Starwood Retail Property Trust 2014-STAR, Commercial Mortgage Pass-Through Certificates, Series 2014-STAR

Presale Report

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PRELIMINARY RATINGS (AS OF: OCTOBER 29, 2014)

Class(1)	Balance/ Notional Amt	Preliminary Ratings	Morningstar DSCR	Morningstar BLTV	Morningstar ELTV	Credit Support Levels
Class A	$381,846,000	AAA	2.99x	46.71%	46.71%	47.33%
Class XA-1	$381,846,000	AAA	N/A	N/A	N/A	N/A
Class XA-2	$381,846,000	AAA	N/A	N/A	N/A	N/A
Class XB-1	$343,154,000	AAA	N/A	N/A	N/A	N/A
Class XB-2	$343,154,000	AAA	N/A	N/A	N/A	N/A
Class B	$84,854,000	AA-	2.45x	59.09%	59.09%	35.63%
Class C	$63,641,000	A-	2.15x	64.88%	64.88%	26.85%
Class D	$78,067,000	BBB-	1.88x	74.43%	74.43%	16.08%
Class E	$87,672,000	BB-	1.64x	85.16%	85.16%	3.99%
Class F	$28,920,000	B	1.57x	88.69%	88.69%	0.00%

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, or NCF, and values based primarily on the direct capitalization approach. The loan along with its as-is NCF and property value were then subjected to a series of economic and lending environment stresses in our proprietary CMBS Subordination Model to estimate the expected loss at each rating category. A description of this model is attached as Appendix A to this report.

Note (1): The Class XA-1, Class XA-2, Class XB-1 and Class XB-2 are notional amount certificates and will not be entitled to receive distributions of principal. Interest will accrue at the respective pass-through rates based upon the corresponding Notional Amount. NR – Not Rated; N/A – Not applicable; PR – Private Rating Issued.

Estimated Closing Date: November 14, 2014

Solely to the extent and subject to the scope of review enumerated herein, this report and the preliminary ratings noted above address certain credit risks and the extent to which the payment stream of the collateral is adequate to make payments required under the certificates based on information identified as subject to review herein and to the extent provided to Morningstar Credit Ratings, LLC ("Morningstar") on the arranger's website for this transaction as of October 29, 2014. 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. Such final ratings may differ from the preliminary ratings enumerated herein. The preliminary ratings and subsequent surveillance are provided on an arranger- or issuer-paid basis.

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. 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 https://rating agency.morningstar.com. Morningstar maintains internal policies and procedures to manage conflicts which may include payment structures for ratings.

TRANSACTION SPOTLIGHT

Collateral	One loan secured by the fee simple interest (3) and leasehold interest (1) in four regional malls.	**Mortgage Loan Seller/Sponsors**	Goldman Sachs Mortgage Company JPMorgan Chase Bank, National Association
Notional Balance	$725,000,000	**Depositor**	GS Mortgage Securities Corporation II
Structure	Sequential	**Issuing Entity**	Starwood Retail Property Trust 2014-STAR
Morningstar U/W Current DSCR (3)	1.57x	**Trustee**	Wilmington Trust, National Association
Morningstar U/W Amortizing DSCR (3)	1.57x	**Master Servicer**	Wells Fargo Bank, National Association(2)
Morningstar Trust U/W BLTV	88.7%	**Special Servicer**	Wells Fargo Bank, National Association(2)
Morningstar Trust U/W ELTV	88.7%	**Certificate Administrator**	Wells Fargo Bank, National Association

Notes:

(2) The Morningstar operational risk assessment, or ORA, rankings for Wells Fargo Bank, National Association assigned to its Wells Fargo Commercial Mortgage Servicing, or WFCMS, operating unit, are 'MOR CS1' for master and primary servicing, and 'MOR CS2' for special servicing. For additional information, please see the Transaction Servicer and Special Servicer section of this report, and for the full assessment reports, please visit https://ratingagency.morningstar.com

(3) Current debt service coverage reflects interest only payments for loans which are interest only or which have a partial interest only period. Amortizing debt service coverage includes full amortization payments for amortizing and partial interest only loans and interest only for full term interest only loans.

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Transaction Overview

Starwood Retail Property Trust 2014-STAR is a $725,000,000 transaction secured by one floating-rate, first-lien mortgage loan collateralized by, among other things, a first mortgage lien on the borrowers fee simple interest (or in the case of MacArthur Center, leasehold interest) in four retail shopping malls commonly known as The Mall at Wellington Green, located in Palm Beach County, Florida, MacArthur Center, located in Norfolk, Virginia, Northlake Mall, located in Charlotte, North Carolina and The Mall at Partridge Creek, located in Macomb County, Michigan. The four properties collectively constitute a cross collateralized and cross defaulted portfolio. Each Borrower is a special purpose entity that is 100% indirectly owned and controlled by Starwood Capital Group Global II, L.P. The loan is a three-year floating rate loan, subject to two one-year extension options and is evidenced by two componentized promissory notes. Loan proceeds were used to facilitate the acquisition of the portfolio by four single purpose entities controlled by the sponsor for the loan, Starwood Capital Group Global II, L.P. ("Starwood"). All four properties are self-managed by affiliates of Starwood.

Key Loan Metrics

Loan Terms	The Mall at Wellington Green	MacArthur Center	Northlake Mall	The Mall at Partridge Creek	Combined Metrics
Trust Debt	$231,540,968	$185,637,803	$170,786,778	$137,034,451	$725,000,000
Location	Wellington, FL	Norfolk, VA	Charlotte, NC	Clinton Township, MI	
Collateral SF	719,978	927,692	539,813	626,162	2,813,645
Trust Debt/Coll. SF	$322	$200	$316	$219	$258
Term (Months)	-	-	-	-	60
Amortization	-	-	-	-	IO
Interest Rate*	-	-	-	-	5.75%

**Morningstar's underwritten interest rate is based off the interest rate spread of 1.85% plus a stressed LIBOR rate of 3.65%. The actual loan interest rate based on today's LIBOR rate is 2.03%.*

The malls were built in 1999 through 2007 and feature anchor tenants such as Nordstrom, Macy's and Dillard's. The portfolio encompasses nearly 3.9 million square feet of space, of which over 2.8 million square feet is owned collateral. Total occupancy at each mall currently exceeds 93%.

Collateral Overview

	The Mall at Wellington Green	MacArthur Center	Northlake Mall	The Mall at Partridge Creek
Location	Wellington, FL	Norfolk, VA	Charlotte, NC	Clinton Township, MI
Total SF	1,263,581	927,692	1,070,601	626,162
Collateral SF	719,978	927,692	539,813	626,162
Year Built	2001/2003	1999	2005	2007/2008
Anchors	Dillard's, Macy's, JC Penney, City Furniture, Nordstrom	Dillard's, Nordstrom, Regal Cinemas	Dillard's, Belk, Macy's, Dicks Sporting Goods, AMC Theaters	Nordstrom, Carson's, MJR Theaters
Majors	H&M, Forever 21, Victoria's Secret	Forever 21, Barnes & Noble, H&M, Love Culture	H&M, Forever 21, Pottery Barn	Forever 21, Victoria's Secret, Gap/Gap Kids/Baby Gap
Total Occupancy	95.8%	97.1%	96.2%	93.3%
In-line Sales/SF	$475	$474	$434	$507
Occupancy Cost	14.0%	14.2%	12.2%	11.3%

In-line sales and occupancy costs are as of August, 2014

The Mall at Wellington Green is located in Palm Beach County, Florida and is anchored by Nordstrom (ground leased), Macy's (not owned), Dillard's (not owned), JC Penney (not owned) and City Furniture. In-line occupancy as of August 21, 2014 is 88.3% with In-line, less than 10,000 square feet Comparable Tenant Sales of $475 per square foot. Total occupancy (including unowned anchors and temporary tenants) is 95.8%

MacArthur Center is located in Norfolk, Virginia and is anchored by Dillard's (ground leased), (ground leased) and an 18-screen Regal Cinemas. In-line Occupancy as of August 21, 2014 is 93.9% with In-line, less than 10,000 square feet Comparable Tenant Sales of $474 per square foot. Total occupancy (including unowned anchors and temporary tenants) is 97.1%

Northlake Mall is located in Charlotte, North Carolina and is anchored by Belk (not owned), Macy's (not owned), Dillard's (not owned), Dick's Sporting Goods and a 14-screen AMC Theatres. In-line Occupancy as of August 21, 2014 is 89.9% with In-line, less than 10,000 square feet Comparable Tenant Sales of $434 per square foot. Total occupancy (including unowned anchors and temporary tenants) is 96.0%

The Mall at Partridge Creek is located in Macomb County, Michigan and is anchored by Nordstrom (ground leased), Carson's (ground leased) and a 14-screen MJR Digital Cinemas Theatres. In-line Occupancy as of August 21, 2014 is 86.6% with In-line, less than 10,000 square feet Comparable Tenant Sales of $507 per square foot. Total occupancy (including unowned anchors and temporary tenants) is 93.3%

Morningstar Perspective

Morningstar determined the preliminary ratings for each class of Starwood Retail Property Trust 2014-STAR certificates by analyzing the loan 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 property-level analysis yielded aggregate net cash flow of $65.62 million and an interest-only debt service coverage ratio of 1.57x calculated based on our stressed interest rate of 5.75% (4.21x DSCR based on the current interest rate of 2.15%). Our aggregate NCF is 4.1% below the issuer's NCF of $68.4 million. Morningstar's aggregate NOI of $70.4 million is only moderately higher than the properties' aggregate trailing twelve month NOI of $68.5 million.

Morningstar Net Cash Flow & Property Valuation

Cash Flow or Value Metric	The Mall at Wellington Green	MacArthur Center	Northlake Mall	The Mall at Partridge Creek	Combined Metrics
MStar UW NCF	$19,690,753	$17,904,518	$15,893,837	$12,128,194	$65,617,302
Issuer UW NCF	$20,070,468	$18,347,129	$17,142,545	$12,824,713	$68,384,855
Mstar NCF Variance	-1.89%	-2.41%	-7.28%	-5.43%	-4.05%
Mstar NCF DSCR*	1.57x	1.68x	1.60x	1.52x	1.57x
Mstar Debt Yield (NCF)	8.5%	9.6%	9.3%	8.9%	9.1%
MStar Cap Rate	8.00%	8.00%	8.00%	8.15%	8.03%
MStar Value	$246,134,413	$223,806,475	$198,672,963	$148,812,196	$817,426,046
MStar Value Per SF	$342	$241	$368	$238	$291
Appraised Value	$343,000,000	$275,000,000	$253,000,000	$203,000,000	$1,074,000,000
Appraised Value Per SF	$476	$296	$404	$324	$382
Mstar Value Variance	-28.2%	-18.6%	-21.5%	-26.7%	-6.2%
Mstar Trust LTV	94.1%	82.9%	86.0%	92.1%	88.7%
Appraisal LTV	67.5%	67.5%	67.5%	67.5%	67.5%

*Morningstar's underwritten interest rate is based off the interest rate spread of 2.0% plus a stressed LIBOR rate of 3.50%. The actual loan interest rate based on today's LIBOR rate is 2.153%.

In-line sales at the properties are good overall, with all four malls posting sales in excess of $420 per square foot in 2012, 2013, and the trailing twelve month period ending August 2014. With the exception of 2013 where in-line sales dipped across the portfolio, sales have shown a steady increase since 2009. When comparing sales from 2009 to the trailing twelve month period ending August 2014, sales at The Mall at Wellington Green are up 24.7%, 20.6% for MacArthur Center, 36.9% for Northlake Mall, and 42.0% for The Mall at Partridge Creek.

	2009		2010		2011		2012		2013		TTM 8/2014	
Name of Mall	**Sales/SF**	**%Chg**	**Sales/SF**	**%Chg**	**Sales/SF**	**%Chg**	**Sales/SF**	**%Chg**	**Sales/SF**	**%Chg**	**Sales/SF**	**%Chg**
The Mall at Wellington Green	$381	-	$395	3.7%	$409	3.5%	$433	5.9%	$449	3.7%	$475	16.1%
MacArthur Center	$396	-	$423	7.5%	$436	3.1%	$471	8.0%	$453	-3.8%	$474	8.7%
Northlake Mall	$317	-	$319	0.6%	$343	7.5%	$431	25.7%	$420	-2.6%	$434	26.5%
The Mall at Partridge Creek	$357	-	$417	16.8%	$461	10.6%	$488	5.9%	$482	-1.2%	$507	10.0%

Over the last five-plus years occupancy rates at the malls either have improved or remained relatively stable. From 2009 through trailing 12 months ended July, 2014, the average occupancy (including non-owned anchors) at the four malls is above 97%.

Total Mall Occupancy

Name of Mall	2009	2010	2011	2012	2013	8/31/2014	Average
The Mall at Wellington Green	97.1%	98.6%	98.8%	98.9%	99.3%	98.9%	**99.0%**
MacArthur Center	99.0%	97.5%	98.7%	99.2%	99.4%	99.8%	**98.9%**
Northlake Mall	98.2%	98.8%	98.3%	97.9%	98.6%	98.6%	**98.4%**
The Mall at Partridge Creek	95.8%	97.9%	99.3%	96.3%	98.4%	97.5%	**97.5%**

Includes Temporary Tenants

In-line Occupancy

Name of Mall	2009	2010	2011	2012	2013	8/31/2014	Average
The Mall at Wellington Green	91.9%	96.2%	96.8%	96.9%	97.9%	96.9%	**96.1%**
MacArthur Center	98.2%	95.5%	97.8%	98.5%	99.0%	99.6%	**98.1%**
Northlake Mall	95.9%	97.2%	96.2%	95.1%	96.8%	96.4%	**96.3%**
The Mall at Partridge Creek	92.8%	96.4%	98.8%	93.8%	97.2%	95.1%	**95.7%**

Includes Temporary Tenants

Collectively, the properties are generating net operating income in the trailing 12 months that is 3.8% higher than that recorded in 2012 and barring any unforeseen circumstances, this trend is anticipated to continue. The low to moderate occupancy costs would suggest that there is potential for increases in rents and should rents continue to grow at the pace they have in the recent pass, we would expect growth in property income to outpace increases in expenses. Despite some concentrated tenant rollover during the loan term, we anticipate occupancy to remain stable through maturity.

Property NOI Trends

	2012		2013		TTM 8/2014	
Name of Mall	**NOI**	**% Chg**	**NOI**	**% Chg**	**NOI**	**% Chg**
The Mall at Wellington Green	$19,458,784	-	$19,562,045	0.5%	$20,529,774	4.9%
MacArthur Center	$18,303,044	-	$18,070,252	-1.3%	$18,404,281	1.8%
Northlake Mall	$15,774,034	-	$16,878,639	7.0%	$16,705,610	-1.0%
The Mall at Partridge Creek	$12,495,951	-	$12,522,012	0.2%	$12,889,510	2.9%
Total	**$66,031,813**	**-**	**$67,032,948**	**1.5%**	**$68,529,175**	**2.2%**

The lack of principal amortization for the loan is probably our biggest concern as the loan leverage is considered moderate to high at 88.7% (based on Morningstar's concluded values for the individual properties). With four 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

Operating affiliates of Starwood 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 Starwood's sponsorship, even though we do view it as a positive characteristic of the deal.

The Bears Say

- No principal amortization: The loan is interest-only and therefore will not de-lever during the loan term; the lack of amortization may result in higher refinance risk at maturity.
- 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
- Loan Metrics: with a Morningstar LTV that exceeds 88% and a stressed Morningstar DSCR of 1.57x, any material deterioration in property cash flows could potentially inhibit the borrower's ability to refinance the debt upon loan maturity.

The Bulls Say

- Stable occupancy: All four malls have stable or improving occupancy rates and averaged at least 95% from 2009 through the trailing 12 months ended August 2014.
- Increasing NOI: All four malls have seen year-over-year increases in NOI in in each of the last three reporting periods (2012, 2013 and trailing twelve months ending August 2014).
- Good in-line sales: trailing twelve month results show that all four malls have in-line sales that exceed $420 per square foot. In the trailing 12 months, in-line sales range from $434 to $507 per square foot ($371 to $409 excluding Apple).
- Low to Moderate occupancy costs: Occupancy costs range from 11.28% at The Mall at Partridge Creek to 14.23% at MacArthur Center (13.93% to 17.57% excluding Apple).
- 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. Additionally, all four malls offer an Apple location.
- Equity Investment: the borrowers contributed $365.9 million of new cash equity at loan origination to acquire the portfolio, pay closing costs and fund reserves.
- Strong sponsorship and property management: Starwood is the loans' sponsor and the owner/manager of all four properties and has extensive experience owning and operating regional and super-regional shopping malls throughout the U.S.

Credit Support Stresses

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

The metrics shown below highlight the magnitude of cash flow and value decline after applying all of the stresses at each rating category. These are provided separately for the term default and balloon default analyses. By way of example, in assigning a rating of "AAA" to the Class A certificates, we subjected our concluded net cash flow to a 36.0% decline and our concluded value to a weighted-average 51.9% decline in the term default analysis. In the balloon default analysis, these weighted-average declines were also 36.0% and 51.9%, respectively. We should note that the balloon declines reflect the post-extension period improvement in those instances the stressed loan metrics allow for an extension at the balloon date. It should also be noted that these declines are applied to Morningstar's concluded net cash flow which in the overwhelming majority of cases is lower than the in-place net cash flow. These declines are weighted-average statistics. The declines applied to the individual properties differ and are a function of factors such as property type and concentration risks.

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

	AAA	AA	A	BBB	BB	B
Morningstar NCF Decline (Term)	36.0%	33.0%	27.0%	20.8%	10.6%	9.4%
Morningstar Value Decline (Term)	51.9%	43.5%	36.8%	25.4%	15.9%	12.1%
Morningstar NCF Decline (Balloon)	36.0%	33.0%	27.0%	20.8%	10.5%	9.0%
Morningstar Value Decline (Balloon)	51.9%	42.0%	35.1%	25.4%	15.7%	11.7%

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.

Property 1: The Mall at Wellington Green

Property Summary		
Property Type	Retail/ Regional Mall	
Location	Wellington, FL 33414	
Year Built	2001	
Year Renovated	NAP	
Net Rentable Sq. Ft. (Total)	719,978	
Net Rentable Sq. Ft. (Collateral)	719,978	
Occupancy (Tape)	93.06%	(as of 8/21/14)
Ownership	Fee Simple	

Loan Summary		
Loan Amount (Original Balance)	$231,540,968	($322 /sq. ft.)
Loan Amount (Cut-Off Balance)	$231,540,968	($322 /sq. ft.)
Loan Term (months)	60	(fully extended)
I/O Period (months)	60	(fully extended)
Amortization Term (months)	0	
Loan Seasoning (months)	0	
Interest Rate*	5.75000%	

Morningstar Analysis		
Current DSCR	1.46 x	
Amortizing DSCR	1.46 x	
Beginning LTV	94.07%	
Ending LTV	94.07%	
Capitalization Rate	8.00%	
Morningstar UW Occupancy	92.57%	
Net Operating Income	$20,765,074	
Net Cash Flow	$19,690,753	
Value	$246,134,418	($342 /sq. ft.)
Debt Yield	8.50%	
Morningstar Site Visit	Yes	
Property Score	3 (Average)	

*Interest Rate is Morningstar's stressed interest rate for the portfolio

Morningstar Summary

Morningstar Perspective

Morningstar views this property as a stable performer, in a retail market that is not necessarily typical for the high-end reputation associated with Palm Beach County. This is evidenced by the primary competition for the Mall at Wellington Green, namely The Gardens Mall in Palm Beach Gardens and Town Center at Boca Raton, which are located approximately twenty miles from the collateral and cater to more upscale consumers. These competing regional malls have more luxury anchor tenants, including Bloomingdale's, Nieman Marcus, Nordstrom and Saks, and have significantly higher sales per square foot, or PSF, in the $750 to $850 range. These properties cater to the more traditional affluent shoppers of the Palm Beach area, including retirees and wealthy foreign nationals, whereas the loan collateral is geared more toward year-round customers comprised of aspiring professionals and young families. The village of Wellington is situated at the furthest point west for commercial development in Palm Beach County. Immediately west of the Mall is a national wildlife preserve, cane fields and farmland. The Mall benefits from a strong location, situated at the heavily trafficked intersection of Forest Hill Road and State Route 7, in close proximity to Interstate 95 and the Florida Turnpike. Demographic information for the Mall's trade area shows that average household income within a five-mile radius of the property is $70,426, which is roughly the national average. However, the Mall has reported in-line sales per square foot of approximately $460 PSF, as of the trailing twelve-months ending July 31, 2014, or TTM, and property sales have been trending steadily upward since 2009. The latest occupancy costs for the Mall at Wellington Green were reported at 14.3%, which is average for a mall of this size and quality. The property's net operating income, or NOI, has also exhibited recent positive upward trends since 2012, with the TTM ending August 31, 2014 operating results reflecting a 5.5% increase over year-end 2012. The mall should benefit from the new and experienced Starwood management entity, who is anticipating aggressive cost-cutting measure, particularly with regard to the payroll and advertising expense categories. However, Morningstar did not factor in cash flow credit for these projected economies of scale, rather relying on the historical operations of the property. Regardless the property cash flows for the period analyzed have been consistent and Morningstar believes that this stability is sustainable in the long-term. This contention is further supported by projected household growth in the local area, which is anticipated to outpace both the state and national averages and fuel continued consumer growth. Occupancy for in-line tenants at the Mall at Wellington Green currently stands at 96.9%, inclusive of temporary tenants, and has averaged a robust 97.1%, since 2009. One matter of some concern is the February 2014 opening of the Palm Beach County Outlets, located twelve miles northeast of the Mall at Wellington Green. With the outlet center's recent opening, the loan collateral felt an immediate dip in tenant sales; however both the appraiser and the issuer believe this impact to be temporary. Since the center is still in lease-up, the long-term effect of this new competition has yet to be determined. The appraiser notes that there are several luxury retailers with outlet stores at Palm Beach Outlet, which may impact similar retailers at the subject asset, especially cost conscious shoppers. From a valuation perspective, the appraiser concluded a $343.0 million ($476 per square foot) value for the subject, as of September 8, 2014. This was -28.2% below Morningstar's final value of $246.1 ($342 per square foot) largely based on our 8.00% capitalization rate, versus the appraiser's overall rate of 5.75%. The loan exhibits a high going-in loan-to-value, or LTV, at 94.1%, based on the concluded Morningstar value and 67.5%, in relation to the current appraised value. Additionally, debt service payments are interest-only for the entire term of the loan and the ending, which results in an equally high ending LTV and increased refinance risk for the allocated trust loan balance.

Morningstar visited the subject property on October 9, 2014 and completed a tour of the mall with a representative from the sponsor, Starwood Properties and the on-site property manager. The mall appeared to be clean and well-maintained and had a steady stream of foot traffic for mid-afternoon on a weekday. The manager indicated that the property is located in a younger area of Palm Beach County and generally does not cater to the more upscale shoppers at the competing regional malls. The Mall has numerous demand drivers in the immediate area, including multifamily and residential development, a large regional medical center and complimentary retail uses located nearby to the loan collateral. The Mall is positioned along Forest Hill Road and State Road 7, which the manager indicated has the highest traffic count of any intersection in Palm Beach County. No obvious deferred maintenance items were observed and no immediate repair work was identified in the Property Condition Report provided during the due diligence period. Overall, Morningstar assigned a property score of three (3) to the subject property, which translates to average.

The Bears Say

- Weak Anchor Sales: While three of the five anchor tenants are not part of the collateral, the two anchor tenants that are collateral owned, City Furniture and Nordstrom report comparatively weak tenant sales of sales of $125 PSF and $130 PSF, respectively. Although City furniture is a privately held regional chain, these sales per square foot lag other lower-end furniture chain and the retailer also sub-leases second floor space to both La-Z-Boy and Ashley Furniture. In regard to Nordstrom, the tenant's sales trail the chain wide average of $474 PSF, as of year-end 2013 and the tenant currently pays percentage rent only.
- High Beginning LTV and No Amortization: The beginning LTV on the allocated trust loan is 94.1% and debt-service payments are interest-only for the entire loan term. Although there are no release provisions for this specific property, this could result in increased refinance risk for the asset as a stand-alone property, in a rising capitalization rate environment.
- New Competition: Palm Beach Outlets, a 488,000 square foot outlet center opened twelve miles northeast of the Mall at Wellington Green and has had an immediate impact on tenant sales at the property and the long-term effect of this increased competition has yet to be determined, given that the property has been open for roughly nine months.
- Demographics: Household income levels in the Wellington area are high, but the average income level for the primary trade area is in a similar range to the state and metropolitan statistical area, but below the national average. However, the mall caters to local residents year-round, including families and young professionals.

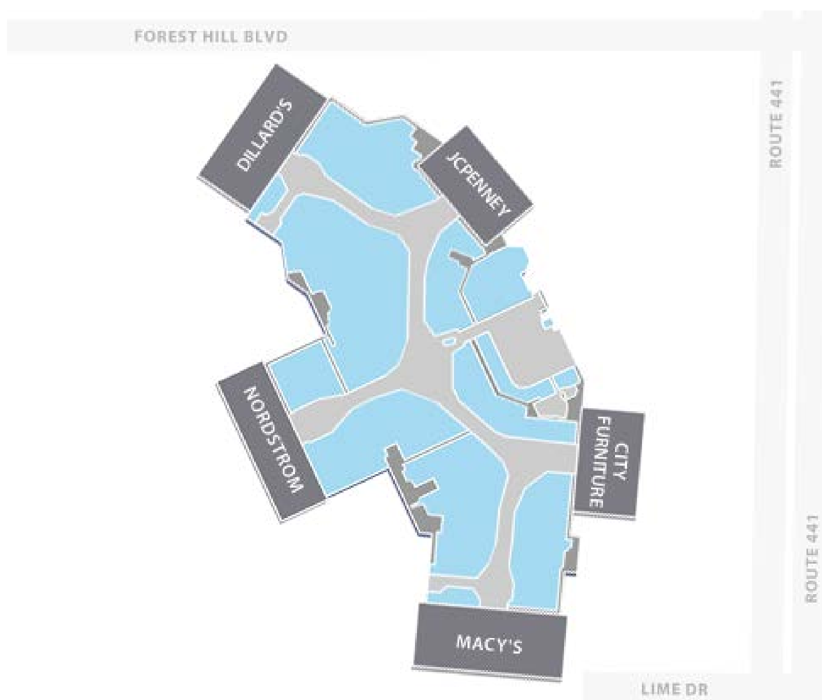
The Bulls Say

- Strong Occupancy: The subject asset is currently 96.9% occupied, inclusive of temporary tenants, as of August 21, 2014 and has averaged 97.1% since 2009.
- Asset Quality: The property is a newer regional mall, constructed in 2001 and has been well-maintained, with no evidence of deferred maintenance. This has served to attract and retain a diverse roster of national retailers and maintain a high property occupancy rate.
- Positive In-Line Tenant Sales Trends: Since 2009 in-line tenant sales have increased an average of 3.8% per year and TTM sales as of July 31, 2014 were $460 PSF, versus $381 PSF in 2009, representing a 20.7% increase over this time.

- Increasing NOI Trends: The property's net operating income has been trending upward since the end of the recent recession and has increased 5.5% since year-end 2012.
- Below Market Rents: Per the appraiser the current in-place rents at the property, excluding ATM income, are roughly 3.6% below market, representing upside in property cash flow, particularly with the anchor tenant space.
- Property Accessibility: Per the appraiser, the Mall at Wellington Green benefits from strong regional and local accessibility, located in close proximity to State Road 7, Interstate 95 and the Florida Turnpike.

Property Description

The Mall at Wellington Green is a 1,263,678 square foot, regional mall, located in the master-planned community of Wellington, Palm Beach County, Florida. The two-story, enclosed shopping center was constructed in 2001 and is anchored by Nordstrom (ground leased), City Furniture, Macy's, Dillard's and JC Penney. Only the Nordstrom and City Furniture anchors are part of the loan collateral and the Macy's Dillard's and JC Penney anchors are store-owned. The total collateral for the $231.5 million trust loan is 719,978 square feet of space, consisting of some 140 permanent specialty stores and restaurants, as well as the two aforementioned anchors; Nordstrom and City Furniture. Nordstrom constructed its store upon land ground leased from mall ownership; although there is no ground rent payable under the terms of the agreement. The property footprint is 61.2 acres of land and on-site surface parking is provided for 7,568 vehicles, or 5.99 spaces per 1,000 square feet of net rentable area, or NRA. The property is currently 98.9% occupied, as of August 21, 2014, including temporary tenant and specialty leasing. Excluding temporary tenants, the Mall is 92.3% leased. Per the issuer, in-line occupancy has averaged 97.1% since 2009.



EMG Corp. completed a property condition assessment of the loan collateral, dated October 13, 2014. The report noted no immediate repairs and only $1,350 in short-term repairs related to ADA accessibility / van signage. The engineer noted that overall, the property is in good condition and appears to have been well-maintained. The engineer's ongoing recommended reserves were incorporated into Morningstar underwriting analysis.

Partner Engineering and Science, Inc. completed an environmental site assessment of the property, dated August 5, 2014, which did not identify any recognized environmental conditions during the course of their inspection. Therefore, no further action was recommended, with regard to environmental concerns.

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
City Furniture	140,000	19.4%	$1,400,000	$10.00	8.3%	Jan-20
Nordstrom	121,670	16.9%	$0	$0.00	0.0%	Feb-19
H&M	25,974	3.6%	$358,624	$13.81	2.1%	Jan-24
XXI Forever	21,295	3.0%	$1,020,000	$47.90	6.1%	Jan-22
Victoria's Secret	12,525	1.7%	$576,150	$46.00	3.4%	Jan-23
New Love Culture	9,999	1.4%	$210,000	$21.00	1.2%	Sep-19
Abercrombie & Fitch	8,724	1.2%	$367,280	$42.10	2.2%	Jan-19
Charming Charlie	8,409	1.2%	$200,000	$23.78	1.2%	Jun-21
Red Robin	8,025	1.1%	$115,044	$14.34	0.7%	Jan-28
Charlotte Russe	7,995	1.1%	$200,000	$25.02	1.2%	Jan-15
Top 10 Subtotal	**364,616**	**50.6%**	**4,447,098**	**$12.20**	**26.4%**	

The top 10 tenants at The Mall at Wellington Green include both well-known national retailers, as well as the regional anchor tenant, City Furniture. These tenants comprise 50.6% of the collateral's net rentable area, or NRA, and account for 26.4% of the in-place base rent at the property. A brief overview of the top five tenants in occupancy is as follows:

City Furniture; (140,000 square feet; 19.4% of owned collateral NRA) City Furniture is a privately held home furniture retailer, with 17 locations throughout Florida. Family owned since its inception in 1994, the company's headquarters is in Tamarac, Florida, roughly 40 miles south of the property. At the Mall at Wellington Green, City Furniture's most recent reported sales are $17,000,000, or $121 psf. The tenant's current lease began in November 2005 and is set to expire in January 2020. Upon the lease expiration, the tenant has two, 5-year renewal options.

Nordstrom; (121,670 square feet; 16.9% of collateral NRA) Nordstrom, Inc. is a publicly traded (NYSE: JWN) luxury department store retailer, with 262 stores in 35 states. The company reported a net income of $734 million in 2013. Nordstrom at the Wellington property has reported sales of $129.86 psf, as of July 31, 2014 and has recently experienced sales well-below the company's national average of $474 psf, as of year-end 2013. Over the four year period between 2010 and 2013, the tenant has average annual sales of $15.1 million per year. The tenant has a ground lease at the subject, which began in November 2003 and is set to expire in February 2019. Upon the lease expiration, the tenant has a one 10-year renewal option.

H&M; (25,974 square feet; 3.6% of owned collateral) H&M is a multinational retail-clothing company, which caters to men, women, and children. The company currently operates over 2,600 stores in 53 countries. H&M opened a flagship store at The Mall at Wellington Green in 2013. The tenant operates under a lease that began in October 2011 and is set to expire in January 2024. Upon the lease expiration, the tenant has a one 5-year renewal option.

XXI Forever; (21,295 square feet, 3.0% of the owned collateral) XXI Forever is the designated name of the larger, flagship, stores of American fashion retailer Forever 21. Forever 21 is a privately held chain of female fashion retailers, which is headquartered in Los Angeles, California and is comprised of approximately 480 stores worldwide. The company was founded in 1984, and boasts annual sales of $1.40 billion, as of year-end 2013. The tenant's lease at the subject began in January 2012 and expires in January 2022.

Victoria's Secret; (12,525 square feet, 1.7% of owned collateral) Part of the publicly traded Limited Brands (NYSE: LTD), which is based in Columbus, Ohio and include Victoria's Secret, Victoria's Secret PINK, Bath and Body Works, La Senza and Henri Bendel. Primarily known for lingerie, personal care and beauty products, apparel and accessories, Victoria's Secret operates 1,019 stores in the United States. The tenant's recent lease at the subject began in January 2012 and expires in January 2023.

Lease Expiration and Rollover

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year							
	MTM	2014	2015	2016	2017	2018	After 2018
Anchor	0	0	0	0	0	0	261,670
Over 10,000 SF (Inline)	0	0	0	0	0	0	59,794
7,501 - 10,000 SF	0	0	7,995	7,737	7,841	0	27,132
5,001 - 7,500 SF	0	0	12,600	11,413	11,000	0	42,216
2,001 - 5,000 SF	0	0	11,885	11,208	14,526	14,945	54,763
1,000 - 2,000 SF	0	1,281	8,019	7,305	6,012	5,051	28,811
Under 1,000 SF	0	0	1,040	1,812	1,565	0	8,009
Restaurant	0	0	0	5,505	0	5,000	13,036
Food Court	0	0	0	584	1,523	0	5,444
Jewelry	0	0	688	0	1,900	1,272	3,197
Kiosk	0	150	0	0	226	872	150
Antenna/ATM	0	0	267	0	0	9	29
Total	**0**	**1,431**	**42,494**	**45,564**	**44,593**	**27,149**	**504,251**
% Roll	**0.0%**	**0.2%**	**5.9%**	**6.3%**	**6.2%**	**3.8%**	**70.0%**

The loan collateral includes approximately 163 retail tenants, including specialty leasing. Approximately 44.3% of the in-place leases roll during the five-year loan term, with 21.9% of the square footage expiring in 2019; the loan maturity year.

Market Overview

The Mall at Wellington Green is located in the village of Wellington, which is generally bound by Southern Boulevard to the north, the Loxahatchee National Wildlife Refuge to the west, Lake Worth Road to the south, and the Florida Turnpike to the east. The Mall is located in the Miami-Fort Lauderdale-Pompano Beach metropolitan statistical area, or MSA. Originally a planned unit development founded in 1972, the village of Wellington now bills itself as a family first community, with an abundance of parks, quality schools, with recreational and cultural offerings for all ages. In 2010, Wellington was named one of the top 100 best places to live by Money Magazine and the town leaders are fiercely protective of their natural environment and surrounding community. The appraiser notes that the village of Wellington does not allow any large discount stores. Consequently, there are no Target, Wal-Mart, Costco, or the like within the village limits. Major employers in the regions include Tenet Healthcare, HCA East Florida Division Office, the University of Miami, Baptist Health System of South Florida, Memorial Health and Publix Supermarkets, to name several. The surrounding area has experienced strong population growth in recent years and this is a trend that is expected to continue into the foreseeable future. There is a large amount of single family development taking place in the surrounding areas and over the next five years, both the population and number of households in the subject's trade area are projected to continue to grow at rates that are well-above state and national averages.

The mall is located at the intersection of Forest Hill Boulevard and U.S. 441 (State Road 7). Forest Hill Boulevard is one of the major east / west arterials in this area of Palm Beach County. U.S. 441 is the major north / south thoroughfare in the western portion of the county, which was expanded from four lanes to six lanes just before the mall opened and was subsequently expanded again around 2004, this time to 8 lanes. Additionally, Forest Hill Boulevard has a direct connection to I-95 and there are entrances to the Florida Turnpike at Lake Worth Road to the south and Southern Boulevard to the north of the property, within approximately a 10 minute drive. Overall local and regional accessibility is considered a key strength of the Mall at Wellington Green.

The following table displays the mall properties in the local market that are considered to be primary competition for the Mall at Wellington Green.

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 Regional Mall	Wellington, FL	-	2001 / NAP	1,263,678 sq. ft.	Dillard's, JC Penney, Macy's, Nordstrom, Forever 21	93%	$460/SF
The Gardens Mall Super Regional Mall	Palm Beach Gardens, FL	20.6 miles Northeast	1988 / NAP	1,350,000 sq. ft.	Dillard's, Macy's, Sears, Century Theater	96%	$750/SF
Town Center at Boca Super Regional Mall	Boca Raton, FL	24.1 miles Southeast	1980 / 2002	1,625,000 sq. ft.	Bloomingdale's, Macy's, Sears, Saks, Crate & Barrel, Nordstrom, Nieman Marcus	98%	$850/SF

Source: *Cushman & Wakefield Appraisal*

The Garden's Mall – Owned and operated by the Forbes Company, the Gardens Mall is a 1.35 million square foot, upscale, super regional mall, which includes Bloomingdale's, Nordstrom and Saks among its anchors. Similar to the subject, it is a two level mall, which is relatively unusual in the Florida market because of the flat topography. The appraiser notes that this property has higher price points than the subject collateral and has been generating significantly better average mall shop sales. The Gardens Mall is the major competitor to the Mall at Wellington Green, for those areas east and north of the property and, thereby limiting the potential trade area of the subject in those directions.

Town Center at Boca Raton - is a 1.625 million upscale, super regional mall located 24.1 miles southeast of the collateral. The property is situated in the affluent area of Boca Raton and has six department store anchors at the property. These tenants include Bloomingdale's, Nordstrom, Neiman Marcs and Saks among its anchors. The appraiser indicates that, aside from properties on Worth Avenue in the Town of Palm Beach, Town Center at Boca Raton has the highest average mall shop sales in the county. Due to its large size and success in the market, it limits the potential trade area of the subject to the south and southeast. This mall is owned by Simon Property Group.

Additionally, both the issuer and the appraiser identified the Palm Beach Outlets as a notable competitor. Located 12 miles northeast of the Mall at Wellington Green, Palm Beach Outlets opened in February 2014 and has had an immediate unfavorable impact on sales at the Mall at Wellington Green, which the appraiser deems to be temporary. The appraiser also notes that, as an outlet center, the property will not compete directly with the loan collateral, but there are several luxury retailers with outlet stores that may impact similar retailers at the subject asset. Additional secondary competition is provided by Boynton Beach Mall; one of the malls that was included in the Simon Property Group spin-off known as Washington Prime. Although this property is the closest super-regional mall to the subject, located 13.0 miles southeast of the property, the Boynton Beach Mall has reportedly has the lowest average mall shop sales of any mall in the county and has lower price points than the Mall at Wellington Green. Additionally, the Boynton Beach Mall's trade area is relatively small, consisting of Delray Beach, Boynton Beach and the southeastern portion of West Palm Beach

Morningstar Analysis

	Morningstar Underwriting	Year End 2012	Year End 2013	TTM 08/31/14	Issuer Underwriting
Income					
Gross Potential Rent	$19,007,359	$14,914,866	$15,691,711	$15,947,467	$19,715,333
Less: Vacancy Loss (GPR)	(2,166,359)	0	0	0	(2,874,333)
Base Rent/Net Effective Rent	**$16,841,000**	**$14,914,866**	**$15,691,711**	**$15,947,467**	**$16,841,000**
Expense Reimbursement	$14,283,442	$13,408,394	$13,369,750	$14,263,343	$13,650,568
Percentage Rent	384,270	573,162	463,642	464,434	384,270
Kiosk / Temporary	2,251,554	2,597,983	2,394,511	2,251,554	2,251,554
Parking	6,901	7,735	6,124	6,163	6,163
Other	218,772	158,623	159,804	218,772	218,772
Effective Gross Income	**$33,985,940**	**$31,660,763**	**$32,085,542**	**$33,151,733**	**$33,352,328**
Expenses					
Real Estate Taxes	$3,263,478	$2,971,178	$3,035,713	$3,196,840	$3,338,090
Property Insurance	587,020	498,965	458,979	569,922	436,269
Utilities	1,890,538	1,954,708	1,843,270	1,890,538	1,890,538
Repairs and Maintenance	2,538,541	2,265,087	2,457,461	2,538,541	2,538,541
Contract services	633,844	563,588	603,979	615,383	615,383
Management Fees	1,019,578	870,671	882,352	911,673	917,189
Payroll & Benefits	1,254,006	1,338,959	1,329,190	1,175,599	1,175,599
Advertising & Marketing	1,245,540	1,057,744	1,067,954	1,258,346	941,644
Professional Fees	209,627	137,665	213,742	203,128	203,128
Other	578,692	543,415	630,858	261,990	578,692
Total Operating Expenses	**$13,220,866**	**$12,201,980**	**$12,523,498**	**$12,621,960**	**$12,635,073**
Net Operating Income	**$20,765,074**	**$19,458,783**	**$19,562,044**	**$20,529,773**	**$20,717,255**
Capital Items					
Leasing Commissions	$417,842	$0	$0	$0	$206,724
Tenant Improvements	366,569	0	0	0	206,724
Capital Expenditure / Reserve	289,909	0	0	0	233,340
Total Capital Items	**$1,074,320**	**$0**	**$0**	**$0**	**$646,787**
Net Cash Flow	**$19,690,753**	**$19,458,783**	**$19,562,044**	**$20,529,773**	**$20,070,468**

Analytical Assumptions

The following comments and footnotes provide additional details beyond the description of Morningstar's general analytical approach outlined at the end of this package.

Revenue Drivers

Rent Per Square Foot	$26.40
Vacancy (%)	11.40%

In-place rents at the subject property were $25.27 per square foot, as of the August 21, 2014 rent roll. Contractual rent increases through August 31, 2015 factored into our analysis, in similar fashion to the issuer's treatment of base rent steps. Morningstar's concluded rent per square foot of $26.40 was above in-place levels, based on the appraiser's aggregate market rent of $28.02 per square foot, excluding ATM income. Morningstar rental analysis placed greatest reliance on current leases in-place, with some upside to the appraiser's higher concluded market rental rates.

Morningstar's concluded vacancy rate for the subject was 11.4%, which was based on the current in-place economic vacancy for the property. Our vacancy analysis was driven by the Reis mean submarket vacancy rate of 13.2%, as of the second quarter of 2014, as well as the property's in-place physical occupancy of 7.4%. Morningstar utilizes the higher of physical or economic vacancy in underwriting.

Expense reimbursements were underwritten based on the borrower's budgeted reimbursement ratio of 108% for 2015. This is below the TTM recovery rate of 113% of operating expenses. Recoveries have averaged 109.5% since 2012.

Expenses

Expenses are underwritten in-line with historicals unless otherwise noted.

Real Estate Taxes: Underwritten based on the current actual tax liability for 2014 / 2015, as confirmed by Palm Beach County, via the appraiser. The underwritten amount is roughly 2.2% lower than the borrower's budget for 2015, but 2.1% above TTM.

Management Fee: Underwritten to a market management fee of 3.0% of EGI. This was slightly above the issuer's 2.75% management fee, which was based on the historical operations of the property. However, since the subject loan represents an acquisition of the property, Morningstar opted to use a market-based management fee, which is consistent with similar mall properties that we have previously reviewed.

Payroll & Benefits: Estimated based on the trailing three-year weighted average at the property. The TTM payroll and benefits expense for the property was well-below the historical average.

Advertising & Marketing: Projected Based on the trailing three-year average for the property, as a percentage of EGI.

Capital Items

A reserve for future capital expenditures is underwritten at $0.40 per square foot, which was slightly higher than the $0.39 per square foot uninflated reserve amount recommended by the engineer. Tenant improvements were underwritten based on the appraiser's assumptions, which ranged from $13.20 to $50.00 new space. The appraiser concluded a $0.00 allowance for renewal tenants. Leasing commissions are underwritten to 4% for new tenants and 2% for renewals. A renewal rate between 70% and 75% was assumed for all tenant types, based on the appraiser's estimate. Morningstar's underwritten TI and LC's were generally in-line with the appraiser, as a percentage of EGI for the property.

Valuation Drivers

Morningstar's base capitalization rate for the West Palm Beach retail market was 7.83%, as of the second quarter of 2014, which Morningstar rounded to 8.00%. This overall rate is consistent with similar mall properties that Morningstar has previously analyzed, as well as the other mall properties in the portfolio. This value was 225 basis points higher than the appraiser's concluded direct capitalization rate of 5.75%. However, Morningstar believes that the appraiser's capitalization rate was aggressive for this asset type.

Property 2: MacArthur Center

Property Summary		
Property Type	Retail/Regional Mall	
Location	Norfolk, VA 23510	
Year Built	1999	
Year Renovated	NA	
Net Rentable Sq. Ft. (Total)	927,692	
Net Rentable Sq. Ft. (Collateral)	927,692	
Occupancy (Tape)	97.10%	(as of 8/21/14)
Ownership	Leasehold	

Loan Summary		
Loan Amount (Original Balance)	$185,637,803	($200 /sq. ft.)
Loan Amount (Cut-Off Balance)	$185,637,803	($200 /sq. ft.)
Loan Term (months)	60	Fully Extended
I/O Period (months)	60	Loan Term
Amortization Term (months)	0	
Loan Seasoning (months)	0	
Interest Rate *	5.75000%	

Morningstar Analysis		
Current DSCR	1.68 x	
Amortizing DSCR	1.68 x	
Beginning LTV	82.95%	
Ending LTV	82.95%	
Capitalization Rate	8.00%	
Morningstar UW Occupancy	95.00%	
Net Operating Income	$19,091,794	
Net Cash Flow	$17,904,518	
Value	$223,806,473	($241 /sq. ft.)
Debt Yield	9.64%	
Morningstar Site Visit	Yes	
Property Score	3 (Average)	

** Morningstar's stressed interest rate*

Morningstar Summary

Morningstar Perspective

MacArthur Center is a fairly unique regional mall located in downtown Norfolk, Virginia. The center, which opened in 1999, is newer than most malls by 15 to 30 years, and has a diverse tenant mix which caters to a wide range of shoppers. In-line sales have been on a steady upward trajectory for most of the last five years, improving to $474 per square foot in the 12 months ended July 31, 2014 from $396 per square foot in 2009, as provided in the issuer's information package.

Excluding temporary tenants, the property was 97.1% leased as of July 31, 2014; if temporary tenants are included the occupancy jumps to 99.6%. The property is anchored by Dillard's, Nordstrom and an 18-screen Regal Cinemas movie theater. Other major tenants include Forever 21, Barnes & Noble, H&M, Love Culture and Pottery Barn. Recent additions or renewals include Eddie Bauer, Kirkland's, Harry and David, and restaurants Max & Erma's and Texas de Brazil Churrascaria, which is under construction. Lease signing and renewal activity has been brisk with 26 tenants having renewed or started new leases for more than 84,000 square feet in 2014 including one to commence in March 2015.

Although in-line tenant sales have been good overall, that has not been the case for all mall tenants. Sales for Nordstrom and Dillard's have far been below their chain averages on a per square foot basis (although the mall's oversized Dillard's is slightly better than the company's per store average), while the Regal Cinemas has been roughly 25% below the chain's per screen average. Mall management is confident that these anchors will remain committed to the mall in the long-term, as Dillard's gross sales are above the chain's per store average, and the Nordstrom store remains the only one in the Norfolk – Hampton Roads metro area. On a per square foot basis, sales for apparel specialty retailers Abercrombie & Fitch, American Eagle and New York & Company have been well below chain averages, while Apple exceeds its chain average by 35%.

Morningstar performed an analysis of tenant sales and occupancy costs for all tenants between 1,000 and 10,000 square feet for which sales information was provided. The results showed average sales per square foot of $458 for the 12 months ended July 31, 2014, but only $362 excluding Apple, which almost always has sales far in excess of other retail chains. Morningstar's calculation of occupancy cost for the same tenants was 14.2%, and 17.9% excluding Apple. According to the appraisal, sales in excess of $400 per square foot should support occupancy costs ranging from 14% to 16%. Higher margin retailers are often willing to pay up to about 20% or more in some instances. The property has a fairly high number of tenants paying more than 20% of sales. If Apple is excluded from the analysis, the property's in-line sales are rather average and its occupancy costs are somewhat high.

Given the property's position as the local leader in in-line sales per square foot, its consistently high in-line occupancy and being the newest mall in the region, Morningstar expects the property to continue to perform well enough to meet debt service obligations over the loan term. Starwood Retail Partners will be the property's new owner, bringing considerable experience and industry knowledge. Concerns include relatively weak sales for Nordstrom, the Regal Cinemas movie theater, few apparel tenants, and Barnes & Noble which has struggled in recent years as more book purchases are made on the Internet (although sales per square foot at the property's store are almost twice the chain average). Potential for upside exists with the availability of an adjacent parcel for development which could add another anchor tenant or streetscape retail.

The loan is a three-year floating-rate interest-only acquisition financing, with two one-year extension options. The allocated balance for MacArthur Center is just more than $185.6 million out of the portfolio loan total of $725 million. Morningstar's underwritten net cash flow, or NCF, of $17.90 million is 2.7% less than that reported for the 12 months ended August 31, 2014, or the TTM. This is due entirely to Morningstar's assumptions for tenant improvements, leasing commissions and capital expenditures. Morningstar's effective gross income and net operating income are slightly higher than the TTM. Morningstar's NCF provides good amortizing debt service coverage of 1.68 x, and the Morningstar value of $223.8 million produces a loan-to-value of 82.9%. The loan-to-value as determined by the appraised value of $275 million is 67.5%. Morningstar's value is lower than the appraised value by 18.6%.

The Bears Say

- Leverage as measured by Morningstar's loan-to-value is moderately high at 82.9%. The three-year interest only loan with two one-year extension options will have no amortization and the interest payments will be at risk of increasing due to the loan's floating interest rate.
- Sales at Nordstrom, Dillard's and Regal Cinemas are well below chain averages on a per square foot and per screen basis.
- The downtown location is not typical for a regional mall; however the property provides more than adequate parking in a garage that is attached to the mall building. The property is on a public transportation line.
- Barnes & Noble is the third largest non-anchor tenant at 27,799 square feet and is under lease through August 2017. However, sales for the 12 months ended July 31, 2014 were $437 per square foot, nearly double the chain average of $226, and occupancy costs were just 4.1%.
- Love Culture is the fifth largest non-anchor tenant at 14,680 square feet, and filed for bankruptcy in July 2014. Love Culture recently reopened and negotiated an amendment to its existing lease which has been affirmed.
- Some of the apparel tenants, including American Eagle, Abercrombie & Fitch and New York & Company, have per square foot sales that are significantly lower than their chain averages.
- If Apple is excluded from the analysis, in-line sales appear to be fairly ordinary, although the property's relatively high occupancy costs are not out of line given the demonstrated demand for space. The Apple Store's annual sales are in excess of $6,000 per square foot.

The Bulls Say

- The property is newer than most regional malls by 15 to 30 years. Its design provides a great deal of natural light and open space, and it fits well into its downtown environment.
- In-line occupancy has been strong, and has averaged 90% or more over the past five years – 95% or more if temporary tenants are included. The trend has been positive since 2010, and has accelerated since 2012.
- As the new owner, Starwood Retail Partners will be focused on tenant retention and maximizing the return on its investment.
- There is an adjacent undeveloped parcel that is available as a potential additional anchor pad, which could also be used for other retail space. A Macy's store and streetscape retail are among options under consideration.

- A strong presence of U.S. military installations plus 12 colleges and universities in the region help to provide plenty of retail demand.
- Population density in the area is good, with an estimated 745,000 within a ten-mile radius of the property. The average household income in the ten-mile radius is just more than $69,000, which is roughly $2,200 less than the national figure. The average household income for the entire Norfolk core based statistical area, which has a population of more than 1.7 million, is a little more than $75,700.

Property Description

MacArthur Center is a three-story 927,692-square foot regional mall situated in the downtown section of Norfolk, Virginia. The property, anchored by Nordstrom, Dillard's, and an 18-screen Regal Cinema, is the dominant mall in the region and is one of Southeast Virginia's premier shopping, dining, and entertainment destinations. The ground-leased Nordstrom location is the only one in the region as it serves the entire Norfolk – Hampton Roads area including Virginia Beach, Chesapeake, and Suffolk. The property is situated on 15.29 acres along the east side of Monticello Avenue at the intersection of East City Hall Ave with an adjacent 1.59 acre vacant parcel currently utilized as a public park. The property was completed in 1999 and includes two five-level parking decks with 4,604 parking spaces.

MacArthur Center consists of 927,692 square feet of total space with tenant spaces totaling 26,550 square feet either vacant or occupied by temporary tenants. The square footage total includes the 253,616-square foot Dillard's store, which is owned by Dillard's although the ground upon which the store sits is leased from the collateral owner. The total also includes the 160,000-square foot Nordstrom store which is owned, land and improvements, by Nordstrom. According to the appraisal, the city of Norfolk owns the fee interest in the land and leases the site to mall ownership. The ground lease has an initial term of 50 years, expiring in 2046, with five consecutive 10-year renewal options. Not including Dillard's and Nordstrom, the total gross leasable area, or GLA, figures in at 514,076 square feet. The overall mall occupancy rate was 97.1% as of August 2014, excluding temporary tenants. The 18-screen Regal Cinema occupies 80,210 square feet and is the third largest tenant at the property. Overall, the two anchors Dillard's and Nordstrom constitute 44 percent of the total mall GLA, but pay no base rent and only contribute to common area expenses.

Access to MacArthur Center is provided by many local and regional arteries which show the property's excellent location. A main thoroughfare in Norfolk is the Hampton Roads Beltway, which consists of Interstate-64 and its offshoots (I-264, I-464, I-664). Highways 337 and 460 provide more local access to the property while the most significant east-west roads are the aforementioned Interstate-64 as well as U.S. Route 58 and U.S. Route 60. U.S. Route 13 and Granby Street make up the north-south thoroughfares in the region. The location of the property is quite tactical due to the large student population in the region. There are eight universities and four colleges in the surrounding region of Southeastern Virginia that contribute to the 1.6 million people that MacArthur Center serves.

Air travel is provided by the region's major commercial airport, Norfolk International Airport. Located in between the city limits of Norfolk and Virginia Beach, this airport provides service by seven airlines to twenty-five destinations. High speed rail service is provided by Amtrak while Greyhound offers bus service from terminals located in downtown Norfolk. Hampton Roads Transit (HRT) operates throughout Norfolk and South Hampton Roads and offers transit bus and paratransit bus service as far as Williamsburg.

A property condition assessment dated October 13, 2014 was completed by EMG and was reviewed by Morningstar. The report noted $1,800 of immediate required repairs and $3,150 in short-term repairs. The seven-year capital spending schedule totaled just over $1.5 million, of which 71% was associated with roof repair and replacement, and 17% for HVAC.

A Phase I environmental site assessment dated August 5, 2014, was completed by Partner Engineering and Science, Inc. and was reviewed by Morningstar. The site assessment revealed no evidence of current or historical recognized environmental conditions, or RECs, at the property.

Morningstar visited the property on October 10, 2014. The property appeared to be in good condition and is well maintained. Public spaces are bright and clean, with much natural light coming in from skylights along the ceiling. The design has a lot of open sightlines and angled walking paths, making it different from many older malls completed 30 or more years ago. There is very little vacant retail space, and some of that is being built out for signed tenants.

Management reported that the emphasis for newly acquired properties is tenant retention. There are 20 tenants occupying a total of 58,700 square feet with lease expirations in 2015 including Charlotte Russe, Eddie Bauer, Kirkland's and Chili's. Historically, the tenant retention rate at the mall has been 90% or more under the outgoing ownership. The property is newer than all of the other malls in the Norfolk metro area, and the closest mall geographically is The Gallery at Military Circle, which appears to be very old and in need of a great deal of repair and renovation, and has two vacant anchor stores. While Nordstrom's sales are not strong relative to the chain average, the store is the only Nordstrom in the Norfolk metro area and is likely to remain in the long term.

There is a parking facility attached to the mall building which is essential due to the lack of available street parking in downtown Norfolk. Access to the mall is from inside the parking facility which is all under cover. There is an adjacent parcel available to the new ownership currently in use as a public park, which has already been approved by all relevant parties to be the site of a new anchor, or other retail uses.

Tenant Overview

Dillard's Inc. (253,616 square feet; expires 3/12/2059) Dillard's is a public stock company (NYSE: DDS) founded in 1938 and headquartered in Little Rock, Arkansas. The 296 Dillard's stores in 29 states include 18 clearance centers, and feature fashion apparel, accessories, cosmetics and home furnishings. Dillard's employs 21,600. The company plans to make its stores more upscale to a level above Macy's and JC Penney, and to place new stores in open air lifestyle centers. As of the most recent fiscal year end at February 1, 2014, stockholders' equity was $1.99 billion, and long-term debt was $822 million. Market equity capitalization was $4.33 billion as of October 13, 2014. Total revenue for the fiscal year ended February 1, 2014 was $6.69 billion, down 0.9% from the previous fiscal year. Net income for the fiscal year ended February 1, 2014 was $324 million, down 3.7% from the previous year.

Nordstrom Inc. (160,000 square feet; expires 3/12/2034) Nordstrom is a public stock company (NYSE: JWN) founded in 1901 and headquartered in Seattle, Washington. The company has been publicly owned since 1971, and has expanded more through opening new stores than by acquisitions. The 270 Nordstrom stores include 116 full line stores, 151 Nordstrom Rack stores, two Jeffrey Boutiques and one clearance store in 36 states. The chain is a fashion specialty retailer offering fashion apparel, shoes, accessories and cosmetics. Nordstrom also operates a credit segment. The company provides a private label credit card, two Nordstrom VISA credit cards and a debit card through its Nordstrom fsb federal savings bank. Nordstrom employs 62,500. As of the most recent fiscal year end at February 1, 2014, stockholders' equity was $2.08 billion, and long-term debt was $3.11 billion. Market equity capitalization was $13.30 billion as of October 13, 2014. Total revenue for the fiscal year ended February 1, 2014 was $12.54 billion, up 3.3% from the previous fiscal year. Net income for the fiscal year ended February 1, 2014 was $734 million, down 0.1% from the previous year.

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
Dillard's	253,616	27.3%	$0	$0.00	0.0%	Mar-59
Nordstrom	160,000	17.2%	$0	$0.00	0.0%	Mar-34
Regal Cinemas	80,210	8.6%	$1,102,528	$13.75	7.3%	Jan-20
XXI Forever	30,723	3.3%	$1,199,287	$39.04	8.0%	Jan-26
Barnes & Noble	27,799	3.0%	$500,000	$17.99	3.3%	Aug-17
H&M	21,475	2.3%	$568,292	$26.46	3.8%	Jan-17
New Love Culture	14,680	1.6%	$191,850	$13.07	1.3%	Sep-19
Pottery Barn	9,007	1.0%	$219,000	$24.31	1.5%	Jan-19
Texas de Brazil Churrascaria	9,000	1.0%	$142,800	$15.87	1.0%	Jan-24
Victoria's Secret	8,572	0.9%	$255,000	$29.75	1.7%	Jan-20
Top 10 Subtotal	**615,082**	**66.3%**	**$4,178,757**	**$6.79**	**27.8%**	

Regal Entertainment Group (80,210 square feet; expires 1/31/2020) Regal Entertainment Group is a public stock company (NYSE: RGC) founded in 2002 and headquartered in Knoxville, Tennessee. Regal operates 580 theaters with 7,394 screens in 42 states under the Regal Cinemas, United Artists, Edwards, Great Escape Theatres and Hollywood Theaters brands. Regal employs 24,200. As of the most recent fiscal year end at December 26, 2013, stockholders' equity was a deficit of $713 million, and long-term debt was $2.28 billion. Market equity capitalization was $2.92 billion as of October 13, 2014. Total revenue for the fiscal year ended December 26, 2013 was $3.04 billion, up 7.7% from the previous fiscal year. Net income for the fiscal year ended December 26, 2013 was $158 million, up 10.8% from the previous year.

XXI Forever (30,723 square feet; expires 1/31/2026) Forever 21, Inc. is a privately held fashion retail chain founded in 1984 and headquartered in Los Angeles. The founders were a Korean immigrant married couple who came to the United States in 1981, and remain in control of the company today. The company specializes in apparel and accessories for women, girls and men, as well as beauty products. The number of stores was estimated to be more than 480 as of 2013, and revenues were reported to be $3.7 billion in 2013.

Barnes & Noble, Inc. (27,799 square feet; expires 8/31/2017) Barnes & Noble is a public stock company (NYSE: BKS) founded in 1986 and headquartered in New York City. As of May 3, 2014, Barnes & Noble operated 1,261 stores including 661 retail bookstores and 700 college bookstores. The company employs 33,800. As of the most recent fiscal year end at May 3, 2014, stockholders' equity was $659 million, and there was no long-term debt. Net of intangible assets of $1.02 billion, the company's net worth was a deficit of $363 million. Market equity capitalization was $1.16 billion as of October 14, 2014. Total revenue for the fiscal year ended May 3, 2014 was $6.38 billion, down 6.7% from the previous fiscal year. The net loss for the fiscal year ended May 3, 2014 was $47 million, compared to a net loss of $158 million the previous year.

H&M (21,475 square feet; expires 1/31/2017) Hennes & Mauritz (H&M) is a Swedish retail clothing company featuring fast-fashion clothing for women, men, teenagers and children. H&M had more than 2,600 stores in 53 countries as of August 2013, and employs more than 116,000. The company was founded with a single store that opened in Sweden in 1947, and is headquartered in Stockholm. The first store in the U.S. opened on Fifth Avenue in Manhattan in 2000, though H&M did not enter many other major American markets until much later.

Love Culture (14,680 square feet; expires 9/30/2019) Love Culture is a privately held fashion retail chain with 82 stores founded in 2007 and headquartered in Los Angeles. Love Culture offers a wide variety of apparel, active wear, outerwear and accessories. The company filed a voluntary petition for reorganization under Chapter 11 on July 16, 2014. Love Culture has subsequently reopened at this location after amending and affirming their existing lease The rent of $13.07 per square foot on the new lease is slightly above market rent for space of that size, which is $12.00 per square foot according to the appraisal.

Lease Expiration and Rollover

Because of the large amount of anchor space paying little rent, the percentages of lease expirations by space is not especially useful. In terms of percentage of base rent, total expirations in the next five years are as follows: 2015, 11.0%; 2016, 9.4%; 2017 13.3%; 2018, 7.1%; 2019, 15.2%. The total expirations for the next five years are equal to 56.0% of current base rent.

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year							
	MTM	**2015**	**2016**	**2017**	**2018**	**2019**	**After 2019**
Groundlease Anchor	0	0	0	0	0	0	413,616
Theatre	0	0	0	0	0	0	80,210
Junior Anchor	0	0	0	49,274	0	0	30,723
In-Line (10,001-20,000 sq.ft.)	0	0	0	0	0	14,680	0
In-Line (5,001-10,000 sq.ft.)	0	24,138	21,346	7,000	0	21,882	28,035
In-Line (3,001-5,000 sq.ft.)	0	19,488	11,298	7,025	11,669	7,459	35,371
In-Line (2,001-3,000 sq.ft.)	0	2,800	0	5,086	0	7,266	10,670
In-Line (1,001-2,000 sq.ft.)	0	3,696	4,616	2,507	5,782	12,233	11,830
In-Line (1-1,000 sq.ft.)	0	2,479	1,501	688	1,556	921	1,209
Restaurant	0	4,804	0	2,610	0	0	17,383
Jewelry	0	0	1,994	0	3,609	0	3,824
Food Court	0	903	0	0	673	1,147	5,059
Kiosk	0	394	150	150	0	100	250
Antenna/ATM	0	0	0	0	0	38	0
Total	**0**	**58,702**	**40,905**	**74,340**	**23,289**	**65,726**	**638,180**
% Roll	**0.0%**	**6.3%**	**4.4%**	**8.0%**	**2.5%**	**7.1%**	**68.8%**

Market Overview

The property is located in downtown Norfolk, north of the Elizabeth River. Norfolk is recognized as one of the historic and cultural centers of the region and a key strategic military and transportation point. It is home to the Norfolk Naval Base, Norfolk Southern Railway and Maersk Line, Ltd., which manages the world's largest fleet of US-flag vessels. In the last several decades, the area has experienced significant redevelopment, such as the rebranding of the Waterside and Town Point Park and the revival of Granby Street, the Chrysler Museum and other entertainment venues. Within the last decade, the city has seen the construction of two major office towers, more than 1,000 apartment units, new retail shops, a hotel and conference center, the Cruise Terminal and the light rail system within its downtown submarket. The outlook for the city is positive with steady increases in population year-to-year and above average income levels.

The Norfolk area's economy is diverse, but is driven in part by the very large presence of the U.S. armed forces. The Naval Station Norfolk is the world's largest naval base, with more than 45,000 active duty personnel and over 12,000 civilian employees. Naval Air Station Oceana employs 16,800. Langley Air Force Base is in Hampton, Virginia and is an important installation for the U.S. Air Force. Now joined with Fort Eustis since 2010, the combined facilities employ 25,000.

Universities also make a significant contribution to the local economy. Old Dominion University in Norfolk has a total enrollment of about 24,500, including roughly 19,000 undergraduates. The College of William and Mary in Williamsburg has a total enrollment of about 8,400. Norfolk State University has a total enrollment of about 7,000. The region has a total of nearly 100,000 students enrolled at its 12 colleges and universities.

The appraisal included a listing of seven regional retail centers within 28 miles of the property. Of the seven, the two primary competitors to the property are Lynnhaven Mall and Chesapeake Square, 14 and nine miles away from the property, respectively. Both locations provide barriers to the property's trade from the Virginia Beach area.

Lynnhaven Mall – Lynnhaven Mall is considered to be one of two main competitors for MacArthur Center. Opened in 1982 in Virginia Beach and owned by General Growth Properties, it is 90% occupied and anchored by Dillard's, JC Penney and Macy's, with in-line sales of $435 per square foot. A fourth anchor store was formerly occupied by Lord & Taylor but has been vacant for some time. Other tenants include an AMC Theater, Barnes & Noble, Dick's Sporting Goods, XXI Forever and H&M. The center is in the midst of an estimated $28 million renovation since spring of 2013, that will entail significant remodeling and updating of the interior space, and add new electrical and data infrastructure. A second renovation phase will reconfigure the vacant anchor space into additional in-line and restaurant space.

Chesapeake Square – Chesapeake Square in Chesapeake, Virginia is MacArthur Center's other main competitor. Owned by Simon Property Group, it is 85% occupied and anchored by JC Penney, Macy's and Sears, with in-line sales of $350 per square foot. Two Dillard's stores were closed at this location, but were re-tenanted with Burlington Coat Factory in October 2010. The property's outparcel tenants include Pier 1 Imports, Office Max, Toys'R'Us and several restaurants. Chesapeake Square and two other nearby big-box centers effectively form a barrier at the west side of MacArthur Center's trade area. The competition provided by Chesapeake square is a higher-end overall tenant mix, though its anchor stores are small by modern standards.

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 Regional Mall	Norfolk, VA	-	1999 / NA	931,655 sq. ft.	Dillard's, Nordstrom, Regal Cinemas	95%	$475/SF
Lynnhaven Mall Regional Mall	Virginia Beach, VA	14.0 miles east	1982 / 2002	1,154,834 sq. ft.	Dillard's, JC Penney, Macy's, Cinema	90%	$435/SF
Chesapeake Square Regional Mall	Chesapeake, VA	9.0 miles west	1989 / 1999	792,428 sq. ft.	JC Penney, Macy's, Sears, Target, Burlington Coat	85%	$350/SF
The Gallery at Military Circle Regional Mall	Norfolk, VA	6.0 miles east	1969 / 1997	1,016,656 sq. ft.	JC Penney, Macy's, Vacant, Cinema	65%	$205/SF
Greenbrier Mall Regional Mall	Chesapeake, VA	11.0 miles south	1981 / 2003	896,582 sq, ft,	Dillard's, JC Penney, Macy's, Sears, Cinema	88%	$375/SF

Source: *Appraisal*

The Gallery at Military Circle – The Gallery at Military Circle in Norfolk is six miles to the east of the property, and is owned by Thor Equities. The Gallery at Military Circle opened in 1969 and is currently anchored by Macy's, JC Penney and an 18-screen cinema, and has a vacant anchor space formerly occupied by Sears. Other tenants include Ross Dress for Less, Victoria's Secret, Bath & Body Works, Kay Jewelers and Zales. In-line sales were just $205 per square foot, while occupancy was reported at 65%. The property has declined over the years, appears worn and tired and its useful life appears to be mostly in the past. Despite its proximity to MacArthur Center, The Gallery at Military Circle is not in a favorable position to compete for shoppers. Morningstar drove by the property, which appeared to have a large amount of vacant space and areas of unattractive exteriors in need of maintenance.

Greenbrier Mall – CBL-owned Greenbrier Mall is in Chesapeake, 11 miles southeast of the property. Greenbrier was completed in 1981 and is anchored by Macy's, JC Penney, Sears and Dillard's and also has a Café Cinema. Other tenants include many of the most common fashion tenants at regional malls, including Aeropostale, American Eagle, Charlotte Russe, Lane Bryant and Victoria's Secret. Greenbrier's recent in-line sales were $375 per square foot and in-line occupancy is 88%. Greenbrier Mall is primarily a mid-priced consumer oriented center. Morningstar visited Greenbrier Mall and found it to be an average suburban mall with an older appearance in comparison with MacArthur Center, though it does provide a fairly pleasant shopping venue.

A secondary competitor which also has good in-line sales is Patrick Henry Mall in Newport News, anchored by Dillard's, JC Penney and Macy's, which is 28 miles to the northwest of the property and is the dominant mall on the peninsula. In-line sales at Patrick Henry were $440 per square foot, and occupancy was 97%.

The average attained base rent for MacArthur Center is reported to be $33.66 per square foot as of September 2014. For regional and super-regional malls, Morningstar relies more on recent leases and market assessments from the appraisal to better evaluate rent levels at the property. Per the appraisal, the average market asking rent was $33.50 for the property and $35.89 per square foot for in-line tenants of less than10,000 square feet. The property is reporting above market rents, with recent leasing at the property reported at an average $39.79 per square foot. Although MacArthur Center has the highest in-line sales per square foot among its competitive set, the property reported a 3.3% decline in mall shop sales in 2013. Both local economic conditions and the $28 million redevelopment begun by Lynnhaven Mall contributed to this decline, although sales recovered well for the 12 months ended July 31, 2014.

The appraisal presents four retail centers in the planning stage within the Norfolk/Chesapeake submarket. The four centers average approximately 500,000 square feet and could add significant retail inventory in the local market. The Premium Outlets at Hampton Roads is the only project scheduled for construction at this time. Construction is expected to start this fall, with a projected opening in fall 2015.

Morningstar Analysis

	Morningstar Underwriting	Year End 2012	Year End 2013	TTM 08/31/14	Issuer Underwriting
Income					
Gross Potential Rent	$16,395,729	$14,221,060	$14,463,805	$14,445,735	$16,667,916
Less: Vacancy Loss (GPR)	(1,212,756)	0	0	0	(1,639,033)
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	**$15,182,973**	**$14,221,060**	**$14,463,805**	**$14,445,735**	**$15,028,884**
Expense Reimbursement	$15,200,577	$13,689,770	$13,916,986	$14,751,600	$14,600,321
Percentage Rent	220,339	425,482	263,130	273,260	220,339
Kiosks / Temporary / Specialty	1,641,373	2,143,949	1,899,209	1,641,373	1,641,373
Parking / Garage Revenue	1,962,437	1,819,794	1,859,812	1,879,788	1,879,788
Other Revenue	84,672	144,753	91,093	84,672	84,672
Less: Vacancy Other Incomes	0	n/a	n/a	n/a	n/a
Effective Gross Income	**$34,292,371**	**$32,444,808**	**$32,494,035**	**$33,076,428**	**$33,455,377**
Expenses					
Real Estate Taxes	$2,354,909	$1,969,895	$2,069,712	$2,286,319	$2,158,517
Property Insurance	382,329	408,686	394,718	371,193	371,193
Utilities	1,812,153	1,942,918	1,917,954	1,812,153	1,812,153
Repairs and Maintenance	4,289,767	3,834,542	4,181,454	4,134,658	4,134,658
Contract services	647,074	580,488	621,062	629,534	629,534
Management Fees	1,028,771	892,232	893,586	909,602	920,023
Payroll & Benefits	1,959,809	1,858,092	1,640,024	1,911,975	1,911,975
Common Area Maintenance	0	0	0	0	0
Advertising & Marketing	1,008,041	886,274	926,292	983,437	983,437
Professional Fees	167,814	127,431	143,366	163,718	163,718
General and Administrative	0	0	0	0	0
Non-Reimbursable Expenses	0	0	0	0	0
Other	869,910	1,006,206	985,615	812,058	812,058
Ground Rent	680,000	635,000	650,000	657,500	680,000
Total Operating Expenses	**$15,200,577**	**$14,141,764**	**$14,423,783**	**$14,672,147**	**$14,577,266**
Net Operating Income	**$19,091,794**	**$18,303,044**	**$18,070,252**	**$18,404,281**	**$18,878,111**
Capital Items					
Leasing Commissions	$557,921	$0	$0	$0	$203,802
Tenant Improvements	471,020	0	0	0	203,802
Capital Expenditure / Reserve	158,335	0	0	0	123,378
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	**$1,187,276**	**$0**	**$0**	**$0**	**$530,982**
Credit for Upfront DSCR Escrow	$0	$0	$0	$0	$0
Net Cash Flow	**$17,904,518**	**$18,303,044**	**$18,070,252**	**$18,404,281**	**$18,347,129**

Analytical Assumptions

The following comments and footnotes provide additional details beyond the description of Morningstar's general analytical approach outlined at the end of this package.

Revenue Drivers

Rent Per Square Foot	$17.67
Vacancy (%)	7.4%

Morningstar underwrote rent by moving most tenant category in-place averages toward the market rents determined by the appraisal. A few larger tenants were underwritten at their in-place rent. Rent steps through August 2015 were included in underwritten rent prior to adjustments. Economic vacancy of 7.4% was underwritten by moving the in-place vacancy higher toward market as determined by data on comparable malls provided in the appraisal. Temporary tenants are counted as vacant. Underwritten physical vacancy is 5.0%.

Expenses

Expenses are underwritten in-line with historicals unless otherwise noted. Real estate taxes and property insurance were underwritten at the TTM plus 3% inflation. Management fees were underwritten at 3.0% of effective gross income, which is higher than the historical fee of 2.75%. Issuer footnotes indicate that the fee will remain at 2.75% under the new ownership.

Capital Items

A reserve for future capital expenditures is underwritten at $0.31 per square foot, a 10% increase over the engineer's recommended reserves. The reserve calculation did not include the Dillard's or Nordstrom space, as those tenants own their own stores. Tenant improvements for most tenant categories were underwritten at $20 per square foot for new tenants and $2 per square foot for renewals. Leasing commissions are underwritten to 5% for new tenants and 2.5% for renewals for most tenant categories. A renewal rate of 70% is assumed for all collateral tenants.

Valuation Drivers

Morningstar's base retail capitalization rate for Norfolk is 7.9%. Adjustments were made for the downtown location, as well as the property's size and performance relative to its competition. These adjustments resulted in a final Morningstar capitalization rate of 8.0%.

Property 3: Northlake Mall

Property Summary		
Property Type	Retail / Regional Mall	
Location	Charlotte, NC 28216	
Year Built	2005	
Year Renovated	n/a	
Net Rentable Sq. Ft. (Total)	1,070,601	
Net Rentable Sq. Ft. (Collateral)	539,813	
Occupancy (Tape)	93.3%	(as of 8/21/14)
Ownership	Fee Simple	

Loan Summary		
Loan Amount (Original Balance)	$170,786,778	($316 /sq. ft.)
Loan Amount (Cut-Off Balance)	$170,786,778	($316 /sq. ft.)
Loan Term (months)	60 (fully extended)	
I/O Period (months)	60	
Amortization Term (months)	0	
Loan Seasoning (months)	0	
Interest Rate	5.750000%*	

Morningstar Analysis		
Current DSCR	1.60 x	
Amortizing DSCR	n/a	
Beginning LTV	86.0%	
Ending LTV	86.0%	
Capitalization Rate	8.00%	
Morningstar UW Occupancy	92.5%	
Net Operating Income	$16,936,458	
Net Cash Flow	$15,893,837	
Value	$198,672,968	($368 /sq. ft.)
Debt Yield	9.31%	
Morningstar Site Visit	Yes	
Property Score	3 (Average)	

* Represents Morningstar's stressed interest rate

Morningstar Summary

Morningstar Perspective

The Northlake Mall is a mid-tier regional mall developed in 2005 that caters to middle-income shoppers and attracts students from nine colleges located within ten miles of the property. The nearly 1.1 million square foot property has maintained high occupancy, averaging 98.4% from 2009 through the trailing twelve months, or TTM, ending August 31, 2014. The property is well-located in a relatively strong trade area with above average prospects for growth. Population within a seven-mile radius of the mall increased 82% from 2000 to 2014 and is expected to grow over 10% during the next five years.

The mall has three non-collateral anchor tenants: Dillard's, Macy's and Belk. Gross store sales for Dillard's and Macy's are 36% and 29%, respectively, below their chain averages. Belk's sales are nearly double the chain average, but the tenant's store in this location is more than twice the chain's average store size. The collateral securing the loan totals 539,813 square feet, and major tenants include Dick's Sporting Goods and a 14-screen AMC Theatre. At $103 per square foot of leased space, Dick's sales are 45% below the average for its chain, but after adjusting for their larger-than-average store size in this property, sales are about 14% below the chain average. Dick's occupancy cost at 12.5% of sales is not excessive. AMC Theatres reported strong sales of $478,571 per screen for the TTM ended August 31, 2014, and AMC's occupancy cost at 17.6% of sales reflects the typically higher occupancy cost for theatre tenants. Collateral occupancy has averaged 95.3% for the nearly six-year period from 2009 through August 31, 2015, and is currently 97.1%.

While the appraisal reports in-line sales of $440 per square foot, our analysis indicated in-line sales for the TTM ended August 31, 2014 of $410 per square foot, and $345 per square foot excluding sales generated by Apple. The appraisal identified the 1.6 million square foot, regional, SouthPark Mall as a primary competitor for the Northlake Mall, and reported significantly higher in-line sales for that property, estimated at $800 per square foot. While the properties have four common anchors, Morningstar is not alarmed by the dramatically higher sales, as closer scrutiny revealed that the SouthPark Mall caters to a more affluent customer base. It includes two additional higher-end anchors (Nordstrom and Neiman Marcus) and tenants include numerous high-end and luxury retailers. Morningstar believes that Northlake's primary competitor is Concord Mills, a 1.3 million square foot regional mall with an outlet concept which also caters to middle-income, value-oriented shoppers. The appraisal estimated in-line sales of $400 per square foot for that property, which is slightly below the sales generated at Northlake.

In 2013 total in-line sales decreased about 1.9% from 2012 due primarily to a decline in sales for Apple, which account for a significant portion of the overall mall shop sales. Excluding Apple, sales for in-line stores from 1,000 to 10,000 sf increased 1.9% in 2013 to $374 per square foot. According to the appraisal, the market may see pressure on store sales' retention due to the July 2014 completion of Charlotte Premium Outlets, which is a 398,312 square foot outlet center located 19 miles from the Northlake Mall. Morningstar is not as concerned that this will significantly impact the Northlake Mall, as we believe that the property's most significant competitor is the Concord Mills outlet mall which is located ten miles west of the subject property.

Average occupancy costs for in-line tenants are reasonable at 12.6%, but increase to 15.2% when Apple is excluded, suggesting limited upside in rental rates. Average rental rates for nearly all of the tenant categories at this mall are above the market rental rates concluded in the appraisal, and 21 of the tenants in occupancy are currently receiving rent relief from the landlord. Morningstar noted that in the last year or so, several tenants have extended short-term renewals of just one to two years, and some of these tenants are paying reduced rental rates. The issuer reports that the shorter-than-typical renewal terms are intentional on the part of the seller, allowing new ownership to negotiate new leases.

Morningstar is encouraged by Forever 21's renewal and expansion in 2012 and the addition of H&M to the mall in late 2013. These major tenants reflect the malls' youthful customer base. Morningstar was initially concerned at the below-market contractual base rent paid by H&M, which is currently $15.04 per square foot, compared with $25 per square foot market rate per the appraisal; however, the lease includes a low sales breakpoint, and in the first ten months of occupancy, H&M's sales exceeded the breakpoint, resulting in an equivalent rental rate of over $28 per square foot. While in-line sales aren't as strong as some of the other malls in the market, they have increased year-over-year. Morningstar views the mall to be a stable property in terms of its occupancy and sales history.

Morningstar initially had significant concerns relative to concentrated lease rollover representing 39.3% of collateral NRA and 47.6% of base rental income during the next two years, some of which is a result of short-term extensions. A closer look shows that much of the rollover represents leases with original tenants dating back to the property's 2005 completion. This includes 39 tenants aggregating 130,523 square feet of NRA and with average sales of $408 per square foot. While some tenants with high occupancy costs will likely not extend their leases, we expect the property to continue to maintain a high level of occupancy. We are pleased that upcoming rollover has been proactively addressed by the new owner, and given Starwood's experience and track record, we anticipate that the majority of the expiring lease will be renewed.

Morningstar's underwritten net cash flow provides a satisfactory interest-only debt service coverage ratio, or DSCR, of 1.60x based on the allocated loan amount of $170.8 million, but this would drop to 1.32x if the loan was structured with a more typical 30-year amortization. The debt yield is reasonable at 9.31%. The loan exhibits high leverage with a loan-to-value ratio, or LTV, of 86.0% based on our capitalized net cash flow, or NCF. The appraisal value of $253 million represents lower leverage with a 67.5% LTV. Morningstar has specific concerns with regard to lease rollover and associated new and or renewal lease rates versus in-place rents. While tenants receiving rent relief do not account for a tremendous amount of space, we are somewhat alarmed that in total, 21 tenants have been granted rent reductions. We view the experience that Starwood brings to the property as the new owner/operator to be a mitigant for some of the risk associated with the issues we have noted.

The Bears Say

- While the mall has exhibited strong in-line sales growth since 2008, from $335 per square foot in 2008 to $433 per square foot for the TTM ended August 31, 2014, this is skewed by the addition of Apple in late 2011, and shop sales excluding Apple for the TTM ended August 31, 2014 are satisfactory at about $345 per square foot.
- The rent roll reflects high concentrated rollover with leases accounting for 39.3% of collateral NRA and 47.6% of base rental income expiring in 2015 and 2016. Rollover risk is exacerbated by the fact that the weighted average rental rates associated with expiring leases are 5.2% above the appraiser's weighted average concluded market rent. Rollover exposure is mitigated by Starwood's experience and history of high tenant retention in its existing mall portfolio by virtue of both contractual and holdover/short-term renewals, tenant relocations, and replacements.

- While the property benefits from the draw of three non-collateral anchors, Macy's and Dillard's stores are performing well-below their chain-wide averages. Belk's sales are superior to the chain average reflecting a store that is more than twice that of the average Belk store. Dick's Sporting Goods is the largest collateral anchor, and this store's sales are also below its chain average, even after adjusting for its larger-than-chain average size. Dick's occupancy cost is reasonable at 12.5% of sales as of the TTM ended August 31, 2014.
- In-place rents appear to be above the appraiser's estimates for many tenant categories; however, some of the recent leasing supports rental rates that exceed the appraiser's concluded market rates. This is evidenced by Forever 21's expansion and renewal at rent that is 23% higher than the appraiser's concluded rate.
- Temporary tenants represent 4.9% of the property's NRA; however, income from temporary tenants and specialty leasing has historically been a strong and stable revenue generator, and the temporary tenants do not represent an overly concerning portion of NRA.
- The interest-only loan structure combined with significant rollover during the lease term, and rents that are slightly above the appraiser's estimate of market suggest increased refinance risk at loan maturity.

The Bulls Say

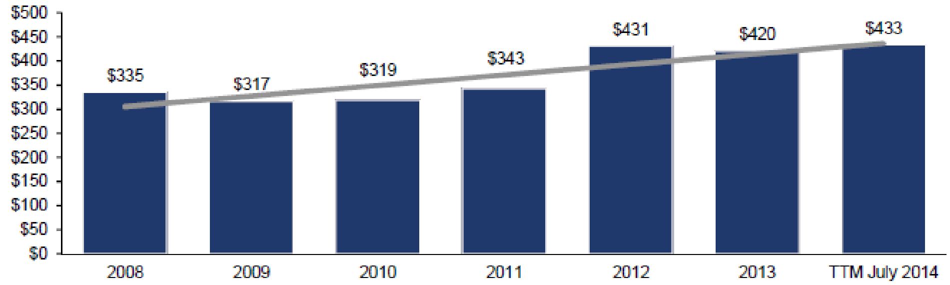
- Starwood Retail Partners is experienced in mall ownership and operations. The owner provided information to the issuer that supports a track record for a high retention ratio for expiring leases on previous mall acquisitions.
- The North Charlotte market has a strong student demographic with nine colleges located within a ten-mile radius of the property. Newer leases with Forever 21 and H&M in late 2012 and 2013, respectively, benefit the mall as they attract young shoppers. Store sales reported for the TTM ended August 31, 2014 were $232 and $355 per square foot, respectively, for these tenants.
- The property is located in a growing area and has very good accessibility via the regional interstate network and local arterials throughout the Charlotte MSA.
- Historical occupancy including non-collateral anchor tenants has been high, averaging 98.4% from 2009 through the TTM ended August 31, 2014. In-line occupancy has also been strong, averaging 95.3% for the same period. While this drops to an average of 88.5% when temporary tenants are excluded, historical income from tenants on short-term leases has been maintained at a consistently high level. Collateral occupancy is 97.1% and 91.9% excluding temporary tenants per the August 21, 2014 rent roll.
- The 14-screen AMC Theatre generates strong sales, reported at $478,571 per screen for the TTM ended August 31, 2014.

Property Description

The Northlake Mall is a 1.07 million square foot, two-level regional mall located in Charlotte, North Carolina. The collateral securing the loan is 539,813 square feet of retail space with Dick's Sporting Goods and AMC Theatres as the anchor tenants. The property also benefits from the draw of Dillard's, Belk and Macy's which are non-collateral anchor tenants. Other major tenants at the mall include H&M, Forever 21, Pottery Barn, and Anthropologie. The top ten largest tenants at the property account for 42.2% of the collateral square footage and 29.1% of total base rental income. The collateral also includes a mix of over 115 local and national retail and restaurant tenants. There is adequate surface parking for 5,450 vehicles indicating a 5.09 parking ratio. The property was originally constructed in 2005 and is situated on 68 acres of land.

The property is considered to be the dominant mall serving the Lake Norman region. According to the August 21, 2014 rent roll, which includes non-collateral anchors, the property is 98.5% occupied, and occupancy has averaged 98.4% since 2009. The portion of the mall serving as collateral for the loan is 97.1% occupied, and when temporary tenants are excluded, the occupancy rate drops to 91.9%. Morningstar underwrote the temporary tenants as "vacant" due to the short-term nature of their leases, but included income from these tenants on a separate line item as they historically generate a consistent stream of revenue. Temporary tenants currently represent 4.9% of the property's NRA.

As depicted in the table below, over the past six years annual sales for inline tenants occupying from 1,000 to 10,000 square feet have grown from $335 per square foot in 2008 to $433 per square foot for the TTM ended August 31, 2014 as reported by the issuer. Morningstar notes that the sharp increases in 2011 and 2012 were directly and positively impacted by the addition of Apple as a mall tenant in October of 2011. Apple's sales in this location were $3,283 per square foot for the TTM ended August 31, 2014, which is nearly 40% below the chain average; however, Apple's occupancy cost in this property is extremely low at less than 1% of store sales.



Approximately 39% of the property's rent roll reflects original tenants that have been at the property since its 2005 development. As a result of many original tenants having ten-year leases, this creates considerable near-term concentrated rollover exposure and tenants accounting for 39.3% of the property's NRA expire during 2015 and 2016. This rollover encompasses 47.6% of rental revenue.

The Northlake Mall is well-located directly off of Interstate 77 and less than a mile east of Interstate 485. The property is strategically located between the affluent Lake Norman Community, 15 miles north of the subject property, and downtown Charlotte, which is ten miles south of the mall. In addition, there are 28 colleges in the region, including nine that are situated within ten miles of the property. Students provide considerable mall traffic, and this is evidenced by the 2012 expansion of Forever 21 and recent addition of H&M to the mall. Both of these retailers cater to teenagers and young adults.

Morningstar visited the Northlake Mall on October 9, 2014 and toured the property with the general manager. The property is very well located in terms of accessibility, situated between Interstates 77 and 485 to the east and west, respectively. There is a dense assemblage of retail development in the immediate area, with stores including Super Target, Best Buy, Lowe's, PetSmart, and Old Navy, along with smaller stores and an assortment of restaurants. Northlake Mall, developed in 2005, is the dominant mall north of Charlotte. Growth continues in the area with a planned office park just north of the mall.

A property condition assessment dated October 13, 2014 was completed by EMG and reported the property to be in good overall condition with minimal immediate and short-term repair items estimated at $5,000. A Phase I environmental site assessment was completed by Partner on August 5, 2014 which reported no evidence of recognized environmental conditions in connection with the property.

A site plan of the Northlake Mall is shown below.

Tenant Overview

Excluding the three non-collateral anchors and 13 temporary tenants, the mall is 92.9% occupied by 125 tenants. The largest three tenants are Dillard's, Belk and Macy's, respectively, aggregating 530,788 square feet, however, they are not part of the collateral for the loan and their contributions to the property's revenue are limited to reimbursements for common area maintenance.

The table below lists the ten largest tenants in terms of collateral square footage. These tenants account for 42.2% of the collateral space and contribute 29.1% of current base rental income. Excluding the Dick's Sporting Goods and AMC Theatre anchors, no single tenant accounts for more than 3.9% of NRA or 4.6% of rental revenue.

We note that 21 tenants accounting for 11.6% of collateral NRA are currently receiving some form of rent relief, including two of the top ten largest tenants. Abercrombie & Fitch, or A&F, does not appear to be paying base rent, just expense reimbursements. Given the tenant's low sales of $178 per square foot for the TTM ended August 31, 2014, the tenant's occupancy cost is 16.2% with no rent payment. The A&F lease expires in February 2016 and we do not anticipate renewal. Bravo Italian Kitchen is paying a reduced rental rate of $6.53 per square foot. The restaurant generated sales of $238 per square foot for the TTM ended August 31, 2014, which translates to reduced occupancy costs of 13.1%. The other 19 tenants receiving rent relief include national retailers such as Brooks Brothers, J Crew, Ann Taylor, Lane Bryant, and Gymboree. Morningstar does not have details on the duration of the discounted rents, but we have underwritten rents for these tenants at the lower, non-contractual discounted rates provided in the rent roll. Leases for tenants receiving rent relief do not expire in the next twelve months. Since Starwood has already addressed the majority of leases expiring in the upcoming year, we are confident that tenants receiving rent relief will be an immediate major focus.

Morningstar Tenant Overview Table (Top 10)

Tenant	Net Rentable Square Feet	% of Square Feet	Base Rent Amount	Base Rent $ Square Foot	% of Rent	Lease Commencement	Lease Expiration
Dick's Sporting Goods	75,000	13.9%	$956,250	$12.75	6.8%	Sep-05	Jan-21
AMC Theatres	58,858	10.9%	$1,174,195	$19.95	8.3%	Dec-05	Jan-18
Forever 21	21,086	3.9%	$650,000	$30.83	4.6%	Nov-12	Jan-22
H&M	20,812	3.9%	$313,001	$15.04	2.2%	Nov-13	Jan-24
Pottery Barn	10,242	1.9%	$299,735	$29.27	2.1%	Sep-05	Jan-18
Anthropologie	10,000	1.9%	$290,000	$29.00	2.1%	Sep-05	Jan-16
Jimmy Jazz	8,500	1.6%	$179,868	$21.16	1.3%	Mar-14	Jan-19
Abercrombie & Fitch	8,062	1.5%	$0	$0.00	0.0%	Jan-13	Feb-16
Firebirds Rocky Mountain Grill	7,769	1.4%	$187,802	$24.17	1.3%	Apr-06	Jan-16
Bravo! Italian Kitchen	7,662	1.4%	$50,000	$6.53	0.4%	Feb-14	Jul-16
Top 10 Subtotal	**227,991**	**42.2%**	**4,100,851**	**$17.99**	**29.1%**		

Dick's Sporting Goods occupies 75,000 square feet representing 13.9% of NRA and contributes 6.8% of rental revenue. Dicks Sporting Goods is a full-line sporting goods retailer offering fitness equipment, apparel and footwear. As of August 2014, the company has 574 stores in 46 states and also operates Golf Galaxy, Field & Stream, and True Runner specialty stores. The company is currently experiencing growth and is expanding both via acquisitions and through organic growth with the goal of operating 900 Dick's locations nationwide. As of December 31, 2013, Dick's Sporting Goods reported sales of $103 per square foot as the subject property, with occupancy costs of 12.5%. This location is 53% larger than the chain's average store size, and the adjusted comparable sales are $156 per square foot, which falls below the chain average of $181 per square foot. Dick's is one of the property's original tenants and its lease expires January 31, 2021, over a year after loan maturity.

AMC Theatres occupies 58,858 square feet representing 10.9% of NRA and contributes 8.3% of rental revenue. AMC Theatres is an American movie theater chain owned and operated by AMC Entertainment, Inc., a subsidiary of Chinese conglomerate Dalian Wanda Group. AMC has the second-largest share of the American market, behind Regal Entertainment Group and ahead of Cinemark Theatres. The chain has interests in 342 theatres with 4,968 screens across the United States, and 86 additional locations in mainland China, home of its corporate parent. AMC Theatres is headquartered in Leawood, Kansas where it was founded in 1920. AMC Entertainment Holding, Inc. stock is traded on the New York Stock Exchange (NYSE: AMC) and the company has a current market cap of $2.19 billion as of October 23, 2014. AMC has approximately 20,000 full and part-time employees, and operates 22 of the 50 highest grossing theatres in the Unites States, including four of the top five. AMC has been a tenant in the Northlake Mall since its development in 2005, and its lease expires January 31, 2018. Sales for the TTM ending 7/31/14 at the Northlake Mall were $478,571 per screen, and the tenant's occupancy cost was 17.6%. The lease includes renewal options and given the strong sales, renewal is expected.

Forever 21 is considered to be a major tenant, occupying 21,086 square feet, or 3.9% of NRA, and contributing 4.6% of base rental revenue. XXI Forever is the designated name of the larger, flagship stores of this American fashion retailer. Forever 21 specializes in apparel and accessories for women, girls and men, as well as beauty products. The company, founded in 1984, is privately held, headquartered in Los Angeles, California, and operates approximately 480 stores worldwide. Forever 21 moved into the mall in 2006 with 7,500 square feet under lease. The tenant expanded in 2012, nearly tripling its footprint, and extended its lease for ten more years through January 2022, which is well beyond loan maturity. Sales for the TTM ended August 31, 2014 were reported at $232 per square foot and the tenant's occupancy cost is 16.3%.

H&M, or Hennes & Mauritz, is the most recent major tenant to move into the mall, with 20,812 square feet leased, or 3.9% of NRA, for a ten-year term expiring in January 2024, which is several years beyond loan maturity. H&M is a Swedish, multinational retail-clothing company which caters to men, women, teenagers and children. The company was founded in 1947, is headquartered in Stockholm, and currently operates over 2,600 stores in 53 countries. H&M's occupancy cost appears to be low at 7.9% of sales, but the tenant's anticipated first year overage rent was not factored into the calculation. Based on its $15 per square foot below-market base rental rate, H&M contributes just 2.2% of total rent revenue; however, the lease was structured with a low sales breakpoint which the tenant has already exceeded. H&M's combined rental rate is currently over $28 per square foot as a result of annualized ten-month reported sales of $355 per square foot.

Lease Expiration and Rollover

The mall area collateralizing the loan includes 539,813 square feet. Excluding temporary tenants, 495,844 square feet, or 91.9% of NRA, is occupied by 125 tenants according to the August 21, 2014 rent roll. Leases encompassing 60.8% of the NRA and representing 71.3% of rental revenues expire during the five-year loan term, with concentrated rollover of 14.2%, 25.1% and 16.2% occurring in 2015, 2016 and 2018, respectively. The corresponding percentage of rental revenues generated by leases subject to this rollover is 19.9%, 27.7% and 15.2%, respectively.

The issuer provided additional insight on lease expirations through December 31, 2015 for 37 tenants encompassing 76,849 square feet, or 14.2% of the property. Leases have already been negotiated and are out for signature for 33.7% of this space at rates similar to in-place rents. Starwood will negotiate and expects renewal at the current rate for 46.8% of this space. It is too early to negotiate renewals for leases accounting for 19.6% of the rollover space, though Starwood expects renewal at rates at or above the current contract rents. Starwood has a demonstrated track record of high tenant retention upon lease rollover in numerous previously acquired mall properties.

There is no meaningful rollover occurring during the remainder of 2014. While there is currently no significant rollover in 2019 and 2020 that would suggest refinance risk, the length of leases executed for expirations occurring in 2015 could create concentrated rollover if lease terms and associated expirations are not staggered.

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

	MTM	2015	2016	2017	2018	2019	After 2019
Anchor	0	0	0	0	0	0	75,000
Major	0	0	10,000	0	10,242	0	41,898
In-Line (5,001-10,000 sq.ft.)	0	28,101	50,406	5,041	7,000	8,500	13,730
In-Line (2,501-5,000 sq.ft.)	0	13,447	43,178	0	7,985	2,958	22,477
In-Line (1,001-2,500 sq.ft.)	0	23,934	9,629	2,453	3,319	3,643	8,153
In-Line (1-1,000 sq.ft.)	0	7,510	1,747	4,259	0	957	2,230
Food Court	0	0	1,719	0	0	0	3,790
Theatre	0	0	0	0	58,858	0	0
Restaurant	0	0	15,431	0	0	0	0
Jewelry	0	3,171	3,500	0	0	0	0
Kiosk	0	686	0	0	215	160	0
Temporary	0	0	0	0	0	0	0
Antenna/ATM	0	0	0	0	0	12	0
Total	**0**	**76,849**	**135,610**	**11,753**	**87,619**	**16,230**	**167,280**
% Roll	**0.0%**	**14.2%**	**25.1%**	**2.2%**	**16.2%**	**3.0%**	**31.0%**

Market Overview

The Northlake Mall is located in Charlotte, North Carolina and serves as the dominant mall in the Lake Norman region according to the appraisal. The property is situated adjacent to Interstate 77, which extends North to Winston-Salem and south to Columbia, South Carolina. The mall is less than ten miles north of downtown Charlotte and is in close proximity to Interstate 485, which is a beltway around Charlotte. It is located in a suburban area that has experienced tremendous growth in the past ten years as a result of Charlotte's expanding economy. Charlotte has now surpassed San Francisco as the nation's second largest banking center and trails only behind New York City in this regard. Charlotte has also experienced growth in its healthcare, transportation, manufacturing, retail, and energy sectors. Nine colleges are located within ten miles of the Northlake Mall. Students attending these schools contribute to the mall's sales, and leasing activity over the past couple of years reflects demand from young shoppers by virtue of the expansion of Forever 21 and addition of H&M to the mall's rent roll.

The appraiser identified seven shopping centers within a 20-mile radius of the Northlake Mall that represent competition. Four of these properties are located 14 to 18 miles away from the property and are considered to be secondary competitors. They include three malls and a new outlet center. The mall's primary competition is represented by two regional malls and a lifestyle center as detailed below.

Summary of Primary Retail Competition							
Property Name / Property Type	Location / Market	Distance from Subject	Year Built / Renovated	GLA	Anchor Tenants	Occupancy	Estimated Mall Shop Sales/SF
Subject: Northlake Mall Super-regional Mall	Charlotte, NC	n/a	2005 / NA	1,070,601 square feet	Dillard's, Belk, Macy's, AMC Theatres, Dick's	92%	$440/SF
SouthPark Mall Super-regional Mall	Charlotte, NC	13.8 miles	1970 / 2004	1,621,000 square feet	Dillard's, Macy's, Belk, Nordstrom, Dick's, Neiman Marcus	99%	$800/SF
Birkdale Village Lifestyle Center	Huntersville, NC	6.6 miles	2001 / NA	387,120 square feet	Regal Cinemas, Dick's, Barnes & Noble	99%	not disclosed
Concord Mills Super-regional Mall	Concord, NC	7.3 miles	1999 / NA	1,285,813 square feet	Bass Pro, Burlington Coat Factory, AMC Theatres, Dave & Busters, TJ Maxx, Best Buy	99%	$400/SF

Source: Cushman & Wakefield Appraisal

SouthPark Mall, operated by Simon Properties, is the subject's chief competitor according to the appraisal. The enclosed regional mall is located 13.8 miles south of the Northlake Mall and caters to more affluent shoppers. The mall was built in 1970 and underwent a major expansion and renovation in 2004. From a physical standpoint, SouthPark Mall is significantly larger at 151% of the size of the subject property. Additionally, while the two malls share four common anchor tenants, SouthPark is also anchored by Nordstrom and Neiman Marcus, and its mall tenancy includes many high-end and luxury stores. This attracts more affluent customers and results in shop/in-line sales that are significantly higher than those generated at Northlake. SouthPark's tenants include Burberry, Louis Vuitton, Tiffany, Tory Burch, Kate Spade, BCBG, Armani, American Girl Doll, and 7 for All Mankind, among others. In-line sales are further boosted by Apple and Microsoft tenants. SouthPark mall is located closer to downtown Charlotte (6.3 miles away) and benefits from its close proximity to the Charlotte International Airport and the surrounding hotels. SouthPark is currently 99% occupied.

Birkdale Village, operated by DDR, is an open-air lifestyle center located 6.6 miles northeast of the subject. Built in 2001, the 387,120 square foot center is anchored by Regal Cinemas, Dick's Sporting Goods and Barnes & Noble. This center has a number of similar tenants to the subject property including Gap, Ann Taylor Loft and Victoria's Secret, and includes restaurants such as Smoke Modern Barbeque, Bonefish Grill and Qdoba Mexican Grill. Although its occupancy level is reported at 99%, Birkdale Village is significantly smaller in size than the Northlake Mall.

Concord Mills, operated by Simon Properties, is an enclosed regional mall located 7.3 miles east of the subject. Slightly older than the subject property, Concord Mills was built in 1999 and encompasses nearly 1.3 million square feet of space. The tenancy of Concord Mills characterizes the property as more of an outlet center than a typical mall, and the properties have only a few tenants that overlap. Anchor tenants include Bass Pro, Best Buy, Burlington Coat Factory, TJ Maxx and Saks Fifth Avenue's off 5th. Mall tenants include numerous outlet-concept, factory stores such as Nike, Banana Republic, Gap, J Crew, and Polo Ralph Lauren among others. According to the appraisal, Concord Mills is 99% occupied and has estimated sales of $400 per square foot.

From a geographic and design/layout perspective the primary competitors cited above are viewed as being the subject's most direct competition. While the Northlake Mall competes for local retail customers with the aforementioned shopping centers, these properties collectively establish the subject's local area as a retail hub for the Charlotte area. There are no known planned or proposed construction projects for additional regional malls at this time.

According to Reis, the subject property is located within the North Charlotte submarket, which is the second largest of the four submarkets in the Charlotte retail market. The submarket is comprised of a total of 6.81 million square feet of retail space, and Reis reports an increase in overall vacancy to 12.3% for the second quarter of 2014, as compared with 11.4% for the same quarter last year. There were no additions to supply during this time period. The Cushman & Wakefield appraisal dated September 8, 2014 reported a 1% vacancy rate for properties considered to be primary competition for the mall, and concluded a 1% vacancy rate for the subject property based on its historical occupancy, the current vacancy in the market, and the appraiser's perception of future market vacancy. The aforementioned occupancy rates for competing properties include large anchor tenants which skew occupancy number upward, and if the subject's non-collateral anchor tenant spaces are included in occupancy calculations, the Northlake Mall occupancy would be similar, at 98.5%, based on the August 21, 2014 rent roll.

The mall is located within a designated primary trade area with a ten-mile radius that has a population of 483,248 and an average household income of $68,573 in 2014, which is above the state level of $61,683 but below the national average of $71,318. Claritas reports that between 2000 and 2014, the population within the primary trade area increased at a compound annual rate of 3.35 percent. According to the appraisal, the population within a seven mile radius of the subject property is expected to grow by 10.2% over the next five years compared to the national average growth of 3.5%.

Morningstar Analysis

	Morningstar Underwriting	Year End 2012	Year End 2013	TTM 08/31/14	Issuer Underwriting
Income					
Gross Potential Rent	$15,367,753	$11,964,609	$13,167,633	$13,223,989	$16,572,445
Less: Vacancy Loss (GPR)	(1,661,033)	0	0	0	(2,226,872)
Base Rent/Net Effective Rent	**$13,706,720**	**$11,964,609**	**$13,167,633**	**$13,223,989**	**$14,345,573**
Expense Reimbursement	$10,702,921	$10,788,014	$11,144,988	$10,912,836	$10,594,869
Percentage Rent	167,307	158,638	152,176	176,518	167,307
Temporary / Specialty	1,704,976	1,894,570	1,840,710	1,704,976	1,704,976
Other	214,409	29,136	78,153	214,409	214,409
Effective Gross Income	**$26,496,333**	**$24,834,967**	**$26,383,660**	**$26,232,728**	**$27,027,133**
Expenses					
Real Estate Taxes	$1,788,599	$1,536,977	$1,786,729	$1,850,116	$1,772,169
Property Insurance	298,450	253,910	269,517	289,757	282,102
Utilities	1,215,328	1,201,310	1,213,488	1,203,237	1,203,237
Repairs and Maintenance	2,044,370	1,800,850	2,165,694	2,044,370	2,044,370
Contract services	554,967	546,019	551,039	554,967	554,967
Management Fees	794,890	682,962	725,551	721,400	743,246
Payroll & Benefits	1,235,310	1,458,435	1,215,076	1,235,310	1,235,310
Advertising & Marketing	631,939	610,849	646,705	631,939	631,939
Professional Fees	129,964	99,712	121,329	129,964	129,964
Non-Reimbursable Expenses	866,058	869,909	809,893	866,058	866,058
Total Operating Expenses	**$9,559,875**	**$9,060,933**	**$9,505,021**	**$9,527,118**	**$9,463,362**
Net Operating Income	**$16,936,458**	**$15,774,034**	**$16,878,639**	**$16,705,610**	**$17,563,771**
Capital Items					
Leasing Commissions	$320,989	$0	$0	$0	$183,623
Tenant Improvements	613,669	0	0	0	183,623
Capital Expenditure / Reserve	107,963	0	0	0	53,981
Total Capital Items	**$1,042,620**	**$0**	**$0**	**$0**	**$421,227**
Net Cash Flow	**$15,893,837**	**$15,774,034**	**$16,878,639**	**$16,705,610**	**$17,142,545**

Analytical Assumptions

The following comments and footnotes provide additional details beyond the description of Morningstar's general analytical approach outlined at the end of this package.

Revenue Drivers

Rent Per Square Foot	$28.47
Vacancy (%)	10.8 %

Morningstar underwrote in-place rents with contractual rent steps through August 31, 2015, but did not underwrite rent steps for tenants with high occupancy costs. The average in-place rental rate for many tenant categories is above the appraiser's concluded market rent, and Morningstar underwrote rental rates trending towards market rents for all tenant categories that included lease rollover during the loan term. This essentially includes all non-anchor space. While Morningstar's overall underwritten rental rate of $28.47 per square foot is higher than the appraiser's concluded weighted average market rent, this is offset by our significantly higher vacancy assumption.

Historical occupancy including the non-collateral anchors averaged 98.4% for the five-year period from 2009 to 2013, and is currently 98.1%. Excluding non-collateral anchors, the Northlake Mall is 97.1% occupied by 138 tenants according to the August 21, 2014 rent roll, which includes 13 temporary tenants representing 4.9% of NRA Given the short-term nature of leases to temporary tenants, Morningstar categorized these tenants as vacant, and underwrote economic vacancy at 10.8% of gross potential rent. Our underwritten vacancy is higher than the historical rate and significantly higher than the appraiser's concluded vacancy rate of 1.0%. Historical income from temporary tenants and specialty leasing has been fairly consistent, and this income was underwritten on a separate line item based on the TTM ended August 31, 2014, as shown on the preceding page.
ended August

Expenses

Expenses are underwritten in-line with historicals unless otherwise noted. Real estate taxes are underwritten based on the 2014 tax rate as reported in the appraisal, increased 3% for inflation. Morningstar underwrote a 3.0% management fee which is slightly higher than the 2.75% contractual rate. Morningstar's net cash flow is 4.9% below the TTM ended August 31, 2014 and 7.3% lower than the issuer's net cash flow.

Capital Items

A reserve for future capital expenditures is underwritten at $0.20 per square foot which is higher than the engineer's recommended reserves. Tenant improvements, or TIs, are underwritten based upon the appraiser's assumptions at $20.00 to $25.00 per square foot for new leases depending upon the size of the tenant space, and $5.00 per square foot for renewals. No TIs are underwritten for kiosk and temporary tenant spaces. Leasing commissions, or LCs, are underwritten at 5% for new in-line tenants and 2.5% for renewals based on the appraisal assumptions. The appraisal concluded a renewal rate of 75% for all tenant categories. Morningstar assumed a 75% renewal rate for the theatre and a 65% renewal rate for all other tenant categories.

Valuation Drivers

Morningstar's base capitalization rate for retail properties in Charlotte, North Carolina is currently 7.53%. We adjusted our base capitalization rate downward to reflect the property's regional mall status, and upward to account for weak anchor sales, declining rental rates and significant lease rollover during the loan term and utilized an 8.0% capitalization rate in our valuation of the property. This translates to a value of $198.7 million, or $368 per square foot based on our underwritten NCF. This represents an 86.0% loan to value ratio based on the allocated loan amount of $170.8 million. Morningstar's value is 21.5% lower than the concluded appraisal value of $253 million, primarily reflecting the appraiser's lower 6.5% capitalization rate and lower assumed vacancy rate.

Property 4: The Mall at Partridge Creek

Property Summary		
Property Type	Retail/Regional Mall	
Location	Clinton Township, MI 48038	
Year Built	2007	
Year Renovated	N/A	
Net Rentable Sq. Ft. (Total)	626,162	
Net Rentable Sq. Ft. (Collateral)	626,162	
Occupancy (Tape)	93.30%	(as of 8/21/14)
Ownership	Fee Simple	

Loan Summary		
Loan Amount (Original Balance)	$137,034,451	($219 /sq. ft.)
Loan Amount (Cut-Off Balance)	$137,034,451	($219 /sq. ft.)
Loan Term (months)	60	(fully extended)
I/O Period (months)	60	(fully extended)
Amortization Term (months)	0	
Loan Seasoning (months)	0	
Interest Rate*	5.75000%	

Morningstar Analysis		
Current DSCR	1.52 x	
Amortizing DSCR	1.52 x	
Beginning LTV	92.09%	
Ending LTV	92.09%	
Capitalization Rate	8.15%	
Morningstar UW Occupancy	92.54%	
Net Operating Income	$12,830,361	
Net Cash Flow	$12,128,194	
Value	$148,812,195	($238 /sq. ft.)
Debt Yield	8.85%	
Morningstar Site Visit	Yes	
Property Score	3 (Average)	

**Morningstar stressed interest rate*

Morningstar Summary

Morningstar Perspective

Constructed in 2007, the Mall at Partridge Creek is considered a fairly new development in the market, as 75.0% of the local retail inventory was built before 1990, according to the Reis submarket report. The property is well-occupied by approximately 89 tenants of various types, including cinema, restaurant, and department stores, providing one-stop shopping experience for customers with entertainment and dining services. Anchored by Nordstrom (ground leased), Carson's (ground leased), and MJR Digital Cinemas Theater, the property is 93.3% occupied, excluding five temporary tenants, as of the August 21, 2014 rent roll. Historical occupancy rates were reported at 92.9% in 2012 and 95.3% in 2013, excluding temporary tenants. The property has exhibited strong leasing momentum as the total occupancy has averaged 97.5%, with in-line occupancy at 94.6% since 2009. Recent leasing activities include a ten-year term lease agreement with Victoria's Secret on a 12,059 square feet space in May 2013, and a ten-year lease with BlackFinn on one of the four restaurant outparcels, which will begin in February 2015.

The property has exhibited strong performance over the past several years as the property's in-line, less than 10,000 square foot, comparable tenant sales have averaged $427 per square foot from 2008 to 2013. As of the trailing twelve month period ending August 2014, average sales have grown to $507 per square foot (including Apple) with a resulting low and manageable occupancy cost of roughly 11.3%. The property is ranked second among the six major shopping centers in the local market in terms of sales per square foot, following the Somerset Collection, a 1.45 million square feet regional mall located 13 miles southwest of the property, which caters to a different high-level customer group. Within a ten-mile radius, three comparable regional malls, Lakeside Mall, Macomb Mall, and Oakland Mall, have reported lower in-line sales of $350 per square foot, $265 per square foot, and $295 per square foot, respectively

Occupancy at the center has also been strong as annual occupancy has exceeded 92.5% since 2009, and 95.5% when we include temporary tenants. Lease rollover at the center is low, and is considered to be a strength of this property. Only one year during the loan term (2017) does annual rollover exceed 9.0%, and only 42.4% percent of rentable space rolls during the five-year loan term. Based on the aforementioned metrics, Morningstar views in-place cash flows as stable and sustainable, and expects the positive trends of increasing sales and growing net operating income to continue. Considering the favorable location, unique concept, and diverse tenant mix, Morningstar expects that the Mall at Partridge Creek should be able to generate sufficient cash flow over the loan term. However, we do have concerns about the elevated Morningstar loan-to-value ratio of over 92.1%, coupled with the full-term interest only payment structure that the loan provides. In the event or capitalization rates reverse their current trend and begin to increase, refinance of the subject loan could become more challenging.

Overall, the Morningstar underwriting concluded a net cash flow of $12.1 million which was about 5.43% lower than issuer's underwritten net cash flow. Morningstar's concluded value of the property was $148.8 million, which was about 26.7% lower than the appraised value at $203 million. The resulting Morningstar LTV ratio and DSCR (amortizing) are 92.1% and 1.52x respectively.

The Bears Say

- Interest-Only and High Leverage: The loan is full term interest-only. The lack of amortization could present greater refinance risk at maturity. Meanwhile, Morningstar analysis results in moderately high leverage at a 92.0% loan-to value ratio.
- Weak Anchor Sales: Nordstrom occupies a 140,000 square feet space at the property, and reported annual sales of $22.9 million or $164 per square foot in 2013, a slight drop from 2012 sales of $23.8 million. According to Retail Sails reports, the national average sales per store was $41.4 million, or $414 sales per square foot in 2013, which was significantly higher than the sales at the property.

The Bulls Say

- Ideal Location: The property is well-situated in a commercial hub with the presence of over 1,000 businesses and 5.20 million square feet of retail space. It benefits from the high customer traffic along the retail corridor with an estimated daily vehicle count between 85,000 to 105,000. The property enjoys easy access to Interstate 94, Interstate 75, and State Routes 3 and 59.
- Favorable Demographics: The property is located in Clinton Township, within Macomb County, which is considered the second wealthiest county in the state. Demographic characteristics are highlighted by a dense population of 213,000 residents within a five-mile radius of the property, which reflects a 15.1% increase from 2000. The population growth rate is expected at 2.4% over the next five years.
- Unique Features: The property is one of the few open-air malls in the metro area. The mall features free Wi-Fi in public areas, a children's play area, gaming tables, an outdoor fireplace, Bocce ball courts, and EV charging stations. It also provides a dog-friendly atmosphere with dog-sitting services offered, and water bowls installed throught the mall.
- Appealing Tenant Mix: The property is occupied by various tenant types including cinema, restaurant, and department stores, providing one-stop shopping experience. As a result, the mall is seeing customers spend more time compared to other shopping centers.
- High Occupancy Rate: The property is currently 93.3% occupied, excluding temporary tenants, as of the August 21, 2014 rent roll. Historically, total occupancy rates have averaged 94.1% from 2009 to 2013 with in-line occupancy of 90.0% for the same period, without temporary tenants. The property has exhibited strong leasing momentum as the total occupancy has averaged 97.5% with in-line occupancy at 94.6% since 2009, including temporary tenants.
- Sales Growth: The mall reported $507 sales per square foot for the trailing twelve months ended August 21, 2014, representing a 41.6% increase from $358 sales per square foot in 2008.

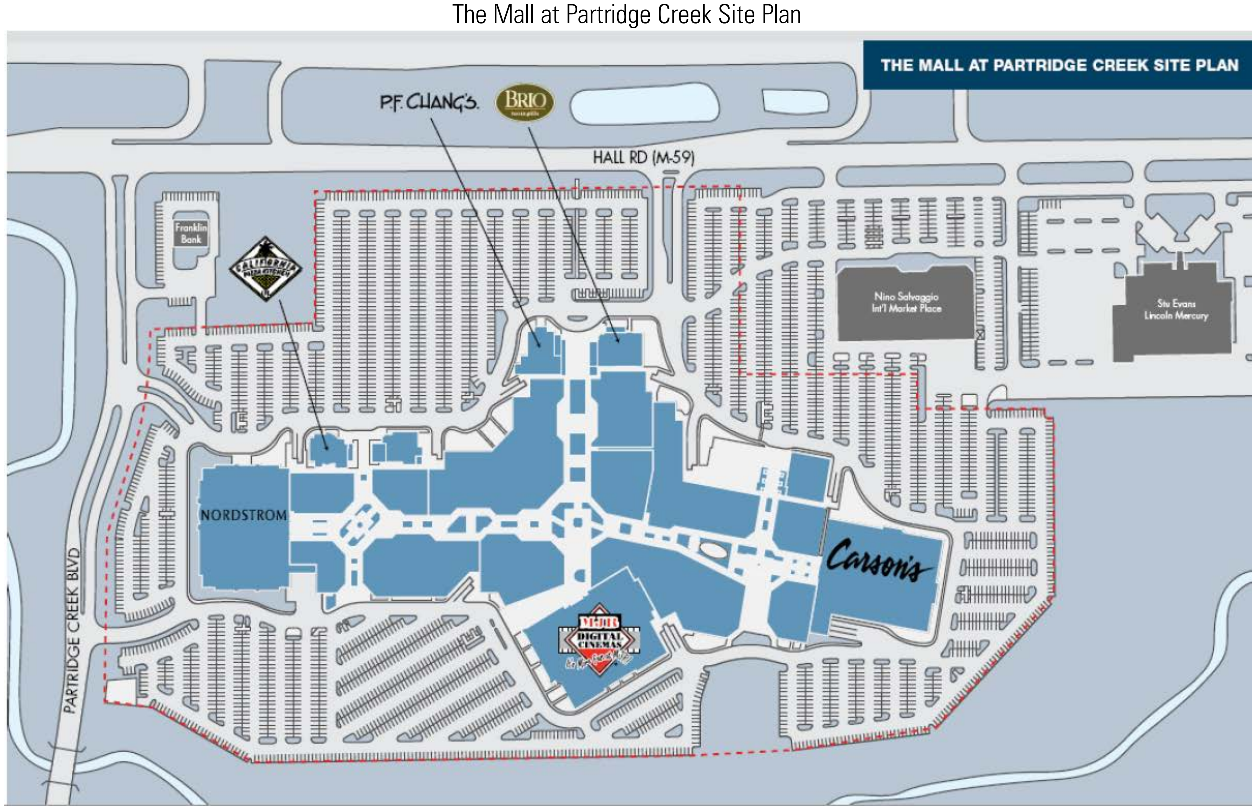
Property Description

The collateral, the Mall at Partridge Creek, is a 626,162 square feet lifestyle shopping center located in Clinton Township, Michigan, which is 27 miles north of downtown Detroit, Michigan. The immediate area is identified as a bustling commercial hub in Macomb County, the second wealthiest county in the state. Situated along Hall Road (M-59), a 5-lane major retail corridor, the property is well recognized, and has established itself as the "Downtown" area for Macomb County. The mall hosts various outdoor events including concerts, tailgates, and tree-lighting ceremonies, attracting not only local residents but also customers from a broader area. The presence of over 1,000 businesses and 5.20 million square feet retail space along the corridor generates a strong cluster effect with an estimated traffic count between 85,000 and 105,000 vehicles per day. Nearby retail developments include a Walmart Supercenter, a free-standing Nino Salvaggio which is one of the three in the entire state, a Home Dept Store, and a Lowe's Home Improvement Store. It is worth noting that Lakeside Mall, a 1,507,867 square feet regional mall, is located 1.5 miles west of the property. Anchored by JCPenney, Lord & Talylor, Macy's, and Sears, Lakeside Mall, however, reported much lower sales compared with the property. Moreover, Macomb Community College Center Campus, a local community college with approximately 25,000 students enrolled, is located on the west side of the property. Partridge Creek Village, a 1,160-unit single-family residential development, is currently under construction on the south side of the property, representing strong upside potentials for the property. Due to the unique open-air feature, dog-friendly concept, and appealing tenant mix, the property is able to maintain a competitive edge in the local market.

Build in 2007, the property is in good condition, and is improved with eight one-story buildings, five outparcels leased to a cinema and four restaurants, and asphalt-paved parking areas. Parking is provided at the property by 3,236 surface parking spaces with a parking ratio of 5.14 per 1,000 square feet. The property enjoys convenient access to major highways and good visibility from Hall Road.

The property is anchored by three tenants, Nordstrom (ground leased), Carson's (ground leased), and MJR Digital Cinemas Theater, which account for 49.8% of the total rentable space. Four restaurants, P.F. Chang's China Bistro, Brio Tuscan Grille, California Pizza Kitchen, and BlackFinn, occupy or will occupy the remaining four outparcels at the property. The BlackFinn lease was just signed, and the restaurant will open in February 2015. The other major tenants include Victoria's Secret, Forever 21, and Gap.

The Mall at Partridge Creek Site Plan



Picture Source: Cushman & Wakefield Appraisal

Morningstar visited the Mall at Partridge Creek in the late afternoon on October 16, 2014, and toured the property with two representatives from the borrower/property manager. According to the property manager, the occupancy rate as of the visit date was about 93.0%. We toured one of the few vacant spaces, which was previously leased to Brookstone. The space is located very close to the Nordstrom building, and thus is expected to be occupied quickly by temporary tenants before the upcoming holiday season. The mall caters to younger shoppers, as there are 27 colleges within the 20-mile radius encompassing more than 150,000 students, and local residents, while women over 45 years old are identified as the predominant customer group. As one of the few open-air malls in the market, the property is family-friendly with various amenities, and attracts dog-owners with dog-sitting services provided. With the unique feature and concept, the mall is well-recognized in the market. One of the major events held at the property, the tree-lighting ceremony, gathered over 8,000 people last year. Valet parking is provided, and store interiors are equipped with heated-paver system. The mall is easily accessible from major highways. Overall, the property appears to be well-maintained, and under good condition. Morningstar assigned a "3" rating to the property reflecting its condition, location and occupancy.

A Property Condition Assessment Report ("PCA") provided by EMG Corp recommended $300 in immediate repairs. The inflated value of the annual replacement reserves recommended by the PCA was $64,231 or $0.02 per square foot.

A Phase I Environmental Assessment provided by Partner Engineering and Science, Inc. identified no evidence of recognized environmental conditions as of August 5, 2014. Therefore, no further investigation of the property was recommended.

Tenant Overview

The following table is a summary for the top 10 tenants at the subject and the rents generated by each tenant based on the August, 2014 rent roll. The top 10 tenants account for 61.4% of the subject's net rentable area.

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**
Nordstrom	140,000	22.4%	$0	$0.00	0.0%	Mar-24
Carson's	116,254	18.6%	$750,000	$6.45	5.7%	Feb-33
MJR Theatres	55,748	8.9%	$1,229,607	$22.06	9.4%	Feb-17
Forever 21	14,910	2.4%	$438,011	$29.38	3.3%	Feb-22
Victoria's Secret	12,059	1.9%	$482,360	$40.00	3.7%	Feb-24
Gap/Gap Body/Gap Kids/Baby G	10,977	1.8%	$312,540	$28.47	2.4%	Feb-20
Charming Charlie	9,506	1.5%	$224,200	$23.59	1.7%	Jul-21
Banana Republic	9,000	1.4%	$87,000	$9.67	0.7%	Feb-16
Express/Express Men	8,000	1.3%	$199,043	$24.88	1.5%	Feb-19
H&M	8,000	1.3%	$152,814	$19.10	1.2%	Feb-18
Top 10 Subtotal	**384,454**	**61.4%**	**3,875,574**	**$10.08**	**29.6%**	**Feb-25**

Nordstrom: Nordstrom occupies 140,000 square feet of space at the property, which is above its average store size of 100,065 square feet according to Retail Sails, representing 22.4% of the total rentable space. The company was assigned credit rating of "A-" by Morningstar as of May 13, 2014. (Morningstar, Inc. ratings are not NRSRO ratings). Nordstrom owns the store and the underlying land with a reciprocal easement agreement running through February 28, 2024, along with five 10-year extensions through February 28, 2074. Nordstrom has been in occupancy at the property since 2008. Nordstrom pays CAM reimbursement, which is currently reported at $20,000 per year. Nordstrom reported a slight sales drop at the property in 2013 compared with the sales in previous year. Historical sales figures were reported at $22.5 million, $23.8 million, and $23.8 million for 2010, 2011, 2012, respectively. The 2013 annual sales of $22.9 million, or $164 per square foot, however, were significantly lower than its chain average at $41.4 million, or $414 per square foot.

Carson's: Carson's has been operated by The Bon-Ton Stores Inc. since 2006. It is the second largest tenant at the property with 116,254 square feet of space. Similar to Nordstrom, Carson's constructed its store upon land ground leased from mall ownership through January 31, 2033, along with five 5-year options through January 31, 2058. Carson's has been in occupancy at the property since 2007. Carson's currently pays $750,000 annual ground rent and CAM reimbursement to the operation of the mall. Carson's also reported a slight sales drop at the property in 2013, compared with sales in the previous year. Historical sales figures were reported at $21.6 million, $22.3 million, and $23.0 million for 2010, 2011, 2012, respectively. The 2013 annual sales of $22.0 million, or $189 per square foot at the property, outperformed the Bon-Ton chain average of $130 per square foot, according to the appraisal.

MJR Theatres: MJR Theatres is the third anchor at the property with 55,748 square feet of space. It has 14 screens, and is one of the few 3D cinemas in the area. MJR Theatres has been in occupancy at the property since 2007. The ten-year lease will expire in 2017, with the option to renew for four 5-year options at higher rental rates. The cinema currently pays $22.06 per square foot as of the August 2014 rent roll, which was consistant with the appraisal's conclusion at $22.0 per square foot. The 2013 sales were reported at $8.75 million, representing a marginal drop compared with the 2012 sales of $8.77 million. The cinema is considered outperforming the market average as its sales per square foot of $150 in 2013 was significantly higher than median sales of $78.5 per square foot among regional malls. In terms of sales per screen, the 2013 sales of $624,786 was also above the market average of $403,347, according to the appraisal.

Lease Expiration and Rollover

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

	2014	2015	2016	2017	2018	2019	After 2019
Nordstrom	0	0	0	0	0	0	140,000
Carson's	0	0	0	0	0	0	116,254
MJR Theatres	0	0	0	55,748	0	0	0
Forever 21	0	0	0	0	0	0	14,910
Victoria's Secret	0	0	0	0	0	0	12,059
Gap	0	0	0	0	0	0	10,977
Temporary Tenants	0	0	0	0	0	0	0
In-Line (5,001-10,000 sq.ft.)	0	0	9,000	13,444	31,070	13,230	15,031
In-Line (2,501-5,000 sq.ft.)	0	0	0	33,064	7,376	4,500	9,834
In-Line (1,001-2,500 sq.ft.)	0	3,499	1,494	18,531	16,846	2,314	17,567
In-Line (1-1,000 sq.ft.)	0	0	0	5,253	700	800	1,652
Restaurant	0	0	0	6,260	0	0	22,547
Total	**0**	**3,499**	**10,494**	**132,300**	**55,992**	**20,844**	**360,831**
% Roll	**0.0%**	**0.6%**	**1.7%**	**21.1%**	**8.9%**	**3.3%**	**57.6%**

Market Overview

The property is located in Clinton Township, Macomb County, within the greater Detroit Metro Area. Detroit has been struggling over the past few years, and is seeing modest recovery from the downturn. Population growth in the Clinton Township is projected to increase at a higher rate than the state average. Within a three-mile radius, the immediate area has a population of 110,962 as of 2014, representing a 1.40% compound annual increase from 2000, compared to 0.56% growth in Macomb County and 0.04% drop in the state. Both population, households, and average household income, are expected to grow at a faster pace compared with the region, which could benefit the local retail market. On the other hand, the umemployment rate still stays high at a reported 8.80% as of August, 2014, while the umemployment rate of Macomb County and the state average are reported at 7.80% and 6.70%, respectively, according to U.S. Bureau of Labor Statistics. The unstablized job market draws concerns on market retail sales, and consequently, negatively affects the operation of shopping centers.

The property is located in the Macomb submarket, identified by Reis. According to the Reis report, the submarket consists of 5,885,000 square feet of community shopping center space, as of the second quarter in 2014. The majority of the inventory was constructed before 2000. The property was built in 2007. Properties developed between 2000 and 2009 only account for 11.0% of the total inventory. Market mean vacancy rate was at 8.10%, while the vacancy rate for properties with a similar vintage was much lower at 1.80%. The average non-anchor retail rental rate in the submarket was $14.46 per square foot, and $17.54 per square foot for similar vintage properties.

The property is an open-air shopping center with a total rentable area of 626,162 square feet. The appraisal identified six primary competitors within a twenty-mile radius of the property. These shopping centers had an average size of 1,129,577 square feet, and were constructed between 1964 and 2002. The average vacancy rate for the competitors was reported at 5.0%. The property currently reported in-line sales at $507 per square foot as of August 21, 2014, while the sales among the competitive set ranged from $265 per square foot to $750 per square foot, with an average at $424 per square foot. Lakeside Mall, a 1,507,867 square feet regional mall anchored by JCPenney, Lord & Taylor, Macy's, and Sears, is located just one and half miles west of the property. The mall, however, reported much lower sales at $350 per square foot. Five out of the six comparables reported lower sales compared with the property, except for the Somerset Collection, a 1,445,668 square feet regional mall anchored by Macy's, Neiman Marcus, Nordstrom, and Saks Fifth Avenue. The Somerset Collection is located in Troy, Michigan, which is 13 miles southwest from the property. It carries more luxury brands, which caters to a different high-level customer group.

Overall, Morningstar believes that the property has gained recognition in the market, and distinguishes itself from competitors with its unique open-air feature, dog-friendly concept, and one-stop shopping experience.

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

Summary of Primary Retail Competition							
Property Name / Property Type	**Location / Market**	**Distance from Subject**	**Year Built**	**GLA**	**Anchors**	**Occupancy**	**Est. Mall Shop Sales/SF**
Subject Center Regional Mall	Clinton Township, MI	-	2007	626,162 sq. ft.	Nordstrom, Carson's, MJR Theatres	93.3%	$507/SF
Lakeside Mall Regional Mall	Sterling Heights, MI	1.5 miles west	1976	1,507,867 sq. ft.	JC Penney, Lord & Taylor, Macy's, Sears	95%	$350/SF
Macomb Mall Regional Mall	Roseville, MI	6.0 miles southeast	1964	850,000 sq. ft.	Babies 'R Us, Kohl's, Sears, Dick's Sporting Goods	89%	$265/SF
Oakland Mall Regional Mall	Troy, MI	10.0 miles southwest	1968	1,746,125 sq. ft.	JC Penney, Macy's, Sears	94%	$295/SF
Village of Rochester Hills Lifestyle Center	Rochester, MI	13.0 miles northwest	2002	374,215 sq. ft.	Whole Foods, Carson's	99%	$400/SF
The Somerset Collection Regional Mall	Troy, MI	13.0 miles southwest	1969	1,445,668 sq. ft.	Macy's, Neiman Marcus, Nordstrom, Saks Fifth Avenue	98%	$750/SF
Great Lakes Crossing Regional Mall	Auburn Hills, MI	19.0 miles northwest	1998	1,354,079 sq. ft.	Star Theatre, Bass Pro Shops, Sports Authority, Marshalls, Burlington Coat Factory, TJ Maxx	99%	$450/SF

Source: Cushman & Wakefield Appraisal

Lakeside Mall – is considered the property's primary competitor given its proximity. The mall was constructed in 1976, and has not been significantly renovated. It is currently owned and managed by General Growth Properties, which acquired the mall in the 1990s. Lakeside Mall is anchored by Macy's (two locations), Lord & Taylor, JCPenney and Sears, while the five department stores generated over $270 million in sales. Other major retail tenants include Victoria's Secret, The Limited, Buckle, Teavana, Gymboree, Express, American Eagle Outfitters, Coach, Forever 21, Hollister Co., Zumiez, Bath & Body Works, The Disney Store, Panera Bread and Kay Jewelers. In 2003, the mall renovated its food court, and at the same time, Lord & Taylor's completely renovated and expanded their store with additional 35,000 square feet space. Before the opening of the Mall at Partridge Creek in 2007, Lakeside Mall dominated the Macomb County retail market, however, it is now losing both tenants and customers to the Mall at Partridge Creek. The mall reported in-line sales at $350 per square foot, which was significantly lower compared with the property's sales of $507 per square foot.

Macomb Mall – is located approximately 6 miles southeast of the property. The Macomb Mall is identified as a regional shopping center with a total rentable space of 850,000 square feet. The mall was developed in 1964, and was renovated in 1998. Anchored by Sears, Kohl's, and Babies 'R' Us, Macomb Mall caters mostly to immediate residents in the surrounding area. With new supplies added into the market during the past ten years, the mall has been struggling with decreasing customer traffic and retail sales. It reported in-line sales at $265 per square foot, which was significantly lower than the property's sales of $507 per square foot. In order to reposition itself and gain more market share, the mall plans to conduct a $18.5 million renovation, including adding a new anchor tenant, Dick's Sporting Goods, which is scheduled to be completed by the end of 2014.

Oakland Mall – is located approximately 10 miles southwest of the property. The Oakland Mall is identified as a regional shopping center with a total rentable space of 1,746,125 square feet. It is owned by UrbanCal and managed by Urban Retail Properties, LLC. The mall was developed in 1964, expanded in 1979, and renovated in 1991. Anchored by JCPenney, Macy's, and Sears, Oakland Mall caters to local residents, and limited the property's market share in the west area. Other major retail tenants include Rogers & Hollands, The Limited, Charlotte Russe, Forever 21, Bath & Body Works and The Children's Place.

Village of Rochester Hills – is located approximately 13 miles northwest of the property. The 374,000 square feet lifestyle center is the closest open-air mall to the property. The center was built in 2002 by local developer Robert B. Aikens & Associates on the site of the former Meadowbrook Mall, an underperforming 150,000 square feet strip center. Anchored by a 120,000 square feet Carson's and a 55,000 square feet Whole Foods, the center serves the immediate area with a 500,000 population. Other major retail tenants include Williams-Sonoma, Pottery Barn, Victoria's Secret, White House/Black Market, Ann Taylor, Talbots, J. Crew, Banana Republic, Abercrombie & Fitch, Hollister Company, Gap, Yankee Candle, See Optical, Baja Fresh and Bravo, as well as former Meadowbrook tenants Haig Shoes, Max & Erma's, Kruse & Muer, Gourmet Garden, Heslops and The Casual Corner Group. The center is considered well accepted by the market with a 99% occupancy rate and $400 per square foot in-line sales.

The Somerset Collection – is located approximately 13 miles southwest of the property. The 1,445,668 square feet exclusive upscale regional mall is considered a dominant shopping center throughout the Detroit Metro Area. With a $750 per square foot in-line sales figure and over $600 million annual sales, Somerset Collection is among the most profitable malls in the United States. Anchored by a 300,000 square feet Macy's, a 240,000 square feet Nordstrom, a 160,000 square feet Saks Fifth Avenue, and a 141,000 square feet Neiman-Marcus, the mall carries more luxury brands, and caters to a much wealthier customer group. Other major retail tenants include Tiffany & Co., Louis Vuitton, Barneys Co-op, Crate and Barrel, P.F. Chang's China Bistro, J. Alexander's, Brio Tuscan Grille, McCormick & Schmick's, The Capital Grille, California Pizza Kitchen, and the Peacock Café food court across from the Somerset Inn.

Great Lakes Crossing – is located approximately 19 miles northwest of the property. The 1,354,079 square feet regional mall was developed in 1998. Anchored by Star Theatre, Bass Pro Shops, Sports Authority, Marshalls, Burlington Coat Factory, and TJ Maxx, the mall caters mostly toward value-oriented consumers. A majority of the tenants is identified as outlet stores of national brands, including Kenneth Cole, Brooks Brothers Factory Store, Liz Claiborne Outlet, Nike Factory Outlet, Tommy Hilfiger, Nautica, bebe Outlet, Ann Taylor Loft, Victoria's Secret Outlet, H&M, American Eagle Outfitters, Van Heusen, Express/Express Men, Gap Outlet, Aéropostale, Jones New York, Carter's, OshKosh B'Gosh, Limited Too, Oakley Vault, RideMakerz, The Children's Place Outlet, New York & Company, Timberland Outlet, Skechers, Bose, and Ralph Lauren Polo. The mall also provides entertainment services with the presence of a 1,000-seat food court, and a 25-screen Star Theater cinema megaplex. Due to the unique offerings, the mall also attracts tourists besides regular retail customers in the surrounding area.

Sponsorship/Management

The sponsor, Starwood Capital Group Global, L.P. ("SCG") is a veteran private investment firm located across 12 offices and six countries with a focus on global real estate, real estate securities, and energy infrastructure investment. Since its inception in 1991, SCG has raised over $25 billion of equity capital, and has completed over 500 transactions across all real estate classes, representing over $52 billion in assets. SCG has approximately $36 billion in assets under management and has owned and operated over 40 million square feet of retail properties across the United States.

The property is managed by Starwood Retail Partners ("SRP"), a retail real estate platform indirectly owned by and managed by affiliates of SCG. SRP is one of the largest managers of regional malls and high quality retail real estate in the world with a portfolio of 21 properties totaling more than 27 million square feet of gross leasable area and more than $5 billion of gross asset value.

Morningstar Analysis

	Morningstar Underwriting	Year End 2012	Year End 2013	TTM 08/31/14	Issuer Underwriting
Income					
Gross Potential Rent	$11,743,167	$10,422,273	$10,706,859	$10,632,768	$13,603,226
Less: Vacancy Loss (GPR)	(511,948)	0	0	0	(2,370,826)
Less: Concessions	0	0	0	0	0
Base Rent/Net Effective Rent	**$11,231,219**	**$10,422,273**	**$10,706,859**	**$10,632,768**	**$11,232,400**
Expense Reimbursement	$9,823,085	$9,300,177	$9,679,715	$10,126,734	$9,756,557
Percentage Rent	274,944	449,147	358,569	270,222	274,944
Kiosks/Temporary/Specialty	1,133,061	1,293,528	994,986	1,133,061	1,133,061
Parking	11,195	9,259	10,555	11,060	11,060
Other Revenue	132,172	88,109	106,416	132,186	132,186
Effective Gross Income	**$22,605,676**	**$21,562,493**	**$21,857,100**	**$22,306,031**	**$22,540,208**
Expenses					
Real Estate Taxes	$1,937,286	$1,915,650	$1,824,613	$1,880,860	$1,911,213
Property Insurance	210,624	145,433	154,145	204,489	185,196
Utilities	2,175,000	2,042,195	2,199,752	2,104,675	2,104,675
Repairs and Maintenance	2,003,409	1,578,733	1,884,237	2,003,409	2,003,409
Janitorial	492,722	457,110	460,064	472,900	472,900
Management Fees	678,170	592,969	601,070	613,416	619,856
Payroll & Benefits	645,247	608,041	582,959	629,006	629,006
Advertising & Marketing	727,594	741,139	715,442	726,202	726,202
Professional Fees	165,171	207,374	147,191	144,771	144,771
Other Expenses	679,060	716,098	704,583	575,761	575,761
Ground Rent	61,032	61,800	61,032	61,032	61,032
Total Operating Expenses	**$9,775,314**	**$9,066,542**	**$9,335,088**	**$9,416,521**	**$9,434,021**
Net Operating Income	**$12,830,361**	**$12,495,951**	**$12,522,012**	**$12,889,510**	**$13,106,187**
Capital Items					
Leasing Commissions	$268,439	$0	$0	$0	$122,241
Tenant Improvements	308,497	0	0	0	122,241
Capital Expenditure / Reserve	125,232	0	0	0	36,991
Total Capital Items	**$702,168**	**$0**	**$0**	**$0**	**$281,474**
Net Cash Flow	**$12,128,194**	**$12,495,951**	**$12,522,012**	**$12,889,510**	**$12,824,713**

Analytical Assumptions

The following comments and footnotes provide additional details beyond the description of Morningstar's general analytical approach outlined at the end of this package.

Revenue Drivers

Rent Per Unit Per Month	$18.75
Vacancy (%)	7.46%

Morningstar underwrote to a $18.75 per square foot rental rate, which was based on the in-place rent and appraisal's concluded market estimate. Rent steps within twelve months through 8/31/2015 were included in the revenue calculation. Our concluded rent was higher than the market average rate from the Reis report due to the property's unique features and concepts. Morningstar underwrote to a 7.50% vacancy rate for the property, which was higher than the current in-place vacancy rate of 6.70% as of the August 21, 2014 rent roll, excluding temporary tenants.

Expenses

Expenses were underwritten in-line with historicals unless otherwise noted.

Utilities: Morningstar underwrote to the appraisal's projection.
Repairs and Maintenance: Morningstar underwrote to the trailing twelve months number ended August 31, 2014.
Advertising and Marketing: Morningstar underwrote to the average of 2012, 2013, and the trailing twelve months number ended August 31, 2014.

Capital Items

A reserve for future capital expenditures was underwritten at the Morningstar standard rate for lifestyle malls of $0.20 per square foot, higher than the engineer's recommended reserves. Tenant improvements for retail and commercial space were underwritten to $0.49 per square foot, and leasing commissions were underwritten to $0.43 per square foot. Anchor tenants were removed from calculation. The assumptions for tenant improvements and leasing commissions were based on the appraisal's estimate.

Valuation Drivers

The Morningstar's capitalization rate was concluded at 8.15%, which was based on the market retail capitalization rate of Detroit, Michigan area at 8.40%, with adjustments for location and property type. The final 8.15% capitalization rate was about 190 basis points greater than the appraiser's concluded rate at 6.25%, resulting in a value variance of 26.7% from the appraised value.

Loan Summary

General Loan Terms

The collateral for the trust consists of a 5-year (fully extended) floating-rate interest-only mortgage loan in the original principal amount of $725,000,000 secured by a first lien on the borrowers fee simple interest (or in the case of MacArthur Center, leasehold interest) in four retail shopping malls commonly known as The Mall at Wellington Green, located in Palm Beach County, Florida, MacArthur Center, located in Norfolk, Virginia, Northlake Mall, located in Charlotte, North Carolina and The Mall at Partridge Creek, located in Macomb County, Michigan. The mortgage loan, originated on October 16, 2014, accrues interest at a rate calculated based on the one-month LIBOR plus 1.85% (increasing by 0.25% upon the exercise of the first extension option). The mortgage loan is structured with springing monthly escrows for real estate taxes, insurance, replacement reserves and tenant improvements and leasing commissions. In addition, the loan is structured with a hard lockbox and springing cash management. Cash management will be in place during a cash sweep period, which will commence upon the occurrence of an event of default and end on the date upon which the event of default has been cured.

Sources and Uses

Sources of Funds		Uses of Funds	
First Mortgage	$725,000,000	Purchase Price	$1,065,100,000
Sponsor Equity	$365,939,208	Closing Costs	$22,490,016
		Upfront Reserves	$3,349,192
Total Sources	$1,090,939,208	Total Uses	$1,090,939,208

Borrowers and Sponsors

The borrowers under the Mortgage Loan are TM Wellington Green Mall, L.P., TM MacArthur Center, L.P., TM Northlake Mall, L.P., and TM Partridge Creek Mall, L.P., each a Delaware limited partnership. The borrowers are owned (directly or indirectly) by Starwood Capital Group Global II, L.P. Starwood is a private investment firm with over 520 professionals located across 12 offices and six countries with a focus on global real estate, real estate securities and energy infrastructure investment. Since its inception in 1991, Starwood has raised over $28 billion of equity capital, and has completed over 500 transactions across all real estate classes, representing over $55 billion in assets. Starwood has approximately $37 billion in assets under management.

Loan Structural Components Features/ Concerns

Floating Rate

The loan has a floating interest rate based on LIBOR or prime rate, as applicable. To mitigate the borrowers' exposure to increases in LIBOR, the borrowers entered into a rate cap agreement. The interest cap rate agreement is required to have a notional amount equal to or greater than the principal balance of the mortgage loan. In addition, a condition to any extension of the loan requires a new interest rate cap agreement for such extension term at a strike rate described in the loan agreement. In connection with an extension of the loan, if exercised, the interest rate will increase by 0.25% (the “Increased Spread”).

In any event, Morningstar’s analysis assumed a maximum interest rate payable by the borrowers of up to 5.75%. If this assumption is not true (whether due to expiration or termination of, or defaults with respect to, the rate cap agreement, rate cap payment or timing mismatches, conversion of the index to the prime rate, failure of rate cap provider to make timely payments, the Increased Spread and/or otherwise), Morningstar’s ratings may be adversely impacted. In addition, any conversion of the applicable interest rate between LIBOR, prime rate or other such indexes could create delays and/or impact the interest payable by borrowers. Morningstar's ratings do not asses the likelihood of any such conversion or any related impact.

SPE and Bankruptcy Remoteness

The borrowers (and their general partners) 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 applicable mortgaged property (or related activities). While the borrowers (and their general partners) are generally limited in incurring additional indebtedness, the loan allows for broader and/or higher thresholds of permitted debt than may be customary or preferred for a transaction of this type and size. The borrowers (or their general partners) 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 (and general partners) to comply with certain covenants relating to the borrowers' (and general partners') separateness, and the borrowers make certain representations regarding their previous existence, the borrowers (and general partners) existed prior to the origination of the loan. While pre-existing entities present a higher risk than newly formed single purpose entities, a nonconsolidation opinion relating to the borrowers (and their general partners) was 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.

Ground Leases

Two of the properties (MacArthur Center and Partridge Creek Mall) are subject to ground leases. Leasehold interests are subject to certain risks not associated with mortgages secured by a lien on the fee estate of a borrower. Per the arranger, the MacArthur Center ground lease (and related documents) contain customary "financeable" ground lease provisions. Per the arranger, while the Partridge Creek ground lease does permit leasehold financing, the Partridge Creek ground lease (and related documents) do not contain customary "financeable" ground lease provisions. However, per arranger, the Partridge Creek ground lease relates to a small strip of unimproved collateral which Morningstar has not factored in our valuation or analysis.

Cash Management

Borrowers are required under the loan documents to cause any revenues relating to the properties received by borrowers to be deposited into the lockbox account(s) or cash management account by the end of the second business day following receipt thereof. The lockbox account(s) and cash management account are required to be eligible accounts under lender control. The lockbox bank is required to remit amounts in the lockbox account(s) (subject to applicable peg balance) on each business day (i) if there is no Trigger Period (as further described in the loan documents, a trigger period generally includes failure to satisfy certain debt yield test) continuing, to borrower account(s) or (ii) if a Trigger Period is continuing, to the cash management account.

Amounts in the cash management account are required to be disbursed in accordance with the waterfall and disbursement provisions in the loan documents. During an event of default, lender may apply funds in the lockbox account(s) and cash management account toward the loan and/or to payment of property expenses.

Partial Release(s)

The loan documents permit releases of individual properties (MacArthur Center and Partridge only) subject to conditions set forth in the loan documents, including payment of the applicable release price. The loan documents also permit releases of certain release parcels ("Release Parcels") without payment of a release price, subject to conditions set forth in the loan documents including that such release does not cause any portion of the remaining property to be in violation in any material respect of any applicable legal requirements. Such Release Parcels were not attributed value by Morningstar.

Casualty and Condemnation

We are assuming that, in any ground lease (except the Partridge Creek Mall ground lease), or reciprocal easement agreements or similar recorded agreements applicable to any property, the provisions relating to casualty and/or condemnation, including restoration relating thereto, provide that (i) borrower(s) may be required to restore the applicable property(ies) and (ii) insurance proceeds or condemnation awards may be used by borrower(s) for such restoration or towards payment of the loan.

Borrower Representations and Warranties

The borrower representations and warranties contained in the loan agreement may be subject to various exceptions, carveouts and scheduled items per the loan agreement. We have assumed that excepted items, carveouts and scheduled items do not (and will not) individually or in the aggregate have a material adverse impact on the use, value or operation of the collateral, the borrower or borrower's obligations under the loan documents.

Loan Documents

We assume any necessary loan amounts, components, rates and spreads, will be created, configured and/or modified as described in the offering circular.

Payment Dates

While the loan documents provide the lender with the right to change the loan payment dates, we are assuming that the lender will not exercise such right and the payment dates will remain the same as at closing.

Purchase Options and Rights of First Refusal

Certain parties, such as tenants, subordinate debt holders, property managers and/or adjacent owners, may have a purchase option, right of first refusal and/or right of first offer with respect to one or more of the properties (or portion(s) thereof). Such rights may impede a refinance or sale of the loan and/or property.

The Carson Pirie Scott parcel (also known as the Parisian parcel) at the Partridge Creek property is subject to a tenant purchase option and the applicable borrower is permitted to obtain a release of the Carson Pirie Scott parcel in connection with an exercise by the tenant of such purchase option. We are assuming that such tenant purchase option only provides for purchase of, and in connection therewith the borrowers may only obtain release of, the Carson Pirie Scott parcel as described in and subject to the conditions contained in the loan agreement, and that any such release does not and will not have any adverse impact on the use, value or operation of the remaining property or borrower.

Loan Documents

We assume any necessary loan amounts, components, rates and spreads, will be created, configured and/or modified as described in the offering circular.

Insured Value

Per the arranger, the insurable value of the properties as of the loan origination date was lower than the principal balance of the loan. In the event of a casualty when the borrowers are not required to (or cannot) restore the applicable property(ies), the insurance required with respect to the related property may not be sufficient to pay the loan in full and there is no "gap" insurance required under the loan documents to cover any difference. Any such deficiency of insurance proceeds may impact the ratings.

Third Party Reports

Appraisals

An appraisal reports prepared by Cushman and Wakefield, an independent third-party appraisal firm were received and reviewed as part of Morningstar's analysis of the property. The appraisal reports, dated between September 4, 2014 and September 9, 2014, concluded a market value at that time of $1,074,000,000.

Property Condition

Property condition reports dated October 13, 2014 by EMG Corp found the sites and improvements to be in generally good condition. The report identified the following:

- The Mall at Wellington Green – no immediate repairs were noted and only $1,350 in short-term repairs related to ADA accessibility. The seven-year capital spending schedule totaled just over $2 million, of which, over $1.3 million was related to roof replacement.
- MacArthur Center - $1,800 of immediate repairs and $3,150 in short-term repairs. The seven-year capital spending schedule totaled just over $1.5 million, of which, 71% was associated with roof repair and replacement, and 17% for HVAC.
- Northlake Mall - $4,000 of immediate repairs were noted and only $1,000 in short-term repairs related to ADA accessibility. The seven-year capital spending schedule totaled $643,000, of which, over 50% was related to paving, parking and sidewalks.
- The Mall at Partridge Creek - $300 of necessary immediate repair costs and recommended annual replacement reserves of $64,231.

Environmental

Phase I environmental site assessments, or ESA's were prepared by Partner Engineering and Science, Inc. for all four assets dated August 5, 2014. No environmental concerns and/or recognized environmental condition were identified.

Reserve Accounts

Under the terms of the mortgage loan documents, upon the occurrence of a "Trigger Period" (as defined in the loan documents as any period from (i) the conclusion of any fiscal quarter during which the Debt Yield is less than 8.25%, to (ii) the conclusion of the second of any two consecutive fiscal quarters thereafter during each of which test periods of the Debt Yield is equal to or greater than 8.25%), the borrowers are required to make monthly deposits into the following reserve funds, until such time as the loan debt yield increases above the debt yield threshold:

Real Estate Tax Escrows: An amount equal to 1/12th of the annual taxes and assessments estimated by the servicer to be payable with respect to the property during the immediately succeeding 12 months in order to accumulate sufficient funds to pay all such taxes and assessments.

Insurance Escrows : An amount equal to 1/12th annual insurance premiums estimated by the lender to be payable during the next ensuing 12 months for the renewal of the insurance policies required or to pay all insurance premiums at least 10 days prior to the expiration of the insurance policies.

Recurring Replacement Reserves: An amount equal to 1/12 of the product of (i) $0.25, and (ii) the aggregate amount of rentable square feet of all properties as of such loan payment date.

TI/LC Reserves: An amount equal to an amount equal to one-twelfth (1/12) of the product of (i) $1.00, and (ii) the aggregate amount of rentable square feet of all Properties as of such Loan Payment Date, plus any termination fee payable to the borrowers in connection with any tenant's election to exercise an early termination option or in connection with any other termination, amendment or modification of any lease, reduction of rents, shortening of the term or surrender of space that is in excess of $1 million.

Securitization Trust Summary

Priority of Payments on Trust Certificates

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

(1) Interest on the Class A, Class XA-1, Class XA-2,, Class XB-1 and Class XB-2 certificates, pro-rata.
(2) Principal paydown of the Class A certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(3) Unreimbursed realized loss amounts to the Class A certificates.
(4) Interest on the Class B certificates.
(5) Principal paydown of the Class B certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(6) Unreimbursed realized loss amounts to the Class B certificates.
(7) Interest on the Class C certificates.
(8) Principal paydown of the Class C certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(9) Unreimbursed realized loss amounts to the Class C certificates.
(10) Interest on the Class D certificates.
(11) Principal paydown of the Class D certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(12) Unreimbursed realized loss amounts to the Class D certificates.
(13) Interest on the Class E certificates.
(14) Principal paydown of the Class E certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(15) Unreimbursed realized loss amounts to the Class E certificates
(16) Interest on the Class F certificates.
(17) Principal paydown of the Class F certificates until paid in full, up to the principal distribution amount, until reduced to zero.
(18) Unreimbursed realized loss amounts to the Class F certificates
(19) to the Class A, Class B, Class C, Class D, Class E and Class F Certificates, pro rata, based on their initial certificate balances, any remaining amounts.

Allocation of Losses on Trust Certificates

Losses on the Trust Certificates are generally allocated in a reverse sequential order:
(1) To the Class F Certificates,
(2) to the Class E Certificates
(3) to the Class D Certificates,
(4) to the Class C Certificates,
(5) to the Class B Certificates,
(6) to the Class A Certificates,

Rated Final Distribution Date

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

Trust Structural Features / Concerns

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 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.

Controlling Class Certificateholder

The controlling class certificateholder is generally (i) the most subordinate class of control eligible certificates for which the certificate balance of such class (taking into account appraisal reductions) is at least equal to 25% of the initial certificate balance of such class, (ii) if no class of control eligible certificates meets the test in (i), the most senior of the control eligible certificates, and/or (iii) certain other provisions described in the trust and servicing agreement.

Other than during the existence of a control termination event, the controlling class will have certain consent and consultation rights under the trust and servicing agreement with respect to certain major decisions and other matters. During the existence of a control termination event, but prior to the existence of a consultation termination event, the controlling class will have certain non-binding consultation rights under the trust and servicing agreement with respect to certain major decisions and other matters. Generally, all consent and consultation rights of the controlling class are subject to a servicing override.

A control termination event generally occurs when the certificate balance of the applicable certificate(s) (taking into account the application of appraisal reduction amounts to notionally reduce the certificate balance of such certificates) is less than 25% of the initial certificate balance of that class.

A consultation termination event generally occurs when the certificate balance of the applicable certificate(s) (without regard to the application of appraisal reduction amounts allocated to such class) is less than 25% of the initial certificate balance of that class.

Morningstar expects that any controlling class consent or consultation rights and rights with respect to information, such as workout information, are cut off any time the controlling class or representative thereof is a borrower or a borrower affiliate.

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.

Replacement of Special Servicer

The special servicer may be terminated and replaced, with or without cause, (i) other than during the existence of a control termination event, at the direction of the controlling class certificateholder and (ii) during the existence of a control termination event if, among other things, the request and vote of a percentage of the certificates set forth in the trust and servicing agreement is obtained.

Limited Rating Agency Confirmation/Notice

Rating agency confirmation may not be required over certain material loan amendments, modifications, borrower requests and/or material amendments to the trust and servicing agreement. 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

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 October 28, 2014 (except as otherwise specified in this paragraph): (i) the October 28, 2014 posted draft offering circular, (ii) the October 22, 2014 posted draft trust and servicing agreement, (iii) loan agreement dated as of October 16, 2014 and posted October 16, 2014, (iv) fee and leasehold mortgage dated as of October 16, 2014 and posted October 16, 2014 (and we are assuming that the other mortgages and deeds of trust are on the same form (subject only to jurisdictional items and ministerial items such as names) and were provided for all applicable properties/jurisdictions), (v) replacement severed promissory note A-1 and replacement severed promissory note A-2, each dated October 16, 2014 and posted October 16, 2014, (vi) amended and restated limited partnership agreement of TM Partridge Creek Mall, L.P., dated as of October [___], 2014 (and we are assuming that the organizational documents for the other mortgage borrowers are on the same form (subject only to ministerial changes such as names)), (vii) amended and restated limited liability company agreement of TM Partridge Creek Mall GP, L.L.C., dated as of October [___], 2014 (and we are assuming that the organizational documents for the general partners for the other mortgage borrowers are on the same form (subject only to ministerial changes such as names)), (viii) opinion of Rinaldi, Finkelstein & Franklin, LLC dated October 16, 2014 regarding power and authority and other matters, (ix) opinion of Paul Hastings LLP dated October 16, 2014 regarding enforceability and other matters, (x) opinions of Richards Layton & Finger, P.A. dated October 16, 2014 regarding authority to file bankruptcy and Delaware LLC matters, (xi) opinion of Edwards Wildman Palmer LLP dated October 16, 2014 regarding nonconsolidation and (xii) the October 20, 2014 posted draft mortgage loan purchase and sale agreement.

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

Transaction Servicer and Special Servicer

For this transaction, Wells Fargo Bank, National Association is acting as Master Servicer and Special Servicer.

The Morningstar operational risk assessment, or ORA, rankings for Wells Fargo Bank, National Association assigned to its Wells Fargo Commercial Mortgage Servicing, or WFCMS, operating unit, are 'MOR CS1' for master and primary servicing, and 'MOR CS2' for special servicing. The forecast for all three rankings is Stable.

In August 2013, Morningstar raised its master and primary servicer rankings for Wells Fargo to 'MOR CS1' from 'MOR CS2' and affirmed its 'MOR CS2' special servicer ranking for WFCMS. The respective raised and affirmed rankings were based on the following composite factors:

- Successful conversion and strengthened technology: The company successfully converted two large legacy portfolios and separate servicing systems all to the latest version of a singular application (McCracken version 17) in January 2013. As a result of the conversion, WFCMS retired and consolidated several of its supplemental applications to achieve greater efficiencies. Morningstar observed that the company continued to provide accurate, timely reporting, and high quality servicing as it streamlined its technology applications. WFCMS also added a consolidated investor web portal, which has received favorable user reviews.
- Highly Effective Use of Off Shore Facilities and Fully Integrated Organizational Structure: Our opinion that WFCMS operates very effectively through a fully integrated organizational structure, consisting of East and West Coast-based office hubs, including an off-shore support staff provided through Wells Fargo India Solutions (WFIS), a subsidiary of the company's parent bank. During 2013, the servicer continued to increase its WFIS staff and expand their involvement to assist with more primary and master servicing-related tasks. However, these tasks generally remain non-credit decision-oriented and permit only very limited and scripted email communication with borrowers. Morningstar has visited the WFIS platform to observe WFCMS's ability to provide quality servicing as it continues to increasingly use WFIS staff for primary and master servicing tasks, and the degree to which WFIS staff have become further acclimated and trained in their respective duties, workflows, and use of the new servicing system.
- Strong Management and Professional Depth: Our belief that the company continues to operate with highly experienced management and professional staff. It recently hired an industry veteran, whose background includes senior management experience at the former Wachovia Bank, to head servicing operations.
- Investor Reporting Expertise: Our favorable view of the company's responsiveness to information requests, its capabilities to provide accurate and timely reporting, the overall quality of its asset-level reporting content, and its website functionality, which addresses both CMBS and non-CMBS client requirements. The company also recently added WFIS staff to perform quality control activities over investor reporting functions.
- Extensive Sub-servicer Oversight, and Proactive and Controlled Asset Administration: Our positive opinion of the company's CMBS asset administration capabilities and expertise for a broad range of large and complex transactions. In addition, we believe that WFCMS has a high degree of experience and a very solid performance record as a CMBS master servicer with respect to pooling and servicing agreement (PSA) compliance, cash management and monthly reporting, advance determination procedures, sub-servicer oversight and audit practices, and meeting its specific service level agreements.
- Sound Internal Audit Program: Our view that WFCMS has a sound internal audit program, which includes audits conducted by the parent bank's audit division, an annual Regulation AB attestation process, various client-led examinations, and a self-administered quality control program, which examines approximately 400 control processes on a rolling basis. The latest audit results provided to Morningstar were overall satisfactory. While the last parent bank audit cited a few exceptions, none was deemed high risk and WFCMS expected to have all remaining open items cleared by yearend 2013. WFCMS also received Fannie Mae's first ever "Exceptional" rating of a servicing operation.
- Effective Portfolio Management: Our view that the company's practices and procedures provide proactive asset-level management and portfolio oversight to monitor collateral performance, track loan covenant compliance and trigger events, and manage borrower requests. In addition, the company proactively addresses the timely and accurate re-boarding of loan modifications received from external special servicers, and it continues to hold annual summit meetings with special servicers to expedite the cash management and modification process resulting in a steady reduction in WFCMS' loan modification boarding turnaround times.
- Expanded Training Program: WFCMS expanded its training program by consolidating it under the control of a senior asset manager, adding curriculum specifically for analysts, and by providing career path guidance for U.S. and WFIS personnel.
- Sound Asset Resolution Record: As a special servicer, WFCMS has a sound track record of asset management and well controlled procedures covering asset resolutions involving a number of large and complex structures. We believe that WFCMS asset managers are well-experienced, although their average years of experience continue to be somewhat lower than some other higher volume CMBS special servicers. In our view, its special servicing technology is less extensive than other CMBS special servicers, but accommodates the company's tracking and reporting requirements for a moderate volume of specially serviced assets.

- No Discernible Conflict of Interest: WFCMS reported that it usually serves as a CMBS special servicer for portfolios in which it serves as master or primary servicer. Furthermore, neither WFCMS nor its parent has any affiliated investment interests in the controlling classes of the bonds, and WFCMS rarely has involved an affiliated brokerage entity to market specially serviced assets. Overall, we view WFCMS as a special servicer that operates without the potential conflicts of interest inherent in transactions in which the special servicer has a close affiliation with the CMBS B-piece investor.

As of June 30, 2013, WFCMS' total primary and master serviced portfolio was approximately $431.0 billion by unpaid principal balance, or UPB, and 33,843 by loan count, and it was the primary and/or master servicer on 408 CMBS transactions. As of June 30, 2013, CMBS loans accounted for approximately 80% and 70% of its total primary and master serviced portfolio based on UPB and loan count, respectively.

As of June 30, 2013, the company's total active special servicing portfolio was approximately $2.1 billion by UPB and 86 by asset count (78 loans and 8 real estate owned properties). The CMBS component comprised 24 active assets with a UPB of approximately $2.0 billion (19 loans and 5 REO). WFCMS was the named special servicer on 84 CMBS transactions (approximately $54.0 billion by UPB and consisting of 1,811 loans).

For the full assessment report on WFCMS, please access https://ratingagency.morningstar.com.

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 https://ratingagency.morningstar.com, by going to the "Analysis & Considerations" 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, or 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 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).

Appendix B: Morningstar Rating Surveillance

Morningstar has been paid by the issuer or arranger to maintain surveillance on this transaction on a periodic basis. Morningstar's will publish its surveillance of this transaction by posting the current letter ratings for the transaction and Morningstar's surveillance report, the Morningstar DealView, for the transaction on the "Ratings Report" Section of its website, https://ratingagency.morningstar.com.

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 the CMBS Subordination Model described at https://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.

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

Appendix C: Morningstar Rating Characteristics

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

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

These preliminary ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by Morningstar. In addition, these ratings do not address: (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and its impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (b) the possibility that a certificateholder might suffer a lower than anticipated yield, (c) the likelihood of receipt of yield or spread maintenance charges, prepayment charges, yield or spread maintenance premiums or penalties, spread maintenance default premiums, yield maintenance default premiums, yield maintenance non-default premiums, prepayment premiums, default prepayment premiums, spread maintenance payments, release spread maintenance premiums, extension fees or any increase or adjustment to the pass-through rates or interest amounts relating to any extension fees or extensions, prepayment fees or penalties, assumption fees, modification fees, penalty charges, post-maturity interest shortfall amounts, post-maturity interest shortfall distribution amounts, default interest or post-anticipated repayment date additional interest, (d) the likelihood of experiencing prepayment interest shortfalls, reimbursement of 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, interest at any applicable scheduled extension margin, applicable scheduled extension spread, additional interest amounts or any remaining or excess funds, (j) any CREFC license fee or similar amount(s), (k) any trust advisor fees, expenses or similar amounts or (l) other non-credit risks, including, without limitation, market risks or liquidity.

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

As indicated herein, the Class X certificates consist only of interest. If the mortgage loan was to prepay in the initial month, with the result that the holders of the Class X certificates receive only a single month's interest (or with respect to certain Class X certificates, no interest) and therefore, suffer a nearly complete (or with respect to certain Class X certificates, total) 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, excess trust advisor expenses and prepayments, whether voluntary or involuntary. The ratings do not address the timing or magnitude of reductions of such notional amounts, but only the obligation to pay interest timely on the notional amounts as so reduced from time to time. Therefore, the ratings of the Class X certificates should be evaluated independently from similar ratings on other types of securities.

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Morningstar's ratings analysis assumed a maximum interest rate payable by the borrower of up to 5.75%. In the event this assumption is not true (whether due to expiration or termination of, or defaults with respect to, the rate cap agreement, rate cap payment or timing mismatches, failure of rate cap provider to make timely payments and/or otherwise), Morningstar's ratings may be adversely impacted. In addition, Morningstar's ratings do not take into account any conversion between LIBOR, Prime or another index or any payment delays, shortfalls or other impact related to any conversion.

As the ratings herein are preliminary ratings, such ratings may be subject to change during surveillance. As provided herein, surveillance analysis and ratings will be publicly available and are being provided by Morningstar on an issuer-paid or arranger-paid basis.

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

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