

## Vadata – Ashburn Data Center

## Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	BSP
<b>Original Principal Balance:</b>	\$28,000,000
<b>Cut-off Date Principal Balance:</b>	\$28,000,000
<b>% of Pool by IPB:</b>	2.3%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	DC-8-9-10 DE, LLC
<b>Sponsor:</b>	Corporate Office Properties, L.P.
<b>Interest Rate:</b>	3.40000%
<b>Note Date:</b>	7/21/2016
<b>Maturity Date:</b>	8/6/2026
<b>Interest-only Period:</b>	120 months
<b>Original Term:</b>	120 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	Interest Only
<b>Call Protection:</b>	L(25),Def(90),O(5)
<b>Lockbox:</b>	CMA
<b>Additional Debt:</b>	N/A
<b>Additional Debt Balance:</b>	N/A
<b>Additional Debt Type:</b>	N/A

## Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Office – Data Center
<b>Net Rentable Area (SF):</b>	430,663
<b>Location:</b>	Ashburn, VA
<b>Year Built / Renovated:</b>	2013-2015 / N/A
<b>Occupancy:</b>	100.0%
<b>Occupancy Date:</b>	9/6/2016
<b>Number of Tenants:</b>	1
<b>2013 NOI<sup>(1)</sup>:</b>	N/A
<b>2014 NOI<sup>(1)</sup>:</b>	N/A
<b>2015 NOI<sup>(1)</sup>:</b>	\$4,016,998
<b>TTM NOI (as of 3/2016)<sup>(2)</sup>:</b>	\$4,040,103
<b>UW Economic Occupancy:</b>	95.0%
<b>UW Revenues:</b>	\$5,224,543
<b>UW Expenses:</b>	\$1,004,913
<b>UW NOI<sup>(2)</sup>:</b>	\$4,219,630
<b>UW NCF:</b>	\$3,872,677
<b>Appraised Value / Per SF:</b>	\$77,000,000 / \$179
<b>Appraisal Date:</b>	6/22/2016

## Escrows and Reserves

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$150,718	\$50,239	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$3,589	\$129,199
<b>TI/LC:</b>	\$0	\$0	N/A
<b>Other:</b>	\$0	\$0	N/A

## Financial Information

<b>Cut-off Date Loan / SF:</b>	\$65
<b>Maturity Date Loan / SF:</b>	\$65
<b>Cut-off Date LTV:</b>	36.4%
<b>Maturity Date LTV:</b>	36.4%
<b>UW NCF DSCR:</b>	4.01x
<b>UW NOI Debt Yield:</b>	15.1%

## Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Sponsor Equity	\$43,450,847	60.8%	Purchase Price	\$71,174,043	99.6%
Mortgage Loan	28,000,000	39.2	Upfront Reserves	150,718	0.2
			Closing Costs	126,086	0.2
<b>Total Sources</b>	<b>\$71,450,847</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$71,450,847</b>	<b>100.0%</b>

(1) The Vadata - Ashburn Data Center loan is secured by data centers located in three buildings, each with a separate lease. The buildings were built between 2013 and 2015, therefore 2013 NOI and 2014 NOI is not available. The 2015 NOI is annualized for the trailing 10-month period for the DC-10 building and represents the full year for the DC-8 and DC-9 buildings.

(2) UW NOI is higher than TTM NOI due to future contractual rent step increases for the tenant totaling \$341,976.

**The Loan.** The Vadata - Ashburn Data Center loan has an outstanding principal balance as of the Cut-off Date of \$28.0 million and is secured by a first mortgage lien on the borrower's fee interest in a 430,663 square foot data center facility, comprised of three single-story buildings, located in Ashburn, Virginia. The loan has a 10-year term and is interest-only for the term of the loan.

The borrowing entity for the loan is DC-8-9-10 DE, LLC, a Delaware limited liability company and special purpose entity. The sponsor and nonrecourse carve-out guarantor is Corporate Office Properties, L.P. ("COPLP") (rated Baa3/BBB-/BBB- by Moody's/S&P/Fitch). COPLP is the entity through which Corporate Office Properties Trust ("COPT"), the sole general partner of COPLP, conducts most of its operations and owns most of its assets. At loan origination, GI DC NOVA LLC ("GI Partners") acquired a 50% interest in the property, (previously 100% owned by COPT), resulting in a 50/50 joint venture. GI Partners completed the acquisition of the property through DataCore Fund, L.P., an approximately \$500 million core real estate fund managed by GI Partners on behalf of the California State Teachers' Retirement System ("CalSTRS").

## Vadata – Ashburn Data Center

Founded in 1988, COPT is a self-managed office real estate investment trust with a market cap of \$2.7 billion. COPT has been listed on the New York Stock Exchange since 1998 (NYSE:OFC) and is an S&P MidCap 400 Company. COPT owns, manages, leases, develops and selectively acquires office and data center properties. The majority of the portfolio is in locations that support United States Government agencies and their contractors, most of whom are engaged in national security, defense and information technology related activities. In particular, COPT's office and data center properties are concentrated in large office parks located near government demand drivers and/or in targeted markets or submarkets in the Greater Washington DC/Baltimore region. COPT also owns a portfolio of traditional office properties located in select urban submarkets within a regional footprint. As of December 31, 2015, COPT's portfolio of 177 office properties encompassed 18.1 million square feet and was 92.0% occupied.

**The Property.** As of September 6, 2016, the property is 100.0% occupied by one tenant under three leases. The property is improved with three single-story data centers totaling 430,663 square feet over 34.74 acres. The three data centers, identified as DC-8, DC-9 and DC-10, are 200,000 square feet, 109,997 square feet and 120,666 square feet, respectively. The building shells for DC-8, DC-9 and DC-10 were constructed in 2013, 2014 and 2015, respectively. The interior improvements, including the mechanical equipment and up-fit, were completed by the tenant shortly after assuming occupancy at each of the three facilities. According to the sponsor, the tenant has invested heavily into the property, including improvements to the data center infrastructure, servers, IT equipment and on-site security. The property features a 28-foot clear ceiling height, 17 loading dock and grade level doors and 161 parking spaces. The property is a secure facility with major electrical, dedicated power, back up generation and significant HVAC systems. The property is monitored 24 hours a day by a third party security contractor. The property's security system includes cameras, alarms, high security fencing at the perimeter of the property, manned entry gate and rigid access control at each building. Additionally, lightning protection is provided along the roof of each building. The in-place fiber connectivity and power capacity of the geographical locations provide a backstop to occupancy as it is difficult to replicate outside of the Northern Virginia Data Center Alley.

Each building at the property has a separate triple-net lease with Vadata, Inc. ("Vadata"). In the DC-8 building, Vadata has a 10.8-year lease that commenced on October 17, 2013, is scheduled to expire July 31, 2024, allows four five-year renewal options and features an annual underwritten rent of \$1,915,362 (\$9.58 per square foot, with annual rent increases of 2.25%). In the DC-9 building, Vadata has a 10-year lease that commenced on August 1, 2014, is scheduled to expire July 31, 2024, allows four five-year renewal options and features an annual underwritten rent of \$1,101,357 (\$10.01 per square foot, with annual rent increases of 2.25%). In the DC-10 building, Vadata has a 10-year lease that commenced on February 16, 2015, is scheduled to expire February 28, 2025, allows four five-year renewal options and features an annual underwritten rent of \$1,190,735 (\$9.87 per square foot, with annual rent increases of 2.25%). The weighted average lease term remaining is 8.1 years and the weighted average underwritten rent is \$9.77 per square foot. In the event that Vadata fails to give notice of its exercise of a renewal option (and such renewal has not been so exercised) for a term of at least five years by the date that is 12 months prior to the scheduled expiration date of each of its leases, a cash flow sweep will commence and all excess cash flow after payment of the mortgage debt service, required reserves and operating expenses will be held as additional collateral for the loan.

Founded in 2007, Vadata Inc. is a wholly owned subsidiary of Amazon.com Inc. (rated Baa1/AA- by Moody's/S&P) and is the data center arm of Amazon Web Services ("AWS"). Vadata operates data centers and provides cloud computing services to businesses on behalf of Amazon. Vadata is based in Seattle, Washington and operates throughout the United States. The AWS cloud infrastructure is built around regions and availability zones. A region is a physical location in which AWS has multiple availability zones. Availability zones consist of one or more discrete data centers, each with redundant power, networking and connectivity, housed in separate facilities. Availability zones are connected to each other with fast, private fiber-optic networking, providing customers services that automatically fail-over between availability zones without interruption. Within this context, the property is part of AWS's Northern Virginia region, which is currently their only east coast location, and offers five availability zones.

**The Market.** The property is located in Ashburn, Virginia, within Loudoun County, and is approximately four miles north of Dulles International Airport and 25 miles northwest of Washington, DC. Data centers located in Loudoun County, commonly referred to as Data Center Alley, reportedly support nearly 70% of all US internet traffic. The region serves as a national destination market, with demand spanning an array of industry verticals, including government, healthcare, financial services and IT infrastructure and cloud providers. Northern Virginia's multi-tenant wholesale market currently has almost 450 megawatts of capacity. The region has seen significant data center growth over the past two years, with inventory expanding by 43% since 2013 year-end. The area is a preferred location for established technology companies as the Northern Virginia market is far enough inland to avoid the full force of hurricanes and there is a very limited seismic threat to it. Also, the market benefits from less expensive electric power (typical data center power rate is 28% below the US average) and offers connectivity through a supply of fiber networks. Additional factors that benefit the property and are of particular importance to the tenant include proximity to energy and water supply.

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Other immediate surrounding uses include industrial/data center properties and an electrical station to the south, a single-family residential community to the west, a senior living facility to the east and a multifamily community to the north. The property has frontage on Gloucester Parkway, a major north-south road through Ashburn and Smith Switch Road, a secondary east-west roadway. Primary access to the area is provided by Smith Switch Road and the property is located on the north side of Smith Switch Road. Smith Switch Road provides access to Virginia State Route 267, a primary state highway running from Leesburg toward Washington D.C. Companies with a presence in close proximity include; RagingWire Data Centers, Dupont Fabros Technology, Digital Realty Data Centers, Equinix, DataSol, H5 Data Centers, Sago Networks, and the Washington Redskins' Park (headquarters and practice field location). Estimated population within a one-, three- and five-mile radius of the property is 7,937, 79,101 and 199,511, respectively and estimated average household income within a one-, three- and five-mile radius of the property is \$123,933, \$145,598 and \$149,829, respectively.

Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Tenant Summary <sup>(1)</sup>		Base Rent PSF <sup>(3)</sup>	% of Total Base Rent	Lease Expiration Date <sup>(4)</sup>
		Net Rentable Area (SF)	% of Total NRA			
Vadata, Inc. (DC-8)	Baa1 / AA- / NA	200,000	46.4%	9.58	45.5%	07/31/2024
Vadata, Inc. (DC-9)	Baa1 / AA- / NA	109,997	25.5%	10.01	26.2%	07/31/2024
Vadata, Inc. (DC-10)	Baa1 / AA- / NA	120,666	28.0%	9.87	28.3%	02/28/2025

(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.

(3) The weighted average Base Rent PSF is \$9.77 and includes rent steps effective August 2016 for the DC-8 and DC-9 leases and March 2017 for the DC-10 lease.

(4) In the DC-8 building, the lease allows for four five-year renewal options, in the DC-9 building, the lease allows for four five-year renewal options and in the DC-10 building, the lease allows for four five-year renewal options.

Lease Rollover Schedule <sup>(1)</sup>									
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
2016 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2017	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2018	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	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2022	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2023	0	0	0.0	0	0.0	0	0.0%	\$0	0.0%
2024	2	309,997	72.0	3,016,719	71.7	309,997	72.0%	\$3,016,719	71.7%
2025	1	120,666	28.0	1,190,735	28.3	430,663	100.0%	\$4,207,454	100.0%
2026	0	0	0.0	0	0.0	430,663	100.0%	\$4,207,454	100.0%
2027 & Beyond	0	0	0.0	0	0.0	430,663	100.0%	\$4,207,454	100.0%
<b>Total</b>	<b>3</b>	<b>430,663</b>	<b>100.0%</b>	<b>\$4,207,454</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

### Vadata – Ashburn Data Center

Operating History and Underwritten Net Cash Flow <sup>(1)</sup>					
	2015 <sup>(1)</sup>	TTM <sup>(2)</sup>	Underwritten	Per Square Foot	% <sup>(3)</sup>
Rents in Place <sup>(4)</sup>	\$4,086,452	\$4,084,430	\$4,549,430	\$10.56	82.7%
Vacant Income	0	0	0	0.00	0.0
<b>Gross Potential Rent</b>	<b>\$4,086,452</b>	<b>\$4,084,430</b>	<b>\$4,549,430</b>	<b>\$10.56</b>	<b>82.7%</b>
Total Reimbursements	782,645	801,051	950,089	2.21	17.3
<b>Net Rental Income</b>	<b>\$4,869,096</b>	<b>\$4,885,481</b>	<b>\$5,499,519</b>	<b>\$12.77</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	(274,976)	(0.64)	(5.0)
<b>Effective Gross Income</b>	<b>\$4,869,096</b>	<b>\$4,885,481</b>	<b>\$5,224,543</b>	<b>\$12.13</b>	<b>95.0%</b>
<b>Total Expenses</b>	<b>\$852,098</b>	<b>\$845,378</b>	<b>\$1,004,913</b>	<b>\$2.33</b>	<b>19.2%</b>
<b>Net Operating Income</b>	<b>\$4,016,998</b>	<b>\$4,040,103</b>	<b>\$4,219,630</b>	<b>\$9.80</b>	<b>80.8%</b>
Total TI/LC, Capex/RR	0	0	346,953	0.81	6.6
<b>Net Cash Flow</b>	<b>\$4,016,998</b>	<b>\$4,040,103</b>	<b>\$3,872,677</b>	<b>\$8.99</b>	<b>74.1%</b>
<b>Occupancy<sup>(5)</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>95.0%</b>		

(1) The Vadata - Ashburn Data Center loan is secured by data centers located in three buildings, each with a separate lease. The buildings were built between 2013 and 2015, therefore, 2013 and 2014 operating history is not available. The 2015 financials are annualized for the trailing 10-month period for the DC-10 building and represents the full year for the DC-8 and DC-9 buildings.

(2) TTM column represents the trailing 12-month period ending March 31, 2016.

(3) % 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 includes future contractual rent step increases for the tenant totaling \$341,976.

(5) Historical Occupancy for 2013 and 2014 is unavailable as the properties were built between 2013 and 2015. The 2015 occupancy is as of December 31, 2015 and current occupancy is as of September 6, 2016. Underwritten Occupancy represents economic occupancy.