Presale Report

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

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PRELIMINARY RATINGS (AS OF: 11/9/12)

CLASS	BALANCE/ NOTIONAL AMT	PRELIMINARY RATINGS	MORNINGSTAR DSC	MORNINGSTAR BLTV	CREDIT SUPPORT LEVELS
Class A	$363,413,000	AAA	4.47x	45.7%	35.99%
Class X-A[1]	$363,413,000	AAA	N/A	N/A	35.99%
Class X-B[1]	$62,112,000	AAA	N/A	N/A	35.99%
Class B	$62,112,000	AA	3.82x	53.5%	25.05%
Class C	$59,654,000	A+	3.35x	61.0%	14.54%
Class D	$36,387,000	A-	3.11x	65.6%	8.13%
Class E	$31,346,000	BBB	2.94x	69.5%	2.61%
Class TE[2]	$14,840,000	BB	2.87x	75.8%	0.00%
Class R	N/A	NR	N/A	N/A	N/A

In determining the preliminary ratings on each class of securities issued by the Trust, Morningstar analyzed the property securing the loan as enumerated herein to determine its stabilized as-is net cash flow (NCF) and values based primarily on the direct capitalization approach. The loan along with its 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 its 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 will not have a Certificate Principal Amount 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. Note 2: Class TE represents the subordinate component of the Town East Mall loan. This class is entitled to payments solely on the subordinate component of the Town East Mall loan. NR – Not Rated; N/A – Not applicable.

Estimated Closing Date: December 4, 2012

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 on the arranger's website for this transaction as of November 9, 2012 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.

This report is an opinion and does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.

Morningstar publishes its current Form NRSRO and exhibits thereto at http:rating agency.morningstar.com. Morningstar maintains internal policies and procedures to manage conflicts which may include payment structures for ratings.

TRANSACTION SPOTLIGHT

Collateral	Three fixed-rate loans secured by three super-regional shopping malls.	**Mortgage Loan Sellers**	Barclays Bank PLC and UBS Real Estate Securities Inc.
Notional Balance	$567,752,000	**Depositor**	Barclays Commercial Mortgage Securities LLC
Structure	Sequential pay	**Lead Managers**	Barclays Capital Inc. and UBS Securities LLC
Morningstar U/W Current DSCR	2.86x	**Trustee**	U.S. Bank, National Association
Morningstar U/W Amortizing DSCR	2.86x	**Certificate Administrator**	Wells Fargo, National Association
Morningstar U/W BLTV	71.4%	**Master Servicer**	Wells Fargo, National Association [1]
Morningstar U/W ELTV	71.4%	**Special Servicer**	Wells Fargo, National Association [1]

[1]The Morningstar operational risk assessment ("ORA") ranking for Wells Fargo, National Association., which is acting as both Master Servicer and Special Servicer, is 'MOR CS2/Favorable' and 'MOR CS2/Stable', respectively. For the full assessment reports and additional information, please access http:ratingagency.morningstar.com

BB-UBS Trust 2012-TFT
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Transaction Overview

BB-UBS 2012-TFT is a $567,752,000 transaction secured by three fixed-rate, first-lien mortgage loans on three super-regional shopping malls. The loans are non-recourse and non-cross-collateralized. Each loan is evidenced by two fixed-rate promissory notes, an A-1 Note and an A-2 Note, issued by the related borrowers. The lenders for each A-1 Note and A-2 Note are UBS Real Estate Securities and Barclays Bank PLC, respectively. Each loan has a 7.5-year term and pays interest only during its entire term. The sponsor for all three loans is GGP Limited Partnership, an operating company subsidiary of General Growth Properties (GGP). The malls are self-managed by affiliates of GGP. The Tucson Mall loan has an original principal balance of approximately $205.5 million and is secured by the fee and leasehold interests in 667,581 square feet of the 1.31 million-square-foot Tucson Mall in Tucson, Arizona. The Fashion Place loan has an original principal balance of $202.0 million and is secured by the fee and leasehold interests in 421,206 square feet of the 1.02-million-square-foot Fashion Place in Murray, Utah, a southern suburb of Salt Lake City. The Town East Mall loan has an original principal balance of approximately $160.3 million and is secured by the fee interests in 416,588 square feet of a 1.22 million-square-foot mall in Mesquite, Texas, located just east of Dallas.

In addition to the first-mortgage debt in this transaction, the equity owners (collectively, the mezzanine borrowers) of the Tucson Mall loan and the Fashion Place loan have pledged their respective direct or indirect ownership interests in the related mortgage borrower(s) to secure mezzanine loans. The mezzanine loans are coterminous with the related mortgage loans and are each subject to an intercreditor agreement. The equity owners of the Town East Mall loan have not secured a mezzanine loan.

Key Loan Metrics

Loan Terms	Tucson Mall	Fashion Place	Town East Mall	Combined Metrics
Trust Debt	$205,482,000	$202,000,000	$160,270,000	$567,752,000
Mezz Debt	$40,518,000	$24,730,000	$0	$65,248,000
Total Debt	$246,000,000	$226,730,000	$160,270,000	$633,000,000
Collateral SF	667,581	421,206	416,588	1,505,375
Trust Debt/Coll. SF	$308	$480	$385	$377
Total Debt/Coll. SF	$368	$538	$385	$420
Term (Months)	90	90	90	90
Amortization	IO	IO	IO	IO
Coupon	4.0090%	3.6380%	3.5670%	3.7642%

The malls were built in the early ’70s (1) and early or mid ‘80s (2). However, over the years, each has been renovated and/or expanded, in some cases extensively. The anchor tenants are Dillard’s (3 properties), Sears (3), JC Penney (2), Macy’s (2), and Nordstrom (1). Some of the major tenants are REI (Tucson), H&M (Tucson/Town East), Crate & Barrel (Fashion Place) and Forever 21 (Town East). Total occupancy at each mall currently exceeds 95%.

Collateral Overview

	Tucson Mall	Fashion Place	Town East Mall
Location	Tucson, AZ	Murray, UT	Mesquite, TX
Total SF	1,309,039	1,021,984	1,225,974
Collateral SF	667,581	421,206	416,588
Year Built	1982	1972	1986
Year Renovated	1991, 2003, 2010	1988, 2009, 2011	1998, 2000 2005
Anchors	Dillard's, Sears, Macy's, JCPenney	Sears, Dillard's, Nordstrom	Sears, Dillard's, JCPenney, Macy's
Majors	REI, H&M, Toby Keith's, Old Navy	Crate & Barrel, H&M, Macy's	H&M, Footaction, Forever 21
Total Occpy	96.6%	97.6%	95.9%
In-line Sales/SF	$389	553*	$452
Occpy Cost	15.6%	12.1%*	13.7%

**Excludes sales from Apple store that opened in 2011.*

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.

Morningstar Perspective

Morningstar determined the preliminary ratings for each class of BB-UBS 2012-TFT certificates by analyzing the loans and related collateral properties, and subjecting the aggregate net cash flow and capitalization rates to a variety of stresses in our proprietary CMBS Subordination Model. Our revenues for the individual properties are based on current rent rolls and signed leases, with rent steps taken for those that occur within 12 months of our analysis. We have not included any potential future rental revenue for any leases that were being negotiated or out for signature at the time of our analysis. Our separate loan analyses yielded aggregate net cash flow of $60.93 million and a weighted average interest-only DSCR of 2.86x on the aggregate trust debt of $567.75 million. Our aggregate NCF is 2.8% below the issuer's NCF of $62.66 million. Morningstar's aggregate NOI of $63.77 million is 11.7% higher than the properties' aggregate trailing 12 NOI of $57.09 million.

The Morningstar NCF debt yields (NCF divided by trust loan amount) on the individual loans are each above 10%. The lowest debt yield is on the Town East Mall loan at 10.2%, and the highest is on the Tucson Mall loan at 11.3%. Morningstar's DSCRs and debt yields suggest there is an adequate cushion against future cash flow volatility during the loan term. The properties' stable or improving cash flow and relatively high Morningstar DSCRs increase the likelihood that the loans will reach their scheduled maturity dates.

Morningstar Net Cash Flow & Property Valuation

Cash Flow or Value Metric	Tucson Mall	Fashion Place	Town East Mall	Combined Metrics
MStar UW NCF	$23,237,640	$21,302,783	$16,389,227	$60,929,650
Issuer UW NCF	$24,117,009	$21,768,064	$16,777,065	$62,662,138
Mstar NCF Variance	-3.65%	-2.14%	-2.31%	-2.76%
Mstar NCF DSCR	2.82x	2.90x	2.87x	2.86x
Mstar Debt Yield (NCF)*	11.3%	10.5%	10.2%	10.7%
MStar Cap Rate	7.75%	7.50%	7.75%	7.66%
MStar Value	$299,840,515	$284,037,113	$211,473,894	$795,351,523
Appraised Value	$400,000,000	$382,000,000	$254,000,000	$1,036,000,000
Mstar Value Variance	-25.0%	-25.6%	-16.7%	-23.2%
Mstar Trust LTV	68.5%	71.1%	75.8%	71.4%
MSTar Total Debt LTV	82.0%	79.8%	75.8%	79.6%
Appraisal LTV	61.5%	59.4%	63.1%	61.1%

*Based on the Trust Loan Amount.

In-line sales at the properties are good overall, with all three malls posting sales in excess of $400 per square foot in 2011. At Tucson Mall, in-line sales were stable from 2009 through 2011, but then fell in the trailing 12 months by nearly 6%, even as NOI at the property increased by almost 7% in the same period. The decline in sales per square foot is the result of a sizeable chunk of in-line tenant space (nearly 63,000 square feet) moving from what was "non-comp sales" space (i.e., tenants were not in occupancy for at least 12 consecutive months) to "comp sales" space; unfortunately, the sales for this re-categorized comp space average only about $237 per square foot, much lower than the 2011 overall average of $413 per square foot. However, despite the decline, the property has a solid tenant line-up and sales are still relatively strong at $389 per square foot. Sales at Fashion Place broke $550 per square foot in 2011 (net of sales from the Apple store that opened that year) and in the trailing 12-month period, and are 22% higher than they were in 2009.

Property In-line Sales Trends

	2009		2010		2011		TTM 9/2012	
Name of Mall	**Sales/SF**	**% Chg**	**Sales/SF**	**% Chg**	**Sales/SF**	**% Chg**	**Sales/SF**	**% Chg**
Tucson Mall	$412	-	$410	-0.5%	$413	0.7%	$389	-5.8%
Fashion Place	$453	-	$487	7.5%	$552	13.3%	$553	0.2%
Town East Mall	$355	-	$373	5.1%	$412	10.5%	$452	9.7%

Over the last three-plus years occupancy rates at the malls either have improved or remained relatively stable. From 2009 through trailing 12 months ended August, the average occupancy (including non-owned anchors) at the three malls is above 95%.

Collateral Property Current and Historical Mall Occupancy Rates					
				TTM Aug	
Property	**2009**	**2010**	**2011**	**2012**	**Average**
Tucson Mall	97.2%	92.9%	93.8%	97.1%	95.3%
Fashion Place	98.4%	99.1%	98.2%	98.9%	98.7%
Town East Mall	97.9%	98.0%	99.7%	99.2%	98.7%

Over the same period, occupancy costs at each mall averaged less than 16%. Tucson Mall's occupancy costs were below 15% in each of the last two years, but then rose to 15.6% in the trailing 12 months. Occupancy costs at both Fashion Place and Town East Mall have trended lower over the last two years and in the trailing 12 months.

Collateral Property Current and Historical Occupancy Costs					
				TTM Sept.	
Property	**2009**	**2010**	**2011**	**2012**	**Average**
Tucson Mall	15.2%	14.7%	14.7%	15.6%	15.1%
Fashion Place	13.5%	13.2%	12.4%	12.1%	12.8%
Town East Mall	17.8%	16.3%	14.2%	13.6%	15.5%

Collectively, the properties are generating net operating income in the trailing 12 months that is 5.8% higher than that recorded in 2011, and 9.4% higher than it was in 2009. Individually, however, the results are mixed. Tucson Mall and Fashion Place both posted double-digit year-over-year NOI growth in 2011. In the trailing 12-month period, Tucson Mall's NOI grew by 6.7% over 2011's figure, while Fashion Place's NOI was more than 12% higher. Much of the NOI growth at Tucson Mall in 2011 was driven by the additional revenue generated from a substantial $68 million expansion that was completed in 2010 and which included the addition of the open-air streetscape (Arizona Avenue) at the southern end of the mall. This expansion added restaurants Cheesecake Factory, California Pizza Kitchen and Brio Tuscan Grille, among others, as well as well-known national tenants such as REI and H&M. These tenants alone account for nearly 73,000 square feet of additional space and slightly more than $2.0 million of additional base rental revenue.

The same can be said of Fashion Place's NOI increase in the trailing 12-month period. In 2011, a 98,000-square-foot expansion brought with it Utah's first Crate & Barrel, as well as apparel retailer H&M and 17 new shops and restaurants. Combined, these new tenants added more than $3.0 million of additional base rental revenue. At Town East Mall, however, NOI dropped by more than 15% in 2010 year-over-year as a result of a sharp (34%) decline in recoveries. This occurred even as the property's total rent grew by 1.3% over that period. The property experienced solid growth in 2011, but gave some of it back as a result of a combination of higher expenses and lower recoveries. As of the end of July 2012, however, NOI is up 2.2% since 2010.

Property NOI Trends

	2009		2010		2011		TTM 7/2012	
Name of Mall	**NOI**	**% Chg**	**NOI**	**% Chg**	**NOI**	**% Chg**	**NOI**	**% Chg**
Tucson Mall	$17,405,080	-	$17,693,000	1.7%	$20,143,075	13.8%	$21,486,304	6.7%
Fashion Place	$16,782,508	-	$16,022,206	-4.5%	$17,805,735	11.1%	$20,020,264	12.4%
Town East Mall	$18,021,789	-	$15,251,997	-15.4%	$16,028,187	5.1%	$15,587,004	-2.8%
Total	**$52,209,377**	**-**	**$48,967,204**	**-6.2%**	**$53,976,997**	**10.2%**	**$57,093,572**	**5.8%**

Operating affiliates of GGP are the sponsors for each loan. However, as with previous similar deals with strong and experienced loan sponsorship, we did not afford any additional credit in our property analysis or subordination levels for GGP's sponsorship, even though we do view it as a positive characteristic of the deal.

The lack of principal amortization for all three loans is a net negative for the deal, as none of the loans will de-lever during their 90-month loan terms. With three regional malls as collateral, the deal also lacks the collateral diversity typical of most conduit or fusion CMBS transactions. Retail properties are at the mercy of consumers, whose shopping habits are fickle and spending sometimes volatile. Needless to say, should the U.S. economy falter next year and slide into another recession, thousands if not hundreds of thousands of jobs would be in jeopardy and consumer spending would suffer. Nonetheless, both features—limited amortization and limited collateral diversity—are factored into our subordination levels and ratings via higher cash flow stresses in our subordination model.

The Bears Say

- No principal amortization: All three loans are interest-only and therefore will not de-lever during their terms; the lack of amortization may result in higher refinance risk at maturity.
- Declining comp in-line sales per square foot at Tucson mall: On a per square foot basis, sales dropped by 6% from 2011 to the end of September. However, aggregate comp in-line sales at the mall are up 6.5% in the trailing 12 months, to $113.4 million from $106.5 million in 2011.
- Weak recovery in Tucson MSA: Tucson's recovery is lagging that of other MSAs. Tucson ranked 83rd out of 100 MSAs for the strength of its recovery after the first quarter, down from 77, according to a 2012 study by the Brookings Institute. From trough through Q2 2012, the Top 100 metro areas have grown an average of 6.8%; Tucson's output, on the other hand, has expanded by just 3.6%, according to Brookings. While employment in Tucson grew in the first quarter of 2012, it fell by 0.2% in the second. Moreover, quarterly output grew by an anemic 0.7% in the second quarter. According to the Bureau of Labor Statistics Tucson's labor force shrank by nearly 11,000 in the trailing 12 months ended September.
- National macro-economic uncertainty persists: Despite being more than two years into an economic recovery, unemployment remains high and the so-called "fiscal cliff" (a combination of tax increases and substantial spending cuts by the federal government next year) raises the likelihood of either slower growth or no growth in 2013.
- Mortgage rates at or below 4.00%: While the low mortgage interest rates are credit neutral during the loan term, such low rates may increase refinance risk at maturity, as there is a possibility rates will be significantly higher in the future. To account for this refinance risk, we apply onerous interest-rate stresses at each rating category in our subordination model.
- Co-tenancy clauses: The majority of the tenants at each property have co-tenancy provisions that are based on a minimum number of anchor tenants located at the related property or a minimum level of occupancy at the related property. Several of the mall shop tenants also have termination options that are based on gross sales performance, and several of the in-line tenants have some form of co-tenancy clause that is tied to occupancy thresholds and/or the closing of one of more of the anchor tenants at the related property. Co-tenancy provisions are a common feature of many retail leases at larger shopping malls.
- The sponsor, GGP, filed for bankruptcy protection in 2009. As a result of the bankruptcy proceedings, the company was split and several properties were handed back to their respective lenders. The reorganized company has renegotiated debt on many of its assets and is in better financial condition today.
- Substantial return of equity to sponsor: The proceeds from each of the loans provided a return of equity to the sponsor estimated in the aggregate to be at least $250 million.

The Bulls Say

- Stable occupancy: All three malls have stable or improving occupancy rates and averaged at least 95% from 2009 through the trailing 12 months ended September.
- Increasing NOI: All three malls generated higher NOI in 2011 versus 2010; in the trailing 12 month period, two of the three reported sharply higher NOI.
- Good in-line sales: In 2011 in-line sales exceeded $400 per square foot at all three properties. In the trailing 12 months, in-line sales range from $389 to $553 per square foot.
- Modest occupancy costs: Occupancy costs range from 12.1% at Fashion Place to 15.6% at Tucson Mall; from 2009 through the trailing 12 months ended September, average occupancy costs were below 16% at all three malls.
- Renovations/expansions: All three malls have been renovated or expanded within the last seven years, with two (Tucson Mall and Fashion Place) undergoing renovations within roughly the last two years.
- Strong tenant rosters: Although not part of the loan collateral, each mall has at least three national anchor tenants. Each mall also has a good lineup of national retailers, as well as a good mix of restaurants.
- Strong debt yield for all three loans: NCF debt yields range from 10.2% to 11.3%.
- Strong sponsorship and property management: GGP is the loans' sponsor and the owner/manager of all three properties and has extensive experience owning and operating regional and super-regional shopping malls throughout the U.S.

Property Site Visits

Morningstar analysts visited all three properties at the end of October or early November. Our comments related to the site visits and our property score can be found in the Morningstar Perspective sections under the related loan.

Credit Support Stresses

Morningstar's final net cash flow and capitalization rates for the properties 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 properties' cash flow to address the concentration risks inherent in a three-loan securitization. This is done separately to gauge the credit-worthiness of the loans during their terms and at the balloon date. In the case of the latter, Morningstar additionally stresses the ability of the borrowers to refinance the loans at a higher loan constant. 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 aggregate net cash flow to a weighted-average 36.0% decline and our concluded aggregate value to a weighted-average 52.9% decline in the term default analysis. In the balloon default analysis, these weighted-average declines were 27.2% and 44.1%, respectively.

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.

Morningstar Credit Support Stresses

	AAA	AA	A	BBB	BB
Morningstar NCF Decline (Term)	36.0%	33.0%	30.0%	25.0%	21.3%
Morningstar Value Decline (Term)	52.9%	48.2%	43.0%	33.7%	30.3%
Morningstar NCF Decline (Balloon)	27.2%	24.9%	22.6%	20.4%	15.2%
Morningstar Value Decline (Balloon)	44.1%	40.4%	35.3%	29.6%	24.9%

Note: the BB stress above applies only to the Town East Mall property and cash flow.

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.

Loan 1: Tucson Mall

Morningstar Perspective

Tucson Mall is a 1.3 million-square-foot enclosed super-regional mall in Tucson, Arizona. The mall is situated roughly five miles north of Tucson's Central Business District. Of the 1.3 million square feet of space, 667,581 square feet is collateral for the loan. The property features four traditional mall anchor tenants with a mid-price-point orientation. Built in 1982, Tucson Mall was substantially renovated and expanded in 2010, adding a streetscape plaza that includes major tenants such as REI and H&M.

The mall is owned by General Growth Properties Inc. (GGP) a REIT that owns, operates and manages retail properties throughout the U.S. with a focus on dominant retail malls. With 133 regional shopping malls in 41 states and 16 malls in Brazil, GGP is one of the largest owners of retail malls in the country.

The loan is a 7.5-year, $205,482,000 million ($308 per square foot) full-term interest-only loan that provided refinancing proceeds to take out a prior mortgage loan ($112 million), fund closing costs and return roughly $130 million of equity to the sponsor, General Growth Properties. In addition to the trust debt, there is also a mezzanine loan in the amount of $40,518,000 (co-terminus with the trust debt)

The improvements sit on 92.7 acres of land, including 88.3 acres ground leased by the mall's owners, and 4.4 acres that are owned in fee. GGP-Tucson is the ground lessee. The ground lessee in turn sub-leases land parcels to four anchors as well as to a majority of the outparcel tenants. The center features a new open-air plaza streetscape (known as "Arizona Avenue") that was completed in 2010 and which offers several first-to-market retailers and restaurants, a collection of southwest specialty stores, a children's soft play area, and a restroom complex.

Morningstar considers the Tucson Mall to be the dominant mid-price shopping center in its trade area and expects it to be a stable performer over the loan term. We are encouraged by the stable occupancy history at the property as well as the strong tenant mix. The subject benefits from its central location in the mature and well developed commercial core of Tucson. Its location makes it convenient to thousands of residents. Moreover, it is in the northwest neighborhood, which is where much of the future growth in Tucson is expected to occur. The area has good regional accessibility by virtue of its proximity to Interstate 10, about three miles to the west. Furthermore, the subject trade area is characterized by a densely populated middle-income residential base, which strongly supports the property's positioning in the market.

We have some concerns over the upcoming lease rollover of three of the four shadow-anchor tenants. However, the rollover risk is mitigated partly by the good in-line sales and modest occupancy costs. Additionally, all rolling shadow anchors have numerous renewal options available at favorable lease terms. The mall has maintained relatively high occupancy and good sales despite the recent recession. The mall generated in-line sales of about $410-$415 from 2009 through 2011. However, in the trailing twelve months ending September in-line sales dropped to $389 or about 6%. This decrease is mainly attributable to the large amount of square footage that was added to the comparable sales calculation (345,967 square feet of comparable shop space in September 2012 versus 290,948 square feet in 2011). It is expected that with additional time at the center, the newly added tenants will see an increase in sales. We reviewed sales for major tenants and found that many of the tenants including Old Navy, Victoria's Secret and H&M all had sales above their respective chain averages. Of the tenants with weaker sales, we considered only New York & Co. as a near-term risk to vacate given their high occupancy costs and near-term lease expiration (within next 12 months). Other tenants with lower chain sales do not have imminent lease expirations.

The strength and appeal of the mall is best exemplified by its historical performance. Dating back to 2009 the entire mall (including non-owned anchors) has achieved average annual occupancy in the mid to high 90% range, while the collateral portion has achieved occupancy rates in the low 90% to high 90% range. Collateral effective gross income (EGI) has increased period-over-period dating back to 2009 as well. In 2010, 2011, and the trailing 12 months, EGI increased 5.9%, 11.5% and 4.7%, year-over-year, respectively. It is important to note that a substantial portion of the EGI increase is attributable to the expansion of the center and the opening of numerous new tenants. Increases in net operating income have been more pronounced due to lower operating expenses. In 2010, 2011 and the trailing-twelve-month period (August 31, 2012), the property reported NOI gains of 1.7%, 13.8% and 5.0%, respectively.

Morningstar's NCF of $23.2 million resulted in a property value of $299.8 million and a first-mortgage loan-to-value of 68.5% (82.0% on total debt), which is 25.0% lower than the appraised value of $400 million. Our net cash flow includes credit for contractual rent increases over the next 12 months as well as income from tenants who have executed leases but have not yet taken occupancy of their leased space. Our underwritten rents take into account the in-place rents and the concluded market rents from the appraisal. We have also factored recent leasing (leases signed within last 18 months) into our concluded underwritten market rental rates. Morningstar's rents are considerably higher than those for community and neighborhood centers in Tucson but appropriate for the property type, given recently signed leases. We should note that several of our tenant categories, specifically in-line tenants of 2,001-3,000 square feet and 3,001-5,000 square feet have in-place rental rates that are above the appraiser's concluded market rental rate. As a result, we have marked down the in-place rents of tenants in these two categories (moving them toward market), resulting in a mark-to-market adjustment of roughly $140,000. Although our underwritten net operating income is $2.85 million (13.3%) higher than the reported NOI for the trailing 12 months ended August 2012, our underwriting includes the new lease for Toby Keith's I Love This Bar & Grill (annual base rental rate is $924,637) and the new lease for Planet Fitness (annual base rental rate of $229,575). The remainder of the increase is mainly attributable to the lease-up of the "Arizona Avenue" expansion space. Our underwritten vacancy of 7.2% matches the current in-place physical vacancy (calculated on collateral square footage only).

Based on our NCF of $23.2 million, the Morningstar term DSCR and debt yield are 2.82x (interest-only) and 11.31%, respectively. Given the strong DSCR, debt yield, high current and historical occupancy and modest average occupancy costs for in-line tenants, there is a high likelihood the loan will reach maturity.

Morningstar toured the Tucson Mall property on October 30, 2012. We found the property, both the exterior and the interior, to be well maintained and in good condition. Most of the exterior sections of the mall are average in appearance, but some sections, especially the newly completed Arizona Avenue, are aesthetically appealing. We found the mall interior to be very well maintained and would describe it as "very nice." The property is located off North Oracle Road (Highway 77) near the intersection of East Wetmore Road roughly five miles north of downtown Tucson. It is less than four miles east of Interstate 10. North Oracle Road (Highway 77) is an important north-south artery and a major commercial and retail corridor. Portions of it are lined with a variety and retail formats and restaurants. The property offers ample parking. The University of Arizona is roughly five miles south of the Tucson Mall. Based on the overall condition of the property, especially the interior space and new streetscape plaza areas, Morningstar gave this property a 3 property score ("Average").

The Bears Say

- Comparable in-line sales are down 6% in the trailing-twelve-months compared to 2011's sales. Part of the decline is due to 15 in-line tenants that were not part of the comparable in-line sales, but which moved into that category in the trailing 12 months. These 15 tenants (which lease a combined 62.890 square feet) have average sales of $237 per square foot, well below 2011's overall in-line sales average of $413. The upside is that the 14 tenants (which leased a combined 26,203 square feet) that closed between year-end and September had average sales of $165 per square foot. We also expect that over time the new tenants will see an increase in sales. Historically, the property has reported strong comparable in-line sales per square foot of $412, $410 and $413 for 2009, 2010, and 2011 respectively.
- The subject faces strong competition from its two primary competitors, Park Place and La Encantada. Each property has its own competitive edge, and although located sufficiently far enough away from one another, some amount of cross-shopping is expected to continue.
- Three of the four non-owned anchors have leases that roll during the loan term. This risk is partially mitigated by the fact that two of the three rolling anchors have occupied their space for over 30 years and the other rolling anchor has been in occupancy for more than 20 years. All rolling anchors have renewal options at favorable rental rates and two of the three rolling anchors have sales that well exceed their national averages.
- A number of the leases at the property contain co-tenancy clauses that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark".
- The sponsor, GGP, filed for bankruptcy protection in 2009. As a result of the bankruptcy proceedings, the company was split and several properties were handed back to their respective lenders. The reorganized company has renegotiated debt on many of its assets and is in better financial condition today.

The Bulls Say

- Low default risk on the trust debt during the term: the Morningstar LTV, debt yield and DSCR are 68.5%, 11.31% and 2.82x, respectively.
- Staggered lease expirations with 2014 being the only year during the lease term where more than 9% of collateral square footage rolls.
- The recent expansion of the property has brought many new and desirable retailers to the subject center and has made the center more of a destination shopping location. The open-air expansion includes new tenants such as REI, Cheesecake Factory, Brio Tuscan Grille and Toby Keith's I Love This Bar & Grill (scheduled to open in January 2013). Sir Veza's Taco Garage (a new concept by a long-time established chef in Tucson) replaced a sleepy Marie Callender's restaurant outparcel. In N Out Burger was added recently and Planet Fitness will replace a Golf Galaxy in an outparcel building, further improving the tenant mix.
- Average occupancy costs for inline tenants are a reasonable 15.5% based on sales figures for the TTM ended September 30, 2012.
- The Tucson Mall has a prime central location in the MSA along Oracle Road, which is the retail hub for the north-central Tucson area. The mall is synergistic with the nearby big box retailers, community centers and free-standing stores, and collectively, they serve as a destination shopping location for the region.
- Diverse tenant roster – the property offers a strong mix of regional and national retailers as well as numerous dining options.

Property / Collateral Summary – Tucson Mall

Tucson Mall is a two-story super regional mall with a total of 1,309,042 square feet of GLA, including 667,581 square feet of owned GLA. The property is located in Tucson, Pima County, Arizona at the highly visible intersection of Oracle Road and Wetmore Road. The property is the largest shopping center in Tucson and features the widest selection of stores in Southern Arizona. The owned GLA includes Forever 21, the mall shops, and the following outparcel buildings: Cheesecake Factory, BevMo, Planet Fitness and a vacant 4,200 pad restaurant. The remaining outparcel buildings (Mimi's Café, Olive Garden, Firestone, Sir Veza's Taco Garage, Brio Tuscan Grille, In N Out Burger and Sweet Tomatoes), along with anchors Dillard's, JC Penny, Macy's and Sears, are owned by the tenants and the tenants sub-lease the land from the subject ownership. The improvements are situated on 92.73 acres of land, including 88.4 acres under ground lease to the subject ownership and 4.40 acres owned in fee. The ground lessor is DND Neffson Company and there are 64 years remaining on the ground lease.

Mall shop space consists of about 185 stores totaling 503,699 square feet including the food court and kiosks. The mall was originally built in 1982 and the open-air expansion on the south side of the mall was completed in 2010. The property contains 6,038 parking spaces located in a combination of surface lots and parking decks. The overall occupancy of the entire development, including un-owned anchors, is 96.6% as of the August 2012 rent roll.

The following table summarizes the collateral composition:

Tenant Type	Total	Occupied	Total Mall Sq. Ft.	Collateral Sq. Ft.	Occupied	Vacant	Occupancy %	Vacancy %	Rental Revenue	Base Rent (Per Sq. Ft.)	% Total (Rental Rev)
Anchor	1	1	81,806	81,806	81,806	-	100.0%	0.0%	1,075,749	$13.15	5.1%
Shadow Anchor	4	4	641,458	-	641,458	-	100.0%	0.0%	64,445	$0.10	0.3%
In-Line (10,000-19,999 sq.ft.)	4	4	74,752	74,752	74,752	-	100.0%	0.0%	2,471,940	$33.07	11.7%
In-Line (5,000-9,999 sq.ft.)	22	20	147,724	147,724	134,589	13,135	91.1%	8.9%	4,742,092	$35.23	22.4%
In-Line (3,001-4,999 sq.ft.)	24	18	89,953	89,953	67,569	22,384	75.1%	24.9%	2,218,880	$32.84	10.5%
In-Line (2,001-3,000 sq.ft.)	18	17	44,925	44,925	42,140	2,785	93.8%	6.2%	1,720,891	$40.84	8.1%
In-Line (1,001-2,000 sq.ft.)	43	41	62,803	62,803	59,857	2,946	95.3%	4.7%	2,718,701	$45.42	12.8%
In-Line (1-1,000 sq.ft.)	33	29	23,156	23,156	20,660	2,496	89.2%	10.8%	1,412,437	$68.37	6.7%
Food Court	10	10	7,198	7,198	7,198	-	100.0%	0.0%	854,532	$118.72	4.0%
Kiosk	6	5	1,120	1,120	928	192	82.9%	17.1%	188,558	$203.19	0.9%
Outparcel	11	10	110,015	110,015	105,815	4,200	96.2%	3.8%	2,208,062	$20.87	10.4%
Other 4	3	3	180	180	180	-	100.0%	0.0%	40,800	$226.67	0.2%
Restaurant	2	2	11,548	11,548	11,548	-	100.0%	0.0%	338,044	$29.27	1.6%
Jewelry	8	8	12,401	12,401	12,401	-	100.0%	0.0%	1,134,526	$91.49	5.4%
Totals / Weighted Avg:	**189**	**172**	**1,309,039**	**667,581**	**1,260,901**	**48,138**	**92.8%**	**7.2%**	**21,189,657**	**$34.21**	**100.0%**

Tenant Overview

The following table summarizes the top ten collateral tenants at the subject property:

Morningstar Tenant Overview Table (Top 10)						
Tenant	Net Rentable Square Feet	% of Square Feet	Base Rent Amount	Base Rent $ Square Foot	% of Rent	Lease Expiration
Forever 21	81,806	12.3%	$1,075,749	$13.15	5.1%	Jul-27
REI	27,937	4.2%	$558,740	$20.00	2.6%	Dec-20
H&M	20,951	3.1%	$622,454	$29.71	2.9%	Jan-21
Toby Keith's Love Bar	20,443	3.1%	$924,637	$45.23	4.4%	Jun-22
Old Navy	19,996	3.0%	$483,903	$24.20	2.3%	Oct-14
Planet Fitness	15,305	2.3%	$229,575	$15.00	1.1%	Dec-22
Victoria's Secret	13,362	2.0%	$440,946	$33.00	2.1%	Jan-19
Beverages & More	12,000	1.8%	$216,000	$18.00	1.0%	Oct-18
Cheesecake Factory	10,863	1.6%	$325,890	$30.00	1.5%	Jan-31
New York & Co	9,488	1.4%	$277,144	$29.21	1.3%	Jan-13
Top 10 Subtotal	**232,151**	**34.8%**	**5,155,039**	**$22.21**	**24.3%**	

Anchor / Major Tenant Summary

Forever 21 operates more than 480 stores under the Forever 21, XXI Forever, ForLove 21, and Heritage 1981 banners worldwide. As far as store profile is concerned, Forever 21 has been targeting large department stores, many of which were vacated by notable retailers that went bankrupt during the recession including Gottschalks and Mervyn's. Forever 21 opened this location in June of 2011.

Dillard's (shadow anchor) ranks among the nation's largest fashion apparel and home furnishings retailers. The company operates 304 department stores in 29 states. To combat a recent decline in sales, Dillard's has closed underperforming stores, including the last of its 16 home and furniture stores. New plans call for a repositioning of the brand into a more upscale lineup of brands and products. The company hopes to position itself above Macy's and Belk but below high-end chains such as Nordstrom and Bloomingdale's. Sales at this location for the trailing-twelve-months ended September 2012 (based on estimates provided by the borrower) are $40 million ($213 per square foot). This is substantially higher than the national average for the chain of $14.5 million ($118 per square foot).

JC Penney (shadow anchor) is one of the largest department store chains in the United States with more than 1,100 stores in 49 states and Puerto Rico. The company was founded in 1902 and is based in Plano, Texas. JC Penney Company, Inc.'s stock is traded on the NYSE under the ticker symbol "JCP" and Morningstar, Inc. assigns a rating of BBB- (Morningstar, Inc. ratings are not NRSRO ratings). As of June 2012, JC Penney Company, Inc. operated about 1,100 department stores. Sales at this location for the trailing-twelve-months ending July 2012 (as estimated by the sponsor) were $29 million ($220 per square foot) which is almost double the chain average of $14.7 million. The JC Penny sublease recently expired on 7/31/12 and the tenant is now in its first five-year renewal option. JC Penney has five options remaining.

Macy's (shadow anchor) is one of the largest department store chains in the United States with more than 850 department stores in 45 states, the District of Columbia, Guam and Puerto Rico operated under the Macy's and Bloomingdale's banners. Macy's Inc.'s stock is traded on the NYSE under the ticker symbol "M". Morningstar, Inc. assigns a rating of BBB- to the company (Morningstar, Inc. ratings are not NRSRO ratings). Macy's sales at this location were estimated by the borrower at $22 million. This equates to sales per square foot of $158 which is lower than the chain average of $174 per square foot. Macy's sublease expires in October 2015 but the tenant has twelve 5-year renewal options remaining. They are currently in their second of 14 total renewal options available under the sublease.

Sears Holdings (shadow anchor) is one of the largest retail firms in the country with over 3,900 full-line and specialty stores in the United States and Canada under the Sears, Kmart, Sears Essentials, Sears Hometown and Sears Grand brands. The Sears brand includes 810 full-line stores in all 50 states and Canada. Sears Holdings stock is traded under the symbol "SHLD" and Morningstar, Inc. assigns a rating of B- to the company (Morningstar, Inc. ratings are not NRSRO ratings). The company posted a $3.1 billion loss for the 2011 fiscal year due in part to a $1.1 billion decrease in same store sales. The sales at this location were reported by the borrower at $34 million ($186 per square foot) which is substantially higher than the reported chain average of $165 per square foot. Gross sales are over three times the chain national average of $10.2 million. The Sears sublease expires on 3/21/17. The Sears sublease was for an initial 25-year term, which ended 3/21/07 and the tenant is now in its first 10-year extension option. There are three additional 10-year extension options remaining.

Tenant Expiration and Lease Rollover

In-line rollover is generally staggered during the loan term with 2014 being the only year where more than 9% of the mall's GLA rolls. In our view the in-line rollover appears to be manageable during any given year and we consider the anchor rollover well mitigated by the strength of sales of the respective anchors (two of the three rolling anchors have gross sales that are well above their national averages). Annual lease expirations are shown below:

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year							
	MTM	2012	2013	2014	2015	2016	After 2016
Anchor	0	0	0	0	0	0	81,806
Shadow Anchor	0	0	0	0	1	0	3
In-Line (10,000-19,999 sq.ft.)	0	0	0	19,996	0	0	54,756
In-Line (5,000-9,999 sq.ft.)	0	0	16,388	19,215	19,217	15,474	64,295
In-Line (3,001-4,999 sq.ft.)	0	0	0	9,525	7,602	6,668	43,774
In-Line (2,001-3,000 sq.ft.)	0	0	7,403	4,959	12,838	0	16,940
In-Line (1,001-2,000 sq.ft.)	0	0	8,416	12,749	4,165	11,024	23,503
In-Line (1-1,000 sq.ft.)	0	0	2,020	3,731	2,202	1,271	11,436
Food Court	0	0	0	3,864	0	1,234	2,100
Kiosk	0	126	0	642	160	0	0
Outparcel	0	0	9,100	6,309	0	0	90,406
Other 4	0	0	0	0	0	0	180
Restaurant	0	0	0	0	0	0	11,548
Jewelry	0	0	0	2,988	1,326	3,575	4,512
Total	**0**	**126**	**43,327**	**83,978**	**47,511**	**39,246**	**405,259**
% Roll	**0.0%**	**0.0%**	**6.5%**	**12.6%**	**7.1%**	**5.9%**	**60.7%**

Co-Tenancy Risk

The majority of the tenants at Tucson Mall have leases that contain co-tenancy clauses that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark". The largest tenant by square footage with early termination rights or co-tenancy provisions is H&M.

The lease with H&M is subject to the following co-tenancy provisions. If (a) fewer than three anchors (one of which must be Macy's), or their Suitable Replacements are open for business in shopping center, or (b) less than 85% of the gross leasable area of the shopping center devoted to non-anchor tenants is leased and occupied (each of which shall be deemed an "Occupancy Failure"), then tenant has the right to pay, in lieu of minimum annual rent and percentage rent, an amount equal to 6% of net sales on a monthly basis. If an Occupancy Failure continues for 12 consecutive months, tenant has the right to terminate its lease. "Suitable Replacement" means one or more of the following (1) an anchor that (i) operates for retail purposes in at least 65% of the original premises vacated by the anchor, (ii) sells merchandise similar in quality, fashion level and price point to that sold by the remaining anchor(s), and (iii) that is not a temporary tenant, or (2) replacement of at least 65% of the area occupied by the former anchor by any one or more of the following (x) retailers offering for sale merchandise similar in quality, fashion level and price point to that being offered by other retailers at the shopping center, (y) a multiplex movie theater, showing primary first-run Hollywood movies, and (z) big box users of the quality generally found in first-class shopping centers, occupying at least 10,000 square feet each.

Market Area Overview – Tucson Mall

Tucson Mall is located in Reis's North/Upper West submarket within the larger Tucson market. The Tucson retail market contains just over 12 million square feet of space and the subject's North/Upper West submarket comprises over 28% of the retail inventory (the largest retail submarket in the MSA). As of second quarter 2012, the North/Upper West submarket recorded an overall vacancy rate of 11.2%.

Tucson Mall benefits from a diverse consumer base that includes one million year-round residents, 300,000 seasonal residents, 2.5 million annual tourists, 38,000 students at the University of Arizona, 8,200 military personnel, and an affluent retired population. The Tucson Mall also attracts affluent Mexican nationals who benefit from Tucson's location within the Mexican free-travel and trade zone. Being only 60 miles north of Mexico, Tucson is a popular destination for affluent Mexican nationals. As the largest super-regional mall in the area, Tucson Mall is well positioned to benefit from this regular influx of foreign shoppers.

The mall is the commercial/retail hub for the area, anchoring retail and commercial development for this section of the submarket. Market demographics are presented in the following table:

Summary of Demographic and Economic Trends					
	2000	2012	Forecast 2017	Average Annual Growth Rate (%) (2000 – 2012)	(2012 – 2017)
Population					
Five-Mile Radius	213,047	221,985	224,712	0.34%	0.24%
Tucson CBSA	843,748	998,453	1,048,948	1.41%	0.99%
State of Arizona	5,130,628	6,570,041	7,060,944	2.08%	1.45%
United States	281,421,906	313,095,504	325,256,835	0.89%	0.77%
Average Household Income					
Five-Mile Radius	$44,166	$51,142	$52,078	1.23%	0.36%
Tucson CBSA	$49,437	$59,389	$61,048	1.54%	0.55%
State of Arizona	$53,935	$64,835	$66,718	1.55%	0.57%
United States	$56,675	$67,315	$69,219	1.44%	0.56%
Retail Sales ($ millions)					
Tucson CBSA		$13,132			
State of California		$92,268			
United States		$4,575,879			

Source: *Appraisal / Claritas*

Based on our review of data for the region, we believe that the current economic climate influencing the greater Tucson area continues to have an impact on sites similar to the subject due to their commercial nature and reliance on consumer spending. As the recovery within the region sees modest strengthening, the local economy should see stability and potential growth in 2013, benefiting the subject property and other commercial properties in the region.

The following table displays three shopping centers in the subject market that are considered to be primary competition for the Tucson Mall.

Summary of Primary Retail Competition							
Property Name / Property Type	**Location / Market**	**Distance from Subject**	**Year Built / Year Renovated**	**GLA**	**Anchors**	**Occupancy**	**Est. Mall Shop Sales/SF**
Subject Center Super Regional Mall	Tucson, AZ	-	1982 / 2010	1,309,042 sq. ft.	Dillard's, JC Penney, Macy's, Sears, Forever 21	95%	$389/SF
Park Place Super Regional Mall	Tucson, AZ	11.3 miles southeast	1974 / 2001	1,059,485 sq. ft.	Dillard's, Macy's, Sears, Century Theater	96%	$470/SF
La Encantada Lifestyle Center	Tucson, AZ	5 miles northeast	2003 / NA	239,494 sq. ft.	AJ's Fine Foods, Crate & Barrel, Pottery Barn, Century	94%	$500/SF
Foothills Mall Regional Center	Tucson, AZ	5.4 miles northwest	1977 / 2004	556,214 sq, ft,	Old Navy, Ross Dress for Less, Barnes & Noble, Nike Factory Store	NA	$300/SF

Source: *Appraisal*

Park Place – is the subject's chief competitor, and is also under the ownership of General Growth Properties. The one-story enclosed regional mall is located about 11.3 miles southeast of the subject. The mall was built in 1974 and underwent a major expansion and renovation in 2001. From a physical standpoint, Tucson Mall is comparable to Park Place. However, Park Place generates higher sales productivity and has theaters and a handful of retailers not found at the subject including Brighton Collectibles, Chico's, White House Black Market, Coldwater Creek and Love Culture. Whereas Tucson Mall has a better selection of restaurants including Toby Keith's I Love This Bar and Grill, Brio Tuscan Grille, Cheesecake Factory, Sir Veza's Taco Garage, Mimi's Café, Olive Garden, In N Out, and Sweet Tomatoes, among others, Park Place has the attraction of its Century Theaters. Although the subject property's expansion was completed in 2010, it is completing lease-up of some of the remaining expansion space and not all tenants have taken occupancy of their space. Over the next year, as tenants with recent leases take occupancy, Tucson Mall is expected to gain traction in income and sales growth. Although cross-shopping between the two malls is common, it also is limited by drive times and traffic congestion. Together, the two centers—Tucson Mall and Park Place—dominate the Tucson retail market.

La Encantada – is an open-air lifestyle center located five miles northwest of the subject. Built by Westcor (a division of Macerich Company) in 2003, the 293,494 square foot one-and two-story center is anchored by AJ's Fine Foods (an upscale grocer), Crate and Barrel and Pottery Barn. This center offers number quality tenants such as Louis Vuitton, Tiffany, Ann Taylor, Anthropology, Williams Sonoma, Lucky Brand Jeans and numerous unique and trendy restaurant offerings such as Arimatage wine Lounge, Blanco Tacos, Firebirds Woodfired Grill, Frost, NoRTH and RA Sushi. La Encantada is a high-quality development with a strong tenant offering; however because of its small size, lack of traditional department store anchors and grocery store component, it competes in a slightly different market niche.

Foothills Mall – Considered secondary competition to the Tucson Mall, Foothills Mall is only 5.4 miles from the subject property. It was built as a traditional enclosed regional mall in 1982/1983, roughly the same time the Tucson Mall opened. However, Tucson Mall prevailed as the stronger of the two despite the draw of the modern theaters and a variety of sit-down restaurants at Foothills Mall. Starting in 1995, the struggling Foothills Mall was purchased and redeveloped over the years by interim ownerships. Once characterized as an outlet center and now considered a hybrid regional center, the anchors include a movie theater, Barnes & Noble, Old Navy, Ross Dress for Less, Saks Off Fifth and Nike Factory Store. Wal-Mart Supercenter is located north of the center and serves as a shadow anchor. Foothills Mall is considered to be inferior to the subject in size, tenant offering and overall appeal.

From a geographic and transportation perspective, the primary competitors cited above are viewed as being the subject's most direct competition. Additional secondary competitors include a number of larger strip centers, freestanding stores and big-box specialty retailers. While the Tucson Mall competes for local retail expenditures with the aforementioned competitors, these centers establish the subject's local area as a retail hub for the Tucson area.

Historical Sales

As shown below, in 2011 Tucson Mall's total mall sales increased 7.2% over 2010 sales. The sales growth is mainly attributable to the recently completed expansion at the property and subsequent lease-up, as evidenced by the nominal increase on a sales-per-square-foot basis.

Historical Property Sales (Excluding Anchors)				
	2009	2010	2011	TTM Sept 2012
Total Mall Sales	$ 134,101,471	$ 151,335,999	$ 162,544,815	$ 166,956,880
Sales PSF	$412	$410	$413	$389
In-Line Occupancy Cost	15.20%	14.70%	14.70%	15.50%

Third Party Reports – Tucson Mall

Appraisals

An appraisal report, prepared by an independent third-party appraisal firm (Cushman & Wakefield), was reviewed as part of Morningstar's analysis. The appraisal report issued on September 26, 2012, indicated a value of $400 million.

Property Condition

The Property Condition Assessment for Tucson Mall, prepared by ATC Associates, Inc. and dated October 10, 2012, identified no immediate repairs. The recommended replacement reserve for the 12-year hold period was $2,401,819, inflated, which equates to $0.36 per square foot per year (excluding anchors).

Environmental

A Phase I Environmental Site Assessment ("ESA") for Tucson Mall, prepared by ATC Associates, Inc. and dated October 10, 2012, was reviewed as part of Morningstar's analysis. The assessment noted no current Recognized Environmental Conditions and "no further action" was required.

Seismic

A seismic assessment was not conducted.

Morningstar Analysis – Tucson Mall

Morningstar evaluated the collateral's historical cash flow, occupancy levels, tenancy, and tenant improvement and leasing costs. Morningstar's estimates of revenue and expenses, as well as our analytical approach, are discussed below.

Morningstar Estimates of Revenue

Morningstar's *Gross Potential Rent* (GPR) revenue is based on leases signed as of September 30, 2012, and includes all contractual rent increases through June 30, 2013. Our concluded market rents are based on an analysis of the appraiser's conclusions, average in-place rents and recent leasing at the property. We also evaluated for reasonableness the occupancy costs within various tenant categories. Several in-line tenant categories have in-place rents that are substantially higher than the appraiser's concluded rental rate. As a result, Morningstar moved the in-place rental rates towards the appraiser's market assumption, which resulted in a mark-to-market haircut on in-place rents of just over $145,000. This adjustment was made in lieu of an occupancy cost adjustment.

Expense Reimbursement – Calculated based on a trailing-twelve-month expense recovery ratio of 107.8% plus CAM Reimbursement bumps that occur over the next 12 month for tenants that have fixed CAM reimbursements. The sponsor is attempting to move CAM Reimbursements from a pro rata share to a fixed reimbursement amount with annual increases. Data provided to Morningstar shows that this effort has been successful and many new and renewal leases that have been executed at the property over the last 12-24 months do in fact have fixed CAM Reimbursements. However, given that a majority of in-place tenants still pay a variable CAM reimbursement, we have looked to the historical recovery ratio.

Overage / Percentage Rent – Percentage Rent reflects tenants which pay percentage rent in lieu of base rent. Underwritten percentage rent income assumes breakpoints effective as of 2012 and each tenant's sales for the trailing-twelve-months ended September 2012.

Other Income – Other Income reflects Miscellaneous Income, including specialty/temporary leasing and other rental revenue, etc. Underwritten Other Income is underwritten based on the borrower's budgeted number of $1,668,229 which is slightly lower than 2011 results and 2% higher than trailing-twelve-months ending August 31, 2012.

Vacancy – Morningstar has underwritten to the current vacancy rate of 7.2% (calculated on the owned collateral only).

Morningstar Estimates of Expenses

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

Real Estate Tax – Real Estate Tax expenses are based upon a projected inflationary increase in taxes over the trailing 12 months.

Management Fees – Management Fees are underwritten at 3.2% of Effective Gross Income, consistent with historical averages. The property is self-managed by an affiliate of the borrower. This figure exceeds the appraiser's concluded market management fee of 2%.

Tenant Improvements & Leasing Commissions – We have generally mirrored the appraiser's assumptions for leasing costs. With the exception of anchor and kiosk space, we have assumed tenant improvements on new leases of $20 and $0 for renewals. These assumptions are supported by a Tenant Work schedule provided by the arranger which showed that most leases signed over the last 24 months received little or no tenant improvement allowance. Leasing commissions were underwritten at 4% for new leases for in-line space and 2% for renewal tenants. We have assumed a 65% renewal probability, which is lower than the appraiser's assumption of 75%.

Morningstar Valuation

Morningstar estimated the value of the asset based on the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail and office sector in each region and major metropolitan areas based on a review of investor surveys including the 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 concluded Morningstar capitalization rate was 7.75%, resulting in a value of $299,840,515 ($449 per collateral square foot), 25% below the appraiser's value of $400 million.

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

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Tucson Mall	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 08/31/12	Issuer Underwriting
Income					
Gross Potential Rent	$22,679,943	$14,567,675	$16,855,162	$18,344,691	$23,472,136
Less: Vacancy Loss (GPR)	(1,682,659)	0	0	0	(1,869,584)
Less: Concessions	0	0	0	0	0
Less: Collection Loss	0	0	0	0	0
Less: Vac Adj for Concess/Coll Loss	0	0	0	0	0
Base Rent/Net Effective Rent	**$20,997,284**	**$14,567,675**	**$16,855,162**	**$18,344,691**	**$21,602,552**
Expense Reimbursement	$10,619,157	$9,172,138	$9,914,591	$10,099,807	$10,897,537
Percentage Rent	210,762	441,777	717,786	463,565	210,762
Other Rental Income	1,668,229	1,988,527	1,688,643	1,635,519	1,668,229
Other Income	319,944	294,836	276,839	313,672	319,944
Insert Description	0	0	0	0	0
Insert Description	0	0	0	0	0
Less: Vacancy Other Incomes	0	n/a	n/a	n/a	n/a
Effective Gross Income	**$33,815,376**	**$26,464,953**	**$29,453,021**	**$30,857,255**	**$34,699,023**
Expenses					
Real Estate Taxes	$1,312,717	$1,072,830	$1,271,987	$1,268,325	$1,251,996
Property Insurance	137,596	139,597	136,309	132,943	132,943
Utilities	2,570,231	2,392,627	2,577,200	2,570,231	2,570,231
Repairs and Maintenance	822,792	1,179,965	911,016	822,792	822,792
Contract services	0	0	0	0	0
Management Fees	1,014,461	799,940	932,428	974,555	952,059
Payroll & Benefits	0	0	0	0	0
Common Area Maintenance	1,838,270	1,734,468	1,857,333	1,838,270	1,838,270
Advertising & Marketing	466,258	413,667	409,293	466,258	466,258
Professional Fees	0	0	0	0	0
General and Administrative	526,326	422,206	524,746	526,326	526,326
Non-Reimbursable Expenses	341,377	206,652	242,883	298,251	307,199
Insert Description	0	0	0	0	0
Market Expense Adjustment	473,000	410,000	446,750	473,000	473,000
Total Operating Expenses	**$9,503,027**	**$8,771,952**	**$9,309,946**	**$9,370,950**	**$9,341,074**
Net Operating Income	**$24,312,348**	**$17,693,000**	**$20,143,075**	**$21,486,304**	**$25,357,949**
Capital Items					
Leasing Commissions	$603,127	$0	$0	$0	$622,640
Tenant Improvements	368,077	0	0	0	377,977
Capital Expenditure / Reserve	133,516	0	0	0	240,322
Extraordinary Capital Expenditures	0				
- Credit For TI Reserve	0				
- Credit For LC Reserve	0				
- Credit For TI/LC Reserve	0				
- Credit For Cap Ex Reserve	0				
Total Capital Items	**$1,104,720**	**$0**	**$0**	**$0**	**$1,240,940**
Credit for Upfront DSCR Escrow	$0	$0	$0	$0	$0
Net Cash Flow	**$23,207,628**	**$17,693,000**	**$20,143,075**	**$21,486,304**	**$24,117,009**

Loan Summary – Tucson Mall

The Tucson loan is evidenced by two fixed-rate promissory notes in the amount of $102,741,000. Barclays Bank PLC and UBS Real Estate securities Inc. each funded one of the two notes. On the loan closing date, the outstanding principal balance of the Tucson loan is expected to be $205,482,000. The loan has a 7.5-year term and pays interest only during the term. GGP-Tucson Mall L.L.C, GGP-Tucson Land L.L.C., and Tucson Lease Holding LLC (collectively the Tucson borrower), are entities that are indirectly owned by the sponsor, GGP Limited Partnership. The loan is secured by a first-priority lien on 667,581 square feet of the 1.31-million-square-foot Tucson Mall, a super-regional mall in Tucson, Arizona. The loan is scheduled to mature on the loan payment date in June 2020.

Borrowers/Sponsors

The borrowers on the Tucson Mall loan are GGP-Tucson Mall L.L.C, GGP-Tucson Land L.L.C., and Tucson Lease Holding LLC, each a Delaware limited liability company structured as a bankruptcy-remote, special-purpose entity. The Tucson Mall sponsor and recourse carve out guarantor is GGP Limited Partnership, an affiliate of General Growth Properties.

General Growth Properties, Inc. (GGP) is a fully-integrated, self-managed and self-administered real estate investment trust (REIT) that owns, manages, leases and redevelops regional shopping malls in the U.S. Headquartered in Chicago, GGP is a publicly-traded company listed on the New York Stock Exchange (ticker: GGP). As the second-largest retail property REIT in the U.S., the company owns or has ownership interests in 150 regional and super-regional shopping malls in 41 states (and Brazil). The malls in GGP's portfolio include such well known destinations as Ala Moana Center (Honolulu), Tysons Galleria (Washington, D.C.), Glendale Galleria (Los Angeles), and Water Tower Place (Chicago). GGP filed for Chapter 11 bankruptcy protection on April 16, 2009 as a result of an inability to refinance its CMBS debt. The company emerged from bankruptcy on November 9, 2010.

Loan Features/Concerns

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

Cash Management

The borrowers are or will be required to establish and maintain clearing accounts with respect to the property, which accounts are to be eligible accounts under the control of the lender. Rents from the related property are to be deposited directly by tenants into these accounts. The borrowers are to deposit and cause the deposit of all other revenue relating to the related property (other than non-core income, income derived from sponsorship and advertising, de minimis income and tenant security deposits required to be held in escrow accounts) into these accounts.

Funds in the clearing accounts will be swept into the related cash management account once each business day (unless the clearing account is the same as the cash management account). The cash management accounts are required to be eligible accounts under the control of the lender. Prior to certain trigger events, funds shall be disbursed to borrower account(s) and mortgage loan reserves are not funded. Upon the occurrence of certain trigger events, funds shall be disbursed pursuant to the waterfall in the loan documents and reserves shall be funded. Pursuant to the cash management provisions in the loan documents, the lender does not have sole discretion regarding the application of funds post event of default. Instead, prior to an enforcement action by lender, funds may be applied by borrower to certain items such as operating expenses which may not form part of a lender approved budget.

Ground Lease

The majority of Tucson Mall (88.4 acres) is subject to a ground leasehold interest owned by GGP-Tucson Mall L.L.C. DND Neffson Co. is the ground lessor. The ground lease terminates on December 31, 2076, and the annual ground lease payments are $400,000 through the end of the term. According to information provided by the arranger, the ground leases and related documents generally include customary "financeable" ground lease provisions.

Additional Indebtedness

The equity owners (collectively, the mezzanine borrowers) have pledged their respective direct or indirect ownership interests in each mortgage borrower to secure one mezzanine loan. The mezzanine loan is coterminous with the related mortgage loans and are each subject to an intercreditor agreement.

Though payments on the mezzanine debt are generally subordinate to the mortgage loan held by the trust, the presence of additional debt introduces risks to the senior debt including:

- Reduced borrower skin-in-the-game that may remove incentives to maintain or improve the competitiveness of the properties resulting in lower income streams
- The presence of additional debt increases the difficulty of refinancing a mortgage loan at the maturity date
- The mezzanine debt holder typically has certain consent and/or consultation rights with respect to the applicable loan and related property, which may result in delays in the workout of such loan as a result of the need for mezzanine lender consent on certain actions.

The mezzanine intercreditor agreement contains certain mezzanine lender rights, including, without limitation, cure rights, purchase option and certain consent rights. For monetary defaults, the intercreditor agreements provide that for monetary defaults, the mezzanine lender shall have until ten business days after the later of (a) receipt by it of a senior loan default notice and (b) expiration of the borrower's cure period, if any. If the default identified in the senior loan default notice is of a non-monetary nature, the mezzanine lender shall have until the later of (a) five business days after receipt of such senior loan default notice and (b) fifteen five business days after expiration of the borrower's cure period, if any. Such cure periods may be extended if certain conditions are satisfied in the intercreditor agreement.

The intercreditor agreement also includes consent and/or consultation rights with respect various actions including alterations, leases and other property agreements and budget approvals. As the mezzanine loan may be securitized, such consent and/or consultation rights may be coordinated among various parties which may lead to delays and/or failures in consent and consultation responses. Further, the intercreditor agreement include certain provisions that could delay senior lender rights in bankruptcy proceedings of borrower for 30 days (or such later cure period as may be provided in the intercreditor agreement). These rights may impact the special servicer's workout strategy and/or the timing for modifications on the loan and/or a sale of the loan.

In addition, holders of mezzanine debt may be affiliated with the borrower(s). As a mitigant, the intercreditor places certain restrictions on consent rights and exercise of certain rights while the related mezzanine loan is held by a borrower affiliate.

Prepayment / Defeasance

The borrower is not permitted to voluntarily prepay the mortgage loan in whole or in part prior to the payment due date in March 2020. On or after the due date in March 2020, the mortgage loan may be prepaid in whole but not in part without a fee or prepayment premium. The borrower may defease the loan in whole but not in part starting two years after the loan closing date.

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. 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. 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 the borrowers' separateness, and the borrowers make certain representations regarding their previous existence, most of the borrowers existed prior to the origination of the loans. While pre-existing entities present a higher risk than newly formed single purpose entities, nonconsolidation opinion(s) relating to the borrowers are or will be provided.

While single purpose entity borrowers are intended to lessen the possibility that a borrowers' 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. In addition, General Growth Properties, Inc., which indirectly owns nearly all of the interests in the Borrowers, filed for Chapter 11 bankruptcy in April 2009 and emerged from bankruptcy in November 2010.

Collateral Releases and Substitutions

In addition to defeasance, partial releases and the addition of parcels, the loan agreements provide for substitution, including the release of vacant, non-income producing and unimproved or improved only by landscaping, utility facilities that are readily re-locatable or surface parking areas and the addition of an "acquired parcel" reasonably equivalent in use, value and condition, subject to certain conditions.

Repurchase Obligation

The mortgage loan sellers 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. In addition, due to the existence of multiple mortgage loan sellers, each of which may be required to cure or repurchase only it's pro rata portion of the loan, increased enforcement costs and/or delays in enforcement may result. In addition, if one seller repurchases and another seller does not, it is possible a portion of the loan may be held outside of the trust while the remainder remains in the trust. While the documents contain provisions to handle such circumstances, there could be delays and/or issues related to administering an asset partially owned outside of the trust.

Reserve Accounts / Payments

The Tucson Mall loan borrower was not required to make any initial deposits at the time of loan closing into the tax escrow fund, insurance escrow fund, or replacement reserve fund. However, if the DSCR based on the trailing four fiscal quarters is less than 1.60x, the lender is required to transfer on each loan payment date amounts from the related cash management account to make the following payments:

(1) an amount equal to 1/12th of the ground rent paid by the related borrower under all related ground leases for the lease year then most recently ended, for the purpose of reserving amounts in respect of ground rent;

(2) an amount equal to 1/12th of projected annual real estate and personal property taxes for the purpose of reserving amounts in respect of taxes;

(3) an amount equal to 1/12th of projected annual insurance premiums (unless insurance is maintained under a blanket policy) for the purpose of reserving amounts in respect of insurance premiums;

(4) to the Lender, an amount equal to the related monthly capital expenditure deposit for the purpose of reserving amounts in respect of capital expenditures (provided that such amount on deposit with the Lender does not exceed 12 times such monthly capital expenditure deposit), which monthly amount may be increased if necessary for proper maintenance and operation of the related property, as determined by the lender in its reasonable discretion;

(5) to the Lender, an amount equal to the related Monthly Rollover Deposit for the purpose of reserving amounts in respect of tenant improvements and leasing commissions (provided that such amount on deposit with the Lender does not exceed 12 times such Monthly Rollover Deposit);

Tucson Mall – Site Plan & Pictures

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Exterior

Macy's Exterior

Mall Entrance

Mall Interior

Sears Exterior

Restaurant Outparcel

H & M Exterior

REI Exterior

Loan 2: Fashion Place

Morningstar Perspective

The Fashion Place loan is secured by the fee simple interest in 421,206 square feet of a 1,021,984 square foot, single-level, regional shopping mall located in Murray, Utah (ten miles south of Salt Lake City CBD). The 90-month (7.5-year), $202 million ($479 per square foot) full-term interest-only loan provided refinancing proceeds to take-out a prior mortgage loan ($133 million), and provide a partial return of equity to the sponsor ($89 million). In addition to the trust debt, there is a $24,730,000 mezzanine loan that is closing concurrently with the trust debt and is co-terminus. The sponsor is General Growth Properties, Inc. (GGP). The mall was built in 1972 and was renovated in 1988, 2009, and 2011. The 2009 renovation included an expanded 138,000 square foot Nordstrom, interior remodel and expanded food court with a new rotunda. In 2011, 98,000 square feet of new retail space was added including Crate & Barrel, H&M and 17 new shops and restaurants.

The mall is shadow anchored by Sears, Dillard's, and Nordstrom. The largest collateral tenants include Crate & Barrel, Macy's, H&M, Gap/ Gap Kids, and Cheesecake Factory. Collectively, the five largest collateral tenants make up 24.3% of the collateral square footage and 15.4% of in-place base rent. Based on Morningstar's analysis, the collateral portion of the property is currently 94.4% occupied to 112 tenants; the in-line portion of the property is 89.8% occupied based on Morningstar's analysis. As of August 31, 2012 the total mall occupancy was 98.6%, which has increased from 88.7% in 2009, 98.2% in 2010, and 97.9% in 2011.

Morningstar toured the property on Monday, October 29, 2012. The property is located along State Street (Highway 89) between East 6100 South and East Winchester Street. Access from Interstate 215 (a beltway-freeway surrounding Salt Lake City) is via Exit 10 which turns directly into Fashion Blvd, the mall's east-side artery. The mall is a major shopping destination for this portion of the region and acts as a commercial/retail hub for the area. Intermountain Healthcare, Salt Lake City's largest employer, is just a few miles north of Fashion Place along State Street. The mall also developed a streetscape area that features The Cheesecake Factory, Brio Tuscan Grille, California Pizza Kitchen, Corner Bakery and Red Rock Brewing Company, North Face, Carter's, The Children's Place and Paper Source. Overall, the property shows well, is well maintained and has adequate parking. Based on the overall condition of the property, Morningstar gave this property a "2" property score ("Good"). Our score was heavily influenced by the mall's interior space and the newly developed streetscape area.

The strength and appeal of the mall is best exemplified by its historical performance. Dating back to 2009 the entire mall has generally achieved average annual occupancy in the mid 90% range; during this same time period the collateral portion has achieved occupancy ranging from the high 80% to low 90% range. Collateral net operating income has increased period-over-period dating back to 2009 as well. 2010 NOI increased 11% over the prior year, 2011 increased 12% and TTM August 2012 increased 14%.

Morningstar's analysis of the property resulted in an NCF of $21.30 million, which is 2.0% lower than the issuer's underwritten NCF. Morningstar underwrote rents based on the appraiser's concluded rents for in-line spaces less than 5,000 square feet and in-place rents for junior anchors, plaza/ exterior tenants, in-line tenants greater than 5,000 square feet, and food court, kiosk, jewelry and antenna/ ATM tenants. Vacancy was underwritten to 6.0% based on the average in-place vacancy at the property. Morningstar's value for the property is $284.04 million, which is 25.6% lower than the appraised value. The resulting Morningstar LTV ratio and DSCR on the trust debt (interest-only) are 71.12% and 2.90x respectively.

The Bears Say

- A major redevelopment known as City Creek center has recently been completed in downtown Salt Lake City (11 miles north of subject) and is expected to directly compete with Fashion Place Mall. City Creek Center is a walkable urban community of residences, offices and retail stores that covers three downtown Salt Lake City blocks and is anchored by Nordstrom's and Macy's. This new development offers approximately 500,000-600,000 square feet of in-line retail shops and restaurants that line pedestrian walkways and link the two anchor stores. City Creek Center is expected to significantly revitalize the downtown area and will eventually become Fashion Place's primary competitor to the north.
- Sponsor cash-out – after paying off existing debt of approximately $133 million, $89 million of loan proceeds will be used to return equity to the sponsors.
- Some in-place tenant categories (specifically smaller in-line spaces) have rental rates that are above the appraiser's concluded market rental rate. This is mitigated by the fact that we have moved rents for these tenant categories towards market, consistent with our standard methodology.

- The sponsor, GGP, filed for bankruptcy protection in 2009. As a result of the bankruptcy proceedings, the company was split and several properties were handed back to their respective lenders. The reorganized company has renegotiated debt on many of its assets and is in better financial condition today.

The Bulls Say

- The mall has recently been redeveloped and expanded, beginning with a new Nordstrom department store that opened at the mall in 2009. The former Nordstrom improvements on the west side of the mall were subsequently demolished in favor of a new retail component anchored by the State of Utah's only Crate and barrel as well as a large H&M store.
- Total mall shop sales were reported at $111.7 million in 2009, $118.4 million in 2010 and $154 million in 2011. As noted by the large increase, the expansion of Fashion Place, including Apple, Ann Taylor, Brio Restaurant and several national tenants, was completed in mid-year 2011, with tenants opening between August and November. As of July 2012, total mall shop sales were reported at $197.2 million. On a per square foot basis, all non-anchor tenant sales were approximately $419 per foot in 2009, increasing to $435 per square foot as of year-end 2010, and $521 per square foot at the end of 2011. As of July 2012, total sales per square foot were reported at $563 per square foot.
- The property displays a staggered lease expiration schedule with no more than 13% of base rent expiring in any year during the loan term.
- The subject property comprises a diverse retail destination, focused on the middle and upper income consumer, for a fairly diverse trade area, with good exposure, access and visibility. In addition, the property features a tenant mix and major/anchor store alignment that appears to provide the necessary draw of customers to the center.
- Fashion Place is located ½ mile from Interstate 15 which provides north/south regional access throughout Salt Lake and the surrounding region. Interstate 215 is a beltway-freeway surrounding Salt Lake City and is located one block south of the subject. The mall is a major shopping destination for this portion of the region, which acts as a commercial/retail hub for the area.
- The Salt Lake City retail market has experienced increased vacancy levels since 2007. Over the near term, new construction activity is expected to trail absorption and vacancy rates are expected to decline while average asking rental rates are expected to increase.

Property / Collateral Summary – Fashion Place

Fashion Place is a single-level, regional shopping mall center located in Murray, Utah (ten miles south of Salt Lake City CBD). The property is located within the northeast quadrant of South State Street and East Winchester Street. Interstate 15 provides north/south regional access throughout Salt Lake and the surrounding region and is located 0.50 mile west of the property. Interstate 215 is a beltway-freeway surrounding Salt Lake City and is located one block south of Fashion Place. Primary land uses consist of a mix of commercial and retail uses in the general vicinity of Fashion Place and to the north and south along either side of State Street. The local area is predominantly developed with commercial, hospitality, and retail uses along State Street, spanning from its interchange with Interstate 215, northward into central Murray as well as south into Midvale and neighboring communities. Fashion Place comprises the primary retail hub for Murray, as well as the central portion of the Salt Lake City MSA, with a number of peripheral retail uses in the area.

The total mall site area is 72.77 acres, but the collateral portion of the mall is 32.38 acres. The subject was originally developed in 1972 with renovations/expansions in 2009 and most recently in 2011. The 2009 renovation included an expanded 138,000 square foot Nordstrom, interior remodel and expanded food court with a new rotunda. In 2011, 98,000 square feet of new retail space was added including Crate & Barrel, H&M and 17 new shops and restaurants. The gross leasable area of the mall is 1,021,984 square feet, of which 421,206 square feet is collateral for this loan. Anchor tenants at the mall include Sears, Dillard's, and Nordstrom, all of which own their own land and improvements. The largest collateral tenants include Crate & Barrel, Macy's, H&M, Gap/ Gap Kids, and Cheesecake Factory. The property contains 6,523 surface parking spaces, reflecting an overall parking ratio of 6.33 spaces per 1,000 square feet of net rentable area. The parking spaces are asphalt-paved and striped, and adequately support the existing users.

The following table presents a summary of the types of retail use at the mall and the relative size and rent generated by each tenant category as defined by Morningstar:

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Tenant Type	Total	Occupied	Total Mall Sq. Ft.	Collateral Sq. Ft.	Occupied	Vacant	Occupancy %	Vacancy %	Rental Revenue	Base Rent (Per Sq. Ft.)	% Total (Rental Rev)
Shadow Anchor	3	3	600,778	-	600,778	-	100.0%	0.0%	-	$0.00	0.0%
Junior Anchor	4	4	92,226	92,226	92,226	-	100.0%	0.0%	2,241,135	$24.30	13.3%
Plaza/Exterior	12	12	66,919	66,919	66,919	-	100.0%	0.0%	2,662,835	$39.79	15.8%
In-Line (5,001-19,999 sq.ft.)	13	12	81,606	81,606	75,520	6,086	92.5%	7.5%	2,981,530	$39.48	17.7%
In-Line (3,501-5,000 sq.ft.)	9	9	35,907	35,907	35,907	-	100.0%	0.0%	1,560,255	$43.45	9.3%
In-Line (2,001-3,500 sq.ft.)	28	22	73,105	73,105	57,907	15,198	79.2%	20.8%	2,916,600	$50.37	17.3%
In-Line (1,201-2,000 sq.ft.)	21	19	30,253	30,253	27,783	2,470	91.8%	8.2%	1,677,901	$60.39	10.0%
In-Line (1-1,200 sq.ft.)	16	16	13,095	13,095	13,095	-	100.0%	0.0%	933,152	$71.26	5.5%
Food Court	8	8	5,072	5,072	5,072	-	100.0%	0.0%	568,043	$112.00	3.4%
Outparcel	2	2	14,140	14,140	14,140	-	100.0%	0.0%	326,228	$23.07	1.9%
Antenna/ATM	1	1	9	9	9	-	100.0%	0.0%	24,720	$2,746.67	0.1%
Kiosk	2	2	568	568	568	-	100.0%	0.0%	131,820	$232.08	0.8%
Jewlery	5	5	8,306	8,306	8,306	-	100.0%	0.0%	802,879	$96.66	4.8%
Totals / Weighted Avg:	**121**	**112**	**1,021,984**	**421,206**	**998,230**	**23,754**	**94.4%**	**5.6%**	**16,827,098**	**$42.34**	**100.0%**

Tenant Overview

Fashion Place is anchored by Sears, Dillard’s and Nordstrom. The anchors, which own their own related improvements and ground-lease the land from the borrower, are not part of the loan collateral. Combined, the anchor tenants occupy 600,778 square feet, or 55% of the total mall square footage. The anchors range in size from 137,600 to 281,175 square feet. The top 10 collateral tenants comprise 34.7% of the collateral by size and 23.6% of the scheduled base rent. The following table presents size, base rent and lease expiration data for the 10 largest collateral tenants.

Morningstar Tenant Overview Table (Top 10)

Tenant	Net Rentable Square Feet	% of Square Feet	Base Rent Amount	Base Rent $ Square Foot	% of Rent	Lease Expiration
Crate & Barrel	29,341	7.0%	$575,000	$19.60	3.4%	Jan-27
Macy's	25,980	6.2%	$519,600	$20.00	3.1%	Jan-14
H&M	22,777	5.4%	$765,079	$33.59	4.5%	Jan-22
Gap / Gap Kids	14,128	3.4%	$381,456	$27.00	2.3%	Apr-18
Cheesecake Factory	10,230	2.4%	$358,050	$35.00	2.1%	Nov-19
Olive Garden	9,100	2.2%	$169,988	$18.68	1.0%	Oct-19
Victoria's Secret	8,881	2.1%	$337,478	$38.00	2.0%	Jan-16
Express / Express Men	8,874	2.1%	$301,716	$34.00	1.8%	Jan-16
Brio Tuscan Grille	8,560	2.0%	$350,960	$41.00	2.1%	Oct-21
Red Rock Place	8,353	2.0%	$208,825	$25.00	1.2%	Jun-21
Top 10 Subtotal	**146,224**	**34.7%**	**3,968,153**	**$27.14**	**23.6%**	

Anchor / Major Tenant Summary

Crate & Barrel – Crate & Barrel is an approximately 160-store American chain of retail stores, based in Northbrook, Illinois, specializing in house wares, furniture, and home accessories. Its corporate name is Euromarket Designs, Inc. The company is wholly owned by Otto GmbH, which is one of the world's largest mail order companies, operating in more than 20 countries. Euromarket Designs' other retailing ventures include CB2 (modern home furnishings) and The Land of Nod (furniture and toys for children). Crate & Barrel’s sales at the property for the twelve months ending August 31, 2012 were $171 per square foot.

Macy’s – Macy’s (NYSE: M) is the largest department store chain in the United States. Macy’s operates 842 department stores in 45 states, the District of Columbia, Guam and Puerto Rico under the Macy’s and Bloomingdale’s banners. The company’s retail stores sell a wide range of merchandise including men’s, women’s and children’s apparel and accessories, cosmetics, home furnishings and other consumer goods. Formerly known as Federated Department Stores, the company voted in March 2007 to change its name to Macy’s Inc. Macy’s revenue in the quarter-ending January 2012 totaled $8.7 billion, an increase of 5.5

percent from the prior year period. The company's net income for the period totaled $745.0 million. Macy's sales at the property for the twelve months ending August 31, 2012 were $156 per square foot.

H&M -- H& M Hennes & Mauritz AB (STO: HM-B) is a Sweden-based company active in the clothing industry. It operates under such brand names, as H&M, H&M Home, COS, Monki, Weekday and Cheap Monday. It is engaged in the design, manufacture and marketing of clothing items and related accessories. The Company's product range comprises clothing for men, women, children, and teenagers, as well as cosmetic products, accessories, footwear and home textiles. As of December 31, 2011, the Company sold its products through 2,472 stores spread across 43 markets. Online and catalogue sales are offered in Sweden, Norway, Denmark, Finland, the Netherlands, Germany, Austria and the United Kingdom. H&M's sales at the property for the twelve months ending August 31, 2012 were $491 per square foot.

Tenant Expiration and Lease Rollover

Lease rollover exposure is limited over the next several years, with the exception of 2014 when 17 leases covering 60,196 square feet, 14.3% of NRA are scheduled to expire. Macy's is the largest tenant scheduled to roll in 2014 and represents 43% of the 2014 rollover exposure.

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year						
	2012	**2013**	**2014**	**2015**	**2016**	**After 2016**
Junior Anchor	0	14,128	25,980	0	0	52,118
Plaza/Exterior	0	0	0	0	0	66,919
In-Line (5,001-19,999 sq.ft.)	0	6,825	5,000	0	17,755	45,940
In-Line (3,501-5,000 sq.ft.)	0	4,500	7,200	0	7,271	16,936
In-Line (2,001-3,500 sq.ft.)	0	8,640	10,268	7,500	11,274	20,225
In-Line (1,201-2,000 sq.ft.)	0	1,674	2,967	4,395	2,636	16,111
In-Line (1-1,200 sq.ft.)	500	900	1,585	1,158	1,897	7,055
Food Court	0	451	1,108	0	0	3,513
Outparcel	0	0	0	0	0	14,140
Antenna/ATM	0	0	0	0	0	9
Kiosk	400	0	0	0	0	168
Jewlery	0	0	6,088	1,602	0	616
Total	**900**	**37,118**	**60,196**	**14,655**	**40,833**	**243,750**
% Roll	**0.2%**	**8.8%**	**14.3%**	**3.5%**	**9.7%**	**57.9%**

Co-Tenancy Risk

The majority of the tenants at the Fashion Place property have co-tenancy provisions that are based on a minimum number of anchor tenants located at the mall or a minimum level of occupancy. In addition, several of the mall shop tenants have termination options that are based on gross sales performance.

The lease with Crate & Barrel is subject to the following conditions. If (i) neither Sears nor Dillard's (nor a single tenant occupying at least 80,000 square feet and operating as a retail department store) are open for business in the mall, or (ii) Nordstrom's ceases to operate in the mall, or (iii) the "restaurant area" of the mall has fewer than 3 full-service restaurants (which must include at least 2 of the following: Brio, Cheesecake Factory, and California Pizza Kitchen, or suitable replacements), or (iv) the mall has fewer than 9 of the following tenants: Apple, Microsoft, LOFT, Coach, Sephora, Banana Republic, Anthropologie, H&M, Northface (or Columbia, Nike or equivalent outdoor recreation store), True Religion (or G Star, Lucky Brand Denim, or equivalent denim store), L'occitane (or kiehls, or equivalent bath and body store), Cole Haan, Tiffany, Michael Kors, Brighton, J. Crew, Sundance, MAC, LaCoste or their suitable in-line replacements, or (v) less than 65% of the gross leasable area of the enclosed portion of the mall, subject to some adjustment, are open for business (any of which shall be deemed an "Occupancy Failure"), and (b) such Occupancy Failure continues for 9 consecutive months, and (c) tenant's net sales have decreased by 10% or more compared to the same 9-month period during the prior leasing year, then tenant has the right to pay on a monthly basis, in lieu of minimum annual rent and percentage rent, the lesser of (x) 6% of net sales, or (b) minimum annual rent. Further, if an occupancy failure continues for 24 consecutive months, tenant has the right to terminate its lease.

H&M may terminate its lease if (a) fewer than 3 anchors (one of which must be Nordstrom's), or their Suitable Replacements are open for business in the shopping center, or (b) less than 85% of the gross leasable area of the enclosed mall portion of the shopping center is leased and occupied (each of which shall be deemed an "Occupancy Failure"), then tenant has the right to pay, in lieu of minimum annual rent and percentage rent, an amount equal to 6% of net sales on a monthly basis. Further, if an occupancy failure continues for 12 consecutive months, tenant has the right to terminate its lease.

Fashion Place Ground Lease

Four outparcels located on the property are subject to ground leasehold interests owned by Fashion Place, LLC. The first of these outparcels contains parking and a building tenanted by Morgan Jewelry. Patricia Hansen, as Trustee under The Irma S. Watts Family Inter Vivos Revocable Trust Agreement dated August 18, 1983, is the ground lessor. This ground lease terminates on September 1, 2059, and the annual ground lease payments are $84,435 through 2018. Beginning in the following rental period and every 10 years thereafter, the rent is required to be mutually agreed upon between the parties at least 6 months prior to the commencement of each period. If the parties are unable to agree, rent will be determined by an appraisal procedure set forth in the ground lease.

The second outparcel contains parking and a building tenanted by Applebee's. Maurice L. Watts Investment Company is the ground lessor. The ground lease terminates on June 24, 2059, and the annual ground lease payments are $47,500 through 2017. Beginning in the following rental period and every 5 years thereafter, the rent will be adjusted based on a formula equal to the appraised fair market value of the ground leased property times 7%.

The third outparcel contains parking. JP Morgan Chase Bank, National Association, is the ground lessor. The ground lease terminated on April 26, 2004 and has not been extended; however, both parties are operating under the terms of the ground lease, an amendment to the ground lease was executed by the parties subsequent to the termination date, and the ground lessor has provided a recently-dated estoppel stating that the ground lease is in full force and effect. The annual ground lease payments are currently $2,400.

The fourth outparcel contains parking. O.A.A. Trust, a Family Trust created pursuant to the laws of the State of Utah, is ground lessor. The ground lease terminates on April 1, 2038, subject to 3, 10-year renewal options. Annual ground lease payments are $112,400 through 2014. Beginning in the following rental period and every 10 years thereafter, the rent will be mutually agreed upon by the parties. If the parties are unable to agree, rent will be determined by an appraisal procedure set forth in the ground lease.

Market Area Overview – Fashion Place

Fashion Place is located in Murray, Utah, within the central portion of the Salt Lake City MSA. Salt Lake City is the capital of Utah and anchor city of the Salt Lake City Metropolitan Statistical Area (Salt Lake City MSA), which is comprised of Salt Lake County, Summit County and Tooele County in northwest Utah. The metro area sits along the southern banks of the Great Salt Lake, the largest saltwater lake in the Western Hemisphere.

The employment distribution of the Salt Lake MSA is relatively diversified given the region's location and population size. Employment in the Salt Lake City metro area is weighted towards Trade and Professional Services industries, but no employment sector accounts for more than a fifth of the total workforce. The industrial diversity of the region insulated the local economy from severe recessionary effects over the past decade, and will help to maintain gradual growth going forward. Intermountain Healthcare (26,000 employees), Boart Longyear Co. (9,464 employees), Regence BlueCross BlueShield of Utah (7,500 employees), Associated Foods (5,700 employees), and Sinclair Oil (5,000 employees) are the five largest employers in the Salt Lake City MSA.

Fashion Place lies in the South Central submarket of Salt Lake City. With a retail inventory of 1,702,000 square feet, South Central is the smallest submarket in Salt Lake City (15,929,000 square feet of total retail inventory). As of second quarter 2012, the overall vacancy rate for the region was 13.1 percent. Midvale/Sandy/Southeast has the highest overall vacancy rate of 16.7 percent, while South Central (subject submarket) has the lowest vacancy of 7.9 percent. The average asking rental rate for all types of space in the region is $16.04 per square foot. The highest average asking rent of $20.62 per square foot is being achieved in Salt Lake City. Conversely, the lowest rent is being achieved in Upper Counties at $12.34 per square foot. The subject's South Central submarket has an average asking rental rate of $15.55 per square foot. Over the near term, Reis projects a decline in vacancy levels for Salt Lake City, with vacancy varying between 13.0 percent in 2012 and 11.1 percent in 2016. The Second Quarter 2012 overall vacancy for the South Central submarket is lower than the region at 7.9 percent. Between 2007 and second quarter 2012, vacancy rates increased from 5.3 percent to 7.1 percent. Over the near term, Reis is projecting a decline in vacancy for the subject submarket, with vacancy levels ranging from 8.3 percent in 2012 to 6.5 percent in 2016.

Between 2007 and 2011 a total of 1,226,000 square feet of space was completed, an average of 245,200 square feet per year. However, no new supply was added to the market in 2012. Over the next five years, Reis projects that an additional 976,000 square feet of new space will be completed in the Salt Lake City market. In the South Central submarket, a total of 10,000 square feet of space was completed between 2007 and 2011, or an average of 2,000 square feet per year. This equates to 0.8 percent of new construction for the region. Over the next five years, Reis projects that an additional 90,000 square feet of new space will be completed in the South Central submarket.

Market demographics are presented in the following table:

Summary of Demographic and Economic Trends					
	2000	2012	Forecast 2017	Average Annual Growth Rate (%) (2000 – 2012)	(2012 – 2017)
Population					
Five-Mile Radius	345,063	355,391	364,946	0.25%	0.53%
Salt Lake City CBSA	968,853	1,151,858	1,228,050	1.45%	1.29%
State of Utah	2,233,172	2,854,487	3,103,710	2.07%	1.69%
United States	281,421,906	313,095,504	325,256,835	0.89%	0.77%
Average Household Income					
Five-Mile Radius	$60,274	$68,833	$70,085	1.11%	0.36%
Salt Lake City CBSA	$61,384	$72,868	$74,818	1.44%	0.53%
State of Utah	$57,105	$68,450	$70,407	1.52%	0.57%
United States	$56,675	$67,315	$69,219	1.44%	0.56%
Retail Sales ($ millions)					
Salt Lake City CBSA		$21,395			
State of Utah		$42,684			
United States		$4,575,879			

Source: *Appraisal / Claritas*

Fashion Place is the dominant regional mall serving the suburban Salt Lake City region. The property's principal competition is from the traditional malls within the Salt Lake City PMSA. There are also several power centers in the region that, because of their merchandising mix, compete to some degree with the property.

A major redevelopment known as City Creek Center has recently been completed in downtown Salt Lake City 11.0 miles north of Fashion Place on the site of two former regional retail centers. Demolition of the former centers was completed in 2010 and construction was completed at the end of March 2012. City Creek Center is a sustainably designed, walkable urban community of residences, offices and retail stores that covers 20 acres and three downtown blocks. Nordstrom occupies a two-story, 124,000 square foot store located mid-block on West Temple. Macy's is located on the east side of Main Street with a three-story, 150,000 square foot store on the north-end of the block, near South Temple. Approximately 500,000-600,000 square feet of in-line retail shops and restaurants line the pedestrian walkways and link the two anchor stores. According to Cushman & Wakefield, the center is at between 95-100% leased at average rents ranging between $35.00 and $50.00 per square foot.

The subject's primary competitor to the south is South Towne Center, located 6.0± miles south of the subject in Sandy, UT. In the past five to ten years, this area has become one of the fastest growing segments of the region and has contributed to South Towne's increased development. While there has been a trend to duplicate tenants found at Fashion Place, the majority of these tenants have mid-scale appeal

Other competition to the subject property comes from various neighborhood and community centers throughout the MSA, including freestanding stores and/or off-price or discount-oriented big box users. Various other nodes of retail development exist throughout the area that 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, compete with the subject.

The proposed redevelopment of the former Cottonwood Mall is in early planning stage. The former Cottonwood Mall is approximately 5.0 miles northeast of Fashion Place in Holiday, Utah. The former mall was demolished in 2008 with the exception of the Macy's department store. The project is planned as a mixed-use town center against the backdrop of Mount Olympus and the Wasatch mountain range. The 54-acre site is entitled for 575,000 square feet of retail, 195,000 square feet of office, and 614 residential units. However, there is currently no time frame announced for construction to begin.

Summary of Primary Retail Competition							
Property	**Location/Market**	**Distance from Subject**	**Mall Type Year Built**	**GLA**	**Anchors**	**Occupancy**	**Est. Mall Shop Sales/SF**
Subject Center	Murray, UT	-	Regional Mall 1972	1.03 MSF	Sears, Dillard's Nordstrom, Macy's	98.60%	$553SF
City Creek Center	Salt Lake City, UT	11 miles north	Regional Mall 2012	1.0 MSF	Macy's, Nordstrom	95.00%	N/A
South Towne Center	Sandy, UT	6 miles south	Regional Mall 1987	1.28 MSF	Macy's, Dillard's, JCPenney, REI	97.00%	$410/SF
Family Center Fort Union	Midvale, UT	2.5 miles SE	Power Center 1974	0.80 MSF	Bed Bath & Beyond, Wal-Mart, Ross, Office Max, FYE, Petco	95.00%	N/A
Park Center SC	Salt Lake City, UT	2.5 miles SE	Power Center 1985	0.56 MSF	Target, Home Depot, Office Depot, T J Maxx, Cost Plus	92.00%	N/A
The Gateway	Salt Lake City, UT	11 miles north	Regional Mall 2001	0.83 MSF	Dick's Sporting Goods, Gateway Theaters, Barnes & Noble	93.00%	$365/ SF

Historical Occupancy and Sales

For the years ending December 2009 through 2011 historical occupancy at the Fashion Place was 88.7%, 98.2%, and 97.9%, respectively. As of August 2012, the property was 94.4% leased to 112 different retailers. Mall sales averaged $553 per square foot for the twelve months ending August 2012 with an occupancy cost of 12.2%, which represents a 13.6% and 22.1% increase over year end 2010 and 2009 sales, respectively.

Historical Occupancy, Sales, and Occupancy Costs				
	2009	**2010**	**2011**	**Aug. 2012**
Occupancy	88.70%	98.20%	97.90%	94.40%
In-Line Tenant Sales Per Square Foot	$453	$487	$552	$553
Occupancy Cost	13.50%	13.20%	12.40%	12.20%

Third Party Reports – Fashion Place

Appraisals

An appraisal report, prepared by an independent third-party appraisal firm (CBRE) was completed for Fashion Place and reviewed as part of Morningstar's analysis. The appraised value is dated July 25, 2012 and was estimated to be $382,000,000 or $907 per square foot (based on 421,206 square feet).

Property Condition

A Property Condition Report ("PCA") for the property was prepared by AEI Consultants (dated October 10, 2012) and was received and reviewed as part of Morningstar's analysis. The PCA identified a negligible amount of deferred maintenance items ($1,000) and provided a schedule of long-term capital expenditure needs. Replacement Reserves estimated by the engineer equates to $161,580, per year (on an uninflated basis). The inflated estimate is $179,350, per year. Morningstar has underwritten Replacement Reserves to the estimated inflated estimate, which has been further inflated by 10%.

Environmental

A Phase I Environmental Site Assessment ("ESA") was prepared by AEI Consultants (dated October 10, 2012) and was reviewed as part of Morningstar's analysis for the Property. The assessment revealed no evidence of recognized significant environmental conditions (RECs) identified by the environmental engineer. The engineer recommended the implementation of an Operations and Maintenance (O&M) program to manage and control suspect Asbestos Containing Material (ACM) at the property.

Seismic

A seismic assessment was not conducted.

Morningstar Analysis – Fashion Place

Morningstar evaluated the collateral's historical cash flow, occupancy levels, tenancy, and tenant improvement and leasing costs. Morningstar's estimates of revenue and expenses, as well as our analytical approach, are discussed below.

Morningstar Estimates of Revenue

Morningstar's *Gross Potential Rent (GPR)* is based on in-place rental income as of the rent roll dated September 30, 2012 including scheduled rent steps through October 31, 2013. Morningstar's concluded market rents are based primarily on the appraiser's conclusions of market rent for in-line tenants and on in-place rents for junior anchor, plaza/ exterior tenants and in-line tenants larger than 5,000 square feet. Food court, outparcel, kiosk, jewelry and antenna/ ATM tenants were also underwritten to in-place rents. Given the high sales at the property, no occupancy cost adjustments were made.

Vacancy – Morningstar's marked vacancy from in-place towards our estimation of market. Morningstar's estimate of market vacancy for all tenant categories was based on the in-place collateral vacancy of 6.0%. The average vacancy over the past three reporting periods is 4.0%.

Expense Reimbursement – Calculated based on the loan issuer's reimbursement ratio of 117.4%, which is higher than the historical average.

Percentage/Overage Rent – Underwritten based on the loan issuer's percentage rent ratio.

Other Rental Income – Other income is underwritten to the 2013 budget.

Morningstar Estimates of Expenses

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

Real Estate Tax – 3.5% inflationary increase over TTM August 31, 2012.

Insurance – 3.5% inflationary increase over TTM August 31, 2012.

Management Fee – Management fees are underwritten to 3% of Effective Gross Income

Utilities, Repairs & Maintenance, Common Area Maintenance, Advertising & Marketing, General & Administrative, and Non-Reimbursable Expenses – Based on TTM August 31, 2012.

Tenant Improvements & Leasing Commissions – New lease tenant improvements are based on $15 per square foot for junior anchor spaces and $20 per square foot for in-line, food court and outparcel spaces. Renewal tenant improvements are underwritten at 50% of new tenant improvements. A renewal probability of 70% has been assumed.

Morningstar Valuation

Morningstar has estimated the value of the asset based upon the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail and office sector in each region and major metropolitan areas based upon a review of investor surveys including the 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 concluded Morningstar capitalization rate was 7.5%, resulting in a value of $284.5 million ($676 psf).

The table on the following page shows historical operating results for 2010, 2011, trailing 12 months ending August 31, 2012, the issuer's underwriting, and Morningstar's conclusions.

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Fashion Place	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 08/31/12	Issuer Underwriting
Income					
Gross Potential Rent	$17,520,822	$11,875,026	$13,127,412	$15,567,738	$17,961,320
Less: Vacancy Loss (GPR)	(1,040,724)	0	0	0	(1,134,222)
Less: Concessions	0	0	0	0	0
Less: Collection Loss	0	0	0	0	0
Less: Vac Adj for Concess/Coll Loss	0	0	0	0	0
Base Rent/Net Effective Rent	**$16,480,098**	**$11,875,026**	**$13,127,412**	**$15,567,738**	**$16,827,098**
Expense Reimbursement	$7,651,131	$5,702,866	$6,431,807	$6,593,415	$7,744,532
Percentage Rent	1,062,738	333,314	508,238	745,832	1,085,115
Other Rental Income	3,444,276	3,575,623	3,564,804	3,376,742	3,444,276
Other Income	143,812	96,930	135,251	135,850	138,567
Insert Description	0	0	0	0	0
Insert Description	0	0	0	0	0
Less: Vacancy Other Incomes	0	n/a	n/a	n/a	n/a
Effective Gross Income	**$28,782,054**	**$21,583,759**	**$23,767,512**	**$26,419,577**	**$29,239,587**
Expenses					
Real Estate Taxes	$1,293,426	$919,151	$906,976	$1,249,687	$1,351,117
Property Insurance	88,356	104,798	92,976	85,368	85,368
Utilities	1,008,948	875,248	1,060,468	1,008,948	1,008,948
Repairs and Maintenance	621,842	710,229	632,206	621,842	621,842
Contract services	0	0	0	0	0
Management Fees	863,962	635,732	693,428	793,046	859,802
Payroll & Benefits	0	0	0	0	0
Common Area Maintenance	1,179,666	1,032,910	1,140,116	1,179,666	1,179,666
Advertising & Marketing	549,912	264,085	459,714	549,912	549,912
Professional Fees	0	0	0	0	0
General and Administrative	491,421	633,956	549,129	491,421	491,421
Non-Reimbursable Expenses	149,708	96,081	137,399	149,708	154,200
Insert Description	0	0	0	0	0
Market Expense Adjustment	269,715	289,363	289,365	269,715	294,235
Total Operating Expenses	**$6,516,956**	**$5,561,553**	**$5,961,777**	**$6,399,313**	**$6,596,511**
Net Operating Income	**$22,265,098**	**$16,022,206**	**$17,805,735**	**$20,020,264**	**$22,643,076**
Capital Items					
Leasing Commissions	$463,284	$0	$0	$0	$460,232
Tenant Improvements	376,502	0	0	0	233,662
Capital Expenditure / Reserve	84,241	0	0	0	181,119
Extraordinary Capital Expenditures	0				
- Credit For TI Reserve	0				
- Credit For LC Reserve	0				
- Credit For TI/LC Reserve	0				
- Credit For Cap Ex Reserve	0				
Total Capital Items	**$924,028**	**$0**	**$0**	**$0**	**$875,012**
Credit for Upfront DSCR Escrow	$0	$0	$0	$0	$0
Net Cash Flow	**$21,341,071**	**$16,022,206**	**$17,805,735**	**$20,020,264**	**$21,768,064**

Loan Summary – Fashion Place

The Fashion Place loan is evidenced by two fixed-rate promissory notes in the amount of $101,000,000. Barclays Bank PLC and UBS Real Estate securities Inc. each funded one of the two notes. On the loan closing date, the outstanding principal balance of the Fashion Place loan is expected to be $202,000,000. The loan has a 7.5-year term and pays interest only during the term. Fashion Place LLC and Fashion Place Anchor Acquisition, (collectively the Fashion Place borrower), are entities that are indirectly owned by the sponsor, GGP Limited Partnership. The loan is secured by a first-lien deed of trust on the borrower's fee and leasehold interest in 421,206 square feet of the 1.02-million-square-foot Fashion Place, a super-regional mall in Murray, Utah. The loan is scheduled to mature on the loan payment date in June 2020.

Borrowers/Sponsors

The borrowers on the Fashion Place loan are Fashion Place LLC and Fashion Place Anchor Acquisition, each a Delaware limited liability company structured as a bankruptcy-remote, special-purpose entity. The Fashion Place loan sponsor and recourse carve out guarantor is GGP Limited Partnership, an affiliate of General Growth Properties.

General Growth Properties, Inc. (GGP) is a fully-integrated, self-managed and self-administered real estate investment trust (REIT) that owns, manages, leases and redevelops regional shopping malls in the U.S. Headquartered in Chicago, GGP is a publicly-traded company listed on the New York Stock Exchange (ticker: GGP). As the second-largest retail property REIT in the U.S., the company owns or has ownership interests in 150 regional and super-regional shopping malls in 41 states (and Brazil). The malls in GGP's portfolio include such well known destinations as Ala Moana Center (Honolulu), Tysons Galleria (Washington, D.C.), Glendale Galleria (Los Angeles), and Water Tower Place (Chicago). GGP filed for Chapter 11 bankruptcy protection on April 16, 2009 as a result of an inability to refinance its CMBS debt. The company emerged from bankruptcy on November 9, 2010.

Loan Features/Concerns

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

Cash Management

The borrowers are or will be required to establish and maintain clearing accounts with respect to the property, which accounts are to be eligible accounts under the control of the lender. Rents from the related property are to be deposited directly by tenants into these accounts. The borrowers are to deposit and cause the deposit of all other revenue relating to the related property (other than non-core income, income derived from sponsorship and advertising, de minimis income and tenant security deposits required to be held in escrow accounts) into these accounts.

Funds in the clearing accounts will be swept into the related cash management account once each business day (unless the clearing account is the same as the cash management account). The cash management accounts are required to be eligible accounts under the control of the lender. Prior to certain trigger events, funds shall be disbursed to borrower account(s) and mortgage loan reserves are not funded. Upon the occurrence of certain trigger events, funds shall be disbursed pursuant to the waterfall in the loan documents and reserves shall be funded. Pursuant to the cash management provisions in the loan documents, the lender does not have sole discretion regarding the application of funds post event of default. Instead, prior to an enforcement action by lender, funds may be applied by borrower to certain items such as operating expenses which may not form part of a lender approved budget.

Ground Leases

According to information provided by the arranger, the ground leases and related documents generally include customary "financeable" ground lease provisions, except that the terms of two ground leases relating to Fashion Place are shorter than preferred. In particular, (i) one ground lease expires in April 2034, but is subject to 3 extension options of 10 years each and (ii) one other ground lease is noted as having expired in 2004, however, there was an amendment executed in 2007 (subsequent to the initial expiration) and there is an estoppel dated 2012 indicating the ground lease is in full force and effect. (See Fashion Place Ground Lease section above.)

Additional Indebtedness

The equity owners (collectively, the mezzanine borrowers) have pledged their respective direct or indirect ownership interests in each mortgage borrower to secure one mezzanine loan. The mezzanine loan is coterminous with the related mortgage loan and is subject to an intercreditor agreement.

Though payments on the mezzanine debt are generally subordinate to the mortgage loan held by the trust, the presence of additional debt introduces risks to the senior debt including:

- Reduced borrower skin-in-the-game that may remove incentives to maintain or improve the competitiveness of the properties resulting in lower income streams
- The presence of additional debt increases the difficulty of refinancing a mortgage loan at the maturity date
- The mezzanine debt holder typically has certain consent and/or consultation rights with respect to the applicable loan and related property, which may result in delays in the workout of such loan as a result of the need for mezzanine lender consent on certain actions.

The mezzanine intercreditor agreement contains certain mezzanine lender rights, including, without limitation, cure rights, purchase option and certain consent rights. For monetary defaults, the intercreditor agreement provides that for monetary defaults, the mezzanine lender shall have until ten business days after the later of (a) receipt by it of a senior loan default notice and (b) expiration of the borrower's cure period, if any. If the default identified in the senior loan default notice is of a non-monetary nature, the mezzanine lender shall have until the later of (a) five business days after receipt of such senior loan default notice and (b) fifteen five business days after expiration of the borrower's cure period, if any. Such cure periods may be extended if certain conditions are satisfied in the intercreditor agreement.

The intercreditor agreement also includes consent and/or consultation rights with respect various actions including alterations, leases and other property agreements and budget approvals. As the mezzanine loans may be securitized, such consent and/or consultation rights may be coordinated among various parties which may lead to delays and/or failures in consent and consultation responses. Further, the intercreditor agreement includes certain provisions that could delay senior lender rights in bankruptcy proceedings of borrower for 30 days (or such later cure period as may be provided in the intercreditor agreement(s)). These rights may impact the special servicer's workout strategy and/or the timing for modifications on the loan and/or a sale of the loan.

In addition, holders of mezzanine debt may be affiliated with the borrower(s). As a mitigant, the intercreditor places certain restrictions on consent rights and exercise of certain rights while the related mezzanine loan is held by a borrower affiliate.

Prepayment / Defeasance

The borrower is not permitted to voluntarily prepay the mortgage loan in whole or in part prior to the payment due date in March 2020. On or after the due date in March 2020, the mortgage loan may be prepaid in whole but not in part without a fee or prepayment premium. The borrower may defease the loan in whole but not in part starting two years after the loan closing date.

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. 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. 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 the borrowers' separateness, and the borrowers make certain representations regarding their previous existence, most of the borrowers existed prior to the origination of the loans. While pre-existing entities present a higher risk than newly formed single purpose entities, nonconsolidation opinion(s) relating to the borrowers are or will be provided.

While single purpose entity borrowers are intended to lessen the possibility that a borrowers' 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. In addition, General Growth Properties, Inc., which indirectly owns nearly all of the interests in the Borrowers, filed for Chapter 11 bankruptcy in April 2009 and emerged from bankruptcy in November 2010.

Collateral Releases and Substitutions

In addition to defeasance, partial releases and the addition of parcels, the loan agreements provide for substitution, including the release of vacant, non-income producing and unimproved or improved only by landscaping, utility facilities that are readily re-locatable or surface parking areas and the addition of an "acquired parcel" reasonably equivalent in use, value and condition, subject to certain conditions.

Redevelopment

With respect to the Fashion Place loan, the related borrower has an obligation to Nordstrom to demolish each of the Taco Bell building and the Applebee's building upon the expiration of the respective leases currently in place with Taco Bell and Applebee's. Provided that no Enforcement Action has been initiated under the Fashion Place loan, the related borrower has the right to demolish the Taco Bell building and the Applebee's building without any consent by the lender at the end of the term of the respective leases for such buildings, both of which expire in 2019 inclusive of extension options, so long as such demolition is in accordance with the terms of (i) the lease currently in place with Nordstrom, (ii) ground leases at the Fashion Place Property and (iii) the related REA. Rents from the Taco Bell building and the Applebee's building were not included in the underwriting of the Fashion Place Loan.

Repurchase Obligation

The mortgage loan sellers 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. In addition, due to the existence of multiple mortgage loan sellers, each of which may be required to cure or repurchase only it's pro rata portion of the loan, increased enforcement costs and/or delays in enforcement may result. In addition, if one seller repurchases and another seller does not, it is possible a portion of the loan may be held outside of the trust while the remainder remains in the trust. While the documents contain provisions to handle such circumstances, there could be delays and/or issues related to administering an asset partially owned outside of the trust.

Reserve Accounts / Payments

The Fashion Place loan borrower was not required to make any initial deposits at the time of loan closing into the tax escrow fund, insurance escrow fund, or replacement reserve fund. However, if the DSCR based on the trailing four fiscal quarters is less than 1.60x, the lender is required to transfer on each loan payment date amounts from the related cash management account to make the following payments:

(1) an amount equal to 1/12th of the ground rent paid by the related borrower under all related ground leases for the lease year then most recently ended, for the purpose of reserving amounts in respect of ground rent;

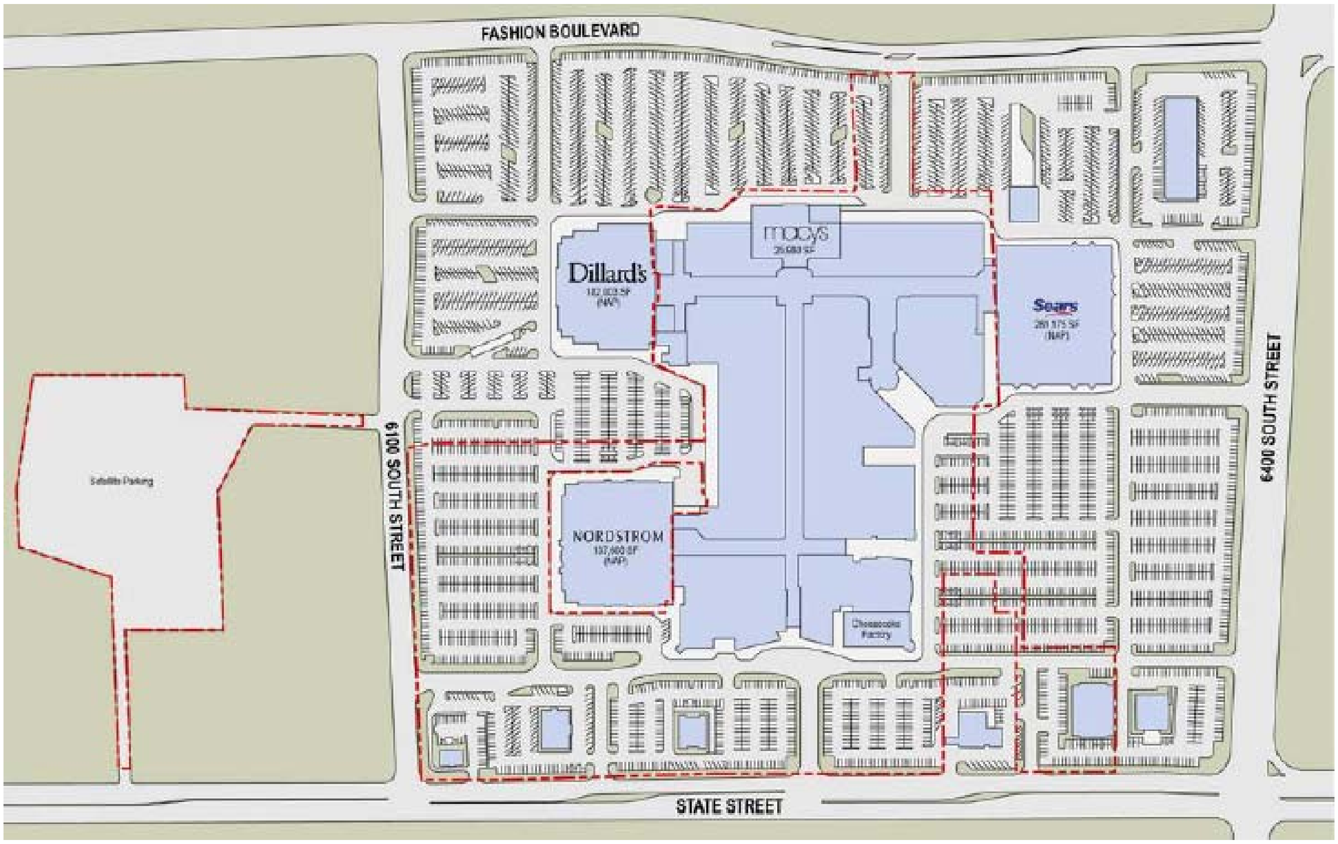
(2) an amount equal to 1/12th of projected annual real estate and personal property taxes for the purpose of reserving amounts in respect of taxes;

(3) an amount equal to 1/12th of projected annual insurance premiums (unless insurance is maintained under a blanket policy) for the purpose of reserving amounts in respect of insurance premiums;

(4) to the Lender, an amount equal to the related monthly capital expenditure deposit for the purpose of reserving amounts in respect of capital expenditures (provided that such amount on deposit with the Lender does not exceed 12 times such monthly capital expenditure deposit), which monthly amount may be increased if necessary for proper maintenance and operation of the related property, as determined by the lender in its reasonable discretion;

(5) to the Lender, an amount equal to the related Monthly Rollover Deposit for the purpose of reserving amounts in respect of tenant improvements and leasing commissions (provided that such amount on deposit with the Lender does not exceed 12 times such Monthly Rollover Deposit);

Fashion Place – Site Plan & Pictures



BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Dillard's


Mall Entrance

Nordstrom


Applebee's Outparcel

California Pizza Kitchen

Interior Corridor

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Streetscape Stores

Dillard's Interior Entrance

Loan 3: Town East Mall

Morningstar Perspective

Town East Mall is a 1.23-million-square-foot super-regional mall in Mesquite, Texas. The collateral for the loan is 416,516 square feet and excludes the four anchor stores. Located roughly 10 miles east of the Dallas CBD, the mall was built in 1972 and renovated in 2005. The anchor tenants, all non-owned and not collateral for the loan, are Sears (213,045 square feet), Dillards (207,000 square feet), JCPenney (195,475 square feet), and Macy's (193,866 square feet). The mall boasts a tenant roster of about 140 national and regional retailers including H&M, American Eagle Outfitters, Buckle, Coach, and Forever 21. Tucson Mall also features an 850-seat food court with 12 eateries.

Morningstar expects consistent cash flow from the property with a slightly downward trend over the next ten years. However, the loan metrics are relatively healthy thanks to the loan's low initial leverage. Morningstar has underwritten a loan to value of 75.8% and a debt service coverage ratio of 2.87x. The loan pays interest only for its full term. On an amortizing basis, the DSCR would be 1.83x.

Including non-collateral anchors, occupancy has remained relatively strong at 95% or higher since 2009, averaging 97.9% over roughly the last four years. Since 2010, the subject has experienced an improvement in overall sales and cash flow thanks to an improving economy and stable occupancy. In 2011, mall shop sales increased by more than 10%, to $412 per square foot, from $373 in 2010. In the trailing 12 months ended September, shop sales grew by 9.7%, to $443 per square foot.

Morningstar visited the property on November 5, 2012. The property consists of a three-story, super-regional shopping center with 1,225,974 square feet of gross leasable area. On the day of our visit the parking lot was full and foot traffic was moderate to heavy given the time of day (around noon). The mall is easily accessed via Town East Blvd and I-635. The location and layout of the entrances add to the ease of access. The mall is located in a retail corridor within the Mesquite metropolitan business area and fits in well with the surrounding competitors. However, in our view, Town East Mall maintains a dominant position in the eastern Dallas area. The mall enjoys an advantage in the market because shoppers can easily access the mall without having to use one of the local toll roads. The mall's nearest competitors, on the other hand, are located such that access is primarily via one of the area's toll roads. We found the property to be in good condition with limited areas of deferred maintenance. Based on our site visit, we are assigned a property score of 3 ("Average").

The Dallas market has been one of the fastest growing in the United States, bolstered by the technology and energy sectors which have contributed to strong employment growth. Unemployment as of September 2012 was 6.3%. Total employment in September 2012 was 3.03 million, a historic high for the metropolitan area. Employment decreased by less than 50,000 jobs during the recession.

Despite the generally strong performance at the mall and improving economic conditions state-wide and locally, we have some concerns that the property may experience a weakening of its competitive position. Although the population of the Dallas area is expected to increase by nearly 1.7% per year, much of that growth will occur in the northern suburbs. In the local area the growth rate is forecasted to be just 0.6%, less than half the growth expected for the MSA. According to Claritas, income growth has lagged the overall market and is forecasted to continue falling behind over the next five years. One stabilizing factor is the presence of a Union Pacific Railroad Intermodal Hub. The hub has encouraged the development of warehouse and distribution facilities in Mesquite and created a good local employment base.

The subject's competitive landscape is dominated by newer regional malls and lifestyle centers. Built in 1972, Town East Mall is the second-oldest property within its competitive set. The oldest property, Valley View, was built in 1965, and has experienced a sharp decline in occupancy, with two of its anchors closing. The appraiser noted that the Town East Mall is inferior to most properties in its comp set. On the positive side, the mall was extensively renovated in 2005 to the tune of more than $15 million.

In-line lease rollover is relatively moderate during the loan term. However, in 2013 and 2014 leases covering more than 10% of GLA are set to expire, including four of the ten largest tenants. Of those four, we are concerned about the renewal prospects for Image and Lane Bryant, both of which have weak sales. Three of the four anchors are performing at or above their chain averages. Macy's is the only anchor that has exhibited below-average performance, with estimated sales per square foot of only $113.

The Bears Say

- The population growth in the area has been slower than in the larger metro area, as population growth has shifted to other regions of Dallas. Mesquite, however, is densely populated, with over 130,000 residents.

- The mall is one of the oldest in its competitive set and faces competition from newer centers in Dallas. However, at $452 per square foot in the trailing 12 months, sales continue to trend higher and are 27% above the 2009 average.
- The mall's in-line occupancy is below 90%.
- Four of the ten largest tenants have leases expiring in 2013 or 2014.
- The sponsor, GGP, filed for bankruptcy protection in 2009. As a result of the bankruptcy proceedings, the company was split and several properties were handed back to their respective lenders. The reorganized company has renegotiated debt on many of its assets and is in better financial condition today.
- A number of the leases at the property contain co-tenancy clauses that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark".

The Bulls Say

- Dallas, Texas has enjoyed strong employment growth with unemployment rates well below the national average.
- Despite the property's age, shop sales are consistent with or in-line with many of the newer centers in the Dallas market.
- Mall management has successfully signed a number of new tenants including H&M, Buca di Beppo, PS by Aeropostale and Blackheart.
- Strong Loan Metrics: the Morningstar LTV, debt yield and DSCR are 75.8%, 10.2% and 2.87x, respectively.
- Diverse tenant roster: the property offers a strong mix of regional and national retailers as well as numerous dining options.

Property / Collateral Summary – Town East Mall

Town East Mall is a 1,225,902-square-foot, super-regional shopping mall in Mesquite, Texas, 10 miles east of the Dallas CBD. The collateral for the loan consists of 416,516 square feet of in-line retail space and 7,300 parking spaces (5.8 spaces per 1,000 square feet). The four anchor tenants—Sears, Dillard's, JC Penney and Macy's—all own their own stores and a portion of the land and parking areas. Major tenants include Hennes & Mauritz (H&M), FootAction, Forever 21 and Victoria's Secret.

The property was built in 1972, and in 2005 the borrower invested over $15 million in renovations including new flooring, handrails, upgraded lighting, new restrooms and seating areas. In 2010, the property replaced all exterior site lighting and installed new CCTV security cameras. The mall is laid out with two stories in a hexagonal configuration with a triangular central core. There are anchors on four sides of the mall and a third story over the central core that hosts the food court and seating areas.

The property's immediate area is a heavily built up area of Eastern Dallas County near the interchange of Interstate 635, the LBJ Freeway and Interstate 30. Interstate 30 is the major east-west freeway leading to the CBD while Interstate 635 is the beltway road providing access to employment centers in northern Dallas. As the area is largely built-out, from 2000 to 2012 population growth within a five-mile radius was relatively slow at 0.6%. This is lower than the growth of the Dallas metro area and the United States which averaged 2.0% and 0.9% over the same period. Income growth in the neighborhood also lags the nation. The average household income in 2012 was $55,481 and grew by 0.5% from 2000 through 2012. During the same period, the average household income grew by 1.3% in the Dallas area and 1.4% in the United States.

The city of Mesquite is about 10 miles east of the Dallas CBD and 25 miles from the Dallas-Fort Worth International Airport. The city is relatively well-established and built out with a population of 139,000 as of the 2010 census. A major driver of employment in the city is the Union Pacific Railroad Intermodal Hub. Although the hub itself employs only 200 people directly, the railroad's operations have encouraged development of manufacturing and distribution in the area. United Parcel Service operates a distribution center here with over 2,350 employees. According to the city, over ten million square feet of industrial space has been developed and leased to companies like Georgia Pacific, Unilever, Benjamin Moore Paints and AH Belo Corporation.

The following table summarizes the collateral composition.

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Tenant Type	Total	Occupied	Total Mall Sq. Ft.	Collateral Sq. Ft.	Occupied	Vacant	Occupancy %	Vacancy %	Rental Revenue	Base Rent (Per Sq. Ft.)	% Total (Rental Rev)
Anchor	4	4	809,386	-	0	-	100.0%	0.0%	-	$0.00	0.0%
In-Line (10,000-19,999 sq.ft.)	4	4	62,153	62,153	62,153	-	100.0%	0.0%	1,241,474	$19.97	9.6%
In-Line (5,000-9,999 sq.ft.)	19	18	136,433	136,433	130,136	6,297	95.4%	4.6%	3,524,845	$27.09	27.4%
In-Line (2,501-4,999 sq.ft.)	28	23	105,078	105,078	86,553	18,525	82.4%	17.6%	2,939,128	$33.96	22.8%
In-Line (1,001-2,500 sq.ft.)	56	43	89,105	89,105	66,800	22,305	75.0%	25.0%	3,171,844	$47.48	24.6%
In-Line (1-1,000 sq.ft.)	23	20	14,859	14,859	12,724	2,135	85.6%	14.4%	1,049,833	$82.51	8.2%
Food Court	12	12	8,792	8,792	8,792	-	100.0%	0.0%	853,717	$97.10	6.6%
Kiosk	-	-	-	-	-	-	-	-	-	-	0.0%
Antenna/ATM	3	3	96	96	96	-	100.0%	0.0%	88,929	$926.35	0.7%
Totals / Weighted Avg:	**149**	**127**	**1,225,902**	**416,516**	**367,254**	**49,262**	**88.2%**	**11.8%**	**12,869,771**	**$35.04**	**100.0%**

Tenant Overview

Morningstar Tenant Overview Table (Top 10)						
Tenant	Net Rentable Square Feet	% of Square Feet	Base Rent Amount	Base Rent $ Square Foot	% of Rent	Lease Expiration
H & M	20,000	4.8%	$462,800	$23.14	3.6%	Jan-22
Footaction	17,509	4.2%	$252,480	$14.42	2.0%	Nov-13
Forever 21	13,735	3.3%	$242,560	$17.66	1.9%	Jan-18
Victoria's Secret	10,909	2.6%	$283,634	$26.00	2.2%	Jan-18
BJ's Restaurant & Brewery	9,918	2.4%	$247,950	$25.00	1.9%	Jun-29
Image	9,576	2.3%	$111,276	$11.62	0.9%	Mar-14
Wave	9,322	2.2%	$143,559	$15.40	1.1%	Dec-14
Foot Locker / Kids Foot Locker	9,176	2.2%	$220,224	$24.00	1.7%	Jan-20
Lane Bryant	8,385	2.0%	$254,904	$30.40	2.0%	Jan-14
Charming Charlie	8,095	1.9%	$157,614	$19.47	1.2%	Mar-21
Top 10 Subtotal	**116,625**	**28.0%**	**$2,377,001**	**$20.38**	**18.5%**	

The five largest tenants at the mall represent 17.3% of the collateral square footage and 11.6% of the rent. There are four traditional department store anchors, none of which serve as collateral for the loan.

JC Penney is one of the largest department store chains in the United States with more than 1,100 stores in 49 states and Puerto Rico. The company was founded in 1902 and is based in Plano, Texas. JC Penney Company, Inc.'s stock is traded on the NYSE under the ticker symbol "JCP" and Morningstar, Inc. assigns a rating of BBB- (Morningstar, Inc. ratings are not NRSRO ratings). Estimated sales at this location for 2011 were $29.0 million ($148 per square foot) and are consistent with the chain average of $142 per square foot.

Macy's is the largest department store chain in the United States with more than 850 department stores in 45 states, the District of Columbia, Guam and Puerto Rico operated under the Macy's and Bloomingdale's banners. Macy's Inc.'s stock is traded on the NYSE under the ticker symbol "M" and Morningstar, Inc. assigns a rating of BBB- (Morningstar, Inc. ratings are not NRSRO ratings). Macy's sales at this location were estimated by the borrower at $22.0 million ($113 per square foot) and are lower than the chain average of $174 per square foot.

Sears Holdings is one of the largest retail firms in the country with over 3,900 full-line and specialty stores in the United States and Canada under the Sears, Kmart, Sears Essentials, Sears Hometown and Sears Grand brands. The Sears brand includes 810 full-line stores in all 50 states and Canada. Sears Holdings stock is traded under the symbol "SHLD" and Morningstar, Inc. assigns a rating of B- (Morningstar, Inc. ratings are not NRSRO ratings). The company posted a $3.1 billion loss for the 2011 fiscal year due in part to a $1.1 billion decrease in same store sales. Sales at this location were estimated by the borrower at $34.0 million ($160 per square foot) which is consistent with the reported chain average of $165 per square foot.

Dillard's is a department store chain with 294 full-line stores and 14 clearance stores in 29 states. The company was founded in 1938 and is headquartered in Little Rock, Arkansas. The stock is traded under the symbol "DDS". For the 2011 fiscal year, the company had revenue of $6.4 billion (2.3% higher than in 2010) and net income of $464 million. The sales for this location for 2011 were estimated at $40.0 million ($193 per square foot) which was greater than the chain average of $118 per square foot.

Hennes & Mauritz is a Swedish clothing retailer with 2,629 stores worldwide as of August 2012. H&M is the second-largest clothing retailer in the world. The company signed a lease for 20,000 square feet in December 2011 and has not reported a full year of sales.

Footaction is a subsidiary of Foot Locker, Inc., one of the largest footwear chains with 3,921 stores in 20 countries. The store occupies 17,509 square feet on a lease that expires in November 2013. The sales for the trailing 12 months were $7.3 million or $419 per square foot, consistent with the chain average of $415.

Tenant Expiration and Lease Rollover

Lease rollover is relatively moderate and it is only in 2013 and 2014 that rollover exposure will exceed 10% in any given year during the loan term. Two of the four largest tenants have leases that expire in either of those two years. Still, the 11% and 13% of leases that roll in 2013 and 2014 should not present a serious problem for the property. We do have some concerns as Image and Lane Bryant appear to have below average sales. Beyond 2014, the level of rollover exposure is low enough that management should be able to backfill any vacant space that might arise.

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year

	MTM	2012	2013	2014	2015	2016	After 2016
In-Line (10,000-19,999 sq.ft.)	0	0	17,509	0	0	0	44,644
In-Line (5,000-9,999 sq.ft.)	0	0	5,323	40,242	0	5,434	79,137
In-Line (2,501-4,999 sq.ft.)	0	0	9,603	3,990	5,987	13,787	53,186
In-Line (1,001-2,500 sq.ft.)	0	1,045	11,751	5,645	10,498	7,035	30,826
In-Line (1-1,000 sq.ft.)	0	0	1,086	3,570	1,382	1,802	4,884
Food Court	0	0	631	0	595	3,677	3,889
Antenna/ATM	36	0	0	0	0	0	96
Total	**36**	**1,045**	**45,903**	**53,447**	**18,462**	**31,735**	**216,662**
% Roll	**0.0%**	**0.3%**	**11.0%**	**12.8%**	**4.4%**	**7.6%**	**52.0%**

Co-Tenancy Risk

The majority of the tenants have co-tenancy provisions that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark". Morningstar was not provided a complete list of those tenants with co-tenancy clauses. According to the arranger, no tenant Town East Mall leasing in excess of 20,000 square feet has a co-tenancy provision in its lease.

Market Area Overview – Town East Mall

Dallas is the third largest city in the state of Texas with a population of 4.14 million residents. The Dallas Fort-Worth Metroplex is the largest metropolitan area in the state and the fourth-largest in the United States with a population of 6.58 million residents. The economy is well-diversified with American Airlines (Transportation), Texas Health Resources (Health Care), Bank of America (Financial Services), Baylor Health Care (Health Care) and Lockheed Martin (Defense) heading the list of the area's largest employers. Dallas also has vibrant energy and technology sectors as well.

The strong and diversified economy served the city well during the recession. Total employment has continued to grow and the unemployment rate of 6.3% is 160 basis points lower than the national average. As of September 2012, the total employment in the Dallas-Fort Worth Metroplex was 3.03 million, 2.3% higher than in 2008. Although there was a high level of housing foreclosure in this area, the relatively strong job market continued to encourage migration to the Metroplex. From 2006 through 2011, population growth was over 2.0% each year, with the exception of 2010, at 1.3%. This high level of population growth has made Dallas very attractive for retailers.

As of the third quarter of 2012, the overall vacancy in the Dallas retail market was 14.2%. The Dallas retail market does tend to have higher vacancy rates than other areas of the country. The strong retail demand, combined with low barriers to entry tends to encourage new development. In addition, the relative sprawl in Dallas, continues to push residents and homes further out from the center, leading to additional development in newly populated areas. This does have the effect of a higher level of structural vacancy as the market is required to continue absorbing new supply.

The good news is that Dallas retail vacancy has been declining for several quarters as retail demand follows the improving economic conditions. The current vacancy rate is 80 basis points lower than in 2010 and early 2011 at the height of the recession. Reis is forecasting a further decrease in the vacancy rate to 12.1% over the next five years. Of course, these forecasts will depend on the market's ability to curtail the enthusiasm of developers so that new supply can be absorbed.

Although vacancy rates have improved, effective rents have been flat to lower over the past five years. The effective rent as of the third quarter of 2012 was $14.22 per square foot, 2.1% below the rents in 2007. The recession clearly took its toll as shopping centers were forced to lower rents and offer concession, often to maintain their existing tenancy. Since the recovery began, the market has seen a slow upward trend, but has not yet made up the losses sustained from 2009 through 2011.

The subject is within the Southeast retail submarket of Dallas. The submarket, of which Mesquite is the largest component, is suburban, with rural areas to the south and east. The developed areas are mature and the employment base is more industrial, with jobs in distribution and manufacturing. These sectors fares less well in the recession and, as a result, the retail vacancy rates spiked here from 10.9% in 2007 to 16.4% by 2011. The economic recovery has since taken hold in the area, with vacancy rates returning to 13.9% as of the third quarter of 2012. Rents, which were flat from 2007 through 2011, began pushing higher in 2012, and are now at $9.62 per square foot.

The rents listed above are sourced from Reis and are meant to illustrate the trends in the area, rather than as a source for the actual rents of the subject. Rents at regional malls are more specific to the properties themselves and are more dependent on sales and occupancy costs as well as the relative position among other malls in the area.

The appraiser identified seven super-regional malls or lifestyle centers that were comparable to Town East Mall. The subject is one of the oldest regional malls in the area, having been built in 1972, prior to the population boom in the Metroplex. Of the comparable properties, only Valley View is older. Collin Creek Mall and the Galleria were built in 1981, and the remaining malls were built after 1997. All of the properties are located north of the subject in the faster growing areas of Dallas. Both Collin Creek Mall and Valley View are considered to be inferior by the appraiser. Both malls have seen an increase in vacancy as well as deterioration in shop sales. In fact, the appraiser noted that the improvement in sales at the subject may have come at the expense of both Collin Creek and Valley View.

The subject's sales compare rather favorably with sales of the selected comparables. Sales at the Galleria Dallas are rumored to be at $500 per square foot, although this mall is considered to be a more upscale mall with anchors such as Nordstrom and Saks Fifth Avenue. The Shop at Willow Bend has sales of $475 per foot. This mall is the only one of the comparables that has an Apple Retail Store. Apple Stores average sales of over $5,000 per foot and often skew shop sales higher.

Summary of Primary Retail Competition							
Property	Location/Market	Miles from Subject	Year Built	GLA	Anchors	Occupancy	Est. Mall Shop Sales/SF
Subject Center – Town East Mall	Mesquite, TX	-	1972	1,225,902 SF	Dillard's, JC Penney, Sears, Macy's	89%	$439/SF
Stonebriar Center	Frisco, TX	25	1999	1,682,649 SF	JC Penney, Dicks Sporting Goods, Dillard's, Bordstrom, Macy's	99%	$450/SF
Shops at Willow Bend	Plano, TX	20	1997	1,400,000 SF	Dillard's, Macy's, Nieman Marcus, Crate & Barrel	100%	$475/SF
Collin Creek Mall	Plano, TX	15	1981	1,117,364 SF	Macy's, Dillard's, Sears, JC Penney	89%	$272/SF
Galleria Dallas	Dallas, TX	15	1981	1,326,500 SF	Macy's, Nordstrom, Saks Fifth Avenue	94%	$500/SF
Valley View	Dallas, TX	15	1965	2,250,797 SF	AMC Theaters, JC Penney, Sears	85%	$180/SF
Village at Fairview	Fairview, TX	25	2008	1,291,942 SF	Dillard's, JC Penney, Macy's, Whole Foods	100%	n/a
Firewheel Town Center	Garland, TX	10	2004	1,085,780 SF	Dillard's, Macy's, AMC Theaters, Barnes & Noble	86%	335

The mall is the commercial/retail hub for the area, anchoring retail and commercial development for this section of the submarket. Market demographics are presented in the following table:

Summary of Demographic and Economic Trends					
	2000	2012	Forecast 2017	Average Annual Growth Rate (%) 2000 – 2012	2012 – 2017
Population					
Five-Mile Radius	284,178	303,694	313,316	0.56%	0.63%
Dallas MSA	5,161,382	6,581,004	7,157,083	2.05%	1.69%
State of Texas	20,851,815	25,897,482	27,967,344	1.82%	1.55%
United States	281,421,906	313,095,504	325,256,835	0.89%	0.77%
Average Household Income					
Five-Mile Radius	$52,051	$55,481	$55,826	0.53%	0.12%
Dallas MSA	$64,123	$74,546	$76,497	1.26%	0.52%
State of Texas	$54,441	$65,250	$67,315	1.52%	0.62%
United States	$56,675	$67,315	$69,219	1.44%	0.56%
Retail Sales ($ millions)					
Dallas MSA		$86,250			
State of Nebraska		$365,963			
United States		$4,575,879			

Source: *Appraisal / Claritas*

Historical Sales

In 2011, in-line sales jumped to $412 per square foot from $373 per square foot in 2010, an increase of 10.5%. In-line sales were up another 6.6% in the trailing 12 months, to $439 per square foot.

Tenant Sales History – Town East Mall				
	2009	2010	2011	TTM Sept 2012
In-Line Tenant Sales Per Square Foot	$355	$373	$412	$443

Third Party Reports – Town East Mall

Appraisal

An appraisal report, prepared by an independent third-party appraisal firm (Cushman & Wakefield) was completed for the Town East Mall and reviewed as part of Morningstar's analysis. The appraisal report, issued on September 20, 2012, indicated a value of $254 million ($610 per collateral square foot).

Property Condition Assessment

The Property Condition Assessment for Town East Mall, prepared by ATC Associates, Inc. and dated October 10, 2012, identified $2,500 in immediate repairs. The recommended replacement reserve for the 12-year hold period was $5,247,776 inflated, which is $1.26 per square foot per year (excluding anchors).

Environmental Site Assessment

A Phase I Environmental Site Assessment ("ESA") for Town East Mall, prepared by AEI Consultants and dated October 10, 2012, was reviewed as part of Morningstar's analysis for the Property. The Assessment did not identify any Recognized Environmental Conditions. The consultant did recommend continued implementation of an existing Asbestos Operations & Maintenance Plan.

Seismic

A seismic assessment was not conducted.

Morningstar Analysis – Town East Mall

Morningstar evaluated the collateral's historical cash flow, occupancy levels, tenancy, and tenant improvement and leasing costs. Morningstar's estimates of revenue and expenses, as well as our analytical approach, are discussed below.

Morningstar Estimates of Revenue

Morningstar's *Gross Potential Rent* (GPR) is based on leases signed as of August 31, 2012, and includes all contractual rent increases through December 2013. Our concluded market rents are based on an analysis of the appraiser's conclusions, recent leasing compared with occupancy costs for reasonableness for the various tenant categories.

Expense Reimbursement – Calculated based on a weighted average of historical reimbursement numbers as related to expenses (recovery ratios). This is consistent with the most recent rent roll indicating scheduled reimbursement totaling $10.67 million based on tenants in-place and adjusted for differences in reimbursable expenses.

Overage / Percentage Rent – Percentage Rent reflects tenants which pay percentage rent in lieu of base rent. Underwritten percentage rent income assumes breakpoints effective as of 2012 and each tenant's sales for the trailing 12 months ended August 2012.

Specialty/Temporary/Kiosk Income – Includes rental income from kiosks, sponsorship and special events. Income has been underwritten based upon the most recent trailing 12 months (August 31, 2012).

Other Income – Other Income reflects Miscellaneous Income. Underwritten Other Income is based upon the borrower provided pro-forma and is consistent with historical operating statements.

Vacancy – Morningstar's underwritten physical vacancy is based on an analysis of the in-place occupancy at the property as well as an occupancy rate for the Dallas retail market as determined by third-party data sources. The underwritten economic vacancy is 13.0% of the effective gross income.

Morningstar Estimates of Expenses

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

Real Estate Tax – Real Estate Tax expenses are based on the borrower's budgeted real estate taxes.

Insurance – Insurance is based upon the trailing 12 months ending August 2012, inflated by 3.5%.

Management Fees – Management Fees are underwritten to 3.0% of Effective Gross Income based on historical cash flows. The property is self-managed by an affiliate of the borrower. No management contract is in place and no fee is charged back to the property. The assumed management fee is a minimum market-rate charge.

Tenant Improvements & Leasing Commissions – Tenant improvements were based upon the appraisal. For most tenant categories, the underwritten tenant improvement allowance was $30.00 for new tenants with no allowance for renewals. Leasing commissions were based on Morningstar's standard guidelines of 4.0% for new and 2.0% for renewal tenants.

Morningstar Valuation

Morningstar estimated the value of the asset based on the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail and office sector in each region and major metropolitan areas based upon a review of investor surveys including the 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 concluded Morningstar capitalization rate was 7.75%, resulting in a value of $211,473,894 ($508 per collateral square foot, 16.7% below the appraiser's value of $610 per collateral square foot).

The table on the following page presents a summary of historical operating results for 2010, 2011, trailing 12 months ending August 31, 2012, the issuer's underwriting, and Morningstar's conclusions

BB-UBS Trust 2012-TFT
Commercial Mortgage Pass-Through Certificates
Series 2012-TFT

Town East Mall	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 08/31/12	Issuer Underwriting
Income					
Gross Potential Rent	$14,414,020	$10,747,994	$10,626,405	$11,316,459	$14,572,233
Less: Vacancy Loss (GPR)	(1,872,952)	0	0	0	(1,721,531)
Less: Concessions	0	0	0	0	0
Less: Collection Loss	0	0	0	0	0
Base Rent/Net Effective Rent	**$12,541,069**	**$10,747,994**	**$10,626,405**	**$11,316,459**	**$12,850,701**
Expense Reimbursement	$10,724,943	$9,227,410	$10,662,289	$9,674,631	$10,592,448
Percentage Rent	468,650	496,917	812,729	828,083	468,650
Other Rental Income	3,442,207	3,682,885	3,772,337	3,867,643	3,442,207
Other Income	890,471	378,240	391,110	401,635	912,456
Effective Gross Income	**$28,067,339**	**$24,533,447**	**$26,264,870**	**$26,088,452**	**$28,266,462**
Expenses					
Real Estate Taxes	$3,378,778	$3,203,692	$3,179,636	$3,213,939	$3,378,778
Property Insurance	98,251	112,044	100,780	94,928	94,928
Utilities	2,810,869	1,771,810	2,711,247	2,810,869	2,810,869
Repairs and Maintenance	455,257	536,759	497,334	455,257	455,257
Contract services	0	0	0	0	0
Management Fees	842,020	616,169	624,722	657,894	706,961
Payroll & Benefits	0	0	0	0	0
Common Area Maintenance	1,985,736	1,978,168	1,920,531	1,985,735	1,985,736
Advertising & Marketing	239,659	208,083	229,519	239,659	239,659
Professional Fees	0	0	0	0	0
General and Administrative	627,531	606,112	648,604	627,531	627,531
Non-Reimbursable Expenses	428,103	248,613	324,310	415,634	428,103
Market Expense Adjustment	0	0	0	0	0
Total Operating Expenses	**$10,866,204**	**$9,281,450**	**$10,236,683**	**$10,501,447**	**$10,727,822**
Net Operating Income	**$17,201,135**	**$15,251,997**	**$16,028,187**	**$15,587,004**	**$17,538,641**
Capital Items					
Leasing Commissions	$341,815	$0	$0	$0	$356,189
Tenant Improvements	386,790	0	0	0	238,780
Capital Expenditure / Reserve	83,303	0	0	0	166,606
Extraordinary Capital Expenditures	0	0	0	0	0
Total Capital Items	**$811,908**	**$0**	**$0**	**$0**	**$761,575**
Credit for Upfront DSCR Escrow	$0	$0	$0	$0	$0
Net Cash Flow	**$16,389,227**	**$15,251,997**	**$16,028,187**	**$15,587,004**	**$16,777,065**

Loan Summary – Town East Mall

The Town East Mall loan is evidenced by two fixed-rate promissory notes in the amount of $80,135,000. Barclays Bank PLC and UBS Real Estate securities Inc. each funded one of the two notes. On the loan closing date, the outstanding principal balance of the Town East Mall loan is expected to be $160,270,000. The loan has a 7.5-year term and pays interest only during the term. Town East Mall LLC is an entity that is indirectly owned by the sponsor, GGP Limited Partnership. The loan is secured by a first-lien deed of trust on the borrower's fee interest in 416,588 square feet of the Town East Mall, a 1.22-million-square-foot super-regional mall east of Dallas in Mesquite, Texas. The loan is scheduled to mature on the loan payment date in June 2020.

Borrowers/Sponsors

The borrower on the Town East Mall loan is Town East Mall LLC, a Delaware limited liability company structured as a bankruptcy-remote, special-purpose entity. The Town East Mall sponsor and recourse carve out guarantor is GGP Limited Partnership, an affiliate of General Growth Properties.

General Growth Properties, Inc. (GGP) is a fully-integrated, self-managed and self-administered real estate investment trust (REIT) that owns, manages, leases and redevelops regional shopping malls in the U.S. Headquartered in Chicago, GGP is a publicly-traded company listed on the New York Stock Exchange (ticker: GGP). As the second-largest retail property REIT in the U.S., the company owns or has ownership interests in 150 regional and super-regional shopping malls in 41 states (and Brazil). The malls in GGP's portfolio include such well known destinations as Ala Moana Center (Honolulu), Tysons Galleria (Washington, D.C.), Glendale Galleria (Los Angeles), and Water Tower Place (Chicago). GGP filed for Chapter 11 bankruptcy protection on April 16, 2009 as a result of an inability to refinance its CMBS debt. The company emerged from bankruptcy on November 9, 2010.

Loan Features/Concerns

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

Cash Management

The borrowers are or will be required to establish and maintain clearing accounts with respect to the property, which accounts are to be eligible accounts under the control of the lender. Rents from the related property are to be deposited directly by tenants into these accounts. The borrowers are to deposit and cause the deposit of all other revenue relating to the related property (other than non-core income, income derived from sponsorship and advertising, de minimis income and tenant security deposits required to be held in escrow accounts) into these accounts.

Funds in the clearing accounts will be swept into the related cash management account once each business day (unless the clearing account is the same as the cash management account). The cash management accounts are required to be eligible accounts under the control of the lender. Prior to certain trigger events, funds shall be disbursed to borrower account(s) and mortgage loan reserves are not funded. Upon the occurrence of certain trigger events, funds shall be disbursed pursuant to the waterfall in the loan documents and reserves shall be funded. Pursuant to the cash management provisions in the loan documents, the lender does not have sole discretion regarding the application of funds post event of default. Instead, prior to an enforcement action by lender, funds may be applied by borrower to certain items such as operating expenses which may not form part of a lender approved budget.

Additional Indebtedness

There is no additional debt on the Town East Mall property, nor have has the borrower pledged any portion of its equity interests to secure a mezzanine loan. However, future mezzanine debt is permitted subject to certain conditions including LTV and DSCR tests. Such future additional debt may entail risks similar to those in existing mezzanine loans as described in the Additional Indebtedness sections under the Tucson Mall loan and Fashion Place loan above.

Prepayment / Defeasance

The borrower is not permitted to voluntarily prepay the mortgage loan in whole or in part prior to the payment due date in March 2020. On or after the due date in March 2020, the mortgage loan may be prepaid in whole but not in part without a fee or prepayment premium. The borrower may defease the loan in whole but not in part starting two years after the loan closing date.

SPE and Bankruptcy Remoteness

The borrower is required under the loan documents and its organizational documents to maintain itself as a special purpose entity generally limited in its activities to ownership and operation of the mortgaged property. The loan documents and borrower's organizational documents also include limitations on the borrower's ability to incur additional indebtedness and additional covenants regarding the borrower's separateness from other entities. The borrower is also required to have independent managers whose consent is required for certain bankruptcy matters. Although the loan documents and organizational documents require the borrower to comply with certain covenants relating to the borrower's separateness, and the borrower make certain representations regarding its previous existence, the borrower existed prior to the origination of the loans. While pre-existing entities present a higher risk than newly formed single purpose entities, nonconsolidation opinion(s) relating to the borrower are or will be 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. In addition, General Growth Properties, Inc., which indirectly owns nearly all of the interests in the Borrowers, filed for Chapter 11 bankruptcy in April 2009 and emerged from bankruptcy in November 2010.

Collateral Releases and Substitutions

In addition to defeasance, partial releases and the addition of parcels, the loan agreements provide for substitution, including the release of vacant, non-income producing and unimproved or improved only by landscaping, utility facilities that are readily re-locatable or surface parking areas and the addition of an "acquired parcel" reasonably equivalent in use, value and condition, subject to certain conditions.

Repurchase Obligation

The mortgage loan sellers 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. In addition, due to the existence of multiple mortgage loan sellers, each of which may be required to cure or repurchase only it's pro rata portion of the loan, increased enforcement costs and/or delays in enforcement may result. In addition, if one seller repurchases and another seller does not, it is possible a portion of the loan may be held outside of the trust while the remainder remains in the trust. While the documents contain provisions to handle such circumstances, there could be delays and/or issues related to administering an asset partially owned outside of the trust.

Reserve Accounts / Payments

On the loan origination date, the Town East Mall funded a reserve in the amount of $2,655,749 (the Town East Initial Capital Expenditures Reserve) for the purposes of funding certain anticipated future capital expenditures identified in the property condition report. The borrower was not required to make any initial deposits at the time of loan closing into a tax escrow fund or an insurance escrow fund. However, if the DSCR based on the trailing four fiscal quarters is less than 1.60x, the lender is required to transfer on each loan payment date amounts from the related cash management account to make the following payments:

(1) an amount equal to 1/12th of projected annual real estate and personal property taxes for the purpose of reserving amounts in respect of taxes;

(2) an amount equal to 1/12th of projected annual insurance premiums (unless insurance is maintained under a blanket policy) for the purpose of reserving amounts in respect of insurance premiums;

(3) to the Lender, an amount equal to the related monthly capital expenditure deposit for the purpose of reserving amounts in respect of capital expenditures (provided that such amount on deposit with the Lender does not exceed 12 times such monthly capital expenditure deposit), which monthly amount may be increased if necessary for proper maintenance and operation of the related property, as determined by the lender in its reasonable discretion;

(4) to the Lender, an amount equal to the related Monthly Rollover Deposit for the purpose of reserving amounts in respect of tenant improvements and leasing commissions (provided that such amount on deposit with the Lender does not exceed 12 times such Monthly Rollover Deposit);

Town East Mall – Site Plan & Pictures

Dillard’s

Mall Entrance

Interior

Food Court

Corridor

Mall Entrance

Securitization Trust Summary

Priority of Payments on Trust Certificates

The priority of payments on the trust certificates (other than the Class TE certificates) generally follows a sequential-pay structure. The following is a synopsis of this priority.

(1) Interest on the Class A, Class X-A, and Class X-B Certificates, pro-rata;
(2) Principal paydown of the Class A Certificates until paid in full, up to the principal distribution amount;
(3) Applied Realized Loss Amounts to the Class A;
(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) Applied 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) Applied 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) Applied 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) Applied Realized Loss Amounts to the Class E Certificates;
(16) Any remaining amounts to the Class R Certificates.

Class TE Certificates

The Town East loan is bifurcated under the pooling and servicing agreement into a senior component (in the amount of $145,430,000 and a $14,840,000 subordinate component. Principal and interest payments are generally allocated first to the senior component and payable to all certificate classes except the Class TE. Principal and interest payments allocated to the subordinate component are payable solely to the Class TE certificates. Accordingly, the Class TE certificates will be exposed to risks related to the Town East loan and will not receive any payments related to the Fashion Place or Tucson mall loans. Losses on the Town East loan will first be borne by the subordinate component and the Class TE certificates before the senior component. Upon a default on the Town East loan, the Class TE certificates may experience shortfalls.

The Class TE certificateholders may be entitled to certain rights related to the Town East loan under the pooling and servicing agreement including: (i) consent and/or consultation rights over various actions of the servicer and special servicer, (ii) replacement of the special servicer, and (iii) purchase rights. Such rights may impede and/or delay the ability of the servicer to modify, sell and/or workout the loan. However, the servicer is required to act in accordance with the servicing standard regardless of any consent or consultation rights exercised by the Class TE certificateholder.

Allocation of Losses on Trust Certificates

Losses on the Trust Certificates (other than the Class TE 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 Certificates. As a result of such reductions, less interest will accrue on such Class of Certificates than would otherwise be the case. Once a Realized Loss is allocated to a Certificate (or in the case of a Class X-A and Class X-B Certificates, the applicable Notional Amount has been reduced), no principal or interest will be distributable with respect to such written down amount.

Realized losses with respect to the Town East Loan will be allocated first, to the TE Subordinate Component and then to the TE Senior Component. Realized losses allocated to the TE Subordinate Component will be applied to the Class TE Certificates.

Rated Final Distribution Date

The rated final distribution date of each class of certificates is the distribution date in June 2032. 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 date.

Representations, Warranties & Enforcement Mechanisms

Pursuant to Rule 17g-7 and incorporated by reference into this presale report, is our report providing the representations, warranties, and enforcement mechanisms available to investors for this transaction and comparing them to the representations, warranties, and enforcement mechanisms available to investors for similar securities. This report titled, "Representations, Warranties & Enforcement Mechanisms – BB-UBS 2012-TFT", appears on our website at http://ratingagency.morningstar.com under the "Ratings Reports" tab.

Trust Structural Features/Concerns

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

Class TE Representative/Controlling Class

The Class TE certificateholders may be entitled to certain rights related to the Town East loan under the pooling and servicing agreement including: (i) consent and/or consultation rights over various actions of the servicer and special servicer, (ii) replacement of the special servicer, and (iii) purchase rights. Such rights may impede and/or delay the ability of the servicer to modify, sell and/or workout the loan. However, the servicer is required to act in accordance with the servicing standard regardless of any consent or consultation rights exercised by the Class TE certificateholder.

If the Class TE certificateholders no longer have control or consultation rights pursuant to the Pooling and Servicing Agreement and at all times, with respect to the Fashion Place and Tucson Mall loans, there is no directing holder or controlling class with respect to the certificates.

Therefore, decisions related to the loan will be made by the servicer or special servicer under the servicing standard without consent and/or consultation from any certificateholder. Additionally, termination and replacement of the special servicer will be made as further described below.

Replacement of Special Servicer

The Class TE Certificateholders have certain rights to replace the special servicer with respect to the Town East loan. With respect to the Fashion Place and Tucson Mall loans and at any time the Class TE Certificateholder does not have the right to replace the special servicer, the special servicer may be terminated and replaced, with or without cause, upon (i) the written direction of at least 25% of the aggregate voting rights of all certificateholders requesting a vote to replace the special servicer and (ii) in addition to satisfaction of other conditions, so long as 66 2/3% of the aggregate voting rights have been exercised, the vote of 75% of the aggregate voting rights (taking into account application of appraisal reduction amounts) of all certificateholders within the time period set forth in the pooling and servicing agreement.

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 pooling and servicing 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.

Scope of Analysis

In evaluating the properties and determining Morningstar concluded cash flows and values, we reviewed the following materials to the extent we deemed necessary for our analysis and as provided on the arranger's website for this transaction as of November 9, 2012 for the property: the offering materials (as applicable), the historical financial statements (for the most recent three years unless the property did not have three years of operating history available), issuer's underwriting and supporting analysis and notes, most recent available rent roll, the appraisal, environmental site assessment, property condition assessment, and other market and property information as available. In certain cases, to the extent we deemed necessary for our analysis and as provided on the arranger's website for this transaction as of the date hereof, we also reviewed photographs of the properties and maps of the surrounding areas.

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 November 8, 2012 (except as otherwise specified in this paragraph): (i) the November 8 posted draft offering circular, (ii) the November 5, 2012 posted draft pooling and servicing agreement, (iii) the November 5, 2012 posted draft mortgage loan purchase agreement, (iv) loan agreements posted November 5, 2012 for each of the Fashion Place loan, the Tucson Mall loan and the Town East Mall loan, (v) promissory notes posted November 5, 2012 for each of the Fashion Place loan, the Tucson Mall loan and the Town East Mall loan, (vi) deeds of trust posted November 5, 2012 for each of the Fashion Place loan, the Tucson Mall loan and the Town East Mall loan, (vii) intercreditor agreement posted November 5, 2012 for the Fashion Place loan (and we are assuming that the intercreditor agreement for the Tucson Mall loan is or will be on the same form), (viii) the Second Amended and Restated Operating Agreement of Fashion Place, LLC dated November 5, 2012 and Amended and Restated Operating Agreement of Fashion Place Anchor Acquisition, LLC dated November 5, 2012 (and we are assuming that the organizational documents for the mortgage borrowers for the Tucson Mall and Town East loans are or will be on the same forms), and (ix) the following relating to the Fashion Place loan: (a) opinion of Barack Ferrazzano Kirschbaum & Nagelberg LLP dated November 5, 2012 regarding nonconsolidation, (b) opinion of Wachtel Masyr & Missry LLP dated November 5, 2012 regarding enforceability and other matters, (c) in-house opinion of General Growth Properties, Inc., dated November 5, 2012 regarding corporate and authority matters, (d) opinion of Holland & Hart LLP dated November 5, 2012 regarding Utah law matters, (e) opinions of Richards Layton & Finger, P.A. dated November 5, 2012 regarding authority to file bankruptcy and Delaware LLC matters (and we are assuming that the mortgage loan opinions for the Tucson Mall and Town East loans other than local opinions, are or will be on the same forms as the Fashion Place).

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) borrower limited liability company agreements for the mortgage loan borrowers for each of the Tucson Mall loan and the Town East Mall loan, (ii) authority, enforceability and nonconsolidation opinions for each of the Tucson Mall loan and the Town East Mall loan (and we are assuming that items (i)-(ii) in this paragraph are and will be on forms as would be acceptable to a prudent lender), (iii) 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, (iv) corporate and enforceability opinions of the servicer, special servicer, trustee, certificate administrator, depositor and loan seller(s) and the general deal level opinion related to certain tax matters and (v) 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 jurisidictions, on customary forms and with rating agency reliance. While the arranger website may provide additional documentation, data and/or other information, Morningstar's review is generally limited to the information enumerated herein. Morningstar did not engage in discussions with any person or entity obligated to make payments under the loan.

Morningstar Approach to Collateral Review

Morningstar utilizes a bottom-up analytical approach to rating CMBS issuances. We begin with a comprehensive review and analysis of the loan collateral in the trust, using the information provided on the arranger's website as of the date thereof and subject to the review enumerated herein.

General Underwriting Approach
While the idiosyncrasies of commercial real estate require that each loan be treated separately, an overview of the Morningstar property analysis methodology should be helpful in understanding how Morningstar arrived at its final cash flows and values. The methodology overview in this section is general in nature and only applies to the relevant property types.

Third Party Data
Morningstar uses third-party data from leading industry research companies to supplement its own proprietary information and information provided to us on the arranger's website as of the date thereof.

Rents and Vacancies
Current rents and vacancies are reviewed along with market information from third-party providers, appraisals and Morningstar proprietary data. Morningstar analyzes rents and vacancies for each category of tenant to best define the market rent and vacancy for that category.

Morningstar analyzes the current rents and vacancies alongside the our final market rents and vacancies, and compares the subject and market net rents based on the subject property's tenant category mix, to determine whether the property is outperforming or underperforming the market. If it is determined that the property is underperforming the market, rents and vacancies are underwritten as-is, unless otherwise noted in the Asset Summary Report for that asset.

In cases where we determine that the property is performing above the expected market levels, Morningstar analyzes the expected rollover for the property. It is then assumed that as the leases roll, the property's rent and vacancy will move toward market levels. If actual rollover is low, a minimum amount of roll is assumed. This process culminates with five scenarios, each moving the property closer to market. A weighted average is then calculated with the result being the Morningstar rent and vacancy.

Historical Financial Statements
Historical operating results are reviewed and adjusted for one-time charges and non-cash items, such as depreciation, extraordinary capital repairs and interest expense.

Fixed expenses (i.e., taxes, insurance, and ground rent) are underwritten to actual numbers whenever available, and to the most recent year with a 3.5% inflation factor, whenever actual numbers are not available.

Other Income and Variable Expenses are generally underwritten as a percentage of Effective Gross Income, based on three years of operating results, with more weight given to the most recent year.

Tenant Reimbursements are calculated based on the historical recovery ratio, grossed up to take into account lost reimbursements due to vacancy, with more weight given to the most recent years.

Capital Items
Capital expenditures are generally underwritten to the reserves recommended in the engineer's report with an additional 10.0% cushion. In the event a property condition report is unavailable, Morningstar underwrites multifamily $250 per unit and student housing properties have a minimum reserve assumption of $250 per bed.

Capitalization Rates
Morningstar strives to use current market capitalization rates for each property in a transaction. The analysis begins with the analyst looking to Morningstar's current capitalization rate for a given property type within a given MSA. If the property is not in an MSA covered by Morningstar, Morningstar will look to either a higher regional capitalization rate or a proxy market that may better represent the market in which an individual property is located.

Morningstar then makes adjustments based on property sub-type and property score. In the case of retail properties, we rely on sales per square foot data, assuming a reliable number of tenants are reporting.

Morningstar compares this capitalization rate with the appraiser's capitalization rate and the capitalization rate of the sales comparables provided in the appraisal. Unless otherwise noted in the Asset Summary Report, Morningstar will use the highest of these three capitalization rates.

Other Items
Morningstar may consider reserves, legal issues and other special circumstances to determine when additional adjustments are required. These adjustments will then be made and noted in the Asset Summary Report.

Morningstar Value
Morningstar then applies the capitalization rate to the Net Cash Flow to determine the value of the property. The capitalized value is then further adjusted to reflect the additional value contributed by upfront reserves, escrows, and other miscellaneous items.

Morningstar considers the above collateral analysis and the legal analysis in conjunction with Morningstar's subordination model (described at http:ratingagency.morningstar.com to determine the preliminary ratings.

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 maintenance charges, yield maintenance premiums, 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 loans 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 loans (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 loans, 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 loans 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.

The Class TE certificates are entitled to principal and interest allocated to the subordinate component of the Town East loan. A further discussion of this Class is enumerated in this pre-sale report. This class should be evaluated accordingly.

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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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