

Mortgage Loan No. 11 — Northrop Grumman Portfolio

Mortgage Loan Information

Mortgage Loan Seller:	Column
Original Principal Balance:	\$28,000,000
Cut-off Date Principal Balance:	\$27,655,460
% of Pool by IPB:	2.9%
Loan Purpose:	Acquisition
Borrowers:	11751 Meadowville Owner, LLC; 201 Technology Owner, LLC
Sponsor:	GFH Capital Limited
Interest Rate:	4.8750%
Note Date:	11/6/2017
Maturity Date:	11/6/2024
Interest-only Period:	None
Original Term:	84 months
Original Amortization:	240 months
Amortization Type:	Balloon
Call Protection⁽⁸⁾:	YM2(79), O(5)
Lockbox:	Hard
Additional Debt:	No
Additional Debt Balance:	NAP
Additional Debt Type:	NAP
Additional Future Debt Permitted:	No

Property Information

Single Asset / Portfolio:	Portfolio of 2 Properties
Title:	Fee
Property Types - Subtypes:	Office - Data Center
Net Rentable Area (SF):	295,842
Locations:	Chester and Lebanon, VA
Years Built / Renovated:	2007 / NAP
Occupancy:	100.0%
Occupancy Date:	12/31/2017
Number of Tenants:	1
2014 NOI⁽¹⁾:	N/A
2015 NOI:	\$8,681,342
2016 NOI:	\$8,861,899
TTM NOI⁽²⁾:	\$8,982,788
UW Economic Occupancy:	95.0%
UW Revenues:	\$9,915,583
UW Expenses:	\$1,231,413
UW NOI:	\$8,684,171
UW NCF:	\$8,197,886
Appraised Value / Per SF:	\$77,000,000 / \$260
Appraisal Date⁽⁴⁾:	Various

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$88,724	\$44,362	N/A
Insurance:	\$10,213	\$5,107	N/A
Replacement Reserves:	\$0	\$6,163	N/A
TI/LC Reserves⁽⁵⁾:	\$0	\$67,797	N/A

Financial Information

Cut-off Date Loan / SF:	\$93
Maturity Date Loan / SF:	\$72
Cut-off Date LTV:	35.9%
Maturity Date LTV:	27.6%
UW NOI DSCR:	3.96x
UW NCF DSCR:	3.74x
UW NOI Debt Yield:	31.4%
UW NCF Debt Yield:	29.6%

Sources and Uses

Sources	Proceeds	% of Total
Mortgage Loan	\$28,000,000	37.6%
Borrower Equity	46,503,702	62.4
Total Sources	\$74,503,702	100.0%

Uses	Proceeds	% of Total
Purchase Price	\$73,500,000	98.7%
Closing Costs	904,764	1.2
Upfront Reserves	98,938	0.1
Total Uses	\$74,503,702	100.0%

(1) The Northrop Grumman Portfolio properties were acquired in 2017. 2014 historical information was not available.

(2) Represents the trailing twelve month period ending August 31, 2017.

(3) The Commonwealth of Virginia has the right to purchase the Chester property on June 30, 2019 at fair market value, with 9-month's prior notice. Additionally, the borrower may release an individual property by prepayment equal to 115% of the applicable allocated loan amount provided that after giving effect to such release both of the following two provisions are satisfied: (i) the debt yield is at least the greater of (i) 29.7% and (ii) the aggregate debt yield immediately prior to such release; and (ii) the property that is not released must have a lease term that expires at least 5 years after loan maturity.

(4) Appraisal Dates for the Chester and Lebanon properties are September 14, 2017 and September 20, 2017, respectively.

(5) The TI/LC Reserve balance is projected to be approximately \$4.0 million by November, 2022.

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The Loan. The Northrop Grumman Portfolio loan is a \$28.0 million first mortgage loan secured by the borrowers' fee interest in two single-tenant, office and Tier III data center properties totaling 295,842 SF located in Chester and Lebanon, Virginia. The loan has a seven-year term and will amortize on a 20-year schedule.

The Borrowers. The borrowing entities for the loan are 11751 Meadowville Owner, LLC and 201 Technology Owner, LLC, each a Delaware limited liability company and special purpose entity. The Northrop Grumman Portfolio properties will be owned in fee by the borrowers. For Sharia compliance, the properties will be leased by the borrowers pursuant to a master lease, to 11751 Meadowville Lessee, LLC and to 201 Technology Lessee, LLC. Both lessees (collectively, the "Master Lessee") are indirectly owned by the sponsor who will operate the properties. The lease payments on the Master Lease will equal the payment obligations under the loan. The Master Lease will be subordinate to the lender's mortgage on the fee interest, and the Master Lease would be eliminated upon foreclosure.

The Sponsor. The loan's sponsor is GFH Capital Limited. The sponsor is a venture capital and private equity arm of GFH Financial Group BSC which specializes in Sharia-compliant private equity investing and fund management. As of year-end 2016, GFH has approximately \$6.2 billion of assets under management and recorded a net profit of \$233.0 million.

The Properties. The properties include two single-tenant, office and Tier III data center properties totaling 295,842 SF located in Chester and Lebanon Virginia. The properties were constructed in 2007 build-to-suit for Northrop Grumman Corporation (together with Northrop Grumman Information Technology, Inc., "Northrop") by Corporate Office Properties Trust ("COPT") (rated BBB-/Baa3/BBB- by S&P, Moody's and Fitch respectively) pursuant to a 13 year, \$2.4 billion contract between Northrop and the Virginia Information Technologies Agency ("VITA") through June 2019 to transform the Commonwealth of Virginia's IT infrastructure.

The Chester and Lebanon properties are both 100% triple-net leased to Northrop Grumman Information Technology, Inc., a wholly owned subsidiary of Northrop through June 2022 and October 2022, respectively. Northrop is rated BBB+/Baa2/BBB by S&P, Moody's and Fitch respectively. Northrop was the fifth largest global Defense Department contractor in 2016 based on total contacts, ranked #118 in the 2016 Fortune 500, and has operations in over 25 countries. Northrop is involved in the development and production of military, civil and commercial aviation, aerospace, security, armament, electronics and information systems. The properties are managed by Corporate Office Management, Inc., a subsidiary of COPT. COPT is a fully-integrated and self-managed real estate investment trust that owns, manages, leases, develops and acquires office and data center properties.

Chester. The Chester property is located on 28.1 acres within the 1,300-acre Meadowville Technology Park in Chester, Virginia approximately 20 miles southwest of Richmond, Virginia off of I-295. The asset contains 193,000 SF and consists of (i) a two-story traditional office building with approximately 127,795 SF, (ii) a one-story building housing an operations center, a securitized command center, training and meeting facilities and a fitness center and (iii) a Tier III state of the art data center with 49,500 SF. The property was designed to produce a critical IT power load of 11.5 MW. Amenities include a 4,300 SF multi-purpose room, a 2,700 SF cafeteria, a 1,300 SF exercise room, 576 parking spaces, and an outdoor patio. VITA occupies the first floor of the office building for their HQ and agency staff. Northrop occupies a portion of the first floor and the second floor for staff supporting a number of operations.

Lebanon. The Lebanon property is located on 13.3 acres within the 113.0-acre Russell Regional Business Technology Park in Lebanon, Virginia, approximately 54 miles northwest of from the Tri-Cities Regional Airport in Tennessee and 150 miles west of Roanoke, Virginia. The property consists of a one story 71,175 SF office and 19,525 SF data building totaling 102,842 SF. The property was designed to produce a critical IT power load of 4.5 MW. The Lebanon property is listed as one of three corporate locations for Northrop Grumman in its 2017 10-K along with the Falls Church, Virginia and Irving, Texas headquarters.

Northrop support service staff (including personnel from HR, IT and accounting) as well as systems and network support staff for VITA work in the office areas. The majority of the data center is occupied by Northrop with a portion utilized by VITA. Amenities include a 1,000 SF computer training center, a 3,000 SF cafeteria, a 500 SF recreation room, 312 parking spaces and an outdoor patio.

Mortgage Loan No. 11 — Northrop Grumman Portfolio

Portfolio Summary

#	Property	Net Rentable Area (SF)	Year Built	Property Type	UW NOI ⁽¹⁾	% of UW NOI ⁽¹⁾	Allocated Loan Amount	% of Allocated Loan Amount	Appraised Value
1	Chester	193,000	2007	Office	\$5,359,218	61.7%	\$19,358,822	70.0%	\$48,000,000
2	Lebanon	102,842	2007	Office	3,324,953	38.3	8,296,638	30.0	29,000,000
Total:		295,842			\$8,684,171	100.0%	\$27,655,460	100.0%	\$77,000,000

(1) Based on the underwritten rent roll.

The Market. The Chester property is located within the Meadowville Technology Park, at 11751 Meadowville Lane in Chester, Virginia, situated 25 minutes from downtown Richmond, and 15 minutes from Richmond International Airport. The Meadowville Technology Park is bounded by the James River to the North, I-295 to the West, and Enon Church Road to the East. The Meadowville Technology Park is owned by the Economic Development Authority of Chesterfield County and contains approximately 1,300 acres planned for office, data center, research and development centers, and campus-style centers. The park includes Amazon's one million SF fulfillment center, Capital One's 242,000 SF data center, and Honeywell's 582-acre manufacturing facility. Virginia BioTechnology Research Park, named as "Best of R&D in Virginia" by a third party market data provider, is approximately 16.8 miles from the property. The Research Park is home to nearly 70 private and non-profit companies, state and federal laboratories, and research institutes/administrative functions of Virginia Commonwealth University and VCU Health, employing approximately 2,400 researchers, scientists, engineers and support personnel. In October 2017, Facebook announced plans to build its 11th major data center. The data center will be approximately 13.8 miles from the Chester property.

The Lebanon property is located within the Russell County Regional Business/Technology Park, at 201 Technology Park Drive in Lebanon, Virginia. Situated in the southwestern corner of Virginia, the park is 53.3 miles from the Tri-Cities Regional Airport. Primary access to the area is provided by U.S. Routes 19 and 58, which provide easy access to Interstates 81 and 77. The subject's Russell County Regional Business/Technology Park is a designated Technology Zone, which makes qualified tenants eligible for waivers, exemptions and grants. The Southwest Virginia Technology Development Center, a primary venue for local workforce development and training, is also located adjacent to the park.

The Tenant. Northrop is the fifth largest global Defense Department contractor in 2016 based on total contracts for 2015, ranked #118 in the 2016 Fortune 500, and rated BBB+/Baa2/BBB by S&P, Moody's and Fitch respectively. Northrop has operations in over 25 countries and is involved in the development and production of military, civil and commercial aviation, aerospace, security, armament, electronics and information systems. For 2017, Northrop reported net sales of \$25.8 billion, cash and equivalents of \$11.2 billion, total assets of \$34.9 billion, total equity of \$7.0 billion, and has an approximate market cap of \$60.5 billion as of March 2018. The U.S. Government is Northrop's largest customer and accounted for 84.6% of 2017 sales. On September 18, 2017 Northrop announced it will acquire Orbital ATK for \$7.8 billion, a maker of components for missiles and satellites. The purchase is intended to expand Northrop's presence in the market for missiles and rockets, as many countries are increasing their military budgets. As described above, Northrop utilizes portions of each property for their own business operations as well as in support of the current VITA contract that is not expected to be renewed. The Commonwealth of Virginia has the right to purchase the Chester property summarized in footnote (4) above.

The Leases. The Chester and Lebanon properties are both 100% triple-net leased to Northrop Grumman Information Technology, Inc., a wholly owned subsidiary of Northrop through June 2022 and October 2022, respectively. The Chester property tenant has 3, 5-year renewal options with a 12 month notice period. The Lebanon property tenant has 3, 5-year renewal options with a 12 month notice period.

Mortgage Loan No. 11 — Northrop Grumman Portfolio

Tenant Summary

Property	Tenant	Net Rentable Area (SF)	% of GLA	UW Base Rent PSF	UW Base Rent ⁽¹⁾	% of UW Base Rent	Lease Expiration Date ⁽²⁾
Chester	Northrop Grumman Information Technology, Inc.	193,000	65.2%	\$29.53	\$5,699,290	61.6%	6/30/2022
Lebanon	Northrop Grumman Information Technology, Inc.	102,842	34.8	\$34.58	3,556,348	38.4	10/31/2022
Total/Wtd. Avg.:		295,842	100.0%	\$31.29	9,255,638	100.0%	

(1) Based on the underwritten rent roll.

(2) The Commonwealth of Virginia has the option to purchase the property on June 30, 2019 at fair market value, with 9-month's prior notice.

Historical and Current Occupancy⁽¹⁾

2014 ⁽²⁾	2015	2016	2017	Current ⁽³⁾
N/A	100.0%	100.0%	100.0%	100.0%

(1) Occupancies are as of December 31 of each respective year.

(2) The Northrop Grumman Portfolio properties were acquired in 2017. 2014 historical information was not available.

(3) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow

	2014 ⁽¹⁾	2015	2016	TTM ⁽²⁾	Underwritten ⁽³⁾	PSF	% ⁽⁴⁾
Rents in Place	N/A	\$8,699,749	\$8,905,740	\$9,045,736	\$9,255,638	\$31.29	88.7%
Vacant Income	N/A	0	0	0	0	\$0.00	0.0%
Gross Potential Rent	N/A	\$8,699,749	\$8,905,740	\$9,045,736	\$9,255,638	\$31.29	88.7%
Total Reimbursements	N/A	1,197,140	1,153,493	1,092,116	1,181,818	\$3.99	11.3%
Net Rental Income	N/A	\$9,896,889	\$10,059,233	\$10,137,852	\$10,437,456	\$35.28	100.0%
(Vacancy/Collection Loss)	N/A	0	0	0	(521,873)	(\$1.76)	(5.0%)
Other Income	N/A	0	0	0	0	\$0.00	0.0%
Effective Gross Income	N/A	\$9,896,889	\$10,059,233	\$10,137,852	\$9,915,583	\$33.52	100.0%
Total Expenses	N/A	\$1,215,547	\$1,197,334	\$1,155,064	\$1,231,413	\$4.16	12.4%
Net Operating Income	N/A	\$8,681,342	\$8,861,899	\$8,982,788	\$8,684,171	\$29.35	87.6%
Total TI/LC, Capex/RR	N/A	0	0	0	486,284	\$1.64	4.9%
Net Cash Flow	N/A	\$8,681,342	\$8,861,899	\$8,982,788	\$8,197,886	\$27.71	82.7%

(1) The Northrop Grumman Portfolio properties were acquired in 2017. 2014 historical information was not available.

(2) Represents the trailing twelve months ending August 31, 2017.

(3) Underwritten Gross Potential Rent includes rent steps through July 1, 2018.

(4) % column represents the percentage of Net Rental Income for all revenue lines and represents the percentage of Effective Gross Income for the remainder of fields.

Cash Sweep. A "Cash Sweep Event" means the occurrence of (i) a debt yield less than 13.0%, (ii) the period 24 months prior to the earliest expiration of a Northrop Grumman lease and ending at such time the master lessee leases 85% of the Northrop Grumman space resulting in a debt yield greater than or equal to 13.0% (iii) an event of default or (iv) any bankruptcy action of the borrower, master lessee or the manager.

For so long as a Cash Sweep Event has occurred and not been cured, all excess cash flow must be deposited into a reserve account as additional collateral and not released to the borrower (except for certain amounts released to the borrower to pay expenses). Upon such Cash Sweep Event being cured, provided no event of default or other Cash Sweep Event is then continuing, all such excess cash flow will be remitted to the lockbox account to be disbursed in accordance with the loan agreement; provided, however, that an amount equal to the cost of certain unfunded obligations (including, without limitation, tenant improvements, leasing commissions and free rent/rent abatement obligations) under certain replacement leases entered into by the borrower will be deposited into a reserve account for unfunded obligations.