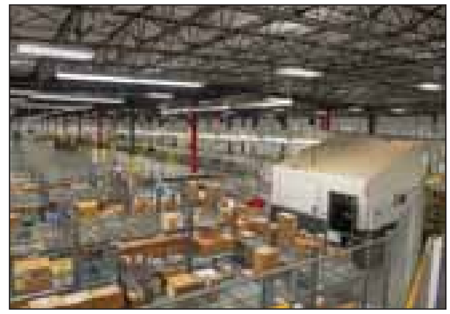
## GNL Portfolio



Netscout Systems



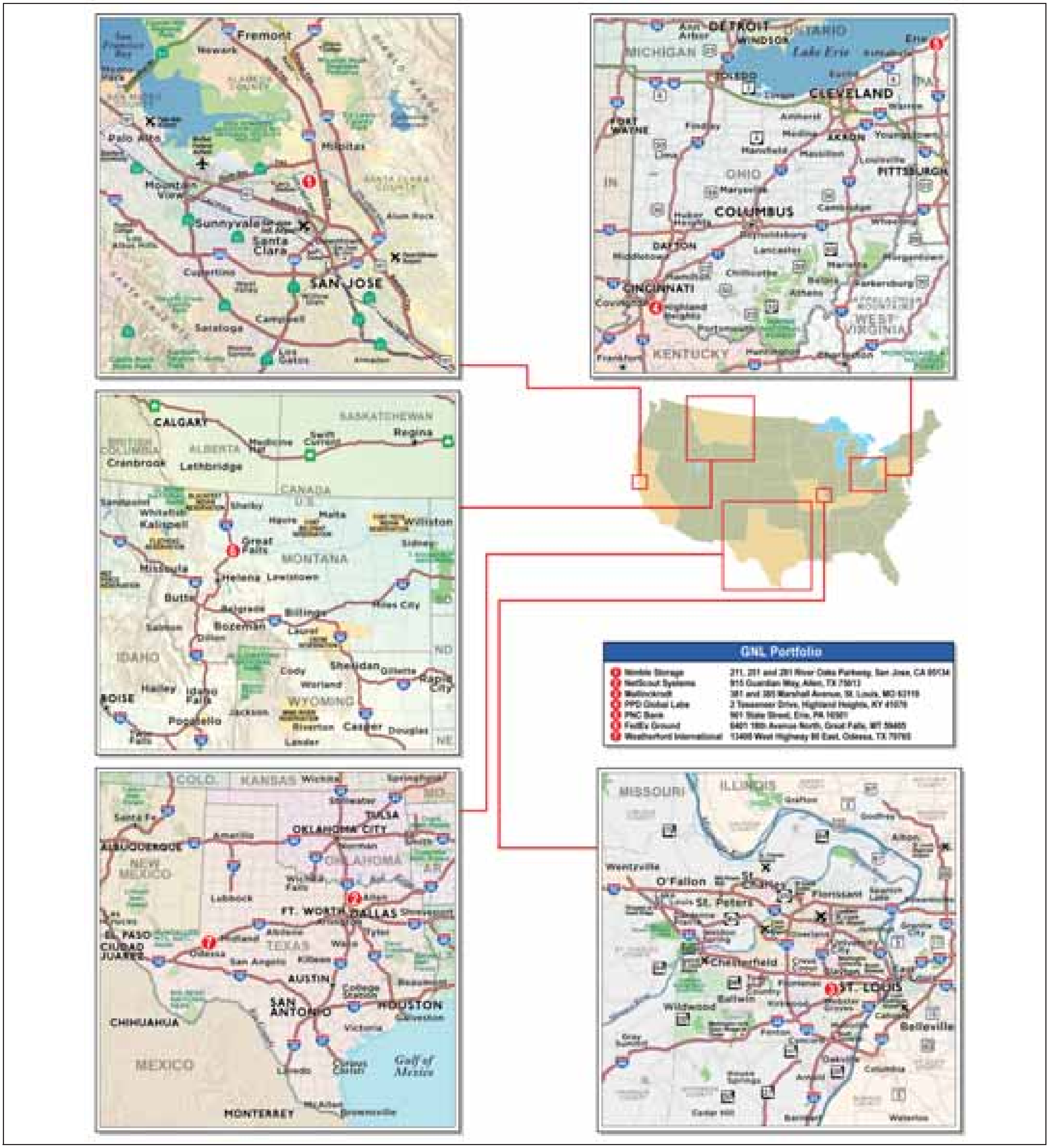
FedEx Ground

Nimble Storage

Mallinckrodt


PNC Bank

## GNL Portfolio






BARCLAYS

CANTOR Fitzgerald

# GNL Portfolio

## Mortgage Loan Information

| | |
|---|---|
| **Mortgage Loan Seller[1]:** | KeyBank |
| **Original Principal Balance[2]:** | $54,175,000 |
| **Cut-off Date Principal Balance[2]:** | $54,175,000 |
| **% of IPB:** | 6.1% |
| **Loan Purpose:** | Refinance |
| **Borrowers[3]:** | Various |
| **Sponsor:** | Global Net Lease Operating Partnership, L.P. |
| **Interest Rate:** | 4.85300% |
| **Note Date:** | 11/9/2018 |
| **Maturity Date:** | 12/1/2028 |
| **Interest-only Period:** | 120 months |
| **Original Term:** | 120 months |
| **Original Amortization Term:** | None |
| **Amortization Type:** | Interest Only |
| **Call Protection:** | L(25),Grtr1%orYM(91),O(4) |
| **Lockbox / Cash Management:** | Hard / Springing |
| **Additional Debt:** | Yes |
| **Additional Debt Balance:** | $44,325,000 |
| **Additional Debt Type:** | *Pari Passu* |

## Property Information

| | |
|---|---|
| **Single Asset / Portfolio:** | Portfolio |
| **Title:** | Fee |
| **Property Type – Subtype:** | Various – Various |
| **Net Rentable Area (SF):** | 647,713 |
| **Location:** | Various |
| **Year Built / Renovated:** | Various / Various |
| **Occupancy:** | 100.0% |
| **Occupancy Date:** | 11/9/2018 |
| **4th Most Recent NOI (As of)[4]:** | $7,265,307 (12/31/2015) |
| **3rd Most Recent NOI (As of)[4]:** | $7,407,598 (12/31/2016) |
| **2nd Most Recent NOI (As of)[4]:** | $8,011,118 (12/31/2017) |
| **Most Recent NOI (As of)[4][5]:** | $8,061,391 (TTM 7/31/2018) |
| **UW Economic Occupancy:** | 91.3% |
| **UW Revenues:** | $13,867,956 |
| **UW Expenses:** | $3,011,132 |
| **UW NOI[5]:** | $10,856,824 |
| **UW NCF:** | $10,069,241 |
| **Appraised Value / Per SF[6]:** | $172,290,000 / $266 |
| **Appraisal Date[6]:** | 10/1/2018 |

## Escrows and Reserves[7]

| | Initial | Monthly | Initial Cap |
|---|---|---|---|
| **Taxes:** | $0 | Springing | N/A |
| **Insurance:** | $0 | Springing | N/A |
| **Replacement Reserves:** | $0 | Springing | N/A |
| **TI/LC:** | $0 | Springing | $5,000,000 |
| **Other:** | $233,500 | $0 | N/A |

## Financial Information[2]

| | |
|---|---|
| **Cut-off Date Loan / SF:** | $152 |
| **Maturity Date Loan / SF:** | $152 |
| **Cut-off Date LTV[6]:** | 57.2% |
| **Maturity Date LTV[6]:** | 57.2% |
| **UW NCF DSCR:** | 2.08x |
| **UW NOI Debt Yield:** | 11.0% |

## Sources and Uses

| Sources | Proceeds | % of Total | Uses | Proceeds | % of Total |
|---|---|---|---|---|---|
| Whole Loan[2] | $98,500,000 | 100.0% | Payoff Existing Debt[8] | $90,167,460 | 91.5% |
| | | | Return of Equity | 6,925,611 | 7.0 |
| | | | Closing Costs | 1,173,429 | 1.2 |
| | | | Upfront Reserves | 233,500 | 0.2 |
| **Total Sources** | **$98,500,000** | **100.0%** | **Total Uses** | **$98,500,000** | **100.0%** |

(1) The GNL Portfolio Whole Loan, as defined in "*The Loan*" below, was co-originated by KeyBank and Société Générale Financial Corporation ("**Société Générale**").
(2) The GNL Portfolio Mortgage Loan, as defined in "*The Loan*" below, is part of a whole loan evidenced by three *pari passu* notes with an aggregate original principal balance of $98.5 million. The financial information presented in the chart above is based on the $98.5 million GNL Portfolio Whole Loan.
(3) The borrowers for the GNL Portfolio Whole Loan include ARG FEGRFMT001, LLC, ARC MPSTLMO001, LLC, ARG NSALNTX001, LLC, ARC NSSNJCA001, LLC, ARC PNEREPA001, LLC, ARC PPHHTKY001, LLC, and ARC WIODSTX001, LLC.
(4) The FedEx Ground Property and NetScout Systems Property (as defined in "*The Properties*" below) were constructed in 2017 and 2018, respectively. Therefore, the FedEx Ground property is excluded from 4th Most Recent NOI and 3rd Most Recent NOI, while the NetScout Systems property is excluded from 4th Most Recent NOI, 3rd Most Recent NOI, 2nd Most Recent NOI, and Most Recent NOI.
(5) The increase in UW NOI from Most Recent NOI is primarily due to NetScout Systems' recent lease commencement date of August 6, 2018. NetScout Systems is the second largest tenant by net rentable area and annual underwritten base rent.
(6) The Appraised Value / Per SF, Appraisal Date, Cut-off Date LTV and Maturity Date LTV are calculated based on the appraised value of $172,290,000, which reflects an approximately 1.2% premium attributed to the aggregate "as-is" value of the individual GNL Portfolio properties. The sum of the values of each of the properties on an individual basis is $170,205,000, which represents a Cut-off Date LTV and Maturity Date LTV of 57.9%.
(7) For a full description of Escrows and Reserves, please refer to "*Escrows and Reserves*" below.
(8) Proceeds from the GNL Portfolio Whole Loan were used primarily to pay down a portion of a KeyBank credit facility for all but one of the GNL Portfolio Properties.

## GNL Portfolio

***The Loan.*** The GNL Portfolio mortgage loan is secured by a first mortgage lien on the borrowers' fee interest in seven office and industrial buildings located in six states. The whole loan was co-originated by KeyBank and Société Générale and has an outstanding principal balance as of the Cut-off Date of $98.5 million (the "**GNL Portfolio Whole Loan**"). The GNL Portfolio Whole Loan is comprised of three *pari passu* notes, Note A-1, Note A-2, and Note A-3. Note A-1, with an outstanding principal balance as of the Cut-off Date of approximately $54.2 million, is being contributed to the BBCMS 2018-C2 Trust (the "**GNL Portfolio Mortgage Loan**"). Note A-2 and Note A-3 are held by Société Générale, have an aggregate outstanding principal balance as of the Cut-off Date of approximately $44.3 million, and are expected to be contributed to the UBS 2018-C14 trust. Note A-1 is the controlling note under the related co-lender agreement, the rights of which will be exercised under this securitization (or, prior to the occurrence and continuance of a control termination event under the pooling and servicing agreement, the directing certificateholder); *however*, the holders of Note A-2 and Note A-3 will be entitled, under certain circumstances, to be consulted with respect to certain major decisions. The GNL Portfolio Whole Loan has a 10-year term and is interest-only for the full term of the loan.

| Whole Loan Summary | | | |
|---|---|---|---|
| **Note** | **Original Balance** | **Note Holder** | **Controlling Piece** |
| A-1 | $54,175,000 | BBCMS 2018-C2 | Yes |
| A-2 | 34,325,000 | UBS 2018-C14 | No |
| A-3 | 10,000,000 | UBS 2018-C14 | No |
| **Total** | **$98,500,000** | | |

***The Properties.*** The GNL Portfolio is comprised of seven single-tenant office and industrial buildings with an aggregate of 647,713 square feet (the "**GNL Portfolio Properties**"). The loan sponsor acquired the GNL Portfolio Properties in separate transactions between August 2013 and August 2018 and subsequently completed capital repairs at the GNL Portfolio Properties, bringing the loan sponsor's total cost basis to approximately $158.0 million and resulting in a loan-to-cost ratio of 62.3%.

The GNL Portfolio is geographically diverse with properties located in six different states and seven different markets. The three largest states by allocated loan amount are California (39.4%), Texas (35.2%), and Missouri (11.1%), which account for approximately 34.4%, 31.6%, and 16.7% of underwritten net cash flow, respectively. The remaining three properties, located in Kentucky, Pennsylvania and Montana, do not individually account for more than 6.1% of the allocated loan amount or 7.4% of underwritten net cash flow.

**Portfolio Summary**

| Property Name, Location | Property Type – Subtype | Net Rentable Area (SF) | Year Built / Renovated | Allocated Whole Loan Amount ("ALA") | % of ALA | Appraised Value(1) | UW NCF |
|---|---|---|---|---|---|---|---|
| **Nimble Storage**<br>San Jose, CA | Office – Suburban | 164,608 | 1979-1982 / 2013 | $38,773,831 | 39.4% | $67,000,000 | $3,463,748 |
| **NetScout Systems**<br>Allen, TX | Office – Suburban | 144,779 | 2018 / N/A | 32,627,890 | 33.1 | 56,380,000 | 2,956,824 |
| **Mallinckrodt**<br>St. Louis, MO | Office – R&D Lab | 89,900 | 1980, 2008 / 2017 | 10,937,693 | 11.1 | 18,900,000 | 1,680,940 |
| **PPD Global Labs**<br>Highland Heights, KY | Office – R&D Lab | 73,220 | 1983 / 2015 | 6,018,625 | 6.1 | 10,400,000 | 748,870 |
| **PNC Bank**<br>Erie, PA | Office – CBD | 97,203 | 1909, 1968 / 2000 | 4,513,968 | 4.6 | 7,800,000 | 624,797 |
| **FedEx Ground**<br>Great Falls, MT | Industrial – Warehouse/Distribution | 58,148 | 2017 / N/A | 3,544,623 | 3.6 | 6,125,000 | 373,661 |
| **Weatherford International**<br>Odessa, TX | Industrial – Warehouse | 19,855 | 1950 / 2010 | 2,083,370 | 2.1 | 3,600,000 | 220,400 |
| **Total** | | **647,713** | | **$98,500,000** | **100.0%** | **$172,290,000** | **$10,069,241** |

(1) Portfolio Appraised Value of $172,290,000 reflects an approximately 1.2% premium attributed to the aggregate value of the GNL Portfolio Properties as a whole. The sum of the "as-is" appraised values of each of the GNL Portfolio Properties on an individual basis, which individual values are reflected in the table above, was $170,205,000 as of September and October 2018.

## GNL Portfolio

| GNL Portfolio 2018 Demographic Summary[1] | | | | | | | |
|---|---|---|---|---|---|---|---|
| Property Name | City, State | 1-mile Population | 3-mile Population | 5-mile Population | 1-mile Average Household Income | 3-mile Average Household Income | 5-mile Average Household Income |
| Nimble Storage | San Jose, CA | 27,222 | 114,591 | 404,756 | $175,817 | $149,191 | $129,620 |
| NetScout Systems | Allen, TX | 6,089 | 111,007 | 277,810 | $151,162 | $126,210 | $124,827 |
| Mallinckrodt | St. Louis, MO | 11,706 | 110,800 | 312,025 | $102,906 | $105,910 | $97,637 |
| PPD Global Labs | Highland Heights, KY | 4,801 | 58,468 | 143,096 | $103,020 | $71,484 | $74,433 |
| PNC Bank | Erie, PA | 22,338 | 95,511 | 151,312 | $35,633 | $52,541 | $59,167 |
| FedEx Ground | Great Falls, MT | 1,752 | 16,486 | 46,807 | $50,582 | $60,635 | $58,185 |
| Weatherford International | Odessa, TX | 1,008 | 13,261 | 30,644 | $137,953 | $117,747 | $99,889 |

(1) Source: third party market research reports.

*Nimble Storage (164,608 SF, 25.4% NRA, 39.4% ALA)*. The Nimble Storage property consists of three, two-story office buildings constructed between 1979 and 1982 and renovated in 2013 (the "**Nimble Storage Property**"). The buildings feature open office areas, private offices, conference and meeting rooms, break rooms, and engineering labs. The Nimble Storage Property has additional amenities that include an outdoor courtyard with seating, a barbeque grill, and a bocce ball court, indoor bicycle storage, and a fitness room. Nimble Storage occupies 100.0% of the net rentable area through October 2021, with one, five-year renewal option at fair market rent. The lease does not provide any termination or contraction options.

Located on approximately 9.82 acres, the Nimble Storage Property is located in San Jose, California, approximately four miles northwest of the San Jose central business district and within the southern portion of the San Francisco Bay area. The immediately surrounding area predominantly consists of office and R&D facilities and is occupied by several notable high-technology firms, including AT&T, Canon, Cisco Systems, PayPal, and Samsung. This technology-concentrated area, referred to as the Golden Triangle of Silicon Valley, is bounded by State Highway 237 to the north, U.S. Highway 101 to the south, and Interstate 880 to the east, all three of which provide access to the Nimble Storage Property. According to a third-party market research report, the Nimble Storage Property is located in the San Jose North submarket of the Silicon Valley office market. The submarket contains approximately 11.6 million square feet of office inventory, has an overall vacancy of 13.8% and an average annual rental rate of $40.44 per square foot. The appraisal indicated that the higher submarket vacancy, relative to the market vacancy of 8.2%, reflects the significant repositioning of older developments, which are currently under renovation and are available for lease.

Founded in 2008, Nimble Storage is an information technology company focused on providing external networked data storage products and solutions to corporate customers. In 2017, Hewlett Packard Enterprise (NYSE: HPE) (rated Baa2/BBB/BBB+ by Moody's/S&P/Fitch) ("**HPE**") acquired Nimble Storage for approximately $1 billion and Nimble Storage is now fully integrated into HPE. HPE is a global technology company that offers enterprise technology solutions and services, including servers, storage, and networking, as well as financial services.

*NetScout Systems (144,779 SF, 22.4% NRA, 33.1% ALA).* The NetScout Systems property is a three-story, class A, single-tenant office building that was constructed as a build-to-suit in 2018 (the "**NetScout Systems Property**"). The office building includes a 482-space, four-story parking garage located on the west side of the office building. Amenities at the NetScout Systems Property include a cafeteria, a fitness center, and an outdoor courtyard with a turf putting green and a patio with a grilling area. NetScout Systems ("**NetScout**") occupies 100.0% of the net rentable area through August 2030, with three, five-year renewal options at fair market rent. The lease does not provide any termination or contraction options.

The NetScout Systems Property is located in Allen, Texas, approximately 25.0 miles north of the Dallas central business district and part of the greater Dallas-Fort Worth-Arlington, TX metropolitan statistical area ("**Dallas MSA**"). The Dallas MSA had an estimated 2017 population of approximately 7.5 million, making it the fourth most populous metropolitan area in the United States. The NetScout Systems Property is situated within a commercial office and retail area, as well as a densely populated residential neighborhood. The NetScout Systems Property benefits from proximity to U.S. Highway 75, which is located east of the NetScout Systems Property and provides direct access to downtown Dallas. According to a third-party market research report, the NetScout Systems Property is located in the Dallas/Ft. Worth office market and the Allen/McKinney office submarket. The submarket consists of approximately 9.1 million square feet of office inventory, has an overall vacancy rate of 10.3%, and average asking rents of $27.69 per square foot.

NetScout (NASDAQ: NTCT) is a provider of business assurance, which encompasses service assurance, cybersecurity, and business intelligence solutions. NetScout oversees the designing, developing, manufacturing, marketing, selling, and supporting of products that assure the performance and availability of critical business applications and services in complex, high-speed networks. NetScout was

## GNL Portfolio

founded in 1984 and is headquartered in Westford, Massachusetts. NetScout reported total revenues for fiscal year 2018 of approximately $986.8 million, with net income of approximately $79.8 million.

*Mallinckrodt (89,900 SF, 13.9% NRA, 11.1% ALA).* The Mallinckrodt property consists of three interconnected three-story office and R&D buildings, two of which were primarily constructed in 1980 with renovations completed by 2004 and are utilized as office and laboratory space (the "**Mallinckrodt Property**"). The third building was constructed in 2008 and is a pharmaceutical pilot production plant. Mallinckrodt Pharmaceuticals ("**Mallinckrodt**") has occupied 100.0% of the Mallinckrodt Property since 2004 subject to a current lease expiration in August 2024, with two, five-year renewal options at fair market rent. The lease does not provide any termination or contraction options. Mallinckrodt completed a $5 million renovation in 2017 that covered approximately 50% of the Mallinckrodt Property and included reconfiguration of offices and cafeteria space, the addition of third-floor office space in place of a two-story atrium, and resealing and reconfiguration of the parking lot.

The Mallinckrodt Property is located in St. Louis, Missouri within Saint Louis County, which is approximately 13 miles west of the St. Louis central business district. The Mallinckrodt Property is a part of the Owen Ridge office park, a planned development which consists of various office, R&D, and industrial uses. The Mallinckrodt Property is situated within close proximity to multiple major thoroughfares, including Interstates 64 and 44, which both provide the area with access to the greater St. Louis metropolitan area. According to a third-party market research report, the Mallinckrodt Property is located in the St. Louis office market and the Brentwood/Maplewood office submarket. The submarket has approximately 2.4 million square feet of office inventory, an overall vacancy rate of 2.2%, and average asking rents of $18.97 per square foot. The St. Louis office market as a whole contains 32 R&D properties totaling 2.7 million square feet with a vacancy rate of 5.3%.

Mallinckrodt (NYSE: MNK) (rated NA/B+/NA by Moody's/S&P/Fitch) is a specialty pharmaceutical company that develops, manufactures, markets, and distributes specialty pharmaceutical products and diagnostic imaging agents. Founded in 1867 in St. Louis, Mallinckrodt's global headquarters is located in Staines-upon-Thames, United Kingdom, while its U.S. headquarters remains in St. Louis.

***Environmental.*** According to Phase I environmental assessments dated October 2018, there was no evidence of any recognized environmental conditions at the GNL Portfolio Properties; however, there was a controlled recognized environmental condition at the Mallinckrodt Property. From the early 1920s until 1998, the Mallinckrodt Property and the surrounding area were previously part of a petrochemical plant campus, known as Baker Petrolite. Prior soil and groundwater contamination was present throughout the former Baker Petrolite campus and Baker Hughes was identified as the responsible party. The campus was enrolled in a voluntary cleanup program and the impacted soils have been remediated with the only residual impacted soils over 400 feet north of the Mallinckrodt Property. No further investigation was recommended in the Phase I environmental assessment except to continue the ongoing monitoring and cleanup as part of the voluntary cleanup program.

**Historical and Current Occupancy(1)(2)**

| 2015 | 2016 | 2017 | Current(3) |
|---|---|---|---|
| 100.0% | 100.0% | 100.0% | 100.0% |

(1) Historical Occupancies are as of December 31 of each respective year.
(2) The FedEx Ground Property and NetScout Systems Property were constructed in 2017 and 2018, respectively. These tenants are excluded from occupancy figures for the years prior to the respective build dates.
(3) Current Occupancy is as of November 9, 2018.

# GNL Portfolio

| Top Seven Tenant Summary[1] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Tenant | Ratings[2] Moody's/S&P/Fitch | Net Rentable Area (SF) | % of Total NRA | Base Rent PSF | Base Rent | % of Total Base Rent | Lease Expiration Date |
| Nimble Storage | Baa2 / BBB / BBB+ | 164,608 | 25.4% | $26.12 | $4,299,912 | 35.1% | 10/31/2021 |
| NetScout Systems | NA / NA / NA | 144,779 | 22.4 | $25.03 | 3,623,818 | 29.6 | 8/31/2030 |
| PNC Bank | A3 / A- / A+ | 97,203 | 15.0 | $7.65 | 744,017 | 6.1 | 7/31/2029 |
| Mallinckrodt Pharmaceuticals | NA / B+ / NA | 89,900 | 13.9 | $22.14 | 1,990,578 | 16.3 | 8/31/2024 |
| PPD Global Labs | NA / NA / NA | 73,220 | 11.3 | $12.24 | 895,910 | 7.3 | 12/31/2024 |
| FedEx Ground | Baa2 / BBB / NA | 58,148 | 9.0 | $7.58 | 440,863 | 3.6 | 6/30/2026 |
| Weatherford International | NA / B / NA | 19,855 | 3.1 | $12.29 | 244,055 | 2.0 | 11/1/2025 |
| **Top Seven Tenants** | | **647,713** | **100.0%** | **$18.90** | **$12,239,153** | **100.0%** | |
| **Occupied Collateral Total** | | **647,713** | **100.0%** | **$18.90** | **$12,239,153** | **100.0%** | |
| **Vacant Space** | | **0** | **0.0%** | | | | |
| **Collateral Total** | | **647,713** | **100.0%** | | | | |

(1) Based on the underwritten rent roll.
(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

| Lease Rollover Schedule[1] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Number of Leases Expiring | Net Rentable Area Expiring | % of NRA Expiring | Base Rent Expiring | % of Base Rent Expiring | Cumulative Net Rentable Area Expiring | Cumulative % of NRA Expiring | Cumulative Base Rent Expiring | Cumulative % of Base Rent Expiring |
| Vacant | NAP | 0 | 0.0% | NAP | NAP | 0 | 0.0% | NAP | NAP |
| 2018 & MTM | 0 | 0 | 0.0 | $0 | 0.0% | 0 | 0.0% | $0 | 0.0% |
| 2019 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0% | $0 | 0.0% |
| 2020 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0% | $0 | 0.0% |
| 2021 | 1 | 164,608 | 25.4 | 4,299,912 | 35.1 | 164,608 | 25.4% | $4,299,912 | 35.1% |
| 2022 | 0 | 0 | 0.0 | 0 | 0.0 | 164,608 | 25.4% | $4,299,912 | 35.1% |
| 2023 | 0 | 0 | 0.0 | 0 | 0.0 | 164,608 | 25.4% | $4,299,912 | 35.1% |
| 2024 | 2 | 163,120 | 25.2 | 2,886,488 | 23.6 | 327,728 | 50.6% | $7,186,400 | 58.7% |
| 2025 | 1 | 19,855 | 3.1 | 244,055 | 2.0 | 347,583 | 53.7% | $7,430,455 | 60.7% |
| 2026 | 1 | 58,148 | 9.0 | 440,863 | 3.6 | 405,731 | 62.6% | $7,871,318 | 64.3% |
| 2027 | 0 | 0 | 0.0 | 0 | 0.0 | 405,731 | 62.6% | $7,871,318 | 64.3% |
| 2028 & Beyond | 2 | 241,982 | 37.4 | 4,367,835 | 35.7 | 647,713 | 100.0% | $12,239,153 | 100.0% |
| **Total** | **7** | **647,713** | **100.0%** | **$12,239,153** | **100.0%** | | | | |

(1) Based on the underwritten rent roll.

## GNL Portfolio

| Operating History and Underwritten Net Cash Flow[1] | 2015 | 2016 | 2017 | TTM[2] | Underwritten | Per Square Foot | %[3] |
|---|---|---|---|---|---|---|---|
| Rents in Place[4][5] | $7,276,078 | $7,448,113 | $7,976,062 | $8,283,594 | $12,174,621 | $18.80 | 80.1% |
| Straight-Line Rent[6] | 0 | 0 | 0 | 0 | 64,532 | 0.10 | 0.4 |
| **Gross Potential Rent** | **$7,276,078** | **$7,448,113** | **$7,976,062** | **$8,283,594** | **$12,239,153** | **$18.90** | **80.5%** |
| Total Reimbursements | 1,526,397 | 1,145,781 | 1,575,833 | 1,481,292 | 2,958,184 | 4.57 | 19.5 |
| **Net Rental Income** | **$8,802,475** | **$8,593,894** | **$9,551,894** | **$9,764,886** | **$15,197,337** | **$23.46** | **100.0%** |
| (Vacancy/Credit Loss) | 0 | 0 | 0 | 0 | (1,329,381) | (2.05) | (8.7) |
| Other Income | 15,061 | 13,310 | 13,310 | 0 | 0 | 0.00 | 0.0 |
| **Effective Gross Income** | **$8,817,537** | **$8,607,204** | **$9,565,204** | **$9,764,886** | **$13,867,956** | **$21.41** | **91.3%** |
| **Total Expenses** | **$1,552,230** | **$1,199,606** | **$1,554,087** | **$1,703,495** | **$3,011,132** | **$4.65** | **21.7%** |
| **Net Operating Income** | **$7,265,307** | **$7,407,598** | **$8,011,118** | **$8,061,391** | **$10,856,824** | **$16.76** | **78.3%** |
| Total TI/LC, Capex/RR | 0 | 0 | 0 | 0 | 787,584 | 1.22 | 5.7 |
| **Net Cash Flow** | **$7,265,307** | **$7,407,598** | **$8,011,118** | **$8,061,391** | **$10,069,241** | **$15.55** | **72.6%** |

(1) The FedEx Ground Property and NetScout Systems Property were constructed in 2017 and 2018, respectively. Therefore, the FedEx Ground property is excluded from 2015 and 2016 historical cash flows, while the NetScout Systems Property is excluded from 2015, 2016, 2017, and TTM cash flows.

(2) TTM reflects the trailing 12-month period ending July 2018.

(3) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(4) Underwritten Rents in Place are based on the underwritten rent roll dated August 31, 2018 and include contractual rent steps through November 2019 in the amount of $154,022.

(5) The increase in Underwritten Rents in Place from TTM is primarily due to NetScout's recent lease commencement date of August 6, 2018. NetScout is the second largest tenant by net rentable area and annual underwritten base rent.

(6) Straight-Line Rent represents $64,532 in average contractual rent increases for the investment grade tenant PNC Bank through the term of its lease

***The Borrowers.*** The borrowing entities for the GNL Portfolio Whole Loan are ARG FEGRFMT001, LLC, ARC MPSTLMO001, LLC, ARG NSALNTX001, LLC, ARC NSSNJCA001, LLC, ARC PNEREPA001, LLC, ARC PPHHTKY001, LLC, and ARC WIODSTX001, LLC, each a Delaware limited liability company and special purpose entity with two independent directors. Legal counsel to the borrowers delivered a non-consolidation opinion in connection with the origination of the GNL Portfolio Whole Loan.

***The Loan Sponsor.*** The loan sponsor and nonrecourse carve-out guarantor is Global Net Lease Operating Partnership, L.P., a Delaware limited partnership and the business operations entity of Global Net Lease, Inc. (NYSE: GNL) ("**GNL**"). Founded in 2011, GNL is a publicly traded real estate investment trust focused on acquiring a diversified global portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant, mission critical, income producing net-lease assets across the United States and western and northern Europe. As of June 30, 2018, GNL owned a portfolio of 333 properties totaling approximately 25.0 million square feet. GNL is an affiliate of AR Global Investments, LLC, which has raised and invested over $30.0 billion in capital, served over 150,000 shareholders and grown to one of the largest external managers of direct investment programs in the United States. See "*Description of the Mortgage Pool—Litigation and Other Considerations*" in the Prospectus.

***Property Management.*** The GNL Portfolio Properties are managed by Global Net Lease Properties, LLC, an affiliate of the borrower.

***Escrows and Reserves.*** At origination, the borrowers were required to deposit into escrow $233,500 for required repairs.

*Tax Escrows* – There is no requirement for the borrowers to make monthly deposits into the tax escrow for each respective property so long as (i) no event of default exists, (ii) each applicable lease is in full force and effect and requires the applicable tenant to pay taxes directly and such tenant pays all applicable taxes prior to the due date thereof, (iii) the borrowers have delivered to lender copies of all tax bills within 30 days of receipt and (iv) the lender has received reasonably satisfactory evidence that all applicable taxes have been paid as and when required pursuant to the mortgage loan documents with respect to the applicable property.

*Insurance Escrows* – There is no requirement for the borrowers to make deposits to the insurance escrow so long as the property is insured under a blanket insurance policy in accordance with the mortgage loan documents, until and unless the lender elects to apply such requirement as required in the mortgage loan documents.

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*Replacement Reserves* – There is no requirement for the borrowers to make monthly deposits into the replacement reserve account so long as no Cash Sweep Period (as defined below) has occurred and is continuing. Following the occurrence and during the continuance of a Cash Sweep Period, the borrowers are required to make monthly deposits equal to $0.25 multiplied by the then existing aggregate net leasable area of the applicable property, divided by 12, for replacement reserves.

*TI/LC Reserves* – There is no requirement for the borrowers to make monthly deposits to the TI/LC reserve account so long as no Cash Sweep Period has occurred and is continuing. Following the occurrence and during the continuance of a Cash Sweep Period, the borrowers are required to make monthly deposits equal to $1.00 multiplied by the then existing aggregate net leasable area of the applicable property, divided by 12, for TI/LC reserves, up to a cap of $5,000,000. In lieu of monthly deposits, the borrowers will be allowed to deposit an unconditional irrevocable letter of credit in the amount set forth in the mortgage loan documents, and on every third payment date thereafter occurring during the existence of a Cash Sweep Period, the borrowers are required to cause the letter of credit to be increased by an amount equal to $1.00 multiplied by the then existing aggregate net leasable area of the applicable property, divided by four, up to a cap of $5,000,000.

*Major Tenant Rollover Reserves* – The borrower is required to deposit excess cash flow generated by the GNL Portfolio Properties following the occurrence of a Major Tenant Cash Flow Sweep (as defined below).

*Minor Tenant Rollover Reserves* – The borrower is required to deposit excess cash flow generated by the GNL Portfolio Properties following the occurrence of a Minor Tenant Cash Flow Sweep (as defined below).

***Lockbox / Cash Management.*** The GNL Portfolio Whole Loan is structured with a hard lockbox and springing cash management. The borrowers were required to send direction letters to all tenants instructing them to deposit all rents directly into a clearing account controlled by the lender. Notwithstanding the foregoing, the borrowers and property manager are required to deposit all revenues otherwise received into the clearing account within two business days of receipt. Provided no Cash Sweep Period is in effect, all funds in the clearing account will be transferred to an account controlled by the borrowers. Upon the occurrence of a Cash Sweep Period, all sums on deposit in the clearing account are required to be transferred on a daily basis to a cash management account controlled by the lender and applied and disbursed in accordance with the mortgage loan documents, with any excess cash held by the lender as additional collateral for the GNL Portfolio Whole Loan during the continuance of such Cash Sweep Period.

A "**Cash Sweep Period**" means the occurrence of (i) an event of default and will continue until such event of default is cured, (ii) any bankruptcy action of the borrowers (in no event will a Cash Sweep Period due to a bankruptcy of the borrowers be cured), (iii) a Manager Sweep Event, (iv) any period that the interest-only debt service coverage ratio as calculated in the loan documents based on the trailing three-month period is less than 1.70x and will continue until such time as (x) the interest-only debt service coverage ratio for the immediately preceding three-month period is at least 1.70x for two consecutive calendar quarters (a "**DSCR Cure**"), (y) the borrower has delivered a letter of credit in an amount initially equal to the amount of excess cash flow for the immediately preceding three-month period, with such amount recalculated and increased every three-month period thereafter, up to any applicable capped amount (the "**DSCR/Tenant Cure – Letter of Credit**"), or (z) the borrower has completed a partial prepayment of the loan (including any prepayment consideration) to the extent required to achieve an interest-only debt service coverage ratio for the immediately preceding three-month period of 1.70x or greater, (v) a Major Tenant Cash Flow Sweep (as defined below) or (vi) a Minor Tenant Cash Flow Sweep (as defined below).

A "**Manager Sweep Event**" means (i) for a borrower affiliated manager, any bankruptcy action of the manager and (ii) for a manager that is not affiliated with the borrowers, (a) the date of the occurrence of an involuntary bankruptcy petition or (b) the date which is 60 days after the occurrence of any other bankruptcy action of such manager unless the manager is replaced with a qualified manager within such 60 day period. In any case, a Manager Sweep Event will continue until the property manager is replaced with a qualified manager under a replacement management agreement.

A "**Major Tenant Cash Flow Sweep**" will commence upon (i) any bankruptcy action of Nimble Storage or NetScout, any successor or assign thereof as tenant under the respective lease, or any subsequent tenant under a replacement lease (each a "**Major Tenant**") or any person or entity that controls a Major Tenant, (ii) the earlier to occur of (a) the date a Major Tenant gives notice of its intention to vacate or abandon substantially all of its premises, or go dark at the premises or (b) the date that a Major Tenant vacates, abandons, surrenders, or goes dark at the applicable premises for five consecutive business days, (iii) the continuation of any default by a Major Tenant under its respective lease beyond any applicable notice and cure periods, or (iv) the earlier to occur of (a) the date of any early termination or cancellation of a Major Tenant lease or (b) the earlier to occur of the date (x) that is (1) 12 months prior to the then applicable expiration of the Nimble Storage lease or (2) nine months prior to the then applicable expiration of the NetScout lease or (y) on which notice for extension is due under the applicable lease and will continue until, in general, (A) with respect to clause (i), the applicable Major Tenant is no longer the subject of a bankruptcy or similar proceeding and has satisfied all other conditions under the mortgage loan documents, (B) with respect to clause (ii), the applicable Major Tenant has resumed operations at the premises and has

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satisfied all other requirements under the mortgage loan documents, (C) with respect to clause (iii), the applicable Major Tenant has fully cured all applicable defaults under its lease, (D) the applicable Major Tenant has been replaced with an acceptable replacement tenant under the mortgage loan documents, (E) with respect to clause (ii), the applicable Major Tenant has subleased its premises to an acceptable subtenant under the mortgage loan documents and all other conditions under the mortgage loan documents have been satisfied, (F) with respect to clause (iv), the borrower has provided acceptable evidence to the lender that the applicable Major Tenant has renewed the term of its lease pursuant to the terms set forth therein, (G) funds swept as a result of a Major Tenant Cash Flow Sweep have reached (1) $7,400,000 if related to Nimble Storage, (2) $5,000,000 if related to NetScout, or (3) $12,400,000 if related to both Nimble Storage and NetScout, (H) the borrowers have delivered the DSCR/Tenant Cure – Letter of Credit, or (I) in the case of any Major Tenant Cash Flow Sweep except with respect to clause (iii), the occurrence of a DSCR Cure.

A "**Minor Tenant Cash Flow Sweep**" will commence upon the earlier to occur of (i) the date of any early termination or cancellation of the Mallinckrodt lease or the PPD Global Labs lease (each tenant, a "**Minor Tenant**") or (ii) the earlier to occur of the date (a) that is 12 months prior to the then applicable expiration of the applicable lease (or any renewal or replacement thereof) or (b) on which notice for extension is due under the applicable lease. A Minor Tenant Cash Flow Sweep will continue until (i) the borrower has provided reasonably acceptable evidence to the lender that the applicable Minor Tenant has renewed the term of its lease pursuant to the terms set forth therein, (ii) the applicable Minor Tenant has been replaced with an acceptable replacement tenant under the mortgage loan documents, (iii) funds swept as a result of a Minor Tenant Cash Flow Sweep have reached (a) $2,700,000 if related to Mallinckrodt, (b) $2,300,000 if related to PPD Global Labs, or (c) $5,000,000 if related to both Mallinckrodt and PPD Global Labs, (iv) the borrowers have delivered a DSCR/Tenant Cure – Letter of Credit, or (v) the occurrence of a DSCR Cure.

***Subordinate and Mezzanine Debt.*** None.

***Partial Release.*** At any time after January 1, 2021, and prior to the GNL Portfolio Whole Loan maturity date, the GNL Portfolio borrowers may obtain the release of any of the GNL Portfolio Properties included in the GNL Portfolio Whole Loan, *provided* that, among other things, (i) no event of default has occurred and is continuing (other than an event of default which applies only to the property to be released), (ii) the borrowers prepay a portion of the GNL Portfolio Whole Loan equal to 115% (120% if released to a borrower affiliate) of the allocated loan amount of the property being released, (iii) the debt service coverage ratio for the remaining properties following the release based on the trailing 12 months is no less than the greater of (1) the interest-only debt service coverage ratio immediately preceding such release and (2) 2.08x and (iv) the debt yield for the remaining properties based on the trailing 12 months is no less than the greater of (1) the debt yield immediately preceding such release and (2) 10.22%.

***Substitutions.*** The borrowers may obtain the release of any one or more of the GNL Portfolio Properties (individually or collectively, the "**Release Property**") by providing one or more substitute properties (individually or collectively, the "**Substitute Property**"), *provided* that, among other things, (i) no event of default has occurred and is continuing (other than an event of default which applies only to the Release Property), (ii) such substitution is being requested in connection with (1) a sale of the Release Property to a third party that is not an affiliate of the borrowers or (2) a Major Tenant Cash Flow Sweep or a Minor Tenant Cash Flow Sweep with respect to the applicable tenant that occupies the Release Property, (iii) the borrowers will deliver to the lender rating agency confirmation as to the substitution, (iv) the lender has approved the Substitute Property in its reasonable discretion and has determined that the proposed substitution shall not materially adversely affect the GNL Portfolio Whole Loan, (v) after giving effect to the substitution, the debt yield for the trailing 12 months for all of the GNL Portfolio Properties will be equal to or greater than (1) 10.0% and (2) the debt yield for the trailing 12 months for all of the GNL Portfolio Properties immediately preceding such substitution, (vi) the borrowers will deliver to the lender an acceptable appraisal of each proposed Substitute Property and each proposed Release Property indicating an appraised value of the Substitute Property (as reflected in such acceptable appraisal) that is equal to or greater than the appraised value of the Release Property (as reflected in such acceptable appraisal) and (vii) the GNL Portfolio borrowers will deliver to the lender such other documents, instruments and agreements as the lender may reasonably require relating to such substitution (including any documents as may be reasonably required by a special servicer in a securitization). See "*Description of the Mortgage Pool—Certain Terms of the Mortgage Loans—Partial Releases*".