

2200, 2400 and 2600 Ansys Drive  
Canonsburg, PA 15317

Collateral Asset Summary – Loan No. 5

## Zenith Ridge

|                              |              |
|------------------------------|--------------|
| <b>Cut-off Date Balance:</b> | \$35,000,000 |
| <b>Cut-off Date LTV:</b>     | 67.6%        |
| <b>U/W NCF DSCR:</b>         | 1.54x        |
| <b>U/W NOI Debt Yield:</b>   | 10.5%        |



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### Zenith Ridge I

|   |  |
|---|--|
| 5 | Ansys, Inc.<br>37,200 SF<br>Exp. 12/2029 |
| 4 | Ansys, Inc.<br>37,200 SF<br>Exp. 12/2029 |
| 3 | Ansys, Inc.<br>37,200 SF<br>Exp. 12/2029 |
| 2 | Ansys, Inc.<br>37,200 SF<br>Exp. 12/2029 |
| 1 | Ansys, Inc.<br>37,200 SF<br>Exp. 12/2029 |

### Zenith Ridge II

|   |   |  |  |   |  |
|---|---|--|--|---|--|
| 5 | Ansys, Inc.<br>30,871 SF<br>Exp. 12/2029                                |  |  |   |  |
| 4 | Langan Engineering & Environmental Services<br>12,261 SF<br>Exp. 2/2021 | Edgen<br>Murray Corp.<br>3,404 SF<br>Exp. 5/2022           | Aladdin Food Management<br>7,654 SF<br>Exp. 8/2021 | Colonial Life<br>4,000 SF<br>Exp. 10/2022 | ECM Energy<br>3,379 SF<br>Exp. 5/2022                |
| 3 | RBC Capital Markets, LLC<br>6,637 SF<br>Exp. 3/2022                     | Nicholson Construction Company<br>17,342 SF<br>Exp. 1/2026 |  |   | Wells Fargo Advisors, LLC<br>6,296 SF<br>Exp. 8/2022 |
| 2 | EQT Corp.<br>30,908 SF<br>Exp. 12/2024                                  |  |  |   |  |
| 1 | Sentric Holdings Corp.<br>13,334 SF<br>Exp. 9/2021                      |  | Regus<br>13,814 SF<br>Exp. 1/2025                  |   |  |

### Zenith Ridge III

|   |                                       |
|---|---------------------------------------|
| 5 | EQT Corp.<br>30,000 SF<br>Exp. 1/2031 |
| 4 | EQT Corp.<br>30,000 SF<br>Exp. 1/2031 |
| 3 | EQT Corp.<br>30,000 SF<br>Exp. 1/2031 |
| 2 | EQT Corp.<br>30,000 SF<br>Exp. 1/2031 |
| 1 | EQT Corp.<br>30,000 SF<br>Exp. 1/2031 |

2021-2023

2024-2026

2027+



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**U/W NOI Debt Yield:** 10.5%

### Mortgage Loan Information

**Loan Seller:** SMF II  
**Loan Purpose:** Refinance  
**Borrower Sponsors:** James D. Scalo; John F. Scalo; Charles R. Zappala; John J. Verbanac  
**Borrowers:** Quattro Investment Group, L.P.; Quattro 2a, L.P.; Quattro 2b, L.P.  
**Original Balance<sup>(1)</sup>:** \$35,000,000  
**Cut-off Date Balance<sup>(1)</sup>:** \$35,000,000  
**% by Initial UPB:** 4.9%  
**Interest Rate:** 4.70000%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** September 6, 2018  
**Maturity Date:** August 6, 2028  
**Amortization:** Interest Only for first 60 months; 360 months thereafter  
**Additional Debt<sup>(1)</sup>:** \$55,000,000 *Pari Passu* Debt  
**Call Protection<sup>(2)</sup>:** L(24), D(92), O(4)  
**Lockbox / Cash Management:** Hard / Springing

### Reserves<sup>(3)</sup>

|  | Initial     | Monthly   |
|--|-------------|-----------|
| <b>Taxes:</b>                                    | \$30,949    | \$54,461  |
| <b>Insurance:</b>                                | \$0         | Springing |
| <b>Replacement:</b>                              | \$0         | \$6,075   |
| <b>TI/LC:</b>                                    | \$0         | \$60,750  |
| <b>Outstanding TI/LC &amp; Rent Concessions:</b> | \$2,335,949 | \$0       |

### Financial Information<sup>(4)</sup>

|  |       |
|--|-------|
| <b>Cut-off Date Balance / Sq. Ft.:</b>         | \$185 |
| <b>Balloon Balance / Sq. Ft.:</b>              | \$170 |
| <b>Cut-off Date LTV:</b>                       | 67.6% |
| <b>Balloon LTV:</b>                            | 62.1% |
| <b>Underwritten NOI DSCR<sup>(5)</sup>:</b>    | 1.68x |
| <b>Underwritten NCF DSCR<sup>(5)</sup>:</b>    | 1.54x |
| <b>Underwritten NOI Debt Yield:</b>            | 10.5% |
| <b>Underwritten NCF Debt Yield:</b>            | 9.6%  |
| <b>Underwritten NOI Debt Yield at Balloon:</b> | 11.4% |
| <b>Underwritten NCF Debt Yield at Balloon:</b> | 10.4% |

### Property Information

**Single Asset / Portfolio:** Single Asset  
**Property Type:** Suburban Office  
**Collateral:** Fee Simple  
**Location:** Canonsburg, PA  
**Year Built / Renovated:** 2014, 2015, 2016 / NAP  
**Total Sq. Ft.:** 486,000  
**Property Management:** Burns Scalo Management LLC  
**Underwritten NOI:** \$9,435,006  
**Underwritten NCF:** \$8,633,106  
**Appraised Value:** \$133,100,000  
**Appraisal Date:** June 25, 2018

### Historical NOI

**Most Recent NOI:** \$9,377,045 (T-12 May 31, 2018)  
**2017 NOI:** \$8,833,988 (December 31, 2017)  
**2016 NOI:** \$7,657,108 (December 31, 2016)  
**2015 NOI<sup>(6)</sup>:** NAV

### Historical Occupancy

**Most Recent Occupancy<sup>(7)</sup>:** 100.0% (July 11, 2018)  
**2017 Occupancy:** 93.6% (December 31, 2017)  
**2016 Occupancy:** 91.1% (December 31, 2016)  
**2015 Occupancy<sup>(6)</sup>:** NAV

- (1) The Original Balance of \$35,000,000 and Cut-off Date Balance of \$35,000,000 represents the controlling Note A-1 which, together with the *pari passu* Notes A-2, A-3, A-4 and A-5 with an original aggregate principal balance of \$55,000,000, comprise the Zenith Ridge Whole Loan (as defined below) with an aggregate original principal balance of \$90,000,000. For additional information regarding the *pari passu* notes, see "The Loan" herein.
- (2) The lockout period will be at least 24 payment dates beginning with and including the first payment date of September 6, 2018. Defeasance of the \$90.0 million Zenith Ridge Whole Loan is permitted after the date that is the earlier to occur of (i) July 13, 2021 or (ii) the date that is two years from the closing date of the securitization that includes the last *pari passu* note to be securitized. The assumed lockout period of 24 payments is based on the expected CD 2018-CD7 securitization closing date in August 2018. The actual lockout period may be longer.
- (3) See "Initial and Ongoing Reserves" herein.
- (4) DSCR, LTV, Debt Yield and Balance / Sq. Ft. calculations are based on the aggregate Zenith Ridge Whole Loan.
- (5) DSCR is calculated based on the Zenith Ridge Whole Loan's amortizing debt service payments. Based on the initial interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are equal to 2.20x and 2.01x, respectively.
- (6) The Zenith Ridge Property (as defined below) is comprised of three buildings that were completed between 2014 and 2016. As a result, 2015 NOI and 2015 Occupancy are not available.
- (7) Most Recent Occupancy includes 30,971 sq. ft. (6.4% of NRA) that is leased by the largest tenant, Ansys, Inc ("Ansys"). Ansys currently occupies 186,000 sq. ft. at the Zenith Ridge Property and is in the process of building out its additional space in the Zenith Ridge II building. According to the borrower sponsors, Ansys is expected to take occupancy of its space in November 2018. Ansys is entitled to 15 months of free rent related to its Zenith Ridge II space for which the borrowers were required to escrow at origination of the Zenith Ridge Whole Loan in an amount equal to \$890,416, along with outstanding tenant improvements and leasing commissions in an aggregate amount equal to \$1,445,533.

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**U/W NOI Debt Yield:** 10.5%

### Tenant Summary<sup>(1)</sup>

| Tenant   | Ratings<br>(Fitch/Moody's/S&P) <sup>(2)</sup> | Net Rentable<br>Area (Sq. Ft.) | % of Net<br>Rentable<br>Area | U/W<br>Base Rent<br>PSF <sup>(3)</sup> | % of Total<br>U/W<br>Base Rent <sup>(3)</sup> | Lease<br>Expiration |
|--|---|--------------------------------|------------------------------|--|---|---------------------|
| Ansys <sup>(4)</sup>                                       | NR/NR/NR                                      | 216,971                        | 44.6%                        | \$23.14                                | 42.1%   | 12/31/2029          |
| EQT Corp. <sup>(5)</sup>                                   | BBB-/Baa3/BBB                                 | 180,908                        | 37.2%                        | \$25.82                                | 39.1%   | Various             |
| Nicholson Construction Company                             | NR/NR/NR                                      | 17,342                         | 3.6%                         | \$27.06                                | 3.9%  | 1/31/2026           |
| Regus <sup>(6)</sup>                                       | NR/NR/NR                                      | 13,814                         | 2.8%                         | \$27.06                                | 3.1%  | 1/31/2025           |
| Sentric Holdings Corp.                                     | NR/NR/NR                                      | 13,334                         | 2.7%                         | \$24.94                                | 2.8%  | 9/30/2021           |
| Langan Engineering & Environmental Services <sup>(7)</sup> | NR/NR/NR                                      | 12,261                         | 2.5%                         | \$25.62                                | 2.6%  | 2/28/2021           |
| Aladdin Food Management <sup>(8)</sup>                     | NR/NR/NR                                      | 7,654                          | 1.6%                         | \$16.13                                | 1.0%  | 8/31/2021           |
| RBC Capital Markets, LLC                                   | NR/NR/NR                                      | 6,637                          | 1.4%                         | \$28.14                                | 1.6%  | 3/31/2022           |
| Wells Fargo Advisors, LLC                                  | A+/A2/A-                                      | 6,296                          | 1.3%                         | \$28.01                                | 1.5%  | 8/31/2022           |
| Colonial Life  | A/A2/A  | 4,000                          | 0.8%                         | \$25.38                                | 0.9%  | 10/31/2022          |
| <b>Total Major Tenants</b>                                 |   | <b>479,217</b>                 | <b>98.6%</b>                 | <b>\$24.56</b>                         | <b>98.6%</b>                                  |                     |
| Remaining Tenants  |   | 6,783                          | 1.4%                         | \$24.11                                | 1.4%  |                     |
| <b>Total Occupied Collateral</b>                           |   | <b>486,000</b>                 | <b>100.0%</b>                | <b>\$24.56</b>                         | <b>100.0%</b>                                 |                     |
| Vacant   |   | 0                              | 0.0%                         |  |   |                     |
| <b>Total</b>   |   | <b>486,000</b>                 | <b>100.0%</b>                |  |   |                     |

- (1) Based on the underwritten rent roll dated July 11, 2018.  
(2) Certain ratings may be those of the parent company whether or not the parent company guarantees the lease.  
(3) Includes approximately \$358,484 in contractual rent steps through April 2019 and the average rent during the loan term for investment grade tenants.  
(4) Ansys occupies the entire 186,000 sq. ft. of the Zenith Ridge I building ("Zenith Ridge I") and is currently building out its 30,971 sq. ft. suite in the Zenith Ridge II building ("Zenith Ridge II"). Ansys is expected to take occupancy of its space in Zenith Ridge II in November 2018. Ansys is entitled to 15 months of free rent related to its Zenith Ridge II space which the borrowers were required to escrow at origination of the Zenith Ridge Whole Loan in an amount equal to \$890,416, along with outstanding tenant improvements and leasing commissions in an aggregate amount equal to \$1,445,533. Additionally, Ansys has the one-time right to terminate its lease effective December 2025 by providing 18 months' notice and paying all unamortized tenant improvements allowance, brokerage fees and free rent, plus an additional \$761,000 estimated to total approximately \$5.75 million. Ansys has two five-year renewal options plus an additional 30 month extension option at market rent for its space at Zenith Ridge I and two five-year renewal options at market rent plus an additional extension option ending August 14, 2042 at Zenith Ridge II.  
(5) EQT Corp. occupies the entire 150,000 sq. ft. Zenith Ridge III building ("Zenith Ridge III") under a lease that expires in January 2031 and occupies another 30,908 sq. ft. in Zenith Ridge II under a lease that expires in December 2024. EQT Corp. has one ten-year lease renewal option and one five-year lease renewal option at market rent for its space at Zenith Ridge III.  
(6) Regus has two five-year renewal options at 95% of market rent.  
(7) Langan Engineering & Environmental Services has one five-year renewal option at market rent.  
(8) Aladdin Food Management has one five-year renewal option at market rent.

### Lease Rollover Schedule<sup>(1)(2)</sup>

| Year                     | # of<br>Leases<br>Expiring | Total<br>Expiring<br>Sq. Ft. | % of Total Sq.<br>Ft. Expiring | Cumulative<br>Sq. Ft.<br>Expiring | Cumulative %<br>of<br>Sq. Ft. Expiring | Annual U/W<br>Base Rent<br>PSF <sup>(3)</sup> | % U/W<br>Base Rent<br>Rolling <sup>(3)</sup> | Cumulative %<br>of U/W<br>Base Rent <sup>(3)</sup> |
|--------------------------|----------------------------|------------------------------|--------------------------------|-----------------------------------|--|---|--|--|
| MTM                      | 0                          | 0                            | 0.0%                           | 0                                 | 0.0%                                   | \$0.00  | 0.0%   | 0.0%   |
| 2018                     | 0                          | 0                            | 0.0%                           | 0                                 | 0.0%                                   | \$0.00  | 0.0%   | 0.0%   |
| 2019                     | 0                          | 0                            | 0.0%                           | 0                                 | 0.0%                                   | \$0.00  | 0.0%   | 0.0%   |
| 2020                     | 0                          | 0                            | 0.0%                           | 0                                 | 0.0%                                   | \$0.00  | 0.0%   | 0.0%   |
| 2021                     | 3                          | 33,249                       | 6.8%                           | 33,249                            | 6.8%                                   | \$23.16                                       | 6.5%   | 6.5%   |
| 2022                     | 5                          | 23,716                       | 4.9%                           | 56,965                            | 11.7%                                  | \$26.49                                       | 5.3%   | 11.7%  |
| 2023                     | 0                          | 0                            | 0.0%                           | 56,965                            | 11.7%                                  | \$0.00  | 0.0%   | 11.7%  |
| 2024                     | 1                          | 30,908                       | 6.4%                           | 87,873                            | 18.1%                                  | \$24.68                                       | 6.4%   | 18.1%  |
| 2025                     | 1                          | 13,814                       | 2.8%                           | 101,687                           | 20.9%                                  | \$27.06                                       | 3.1%   | 21.2%  |
| 2026                     | 1                          | 17,342                       | 3.6%                           | 119,029                           | 24.5%                                  | \$27.06                                       | 3.9%   | 25.2%  |
| 2027                     | 0                          | 0                            | 0.0%                           | 119,029                           | 24.5%                                  | \$0.00  | 0.0%   | 25.2%  |
| 2028                     | 0                          | 0                            | 0.0%                           | 119,029                           | 24.5%                                  | \$0.00  | 0.0%   | 25.2%  |
| Thereafter               | 3                          | 366,971                      | 75.5%                          | 486,000                           | 100.0%                                 | \$24.33                                       | 74.8%  | 100.0%   |
| Vacant                   | NAP                        | 0                            | 0.0%                           | 486,000                           | 100.0%                                 | NAP   | NAP  |  |
| <b>Total / Wtd. Avg.</b> | <b>14</b>                  | <b>486,000</b>               | <b>100.0%</b>                  |                                   |  | <b>\$24.56</b>                                | <b>100.0%</b>                                |  |

- (1) Based on the underwritten rent rolls dated July 11, 2018.  
(2) Certain tenants have lease termination options that may become exercisable prior to the originally stated expiration date of the tenant lease that are not considered in the lease rollover schedule.  
(3) Includes approximately \$358,484 in rent steps through April 2019 and the average rent during the loan term for investment grade tenants.

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**U/W NOI Debt Yield:** 10.5%

**The Loan.** The Zenith Ridge loan (the “Zenith Ridge Loan”) is a fixed rate loan secured by the borrowers’ fee simple interest in a 486,000 sq. ft. suburban office park located in Canonsburg, Pennsylvania (the “Zenith Ridge Property”). The Zenith Ridge Loan is evidenced by the controlling Note A-1, with a Cut-off Date Balance of \$35.0 million, and is part of a \$90.0 million whole loan that is evidenced by five promissory notes (the “Zenith Ridge Whole Loan”). The table below summarizes the promissory notes, of which the remaining notes are expected to be contributed to one or more future securitization transactions or otherwise transferred at any time. Only the Zenith Ridge Loan will be included in the CD 2018-CD7 mortgage trust.

The relationship between the holders of the Zenith Ridge Whole Loan is governed by a co-lender agreement as described under “Description of the Mortgage Pool–The Whole Loans–The Serviced Pari Passu Whole Loans” in the Prospectus.

| Whole Loan Summary |                     |                      |             |                   |
|--------------------|---------------------|----------------------|-------------|-------------------|
| Note               | Original Balance    | Cut-off Date Balance | Note Holder | Controlling Piece |
| A-1                | \$35,000,000        | \$35,000,000         | CD 2018-CD7 | Yes               |
| A-2, A-3, A-4, A-5 | 55,000,000          | 55,000,000           | SMF II      | No                |
| <b>Total</b>       | <b>\$90,000,000</b> | <b>\$90,000,000</b>  |             |                   |

The Zenith Ridge Whole Loan has a 10-year term and, following a five-year interest-only period, amortizes on a 30-year schedule, has a Cut-off Date Balance of \$90.0 million and accrues interest at a fixed rate equal to 4.7000%. The Zenith Ridge Whole Loan proceeds were used to repay existing debt of approximately \$78.8 million, fund upfront reserves of approximately \$2.4 million, pay approximately \$1.5 million in closing costs and return approximately \$7.3 million of equity to the borrower sponsors. Based on the “As-Is” appraised value of \$133.1 million as of June 25, 2018, the Cut-off Date LTV ratio is 67.6%. The most recent prior financing of the Zenith Ridge Property was not included in a securitization.

| Sources and Uses     |                     |               |                   |                     |               |
|----------------------|---------------------|---------------|-------------------|---------------------|---------------|
| Sources              | Proceeds            | % of Total    | Uses              | Proceeds            | % of Total    |
| Loan Amount          | \$90,000,000        | 100.0%        | Loan Payoff       | \$78,785,911        | 87.5%         |
|                      |                     |               | Closing Costs     | \$1,529,631         | 1.7%          |
|                      |                     |               | Reserves          | \$2,366,898         | 2.6%          |
|                      |                     |               | Return of Equity  | \$7,317,560         | 8.1%          |
| <b>Total Sources</b> | <b>\$90,000,000</b> | <b>100.0%</b> | <b>Total Uses</b> | <b>\$90,000,000</b> | <b>100.0%</b> |

**The Borrowers / Borrower Sponsors.** The borrowers, Quattro Investment Group, L.P., Quattro 2a, L.P. and Quattro 2b, L.P., are each single purpose Pennsylvania limited partnerships structured to be bankruptcy-remote with two independent directors for each of the borrowers’ general partners. The borrowers will be comprised of 3 special purpose entities, each of which owns one of the buildings located on the Zenith Ridge Property. Each of the borrowers will be jointly and severally liable for the Zenith Ridge Whole Loan. The non-recourse carve-out guarantors are James D. Scalo, John F. Scalo, Charles R. Zappala and John J. Verbanac. James D. Scalo and John F. Scalo are principals of Burns & Scalo Real Estate Services, Inc. (“BSRES”), a commercial real estate company that engages in development, management and brokerage of commercial real estate in the Pittsburgh, Pennsylvania area. James D. Scalo is the president of BSRES, which has developed and currently manages more than 2.0 million sq. ft. of office, warehouse, flex and retail properties in western Pennsylvania. BSRES, founded in 1956, has expanded its investment and services portfolio to include commercial office structures, flex and warehouse buildings, apartments, storage facilities and built-to-suit opportunities. BSRES owns and manages several million sq. ft. of commercial real estate for both private investment and third-party owners. John F. Scalo, James D. Scalo’s brother, is chief executive officer and president of Burns & Scalo Roofing Company, Inc., an affiliate of and predecessor to BSRES. Charles R. Zappala started his career as an investment banker as one of the founding partners of RRZ, Inc., a regional investment banking firm in Pittsburgh. He has been involved in the development of seven residential projects totaling 400 units, 160,000 sq. ft. of medical research and office space and two retail shopping centers totaling 550,000 sq. ft. John J. Verbanac has extensive real estate experience and has focused on a concentration in complex, public sector oriented projects that involve public finance stacking, infrastructure and entitlement issues.

**The Property.** The Zenith Ridge Property is comprised of three, five-story class A office buildings located in Canonsburg, Pennsylvania, encompassing 486,000 sq. ft. Zenith Ridge I has approximately 186,000 sq. ft. and is 100.0% occupied by Ansys. Zenith Ridge II has approximately 150,000 sq. ft. and is 100.0% leased to 12 tenants. Zenith Ridge III has approximately 150,000 sq. ft. and is 100.0% occupied by EQT, Corp. The Zenith Ridge Property is located in the Southpointe Business Park, a suburban office park in the Pittsburgh area. The business park is nearly fully developed and contains approximately 4.0 million sq. ft. of office space and is currently 91.4% occupied.

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The park was developed in two phases (Southpointe I & II) with the initial phase developed in 1989 and the second phase developed approximately 10 years ago. The Zenith Ridge Property is located in Southpointe II, which features developments such as a class A multi-family property known as 1400 Main Street built in 2015, a new Holiday Inn Express and a Homewood Suites by Hilton and the Southpointe Town Center, a mixed-use development with approximately 60,000 sq. ft. of retail and restaurants. All of these developments are within walking distance of the Zenith Ridge Property.

The Zenith Ridge Property has received the LEED Core and Shell Certification and the Class G Certification and is one of three office properties in the Southpointe Business Park with that designation. The Zenith Ridge Property has the following attributes to qualify for the certification: low-flow water fixtures, energy monitoring equipment, preferred parking for "Low Emission Vehicles", low volatile organic compound paints, which positively impact indoor air quality, high performance low emissivity coated glass and a green campus, including walking trails, fire pits and outdoor patios.

### Major Tenants.

**Ansys (216,971 sq. ft.; 44.6% of NRA; 42.1% of U/W Base Rent):** Ansys is an American computer-aided engineering software developer headquartered at the Zenith Ridge Property. Ansys publishes engineering analysis software across a range of disciplines, including finite element analysis, structural analysis, computational fluid dynamics, explicit and implicit methods, and heat transfer. The company was founded in 1970 and has since expanded its business through a combination of organic growth and acquisitions. It currently has nearly 3,000 employees. Ansys's 2017 revenue was approximately \$1.1 billion with net income of approximately \$259.3 million. In October 2014, Ansys relocated to the Zenith Ridge Property from its national headquarters at 257 Technology Drive, a 107,000 sq. ft., 20-year old building which is also in Southpointe Business Park. It initially leased the build-to-suit 186,000 sq. ft. Zenith Ridge I in October 2014. It has invested more than \$1.0 million of its own money in additional build-out of the Zenith Ridge I space. It is expanding and currently building out by 30,971 sq. ft. into Zenith Ridge II to accommodate its acquisition of 3DSIM, a developer of additive manufacturing technology, and it is expected to take occupancy in November 2018. Its lease expires in December 2029 and it has two five-year extension options plus an additional 30 month extension option for the Zenith Ridge I space and two five-year extension options plus an additional extension option ending August 14, 2042 for the Zenith Ridge II space. As part of the lease terms, the tenant will receive 15 months free rent. At origination of the Zenith Ridge Whole Loan, the lender escrowed 15 months free rent (\$890,416) and all outstanding tenant improvements and leasing commission obligation (\$1,445,533).

**EQT Corp. (180,908 sq. ft.; 37.2% of NRA; 39.1% of U/W Base Rent):** EQT Corp., based in Pittsburgh, is a petroleum and natural gas exploration and pipeline transport company. EQT Corp., founded in 1888, is the leading natural gas producer in the United States based on average daily sales volume. The Zenith Ridge Property served as Rice Energy's headquarters and in November 2017, Rice Energy was acquired by EQT Corp. for approximately \$6.7 billion. The company has more than 2,000 employees. EQT Corp. had 2017 revenue of approximately \$3.4 billion with net income of approximately \$1.5 billion. EQT Corp.'s leases expire in January 2031 (150,000 sq. ft.) and December 2024 (30,908 sq. ft.), respectively. EQT Corp. is in the process of creating two independent energy companies by separating its "upstream" business and "midstream" business. The Zenith Ridge Property space is expected to operate as its headquarters for the company's midstream operations, which involve the transportation, storage and wholesale marketing of crude or refined petroleum products. The company is moving its existing midstream operations from downtown Pittsburgh to this location. In connection with the relocation, it is spending approximately \$3.5 million on a command center to be housed within the Zenith Ridge Property. EQT Corp. has one ten-year lease renewal option and one five-year lease renewal option for the Zenith Ridge III space.

**Environmental Matters.** The Phase I environmental report dated July 2, 2018 recommended no further action at the Zenith Ridge Property.

**The Market.** The Zenith Ridge Property is located at 2200, 2400 and 2600 Ansys Drive in Canonsburg, Pennsylvania, approximately 18 miles southwest of the Pittsburgh central business district. Pittsburgh is located in the middle of the Marcellus Shale Region, which has been a significant generator of growth in the Pittsburgh metropolitan statistical area ("MSA"). The workforce is concentrated in the education and health services, trade, transportation, and utilities and professional and business services industries. Six of the corporations in the region made the 2018 Fortune 500 list, including Kraft Heinz Co., PNC Financial Services Group, PPG, U.S. Steel, Dick's Sporting Goods and Wesco International.

The Southern Beltway is a series of new thoroughfares that are designed to facilitate travel throughout the regions surrounding Pittsburgh to the south, east, and west. Phase I of the Southern Beltway, which was completed in 2006, runs from the Pittsburgh International Airport approximately 6 miles south to U.S. Route 22. The construction of Phase II commenced in January 2017, and upon completion, this section will connect U.S. Route 22 with I-79, just north of Southpointe Business Park in Washington County. This phase will be approximately 13 miles long, and completion is scheduled for the end of 2020. The result of the Southern Beltway will be a direct connection between Washington County (including Southpointe Business Park) and the Pittsburgh International Airport.

2200, 2400 and 2600 Ansys Drive  
Canonsburg, PA 15317

Collateral Asset Summary – Loan No. 5

## Zenith Ridge

**Cut-off Date Balance:** \$35,000,000  
**Cut-off Date LTV:** 67.6%  
**U/W NCF DSCR:** 1.54x  
**U/W NOI Debt Yield:** 10.5%

The developments of Southpointe I & II (collectively “Southpointe”) have created a market for Class A office space along I-79 where there was previously none. The majority of the existing buildings in Southpointe are either owner-occupied or single-tenant, build-to-suit properties. In addition, many of the existing buildings in Southpointe consist of a combination of office and warehouse space. In general, only the top-tier office buildings are considered to be competitive with the Zenith Ridge Property.

According to the appraisal, the estimated population as of year-end 2017 within a one-, three- and five-mile radius of the Zenith Ridge Property was 5,614, 32,117 and 63,326, respectively, with estimated average household income of \$92,636, \$99,010 and \$104,935, respectively.

According to the appraisal, as of the first quarter of 2018, the Pittsburgh office market consisted of approximately 133.0 million sq. ft. of office space with an overall vacancy rate of 8.7% and an average asking rent of \$21.56 PSF. As of the same period, the Washington County office submarket consisted of approximately 8.5 million sq. ft. of office space with an overall vacancy rate of 8.3% and an average asking rent of \$20.78 PSF. The appraisal identified six directly comparable office properties built between 1996 and 2014 ranging in size from 62,500 to 150,000 sq. ft. Recently quoted rental rates for the comparable office properties ranged from \$20.00 PSF to \$24.50 PSF, with a weighted average of approximately \$22.85 PSF. The appraisal concluded a vacancy rate for Ansys and EQT Corp. of 0.5% and 8.5% for the remaining tenants at the Zenith Ridge Property. The appraisal's concluded market rent is \$24.25 PSF, which is in-line with the underwritten rent at the Zenith Ridge Property of \$24.56 PSF.

### Cash Flow Analysis.

| Cash Flow Analysis <sup>(1)</sup>         |                    |                     |                     |                     |                |
|---|--------------------|---------------------|---------------------|---------------------|----------------|
|   | 2016               | 2017                | T-12 5/31/2018      | U/W                 | U/W PSF        |
| Rents in Place <sup>(2)</sup>             | \$9,082,608        | \$10,427,320        | \$11,012,814        | \$11,934,326        | \$24.56        |
| Vacant Income                             | 0                  | 0                   | 0                   | 0                   | 0.00           |
| <b>Gross Potential Rent</b>               | <b>\$9,082,608</b> | <b>\$10,427,320</b> | <b>\$11,012,814</b> | <b>\$11,934,326</b> | <b>\$24.56</b> |
| Total Reimbursements                      | 159,691            | 353,016             | 398,350             | 857,697             | 1.76           |
| Other Income                              | 33,000             | 13,482              | 0                   | 0                   | 0.00           |
| <b>Net Rental Income</b>                  | <b>\$9,275,299</b> | <b>\$10,793,818</b> | <b>\$11,411,164</b> | <b>\$12,792,023</b> | <b>\$26.32</b> |
| Less: Vacancy                             | 0                  | 0                   | 0                   | (639,601)           | (1.32)         |
| <b>Effective Gross Income</b>             | <b>\$9,275,299</b> | <b>\$10,793,818</b> | <b>\$11,411,164</b> | <b>\$12,152,422</b> | <b>\$25.00</b> |
| Total Operating Expenses                  | 1,618,191          | 1,959,830           | 2,034,119           | 2,717,417           | 5.59           |
| <b>Net Operating Income<sup>(3)</sup></b> | <b>\$7,657,108</b> | <b>\$8,833,988</b>  | <b>\$9,377,045</b>  | <b>\$9,435,006</b>  | <b>\$19.41</b> |
| TI/LC                                     | 0                  | 0                   | 0                   | 729,000             | 1.50           |
| Replacement Reserves                      | 0                  | 0                   | 0                   | 72,900              | 0.15           |
| <b>Net Cash Flow</b>                      | <b>\$7,657,108</b> | <b>\$8,833,988</b>  | <b>\$9,377,045</b>  | <b>\$8,633,106</b>  | <b>\$17.76</b> |

(1) Based on the underwritten rent roll dated July 11, 2018.

(2) U/W Rents in Place includes approximately \$358,484 in rent steps through April 2019 and the present value of rent steps for investment grade tenants.

(3) The increase in 2016 NOI to T-12 5/31/2018 NOI is primarily due to (i) the lease-up of the Zenith Ridge Property and (ii) the inclusion of contractual rent steps totaling \$358,484 through April 2019.

**Property Management.** The Zenith Ridge Property is managed by Burns Scalo Management LLC, a Pennsylvania limited liability company and borrower sponsor affiliate.

**Lockbox / Cash Management.** The Zenith Ridge Whole Loan is structured with a hard lockbox and springing cash management. At origination of the Zenith Ridge Whole Loan, the borrowers were required to deliver tenant direction letters to the tenants directing such tenants to pay all rents into a lockbox account. Upon the occurrence and during the continuance of a Trigger Period (as defined below), all funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender to be applied and disbursed in accordance with the Zenith Ridge Whole Loan documents and all excess cash flow funds remaining in the cash management account after the application of such funds in accordance with the Zenith Ridge Whole Loan documents are required to be held by the lender in an excess cash flow reserve account as additional collateral for the Zenith Ridge Whole Loan. To the extent that no Trigger Period is continuing, all excess cash flow funds are required to be disbursed to the borrowers.



## Zenith Ridge

|                              |              |
|------------------------------|--------------|
| <b>Cut-off Date Balance:</b> | \$35,000,000 |
| <b>Cut-off Date LTV:</b>     | 67.6%        |
| <b>U/W NCF DSCR:</b>         | 1.54x        |
| <b>U/W NOI Debt Yield:</b>   | 10.5%        |

Notwithstanding the foregoing, if a Trigger Period is a Key Tenant Trigger Period (as defined below), (A) all excess cash flow will be transferred to a reserve for re-tenanting the Key Tenant's leased space (the "Key Tenant Space Reserve") and (B) upon the occurrence of a Key Tenant Trigger Period Cure (as defined below), (1) if any Trigger Period then exists, all amounts remaining in the Key Tenant Space Reserve will be transferred to an excess cash flow reserve as additional collateral for the Zenith Ridge Whole Loan and (2) if no other Trigger Period then exists, all amounts remaining in the Key Tenant Space Reserve will be released to the borrowers.

A "Trigger Period" means a period (A) commencing upon the earliest of (i) the occurrence and continuance of an event of default under the Zenith Ridge Whole Loan documents, (ii) the debt service coverage ratio falling below 1.15x and (iii) the occurrence of a Key Tenant Trigger Period; and (B) expiring upon (w) with regard to any Trigger Period commenced in connection with clause (A)(i) above, the cure of such event of default, (x) with regard to any Trigger Period commenced in connection with clause (A)(ii) above, the debt service coverage ratio being equal to or greater than 1.25x for two consecutive calendar quarters and (y) with regard to any Trigger Period commenced in connection with clause (A)(iii) above, a Key Tenant Trigger Period Cure.

A "Key Tenant Trigger Event" means the occurrence of one or more of the following: (A) any Key Tenant (as defined below) defaults beyond any applicable cure or grace period under the Key Tenant Lease (as defined below); (B) any Key Tenant delivers notice to the borrowers of its intention to vacate and/or vacates all or any portion of its space leased under a Key Tenant Lease; (C) any termination, cancellation or assignment of any related Key Tenant Lease and/or any Key Tenant Lease failing to otherwise be in full force and effect; (D) any Key Tenant ceases to conduct its normal business operations at the applicable leased space and/or "goes dark" (or the delivery of notice that it intends to cease to conduct its normal business operations at its space leased under a Key Tenant Lease and/ or "go dark"); (E) any Key Tenant becomes the subject of (x) a voluntary bankruptcy or insolvency proceeding or (y) an involuntary bankruptcy or insolvency proceeding; (F) any Key Tenant subleases all or any portion of its space leased under a Key Tenant Lease; or (G) any Key Tenant failing to expressly extend or renew in writing the applicable Key Tenant Lease on or before the date that is 18 months prior to the then current lease expiration date for a term of at least five years and on terms satisfactory to the lender.

A "Key Tenant Trigger Event Cure" means the occurrence of the following, as applicable: (1) with respect to a Key Tenant Trigger Event described in clause (A) in the definition of Key Tenant Trigger Event, (i) the applicable Key Tenant has waived or cured such default and (ii) the lender has received an estoppel; (2) with respect to a Key Tenant Trigger Event described in clause (B) in the definition of Key Tenant Trigger Event, (x) the Key Tenant delivers written notice to the borrowers revoking its intention to vacate all or any portion of the related space, (y) the Key Tenant is occupying the related space and open for business for at least two consecutive calendar quarters and (z) the lender has received an estoppel; (3) with respect to a Key Tenant Trigger Event described in clause (C) in the definition of Key Tenant Trigger Event, (x) (i) the Key Tenant delivers written notice to the borrowers revoking its termination or cancellation of the Key Tenant Lease and/or (ii) the Key Tenant delivers written notice to the borrowers revoking its assignment of the Key Tenant Lease, (y) the Key Tenant is occupying the related space and open for business for at least two consecutive calendar quarters and (z) the lender has received an estoppel; (4) with respect to a Key Tenant Trigger Event described in clause (D) in the definition of Key Tenant Trigger Event, (x) (i) the Key Tenant is occupying the related space and open for business for at least two consecutive calendar quarters and (ii) the Key Tenant revokes such notice (if applicable) and (y) the lender has received an estoppel; (5) with respect to a Key Tenant Trigger Event described in clause (E) in the definition of Key Tenant Trigger Event, (x) the Key Tenant Lease has been assumed by the Key Tenant, such assumption has been approved by the appropriate bankruptcy court and the Key Tenant is no longer involved in any bankruptcy or insolvency proceeding and (y) the lender has received an estoppel; (6) with respect to a Key Tenant Trigger Event described in clause (F) in the definition of Key Tenant Trigger Event, (x) the Key Tenant delivers written notice to the borrowers revoking its sublease of its leased space, (y) the Key Tenant is occupying all of the leased space and open for business for at least two consecutive calendar quarters and (z) the lender has received an estoppel; (7) with respect to a Key Tenant Trigger Event described in clause (G) in the definition of Key Tenant Trigger Event, execution of an Approved Lease Extension; or (8) with respect to a Key Tenant Trigger Event described in clauses (A) through (G) in the definition of Key Tenant Trigger Event, upon the occurrence of a Replacement Tenant Cure (as defined below).

A "Key Tenant" means Ansys and/or EQT Corp. (or any replacement tenant of either).

A "Key Tenant Lease" means (i) for Ansys, the lease for 186,000 sq. ft. at Zenith Ridge I with a current lease expiration date of December 31, 2029 and (ii) for EQT Corp., the lease for 150,000 sq. ft. at Zenith Ridge III with a current lease expiration date of January 31, 2031. For the avoidance of doubt, neither Key Tenant Lease applies to any space leased within Zenith Ridge II.

A "Replacement Tenant Cure" means (i) the full execution, delivery and commencement of a replacement lease for a term of at least five years for the entirety of the related space, (ii) the term of such replacement lease has commenced and such replacement tenant has commenced its normal operations and is paying full, unabated rent without any offset rights or rent credits for at least two consecutive calendar quarters, and (iii) the borrowers have paid in full any outstanding landlord obligations for tenant improvements, leasing expenses, or otherwise.

2200, 2400 and 2600 Ansys Drive  
Canonsburg, PA 15317

Collateral Asset Summary – Loan No. 5

## Zenith Ridge

|                              |              |
|------------------------------|--------------|
| <b>Cut-off Date Balance:</b> | \$35,000,000 |
| <b>Cut-off Date LTV:</b>     | 67.6%        |
| <b>U/W NCF DSCR:</b>         | 1.54x        |
| <b>U/W NOI Debt Yield:</b>   | 10.5%        |

**Initial and Ongoing Reserves.** At loan origination, the borrowers deposited (i) \$30,949 into a tax reserve account, \$1,445,533 into an account for outstanding tenant improvements and leasing commissions related to Ansys and \$890,416 into an account for free rent related to Ansys at Zenith Ridge II.

**Tax Reserve.** The borrowers are required to make monthly deposits into the real estate tax reserve in the amount of 1/12 of annual estimated real estate taxes, which currently equates to \$54,461.

**Insurance Reserve.** Insurance escrows are waived so long as the Zenith Ridge Property is covered by an acceptable blanket policy (which is currently maintained). If such condition is no longer satisfied, on each due date, the borrowers will be required to fund an insurance reserve in a monthly amount equal to 1/12 of the amount that the lender estimates will be necessary to pay the annual insurance premiums.

**Replacement Reserve.** The borrowers are required to make monthly deposits equal to \$6,075 into a replacement reserve account.

**TI/LC Reserve.** The borrowers are required to make monthly deposits equal to \$60,750 into a tenant improvements and leasing commissions account.

**Current Mezzanine or Subordinate Indebtedness.** None.

**Future Mezzanine or Subordinate Indebtedness Permitted.** None.

**Partial Release.** None.