MSBAM Commercial Mortgage Securities Trust 2012-CKSV

MORNINGSTAR CONTACTS

Lead Analysts

Rob Grenda | 267-960-6023
Robert.grenda@morningstar.com

Nicholas Harris | 267-960-6044
Nicholas.Harris@morningstar.com

David Sondesky | 267-960-6042
David.Sondesky@morningstar.com

New Issuance

Kenneth Cheng | 267-960-6017
Ken.Cheng@morningstar.com

Surveillance

Frank Innaurato | 267-960-6002
Frank.Innaurato@morningstar.com

Investor Relations

Joe Petro | 267-960-6004
Joe.Petro@morningstar.com

Greg Murdock | 301-309-0894
Greg.Murdock@morningstar.com

Website
http:ratingagency.morningstar.com

PRELIMINARY RATINGS (AS OF: 9/19/12)

CLASS	BALANCE/ NOTIONAL AMT	PRELIMINARY RATINGS	MORNINGSTAR DSC	MORNINGSTAR BLTV	CREDIT SUPPORT LEVELS
Class A-1	$36,106,000	AAA	3.06x	48.1%	31.02%
Class A-2	$243,760,000	AAA	3.06x	48.1%	31.02%
Class X-A[1]	$279,866,000	AAA	N/A	N/A	31.02%
Class X-B[1]	$78,417,000	AAA	N/A	N/A	31.02%
Class B	$37,538,000	AA	2.70x	54.6%	21.77%
Class C	$40,879,000	A	2.39x	61.6%	11.70%
Class D	$22,278,059	BBB+	2.25x	65.4%	6.21%
Class CK[2]	$25,186,000	BBB-	2.42x	72.2%	0.00%
Class R	N/A	NR	N/A	N/A	N/A

In determining the preliminary ratings on each class of securities issued by the Trust, Morningstar analyzed the property securing the loan as enumerated herein to determine its stabilized as-is net cash flow (NCF) and values based primarily on the direct capitalization approach. The loan along with its corresponding as-is NCF and property values were then subjected to a series of economic and lending environment stresses in our proprietary CMBS Subordination Model to estimate its expected loss at each rating category. A description of this model is attached as Appendix A to this report. Note (1): The Class X-A and Class X-B certificates will not have a Certificate Principal Amount and will not be entitled to receive distributions of principal. Interest will accrue at the respective pass-through rates based upon the corresponding Notional Amount. Note 2: Class CK represents the subordinate component of the Clackamas Town Center loan. This class is entitled to payments solely on the subordinate component of the Clackamas loan. NR – Not Rated; N/A – Not applicable.

Estimated Closing Date: October 17, 2012

Solely to the extent and subject to the scope of review enumerated herein, this report and the preliminary ratings noted above address certain credit risks and the extent to which the payment stream of the collateral is adequate to make payments required under the certificates based on information identified as subject to review herein and to the extent provided to Morningstar on the arranger's website for this transaction as of September 19, 2012 The below analysis, as well as Morningstar's ratings characteristics as described in Appendix C, further reflect the ratings analysis related to these preliminary ratings. Investors should be aware that the proposed transaction and certain documents related thereto are not finalized. Following Morningstar's receipt of final information and documentation, and the completion of Morningstar's review of such information and documentation, Morningstar may issue final ratings to certain subscribers. Such final ratings may differ from the preliminary ratings enumerated herein. Any final ratings will solely be available to Morningstar subscribers on a subscription basis. The preliminary ratings are provided on an arranger pay basis while any related surveillance and analysis is provided to subscribers on a subscription pay basis. For the avoidance of doubt, your receipt of this report does not, in and of itself, make recipient a subscriber of Morningstar. For further information on Morningstar's subscription service, please contact Joe Petro pursuant to the contact information above.

Ongoing Surveillance Statement

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

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

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

TRANSACTION SPOTLIGHT

Collateral	Two fixed-rate loans secured by two super-regional shopping malls.	**Mortgage Loan Sellers**	Bank of America N.A. and Morgan Stanley Mortgage Capital Holdings LLC
Notional Balance	$405,747,059	**Depositor**	Banc of America Merrill Lynch Large Loan, Inc.
Structure	Sequential pay[1]	**Lead Managers**	BofA Merrill Lynch and Morgan Stanley
Morningstar U/W Current DSCR	2.11x	**Trustee**	Wells Fargo Bank, N.A.
Morningstar U/W Amortizing DSCR	2.11x	**Certificate Administrator**	N/A
Morningstar U/W BLTV	69.8%	**Master Servicer**	KeyCorp Real Estate Capital Markets, Inc.[2]
Morningstar U/W ELTV	63.2%	**Special Servicer**	KeyCorp Real Estate Capital Markets, Inc.[2]

[1] The rated certificates (other than Class CK) are entitled to payments on the senior component of the Clackamas loan and Sunvalley loan generally, on a sequential pay basis. The Class CK is entitled to payments on the subordinate component of the Clackamas loan.

[2]The Morningstar operational risk assessment ("ORA") ranking for KeyCorp Real Estate Capital Markets, Inc., which is acting as both Master Servicer and Special Servicer, is 'MOR CS1/Stable' and 'MOR CS2/Stable', respectively. For the full assessment reports and additional information, please access https://ratingagency.morningstar.com

Transaction Overview

MSBAM 2012-CKSV is $405,747,059 transaction secured by two 10-year, fixed-rate, first-lien mortgage loans on two super-regional shopping malls. Both loans are non-recourse and evidenced by single promissory notes. The individual loans are not cross-collateralized or cross-defaulted. The Clackamas Town Center loan has an original principal balance of $216.0 million, pays interest only for the full 10-year term, and is secured by the fee interests in 631,537 square feet of the 1.40 million-square-foot Clackamas Town Center (Clackamas) in Happy Valley, Ore., a southeastern suburb of Portland. The super-regional mall is jointly owned by General Growth Properties (GGP) and Teachers' Retirement System of the State of Illinois (TRS). The Sunvalley Shopping Center loan (Sunvalley) has an original principal balance of $190.0 million and a cut-off date principal balance of approximately $189.75 million, pays principal and interest during the 10-year term, and is secured by the leasehold interests in 1.21 million square feet of the nearly 1.46-million-square-foot Sunvalley Shopping Center in Concord, Calif. Sunvalley Shopping Center is owned by Taubman Realty Group and A. Alfred Taubman. Aside from the first-mortgage debt in this transaction, there is no additional first-mortgage or subordinate debt on the two collateral properties, nor have the respective borrowers pledged any portion of their ownership interests to secure mezzanine loans.

Key Loan Metrics: Clackamas Town Center & Sunvalley Shopping Center

Propety Name	Location	Collateral Square Footage	Trust Debt ($MM)	Trust Loan PSF	Additional Debt ($MM)	Total Loan PSF	Loan Term (Months)	IO Period (Months)	Interest Rate	Amorti-zation (Months)
Clackamas Town Center	Happy Valley, OR	631,537	$216.0	$342	$0.0	$342	120	120	4.177%	0
Sunvalley Shopping Center	Concord, CA	1,205,451	$189.7	$157	$0.0	$157	120	0	4.440%	360
Totals		**1,836,988**	**$405.7**	**$221**	**$0.0**	**$221**			**4.300%**	

Morningstar determined the preliminary ratings for each class of MSBAM 2012-CKSV certificates by analyzing the loans and related collateral properties, and subjecting the aggregate net cash flow and capitalization rates to a variety of stresses in our proprietary CMBS Subordination Model. The assets securing the transaction exhibit certain characteristics that Morningstar views positively, many of which are ultimately reflected in our assigned credit ratings. First, both loans exhibit strong loan metrics. They each have a Morningstar debt yield of at least 10% (Clackamas: 10.1%, Sunvalley: 11.3%), and each has what we consider to be a modest Morningstar LTV: 72.2% for Clackamas and 67.1% for Sunvalley.

Second, stable or improving cash flow and relatively high Morningstar DSCRs increase the likelihood that the loans will reach their scheduled maturity dates. Morningstar's property analysis yielded aggregate net cash flow of $43.31 million and a weighted average NCF DSCR at cut off of 2.11x on the aggregate debt of $405.7 million. Morningstar's NCF DSCRs for Clackamas Town Center and Sunvalley Shopping Center are both strong at 2.42x (interest only for Clackamas) and 1.87x (amortizing for Sun Valley), providing a substantial cushion against future cash flow volatility.

Morningstar Property Cash Flows & Values

Propety Name	Morningstar NCF ($MM)	Morningstar Trust Debt DSCR	Morningstar Total Debt DSCR	Morningstar Cap Rate	Morningtar Value ($MM)	Morningstar Value PSF[1]	Appraised Value ($MM)	Appraised Value PSF	Morningstar Value Variance	Morningstar Trust Debt BLTV	Morningstar Trust Debt ELTV
Clackamas Town Center	$21.82	2.42x	2.42x	7.30%	$299.0	$473	$370.0	$586	-19.2%	72.2%	72.2%
Sunvalley Shopping Center	$21.48	1.87x	1.87x	7.60%	$282.7	$234	$350.0	$290	-19.2%	67.1%	53.7%
Totals/WA Avg.	**$43.31**	**2.11x**	**2.11x**	**7.45%**	**$581.6**	**$357**	**$720.0**	**$442**	**-19.2%**	**69.8%**	**63.2%**

[1] *Based on the collateral square footage.*

Third, both properties continue to show stable or positive leasing, occupancy and sales trends. Clackamas boasts in-line sales of $438 per square foot for the trailing 12 months—5% above the year-end 2011 sales—and a total occupancy cost of 15.1%. Clackamas's in-line sales are markedly better than those at two of its three nearest competitors. The center's occupancy has been 95% or better for the last three years. Sunvalley posted comparable in-line sales of $453 per square foot in the trailing 12 month period, 2.2% higher than 2011's in-line sales; in-line occupancy costs were 17% over the same period. Sunvalley, including all non-collateral space, is currently 96.5% occupied, up from 91.7% in 2011, thanks to two new leases to Safeway and Nordstrom Rack covering nearly 100,000 square feet of space.

Finally, while we did not afford any additional credit in our property analysis or subordination levels for the loans' strong sponsorship—GGP and TRS in the case of Clackamas and Taubman in the case of Sunvalley—we do view it as a positive characteristic of the deal.

On the negative side, the Clackamas loan borrower pays interest only during the 10-year term, and only the Sunvalley loan provides for amortization and de-leveraging. Moreover, the deal lacks the collateral and geographic diversity typical of most conduit or fusion CMBS transactions. However, both features—limited amortization and limited collateral diversity—are factored into our subordination levels and ratings via higher stresses in our subordination model.

Morningstar will perform on-going monitoring of the rating on each Class of Certificates on a subscription basis in accordance with Morningstar's policies and procedures.

Credit Support Stresses

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

The metrics shown below highlight the magnitude of cash flow and value decline after applying all of the stresses at each rating category. These are provided separately for the term default and balloon default analyses. By way of example, in assigning a rating of "AAA" to the Class A certificates, we subjected our concluded aggregate net cash flow to a weighted-average 36.0% decline and our concluded aggregate value to a weighted-average 52.6% decline in the term default analysis. In the balloon default analysis, these weighted-average declines were 34.4% and 49.3%, respectively.

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

	AAA	AA	A	BBB	BB	B
Morningstar NCF Decline (Term)	36.0%	33.0%	30.0%	25.0%	N/A	N/A
Morningstar Value Decline (Term)	52.6%	47.5%	43.4%	32.6%	N/A	N/A
Morningstar NCF Decline (Balloon)	34.4%	31.5%	28.7%	25.0%	N/A	N/A
Morningstar Value Decline (Balloon)	49.3%	45.8%	41.7%	32.6%	N/A	N/A

Scope of Analysis

In evaluating the properties and determining Morningstar concluded cash flows and values, we reviewed the following materials to the extent we deemed necessary for our analysis and as provided on the arranger's website for this transaction as of September 19, 2012 for the property: the offering materials (as applicable), the historical financial statements (for the most recent three years unless the property did not have three years of operating history available), issuer's underwriting and supporting analysis and notes, most recent available rent roll, the appraisal, environmental site assessment, property condition assessment, and other market and property information as available. In certain cases, to the extent we deemed necessary for our analysis and as provided on the arranger's website for this transaction as of the date hereof, we also reviewed photographs of the properties and maps of the surrounding areas.

Morningstar utilized external legal counsel to perform a legal review of certain items in the transaction relevant to Morningstar's ratings analysis. In this transaction, such counsel solely reviewed the following materials available on the arranger website as of September 18, 2012 (except as otherwise specified in this paragraph): (i) the September 18 draft offering circular, (ii) the following for the Clackamas Mall loan: (a) loan agreement dated as of September 5, 2012 and posted as of September 11, 2012, (b) promissory note dated as of September 5, 2012 and posted as of September 11, 2012, (c) deed of trust, assignment of leases and rents, security agreement and fixture filing dated as of September 5, 2012, (d) cash management agreement dated as of September 5, 2012, (e) second amended and restated operating agreement of Clackamas Mall L.L.C. dated as of September 5, 2012, (f) opinions of Richards Layton & Finger, P.A. dated September 5, 2012 regarding authority to file bankruptcy and DE LLC matters, (g) opinion of Wachtel Masyr & Missry LLP dated September 5, 2012 regarding nonconsolidation, (h) opinion of Lane Powell PC dated September 5, 2012 regarding Oregon matters and (i) opinion of Wachtel Masyr & Missry LLP dated September 5, 2012 regarding enforceability, authority and other matters, (iii) the following for the SunValley Shopping Center loan: (a) (a) loan agreement dated as of August 31, 2012 and posted as of September 11, 2012, (b) promissory note dated as of August 31, 2012 and posted as of September 11, 2012, (c) fee and leasehold deed of trust, assignment of leases and rents, fixture filing and security agreement dated as of August 31, 2012, (d) cash management agreement dated as of August 31, 2012, (e) the amended and restated limited liability company agreement of SunValley Shopping Center LLC, dated as of December 9, 2002, as amended by the first amendment to amended and restated limited liability company agreement of SunValley Shopping Center LLC, dated as of August 31, 2012, (f) opinions of Richards Layton & Finger, P.A. dated August 31, 2012 regarding authority to file bankruptcy and DE LLC matters, (g) opinion of Chris B. Heaphy of The Taubman Company LLC dated August 31, 2012 regarding authorization and other matters, (h) opinion of Paul Hastings dated August 31, 2012 regarding enforceability and (i) opinion of Dickinson Wright PLLC dated August 31, 2012 regarding nonconsolidation and (iv) the September 18, 2012 draft pooling and servicing 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) mortgage loan purchase agreement(s), (ii) true sale opinion(s) for the sale of the loans from the seller(s) to the depositor and from the depositor to the securitization trust, (iii) corporate and enforceability opinions of the servicer, special servicer, trustee, depositor and loan seller(s) and the general deal level opinion related to certain tax matters and (iv) versions of the documents enumerated in the preceding paragraph posted as of the date of issuance of final ratings. Unless enumerated on the prior list, no external legal counsel review was performed with respect to any documents. Therefore, leases, including ground leases and subleases, hedges and related documents, contribution and/or allocation agreements, management agreements, estoppels, title reports, insurance contracts, environmental assessments, guarantees, indemnities, liens or related searches, financial statements, rent rolls, surveys, financing statements, easement agreements, intercreditor or subordination agreements (except as expressly enumerated in the preceding paragraph), among others, were not reviewed by external legal counsel. As legal review of title policies was not performed, Morningstar has assumed such policies do not contain any judgments, tax liens, or other issues that would materially adversely affect any borrower, property owner, property or the mortgagee's lien and security interest in any collateral for any loan. As legal review of local law opinions was not performed, Morningstar has assumed that local law opinion(s) were provided for all relevant jurisidictions, on customary forms and with rating agency reliance.

As of the time of the writing of this report Morningstar had not been provided with the Mortgage Loan Purchase Agreement (MLPA). Our preliminary analysis and ratings are based on the assumption that the MLPA will be customary and reasonable.

While the arranger website may provide additional documentation, data and/or other information, Morningstar's review is generally limited to the information enumerated herein. Morningstar did not engage in discussions with any person or entity obligated to make payments under the loan.

Morningstar Rating Characteristics

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

Loan 1: Clackamas Town Center

Morningstar Perspective

The Clackamas Town Center loan is secured by the fee simple interest in 631,537 square feet of a 1.40-million-square-foot, two-level super-regional shopping mall located in Happy Valley, Oregon (seven miles southeast of the Portland CBD). The ten-year, $216 million ($342 psf), interest-only loan provided refinancing proceeds to take out a prior mortgage loan ($201.0 million), fund closing costs and reserves ($2.4 million) and provide a partial return of equity to the sponsor ($12.6 million). The sponsor is a 50/50 joint venture between General Growth Properties, Inc. and Teachers' Retirement System of the State of Illinois. The sponsor acquired the property in 2002 for $157 million and invested an additional $95 million in 2007 for a comprehensive redevelopment and expansion. The sponsor's cost basis currently totals $274.9 million.

The property features a lifestyle component that was added in 2007 as part of the aforementioned capital improvement plan, and offers a strong collection of non-collateral anchor tenants. Anchor tenants at the mall include Macy's, Macy's Home Store, Nordstrom, JC Penney, and Sears. The largest collateral tenants include Century Theaters, Forever 21, Barnes & Noble, REI and H&M. Collectively, the five largest collateral tenants make up 28.7% of the collateral square footage and 23.2% of in-place base rent. Based on Morningstar's analysis, the collateral portion of the property is currently 91.2% occupied by 150 tenants, and the in-line space is 93.0% occupied. As of August 31, 2012 the total mall occupancy was 95.1%, in line with historical occupancy that has ranged from 95.3% to 96.6% over the past several years.

Morningstar toured the property during the afternoon of Thursday, September 6, 2012. The property is visible from, and offers convenient access to, Interstate 205, with abundant signage and a dedicated ramp lane for southbound traffic. The immediate area, which is infill in nature and surrounded mainly by retail uses, is dominated by Clackamas Town Center, and, to a lesser degree, the adjacent Clackamas Promenade. Office and multifamily structures surround the subject as well. During our visit we observed a high-level of activity throughout the mall and the parking lots, despite the visit having been on a weekday during lunchtime hours.

It was apparent from our tour that the aforementioned lifestyle component is a unique and significant feature of this mall. The lifestyle component offers an appealing exterior aesthetic and outdoor common area not often seen in regional malls. The sponsor incorporated typical lifestyle center design features into the interior of the mall as well, adding consistency to the overall layout and design. Moreover, the renovation brought the addition of nine specialty food choices, a remodeled food court, and a 20-screen Century Theaters movie theater with stadium-style seating. Century Theaters is the only owned anchor at the mall. Despite its relative appeal, the lifestyle component also has a downside, which is reflected in Morningstar's underwriting of the loan. Specifically, 35,842 square feet of shell space has never been occupied since the completion of the expansion. As a result, Morningstar underwrote the shell space as static vacancy with no income attributable to it.

The strength and appeal of the mall is best exemplified by its historical performance. Dating back to 2009 the entire mall has generally achieved average annual occupancy in the mid 90% range; during this same time period the collateral portion has achieved occupancy ranging from the high 80% to low 90% range. Collateral net rental income has increased period-over-period dating back to 2009 as well. 2010 NRI increased 1.4% over the prior year, 2011 increased 3.7% and TTM June 2012 increased 0.4%. Gains in effective gross income have outpaced NRI largely due to increased specialty rent. For the periods ending December 2010 to 2011 and TTM June 2012, EGI increased 2.8%, 3.3% and 1.0%, respectively. Increases in net operating income have been more pronounced due to lower operating expenses. For year-end 2010 and 2011, the property reported NOI gains of 3.4% and 9.1%, respectively. NOI for the TTM June 2012 fell slightly by 0.5% from year-end 2011. The most significant driver of the reduction in operating expenses is real estate taxes.

On the horizon there are risks that could adversely impact mall performance. Notably, rollover exposure is elevated in 2017 and 2022 (year of loan maturity) when leases covering 20.1% and 25.3%, respectively, of the collateral square footage are scheduled to expire. It is also worth noting that several tenants at the mall, including eight of the top ten largest by square footage, have leases that include co-tenancy clauses.

As a conservative measure, Morningstar underwrote vacancy higher than the in-place level and did not provide upside for the lifestyle space still in shell condition. Overall, our underwritten NOI is in line with TTM June 2012 performance. Morningstar's analysis results in an interest-only debt service coverage ratio of 2.42x and loan-to-value ratio of 72.3%. Our estimated value of $299.0 million ($473 psf) is 19.2% less than the appraised value of $370.0 million ($586 psf). As a point of reference, the loan-to-value ratio based on the appraised value is 58.4%.

The Bears Say - Clackamas

- Morningstar's value of $473 per square foot is high relative to several of the comparable mall sales provided in the appraisal. However, this concern is mitigated due to the collateral excluding anchor space.
- The only owned anchor tenant is Century Theaters; the remaining anchors own their own buildings but contribute to center's total common area maintenance.
- Several tenants, including eight of the top ten largest by square footage, have leases that include co-tenancy clauses. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as the right to reduce rent or "go dark". However, our review of the top 10 tenants did not reveal any material concerns.
- The lifestyle component includes 35,842 square feet of shell space that has never been occupied since the completion of the expansion. As a result, Morningstar underwrote the shell space as static vacancy with no income attributable to it.
- Rollover exposure is high in 2017 when the leases of 26 tenants representing 126,656 square feet, 20.1% of the collateral NRA, are scheduled to expire. Rollover exposure is also high in 2022, the maturity year of the loan. Leases of 14 tenants covering 160,001 square feet are scheduled to expire in 2022, 25.3% of the collateral NRA.

The Bulls Say - Clackamas

- The sponsor invested $95 million in 2007 for a comprehensive redevelopment and expansion. A lifestyle component was added to the center as part of this renovation which is a positive differentiating factor for the subject relative to its competition.
- The collateral is one of the dominant malls in the region with no direct competition within 10 miles. The mall is situated at the junction of I-205 and Sunnyside Road, where over 130,000 vehicles converge every day. The combination of retail, entertainment, dining options and the property's advantageous location allow it reach a large trade area that extends into Southern Washington and which has roughly 1.1 million people.
- The property features a strong collection of anchor tenants, including Macy's, Macy's Home Store, Nordstrom, JC Penney, and Sears. And, with the addition of the 20-screen, stadium-seating Century Theatres in 2007, the mall is home to the largest movie theatre in the submarket.
- Clackamas Mall boasts a record of strong historical occupancy and cash flow performance, coupled with strong tenant sales and low occupancy cost ratios.

Property / Collateral Summary – Clackamas Town Center

Clackamas Town Center is a two-level super-regional shopping mall located in Happy Valley, Oregon, about seven miles southeast of the Portland CBD. The center is located at the junction of Interstate 205 and Sunnyside Road, where the daily traffic count exceeds 130,000 cars daily. I-205 is a main arterial providing access throughout the southeast Portland metropolitan area. It also provides direct access to Portland International Airport and the State of Washington, both about 13 miles north of the property. The center is also accessible via the Green Line of the Max Light Rail, Portland's public rail transportation system. In addition, the subject offers ample parking with over 7,000 parking stalls. Clackamas Town Center is managed by General Growth Management, Inc., an affiliate of General Growth Properties.

The total mall site area is 111.71 acres, but the collateral portion of the mall is only 49.59 acres. The subject was originally developed in 1981, with renovations/expansions in 1994 and most recently 2007, when lifestyle and theater components were added to the property. The gross leasable area of the mall is 1,406,379 square feet, of which 631,537 square feet is collateral for this loan. Anchor tenants at the mall include Macy's, Macy's Home Store, Nordstrom, JC Penney, and Sears, all of which own their own land and improvements. The largest collateral tenants include Century Theaters, Forever 21, Barnes & Noble, REI and H&M.

A unique feature of this mall is the lifestyle component that was added to the center as part of a $95 million renovation completed in 2007. The lifestyle component offers an aesthetically appealing exterior and outdoor common area not often seen in regional malls. The sponsor incorporated typical lifestyle center design features into the interior of the mall as well, adding a commonality to the overall layout and design. The renovation also brought the addition of nine specialty food choices, a remodeled food court, and a 20-screen Century Theaters movie theater with stadium-style seating. Century Theaters, the largest tenant included in the collateral, currently occupies 70,752 square feet and is responsible for $1.91 million in base rent. For the trailing twelve months ending June 2012 the theater's average sales were $441,293 per screen. A defining feature of the theater is that the box office is situated in the remodeled food court, offering patrons the convenience of numerous dining options within steps of the theater entrance. The second largest tenant is Forever 21, which recently expanded from 7,100 to 33,597 square feet. The new store is presently the largest Forever 21 in the state of Oregon. As part of this expansion the tenant signed a 10- year-lease that commenced in August 2012 and is responsible for just under $1.0 million in base rent. Forever 21's former space will be occupied by Tilly's beginning in December of 2012.

In addition, as part of a development agreement with Clackamas County Development Agency as well as the Tri-County Metropolitan Transportation District, two new parking structures were added to the property. Light Rail service was also brought to the property from downtown Portland as well as the Airport, making the center a convenient stopping point for commuters utilizing both the light rail and bus lines. The station, which opened in September of 2009, is used by approximately 24,000 commuters daily and provides an additional customer base for the property.

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

Loan Collateral Summary							
	Total # Tenants	Total Mall Sq. Ft.	Collateral Sq. Ft.	% Owned	% Total Coll. Sq. Ft.	In-Place Rent	% Total Rent
Inline	106	268,328	268,328	100.0%	42.5%	10,395,490	53.4%
Inline – Jewelry	9	11,379	11,379	100.0%	1.8%	1,021,147	5.2%
Inline – Mobile	3	5,049	5,049	100.0%	0.8%	378,037	1.9%
Kiosk	1	160	160	100.0%	0.0%	40,792	0.2%
Lifestyle	23	144,413	144,413	100.0%	22.9%	3,225,745	16.6%
Major	4	152,026	152,026	100.0%	24.1%	3,840,759	19.7%
Outparcel	2	18,500	18,500	100.0%	2.9%	566,360	2.9%
Shadow Anchor	5	774,842	-	0%	0.0%	-	0.0%
Temp Tenant	17	31,682	31,682	100.0%	5.0%	-	0.0%
Total	**170**	**1,406,379**	**631,537**	**91.2%**	**100.0%**	**19,468,331**	**100.0%**

Historical Occupancy

For the years ending December 2009 through 2011 historical occupancy at the Clackamas Town Center was 96.6%, 95.3% and 95.3%, respectively. As of August 2012, the property was 95.1% leased to 150 different retailers; the in-line portion of the mall is currently 93.7% occupied. Morningstar underwrote collateral occupancy to 89.5% and the in-line portion to 91.9%.

Historical Occupancy				
	2009	2010	2011	Aug. 2012
Total Mall	96.6%	95.3%	95.3%	95.1%
Collateral	92.4%	89.6%	89.6%	89.1%
In-Line	NA	NA	NA	93.7%

Historical Sales & Occupancy Cost

In-line mall sales averaged $438 per square foot for the twelve months ending June 2012, at an occupancy cost of 15.9%; the TTM sales represent a 5.0% and 12.6% increase over year end 2011 and 2010 sales, respectively.

Morningstar underwrote occupancy cost adjustments for certain in-line and lifestyle tenants. (See notes to Morningstar financials on page 11 for more details.)

Tenant Sales and Occupancy Costs History				
	2009	2010	2011	TTM June 2012
In-Line Tenant Sales PSF	$369	$389	$417	$438
In-Line Tenant Occupancy Costs	16.7%	15.8%	15.3%	15.1%

Tenant Overview

Clackamas Town Center is anchored by Macy's, Macy's Home Store, Nordstrom, JC Penney, and Sears. Combined, the anchor tenants occupy 774,842 square feet, or 55% of the total mall square footage. The anchors range in size from 119,309 to 198,935 square feet. The top 10 collateral tenants comprise 37.2% of the collateral by size and 30.4% of the scheduled base rent, inclusive of rent steps taken through March 2013. The following table presents size, base rent and lease expiration data for the 10 largest collateral tenants.

Morningstar Tenant Overview Table (Top 10)						
Tenant	**Net Rentable Square Feet**	**% of Square Feet**	**Base Rent Amount**	**Base Rent $ Square Foot**	**% of Base Rent**	**Lease Expiration**
Century Theaters	70,752	11.2%	$1,910,304	$27.00	9.8%	Dec-22
Forever 21	33,597	5.3%	$999,847	$29.76	5.1%	Jul-22
Barnes & Noble	31,951	5.1%	$530,067	$16.59	2.7%	Jan-17
REI	28,993	4.6%	$666,839	$23.00	3.4%	May-17
H&M	15,726	2.5%	$400,541	$25.47	2.1%	Jan-22
Kitchen Kaboodle	12,717	2.0%	$155,402	$12.22	0.8%	Dec-17
Phagans	12,011	1.9%	$323,937	$26.97	1.7%	Oct-20
Claim Jumper	11,808	1.9%	$356,365	$30.18	1.8%	Feb-27
RAM Restaurant	9,000	1.4%	$328,500	$36.50	1.7%	Dec-22
Victoria's Secret	8,224	1.3%	$250,832	$30.50	1.3%	Jan-17
Top 10 Subtotal	**234,779**	**37.2%**	**5,922,634**	**$25.23**	**30.4%**	

Century Theaters – Century Theaters is part of Cinemark Holdings, Inc. (NYSE: CNK). The company is a leader in the motion picture exhibition industry with 461 theaters and 5,207 screens in the U.S. and Latin America as of June 2012. The company's circuit is the third largest in the U.S. with 300 theaters and 3,925 screens in 39 states. The company ranked either #1 or #2 by box office revenues in 24 of their top 30 markets as of December 31, 2011. Including Clackamas, the company operates three theaters between Portland and Beaverton, Oregon. For the years ending 2009 through 2011 and for the twelve months ending June 2012, the tenant has experienced period-over-period sales growth at the subject. For the TTM ending June 2012 the tenant achieved sales of $441,293 per screen.

Forever 21 – Founded in 1984, this fast-growing retailer operates about 500 stores under the Forever 21, XXI Forever, Love 21, and Heritage 1981 banners throughout North America, Asia, the Middle East, and the UK, as well as via an e-commerce site. The chain, which helped to pioneer fast fashion, offers cheap and chic apparel and accessories for women, men, teens, and kids. It also carries women's footwear, lingerie, plus sizes, and cosmetics, all at bargain basement prices. Most of Forever 21's wares are private label and about 60% of its apparel is manufactured in China. Including Clackamas Town Center, the company operates four stores in the Portland MSA. Forever 21 recently expanded at the subject from 7,100 to 33,597 square feet. The new store is presently the largest Forever 21 in the state of Oregon. Sales have not been reported for the tenant's new space at the subject. But the fact that the company chose to expand by almost fivefold suggests the tenant has performed very well at the subject.

Barnes & Noble - Barnes & Noble, Inc. (NYSE: BKS) is a content, commerce and technology company that provides customers access to books, magazines, newspapers and other content across its multi-channel distribution platform. As of July 28, 2012, the company operated 689 retail bookstores in regional shopping malls, major strip centers and freestanding locations in 50 states, and 667 college bookstores serving more than 4.6 million students and faculty members at colleges and universities across the U.S. The company also operates a Web eCommerce site, which includes the development of digital content products and software. Through Barnes & Noble's NOOK eReading product offering, customers can buy and read eBooks on the widest range of platforms. Barnes & Noble operates in three segments: B&N Retail, B&N College and B&N.com. Including the store at Clackamas, the company operates four stores between Portland and Beaverton, Oregon. For the years ending 2009 through 2011 and for the twelve months ending June 2012, the tenant achieved sales of between $295 and $304 per square foot at the subject location.

Lease Expiration and Rollover

The rent roll exhibits limited rollover exposure over the next several years. However, rollover exposure is elevated in 2017 when 26 tenants representing 126,656 square feet, 20.1% of the collateral NRA, are scheduled to expire. Three tenants account for 58% of the 2017 rollover: Barnes & Noble, REI and Kitchen Kaboodle. Rollover exposure is also elevated in 2022, the maturity year of the loan. Fourteen tenants representing 160,001 square feet, 25.3% of the collateral NRA, are scheduled to expire in 2022. Three tenants account for 75% of the 2022 rollover: Century Theaters, Forever 21 and H&M.

Morningstar Lease Expirations by Tenant Category - Square Feet Expiring by Year						
	MTM	**2012**	**2013**	**2014**	**2015**	**2016**
Inline	0	9,201	27,112	37,226	23,402	25,982
Inline – Jewel	0	0	847	5,650	1,880	0
Inline – Mob	0	0	4,082	0	967	0
Kiosk	0	0	0	0	160	0
Lifestyle	0	0	2,765	0	0	0
Major	0	0	0	0	0	0
Outparcel	0	0	0	0	0	0
Shadow Anchor	0	0	0	0	0	0
Temp Tenant	0	9,986	18,826	2,870	0	0
Total	**0**	**19,187**	**53,632**	**45,746**	**26,409**	**25,982**
% Roll	**0.0%**	**3.0%**	**8.5%**	**7.2%**	**4.2%**	**4.1%**

Co-Tenancy and Termination Option Risk

Several tenants at Clackamas Town Center, including eight of the top ten largest by square footage, have leases that include co-tenancy clauses. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as the right to reduce rent or "go dark". A review of the top 10 tenants did not reveal any material concerns. The largest tenants with co-tenancy clauses in their leases are shown below.

Century Theaters (11.2% of NRA) - Tenant has right to reduced rent if the co-tenancy level falls below 75%. Reduced rent is the lesser of (i) 7.5% of gross sales or (ii) the base rent otherwise due, plus the tenant's pro rata share of real estate taxes. The co-tenancy calculation excludes the tenant's square footage and leased space is exclusive of temporary or seasonal tenants. Additionally, the tenant has a co-tenancy early termination option if occupancy fails to meet certain conditions for 24 consecutive months. If two or more "Majors" (definition not provided) are open and operating for business then the co-tenancy level is 65%; if only one of the Majors is open and operating for business then the co-tenancy level is 75%. If none of the Majors are open and operating for business the tenant's termination option is in effect regardless of occupancy.

Forever 21 (5.3%) - Tenant has right to reduced rent if for a period of six months or more (i) less than four anchors are open and operating for business, or (ii) less than 80% of the enclosed portion of the shopping center (excluding anchors) is occupied and open for business. For each month thereafter that these conditions persist and until cured, the tenant may elect to pay substitute rent in the amount of 9% of tenant's net sales, plus reimbursement of utilities and trash. If such conditions are not cured within 18 months, tenant shall have the right to terminate the leases within 30 days of the expiration of the 18th month by providing written notice to landlord upon 90 days written notice.

Barnes & Noble (5.1%) - If the leasable square footage is less than 65% occupied (excluding tenant's premises) for six months or more, and/or fewer than three department stores are open and operating for business, and are not replaced within six months, then tenant's rent is reduced by half (1/2) and in addition, the tenant may terminate the lease with written notice. In the event tenant terminates the lease, the landlord is obligated to pay any unamortized improvement costs incurred by tenant.

REI (4.6%) - If Macy's, JC Penney, Nordstrom and 75% of the small shop space fail to remain open and operating for business for at least 40 hours per week for 30 consecutive days (the "Continuing Co-Tenancy Condition") the tenant has the option to (i) cease operating its business with all charges payable under the lease abated or (ii) have the option to pay 50% of the fixed rent until the Continuing Co-tenancy Condition has been satisfied. If the Continuing Co-tenancy Condition is not satisfied within six months, then the tenant may terminate the lease upon written notice. (Morningstar Note: It is unclear if the lease provides language permitting replacement tenants for Macy's, JC Penney and Nordstrom. We were only provided co-tenancy language specifically naming these tenants.)

H&M (2.5%) - If less than four anchors or less than 85% of the gross leasable area is open, the related tenant may pay alternate rent of 6% net sales. If conditions persist for 12 months, then the related tenant may terminate.

Kitchen Kaboodle (2.0%) - If less than 75% of the gross leasable area [of the East/West Village] is open for six months, then the related tenant may terminate upon payment to Clackamas Borrower of unamortized portion of tenant improvement .

Other Top 10 Tenants with Co-Tenancy Clauses: RAM Restaurant & Brewery (no termination provision) and Victoria's Secret

Market Overview

Located on the Pacific Rim, linking Oregon and Washington, the Portland-Vancouver Metropolitan Statistical Area (MSA) is a strategic West Coast hub for trade, commerce and travel in the U.S., Asia, Mexico and Europe. The Portland PMSA is the 23rd largest metro area in the country, and the eighth largest in the 11 western states.

Employment in the Portland-Vancouver MSA is concentrated in government, education and health services, professional business services, and manufacturing, representing 14.8%, 14.5%, 13.4% and 11.2% of the total, respectively. Intel Corporation (15,228 employees), Providence Health Systems (13,831 employees), Oregon Health & Science University (13,283 employees), Fred Meyer Inc. (9,630 employees) and Kaiser Permanente (9,204 employees) are the five largest employers in the Portland Vancouver MSA.

As noted above, Intel maintains a large presence in the MSA, specifically in Hillsboro, Ore. on the west side of the Portland metropolitan area. Intel reportedly is the largest private employer in the state and in 2010 announced plans to open a new 1.8 million-square-foot manufacturing plant and invest $8 billion upgrading two existing plants (completed in 2011) with the prospect of further expansion in the future. The new plant and the upgrades will create 800-1,000 new manufacturing and research jobs over the next several years as well as 6,000 to 8,000 construction jobs. Moreover, this new plant is expected to generate, directly and indirectly, thousands of new jobs. A recent report estimates that for every 10 jobs created at Intel, another 31 jobs are created somewhere else in the community.

Clackamas Town Center is in Happy Valley, a southeastern suburb of Portland located in Clackamas County. The subject site is situated about seven miles southeast of the Portland Central Business District and 13 miles south of Portland International Airport (PDX). The property is located at the intersection of SE Sunnyside Road and Interstate 205. Office uses are intermixed, with Kaiser Permanente Sunnyside medical facility and the Monarch Hotel and Conference Center, east of Interstate 205. However, with more than 2 million square feet of space in the local area, retail is the predominant use. And, at roughly 1.4 million square feet, Clackamas Town Center accounts for the vast majority of the retail square footage. Across the street from Clackamas Town Center is the 425,000-square-foot Clackamas Promenade. Anchored by Cost Plus, Kohls, Nordstrom Rack, Old Navy, Sports Authority and Target, Clackamas Promenade is a significant presence in the local area. The area serves as the primary shopping destination for the east Portland MSA and is generally built-out and has limited land available for additional development. Outside of the immediate neighborhood, the area surrounding the Clackamas Town Center is primarily comprised of single-family and multifamily residential properties.

Interstate and light rail access creates a large trade area for Clackamas Town Center that has a population of about 1.1 million. The estimated 2012 population within a one-, three- and five-mile radius of the property was 11,902, 114,090, and 282,305, respectively. The estimated 2011 population within a seven-mile radius of the property was over 500,000. The estimated 2012 average household income within a one-, three- and five-mile radius of Clackamas Town Center is $54,347, $65,712, and $66,014, respectively.

Competitive Property Summary

As of the fourth quarter of 2011, CBRE reported retail supply totaling about 47.2 million square feet throughout the Portland MSA, with the Clackamas submarket making up 8%, or 3.7 million square feet, of this total. Market-wide the average rent and vacancy rate was $18.64 and 7.2% compared to submarket averages of $19.49 and 5.3%. Of greater relevance than aggregated markey statistics, which include data from neighbor and community shopping centers, are the three major malls that compete directly with the subject property. These include Washington Square in Tigard, Lloyd Center in Portland and Westfield's Vancouver Mall in Vancouver, Washington. All of Clackamas's primary competitors are of similar size and vintage, and each has a similar lineup of anchor tenants. As shown in the table below, the subject competes very well within its competitive set.

Summary of Primary Retail Competition							
Property (Owner)	**Location/Market**	**Distance from Subject**	**Mall Type Year Built**	**GLA**	**Anchors**	**Occ**	**Est. Mall Shop Sales/SF**
Subject Center	Happy Valley, OR	-	Regional Mall 1981	1.4 MSF	Macy's, Macy's Home, Nordstrom, JC Penney, Sears, Century Theaters	95%	$438/SF
Washington Square (Macerich)	Tigard, OR	10 miles west	Regional Mall 1973	1.5 MSF	Macy's, Nordstrom, JC Penney, Sears, Dicks	96%	$600/SF
Lloyd Center (Glimcher)	Portland, OR	7 miles NW	Regional Mall 1960	1.4 MSF	Macy's, Nordstrom, Marshalls, Sears,	94%	$345/SF
Westfields Vancouver Mall (Westfield Group)	Vancouver, OR	15 miles north	Regional Mall 1977	1.0 MSF	Macy's, Nordstrom, JC Penney, Sears, Cinetopia	NA	$350/SF

Third Party Reports

Appraisals

An appraisal report, prepared by an independent third-party appraisal firm (CBRE), was reviewed as part of Morningstar's analysis. The appraised value is dated August 12, 2012 and was estimated to be $370,000,000, or $586 per square foot (based on 631,537 square feet).

Property Condition

A Property Condition Report (PCA) for the property was prepared by Property Solutions Inc. (dated August 20, 2012) and was reviewed as part of Morningstar's analysis. The PCA identified a negligible amount of deferred maintenance items ($90,985) and provides a schedule of long-term capital expenditure needs. Replacement Reserves estimated by the engineer equates to $173,832, per year (on an uninflated basis).

Environmental

A Phase I Environmental Site Assessment (ESA) was prepared by Property Solutions Inc. (dated August 24, 2012) and was reviewed as part of Morningstar's analysis. The assessment revealed no evidence of recognized significant environmental conditions (RECs) identified by the environmental engineer and no further investigation is currently recommended.

Seismic

A Seismic Risk Analysis was prepared by Property Solutions Inc. (dated August 20, 2012) and was reviewed as part of Morningstar's analysis. The subject is located in Seismic Hazard Zone 3 in accordance with the Seismic Zone Map dated 1997 as produced by the Uniform Building Code. Seismic Zone 3 is an area where the probability of damaging ground motion is high. Zone 3 possesses a maximum acceleration of 0.21g. The composite loss estimate associated with a 50 percent probability of non-exceedance can be regarded as a scenario expected loss (SEL_{475}), and is equal to 4% of the building replacement cost. The damage estimates correspond to the Light Damage State and the buildings are not expected to lose their ability to safely support gravity loads.

Morningstar Analysis – Clackamas Town Center

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

Morningstar Estimates of Revenue

Morningstar's *Gross Potential Rent (GPR)* is based on in-place rental income as of the rent roll dated July 31, 2012 and includes scheduled rent steps through March 2013. Morningstar's rental income includes six recently executed in-line leases that have start dates after September 15, 2012. These six leases total 12,543 square feet and account for $756,252 of our underwritten base rent.

Morningstar's concluded market rents are based primarily on an analysis of recent leasing activity at the subject with downward occupancy cost adjustments made for in-line and lifestyle tenants. We also analyzed the appraiser's concluded market rents to assess the reasonableness of our own rent conclusions. As a point of reference, Morningstar's concluded GPR, before the aforementioned occupancy costs adjustments, is 0.1% lower ($22,000) than the appraiser's GPR.

Vacancy – Morningstar marked vacancy from in-place towards our estimation of market vacancy. Morningstar's estimate of market vacancy for all tenant categories except for the Lifestyle category is based on an average vacancy of the past three reporting periods, including year-end 2010 and 2011, and the TTM June 30, 2012. The average vacancy over the past three reporting periods is 9.9%. Regarding "Lifestyle" space, 35,842 square feet of shell space has never been occupied since the completion of the aforementioned 2007 expansion. As a result, Morningstar underwrote the shell space as static vacancy.

Summary of Rent and Vacancy in Tenant Space						
	Rentable Area (Sq. Ft.)		In-Place Rent Roll		Morningstar Estimate	
	Collateral	% Total	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Per Sq. Ft.
In-line	268,328	42.5%	7.4%	$41.85	8.3%	$40.26
In-line - Jeweler	11,379	1.8%	0.0%	89.74	3.7%	89.00
In-line - Mobile	5,049	0.8%	0.0%	74.87	3.7%	74.87
Kiosk	160	0.0%	0.0%	254.95	3.7%	254.95
Lifestyle	144,413	22.9%	24.8%	29.71	24.8%	28.83
Major	152,026	24.1%	0.0%	25.26	3.7%	26.44
Outparcel	18,500	2.9%	0.0%	30.61	3.7%	30.45
Temp Tenant	31,682	5.0%	0.0%	0.00	3.7%	0.00
Total	**631,537**	**100.0%**	**8.83%**	**$33.81**	**9.9%**	**$33.22**

Please note that the Morningstar Estimate provided in the above table is exclusive of our occupancy cost adjustments. Morningstar's occupancy cost adjustment is taken as a separate line item under other income.

Expense Reimbursement – Calculated based on the loan issuer's reimbursement ratio of 105.1%, which is lower than the historical average.

Percentage/Overage Rent – Underwritten to the TTM June 30, 2012 actual overage rent. Underwriting does not include percentage rent, which is included in the historical result. There are no longer any tenants paying percent in lieu of fixed rent.

Specialty Rent – Specialty rent was underwritten based on the average of four reporting periods. Morningstar's underwritten amount is $220,000 below the appraiser's estimate.

Other Income – Includes rental income from storage space, advertising revenue, service fees to tenants, gift card income, vending, photo income and other rental income. Other income is underwritten in line with TTM June 30, 2012.

Occupancy Cost Adjustment (18%) – Occupancy cost adjustments are taken for the In-line and Lifestyle tenant categories (excluding jewelry and mobile device stores). In determining which leases were eligible for an occupancy adjustment, consideration was given for tenant size, length of occupancy at the mall, market rent and in cases where sales exceeded certain thresholds. We typically use an 18% occupancy cost threshold on in-line tenants smaller than 10,000 square feet.

Expenses

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

Real Estate Tax – Based on the current tax bill

Insurance – Based on actual premiums

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

Utilities and Security – Based on the borrower's budget

Repairs & Maintenance – Based on the appraiser's estimate

Tenant Improvements & Leasing Commissions – Tenant improvements are based on 40% of the Morningstar concluded market rent per tenant category for new leases and 20% for renewals. The Kiosk tenant category was excluded from Morningstar's underwritten tenant improvement allowance. Leasing commissions are based on 5% for new leases and 2.5% for renewal leases. Morningstar's underwritten TI/LC is based on a global 65% renewal probability.

Valuation Drivers

Morningstar has estimated the value of the asset based upon the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail and office sector in each region and major metropolitan areas based upon a review of investor surveys including the Real Estate Research Council, PWC Real Estate Investor Survey (Korpacz), as well as a review of research and comparable sales information provided by Real Capital Analytics. The concluded Morningstar capitalization rate was 7.3%, resulting in a value of $299.0 million ($473 psf).

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

Clackamas Town Center	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 06/30/12	Issuer Underwriting
Income					
Gross Potential Rent	$20,978,560	$16,185,000	$17,687,000	$17,827,000	$21,874,435
Less: Vacancy Loss (GPR)	(2,157,046)	(43,000)	(378,000)	(300,000)	(2,406,104)
Less: Concessions	0	0	0	0	0
Less: Collection Loss	0	0	0	0	0
Base Rent/Net Effective Rent	**$18,821,514**	**$16,142,000**	**$17,309,000**	**$17,527,000**	**$19,468,331**
Expense Reimbursement	$10,822,851	$10,494,110	$10,139,050	$10,193,283	$10,653,811
Percentage/Overage Rent	590,385	836,000	698,000	623,000	590,385
Specialty Rent	3,250,000	3,071,460	3,385,696	3,521,720	3,250,000
Other Income 1	342,000	314,833	349,427	341,584	342,000
OC Adjustment	(265,991)	0	0	0	0
Less: Vacancy Other Incomes	(62,008)	n/a	n/a	n/a	n/a
Effective Gross Income	**$33,498,750**	**$30,858,403**	**$31,881,173**	**$32,206,587**	**$34,304,527**
Expenses					
Real Estate Taxes	$3,353,374	$3,643,000	$2,839,000	$3,239,000	$3,353,374
Property Insurance	209,793	169,000	164,000	156,000	209,793
Utilities	1,461,000	1,410,000	1,440,000	1,371,000	1,461,000
Repairs and Maintenance	1,247,577	1,180,000	1,233,000	1,158,000	1,182,000
Security	947,000	900,000	934,000	946,000	947,000
Management Fees	1,004,963	0	0	0	946,029
Payroll & Benefits	0	0	0	0	0
Common Area Maintenance	988,344	1,034,000	938,000	909,000	937,000
Advertising & Marketing	416,970	320,000	379,000	355,000	427,000
Professional Fees	0	0	0	0	0
General and Administrative	440,437	529,000	371,000	413,000	442,000
Non-Reimbursable Expenses	0	0	0	0	0
Other Expenses 1	229,596	160,000	120,000	305,000	233,000
Market Expense Adjustment	0	0	0	0	0
Total Operating Expenses	**$10,299,054**	**$9,345,000**	**$8,418,000**	**$8,852,000**	**$10,138,195**
Net Operating Income	**$23,199,696**	**$21,513,403**	**$23,463,173**	**$23,354,587**	**$24,166,332**
Capital Items					
Leasing Commissions	$664,025	$0	$0	$0	$496,107
Tenant Improvements	536,848	0	0	0	355,837
Capital Expenditure / Reserve	173,832	0	0	0	173,832
Total Capital Items	**$1,374,705**	**$0**	**$0**	**$0**	**$1,025,776**
Credit for Upfront DSCR Escrow	$0	$0	$0	$0	$0
Net Cash Flow	**$21,824,991**	**$21,513,403**	**$23,463,173**	**$23,354,587**	**$23,140,555**

Loan Summary – Clackamas Town Center

Bank of America N.A. funded a 10-year, fixed-rate $216.0 million interest-only loan to Clackamas Mall L.L.C., an entity indirectly owned by General Growth Properties, Inc. (GGP) and Teachers' Retirement System of the State of Illinois (TRS). The loan is evidenced by a single promissory note and is secured by a first-priority lien on 631,537 square feet of the 1.40-million-square-foot Clackamas Town Center, a super-regional mall in Happy Valley, Ore. The loan will mature on October 1, 2022. The proceeds of the loan will be used to refinance the existing $201.0 million senior mortgage encumbering the property, return roughly $12.6 million in equity to the sponsor, and fund reserves and pay closing costs. The existing loan was originated by Prudential and is scheduled to mature on October 5, 2012.

Borrowers/Sponsors

The borrower on the Clackamas Town Center loan is Clackamas Mall L.L.C., a Delaware limited liability company structured as a bankruptcy-remote, special-purpose entity. The organizational documents of the borrower contain requirements that there be two independent managers whose vote is required for certain bankruptcy matters. The Sponsor is GGP-TRS L.L.C., a joint venture between General Growth Properties, Inc. and Teachers' Retirement System of the State of Illinois. The members each own an indirect 50% interest in the mortgage borrower, and GGP is the managing member. GGP-TRS L.L.C. is also the recourse carve out guarantor under the Clackamas Town Center Loan and a co-indemnitor under the environmental indemnity with respect to the Clackamas Town Center Loan. This entity owns several other regional malls, including Whalers Village, Kenwood Towne Centre, Florence Mall, and Galleria at Tyler. The sponsor acquired the property in 2002 for $157 million and invested an additional $95 million in 2007 for a comprehensive redevelopment and expansion.

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

Teachers' Retirement System of the State of Illinois (TRS) is a public pension benefit plan that provides retirement, disability, and survivor benefits for Illinois public school teachers, administrators, and personnel. Funded by contributions from members, employers, and the State of Illinois, as well as by investment income, TRS as of March 31, 2012 manages $37.03 billion in assets and as of March 31, 2012 has a total real estate allocation of approximately $4.4 billion.

Loan Features/Concerns

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

Additional Indebtedness

The Clackamas Town Center property is not encumbered by any additional mortgage debt, nor has the borrower pledged any portion of its interests to secure mezzanine debt. The Clackamas loan documents include limitations on the borrower's ability to incur additional indebtedness. Additional debt is limited to the following: (a) trade and operational debt incurred in the ordinary course of business with trade creditors in amounts as are normal and reasonable; (b) obligations under the reciprocal easement agreement that are not yet due and payable, (c) real estate taxes; and (d) capital expenditures that are not yet due and payable; provided that, the aggregate amount of the indebtedness described in clause (a) above may not exceed at any time $10.6 million.

Prepayment / Defeasance

The borrower is not permitted to voluntarily prepay the mortgage loan in whole or in part prior to the payment due date in May 2022. On or after the due date in April 2022, the mortgage loan may be prepaid in whole but not in part without a fee or prepayment premium. The borrower may defease the loan in whole but not in part starting two years after the loan closing date.

SPE and Bankruptcy Remoteness

The borrower is required under the loan documents and its organizational documents to maintain itself as a single purpose entity generally limited in its activities to ownership and operation of the respective mortgaged property. The loan documents and borrower" organizational documents also include limitations on the borrower's ability to incur additional indebtedness and additional covenants regarding the borrower's separateness from other entities. While the borrower is generally limited in incurring additional indebtedness, the loan allows for broader and/or higher thresholds of permitted debt than may be customary. The borrower is also required to have independent managers whose consent is required for certain bankruptcy matters. Although the loan documents and organizational documents require the borrower to comply with certain covenants relating to the borrower's separateness, and the borrower makes certain representations regarding its previous existence, the borrower 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 borrower was provided. While single purpose entity borrowers are intended to lessen the possibility that a borrowers' financial condition would be adversely impacted by factors unrelated to the mortgaged property and the mortgage loan, there is no assurance that such borrower will not nonetheless become part of a bankruptcy proceeding. In addition, General Growth Properties, Inc., which indirectly owns half the interests in the borrower, filed for Chapter 11 bankruptcy in April 2009 and emerged from bankruptcy in November 2010.

The borrower is permitted to convert its organizational type without lender's consent provided that the borrower, at all times while the loan is outstanding, complies with the single purpose entity provisions of the loan documents. A new nonconsolidation opinion is not required, however, the borrower is required to deliver an opinion reasonably acceptable to the lender that such change in organization type will not adversely impact the enforceability of the single purpose entity provisions as of the date of such change of organizational type.

Collateral Releases

In addition to defeasance, the Clackamas borrower may obtain releases, subject to certain conditions, if such release parcels are vacant, non-income producing and generally unimproved (unless waived by the lender) or if such release parcel is a parcel acquired after closing.

Repurchase Obligation

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

Reserve Accounts

Clackamas Leasing Reserve Fund

On the closing date, the Clackamas borrower deposited $1,253,588 into the Clackamas Leasing Reserve Fund. On each due date on which the Clackamas Town Center loan debt service coverage ratio falls below the Clackamas DSC Trigger Threshold (1.65x), and until the Clackamas Town Center loan debt service coverage ratio is equal to or greater than the Clackamas DSC Exit Threshold (1.75x), or if the amount on deposit is not less than $1,578,842, the Clackamas borrower will deposit into the Clackamas Leasing Reserve Fund the lesser of $65,785 or the amount necessary to bring the balance on deposit equal to $1,578,842 from which the lender will make disbursements to directly pay for or reimburse the borrower for tenant improvements and leasing commission obligations.

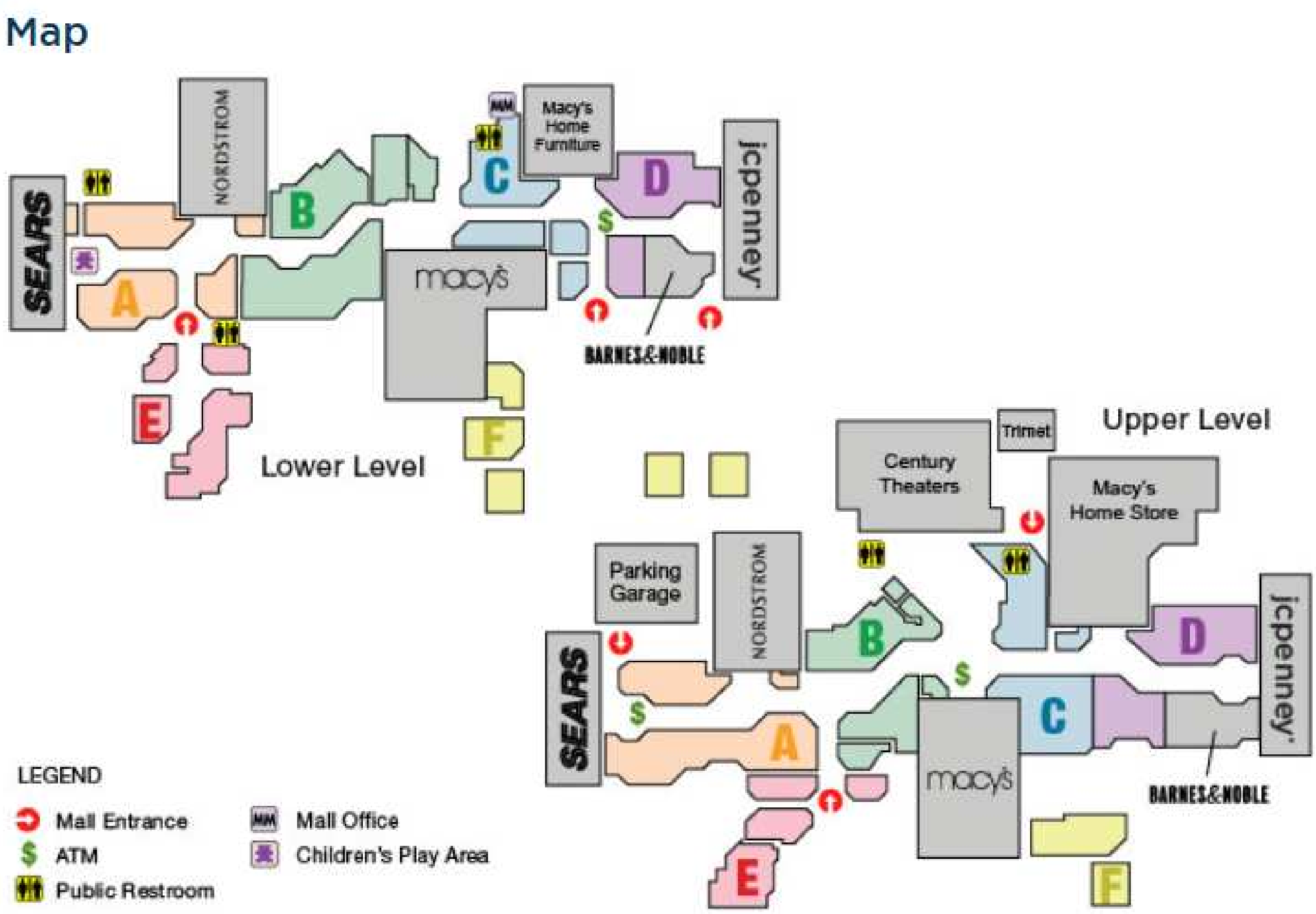
The Clackamas loan borrower was not required to make any initial deposits at the time of loan closing into the tax escrow fund, insurance escrow fund, or replacement reserve fund. However, on each due date, if the Clackamas Town Center loan debt service coverage ratio falls below 1.65x, the borrower will deposit into:

(1) the **Tax Escrow Fund** , an amount equal to 1/12th of the annual taxes and assessments estimated by the lender to be payable with respect to the Clackamas Property during the immediately succeeding 12 months;

(2) the **Insurance Escrow Fund** an amount equal to 1/12th of the annual insurance premiums estimated by the Lender to be payable during the next ensuing 12 months for the renewal of the insurance policies required to be maintained under the loan documents (provided, however, Clackamas Insurance Escrow Fund payments will be suspended so long as the property is covered by a blanket policy acceptable to the lender); and

(3) the **Replacement Reserve Fund**, if the amount on deposit is not less than $358,902.40, the lesser of $14,954.97 or the amount necessary to bring the balance on deposit equal to $358,902.40, for capital expenditures and other replacements and repairs at the property.
If the Clackamas DSCR is equal to or greater than 1.75x based on the previous 12 months (the Clackamas DSC Trigger Exit Threshold), funds on deposit in the Clackamas Tax Escrow Fund, Insurance Escrow Fund and Replacement Reserve Fund will be released to the borrower.

Clackamas Town Center – Site Plan & Pictures



Clackamas Town Center Exterior Entrance

Multi-level Parking Garage

Barnes & Noble

Lifestyle Component

Interior Mall Corridor

Interior – Second Floor

Interior Mall Corridor

Lifestyle Tenant - REI

Loan 2: Sunvalley Shopping Center

Morningstar Perspective

Sunvalley Shopping Center, including non-collateral anchor tenants, is a 1.46 million-square-foot super-regional mall located in Concord, California, 20 miles east of Oakland. Of the total 1.46 million square feet, roughly 1.21 million square feet serves as collateral for the subject loan. The property offers four traditional mall anchor tenants and two non-traditional anchors: Safeway and Nordstrom Rack. The collateral anchors are Macy's, Macy's Men, and J.C. Penney. Originally constructed in 1967, the property was renovated and expanded in 1990/1991. The sponsor is a joint venture between The Taubman Realty Group Limited Partnership and trusts controlled by A. Alfred Taubman. The mall is owned by Taubman Centers, Inc. (Taubman), a REIT that owns, operates and manages retail properties throughout the country with a focus on dominant regional retail malls. Taubman's portfolio of regional and super-regional malls is among the most productive in the nation, with 2011 sales averaging $641 per square foot.

The subject property is currently undergoing an exterior and interior renovation. The renovation includes improved exterior landscaping, updated vehicular entrances and signage, exterior lighting, and replacement of dated interior amenities (garbage cans, interior plantings, and seating areas) throughout the concourse areas. The total cost of the capital expenditures is expected to exceed $9.5 million and this work is expected to be completed by mid-2013. The borrower is also redeveloping a former Mervyn's outparcel at an anticipated cost of $3.8 million. A new 58,000-square-foot Safeway opened in February 2012 in part of the outparcel space. The sponsors recently signed a new lease with Nordstrom Rack to take the balance of the space formerly occupied by Mervyn's. Work will begin on the Nordstrom Rack space in October 2012 and is expected to be completed by mid-2013.

Morningstar toured the Sunvalley Shopping Center on September 6, 2012. The area surrounding Sunvalley comprises an older, established commercial and residential area of the overall submarket along the Interstate 680 corridor. The general local area has a mix of commercial and residential uses, which include the subject property, strip retail uses very close to the subject, and a substantial amount of residential development to the south and west. We found the property to be in good condition with no obvious deferred maintenance. Based on our site visit, we have assigned a property score of "3" or average.

Morningstar considers the Sunvalley Shopping Center to be the dominant mid-price retail center in its trade area and expects it to be a consistent and stable performer over the term of the loan. We are encouraged by the improving sales performance at the property as well as the good tenant mix. The location is an established commercial and retail area and recent changes in the competitive landscape have allowed the mall to emerge as perhaps the strongest mid-price shopping mall in Contra Costa County. We have some concerns over the upcoming lease rollover of the anchor tenants, but we consider the risks to be adequately mitigated, partly by the property's strong sales growth trends and partly by the health of the local economy and retail market. The mall has maintained a relatively strong level of occupancy and sales despite the recent recession. In-line sales increased in each of the past three reporting periods; comparable in-line sales are a healthy $453 (trailing twelve months as of June 30, 2012) per square foot, 7.9% higher than in 2010. We reviewed sales for major tenants and found that many of the tenants including Forever 21 and H&M all had sales above their respective national chain averages. Of the tenants with weaker sales numbers, we considered only Sunglass Hut as a near-term risk to vacate given their high occupancy costs and near-term lease expiration. Other tenants with lower chain sales either do not have imminent lease expirations or are in renewal negotiations with the sponsor.

Morningstar's analysis resulted in a relatively low loan-to-value of 67.1% on the total debt amount of nearly $190 million. Our net cash flow includes credit for contractual rent increases over the next 12 months, as well as income from tenants who have executed leases but have not yet taken occupancy of their leased space. We have marked down the rents of 11 in-line tenants with high occupancy costs. Although our underwritten net operating income is $679,000 higher than the reported NOI for the trailing 12 months ended June 2012, we note that our underwriting includes the new lease for Nordstrom Rack whose annual base rent is $1.24 million.

Our term DSCR and debt yield are 1.87x and 11.3%, respectively, based on the Morningstar net cash flow of almost $21.5 million. Given the strong Morningstar DSCR, debt yield, high current and historical occupancy and consistently strong sales, there is a high likelihood the loan will not only reach maturity, but get take-out financing at the end of the term.

The Bears Say – Sunvalley

- The national economic downturn of 2008 and 2009 had a greater impact on the San Francisco metropolitan statistical area (MSA) than on many areas of the country and thus far the recovery is proceeding at a slower pace. In particular, although many areas suffered declines in employment over the last decade, the San Francisco MSA underperformed California with respect to employment growth. Any further erosion in the region's economic conditions could adversely affect the property's cash flow and value.

- All three of the owned anchors have leases that roll during the loan term. This risk is mitigated by the fact that all three of the rolling anchors have occupied their spaces for more than 30 years, all have renewal options at favorable rental rates, and all currently pay below market rental rates. J.C. Penny's at Sunvalley is reportedly one of the best performing stores in Northern California and Macy's is one of the best performing Macy's women's stores in the Northwest U.S. Both of these tenants have been at the property since it was developed in 1967.
- A number of the leases contain co-tenancy clauses that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark". A review of the top 10 tenants (by percentage of base rent), as well as any other tenant with at least 25,000 square feet or more did not reveal any material concerns.

The Bulls Say – Sunvalley

- For the trailing twelve months ending (TTM) June 30, 2012, the mall reported sales of over $275 million (including non-collateral anchors); in-line tenant sales (<10,000 square feet) were $453 per square foot for the same period.
- Outparcel Redevelopment – The sponsors are in the process of redeveloping a former Mervyn's stand-alone outparcel box. A 58,000-square-foot Safeway opened in February 2012 and the sponsors have signed a new lease with Nordstrom Rack to take the 47,000-square-foot balance of the space. The presence of the two new outparcel anchors is expected to enhance the shopping experience at the property and increase foot traffic. The on-site management representative reported that the property has already experienced an increase in foot traffic since Safeway's opening earlier this year.
- The property is in the Central Contra Costa area and anchors the retail and commercial activity in Concord. Proximity to Interstate 680 and Highway 4 expand the trade area and provides the property easy access to high traffic volume. According to the borrower, the property trade area has a population of over 1.2 million people and an average household income of $104,000.
- Strong loan metrics: the Morningstar LTV, debt yield and DSCR are 67.1%, 11.31% and 1.87x, respectively.
- Sales have been healthy at the property over the last three reporting periods. From 2010 to trailing twelve months (TTM) June 2012, inline sales grew from $419 to $453 per sq. ft., a 7.4% increase. J.C. Penney's reported sales of $28.1 million is almost double their national average, and both Macy's and Macy's Men both have sales levels that slightly exceed their national averages.
- Occupancy costs for inline tenants are 17.1% based on sales figures for the TTM ended June 30, 2012.
- The property has exhibited strong leasing momentum over the last 18 months, including leases to Safeway (58,495 square feet) and Nordstrom Rack (47,475 square feet).

Property / Collateral Summary – Sunvalley Shopping Center

The Sunvalley Shopping Center is a 1.46 million-square-foot, one- and two-story super-regional mall in Concord, California, 20 miles east of the Oakland CBD. Owned gross leasable area comprises 1,205,451 square feet, which excludes any non-owned anchors. The center is anchored by Sears (240,869 square feet), which ground leases its store from a third party lessor, and J.C. Penney (215,769 square feet), Macy's (203,232 square feet) and Macy's Men (179,784 square feet), which are part of the collateral for the Sunvalley Shopping Center Loan. In addition to the aforementioned anchors, the center has a total of 146 junior-anchor and in-line tenants, including The Sports Authority, Safeway, Nordstrom Rack, Forever 21 and 24 Hour Fitness. The property offers 7,500 parking spaces located in a combination of surface lots and parking decks. As of July 2012, the center was 96.5% occupied and in-line occupancy was 93.5%. The Taubman Company LLC is the property manager for the Sunvalley Shopping Center.

The subject site is located in the northwest quadrant of Interstate 680 and Willow Pass Road, in the City of Concord, California, which is part of the Oakland PMSA. The overall development site contains a total of 78.12 acres. Included within the total site area are three parcels under ground lease agreements. The three parcels, totaling 346.0 acres, are ground leased by the mall partnership from Taubman Land Associates.

The property is located in the north central portion of the Oakland-Freemont-Hayward MSA, which would be the 21st largest MSA in the United States (11th largest with the inclusion of San Francisco). It's location on the I-680 corridor enables it to draw from the high-density residential areas to the north and from the downtown Oakland and San Francisco employment centers to the southwest. The property's primary trade area within a 10-mile radius exhibits higher-than-average household income of $102,292. This high household income is driven by the MSA's heavy concentration of technology and healthcare-related employers, as well as the high educational attainment of the area's residents. Oakland's economy, though moving closer to recovery, continues to face challenges. Both state and local unemployment numbers exceed the national average; however job losses have slowed, a signal that the economy is moving in the right direction. In February 2012, the metro had a jobless rate of 9.6%, down from its year ago unemployment of 10.8%, and from its peak of 11.7% in January 2010.

Morningstar toured the Sunvalley Shopping Center on September 6, 2012. The area surrounding Sunvalley comprises an older, established commercial and residential area of the overall submarket along the Interstate 680 corridor. The general local area has a mix of commercial and residential uses, which include the subject property, strip retail uses very close to the subject, and a substantial amount of residential development to the south and west. We found the property to be in good condition with no obvious deferred maintenance. Based on our site visit, we have assigned a property score of "3" or average.

The Property Condition Assessment did not identify any immediate repairs and the recommended replacement reserve was $3,283,872, inflated, which equates to $0.49 per square foot per year. The Environmental Site Assessment noted no Recognized Environmental Conditions at the subject property and "no further action" was concluded. The following table summarizes the collateral composition.

Collateral Summary: Sunvalley Shopping Center

	Total # Tenants	Total Mall Sq. Ft.	Collateral Sq. Ft.	% Owned	% Total Coll. Sq. Ft.	In-Place Rent	% Total Rent
Anchor	4	814,555	598,786	73.51%	49.67%	$ 198,000	0.97%
Junior Anchor	6	232,052	232,052	100.00%	19.25%	$ 5,787,333	28.40%
In-Line (5,001-10,000 sq.ft.)	21	152,087	152,087	100.00%	12.62%	$ 4,287,497	21.04%
In-Line (3,501-5,000 sq.ft.)	8	31,622	31,622	100.00%	2.62%	$ 992,049	4.87%
In-Line (2,001-3,500 sq.ft.)	27	71,689	71,689	100.00%	5.95%	$ 2,646,313	12.99%
In-Line (1,201-2,000 sq.ft.)	34	52,458	52,458	100.00%	4.35%	$ 2,562,047	12.57%
In-Line (1-1,200 sq.ft.)	30	26,859	26,859	100.00%	2.23%	$ 1,566,152	7.69%
Food Court	12	18,982	18,982	100.00%	1.57%	$ 1,028,381	5.05%
Kiosk	8	1,030	1,030	100.00%	0.09%	$ 690,251	3.39%
Other 3	6	114	114	100.00%	0.01%	$ 182,306	0.89%
Percentage Rent	3	12,645	12,645	100.00%	1.05%	$ -	0.00%
Jewelry	4	7,128	7,128	100.00%	0.59%	$ 437,761	2.15%
Total	**163**	**1,421,221**	**1,205,452**		**100%**	**$ 20,378,090**	**100%**

Tenant Overview

Morningstar Collateral Tenant Overview Table (Top Ten) - Sunvalley Shopping Center

Tenant Name	Occupied Sq. Ft.	% of Total Sq. Ft.	Rent Sq. Ft.	In -Place Rent	% of Total Rent	Lease Start	Expiration
J.C. Penney	215,769	17.9%	$0.28	$60,000	0.3%	Aug-67	Sep-17
Macy's	203,232	16.9%	$0.09	$18,000	0.1%	Oct-65	Aug-18
Macy's Men	179,784	14.9%	$0.67	$120,000	0.6%	Sep-79	Sep-14
Safeway	58,495	4.9%	$17.85	$1,044,363	5.1%	Aug-11	Sep-31
The Sports Authority	52,643	4.4%	$19.00	$1,000,000	4.9%	Jan-03	Feb-15
Nordstrom Rack	47,475	3.9%	$26.10	$1,239,098	6.1%	Aug-13	Aug-23
24 Hour Fitness	31,774	2.6%	$27.07	$860,000	4.2%	Aug-03	Feb-13
Forever 21	21,489	1.8%	$55.84	$1,200,000	5.9%	Feb-11	Feb-26
A'gaci / O Shoes	20,176	1.7%	$22.00	$443,872	2.2%	Oct-11	Feb-22
H&M	12,827	1.1%	$2.30	$29,533	0.1%	May-06	Feb-17
Totals / Weighted Avg.	**843,664**	**70.0%**	**$7.13**	**$6,014,866**	**29.5%**		

As shown above, the top five tenants represent 59.0% of the total collateral square footage and 29.5% of the base rent. JC Penney is one of the largest department store chains in the United States with more than 1,100 stores in 49 states and Puerto Rico. The company was founded in 1902 and is based in Plano, Texas. JC Penney Company, Inc.'s stock is traded on the NYSE under the ticker symbol "JCP" and Morningstar, Inc. assigns a rating of BBB- (Morningstar, Inc. ratings are not NRSRO ratings). Sales at this location for the trailing 12 months ending June 2012 were $28.1 million ($130 per square foot) which is almost double the chain average of $14.7 million (although below the sales per square foot average). J.C. Penny has two five-year renewal options available at the current rental rate of $60,000.

Macy's is the largest department store chain in the United States with more than 850 department stores in 45 states, the District of Columbia, Guam and Puerto Rico operated under the Macy's and Bloomingdale's banners. Macy's Inc.'s stock is traded on the NYSE under the ticker symbol "M" and Morningstar, Inc. assigns a rating of BBB- (Morningstar, Inc. ratings are not NRSRO ratings). Macy's sales at this location were estimated by the borrower at $61.2 million (combined for Macy's and Macy's Men). This equates to sales per square foot of $160 which is lower than the chain average of $174 per square foot. Macy's Men lease expires in August 2014 however they have four 15-year renewal options available at their current rental rate of $120,000 per year

Sears Holdings (shadow anchor) is one of the largest retail firms in the country with over 3,900 full-line and specialty stores in the United States and Canada under the Sears, Kmart, Sears Essentials, Sears Hometown and Sears Grand brands. The Sears brand includes 810 full-line stores in all 50 states and Canada. Sears Holdings stock is traded under the symbol "SHLD" and Morningstar, Inc. assigns a rating of B- (Morningstar, Inc. ratings are not NRSRO ratings). The company posted a $3.1 billion loss for the 2011 fiscal year due in part to a $1.1 billion decrease in same store sales. The sales at this location were reported by the borrower at $32 million ($133 per square foot) which is lower than the reported chain average of $165 per square foot although gross sales are in line well in excess of the chain national average of $10.2 million.

Tenant Expiration and Lease Rollover

In-line rollover is generally staggered through the loan term; however, all three of the collateral anchors roll during the loan term. The in-line rollover appears to be manageable during any given year and we consider the anchor rollover risk to be mitigated by the anchor tenants' strong sales growth. Annual lease rollover is presented in the following table.

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

	MTM	2012	2013	2014	2015	2016	After 2016
Anchor	0	0	0	179,784	0	1	419,001
Junior Anchor	0	0	31,774	0	52,643	0	147,635
In-Line (5,001-10,000 sq.ft.)	5,500	6,500	27,718	5,212	0	27,408	85,249
In-Line (3,501-5,000 sq.ft.)	3,987	0	11,603	0	0	0	20,019
In-Line (2,001-3,500 sq.ft.)	2,246	0	2,627	2,306	7,641	13,659	34,572
In-Line (1,201-2,000 sq.ft.)	0	1,343	7,329	3,200	12,531	2,526	18,512
In-Line (1-1,200 sq.ft.)	944	0	3,395	3,619	5,049	3,685	7,413
Food Court	0	0	4,773	1,918	2,100	2,188	8,003
Kiosk	0	100	0	406	104	0	420
Other 3	6	1	106	0	0	0	7
Percentage Rent	0	0	0	5,645	0	0	7,000
Jewelry	0	0	3,837	1,875	1,416	0	0
Total	**12,683**	**7,944**	**93,162**	**203,965**	**81,484**	**49,466**	**747,831**
% Roll	**1.1%**	**0.7%**	**7.7%**	**16.9%**	**6.8%**	**4.1%**	**62.0%**

Co-Tenancy Risk

Several leases at the Sunvalley Shopping Center property contain co-tenancy clauses that include termination rights. In addition to termination rights (and whether or not termination rights are included), a co-tenancy clause may provide other rights, such as to reduce rent or "go dark". A review of the top 10 tenants (by percentage of base rent), as well as any other tenant that pays $200,000 or more in base rent at the property, did not reveal any serious concerns. The largest tenants at the property by square footage with early termination rights or co-tenancy provisions are as follows:

- A'gaci / O Shoes (1.7%) - The related lease permits the tenant to terminate the lease if, for a period of 20 months, (a) less than two department stores are operating or (b) less than 70% of the gross leasable area is occupied.
- BJ's Restaurant & Brewhouse (0.8%) - The related lease permits the tenant to terminate the lease if, for a period of 32 months, (a) any department store ceases operating and is not replaced with another department store or (b) less than 70% of the gross leasable area is occupied.
- The Gap / Gap Kids (0.8%) - The related lease permits the tenant to terminate the lease if, for a period of 20 months, (a) Macy's (or comparable replacement department store) ceases operating and is not replaced with another department store or (b) at least 70% of the gross leasable area of the shopping center, excluding the leased premises, is not occupied.
- Victoria's Secret (0.8%) - The related lease permits the tenant to terminate the lease if, for a period of 18 months, (a) Macy's (or comparable replacement department store) ceases and is not replaced with another department store.

Collateral Releases

Other than defeasance, the Sunvalley borrower may not obtain the voluntary release of any portion of the Sunvalley Shopping Center property from the lien of the related mortgage. The only exception is with respect to immaterial or non-income producing portions of the property.

Sunvalley Ground Lease

With the exception of the Sears store, which is separately ground leased by such anchor, and the Safeway and Nordstrom Rack stores, which are owned in fee by the Sunvalley borrower, all of the Sunvalley property consists of the Sunvalley borrower's interests under a ground lease dated as of October 30, 1962, between Taubman Land Associates LLC (the Sunvalley Ground Lessor) and the Sunvalley borrower, as tenant. The Sunvalley Ground Lease expires on October 29, 2061, with no extension options. The annual ground rent under the Sunvalley Ground Lease is $1,600,000, increasing by 1.5% each year commencing January 1, 2014. The Sunvalley Ground Lease is a completely "net" lease, with the Sunvalley borrower responsible for all costs and expenses relating to the operation and maintenance of the Sunvalley Property and all taxes and insurance relating thereto.

Sunvalley Reciprocal Easement Agreement

There is a reciprocal easement agreement between the Sunvalley borrower and Sears (the Sunvalley REA) that contain provisions that generally require the Sunvalley borrower and Sears to provide the other with rights, privileges and easements and impose certain restrictions and covenants upon their respective parcels of land that are subject to the Sunvalley REA. The Sunvalley REA also provides easements for the use of certain common areas, including certain parking areas, roadways, pedestrian passages, various walkways, fire service corridors and access roads and legally required signage. Furthermore, the Sunvalley REA provides for reciprocal easements to be granted for, among other things, the purpose of (i) maintaining, repairing or reconstructing improvements located on the parcels, (ii) installing, using, connecting, operating, maintaining, repairing, relocating, replacing or enlarging certain common utility facilities, (iii) granting governmental or public authorities access for the installation and/or maintenance and operation of utility facilities required on the parcels, and (iv) constructing, reconstructing, erecting and maintaining foundations, footings, supports, canopies, roofs and overhangs. The Sunvalley REA also sets forth standards for the use and operation of the Property and the respective counterparty's parcel, maintenance and repairs, obstruction of the common areas and insurance requirements.

Sears currently pays approximately $21,000 per annum as its allocable share of the costs of common area maintenance.

Sunvalley TRS Subsidiary

The Sunvalley borrower is permitted to form a wholly owned subsidiary (a TRS subsidiary) to engage in certain operations in which a REIT may not engage without potential adverse tax consequences. Such TRS subsidiary shall be a special purpose entity until the mortgage loan has been paid in full and shall provide a guaranty of the borrower's obligations under the loan documents. In addition, the Sunvalley borrower shall pledge its interests in such TRS subsidiary to the lender.

Market Area Overview – Sunvalley Shopping Center

The City of Concord is situated in the north-central portion of the East Bay region, about 20 miles northeast of Downtown Oakland, and 29 miles northeast of the San Francisco CBD. Concord is the largest city in Contra Costa County. Most commercial/retail development in the city is in the Sunvalley Shopping Center's immediate area, including across Interstate 680. This area contains Willows Shopping Center, several big-box developments, including Home Depot, and Waterworld California. The downtown area of Concord is located 1.5 miles east of the subject. Other uses close to the mall include College Park High School, Valley View Middle School, as well as other highway uses including hotel/motel uses near Interstate 680. The subject property acts as a commercial/retail hub for the area, anchoring retail and commercial development for this section of the submarket. Market demographics are presented in the following table.

Summary of Demographic and Economic Trends					
	2000	2012	Forecast 2017	Average Annual Growth Rate (%) (2000 – 2012)	(2012 – 2017)
Population					
Five-Mile Radius	239,231	241,285	242,695	0.07%	0.12%
Oakland-SF CBSA	4,123,218	4,364,772	4,452,299	0.48%	0.40%
State of California	33,871,651	37,718,299	39,018,300	090%	0.68%
United States	281,421,906	313,095,504	325,256,835	0.89%	0.77%
Average Household Income					
Five-Mile Radius	$76,251	$90,155	$92,020	1.41%	0.41%
Oakland-SF CBSA	$83,409	$99,750	$102,636	1.50%	0.57%
State of California	$65,680	$79,547	$82,039	1.61%	0.62%
United States	$56,675	$67,315	$69,219	1.44%	0.56%
Retail Sales ($ millions)					
Oakland-SF CBSA		$64,475			
State of California		$521,063			
United States		$4,575,879			

Source: *Appraisal / Claritas*

Based on our review of data for the region, we believe that the current economic climate influencing the greater Oakland region continues to have an impact on site's similar to the subject due to their commercial nature and reliance on consumer spending. As the recovery within the region experiences modest strengthening, the local economy should experience stability and potential growth in 2013, benefiting the subject property and other commercial properties in the region. Given the dense population in the submarket and infill location of the subject property, there are numerous other retail options for consumers to choose from. The following table presents details on four malls in the subject market that are considered to be primary competitors for the Sunvalley Shopping Center.

Summary of Primary Retail Competition						
Property	Distance from Subject	Mall Type	GLA	Anchors	Occupancy	Est. Mall Shop Sales/SF
Subject Center	-	Super Regional	1,446,320	Macy's, Macy's Men, Sears, J.C. Penny	-	$ 450
Broadway Plaza	6 miles South	Regional	779,688	Nordstrom, Macy's, Neiman Marcus	97%	$ 710
Somersville Town Center	15 miles East	Regional	582,053	Macy's, Sears, Marshall's, Vacany	70%	$ 290
Hilltop Mall	16 miles West	Super Regional	1,185,817	J.C. Penny, Macy's, Sears, Walmart	85%	$ 250
Westfield Solano	25 miles North	Super Regional	1,269,861	Macy's, Sears, Best Buy, J.C. Penny	95%	$ 325

Source: *Appraisal*

Broadway Plaza is the dominant high-end regional mall in the northern portion of the East bay region. Anchors include Nordstrom, Macy's and a recently opened Neiman Marcus. Broadway Plaza is generally considered the premier mall in the Contra Costa County area and has historically been one of the most successful shopping malls in the region. The location of Broadway Plaza has dictated the merchandising strategy of the subject center to more of a traditional regional mall, offering residents in the region an alternative to higher end stores at Broadway Plaza. While the location of Broadway Plaza impacts the trade area to the south, the differing merchandising strategies allow for some overlap of trade areas between the two centers. Occupancy at Broadway was reported at 97%

Somersville Town Center and Hilltop Mall help to define the subject's trade area to the east and west due to their similar anchor tenancy and merchandising. Based on quality and occupancy, Sunvalley Shopping Center is viewed as superior to each of these centers. Nonetheless, based on access and the location of these two centers, the subject's primary trade area is viewed as stretching west towards Hercules and northern Richmond and east into western Pittsburgh. Based on the superior nature of the subject property when compared to the competition to the east and west, the secondary trade area likely extends to the bay on the west and into Antioch to the east.

Finally, Westfield Solano is a comparable primary competitor located 25 miles north of Sunvalley Shopping Center in Fairfield, adjacent to Interstate 80. Westfield Solano is notable for competing for commuter expenditures with the subject property as well as for shopping visits from residents within the Vallejo area across Suisun Bay.

From a geographic and transportation perspective, the primary competitors cited above are viewed as being the subject's most direct competition. Additional secondary competitors include two large community centers within or close to Concord, as well as Stoneridge Mall to the south in Pleasanton. Similar to Broadway Plaza, Stoneridge Mall tends to attract a more up-scale shopper and is considered secondary competition due to merchandise offerings and distance to the south. While Sunvalley Shopping Center competes for local retail expenditures with Willows Shopping Center and Downtown Pleasant Hill, these centers help establish the subject's local area as a retail hub for central Contra Costa County.

Historical Sales

In 2011, total mall sales increased 3.4% year-over-year and sales for the trailing 12 months ended June 2012 are up 3.5% from 2011. The sales growth has been entirely driven by in-line tenants, as anchor sales were virtually flat over this period. Sales at the subject property are considered to be above average and exceed sales at three of the four primary competitors.

Tenant Sales and Occupancy Cost History: Sun Valley Mall			
	2010	2011	TTM June 2012
Total Mall Sales (millions)	$252,748,278	$261,474,000	$270,718,000
In-Line Tenant Sales/SF	$96,927,822	$101,707,000	$103,905,000
In-Line Tenant Occupancy Costs			16.83%

Third Party Reports – Sunvalley Shopping Center

Appraisals

An appraisal report, prepared by an independent third-party appraisal firm (Cushman & Wakefield), was reviewed as part of Morningstar's analysis. The appraisal report for Sunvalley Shopping Center, issued on August 22, 2012, indicated a value of $350 million ($290 per collateral square foot).

Property Condition

The Property Condition Assessment for Sunvalley Shopping Center, prepared by ATC Associates, Inc. and dated August 29, 2012, identified no immediate repairs. The recommended replacement reserve for the 12-year hold period was $3,283,872, inflated, which equates to $0.49 per square foot per year (excluding anchors).

Environmental

A Phase I Environmental Site Assessment ("ESA") for Sunvalley Shopping Center, prepared by ATC Associates, Inc. and dated August 6, 2012, was reviewed as part of Morningstar's analysis. The assessment noted no current Recognized Environmental Conditions and "no further action" was concluded.

Seismic

A seismic assessment was completed by ATC Associates Inc and concluded that the SEL for the property is 18% of the replacement cost of the buildings.

Morningstar Analysis – Sunvalley Shopping Center

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

Morningstar Estimates of Revenue

Morningstar's *Gross Potential Rent* (GPR) is based on leases signed as of June 30, 2012, and includes all contractual rent increases through May 2013. Our concluded market rents are based on an analysis of the appraiser's conclusions and recent leasing at the property. We also evaluated the occupancy costs of the in-line tenants. An occupancy cost adjustment was taken as a separate line item under "Other Income".

Expense Reimbursement – Calculated based on a weighted average of historical reimbursement numbers as related to expenses (recovery ratios). This is consistent with the most recent rent roll indicating scheduled reimbursements totaling $16.1 million based on the tenants in-place, and then adjusted for the projected increase in expenses.

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

Other Income – Other Income reflects Miscellaneous Income, including specialty/temporary leasing and other rental revenue, etc. Underwritten Other Income is underwritten based on the average of the previous three reporting periods and is 37% below the borrower's budgeted number.

Occupancy Cost – Occupancy cost adjustments are taken for in-line tenants with an occupancy cost greater than 20%. We used at 20% threshold for the Sunvalley property because average in-line sales are $453 per square foot. Consideration was given in cases where tenant sales exceeded certain thresholds, is only applicable for tenants with less than 10,000 square feet, and excludes jewelry and food court tenants.

Vacancy – Morningstar has underwritten to a minimum vacancy rate of 5%, which is higher than the current vacancy rate.

Morningstar Estimates of Expenses

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

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

Management Fees – Management Fees are underwritten consistent with the historical management fee of 4.5% of Effective Gross Income. The property is managed by an affiliate of the borrower. No management contract is in place and no fee is charged back to the property. The actual management fee exceeds the appraiser's concluded market management fee of 3.25%.

Professional Fees – based on the borrower's 2012 forecast and in line with 2010 and 2011 operating results. This line item was abnormally high as of the TTM statement ending June 30, 2012.

Other Expenses – Includes expenses related to specialty leasing as well as legal and professional, administrative, and marketing and advertising fees.

Tenant Improvements & Leasing Commissions – No tenant improvements were assessed on anchor space. Tenant improvements for the junior anchor and in-line tenants and food court were $30.00 for new tenants and $5.00 for renewals, consistent with the appraiser's concluded market tenant improvements. Also consistent with the appraiser's conclusions, leasing commissions were underwritten at $5 per square foot for new leases for in-line space and at $2.50 for renewal tenants.

Morningstar Valuation

Morningstar estimated the value of the asset based on the income capitalization approach to value. Capitalization rates are estimated quarterly by Morningstar for the retail and office sector in each region and major metropolitan areas based on a review of investor surveys including the Real Estate Research Council, PWC Real Estate Investor Survey (Korpacz), as well as a review of research and comparable sales information provided by Real Capital Analytics. The concluded Morningstar capitalization rate was 7.60%, resulting in a value of $282.7 million ($234 per collateral square foot), 19.2% below the appraiser's value of $350 million.

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

Sunvalley Shopping Center	Morningstar Underwriting	Year End 2010	Year End 2011	TTM 06/30/12	Issuer Underwriting
Income					
Gross Potential Rent	$21,054,477	$19,712,627	$19,231,382	$19,396,571	$20,378,209
Less: Vacancy Loss (GPR)	(1,077,853)	0	0	0	0
Less: Concessions	0	0	0	0	0
Less: Occupancy Cost Adjustment	(405,571)	0	0	375,395	0
Less: Vac Adj for Concess/Coll Loss	20,279	0	0	0	0
Base Rent/Net Effective Rent	**$19,591,332**	**$19,712,627**	**$19,231,382**	**$19,771,966**	**$20,378,209**
Expense Reimbursement	$16,098,866	$16,292,422	$15,300,693	$15,766,247	$16,098,866
Percentage Rent	710,678	413,832	431,972	428,080	769,353
Other Income	666,346	859,202	548,045	515,787	693,109
Less: Vacancy Other Incomes	0	n/a	n/a	n/a	n/a
Effective Gross Income	**$37,067,222**	**$37,278,083**	**$35,512,092**	**$36,482,080**	**$37,939,537**
Expenses					
Real Estate Taxes	$779,416	$770,315	$737,527	$764,133	$781,414
Property Insurance	0	0	0	0	0
Utilities	1,840,141	1,892,755	1,753,865	1,788,407	1,800,385
Repairs and Maintenance	474,422	406,663	318,177	197,416	493,477
Contract services	0	0	0	0	0
Management Fees	1,522,077	1,596,054	1,450,053	1,498,050	873,627
Payroll & Benefits	0	0	0	0	0
Common Area Maintenance	6,608,671	6,691,716	6,329,040	6,417,202	6,608,671
Advertising & Marketing	799,696	877,176	849,385	807,069	802,386
Professional Fees	182,883	125,125	157,726	319,514	176,087
General and Administrative	141,401	150,209	144,997	138,967	147,080
Non-Reimbursable Expenses	413,411	280,881	388,135	417,223	355,462
Other Expenses 1	0	0	0	0	0
Market Expense Adjustment	1,600,000	1,601,417	1,525,660	1,600,759	1,600,000
Total Operating Expenses	**$14,362,118**	**$14,392,311**	**$13,654,565**	**$13,948,740**	**$13,638,589**
Net Operating Income	**$22,705,105**	**$22,885,772**	**$21,857,527**	**$22,533,340**	**$24,300,949**
Capital Items					
Leasing Commissions	$190,316	$0	$0	$0	$179,412
Tenant Improvements	733,585	0	0	0	250,533
Capital Expenditure / Reserve	298,088	0	0	0	121,333
Total Capital Items	**$1,221,989**	**$0**	**$0**	**$0**	**$551,278**
Net Cash Flow	**$21,483,115**	**$22,885,772**	**$21,857,527**	**$22,533,340**	**$23,749,671**

Loan Summary – Sunvalley Shopping Center

Morgan Stanley Mortgage Capital Holdings LLC funded a 10-year, fixed-rate $190.0 million loan to Sunvalley Shopping Center LLC, which is indirectly owned by Taubman Realty Group LP. The loan is evidenced by a single promissory note and is secured by a first-priority lien on Sunvalley Shopping Center, a 1.46-million-square-foot super-regional mall in Concord, Calif. The loan is scheduled to mature on the due date in September 2022. The proceeds of the loan will be used to refinance the existing $115.1 million senior mortgage encumbering the property, return equity to the sponsor, fund various loan reserves and pay closing costs. The existing loan was originated by Prudential and is scheduled to mature on October 5th, 2012.

Borrowers/Sponsors

The borrower on the Sunvalley Shopping Center loan is Sunvalley Shopping Center LLC, a Delaware limited liability company structured as a bankruptcy-remote, special-purpose entity. The organizational documents of the borrower contain requirements that there be two independent managers whose vote is required for certain bankruptcy matters. The Sunvalley borrower sponsor and recourse carve out guarantor is The Taubman Realty Group Limited Partnership (TRG), the entity that owns all of the real estate properties of Taubman Centers, Inc., a publicly-traded company listed on the New York Stock Exchange under the ticker symbol TCO. TCO is a fully-integrated, self-managed and self-administered real estate investment trust (REIT) focused on owning, managing, developing, acquiring and leasing regional malls throughout the United States and Asia. As of June 30, 2012, TCO owned, either entirely or with joint venture partners, 24 urban and suburban shopping centers in 12 states. Taubman Centers, Inc., an affiliate of the borrower sponsors for Sunvalley Shopping Center Loan, announced on January 5, 2012 that the lender (a special servicer on behalf of a securitization trust) for its Regency Square mall property in Richmond, Virginia, accepted a deed in lieu of foreclosure on that property.

Loan Features/Concerns

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

Additional Indebtedness

The Sunvalley Shopping Center property is not encumbered by any additional mortgage debt, nor has the borrower pledged any portion of its interests to secure mezzanine debt. The Sunvalley loan documents include limitations on the borrower's ability to incur additional indebtedness. The loan documents permit (a) additional unsecured debt incurred in the ordinary course of business relating to the ownership and operation of the Sunvalley Property, (b) trade payables which are not more than 60 days past the date due (c) taxes that are not yet due and payable or are payable without penalties or interest (d) tenant improvement allowances under leases, (e) brokerage commissions payable to affiliates of the Sunvalley borrower that have been subordinated in writing to the repayment of the Sunvalley Shopping Center Loan, and (f) indebtedness incurred in the ordinary course of business in connection with the financing of fixtures, equipment or personal property at the property; provided, however, in no event may amounts incurred by the Sunvalley borrower pursuant to clauses (a), (b) and (f) exceed $8.0 million in the aggregate.

Prepayment / Defeasance

The borrower is not permitted to voluntarily prepay the mortgage loan in whole or in part prior to the payment due date in June 2022. On or after the due date in June 2022, the mortgage loan may be prepaid in whole but not in part without payment of a prepayment fee or a yield maintenance premium. The borrower may defease the loan in whole but not in part after the due date in October 2014.

SPE and Bankruptcy Remoteness

The borrower is required under the loan documents and its organizational documents to maintain itself as a single purpose entity generally limited in its activities to ownership and operation of the respective mortgaged property. The loan documents and borrower" organizational documents also include limitations on the borrower's ability to incur additional indebtedness and additional covenants regarding the borrower's separateness from other entities. While the borrower is generally limited in incurring additional indebtedness, the loan allows for broader and/or higher thresholds of permitted debt than may be customary. The borrower is also required to have independent managers whose consent is required for certain bankruptcy matters. Although the loan documents and organizational documents require the borrower to comply with certain covenants relating to the borrower's separateness, and the borrower makes certain representations regarding its previous existence, the borrower 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 borrower was provided. While single purpose entity borrowers are intended to lessen the possibility that a borrowers' financial condition would be adversely impacted by factors unrelated to the mortgaged property and the mortgage loan, there is no assurance that such borrower will not nonetheless become part of a bankruptcy proceeding.

Repurchase Obligation

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

Reserve Accounts

Up-Front Reserves

At origination, the Sunvalley borrower funded (a) a reserve in the amount of $8,582,478 to pay for the remainder of the ongoing site work and interior and exterior building renovation at the Sunvalley Property, (b) $2,000,000 to pay for the Sunvalley Borrower's make-ready work obligations under the lease with Nordstrom and (c) $3,905,845 to pay for outstanding tenant improvement and leasing commission obligations relating to previously executed leases.

Monthly or Springing Reserves

During a Sunvalley Trigger Period, defined as a period during which the DSCR falls below 1.20x and until the DSCR exceeds 1.25x for two consecutive fiscal quarters, or while an event of default under the Sunvalley Shopping Center Loan is continuing, amounts available in the Sunvalley Cash Management Account will be applied on each due date to fund the following reserves:

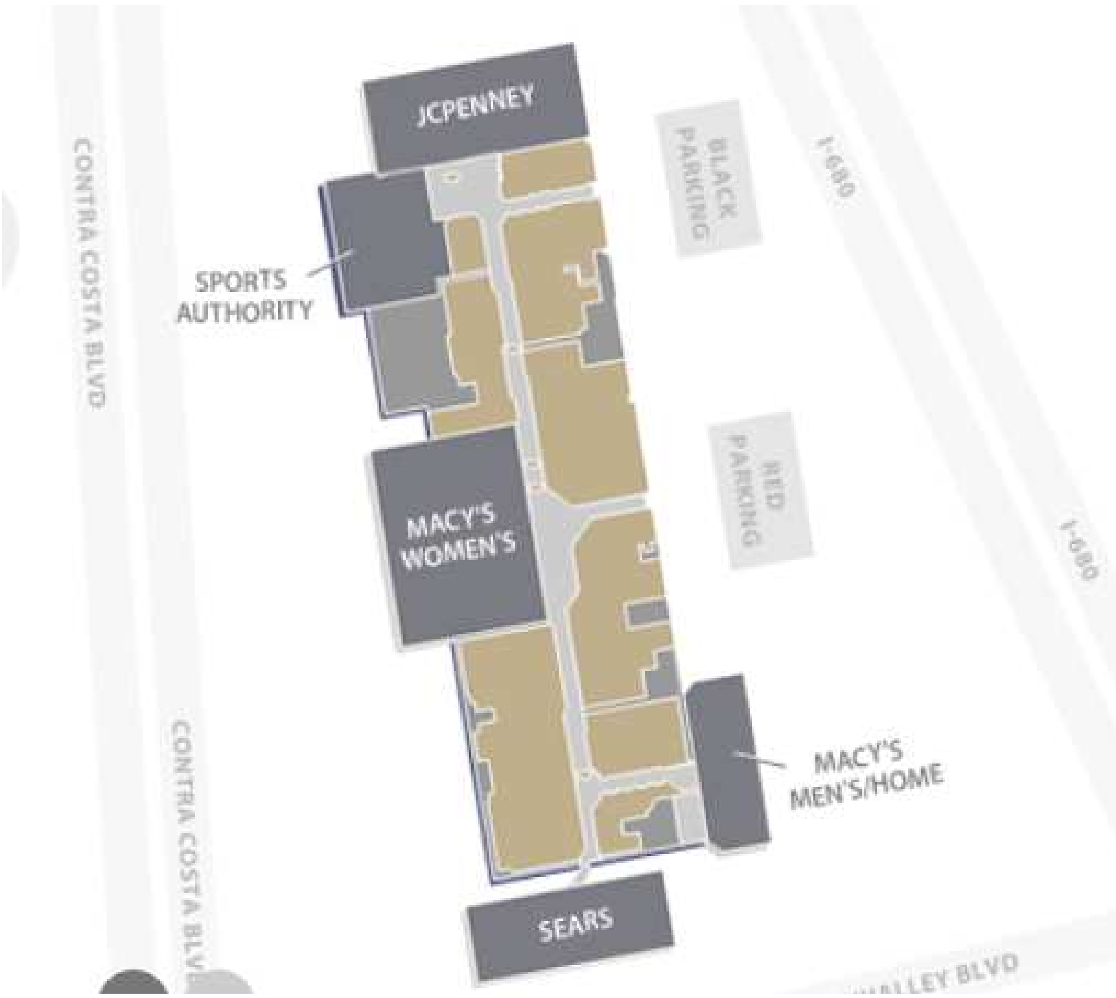
(1) **Ground Rent Reserve Account**: the ground rent for the next calendar month;

(2) **Tax and Insurance Reserve Account**: (a) 1/12th of projected annual taxes and (b) 1/12th of projected annual insurance premiums;

(3) **TI/LC Reserve Account:** an amount equal to the lesser of (a) $41,725 (which is approximately $1.00 per owned rentable square foot per annum, exclusive of the anchor collateral and the space leased to Safeway and Nordstrom Rack) or (b) the amount that would cause the total amount contained in the Capital Expenditure Reserve Account to equal $500,700;

(4) **Capital Expenditure Reserve Account**: an amount equal to the lesser of (a) $8,345 (which is approximately $0.15 per owned rentable square foot per annum, exclusive of the anchor collateral and the space leased to Safeway and Nordstrom Rack) or (b) the amount that would cause the total amount contained in the Capital Expenditure Reserve Account to equal $100,140.

Sunvalley Shopping Center – Site Plan & Pictures



Sears

24-hour Fitness

BJ's Restaurant & Brewhouse

Sports Authority

Interior View

Interior View

Securitization Trust Summary

Priority of Payments on Trust Certificates

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

(1) Interest on the Class A-1, Class A-2, Class X-A, and Class X-B Certificates, pro-rata;
(2) Principal paydown of the Class A-1 Certificates until paid in full, up to the principal distribution amount[1];
(3) Principal paydown of the Class A-2 Certificates until paid in full, up to the principal distribution amount[1];
(4) Applied Realized Loss Amounts to the Class A-1 and Class A-2 Certificates, pro rata;
(5) Interest on the Class B Certificates, including unpaid interest shortfalls;
(6) Principal paydown of the Class B Certificates until paid in full, up to the principal distribution amount
(7) Applied Realized Loss Amounts to the Class B Certificates;
(8) Interest on the Class C Certificates, including unpaid interest shortfalls;
(9) Principal paydown of the Class C Certificates until paid in full, up to the principal distribution amount;
(10) Applied Realized Loss Amounts to the Class C Certificates;
(11) Interest on the Class D Certificates, including unpaid interest shortfalls;
(12) Principal paydown of the Class D Certificates until paid in full, up to the principal distribution amount;
(13) Applied Realized Loss Amounts to the Class D Certificates;
(14) Any remaining amounts to the Class R Certificates.

[1]After the cross-over date, principal on the A-1 and A-2 Certificates is paid pro rata.

Class CK Certificates

The ownership interest in the Clackamas Town Center Loan is bifurcated under the pooling and servicing agreement into a $190,814,000 senior component and a $25,186,000 subordinate component. Principal and interest payments are generally allocated first to the senior component and payable to all certificate classes except the Class CK. Principal and interest payments allocated to the subordinate component are payable solely to the Class CK certificates. Accordingly, the Class CK certificates will be exposed to risks related to the Clackamas Town Center Loan and will not receive any payments related to the Sunvalley Loan. Losses on the Clackamas Town Center Loan will first be borne by the subordinate component and the Class CK certificates before the senior component. Upon a default on the Clackamas Town Center Loan, the Class CK certificates may experience shortfalls.

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

Allocation of Losses on Trust Certificates

Losses on the Trust Certificates (other than the Class CK certificates) are generally allocated in a reverse sequential order -- first, to the Class D Certificates, second, to the Class C Certificates, third, to the Class B Certificates, and then, pro rata, to the Class A-1 and Class A-2 Certificates, in each case until the Certificate Balance of that Class has been reduced to zero. The Notional Amount of the Class X-A Certificates will be reduced by the amount of Realized Losses allocated to the Class A-1 and Class A-2 Certificates. The Notional Amount of the Class X-B Certificates will be reduced by the aggregate amount of Realized Losses allocated to the Class B and Class C Certificates. As a result of such reductions, less interest will accrue on such Class of Certificates than would otherwise be the case. Once a Realized Loss is allocated to a Certificate (or in the case of a Class X-A and Class X-B Certificates, the applicable Notional Amount has been reduced), no principal or interest will be distributable with respect to such written down amount. Losses on the Clackamas loan are generally allocated to the subordinate component of the Clackamas loan and therefore, the Class CK Certificates), and then the senior component of the Clackamas loan and therefore, to the Trust Certificates as described in the first sentence of this paragraph.

Rated Final Distribution Date

The rated final distribution date of each class of certificates is the distribution date in October 2030. Morningstar's ratings on the certificates address the likelihood of the timely receipt by holders of all payments of interest to which they are entitled on each distribution date and the ultimate receipt by holders of all payments of principal to which they are entitled on or before the rated final distribution date.

Representations, Warranties & Enforcement Mechanisms

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

As of the date Morningstar's Pre-Sale Report (dated September 19, 2012) was issued, a copy of the representations and warranties contained in the mortgage purchase agreement had not been provided to Morningstar. This report is being omitted until such a time the information becomes available and our counsel had an appropriate amount of time to review this information and prepare the disclosure.

Trust Structural Features/Concerns

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

Directing Certificateholder

There is no concept of a directing certificateholder or controlling class for this transaction.

Class CK Representative

The Class CK certificateholders may be entitled to certain rights related to the Clackamas Town Center Loan under the pooling and servicing agreement including: (i) consent and/or consultation rights over various actions of the servicer and special servicer, (ii) replacement of the special servicer, and (iii) purchase rights and right of first refusal. Such rights may impede and/or delay the ability of the servicer to modify, sell and/or workout the loan. However, the servicer is required to act in accordance with the servicing standard regardless of any consent or consultation rights exercised by the Class CK certificateholder. If the Class CK certificateholders no longer have control or consultation rights pursuant to the Pooling and Servicing Agreement and at all times, with respect to the Sunvalley loan, there is no directing holder or controlling class with respect to the other certificates.

Replacement of Special Servicer

The Class CK Certificateholders have certain rights to replace the special servicer with respect to the Clackamas loan. With respect to the Sunvalley loan and at a time the Class CK Certificateholder does not have the right to replace the special servicer, the special servicer can be terminated and replaced, with or without cause, upon (i) the written direction of at least 25% of the aggregate voting rights of all certificateholders requesting a vote to replace the special servicer and (ii) in addition to satisfaction of other conditions, the vote of 75% of the aggregate voting rights of all certificateholders. The request and voting rights take into account the application of any appraisal reduction amounts to notionally reduce the certificate balances.

Limited Rating Agency Confirmation/Notice

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

Conflicts of Interest

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

Lack of Emergency Advances

Unlike other recent CMBS transactions, the pooling and servicing agreement does not permit any advancing of nonrecoverable advances by the servicer in emergency situations (i.e. to avoid a lapse in insurance coverage). Instead, no advancing for such items is permitted unless such advance is recoverable.

Morningstar Approach to Collateral Review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Items

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

Morningstar Value

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

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

Appendix A: Morningstar CMBS Subordination Model

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

Overview

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

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

Each set of stresses include:

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

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

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

Term Default Analysis

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

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

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

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

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

Balloon Default

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

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

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

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

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

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

Appendix B: Morningstar Rating Surveillance

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

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

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

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

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

Appendix C: Morningstar Rating Characteristics

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

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

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

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

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

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

While Morningstar may issue ratings solely on asset backed securities, Morningstar does not (i) issue short-term ratings, or (ii) rate, assess or review corporate entities, credit support providers, seller(s), guarantors, servicers, trustees, certain accounts or investments, insurers, liquidity providers, hedge providers or other similar entities or items, unless consideration of a review and/or assessment is otherwise enumerated in Morningstar's pre-sale report and/or surveillance reports related to the transaction. Therefore, Morningstar's ratings and analysis do not take into consideration such characteristics of the transaction referenced in clauses (i) and (ii) of the preceding sentence unless consideration of a review and/or assessment is otherwise enumerated in Morningstar's pre-sale report and/or surveillance reports related to the transaction. In addition, Morningstar's ratings and analysis do not take into consideration any potential or actual risk of repudiation, receivership or other ramifications related to FDIC administration and/or enforcement of FDIC rights and remedies with respect to any entity involved in the transaction including a bank or subsidiary of a bank. In addition, Morningstar's ratings do not take into consideration an assessment of the arranger(s), originator(s) and/or prior holder(s) of the loan(s) included in the respective transaction. Additionally, for the avoidance of doubt, Morningstar does not rate obligors, managers or issuers. Further, the ratings do not assess whether any exchange of certificates may occur or any delays or disruptions in payment due to such exchange or method of holding certificates.

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

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

TERMS OF USE

MORNINGSTAR GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall Morningstar, its affiliates and its third party licensors be liable for any direct, indirect, punitive, special or consequential damages in connection with subscriber's or others use of the data/information contained herein. Access to the data or information contained herein is subject to termination in the event any agreement with a third party of information or software is terminated.

Analytic services provided by Morningstar are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Morningstar's New Issue/Valuation Services Group. Other divisions of Morningstar may have information that is not available to Morningstar's New Issue/Valuation Group. Morningstar has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Morningstar typically receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities, third parties participating in marketing the securities, or certain subscribers or investors pursuant to Morningstar's policies and procedures. Morningstar receives payment for Research and Surveillance Services. Additional information about our ratings fees is available at support@morningstar.com.

Any person or entity in receipt of this report is deemed to acknowledge and agree that such report and any data and/or information herein is further subject to the terms of use on Morningstar's website at http://ratingagency.morningstar.com. In addition, any person or entity in receipt of this report ("Recipient") is deemed to agree and acknowledge the following:

(a) any information described in this report that is provided by third parties (collectively, "Third Party Information") and used by Morningstar to determine and/or provide any ratings or analysis, is: (i) the sole responsibility of the third party provider of such information (ii) not endorsed or recommended by Morningstar, (iii) not verified by Morningstar, and (iv) PROVIDED "AS IS" WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY OF ANY KIND. Morningstar has no responsibility, liability or control over Third Party Information and provides no warranty, guaranty, representation for or with respect to such Third Party Information or any results derived from it. In addition, Third Party Information may be outdated, unreliable or inaccurate and Morningstar has no obligation to update, correct or verify any Third Party Information;

(b) any ratings, analysis related thereto and/or this report is (i) solely for informational purposes, (ii) for use only by the Recipient of this report and may not be used or relied upon by any other person, (iii) subject to applicable laws, regulations and rules and Recipient shall reasonably cooperate with Morningstar if needed to comply therewith, (iv) mere opinions the provision of which does not result in Morningstar waiving any protections, privileges or defenses available under applicable laws, rules or regulations, including, without limitation, the First Amendment of the Constitution of the United States of America, and (v) not guaranteed to be accurate, complete or timely and are not intended to predict or guaranty future performance or results;

(c) Morningstar has not consented to, and will not consent to, (i) being named an "expert" under the federal securities laws including, without limitation, Section 7 of the Securities Act of 1933, or (ii) the integration, publication, inclusion or reference of any ratings, analysis or other information pertaining to Morningstar and/or the ratings in any prospectuses or registration statements or otherwise integrated or used in a manner that could impede (i) or (ii) of this provision;

(d) this report and all information contained herein are solely for Recipient's internal use. Morningstar retains all right, title and interest in this report and all information contained herein, as well as in any enhancements, modifications or derivative works thereof, and in any other Morningstar intellectual property used in conjunction with the herewith or otherwise provided by Morningstar. No work performed hereunder by Morningstar or its agents shall be deemed "work for hire," as such term is defined at 17 U.S.C. § 101, on behalf of Recipient or any other party. Unless expressly permitted by Morningstar in writing, Recipient may not modify, copy, reproduce, distribute, redistribute, transfer, transmit, retransmit, disseminate, sell, license, publish, display, broadcast, circulate, recompile, decompile, reverse engineer, alter, archive, create any derivative, resell, or provide substantially similar services, in each case, with respect to this report or information or analysis contained therein. Recipient may only use this report for internal use and at all times, in compliance with the restrictions on use contained herein. This report and the content hereof is property owned by or licensed to Morningstar and is protected by copyright, trademark, service mark and other applicable intellectual property laws. Any unauthorized use thereof is strictly prohibited and all rights are reserved by Morningstar; to the maximum extent permitted by applicable law, Recipient agrees to indemnify, defend and hold harmless Morningstar and its directors, officers, employees, agents, consultants and other representatives from and against any and all claims arising from or related to any breach or violation by Recipient (or anyone Recipient has granted access to this report) of the terms of use, this report or any content herein or any use or purpose that is unlawful or otherwise prohibited by the terms of use. Morningstar reserves the right to assume the control and defense of any such matter. In the event that Morningstar shall assume the control and defense of any such matter, Recipient shall cooperate with Morningstar in this regard including, without limitation, in the assertion of defenses and mandatory counterclaims therein;

(e) to the maximum extent permitted by applicable law, Recipient agrees to indemnify, defend and hold harmless Mprningstar and its directors, officers, employees, agents, consultants and other representatives from and against any and all claims arising from or related to any breach or violation by Recipient (or anyone Recipient has granted access to this report) of the terms of use, this report or any content herein or any use or purpose that is unlawful or otherwise prohibited by the terms of use. Morningstar reserves the right to assume the control and defense of any such matter. In the event that Morningstar shall assume the control and defense of any such matter, Recipient shall cooperate with Morningstar in this regard including, without limitation, in the assertion of defenses and mandatory counterclaims therein;

(f) Recipient assumes sole responsibility for evaluating the merits and risks associated with any investment and Morningstar shall have no liability to the Recipient with respect to any claims or damages that may arise from or relate to any decision of the Recipient based on this report, any Third Party Information or any other information made available hereunder;

(g) this report and/or any Third Party Information shall not create or constitute a fiduciary relationship between Morningstar and Recipient. This report, any Third Party Information, and any information provided, including any ratings, shall not constitute a "market" rating or a recommendation, solicitation, endorsement or offer by Morningstar, or any of its directors, officers, employees, agents, consultants or other representatives or anyone else, to buy, hold or sell securities, financial instruments or any investment. Morningstar is not acting as an investment, financial or other advisor to Recipient and Recipient should not and cannot rely upon this report, Third Party Information, and any information provided, including any ratings,as investment, legal, tax or financial advice;

(h) THIS REPORT AND CONTENT ARE PROVIDED "AS IS" AND NOT SUBJECT TO ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE;

(i) in no event shall Morningstar be liable for any incidental, special, indirect, consequential, reliance, punitive or other exemplary damages, including any loss of profits, data, savings or interest, any penalties or assessments imposed under laws or otherwise, even if Morningstar has been advised of the likelihood thereof;

(j) this report, including any information or analysis contained herein, may be provided by Morningstar to any other person or entity as determined in Morningstar's sole discretion. In addition, Morningstar may perform and provide services, analysis or other work product related to the transaction not contemplated hereunder ("Additional Services") to another person or entity and shall have no duty or liability to provide any such items to Recipient. In conjunction therewith, Morningstar is expressly permitted to use all available advertising or marketing
channels or media that Morningstar deems appropriate to promote any services and this report including any information or analysis contained herein, and any Additional Services; and

(k) Morningstar publishes its current Form NRSRO and exhibits thereto at http://ratingagency.morningstar.com. Recipient agrees that such materials, the qualifications and limitations enumerated in this report and Morningstar's website, http://ratingagency.morningstar.com, are integral to understanding Morningstar's credit ratings and related analysis.

The Recipient's rights, obligations and terms of use are further set forth and subject to any related contract outstanding between Recipient and Morningstar. Morningstar maintains all rights thereunder.

To reprint, translate, or use the data or information other than as provided herein, contact Joe Petro (267-960-6004) or by e-mail to: joe.petro@morningstar.com.