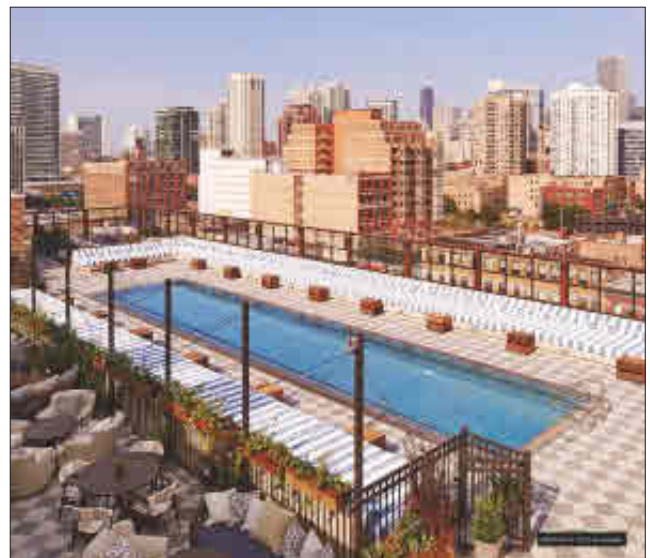
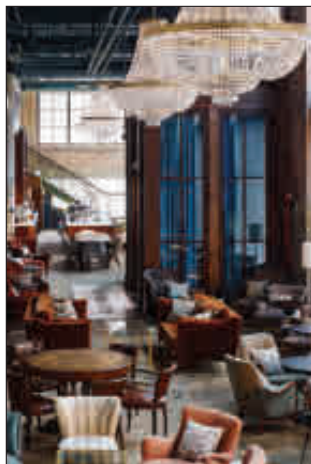


Mortgage Loan No. 7 — Soho House Chicago

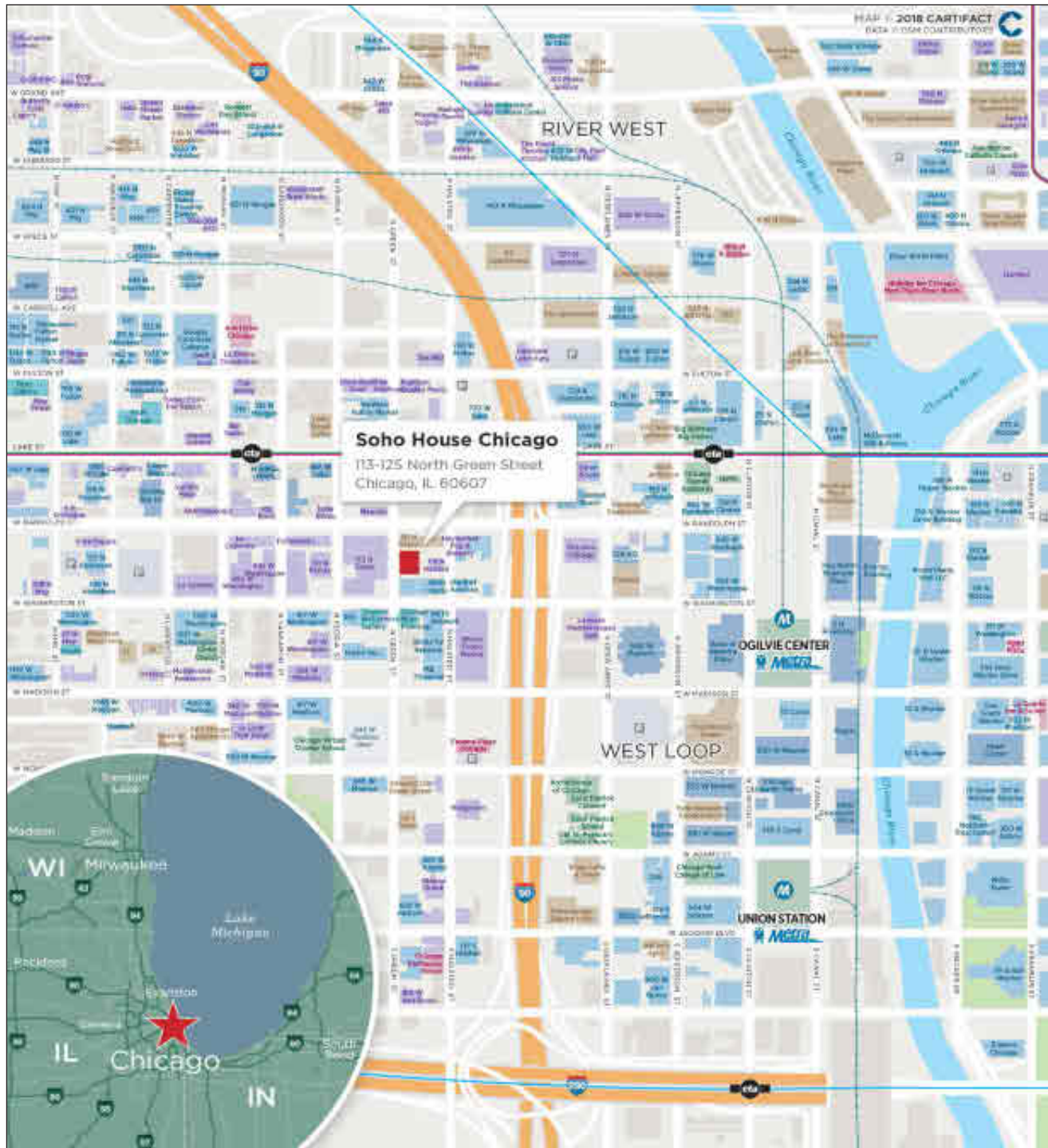


Mortgage Loan No. 7 — Soho House Chicago





Mortgage Loan No. 7 — Soho House Chicago



## Mortgage Loan No. 7 — Soho House Chicago

### Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	Natixis
<b>Original Principal Balance<sup>(1)</sup>:</b>	\$40,000,000
<b>Cut-off Date Principal Balance<sup>(1)</sup>:</b>	\$40,000,000
<b>% of Pool by IPB:</b>	4.2%
<b>Loan Purpose:</b>	Acquisition
<b>Borrower:</b>	SG Real Estate LLC
<b>Sponsors:</b>	Fast Fame Capital Investment Limited; Bliss Elite Limited; Downtown Properties Holdings, LLC
<b>Interest Rate:</b>	5.5100%
<b>Note Date:</b>	3/9/2018
<b>Maturity Date:</b>	4/5/2025
<b>Interest-only Period:</b>	84 months
<b>Original Term:</b>	84 months
<b>Original Amortization:</b>	None
<b>Amortization Type:</b>	Interest Only
<b>Call Protection:</b>	L(24), Def or YM1(53), O(7)
<b>Lockbox<sup>(2)</sup>:</b>	Hard
<b>Additional Debt<sup>(1)</sup>:</b>	Yes
<b>Additional Debt Balance<sup>(1)</sup>:</b>	\$22,650,000
<b>Additional Debt Type<sup>(1)</sup>:</b>	<i>Pari Passu</i>
<b>Additional Future Debt Permitted:</b>	No

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

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$74,028	Springing	N/A
<b>Insurance:</b>	\$106,410	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$1,700	\$40,808
<b>Ventilation Work Reserve:</b>	\$0	Springing	N/A

### Sources and Uses

Sources	Proceeds	% of Total
<b>Whole Loan</b>	\$62,650,000	65.0%
<b>Sponsor Equity</b>	33,742,933	35.0
<b>Total Sources</b>	<b>\$96,392,933</b>	<b>100.0%</b>

### Property Information

<b>Single Asset / Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Other – Mixed Use
<b>Net Rentable Area (SF):</b>	115,000
<b>Location:</b>	Chicago, IL
<b>Year Built / Renovated:</b>	1907 / 2014
<b>Occupancy:</b>	100.0%
<b>Occupancy Date:</b>	2/28/2018
<b>Number of Tenants:</b>	1
<b>2014 NOI:</b>	\$1,587,534
<b>2015 NOI:</b>	\$4,273,035
<b>2016 NOI:</b>	\$5,237,150
<b>2017 NOI:</b>	\$6,051,123
<b>UW Economic Occupancy:</b>	95.0%
<b>UW Revenues:</b>	\$6,663,508
<b>UW Expenses:</b>	\$919,677
<b>UW NOI:</b>	\$5,743,831
<b>UW NCF:</b>	\$5,725,471
<b>Appraised Value / Per SF:</b>	\$95,000,000 / \$826
<b>Appraisal Date:</b>	12/20/2017

### Financial Information<sup>(1)</sup>

<b>Cut-off Date Loan / SF:</b>	\$545
<b>Maturity Date Loan / SF:</b>	\$545
<b>Cut-off Date LTV:</b>	65.9%
<b>Maturity Date LTV:</b>	65.9%
<b>UW NOI DSCR:</b>	1.64x
<b>UW NCF DSCR:</b>	1.64x
<b>UW NOI Debt Yield:</b>	9.2%
<b>UW NCF Debt Yield:</b>	9.1%

- (1) The Soho House Chicago loan is part of a larger split whole loan evidenced by two *pari passu* notes with an aggregate Cut-off Date balance of \$62.65 million (collectively the “Soho House Chicago Whole Loan”). The financial information presented in the chart above and herein reflects the Cut-Off Date balance of the Soho House Chicago Whole Loan.
- (2) For a more detailed description of lockbox, please refer to “*Lockbox / Cash Management*” below.
- (3) For a more detailed description of Escrows and Reserves, please refer to “*Escrows and Reserves*” below.

## Mortgage Loan No. 7 — Soho House Chicago

**The Loan.** The Soho House Chicago loan, which is part of a larger split whole loan, is a first mortgage loan secured by the fee interest in a 115,000 SF, six-story, mixed-use building located in Chicago, Illinois. The Soho House Chicago Whole Loan has a seven-year term and is interest-only for the entire term.

The Soho House Chicago Whole Loan has a Cut-off Date balance of \$62.65 million, which is evidenced by two *pari-passu* notes identified as Note A-1 and Note A-2. Note A-1, which is the controlling note, is being contributed to the CSAIL 2018-CX11 Commercial Mortgage Trust. Note A-2 is currently held by Natixis and is expected to be contributed to one or more future securitization transactions. The Soho House Chicago Whole Loan is expected to be serviced pursuant to the CSAIL 2018-CX11 pooling and servicing agreement. As the holder of Note A-1 (the “Controlling Noteholder”), the trustee of the CSAIL 2018-CX11 Commercial Mortgage Trust (or, prior to the occurrence and continuance of a control termination event under the CSAIL 2018-CX11 pooling and servicing agreement, the CSAIL 2018-CX11 directing certificateholder) is entitled to exercise all of the rights of the Controlling Noteholder with respect to the Soho House Chicago Whole Loan; however, the holder of Note A-2 is entitled, under certain circumstances, to consult with respect to certain major decisions.

### Whole Loan Note Summary

	Original Balance	Cut-off Date Balance	Note Holder	Lead Servicer for Whole Loan (Y/N)	Controlling Piece (Y/N)
Note A-1	\$40,000,000	\$40,000,000	CSAIL 2018-CX11	Y	Y
Note A-2	22,650,000	22,650,000	Natixis	N	N
<b>Total</b>	<b>\$62,650,000</b>	<b>\$62,650,000</b>			

**The Borrower.** The borrower is SG Real Estate LLC, a Delaware limited liability company and special purpose entity. The borrower is 100.0% owned by SG 113 Green Street LLC, a newly formed Delaware limited liability company, which is 78.5% co-owned by Sino-Ocean Group Holding Limited and Huarong International Financials Holdings Limited and 21.5% owned by Downtown Properties Holdings, LLC.

**The Sponsors.** The loan's sponsors and nonrecourse carve-out guarantors are Fast Fame Capital Investment Limited, Bliss Elite Limited and Downtown Properties Holdings, LLC, each of which are subsidiaries of Sino-Ocean Group Holding Limited (“Sino-Ocean”) and Gaw Capital Partners. Sino-Ocean is one of the largest real estate companies in Beijing and has a diversified portfolio of development projects and investment properties in Beijing, Pan-Bohai Bay, Yangtze River Delta, and Pearl River Delta regions. Sino-Ocean is rated Baa3 and BBB- by Moody's and Fitch, respectively. Gaw Capital Partners is a Hong Kong-based real estate private equity firm founded in 2005 by Goodwin Gaw and Kenneth Gaw. Gaw Capital Partners is a private equity fund management company that focuses on global real estate markets. Since its inception, Gaw Capital Partners has raised \$8.7 billion of equity and commands assets of \$13.0 billion under management as of the third quarter of 2017. According to a third party report, Gaw Capital Partners is the 19th largest real estate private equity fund in the world and the second largest real estate private equity fund in Asia. Collectively, Gaw Capital Partners and its affiliates have over \$2.7 billion in gross assets under management. Combined, the loan's sponsors' net worth and liquidity are over \$2.2 billion and \$132.7 million, respectively.

## Mortgage Loan No. 7 — Soho House Chicago

**The Property.** The property is a 115,000 SF mixed-use building located in Chicago, Illinois. The property was constructed in 1907, renovated in 2014 and is a six-story building and English basement situated on approximately 0.5 acres in Chicago's Fulton Market District. The property operates as a private social club and is 100.0% leased to Soho House Chicago, LLC ("Soho House Chicago") under a 20-year NNN lease. The Soho House Chicago lease has a current rental rate of \$6.1 million (\$53.39 PSF) with escalations expiring on June 1, 2034 with four 10-year extension options. The lease is 100% guaranteed by US AcquireCo, Inc., a US subsidiary of Soho House & Co. Limited ("Soho House"), and by Soho Group Limited (f/k/a BN TopCo Ltd.). US AcquireCo, Inc. is the holding company for the Soho House's U.S. operations. Soho House was founded in London, in 1995, as a private members' club for those in film, media and creative industries and has since expanded to include hotel operations, restaurants and spas with locations across Europe and the United States. As of January 2017, Soho House operated 18 houses, one hotel, 43 public restaurants, 15 spas, two cinemas, and 527 hotel rooms. According to the appraisal, Soho House is a successful global operator of social membership clubs serving those in the creative industries. Compared to traditional clubs and hotels, Soho House provides members and guests with a "home away from home" experience complemented by personalized customer service. As of October 1, 2017, Soho House had over 74,000 members with a global waiting list of almost 50,000 potential members.

The property offers amenities such as multiple restaurants, a spa (the Cowshed Spa), a barbershop (the Neville Barbershop), 40 hotel rooms, a gymnasium featuring a professional boxing ring, a 30-seat cinema, a rooftop pool and a music room. Although the property is a membership-only club, the first floor food and beverage outlets are open to the public. All other floors are for members only, except for the Belt Room and the screening room on the fourth floor, which are available for private hire. The hotel rooms can also be rented by the general public at a room rate that includes a temporary membership during the guest's stay.

The seller acquired the property in 2012, negotiated a long term lease with Soho House Chicago and redeveloped the space with a total cost basis of \$66.7 million (\$579.70 PSF).

**The Market.** The property is located in the Fulton Market District of Chicago, which, according to the appraisal, is considered one of the trendiest neighborhoods in Chicago. Conveniently situated within 0.2 miles of I-90 and I-94 and 0.2 miles and 0.5 miles of the pink and green lines of CTA at Morgan Station and Clinton Station, respectively, the Fulton Market District neighborhood continues to expand with several projects. Google moved its headquarters to Fulton Market District in 2015. Subsequently, McDonald's announced to relocate its global headquarters to 0.3 miles west of the property and is constructing a \$250 million, 9-story 608,000 SF building. In addition, construction of "vendor village" is underway, creating a 254,354 SF office building one block north of the McDonald's project. Fulton West, approximately 0.7 miles northwest of the property, is a 290,000 SF newly constructed development featuring modern office space, parking and landscaped green space.

According to a third party research report, the property is located in the Chicago metropolitan statistical area retail market within the River West submarket. As of the fourth quarter of 2017, the River West submarket of Chicago had approximately 3.2 million SF of inventory with a vacancy of 10.3% and asking rents of \$45.67 PSF.

### Comparable Retail Sales Comparable<sup>(1)</sup>

Property	Year Built	Sales Date	SF	Price	Price PSF	Occupancy
Soho House Chicago, IL	1907	3/9/2018	115,000	\$95,000,000	\$826	100.0%
217-219 N Green Street Chicago, IL	2017	2/5/2018	5,100	\$6,500,000	\$1,275	100.0%
820 W Lake Street, Chicago, IL	1883	2/5/2018	11,500	\$9,400,000	\$817	100.0%
185 N Morgan Street, Chicago, IL	2017	2/5/2018	9,200	\$13,350,000	\$1,451	100.0%
810 W Randolph Street, Chicago, IL	1910	8/2/2017	2,880	\$2,250,000	\$781	100.0%

(1) Source: Third Party Research Report.

## Mortgage Loan No. 7 — Soho House Chicago

### Historical and Current Occupancy<sup>(1)</sup>

2014 <sup>(2)</sup>	2015	2016	2017	Current <sup>(3)</sup>
100.0%	100.0%	100.0%	100.0%	100.0%

- (1) Source: Historical Occupancy is provided by the sponsors. Occupancies are as of December 31 of each respective year.  
(2) The property opened in 2014.  
(3) Based on the underwritten rent roll.

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

Tenant	Ratings Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rents	Lease Expiration Date
Soho House Chicago	NA / NA / NA	115,000	100.0%	\$54.81	100.0%	6/1/2034

- (1) Based on the underwritten rent roll, including rent increases occurring in June 2018.

### Operating History and Underwritten Net Cash Flow

	2014 <sup>(1)</sup>	2015	2016	2017	Underwritten <sup>(2)</sup>	PSF	% <sup>(3)</sup>
Rents in Place	\$1,763,507	\$4,745,750	\$5,693,057	\$6,465,064	\$6,302,661	\$54.81	89.9%
Vacant Income	0	0	0	0	0	\$0.00	0.0%
<b>Gross Potential Rent</b>	<b>\$1,763,507</b>	<b>\$4,745,750</b>	<b>\$5,693,057</b>	<b>\$6,465,064</b>	<b>\$6,302,661</b>	<b>\$54.81</b>	<b>89.9%</b>
Total Reimbursements	0	0	0	0	711,558	\$6.19	10.1%
<b>Net Rental Income</b>	<b>\$1,763,507</b>	<b>\$4,745,750</b>	<b>\$5,693,057</b>	<b>\$6,465,064</b>	<b>\$7,014,219</b>	<b>\$60.99</b>	<b>100.0%</b>
(Vacancy/Collection Loss)	0	0	0	0	(350,711)	(\$3.05)	(5.0%)
Other Income	0	0	0	0	0	\$0.00	0.0%
<b>Effective Gross Income</b>	<b>\$1,763,507</b>	<b>\$4,745,750</b>	<b>\$5,693,057</b>	<b>\$6,465,064</b>	<b>\$6,663,508</b>	<b>\$57.94</b>	<b>95.0%</b>
<b>Total Expenses</b>	<b>\$175,973</b>	<b>\$472,715</b>	<b>\$455,907</b>	<b>\$413,941</b>	<b>\$919,677</b>	<b>\$8.00</b>	<b>13.8%</b>
<b>Net Operating Income</b>	<b>\$1,587,534</b>	<b>\$4,273,035</b>	<b>\$5,237,150</b>	<b>\$6,051,123</b>	<b>\$5,743,831</b>	<b>\$49.95</b>	<b>86.2%</b>
Total TI/LC, Capex/RR	0	0	0	0	18,360	\$0.16	0.3%
<b>Net Cash Flow</b>	<b>\$1,587,534</b>	<b>\$4,273,035</b>	<b>\$5,237,150</b>	<b>\$6,051,123</b>	<b>\$5,725,471</b>	<b>\$49.79</b>	<b>85.9%</b>

- (1) The property opened in 2014. The tenant's lease began in June 2, 2014 and included two months free rent.  
(2) Rent includes Base Rent and Rent increases occurring in June 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.

**Property Management.** The property is self-managed by the borrower.

**Escrows and Reserves.** At origination, the borrower deposited into escrow \$106,410 for insurance premiums and \$74,028 for real estate taxes.

**Tax Escrows** – On a monthly basis, the borrower is required to pay 1/12<sup>th</sup> of the annual estimated payment of taxes, which currently equals \$24,676. The requirement to escrow for real estate taxes is waived so long as the lease with Soho House Chicago is in place and Soho House Chicago is playing applicable taxes.

**Insurance Escrows** – On a monthly basis, the borrower is required to escrow 1/12<sup>th</sup> of the annual estimated insurance payments. The requirement to escrow for insurance premium is waived so long as (i) no event of default has occurred and (ii) the borrower provides evidence wholly satisfactory to the lender that the insurance coverages required pursuant to the Soho House Whole Loan documents are being maintained pursuant to the Soho House Chicago lease and (iii) the borrower maintains with the lender an amount equal to three months' worth of such deposits.



## Mortgage Loan No. 7 — Soho House Chicago

*Replacement Reserve* – On a monthly basis, the borrower is required to deposit an amount equal to \$1,700 subject to a cap of \$40,808. If the replacement reserve falls below \$20,404, the borrower is required to escrow on a monthly basis \$1,700 until the cap is met.

**Lockbox / Cash Management.** The Soho House Chicago Whole Loan is structured with a hard lockbox and springing cash management. The borrower was required to send tenant direction letters to each existing tenant instructing each tenant to deposit all rents and payments into the lender-controlled lockbox account. Prior to the occurrence of a Cash Management Period (as defined below), all funds in the lockbox account will be swept to the borrower's operating account. During a Cash Management Period, all funds in the lockbox account will be swept to a lender-controlled cash management account.

A "Cash Management Period" will commence upon: (i) an event of default; (ii) the failure by the borrower, after the end of a calendar quarter, to maintain a DSCR of at least 1.15x; (iii) a Primary Tenant Sweep Period (as defined below), or (iv) the occurrence of a Ventilation Work Trigger Event (as defined below). A Cash Management Period will end with respect to clause (i), if such event of default is cured by the borrower or waived by the lender; or with respect to clause (ii), if for three consecutive months (a) no default or event of default has occurred; (b) no event that would trigger another Cash Management Period has occurred; and (c) the DSCR is at least 1.15x; or, with respect to clause (iii), a Primary Tenant Sweep Period Cure (as defined below) has occurred (and no other Cash Management Period is then continuing); or, with respect to clause (iv), a Ventilation Work Trigger Cure Event (as defined below) has occurred (and no other Cash Management Period is then continuing).

A "Primary Tenant Sweep Period" will commence upon: (i) any termination of, or receipt by the borrower of a notice to terminate, the Primary Tenant (as defined below) lease; (ii) the Primary Tenant becoming the subject of a bankruptcy action; (iii) the Primary Tenant "going dark" in a majority of the Primary Tenant premises; or (iv) the occurrence of any monetary or material non-monetary default (beyond any applicable notice and/or cure period) under the Primary Tenant lease.

A "Primary Tenant Sweep Period Cure" will commence with respect to any clauses above if a Primary Tenant Replacement Event (as defined below) has occurred; or with respect to clause (ii) above, the bankruptcy action is dismissed and the Primary Tenant lease is affirmed; or with respect to clause (iii) above, if the Primary Tenant or another tenant reopens for business for a continuous period of not less than three months; or with respect to clause (iv) above, if the monetary or material non-monetary default is cured and no other monetary or material non-monetary default (beyond any applicable notice and/or cure period) has occurred during the prior three month period under the Primary Tenant lease.

A "Primary Tenant Replacement Event" means the termination of the Primary Tenant lease and the borrower entering into one or more new leases with initial terms not less than three years and which provide for rents that result in a DSCR of not less than 1.25x with acceptable replacement tenant(s) and upon such terms and conditions as are reasonably acceptable to the lender in all respects.

A "Primary Tenant" means initially Soho House Chicago as tenant under the Soho House Chicago lease, and thereafter any acceptable replacement tenant thereof.

A "Ventilation Work Trigger Event" means the failure of the borrower to provide evidence of ventilation work completion on or prior to January 9, 2019.

A "Ventilation Work Trigger Cure Event" means the deposit of \$616,000 to the ventilation work reserve or the delivery of evidence of ventilation work completion.