

340 Bryant Street  
San Francisco, CA 94107

Collateral Asset Summary – Loan No. 13

## 340 Bryant

**Cut-off Date Balance:** \$16,000,000  
**Cut-off Date LTV:** 59.0%  
**U/W NCF DSCR:** 1.43x  
**U/W NOI Debt Yield:** 10.2%

### Mortgage Loan Information

**Loan Seller:** CCRE  
**Loan Purpose:** Acquisition  
**Borrower Sponsor:** James M. Pollock  
**Borrower:** 340 Bryant Street LLC  
**Original Balance<sup>(1)</sup>:** \$16,000,000  
**Cut-off Date Balance<sup>(1)</sup>:** \$16,000,000  
**% by Initial UPB:** 2.5%  
**Interest Rate:** 5.6750%  
**Payment Date:** 6<sup>th</sup> of each month  
**First Payment Date:** April 6, 2017  
**Maturity Date:** March 6, 2027  
**Amortization:** Interest only for the first 60 months; 360 months thereafter  
**Additional Debt<sup>(1)</sup>:** \$14,700,000 *Pari Passu Debt*  
**Call Protection<sup>(2)</sup>:** L(27), D(87), O(6)  
**Lockbox / Cash Management:** Hard / Springing

### Reserves

|                                 | Initial   | Monthly   |
|---------------------------------|-----------|-----------|
| <b>Taxes:</b>                   | \$145,000 | \$48,333  |
| <b>Insurance:</b>               | \$13,868  | \$1,981   |
| <b>Replacement:</b>             | \$0       | \$1,038   |
| <b>TI/LC<sup>(3)</sup>:</b>     | \$0       | \$5,189   |
| <b>Switchfly:</b>               | \$500,000 | \$0       |
| <b>Occupancy<sup>(4)</sup>:</b> | \$0       | Springing |

### Financial Information<sup>(5)</sup>

|   |       |
|---|-------|
| <b>Cut-off Date Balance / Sq. Ft.:</b>      | \$493 |
| <b>Balloon Balance / Sq. Ft.:</b>           | \$459 |
| <b>Cut-off Date LTV:</b>                    | 59.0% |
| <b>Balloon LTV:</b>                         | 55.0% |
| <b>Underwritten NOI DSCR<sup>(6)</sup>:</b> | 1.47x |
| <b>Underwritten NCF DSCR<sup>(6)</sup>:</b> | 1.43x |
| <b>Underwritten NOI Debt Yield:</b>         | 10.2% |
| <b>Underwritten NCF Debt Yield:</b>         | 10.0% |

### Property Information

**Single Asset / Portfolio:** Single Asset  
**Property Type:** CBD Office  
**Collateral:** Fee Simple  
**Location:** San Francisco, CA  
**Year Built / Renovated:** 1932 / 2015  
**Total Sq. Ft.:** 62,270  
**Property Management:** Pollock Realty Corporation  
**Underwritten NOI:** \$3,132,421  
**Underwritten NCF:** \$3,057,696  
**Appraised Value:** \$52,000,000  
**Appraisal Date:** January 9, 2017

### Historical NOI<sup>(7)</sup>

**Most Recent NOI:** NAV  
**2016 NOI:** NAV

### Historical Occupancy

**Most Recent Occupancy<sup>(8)</sup>:** 100.0% (February 8, 2017)  
**2016 Occupancy:** NAV

- (1) The 340 Bryant Whole Loan is evidenced by two *pari passu* notes in the aggregate original principal balance of \$30.7 million. The controlling Note A-1, with an original principal balance of \$16.0 million will be included in the CFCRE 2017-C8 mortgage trust. The non-controlling Note A-2, with an original principal balance of \$14.7 million was included by UBSAG in the WFCM 2017-RB1 mortgage trust.
- (2) In-place cash management will commence upon and continue upon the occurrence of (i) any event of default, (ii) any bankruptcy action of borrower, principal, guarantor or property manager has occurred, (iii) failure by the borrower to maintain a NOI debt yield of at least 7.5% at the end of any calendar quarter, (iv) failure by the borrower to maintain a DSCR of at least 1.15x at the end of two consecutive calendar quarters or (iv) a Lease Trigger Period (as defined below).
- (3) At loan closing, the borrower deposited \$500,000 into the Switchfly reserve account for TI/LC expenses relating to the Switchfly, Inc. space.
- (4) The loan is structured with an excess cashflow sweep which will commence upon and continue during the occurrence of a "Lease Trigger Period" meaning any period during which an Occupancy Reserve Tenant has failed to satisfy certain conditions or failed to take certain actions (or has taken certain actions) in each case as specified in the 340 Bryant Loan documents. An "Occupancy Reserve Tenant" means, any of Skullcandy, Inc., Switchfly, Inc. and any other tenant or tenants that may lease 20% or more of the NRA or pays base rent equal to 20% or more of the gross income from operations (in each case aggregating tenant leases with any other leases with an affiliate of that tenant).
- (5) DSCR, LTV, Debt Yield and Balance / Sq. Ft. calculations are based on the aggregate 340 Bryant Whole Loan.
- (6) Based on amortizing debt service payments. Based on current interest only payments, the Underwritten NOI DSCR and Underwritten NCF DSCR are 1.77x and 1.73x, respectively.
- (7) Historical NOI and occupancy are not applicable. The 340 Bryant Property was redeveloped in 2015 and acquired in March 2017.
- (8) The largest tenant, Switchfly, Inc. has not taken occupancy and is currently subleasing its entire leased space. See "Tenants" below.

## TRANSACTION HIGHLIGHTS

- **Property.** The 340 Bryant property is a 62,270 sq. ft., four-story creative-office building that is located in the center of the South of Market ("SoMa") district, San Francisco, California. The 340 Bryant Property was originally constructed in 1932 as an industrial warehouse and was redeveloped in 2015 as a creative office for a total cost of approximately \$15.0 million (\$236.00 per sq. ft.) The borrower sponsor used loan proceeds along with approximately \$19.5 million of equity to acquire the property at a purchase price of \$49.0 million. The renovations included \$6.8 million in tenant improvement build-out and refurbished storefronts, window and glazing, new stairs, signage, new elevators, improved plumbing and new mechanical systems.
- **Tenants.** As of February 8, 2017, the 340 Bryant Property was 100.0% leased to two tenants; Switchfly, Inc. and Skullcandy, Inc. Switchfly, Inc. (47,673 sq. ft., 76.6% of NRA, 83.5% of UW annual rent) is a global business-to-business travel commerce and loyalty platform for airlines, hotels, financial services, online travel agencies and ecommerce companies. Switchfly, Inc. has not taken occupancy, but has a lease (\$70.00 per sq. ft.) with an expiration in November 2025. Switchfly, Inc. is currently subleasing floors two and three to Five Stars Legacy, Inc. (37,433 sq. ft., 78.5% of Switchfly, Inc. NRA) pursuant to a sublease (\$70.00 per sq. ft.) that expires in July 2018, and the fourth floor to Guidebook, Inc. (10,240 sq. ft., 21.5% of Switchfly, Inc. NRA) pursuant to a sublease (\$52.0 per sq. ft.) that expires April 2019. Switchfly, Inc. has indicated that upon expiration of the Five Star Legacy sublease, it anticipates taking occupancy of such place to serve as its headquarters and has made a security deposit in the form of an irrevocable letter of credit for approximately \$2.1 million. Skullcandy, Inc. (14,597 sq. ft., 23.4% of NRA, 16.5% of UW annual rent) was founded in 2003 and designs, markets and distributes audio and gaming headphones and accessories. Skullcandy, Inc. has been a tenant at the 340 Bryant Property since April 2016.
- **Borrower Sponsor.** The borrower sponsor and nonrecourse carve-out guarantor is James M. Pollock. James M. Pollock is the president and CEO of Pollock Financial Group, which since 1960, has provided financial services for Northern California individuals and corporations.
- **Market.** The 340 Bryant Property is located in the middle of the Second Street Corridor in the SoMa district, approximately 0.5 miles from the San Francisco central business district. The 340 Bryant Property is within walking distance to the Caltrain Station, AT&T Park, the Embarcadero waterfront, the future Golden State Warriors arena and an abundance of street level bars, restaurants and galleries. The SoMa district is San Francisco's technology hub and is home to many companies such as Yelp, DropBox, Adobe Systems, Uber and AirBnB. The San Francisco office market as of third quarter 2016 had asking rents of \$69.21 per sq. ft. and an overall vacancy rate of 7.7%.