

Mortgage Loan No. 11 — 300 Montgomery

Mortgage Loan Information

Mortgage Loan Seller:	Natixis
Original Principal Balance⁽¹⁾:	\$30,000,000
Cut-off Date Principal Balance⁽¹⁾:	\$30,000,000
% of Pool by IPB:	3.5%
Loan Purpose:	Refinance
Borrowers:	Downtown Properties VII, LLC; 300 Montgomery Associates
Sponsor:	Downtown Properties Holdings, LLC
Interest Rate:	3.5700%
Note Date:	8/23/2017
Maturity Date:	9/5/2027
Interest-only Period:	120 months
Original Term:	120 months
Original Amortization:	None
Amortization Type:	Interest Only
Call Protection:	L(26),YM1(87),O(7)
Lockbox:	Hard
Additional Debt⁽¹⁾:	Yes
Additional Debt Balance⁽¹⁾:	\$36,000,000
Additional Debt Type⁽¹⁾:	<i>Pari Passu</i>
Additional Future Debt Permitted⁽²⁾:	Yes – Mezzanine

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Office – CBD
Net Rentable Area (SF)⁽⁸⁾:	192,574
Location:	San Francisco, CA
Year Built / Renovated:	1918 & 1941 / 2015
Occupancy:	87.9%
Occupancy Date:	7/19/2017
Number of Tenants:	44
2014 NOI⁽⁴⁾:	\$3,049,281
2015 NOI⁽⁴⁾:	\$4,102,630
2016 NOI⁽⁴⁾:	\$5,311,125
TTM NOI⁽⁴⁾⁽⁶⁾:	\$5,461,022
UW Economic Occupancy:	88.1%
UW Revenues:	\$9,739,155
UW Expenses:	\$3,391,504
UW NOI⁽⁶⁾:	\$6,347,651
UW NCF:	\$6,108,859
Appraised Value / Per SF⁽⁸⁾⁽⁷⁾:	\$119,600,000 / \$621
Appraisal Date:	5/24/2017

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$76,794	Springing	N/A
Insurance:	\$59,011	Springing	N/A
Replacement Reserve:	\$0	Springing	N/A
TI/LC Reserve:	\$1,420,026	Springing	N/A

Financial Information⁽¹⁾

Cut-off Date Loan / SF⁽⁸⁾:	\$343
Maturity Date Loan / SF⁽⁸⁾:	\$343
Cut-off Date LTV⁽⁷⁾:	55.2%
Maturity Date LTV⁽⁷⁾:	55.2%
UW NOI DSCR:	2.66x
UW NCF DSCR:	2.56x
UW NOI Debt Yield:	9.6%
UW NCF Debt Yield:	9.3%

Sources and Uses

Sources	Proceeds	% of Total
Whole Mortgage Loan	\$66,000,000	100.0%
Total Sources	\$66,000,000	100.0%

Uses	Proceeds	% of Total
Payoff Existing Debt	\$31,979,916	48.5%
Return of Equity	31,842,739	48.2
Upfront Reserves	1,555,831	2.4
Closing Costs	621,513	0.9
Total Uses	\$66,000,000	100.0%

(1) The 300 Montgomery loan is part of a larger split whole loan evidenced by two *pari passu* promissory notes with an aggregate original principal balance of \$66,000,000 (collectively, "300 Montgomery Whole Loan"). The financial information presented in the chart above is based on the Cut-off Date balances of 300 Montgomery Whole Loan.

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- (2) The borrowers may obtain a mezzanine loan, from an institutional investor acceptable to the lender, secured by a pledge of all of the direct ownership interests in the borrowers upon satisfaction of certain terms and conditions which include, without limitation, (i) the combined loan-to-value ratio on the origination date of the mezzanine loan and the 300 Montgomery Whole Loan does not exceed 80.0%; (ii) the combined debt service coverage ratio is not less than 1.50x, (iii) the lender receives a rating agency confirmation from Fitch, S&P and KBRA that the mezzanine financing will not result in a downgrade, withdrawal or qualification of the respective ratings assigned to the CSAIL Series 2017-CX10 Certificates and (iv) the mezzanine lender enters into an intercreditor agreement in form and substance reasonably acceptable to the lender and the rating agencies for the CSAIL Series 2017-CX10 Certificates.
- (3) The net rentable area ("NRA") excludes 12,892 SF of un-leasable mezzanine space that the sponsor may convert to common area for tenants. The Appraised Value/Per SF, Cut-off Date Loan / SF and Maturity Date Loan / SF are calculated based on NRA excluding the 12,892 of un-leasable mezzanine space.
- (4) The increase in TTM NOI from 2014 NOI is primarily due to the lease up of creative spaces including Suite 1200 (formerly unusable space) to Ripple Labs, Inc. ("Ripple Labs") in August 2014 and Suite 900 to Fundbox, Inc. ("Fundbox") in January 2016. The sponsor has spent approximately \$5.1 million over the last four years to modernize the property and meet the demands of San Francisco's tenant base in order to achieve higher rent on creative build-out spaces.
- (5) Represents the trailing twelve month period ending June 30, 2017.
- (6) UW NOI includes \$862,669 in rent steps through September 2018 and rent averaging through the lease term for US Bank totaling \$58,516.
- (7) The hypothetical appraised value without the mezzanine space described in footnote (3) is \$111.1 million, which results in a Cut-off Date LTV and Maturity Date LTV of 59.4%.

The Loan. The 300 Montgomery loan, which is part of a larger split whole loan is secured by a first mortgage lien on a 192,574 SF Class B office property located at 300 Montgomery Street in San Francisco, California. The 300 Montgomery Whole Loan has an outstanding principal balance as of the Cut-off Date of \$66.0 million, which is evidenced by two notes identified as Note A-1 and Note A-2.

Note A-2 is being contributed to the CSAIL 2017-CX10 Commercial Mortgage Trust. Note A-1 was contributed to the CSAIL 2017-CX9 Commercial Mortgage Trust. The holder of Note A-1 is the controlling noteholder of the 300 Montgomery Whole Loan. The trustee of the CSAIL 2017-CX9 Commercial Mortgage Trust, as the holder of Note A-1 (or, prior to the occurrence and continuance of a control termination event under the pooling and servicing agreement, the directing certificateholder), will be entitled to exercise all of the rights of the controlling noteholder with respect to the 300 Montgomery Whole Loan; however, the holder of Note A-2, will be entitled, under certain circumstances, to consult with respect to certain major decisions. The 300 Montgomery Whole Loan will be serviced pursuant to the terms of the pooling and servicing agreement governing the CSAIL 2017-CX9 Commercial Mortgage Trust.

Note A-2 accrues interest at the same rate as Note A-1 and is entitled to payments of interest and principal on a *pro rata* and *pari passu* basis with Note A-1, as and to the extent described under "*Description of the Mortgage Pool—The Whole Loans*" in the Prospectus.

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	\$36,000,000	\$36,000,000	CSAIL 2017-CX9	Y	Y
Note A-2	30,000,000	30,000,000	CSAIL 2017-CX10	N	N
Total	\$66,000,000	\$66,000,000			

The Borrowers. The borrowing entities for the loan are Downtown Properties VII, LLC, a bankruptcy-remote, single-purpose Delaware limited liability company that owns the leased fee interest, and 300 Montgomery Associates, a single purpose California limited partnership that owns the leasehold interest. Both borrowing entities are owned by Downtown Properties Holdings, LLC.

The Sponsor. The loan's nonrecourse carve-out guarantor is Downtown Properties Holdings, LLC, an affiliate of Gaw Capital Partners, a Hong Kong-based real estate private equity firm founded in 2005 by brothers Goodwin Gaw and Kenneth Gaw. Downtown Properties Holdings, LLC has been managing real estate assets in the United States (Los Angeles and San Francisco, California) and the United Kingdom since 1995 and has over \$2.0 billion in gross assets under management including 2.5 million SF of office buildings, over 1,000 hotel rooms, two 18-hole golf courses and a ski resort. According to its balance sheet dated December 31, 2016, Downtown Properties Holdings, LLC has total assets of approximately \$524.1 million including approximately \$26.9 million in cash and approximately \$469.4 million in real estate investments.

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The Property. The property is a twelve-story, multi-tenanted, Class B office building totaling 192,574 SF, situated on an entire city block of approximately 0.6 acre at 300 Montgomery Street in San Francisco, California. Originally constructed in 1918, the property features a historic façade with colonnades at ground level and has been renovated over the years. The property has marble covered walls and glazed gold-leaf ceilings with suspended bronze fixtures. Floorplates range from 11,429 SF to 20,699 SF. The ground floor features a US Bank branch and a Walgreens retail store, as well as a large marble lobby that provides access to the upper floor office spaces. US Bank is located at the corner of California Street and Montgomery Street, and has pedestrian access from the street as well as from the office lobby. Walgreens Co. ("Walgreens") is located at the corner of Montgomery Street and Pine Street and is accessed from the street. In addition, there is 24-hour security and nearby parking. Several of the office suites were modernized to meet the demands of the San Francisco tenant base including open, loft-like creative space, which commands a rent premium. Approximately 42,750 SF (22.2% of the NRA) have been renovated in such a manner.

The sponsor purchased the property in 1971 and has since invested approximately \$17.3 million in capital improvements, in addition to the approximately \$5.0 million in tenant improvements. Approximately \$5.1 million has been spent on capital improvement over the past four years alone, including elevator renovation and modernization and common area renovations.

As of July 19, 2017, the property was 87.9% leased by 44 tenants. The property features a tenant mix of government, education, financial, legal, technology, and professional services sectors among others. No tenant represents more than 7.7% of NRA. Additionally, the building features 12,892 SF of vacant mezzanine space, which is not currently marketed for lease and is excluded from the NRA.

The largest tenant at the property, Ripple Labs, leases two suites totaling 14,749 SF (7.7% of the NRA) through August 31, 2019 and October 31, 2020. Ripple Labs has been at the property since 2014 but, due to its expansion, Ripple Labs had a 30,000 SF requirement that could not be accommodated at the property. Ripple Labs moved across the street to the Russ Building in May 2017 and subleases one of its two suites at the property to HackerOne, Inc. and the other one to Grovo Learning, Inc. through the remainder of the lease term. Ripple Labs is a technology company that developed the Ripple payment protocol and exchange network to create a monetary system that was decentralized and enabled individuals and communities to create their own money. The second largest tenant at the property, Consulate General of Brazil, leases 13,000 SF (6.8% of the NRA) through May 31, 2022 with one, five-year extension option remaining. The Consulate General of Brazil in San Francisco has been at the property since 2009 and provides Brazilian nationals and U.S. citizens or foreign nationals residing in the United States with passport and visa services. The Brazilian government is rated Ba2/BB/BB by Moody's, S&P and Fitch, respectively. The third largest tenant at the property, ELS Educational Services, Inc. ("ELS"), leases 12,303 SF (6.4% of the NRA) through June 30, 2024 with one, five-year extension option remaining. ELS provides English language training in the United States through various language centers. The company was originally founded as a creator and publisher of educational materials, but its current focus is on teaching. ELS has over 80 locations around the world including 54 in the United States, two in Canada, one in Australia and one in India. ELS is a fully-owned subsidiary of Berlitz Language, Inc., a part of Berlitz International, Inc. ELS is headquartered in Princeton, New Jersey and is accredited by the Accrediting Council for Continuing Education and Training. ELS has operated a training facility at the property since 2014.

The Market. The property is located in the heart of the financial district in downtown San Francisco, California, and is situated on an entire block between California Street and Pine Street, at the intersection of Montgomery Street and California Street.

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The property is located in the financial district office submarket and features access to public transportation lines, including the BART-Embarcadero (Bay Area Rapid Transit) train station, which is located four blocks west, the Ferry Building Terminal and the California Street cable car line. Additionally, the property is within walking distance of certain San Francisco destinations including the Union Square shopping district, Westfield San Francisco Centre shopping mall, Rincon Park, several museums and AT&T Park, home of the San Francisco Giants major league baseball team. The property is also expected to benefit from the completion of the Transbay Transit Center, a mass-transit hub that is expected to connect eight Bay Area counties through 11 transportation systems including the BART, AC Transit, Amtrak, Caltrain and California's planned high speed rail system. The Transbay Transit Center consists of two primary components, with the first phase expected to be completed in December 2017. The first phase will include construction of the above-ground portion of the new Transit Center, the below-grade rail levels and the bus ramp connecting the Transit Center to the San Francisco – Oakland Bay Bridge. A timeline has not yet been provided for the construction of phase two, which includes the downtown rail extension. According to the Transbay Joint Powers Authority, the larger development, which is located approximately 0.7 miles southwest of the property, is expected to include 4,400 residential units, approximately 100,000 SF of new retail space and an approximately 6.0 million SF office tower. The project is also expected to feature City Park, a 5.4-acre rooftop public park with a variety of activities and amenities including an open area amphitheater, gardens, open grass areas and restaurant and café. The property is also expected to benefit from the future San Francisco Central Subway expansion that will extend the Muni Metro T Third Line to provide a direct transit link between the Bayshore and Mission Bay areas to SoMa, downtown, and Chinatown.

According to a third party research report, the property is located in the financial district office submarket of Downtown San Francisco. As of the second quarter of 2017, the financial district office submarket had approximately 29.9 million SF of office inventory with a vacancy of 9.9% and average asking rents of \$58.94 PSF. The average contractual rent at the property is currently 18.0 % below the appraiser concluded market rent of \$60.88 PSF on a modified gross basis.

According to the appraisal, the property's competitive set consists of the six properties detailed in the table below.

Competitive Set Summary⁽¹⁾

Property	Year Built / Renovated	Total NRA (SF)	Est. Rent PSF	Est. Occ.	Proximity (miles)	Anchor Tenants
300 Montgomery	1918 & 1941 / 2015	192,574 ⁽²⁾	\$55.02 ⁽²⁾	87.9% ⁽²⁾	N/A	Ripple Labs, Consulate General of Brazil, ELS
The Mills Building	1892 / 2003	459,617	\$59.50	93.7%	0.1	Pocket Gems
Pacific Bank Building	1920 / 2010	136,791	\$57.00	99.6%	0.1	Juniper Square
601 Montgomery Street	1979 / NAV	233,628	\$55.00	96.2%	0.2	Anderies and Comes
300 California Street	1948 / NAV	122,600	\$60.00	91.9%	0.1	Lystable
550 Kearny Street	1975 / 1981	193,011	\$64.00	100.0%	0.2	BTR Capital
115 Sansome Street	1913 / 1993	117,000	\$72.00	85.8%	0.1	M Moser Architects

(1) Source: Appraisal.

(2) Based on the July 19, 2017 underwritten rent roll.

Historical and Current Occupancy⁽¹⁾

2014	2015	2016	Current ⁽²⁾
89.5%	95.1%	91.7%	87.9%

(1) Source: Historical occupancy is provided by the sponsor. Occupancies are as of December 31 of each respective year. The increase in occupancy from 2013 to Current is primarily because the property was undergoing lease-up after the most recent renovation.

(2) Based on the July 19, 2017 underwritten rent roll. Two tenants, Zappetini Properties (1,264 SF) and Clay Street Capital, Inc. (793 SF) vacated their space in 2017. Two tenants, Michael Brooks Carroll (2,036 SF) and Robert Belluomini, Attorney (1,358 SF) are currently under MTM leases and are excluded from current occupancy.

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Top Tenant Summary⁽¹⁾

Tenant	Ratings Moody's/S&P/Fitch ⁽²⁾	Net Rentable Area (SF)	% of Total NRA	Base Rent PSF	% of Total Base Rents	Lease Expiration Date
Ripple Labs ⁽³⁾	NR / NR / NR	14,749	7.7%	\$68.31	10.8%	Various
Consulate General of Brazil ⁽⁴⁾	Ba2 / BB / BB	13,000	6.8%	\$43.26	6.0%	5/31/2022
ELS ⁽⁵⁾	NR / NR / NR	12,303	6.4%	\$46.36	6.1%	6/30/2024
Delagnes, Mitchell & Linder	NR / NR / NR	10,753	5.6%	\$56.39	6.5%	8/31/2025
Walgreens Co.	Baa2 / BBB / BBB	9,441	4.9%	\$71.87	7.3%	12/31/2021
Pennbrook Insurance Services ⁽⁶⁾	NR / NR / NR	9,333	4.8%	\$36.50	3.7%	2/28/2019
US Bank	A1 / A+ / AA	8,866	4.6%	\$86.60	8.2%	2/28/2027
Fundbox	NR / NR / NR	8,346	4.3%	\$75.32	6.8%	12/31/2020
BSA Architects	NR / NR / NR	6,655	3.5%	\$34.50	2.5%	2/28/2019
Captain401	NR / NR / NR	6,061	3.1%	\$62.83	4.1%	10/31/2020
Total:		99,507	51.7%		62.0%	

- (1) Based on the July 19, 2017 underwritten rent roll which includes rent steps of \$822,194 through September 2018 and rent averaging through the lease term for US Bank totaling \$58,516.
- (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) Ripple Labs leases two suites, Suite 1200 (11,429 SF) through August 31, 2019 and Suite 1130 (3,320 SF) through October 31, 2020 but vacated both in May 2017. Ripple Labs subleases Suite 1200 to HackerOne, Inc. at \$73.00 PSF and Suite 1130 to Grovo Learning, Inc. at \$71.00 PSF.
- (4) In the event diplomatic relations between the United States and Brazil are terminated, suspended or otherwise interrupted, or the Government of Brazil closes its San Francisco Consulate (and does not re-open the Consulate) during the last four years of its lease, Consulate General of Brazil has the option to terminate its lease with 180 days' prior written notice and a payment of a termination fee equal to the unamortized tenant improvement and leasing commission costs.
- (5) ELS has the right to terminate its lease at any time after the 84th full calendar month of the term with one-year notice and payment of a termination fee equal to four months base rent in the 10th lease year (\$215,107) plus the unamortized balance of the tenant improvements, plus cost of brokerage commission, and legal fees paid in connection with negotiation and execution of lease and the initial 45-day base rent abatement. The lease is guaranteed by Berlitz Languages, Inc.
- (6) Pennbrook Insurance Services subleases four cubicle offices for \$5,000 per month.

Lease Rollover Schedule⁽¹⁾

Year	Number of Leases Expiring	NRA Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative NRA Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	23,323	12.1%	NAP	NAP	23,323	12.1%	NAP	NAP
MTM	1	1,515	0.8	\$96,430	1.0%	24,838	12.9%	\$96,430	1.0%
2017	2	4,698	2.4	203,371	2.2	29,536	15.3%	\$299,801	3.2%
2018	7	13,435	7.0	649,257	7.0	42,971	22.3%	\$949,058	10.2%
2019	8	40,033	20.8	2,000,166	21.5	83,004	43.1%	\$2,949,224	31.7%
2020	17	48,379	25.1	2,813,315	30.2	131,383	68.2%	\$5,762,539	61.9%
2021	5	15,259	7.9	1,042,410	11.2	146,642	76.1%	\$6,804,949	73.1%
2022	1	13,000	6.8	562,380	6.0	159,642	82.9%	\$7,367,329	79.1%
2023	0	0	0.0	0	0.0	159,642	82.9%	\$7,367,329	79.1%
2024	1	12,303	6.4	570,368	6.1	171,945	89.3%	\$7,937,698	85.2%
2025	1	10,753	5.6	606,362	6.5	182,698	94.9%	\$8,544,059	91.8%
2026	0	0	0.0	0	0.0	182,698	94.9%	\$8,544,059	91.8%
2027	1	8,866	4.6	767,796	8.2	191,564	99.5%	\$9,311,855	100.0%
2028 & Beyond ⁽²⁾	0	1,010	0.5	0	0.0	192,574	100.0%	\$9,311,855	100.0%
Total	44	192,574	100.0%	\$9,311,855	100.0%				

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- (1) Based on the July 19, 2017 underwritten rent roll which includes rent steps of \$822,194 through September 2018 and rent averaging through the lease term for US Bank totaling \$58,516.
- (2) 2028 & Beyond includes 1,010 SF of building management and conference room.

Operating History and Underwritten Net Cash Flow

	2014	2015 ⁽¹⁾	2016 ⁽²⁾	TTM ⁽³⁾	Underwritten ⁽⁴⁾	PSF	% ⁽⁵⁾
Rents in Place	\$5,822,367	\$6,984,205	\$8,256,786	\$8,576,591	\$9,311,855	\$48.35	84.6%
Vacant Income	0	0	0	0	1,314,941	\$6.83	12.0%
Free Rent Adjustments	(102,644)	(71,348)	(55,574)	(123,217)	0	\$0.00	0.0%
Gross Potential Rent	\$5,719,723	\$6,912,857	\$8,201,213	\$8,453,374	\$10,626,796	\$55.18	96.6%
Total Reimbursements	368,514	384,932	413,298	447,171	376,748	\$1.96	3.4%
Net Rental Income	\$6,088,238	\$7,297,789	\$8,614,510	\$8,900,545	\$11,003,544	\$57.14	100.0%
(Vacancy/Collection Loss)	0	0	0	0	(1,314,941)	(\$6.83)	(12.0%)
Other Income	47,305	46,914	48,931	50,552	50,552	\$0.26	0.5%
Effective Gross Income	\$6,135,543	\$7,344,703	\$8,663,441	\$8,951,097	\$9,739,155	\$50.57	88.5%
Total Expenses	\$3,086,262	\$3,242,074	\$3,352,316	\$3,490,075	\$3,391,504	\$17.61	34.8%
Net Operating Income⁽⁶⁾	\$3,049,281	\$4,102,630	\$5,311,125	\$5,461,022	\$6,347,651	\$32.96	65.2%
Total TI/LC, Capex/RR	0	0	0	0	238,792	\$1.24	2.5%
Net Cash Flow	\$3,049,281	\$4,102,630	\$5,311,125	\$5,461,022	\$6,108,859	\$31.72	62.7%

- (1) The increase in 2015 NOI from 2014 NOI is primarily due to the leased up in particular Suite 1200 (formerly unusable space) to Ripple Labs in August 2014, totaling \$685,740 in 2015.
- (2) The increase in 2016 NOI from 2015 NOI is primarily due to the leased up in particular Suite 900 to Fundbox in January 2016, totaling \$592,566.
- (3) Represents the trailing twelve month period ending June 30, 2017.
- (4) Rents in Place is underwritten based on the June 19, 2017 rent roll and includes rent steps of \$822,194 through September 2018 and rent averaging through the lease term for US Bank totaling \$58,516.
- (5) % column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.
- (6) The increase of Net Operating Income since 2014 is also because the sponsor has spent approximately \$5.1 million over the last four year to modernize the property and meet the demands of San Francisco's tenant base, and achieve higher rent on creative build-out spaces.