GS Mortgage Securities Corporation Trust 2013-KING

Presale Report

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PRELIMINARY RATINGS (AS OF: 02/05/2013)

CLASS	BALANCE/ NOTIONAL AMT	PRELIMINARY RATINGS	MORNINGSTAR DSCR	MORNINGSTAR BLTV	CREDIT SUPPORT LEVELS
Class A	$279,802,000	AAA	2.46 x	53.0%	43.8%
Class X-A	$279,802,000	AAA	n/a	n/a	n/a
Class X-B	$103,085,000	AAA	n/a	n/a	n/a
Class B	$58,906,000	AA+	2.03 x	64.2%	32.1%
Class C	$44,179,000	A	1.80 x	72.6%	23.2%
Class D	$54,194,000	BBB	1.58 x	82.8%	12.3%
Class E	$61,422,358	BB-	1.38 x	94.5%	0.0%

In determining the preliminary ratings on each class of securities issued by the Trust, Morningstar analyzed the properties securing each loan as enumerated herein to determine their stabilized as-is net cash flow (NCF) and values based primarily on the direct capitalization approach. The loans along with their corresponding as-is NCF and property values were then subjected to a series of economic and lending environment stresses in our proprietary CMBS Subordination Model to estimate their expected loss at each rating category. A description of this model is attached as Appendix A to this report. Note (1): The Class X-A and Class X-B certificates are notional amount certificates and will not be entitled to receive distributions of principal. Interest will accrue at the respective pass-through rates based upon the corresponding Notional Amount. NR – Not Rated; N/A – Not applicable; PR – Private Rating Issued.

Estimated Closing Date: February 25, 2013

Solely to the extent and subject to the scope of review enumerated herein, this report and the preliminary ratings noted above address certain credit risks and the extent to which the payment stream of the collateral is adequate to make payments required under the certificates based on information identified as subject to review herein and to the extent provided to Morningstar Credit Ratings, LLC ("Morningstar") on the arranger's website for this transaction as of February 5, 2013. The below analysis, as well as Morningstar's ratings characteristics as described in Appendix C, further reflect the ratings analysis related to these preliminary ratings. Investors should be aware that the proposed transaction and certain documents related thereto are not finalized. Following Morningstar's receipt of final information and documentation, and the completion of Morningstar's review of such information and documentation, Morningstar may issue final ratings to certain subscribers. Such final ratings may differ from the preliminary ratings enumerated herein. Any final ratings will solely be available to Morningstar subscribers on a subscription basis. The preliminary ratings are provided on an arranger pay basis while any related surveillance and analysis is provided to subscribers on a subscription pay basis. For the avoidance of doubt, your receipt of this report does not, in and of itself, make recipient a subscriber of Morningstar. For further information on Morningstar's subscription service, please contact Joe Petro pursuant to the contact information above.

Ongoing Surveillance Statement

Morningstar will monitor the ratings assigned to each Class of certificates on an on-going basis and publish monthly surveillance reports, Morningstar Dealviews, with respect to the trust on a subscription basis solely for subscribers. In addition, changes to ratings and related analysis with respect to each Class of certificates will be provided to subscribers on a subscription basis. Appendix B to this report provides details on our surveillance approach. Morningstar's ability to continually monitor this transaction is contingent on Morningstar's continued timely receipt of certain information and data regarding the collateral and transaction.

TRANSACTION SPOTLIGHT

Collateral	$500 million 1st mortgage lien on Kings Plaza Mall.	**Sponsor**	The Macerich Partnership, L.P.
Notional Balance (1)	$498,503,359	**Loan Seller**	Goldman Sachs Mortgage Company
Structure	Sequential	**Depositor**	GS Mortgage Securities Corporation II
Morningstar U/W Current DSCR (2)	1.38 x	**Lead Managers**	Goldman, Sachs & Co.
Morningstar Trust U/W BLTV	94.5%	**Trustee**	Deutsche Bank National Trust Company
Morningstar Trust U/W ELTV	80.8%	**Servicer**	Wells Fargo Bank, National Association
		Special Servicer	Wells Fargo Bank, National Association

Note:

(1) Cut-off date is February 3, 2013; approximately $1.5 million of principal has been amortized since the origination date of November 28, 2012.

(2) The loan has no interest only period and is amortizing throughout the full term. Current debt service is based upon the full debt service payment including both interest and principal payments.

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Transaction Overview

The collateral for the GS Mortgage Securities Corporation Trust 2013-KING (the "Trust") transaction is a $500 million first-mortgage loan secured by the fee simple interest and leasehold interest in Kings Plaza, a regional mall located in Brooklyn, Kings County, New York. Kings Plaza comprises 1.2 million square feet and is anchored by Macy's, Sears, and Lowe's Home Center. The collateral for the loan comprises 872,741 square feet and does not include Macy's anchor store (339,000 square feet); Macy's owns its improvements and the underlying land. The Lowe's Home Center is ground leased from the borrower and Lowe's constructed and owns the improvements. The collateral includes a leasehold interest in a small portion of the property, including the ingress/ egress, a marina building, and a portion of the ground under the parking garage; this small parcel is leased from the City of New York and the marina is subleased to All Seasons Marina.

The borrower on this loan includes Brooklyn Kings Plaza LLC, which owns the fee simple interest, and Kings Plaza Ground Lease LLC which owns the leasehold interest in the property (together the "Borrowers"). The Borrowers are indirectly owned by The Macerich Partnership, L.P., which is also the guarantor of the loan ("Guarantor"). The Macerich Partnership, L.P. is owned 93% by The Macerich Company and 7% by other partners. According to the arranger, The Macerich Company is a public company ("MAC") which as of January 31, 2013 owned or had an ownership interest in 61 regional shopping centers and other retail assets aggregating approximately 65 million square feet of gross leasable area in 18 states.

The loan is acquisition financing with an 84-month term and 360-month amortization schedule at an interest rate of 3.44122%. The loan does not have an interest-only period.

Key Loan Metrics		
First Mortgage Loan Amount	$500,000,000	$573 per square feet
Cut-Off Balance Feb 2013	$498,503,359	$572 per square feet
Mortgage Loan Term	84 months	
Maturity Date	December 3, 2019	
Amortization	360 months	Amortizing Balloon
Interest Rate	3.44122%	

Morningstar conducted an evaluation of the tenancy, market rent, and operating expenses and estimated a net cash flow of approximately $36.94 million which is 5.1% lower than that estimated by the Issuer. Morningstar valued the property using the direct capitalization method; our final aggregate value of approximately $527.8 million was calculated using a 7.0% capitalization rate. The Morningstar value, which equates to approximately $605 per square feet, is 30.6% lower than the appraised value of $760.0 million. The Morningstar valuation resulted in a beginning weighted-average loan-to-value ratio of 94.5% and a weighted-average ending loan to value of 80.8%.

Analytical & Underwriting Metrics

Metric	Morningstar UW	Issuer UW
Gross Potential Rent	$36,892,446	$40,225,190
Vacancy as % of EGI	5.0%	8.9%
Effective Gross Income	$73,095,747	$72,725,139
Total Operating Expenses	$34,210,631	$32,987,274
Net Operating Income	$38,885,116	$39,737,865
Net Cash Flow (NCF)	$36,938,940	$38,905,829
Variance to Issuer NCF	-5.1%	N/A
Capitalization Rate	7.00%	5.12%
Capitalized Value/Appraised Value (1)	$527,686,293	$760,000,000
Value Per Square Foot	$604.63	$870.81
DSCR on Net Cash Flow	1.38 x	1.45 x
Debt Yield on Net Cash Flow	7.41%	7.80%
Loan-to-value Ratio	94.6%	65.6%

Note: (1) Issuer Capitalized Value is the appraiser's estimate of value; issuer's capitalization rate is the Issuer's underwritten net cash flow divided by the appraised value. Loan to value and DSCR metrics are based on the cut-off date loan balance of $498,503,359.

Morningstar determined the preliminary ratings for each class of GSMS 2013-KING certificates by subjecting our estimated net cash flow and value conclusion to a variety of stresses in our proprietary CMBS Subordination Model. Morningstar will perform on-going monitoring of the rating on each class of certificates on a subscription basis in accordance with Morningstar's policies and procedures.

The Morningstar operational risk assessment ("ORA") ranking for Wells Fargo Bank, National Association, which is acting as Servicer and Special Servicer, is MOR CS2. For the full assessment reports and additional information, please access https://ratingagency.morningstar.com

Morningstar Perspective

The Kings Plaza loan (the "Trust Loan") is a $500 million first-mortgage financing for the sponsor's acquisition of the Kings Plaza Mall regional mall located in Brooklyn, New York. The loan has an 84-month term and amortizes on a 360-month schedule at an interest rate of 3.44122%. The cut-off balance for the loan is $498.5 million at securitization and reflects 94.5% leverage based upon the Morningstar valuation; based upon the appraised value the leverage is 65.6%.

The sponsor, The Macerich Partnership, L.P., contributed $268.40 million of equity in the transaction. According to information provided by the arranger, The Macerich Company, which owns the majority interest in the sponsor, is a public company which owns and operates 61 regional and super-regional malls and 12 shopping centers throughout the U.S. The Macerich Company has acquired four malls in the metropolitan area over the last two years including the Queens Center Mall in Queens, NY, Green Acres Mall in Valley Stream, NY, and The Shops at Atlas Park in Glendale, NY (a combined total of more than four million square feet of regional mall space). These assets serve approximately 15 million people and it is likely that the sponsor will be able to achieve leasing synergies between these assets.

The Kings Plaza Mall has reported historically stable operations since 2009. Effective gross income (EGI) has increased by an average of 3.25% between 2009 and the trailing twelve months ending July 2012 (TTM 7/ 2012), and net operating income (NOI) has increased by an average of 2.06% during the same period.

Morningstar's analysis of the loan, based on information provided on the arranger's website as of February 4, 2013, yielded a net cash flow of $36.94 million; this was 4.8% lower than the most recent reported net cash flow and 5.1% lower than the Issuer's underwritten net cash flow. The Morningstar net cash flow resulted in a DSCR of 1.38x based upon the loan payment terms.

The Bears Say

- Partial Real Estate Tax Parcel - The property has three tax parcels one of which is shared with an anchor tenant, Macy's. Macy's owns its store and such portion is not collateral for the mortgage loan. Per the arranger and the loan documents, the borrowers are obligated to pay real estate taxes for the entire parcel (inclusive of Macy's) and the borrowers are entitled to reimbursement from Macy's of Macy's pro rata share of such taxes. In addition, the entire tax parcel is divided into three separate legal parcels. However, per arranger, the New York City Register has a policy against recording a deed for a partial tax lot without prior tax lot subdivision. Despite this policy, the following several mitigants provide comfort in this transaction: (1) per the arranger, the deed conveying the property to the borrowers was accepted for recording in November, 2012, (2) per the loan documents, if commercially reasonable under the circumstances, the borrowers are required under the loan documents to use commercially reasonable efforts to divide the property and Macy's parcel into separate tax lots and failure to comply with such covenant, may trigger an event of default under the loan documents, (3) per the arranger, the lender's title policy includes coverage for loss or damage by reason of the property not being assessed as a separate tax lot from the Macy's parcel, (4) per counsel for arranger, the New York City Register policy is a policy and does not have the force of law and (5) per the arranger and its counsel, Macy's is required under the reciprocal easement agreement to use best efforts to secure the imposition of separate tax assessments if this is a requirement for a loan or a purchase. In the event that, despite these mitigants, the lots are not separated and lender is not able to record a deed or any retroactive application impacts a recorded deed, various lender remedies, including foreclosure, may be adversely impacted and cash flows and payments on the loan may be adversely impacted. Such adverse consequences may negatively impact the ratings.

- Gap and Sears Master Lease: Gap's lease of 22,175 square feet on the second level of the mall expired on January 31, 2013 and Gap has vacated the property. The Borrowers have executed a master lease to provide cash flow stability through and after the Gap lease expiration. Morningstar has not given credit in its underwriting to the Gap master lease and has underwritten the Gap space as vacant.

- Sears occupies 289,215 square feet on four floors and although the Sears lease does not expire until January 2023, the Borrowers believe that there is cash flow upside with the potential redevelopment of the Sears space. The Borrowers view the option to buy out the lease as a potential opportunity to increase cash flow and may approach Sears to negotiate the reduction in size or to terminate the lease prior to expiration. To cover the potential impact of reduced rent during a redevelopment, the sponsor will provide a master lease to cover short falls; the loan agreement allows the Borrowers to terminate the Sears lease at any time. The Sears master lease will provide for monthly payments in an amount equal to (1) 1/12th of 110% of the minimum and percentage rent that was payable by Sears and all Sears co-tenants during the 12 months preceding termination of their respective leases or exercise of co-tenancy or similar rights minus (2) the minimum and percentage rent actually payable in respect of such calendar month by Sears for that month by all replacement tenants under qualifying leases that are then occupying space vacated by Sears and the Sears co-tenants. If any of the Sears co-tenants exercise their co-tenancy rights to terminate their leases or to pay reduced rent, the payments under the Sears master lease will be required to replace any lost or reduced rents. It is important to note that the Borrowers are not currently in discussion with Sears about a lease buyout, nor has it had material conversations with replacement tenants. Morningstar has not given credit to the Sears master lease and underwritten the Sears space in-place through its expiration date. The in-place rent paid by Sears was determined to be the market rent for the space based on rental comparables for similar leases in the New York City area.

- Risks Related to the Power Plant – The power plant located on the roof of the property provides all electricity, steam, chilled water, and hot water to the property; tenants at the property purchase their utilities directly from the power plant. The power plant serves as collateral for the mortgage loan. However, the power plant is separated from the local utility grid and in the event that the power plant fails, tenants at the property have no alternative source of power. According to the arranger, it would cost approximately $29 million to connect the power plant to the grid. The Borrowers have represented that the power plant has capacity to fully satisfy the electric and thermal energy requirements of the property. Morningstar has assumed that the power plant and its operations will stay in place throughout the loan term.

- Environmental Concerns – A Phase I environmental assessment (ESA) conducted by Certified Environments, Inc. on January 9, 2013, identified some areas of concern and estimated a total cost of $3,000,000 for their remediation. These include $500,000 for continuing long term groundwater monitoring because of soil impacted by a bulk oil terminal that operated on part the Lowe's pad site; $1,000,000 for continuing corrective action and long term groundwater monitoring because of impacts of heating oil releases from underground storage tanks; and $1,500,000 for the continuing clean-up of a localized low-level chlorinated solvent impact. According to the ESA, the areas of contamination are being investigated and remediated pursuant to a Voluntary Cleanup Agreement and related Stipulation Agreements with the New York State Department of Environmental Conservation.

- High Leverage– The Kings Plaza loan is 94.6% LTV based on Morningstar's valuation of the property.

The Bulls Say

- Strong Location – Kings Plaza benefits from its location at Avenue U and Flatbush Avenue in Brooklyn, the second largest and most populous borough in New York City. The property has a trade area with more than 1.3 million residents and a population of 2.7 million people within a seven-mile radius. According to the appraiser, the property receives 10 million visitors per year. Kings Plaza is the dominant mall in its immediate trade area and its local competition comprises of community centers, power centers and local retailers. The nearest mall competitors are the Queens Center Mall, which is 12 miles north of the property and the Green Acres Mall which is 15 miles to the east.

- Strong Sales – The mall has historically outperformed its national and regional peer group. According to information provided by the arranger, the property generated comparable in-line sales of $706 per square feet for the twelve months ending December 2012, which was a 15.2% increase over 2011. According to the appraiser, the average mall shops sales in 2011 for the United States, the Northeast region and the New York metro area were $412, $468, and $548 per square foot, respectively.

- Upside Potential: The Borrowers believe that there is cash flow upside associated with the potential redevelopment of the existing Sears space with more productive tenants including grocery stores, a movie theatre, and in-line and junior anchor tenants. As indicated earlier, to facilitate optimal leasing of the property, the Borrowers will execute a master lease to cover income shortfalls during any redevelopment. Morningstar has not included any upside associated with this potential redevelopment, but rather, has assumed that the Sears lease will remain in place throughout the loan term.

- Strong Sponsorship – The sponsor, The Macerich Partnership, L.P., contributed $268.40 million of equity in the transaction. In addition to the subject property, the sponsor also has ownership interests in the Queens Center Mall in Queens, NY, Green Acres Mall in Valley Stream, NY and The Shops at Atlas Park in Glendale, NY, a combined total of more than four million square feet of regional mall space. These assets serve approximately 15 million people and it is likely that the sponsor will be able to achieve leasing synergies between these assets. Nationwide, The Macerich Company owns, or has an interest in, 61 regional and super-regional malls comprising approximately 65 million square feet in 18 states. In addition, the mall will be managed by Macerich Property Management Company, LLC, an affiliate of the sponsor. While Morningstar views the sponsorship as a positive attribute, we have given no value or credit to the sponsorship.

Property Site Visit

Morningstar conducted a site visit of the subject property on January 23, 2013. The property tour included the main mall building, the power plant, the parking garage, and the marina. Morningstar visited tenant spaces on the two main levels of the mall including the three anchor spaces that have direct access to the mall. The Lowe's anchor space was not visited. The interior of the mall was well maintained and no major deferred maintenance items were noted. Morningstar also did a visual inspection of the power plant which supplies electricity, chilled water, and hot water to the property. According to the property manager, the power plant was renovated in 2007 at a cost of approximately $17 million and included four new natural gas engines and new heat recovery steam generators. The power plant appeared to be well maintained and according to property management, its location on the roof of the mall did not pose risks based on vibration or weight. Morningstar also visited the parking garage, which was well maintained. According to the property manager, the parking garage provides more than adequate parking for customers and is able to accommodate shoppers on even the busiest shopping days such as Black Friday after Thanksgiving. The marina, which pays the same ground rent that is due to the City of New York by Kings Plaza, offers slips for rent and according to the property manager it currently has approximately 150 slips. Based upon our evaluation, Morningstar assigned a property quality score of 3 to the property which rates the property as average. Morningstar uses a scale of 1 to 5, with "1" being the highest quality. Factors including the property's age, location, and condition are considered in assigning the quality score. After assigning a quality score to each property, Morningstar then factors each score into the assignment of our capitalization rates.

Credit Support Stresses

Morningstar's final net cash flow and capitalization rates for each property are matched with the corresponding loan characteristics and subjected to various stresses, including net cash flow declines, capitalization rate deterioration and default timing, in Morningstar's CMBS Subordination Model at each rating category. Additional stresses are applied to the cash flow of those properties contributing to portfolio level concentration risks. This is done separately to gauge the credit-worthiness of each loan during its term and at the balloon date. In the case of the latter, Morningstar additionally stresses the ability of the Borrowers to refinance the loan at higher loan constants. For instance, at the AAA level, Morningstar's analysis utilizes a stressed refinance loan constant of 12.0%.

The metrics shown below highlight the magnitude of cash flow and value decline after applying all of the stresses at each rating category. These are provided separately for the term default and balloon default analyses. By way of example, in assigning a rating of "AAA" to the Class A certificates, we subjected our concluded net cash flow to a 32.4% decline and our concluded value to a 50.2% decline in the term default analysis. In the balloon default analysis, these declines were 32.4% and 50.2%, respectively. We should note that the balloon declines reflect the post-extension period improvement in those instances the stressed loan metrics allow for an extension at the balloon date. It should also be noted that these declines are applied to Morningstar's concluded net cash flow which in this cases is 4.8% lower than the in-place net cash flow. The declines applied to the individual properties differ and are a function of factors such as property type and concentration risks.

The resultant credit support levels based on these stresses are then compared to the levels of the actual capital structure to determine the appropriate rating level for each class of securities.

	AAA	AA	A	BBB	BB
Morningstar NCF Decline (Term)	32.4%	28.1%	25.5%	20.0%	14.9%
Morningstar Value Decline (Term)	50.2%	44.0%	36.8%	25.3%	20.6%
Morningstar NCF Decline (Balloon)	32.4%	28.1%	25.5%	20.0%	14.7%
Morningstar Value Decline (Balloon)	50.2%	44.0%	36.8%	25.3%	20.4%

Morningstar Rating Characteristics

Appendix C of this presale report contains general characteristics of Morningstar's rating of CMBS transactions as well as characteristics specific to this transaction.

Collateral Summary

The subject loan is secured by the fee simple and leasehold interest in Kings Plaza, which is located in Brooklyn, Kings County, New York. Kings Plaza is a 1.2 million square foot enclosed regional mall, with 742,215 square feet of anchor space and 469,526 square feet of in-line space. The main mall contains two floors, but the Macy's and Sears stores each have four levels; the Lowe's Home Center store has one level. Major anchors at the mall include Macy's, Sears, and Lowe's. Junior anchors at the mall include Best Buy, Forever 21, H&M, and Old Navy. A five-level parking garage provides 3,739 parking spaces at a parking ratio of 3.41 per 1,000 square feet, excluding Lowe's which has its own parking lot. The loan collateral includes 872,741 square feet representing 72.8% of the total mall area; Macy's, which occupies 339,000 square feet, owns its improvements and the underlying land and is not part of the collateral for the loan. Lowe's owns its improvements ground leases the land from the Borrowers. In addition, a portion of the mall comprising the ingress/ egress, the marina building and part of the ground under the parking garage is subject to a ground lease from the City of New York. The marina operator pays the mall the same ground rent that is due to the City of New York. The following table presents a summary of the type of retail use for the owned collateral at the mall and the relative size and rent generated by each tenant category.

Retail Use	Total Collateral Sq. Ft.	Total Occ. Sq. Ft	% Occupied	% Total Coll. Sq. Ft.	Collateral In-Place Rent	Collateral Rent Per Sq. Ft.	% Total Rent
Anchor	289,215	289,215	100.0%	33.1%	$4,916,655	$17.00	15.5%
Junior Anchor	152,043	129,868	85.4%	17.4%	6,377,299	$49.11	20.1%
In-Line (10,001-20,000 sq. ft.)	40,032	40,032	100.0%	4.6%	2,389,110	$59.68	7.5%
In-Line (5,001-10,000 sq. ft.)	78,298	60,533	77.3%	9.0%	3,452,136	$57.03	10.9%
In-Line (2,501-5,000 sq. ft.)	91,710	69,387	75.7%	10.5%	4,488,657	$64.69	14.1%
In-Line (1,201-2,500 sq. ft.)	55,005	44,358	80.6%	6.3%	3,804,673	$85.77	12.0%
In-Line (1-1,200 sq. ft.)	11,035	8,211	74.4%	1.3%	722,873	$88.04	2.3%
Food Tenants	25,319	25,319	100.0%	2.9%	1,903,097	$75.16	6.0%
Kiosk	3,451	3,451	100.0%	0.4%	1,174,129	$340.23	3.7%
Jewelry	2,355	2,355	100.0%	0.3%	447,460	$190.00	1.4%
Ground lease (Lowe's)	114,000	114,000	100.0%	13.1%	2,000,000	$17.54	6.3%
Marina	10,278	10,278	100.0%	1.2%	102,464	$9.97	0.3%
Total	**872,741**	**797,007**	**91.3%**	**100.0%**	**$31,778,553**	**$39.87**	**100.0%**

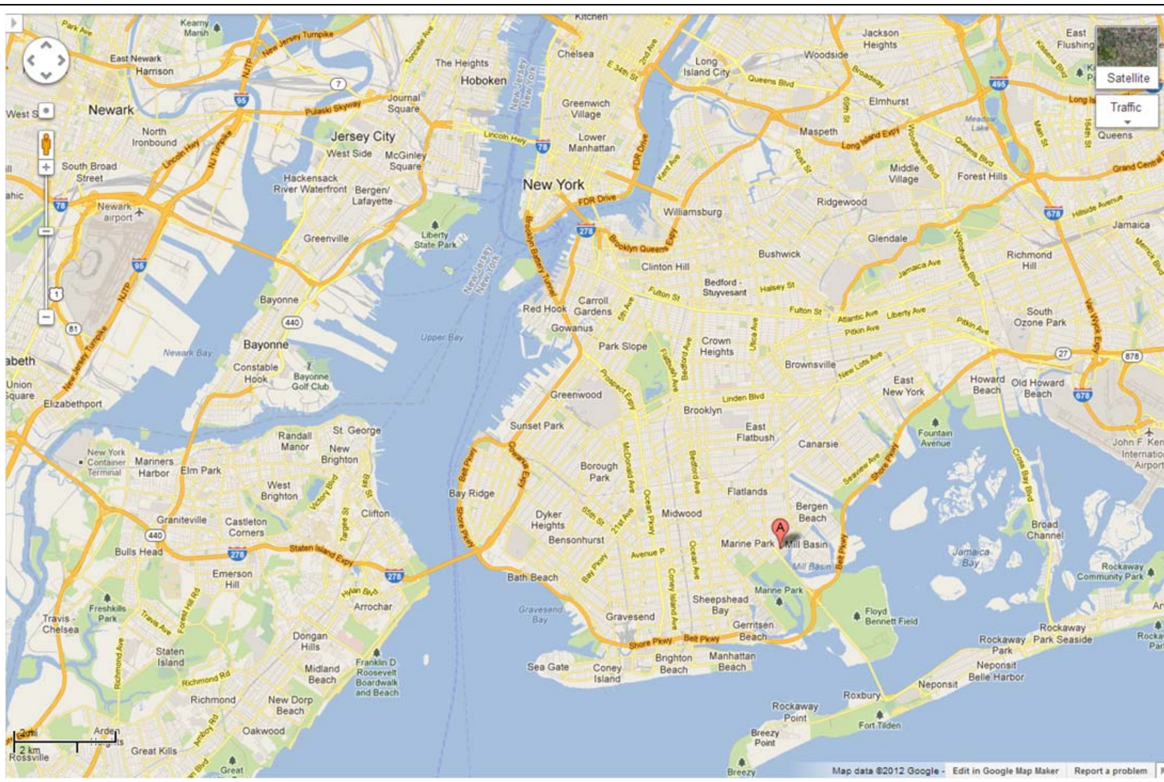
Note: Rent figures represented above are Morningstar's adjusted estimate of in-place rent for the property and may not match actual in place on the rent roll as some tenants have been excluded or assumed to be vacant.

The subject property is located at 5100 Kings Plaza Avenue in the Flatbush section of southeastern Brooklyn. The property is located at the intersection of Avenue U and Flatbush Avenue, which is a major thoroughfare. Local landmarks include Brooklyn College, two miles from the property; Prospect Park, five miles from the property; Floyd Bennett Field, one mile southeast of the property; Marine Park Golf Course, adjacent to the property; and All Seasons Marina, located at the subject property. Downtown Brooklyn is eight miles northwest of the property. The Belt Parkway, located one mile south of the property, provides access to a highway network which serves the greater New York City metro area. The intersection of Flatbush Avenue and Avenue U is a major hub of the New York City bus service and is served by eight bus lines.

Brooklyn is the second largest and most populous borough of New York City and the property has a trade area with more than 1.3 million residents and a population of 2.7 million people within a seven-mile radius. According to the appraiser, over the next five years, both the population and number of households in the property's trade area are projected to remain fairly stable. The property is expected to benefit from the high population density that currently results in over 10 million visitors annually.

The property is the dominant mall in its trade area and the nearest competing regional mall is 12 miles to the north. Local competition consists primarily of community centers, power centers and stand-alone retail. The primary competition is from Triangle at the Junction, a 300,000 square foot community center anchored by Target and located two miles northwest of the property; and Gateway Center, a 694,378 square foot power center located seven miles from the property. Gateway Center is anchored by Target and also has a Home Depot, Best Buy, BJ's Wholesale Club, and Babies R Us. A planned 625,000 square foot expansion of the Gateway Center, anchored by Shop Rite and JC Penney, is expected to be completed by year-end 2013 and will add to the local competition.

Source: Morningstar, Inc.



Source: Maps.Google.Com

Source: Morningstar, Inc.

Main Entrance (Level 1)

Source: Morningstar, Inc.

Level 2 Access

Source: Morningstar, Inc.

Level 1 In-Line Shops

Source: Morningstar, Inc.

Macy's (Anchor) Level 1 Entrance

Source: Morningstar, Inc.

Level 2 In-Line Shops

Source: Morningstar, Inc.

Forever 21 (Junior Anchor) Level 2 Entrance

Source: Morningstar, Inc.

Old Navy (Junior Anchor) Level 2 Entrance

Source: Morningstar, Inc.

Level 2 In-Line Shops

Source: Morningstar, Inc.

Best Buy and H&M (Junior Anchors) Level 2 Entrance

Source: Morningstar, Inc.

Power Plant

Source: Morningstar, Inc.

Parking Garage

Source: Morningstar, Inc.

Marina

Tenant Overview

The following table presents a summary of the Top Ten tenants at the property and provides key metrics for each tenant.

Tenant Name	Occupied Sq. Ft.	% Total Collateral Sq. Ft.	In-Place Rent	In-place Rent Per Sq. Ft.	% Total Rent	Lease Start	Lease Expiration
Sears	289,215	33.14%	$4,916,655	$17.00	15.47%	Oct-97	Jan-23
Lowe's Home Center	114,000	13.06%	2,000,000	17.54	6.29%	Jul-10	May-28
Best Buy	53,371	6.12%	2,561,808	48.00	8.06%	Aug-10	Jan-32
Old Navy	28,147	3.23%	1,604,661	57.01	5.05%	Feb-09	Jan-14
H&M	25,548	2.93%	943,488	36.93	2.97%	Jun-10	Jun-20
Forever 21	22,802	2.61%	1,267,342	55.58	3.99%	Jun-10	Jan-20
Modell's	16,880	1.93%	1,012,800	60.00	3.19%	Apr-07	Jan-17
Victoria's Secret	12,034	1.38%	761,151	63.25	2.40%	Jun-07	Jan-23
New York & Co.	11,118	1.27%	615,159	55.33	1.94%	Sep-06	Jan-16
All Seasons Marine Corp	10,278	1.18%	102,464	9.97	0.32%	Dec-12	Nov-13
Total	**583,393**	**66.85%**	**$15,785,528**	**$27.06**	**49.67%**		

Top-5 Tenant Overview

Sears: Sears Holdings Corporation (NASDAQ: SHLD) is a leading integrated retailer with over 3,900 stores in the U.S. and Canada, ranging from small corner appliance stores, to 400,000 square foot department stores. Sears is currently divided into three business segments: Sears Domestic, Kmart, and Sears Canada. Sears Domestic operates 834 full-line, 33 Sears Essentials, and 1,338 specialty stores in all 50 states and Puerto Rico. Sears Domestic stores offer a wide range of apparel, accessories, appliances, and general merchandise including tools, and auto parts. Kmart merged with Sears in 2005 and currently operates 1,305 stores in 49 states, Guam, Puerto Rico, and the U.S. Virgin Islands. Sears Canada is a 70.0 percent owned subsidiary of the company with 500 stores across Canada. Originally founded in 1893, Sears was the largest retailer in the United States from the 1950s to the early 1980s. Sears Holding Corporation announced in March 2012 plans to close a total of 173 stores during the first half of the year. These include 43 Sears Hometown Stores, 10 Sears Hardware Stores and nine The Great Indoors Stores. The retailer is also planning to close 60 of the 1,305 U.S. Kmart stores. Sears is closing 34 of its 834 domestic full-line stores as well as 17 of its 33 Sears Essentials/Grand stores. As of October 31, 2012, the Sears store had sales of $121 per square foot, which is below the national chain average of $156 per square foot for 2011.

Lowe’s Home Center: Lowe's Companies, Inc. (NYSE: LOW) is the world’s second largest home improvement retailer. Lowe’s operates more than 1,745 stores in the United States, Canada and Mexico and its stores stock 15 product categories ranging from appliances and tools, to paint, lumber and nursery products. The North Carolina based company had 2011 annual sales of $50.2 billion, operational cash flows of $4.3 billion and net earnings of $1.8 billion. Lowe’s reported sales of $405 per square foot through TTM 10/ 2012 in its first year of reporting.

Best Buy: Best Buy (NYSE: BBY) is a specialty retailer of consumer electronics, home-office products, entertainment software, appliances and related services. Best Buy operates over 1,400 stores in the United States under the Best Buy (1,103 stores), Best Buy Mobile (305 stores), Pacific Sales (34 stores), and Magnolia Audio Video (5 stores) banners. The company also operates 2,393 Carphone Warehouse and Phone House stores in Europe, 256 Best Buy, Best Buy Mobile and Future Shop stores in Canada, 204 Five Star Stores in China, and eight Best Buy stores in Mexico. In the 2012 fiscal year, Best Buy had total revenues of $50.7 billion, operating income of $1.1 billion and reported a net loss of $1.2 billion. Same store sales saw a decline of 1.7%. Best Buy is not required to report sales but according to management estimates, the store generated sales of $937 per square foot in 2011.

Old Navy: Old Navy is a subsidiary of The Gap, Inc. (NYSE: GPS). Founded in 1994, Old Navy became the first retailer to $1 billion in annual sales in less than four years of operation in 1997. Old Navy brand targets young families. As of January 28, 2012, Old Navy offered on-trend selections of apparel, shoes, and accessories for adults, children, and babies, as well as other items, including a maternity line and consumables. Customers can purchase Old Navy products in stores in the United States and Canada, and online, which includes online-exclusive items, such as a plus-size line. As of October 31, 2012, Old Navy had sales of $292 per square foot at the mall.

H&M: The H&M Group's business consists mainly of sales of clothing, accessories, footwear, cosmetics and home textiles to consumers. In addition to H&M and H&M Home, the H&M Group includes the brands COS, Monki, Weekday and Cheap Monday. The business is operated from leased store premises, through online and catalogue sales and on a franchise basis. At the end of the financial year H&M was present in 43 markets; eleven of these are operated on a franchise basis. The total number of stores at the end of the 2011 financial year was 2,472 including 70 franchise stores, 45 COS stores, 52 Monki stores, 19 Weekday stores and 4 Cheap Monday stores. The Group opened 296 stores during the 2011 financial year and 30 stores were closed. Of the new stores, 20 were opened on a franchise basis. As of October 31, 2012, H&M had sales of $528 per square foot at the mall.

Tenant Expiration and Lease Rollover

Kings Plaza has a stable rent roll with lease rollover spread evenly through the term of the loan. The average annual lease rollover during the term of the loan is 3.4% of the total collateral area and the highest lease concentration is in 2014 when 72,257 square feet representing 6.2% of the total collateral area is scheduled to expire. The year with highest lease expiration and tenant rollover is 2023, which is four years after the loan matures. The arranger has escrowed all outstanding tenant improvement and has established a monthly reserve for future leasing costs; for more information see the section entitled Leasing Reserve Fund on page 26 of this presale. The following table presents a summary of the lease rollover per year at the property:

Tenant Expiration and Lease Rollover

Kings Plaza has a stable rent roll with lease rollover spread evenly through the term of the loan. The average annual lease rollover during the term of the loan is 3.3% of the total collateral area and the highest lease concentration is in 2019 when 55,175 square feet representing 6.3% of the total collateral area is scheduled to expire. The year with highest lease expiration and tenant rollover is 2023, which is four years after the loan matures. The arranger has escrowed all outstanding tenant improvement and has established a monthly reserve for future leasing costs; for more information see the section entitled Leasing Reserve Fund on page 26 of this presale. The following table presents a summary of the lease rollover per year at the property:

Year of Expiration	# of Tenants	Sq. Ft. Expiring	Cumulative Sq. Ft. Expiring	% of Total Sq. Ft.	Rent Sq. Ft. Expiring	Total Rent Expiring	Cumulative Rent Expiring	% of Tot Rent
MTM	3	220	220	0.0%	$213.49	$46,972	$46,972	0.1%
2013	4	17,532	17,752	2.0%	35.44	621,340	668,312	2.0%
2014	12	50,092	67,844	5.7%	69.90	3,501,305	4,169,617	11.0%
2015	9	18,328	86,172	2.1%	68.45	1,254,547	5,424,164	4.0%
2016	12	27,218	113,390	3.1%	83.59	2,275,083	7,699,247	7.2%
2017	14	46,958	160,348	5.4%	70.02	3,287,968	10,987,215	10.4%
2018	8	15,588	175,936	1.8%	82.68	1,288,858	12,276,073	4.1%
2019	10	55,175	231,111	6.3%	56.19	3,100,525	15,376,598	9.8%
2020	7	35,390	266,501	4.1%	60.91	2,155,550	17,532,148	6.8%
2021	4	11,406	277,907	1.3%	71.10	810,990	18,343,138	2.6%
2022	12	28,185	306,092	3.2%	58.17	1,639,434	19,982,572	5.2%
2023	9	319,506	625,598	36.6%	22.03	7,040,173	27,022,745	22.2%
2024+	4	171,409	797,007	19.6%	27.75	4,755,808	31,778,553	15.0%
Vacant		75,734	872,741	8.7%				
Totals / Weighted Avg.	**108**	**872,741**	**n/a**	**100.0%**	**$39.84**	**$31,751,113**	**n/a**	**100.0%**

Note: Rent figures represented above are Morningstar's adjusted estimate of in-place rent for the property and may not match actual in place on the rent roll as some tenants have been excluded or assumed to be vacant.

Historical Sales

Comparable sales for in-line stores less than 10,000 square feet declined slightly between 2009 and 2011, but reflected strong growth during the last year; average sales per square foot increased by 15.2% (to $706 per square foot) during 2012. According to the appraiser, the increase is attributable to the loss of some of the less productive stores from the rent roll. The mall has historically outperformed its national and regional peer group. According to the appraiser, the average mall shops sales in 2011 for the United States, the Northeast region and the New York metro area were $412, $468, and $548 per square foot, respectively. The following table presents a summary of historical sales at the subject mall.

Category	2009(1)	2010(1)	2011(1)	2012(2)
Comparable Sales < 10,000 sq. ft. (millions)	$107.81	$106.42	$108.34	$106.82
Comparable Sales < 10,000 sq. ft. (per sq. ft.)	$627	$618	$613	$706
Comparable Sales > 10,000 sq. ft. (millions)	$38.02	$35.86	$55.91	$57.02
Comparable Sales > 10,000 sq. ft. (per sq. ft.)	$379	$357	$376	$411
Total Comparable Sale (millions)	$145.83	$142.28	$164.25	n/a
Total Comparable Sale (sq. ft.)	$535	$522	$505	n/a

Source:
(1)Statistics for 2009-2011 were provided in the Cushman & Wakefield Appraisal, November 2012.
(2) Statistics for Year End 2012 were provided by Macerich.

Collateral Features / Concerns

Based solely on a review of the materials enumerated herein, the following reflect highlights of certain material property features and/or concerns.

Summary of Master Leases

<u>Sears Master Lease</u>

Sears occupies 289,215 square feet on four floors. The first floor two floors are accessible from both the mall space and parking garage. Sears announced the closing of 172 stores in 2012 and more closures are likely in 2013. Although the Sears lease does not expire until January 2023, the Borrowers believe that there is upside with the potential re-tenanting of the Sears space with in-line tenants, junior anchor(s), and/or restaurants. The sponsor views the option to buy out or restructure the Sears lease as a potential opportunity to increase cash flow growth. To offset the potential declines in net cash flow during a redevelopment, the Borrowers will execute a master lease and the loan agreement allows the sponsor to terminate the Sears lease at any time. In addition, the master lease will cover any potential adverse impact due to co-tenancy clauses of three tenants, H&M, Things Remembered, and MAC Cosmetics.

The Sears master lease will provide for monthly payments in an amount equal to (1) 1/12th of 110% of the minimum and percentage rent that was payable by Sears and all Sears co-tenants during the 12 months preceding termination of their respective leases or exercise of co-tenancy or similar rights, minus (2) the minimum and percentage rent actually payable by Sears and all replacement tenants under qualifying leases that are then occupying space vacated by Sears and the Sears co-tenants. If any of the Sears co-tenants exercise their co-tenancy rights to terminate their leases or to pay reduced rent, the payments under the Sears master lease will be required to replace any lost or reduced rents. Morningstar assumes that the sponsor will have the funds to make such payments thereunder.

The Borrowers are not currently in discussion with Sears about a lease buyout, nor have they had material conversations with replacement tenants. Morningstar has not given credit to the Sears master lease and has underwritten the Sears space in-place through its expiration date. Morningstar underwrote Sears rent at the in-place $17.00 per square foot based on rental comparables for similar leases in the New York City area.

Gap Master Lease

Gap's lease of 22,175 square feet on the second level of the mall expires on January 31, 2013 and Gap has indicated that it will vacate the property. The Borrowers have executed a master lease to provide cash flow stability after the Gap lease expiration. According to the master lease, the Borrowers will be responsible to contribute the difference between the Gap rent at the closing of the loan and any reduced rent (capped at $1.8 million). This obligation will cease only after (i) the Gap premises are leased to tenants that contribute more income than the current Gap lease, (ii) property NOI exceeds $38.2 million for two consecutive quarters (excluding the current Gap income or master lease payments), or (iii) November 28, 2016. Morningstar has not given credit in its underwriting to the Gap master lease and has underwritten the Gap space as vacant.

Summary of Lowe's Ground Lease

Lowe's owns the improvements of its 114,000 square feet store but the underlying land is subject to a ground lease and is part of the collateral for the loan. The ground lease was executed on August 11, 2007 and expires on May 31, 2028. Lowe's has five renewal options of five years each plus one renewal option of three years for a fully extended lease expiration date of May 31, 2056. The annual ground rent is $2,000,000 for the 10 years of the lease term and $2,200,000 per year thereafter through the expiry of the initial term of the lease. The ground rent will increase to $2,420,000 per year during the first renewal term; $2,662,000 per year during the second renewal term; $2,928,200 per year during the third renewal term; $3,221,020 per year during the fourth renewal term; $3,543,122 per year during the fifth renewal term; and $3,897,734 per year during the sixth renewal term. Lowe's also has designated at-grade parking in front of its store, which does not form part of the parking garage that serves the mall.

Reciprocal Easement Agreement

Per the arranger, there is currently a reciprocal easement agreement (the "REA") in place at the property between the Borrowers and Macy's Retail Holdings, Inc., the owner of the Macy's store. The REA contains standard reciprocal easements providing for the use of common areas, ingress and egress, support and utilities, and Macy's is required to contribute to the maintenance of the common areas at the Property. The REA also provides that, so long as 130,000 feet of floor area of the Macy's store is operated for retail use, the Borrowers will be required to use the property as a covered mall for retail use, and no more than 12.5% of the Property may be used for the provision of services such as professional, banking, brokerage, insurance, real estate, financial, investment or travel services. The REA gives Macy's the right to use up to 20 reserved, covered parking spaces at no charge, plus an additional 100 spaces at rates specified in the REA. Macy's is required to receive chilled and hot water service, as well as electricity, from the Power Plant at specified rates. The Borrowers are obligated to pay the real estate taxes for the Tax Parcel shared with Macy's, and Macy's is required to pay the Borrowers its pro rata share of such taxes no later than 10 days before the taxes are due. If Macy's fails to reimburse the Borrowers, penalty interest will accrue on the delinquency. Morningstar is assuming the REA or equivalent agreement(s) will remain in place to the extent necessary and/or desirable for the use and/or operation of the property.

Co-Tenancy and Termination Provisions

Tenant leases at retail properties often have co-tenancy clauses or lease termination provisions that permit such stores to cease operating and/or terminate their leases or pay reduced rent if another tenant (usually an anchor tenant) and/or if a specified percentage of the stores at the property are not occupied and operating. Approximately half of the property's twenty largest tenants have co-tenancy clauses in their leases which require, among other things, that (a) at least one or two major department stores are open at the property and/or (b) a specified percentage (generally between 70% and 80%) of In-line space at the Property be occupied. In addition, one of the Property's twenty largest tenants has an early termination right: The Modell's lease, which commenced April 1, 2007, permits Modell's to terminate its lease if there is no entrance into the mall which opens into a corridor adjacent to the tenant's premises. Many other tenants at the Property have one or more termination rights, co-tenancy provisions and kick-out rights (some of which are similar to those described above) based on, among other things, gross sales or occupancy percentages.

In the event that the Borrowers elect to terminate the Sears lease, some of the tenants may opt to exercise their co-tenancy rights to terminate their leases or to pay reduced rent. This risk is mitigated by the fact that the Sears master lease will be required to replace any lost or reduced rents associated with triggered co-tenancy rights or terminations. For the purposes of our evaluation, Morningstar has assumed that the Sears lease will stay in place throughout the loan term.

Summary of Property Ground Lease

Per the arranger, a portion of the property comprising of the marina building, a portion of the parking structure, and a primary access point to the property is ground leased to the applicable Borrower from the City of New York. The original 50-year lease term expires on May 28, 2018. However, there are four 10-year extensions and one 9-year extension, for a fully extended expiration of 2067. The current ground rent is $102,464 per year and fixed rent will increase at every 10-year renewal. On December 26, 2012, the applicable Borrower gave notice to the City of New York that it will exercise the first extension option. All Seasons Marine Corp. is currently leasing the Marina Building from the applicable Borrower, and pays the same ground rent that is due to the City of New York. After an initial 27-month term (expired August 2004), the lease has been extended for one or two years upon each termination, with a current expiration of 11/30/2013. The following picture shows the delineation of the leased land.

Source: GSMS Rating Agency Presentation

Real Estate Taxes

ICIP Tax Abatement: The property is located in the taxing jurisdiction of City of New York, and the assessor's parcel identification number is Block 8470, Lot 50, 55 and 114. The property qualified for the New York City 15 year Industrial & Commercial Incentive Program (ICIP) tax abatement. Taxes are payable on the subject land based on current assessments; however, the improvements are exempt from real estate taxes for 10 years. Taxes on the improvements are then phased in at 20 percent increments from year 12 through year 15 when the exemption ends. Lot 55 benefits from the ICIP program under two separate abatements. The tax abatement benefits will burn-off after the 2014-15 tax year and Morningstar has conservatively underwritten real estate taxes based on the appraiser's estimate of unabated real estate taxes for 2013-14.

Partial Real Estate Tax Parcel: The property has three tax parcels one of which is shared an anchor tenant, Macy's. Macy's owns its store and such portion is not collateral for the mortgage loan. Per the arranger and the loan documents, the borrowers are obligated to pay real estate taxes for the entire parcel (inclusive of Macy's) and the borrowers are entitled to reimbursement from Macy's of Macy's pro rata share of such taxes. In addition, the entire tax parcel is divided into three separate legal parcels. However, per arranger, the New York City Register has a policy against recording a deed for a partial tax lot without prior tax lot subdivision. Despite this policy, the following several mitigants provide comfort in this transaction: (1) per the arranger, the deed conveying the property to the borrowers was accepted for recording in November, 2012, (2) per the loan documents, if commercially reasonable under the circumstances, the borrowers are required under the loan documents to use commercially reasonable efforts to divide the property and Macy's parcel into separate tax lots and failure to comply with such covenant, may trigger an event of default under the loan documents, (3) per the arranger, the lender's title policy includes coverage for loss or damage by reason of the property not being assessed as a separate tax lot from the Macy's parcel, (4) per counsel for arranger, the New York City

Register policy is a policy and does not have the force of law and (5) per the arranger and its counsel, Macy's is required under the reciprocal easement agreement to use best efforts to secure the imposition of separate tax assessments if this is a requirement for a loan or a purchase. In the event that, despite these mitigants, the lots are not separated and lender is not able to record a deed or any retroactive application impacts a recorded deed, various lender remedies, including foreclosure, may be adversely impacted and cash flows and payments on the loan may be adversely impacted. Such adverse consequences may negatively impact the ratings. Morningstar has assumed that the Borrowers are responsible for and pays the full amount of real estate taxes notwithstanding Macy's obligation to pay its pro rata share.

Power Plant Description

Per the arranger, a stand-alone, power plant provides all electricity, chilled water and hot water to the property. The power plant was historically owned by a joint-venture between a Vornado affiliate and EWP Renewable Corporation ("EWPRC"). EWPRC managed the power plant operations. At closing, the Borrowers acquired a 100% interest in the power plant, which serves as additional loan collateral. EWPRC will continue to manage the power plant operations going forward. The power plant is located on the roof of the mall and was completely rebuilt between 2005 and 2007.

Tenants purchase their utilities directly from the power plant. The power plant has historically operated at a profit, producing an average of $2.6 million in net revenue from 2009 – TTM 11/30/12. The power plant and property both carry full casualty coverage in excess of replacement costs. The plant remains separated from the local utility grid, but a recent interconnect study performed by Consolidated Edison confirms that an interconnection allowing the plant to export its surplus electric capacity of approximately 5.0 MWe is technically feasible. This interconnection could also provide backup utility services should they ever be required in the future. According to the property manager, the location of the power plant on the roof of the mall does not cause any vibration, noise or weight concerns. According to the Borrowers, it would cost approximately $29 million to connect the power plant to the grid. The Borrowers have represented that the power plant has capacity to fully satisfy the electric and thermal energy requirements of the property. Morningstar has assumed that the power plant and its operations will stay in place throughout the loan term.

Environmental Concerns

A Phase I environmental assessment (ESA)was conducted by Certified Environments, Inc. in July 2012 and updated on January 9, 2013, which identified the following areas of concern and estimated a total cost of $3,000,000 for their remediation:

Historical Use Review

A former plastics business was present at the northern portion of the property, which is currently finished as surface pavement. Subsurface investigations did not identify impacts from this past use, but did identify contaminated fill soils. According to the environmental engineer, characterization studies have been completed and a request for closure is under review. The engineer expects that the closure requirements will include a land use restriction and requirement to maintain a formal cap over the defined area of impacted fill soils. A bulk oil terminal operated on a portion of the property that is currently the Lowe's pad site. Impacted fill soils similar to those at the area of the plastics business (discussed above) were found. According to the ESA, the majority of corrective actions to address fill soils and/or petroleum impacts to this area have been completed, long-term groundwater monitoring is ongoing at this time, and is it possible that a land use restriction and cap maintenance maybe required under closure conditions. The engineer estimated the remaining costs at $500,000. The Borrowers have provided an indemnification.

Storage Tanks

There were two sets of heating oil underground ground storage tanks ("USTs") for onsite boilers. Both the original and replacement USTs were in the same tank field, all heating oil USTs have been removed, and there are no current USTs at the property at this time. According to the ESA, there are impacts from one or more past heating oil releases from the USTs, and the regulatory cases are collectively addressed under a VCP case that remains open today. The ESA states that substantial corrective action has been completed under regulatory oversight, but continued corrective action and long-term groundwater monitoring are expected prior to requesting case closure. The engineer expects that the case will remain open for at least five more years and estimates costs of $1,000,000 to complete remaining actions. The Borrowers have provided an indemnification.

Regulatory Agency / Database Review

The ESA has identified a localized area of low-level chlorinated solvent impact in the groundwater in the general area of the heating oil UST release discussed above. The ESA states that plans to treat the impacts are on-going and expects that this regulatory case will remain open for at least five years and will cost $1,500,000. The Borrowers have provided an indemnification.

Flood Risk

The subject property is located in flood zone X, which is defined as areas determined to be outside the 500 year flood plain, as indicated by FEMA Map 3604970356F, dated September 5, 2007. If any portion of the improvements is at any time located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law flood hazard insurance will be required in an amount equal to $100,000,000.

On October 29, 2012, Hurricane Sandy made landfall approximately five miles southwest of Atlantic City, New Jersey, causing extensive damage to coastal and inland areas in the eastern United States, including New York, where the Kings Plaza is located. The damage to the affected areas included, among other things, flooding, wind and water damage, forced evacuations and fire damage. Although the subject sustained only nominal damage, the cost of the hurricane’s impact on the surrounding area and neighborhood, as well as the related economic impact, is expected to be significant for some period of time, particularly in the areas most directly damaged by the storm.

Market Area Overview

General Overview

Kings Plaza is located in the Brooklyn, Kings County, New York within the New York MSA. The property benefits from good regional and local accessibility. Major roadway proximity to the center provides the necessary access to more regional destinations throughout the region, while the property's anchor stores provide the necessary drawing power for the property. According to the appraiser, the property's primary and secondary trade areas are concentrated in Brooklyn with some part of the secondary trade area spilling into Rockaway Park and Breezy Point.

The property is located in a densely populated area with a population of approximately 600,000 people within a three-mile radius and a population of 1.7 million within a five mile radius. According to the appraiser, the high population density provides for over 10 million visitors to the mall annually. Population in the primary trade area is expected to increase 0.3% per year over the next five years. The number of households in the primary trade area grew at an annual rate of 0.14% between 2000 and 2012 and the number of households is expected to increase at 0.5% per year over the next five years. Trade area income figures for the subject support the profile of a broad middle-income market. According to the appraiser, average household income in the primary trade area in 2012 was approximately $61,095, 70.93% percent of the MSA average ($86,140) and 81.48% of the state average ($74,977). The following table presents a summary of key demographic and economic indicators in the subject's market area.

	Secondary Trade Area	Primary Trade Area	Total Trade Area	New York CBSA
Population Statistics				
2000	686,401	658,652	1,345,053	18,318,648
2012	684,955	663,895	1,348,850	19,001,817
2017	696,303	673,227	1,369,530	19,320,690
Compound Annual Change				
2000 - 2012	-0.02%	0.07%	0.02%	0.31%
2012 - 2017	0.33%	0.28%	0.30%	0.33%
Household Statistics				
2000	233,454	246,570	480,024	6,675,014
2012	245,795	250,805	496,600	6,984,063
2017	253,080	257,104	510,184	7,140,510
Compound Annual Change				
2000	0.43%	0.14%	0.28%	0.38%
2012	0.59%	0.50%	0.54%	0.44%
Average Household Income				
2000	$41,882	$48,531	$45,297	$71,129
2012	52,002	61,095	56,594	86,140
2017	53,674	63,328	58,539	88,846
Compound Annual Change				
2000	1.82%	1.94%	1.87%	1.61%
2012	0.63%	0.72%	0.68%	0.62%
Retail Sales Potential ($ Million)				
Total Retail Sales	$4,079	$4,834	$8,912	$276,810
Total GAFO Sales(1)	1,609	1,389	2,998	85,871
Total Expenditure Potential	12,782	15,323	28,105	601,607
GAFO % of Total Retail Sales	39.45%	28.74%	33.64%	31.02%
GAFO % of Total Expenditure Potential	12.59%	9.07%	10.67%	14.27%

Source: Cushman & Wakefield Appraisal, November 2012
Note: (1) GAFO: General Merchandise, Apparel & Accessory, Furniture & Home Furnishing, and Other

Competitive Retail Market

As the only regional mall in Brooklyn, Kings Plaza currently has limited competition locally. In addition, there are high barriers to entry making it difficult for the development of a competing mall of similar size. The property is the dominant mall in its trade area and the nearest competing regional mall is 12 miles north. Local competition consists primarily of community centers, power centers and stand-alone retail. The primary competition is from Triangle at the Junction, a 300,000 square foot, 97% occupied, community center anchored by Target and located two miles northwest of the property; and Gateway Center, a 694,378 square foot, 95% occupied, power center located seven miles from the property. Gateway Center is anchored by Target and also has a Home Depot, Best Buy, BJ's Wholesale Club, and Babies R Us. A planned 625,000 square foot expansion of the Gateway Center, anchored by Shop Rite and JC Penney, is expected to be completed by year-end 2013 and will add to the local competition.

A Home Depot is located adjacent to the subject's Lowe's store. According to the mall management, Lowe's has outperformed the Home Depot since its opening in July, 2010. Other competition to the subject property comes from various neighborhood and community centers throughout Kings County, including downtown Brooklyn. Various other nodes of retail development exist throughout the area and offer varying degrees of competition to the subject. There are a number of larger strip centers, freestanding stores, and big box specialty retailers that, because of their major tenants and merchandising, do compete to some degree with the subject.

The following table presents a summary of the insert number retail centers which present direct competition for the subject.

Summary of Primary & Secondary Retail Competition

Property Name	Location	Type of Center	Miles to Subject	Total Sq. Ft.	Year Built	Year Renov.	Occy Rate %	Major Anchors & Tenants
Triangle at the Junction	Brooklyn, NY	Community Center	2.2	300,000	2008	N/A	97.0%	Target
Gateway Center	Brooklyn, NY	Power Center	6.8	694,378	2001	N/A	95.0%	Target Home Depot, Best Buy, BJ's Wholesale Club, Babies R Us
Queens Center Mall	Elmhurst, NY	Regional Mall	12.7	942,960	1973	2004	98.0%	JC Penney Macy's
Green Acres Mall	Valley Stream, NY	Super Regional Mall	13.9	1,773,000	1956	2010	91.0%	JC Penney, Macy's, Macy's Men's & Home, Sears, Kohl's

The weighted average occupancy of the competing retail centers is 94.0%. The appraiser concluded a weighted average market rent of $70.84 per square foot for the in-line shop space at Kings Plaza based on a range of $62.00 per square foot for shops between 5,000-10,000 square feet to $93.00 per square foot for shops up to 1,200 square feet. The appraiser concluded market rents of $180.00 per square foot for jewelry stores, $90.00 per square foot for food stores/ restaurants and $450.00 per square foot for kiosks. For junior anchors and the Lowe's space, the appraiser concluded $50.00 per square foot and $17.00 per square foot, respectively as market rent. Morningstar generally estimated market rents in line with the appraiser's conclusions, except for the Sears space, which was underwritten to its in-place rent.

Morningstar Analysis and Valuation

Morningstar evaluated the asset's historical cash flow, occupancy levels, operating expenses, fixed expenses, tenant improvements, leasing costs, and capital costs. Morningstar's estimates of revenue and expenses, as well as our analytical approach, are discussed below.

Morningstar Estimate of Net Cash Flow

Gross Potential Rent

Gross potential rent is based upon the rent roll dated August 27, 2012 and includes contractual rent increases through December 31, 2013. Morningstar's estimated market rents are based upon an analysis of recent leasing at the property, the appraiser's conclusions, and comparable rental information provided within the appraisal and other market sources. Our concluded rent blends the in-place rents towards the estimated market rent. Given the strong in-line sales performance of the mall at over $700 per square foot, Morningstar did not make any occupancy cost adjustments.

Rental Vacancy and Concessions

Kings Plaza has historically reflected strong occupies; occupancy was 97% during 2010, 96.9% during 2011, and 95.2% during 2012. Morningstar has estimated a more conservative occupancy of 93% (7% vacancy) based upon our review of the leases and market conditions. For our analysis, in-place vacancy is based upon the rent roll dated January 18, 2013. In addition to the spaces indicated as vacant on the rent roll, Morningstar's in-place vacancy includes the Gap (22,175 square feet), Strawberry (10,000 square feet), and Easy Spirit (1,120 square feet) leases because these tenants have indicated that will vacate their spaces upon lease expiration. Morningstar's estimated market vacancy to be 5.0% is based on the appraiser's conclusions, and comparable rental information provided within the appraisal. Morningstar's concluded vacancy blends the in-place vacancy towards the estimated market vacancy. Concessions were underwritten in line with the historical average concession percentage. The following table presents a summary of Morningstar's concluded rent and vacancy for each tenant category evaluated.

Retail Use	Total Collateral Sq. Ft.	Total Occupied Sq. Ft	Est. Market Rent Per Sq. Ft	Morningstar Rent Per Sq. Ft	Morningstar Vacancy
Anchor	289,215	289,215	$17.00	$17.00	1.9%
Junior Anchor	152,043	129,868	$50.00	$49.35	11.0%
In-Line (10,001-20,000 sq. ft.)	40,032	40,032	$60.00	$59.80	1.9%
In-Line (5,001-10,000 sq. ft.)	78,298	60,533	$62.00	$58.89	16.1%
In-Line (2,501-5,000 sq. ft.)	91,710	69,387	$68.00	$65.93	17.1%
In-Line (1,201-2,500 sq. ft.)	55,005	44,358	$78.00	$82.86	14.0%
In-Line (1-1,200 sq. ft.)	11,035	8,211	$93.00	$89.90	17.9%
Food Tenants	25,319	25,319	$90.00	$80.73	1.9%
Kiosk	3,451	3,451	$450.00	$379.27	1.9%
Jewelry	2,355	2,355	$180.00	$186.25	1.9%
Ground lease (Lowe's)	114,000	114,000	$17.00	$17.34	0.0%
Marina	10,278	10,278	$10.00	$9.98	0.0%
Total	**872,741**	**797,007**	**$43.11**	**$42.27**	**7.0%**

Other Income

Expense Reimbursements – Morningstar underwrote expense reimbursements in line with the arranger's recovery ratio of 87.9%. Morningstar's total underwritten expense reimbursements are higher than the issuer's underwriting because the underwritten operating expenses are higher.

Overage/Percentage Rent – Morningstar underwrote percentage rent in line with the arranger's estimate, which is based on the actual lease terms and sales through October 2012.

Kiosks/ Temporary Income – Morningstar underwrote kiosks/ temporary income in line with the TTM 7/ 2012 income.

Power Plant Profit – Morningstar underwrote power plant profit in line with the Borrowers' 2013 budget. The power plant has historically generated approximately $2.6 million of profits per year since 2009.

Parking Income, Marina, and Other Income – Morningstar underwrote parking income and other income based on the historical averages of these income line items. Any income associated with the sublease of the Marina is assumed to be included in this income category.

Operating Expenses

Morningstar's expenses are underwritten in-line with historical result unless otherwise noted below.

Real estate taxes – Morningstar underwrote real estate taxes based on the appraiser's estimate of real estate taxes for the property for the 2013-14 tax year. The property qualified for the New York City 15 year Industrial & Commercial Incentive Program (ICIP) tax abatement. Taxes are payable on the subject land based on current assessments; however, the improvements are exempt from real estate taxes for 10 years. Taxes on the improvements are then phased in at 20 percent increments from year 12 through year 15 when the exemption ends. The tax abatement burns-off after the 2014-15 tax year and Morningstar conservatively underwrote the appraiser's estimate of unabated taxes.

Insurance – Morningstar underwrote insurance expense in line with the Borrowers' budget for 2013. The insurance expense is expected to decrease under the new property ownership since this asset will be covered under the Borrowers' blanket policy.

Management Fees – Morningstar generally estimates management fees as the greater of the contractual management fees or 3.0% of the effective gross income (EGI). For Kings Plaza, Morningstar underwrote management fees at 3.0% of EGI. However, since the Borrowers will be leasing space at the property through its in-house team, management fees were adjusted to deduct estimated leasing costs.

Utilities, Repairs & Maintenance and Contract Services – Morningstar underwrote utilities, repairs & maintenance and contract services expenses in line with the Borrowers' 2013 budget.

Ground Rent – Morningstar underwrote ground rent expenses in line with the ground lease terms.

Capital Expenses

Tenant Improvements – Morningstar underwrote tenant improvements (TIs) based on new and renewal TIs estimated by the appraiser. Morningstar assumed $20.00 per square foot for new TIs and $2.00 per square foot for renewal TIs for all tenant categories except for Kiosks and the Lowe's ground lease, for which no TIs were underwritten. Morningstar assumed a renewal probability of 65.0% for all tenant categories except for the Sears space, for which a 25.0% renewal probability was assumed.

Leasing Commissions – Morningstar underwrote leasing commissions (LCs) at 4% for new tenants and 2% for renewing tenants, assuming a 65% renewal probability (except for Sears, see above) and 10-year lease terms except for the Lowe's ground lease, for which a 15-year lease term was assumed.

Capital Reserve – Morningstar underwrote capital reserves at $0.38 per square foot, which is 110.0% of the recommended reserve amount in the property condition report.

Morningstar Valuation

Morningstar estimated the value of the asset based the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail sector in each region and major metropolitan area based upon a review of investor surveys including Real Estate Research Council, PWC Real Estate Investor Survey (Korpacz), as well as a review of research and comparable sales information provided by Real Capital Analytics. The Morningstar capitalization rate for the New York City retail market was 7.6%. This base capitalization rate was adjusted to reflect the relative location, quality, and condition of the subject asset relative to the overall market. Morningstar's concluded capitalization rate for this asset was determined to be 7.0% which resulted in a direct capitalization value of $527.73 million, or $604.68 per square foot.

The table on the following page presents a summary of historical operating results for 2010, 2011, Trailing 12 months ending November 30, 2012, the arranger's underwriting, and Morningstar's conclusions.

	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 11/30/12	Arranger Underwriting
Income					
Gross Potential Rent	$36,892,446	$31,030,918	$32,886,880	$32,649,870	$40,225,190
Less: Vacancy Loss (GPR)	(3,620,543)	(1,051,312)	(1,221,181)	(822,150)	(6,494,600)
Less: Collection Loss	(310,045)	(299,724)	(192,174)	0	0
Less: Vac Adj for Concess/Coll Loss	21,801	0	0	0	0
Base Rent/Net Effective Rent	**$32,983,686**	**$29,679,881**	**$31,473,525**	**$31,827,720**	**$33,730,590**
Expense Reimbursement	$30,071,803	$27,971,653	$28,047,436	$28,403,028	$28,999,153
Percentage Rent	163,379	247,222	146,588	255,710	168,585
Parking Income	4,145,932	4,036,995	4,090,226	3,763,051	4,141,000
Power Plant Profit	2,369,000	2,912,000	2,629,031	2,246,358	2,369,000
Other Income	495,079	427,929	491,488	467,586	448,859
Kiosks/ Temporary Income	2,866,868	3,148,346	2,957,575	2,867,952	2,867,952
Effective Gross Income	**$73,095,747**	**$68,424,026**	**$69,835,869**	**$69,831,405**	**$72,725,139**
Expenses					
Real Estate Taxes	$13,505,391	$11,142,598	$11,723,087	$12,341,205	$12,629,895
Property Insurance	200,000	724,002	669,537	725,710	200,000
Utilities	9,939,650	9,743,453	9,215,141	8,337,146	9,939,650
Repairs and Maintenance	3,617,133	3,508,245	3,602,441	3,412,308	3,617,133
Janitorial	1,863,991	2,015,846	1,993,575	1,783,112	1,863,991
Management Fees	1,346,843	1,089,801	1,141,833	1,158,275	1,000,000
Payroll & Benefits	2,240,771	1,799,326	1,723,244	1,577,283	2,289,999
Other Expenses	1,391,311	1,319,339	1,239,371	1,615,459	1,344,142
Market Expense Adjustment	105,541	102,464	102,464	101,610	102,464
Total Operating Expenses	**$34,210,631**	**$31,445,074**	**$31,410,694**	**$31,053,112**	**$32,987,274**
Net Operating Income	**$38,885,116**	**$36,978,952**	**$38,425,175**	**$38,778,293**	**$39,737,865**
Capital Items					
Leasing Commissions	$846,117	$0	$0	$0	$280,743
Tenant Improvements	771,807	0	0	0	280,743
Capital Expenditure / Reserve	329,152	0	0	0	270,550
Total Capital Items	**$1,947,076**	**$0**	**$0**	**$0**	**$832,036**
Net Cash Flow	**$36,938,040**	**$36,978,952**	**$38,425,175**	**$38,778,293**	**$38,905,829**

Note: Morningstar's evaluation of historical operating results is based upon 2010, 2011, and the trailing 12 month period ending July 31, 2012. Updated results reflected above for the period ending TTM November 1012) were not available at the time of our analysis.

Loan Summary

General Loan Terms

The loan is a $500 million fixed-rate, seven-year loan which matures December 2019 with no options for extension. The interest rate on the loan is fixed at 3.441220% and principal will be amortized based upon a 30-year schedule. The loan provided funds for the acquisition of the mall; however the Borrowers invested over $268.4 million as part of the initial capitalization. The following table presents a summary of the sources and uses of this transaction.

Sources of Funds		Uses of Funds	
First Mortgage	$500,000,000	Purchase Price	$751,000,000
Equity	268,403,000	Title & Escrow Costs	2,645,000
		Recording Fees	12,005,000
		Reserves	2,240,000
		Other Closing Costs	513,000
Total Sources	$768,403,000	Total Uses	$768,403,000

Note: figures are rounded to the nearest $1,000.

The mortgage is secured by a first lien mortgage on the fee simple and leasehold interests in the property, a first lien mortgage on the fee interest of Kings Plaza Energy LLC in the stand-alone power plant located on the roof of the property, a first priority assignment of rents and leases encumbering the interest of the Borrowers in the rents and leases of the property, a pledge of Brooklyn Kings Plaza LLC's equity interest in Kings Plaza Ground Lease LLC, and an assignment of collateral accounts related to the property.

Borrowers and Sponsors

The Borrowers on this loan include Brooklyn Kings Plaza LLC, which owns the fee simple interest, and Kings Plaza Ground Lease LLC, which owns the leasehold interest in the property. The Borrowers are indirectly owned by The Macerich Partnership, L.P., which is also the guarantor of the loan ("Guarantor"). The Macerich Partnership, L.P. is owned 93% by The Macerich Company and 7% by other partners. The Macerich Company is a public company ("MAC") which as of January 31, 2013 owned or had an ownership interest in 61 regional shopping centers and other retail assets aggregating approximately 65 million square feet of gross leasable area in 18 states.

Management Agreement

The property will be managed by Macerich Property Management Company, LLC ("MPMC") which is a Borrower affiliated entity. The management agreement was executed November 28, 2012. Management fees are 1.5% of gross receipts which includes all income with the exception of tenant reimbursable expenses including taxes, common area maintenance, utility reimbursements, security deposits, and other reimbursed charges. In addition to the management fee, Borrowers shall reimburse the manager for all allocable overhead and other expenses from the MPMC regional and corporate offices including payroll, accounting, regional leasing, advertising, and other charges.

Loan Structural Components

SPE and Bankruptcy Remoteness

The borrowers are required under the loan documents and their organizational documents to maintain themselves as special purpose entities generally limited in their activities to ownership and operation of the mortgaged property (or related activities). The loan documents and borrowers' organizational documents also include limitations on the borrowers' ability to incur additional indebtedness and additional covenants regarding the borrowers' separateness from other entities. While the borrowers are generally limited in incurring additional indebtedness, the loan allows for broader and/or higher thresholds of permitted debt than may be customary for a transaction of this type and size. The borrowers are also required to have independent managers whose consent is required for certain bankruptcy matters. Although the loan documents and organizational documents require the borrowers to comply with certain covenants relating to their separateness, and the borrowers make certain representations regarding their previous existence, the borrower(s) existed prior to the origination of the loan. While pre-existing entities present a higher risk than newly formed single purpose entities, nonconsolidation opinions relating to the borrowers were provided.

While single purpose entity borrowers are intended to lessen the possibility that a borrower's financial condition would be adversely impacted by factors unrelated to the mortgaged property and the mortgage loan, there is no assurance that such borrowers will not nonetheless become part of a bankruptcy proceeding.

Prepayment Protection

Other than in connection with a defeasance, the Borrowers do not have the right to prepay the loan in whole or in part until the date which is three months prior to the maturity date (September 2019).

Defeasance

The loan provides for the defeasance of the entire loan amount after the date which shall be the earlier of the third anniversary of the closing date of the loan (November 28, 2015) or the second anniversary of the closing of the securitization (February 25, 2015). Defeasance is a process whereby highly rated government securities replace the mortgage in a sufficient amount to continue the monthly payments. Unless the loan is subject to an involuntary prepayment or default, there is no prepayment or yield maintenance premium required for the defeasance of the loan.

Property Releases

The loan allows for the release of an out parcel from the lien of the loan if the parcel at loan origination is non-income producing and unimproved, except for improvements related solely to surface parking, landscaping, and similar non-structural improvements. The loan requires that the disposition of any out parcel property must not materially and adversely affect the ongoing operations of the remaining property or collateral; reciprocal easement agreements for the benefit and burden of the remaining property shall be established and recorded regarding the use of common facilities of such parcels, including, but not limited to, roadways, parking areas, utilities and community facilities shall be declared and recorded, and Borrowers shall certify that the remaining property and the out parcel will be in compliance with all applicable covenants under all easements and property agreements contained in the permitted encumbrances for the property.

Subordinated Debt

The loan documents do not permit mezzanine debt. The only types of debt permitted are the loan and certain permitted debt. As previously described, the permitted debt is broader than preferred. In addition, (i) certain pledges of equity interests in and rights to distributions from a Qualified Real Estate Investor (as defined in the loan documents) and (ii) pledges by the sponsor, The Macerich Company and/or any direct or indirect owner of either of its ownership interests in the Borrowers to a Qualified Real Estate Investor as part of a corporate financing are permitted, in each case subject to certain conditions provided in the loan documents. Such equity pledges may entail risks similar to risks associated with mezzanine debt.

Loan Features / Concerns

Based solely on a review of the documents enumerated herein, the following reflect highlights of certain material loan features and/or concerns.

Cash Management

The borrowers established and shall maintain a deposit account and a cash management account, each under the control of the lender. Borrowers are to direct rents and property income to be deposited into the deposit account. Prior to certain trigger events, borrowers have the right to withdraw funds from the deposit account. Upon the occurrence of certain trigger events, funds in excess of $50,000 are required to be swept to the cash management account weekly and are disbursed (subject to a $5,000 balance retained in the cash management account) pursuant to the waterfall in the loan documents including the funding of reserves. After an event of default lender may apply funds in the cash management account in its discretion.

Ground Lease

Part of the property is subject to a ground lease. While the ground lease (and related documents) generally contain customary "financeable" ground lease provisions, there may be certain restrictions on assignability and/or subletting and certain permitted extensions and amendments of the ground lease (without lender consent). With respect to assignability, the arranger has indicated that there are no restrictions on foreclosure or conveyances in lieu of foreclosure by lender. Further assignments subsequent to foreclosure are subject to the consent of the lessor, not to be unreasonably withheld. Subleases require consent of the lessor and amounts received by the ground lessee (borrower) in excess of an approved amount must be turned over to the lessor. Per arranger, at origination, the only sublease to the ground lease relates to the marina at the property.

The borrowers are permitted (without lender consent) to extend the term of the ground lease and/or enter into ground lease amendments which would not be reasonably expected to have a material adverse effect and which are necessary (i) in connection with permitted alterations, (ii) to exercise a unilateral right in favor of either party to the ground lease or (iii) in connection with a permitted transfer. Per arranger, any extension or amendment is restricted, as described in the prior sentence, to ensure no impact on the financeability of the ground lease.

Overall, while the ground lease generally contains customary "financeable" ground lease provisions, there are certain exceptions noted above that may have some impact on the financeability of the ground lease and/or the ability to sell and/or transfer the applicable property.

Reserve Accounts

The following reserve and escrow accounts are funded at closing or on an-going basis.

Tax Reserve Fund

A tax reserve fund are typically established to accumulate sufficient funds to pay all real estate and related taxes when due. So long as the DSCR is higher than 1.15x and the Borrowers provide evidence that the taxes are paid, then contributions to the tax reserve fund are not required. If the DSCR falls below 1.15x, then the Borrowers shall fund a monthly payment equivalent to $1/12^{th}$ of the estimated annual real estate and similar taxes expense for the subsequent 12 months.

Insurance Reserve Fund

An insurance reserve fund is established to accumulate sufficient funds to pay all insurance premiums and related expenses. Monthly escrows into the insurance reserve fund are not required unless: (1) an event of default has occurred and is continuing, (2) the Borrowers fail to keep an acceptable blanket insurance policy in effect with respect to the insurance policies required under the loan agreement or (3) the Borrowers fail to provide evidence of renewals of the insurance policies or payment of premiums. If insurance escrows become a requirement as described above, the Borrowers shall deposit each month an amount equal to $1/12^{th}$ cost of insurance premiums expected to be due in the subsequent 12 months.

Ground Rent Reserve Fund

An ground rent reserve fund is established to accumulate sufficient funds to pay ground lease and related expenses. The Borrowers shall deposit each month an amount equal to $1/12^{th}$ cost of the ground rent payment expected to be due in the subsequent 12 months. So long as the DSCR is higher than 1.15x and the Borrowers provide evidence that the ground rent is paid, then contributions to the ground rent reserve fund are not required. If the DSCR falls below 1.15x, then the Borrowers shall fund a monthly payment equivalent to $1/12^{th}$ of the estimated annual ground rent expense for the subsequent 12 months.

Reserve for Replacement Fund

This account covers the costs of capital replacements and repairs during the calendar year to keep each property in condition consistent with other properties in their respective market segment and locations. Borrowers shall deposit a monthly payment of $9,774.08 to the fund until such time that the outstanding balance of the reserve fund is equivalent to a cap of $117,289 (which is one full year of reserves). If the fund balance falls below the cap, then monthly payments shall resume. So long as the DSCR is higher than 1.15x then monthly contributions to the reserve for replacement fund shall be suspended.

In addition to the above, at closing the Borrowers deposited $1,113,940 into the reserve fund (110% of estimated costs estimated by the engineer in the property condition assessment) for the specified use of completing immediate capital repairs to paving, the garage and ramps, site improvements, roof maintenance, roof drive and curbs, roof drains, and DOB Violations. The property condition assessment also identified $5,091,145 of additional repairs to the parking garage which were not deemed to be of immediate concern. The loan agreement stipulates that the additional repairs recommended must be completed within 36 months of the closing date and if the work has not been done within that time frame, then the Borrowers shall deposit $5,091,145 (less the amount of money invested to date on the required repairs) into the reserve for replacement fund.

Leasing Reserve Funds

The Borrowers deposited $975,758 to a leasing reserve escrow to provide sufficient funds to pay tenant improvements, tenant allowances, and leasing commissions that may be incurred in connection with existing leases ("the initial leasing reserve"). In addition, the Borrowers shall fund $39,096.33 per month into the leasing reserve escrow to provide funds to pay tenant improvements and leasing commissions that may be incurred in the future ("future leasing reserve"). However, if the balance of the future leasing reserve exceeds $469,156 and if the DSCR is higher than 1.15x, then monthly contributions to the future leasing shall be suspended.

Gap Master Lease Reserve

At closing the Borrowers funded $150,000 into the Gap Master Lease Reserve. Funds in the reserve shall be applied and replenished in accordance with the loan documents.

Securitization Trust Summary

Priority of Payments on Trust Certificates

The priority of payments on the Trust Certificates generally follows a sequential-pay structure. The following is a quick synopsis of this priority.

(1) Interest on the Class A, Class X-A, and Class X-B Certificates, pro-rata, including unpaid interest shortfalls;
(2) Principal paydown of the Class A Certificates until paid in full, up to the principal distribution amount.
(3) Unreimbursed realized loss amounts to the Class A Certificates.
(4) Interest on the Class B Certificates including unpaid interest shortfalls.
(5) Principal paydown of the Class B Certificates until paid in full, up to the principal distribution amount.
(6) Unreimbursed realized loss amounts to the Class B Certificates.
(7) Interest on the Class C Certificates including unpaid interest shortfalls.
(8) Principal paydown of the Class C Certificates until paid in full, up to the principal distribution amount.
(9) Unreimbursed realized loss amounts to the Class C Certificates.
(10) Interest on the Class D Certificates including unpaid interest shortfalls.
(11) Principal paydown of the Class D Certificates until paid in full, up to the principal distribution amount.
(12) Unreimbursed realized loss amounts to the Class D Certificates.
(13) Interest on the Class E Certificates including unpaid interest shortfalls.
(14) Principal paydown of the Class E Certificates until paid in full, up to the principal distribution amount.
(15) Unreimbursed realized loss amounts to the Class E Certificates.
(16) To the Class A, Class B, Class C, Class D, and Class E Certificates, any remaining amounts.

Allocation of Losses on Trust Certificates

Losses on the Trust Certificates are generally allocated in a reverse sequential order—first, to the Class E Certificates, second, to the Class D Certificates, third, to the Class C Certificates, fourth, to the Class B Certificates, and then to the Class A Certificates, in each case until the Certificate Balance of that Class has been reduced to zero. The Notional Amount of the Class X-A Certificates will be reduced by the amount of Realized Losses allocated to the Class A Certificates. The Notional Amount of the Class X-B Certificates will be reduced by the aggregate amount of Realized Losses allocated to the Class B and Class C Certificates.

Rated Final Distribution Date

The rated final distribution date of each class of certificates is the distribution date in December 2027. Morningstar's ratings on the certificates address the likelihood of the timely receipt by holders of all payments of interest to which they are entitled on each distribution date and the ultimate receipt by holders of all payments of principal to which they are entitled on or before the rated final distribution Securitization Trust Summary.

Trust Structural Features / Concerns

Based solely on a review of the documents enumerated herein, the following reflect highlights of certain material trust structural features and/or concerns.

Directing Certificateholder

There is no concept of a directing certificateholder or controlling class for this transaction and therefore no single class of certificates will have the right to make decisions with respect to the administration of the trust. These decisions are generally made, subject to the express terms of the trust and servicing agreement, by the servicer, the special servicer and the trustee.

Repurchase Obligation

The mortgage loan seller may be required to repurchase the mortgage loan from the trust due to a material breach of a representation or warranty or a document defect. However, there is no assurance that the holder(s) of such repurchase obligation will have sufficient assets at such time to fulfill its obligation to repurchase the loan.

Replacement of Special Servicer

The special servicer can be terminated and replaced, with or without cause, upon, among other things, the written direction of at least 75% of the aggregate voting rights of all certificates whose holders exercise their right to vote, so long as at least 66 2/3% of the aggregate voting rights have been exercised by the certificateholders. The voting rights take into account the application of any appraisal reduction amounts to notionally reduce the certificate balances.

Trust Advisor

This transaction does not utilize the concept of a trust advisor which has been used in certain recent transactions to monitor the performance of the special servicer and provide certain oversight with respect to the special servicer. However, the master servicer and special servicer are required to perform servicing in accordance with the servicing standard.

Limited Rating Agency Confirmation/Notice

Rating agency confirmation may not be required over certain material loan amendments, modifications, borrower requests and/or material amendments to the trust and servicing agreement or mortgage loan purchase agreement. In addition, notice of such items may be provided to the rating agency after such items are effectuated. Because the rating agency may obtain knowledge of these various items later, surveillance activities and any related rating adjustments may occur later than if rating agency confirmation and/or prior notice of such items was provided.

Conflicts of Interest

There are and/or may be various conflicts of interest among and between various parties to the transaction. However, the special servicer and master servicer are required to service the asset without regard to such conflicts. Morningstar's analysis assumes the various parties comply with their duties.

Third Party Reports

Appraisals

An appraisal report prepared by Cushman & Wakefield, Inc., an independent third-party appraisal firm was received and reviewed as part of Morningstar's analysis for all of the properties. The appraisal report was dated November 16, 2012 and as such is less than three months old.

Property Condition

A property condition report prepared by Certified Environments, Inc., an independent third-party engineering consultant, was received and reviewed as part of Morningstar's analysis for all of the properties. The report was dated August 13, 2012 and as such is less than six months old. The report reviewed and identified any deferred maintenance items as well as quantified long-term capital expenditure needs. Any reserves set aside based upon the recommendations of this report are presented in the Reserve Account section on page 26 of this presale report.

Environmental

A Phase I environmental site assessment was prepared by Certified Environments, Inc., an independent third-party environmental consultant. The report was conducted July 14, 2012 and was updated January 9, 2013. Any environmental conditions or concerns are presented in the Collateral Features and Concerns section on page 16 of this presale report.

Scope of Analysis

Morningstar utilized external legal counsel to perform a legal review of certain items in the transaction relevant to Morningstar's ratings analysis. In this transaction, such counsel solely reviewed the following materials available on the arranger website as of February 4, 2013 (except as otherwise specified in this paragraph): (i) the February 4, 2013 posted draft offering circular, (ii) the February 2, 2013 posted draft trust and servicing agreement, (iii) the February 2, 2013 posted draft mortgage loan purchase and sale agreement, (iv) loan agreement dated as of November 28, 2012 and posted January 24, 2013, (v) consolidated, amended and restated fee and leasehold mortgage, assignment of leases and rents, security agreement and fixture filing dated as of November 28, 2012, (vi) absolute assignment of leases and rents dated as of November 28, 2012, (viii) amended, restated and consolidated promissory note dated November 28, 2012, (ix) limited liability company agreement of Brooklyn Kings Plaza LLC dated as of September 6, 2012, (x) second amended and restated limited liability company agreement of Kings Plaza Ground Lease LLC dated as of November 28, 2012, (xi) limited liability company agreement of Kings Plaza Energy LLC dated as of November 14, 2012, (xii) opinion of Manatt, Phelps & Phillips, LLP regarding nonconsolidation, (xiii) opinion of Manatt, Phelps & Phillips, LLP regarding enforceability and other matters and (xiv) opinions of Richards Layton & Finger, P.A. dated November 28, 2012 regarding authority to file bankruptcy and DE LLC matters.

In addition, legal counsel intends to review the following documents upon posting of such documents on the arranger website prior to issuance of the final ratings: (i) true sale opinion(s) for the sale of the loans from the seller(s) to the depositor and from the depositor to the securitization trust, (ii) corporate and enforceability opinions of the servicer, special servicer, trustee, depositor and loan seller(s) and the general deal level opinion related to certain tax matters and (iii) versions of the documents enumerated in the preceding paragraph posted as of the date of issuance of final ratings. Unless enumerated on the prior list, no external legal counsel review was performed with respect to any documents. Therefore, leases, including ground leases and subleases, hedges and related documents, contribution and/or allocation agreements, management agreements, estoppels, title reports, insurance contracts, environmental assessments, guarantees, indemnities, liens or related searches, financial statements, rent rolls, surveys, financing statements, easement agreements, intercreditor or subordination agreements (except as expressly enumerated in the preceding paragraph), among others, were not reviewed by external legal counsel. As legal review of title policies was not performed, Morningstar has assumed such policies do not contain any judgments, tax liens, or other issues that would materially adversely affect any borrower, property owner, property or the mortgagee's lien and security interest in any collateral for any loan. As legal review of local law opinions was not performed, Morningstar has assumed that local law opinion(s) were provided for all relevant jurisdictions, on customary forms and with rating agency reliance.

Appendix A: Morningstar CMBS Subordination Model

This Appendix provides a brief description of Morningstar's proprietary CMBS Subordination Model. A publication entitled, "Guide to the Morningstar CMBS Subordination Model", provides a more comprehensive overview of the model's framework as well as details of the model's main features. It can be found on Morningstar's website at http://ratingagency.morningstar.com, by going to the Ratings Report Section.

Overview

Morningstar uses its CMBS Subordination Model to determine the required credit enhancement levels of both conduit and large-loan CMBS transactions. In addition to determining the initial enhancement levels, this model is an integral part of the on-going surveillance of such transactions. This approach allows Morningstar to maintain ratings consistency across CMBS transactions throughout their lives.

Morningstar's underwritten NCF and cap rate for each property, along with the corresponding loan characteristics, are subjected to defined sets of stresses in this CMBS model to arrive at the required credit enhancement levels at each rating category. Each set of stresses gauges the likelihood of each loan to default, as well as the loss severity given default, during the loan's term and at its balloon date.

Each set of stresses include:

- NCF declines during the term of the loan and at the balloon date that reflect worsening economic conditions,
- Cap rate increases that reflect deteriorating demand for CRE investments,
- Balloon loan constants to reflect more restrictive lending conditions when the existing loan needs to get re-financed,
- Time to default assumptions that limit the credit to loans which amortize,
- Loan liquidation time assumptions that impact the aggregate special servicer fees and accrued interest on P&I advances, and
- Interest rate assumptions on interest due the servicer for P&I advances.

These stresses are tiered by rating category with the most onerous commensurate with the highest rating category to reflect extremely stressed economic, CRE market and lending environments. The stresses associated with the lowest rating category, while substantially less dramatic than that at the highest rating level, still reflect declines. The model therefore fully discounts historically-observed positive performances. Many of these stresses also differ across property types.

The model also quantitatively accounts for portfolio-level concentration risks (loan size, property type and geography) by applying additional NCF stresses on those loans that contribute to each such risk.

Term Default Analysis

The model determines the likelihood of a term default for each loan by:

1. First subjecting Morningstar's underwritten NCF for the loan to an NCF haircut that simulates the potential decline in net effective rent over the term of the loan. The magnitude of this decline represents the maximum decline in NCF on the property during the term of the loan.
2. The Morningstar underwritten NCF is then further reduced by a series of additional NCF haircuts to address portfolio concentration risk concerns (loan size, property type and geography).
3. The resultant stressed NCF and the terms of the loan are then used to determine the loan's stressed DSCR.
4. The loan's probability of default during the term of the loan is then derived by translating this "low-point" DSCR into a probability of default ("PD") based on a Morningstar empirical study of the correlation between DSCR and PD.

The loss severity of the loan given a default event is then determined by looking at its two components -- lost principal and special servicer costs.

Lost principal is calculated as the difference between the outstanding loan balance at the time of default and the stressed property value. The model computes the loan balance based on empirically-based time-to-default assumptions and the terms of the loan. The stressed property value is arrived at using the stressed NCF and a ratings adjusted cap rate.

Special servicer costs include the fees earned by the special servicer while the loan is specially-serviced, interest on any P&I advances that the servicer makes, and the liquidation fees due the special servicer for selling the foreclosed property. The special servicer fee is dependent upon the period of time the loan is specially serviced. The model uses assumptions of this time period tiered by rating category.

Balloon Default

The overwhelming majority of loans backing CMBS deals to date do not fully amortize by the loan's maturity date. As such, most loans have a balloon balance that is due upon maturity. Borrowers are required to secure take-out financing for the remaining principal balance by this date. Failure to do so triggers a default event and the loan becomes specially-serviced. Balloon default is therefore a binary event.

The model tests the ability of each loan to be refinanced at its balloon date by comparing the loan's refinance DSCR and LTV ratios to assumed take-out financing threshold requirements. Morningstar stresses the underwritten NCF and cap rate, and then applies a stressed refinance loan constant to arrive at the loan's refinance DSCR and LTV ratios. If these DSCR and LTV metrics pass this test, the loan is taken out in whole (PD equals zero and there is no loss).

If either test is not met, the model assumes that the loan becomes specially serviced and the special servicer takes one of two actions. If the existing loan's DSCR[1] is greater than an assumed special servicer loan extension threshold, the model assumes that the special servicer extends the loan. Otherwise the model assumes the special servicer will initiate foreclosure proceedings and the property is eventually sold. An assumed timeframe, tiered by rating category, from the balloon date to the date of liquidation is used for calculating the special servicer fees incurred. The model also calculates any needed P&I advances and the liquidation fee. The liquidation price is the stressed value calculated for the property commensurate with the rating category.

In the loan extension scenario, the model typically assumes some limited growth in NCF generated by the property, better loan conditions and an improved CRE market as manifested in a lower refinance loan constant and cap rate during the extension period. At the conclusion of the extension period, the model again tests whether or not the loan gets refinanced. The improved DSCR and LTV ratios are once again compared to the assumed take-out financing threshold requirements. If both tests are passed, the loan is taken out in whole. There is no principal loss but losses are incurred in the form of special servicer costs (special servicer fee, interest on P&I advances and workout fee).

If the loan is still not able to be refinanced, the model assumes the special servicer initiates foreclosure proceedings and the property is eventually sold. Losses in this scenario include a likely principal loss along with special servicer costs (interest on P&I advances, special servicer fee, and liquidation fee).

[1] Note that the existing loan DSCR differs from the loan's refinance DSCR. The latter is calculated at an assumed stressed loan constant and the former is based on the actual terms of the existing loan.

Appendix B: Morningstar Rating Surveillance

Morningstar has historically performed and continues to perform ongoing monthly surveillance on publically-issued and outstanding US CMBS transactions on a subscription basis for investors. As a result of such, Morningstar publishes to its subscriber base a monthly credit analysis report for each CMBS trust entitled the "Morningstar Dealview", outlining the most recent performance trends for each.

Morningstar's analysis is best described as a bottom-up approach. At its core, it is driven by the performance of the underlying commercial real estate loan collateral. Analysts first evaluate, using qualitative and quantitative analysis, the credit risk characteristics of the collateral pool backing any given securitization trust. The credit protections are then evaluated as part of Morningstar's opinion of the risk profile of any given security. Morningstar applies a surveillance model described at http://ratingagency.morningstar.com, to produce suggested credit ratings and rating outlooks for each class of a given CMBS transaction.

Any surveillance activities described herein are conditioned on Morningstar's receipt of certain information to enable Morningstar to perform surveillance. The degree of surveillance performed depends largely on the scope of review performed by Morningstar and enumerated in the related surveillance report and the availability of information. The degree and scope of review and information considered is generally enumerated in the Morningstar surveillance report for the respective transaction and should be considered when evaluating and comparing ratings.

Any surveillance performed by Morningstar is available solely to Morningstar subscribers on a subscription basis under Morningstar's policies and procedures. Therefore, if recipient is not a subscriber, recipient will not have access to or receive any ratings information following Morningstar's issuance of a rating, including any information related to changes to the ratings post issuance.

For further information and a description of Morningstar's surveillance activities, please see http://ratingagency.morningstar.com, including "Morningstar CMBS Surveillance Rating Opinions: Procedures and Methodologies".

Appendix C: Morningstar Rating Characteristics

The preliminary ratings provided in this report address the likelihood of the timely receipt of distributions of interest by certificateholders to which they are entitled and, the ultimate distribution of principal by the Rated Final Distribution Date.

The preliminary ratings are based solely on the scope of review enumerated in this report and the information related thereto provided to Morningstar through the arranger website as of the date hereof or as expressly enumerated herein which we believe to be reliable. Unless otherwise in accordance with Morningstar's policies and procedures, Morningstar does not audit or verify the truth or accuracy of any such information.

These preliminary ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by Morningstar. In addition, these ratings do not address: (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and its impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (b) the possibility that a certificateholder might suffer a lower than anticipated yield, (c) the likelihood of receipt of yield or spread maintenance charges, prepayment charges, yield or spread maintenance premiums or penalties, yield maintenance default premiums, yield maintenance non-default premiums, prepayment premiums, spread maintenance payments, prepayment fees or penalties, assumption fees, modification fees, penalty charges, default interest or post-anticipated repayment date additional interest, (d) the likelihood of experiencing prepayment interest shortfalls, an assessment of whether or to what extent the interest payable on any class of rated certificates may be reduced in connection with any prepayment interest shortfalls, or of receiving compensating interest payments, (e) the tax treatment of the certificates or effect of taxes on the payments received, (f) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or the likelihood or willingness of any party or court to enforce or hold enforceable, the documents in whole or in part, (g) an assessment of the yield to maturity that investors may experience, (h) the likelihood, timing or receipt of any payments of interest to the holders of the rated certificates resulting from an increase in the interest rate on any underlying mortgage loan in connection with a mortgage loan modification, waiver or amendment, (i) excess interest or additional interest amounts or any remaining or excess funds or (j) other non-credit risks, including, without limitation, market risks or liquidity.

Morningstar's preliminary ratings take into consideration certain credit risks, and the extent to which the payment stream of the mortgage loan is adequate to make payments required under the offered certificates based on information identified as subject to review herein and to the extent provided to Morningstar on arranger's website for the transaction as of the date hereof. However, as noted above, the ratings do not represent an assessment of the likelihood, timing or frequency of principal prepayments (both voluntary and involuntary) by the borrowers, or the degree to which such prepayments might differ from those originally anticipated. In general, the ratings address credit risk and not prepayment risk. In addition, the ratings do not represent an assessment of the yield to maturity that investors may experience or the possibility that the certificateholders of the Certificates might not fully recover their initial investment in the event of delinquencies or defaults or rapid prepayments on the mortgage loan (including both voluntary and involuntary prepayments) or the application of any realized losses. In the event that holders of such certificates do not fully recover their investment as a result of rapid principal prepayments on the mortgage loan, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings assigned to such certificates.

As indicated herein, the Class X certificates consist only of interest. If the mortgage loan were to prepay in the initial month, with the result that the holders of the Class X certificates receive only a single month's interest and therefore, suffer a nearly complete loss of their investment, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings received on the Class X certificates. The notional amounts of the Class X certificates on which interest is calculated may be reduced by the allocation of realized losses and prepayments, whether voluntary or involuntary. The ratings do not address the timing or magnitude of reductions of such notional amounts, but only the obligation to pay interest timely on the notional amounts as so reduced from time to time. Therefore, the ratings of the Class X certificates should be evaluated independently from similar ratings on other types of securities.

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As the ratings herein are preliminary ratings, such ratings may be subject to change during surveillance. As provided herein, surveillance analysis and ratings are solely provided to Morningstar subscribers on a subscription basis.

In conjunction with evaluating any Morningstar ratings, please also see "Morningstar Definitions and Descriptions of CMBS (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance" at http://ratingagency.morningstar.com.

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