete unless significant rehabilitation monies are spent.

Multifamily: Performance will continue to be supported by the high costs of single-family home ownership, demographics and rational construction activity. However, Fitch expects slowing rent growth, an uptick in vacancy and increased expenses that may contribute to declines in NCF. New supply, higher than in recent years, may also affect rent growth.

Hotel: Aggregate performance across RevPAR, ADR and occupancy continued to recover in 2022, but is unlikely to be matched in 2023. Fitch remains most concerned with urban hotels that rely heavily on business travel. Leisure-driven hotels that have had accelerated recovery beyond historical peaks may return to more normalized levels.

Retail: Retail will be the first property type to be directly impacted by current economic headwinds, which will affect consumer spending. Weaker performing malls will experience the most downside pressure; however, we expect demand for space and rent growth to decline from their strong post-pandemic performance across all retail segments.

Industrial: Industrial was bolstered by the pandemic and continues to perform well. However, recent strong rent growth will be tempered by increasing supply, leading to slightly higher vacancies and reduced rent growth. Demand for space may also be reduced as macroeconomic forces affect business confidence, leading to a decline in the need for space.

Market Risks: Across U.S. CMBS, higher interest rates may feed cap rate rises, in effect lowering property values. Likewise, higher interest rates and growing macroeconomic headwinds will lead to an increase in maturity defaults.

Relevant Research

Please see the Fitch outlook report, "[North American Structured Finance Outlook 2023 \(December 2022\)](#)".

Please see the Fitch special report, “[Rising Rates Stress Refinanceability of Maturing U.S. CMBS Conduit Loans \(Majority of Loans Should Refinance Under Current Conditions\) \(November 2022\)](#)”.

Please see the Fitch Wire, “[Anticipated Recession Drives 2023 US CMBS Delinquency Forecast Higher \(November 2022\)](#)”.

Asset Analysis

Fitch Property Cash Flow and Leverage

The Fitch NCF reflects sustainable, long-term property performance; it informs the Fitch property value and Fitch loan leverage and, ultimately, loan-level defaults and expected losses (ELs). Leverage, as determined by loan-to-value (LTV) ratios and debt service coverage ratios (DSCRs), is a key driver in assessing default probability and loss given default.

Cash Flow Analysis

Fitch reviewed 89.1% of the pool:

- Fitch’s aggregate cash flow for the pool was \$69,647,953.
- The issuer’s aggregate cash flow for the pool was \$80,112,901.
- Cash flow variance was 13.1%.

Aggregate cash flows include only the pro-rated trust portion of any pari passu loan.

The following table shows all loans on which Fitch performed a cash flow analysis. The table shows the differential between the Fitch NCF and the underwritten NCF, as well as the main drivers behind the haircut.

Fitch Cash Flow Analysis

Loan	Originator NCF (\$)	Fitch NCF (\$)	Haircut (%) Haircut Drivers
Brier Creek Commons	8,430,175	7,754,895	8.0 Rent steps (bumps), Vacancy, Replacement reserves
Central Florida Industrial Portfolio	4,208,700	3,990,218	5.2 Vacancy, Management fee
Hyatt Regency Indianapolis	7,760,180	6,770,751	12.8 RevPAR, Management fee
Cincinnati Multifamily Portfolio	4,072,322	3,727,780	8.5 Vacancy, Management fee
Great Lakes Crossing Outlets	29,734,690	26,071,919	12.3 Reimbursements, Vacancy, Tenant improvements and leasing costs
Harborside 2-3	31,463,647	28,655,299	8.9 Rent steps (bumps), Management fee, Tenant improvements and leasing costs
Cross Island Plaza	4,366,368	3,983,522	8.8 Rent steps (bumps), Vacancy, Tenant improvements and leasing costs
Oak Street NLP Fund Portfolio	57,258,710	50,362,392	12.0 Rent steps (bumps), Reimbursements, Vacancy
500 Mamaroneck	2,522,053	2,522,053	0.0 Leased fee
Sayville Plaza	2,627,530	2,279,868	13.1 Vacancy, Tenant improvements and leasing costs
Jaylor – Burger King Portfolio	10,162,080	8,063,514	20.7 Vacancy, Dark space adjustment, Tenant improvements and leasing costs
Montreal Beach Resort	3,880,660	2,822,239	27.3 RevPAR, FF&E, Management, Marketing, Franchise and incentive fee ratio
Philadelphia Life Science Portfolio	2,781,786	2,478,721	10.9 Vacancy, Tenant improvements and leasing costs
Orizon Aerostructures	7,718,750	6,461,062	16.3 Tenant improvements and leasing costs, Vacancy
GRM Indianapolis	1,876,942	1,703,252	9.3 Management fee, Vacancy
The Penleigh	1,457,496	1,323,693	9.2 GPR, Vacancy
La Habra Marketplace	8,342,112	6,719,706	19.5 Vacancy, Tenant improvements and leasing costs
Pacific Design Center	32,047,188	28,344,509	11.6 Rent steps (bumps), Vacancy, Real estate taxes
Comfort Suites Maingate East	1,858,485	1,290,270	30.6 RevPAR, Expenses
Crosswinds Business Park	1,354,279	1,189,889	12.1 Vacancy, Tenant improvements and leasing costs, Management fee
Macon GA Portfolio	795,457	719,201	9.6 Vacancy
Holiday Inn Express and Suites – Aiken	1,305,515	991,785	24.0 RevPAR
Quality Inn SeaTac	1,005,911	756,102	24.8 RevPAR
SureStay Plus SeaTac	639,335	510,474	20.2 RevPAR

FF&E – Furniture, fixtures and equipment. GPR – Gross potential rent. RevPAR – Revenue per available room.

Source: Fitch Ratings

Fitch Leverage

Loan-level leverage, including subordinate debt, if any, is a key determinant of EL in Fitch’s multiborrower analysis. The model employs six leverage metrics, including two DSCRs and four LTV calculations. See the following tables for the distribution of the pool’s conduit LTVs and DSCRs.

Term Probability of Default

Total Current LTV			Total Term DSCR		
	No. of Loans	% of Conduit		No. of Loans	% of Conduit
<=50%	0	0.0 >1.70x		2	11.2
>50% and <=60%	0	0.0 >1.60x and <=1.70x		1	2.2
>60% and <=70%	6	24.4 >1.50x and <=1.60x		1	1.3
>70% and <=80%	10	27.6 >1.40x and <=1.50x		4	13.5
>80% and <=90%	10	34.8 >1.30x and <=1.40x		3	7.9
>90% and <=100%	4	10.6 >1.20x and <=1.30x		9	31.0
>100% and <=110%	1	2.6 >1.10x and <=1.20x		3	13.7
>110%	0	0.0 <=1.10x		8	19.2

Maturity Probability of Default

Total Maturity LTV			Total Maturity DSCR		
	No. of Loans	% of Conduit		No. of Loans	% of Conduit
<=60%	1	4.8 >1.40x		1	4.8
>60% and <=70%	0	0.0 >1.30x and <=1.40x		0	0.0
>70% and <=80%	2	8.7 >1.20x and <=1.30x		4	15.3
>80% and <=90%	9	32.4 >1.10x and <=1.20x		2	3.4
>90% and <=100%	9	31.0 >1.00x and <=1.10x		6	26.9
>100% and <=110%	5	10.0 >0.90x and <=1.00x		8	26.5
>110% and <=120%	3	8.8 >0.80x and <=0.90x		7	17.2
>120%	2	4.3 <=0.80x		3	5.9

Loss Given Default

Trust Midpoint LTV			Trust Maturity LTV		
	No. of Loans	% of Conduit		No. of Loans	% of Conduit
<=50%	0	0.0 >70% and <=80%		1	4.8
>50% and <=60%	0	0.0 >80% and <=90%		2	8.7
>60% and <=70%	7	29.2 >90% and <=100%		9	32.4
>70% and <=80%	14	45.2 >100% and <=110%		9	31.0
>80% and <=90%	5	12.5 >110% and <=120%		5	10.0
>90% and <=100%	4	10.6 >120% and <=130%		3	8.8
>100% and <=110%	1	2.6 >130%		2	4.3
>110%	0	0.0 >130%		0	0.0

Source: Fitch Ratings

Additional Debt Schedule

Loan Name	% of Pool	Loan Balance (\$)	Additional Pari Passu Debt (\$)	Additional Subordinate Secured (\$)	Additional Subordinate Unsecured (\$)	Total Debt (\$)	Total Debt per sf/unit (\$)
Brier Creek Commons	9.9	64,958,243	19,987,152	—	—	84,945,395	164
Hyatt Regency Indianapolis	6.1	39,943,123	18,573,552	—	—	58,516,675	117,268
Great Lakes Crossing Outlets	5.7	37,500,000	142,500,000	—	—	180,000,000	160
Harborside 2-3	4.6	30,000,000	195,000,000	—	74,000,000	299,000,000	187
Oak Street NLP Fund Portfolio	4.6	30,000,000	310,000,000	85,000,000	—	425,000,000	66
Cross Island Plaza	4.6	30,000,000	12,500,000	—	—	42,500,000	165
Jaylor - Burger King Portfolio	4.2	27,916,343	24,925,306	—	—	52,841,649	173
Orizon Aerostructures	3.4	22,595,000	38,500,000	—	—	61,095,000	78
Pacific Design Center	2.3	15,000,000	230,000,000	20,000,000	—	265,000,000	252
La Habra Marketplace	2.3	15,000,000	80,000,000	—	—	95,000,000	255
800 Cesar Chavez	1.5	10,000,000	28,000,000	—	—	38,000,000	311
Total	49.1	322,912,706	1,099,986,010	105,000,000	74,000,000	1,601,898,716	

Source: BMO 2023-C5

Property Type

In Fitch's analysis, some property types have a higher average likelihood of default than others, all else equal. Additionally, pools that have a greater concentration by property type are at greater risk of losses, all else equal.

Fitch Type	No. of Properties	Balance (\$)	% of Pool	Fitch									
				Issuer		Term PD		Maturity PD		LGD		Fitch DY	Fitch LTV
				LTV-Trust (%)	DSCR-Trust (x)	Total Current LTV (%) ^a	Total Term DSCR (x) ^a	Total Maturity LTV (%) ^a	Total Maturity DSCR (x) ^a	Trust Midpoint LTV (%) ^a	Trust Maturity LTV (%) ^a		
Retail	134	187,641,171	28.5	50.4	1.77	81.2	1.39	84.1	1.19	76.3	84.1	11.2	94.5
Industrial	22	164,917,662	25.1	52.9	1.84	73.2	1.36	92.2	0.99	72.9	92.2	10.6	90.6
Hotel	6	98,472,048	15.0	52.0	1.71	80.6	1.35	92.6	1.12	77.4	92.6	11.2	102.5
Office	9	90,438,176	13.8	55.0	1.94	83.3	1.19	102.4	0.89	83.3	102.4	10.9	86.0
Multifamily	16	77,297,000	11.8	64.1	1.39	74.1	1.15	95.4	0.94	73.8	95.4	9.0	97.2
Leased Fee	1	29,500,000	4.5	65.1	1.23	80.9	1.09	105.3	0.85	80.9	105.3	8.5	105.3
Self-Storage	2	9,333,000	1.4	43.6	1.51	81.8	1.20	103.7	0.87	81.8	103.7	9.2	103.7

^aThe six leverage metrics above reflect conduit loans only. LGD – Loss given default. PD – Probability of default.

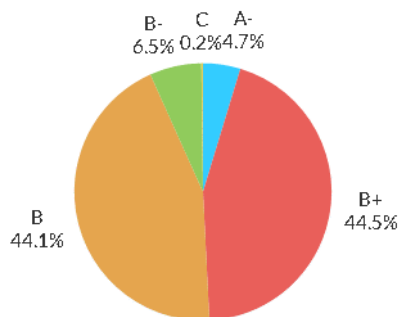
Source: Fitch Ratings, BMO 2023-C5

Property Quality

Fitch arranges property site visits for a subset of the sample to provide an indication of the quality of the underlying real estate. The chart below shows the distribution of these grades. Pacific Design Center (2.3%) received a property quality grade of "A-". One property in the Oak Street NLP Fund Portfolio (0.1%) received a property quality grade of "C". The following summarizes the property inspections performed and the results of the inspections:

- Inspected properties: 58.2%.
- Number of top 10 loans inspected: 8.
- Of the inspected, conducted onsite property management interviews: 92.2%.

Property Quality (% of Inspected)



Source: Fitch Ratings

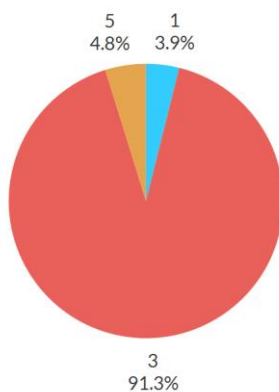
Qualitative Risk Score

Qualitative Risk Scores (QRS) range from 1-to-5, with "1" being the least risky and "5" the riskiest. QRS are meant to account for loan characteristics not easily quantifiable for modeling purposes. QRS and probability of default (PD) are directly related; a lower QRS results in a lower PD. The pool's WA QRS is 3.0.

Fitch assigned four loans (3.4% of the pool) a QRS score of "1". Those loans were originated by Arbor Private Label, LLC (Arbor). Arbor is a lender that participates in the Freddie Mac program with origination, underwriting and due diligence policies and procedures consistent with Freddie Mac seller servicers. Since 2010, Arbor has experienced delinquencies on 10 loans in its total Fannie Mae originations, which represent approximately 0.19% of its total originated original principal balance of \$33.1 billion.

Fitch assigned one loan (Jaylor - Burger King Portfolio, 4.2% of the pool) a QRS score of 5. The Jaylor – Burger King Portfolio is secured by 99 Burger King franchised locations located throughout the southeast that are leased under two separate master lease agreements. The portfolio includes six dark properties and 14 leasehold properties.

QR Score (% of Conduit)



Source: Fitch Ratings

Loan Structure Score

Loan Structure Scores (LSS) range from 1-to-3, with “1” receiving a credit and “3” receiving a penalty. Loans originated using best practices by lenders, such as reserves for real estate taxes and insurance, lockbox/cash management, etc., will receive a neutral score of “2”. LSS and PD are directly related; a lower LSS results in a lower PD. The pool’s WA LSS is 2.0.

LS Score (% of Conduit)



Source: Fitch Ratings

Value Resiliency Score

The Value Resiliency Score (VR Score) is a numerical variable that influences the probability of term default, maturity default and both term and maturity LGD. It reflects Fitch's view of value resilience and is measured by the difference between the loan's assigned Fitch cap rate and the benchmark VR cap rate for the property type. The VR Score reflects the quality and durability of the property's value and is capped and floored at +0.5% and -3.0%, respectively. Negative VR Scores have lower expected losses relative to positive VR Scores, which have higher expected losses, all else equal.

	No. of Loans	% of Conduit
< -0.50%	0	0.0
>= -0.50% and < -0.25%	0	0.0
>= -0.25% and < 0.00%	5	29.9
0.00%	15	30.0
> 0.00% and <= 0.25%	4	15.9
> 0.25% and <= 0.50%	7	24.2
WA Score (%)	—	0.09

Source: Fitch Ratings

Credit Opinion Loans

For credit opinion loans (COLs) contributed to fusion transactions, Fitch first performs a standalone analysis using its “CMBS Large Loan Rating Criteria”. A pooling credit is then applied to reflect the greater diversity provided by other loans in the fusion pool. The pooling credit is applied as an increase to the LTV hurdle assumed in the standalone analysis.

Based on Fitch’s credit opinion, 11.4% of the pool has credit characteristics consistent with investment grade obligations on a standalone basis. The following table summarizes the credit opinion of the loans.

Loan	% of Pool	Standalone Credit Opinion
Oak Street NLP Fund Portfolio	4.6	A-sf*
Harborside 2-3	4.6	BBBsf*
Pacific Design Center	2.3	BBB-sf*

Source: Fitch Ratings

Amortization

The following table summarizes the various amortization schedules within the transaction. Scheduled amortization impacts various Fitch leverage metrics, which is a key driver in assessing PD and LGD.

	No. of Loans	% of Pool	Scheduled Amortization		Issuer LTV				
			% Issuer LTV (%)	% Issuer LTV (%)	Issuer DY (%)	at Maturity (%)	Issuer DY at Maturity (%)	Fitch LTV (%)	Fitch DY (%)
Amortizing	6	23.8	19.9	50.8	12.9	42.2	18.2	98.3	11.1
IO then Amort.	6	10.1	7.1	62.2	13.5	57.6	14.5	105.6	10.2
Interest Only	22	66.2	0.0	54.0	11.7	54.3	11.7	91.4	10.5
Paydown %	5.5	—	—	—	—	—	—	—	—

Source: Fitch Ratings, BMO 2023-C5

Original and Remaining Term

The shorter the remaining term of a loan, the lower the term PD, all else equal. As the remaining term shortens, the term PD will decrease. A loan’s original term to maturity is considered in conjunction with its remaining term. The following table summarizes the transaction’s loan maturity distribution.

Maturity Year	No. of loans	% of Fusion
2028	5	17.1
2031	1	2.3
2032	2	5.0
2033	26	75.7
Total	34	100.0

Source: BMO 2023-C5

Pool Statistics

Loan Concentration	(%)
Top 5 Loans	34.0
Top 10 Loans	56.4
Top 20 Loans	85.3
Sponsor Concentration	
NexPoint Real Estate Advisors, L.P.	9.9
Maria Beatrice Countess Arco	9.9
Mendel Steiner	7.6
Collateral Attributes	
Properties with Leasehold-Only Ownership Interest	0.3
Loans Secured by Multiple Assets or Cross-Collateralized	30.9

Lockbox/Cash Management	
Hard Lockbox with In-Place Cash Management	17.9
Hard Lockbox with Springing Cash Management	50.2
Soft Lockbox with In-Place Cash Management	0.0
Soft Lockbox with Springing Cash Management	2.3
Springing Lockbox	29.6
Insurance	
Properties in Hurricane-Prone Areas	11.3
Properties in Hurricane-Prone Areas with Windstorm Insurance	0.0
Properties in Earthquake-Prone Areas	9.8
Properties in Earthquake-Prone Areas with Earthquake Insurance	44.4
Properties in Earthquake-Prone Areas Receiving Seismic Studies	100.0
Escrow Requirements (In Place)	
Monthly Real Estate Taxes	74.6
Monthly Insurance	63.7
Monthly Capex	59.2
Third-Party Reports	
Phase I Environmental Review in Past 12 Months	96.2
Property Condition Review in Past 12 Months	97.7
Borrowing Entity	
Tenants-in-Common	6.1
Owner-Occupied	0.0

Source: BMO 2023-C5

Pool Level Model Components

Portfolio credit risk is addressed by considering three types of concentration: property type, geographic region and loan count. Fitch uses the inverse of the Herfindahl-Hirschman Index (HHI) to measure these concentrations based on the loan balance in the pool. Pools with lower effective property type, geographic and loan counts have higher concentrations and are at greater risk of losses, all else equal.

Property Type Concentration

The pool's effective property type count is 5.0.

Fitch Type	No. of Properties	% of Pool
Retail	134	28.5
Industrial	22	25.1
Hotel	6	15.0
Office	9	13.8
Multifamily	16	11.8
Leased Fee	1	4.5
Self-Storage	2	1.4

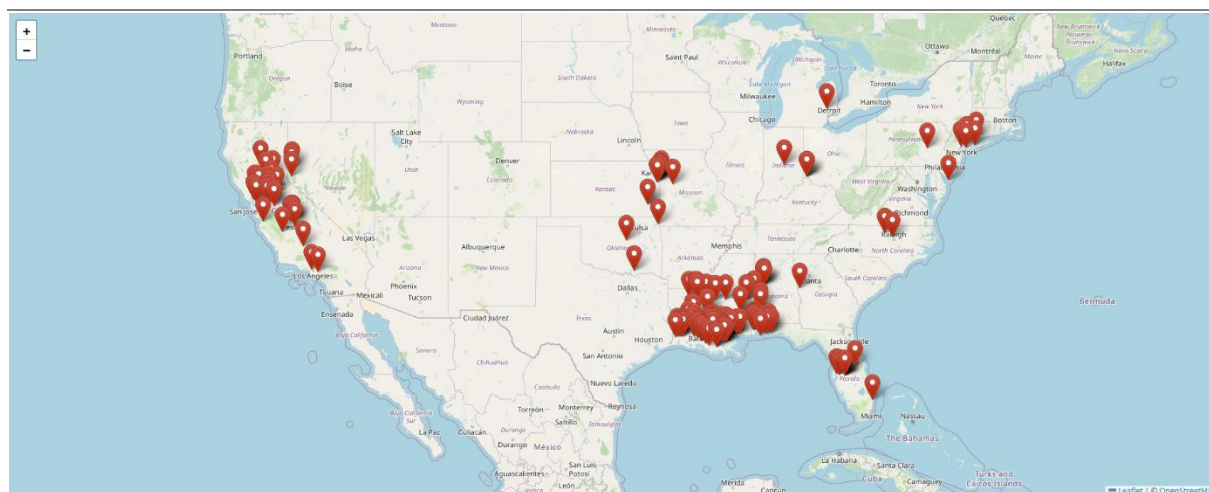
Source: BMO 2023-C5

Geographic Concentration

The pool's effective geographic count by MSA (regions for Canada) is 13.2.

State	No. of Properties	% of Pool	MSA	No. of Properties	% of Pool
New York	4	14.8	New York-Newark-Jersey City, NY-NJ-PA	5	19.3
New Jersey	3	10.5	Raleigh, NC	1	9.9
North Carolina	2	10.1	Indianapolis-Carmel-Anderson, IN	2	8.7
Florida	15	9.1	Cincinnati, OH-KY-IN	3	5.9
Indiana	2	8.7	Detroit-Warren-Dearborn, MI	1	5.7
California	30	8.0	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3	5.5
Ohio	3	5.9	Orlando-Kissimmee-Sanford, FL	2	5.5
Michigan	1	5.7	Los Angeles-Long Beach-Anaheim, CA	2	4.6
Pennsylvania	3	4.2	Ocean City, NJ	1	4.0
Illinois	8	3.4	Tampa-St. Petersburg-Clearwater, FL	3	3.0
Total	71	80.4	Total	23	72.1

Source: BMO 2023-C5



Loan Concentration

The pool's effective loan count is 23.8

	% of Pool
Largest Loan	9.9
Largest 3 Loans	22.4
Largest 5 Loans	34.0
Largest 10 Loans	56.4
Largest 15 Loans	74.2
Largest 20 Loans	85.3

Source: BMO 2023-C5

Expected Rating Sensitivity

The following rating sensitivities describe how the ratings would react to further NCF declines below Fitch's NCF. The implied rating sensitivity results below should only be considered as potential outcomes from changing one variable, and they do not consider other risk factors to which the transaction is exposed.

Defined Stresses

Defined stresses describe the impact of two defined stress assumptions: an up-stress reflecting a 10% increase to Fitch NCF at the time of issuance, and a down-stress reflecting an additional 10% stress to Fitch NCF. Declines to NCF result in lower DSCRs and higher LTVs, which constitute the most significant drivers of default and loss in Fitch's multiborrower model.

Rating Stress to NCF Decline

	A-S	B	C	D	E	F-RR	G-RR
Original Rating	AAAsf	AA-sf	A-sf	BBBsf	BBB-sf	BB-sf	B-sf
10% NCF Increase	AAAsf	AA+sf	Asf	BBB+sf	BBBsf	BB+sf	B+sf
10% NCF Decline	AA-sf	A-sf	BBB-sf	BB+sf	BB-sf	B-sf	CCCsf

Source: Fitch Ratings

	No change or positive change		-1 category change		-3 or larger category change
	Negative change within same category		-2 category change		

Transaction Structure

Interest-Only Classes

Classes X-A, X-B, X-D, X-E, X-FRR and X-GRR are interest-only (IO) classes and have notional balances referencing various non-IO classes. Fitch's ratings are based on the rating of the most subordinate referenced class that will generate cash flow to the respective IO class. The notional amount of the class X-A certificates will be equal to the aggregate of the certificate balances of the class A-1, class A-2, class A-SB, class A-4 and class A-5 certificates, and Fitch's rating is based on that of class A-5. The notional amount of the class X-B certificates will be equal to the aggregate certificate balances of the class A-S, class B and class C certificates, and Fitch's rating is based on class C. The notional amount of the class X-D certificates will be equal to the balance of the class D certificates, and Fitch's rating is based on class D. The notional amount of the class X-E certificates will be equal to the balance of the class E certificates, and Fitch's rating is based on class E. The notional amount of the class X-FRR certificates will be equal to the balance of the class FRR certificates, and Fitch's rating is based on class FRR. The notional amount of the class X-GRR certificates will be equal to the balance of the class GRR certificates, and Fitch's rating is based on class GRR.

Risk Retention Interest

The transaction features provisions intended to achieve compliance with U.S. risk retention guidelines. Bank of Montreal, as the retaining sponsor, will be required to comply with the hedging, transfer and financing restrictions applicable to a retaining sponsor under the credit risk retention rules. The retaining sponsor is expected to cause a third-party purchaser to acquire on the closing date an (i) "eligible horizontal residual interest" (HRR Interest), which will consist of the class F-RR, class XFRR, class G-RR, class XGRR, class J-RR and class XJRR certificates, and (ii) an "eligible vertical interest" in the form of a single security vertical security. The HRR and VRR certificates in aggregate must be in an amount equal to not less than 5% of the aggregate fair value of the certificates as of the closing date.

Risk Retention Consultation Party

The risk retention (RR) consultation party will generally be the party appointed by the holder or holders of more than 50% of the RR interest by certificate balance. Bank of Montreal is expected to be appointed as the initial RR consultation party. The RR consultation party will be entitled to consult with the master servicer and/or special servicer, on a nonbinding basis, with respect to certain material servicing actions proposed by the master servicer or special servicer.

Rating Confirmations

Rating confirmations that are material to the rating analysis are included in the following places in the transaction structure: selection of a successor borrower/sponsor, certain loan modification actions, defeasance requests, certain replacements of deal parties and certain transfers of assets.

Fitch is not a transaction party and has no obligation to provide rating confirmations. Fitch will continue to exercise its discretion in choosing to issue a rating confirmation or otherwise. Where relevant to Fitch's ratings, the agency prefers to issue public commentary on the rating impact of the change. Fitch's approach to and concerns regarding rating confirmations are highlighted in "[Rating Confirmations in Structured Finance and Covered Bonds](https://www.fitchratings.com)," available at www.fitchratings.com.

Disclaimer

Fitch relies in its credit analysis on legal and/or tax opinions provided by transaction counsel for the avoidance of doubt. Fitch has always made clear that it does not provide legal and/or tax advice or confirm that the legal and/or tax opinions, or any other transaction documents, or any transaction structures, are sufficient for any purpose. The disclaimer at the foot of this report makes it clear that this report does not constitute legal, tax and/or structuring advice from Fitch and should not be used or interpreted as legal, tax and/or structuring advice from Fitch. Should readers of this report need legal, tax and/or structuring advice, they are urged to contact relevant advisers in the relevant jurisdictions. dv01, a Fitch Solutions company and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Counterparty Risk

Fitch assesses the counterparty risk under its “[Structured Finance and Covered Bonds Counterparty Rating Criteria](#)” to be in line with the ratings assigned based on the documentation provisions and analytical adjustments described in the table below.

The master servicer, Midland Loan Services, a Division of PNC Bank, National Association (rated CMS2+ by Fitch), and the special servicer, Rialto Capital Advisors, LLC, a Delaware limited liability company (rated CSS2+ by Fitch), will have advancing responsibilities for debt service payments and property protection expenses as long as advances are deemed recoverable. The master servicer and special servicer can be removed if certain servicer or special servicer termination events take place. The trustee, Computershare Trust Company, National Association (rated BBB/F3/Stable by Fitch), will have backup advancing responsibilities and may replace the servicers upon a servicer termination event.

Computershare Trust Company, National Association will also serve as certificate administrator. The administrator will be responsible for distributing payments to certificateholders, delivering reports detailing the distributions to certificateholders on each distribution date and delivering reports detailing the performance of the mortgage loans and mortgaged properties. In accordance with Rule 17g-5 of the Securities and Exchange Act of 1934, these reports will be made available to rating agencies. Additionally, the administrator is responsible for the preparation and filing of all real estate mortgage investment conduit (REMIC) tax returns on behalf of the trust REMICs.

Counterparty Risk Exposures

Counterparty Type	Counterparty Name	Current Ratings	Minimum Ratings Under Criteria	Analytical Adjustments
Trustee	Computershare Trust Company, N.A.	BBB/F3/Stable	N.A.	None; the trustees hold collateral in trust for the use and benefit of all debtholders and other secured parties. Its operational role as a trustee is considered an immaterial risk.
Master Servicer	Midland Loan Services, A Division of PNC Bank, National Association	CMS2+	CMS3	None; minimum ratings and remedial actions are consistent with criteria.
Special Servicer	Rialto Capital Advisors, LLC, a Delaware limited liability company	CSS2+	CSS3	
Liquidity Facility Provider/Advancing Agent	Midland Loan Services, A Division of PNC Bank, National Association (Advancing) Computershare Trust Company, National Association (Backup Advancing)	A+/F1/Stable (Parent) BBB/F3/Stable	Minimum Long-Term IDR of A or Short-Term Rating of F1; replacement or guarantee within 60 calendar days of downgrade below both minimum ratings.	None. Reliance on parent for advancing. None. Reliance on master servicer for advancing.

IDR – Issuer Default Rating. N.A. – Not applicable.
Source: Fitch Ratings, BMO 2023-C5

Criteria Application, Model and Data Adequacy

Criteria Application

See [Appendix 3](#) for the list of [Applicable Criteria](#).

Fitch property-level cash flow analysis, modeling assumptions and the application of Fitch mortgage constants and cap rates were generally consistent with the applicable criteria listed in [Appendix 3](#) of this presale report. Fitch applies the “[Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria](#)” as its sector-specific criteria under the framework provided by the “Global Structured Finance Rating Criteria,” which is the master criteria for the sector. The “CMBS Large Loan Rating Criteria” was used to analyze credit opinion loans in the transaction.

Models

Fitch used the CMBS CoRE Model in its analytical process to simulate stresses to the transaction based on property- and loan-level characteristics and pool composition. The model was run in accordance with the applicable criteria listed in [Appendix 3](#) of this report. Fitch also used its CoRE model in its analysis of the credit opinion loans.

Data Adequacy

Fitch received information in accordance with its published criteria, available at www.fitchratings.com. Sufficient data, including asset summaries, three years of property financials (when available) and third-party reports on the properties were received from the issuer. Ongoing performance monitoring, including data provided, is described in the Surveillance section below.

Use of Third-Party Due Diligence Pursuant to SEC Rule 17g-10

Fitch was provided with third-party due diligence information from Ernst & Young LLP. The third-party due diligence information was provided on Form ABS Due Diligence-15E and focused on a comparison and re-computation of certain characteristics with respect to each of the mortgage loans. Fitch considered this information in its analysis, and the findings did not have an impact on the analysis. A copy of the ABS Due Diligence Form-15E received by Fitch in connection with this transaction may be obtained via the link contained at the bottom of the related rating action commentary.

Surveillance

Information is reported monthly by the servicers and the trustee, subject to the standard requirements of the CRE Finance Council (CREFC) investor reporting package. Fitch reviews each transaction at a minimum of once a year or with material changes to pool metrics.

Surveillance reviews consider material changes or expected changes to post-issuance property performance, loan status, defeasance and amortization, as well as recovery estimates on NPLs. Changes warranting review more often than once a year would include a pool-level increase or decrease in cash flow from origination or the most recent rating action; fluctuations in occupancy, including upcoming lease rollovers; significant changes in market rents or values; or loan repayments for larger assets or a significant increase in defeasance and/or specially serviced assets. Although transactions with loan repayments result in increased credit enhancement, they do not always result in upgrades as, in many cases, the remaining loans are poorer performers.

According to transaction documents, certain post-closing actions may require rating agency confirmation; however, Fitch may elect to decline to provide certain confirmations. This does not preclude Fitch from taking any rating actions based on the occurrence of a post-closing action.

Fitch will regularly monitor the transaction. Details of the transaction's performance are available to subscribers at <https://app.fitchconnect.com/home>.

Brier Creek Commons

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-1 (Trust) ^a	65,000,000	Existing Debt	70,400,945
Additional A-Note (s)	20,000,000	Partnership Equity Buyout	10,271,111
		Return of Equity	2,060,070
	—	Closing Costs	1,457,492
	—	Upfront Reserves	810,382
Total	85,000,000	Total	85,000,000

^aControlling Note

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.91
Original Loan Term	120
Original Amortization Term	360
Original IO Periods	0
Seasoning (Months)	1
Amortization Type	Amortizing
Origination Date	4/20/2023
Maturity Date	5/6/2033
Maturity Balance (\$ Mil.)	56.6

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	7.8	Total Current LTV (%)	80.7
Fitch NCF Haircut (%)	8.0	Total Term DSCR (x)	1.15
Fitch Value (\$ Mil.)	86.2	Total Maturity LTV (%)	85.9
Fitch Value Decline (%)	36.7	Total Maturity DSCR (x)	1.05
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	75.9
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	85.9
Fitch Loan Structure Score	2	Fitch LTV (%)	98.6
Fitch Qualitative Risk Score	3	Fitch DY (%)	9.1
Fitch Property Grade	B+	Expected Loss (%)	4.7

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
Zions Bancorporation, N.A.	136.2	8.4	1.25	62.4	9.9

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Maria Beatrice Countess Arco	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Brier Creek Commons	100.0	Retail	Anchored	Raleigh, NC	519,277	2001/N.A.	98.5

Source: BMO 2023-C5

Strengths

Stable Historical Sales: The property's in-line tenants have reported stable historical average sales of approximately \$372 psf since 2019, with an average occupancy cost of 7.9% over the same period. The anchor tenants at the property have reported sales between \$281 psf and \$361 psf with an average of \$328 psf during the same period. Average occupancy cost for the anchor tenants during the past four years has been approximately 4.4%.

Strong Historical Occupancy and Market Fundamentals: The property is 98.5% leased per the April 2023 rent roll and has reported an average occupancy of 99.1% since 2013. Per CoStar the property is part of the Research Triangle Park/Raleigh Durham retail submarket within the Raleigh, NC market. According to CoStar, the property's market and submarket vacancy as of 1Q23 were 2.2% and 1.4%, respectively.

Granular Rent Roll with Long-Term Tenancy: The property is 98.5% occupied by 67 tenants, with no tenant occupying more than 20.9% of the NRA or contributing more than 11.2% of the base rent. The largest nine tenants (63.1% NRA, 40.3% base rent) are original occupants at the property and have been tenants for over 20 years.

Experienced Sponsorship and Long-Term Ownership: The sponsor acquired the overall 2,000-acre land 25 years ago and has developed the master planned community containing the subject retail center and six office buildings since then. Additionally, the sponsor has a 264-unit multifamily project under construction.

Amortizing Loan: The \$85.0 million (\$164 psf) loan has a 10-year term and a 30-year amortization schedule. The loan is expected to pay down approximately 13.6% by loan maturity.

Concerns

Rollover Risk: All of the tenants have leases that are scheduled to roll during the loan term. The largest rollover concentrations will occur in 2026 and 2028, when 23.2% and 25.1% of the NRA is scheduled to expire, respectively. Excluding the largest tenant, BJ's Wholesale Club (20.9% NRA, 11.3% base rent), no tenant occupies more than 8.7% of the NRA or contributes more than 6.7% of the base rent. The loan is structured with an ongoing monthly tenant improvement and leasing cost reserve of \$0.65 psf capped at \$1.25 million (\$2.41 psf). In addition, a cash flow sweep will trigger if the largest tenant, BJ's Wholesale Club (lease expiration September 2026), goes dark, vacates or fails to renew within six months of its lease expiration.

Equity Cashout: The sponsor received \$12.3 million in cash equity at closing, which equates to 14.9% of the loan amount. Approximately \$10.3 million of the cashout refinance proceeds was used to buy out a longtime investor.

Party City Bankruptcy: In January 2023, Party City, a tenant at the property since March 2021 occupying 2.3% of NRA, filed for Chapter 11 bankruptcy protection. The reasons for the bankruptcy were largely a heavy debt load and broader macroeconomic factors, including rising inflation and supply chain disruptions. In our analysis, we stressed the Party City space by 100%, reflecting uncertainty surrounding the organizational restructure. Per the borrower, Party City has not announced a store closure at the subject and the tenant is current on its rent payments.



Site Inspections

Fitch assigned Brier Creek Commons a property quality grade of "B+".

Fitch toured the property on a Friday afternoon in April 2023 accompanied by a representative of the guarantor entity, AAC Consolidated Properties, LLC, aka American Asset Corporation. Brier Creek Commons is an anchored retail center located in northwest Raleigh, NC. The property is located about 19 miles northwest of downtown Raleigh, 10 miles southeast of downtown Durham and approximately five miles north of Raleigh-Durham (RDU) International Airport. The Research Triangle Park, also known as RTP, is located approximately seven miles from the subject. The RTP is the largest research park in the U.S., occupying 7,000 acres and home to over 200 companies with over 50,000 employees. Located at the intersection of U.S. Highway 70 (Glenwood Avenue) and I-540, the subject is a power shopping center anchored by BJ's Wholesale Club, Dick's Sporting Goods, Ross Dress for Less, TJ Maxx and HomeGoods. The property is also shadow-anchored by a noncollateral Target and Regal Cinemas, each located on their own parcels and adjacent to the BJ's Wholesale Club. A Walmart Supercenter is located directly across U.S. Highway 70.

The open-air shopping center was built in 2001–2004 as part of the master-planned community that features retail, office, hotel and residential development. The most recent capital improvement projects are a roof replacement and asphalt repaving in 2019–2022, per the engineering report. The exterior of the buildings is made of concrete and

appeared to be very clean and well maintained at the time of the visit. In addition to the anchor tenants, other large tenants at the property include Michaels, Staples, Barnes & Noble, PetSmart and Party City. There are also four single-tenant freestanding pad sites. The latest rent roll indicated an occupancy of 98.5%, with one vacant, inline retail space. The tenancy comprises a mix of big box super stores, apparel, health and fitness, beauty, fast food and national chain restaurants.

The largest tenant, BJ's Wholesale Club, has been a tenant at the property since 2001. The tenant exercised its first five-year renewal option when its initial lease expired in 2021. At the time of the tour, customer activity was low to moderate. The interior space was bright and spacious and the merchandise was well stocked. BJ's Wholesale Club also features a gas station. BJ's has four stores in the Raleigh-Durham MSA, and the nearest one is 14 miles away. The closest Costco is 13 miles away and the closest Sam's Club is 16 miles away.

The second largest tenant, Dick's Sporting Goods, has been a tenant at the property since 2002. The tenant had large signage and could be accessed directly from U.S. Highway 70. The merchandise was well displayed, the store interiors were clean and there were no signs of any deferred maintenance required. At the time of the tour, customer activity was low. The closest Dick's Sporting Goods is seven miles away.

The third largest tenant by square footage and base rent, Ross Dress for Less, seemed to be attracting medium to high customer traffic during the time of the tour, evidenced by a queue of shoppers at the cash registers. Some of the shelves were empty, and the employees were busy restocking the items. The representative of the sponsor commented that the inventory of the store usually moved quickly.

The TJ Maxx, HomeGoods, Barnes & Noble and Party City stores were in line with the stores' general standards of interior quality and buildout. With the exception of Party City, which was experiencing very light traffic at the time of the inspection, the other tenant spaces were experiencing light to medium customer traffic. The representative of the sponsor confirmed that Party City was paying rent and mentioned there was a pipeline of potential interested tenants seeking to take over the space should Party City vacate.

The only vacant space, previously occupied by a Brazilian steakhouse, is in discussion to be potentially taken over by an upscale restaurant, Epic Chophouse.

Overall, customer traffic at the shopping center, given a Friday afternoon, was light to medium. The property exterior and tenant interior spaces were noticeably well maintained. The parking spaces and landscaping were in good condition and no major deferred maintenance was noted.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Brier Creek Commons	BJ's Wholesale Club	20.9	108,532	9/16/2026
Brier Creek Commons	Dick's Sporting Goods	8.7	45,000	1/31/2028
Brier Creek Commons	Ross Dress for Less	5.8	30,064	1/31/2028
Brier Creek Commons	TJ Maxx	5.8	30,000	4/30/2032
Brier Creek Commons	HomeGoods	4.8	25,000	4/30/2032

Source: BMO 2023-C5

Cash Flow Analysis

	2020	2021	2022	T12 Ended February 2023	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	95.4	99.8	98.3	98.3	95.0	92.5	
Gross Potential Rent (\$)	8,741,638	9,192,764	9,258,325	9,302,335	10,022,260	9,712,863	18.70
Expense Reimbursements (\$)	2,651,132	2,520,286	2,884,346	2,808,635	3,051,543	3,072,712	5.92
Vacancy/Credit Loss (\$)	—	—	—	—	653,690	768,714	1.48
Other Income (\$)	26,787	1,964	2,798	2,677	2,677	2,677	0.01
Effective Gross Income (\$)	11,419,557	11,715,014	12,145,468	12,113,647	12,422,790	12,019,538	23.15
Management Fee (\$)	342,587	351,450	364,364	363,409	372,684	480,782	0.93
Real Estate Taxes (\$)	959,788	983,687	1,023,621	863,018	1,002,738	1,002,738	1.93
Insurance (\$)	79,654	86,621	100,378	102,596	107,066	107,066	0.21
Ground Rent (\$)	—	—	—	—	—	—	0.00
Operating Expenses (\$)	1,821,988	1,813,924	2,087,310	2,133,652	2,133,652	2,197,661	4.23
Net Operating Income (\$)	8,215,540	8,479,332	8,569,797	8,650,973	8,806,651	8,231,292	15.85
Capex (\$)	—	—	—	—	376,476	476,397	0.92
Net Cash Flow (\$)	8,215,540	8,479,332	8,569,797	8,650,973	8,430,175	7,754,895	14.93

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the leases in place as of the April 2023 rent roll. Fitch applied near-term rent step credit through December 2023 and straight-line rent credit for creditworthy tenant TJ Maxx through the lease term. According to the rent roll, there are two tenants (1.1% of NRA) that pay overage rent (based on a fixed percentage of sales above a certain breakpoint). Fitch applied parentage rent toward Bath & Body Works based on its reported TTM period as of October 2022 sales. For Crumbl Cookies percentage rent, Fitch applied the reported TTM November 2022 sales stressed by 20% to reflect a lack of prior historical sales data. Fitch's recoveries reflect the in-place lease amounts adjusted to target the recovery ratio as of the TTM period as of February 2023.

Fitch's occupancy cost adjustment, applied to two tenants, Michael's and Talbots, was based on a target of 5% for anchor tenants and 20% for inline tenants, respectively. Fitch also applied additional tenant stresses, including stresses of 25% to one fitness tenant and a 100% stress to Party City, who filed for Chapter 11 bankruptcy early this year. Fitch applied an additional physical vacancy factor of 1.8% to target an all-in economic vacancy of 7.5%, which is above the property's CoStar retail submarket vacancy of 1.4% and the Raleigh retail market vacancy of 2.2% as of 1Q23.

Fitch's other income is based on the figure for the TTM period ended in February 2023.

Fitch applied a management fee of 4.0% of EGI. Real estate taxes and the insurance expense were based on the actual tax bill and the actual premium. All other expenses were based on the TTM figures inflated by 3.0%.

Fitch assumed replacement reserves of \$0.20 psf and stabilized leasing costs of \$0.72 psf.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (R	Raleigh, NC	1Q23	75,945,439	2.2	3.0	24.15	5.1	CoStar
5/16/2023	Submarket	Submarket	RTP/RDU	1Q23	2,936,140	1.4	4.1	32.03	5.5	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Springing/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DSCR < 1.15x or iii) Major Tenant Event Period
Ongoing Reserves (\$)	
Real Estate Taxes	83,561 monthly
Replacement Reserves	6,491 monthly
Tenant Rollover	28,128 monthly
Upfront Reserves (\$)	
Free Rent	58,333
Real Estate Taxes	752,049
Source: BMO 2023-C5	

Central Florida Industrial Portfolio

Sources and Uses

Loan Purpose		Acquisition/Recapitalization	
Sources	Amount (\$)	Uses	Amount (\$)
Whole Loan	42,240,000	Purchase Price	33,000,000
Sponsor Equity	23,383,521	Loan Payoff	22,056,296
		Closing Costs	5,497,760
		Upfront Reserves	5,069,465
Total	65,623,521	Total	65,623,521

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.21
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	1
Amortization Type	Interest Only
Origination Date	4/28/2023
Maturity Date	5/1/2033
Maturity Balance (\$ Mil.)	42.2

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	4.0	Total Current LTV (%)	76.7
Fitch NCF Haircut (%)	5.2	Total Term DSCR (x)	1.28
Fitch Value (\$ Mil.)	43.1	Total Maturity LTV (%)	97.9
Fitch Value Decline (%)	38.7	Total Maturity DSCR (x)	0.92
Fitch Cap Rate (%)	9.25	Trust Midpoint LTV (%)	76.7
Fitch Constant (%)	10.25	Trust Maturity LTV (%)	97.9
Fitch Loan Structure Score	2	Fitch LTV (%)	97.9
Fitch Qualitative Risk Score	3	Fitch DY (%)	9.4
Fitch Property Grade	B-	Expected Loss (%)	4.6

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
KeyBank National Association	70.4	4.2	1.58	60.0	10.0

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
NexPoint Real Estate Advisors, L.P.	Acquisition/Recapitalization	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Orlando International Business Center	52.7	Industrial	Flex	Orlando, FL	196,228	1983/2022	91.1
Corporex Plaza	21.5	Industrial	Flex	Tampa, FL	100,265	1984/N.A.	93.4
Brandywine Business Center	16.1	Industrial	Flex	Tampa, FL	79,124	1986/N.A.	100.0
President's Plaza	9.7	Industrial	Flex	Tampa, FL	44,269	1988/N.A.	92.3
Total/WA	100.0				419,886		93.5

Source: BMO 2023-C5

Strengths

Granular Rent Roll: The portfolio comprises 84 tenants across four properties in varied industries. The largest property by square footage, Orlando International Business Center, comprises 46.7% of the portfolio NRA. The largest tenant in the portfolio comprises 8% of the portfolio NRA. No other tenant occupies more than 3.5% of the portfolio NRA.

Submarket Rent Growth and Vacancy: Three of the four properties are located in Tampa, in the East Side industrial submarket, per CoStar. As of 1Q23 data, the submarket has experienced rent growth of 13.8% with a 2.8% vacancy rate. The Orlando International Business Center is located within the SE Orange County industrial submarket, per CoStar. As of 1Q23 data, the submarket has experienced rent growth of 17.3% with a 2.7% vacancy rate.

Loan Structure: The loan is structured with upfront tenant improvement and leasing cost (TI/LC) reserves of \$3.5 million. In the event the reserve balance falls below \$1.0 million, annual collections of \$0.90/sf will commence until the account balance is replenished back to \$3.5 million. In addition, as of closing, replacement reserves of \$375,000 and an upfront tax and insurance reserve have been set aside.

Concerns

High Historical Vacancy: The second largest property by square footage, Corporex Plaza (24% of the portfolio NRA), and President's Plaza (10%) have experienced high historical average vacancy of between 19% and 23% over the past three years. As of the latest rent roll from January 2023, the two properties have reported vacancy rates of 9% and 8%, respectively, reflecting a significant improvement compared to historical levels. During the past two years the sponsor has actively leased up the property by executing over 40 leases, collectively 35.5% of NRA.

Property Vintage: The average age of the portfolio properties is 38 years. With the exception of the Orlando International Business Center, which was renovated in 2022, the remaining three properties reflect an older vintage with no recent or planned renovations reported.

Lease Rollover: The property is exposed to high rollover risk with 100% of the NRA scheduled to expire during the 10-year loan term. The largest rollover concentration is scheduled to occur in 2024, when 23.8% of the NRA and 26.1% of base rent are set to expire. The WA lease term remaining is 2.4 years. To mitigate this risk the loan is structured with an upfront TI/LC reserve of \$3.5 million. In the event the reserve balance falls below \$1.0 million, annual collections of \$0.90/sf will commence until the account balance is replenished back to \$3.5 million.

Full-Term Interest Only: The loan is structured with interest-only payments for the entire 10-year loan term. The borrower contributed approximately \$22.9 million in equity, reflecting 34.9% of the transaction cost.



Site Inspections

Fitch assigned Central Florida Industrial Portfolio an overall property quality grade of "B-".

Fitch toured the Brandywine Business Center, Corporex Plaza and President's Plaza properties on a Tuesday afternoon accompanied by representatives of the property management company. The three properties are located in Tampa, FL, within the East Side industrial submarket. Brandywine Business Center and Corporex Plaza are located a block away from each other on Corporex Park Drive, while the President's Plaza property is about 14 miles west, adjacent to the Tampa International Airport. The three properties comprise approximately 53% of the portfolio NRA and include 40 unique tenants. Tenancy at the properties generally includes local businesses typically on shorter three- to five-year leases. Our inspection included a complete exterior and partial interior walkthrough of the properties. The largest property, Orlando International Business Center, was not part of the tour.

Fitch's tour began at President's Plaza, a 44,000 sf, single-story small bay industrial flex property located on the road adjacent to the northwest corner of the Tampa International Airport. The commute to downtown Tampa is about 15

minutes and the drive to Tampa International Airport is about five minutes. The immediate area around the property is a mix of residential and commercial usage.

The property exterior reflected an average quality brick-veneer construction with a flat roof. The clear heights at the property were about 14 feet with a total of 17 loading doors across the two buildings. About three quarters of the square footage at this property reflects office space with the remainder for industrial usage. There were several unsealed cracks observed on the ground, along with stucco damage on the walls and around some of the bay doors. There was visible evidence of water leakage given active leaks around the drains and the stained floors. Several of the garage and bay doors had sand bags to prevent water from entering interior space. This fact was also corroborated by the tenants, who seemed dissatisfied with the lack of response from the existing property management company. The landscaping appeared to be maintained in only a few portions of the property, while the remainder reflected neglect and needed a refresh. Fitch toured a few of the tenant interiors and noted they were clean and well maintained. Each of the tenant spaces appeared to have easy access to the back, where items were either being packaged or stored.

The tour then moved on to the Corporex Plaza, a 100,000 sf single-story property, and Brandywine Business Center, a 79,000 sf single-story industrial flex property. By comparison, these two properties have a roughly equal split between office and industrial space. The clear heights at these locations were between 15 and 18 feet, with roughly 35 loading doors each. The improvements were in below average condition and reflected poor quality maintenance. Deep cracks and stains were observed on the ground all throughout the property and landscaping was minimal and reflected neglect similar to the President's Plaza property. The borrower was required to reserve an amount of \$100,813 to address general repairs across all properties which are required to be completed within 90 days of closing. A similar sentiment of tenant displeasure was noted at this location as well. Some tenants even complained about the inefficiency of the shared trash disposal system. Fitch toured some of the tenant space and noted that the interiors of the office spaces appeared clean and well-managed.

Overall, the three properties toured had similar concerns of tenant dissatisfaction with management, minimal to neglected landscaping and multiple deferred maintenance items.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Various	Joffrey's Coffee and Tea Company	10.3	43,031	5/31/2026
Brandywine Business Center	Acree Air Conditioning, Inc.	4.0	16,938	1/31/2027
Orlando International Business Center	Total Renal Care, Inc	3.4	14,213	9/30/2026
Corporex Plaza	Ademco, Inc.	3.4	14,098	10/31/2025
Orlando International Business Center	MSE Group, LLC	3.2	13,581	6/30/2025

Source: BMO 2023-C5

Cash Flow Analysis

	2021	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	100.0	91.5	87.3	—
Gross Potential Rent (\$)	4,205,206	5,144,369	4,719,886	11.24
Expense Reimbursements (\$)	1,482,701	3,107,341	3,203,286	7.63
Vacancy/Credit Loss (\$)	—	702,825	442,764	1.05
Other Income (\$)	41,601	6,000	6,000	0.01
Effective Gross Income (\$)	5,729,508	7,554,885	7,486,407	17.83
Management Fee (\$)	233,804	226,647	299,456	0.71
Real Estate Taxes (\$)	732,143	1,011,908	1,011,908	2.41
Insurance (\$)	69,775	714,332	714,332	1.70
Ground Rent (\$)	—	—	—	0.00
Operating Expenses (\$)	756,667	1,247,149	1,276,660	3.04
Net Operating Income (\$)	3,937,119	4,354,850	4,184,051	9.96
Capex (\$)	—	146,150	193,833	0.46
Net Cash Flow (\$)	3,937,119	4,208,700	3,990,218	9.50

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the in-place base rent as of the January 2023 rent roll. Overall, the portfolio properties are 92.9% occupied as of the most recent January 2023 rent roll. Fitch recoveries are based on the contractual amount adjusted to target a 97% recovery ratio, in line with budgeted recoveries. Other income reflects the contractual amount for the property's billboard revenue. Fitch was not provided with YE22 or more recent financials for the portfolio properties.

Fitch applied a vacancy stress of 2.9% to the in-place vacancy of 7.1% for a total 10.0% physical vacancy. Fitch also applied additional tenant stresses that included a 100% stress to two expired tenants and a 25% stress to five leases expiring over the upcoming three to six months. This results in an overall economic vacancy of 12.7%. Corporex Plaza and President's Plaza, collectively 34% of the portfolio NRA, have reported high historical average vacancy rates over the past three years of 19% and 23%, respectively. By comparison, Brandywine had a 4% historical average vacancy over the past three years. Orlando Business Center had no prior historical vacancy information available.

Fitch applied a management fee equal to 4.0% of EGI. Real estate tax and insurance expenses were based on the actual figures. All other operating expenses reflect the appraiser's estimates with the exception of payroll, which reflects the budgeted amount.

Fitch's capex includes \$0.15 psf for replacement reserves and stabilized leasing costs of \$0.31 psf inclusive of a 10% credit to \$3.5 million in upfront TI/LC reserves.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/18/2023	Market	Industrial	Orlando-FL	1Q23	6,741	3.7	7.9	12.60	16.8	CoStar
5/18/2023	Submarket	Industrial	Tampa-FL	1Q23	8882	3.9	5.3	11.36	13.6	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/In Place Excess Cash Trap Trigger: Upon i) Event of Default, ii) any Bankruptcy Action of Borrower, Principal, Master DST or Manager or iii) DSCR<1.15x

Ongoing Reserves (\$)

Real Estate Taxes	66,778 monthly
Insurance	62,504 monthly

Upfront Reserves (\$)

Real Estate Taxes	467,443
Insurance	348,475
Replacement Reserves	375,000
Deferred Maintenance	100,813
Outstanding TI/LCs	228,190
Rent Concessions	49,545
Tenant Rollover	3,500,000

Source: BMO 2023-C5

Hyatt Regency Indianapolis

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-1 (Trust) ^a	40,000,000	Loan Payoff	81,937,533
Additional A-Note (s)	18,600,000	Closing Costs	1,182,903
Equity Contribution	24,877,326	Upfront Reserves	356,890
Total	83,477,326	Total	83,477,326

^aControlling Note

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	7.08
Original Loan Term	120
Original Amortization Term	360
Original IO Periods	0
Seasoning (Months)	2
Amortization Type	Amortizing
Origination Date	4/5/2023
Maturity Date	4/6/2033
Maturity Balance (\$ Mil.)	35.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	6.8	Total Current LTV (%)	76.3
Fitch NCF Haircut (%)	12.8	Total Term DSCR (x)	1.44
Fitch Value (\$ Mil.)	60.2	Total Maturity LTV (%)	85.1
Fitch Value Decline (%)	57.3	Total Maturity DSCR (x)	1.20
Fitch Cap Rate (%)	11.25	Trust Midpoint LTV (%)	71.9
Fitch Constant (%)	11.00	Trust Maturity LTV (%)	85.1
Fitch Loan Structure Score	2	Fitch LTV (%)	97.2
Fitch Qualitative Risk Score	3	Fitch DY (%)	11.6
Fitch Property Grade	B+	Expected Loss (%)	5.6

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
Citigroup Global Markets Realty Corp.	140.9	7.8	1.65	41.5	13.3

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
William J. Yung III, Martha Yung, William J. Yung IV, Joseph A. Yung, Julie A. Haught, Judith A. Yung, Jennifer A. Yung, Michelle M. Christensen and Scott A. Yung	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Hyatt Regency Indianapolis	100.0	Hotel	Full Service	Indianapolis, IN	499	1977/2020	63.4

Source: BMO 2023-C5

Strengths

Strong Location: The subject property is one of the major, full-service hotels located in the center of the downtown Indianapolis area. The hotel is connected to the Indiana Convention Center and Lucas Oil Stadium, which makes the

hotel a strong destination for large group conventions of all kinds. It is also within walking distance of the major Indianapolis attractions, retail options and an abundance of bars and restaurants.

Recent Capital Improvements: The hotel has received significant capital improvements to the property since 2008. In 2011 and 2012, \$29 million (\$58,116/key) was invested to modernize the properties' rooms, bathrooms and common areas. In 2015 and 2016, another \$6.3 million (\$12,625/key) was invested to update the hotel's exterior features, fitness center and lobby. Since acquisition in 2018, the sponsor has created a capex fund totaling \$7.5 million (\$15,030/key) to further update guestrooms and common areas.

Experienced Sponsorship: Columbia Sussex Corporation is one of the largest private hotel companies in the world. Its portfolio of hotels is made up primarily of upper upscale branded properties under the Marriott, Hilton and Hyatt brands. Currently the company operates over 40 hotels totaling over 14,000 keys with an estimated value in excess of \$2 billion.

Strong Historical Occupancy and Pandemic Rebound: The subject property reported strong historical occupancy, outperforming the comparable hotels in the area prior to the onset of the pandemic in 2020. The hotel's occupancy ranged from 72% to 80% during the period of 2012 through 2019, with an average occupancy of 76% during the eight-year period. Post-pandemic occupancy and RevPAR for the subject property are steadily returning to pre-pandemic levels. As of the most recent TTM period ended February 2023, the hotel had an occupancy of 63.4% and an ADR of \$174.52, reflecting a 10.2% increase from the YE19 ADR of 158.37.

Long-Term Franchise Agreement: The subject property has a franchise agreement with Hyatt through April 2038.

Concerns

New Supply to Submarket: Per CoStar, there are currently 414 keys under construction within the downtown Indianapolis area. The new supply currently under construction includes a 170-key Intercontinental Indianapolis, 128-key Aloft hotel and a 116-key Motto by Hilton Indianapolis Downtown. There are also plans to begin construction later in 2023 for an 814-key Signia Hilton hotel. The subject property's unique advantage is its location and easy accessibility to the Indiana Convention Center and Lucas Oil Stadium via an enclosed skywalk. This feature makes the hotel desirable for both group and transient demand.



Site Inspections

Fitch assigned Hyatt Regency Indianapolis a property quality grade of "B+".

Fitch toured the hotel on a Tuesday morning in February and was accompanied by the hotel's general manager. Fitch found the hotel in overall good condition, with no deferred maintenance and well-kept interiors. The hotel is located within the Indianapolis CBD and in close proximity to Bankers Life Fieldhouse (home of the NBA's Indiana Pacers), Lucas Oil Stadium (home of the NFL's Indianapolis Colts), the Indiana Convention Center and the Indiana State Capitol.

The hotel is located at 1 South Capitol Avenue and is a part of the PNC Center building, a 635,000 sf tower in downtown Indianapolis. Two 20-story glass curtain walls act as a visible delineator between the hotel and office/retail portions of the building. The PNC Center building encompasses a full city block and is directly adjacent to the Indianapolis Convention Center, located to the Southwest, and Circle Centre Mall, located to the Southeast. Each are accessible via the enclosed skybridge and make the Hyatt Regency one of the most well-connected hotels to local attractions in the market, as observed by Fitch. The hotel can be accessed through entrances on each side of the block. Furthermore, a 75-space parking garage is available to hotel guests with an entrance on South Capitol Avenue located on the west side of the property.

Opened in 1977 and renovated most recently in 2020, the Hyatt Regency Indianapolis features 499 guestrooms over 20 stories. Four food and beverage (F&B) outlets are scattered throughout the property, highlighted by Eagle's Nest, Indiana's only rotating rooftop restaurant. On the ground floor, Fat Rooster Diner, a breakfast and lunch outlet; Level

One, a lounge serving light fare and beverages; and a Starbucks coffee shop make up the other F&B options. Fitch found them all to be well patronized. Additionally, the hotel offers amenities such as a fitness room, business center, indoor swimming pool, valet parking, room service, concierge service, laundry, dry cleaning and approximately 29,700 sf of meeting space.

The tour commenced in the lobby of the hotel, which is located directly in front of an exposed elevator bank. There are four elevators in total. In the rear of each elevator is a ceiling-to-floor glass wall, which provides views of the PNC Center building lobby from each of the 20 stories. Similar to the views observed through the elevator, each floor is open and has views of the building lobby.

Guestrooms are located across floors 5 through 20 and offer double queen, single king and suite options. Fitch toured two of the three guestroom types: double queen and king. The rooms were appointed with white bedding, wood dressers and desks and windows that provided ample natural light. Guestrooms also feature flatscreen TVs and high-speed internet. Bathrooms include tile floors, glass countertops with porcelain sinks and fixtures that were of good quality. All of the 29,700 sf of meeting and conference space is located on the second and third floors. There is a main ballroom on each floor, which are divisible into either four or six smaller rooms depending on the ballroom, several boardrooms and breakout rooms. The meeting space was appointed with high ceilings, uniquely patterned commercial carpet and modern light fixtures. Fitch also toured the indoor pool, fitness center and the business center. Additionally, Fitch toured all mechanical rooms and the laundry facility. All amenities at the hotel were in good condition and seemed well maintained with no signs of deferred maintenance.

Furthermore, Fitch observed an active construction site two blocks south of the subject for an 814-key Signia hotel and Convention Center expansion. Signia is a luxury hotel brand that Fitch expects to cater to convention-goers and compete directly with the subject. Fitch also visited one of the hotel's competitors: the Crowne Plaza Indianapolis. The Crowne Plaza is located near the Hyatt Regency, within the submarket, and Fitch found the hotel to be on par with the subject. The Crowne Plaza's proximity to the convention center and Lucas Oil stadium is marginally superior; however, the Hyatt Regency has a more modern lobby, superior dining options and is located closer to the center of the city. According to the general manager of the Crowne Plaza, both hotels are two of several "core" hotels in Indianapolis as they are directly connected to the Indiana Convention Center via the skybridge.

In conclusion, Fitch found the subject hotel to be a unique offering in the convention-centric downtown with an outstanding central location, well-kept facilities and certain offerings, such as the Eagle's Nest restaurant, that make the Hyatt Regency Indianapolis a unique option.

Cash Flow Analysis

	2019	2020	2021	2022	T12 Ended February 2023	Underwritten	Fitch Cash Flow Analysis	Per Room
Occupancy (%)	74.7	23.2	41.6	62.5	63.4	63.4	63.4	—
ADR (\$)	158	142	157	174	175	175	163	—
RevPAR (\$)	118	33	65	109	111	111	103	—
Room Revenue (\$)	21,534,812	6,048,157	11,907,876	19,818,964	20,154,861	20,154,861	18,842,961	37,761.44
F&B (\$)	11,046,617	3,784,081	6,348,723	10,247,693	10,588,783	10,588,783	10,588,783	21,220.01
Telephone Revenue (\$)	—	—	—	—	—	—	—	0.00
Parking Revenue (\$)	—	—	—	—	—	—	—	0.00
Other Revenue (\$)	1,281,613	664,063	2,103,520	1,445,757	1,264,549	1,264,549	1,264,549	2,534.17
Total Revenue (\$)	33,863,043	10,496,300	20,360,119	31,512,414	32,008,192	32,008,192	30,696,292	61,515.62
Departmental Expenses (\$)	11,641,489	4,466,776	7,014,319	10,820,914	11,070,638	11,070,638	10,687,398	21,417.63
Undistributed Expenses (\$)	10,077,730	4,875,257	6,621,154	9,937,408	9,604,285	9,634,543	9,440,826	18,919.49
Gross Operating Profit (\$)	12,143,824	1,154,267	6,724,646	11,354,092	11,333,269	11,303,011	10,568,069	21,178.49
Property Taxes (\$)	2,082,043	1,609,414	1,857,752	1,808,486	1,808,486	1,873,945	1,873,945	3,755.40
Insurance (\$)	463,166	356,675	378,823	425,804	439,028	388,559	388,559	778.68
Ground Lease (\$)	—	—	—	—	—	—	—	0.00
Operating Expenses (\$)	2,545,209	1,966,089	2,236,575	2,234,290	2,247,514	2,262,504	4,534.08	4,534.08
FF&E Reserves (\$)	1,354,522	419,852	814,405	1,260,497	1,280,328	1,280,328	1,534,815	3,075.78
Net Cash Flow (\$)	8,244,093	(1,231,673)	3,673,667	7,859,305	7,805,427	7,760,180	6,770,751	13,568.64

Source: Fitch Ratings, BMO 2023-C5

Fitch applied an occupancy rate of 63.4%, based on the TTM period ended in February 2023, and an ADR of \$163.16, resulting in a RevPAR of \$103.46. Our RevPAR represents a 12.5% stress to the YE19 period. The hotel operated at a 62.5% occupancy rate as of YE22 and has averaged 59.9% since 2019 (excluding the pandemic year of 2020). F&B

revenue is based on the TTM period ended in February 2023 amount, and other income is based on the TTM per occupied room (POR) rate.

Room expense and F&B expense were based on the TTM ratios of 29.2% and 49.0%, respectively.

G&A expense and maintenance and utility expenses reflect the TTM figures. Marketing expense was adjusted to achieve an MMFI (management, marketing, franchise and incentive fees) ratio of 13%, in line with historical levels.

Fitch applied a management fee expense of 3.5% of gross revenue. The franchise fee reflects an aggregate 4.7%, which includes a contractual rate of 6% of room revenue and 3% of F&B revenue.

Real estate taxes and the insurance premium reflect the actual amounts. Fitch applied an FF&E expense of 5.0% of total revenue.

Market Information

As of Date	Period	Period Desc.	Occupancy Property (%)	Occupancy Comp Set (%)	Occupancy Penetration Rate (%)	Occupancy Rank	ADR Property (\$)	ADR Comp Set (\$)	ADR Penetration Rate (%)	ADR Rank	RevPAR Property (\$)	RevPAR Comp Set (\$)	RevPAR Penetration Rate (%)	RevPAR Rank
5/16/2023	TTM	TTM as of Feb 2023	64.3	58.6	109.7	2 of 8	173	179	96.3	6 of 8	111	105	105.7	2 of 8
5/16/2023	Prior FY	2022	63.4	57.3	110.6	2 of 8	172	181	95.3	6 of 8	109	104	105.4	2 of 8
5/16/2023	2nd Prior FY	2021	42.1	40.3	104.3	5 of 8	156	153	101.8	4 of 8	66	62	106.2	5 of 8
5/16/2023	Period 4	2020	23.3	22.1	105.4	4 of 7	142	147	98.6	4 of 7	33	32	101.8	2 of 7
5/16/2023	Period 5	2019	74.8	70.9	105.5	2 of 8	159	166	95.4	6 of 8	119	118	100.6	4 of 8

Source: STR Report

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DSCR<1.30x, iii) Franchise Agreement Trigger Event, iv) Franchise Renewal Trigger Event or v) Bankruptcy Action of Manager
Ongoing Reserves (\$)	
Real Estate Taxes	157,268 monthly
Replacement Reserves	106,694 monthly
Seasonality Reserve	27,945 monthly
Upfront Reserves (\$)	
Real Estate Taxes	157,268
Immediate Repairs	72,600
Seasonality Reserve	127,022

Source: BMO 2023-C5

Cincinnati Multifamily Portfolio

Sources and Uses

Loan Purpose		Recapitalization	
Sources	Amount (\$)	Uses	Amount (\$)
Whole Loan	39,000,000	Return of Equity	37,495,820
Equity Contribution	17,010,000	Loan Payoff	16,881,343
		— Closing Costs	943,921
		— Upfront Reserves	688,915
Total	56,010,000	Total	56,010,000

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.91
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	2
Amortization Type	Interest Only
Origination Date	4/3/2023
Maturity Date	4/6/2033
Maturity Balance (\$ Mil.)	39.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	3.7	Total Current LTV (%)	69.8
Fitch NCF Haircut (%)	8.5	Total Term DSCR (x)	1.21
Fitch Value (\$ Mil.)	42.6	Total Maturity LTV (%)	91.5
Fitch Value Decline (%)	29.7	Total Maturity DSCR (x)	0.98
Fitch Cap Rate (%)	8.75	Trust Midpoint LTV (%)	69.8
Fitch Constant (%)	9.75	Trust Maturity LTV (%)	91.5
Fitch Loan Structure Score	2	Fitch LTV (%)	91.5
Fitch Qualitative Risk Score	3	Fitch DY (%)	9.6
Fitch Property Grade	—	Expected Loss (%)	3.9

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BMO Harris Bank, N.A.	60.6	4.1	1.49	64.4	10.4

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Mendel Steiner	Recapitalization	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Ferncrest Apartments	36.0	Multifamily	Multifamily - >20 Years Old	Cincinnati, OH	144	1970/N.A.	97.9
Candlewood Apartments	34.6	Multifamily	Multifamily - >20 Years Old	Cincinnati, OH	110	1961/2018	98.2
Renata Apartments	29.4	Multifamily	Multifamily - >20 Years Old	Cincinnati, OH	121	1966/N.A.	97.5
Total/WA	100.0				375		97.9

Source: BMO 2023-C5

Strengths

Stabilized Occupancy and Rent Growth: The portfolio properties underwent significant capital improvements and renovations since acquisition in January 2020. The average monthly rental income has increased from \$988/month at acquisition to \$1,093/month as of March 2023, reflecting an 11% increase. Occupancy during the same period increased from 74.7% as of YE20 to 97.9% as of the March 2023 rent roll.

Strong Submarket Fundamentals: The portfolio properties are well located in the Northwest Cincinnati Multifamily submarket, per CoStar. As of 1Q23 CoStar data, the submarket reported an average vacancy rate of 4.9% with a TTM rent growth rate of 7.3%.

Experienced Sponsor: The sponsor, Mendel Steiner, has close to 12 years of experience in real estate and currently owns 62 multifamily properties consisting of more than 4,482 units. The sponsor owns assets throughout the country, with concentrations in New York, New Jersey, Ohio, Georgia, Indiana, Illinois and Virginia. Part of the sponsor's portfolio includes 14 multifamily assets in Ohio, consisting of 1,626 units with a current occupancy of 96.9%.

Concerns

Above Market Rents: As of the most recent March 2023 rent roll, the portfolio properties had in-place rents of \$1,070 per unit on average. In comparison, the Northwest Cincinnati submarket, per CoStar as of 1Q23, had average rents of \$870 per unit, reflecting about 26% lower rents than the portfolio properties. The sponsor invested significant capital of approximately \$7.5 million (\$20,100/unit) between 2020 and 2022 toward renovating common areas, exteriors and 185 unit renovations.

Property Vintage: The portfolio properties were original built between 1961 and 1970. Since acquiring the property in 2020, the sponsor has invested approximately \$7.5 million (\$20,100/unit) in capital improvements that included common area renovations, exteriors and 185 unit renovations. A replacement reserve of \$337,500, reflecting three years of \$300/unit collections, has been reserved for at closing. In the event the replacement reserve falls below \$112,500, the borrower is required to make monthly payments of \$9,375 until the balance in the reserve account returns to \$337,500.

Full-Term Interest Only: The loan is structured with interest-only payments through the entire 10-year loan term.

Site Inspections

Fitch did not inspect the property in person. In lieu of a physical property inspection, Fitch reviewed interior and exterior photos when provided in the appraisal by the originator, engineer and sponsor, as well as through Google Street View. Fitch modeled all properties it was unable to see in person in the neutral 'B' category.

Cash Flow Analysis

	2020	2021	T12 Ended January 2023	Underwritten	Fitch Cash Flow Analysis	Per Unit
Occupancy (%)	72.2	83.8	92.2	97.1	88.2	—
Gross Potential Rent (\$)	4,598,341	4,632,350	4,946,520	4,959,849	4,946,520	13,190.72
Vacancy/Credit Loss (\$)	127,812	74,918	384,124	145,785	384,124	1024
Other Income (\$)	325,140	354,854	490,712	491,588	490,712	1,308.57
Effective Gross Income (\$)	3,645,361	4,238,020	5,053,108	5,305,652	5,053,108	13,474.95
Management Fee (\$)	99,607	116,496	136,872	159,170	202,124	539.00
Real Estate Taxes (\$)	101,007	101,007	102,036	103,520	103,520	276.05
Insurance (\$)	158,949	149,996	145,928	124,595	124,595	332.25
Ground Rent (\$)	—	—	—	—	—	0.00
Operating Expenses (\$)	954,053	875,205	759,795	759,795	782,589	2,086.90
Net Operating Income (\$)	2,331,745	2,995,316	3,908,477	4,158,572	3,840,280	10,240.75
Capex (\$)	—	—	—	86,250	112,500	300.00
Net Cash Flow (\$)	2,331,745	2,995,316	3,908,477	4,072,322	3,727,780	9,940.75

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the TTM period ended in January 2023. Other income was based on the TTM amount.

Fitch applied an economic vacancy of 7.8%, in line with the vacancy during the TTM period. As of the most recent March 2023 rent roll, the portfolio properties are 2.1% vacant.

Fitch applied a management fee of 4% of EGI. Real estate taxes and insurance expense were based on the actual tax bills and actual insurance premiums for 2023. The remaining operating expenses were all based on the TTM period figures inflated by 3%.

Fitch applied \$300 per unit for replacement reserves, higher than the \$230 per unit recommended by the engineering report.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/18/2023	Market	Multifamily	Cincinnati - OH	1Q23	136,893	5.9	—	1,181.00	6.4	CoStar
5/18/2023	Submarket	Multifamily	Northwest Cincinnati	1Q23	17,184	4.9	—	870.00	7.3	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Springing/Springing Excess Cash Trap Trigger: Upon i) Event of Default or ii) DSCR<1.30x
Ongoing Reserves (\$)	
Real Estate Taxes	8,449 monthly
Insurance	10,383 monthly
Upfront Reserves (\$)	
Real Estate Taxes	42,247
Insurance	114,212
Replacement Reserves	94,956
Source: BMO 2023-C5	

Great Lakes Crossing Outlets

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-2-1-A, A-2-3, A-3-3 (Trust)	37,500,000	Loan Payoff	177,589,210
Additional A-Note (s)	142,500,000	Upfront Reserves	1,805,623
Equity Contribution	962,977	Closing Costs	1,568,144
Total	180,962,977	Total	180,962,977

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.52
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	4
Amortization Type	Interest Only
Origination Date	1/5/2023
Maturity Date	2/1/2033
Maturity Balance (\$ Mil.)	37.5

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	26.1	Total Current LTV (%)	61.2
Fitch NCF Haircut (%)	12.3	Total Term DSCR (x)	1.91
Fitch Value (\$ Mil.)	248.3	Total Maturity LTV (%)	72.5
Fitch Value Decline (%)	37.9	Total Maturity DSCR (x)	1.26
Fitch Cap Rate (%)	10.50	Trust Midpoint LTV (%)	61.2
Fitch Constant (%)	11.50	Trust Maturity LTV (%)	72.5
Fitch Loan Structure Score	2	Fitch LTV (%)	72.5
Fitch Qualitative Risk Score	3	Fitch DY (%)	14.5
Fitch Property Grade	B	Expected Loss (%)	3.1

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BMO, GACC	400.0	29.7	2.50	45.0	16.5

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
The Taubman Realty Group LLC	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Great Lakes Crossing Outlets	100.0	Retail	Mall Tier 2	Auburn Hills, MI	1,128,332	1998/2010	89.6

Source: BMO 2023-C5

Strengths

Accessibility and Limited Competition: The property is located in Auburn Hills, MI, approximately 35 miles northwest of the Detroit CBD. The property has one full mile of frontage along I-75, a major thoroughfare in the area. The area is home to 4.3 million residents with daily traffic of over 197,000 cars. No factory outlet stores of comparable size and quality exist in the nearby region. The nearest competitors include Tanger Outlets Howell, about 40 miles west of the property, and Birch Run Premium Outlets, 52 miles northwest of the property.

Good Sales Productivity and Low Fitch Leverage: The property has generated strong inline tenant sales of \$503 psf as of the October 2022 TTM, up by 3% from pre-pandemic levels in 2019. Inline sales have improved approximately 38% following the pandemic with certain categories, such as apparel and sportswear, woman's specialty and fine jewelry/watches growing by more than 50%. Occupancy costs at the property averaged about 13.8% as of the September 2022 rent roll. Based on total mortgage debt of \$159.53 psf with no additional debt, Fitch's stressed DSCR, LTV and DY are 1.57x, 72.5% and 14.5%, respectively.

Stable Historical Occupancy and Granular Rent Roll: The outlet center has averaged 94.8% occupancy over the past 10 years, excluding 2020. As of the November 2022 rent roll the property was 89.6% occupied by 182 tenants, including 142 inline permanent tenants, 26 temporary tenants and 14 major tenants. There are also two noncollateral anchor tenants and eight noncollateral outparcel tenants. In addition, the property has four unique experiential tenants, including the only Legoland Discovery Center, Peppa Pig World of Play in Michigan and Sea Life Aquarium, the state's largest aquarium. Excluding the largest tenants, Burlington Coat Factory (7.2% of NRA and 3.4% of in-place base rents) and Round 1 Bowling Amusement Factory (5.2% of NRA and 4.9% of in-place base rents), no tenant represents more than 4.2% of NRA and 3.0% of base rents.

Experienced Sponsorship: Taubman Realty Group LLC developed the outlet center in 1998 and has experience in owning, managing and/or leasing 26 premier regional, super-regional and outlet shopping malls in the U.S. and Asia. In its over 70 years of operations, Taubman has developed more than 80 million sf of retail and mixed-use projects.

Concerns

Rollover During Loan Term: Of the current leases in place, approximately 98.6% of the NRA is scheduled to roll during the loan term. Over the next three years, about 33.1% of NRA is scheduled to roll. The largest concentration of lease rollover is set to occur in 2027 and 2030, when approximately 15.9% and 16.2% of NRA, respectively, is scheduled to roll. To mitigate the risk of rollover, the loan is structured with leasing cost reserves of \$1.00 psf per year, capped at \$2.00 psf. Fitch modeled Great Lakes Crossing outlets with a volatility score of '4' to account for the rollover and lack of upfront reserves to cover potential future leasing costs.

Full-Term Interest-Only Loan: The loan is interest-only for the entire 10-year loan term.



Site Inspections

Fitch assigned Great Lakes Crossing Outlets a property quality grade of 'B'.

Fitch toured the property on a Wednesday afternoon in January accompanied by management. Overall, the mall seemed to be well-managed and maintained. The mall was originally constructed in 1998 and has undergone major remodeling since 2010 to update common areas, renovate anchor tenant spaces and accommodate buildout. The interior buildouts and common area spaces were of modern appearance. The exterior structure was clean and there were no visible signs of damage. The parking spaces and landscaping were in good condition and no major deferred maintenance was noted. The parking lot was in excellent condition and the parking stall lines were recently painted. An electric vehicle charging station was centrally located and appeared to have been installed recently.

Great Lakes Crossing Outlets is located in Auburn Hills, approximately 33 miles north of downtown Detroit. It is one of the state's largest destination shopping centers and attracts international visitors to its retail space. The City of Auburn Hills is home to more than 26,000 residents and has 22 business technology parks. The property is located along I-75 and Ballwin Road.

The drivers for the mall are the long-term anchor tenancy, family attractions, entertainment and dining options. The Auburn Hills location is an affluent suburb and the appeal of outlet stores, with several national and international brands, could continue to drive interest toward the property.

The property attracts both nearby residents and international visitors, primarily from Canada. The Canadian town of Sarina, in the Ontario province, is approximately 65 miles from the property. The mall property manager reports that the mall is a popular destination for Canadian tourists who will spend a weekend on the mall property, shopping and taking in the mall amenities. He noted the property is particularly popular with families with small children due to the Rainforest Café, Legoland exhibit and aquarium.

There are three flagged hotels located within the mall footprint, including a Holiday Inn Express & Suites Auburn Hills, TownePlace Suites by Marriott Detroit Auburn Hills and Hampton Inn Detroit/Auburn Hills-North. As noted above, the mall draws visitors from Canada who typically stay overnight to enjoy the mall experience. Directly adjacent to Great Lakes Crossing Outlets is a Topgolf facility, their only location in Michigan, further adding to the adjacent mall amenities.

The area immediately proximate to the property is a large retail corridor featuring multiple big box retailers, including: Target, Menards, Kohls, Home Depot, Costco, Meijer and Sam's Club.

There are multiple points of ingress and egress into the property from Ballwin Road to the west and Great Lakes Crossing Road to the south. On the north side of the property are three standalone restaurants, including: Chili's, McDonalds and On the Border Mexican. The mall contains multiple experiential tenants, including Sea Life Michigan Aquarium (Michigan's largest aquarium), Rainforest Café, Round One Bowling, Peppa Pig World of Play, Legoland Discovery Center and AMC Star Lakes 25 cinema center. The mall's east side contains the majority of the attractions and includes a large merry go round, multiple rides aimed at young children and other family attractions located near the food court of the mall.

A central component of the mall included a large food court and a children's carousel. The food court appeared to be fully operating and was one of the most trafficked sections of the mall at the time of the inspection. Restrooms were conveniently located in each part of the mall and each had a very high level of cleanliness. According to the management representative, domestic customer activity and foot traffic was in line with pre-pandemic levels. Canadian visitors have declined recently due to the unfavorable exchange rate between the U.S. and Canada at the time of inspection.

The largest anchor at the property, Bass Pro Shops (noncollateral), had large signage both outside the mall on the street and on the mall's exterior. Bass Pro Shops could be accessed directly from the parking lot or from the interior of the mall. The merchandise was well displayed, the store interiors were clean and there were no signs of any deferred maintenance required. At the time of the tour, customer activity was low.

AMC Theaters (noncollateral) was located at the far end of the mall and could be accessed from the mall's interior and exterior. The parking area around AMC Theaters at the exterior of the mall had a low level of parked vehicles at the time of inspection. There appeared to be very little customer activity around the ticketing and concessions counter.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Great Lakes Crossing Outlets	Burlington Coat Factory	7.2	81,082	1/31/2030
Great Lakes Crossing Outlets	Round 1 Bowling Amusement	5.2	59,071	9/30/2027
Great Lakes Crossing Outlets	Forever 21	4.2	47,203	Month-to-Month
Great Lakes Crossing Outlets	Marshalls	3.1	35,191	1/31/2027
Great Lakes Crossing Outlets	TJ Maxx	3.1	34,766	1/31/2027

Source: BMO 2023-C5

Cash Flow Analysis

	2019	2020	2021	T12 Ended November 2022	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	92.9	91.0	91.9	89.6	92.6	—	—
Gross Potential Rent (\$)	28,912,209	25,411,004	28,719,779	30,192,148	34,333,848	30,093,270	26.67
Expense Reimbursements (\$)	17,143,769	15,325,567	13,482,273	13,668,504	13,807,001	13,485,514	11.95
Vacancy/Credit Loss (\$)	479,579	2,965,788	-1,933,578	244,977	3,745,989	2,881,740	2.55
Other Income (\$)	2,972,986	2,937,785	3,126,135	2,808,452	2,605,779	2,605,779	2.31
Effective Gross Income (\$)	48,549,386	40,708,568	47,261,766	46,424,127	47,000,639	43,302,823	38.38
Management Fee (\$)	1,794,249	1,286,298	1,840,357	1,793,774	1,880,026	1,732,113	1.54
Real Estate Taxes (\$)	3,728,859	3,919,758	4,149,815	4,182,954	4,476,310	4,476,310	3.97
Insurance (\$)	254,111	229,826	253,696	285,803	281,466	281,466	0.25
Ground Rent (\$)	—	—	—	—	—	—	0.00
Operating Expenses (\$)	8,527,423	7,421,301	8,106,560	8,505,960	8,801,070	8,801,070	7.80
Net Operating Income (\$)	34,244,744	27,851,384	32,911,337	31,655,635	31,561,767	28,011,864	24.83
Capex (\$)	—	—	—	—	1,827,078	1,939,945	1.72
Net Cash Flow (\$)	34,244,744	27,851,384	32,911,337	31,655,635	29,734,689	26,071,919	23.11

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the leases in place as of the November 2022 rent roll, which reflects an 89.6% occupancy rate. According to the rent roll, there are 43 tenants (19.7% of NRA) that pay either percent-in-lieu (PIL) rent (based on a fixed percentage of total sales) or overage rent (based on a fixed percentage of sales above a certain breakpoint). To determine a sustainable level of PIL and overage rent, Fitch used November 2022 sales figures if they were more conservative than 2019. Otherwise, Fitch used the greater of TTM sales figures stressed by 10% or 2019 sales.

Fitch applied near-term rent step credit to tenants with rent steps occurring through July 2023. Fitch estimated short-term temporary tenant rents and other income based on the 2022 budget due to it being more conservative than the TTM and historical figures.

Expense reimbursements are based on the rent roll and adjusted for Fitch's higher expense assumptions.

Fitch applied an occupancy cost adjustment to 22 tenants, totaling \$1.6 million. Fitch's occupancy cost adjustment was based on an occupancy cost target of 20.0%. Fitch also applied additional tenant stresses totaling \$1.3 million. This includes stresses of 10% to two signed-not-occupied tenants with occupancy expected over the next three months, 25% applied to 15 tenants with leases expiring within the next three months, 25% applied to Plant Fitness and a 100% stress to three expired tenants.

This results in an overall economic vacancy of 17.0%.

Fitch applied a management fee of 4.0% of EGI. Insurance expense is based on the actual insurance premium amount. All other expenses are based on the 2022 budgeted figures, which were more conservative than the TTM figures inflated by 3.0%.

Fitch assumed replacement reserves of \$0.23 psf and \$1.49 psf for normalized leasing costs.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Retail)	Detroit - MI	1Q23	261,293,869	5.1	6.8	17.98	3.0	CoStar
5/16/2023	Submarket	Submarket (Retail)	Pontiac	1Q23	8,182,692	3.4	4.4	18.28	3.7	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) Bankruptcy Action of Borrower or Manager or iii) Debt Yield<12.0%
Ongoing Reserves (\$)	
Tenant Rollover	94,028 monthly
Upfront Reserves (\$)	
Deferred Maintenance	1,805,623

Source: BMO 2023-C5

Oak Street NLP Fund Portfolio

Sources and Uses

Loan Purpose		Recapitalization	
Sources	Amount (\$)	Uses	Amount (\$)
A-6 Note (Trust)	30,000,000	Return of Equity	413,683,950
Additional A-Note (s)	310,000,000	Closing Costs	11,288,500
Subordinate Secured Debt	85,000,000	Upfront Reserves	27,550
Total	425,000,000	Total	425,000,000

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.14
Original Loan Term	60
Original Amortization Term	0
Original IO Periods	60
Seasoning (Months)	3
Amortization Type	Interest Only
Origination Date	2/23/2023
Maturity Date	3/11/2028
Maturity Balance (\$ Mil.)	30.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	50.4	Total Current LTV (%)	—
Fitch NCF Haircut (%)	12.0	Total Term DSCR (x)	—
Fitch Value (\$ Mil.)	559.6	Total Maturity LTV (%)	—
Fitch Value Decline (%)	46.8	Total Maturity DSCR (x)	—
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	—
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	—
Fitch Loan Structure Score	2	Fitch LTV (%)	60.8
Fitch Qualitative Risk Score	3	Fitch DY (%)	14.8
Fitch Property Grade	B-	Expected Loss (%)	A-sf*

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil)	NCF (\$ Mil)	DSCR (x)	LTV (%)	NCF DY (%)
KeyBank National Association	1051.1	57.3	2.71	32.3	16.8

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Blue Owl Capital, Inc. and Oak Street Real Estate Capital, LLC	Recapitalization	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Big Lots - Tremont, PA	16.1	Industrial	Industrial	Tremont, PA	1,294,548	2000/N.A.	100.0
Big Lots - Durant, OK	13.1	Industrial	Industrial	Durant, OK	1,296,562	2003/N.A.	100.0
Badcock - LaGrange, GA	5.7	Industrial	Industrial	LaGrange, GA	537,855	2015/N.A.	100.0
Badcock - Mebane, NC	4.2	Industrial	Industrial	Mebane, NC	369,420	2004/2019	100.0
Badcock - Mulberry, FL	4.1	Industrial	Industrial	Mulberry, FL	371,240	1991/2002	100.0
NAICO - Chandler, OK	3.9	Office	Suburban	Chandler, OK	158,430	1920/2022	100.0
Save Mart Supermarkets - San Pablo, CA	3.3	Retail	Anchored	San Pablo, CA	109,876	1973/N.A.	100.0
Nation Safe Driver - Boca Raton, FL	3.2	Office	Suburban	Boca Raton, FL	139,785	1981/2022	100.0

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Save Mart Supermarkets - Fresno, CA (4)	3.0	Retail	Anchored	Fresno, CA	186,652	1981/2008	100.0
Save Mart Supermarkets - El Cerrito, CA	2.5	Retail	Anchored	El Cerrito, CA	66,778	2001/N.A.	100.0
Total/WA (Top 10)	59.1				4,531,146		100.0
Total/WA	99.9				6,470,388		100.0

Source: BMO 2023-C5

Strengths

Strong Portfolio Occupancy and Long-Term Triple Net Leases: The portfolio is 100% leased as of the January 2023 rent roll on an absolute triple net basis (NNN) to the tenants with a WA remaining lease term (WARLT) of 18.5 years, providing over 14 years of tail beyond the end of the loan term.

Geographic Diversity: The portfolio consists of 31 retail properties (31.8% of NRA), seven industrial properties (62.8% of NRA) and four office properties (5.4% of NRA). The properties span eight states across 23 unique MSAs.

Mission-Critical Tenant Use: Out of the seven industrial properties (62.8% of NRA), the two Big Lots distribution centers service 39.5% of the company's retail locations and are two of five regional distribution centers utilized by the company. The remaining five are Badcock distribution centers, accounting for 22.7% of total SF. They are the company's primary distribution centers and serve the majority of the company's entire 383 store retail footprint. The four office properties (5.4% of NRA) all serve as their respective tenants' headquarters.

Concerns

Subleased Spaces: Save Mart is subleasing 10 of its properties across the portfolio. Three properties are freestanding retail properties, which are subleased to Planet Fitness and Dick's Sporting Goods as anchors. The average sublease base rent is \$15.20 psf, which is slightly below the master lease base rent of \$15.62 psf paid by Save Mart. Another five properties are Save Mart-anchored shopping centers, where inline spaces (240,336 sf) are being subleased with an average sublease base rent of \$14.12 psf. The total base rent of sublease and anchor spaces is in line with the master lease base rent. The remaining two are non-Save Mart-anchored shopping center properties, of which one has a dark anchor and the other is subleased to and anchored by In-Shape Health Club. The average sublease base rent is \$13.07 psf, which is slightly higher than the master lease base rent of \$12.17 psf. Fitch applied rent stresses in its cash flow analysis to account for the lower sublease rental rates.

Ground Leases: There is one leasehold property in the portfolio, Save Mart Supermarkets - Tracy, CA (2). The ground lease expires in December 2064, with two renewal options of 10 years each. The fixed ground rent is \$615,850 per annum as of the closing date of the loan. In addition, a percentage rent is based on 25% of the increase in the annual gross rents received solely from subtenants in excess of the initial gross rent. The fixed rent is subject to escalations by an amount equal to 80% of that portion of percentage rent paid, which is solely and directly attributable to increases in the fixed monthly rent payable by subtenants. Fitch applied average ground rent over the loan term plus five years in its cash flow analysis.

Full-Term Interest Only: The loan is structured with interest-only payments for the entire five-year loan term. No principal paydown is scheduled to occur, although this is partially mitigated by the implied equity remaining and an originator underwritten DSCR of 2.19x. Additionally, based on the aggregate as-is appraised value of the portfolio, the LTV is 40.4%.



Site Inspections

Fitch conducted unguided site inspections on several of the Oak Street NLP Fund Portfolio anchored retail centers across Northern California in late February 2023. Property quality grades and inspection commentary for the properties that Fitch inspected are below.

All the retail centers are conveniently located with easy access to major highways. The areas surrounding the locations consisted of mainly lower- to middle-income neighborhoods. Parking lots were spacious. Overall, the properties appeared outdated but well maintained. There were minor to moderate deferred maintenance issues at each store, including cracks and stains on the floors. The shelves were mostly well stocked and organized. The employees were friendly and knowledgeable about their products.

2005 N. Tracy Boulevard, Tracy

Fitch assigned the 2005 N. Tracy Boulevard property a property quality grade of “C”.

The retail center is located right off the major Highway 205. There were numerous retail stores clustered in the immediate area including another grocery store, Juanita Market, located within one half mile. The signage of the retail center was missing and the retail center was not visible from the main road. The former grocery anchor Save Mart vacated several years ago, leaving only Royal Gym and another small tenant remaining at the property. The gym did not appear busy at the time of visit. The parking lot was nearly empty.

875 S. Tracy Boulevard, Tracy

Fitch assigned the 875 S. Tracy Boulevard property a property quality grade of “B”.

The retail center is situated at the intersection of South Tracy Boulevard and West Schulte Road, with proximity to Highway 205. The immediate area surrounding the location consisted of primarily middle-income neighborhoods and small retail shops. Overall, the area gives a suburban feel. The signage of the Save Mart, the grocery anchor, was highly visible from the main roads. The parking lot was spacious and seemed only half full at the time of visit. Foot traffic seemed light on a Thursday afternoon. The interiors were dated but relatively well maintained. The floor has been partially updated in a couple of sections in the store. Minor cracks and stains on the floors can be visually detected. A diverse range of products and services were offered at the store including fresh produce, meats, dairy products, baked goods and household items. There was also a pharmacy located at the corner of the store.

4555 N. Pershing Avenue, Stockton

Fitch assigned the 4555 N. Pershing property a property quality grade of “B-”.

The Venetian Square Shopping Center is situated at the intersection of North Pershing Ave and West March Ln, approximately two miles off the Highway I-5. The intersection had extremely busy traffic and a car accident occurred right in front of the premise at the time visit. The retail center is located in a retail hub with Target, Office Depot and other discount stores clustered nearby. There were also numerous hotels ranging from budget to mid-scale within the immediate proximity. The signage and the entrance of the center was easy to miss from the main roads. Major tenants at the premises included Dollar Tree and In-Shape Health Centers (a gym). Fitch did a walk-through of the Dollar Tree, the interior of which appeared outdated and with noticeable cracks and stains on the floors and walls. The parking lot was nearly full and the foot traffic was heavy at the time of inspection on a Thursday afternoon.

13220 San Pablo Ave, San Pablo

Fitch assigned the 13220 San Pablo Ave property a property quality grade of “B”.

The retail center is conveniently located near the Highway I-80, across the street from San Pablo Lytton Casino and San Pablo Town Centre which appeared to be major demand drivers in the area. The immediate area surrounding the property consisted of mainly single-family residences with numerous local and franchised restaurants and retail shops nearby. The parking lot was already half full at 9:00 AM. The tenants at the retail center included FoodMaxx, Planet Fitness and Falls Paredes, a discount store. Falls Paredes appeared to be permanently closed with the doors boarded up from outside. Planet Fitness seemed busy at the time of inspection. Fitch did a walk-through of FoodMaxx and observed that the store seemed well-lit and tidy with some cracks on the floor noted.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Various	Big Lots, Inc.	40.0	2,591,110	6/30/2040
Various	Save Mart Supermarkets	31.0	2,003,403	11/30/2044
Various	W.S. Badcock Corporation	23.5	1,522,660	Various

NAICO - Chandler, OK	Chandler Insurance Company, LTD.	2.4	158,430	8/31/2039
Nation Safe Driver - Boca Raton, FL	Nation Motor Club, LLC	2.2	139,785	12/31/2041

Source: BMO 2023-C5

Cash Flow Analysis

	T12 Ended D	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)				
Gross Potential Rent (\$)	55,257,111	64,337,263	63,747,014	9.85
Expense Reimbursements (\$)	—	22,817,084	23,399,561	3.62
Vacancy/Credit Loss (\$)	—	4,357,717	8,714,657	1.35
Other Income (\$)	—	—	—	0.00
Effective Gross Income (\$)	55,257,111	82,796,630	78,431,917	12.12
Management Fee (\$)	—	827,966	2,745,117	0.42
Real Estate Taxes (\$)	—	10,275,349	10,344,966	1.60
Insurance (\$)	—	1,634,692	1,634,692	0.25
Ground Rent (\$)	—	646,320	651,719	0.10
Operating Expenses (\$)	—	8,605,616	8,605,616	1.33
Net Operating Income (\$)	55,257,111	60,806,687	54,449,807	8.42
Capex (\$)	—	3,547,972	4,087,416	0.63
Net Cash Flow (\$)	55,257,111	57,258,714	50,362,392	7.78

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the annualized base rent per the January 2023 rent roll, reflecting an occupancy of 100%. Fitch applied near-term rent step credit through August 2023. Fitch's recoveries reflect full reimbursements on real estate taxes, insurance, management fees, common area maintenance (CAM) and ground rent based on absolute NNN master leases. The recoveries also include 50% of the earthquake insurance policy costs at properties with a scenario expected loss of 20% or greater per the terms of the master lease.

Fitch targeted an all-in vacancy of 10.0%, inclusive of a physical vacancy factor of 1.7% and economic vacancy stresses of 8.3%. Fitch's economic vacancy stresses encompassed a 25% rent stress to a gym sublease tenant (Planet Fitness), stresses for subleased spaces to bring total rent down to the lower contractual rent per the subleases, 100% backouts for dark spaces and markdowns for properties with weaker sale performance to bring occupancy cost percentage down to 5.0%.

Fitch applied a management fee of 3.5% of EGI. Real estate tax and insurance expense reflect the estimated final tax bills and insurance premium amounts. CAM expense reflects the lender's estimate.

Fitch's estimated ground rent reflects the average annual ground rent over the loan term plus five years for Save Mart Supermarkets - Tracy, CA (2), inclusive of ground rent escalations based on the percentage rent.

Fitch assumed replacement reserves of \$0.22 psf and normalized leasing costs of \$0.41 psf.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Retail)	East Bay - CA	1Q23	124,314,942	5.3	5.4	32.33	-0.1	CoStar
5/16/2023	Submarket	Market (Retail)	Fresno - CA	1Q23	49,013,783	4.0	4.6	18.09	3.5	CoStar
5/16/2023	Comp Set	Market (Retail)	Stockton - CA	1Q23	31,043,334	4.6	5.5	20.79	3.5	CoStar

The loan is secured by the fee and leasehold interests in 42 properties. The properties are located across California, Oklahoma, Pennsylvania, Florida, Georgia, North Carolina, Nevada and Connecticut in 23 unique markets, with the highest concentration in California (28.6% of NRA), followed by Oklahoma (22.5% of NRA) and Pennsylvania (20.0% of NRA).

Structural Features

Title Type	Fee (98.4%), Leasehold Only (1.6%)
Lockbox/Cash Management	Hard/In Place
	Excess Cash Trap Trigger: Upon i) Event of Default or ii) DY<11.75%
Upfront Reserves (\$)	
Replacement Reserves	27,550
Source: BMO 2023-C5	

Harborside 2-3

Sources and Uses

Loan Purpose		Acquisition	
Sources	Amount (\$)	Uses	Amount (\$)
A-2-2, A-6-1 Notes (Trust)	30,000,000	Purchase Price	377,000,000
Additional A-Note (s)	195,000,000	Upfront Reserves	64,583,916
Equity Contribution	119,820,041	Closing Costs	26,869,593
Mezzanine Debt	55,000,000		
Other	49,633,468		
Preferred Equity Investment	19,000,000		
Total	468,453,509	Total	468,453,509

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	5.84
Original Loan Term	60
Original Amortization Term	0
Original IO Periods	60
Seasoning (Months)	2
Amortization Type	Interest Only
Origination Date	4/4/2023
Maturity Date	4/6/2028
Maturity Balance (\$ Mil.)	30.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	28.7	Total Current LTV (%)	—
Fitch NCF Haircut (%)	8.9	Total Term DSCR (x)	—
Fitch Value (\$ Mil.)	318.4	Total Maturity LTV (%)	—
Fitch Value Decline (%)	19.6	Total Maturity DSCR (x)	—
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	—
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	—
Fitch Loan Structure Score	2	Fitch LTV (%)	70.7
Fitch Qualitative Risk Score	3	Fitch DY (%)	12.7
Fitch Property Grade	B+	Expected Loss (%)	BBBsf*

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
CREFI, BMO	396.0	31.5	2.36	56.8	14.0

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Mark Karasick and Michael Silberberg	Acquisition	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Harborside 2-3	100.0	Office	Urban	Jersey City, NJ	1,599,029	1930/2021	75.1

Source: BMO 2023-C5

Strengths

Accessible Location: The property is located on the Hudson River waterfront overlooking Manhattan within Jersey City's Waterfront district. There are over 1,100 dedicated parking spaces available across the street, a PATH train station adjacent to the property, a light rail station outside the main lobby and a ferry to Manhattan that arrives at the property's waterfront.

Recent and Planned Renovations: The prior owner invested \$55.9 million in capital improvements between 2020 and 2022. The sponsor plans to further improve the property by investing \$20.0 million in capex to enhance the property's common areas with high-quality amenities. Major improvements included renovations of base building work, lobby/furniture upgrades, food hall upgrades and elevator upgrades. Fitch assigned Harborside 2 (H2) and Harborside 3 (H3) a property quality grade of "B+".

Limited Rollover: The property has a granular rent roll, as no tenant comprises more than 9% of NRA or 12.6% unadjusted underwritten gross rent. Additionally, only 15% of total NRA rolls during the loan term, with no single year rollover of more than 7.9% of NRA.

Credit Tenancy: Investment grade tenants represent approximately 56.9% of the property's NRA. Investment grade tenants at the property include: MUFG Bank (Fitch rated 'A-'); E-Trade/Morgan Stanley (Fitch rated 'A+'); Arch Insurance Company (Fitch rated 'AA-'); Zurich American Insurance Company (Fitch rated 'AA-'); and Whole Foods Market Services (Fitch rated 'AA-').

Concerns

Vacancy: The property is currently 24.9% vacant, significantly above the submarket vacancy of 14.3%. In addition, the adjacent (connected) building, Harborside 1 (noncollateral), is 100% vacant. The loan structure includes a \$14.2 million upfront unfunded obligations reserve, and the loan agreement contains anti-poaching provisions related to Harborside 1 leasing.

Additional Debt: The capital stack includes approximately \$55.0 million of subordinate mezzanine financing and \$19.0 million of preferred equity. Based on the total debt of \$299.0 million, the Fitch LTV is 57.02% with a DY of 9.58%.

Full-Term Interest-Only Loan: The loan will be interest-only for the entire five-year loan term. The sponsor invested \$119.8 million of fresh equity at loan closing and plans to invest an additional \$20.0 million in capex.



Site Inspections

Fitch assigns Harborside 2 (H2) and Harborside 3 (H3) a property quality grade of "B+".

Fitch inspected the property on a Tuesday afternoon in March and was accompanied by representatives of 601W Companies, as well as the lender. Overall, Fitch observed the property to be in good condition with no obvious signs of significant deferred maintenance.

H2 and H3 are part of the broader Harborside mixed-use development within the Exchange Place district of Jersey City, NJ. It benefits from a waterfront location with views of the Hudson River and Lower Manhattan along its eastern elevation. It is easily accessible from the surrounding area and from Manhattan due to its proximity to the Exchange Place PATH station and Hudson-Bergen Light Rail stops that service the Harborside development. Surrounding uses include a Hyatt Regency located on a pier just south of the property, several high-rise apartment and office buildings as well as surface parking lots. The surrounding buildings have some ground-level retail and restaurant space that serves the community.

The tour began in the building's main lobby, which is built out as a large atrium space between H2 and H3 and accessible from the east and west sides of the property. Fitch was shown a variety of occupied tenant spaces on the 3rd floor (Omnicom), 4th floor (Veris Residential), 7th floor (Whole Foods Market) and 8th floor (AmTrust). Fitch also viewed some vacant space on the 9th floor, which is part of a planned conversion to amenity space. Finally, Fitch walked the ground floor retail corridor, situated along the eastern building elevation facing the Hudson River and Lower Manhattan, food court and two full-service restaurant spaces that are presently vacant.

The main lobby, food court and tenant spaces generally appeared modern and nicely finished on the interior with high quality building materials and contemporary design elements from recent renovations completed by the seller. The main lobby branches off into two distinct building lobbies for H2 and H3, each of which has modern access control

points (card swipe access), security desks and stylish elevator lobbies with artwork, feature walls and seating areas. This was somewhat contrasted by the retail shop space along the property's eastern building elevation, which was mostly vacant. The retail space is within a long hallway that was comparatively plain with outdated storefronts. 601W Companies indicated this will be an area of focus in its business plan.

Fitch also walked the exterior of the buildings. The site appeared to be clean and the building exteriors well maintained and in good condition. Foot traffic was light in and around the property during the tour. Fitch observed the property's ferry stop was not functioning and the timber-decking along the lower portion of the seawall appeared in need of repairs. According to 601W Companies, the seller of the property allowed the contract with NY Waterways to expire.

The adjacent Harborside 1 (H1; noncollateral) building is entirely vacant following Deutsche Bank's departure in 2019, at the expiration of the lease. At that time, the H1 building was renovated at a cost of \$157 million and Amazon announced it would occupy the space. However, these plans were subsequently canceled after Amazon's CEO transition.

H1 connects to H2 via an opening within the ground floor retail corridor. This area of the property is subject to a reciprocal easement agreement, but there are no access points between H1 and H2 on upper floors. 601W Companies plans to backfill the H1 space with a single tenant or possibly larger block users so as not to compete directly with the subject. 601W Companies expects this to provide complementary foot traffic that will benefit the subject's retail space.

Fitch inquired about return to office and employee space utilization following the pandemic. 601W Companies indicated employee office utilization (as measured by card swipes) was back to approximately 60% of pre-pandemic levels and continuing to improve. The representatives noted that many people stayed home the day of the tour because of an approaching storm.

601W Companies representatives noted the company's business plan includes additional capital investment for adding amenities to the 8th and 9th floors. Conference space, an employee lounge, a fitness center and rooftop deck overlooking the Hudson River are also being considered. Additionally, the company will focus on energizing the food hall and retail space, finding operators for the restaurants, making repairs to the seawall and renewing the NY Waterways contract to provide direct ferry service to the property. The sponsor believes this will create an asset with a unique set of amenities that will compete well for new leasing activity in the market.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Harborside 2-3	MUFG Bank Ltd.	8.6	137,076	8/31/2029
Harborside 2-3	E-Trade Financial Corporation	8.3	132,265	1/31/2031
Harborside 2-3	Collectors Universe	8.2	130,419	11/30/2038
Harborside 2-3	Sumitomo Mitsui Banking	7.0	111,605	12/31/2036
Harborside 2-3	Arch Insurance Company	6.7	106,815	5/31/2024

Source: BMO 2023-C5

Cash Flow Analysis

	2019	2020	2021	2022	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	—	—	—	—	75.3	72.4	—
Gross Potential Rent (\$)	42,029,851	43,793,352	44,836,663	45,934,802	49,772,532	49,692,194	31.08
Expense Reimbursements (\$)	462,010	117,040	1,781,772	2,608,869	835,286	835,286	0.52
Vacancy/Credit Loss (\$)	—	—	—	—	—	1,338,878	0.84
Other Income (\$)	598,386	706,669	832,439	770,425	1,145,222	720,222	0.45
Effective Gross Income (\$)	43,090,248	44,617,062	47,450,874	49,314,096	51,753,039	49,908,824	31.21
Management Fee (\$)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,250,000	0.78
Real Estate Taxes (\$)	5,989,391	6,988,199	6,969,969	6,476,738	6,373,673	6,373,673	3.99
Insurance (\$)	498,719	693,812	987,947	1,339,686	1,558,710	1,578,960	0.99
Ground Rent (\$)	1,749,058	1,655,911	916,822	1,065,103	1,787,752	1,787,752	1.12
Operating Expenses (\$)	8,473,989	8,151,603	8,172,480	7,945,690	7,862,032	7,977,775	4.99
Net Operating Income (\$)	25,379,091	26,127,537	29,403,655	31,486,880	33,170,872	30,940,664	19.35
Capex (\$)	—	—	—	—	1,707,226	2,285,364	1.43
Net Cash Flow (\$)	25,379,091	26,127,537	29,403,655	31,486,880	31,463,647	28,655,299	17.92

Source: Fitch Ratings, BMO 2023-C5

The GPR in Fitch's analysis is based on the in-place base rents as of the February 2023 rent roll, which reflects 75.1% occupancy. Fitch included near-term rent steps through October 2023. Recoveries are based on the in-place contractual rates per the February 2023 rent roll.

Fitch applied individual tenant stresses of 100% to two tenants with expired leases and a 50% stress to one tenant not yet in occupancy.

Fitch's other income consists of antenna revenue, submetered electric revenue and a rooftop generator fee.

Fitch's management fee is 4.0% of EGI. Real estate taxes and insurance are based on actual invoices. Contract services and cleaning were based on the budget. All other expenses are based on the TTM amounts inflated by 3.0%.

Capex includes replacement reserves of \$0.25 psf, based on Fitch's guidelines. Stabilized leasing costs are estimated at \$1.12psf.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Office)	New York - NY	1Q23	974,559,017	12.8	16.2	38.20	0.0	CoStar
5/16/2023	Submarket	Submarket (Office)	Hudson Waterfront	1Q23	30,490,413	15.6	22.6	37.87	0.3	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: (i) the occurrence of an Event of Default, (ii) DSCR (Aggregate) is less than 1.25x, (iii) DSCR is less than 1.81x, (iv) the occurrence of a Mezzanine Loan Event of Default

Ongoing Reserves (\$)

Real Estate Taxes	696,822 monthly
Insurance	136,387 monthly
Replacement Reserves	26,650 monthly

Upfront Reserves (\$)

Real Estate Taxes	696,822
Insurance	272,774
Tenant Rollover	15,000,000
Replacement Reserves	8,000,000
Other Reserves	40,614,319

Source: BMO 2023-C5

Cross Island Plaza

Sources and Uses

Loan Purpose	Refinance		
Sources	Amount (\$)	Uses	Amount (\$)
A-1 (Trust) ^a	30,000,000	Loan Payoff	28,547,718
Additional A-Note (s)	12,500,000	Return of Equity	8,860,177
		– Upfront Reserve	3,838,100
		– Closing Costs	1,254,006
Total	42,500,000	Total	42,500,000

^aControlling Note

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.61
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	1
Amortization Type	Interest Only
Origination Date	5/2/2023
Maturity Date	5/6/2033
Maturity Balance (\$ Mil.)	30.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	4.0	Total Current LTV (%)	80.2
Fitch NCF Haircut (%)	8.8	Total Term DSCR (x)	1.22
Fitch Value (\$ Mil.)	43.1	Total Maturity LTV (%)	98.7
Fitch Value Decline (%)	43.3	Total Maturity DSCR (x)	0.91
Fitch Cap Rate (%)	9.25	Trust Midpoint LTV (%)	80.2
Fitch Constant (%)	10.25	Trust Maturity LTV (%)	98.7
Fitch Loan Structure Score	2	Fitch LTV (%)	98.7
Fitch Qualitative Risk Score	3	Fitch DY (%)	9.4
Fitch Property Grade	B	Expected Loss (%)	5.4

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil)	NCF (\$ Mil)	DSCR (x)	LTV (%)	NCF DY (%)
BMO Harris Bank, N.A.	75.9	4.4	1.53	56.0	10.3

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Chaim Simkowitz and Abraham J. Hoffman	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Cross Island Plaza	100.0	Office	Urban	Rosedale, NY	256,930	1982/2021	90.7

Source: BMO 2023-C5

Strengths

Well Located: The subject property is located in Rosedale, NY, just north of John F. Kennedy International Airport and east of Brooklyn. The property is located adjacent to a major highway that allows for easy access to surrounding areas and the greater New York City MSA. Approximately 60% of the building's tenants are in the logistics and other related industries, which makes the proximity to JFK International Airport mission-critical for certain company operations, including serving as the East Coast headquarters for the largest tenant, OEC Freight (10.9% NRA and

11.3% base rent), and downstate headquarters for the second largest tenant, Schenker, Inc. (6.5% NRA and 6.2% base rent).

Stable Historical Occupancy with Committed Tenancy: The subject property has averaged 89.1% occupancy over the past 10 years with a current occupancy of 90.7% as of the March 2023 rent roll. Additionally, the property has shown evidence of long-term tenancy at the property, with 23 tenants having lease terms of 10 or more years, including the two largest tenants.

Granular Rent Roll: The property is currently leased to 66 tenants across a wide range of industries, with no tenant accounting for more than 10.9% of NRA and only two tenants comprising more than 5% of total base rent.

Experienced Sponsorship: The sponsors of the transaction are Chaim Simkowitz and Abraham Hoffman. Mr. Simkowitz has a current portfolio of 41 commercial properties in the New York metro area. In addition, Mr. Hoffman has invested in 18 properties across Brooklyn, The Bronx, Newark, NJ, Jersey City, NJ and Miami, FL.

Concerns

Tenant Rollover: All of the occupied space is scheduled to roll during the loan term. The largest rollover concentration will occur in 2025 when 16.3% of NRA, or 18.6% of base rent, will expire. During the period of 2024–2027, an average of 15.0% of NRA per year is scheduled to expire. To mitigate this concern, the loan is structured with an upfront rollover reserve of \$2.7 million (\$10.51 psf) set aside for future leasing activities. The borrower is required to make monthly deposits of \$21,411 if occupancy falls below 90.0% and the amount of funds in the rollover reserve is less than \$500,000.

Full-Term Interest-Only Loan: The loan is structured with interest-only payments for the entire 10-year loan term. The sponsor has a total cost basis of \$47.3 million with about \$4.8 million of equity in the transaction.



Site Inspections

Fitch assigned Cross Island Plaza a property quality grade of "B".

Fitch toured the property on a Tuesday afternoon in April, accompanied by the facilities manager. A representative of the sponsor was made available at the end of the tour. The subject is a 247,667 sf, three-story office building. The building is located in the Rosedale neighborhood of southeastern Queens, NY, at the northeast intersection of Brookville Road and Merrick Boulevard. Brookville Road is the service road of the Belt Parkway; off and on ramps for the Belt Parkway are located less than a quarter of a mile from the subject. The subject is located less than a mile from both the Southern State Parkway and Sunrise Highway. JFK International Airport is located six miles south of the subject and LaGuardia Airport is located 14.3 miles to the northwest. The Rosedale Long Island Railroad (LIRR) train station is located 0.7 miles south of the subject with several bus stops located adjacent to the subject along Merrick Boulevard. The subject is considered to have excellent access.

Fitch observed the exterior of the building to be in fair condition. A representative of the sponsor indicated that the exterior façade will be renovated in the near term, with windows replaced on an as-needed basis. Fitch entered through the lobby located along the eastern side of the building. The lobby has a large three-story (plus basement) atrium complete with a sitting area, trees in planters, glass ceilings, open stairways and a large water feature located on the basement level. Office suites are located along the exterior of the floors with interior windows overlooking the three-story atrium. The lobby also includes a small security desk, vending machines and a cafeteria leased by Peters Island Café.

Fitch observed a significant amount of foot traffic from employees and clients arriving and leaving the lobby. Throughout the entire inspection the building had a lively feel given the amount of people in the hallways, lobby and common areas. The parking lot, which was recently repaved and restriped, was almost completely full, as was street parking located along the exterior of the property. The facilities manager indicated that the building is generally busy

given the mix of logistics, law and medical tenants that require client and employees to meet face to face and, in the case of the logistics and freight businesses, travel to and from the airport. Fitch observed the main elevator bank, located in the rear of the lobby, to be somewhat dated and in need of a modernization. The facilities manager indicated that the elevators are in the process of being replaced and, once replaced, they will overlook the atrium lobby through a glass structure.

Fitch's tour started on the third floor in OEC Group's space. OEC Group, a global logistics and freight forwarding company, is the largest tenant in the building. It leases a large portion of the third floor that wraps around the atrium. Its space features a typical office buildout with rows of desks located in the interior of the floor and offices and conference rooms located along the exterior. Fitch also toured a medical office tenant space on the third floor, Cross Island Spine Center. Cross Island Spine Center's suite featured a typical low acuity medical office buildout with a large waiting area and various exam rooms off the hallway.

The large vacant space on the third floor was toured by Fitch. This space, previously with a separate egress and occupied across two floors by U.S. Immigration and Customs Enforcement, was in a softshell condition with exposed concrete floors and ceilings. The facilities manager and representative of the sponsor indicated the space was being marketed to prospective tenants and would require a hallway extension given the depth of the floor plate. They were waiting for a tenant to lease the space prior to beginning the work on extending the hallway. They have prebuilt offices and conference rooms along the exterior of the space.

Fitch toured law firm Gregory Spektor & Associates P.C.'s space on the second floor. This tenant recently expanded at the property, taking a vacant office next door. Finishes in the suite were somewhat dated. Fitch toured additional suites on the first and basement levels, including Services Now for Adult Persons Inc., a daycare for the elderly; DB Schenker, a logistic firm and the second largest tenant in the building; and a small vacant suite in hardshell condition. Fitch also toured the mechanicals located on the basement levels with no deferred maintenance observed.

There is a newly completed fitness center located on the basement level. The fitness center includes free weights, machines, a yoga studio and men's and women's locker rooms complete with showers. The fitness center is considered amenity space with tenants able to join via a monthly membership. The facilities manager indicated that the fitness center is usually moderately busy before and after business hours. There was one individual in the fitness center at the time of inspection.

Excluding the vacant space on the third floor, Fitch did not observe any ongoing work. The facilities manager indicated that the work to renovate and replace the elevators was expected within the next few months. The facilities manager also indicated that the hallway floors would likely be replaced in the near to mid-term. Although the replacement is not necessary, the flooring did appear somewhat dated. Overall, the property appeared to be in fair condition with no observed deferred maintenance.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Cross Island Plaza	OEC Freight	10.9	28,110	5/31/2025
Cross Island Plaza	Schenker Inc.	6.5	16,585	3/31/2027
Cross Island Plaza	Gregory Spektor	5.4	13,989	11/30/2032
Cross Island Plaza	Kocher & Associates	4.3	11,037	12/31/2029
Cross Island Plaza	DAMCO USA	3.2	8,274	1/31/2026

Source: BMO 2023-C5

Cash Flow Analysis

	2022	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	—	—	89.6	—
Gross Potential Rent (\$)	6,115,916	7,665,556	6,829,780	26.58
Expense Reimbursements (\$)	557,960	896,190	812,410	3.16
Vacancy/Credit Loss (\$)	—	934,481	82,379	0.32
Other Income (\$)	294,897	485,419	410,252	1.60
Effective Gross Income (\$)	6,968,773	8,112,684	7,970,063	31.02
Management Fee (\$)	209,063	243,381	318,803	1.24
Real Estate Taxes (\$)	1,208,098	1,312,853	1,312,853	5.11
Insurance (\$)	71,803	91,574	91,574	0.36
Ground Rent (\$)	—	—	—	0.00
Operating Expenses (\$)	1,939,520	1,867,272	1,997,706	7.78
Net Operating Income (\$)	3,540,289	4,567,605	4,249,128	16.54
Capex (\$)	—	231,237	265,606	1.03
Net Cash Flow (\$)	3,540,289	4,366,368	3,983,522	15.50

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on leases in place as of the March 2023 rent roll, reflecting an occupancy of 90.7%. Fitch applied near-term rent steps credit through December 2023. Fitch's recoveries reflect the contractual expense reimbursements for occupied suites. Storage and parking income are based on actual amounts per the rent roll as of March 2023. Fitch's other income is based on the YE22 figure.

Fitch did not apply an additional physical vacancy factor given that the in-place vacancy of 9.3% is above the South Queens office submarket 1Q23 vacancy rate of 5.4%. Fitch did apply additional tenant-specific stresses for expired leases and near-term expiring leases. Fitch's total economic vacancy for the property is 10.4%.

Fitch applied a management fee of 4.0% of EGI. Real estate taxes and insurance expense were based on the actual tax bill and insurance premiums. Other operating expenses were based on YE22 figures inflated by 3%.

Fitch's capex includes \$0.25 psf for replacement reserves and stabilized leasing costs of \$0.78 psf inclusive of a 10% credit to the \$2.7 million upfront leasing cost reserve.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Office)	New York	1Q23	974,646,155	12.8	16.2	56.52	0.0	CoStar
5/16/2023	Submarket	Submarket (Office)	South Queens	1Q23	6,811,397	5.4	6.8	41.86	2.0	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DSCR<1.30x or iii) Specified Tenant Trigger Period
Ongoing Reserves (\$)	
Real Estate Taxes	109,601 monthly
Insurance	7,631 monthly
Replacement Reserves	3,212 monthly
Upfront Reserves (\$)	
Real Estate Taxes	657,606
Insurance	22,894
Deferred Maintenance	457,600
Tenant Rollover	2,700,000

Source: BMO 2023-C5

500 Mamaroneck

Sources and Uses

Loan Purpose		Acquisition	
Sources	Amount (\$)	Uses	Amount (\$)
Whole Loan	29,500,000	Purchase Price	40,000,000
Equity Contribution	11,634,728	Closing Costs	1,134,728
Total	41,134,728	Total	41,134,728

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.83
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	2
Amortization Type	Interest Only
Origination Date	4/5/2023
Maturity Date	4/6/2033
Maturity Balance (\$ Mil.)	29.5

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	2.5	Total Current LTV (%)	80.9
Fitch NCF Haircut (%)	0.0	Total Term DSCR (x)	1.09
Fitch Value (\$ Mil.)	28.0	Total Maturity LTV (%)	105.3
Fitch Value Decline (%)	38.1	Total Maturity DSCR (x)	0.85
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	80.9
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	105.3
Fitch Loan Structure Score	2	Fitch LTV (%)	105.3
Fitch Qualitative Risk Score	3	Fitch DY (%)	8.5
Fitch Property Grade	B+	Expected Loss (%)	2.7

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BMO Harris Bank, N.A.	45.3	2.5	1.23	65.1	8.5

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Abraham Hoffman	Acquisition	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
500 Mamaroneck	100.0	Leased Fee	Leased Fee	Harrison, NY	1,502,820	N.A./N.A.	NAP

Source: BMO 2023-C5

Strengths

Leased Fee Collateral: The collateral is the leased fee interest in the land underlying the property located at 500 Mamaroneck in Harrison, NY. The leasehold improvements consist of a five-story office building constructed in 1986 and renovated in 2019, containing a total 297,548 sf. The appraiser concluded a land value of \$45.3 million and a value of \$69.9 million of the borrower's leased fee interest in the property (land and improvements) assuming no ground lease.

Location and Accessibility: The property is located in Harrison, NY, about 30 miles north of downtown Manhattan. Located just south of the Hutchinson River Parkway and approximately three miles west of the Harrison-Metro North

rail station, the property has convenient access to New York City. The White Plains CBD, which has historically been the CBD for all of Westchester County, is about five miles north of the property. The Westchester Mall, a luxury regional mall, is within a 10-minute drive from the property.

Sponsor Equity Contribution: The sponsor contributed approximately \$11.5 million in cash equity to finance the acquisition of the property, representing 28.8% of the \$40.0 million purchase price.

Experienced Sponsorship: The sponsor, Abraham Hoffman, owns a real estate portfolio of 18 residential and commercial properties. Mr. Hoffman is current on all outstanding securitized loans.

Concerns

Full-Term Interest Only: The loan is structured with interest-only payments for the entire 10-year loan term. The sponsor has contributed approximately \$11.5 million of equity at closing.



Site Inspections

Fitch assigned 500 Mamaroneck a property quality grade of "B+".

Fitch toured the property on a Friday afternoon in April, accompanied by a facilities staff member. The subject is a 297,548 sf, five-story office building situated on 34.43 acres of land. The building is located in Harrison, NY. The subject is located on Mamaroneck Avenue, a major north-south thoroughfare between the Hutchinson River Parkway and I-95 (major thoroughfares leading into New York City). There are onramps and offramps for Mamaroneck Avenue for both highways, less than 1.25 miles from the subject. The subject is also less than 1.75 miles from the Mamaroneck and Harrison Metro North stations. The property is considered to have excellent access to commuter rail and road links.

Fitch observed the exterior of the building to be in very good condition. The manicured grounds include 34 acres of grass, groves of trees and a large stone waterfall feature. Fitch entered through the main lobby located along the north/eastern side of the building. The lobby has a two-story atrium with a small seating area. The lobby also includes a security/reception desk.

According to the lender-provided rent roll, the subject is 89.7% physically occupied. Tenants are situated throughout the subject's five floors with the café and gym located on the second floor. The floor plates are sized (roughly 40,000 sf each) such that large-space users can be accommodated or broken into attractive spaces for small and medium space users, as shown to Fitch during the inspection. The building contains a number of financial services tenants (insurance, banking and fund management), along with several medical services tenants, among others. Fitch observed that foot traffic in and out of the building was light due to hybrid work protocols and the inspection taking place on a Friday. All areas of the interior were in very good condition. The gym, café, common areas and tenant spaces all appeared to have been refurbished in recent years. The land and building were recently sold by Empire Realty Trust after completing an extensive renovation of the property.

Largest Tenants

Cash Flow Analysis

	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	—	—	—
Gross Potential Rent (\$)	2,522,053	2,522,053	1.68
Expense Reimbursements (\$)	—	—	0.00
Vacancy/Credit Loss (\$)	—	—	0.00
Other Income (\$)	—	—	0.00
Effective Gross Income (\$)	2,522,053	2,522,053	1.68
Management Fee (\$)	—	—	0.00
Real Estate Taxes (\$)	—	—	0.00
Insurance (\$)	—	—	0.00
Ground Rent (\$)	—	—	0.00
Operating Expenses (\$)	—	—	0.00
Net Operating Income (\$)	2,522,053	2,522,053	1.68
Capex (\$)	—	—	0.00
Net Cash Flow (\$)	2,522,053	2,522,053	1.68

Source: Fitch Ratings, BMO 2023-C5

Fitch's NCF is based on in-place contractual ground rent.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Office)	New York	1Q23	974,725,946	12.8	16.2	56.54	-0.1	CoStar
5/16/2023	Submarket	Submarket (Office)	East I-287 Corridor	1Q23	14,058,293	14.4	16.6	32.22	0.4	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing
Ongoing Reserves (\$)	Excess Cash Trap Trigger: Upon i) Event of Default, ii) DSCR<1.05x or iii) Lease Sweep Period
Upfront Reserves (\$)	

Source: BMO 2023-C5

Other Information

Leased Fee Overview: The sponsor acquired the fee interest position for \$40.0 million. The new ground lease has a 99-year term with initial ground rent of \$2.2 million and annual 3.0% rent increases for the first 10 years, 2.5% increases in years 11–15 and 2.0% increases thereafter. The ground lease is absolutely net to the sponsor. The seller of the lease fee interest, Aaron Tendler & Birch Group, is the holder of the leasehold position. The sponsor has a right of first offer with respect to the sale of the leasehold's interest in the lease.

Sayville Plaza

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
Whole Loan	28,000,000	Loan Payoff	24,598,183
Equity Contribution	2,812,797	Closing Costs	1,976,611
	—	Upfront Reserves	4,238,003
Total	30,812,797	Total	30,812,797

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	7.65
Original Loan Term	60
Original Amortization Term	0
Original IO Periods	60
Seasoning (Months)	0
Amortization Type	Interest Only
Origination Date	5/15/2023
Maturity Date	6/6/2028
Maturity Balance (\$ Mil.)	28.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	2.3	Total Current LTV (%)	90.5
Fitch NCF Haircut (%)	13.1	Total Term DSCR (x)	0.96
Fitch Value (\$ Mil.)	25.3	Total Maturity LTV (%)	110.5
Fitch Value Decline (%)	48.7	Total Maturity DSCR (x)	0.81
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	90.5
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	110.5
Fitch Loan Structure Score	2	Fitch LTV (%)	110.5
Fitch Qualitative Risk Score	3	Fitch DY (%)	8.1
Fitch Property Grade	—	Expected Loss (%)	5.9

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil)	NCF (\$ Mil)	DSCR (x)	LTV (%)	NCF DY (%)
Citigroup Global Markets Realty Corp.	49.4	2.6	1.21	52.6	9.4

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Transform Midco LLC	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Sayville Plaza	100.0	Retail	Anchored	Bohemia, NY	237,093	1969/2021	96.6

Source: BMO 2023-C5

Strengths

National Tenancy: The property is anchored by Aldi and includes major national retailers such as Floor & Décor, At Home, Chick-Fil-A and Taco Bell. Adjacent to the property and not part of the collateral are other national retailers, including Old Navy, Panera, Chipotle, Vitamin Shoppe and Burger King. Aldi has been at the property since August 2022 on a 15-year lease with five five-year extensions and no termination options.

Recently Renovated: The subject property was built in 1969 and, following the acquisition, was gut-renovated by the sponsor in 2021. The property consists of one single-story retail strip center, two outparcel buildings and over 1,200 surface parking spaces; this translates to a parking ratio of 5.1 per 1,000 sf. The sponsor invested roughly \$18.9 million (\$79.61 psf) into the property for a total cost basis to date of \$37.2 million.

Strong Submarket Fundamentals: The subject property is a grocery-anchored retail property located in Bohemia, NY. Per CoStar, the subject property is located in the Central Suffolk Retail submarket with a total inventory of over 27.6 million sf, a vacancy rate of 4.2% and average market rents of \$27.9 psf as of 1Q23 data. In comparison, the subject property has weighted average in place rents of approximately \$13.0 psf. Per the appraiser, within a one-, three- and five-mile radius the average household income is \$127,698, \$144,370 and \$139,346, respectively.

Location and Accessibility: The subject property is located less than 40 miles from New York City and has good frontage off Sunrise Highway (New York State Route 27), which acts as the primary artery between New York City and southern Long Island, including the Hamptons and Montauk. Public transportation is provided by Suffolk County Transit (Route 57 bus) and the mainline LIRR (Ronkonkoma Station – approximately 4.2 miles from the subject property). The nearest airport is MacArthur Airport, approximately 1.8 miles from the property.

Concerns

Signed but Not Occupied Tenants: Chick Fil-A and Taco Bell have signed leases with future start dates of June 2023 and April 2024, respectively. Both tenants have signed 20-year net leases with six and four five-year extension options, respectively, and no termination options. The loan is structured with a \$2.0 million economic holdback that will be released upon Chick-Fil-A and Taco Bell taking occupancy of their spaces.

Limited Historical Performance Available: Given that the sponsor acquired the subject property in 2021, historical performance data were not available for the asset. The property was previously occupied by K-Mart, Sports Authority and Borders. After the sponsor acquired the property, it was gut-renovated and leased up to the current tenants. The property is 96.6% occupied under newly executed long-term leases to major national retailers, including Aldi, At Home, Floor & Décor, Chick Fil-A and Taco Bell. The tenants have a WA lease term of 12.9 years and a WA remaining lease term of 11.5 years. None of the tenants have termination options during their lease term.

Interest-Only Loan: The loan is structured with interest-only payments for the full five-year term. The sponsor contributed \$2.4 million of equity, representing 7.8% of the transaction cost at the time of closing. Following the acquisition, the sponsor invested \$18.9 million into the subject property for a total cost basis of \$37.0 million. The sponsor will still have over \$9.2 million of hard equity left in the deal.

Site Inspections

Fitch did not inspect the property in person. In lieu of a physical property inspection, Fitch reviewed interior and exterior photos when provided in the appraisal by the originator, engineer and sponsor, as well as through Google Street View. Fitch modeled all properties it was unable to see in person in the neutral 'B' category.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Sayville Plaza	At Home	37.4	88,728	6/30/2032
Sayville Plaza	Floor & Décor	33.6	79,607	9/30/2036
Sayville Plaza	Jo-Ann Fabrics	13.3	31,484	1/31/2034
Sayville Plaza	Aldi	9.3	21,948	8/31/2037
Sayville Plaza	Chick-Fil-A (Ground Lease)	2.2	5,226	5/31/2043

Source: BMO 2023-C5

Cash Flow Analysis

	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	95.0	90.0	—
Gross Potential Rent (\$)	3,200,595	2,975,980	12.55
Expense Reimbursements (\$)	1,786,779	1,786,779	7.54
Vacancy/Credit Loss (\$)	249,369	314,342	1.33
Other Income (\$)	—	—	0.00
Effective Gross Income (\$)	4,738,005	4,448,417	18.76
Management Fee (\$)	142,140	177,937	0.75
Real Estate Taxes (\$)	1,304,568	1,304,568	5.50
Insurance (\$)	180,607	180,607	0.76
Ground Rent (\$)	—	—	0.00
Operating Expenses (\$)	287,858	287,858	1.21
Net Operating Income (\$)	2,822,832	2,497,447	10.52
Capex (\$)	195,302	217,579	0.92
Net Cash Flow (\$)	\$2,627,530	2,279,868	9.62

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the leases in place as of the February 2023 rent roll, reflecting a 3.4% vacancy. Recoveries reflect the contractual amounts.

Fitch applied a 50% stress to the Taco Bell lease given a future occupancy date in April 2024. Additionally, a 10% stress was applied to the Chick Fil-A lease given a future occupancy date in June 2023. An additional vacancy factor of 4.1% was added for a total economic vacancy of 10.0%.

Fitch assumed a 4.0% management fee. Real estate taxes and insurance are based on the actual tax bill and actual insurance premiums. All other expenses, including utilities, repair and maintenance and administrative expenses, are based on the budgeted amounts.

Fitch assumed replacement reserves of \$0.20 psf and normalized leasing costs of \$0.72 psf.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Retail)	Long Island	1Q23	157,163,650	4.2	5.4	32.88	0.3	CoStar
5/16/2023	Submarket	Submarket (Retail)	Central Suffolk	1Q23	27,577,038	4.2	6.0	27.88	0.4	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DY<8.75%, iii) Specified Tenant Trigger Period or iv) the failure of Guarantor to maintain the Guarantor Financial Covenants
Ongoing Reserves (\$)	
Real Estate Taxes	108,377 monthly
Insurance	15,803 monthly
Replacement Reserves	2,872 monthly
Tenant Rollover	13,403 monthly
Upfront Reserves (\$)	
Real Estate Taxes	108,377
Insurance	158,031
Tenant Rollover	828,029
Other Reserves	3,143,565

Source: BMO 2023-C5

Jaylor - Burger King Portfolio

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-1 Note (Trust) ^a	28,000,000	Loan Payoff	46,601,062
Additional A-Notes(s)	25,000,000	Closing Costs	5,540,232
		Sponsor Equity	658,706
	—	Upfront Reserves	200,000
Total	53,000,000	Total	53,000,000

aControlling Note

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.91
Original Loan Term	120
Original Amortization Term	180
Original IO Periods	0
Seasoning (Months)	1
Amortization Type	Amortizing
Origination Date	5/2/2023
Maturity Date	5/6/2033
Maturity Balance (\$ Mil.)	13.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	8.1	Total Current LTV (%)	87.6
Fitch NCF Haircut (%)	20.7	Total Term DSCR (x)	1.73
Fitch Value (\$ Mil.)	53.8	Total Maturity LTV (%)	45.8
Fitch Value Decline (%)	68.8	Total Maturity DSCR (x)	2.05
Fitch Cap Rate (%)	15.00	Trust Midpoint LTV (%)	67.9
Fitch Constant (%)	16.00	Trust Maturity LTV (%)	45.8
Fitch Loan Structure Score	2	Fitch LTV (%)	98.3
Fitch Qualitative Risk Score	5	Fitch DY (%)	15.3
Fitch Property Grade	—	Expected Loss (%)	6.6

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil)	NCF (\$ Mil)	DSCR (x)	LTV (%)	NCF DY (%)
Citigroup Global Markets Realty Corp.	172.3	10.2	1.79	30.7	19.2

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Matthew Schoenberg	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Burger King #04324 - Gulf Shores, AL	1.9	Retail	Un-Anchored	Gulf Shores, AL	3,735	1984/2017	100.0
Burger King #04581 - Foley, AL	1.8	Retail	Un-Anchored	Foley, AL	3,842	1985/2018	100.0
Burger King #11942 - Gray, LA	1.8	Retail	Un-Anchored	Gray, LA	3,003	1998/N.A.	100.0

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Burger King #02957 - Houma, LA	1.8	Retail	Un-Anchored	Houma, LA	3,048	1980/N.A.	100.0
Burger King #03818 - Mobile, AL	1.7	Retail	Un-Anchored	Mobile, AL	3,398	1983/2018	100.0
Burger King #03156 - Saraland, AL	1.6	Retail	Un-Anchored	Saraland, AL	3,244	1981/2018	100.0
Burger King #05255 - Prichard, AL	1.6	Retail	Un-Anchored	Prichard, AL	3,489	1986/2017	100.0
Burger King #12830 - Boutte, LA	1.6	Retail	Un-Anchored	Boutte, LA	3,068	1999/2018	100.0
Burger King #04130 - Vicksburg, MS	1.5	Retail	Un-Anchored	Vicksburg, MS	2,756	2005/2020	100.0
Burger King #09270 - Robertsdale, AL	1.5	Retail	Un-Anchored	Robertsdale, AL	2,545	1995/2016	100.0
Total/WA (Top 10)	16.8				32,128		100.0
Total/WA	99.9				304,641		100.0

Source: BMO 2023-C5

Strengths

Experienced Sponsorship and Long-Term Ownership: The sponsor, Matthew Schoenberg of Jaylor Services, Inc., has owned the portfolio for over 20 years. Mr. Schoenberg previously managed the operations of the locations before he acquired the portfolio. In addition to Burger King, he was involved in the management and operations of the Chili's franchise and has experience with other real estate investments.

Geographic Diversity: The portfolio consists of 99 properties located across six states. The three largest state concentrations by NRA are Louisiana (57%), Alabama (23%) and Mississippi (8%).

Amortizing Loan: The \$53.0 million (\$174 psf) loan term has a 10-year term and a 15-year amortization schedule. The loan is expected to pay down by 54.9% by loan maturity.

Concerns

Single Tenant Concentration: The portfolio is 100% leased to GPS Hospitality Partners IV, LLC under two master leases. Both leases will expire in June 2034 and have three five-year renewal options.

Leasehold Interest: There are 14 properties in the portfolio that are subject to various ground leases with initial maturity dates between June 2029 and May 2034. The fee simple ownership of 12 properties is owned by various unaffiliated private investors. The fee simple ownership of the remaining two properties is owned by an affiliate of the sponsor. Fitch applied average ground rent expenses over the loan term plus five years in its cash flow analysis.

Dark Stores: The portfolio has six dark stores, of which three closed during the height of the pandemic in 2020. GPS Hospitality Partners IV, LLC is obligated and continues to pay rent for all locations, including dark locations.

Recent Burger King Franchisee Bankruptcies: Two of Burger King's larger franchisee's, Toms King and Meridian Restaurants Group, filed for bankruptcy in 1Q23. The former led to a closure of over 90 Burger King locations, and the latter led to a closure of about 120 locations. Events triggered by the pandemic, i.e. increased inflation, higher supply costs and labor shortages, among other reasons, were cited for the failure. The tenant in this portfolio, GPS Hospitality Partners (GPS), is anecdotally Burger King's third largest franchisee. Despite the six dark locations within the portfolio, GPS is obligated to pay rent for the entire portfolio under the master lease. Since 2014, the portfolio locations have generated steady annual sales ranging from \$376 psf to \$411 psf, with 10-year average sales of \$390 psf.

Site Inspections

Fitch did not inspect the property in person. In lieu of a physical property inspection, Fitch reviewed interior and exterior photos when provided in the appraisal by the originator, engineer and sponsor, as well as through Google Street View. Fitch modeled all properties it was unable to see in person in the neutral 'B' category.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Various	GPS Hospitality Partners IV, LLC	100.0	304,641	06/05/2034

Source: BMO 2023-C5

Cash Flow Analysis

	2020	2021	2022	T12 Ended February 2023	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	100.0	100.0	100.0	100.0	97.1	83.7	—
Gross Potential Rent (\$)	11,455,324	11,371,698	11,683,001	11,715,852	11,887,970	11,682,937	38.35
Expense Reimbursements (\$)	—	—	—	—	—	3,131,014	10.28
Vacancy/Credit Loss (\$)	—	—	—	—	339,574	2,414,477	7.93
Other Income (\$)	20,037	10,899	8,243	8,243	8,243	8,243	0.03
Effective Gross Income (\$)	11,475,361	11,382,597	11,691,244	11,724,095	11,556,639	12,407,718	40.73
Management Fee (\$)	459,014	455,304	467,650	468,964	462,266	496,309	1.63
Real Estate Taxes (\$)	—	—	—	—	—	—	0.00
Insurance (\$)	—	—	—	—	—	—	0.00
Ground Rent (\$)	604,645	612,925	618,911	620,772	627,291	698,738	2.29
Operating Expenses (\$)	—	—	—	—	—	2,605,621	8.55
Net Operating Income (\$)	10,411,701	10,314,368	10,604,683	10,634,359	10,467,083	8,607,051	28.25
Capex (\$)	—	—	—	—	305,004	543,537	1.78
Net Cash Flow (\$)	10,411,701	10,314,368	10,604,683	10,634,359	10,162,079	8,063,514	26.47

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the two master leases in place, per the March 2023 rent roll. The master leases require the tenant to continue to pay base rent for all locations whether open or closed. Percentage rent is based on the sponsor's budgeted figure for 2023. Fitch's other rent is based on the sponsor's budgeted figure, reflecting the transaction costs of the subject refinancing and paid annually by the tenant through the duration of the loan term. Per the master leases, these costs are passed through to the tenant and are considered a component of rent. Reimbursements were based on an assumed full recovery of Fitch's expenses (excluding ground rent), as the leases are NNN.

Fitch applied a 100% stress to the six stores that are currently not operating and a vacancy factor of 10% to all other remaining stores, resulting in an all-in economic vacancy of 15.5%.

Fitch's other income is based on the TTM period ended in February 2023 figure and includes signage income and other miscellaneous income.

Fitch applied a management fee of 4.0% and an expense plug to achieve a 25% expense ratio (excluding ground rent). Ground rent was based on the average over the loan term plus an additional five years.

Capex includes replacement reserves of \$0.20 psf and stabilized leasing costs of \$1.58 psf.

Fitch considered a dark value analysis to assess recovery in the event GPS Hospitality Partners IV, LLC vacates the property during the loan term, applying assumptions for market rent, downtime between leases, carrying costs and re-tenanting costs. Fitch's dark value of approximately \$56.6 million compares favorably to the implied high investment grade proceeds for the loan.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market 1	Market	Kansas City - MO	1Q23	131,594,538	4.3	5.3	23.47	6.4	CoStar
5/16/2023	Market 2	Market	Mobile-AL	1Q23	30,252,999	3.2	3.8	21.24	4.2	CoStar
5/16/2023	Market 3	Market	Baton Rouge - LA	1Q23	46,797,881	2.3	2.4	23.21	4.6	CoStar

Structural Features

Title Type	Fee & Leasehold (4.06%), Fee (90.92%), Leasehold Only (5.02%)
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DSCR < 1.30x, iii) Specified Tenant default, iv) Specified Tenant giving notice of terminating all or a portion of the Specified Tenant Space (other than as to an Individual Property that is a Material Ground Lease Property), v) any termination or cancellation of any Specified Tenant Lease, vi) Specified Tenant bankruptcy or vii) if, after the payment date in May 2031, (a) Specified Tenant has extended or renewed the applicable Specified Tenant Lease with respect to the Individual Properties that are Fee Properties or are not Individual Properties that include Material Ground Lease Properties, for the applicable Specified Tenant Renewal Term, and (b) DSCR for trailing T-12 period < 1.30x

Ongoing Reserves (\$)

Upfront Reserves (\$)

Source: BMO 2023-C5

Montreal Beach Resort

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
Whole Loan	26,250,000	Loan Payoff	23,500,000
Equity Contribution	140,697	Closing Costs	691,917
	—	Upfront Reserves	198,780
Total	26,390,697	Total	26,390,697

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	7.5
Original Loan Term	120
Original Amortization Term	360
Original IO Periods	12
Seasoning (Months)	0
Amortization Type	IO then Amort.
Origination Date	5/12/2023
Maturity Date	6/6/2033
Maturity Balance (\$ Mil.)	23.6

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	2.8	Total Current LTV (%)	82.1
Fitch NCF Haircut (%)	27.3	Total Term DSCR (x)	1.28
Fitch Value (\$ Mil.)	25.1	Total Maturity LTV (%)	94.1
Fitch Value Decline (%)	41.0	Total Maturity DSCR (x)	1.09
Fitch Cap Rate (%)	11.25	Trust Midpoint LTV (%)	78.7
Fitch Constant (%)	11.00	Trust Maturity LTV (%)	94.1
Fitch Loan Structure Score	2	Fitch LTV (%)	104.6
Fitch Qualitative Risk Score	3	Fitch DY (%)	10.8
Fitch Property Grade	B+	Expected Loss (%)	7.1

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BSPRT CMBS Finance, L.L.C.	42.5	3.9	1.76	61.8	14.8

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Daniel T. Alicea	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Montreal Beach Resort	100.0	Hotel	Full Service	Cape May, NJ	70	1966/2022	54.4

Source: BMO 2023-C5

Strengths

Full-Service, Beachfront Hotel: Montreal Beach Resort is a 70-key, full-service hotel located in Cape May, NJ, at the northwest corner of Madison Avenue and Beach Avenue, directly across the street from the Cape May Beach. All 70 guestrooms have oceanfront views, and other hotel amenities include the 274-seat Harry's Ocean Bar & Grille restaurant, The Wine Cellar liquor store, an outdoor pool and sun deck, a fitness room, a meeting room and beach services. The property is located within driving distance of several large cities, including Philadelphia (90 miles), Baltimore (150 miles), New York City (160 miles) and Washington, D.C. (180 miles).

Recent Renovations: The property was constructed in 1966. Since acquiring the property in December 2021, the sponsor has invested \$1.0 million (\$14,153 per key) to renovate the guestrooms lobby, restaurant and rooftop bar, as well as to add one guestroom. Guestrooms were updated with new furniture, bedding, flooring, shower and tub fixtures and countertops. The RevPAR has increased from its previous peak of \$146 in 2019, to \$194 at YE22.

Concerns

Historical Occupancy and Performance: The 2020, 2021 and 2022 occupancies were 34.07%, 52.00% and 52.53%, respectively, with RevPAR of \$114.55, \$178.00 and \$194.42, respectively. Before the acquisition of the property in December 2021, the previous owner had owned and managed the property since the 1960s. In recent years, the property was managed at nearly no tax, FF&E, operational or marketing expenses. Also, the previous owner closed the hotel during winter months. As of the April 2023 TTM, the property operated at 54.41% occupancy, \$363.54 ADR and \$197.78 RevPAR.

Seasonality Risk: Given the property's close proximity to the beach, peak occupancy is seasonal and has the risk of inconsistent RevPAR levels throughout the year. The loan is structured with a seasonality reserve, with July, August, September and October monthly deposits of \$300,000, \$650,000, \$500,000 and \$200,000, respectively. The borrower shall not be required to make a seasonality reserve monthly deposit if at any time the balance in the seasonality reserve account equals or exceeds \$1,650,000.

Unflagged Hotel: Montreal Beach Resort is an independent hotel with no flag/brand affiliation. Since December 2019, the hotel has been managed by Madison Resorts, LLC, a borrower-related company. The sponsor has invested approximately \$1.0 million (\$14,153 per key) since acquisition. The loan is structured with upfront and monthly reserves for real estate taxes, insurance, and FF&E.

Partial Interest Only: The loan is IO for the initial 12 months of the 10-year loan term. The loan is scheduled to amortize on a 30-year schedule. The loan is scheduled to pay down by approximately 10.1% over the loan term.



Site Inspections

Fitch assigned the Montreal Beach Resort a property quality grade of "B+".

Fitch toured the property on a Tuesday morning in May 2023 and was accompanied by the sponsor. The full-service unflagged hotel was found to be in good physical condition, with limited signs of deferred maintenance.

The property is located in Cape May, NJ, across the street from the beach and within walking distance of shopping and restaurants. Cape May is one of the oldest seashore resort towns in the U.S. and is known for its large concentration of Victorian-style architecture. The city has been designated a National Historic Landmark. Cape May is largely dependent on tourism and is generally a seasonal destination for visitors within a few hours' drive, including Philadelphia, New York City, Baltimore and Washington D.C. Although many restaurants, businesses and hotels in Cape May close for the winter months, the Montreal Beach Resort plans to stay open the entire year.

At the time of inspection there was only a small amount of foot traffic on the grounds of the property. The hotel has been recently renovated but was built in 1966 and has an old-fashioned architectural style with rooms being accessed through outdoor hallways in the back of the hotel. The property appeared to have an adequate amount of parking with 88 spaces located in the front and back of the hotel. The owner of the property is planning a capital investment to rebrand the property and change the name to Madison Resort Cape May.

The hotel has a total of 70 rooms encompassing over four levels with 49 suites and 21 standard rooms; 65 out of 70 rooms have balconies with ocean views. Fitch toured a two-bedroom suite, a one-bedroom suite and a standard room with two queen beds. Each of the guestrooms were completely renovated, since the sponsor acquired the property in December 2021. The rooms have a coastal beach décor with a white and grey color scheme that is complimented with shiplap paneling on one wall behind each upholstered bed. The room renovations include new beds and furniture, a kitchenette area with new cabinets and quartz countertops, soft goods, lighting, window treatments and vinyl plank

flooring throughout. The bathrooms are bright with white cabinets covered with white and grey quartz, new toilets, tiled showers or tubs and vinyl plank floors.

The hotel lobby was completely renovated with a clean modern coastal feel, with distressed shiplap on the walls and front desk along with vinyl plank flooring throughout. Guest/common amenities include an outdoor pool surrounded by a sundeck, a children's pool and a fitness room. All patio furniture on the balconies and around the pool has been refreshed. The property has an onsite restaurant, Harry's Ocean Bar & Grill, surrounded by windows and doors that can be opened in good weather to allow in the ocean breeze. There is also an oceanfront rooftop bar above the restaurant that has live bands throughout the peak months and serves food from the restaurant. The hotel also has a liquor store attached to the restaurant that sells wine, beer and spirits. Ownership is also leveraging the F&B space to host rehearsal dinners, parties and small weddings to help boost hotel occupancy during quieter months of the year. Additionally, there is a newly built conference room with a kitchenette that includes a large refrigerator, sink and storage cabinets. According to management, they have been utilizing the space for corporate bookings.

Cash Flow Analysis

	2020	2021	2022	T12 Ended April 2023	Fitch Cash Underwritten Flow Analysis			Per Room
Occupancy (%)	34.1	52.0	52.5	54.4	54.4	51.7		—
ADR (\$)	336	342	370	364	358	346		—
RevPAR (\$)	115	178	194	198	195	179		—
Room Revenue (\$)	2,885,000	4,482,822	4,896,449	5,002,356	4,981,203	4,502,120		64,316.00
F&B Revenue (\$)	3,402,000	3,965,566	4,291,103	4,286,878	4,292,190	4,072,534		58,179.06
Retail Sales Revenue (\$)	—	680,813	712,994	708,663	703,351	673,230		9,617.57
Parking Revenue (\$)	—	—	—	—	—	—		0.00
Other Revenue (\$)	141,000	336,776	584,006	606,803	627,956	576,463		8,235.19
Total Revenue (\$)	6,428,000	9,465,978	10,484,552	10,604,700	10,604,700	9,824,347		140,347.81
Departmental Expenses (\$)	3,456,000	4,698,945	3,918,408	3,982,750	3,982,750	3,839,925		54,856.07
Undistributed Expenses (\$)	1,387,840	1,686,505	1,780,315	1,724,873	1,724,873	2,078,738		30,126.64
Gross Operating Profit (\$)	1,584,160	3,080,527	4,785,829	4,897,077	4,897,077	3,905,685		56,604.13
Property Taxes (\$)	230,000	198,688	102,713	102,708	104,126	104,126		1,487.51
Insurance (\$)	213,000	280,983	253,329	253,332	488,103	488,103		6,972.90
Ground Lease (\$)	—	—	—	—	—	—		0.00
Total Fixed Expenses (\$)	443,000	479,670	356,042	356,040	592,229	592,229		8,583.03
FF&E Reserves (\$)	257,120	378,639	419,382	424,188	424,188	491,217		7,017.39
Net Cash Flow (\$)	884,040	2,222,217	4,010,405	4,116,849	3,880,660	2,822,239		40,317.70

Source: Fitch Ratings, BMO 2023-C5

The room revenue in Fitch's analysis reflects an occupancy rate of 51.69% and an ADR of \$345.87, resulting in a RevPAR of \$178.76, or a 10% decline from the April 2023 TTM figure. Departmental revenue from F&B, retail wine cellar sales, minor operating departments and other income are based on the TTM ended in April 2023 POR rate.

Rooms expense was increased to 20% of room revenue and other departmental expenses reflect the April 2023 TTM ratios. Overhead expenses generally reflect the April 2023 TTM amounts.

Fitch applied a management fee of 3.5% of revenue. Fitch's overall marketing, management and franchise fee is 7.5% of total revenue. Real estate taxes and insurance premiums reflect the actual amounts. Other expenses, which consist of information and telecommunication systems expenses, were based on the April 2023 TTM actual amounts.

Fitch also applied an FF&E reserve of 5.0% of total revenue.

Market Information

As of Date	Period	Desc.	Occupancy			ADR			RevPAR		
			Property (%)	Comp Set (%)	Penetration Rate (%)	Property Rank	Comp Set (\$)	Penetration Rate (%)	Property Rank	Comp Set (\$)	Penetration Rate (%)
5/16/2023	TTM	2022	52.5	65.0	80.7	370	466	79.4	194	303	64.0
5/16/2023	Prior FY	2021	52.0	63.9	81.4	342	407	84.0	178	260	68.5
5/16/2023	2nd Prior	2020	34.1	45.3	75.3	336	327	102.8	115	148	77.7
5/16/2023	Period 4	2019	49.5	70.0	70.7	294	282	104.3	146	197	74.1

Per the Appraisal

Structural Features

Title Type	Fee
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Lockbox/Cash Management	Springing/Springing Excess Cash Trap Trigger: Upon i) Event of Default or ii) DSCR<1.40x
Ongoing Reserves (\$)	
Real Estate Taxes	8,937 monthly
Insurance	41,896 monthly
Replacement Reserves	35,349 monthly
Upfront Reserves (\$)	
Real Estate Taxes	17,875
Insurance	180,905
Source: BMO 2023-C5	

Orizon Aerostructures

Sources and Uses

Loan Purpose		Acquisition	
Sources	Amount (\$)	Uses	Amount (\$)
A-2, A-4, A-5 Notes (Trust) ^a	22,595,000	Purchase Price	122,180,000
Additional A-Note (s)	38,500,000	Closing Costs	685,950
Equity Contribution	61,770,950		
Total	122,865,950	Total	122,865,950

^aControlling Note

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	6.81
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	6
Amortization Type	Interest Only
Origination Date	11/15/2022
Maturity Date	12/6/2032
Maturity Balance (\$ Mil.)	22.6

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	6.5	Total Current LTV (%)	66.1
Fitch NCF Haircut (%)	16.3	Total Term DSCR (x)	1.35
Fitch Value (\$ Mil.)	71.8	Total Maturity LTV (%)	85.1
Fitch Value Decline (%)	42.5	Total Maturity DSCR (x)	1.06
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	66.1
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	85.1
Fitch Loan Structure Score	2	Fitch LTV (%)	85.1
Fitch Qualitative Risk Score	3	Fitch DY (%)	10.6
Fitch Property Grade	B+	Expected Loss (%)	4.4

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BMO Harris Bank, N.A.	125.0	7.7	1.83	48.9	12.6

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
LCN North American Fund III, L.P.	Acquisition	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
2522 and 2526 W. 21st Street, Chanute, KS	38.5	Industrial	Industrial	Chanute, KS	300,000	1992/N.A.	100.0
500 Industrial Road A, Grove, OK	28.2	Industrial	Industrial	Grove, OK	220,000	1969/2018	100.0
801 W. Old 56 Hwy, Olathe, KS	26.2	Industrial	Industrial	Olathe, KS	205,000	2016/N.A.	100.0
615 W. Cherry Street, Chanute, KS	7.1	Industrial	Industrial	Chanute, KS	60,000	1968/2023	100.0
Total/WA	100.0				785,000		100.0

Source: BMO 2023-C5

Strengths

Mission Critical Facilities: The four subject properties represent approximately 95% of the company's aggregate building square footage and projected 2022 gross revenue. Orizon's customers include Northrop Grumman, Lockheed Martin, Boeing and Blue Origin. The four portfolio properties each contain state-of-the-art machinery, manufacturing equipment and proprietary tooling systems specific to Orizon's operations at each location. Orizon's cumulative real estate and equipment investments at the subject properties total approximately \$245.3 million.

Long-Term Tenancy: Orizon Aerostructures, a manufacturer and sub-assembler of structural components for jet defense contractors and commercial airliners, recently executed a long-term NNN lease for 25 years, commencing in October 2022. The lease has four 10-year renewal options for a fully extended lease term of 65 years and no termination options. The company was founded in 2016 and is headquartered in Kansas City, MO with 750 employees across six office and industrial facilities located in Kansas, Oklahoma and Missouri.

Experienced Sponsorship: The sponsor for the loan, LCN Capital Partners, has closed on over 75 sale-leaseback and built-to-suit investments over 350 properties across 10 countries. The sponsor has previously been securitized 21 times in the CMBS market and is current on all of its previously securitized loans.

Sponsor Cash Equity: The sponsor purchased the subject properties for approximately \$122.2 million (\$156 psf) and contributed approximately \$61.8 million in cash equity, which represents 50.8% of the purchase price.

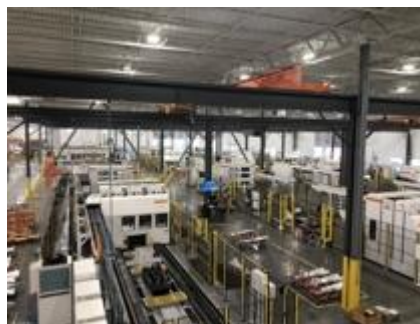
Concerns

Single-Tenant Concentration: The portfolio is fully occupied by Orizon Aerostructures as part of a master lease inclusive of all four properties, which total 785,000 sf. The company is committed to the properties for a minimum term of 25 years, and the properties are mission-critical facilities that represent approximately 95% of Orizon's aggregate square footage and projected 2022 revenue. Orizon Aerostructures does not have any termination options, and the company has four 10-year renewal options.

Tertiary Locations: Three of the four subject properties representing 73.9% of the aggregate NRA are located in tertiary markets: Chanute, KS (population of 9,736 within a five-mile radius) and Grove, OK (13,025). The properties are centrally located near to each other and major clients, streamlining shipments within the supply chain process. Additionally, the properties are strategically located for Orizon, which is headquartered in Kansas City, MO.

Specialized Usage: Orizon Aerostructures utilizes the four subject properties for its specialized manufacturing operations, which have required significant capital investment by the tenant and act as a barrier to entry to new competitors. The four portfolio properties each contain state-of-the-art machinery, manufacturing equipment and proprietary tooling systems specific to Orizon's operations at each location. Orizon's cumulative real estate and equipment investments at the subject properties total approximately \$245.3 million.

No Warm-Body Guarantor: The loan's carveout guarantor is LCN North American Fund III REIT, an entity owned by the sponsor and not a warm body. The sponsor specializes in sale-leaseback transactions and is contributing cash equity of approximately \$61.8 million (\$79 psf) to acquire the portfolio.



Site Inspections

Fitch assigned 801 W. Old 56 Hwy, Olathe, KS a property quality grade of "B+". Fitch toured the property on a Thursday morning in January 2023 accompanied by Orizon management.

The property is located in Olathe, Kansas, approximately 20 miles southwest of the Kansas City, MO CBD and one mile from the I-35 and U.S. Highway 169 interchange.

A single tenant (Orizon Aerostructures) occupies the entire property. The tour began at Orizon's lobby, off of which is first floor office space that contains cubicles to accommodate approximately one dozen employees, as well as private

offices, conference rooms and a cafeteria. The second floor office space contains approximately one dozen additional cubicles and additional small conference rooms. Orizon employs approximately 120 employees at this location.

The production area has 35-foot clear heights and is equipped with several overhead gantry cranes that are capable of lifting heavy materials and equipment. The manufacturing itself is carried out by over 20 large CNC (Computer Numerical Control) milling machines that are configured to manufacture a particular aircraft component or work with a specific type of metal. The machines are each anchored to the bedrock via a set of concrete pilings. The manufacturing floor contains a secure area for storage of spare tooling, storage racks for raw materials and finished products, and a quality control lab containing two inspection machines. The facility is also equipped with a system used to capture, sort and store metal chips removed during the manufacturing process.

Overall the property appeared to be in good condition with no deferred maintenance noted.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Various	Orizon Aerostructures, LLC	100.0	785,000	12/31/2047

Source: BMO 2023-C5

Cash Flow Analysis

	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)	95.0	90.0	
Gross Potential Rent (\$)	8,125,000	8,125,000	10.35
Expense Reimbursements (\$)	—	2,358,871	3.00
Vacancy/Credit Loss (\$)	406,250	1,048,387	1.34
Other Income (\$)	—	—	0.00
Effective Gross Income (\$)	7,718,750	9,435,484	12.02
Management Fee (\$)	—	330,242	0.42
Real Estate Taxes (\$)	—	1,014,963	1.29
Insurance (\$)	—	132,000	0.17
Ground Rent (\$)	—	—	0.00
Operating Expenses (\$)	—	881,666	1.12
Net Operating Income (\$)	7,718,750	7,076,613	9.01
Capex (\$)	—	615,551	0.78
Net Cash Flow (\$)	7,718,750	6,461,062	8.23

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the lease in place as of the November 2022 rent roll. Fitch's expense reimbursements reflect the NNN lease in place with Orizon Aerostructures that includes full recovery of Fitch's operating expenses, including the management fee.

Fitch applied an all-in economic vacancy stress of 10.0% due to the single-tenant nature of the portfolio.

Fitch applied a 3.5% management fee and targeted an overall expense ratio of 25.0%. Fitch applied approximately \$0.17 psf for replacement reserves, representing a WA of \$0.15 psf for the industrial space (84% of NRA) and \$0.25 psf for the office space (16% of NRA). Fitch applied stabilized leasing costs of \$0.62 psf.

Fitch considered a dark value analysis to assess recovery in the event Orizon Aerostructures vacates the properties during the loan term, applying assumptions for market rent, downtime between leases, carrying costs and re-tenanting costs. Fitch's dark value of approximately \$56.6 million (\$72 psf) compares favorably to the implied high investment grade proceeds for the loan.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Industrial)	Kansas City - MO	1Q23	344,606,422	3.5	6.3	6.64	5.6	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/In Place Excess Cash Trap Trigger: Upon i) Event of Default, ii) DY<9.50% or iii) Trigger Lease Event
Ongoing Reserves (\$)	
Upfront Reserves (\$)	
Source: BMO 2023-C5	

Other Information

Sale Leaseback Transaction: After paying transaction costs, Orizon Aerostructures plans to use a majority of the sale leaseback proceeds to pay down senior debt, namely \$96.7 million in credit facilities, term loans and debt tied to Chanute real estate, as well as machinery equipment. After the transaction, the company is expected to have \$4.0 million in cash and \$55.3 million in working capital.

Pacific Design Center

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-9 (Trust)	15,000,000	Existing Debt	159,759,913
Additional A-Note (s)	230,000,000	Return of Equity	84,548,786
Subordinate Secured Debt	20,000,000	Upfront Reserves	16,988,449
		Closing Costs	3,702,852
Total	265,000,000	Total	265,000,000

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	5.94
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	4
Amortization Type	Interest Only
Origination Date	1/11/2023
Maturity Date	2/6/2033
Maturity Balance (\$ Mil.)	15.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	28.3	Total Current LTV (%)	—
Fitch NCF Haircut (%)	11.6	Total Term DSCR (x)	—
Fitch Value (\$ Mil.)	333.5	Total Maturity LTV (%)	—
Fitch Value Decline (%)	34.9	Total Maturity DSCR (x)	—
Fitch Cap Rate (%)	8.50	Trust Midpoint LTV (%)	—
Fitch Constant (%)	9.50	Trust Maturity LTV (%)	—
Fitch Loan Structure Score	2	Fitch LTV (%)	73.5
Fitch Qualitative Risk Score	3	Fitch DY (%)	11.6
Fitch Property Grade	A-	Expected Loss (%)	BBB-sf*

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
BMO Harris Bank, N.A.	512.5	32.0	2.17	47.8	13.1

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Charles Steven Cohen	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
Pacific Design Center	100.0	Office	Suburban	West Hollywood, CA	1,053,217	1975/2004	78.3

Source: BMO 2023-C5

Strengths

West Hollywood Location: The landmark property is located in Los Angeles, within the West Hollywood submarket at the intersection of Melrose Avenue and San Vicente Boulevard. The immediate area surrounding the property is known as the West Hollywood Design District and has been a destination for high-end design, art, fashion and dining since the 1950s. Additionally, the property is located less than one mile north of Cedars Sinai Medical Center, reinforcing the largest tenant, Cedars Sinai office and lab space at the property.

Granular Rent Roll: The property is 78.3% leased to over 100 tenants representing a variety of industries, including medical, entertainment, technology, interior design and others. The largest tenant in place, Cedars Sinai Medical Center (AA-/Stable), occupies 11 different spaces throughout the property, representing 24.7% of the total NRA, and accounts for 28.7% of base rent. No other tenant has above a 5% NRA or 7% of base rent. Since 2016, Cedars Sinai Medical Center has made significant investments into the space and is conveniently located less than one mile from the main Cedars Sinai Medical Center hospital facility.

Long-Term Sponsor: Charles S. Cohen is the president and CEO of Cohen Brothers Realty Corporation (CBRC), a New York City-based real estate development and management company. Charles has owned the Pacific Design Center since 1998 and has expanded the center by constructing the noncollateral Red Building in 2012.

Concerns

Below Market Occupancy: The property is currently 21.7% vacant, higher than both market and submarket vacancy for both office and showroom property types. The office submarket and market, West Hollywood and Los Angeles, respectively, are currently 11.4% and 16.7% vacant. The showroom submarket and market, Westside and Los Angeles, respectively, are currently 8.0% and 2.2% vacant. The majority of the property's vacant space is designated as showroom space.

Specialty Asset: The property is 42% utilized as a design center/showroom space. The majority of the space (54% of NRA) is utilized as office space. The office space has been built out further to include lab space specific to the Cedar Sinai tenant. The design center space is dedicated to traditional and contemporary residential and contract home furnishings, fabrics, floor coverings, architectural products, wall coverings, lighting, kitchen and bath products and accessories. The performance of the home furnishings market is highly correlated with the performance of the overall housing market and, thus, is subject to the cycles in that market. Leases to the design center showroom tenants average 10 years and range from one to 30 years. The showroom tenants typically use the space as permanent showroom space to display and sell pieces and, on a WA basis, they have occupied their space for over 15 years.

Equity Cashout: As part of the refinance, the borrowers received an equity cashout of approximately \$84.5 million. The borrowers have owned the property since 1998.

Full-Term Interest-Only Loan: The loan is interest-only for the entire 10-year loan term.



Site Inspections

Fitch assigned Pacific Design Center a property quality grade of "A-".

Fitch toured Pacific Design Center on a Tuesday Morning in February accompanied by members of the property management team. The property is part of a three-building campus that was constructed over the course of five decades. The 640,000 sf Blue Building opened in 1975; the 410,000 sf Green Building opened in 1988; and the 420,000 sf Red Building, which is not part of the collateral, was built in 2012 as a state-of-the-art creative office complex. The Green and Blue buildings aggregate to almost 1.1 million sf and cater to both design showroom and office users.

The property is a landmark in the West Hollywood Design District and is located at the intersection of Melrose Avenue and N. San Vicente Boulevard (23,886 visitors per day, per CoStar as of 2022) in West Hollywood, CA. Melrose Avenue connects directly to Santa Monica Boulevard, a major west-east thoroughfare in Los Angeles County, which feeds into I-405, one of the busiest freeways in the U.S. The Pacific Design Center has a one-mile proximity to affluent local neighborhoods, including Bel-Air, Beverly Hills and the Hollywood Hills. There are 1.15 million households within a 10-mile radius, with an average household income of \$100,519 (CoStar 2022). The Pacific Design Center's luxury showroom and office spaces are well suited to the affluent consumer base in its surrounding area.

Fitch toured the design spaces in both the Blue Building and the Green Building. Fitch observed very little foot traffic at the time of the visit, which was a Tuesday morning. Per discussion with the property manager, the showrooms are catered to high end interior design brands. Due to the nature of the tenants, most purchases are done by professional interior designers; as such, there is limited foot traffic from the general public. Fitch toured a vacant showroom space on the first floor of the Blue Building and noted that the vacant showroom space needed very minimum buildout for prospective tenants.

Fitch toured office spaces in both the Blue Building and the Green Building. Fitch toured the newly leased expansion area for Cedar Sinai. At the time of the tour, the space was vacant with no buildout. Per discussion with the property manager, Cedar Sinai has taken possession of the space and is expected to start the buildout process in the near future. Fitch observed the spaces occupied by FabFitFun, which is subleased from WeWork, to be well utilized by the tenant's employees. Fitch also observed that most office spaces that were converted from showroom space are well designed, modern open concept working space.

Fitch toured amenity spaces that are available to the tenants and the general public. Fitch toured the Michael Graves-designed fitness center, which was very well maintained. The property manager noted small capital improvement projects in the near future for the fitness center. Fitch also toured the theater on the second floor of the Green Building. Per discussion with the property manager, the property's 294-seat SilverScreen Theater often hosts premier and red-carpet events for new film releases.

Overall, the property was well maintained and Fitch did not observe any significant deferred maintenance.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
Pacific Design Center	Cedars Sinai Medical Center	24.7	259,653	5/31/2030
Pacific Design Center	8687 Melrose GreenTenant	5.2	54,630	2/28/2034
Pacific Design Center	Pluto, Inc.	3.4	35,850	11/30/2028
Pacific Design Center	InvestCloud, Inc.	3.1	32,128	1/31/2027
Pacific Design Center	Kneedler Fauchere	1.7	17,762	1/31/2028

Source: BMO 2023-C5

Cash Flow Analysis

	2019	2020	T12 Ended 2021September 2022	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)					75.5	
Gross Potential Rent (\$)	25,885,561	27,044,367	31,152,174	30,470,003	37,347,991	35,972,617
Expense Reimbursements (\$)	2,129,119	1,907,050	2,716,215	2,575,890	1,885,462	2,317,154
Vacancy/Credit Loss (\$)	—	—	—	—	—	1,092,257
Other Income (\$)	5,498,143	3,294,159	4,157,713	7,048,676	7,569,442	7,048,676
Effective Gross Income (\$)	33,512,823	32,245,576	38,026,102	40,094,569	46,802,895	44,246,190
Management Fee (\$)	1,255,034	1,134,328	1,403,790	1,601,655	1,404,087	1,327,386
Real Estate Taxes (\$)	2,395,545	2,436,655	2,471,276	2,405,214	2,429,482	3,266,703
Insurance (\$)	1,070,282	1,311,740	1,620,470	1,689,717	1,240,881	1,240,881
Ground Rent (\$)	—	—	—	—	—	—
Operating Expenses (\$)	8,025,016	6,295,510	6,745,767	7,652,923	7,946,565	7,946,565
Net Operating Income (\$)	20,766,946	21,067,343	25,784,799	26,745,060	33,781,880	30,464,656
Capex (\$)	—	—	—	—	1,734,691	2,120,147
Net Cash Flow (\$)	20,766,946	21,067,343	25,784,799	26,745,060	32,047,188	28,344,509

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the property's in-place base rent as of the December 2022 rent roll. Fitch's GPR is reflective of an in-place vacancy of 21.7%. Fitch applied contractual tenant rent steps through September 2023, as well as average straight-line rent for Cedars-Sinai Health Systems, through the lesser of the lease or loan terms.

Fitch's common area maintenance (CAM) and other expense reimbursements are based on the property's in-place leases. Fitch's tax reimbursements are based on a portion of the difference in the tax amounts of California's Proposition 13 and the appraisal's tax rates by the total loan.

Fitch applied additional tenant stresses totaling \$1.1 million. This includes stresses of 10% to two long-term tenants with leases expiring within the next six months, 25% to month-to-month tenants, 25% to tenants with leases expiring within the next six months, 25% to a coworking tenant and 100% to expired tenants. This results in an overall economic vacancy of 25%.

Fitch's parking and other income are based on the September 2022 TTM figures.

Fitch applied a 3.0% management fee. Fitch also applied a tax expense based on California's Proposition 13 calculation and insurance expenses based on the actual insurance premium. Repairs and maintenance, administrative and other expenses were based on the budget figures and all other operating expenses were based on the September 2022 TTM inflated by 3.0%.

Fitch applied replacement reserves of \$0.25 psf and stabilized leasing costs of \$1.76 psf, which includes credit for the \$3.0 million upfront leasing costs reserve.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory (SF/Units)	Vacancy Rate %	Availability Rate %	Rental Rate (\$ per SF/Units)	TTM Rent Growth (%)	Source
5/16/2023	Market	Market (Office)	Los Angeless	1Q23	436M	15.0	18.1	42.28	1.0	CoStar
5/16/2023	Submarket	Submarket (Office)	West Hollywoodwood	1Q23	8.3M	11.4	14.3	58.34	-0.2	CoStar
5/16/2023	Comp Set	Market (Showroom)	Los Angeless	4Q22	948M	2.4	4.1	18.76	13.7	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Hard/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) NCF Debt Yield<8.00% or iii) Major Tenant Event
Ongoing Reserves (\$)	
Real Estate Taxes	178,740 monthly
Replacement Reserves	17,554 monthly
Upfront Reserves (\$)	
Real Estate Taxes	178,740
Tenant Rollover	3,000,000
Source: BMO 2023-C5	

La Habra Marketplace

Sources and Uses

Loan Purpose		Refinance	
Sources	Amount (\$)	Uses	Amount (\$)
A-2-C Note (Trust)	15,000,000	Loan Payoff	96,536,855
Additional A-Note (s)	80,000,000	Closing Costs	1,242,134
Equity Contribution	6,578,989	Upfront Reserves	3,800,000
Total	101,578,989	Total	101,578,989

Source: Fitch Ratings, BMO 2023-C5

Loan Details

Interest Rate (%)	3.7
Original Loan Term	120
Original Amortization Term	0
Original IO Periods	120
Seasoning (Months)	18
Amortization Type	Interest Only
Origination Date	12/3/2021
Maturity Date	12/5/2031
Maturity Balance (\$ Mil.)	15.0

Source: BMO 2023-C5

Fitch Analysis

Fitch NCF (\$ Mil.)	6.7	Total Current LTV (%)	104.2
Fitch NCF Haircut (%)	19.5	Total Term DSCR (x)	1.28
Fitch Value (\$ Mil.)	74.7	Total Maturity LTV (%)	127.2
Fitch Value Decline (%)	51.2	Total Maturity DSCR (x)	0.71
Fitch Cap Rate (%)	9.00	Trust Midpoint LTV (%)	104.2
Fitch Constant (%)	10.00	Trust Maturity LTV (%)	127.2
Fitch Loan Structure Score	2	Fitch LTV (%)	127.2
Fitch Qualitative Risk Score	3	Fitch DY (%)	7.1
Fitch Property Grade	B	Expected Loss (%)	6.3

Source: Fitch Ratings

Underwriting

Originator/Loan Seller	Appraisal (\$ Mil.)	NCF (\$ Mil.)	DSCR (x)	LTV (%)	NCF DY (%)
3650 REIT	153.0	8.3	2.34	62.1	8.8

Source: BMO 2023-C5

Sponsor Information

Sponsor	Loan Purpose	Recourse
Eric Sahn	Refinance	—

Source: BMO 2023-C5

Collateral Summary

Property Name	% of Loan	Property Type	Property Sub-Type	Location	Size (SF/Units)	Year Built/Renovated	Physical Occupancy (%)
La Habra Marketplace	100.0	Retail	Anchored	La Habra, CA	372,476	1968/2019	95.6

Source: BMO 2023-C5

Strengths

Well-Located: The property is part of a densely populated neighborhood in Orange County, CA, within 20 miles of downtown Los Angeles. It is well-situated at a highly trafficked intersection along Imperial Highway and Beach Boulevard, and it is accessible just north of the I-5 interchange, which provides strong regional access to the surrounding area. The surrounding neighborhood has strong demographics, with median household incomes of \$91,726, \$96,525 and \$88,194 within a two-, three- and five-mile radius, respectively.

Strong Occupancy and Long-Term Tenancy: The property is 95.6% occupied by 41 tenants, and it has demonstrated strong historical occupancy of at least 95% since 2019. The property's tenancy has a long WA occupancy of over 15 years and includes two grocery anchors, Sprouts Farmers Market (7.0% of NRA) and Smart & Final (7.0% of NRA), as well as several national and regional retail tenants.

Strong Submarket Fundamentals: The property's La Habra submarket and Orange County market reported strong vacancy rates of 3.9% and 4.2%, respectively, as of 2Q22, according to CoStar. The property currently performs in line with the submarket, with an in-place vacancy rate of 4.4%.

Concerns

Retail Anchor Tenant of Concern: The property's largest tenant (Regal Entertainment Group, 16.0% of NRA) is owned by Cineworld Group PLC, which filed for Chapter 11 bankruptcy on Sept. 7, 2022 after the parent company struggled to rebuild movie theater attendance following the pandemic. The tenant has been in long-term occupancy at the property for over 20 years and, as of June 2021, the tenant signed an amendment to its lease, agreeing to spend \$5.5 million (\$343,750 per screen) to renovate its space. Fitch is not giving any credit to the tenant's gross rent of \$24.78 psf given the bankruptcy filing.

Lease Rollover: The property is exposed to significant lease rollover concentration, with 72.4% of NRA scheduled to roll during the 10-year loan term. The largest rollover concentration is scheduled to occur in 2028, when three major tenants, accounting for 21.2% of NRA, are scheduled to expire, including Hobby Lobby (11.8% of NRA) and Ross Dress for Less (7.0% of NRA). The property's tenancy has a long-term WA occupancy of over 15 years and no single tenant accounts for more than 16.0% of the property's NRA. The loan is also structured with a \$3.25 million upfront reserve for TI/LCs, as well as ongoing reserves once the reserve falls below \$1.25 million.

Interest Only: The loan is interest-only for the entire 10-year term. The sponsor is a long-term owner of the property since 2004 and is contributing \$6.6 million in equity (6.9% of the loan amount) as part of the refinancing.



Site Inspections

Fitch assigned La Habra Marketplace a property quality grade of "B".

Fitch toured the property on a Thursday afternoon in August 2022 accompanied by a property management representative. La Habra Marketplace is a grocery-anchored retail center located in the northern corner of Orange County within the Brea/La Habra submarket. The property is located about 25 miles southeast of downtown Los Angeles and about 30 miles west of Los Angeles International Airport. The property sits on a 36-acre site at the northeast corner of Imperial Highway and S. Beach Boulevard. Located at the southeast corner of Imperial Highway and Beach Boulevard is the La Habra Westridge Plaza, a power shopping center anchored by Target, Sam's Club, Lowe's, TJ Maxx and an Amazon Fresh Store. Trader Joe's is directly across the street and a Walmart Supercenter is located along Imperial Highway, about a half-mile from the subject.

The shopping center was built in phases between 1992 and 1996, with its most recent renovations completed in 1998. The largest tenants at the property include Regal Cinemas, LA Fitness (recently rebranded as Esporta Fitness), Hobby Lobby, Ross Dress for Less and two grocery anchors, Sprouts Farmers Market and Smart & Final. The other large tenants include PETCO, Party City and a Wells Fargo bank location. There are a total of 13 outparcel buildings, three of which are multi-tenanted, along with 10 single-tenant freestanding pad sites. The tenancy comprises a good mix of supermarkets, apparel, health and fitness, beauty, fast food and national chain restaurants.

At the time of the inspection, multiple areas of the parking lot were being resurfaced. The management representative informed the Fitch inspectors that, in addition to slurry sealing, striping and seal coating, ADA upgrades would be completed by September 2022. The exterior of the buildings were made of concrete and appeared to be very clean and well maintained at the time of the visit. Landscaping across the entire shopping center was visibly uniform and above average. Fitch toured the interiors of the largest tenants and several smaller tenant spaces, including the vacant units.

The largest tenant, Regal Cinemas, has been a tenant at the property since 1999. At the time of the inspection the ticket counters were empty, customer traffic inside was very low and there appeared to be limited staff behind the food counters. The interior space, although clean and maintained, reflected a lack of modernization and an urgent need for a refresh. Management informed the Fitch inspectors that the tenant had signed a lease amendment in June 2021 with an agreement to invest \$5.5 million (\$343,750 per screen) toward capital improvements by 2023, with anticipated completion by mid-2025. Upon completion of the renovations, the landlord would reimburse the tenant \$1.0 million and would trigger a lease extension for another 10 years. Failure to adhere to the agreement would lead to a rent increase of 20% in 2025.

The second largest tenant by square footage and base rent, LA Fitness (operating under the brand name of Esporta Fitness), seemed to be attracting maximum customer traffic during the time of the tour. The cardio section had treadmills, elliptical machines and cycles in excess of 50 to 75 in total. Less than 10% of these were being utilized at the time of inspection. The weightlifting area, significantly smaller by comparison, appeared to be about 25%-40% utilized. The indoor swimming pool was operational and being utilized by club patrons at the time of the tour. The space was very clean, well maintained and reflected quality standards, consistent with the national chain. The two grocery anchor spaces, Sprouts Farmers and Save & Final, had light traffic at the time of the tour.

The Hobby Lobby, Ross Dress for Less, Party City and PETCO stores were in line with the stores' general standards of interior quality and buildout. With the exception of Ross Dress for Less, which was experiencing medium traffic at the time of inspection, the other tenant spaces were experiencing light customer traffic.

One of the vacant tenant spaces, previously occupied by Schools First, was in discussions to be potentially taken over by Pacific Dental Services, which is looking to expand its footprint at the property. Additionally, Red Robin was remodeling the interior of its neighboring unit space to expand its current space. Renovations were to include updated furniture, flooring, a bar area, lighting, decor and new restrooms, due to be completed by 4Q22. Two tenants, Fashion 123 (a clothing store) and The Plus+ Karaoke, were paying percentage rent in lieu of base rent for about six months of 2022.

Overall, customer traffic at the shopping center, given that it was a Thursday afternoon at the time of inspection, was light to medium. The property exterior and tenant interior spaces were noticeably well maintained. It was apparent that landscaping was given heightened importance by the property management. There were no obvious signs of deferred maintenance required at the subject property.

Largest Tenants

Property	Name	% of Total SF	SF	Lease Expiry
La Habra Marketplace	Regal Entertainment Group	16.1	59,800	4/30/2034
La Habra Marketplace	LA Fitness	13.5	50,322	12/31/2034
La Habra Marketplace	Hobby Lobby	11.8	44,060	6/30/2028
La Habra Marketplace	Ross Dress For Less	7.0	25,920	1/31/2028
La Habra Marketplace	Sprouts	6.8	25,252	9/30/2024

Source: BMO 2023-C5

Cash Flow Analysis

	2019	2020	2021	T12 Ended July 2022	Underwritten	Fitch Cash Flow Analysis	Per SF
Occupancy (%)						81.1	
Gross Potential Rent (\$)	8,003,580	8,003,518	8,056,394	9,017,049	9,286,356	8,864,595	23.80
Expense Reimbursements (\$)	1,943,152	1,948,279	2,500,334	2,567,603	2,168,526	2,168,526	5.82
Vacancy/Credit Loss (\$)	—	—	—	—	572,744	1,598,581	4.29
Other Income (\$)	135,532	28,793	7,564	408,786	272,159	272,159	0.73
Effective Gross Income (\$)	10,082,263	9,980,591	10,564,292	11,993,438	11,154,296	9,706,699	26.06
Management Fee (\$)	297,626	259,429	269,215	248,144	334,629	388,268	1.04
Real Estate Taxes (\$)	1,243,556	1,277,445	1,314,382	1,335,503	1,338,481	1,338,481	3.59
Insurance (\$)	105,517	183,694	165,038	191,385	165,038	165,038	0.44
Ground Rent (\$)	—	—	—	—	—	—	0.00
Operating Expenses (\$)	854,323	688,708	1,001,294	852,065	852,065	877,627	2.36
Net Operating Income (\$)	7,581,242	7,571,315	7,814,362	9,366,342	8,464,083	6,937,285	18.62
Capex (\$)	—	—	—	—	121,971	217,579	0.58
Net Cash Flow (\$)	7,581,242	7,571,315	7,814,362	9,366,342	8,342,112	6,719,706	18.04

Source: Fitch Ratings, BMO 2023-C5

Fitch's GPR is based on the leases in place per the August 2022 rent roll, which reflects an in-place vacancy of 4.4%. Fitch applied rent steps through April 2023. Fitch's percentage rent is based on the property's historical average percentage rent between 2019 and the August 2022 TTM. Fitch's reimbursements reflect the contractual amounts per the rent roll.

Fitch applied an additional vacancy of 14.5%, which incorporates stresses to several tenants, including a 100% stress to the Regal Cinemas rent and recoveries given the news of the pending bankruptcy. Fitch also applied a 25% stress to the property's LA Fitness tenant, which is currently in negotiations with the lender to pay back rent that had been deferred during the pandemic. Fitch's vacancy stress also includes 10% stresses to two tenants operating under month-to-month leases.

Fitch's other income is based on the budget.

Fitch applied a 4% management fee. Fitch's taxes are based on the actual tax bill, which is higher than the taxes under Fitch's Proposition 13 analysis. Fitch's insurance premium is also based on the actual insurance figure. Fitch's remaining operating expenses are based on the TTM inflated by 3%.

Fitch assumed replacement reserves equal to \$0.20 psf and net leasing costs of \$0.38 psf, inclusive of 10% credit applied to the upfront accretive leasing reserve of \$3.25 million.

Market Information

As of Date	Level	Sector	Name	Period	Total Inventory			Rental	TTM
					(SF/Units)	Vacancy Rate %	Availability Rate %	Rate (\$ per Growth)	Rent Source
5/16/2023	Market	Market (R	Orange Co 1Q23	143,639,390	4.3	4.1	36.34	3.4	CoStar
5/16/2023	Submarket	Submarke	Brea/La Ha 1Q23	9,259,742	4.8	3.5	33.67	2.9	CoStar

Structural Features

Title Type	Fee
Lockbox/Cash Management	Soft/Springing Excess Cash Trap Trigger: Upon i) Event of Default, ii) DY<6.75%, iii) Borrower's failure to comply with Section 11.6 of the Loan Agreement or iv) Lease Sweep Period
Ongoing Reserves (\$)	
Real Estate Taxes	111,540 monthly
Replacement Reserves	5,983 monthly
Tenant Rollover	29,917 monthly
Upfront Reserves (\$)	
Tenant Rollover	3,250,000
Environmental	550,000

Source: BMO 2023-C5

Other Information

The Regal Cinema parcel is permitted to be released from the collateral following the lockout period in the event the theater tenant ceases operations, cancels its lease, terminates its lease or the lease is rejected in connection with a bankruptcy involving Regal Cinemas or its affiliates. In connection with any release of the applicable Regal parcel, a yield maintenance premium applicable to the portion of the outstanding principal balance of the loan being prepaid would be due and payable; provided, however, that the special servicer of the securitization in which the lead note is included may elect to waive the requirement for payment of such yield maintenance premium in connection with such partial prepayment.

Appendix 1: Origination and Servicing

Originator Review

Fitch performs originator reviews to identify the strengths and weaknesses of originators. Fitch evaluates and monitors frequent originators to ensure either that their origination practices remain consistent with historical policies or to review any significant changes to their processes or product lines. Fitch also reviews new originators that contribute a significant amount of loans to a pool, typically in excess of 20% of the transaction balance.

Bank of Montreal (31.5% of Pool)

Fitch conducted an originator review of Bank of Montreal's (BMO) U.S. CMBS operations in September 2021. The review included a conference call with the U.S. CMBS department's senior management team and staff regarding procedures, sourcing and credit approval. A loan file review was not performed. Fitch observed that the origination practices presented by BMO's U.S. CMBS operations generally adhere to several of the best practices identified by Fitch. See "Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website at www.fitchratings.com. All information herein refers to BMO's U.S. CMBS operations.

BMO was founded in 1817 and is one of Canada's five largest banks. The bank is active in the CRE market primarily through its commercial banking (real estate finance) and business banking groups. In addition to its balance sheet lending operation, the group's CMBS platform has focused on origination of loans in single asset-single borrower (SASB) CMBS transactions and underwriting and trading agency CMBS and has recently expanded its focus to the conduit CMBS market to diversify its product offering and capitalize on borrower and mortgage brokerage relationships across its commercial and investment banks.

Two loan originators and two underwriters have been designated within the commercial banking group to originate and underwrite all CMBS loans with oversight from senior management. As the group's CMBS origination volume increases, employees and resources will continue to be allocated to the CMBS platform as needed.

BMO has an experienced management team with a long history of working in the CRE market. The key members of the CMBS team average 17 years of CRE experience and the group head has approximately 35 years of experience. The current origination/underwriting team is small relative to other CMBS market participants but corresponds to the volume of loans originated to date. The group's primary CMBS originator and underwriter each have over 10 years of industry experience.

BMO has a long history of establishing relationships within the commercial mortgage borrowing community. While BMO sources some loans via direct relationships with borrowers, most conduit loans are sourced via brokers. BMO is also looking to tap its Harris Bank affiliate for future loan production. For now, all new leads flow through two CMBS originators and are underwritten by two CMBS underwriters. To ensure separation of business and credit, the origination and underwriting teams have separate reporting lines. BMO utilizes SitusAMC, Townhouse Partners, Spring 11 and MCube as due diligence support for help with data preparation and the due diligence process. As loan volume increases, BMO plans to staff more CMBS originators and underwriters as needed.

Loan due diligence has several components, including a borrower and property review. For all new clients, a detailed review of the borrower and sponsor is performed, including experience, organizational structure, personal net worth and financial statements, tax returns, legal searches and background checks. Sponsor and borrower risk scores are generated and maintained in a proprietary risk rating model. Property due diligence includes a site inspection performed by a BMO representative when feasible, review of historical income and expenses, lease reviews and market research.

BMO engages third-party professionals to perform customary asset reviews, such as appraisal, environmental and engineering reports. BMO reviews all third-party reports and, in certain instances when adverse issues are discovered, engages external independent consultants. All appraisals are ordered and reviewed through the bank's centralized CRE appraisal services unit (CREASU) with limited input from the CMBS securitization group. For environmental assessments, BMO maintains a list of acceptable environmental firms. All insurance policies are reviewed by external independent insurance consultants.

Identification of new lending opportunities is handled by the origination group in the CMBS business unit. Once a loan is identified it will go into the pre-screen process whereby an originator, underwriter and global markets corporate banking team member will work together to prepare a pre-screen request (if the deal team deems necessary) for credit approval to issue a nonbinding term sheet to the borrower.

Once the borrower signs on with BMO, a loan application will be issued and due diligence will begin. Due diligence consists of credit searches, site inspection, engineering, environmental, appraisal and final underwriting. The loan will go to a credit committee that consists of management, the head of underwriting, head of capital markets, head of

closing and transaction management and the head of CMBS corporate banking. This will require a unanimous decision to move on to the next phase.

Finally, an independent credit officer must approve the loan for funding.

Regarding technology, BMO utilizes Excel-based underwriting templates. An internal risk rating system is utilized to analyze quantitative risk factors. Risk ratings for each loan are generated and maintained in an internal proprietary model. The pipeline is managed in CLOSER.

Fitch identified several strengths of BMO's CMBS operations, including its: (i) experienced management team with a long history of working in the CRE market, which is reflected in a 1H21 securitization volume of \$551 million in SASB loans and \$4.4 billion of agency loans; (ii) centralized appraisal review group; and (iii) internal risk rating system that generates risk ratings for each loan, borrower and sponsor. The issuer informed Fitch that, since 2021, its volume includes a total of \$3.6 billion in SASB loans (BMO's funded portion across 21 SASB deals), \$1.4 billion in conduit loans (across five conduit deals) and \$2.5 billion of agency loans (across three deals).

Fitch also identified concerns regarding BMO's CMBS operations, including: (i) BMO is a new conduit CMBS originator with limited performance history.

Bank of Montreal is the legal entity making the mortgage loan seller representations and warranties.

Citi Real Estate Funding Inc. (18.8% of Pool)

Fitch conducted an originator review of Citibank, N.A. in October 2017. The review included an onsite discussion with the company's senior management team and staff regarding procedures, sourcing, market trends and credit approval. Fitch observed that Citibank is a CMBS originator that generally adheres to the best practices identified by Fitch (see Fitch's "U.S. and Canadian Multiborrower CMBS Rating Criteria," available on its website). Citibank has not had any material changes to its strategies or underwriting practices since Fitch's last review in 2015.

Fitch identified several strengths of the Citibank CMBS origination program, including its expansion of a core group of 55 individuals in 2015 to 79 employees in 2017 in the securitization business, representing all major areas (origination, underwriting, securitization, legal/closing, structuring and portfolio management). Origination personnel are experienced and consist of seven originators/junior originators, three originators/underwriters and 19 underwriters, with 15, 17 and 12 years of real estate experience, respectively. Since Fitch's previous review in September 2015, the Citibank team has added 33 staff members. The new additions to the team include origination, securitization, tranching/asset management, legal/closing and underwriting staff.

The Citibank group had nine departures within the past 24 months, including three senior managers, three middle managers and three junior staff members.

Citibank obtains loan opportunities through origination offices and national account agreements with certain mortgage banking firms. The Citibank CMBS origination and underwriting guidelines presented during the review were comprehensive, with quality control and vendor review processes throughout the underwriting and credit-approval process. Since Fitch's prior review in 2015, Citi's loans are now funded from the bank chain rather than the corporate chain (broker-dealer and additional approvals are now required). From an operational risk management perspective, additional levels of approvals are viewed favorably.

Citibank's due diligence process requires 12 months of bank statements to be collected on every loan. In addition, the Office of the Chief Appraiser (OCA) is responsible for engaging appraisers and monitoring all communications in an effort to prevent deal teams from having direct interactions with the appraiser and any influence on valuation. Citibank also has a robust legal/closing group that provides a second set of eyes on loan documents and serves as a check and balance on the underwriting process.

Due diligence includes Citibank personnel inspecting all assets encompassed within a loan, as well as pre-approved, traditional third-party vendors hired for property condition assessment reports, Phase I environmental reports and appraisals. All properties are inspected by in-house personnel, with only properties in large portfolios occasionally inspected by third-party vendors.

In addition, an extensive review of the borrower/principal is performed, which includes: organizational structure, credit history, litigation history, financial statements, tax returns, and real estate credentials and experience. Searches are also required for the guarantor, any individual or entity in control of the borrowing entity, any individual or entity who owns, directly or indirectly, over a 10% interest in the borrower or the general partner, managing member or controlling shareholder of the borrower or other controlling entity and affiliated property managers.

Fitch has raised a few general concerns regarding Citibank and other CMBS loan originators, including their ability to maintain quality underwriting discipline while origination competition increases.

Citibank, N.A. is the legal entity backing the mortgage loan seller representations and warranties.

KeyBank, N.A. (15.9% of Pool)

Fitch conducted the most recent originator review of KeyBank National Association (Key) in October 2016. The review included an onsite discussion with the company's management team and staff regarding procedures, sourcing, credit approval and a full file review. Fitch observed that many of the origination practices presented by Key generally adhere to best practices identified by Fitch. See "Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website at www.fitchratings.com.

Key has a national footprint with 12 origination offices located throughout the country. One major distinction of Key as compared to other conduit lenders is that the company sources the majority of its loans directly from existing bank clients as opposed to mortgage brokers. Key's vertical integration with its servicing group contributes to its ability to source approximately 80% of CMBS loans through direct relationships. This sourcing provides Key with additional insight into the sponsor's credit history. Brokers are only used if the client or Key has a strong relationship with a broker.

Since Fitch's previous review in October 2014, Key acquired First Niagara Bank in July 2016. The acquisition expands Key's footprint in the Northeast and makes Key the 13th largest U.S. bank by assets. The integration of the platform was completed on Oct. 11, 2016. The integration resulted in no major changes to Key's securitization platform other than the addition of one analyst from First Niagara.

Fitch identified several strengths of Key's origination program, including its experienced originators, underwriters and management team. Key maintains comprehensive policies and procedures. The third-party reports (i.e. appraisals) are ordered and reviewed by an in-house appraisal department. Key also has an internal quality control group that works with underwriters and closers to ensure all information is accurate prior to a loan's rate lock and funding.

Exceptions to credit guidelines are market driven and are considered on an individual basis. Typical exceptions may include the waiving of escrows for certain low leverage loans or a reduced management fee for properties with large national tenants.

Key utilizes third parties such as Situs Co. and Armada Real Estate Services to perform certain due diligence functions; however, they work closely with the Key underwriter, which is ultimately responsible for presenting to the credit committee. Outside of a few instances of single-tenanted properties occupied by national companies and large portfolio loans with multiple properties, all site inspections are done by Key personnel. The decision to outsource due diligence is based on the underwriters' workload and complexity of the loan.

The underwriting process includes a preliminary verbal quote of general loan terms and a review of the underwriting model. Loans greater than \$15 million require term sheet approval by a preliminary committee, while loans less than \$15 million require approval from the CMBS program manager or senior mortgage banker. Once approved, the term sheet is issued and, upon receipt of the executed term sheet and a deposit from the borrower, the transaction is transferred to the underwriting department to organize and initiate processing of the loan, including due diligence, property inspection, lease and third-party report reviews and presentation to the final credit committee.

A quality control group is in place that reviews the loan documents through the origination process. The group's review includes: comparing the loan term sheets to loan documents and final credit presentation; comparing leases, rent rolls and estoppels to operating statements and underwriting assumptions; and reviewing credit checks and other borrower compliance issues.

The loan approval process includes several levels of reviews by various internal and external parties. Third-party reports, such as environmental and engineering, are ordered and reviewed by a contracting coordinator that also works in conjunction with KRETS, Key's appraisal department, to engage appraisal firms and review the appraisals. The underwriter reviews all reports, and the appraisal is approved by KRETS and reviewed by Key's quality control group. Environmental reports are reviewed by a third-party environmental consultant when deemed necessary. Credit approvals require signoff by the credit risk officer, irrespective of loan size, in addition to other committee members based on loan size.

Key utilizes the CLOSER system by Situs and fully integrated it with RECWeb, a Key proprietary loan administration platform, to manage its workflow and enhance the tracking and administration of loans. All loans that are shown to underwriters are boarded in the CLOSER system, which will interact with RECWeb. Following loan closing, RECWeb is used to continue to administer the loan within Key's platform. Key has dedicated internal technology teams for support and enhancements to these systems.

Fitch has raised a general concern regarding Key and other CMBS loan originators: the ability to maintain quality underwriting discipline while origination competition increases.

KeyBank National Association is the legal entity backing the mortgage loan seller representations and warranties.

BSPRT CMBS Finance, LLC (6.9% of Pool)

Fitch conducted an originator review of Benefit Street Partners CRE Finance LLC (BSPCRE) in May 2016. The review included an onsite discussion with the company's senior management team regarding procedures, sourcing and credit approval. A file review of loans originated by BSPCRE, representing different property types and geographic locations, was performed. Fitch observed that many of the origination practices presented by BSPCRE adhere to the best practices identified by Fitch. (See "U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website.)

Benefit Street Partners was founded in 2008 as the credit investment arm of its parent company, Providence Equity, focusing on a range of credit strategies, including high yield, levered loans, private and opportunistic debt, liquid credit, structured credit and CRE. The CRE debt team, BSPCRE, was formed in 2013 and underwrites and originates mortgage loans secured by commercial or multifamily properties throughout the U.S. BSPCRE is able to utilize resources available to it through the broader Benefit Street Partners (BSP) multi-strategy credit management platform, including credit markets expertise, industry knowledge and relationships and operations and risk management.

Fitch identified several strengths of the BSPCRE origination program, including its experienced transaction teams. The CRE team consists of approximately 30 members, with senior management sharing responsibilities across multiple groups. The team is organized into three main departments, underwriting, origination and execution, with respective team members averaging 12, nine and 14 years of industry experience. These groups report to the head of CRE, an executive with over 20 years of industry experience. To date, BSPCRE has closed 93 loans totaling more than \$1.2 billion across a wide range of commercial property types and 30 states.

Pipeline meetings occur at the start of each week and involve all CRE team members. The meeting reviews current market conditions and discusses the status of current loans under application. Additional weekly meetings include a review of all loans under application with the chief credit officer (CCO), head of securitization and all originators; a meeting with the underwriting team; and a securitization meeting focusing on current and upcoming transactions.

BSPCRE relies on both brokers and direct business relationships for initial loan sourcing. The loan application stage is bifurcated between loans of less than and greater than \$15 million. In both situations, a four-page asset memo is produced describing the loan and all pertinent asset particulars. For loans above \$15 million, the memo is produced prior to a loan application being accepted and is sent to the head of CRE (head of BSPCRE), head of securitization, CCO and head of origination (HOO) for approval. For loans of less than \$15 million, approval from the HOO is deemed sufficient, and the memo is distributed after the loan application is accepted.

After an application is accepted, BSPCRE assigns an underwriter and begins its due diligence process. Full diligence consists of financial risk and analysis, cash flows, lease reviews, market studies, review of third-party reports, site inspection visits and sponsor background checks, among others. During times of high deal flow and volume, BSPCRE will utilize Mission Peak for various services, such as tenancy reviews and market analysis. Site inspections are completed by the assigned underwriter for the deal and, often times, will include a senior manager. A senior originator maintains an active dialogue with the borrower and relays all internal requests from the underwriting and legal groups. Additionally, a transaction manager is assigned to each loan and works with all involved parties to manage the deal process.

Legal counsel will review loan issues relating to legal structure, borrower issues, consistency with BSPCRE's programmatic requirements, future securitization disclosure and representation exceptions, among others. Lexis/Nexis searches, property condition reports and environmental assessments are also analyzed, with environmental assessments also reviewed by outside counsel. Upon completion of the full diligence process, an investment committee memo is circulated 24 hours before committee, and the deal team presents to all BSPCRE investment committee members. The investment committee requires majority approval and consists of the head of BSPCRE, CCO, HOO and CEO of BSP. Furthermore, the risk committee, which includes the head of BSPCRE, COO of BSP and CEO of BSP, must approve loans greater than \$40 million.

BSPCRE utilizes Rockport as the platform for all CMBS transactions. Rockport is used to identify new loan origination opportunities, populate asset summary reports and loan documents and manage the reporting of origination, underwriting and loan closing. BSPCRE also uses a third-party administrator, Citco, to manage the official books and records. Citco performs external treasury operations, fraud prevention and anti-money laundering services, along with an annual audit valuation of all assets on the BSPCRE balance sheet. In April 2015, BSPCRE hired ACA Compliance Group to perform a voluntary mock SEC audit of trades and investments executed, wherein BSPCRE received a clean opinion.

Fitch has raised a general concern regarding BSPCRE and other CMBS loan originators: the ability to maintain quality underwriting discipline while originating competition increases.

Benefit Street Partners CRE Finance LLC is the legal entity backing the mortgage loan seller representations and warranties.

3650 Real Estate Investment Trust 2 LLC (5.5% of Pool)

Fitch conducted its originator review of 3650 Real Estate Investment Trust 2 LLC (3650 REIT) in July 2019. The review included an onsite discussion with the company's senior management team and staff regarding procedures, sourcing and credit approval. Fitch observed that many of the origination practices presented by 3650 REIT adhere to best practices identified by Fitch ("U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website).

3650 REIT was established in April 2018 by a group of professionals with over 25 years of individual CRE experience at the time. A related entity, 3650 Real Estate Investment Trust 2 LLC, serves as the B-piece investor for the CMBS transactions in which 3650 REIT contributes. As an affiliate of the B-piece investor, it has a strict investment mandate, which is reflected in its origination process and credit committees. 3650 REIT maintains an active dialogue with all of its borrowers and will help facilitate communication with the loan servicer in a manner consistent with the applicable PSA. As the B-piece buyer, it also establishes similar relationships with the borrowers of the loans in a CMBS transaction originated by other contributors to that transaction. 3650 REIT primarily originates CRE loans that will ultimately be securitized in conduit CMBS. It also lends on construction loans and provides mezzanine lending. Additionally, each of the three co-founders must personally make a collective 1% investment into each fixed-rate loan originated by 3650 REIT. 3650 REIT sources the majority of its loans through brokers and repeat business.

Fitch identified several strengths of the 3650 REIT origination program, including its experienced management team with a long history of working in CMBS prior to the creation of the firm. Additionally, 3650 REIT employs experienced originators and underwriters with relevant securitization experience. The senior management team averages 30 years of industry experience; upper and middle management, 24 years; and underwriters, 23 years. Fitch reviewed 3650 REIT's origination, underwriting and due diligence policies and procedures and found them to be comprehensive and consistent with other CMBS originators. As part of its origination process, 3650 REIT leverages its position as a B-piece buyer to strive to work with higher-quality borrowers that might otherwise avoid conduit CMBS loans due to some negatively perceived aspects of these loans.

3650 REIT's origination due diligence process includes a comprehensive review of property financial history; securitization history; a review of the borrower's/sponsor's credit history, financial condition and CRE experience; review of third-party reports such as appraisals, engineering and environmental reports; and property site inspections, which are nearly always completed by 3650 REIT employees, only outsourcing smaller portfolio properties. The loan approval checklist specifies all steps of the loan-approval process, from initial due diligence to committee approval to closing and subsequent securitization. 3650 REIT uses MCube, an India-based real estate industry consultant firm, to populate historical data into its underwriting files. The firm uses Closer to provide system administration and support. The firm uses no internal/proprietary systems.

The engagement of third-party report providers involves bid solicitation, as well as maintenance of approved vendor lists. Review of these third-party reports, including appraisals, title, survey, zoning, engineering and environmental reports, is completed by the underwriting staff.

The company maintains strong quality control practices involving senior management in all stages of loan origination and approval. A committee memorandum is prepared for each loan and is presented to the managing partners, all of whom must be present for a credit committee, and the committee decision must be unanimous. The credit committee will convene as often as needed, which is typically multiple times per week.

Fitch has raised a general concern regarding 3650 REIT and other CMBS loan originators: the ability to maintain quality underwriting discipline while origination competition increases.

3650 Real Estate Investment Trust 2 LLC is the legal entity backing the mortgage loan seller representations and warranties.

Starwood Mortgage Capital LLC (4.5% of Pool)

Fitch conducted an originator review of Starwood Mortgage Capital LLC (Starwood) in December 2016. The review entailed an onsite discussion with the company's senior management team and staff regarding procedures, sourcing, credit approval and a loan file review. Fitch observed that Starwood currently adheres to most of the originator best practices identified by Fitch. See "Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website at www.fitchratings.com.

Starwood is a wholly owned subsidiary of LNR Property, LLC, whose parent company is Starwood Property Trust (NYSE: STWD). Fitch identified certain strengths of the Starwood origination program, including its experienced origination and underwriting personnel with relevant securitization experience. Starwood sources the vast majority

of its loans through traditional mortgage brokers, as well as direct relationships from its originations team. Additionally, Starwood has the benefit of a close working relationship with affiliate LNR Partners, LLC (LNR), the largest CMBS special servicer, which allows access to a vast amount of market data.

Fitch identified several strengths of the Starwood loan origination operation, including a management and credit team with extensive experience in CMBS securitization as well as a history of working together. The members of the senior management team have an average of 24 years of experience in the industry, with originators and underwriters averaging 17 and nine years of experience, respectively. Starwood currently has employees in New York City, Charlotte, Miami and Manhattan Beach.

The company has four separate and distinct functional areas: originators, underwriters, closers and a securitization team. Originators are responsible for sourcing, pricing and supervising the transaction. Underwriting (which is all done internally) is responsible for all due diligence, including cash flow analysis, review of third-party reports, borrower and market reviews, lease reviews and site inspections. The majority of the team is highly experienced, and the company has the ability to leverage the LNR team for additional resources.

Starwood has an appropriate credit approval process and good internal controls in place. The loan approval process starts early, and many of the concerns are raised and cleared prior to formal application, allowing for efficient processing. Starwood is able to leverage their affiliation with LNR to review the market, property and, in some cases, the borrower, which provides additional insight that might not be captured on traditional market data sources and credit searches. Prior to presenting to the credit committee, a legal review of loan documents, leases and estoppels, as well as a representations and warranty verification, is completed. The credit committee includes senior members from the Starwood and LNR teams; for large loans, additional approval from members of the parent company's credit group is also required.

Starwood uses several technology platforms to assist in the origination process. The systems are a combination of internal and external technology and include CLOSER, an internal underwriting model and a proprietary tool for accessing and reviewing its affiliates' market data, as well as that from research providers that include Trepp, Costar and Real Capital Analytics, among others.

Fitch has raised a general concern regarding Starwood and other CMBS loan originators: the ability to maintain quality underwriting discipline while origination competition increases.

Starwood Mortgage Capital LLC is the legal entity backing the mortgage loan seller representations and warranties.

German American Capital Corporation (4.2% of Pool)

Fitch conducted an originator review of Deutsche Bank Commercial Real Estate (DB CRE) in March 2017. DB CRE originates CMBS loans as German American Capital Corporation (GACC) and Deutsche Bank AG, New York Branch. The review included an onsite discussion with the company's senior management team and staff regarding procedures, sourcing and credit approval, as well as a file review. Fitch observed that certain origination practices presented by DB CRE generally adhere to best practices identified by Fitch. See "Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website www.fitchratings.com.

The DB CRE team as of March 2017 had 125 employees located in New York, California, Georgia, Texas and Florida. Since Fitch's previous review in March 2015, DB CRE has added 26 employees to the team, while 22 have left the group. Of the new hires, seven are employed by DB CRE and 19 are contracted through Hanover Street Capital Partners LLC (Hanover). The head of DB Global CRE, Jonathan Pollack, has departed since the last review. Other departures and new hires were primarily on the origination side of the business.

Hanover employees are mainly used for support in the origination process, in addition to loan asset management, which takes on loans after 180 days of balance sheet seasoning. These employees are managed through DB CRE, have full access to DB CRE systems and are subject to the same training and compliance standards as DB CRE employees. However, Hanover employees do not have signing authority. Since the previous review, Hanover employees have been moved offsite.

Fitch identified certain strengths of the DB CRE origination program, including its highly experienced senior management team. The current management team at DB CRE has been in place since 2011. Overall, the senior members of the management team have significant industry experience through different real estate cycles. The origination group is divided into a large loan group and a conduit group and then further segregated by region. The senior originators average 18 years of industry experience, and the remaining origination staff average five years of industry experience. The group maintains 12 senior originators (both large loan and conduit) and relies on analyst pools and associates to input data and assemble underwriting packages that are reviewed and approved by one of the 12 senior originators prior to presenting to the credit committee. DB CRE also has an underwriting group consisting of one senior underwriter and four support members.

Fitch also viewed favorably DB CRE's appraisal function, which resides within the credit-risk management team and is staffed by highly experienced and qualified/licensed appraisers. This team has remained intact for the most part since the prior review. Additional strengths of the platform include: certain processes that are duplicative, ensuring consistent information is provided to third-party vendors and DB CRE staff, and a strong focus on legal documentation and loan structuring, requiring carveout guarantors, cash management and structural provisions around large tenants. Since the prior review, a downside analysis is now incorporated into every credit memo.

Due diligence includes DB CRE personnel inspecting most assets, as well as internally approved third-party vendors for property condition assessments (PCAs), Phase I environmental reports and appraisals. DB CRE reviews the reports and has licensed appraisers on staff to ensure the quality of those reports. Additionally, DB CRE has a single officer responsible for environmental and engineering compliance who reviews all PCAs and environmental reports. The due diligence process now includes an underwriting review of any external partner collateral expected to be contributed to a DB CRE-led transaction. The consultant responsible for this new process has over 30 years of experience in CRE underwriting, due diligence and portfolio management. This step helps to ensure the partner collateral meets the same credit standards as DB CRE-originated collateral.

DB CRE sources its loans through traditional mortgage brokers and direct relationships in the industry. DB CRE will also occasionally purchase loans from a partner. The purchased loans are subject to the same underwriting criteria and full credit review as DB CRE-originated loans. DB CRE's technology tools include the CLOSER system for pipeline management and underwriting.

DB CRE continues to have generous credit-approval authorities. The loan-approval process includes signoff from two credit officers of various rank and experience based on an approval authority level until a loan exceeds the threshold of EUR300 million, at which point a formal credit committee will convene. The loan-approval authority thresholds below EUR300 million are as follows: loans up to EUR35 million require credit officer approval, loans between EUR35 million and EUR50 million require senior credit officer approval, loans between EUR50 million and EUR100 million require team head credit approval, loans between EUR100 million and EUR200 million require regional head approval, and loans between EUR200 million and EUR300 million require approval from the global group head. Loans greater than EUR1 billion require approval of the board of directors of the bank.

The credit-approval authorities have not changed from Fitch's prior review. DB CRE has instituted a biweekly conduit credit meeting that includes representatives from credit, underwriting, legal and business lines to review all loans under application. Fitch notes that DB CRE's policies and procedures were recently consolidated into a single format. No material changes were made to DB CRE's underwriting or origination approach.

Fitch has raised a general concern regarding DB CRE and other CMBS originators: their ability to maintain quality underwriting discipline while origination volume and competition increase.

GACC is the legal entity backing the mortgage loan seller representations and warranties.

UBS Real Estate Securities, Inc. (2.8% of Pool)

Fitch conducted an originator review of UBS Real Estate Securities, Inc. (UBS) in March 2016. The review included an onsite discussion with the company's senior management team regarding staff, procedures, sourcing and credit approval and a full file review. Fitch observed that many of the origination practices presented by UBS adhere to best practices identified by Fitch. (See "U.S. and Canadian Multiborrower CMBS Rating Criteria," available on Fitch's website).

Fitch identified several strengths of the UBS origination program, including its experienced management team. Since Fitch's review in March 2014, the UBS real estate team has increased in size, especially in the origination team. With the exception of department heads, all underwriters and originators are outside contractors. This concern is mitigated by the UBS onboarding process for contract employees that includes bank credit training for both in-house employees and contractors. Additionally, outside contractors office with the UBS deal teams. UBS recently hired a team in Dallas from Bank of America and re-staffed the Los Angeles office from one to five. Deal teams comprise an originator and, depending on the loan, one or more contract underwriters.

While UBS's goal is to generate the majority of their origination through direct relationships versus the mortgage broker network, currently the largest source of leads (75%–80%) are the major brokers. UBS also works to further relationships internally with current bank clients.

Underwriting and site inspections are performed by UBS contract analysts or additional analysts at the nationally recognized due diligence firm already under contract. UBS has an experienced, dedicated resource to review third-party reports and vet any additions to the approved vendor list. UBS utilizes third parties to perform certain due diligence functions traditionally outsourced, such as environmental, appraisal and engineering reviews. A detailed

review of borrowers is performed, including experience, organizational structure, credit history, litigation history, financial statements, tax returns and reference checks.

The company maintains a quality control process that involves senior management in all stages of loan origination, starting with initial evaluation through several committees and ending with a commitment committee. The capital markets team participates in an initial review if the loan size is between \$10 million and \$20 million; the capital markets team will be involved if a proposed loan size is greater than \$20 million; and a deal committee with the external credit team is required if a proposed loan size is larger than \$25 million.

A unique UBS feature is that a member of the credit team visits each property. UBS also has an outside legal counsel to verify the accuracy and consistency of information included in an ASR prior to committee. The credit committee consists of two business approvers, the credit team, capital markets, the legal team, finance team, the underwriter and originator. For the closing process, the UBS legal team, which consists of lawyers with 10 years of industry experience, has weekly calls regarding any legal issues and is in charge of negotiating and reviewing all loan documents.

The current UBS team consists of 40 fulltime professionals. Since the prior originator review, the origination team has experienced the most growth, increasing from a team of nine to 16. The capital markets team and closing team have also increased. However, the underwriting team now consists of 10 individuals, compared to 12 in 2014. The staff has a strong credit background, with most having gone through bank credit training.

UBS has been using Closer to manage its loan pipeline and has implemented this system to underwrite and generate ASRs. Closer is a system known in the industry and provides technological streamlining to the origination and underwriting process.

Fitch performed a file review of loans originated by UBS, representing different property types and geographic locations. Fitch found UBS's credit memos to be thorough and well organized. Sufficient evidence of appropriate credit approval was provided.

Fitch has raised a general concern regarding UBS, as well as other CMBS loan originators: their ability to maintain quality underwriting discipline while origination competition increases.

UBS Real Estate Securities, Inc. is the legal entity backing the mortgage loan seller representations and warranties.

Zions Bancorporation, N.A. (9.9% of pool)

Fitch did not conduct a review of Zions Bancorporation, N.A. due to the originator only making up 9.9% of the pool by balance. Per Fitch guidelines, an originator review is usually not conducted unless the originator contributes loans in the pool in excess of 20% of the transaction balance and plans to be an active contributor in conduit transactions. Fitch sampled and conducted cash flow analysis for one of the one (100.0% by loan balance) Zions Bancorporation, N.A.-originated loans in the subject transaction.

Servicer Review

Fitch's CMBS servicer ratings provide investors with an indication of transactional risks or benefits associated with the servicer. As part of its servicer rating process, Fitch focuses on surveillance of portfolio performance, ability to meet market demand for quality information, risk management and quality control, and ability to provide customer satisfaction. For more detailed information on Fitch's commercial mortgage servicer ratings or rating criteria, see Fitch's "[Criteria for Rating North American Commercial Mortgage Servicers](https://www.fitchratings.com/criteria-for-rating-north-american-commercial-mortgage-servicers)," available at www.fitchratings.com.

Master Servicer — Midland Loan Services

PNC Bank, National Association's CRE servicing platform does business as Midland Loan Services (Midland, or the company); it is a division of the bank and the commercial mortgage servicing division of PNC Bank, N.A. (PNC). Midland maintains highly diversified primary, master and special servicing portfolios totaling \$627.6 billion, of which \$305.7 billion comprises nonsecuritized loans on behalf of institutional investors (50.6% by loan count), agency clients (26%) and life company clients (23%), among others. The company's securitized servicing portfolio of master servicing for 463 transactions represented over \$310.2 billion of CMBS, agency and single-family rental (SFR) transactions as of June 2022.

The majority of Midland's primary servicing is non-CMBS and includes servicing for institutional investors, specialty finance companies and a PNC subsidiary for which Midland provides servicing on over 5,300 loans totaling approximately \$133.0 billion through its shared services program. The company also provides servicing technology services through its Enterprise!® loan management system to approximately 19 clients with a cumulative balance of \$1.5 trillion and more than 91,000 loans as of June 2022, excluding its own portfolio.

Since Fitch's prior review, Midland has resolved 208 loans totaling \$4.2 billion, resulting in a more than 50% decline by balance and loan count of active specially serviced loans from YE20.

For more information, refer to the Fitch profile report, "[PNC Bank, National Association](#)," dated Dec. 9, 2022.

Financial Condition

Fitch maintains a Long-Term IDR of 'A+' / Stable for PNC Bank, National Association, Midland Loan Services' parent.

Special Servicer - Rialto Capital Advisors, LLC

Rialto Capital Advisors, LLC (RCA, or the company) is rated 'CSS2+' by Fitch and performs special servicing primarily on behalf of Rialto Management Group, LLC (Rialto). Rialto is majority owned by funds managed by Stone Point Capital LLC (Stone Point), as well as senior management of Rialto. RCA acquires servicing assignments from private equity real estate funds and hedge funds raised by Rialto Capital Management, LLC (RCM) that target opportunistic investments in distressed loans, real estate and subordinate bonds, a mezzanine fund and managed accounts. RCM is also a subadvisor for an affiliate nontraded credit REIT.

The special servicer rating reflects RCA's special servicing technology consistent with highly rated peers, governance infrastructure with three lines of defense, reporting capabilities, strong management and asset manager experience, new formal training structures and continued demonstrated proficiency working out CRE loans secured by diverse property types and geographic locations. The rating also considers the company's shorter operating history and lower average tenure among staff relative to highly rated peers, lack of independence of compliance from servicing, a high assets-to-asset manager ratio and the reliance on delegated authorities, rather than a formal credit committee, to approve special servicing decisions.

As of YE21, RCA had 114 employees, compared to 113 and 81 as of Fitch's prior two reviews. Fitch identified 29 asset managers that average 13 years of industry experience and six years of tenure and calculated an 18:1 assets-to-asset manager ratio (including REO), among the highest of Fitch-rated servicers. The staffing structure remains adequate for expected servicing responsibilities given the strong level of experience and tenure of asset managers and growth among supporting employees. Overall turnover increased to 30% from 12% as of the prior review, and asset manager turnover increased to 20% from none as of the prior review. While turnover is high, Fitch has observed increased turnover across rated servicers faced with an unprecedented tight labor market.

As of Dec. 31, 2021, RCA was named special servicer on 6,945 securitized loans totaling \$111.7 billion and was actively working out 395 defaulted securitized loans totaling \$7.7 billion and 87 REO assets with an unpaid principal balance (UPB) of \$1.0 billion. RCA continues to grow named special servicing assignments for CLO transactions, as floating-rate loan originations on transitional properties saw significant growth in 2021. RCA was appointed as special servicer on two CRE-CLO transactions in 2021 and two in 2022.

For more information, refer to the Fitch profile report, "[Rialto Capital Advisors, LLC](#)," dated Aug. 15, 2022.

Financial Condition

Fitch does not publicly rate Rialto. Fitch performed a financial assessment of the company and determined that its short-term financial viability adequately supports the servicing platform.

Appendix 2: ESG Relevance Score

Credit-Relevant ESG Derivation

BMO 2023-C5 has 5 ESG potential rating drivers

- BMO 2023-C5 has exposure to sustained structural shift in secular preferences affecting consumer trends, occupancy trends, etc. but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

Overall ESG Scale				
key driver	0	issues	5	
driver	0	issues	4	
potential driver	5	issues	3	
not a rating driver	6	issues	2	
	3	issues	1	

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Regulatory risks, fines, or compliance costs from building emissions standards (including energy consumption) and related reporting standards	Asset Quality; Financial Structure; Surveillance	5
Energy Management	2	n.a. - included in sustainable building practices	n.a.	4
Water & Wastewater Management	1	n.a. - included in sustainable building practices	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	2	Environmental site risk and associated remediation/liability costs; sustainable building practices including Green building certificate credentials	Asset Quality; Financial Structure; Surveillance	2
Exposure to Environmental Impacts	2	Asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes	Asset Quality; Financial Structure; Surveillance	1

How to Read This Page

ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The **Environmental (E)**, **Social (S)** and **Governance (G)** tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular asset class. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the transaction's or program's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The **Credit-Relevant ESG Derivation** table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the transaction's or program's credit rating. The three columns to the left of the overall ESG score summarize the transaction's or program's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the transaction's or program's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the Sustainability Accounting Standards Board (SASB).

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Low income housing; GSE/agency issued or provision for social good	Asset Quality; Financial Structure; Surveillance	5
Customer Welfare - Fair Messaging, Privacy & Data Security	1	n.a.	n.a.	4
Labor Relations & Practices	2	Labor practices and employee (dis)satisfaction, especially for hotels and healthcare properties; tenant safety and wellbeing	Asset Quality; Financial Structure; Surveillance	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Sustained structural shift in secular preferences affecting consumer trends, occupancy trends, etc.	Asset Quality; Financial Structure; Surveillance	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Rule of Law, Institutional and Regulatory Quality	3	Jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention	Asset Isolation and Legal Structure; Asset Quality; Rating Caps; Surveillance	5
Transaction & Collateral Structure	3	Asset isolation; resolution/insolvency remoteness; legal structure; structural risk mitigants; complex structures	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Rating Caps; Surveillance	4
Transaction Parties & Operational Risk	3	Counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk	Asset Quality; Financial Structure; Operational Risk; Rating Caps; Surveillance	3
Data Transparency & Privacy	3	Transaction data and periodic reporting	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Surveillance	2
				1

CREDIT-RELEVANT ESG SCALE - DEFINITIONS

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant; a key transaction or program rating driver that has a significant impact on an individual basis.
4	Relevant to transaction or program ratings; not a key rating driver but has an impact on the ratings in combination with other factors.
3	Minimally relevant to ratings; either very low impact or actively mitigated in a way that results in no impact on the transaction or program ratings.
2	Irrelevant to the transaction or program ratings; relevant to the sector.
1	Irrelevant to the transaction or program ratings; irrelevant to the sector.

Appendix 3: Applicable Criteria

Structured Finance and Covered Bonds Counterparty Rating Criteria (March 2023)

Global Structured Finance Rating Criteria (March 2023)

Exposure Draft: U.S. and Canadian Multiborrower CMBS Rating Criteria (March 2023)

CMBS Large Loan Rating Criteria (March 2023)

Criteria for Rating North American Commercial Mortgage Servicers (December 2022)

Criteria for Rating Loan Servicers (December 2022)

North America and Asia-Pacific Multiborrower CMBS Surveillance Criteria (April 2022)

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