

Commercial Mortgage  
Presale Report

## J.P. Morgan Chase Commercial Mortgage Series Corp., Series 2005-LDP4

### \$2,704,754,880 Commercial Mortgage Pass-Through Certificates

	Class	Ratings	Subord- ination (%)
\$85,160,000	A-1*	AAA	30.000
\$396,348,000	A-1A*†	AAA	30.000
\$427,323,000	A-2*	AAA	30.000
\$254,929,000	A-3*	AAA	30.000
\$597,343,000	A-4*	AAA	30.000
\$132,225,000	A-SB*	AAA	30.000
\$170,475,000	A-M**	AAA	20.000
\$100,000,000	A-MFL**	AAA	20.000
\$206,238,000	A-J	AAA	12.375
\$2,704,754,880	X-1†‡	AAA	—
\$2,622,650,000	X-2†	AAA	—
\$50,714,000	B	AA	10.500
\$23,667,000	C	AA-	9.625
\$47,333,000	D	A	7.875
\$23,667,000	E†	A-	7.000
\$40,751,000	F†	BBB+	5.500
\$27,047,000	G†	BBB	4.500
\$30,429,000	H†	BBB-	3.375
\$10,143,000	J†	BB+	3.000
\$13,524,000	K†	BB	2.500
\$13,523,000	L†	BB-	2.000
\$3,381,000	M†	B+	1.875
\$6,762,000	N†	B	1.625
\$10,143,000	P†	B-	1.250
\$33,809,880	NR	NR	—

\*Superduper-senior class. \*\*Super-senior class. †Privately placed pursuant to Rule 144A. ‡Notional amount and interest only. NR – Not rated.

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The preliminary ratings do not reflect final ratings and are based on information provided by issuers as of Sept. 9, 2005. These preliminary ratings are contingent on final documents conforming to information already received. Collateral may be added or dropped from the portfolio. Ratings are not a recommendation to buy, sell, or hold any security. The prospectus and other offering material should be reviewed prior to any purchase.

**See pages 7–20 for Collateral  
Summary Review and page 22 for  
Deal Comparison.**

**September 13, 2005**

### ■ Presale Report

The preliminary ratings listed at left reflect the credit enhancement provided to each class by subordination of classes junior to it, the positive and negative features of the underlying collateral, and the integrity of the legal and financial structures, including advancing for liquidity by the master servicer and the trustee. The preliminary ratings do not address the likelihood or frequency of principal prepayments or the receipt of prepayment premiums, default interest, additional interest, or penalties. The preliminary ratings on the interest-only certificates address only the likelihood of receiving interest payments while principal on the related certificates remains outstanding. All figures and percentages presented in this report are, in the case of loans that have been split into an A/B note structure, based on the balances of the A notes contributed to the pool and may not be reflective of the whole loan amounts (the combined A and B note balances).

### ■ Strengths

- Two loans, representing 5.0% of the pool, have credit characteristics consistent with investment-grade obligations.
- Fitch Ratings considers the overall property quality to be above average, with 66.8% of the collateral inspected receiving a property quality grade of “B+” or better.
- Of the pool, 88.1% has a Property Market Metric™ (PMM) score of 3 or better, reflecting traditional property types in less volatile markets.
- J.E. Robert Company, Inc., the special servicer for the transaction, is rated ‘CSS1’ by Fitch.

### Transaction Highlights

**Collateral:** 186 fixed-rate loans on 244 multifamily and commercial properties

**Fitch Stressed Debt Service Coverage Ratio:** 1.17 times (x)

**Issuer Debt Service Coverage Ratio:** 1.49x

**Fitch Stressed Weighted Average Mortgage Rate:** 9.11%

**Issuer Weighted Average Mortgage Rate:** 5.18%

**Fitch Loan-to-Value Ratio:** 100.75%

**Issuer Loan-to-Value Ratio:** 73.1%

**Loan Size Range:** \$1,080,000–\$349,730,000

**Average Loan Size:** \$14,541,693

**Financial Structure:** Sequential pay

## Parties to Transaction

### Underwriters

- J.P. Morgan Securities, Inc.
- ABN AMRO Incorporated
- Deutsche Bank Securities, Inc.
- KeyBanc Capital Markets
- PNC Capital Markets, Inc.

### Master Servicers

- GMAC Commercial Mortgage Corporation (rated 'CMS2+' by Fitch Ratings) (see *Fitch Research dated March 19, 2004, available on Fitch's web site at www.fitchratings.com*)
- Midland Loan Services, Inc. (rated 'CMS1' by Fitch) (see *Fitch Research dated Nov. 30, 2004, available on Fitch's web site at www.fitchratings.com*)

### Special Servicer

- J.E. Robert Company, Inc. (rated 'CSS1' by Fitch) (see *Fitch Research dated Aug. 12, 2005, available on Fitch's web site at www.fitchratings.com*)

### Trustee

- Wells Fargo Bank, N.A. (rated 'AA/F1+' by Fitch)

### Fiscal Agent

- LaSalle Bank National Association (rated 'AA-/F1+' by Fitch)

### Depositor

- J.P. Morgan Chase Commercial Mortgage Securities Corp.

### Originators

- JPMorgan Chase Bank, N.A. (36.3% of pool)
- LaSalle Bank National Association (23.4% of pool)
- Eurohypo AG, New York Branch (14.6% of pool)
- PNC Bank, National Association (13.5% of pool)
- KeyBank National Association (8.0% of pool)
- Artesia Mortgage Capital Corporation (4.3% of pool)

### ■ Concerns

- Of the pool, 84.3% has a Fitch stressed loan-to-value ratio (LTV) greater than 90%, and 10.9% has a Fitch stressed debt service coverage ratio (DSCR) below 1.0 times (x).

## Loan Features

	% of Pool
<b>Escrow Requirements</b>	
Tax	50.2
Insurance	48.3
Capital Expenditures	25.8
Leasing Costs*	
Up-Front	15.8
Ongoing	30.2

### Nonrecourse Carveouts\*\*

Environmental	25.0
Fraud	22.9

\*As a percentage of commercial properties. \*\*Either to an individual or a well-capitalized entity.

- Of the pool, 29.0% is interest-only loans. In addition, 39.7% of the pool has an interest-only period prior to amortization.
- Loan concentration. The largest three loans represent 21.7% of the pool.

### ■ Mitigants

- The leverage is reflected in the credit enhancement levels.
- The presence of interest-only loans with full or partial interest-only periods is reflected in the credit enhancement levels. Additionally, one loan (1.3% of pool) that is interest-only for its loan term has credit characteristics consistent with investment-grade obligations.
- The largest loan, representing 12.9% of the pool, is secured by 20 geographically diverse retail properties located in six states. The third largest loan has credit characteristics consistent with investment-grade obligations.

### ■ Credit Issues

For more details about underwriting, credit issues, and Fitch's rating methodology, see the Rating Methodology Highlights section on page 21.

### Cash Flow Analysis

- Of the pool, 66.6% were reviewed by Fitch.
- Fitch's aggregate cash flow is \$245,439,247.
- The issuer's aggregate cash flow is \$250,448,211.
- The cash flow variance is 2.00%.
- Of the pool, 10.9% has a Fitch stressed DSCR below 1.0x.
- Of the pool, 1.8% has a Fitch stressed DSCR above 1.5x.
- Of the pool, 84.3% has a Fitch LTV greater than 90%.

## Property Type Summary

Property Type	% of Pool	DSCR (x)		LTV (%)		Loan Per Sq. Ft./Unit (\$) <sup>†</sup>	Average PMM Score
		Issuer	Stressed*	Issuer	Stressed**		
Retail	35.4	1.52	1.20	73.5	103.1	200	2.24
Office	29.6	1.40	1.13	73.5	100.9	129	2.53
Multifamily	18.5	1.35	1.08	77.2	108.2	55,096	2.40
Industrial	11.1	1.54	1.27	68.6	84.7	331	2.52
Hotel	3.3	2.48	1.41	60.1	92.5	135,898	4.00
Self-Storage	1.9	1.46	1.16	68.8	108.0	8,022	1.83
Manufactured Housing	0.1	1.47	1.19	66.7	98.0	25,968	3.96

\*Stressed debt service coverage ratio (DSCR): Average of Fitch constant DSCR and Fitch term DSCR. \*\*Stressed loan-to-value ratio (LTV): Current loan balance/Fitch value. <sup>†</sup>Weighted average. Sq. Ft. – Square foot. PMM – Property Market Metric™.

- Of the pool, 5.4% has a Fitch LTV less than 65%.

### Credit-Assessed Loans

Based on Fitch’s credit assessment, the following two loans, representing 5.0% of the pool, have credit characteristics consistent with investment-grade obligations on a stand-alone basis. In the context of the pool, the loan’s credit characteristic may be one or more notches better. The following table summarizes each loan’s credit characteristics in the context of the pool:

		Pooled
Plastipak Portfolio	3.7	‘BBB-’
Embassy Suites	1.3	‘BBB-’

Embassy Suites (1.3% of the pool) is a full-service hotel located in the central business district (CBD) of Washington, D.C., less than one mile from the White House. The property has been owned and managed by The Shaw Group and Promus Hotels since 1987 and has exceeded the trailing 12-month performance of its competitive set.

For a collateral summary review of Plastipak Portfolio, see pages 10–11.

### Fitch Ratings Stressed DSCR and LTV

The following tables summarize the pool’s Fitch stressed DSCRs and LTVs.

	%
<b>Fitch Stressed DSCRs</b>	
Greater than 1.74x	0.2
1.50x–1.74x	1.6
1.35x–1.49x	8.9
1.25x–1.34x	21.0
1.15x–1.24x	17.1
1.00x–1.14x	40.2
Less than 1.00x	10.9

	%
<b>Fitch Stressed LTVs</b>	
Less than 65%	5.4
65%–74%	0.8
75%–80%	2.3
81%–85%	6.3
86%–90%	0.9
91%–100%	20.7
Greater than 100%	63.6

### Loan Diversity

The following represents the pool’s loan concentrations:

- Top three loan concentrations: 21.7%.
- Top 10 loan concentrations: 38.5%.
- The pool’s Loan Diversity Index is 308, excluding investment-grade loans. This score indicates a more concentrated pool compared with other recent fixed-rate transactions. This concentration is mitigated by the greater number of properties in the pool due to several portfolio loans.

### Sponsor Concentration

The following table represents the pool’s sponsor concentrations greater than 5.0%:

	%
Macquarie CountryWide Corporation and Regency Centers Corporation	12.9
General Growth Properties, Inc.	5.1

### Geographic Concentration

The following table shows the pool’s geographic concentrations greater than 5.0%:

	%
California	12.3
Texas	12.0
Pennsylvania	9.2
Virginia	7.5
New York Tri-State Area	6.2
Massachusetts	5.5

Of the mortgaged properties, 26, comprising 12.3% of the pool, are located in California. Two of these loans, One World Trade Center and Hilton Glendale, are top 10 loans. Both properties are located in the Los Angeles metropolitan area and comprise 3.3% and 2.0% of the pool, respectively. None of the properties in the pool are located in cities that were affected by Hurricane Katrina.

### Property Market Metric™

The pool's average PMM score is 2.43, which is better than scores for the majority of other recent fixed-rate deals and reflects a higher percentage of property types that have exhibited greater market and cash flow stability historically. The following table summarizes the pool's PMM scores:

	%
PMM 1	24.9
PMM 2	28.5
PMM 3	34.7
PMM 4	6.8
PMM 5	0.4
PMM 6	4.7

### Property Quality

Fitch inspected a representative sample of the pool by originator, property type, geographic distribution, and loan size. The following summarizes the property inspections performed by Fitch:

- Fitch-inspected properties: 50.0%.
- Number of top 10 loans inspected: 10.

- Of the inspected properties, Fitch conducted on-site property management interviews: 69.2%.

Fitch considered the overall collateral quality above average, with seven of the top 10 loans receiving grades of "B+" or better and none of the properties receiving a score below "B-". The results of Fitch's site inspections are shown in the following table:

	%
"B+" or Higher	66.8
"B" or "B-"	33.2

### Volatility Assessment

The pool's weighted average volatility score is 2.9, which is in line with scores for other recent fixed-rate deals. The score represents the relative loan-level risk associated with the pool. The following table summarizes the distribution of the volatility scores:

	%
Volatility 1	18.6
Volatility 2	74.1
Volatility 3	7.3

### Subordinate and Other Additional Financing

The following represents a summary of loans in the pool with subordinate and other additional financing:

- Three loans (3.0% of the pool) have junior participation interests held outside the trust.

### Subordinated and Other Additional Financing

Property Name	Senior Interest Trust Balance (\$)	% of Pool	Junior Interest Nontrust Balance (\$)	Mezzanine Balance (\$)	Total Debt (\$)
Roundy's Distribution Center*	55,000,000	2.0	6,000,000	0	61,000,000
Metropolitan Bank Tower	49,950,542	1.8	0	22,645,203	72,595,745
Brookfield Office Portfolio	30,560,000	1.1	0	3,800,000	34,360,000
Brookwood Club – Milestone**	22,200,000	0.8	0	12,882,011	35,082,011
James Pointe – Milestone**	17,360,000	0.6	0	10,073,501	27,433,501
Terra Vida – Milestone**	16,750,000	0.6	0	9,719,536	26,469,536
Stoney Falls Apartments	15,030,000	0.6	500,000	0	15,530,000
Preston Greens – Milestone**	13,680,000	0.5	0	7,938,104	21,618,104
Stone Farm Apartments	13,500,000	0.5	0	1,500,000	15,000,000
Costa del Sol – Milestone**	11,200,000	0.4	0	6,499,032	17,699,032
Country View – Milestone**	11,200,000	0.4	0	6,499,032	17,699,032
Springfield – Milestone**	10,600,000	0.4	0	6,150,870	16,750,870
Lakes at Renaissance – Milestone**	10,000,000	0.4	0	5,802,708	15,802,708
Oakridge Apartments	9,875,000	0.4	625,000	0	10,500,000
The Gables – Milestone**	8,460,000	0.3	0	4,909,091	13,369,091
Arbors of Wells Branch – Milestone	7,800,000	0.3	0	4,526,112	12,326,112
Total	303,165,542	11.3	7,125,000	102,945,200	413,235,742

\*Allowed future subordinate debt up to \$18.5 million in the form of a B note. The current subordinate debt amount is \$6 million. \*\*The Milestone properties, as a group, collateralize a \$75 million mezzanine loan. The mezzanine balance shown for each property is that \$75 million pro-rated by senior interest trust balance. Note: Numbers may not add due to rounding.

- 13 loans (8.3% of the pool) have existing mezzanine debt that is secured by a pledge of equity interest in the borrower.
- Six loans (7.2% of the pool) allow for additional future mezzanine debt.

The holders of the junior participation interests have the following primary rights:

- To appoint an operating adviser.
- To appoint a special servicer, subject to rating agency confirmation.
- To cure monetary defaults through advances on the senior participation.
- To purchase the senior participation.

The holders of the mezzanine interests have the following primary rights:

- To approve the property operating budget.
- To terminate, under certain conditions, property management.
- To cure monetary defaults through advances on the first mortgage.
- To purchase the first mortgage loan.

The presence of additional financing is reflected in the credit enhancement levels.

### Loans with Interest-Only Periods

The following table summarizes the loans in the pool that provide for payments of interest only for either the entire loan term or a portion of the loan term:

	%
Interest-Only Loans	29.0
Partial Interest-Only Loans	39.7

The credit enhancement levels reflect the additional risk posed by loans that provide for payments of interest only for either the entire loan term or a portion of the loan term.

### Encumbered Interests

The following table summarizes the pool by encumbered interest:

	%
Fee	82.4
Leasehold	4.7
Fee and Leasehold	12.9

All leasehold mortgage loans have lender-friendly terms. The credit enhancement levels reflect the additional risk posed by these leasehold mortgages.

### Tenants-in-Common Loans

The borrowers of 14 loans, representing 7.2% of the pool, own their related mortgage properties as tenants-in-common (TICs), which is a form of property ownership under which multiple parties, each being referred to as a TIC, own a direct, undivided interest in a property. The loans generally conform to Fitch's criteria regarding TICs.

### State Foreclosure Laws

- Of the pool, 60.1% is secured by properties located in states that allow for power of sale foreclosures. The subordination levels reflect the lower loss severity associated with properties in these states.
- Of the pool, 39.9% is secured by properties located in states that require judicial foreclosures. The subordination levels reflect the higher loss severity associated with properties in these states.

### Multiple Assets/Cross-Collateralization

Loans secured by multiple assets or loans that are cross-collateralized and cross-defaulted represent 25.7% of the pool. These loans are considered to have a lower loss severity.

### Terrorism Insurance

Currently, approximately 85.9% of the pool has insurance policies that do not specifically exclude coverage for acts of terrorism. Generally, the lender has the ability to request (under a catch-all provision in the mortgage documents) that each borrower maintain insurance coverage as stipulated by the lender, as long as such insurance is available at a commercially reasonable rate. However, there can be no guaranty that terrorism insurance will be in place on an ongoing basis. Of the top 10 loans, 100% provide for some level of terrorism coverage, subject to certain policy restrictions.

### Third-Party Reports

Phase I environmental reports and property condition reports prepared in the past 12 months were available on 100% of the loans. Fitch reviewed a summary of the reports. The credit enhancement levels reflect the environmental issues noted.

Typically, up-front reserves of 125% of the engineer's recommended amount were required for deferred maintenance issues or the engineer's cost estimate was immaterial. One property, collateralizing 1.2% of the pool balance, has deferred maintenance issues in excess of \$100,000. This

## Largest Loan Summary

Property Name	Property		Property Quality	% of Pool	Loan Per Sq. Ft./ Unit (\$)	DSCR (x)		LTV (%)	
	Type	State				Issuer	Stressed*	Issuer	Stressed**
Regency Portfolio	Retail	Various	B-/B/B+	12.9	155	1.67	1.29	75.1	100.7
Silver City Galleria	Retail	MA	B	5.1	192	1.42	1.19	68.8	91.0
Plastipak Portfolio	Industrial	Various	B/B+	3.7	22	1.79	1.44	64.2	62.0†
One World Trade Center	Office	CA	B+	3.3	157	1.27	1.06	68.7	99.2
Western US Alliance Data Systems Portfolio	Office	Various	B+	2.6	146	1.34	1.07	74.0	106.7
Creekside Apartments	Multifamily	PA	B	2.5	66,277	1.21	1.02	80.0	109.5
Gateway Center	Office	PA	B+	2.4	44	1.63	1.34	76.3	82.3
Roundy's Distribution Center	Industrial	WI	A-	2.0	51	1.45	1.27	63.6	82.1
Hilton Glendale	Hotel	CA	B+	2.0	151,282	1.72	1.19	69.4	117.8
Waterway Plaza I & II	Office	TX	A-	1.9	143	1.36	1.15	76.1	94.4
<b>Top 10 Subtotal</b>				<b>38.5</b>	<b>—</b>	<b>1.53</b>	<b>1.23</b>	<b>72.1</b>	<b>95.0</b>

\*Stressed debt service coverage ratio (DSCR): Average of Fitch constant DSCR and Fitch term DSCR. \*\*Stressed loan-to-value ratio (LTV): Current loan balance/Fitch value. †The Fitch Stressed LTV is 75.9% without amortization credit. Sq. Ft. – Square foot. Note: Numbers may not add due to rounding.

loan has escrowed 100% of the up-front estimated repair costs.

Seismic studies were completed on 34 properties representing 14.6% of the pool that were in locations deemed to have seismic risk. No property has a probable maximum loss in excess of 20. Credit enhancement levels reflect the seismic risk of the pool.

### ■ Surveillance

Fitch will review this transaction on an ongoing basis, which includes a committee review at least

annually. Information can be found on Fitch's web site at [www.fitchratings.com](http://www.fitchratings.com).

### ■ Collateral Summary Review

The following pages, 7–20, provide a collateral summary review of the top 10 loans.

## Loan No. 1 — Regency Portfolio

Trust Debt Summary				Structural Features Summary			
Trust Amount:	\$349,730,000			Lock Box:	None.		
Maturity Date:	7/1/10			Up-Front Reserves:	None.		
Interest Rate:	5.0005%			Ongoing Reserves:	None.		
Amortization:	Interest only						
Sponsors:	Regency Centers Corporation and Macquarie CountryWide Corporation						
Purchase Price-Date:	\$553 million-6/1/05						
			<b>Stressed</b>				
Debt	Amt. (\$ Mil.)	Amt. psf (\$)	DSCR (x)	LTV (%)			
Whole Loan	349.73	155	1.29	100.7			
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio. sf – square feet. psf – per square foot.							

Property Summary							
Property Name	Location	Original Balance (\$)	GLA (% of Portfolio)	Size (sf)	Year Built	Year Renovated	
Greenbriar Town Center	Fairfax, VA	73,250,000	15.4	345,935	1970	1992	
Festival at Manchester Lakes	Franconia, VA	33,260,000	7.3	165,568	1989	—	
Village Commons	West Palm Beach, FL	25,240,000	7.5	169,053	1987	—	
Kamp Washington Shopping Center	Fairfax, VA	22,330,000	3.2	71,825	1961	1996	
Plaza Square	Wayne, NJ	21,560,000	4.6	103,842	1990	—	
Kenhorst Plaza	Kenhorst, PA	20,780,000	7.2	161,424	1989	—	
Watkins Park Plaza	Upper Marlboro, MD	19,400,000	5.0	113,444	1986	—	
First State Plaza	Wilmington, DE	17,940,000	7.3	164,576	1988	1993	
Warwick Square Shopping Center	Philadelphia, PA	16,250,000	4.1	93,269	1999	—	
Mercer Square Shopping Center	Doylestown, PA	15,710,000	4.1	91,400	1989	—	
Newtown Square Shopping Center	Newton, PA	15,690,000	6.5	146,893	1955	1985	
Mayfair Shopping Center	Philadelphia, PA	15,550,000	5.1	115,027	1958	1987	
Takoma Park	Takoma Park, MD	10,450,000	4.8	108,168	1968	1989	
Shoppes of Graylyn	Wilmington, DE	9,390,000	3.0	66,676	1959	1987	
Goshen Plaza	Gaithersburg, MD	8,470,000	2.0	45,624	1987	—	
Hanover Village Shopping Center	Mechanicsville, VA	7,980,000	4.3	96,146	1971	—	
Laburnum Park Shopping Center	Richmond, VA	7,320,000	2.9	64,992	1988	—	
Firstfield Shopping Center	Gaithersburg, MD	6,870,000	1.0	22,328	1980	1995	
Glen Lea Center	Richmond, VA	2,290,000	3.5	78,493	1965	—	
Colonial Square*	Spring Garden, PA	0	1.3	28,640	1954	1974	
<b>Total</b>		<b>349,730,000</b>	<b>—</b>	<b>2,253,323</b>			
*Colonial Square has an allocated loan amount of \$0. The borrower has the ability to release the property. GLA – Gross leasable area. sf – Square feet.							

## Fitch Commentary

### Strengths

- The portfolio is secured by 20 retail properties in six states.
- The centers are composed of a strong, diverse tenant base. The portfolio is approximately 94% occupied and includes credit tenants such as Safeway, CVS, Albertsons, and Publix.
- Experienced sponsor. Regency Centers Corporation is a self-managed real estate investment trust (REIT) specializing in the acquisition, development, and ownership of grocery-anchored neighborhood and community shopping centers. Regency Centers currently owns and manages 291 properties totaling 36 million square feet (sf). Macquarie CountryWide Corporation was established in 1995 to acquire a portfolio of supermarkets and shopping centers. Currently, the company has investments in retail properties located in Australia, New Zealand, and the U.S.
- The sponsors are contributing approximately \$1.117 billion in cash equity to the overall \$2.7 billion acquisition of the CALPERS/First Washington portfolio of 101 properties, 20 of which are the collateral for this loan.

### Concerns

- Glen Lea Center (\$2.3 million); Winn Dixie and Eckerd's both recently left the center, leaving it currently 55% vacant.
- The engineer recommended Phase II work be done of Firstfield Shopping Center (\$6.9 million) and Shoppes at Graylyn (\$9.4 million).

- High-leverage loan with no structural features.

**Mitigants**

- The Glen Lea Center property represents 0.6% of the total portfolio amount. In addition, no credit was given to this space in Fitch's determination of net cash flow.
- Phase II reports were not completed because the borrower purchased an environmental policy in the aggregate amount of \$100 million. This policy covers all 101 properties acquired from First Washington.
- The loan's leverage is reflected in the subordination levels.

**Market Information**

- The portfolio consists of 17 neighborhood centers and three community centers that are located along the east coast in six states. It spans more than 2.25 million sf and is predominantly grocery- or pharmacy-anchored centers. Geographic concentrations exist in the Washington, D.C. metropolitan statistical area (seven properties and 45.1% of portfolio square footage) and Pennsylvania (six properties and 28.3% of portfolio square footage).

## Loan No. 2 — Silver City Galleria

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>				
Trust Amount:	\$137,514,971				Anchor:	Filene's (not part of collateral) (150,000 sf) (2004 sales of \$247 psf)			
Maturity Date:	6/10/11					JCPenney (145,974 sf) (2004 sales of \$120 psf)			
Interest Rate:	4.7644%				Major Tenants:	Sears (not part of collateral) (106,000 sf) (2004 sales of \$191 psf)			
Amortization:	30 years					Steve & Barry's University (73,641 sf) Dick's Sporting Goods (50,000 sf)			
Sponsors:	Teachers Retirement System of the State of Illinois and General Growth Properties, Inc.				In-Line Tenants:	TJ Maxx, Old Navy, Express, H&M, Lerner New York			
			<b>Stressed</b>		In-Line Sales:	\$440 psf (as of 12/31/04)			
<b>Debt</b>	<b>Amt.</b>	<b>Amt.</b>	<b>DSCR</b>	<b>LTV</b>	Leased:	92.0% total and 82.5% in-line (as of 5/27/05)			
	<b>(\$ Mil.)</b>	<b>psf (\$)</b>	<b>(x)</b>	<b>(%)</b>	Occupancy Cost:	12.8%			
Whole Loan	137.5	192	1.19	91.0	<b>Structural Features Summary</b>				
<b>Property Summary</b>					Lock Box:	Springing.			
Property Type:	Regional mall				Ongoing Reserves:	Springing upon an event of default or if the DSCR is less than 1.25x.			
Collateral:	Fee				Up-Front Reserves:	None.			
Total Size:	714,898 sf								
In-Line:	445,283 sf								
Location:	Taunton, MA								
Year Built/Renovated:	1992/1999								
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio. sf – square feet. psf – per square foot.									

### Fitch Commentary

#### Strengths

- Strong in-line mall sales of \$440 per square foot (psf).
- Experienced sponsor. General Growth Properties, Inc. (GGP) is the second largest owner/operator of malls in the U.S., as it owns more than 200 regional shopping malls, totaling more than 200 million sf, located in 44 states.
- Good location, 30 miles south of Boston. Signage is highly visible from Route 140 and Route 24. Access to Interstate 495 is also convenient from Route 140.

#### Concerns

- In-line occupancy is low at 82.5%.
- Two competing malls, Emerald Square Mall and Swansea Mall, are less than 16 miles away.

#### Mitigants

- Overall occupancy for the mall has been stable at approximately 92% since 2003. In-line shop sales of \$440 psf are higher than GGP average sales for comparable malls at \$346 psf. In addition, Dick's Sporting Goods, which is scheduled to open in October, should positively affect the mall.
- Silver City Galleria has a diverse tenant mix of more than 100 tenants. The population in a five-mile radius is approximately 68,000, with an average household income of \$60,000. Also, the other malls are older than the subject, and Silver City Galleria has coexisted with these malls for approximately 13 years since it opened.

#### Market Information

- The subject is located in Taunton, MA, approximately 30 miles south of Boston and 15 miles west of Providence. Most of the residents are commuters to Boston or Providence. The immediate area surrounding the property used to be a major industrial base; therefore, the surrounding area near the property is undeveloped. There are two major business parks near the property, one of which is owned and managed by a not-for-profit corporation and another of which includes nationally recognized tenants, such as Texas Instruments, Johnson & Johnson, Ocean Spray Cranberries, and Verizon.

## Loan No. 3 — Plastipak Portfolio

<b>Fitch Credit Assessment</b> (in the context of the pool): <b>'BBB-'</b>		<b>Tenant/Occupancy Summary</b>	
<b>Trust Debt Summary</b> Trust Amount: \$100,000,000 Maturity Date: 10/1/15 Interest Rate: 5.54% Amortization: 20 years Sponsor: Plastipak Holdings, Inc.		Tenant: Plastipak Packaging, Inc. (wholly owned by Plastipak Holdings, Inc. and Clean Tech, Inc.) (100% of NRA) Occupancy: 100% as of 9/6/05	
<b>Property Summary</b> Property Type: Industrial / Warehouse Collateral: Fee		<b>Structural Features Summary</b> Lock Box: Hard lock box in place. Ongoing Reserves: Springing reserves for real estate taxes, insurance, replacement reserves, and leasing costs if Plastipak's credit rating is downgraded. Other Features: The borrower has posted a \$1 million security deposit. In addition, \$4.0 million of loan proceeds were held back at closing until completion of a 133,600-sf expansion at the Plant City property (estimated completion date of 9/1/06).	
<b>Stressed</b>			
<b>Debt</b>	<b>Amt. (\$ Mil.)</b>	<b>DSCR (x)</b>	<b>LTV (%)</b>
Whole Loan	100.0*	1.44	62.0**

\*\$4 million will be held back for the Plant City expansion. \*\*The Fitch stressed loan-to-value ratio (LTV) is 75.9% without amortization credit. DSCR – Debt service coverage ratio. sf – square feet. psf – per square foot. NRA – Net rentable area.

Property Location	MSA	Total Size (sf)	% of Total	Office (sf)	Office (%)	Year Built	Year Renovated	Average Ceiling Height (Feet)	Rent
									psf (\$)
McCalla, AL	Birmingham	296,276	6.7	8,888	3.0	2002	N.A.	30	4.25
Plant City, FL*	Tampa	212,000	4.8	6,400	3.0	1997	2002	27	4.75
Pineville, LA	Alexandria	566,000	12.7	16,980	3.0	2004	N.A.	33	4.50
Champaign, IL	Champ-Urbana	683,187	15.4	6,832	1.0	1991	N.A.	30	3.25
Longmeadow, MA	Springfield	262,747	5.9	23,647	9.0	1980	1998	24	3.50
Dundee, MI	Detroit	135,257	3.0	2,705	2.0	1967	1998	26	3.50
Plymouth, MI**	Detroit	128,800	2.9	51,520	40.0	1968	1997/2003	34	10.00
Westland, MI	Detroit	184,631	4.2	5,539	3.0	1975	N.A.	24	4.25
Jackson Center, Highway 65, OH	Dayton	1,000,585	22.5	60,035	6.0	1973	N.A.	35	2.25
Jackson Center, Washington St., OH	Dayton	66,000	1.5	2,640	4.0	1970	1995/2003	19	2.50
Lima, OH	Dayton	126,615	2.8	5,065	4.0	1975	1995	31	3.00
Medina, OH	Cleveland	293,076	6.6	26,377	9.0	1960	1985	25	3.00
Garland, TX	Dallas	408,597	9.2	12,258	3.0	1996	N.A.	34	3.25
Highlands, TX	Houston	84,119	1.9	2,524	3.0	1981	N.A.	24	3.50
<b>Total</b>		<b>4,447,890</b>	<b>100.0</b>	<b>231,410</b>	<b>5.2</b>			<b>—</b>	<b>3.55</b>

\*Includes the Plant City 133,600-square-foot (sf) expansion, scheduled for completion 9/1/06. \*\*The Plymouth property is the headquarters of Plastipak. MSA – Metropolitan statistical area. N.A. – Not applicable. Note: Numbers may not add due to rounding.

## Fitch Commentary

### Strengths

- Property diversity. The loan is secured by a geographically diverse portfolio of 14 industrial/warehouse properties located in eight states.
- Strong locations. The properties are strategically located near major customers. In addition, the properties have excellent accessibility to major interstates and roadways.
- The 10-year loan amortizes on a 20-year amortization schedule. The loan currently is \$22.48 psf and will amortize down to \$14.25 psf at loan maturity.

### Concerns

- The portfolio is 100% owner-occupied by Plastipak Packaging, Inc. (Plastipak) and Clean Tech, Inc., non-investment-grade rated tenants.
- The borrowing entity TABB Realty, LLC, along with other subsidiaries of Plastipak, is guaranteeing the corporate-level senior unsecured debt.

## **Mitigants**

- Plastipak is a dominant, profitable player in the plastic bottle-making industry. In most cases, Plastipak built the improvements and has expanded the facilities to meet a steady growth in customer demand. Plastipak has a significant investment in capital equipment and technological processes at each location. These properties represent substantially all of Plastipak's domestic production and are vital to their business. In addition, Plastipak has entered into 20-year market rate leases (10 years beyond the loan term), which is absolutely net, including the reimbursement of management fee and capital reserves. The properties are fungible industrial/warehouse assets located mostly in industrial areas with good highway accessibility and have adequate ceiling heights and loading docks. Additionally, in determining its stabilized net cash flow, Fitch utilized market rents, assumed a 20% vacancy, and deducted leasing costs, a management fee, and capital expenditures.
- There is a nonconsolidation agreement in place between Plastipak, the sponsor, and TABB Realty, LLC, the borrowing entity. The presence of the guaranty is reflected in the credit assessment.

## **Market Information**

- The plastic bottle industry is highly fragmented, with the top five companies representing only 31% of the supply; Plastipak accounts for only 4% of the industry supply. The company's growth has been organic rather than through acquisition. Because the industry is capital intensive and operates on thin margins, Plastipak invests most of its capital on plant improvements and equipment. Plastipak's corporate strategy is to locate proximate to its demand generators, invest in state-of-the-art manufacturing facilities, and provide good customer relations.
- The properties are located typically in industrial areas near major customers and have excellent highway accessibility. In addition, the properties have adequate ceiling heights and loading docks. The properties have dedicated turn lanes with multiple heavy-duty, load-bearing driveways providing excellent ingress/egress. The rents of most properties are in line with those for their respective submarkets.

## **Other Information**

- Plastipak is a 38-year-old privately held container maker with revenues in excess of \$1 billion. Plastipak is the third largest company in its industry and one of the largest 200 private companies in the U.S. Its primary business is making plastic bottles for the food and consumer industry. Major clients include Procter & Gamble, Kraft Foods, and Pepsi Co. For the fiscal year ended Nov. 1, 2004, Plastipak earned after-tax net income of \$9.2 million on revenues of \$1 billion.

## Loan No. 4 — One World Trade Center

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>				
Trust Amount:	\$90,000,000				Major Tenants:	U.S. Customs (8.9% of NRA )			
Maturity Date:	8/1/15					Hilton Long Beach-EMC (8.1% of NRA)			
Interest Rate:	5.18%					Ford Walker Haggerty (6.2% of NRA)			
Amortization:	30 years					The Federal Bureau of Investigation and the			
Sponsor:	G REIT					Department of Defense (5.2% of NRA)			
Purchase Price-Date:	\$113.7 million-12/03					Apriso Corporation (4.6% of NRA)			
			<b>Stressed</b>		Occupancy:	85.7% (as of 7/31/05)			
<b>Debt</b>	<b>Amt.</b>		<b>DSCR</b>	<b>LTV</b>	<b>Structural Features Summary</b>				
	<b>(\$ Mil.)</b>	<b>Amt. psf (\$)</b>	<b>(x)</b>	<b>(%)</b>	Lock Box:	Hard.			
Whole Loan	90.0	157	1.06	99.2	Ongoing Reserves:	Tax, insurance, capital expenditures (\$0.20 psf), and leasing costs (\$0.48 psf).			
					Up-Front Reserves:	Leasing costs of \$250,000.			
<b>Property Summary</b>									
Property Type:	Office								
Collateral:	Fee								
Collateral Size:	573,300 sf								
Location:	Long Beach, CA								
Year Built:	1989								
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio.									
sf – square feet. psf – per square foot. NRA – Net rentable area.									

## Fitch Commentary

### Strengths

- High-quality office building located in downtown Long Beach. The subject is well located, with access to several interstates, including Interstate 405, which provides access to Long Beach and West Los Angeles, and Interstate 110, which provides access to Downtown Los Angeles and Pasadena.
- Experienced manager and sponsor. G REIT is a REIT that acquires and operates office and industrial properties. Much of its management holds equity positions in its adviser company, Triple Net Properties, which manages a portfolio of more than 19 million sf.
- Credit tenancy. 17.7% of the space is leased by investment-grade rated tenants, with another 25.5% of the space leased by tenants with government leases.
- Good diversity. The largest tenant represents 8.9% of the net rentable area (NRA), and the top five largest tenants represent only 33%.

### Concerns

- Building occupancy of 85.7%.
- Both U.S. Customs and Federal Bureau of Investigation (U.S. General Services Administration) have leases expiring in 2012. Both tenants have above-market rents.
- The Securities and Exchange Commission (SEC) has requested additional information for G REIT relating to disclosure in securities offerings.
- The first five years of the loan are interest only.

### Mitigants

- Subject's vacancy is in line with the market. Torto Wheaton Research (TWR) reports an average vacancy of 14.9% for class A buildings in the downtown submarket of Long Beach.
- Borrower reserved \$0.48 psf in ongoing leasing costs and an up-front escrow of \$250,000 for tenant rollover. Also, the building is proximate to public transportation.
- The SEC request is voluntary, and Triple Net Properties, G REIT's adviser, plans to cooperate fully until the SEC is satisfied.
- Sponsor acquired the property for \$113.7 million in 2003, resulting in \$23.65 million (20.8%) of equity in the transaction.

### Market Information

- The class A segment of the market includes 14 buildings totaling \$2.9 million sf.
- Average in-place rent of \$22.57 psf is in line with the market average of \$22.86 psf.

## Loan No. 5 — Western US Alliance Data Systems Portfolio

Trust Debt Summary				
Trust Amount:	\$70,750,000			
Maturity Date:	8/1/15			
Interest Rate:	5.0765%			
Amortization:	Five years interest only, followed by a 30-year amortization			
Sponsor:	Behringer REIT I, Inc.			
Purchase Price-Date:	\$96.5 million-7/20/05			
Stressed				
Debt	Amt. (\$ Mil.)	Amt. psf (\$)	DSCR (x)	LTV (%)
Whole Loan	70.75	146	1.07	106.7

DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio.  
sf – square feet. psf – per square foot. LOC – Letter of credit.

Structural Features Summary	
Lock Box:	Springing
Ongoing Reserves:	Capital expenditures (\$0.20 psf) and leasing costs (\$1.00 psf).
Other Features:	Springing LOC totaling \$4.5 million (\$19.56 psf) if the tenant, Alliance Data Systems, does not renew its lease at the Western US Alliance Data Systems property. The borrower will post a \$2.25 million (\$9.78 psf) LOC two years prior to the lease termination date and a second \$2.25 million (\$9.78 psf) LOC one year prior to the lease termination date.

Property Summary					Largest Tenant Summary			
Property	Location	Year Built	Total Collateral Size (sf)	Largest Tenant	Lease Expiration	Extension Options (Years)		Single Tenant?
						2-5	1-5	
Western US Alliance Data Systems	Dallas, TX	1998	230,061	Alliance Data Systems	10/10	2-5	Yes	Yes
SW Center	Tigard, OR	2001	48,760	Allstate	5/09	1-5	No	No
Gateway 12	Diamond Bar, CA	1999	40,759	Goodrich	11/11	1-5	Yes	Yes
Gateway 22	Diamond Bar, CA	1999	55,095	Allstate	12/09	2-5	Yes	Yes
Gateway 23	Diamond Bar, CA	1999	71,739	Allstate	12/09	2-5	Yes	Yes

### Fitch Commentary

#### Strengths

- Loan is secured by five office properties located across three states in major metropolitan markets.
- Four of the five properties are located in strong office submarkets, with vacancy rates under 10%. The fifth property, Western US Alliance Data Systems, is located in a submarket where single-tenant buildings have performed well, with vacancies less than 10%.

#### Concerns

- All but one of the properties (SW Center) are leased to single tenants.
- All leases expire during the loan term, and several tenants have termination options.

#### Mitigants

- Three of the four single-tenanted properties are leased to credit tenants. The loan is structured with a \$4.5 million springing letter of credit for the property not occupied by a credit tenant.
- Most of the properties have tenants with either one or two five-year extension options, and all tenants with termination options face significant fees if they decide to terminate. Additionally, all properties are well positioned in their markets as newly constructed office buildings with easily accessible locations in large metropolitan areas. Monthly capital expenditures and leasing cost reserves are collected for all properties.

#### Market Information

- Western US Alliance Data Systems is located in the Richardson/Plano submarket in the Dallas metropolitan market. The Richardson/Plano submarket has just under 20 million sf of office space. The Dallas office market has always struggled with high vacancy rates of more than 20%. However, vacancy rates for single-tenanted buildings, like the subject, have been lower and have remained under 10% for the past 10 years. The property is located near State Highway 190 and State Highway 75. Additionally, the property is approximately 10 miles north of the Dallas CBD.
- SW Center is located in Tigard, OR in the Washington Square submarket of the Portland metropolitan market. Market vacancy as of first-quarter 2005 was 8.6%. Net absorption is expected in the submarket, with only 50,000 sf of new construction for 2005 and absorption levels averaging 160,000 sf over the past five years. The property is located off Interstate 5.

- Gateway 12, Gateway 22, and Gateway 23 are all located in Diamond Bar, CA in the San Gabriel Valley submarket of the Los Angeles County market. 2004 vacancy rates in Diamond Bar were 5.4%, while the rest of the San Gabriel Valley stood at 11.7% and the Los Angeles vacancy rate for the first quarter of 2005 was 12.8%. The property is located near the junction of freeways 57 and 60.

## Loan No. 6 — Creekside Apartments

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>				
Trust Amount:	\$68,000,000				Occupancy:	94.4% as of 5/31/05			
Maturity Date:	8/11/15				<b>Structural Features Summary</b>				
Interest Rate:	5.1150%				Lock Box:	Springing.			
Amortization:	Interest only for five years, followed by a 30-year amortization schedule				Ongoing Reserves:	Capital expenditures (\$250 per unit), taxes, and insurance.			
Sponsor:	Israel Feit								
					<b>Stressed</b>				
<b>Debt</b>	<b>Amt. (\$ Mil.)</b>	<b>Amt./Unit (\$)</b>	<b>DSCR (x)</b>	<b>LTV (%)</b>					
Whole Loan	68.0	66,277	1.02	109.5					
<b>Property Summary</b>									
Property Type:	Multifamily								
Collateral:	Fee								
Total Size:	1,026 units								
Location:	Bensalem, PA								
Year Built:	1971								
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio.									
sf – square feet. psf – per square foot.									

### Fitch Commentary

#### Strengths

- Strong occupancy history. Average monthly physical occupancy from January 2002 through May 2005 was 95.1%, ranging from 93.5%–98.5%.
- The property has convenient access to freeways, employment, shopping, and public transportation. Additionally, there is little room for new supply in the area.
- Population growth. From 1999–2004, Bucks County’s population grew at a compound annual growth rate (CAGR) of 0.96%, compared with Philadelphia’s CAGR of 0.34%. Employment in Bucks County grew at a CAGR of 1.77% for the same period, compared with Philadelphia’s CAGR of 0.59%.
- Experienced on-site management. The property has had the same on-site property manager for 14 years.

#### Concerns

- The property was constructed in 1971.
- Approximately 55% of the property’s tenants receive Section 8 assistance.

#### Mitigants

- Competing properties in the submarket are of similar age. Additionally, there has been no new construction in the submarket during the past eight years, and no new construction is planned. Moreover, since the sponsor purchased the property in 2000, the sponsor has been making capital improvements to the property, including the installation of new ceramic tiling in the kitchens and bathrooms, insulated windows, and a new intercom system.
- Management requires tenants to pass a credit check, a criminal background check, and a landlord/tenant check. The property’s estimated credit loss ratio is reported to be 0.18%.

#### Market Information

- The subject’s occupancy was 94.4% as of May 2005, compared with a first-quarter 2005 occupancy rate of 95.8% for metropolitan Philadelphia. Occupancy for the Bensalem submarket stood at 96.6% in first-quarter 2005. A survey of four competitive properties by Integra Realty Resources found an average occupancy rate of 95%. There has been no new construction in the submarket during the past eight years, and no new construction is planned.
- The subject’s base monthly rent per unit as of May 31, 2005 was \$810 for a one-bedroom unit and \$859 for a two-bedroom unit. Market rents currently are \$812 per month for a one-bedroom unit and \$865 per month for a two-bedroom unit.

## Loan No. 7 — Gateway Center

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>				
Trust Amount:	\$64,874,218				Major Tenants:	Dollar Bank (6.2% of total NRA)			
Maturity Date:	7/1/15					CBS Broadcasting (4.3% of total NRA)			
Interest Rate:	5.40%					Strategic Energy (2.7% of total NRA)			
Amortization:	30 years				Occupancy:	80.5% (as of 6/30/05)			
Sponsors:	Isaac Hertz, Judah Hertz, Sarah Hertz, and William Hertz				<b>Structural Features Summary</b>				
Purchase Price-Date:	\$55.0 million-12/04				Lock Box:	Taxes and insurance			
			<b>Stressed</b>		Ongoing Reserves:	Capital expenditures (\$0.20 psf) and leasing costs (\$1.25 psf).			
<b>Debt</b>	<b>Amt. (\$ Mil.)</b>	<b>Amt. psf (\$)</b>	<b>DSCR (x)</b>	<b>LTV (%)</b>					
Whole Loan	64.9	44	1.34	82.3					
<b>Property Summary</b>									
Property Type:	Office								
Collateral:	Fee								
Total NRA:	1,464,595 sf								
Location:	Pittsburgh, PA								
Year Built/Renovated:	1960/2000								
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio. sf – square feet. psf – per square foot. NRA – Net rentable area.									

## Fitch Commentary

### Strengths

- Diverse rent roll, with the largest tenant accounting for only 6.2% of NRA and 7.11% of revenue.
- Experienced sponsor. Since 1979, the Hertz Group (Hertz) has acquired and/or managed more than 100 properties. Hertz's strategy is to reposition poorer performing properties. The company has revitalized several properties in recent years, including the Wiltern Center, the Oviatt Building, the Park Plaza, and the California Mart, all located in Los Angeles.

### Concerns

- Sponsor is cashing out its equity in the property, yielding a total recapture of approximately \$20 million.
- 98.4% of the leases expire within the loan term.

### Mitigants

- Credit enhancement levels reflect the additional risk from the cashout.
- There are ongoing reserves for leasing costs of approximately \$0.92 psf.

### Market Information

- For second-quarter 2005, Pittsburgh's average gross rent for office space was \$18.76 psf, with an average of \$22.22 psf for class A office space and \$16.16 psf for class B/C office space. Gateway Center, which is a class B+ building, has an average in-place rent of \$17.29 psf.
- Downtown Pittsburgh had an overall 17% vacancy for office space in second-quarter 2005, with a 19.2% average vacancy rate for class B/C office space. The subject's vacancy currently is 19.5%.
- Three Pittsburgh CBD office properties have traded since January 2004 at prices higher than \$60 psf: One Mellon Center (of higher quality than the subject) at \$118.02 psf; Dominion Tower (of equal quality to the subject) at \$72.55 psf; and The Frick Building (of lesser quality than the subject) at \$60.12 psf. Additionally, a property located across from the subject currently is on the market for \$95 psf.

## Loan No. 8 — Roundy's Distribution Center

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>				
Trust Amount:	\$55,000,000				Major Tenants:	Roundy's Distribution Center (100% of NRA)			
Maturity Date:	9/1/15				Occupancy:	100% (as of 8/10/05)			
Interest Rate:	4.70%				<b>Structural Features Summary</b>				
Amortization:	22 years				Lock Box:	None.			
Sponsor:	Peter Paul Bell				Up-Front Reserves:	None.			
Development Cost:	\$89,318,009				Ongoing Reserves:	None.			
			<b>Stressed</b>		Other Features:	Allowed future subordinate debt up to \$18.5 million in the form of a B note. The current subordinate debt amount is \$6 million.			
<b>Debt Stack</b>	<b>Amt. (\$ Mil.)</b>	<b>Amt. psf (\$)</b>	<b>DSCR (x)</b>	<b>LTV (%)</b>					
A Note	55.0	50	1.27	82.1					
B Note	6.0	56	1.14	91.1					
Total	61.0	56	1.14	91.1					
<b>Property Summary</b>									
Property Type:	Industrial Warehouse – Distribution								
Collateral:	Leasehold								
Total Size:	1,082,200 sf								
Location:	Oconomowoc/Summit, WI								
Year Built:	2005								
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio.									
sf – square feet. psf – per square foot. NRA – Net rentable area.									

## Fitch Commentary

### Strengths

- The property represents a state-of-the-art warehouse distribution facility, with 42% of refrigerated space, 131 dock doors, 37-foot clearance, and more than 50,000 sf of high-end office space. The facility employs 800 people and provides groceries to more than 50% of the Wisconsin market.
- The sponsor has approximately \$28.6 million (38.6%) of hard equity invested in the development of this property.
- Experienced local sponsorship. Peter Bell has more than 30 years of experience developing, owning, and managing commercial real estate. Bell is the primary owner of more than three million sf of commercial and residential real estate, including office, apartments, retail, mixed-use commercial, and industrial properties.

### Concerns

- The property is leased to a single tenant that is not rated investment grade.
- Tax and insurance escrows, replacement reserves, and leasing cost collections have been waived.
- Subordinate debt is in place.
- The property is subject to a ground lease.

### Mitigants

- The tenant, Roundy's Inc., is the nation's eighth largest grocery wholesaler and the 19th largest grocery retailer overall. In addition to the sponsor's equity, Roundy's has invested more than \$32 million into the property, which will serve as its new head distribution facility.
- Roundy's has a 15-year, absolute triple net lease, whereby the tenant directly pays all expenses associated with the property. The loan amortizes on a 22-year schedule. At its maturity date, the A note balance will be \$34.05 psf. In addition, Roundy's lease term does not expire until 2020, which is five years beyond the loan's maturity.
- The additional debt is factored into the levels.
- The ground lease expires in 2055, including borrower extension options, and the terms are considered lender friendly.

### Other Information

- Roundy's distribution center is located approximately 25 miles west of Milwaukee. The property is within the Pabst Farms master-planned community, a 1,500-acre project purchased by Peter Bell in 2002. When complete, this mixed-use development will include 900,000 sf of premiere retail space, five million sf of business, office, and health care buildings, 1,200 single-family and multifamily residences, a 184-acre health care campus, and 360 acres of civic uses, open space, and recreational trails.
- From its nine distribution centers, Roundy's distributes goods to warehouses and more than 800 grocery stores throughout the Midwest. Roundy's is also a grocery center retailer, with retail stores throughout Wisconsin, Minnesota, and other

Midwest locations. Since 2002, Roundy's has added 72 stores through new construction and acquisition under the Pick 'n Save, Copps Food Centers, and Rainbow Food banners.



## Loan No. 10— Waterway Plaza I & II

<b>Trust Debt Summary</b>					<b>Tenant/Occupancy Summary</b>																
Trust Amount:	\$52,500,000				Major Tenants:	Huntsman LLC (36.6% of NRA)															
Maturity Date:	7/1/15					Pantellos Corporation (19.3% of NRA)															
Interest Rate:	5.22%					Jones, Walker, Waechter (4.2% of NRA)															
Amortization:	Five years interest only, followed by 30-year amortization					Bbva Bancomer Financial (4.1% of NRA)															
Sponsors:	Triple Net Properties, LLC and Anthony W. Thompson				Occupancy:	UBS PaineWebber, Inc. (3.9% of NRA)															
Purchase Price-Date:	\$72.6 million-6/05					96.0% (as of 4/30/05)															
					<b>Structural Features Summary</b>																
					Lock Box:	Hard.															
					Ongoing Reserves:	Taxes, insurance, capital expenditures (\$0.20 psf), and leasing costs (\$0.82 psf per year, capped at \$600,000).															
					Up-Front Reserves:	Provided letter of credit of \$1.185 million (\$3.24 psf) for rent abatements due to Perfect Commerce and \$1.145 million (\$3.13 psf) for tenant improvement costs and possible future rent concessions to various tenants.															
					<table border="1"> <thead> <tr> <th rowspan="2">Debt</th> <th rowspan="2">Amt. (\$ Mil.)</th> <th rowspan="2">Amt. psf (\$)</th> <th colspan="2">Stressed</th> </tr> <tr> <th>DSCR (x)</th> <th>LTV (%)</th> </tr> </thead> <tbody> <tr> <td>Whole Loan</td> <td>52.5</td> <td>143</td> <td>1.15</td> <td>94.4</td> </tr> </tbody> </table>					Debt	Amt. (\$ Mil.)	Amt. psf (\$)	Stressed		DSCR (x)	LTV (%)	Whole Loan	52.5	143	1.15	94.4
Debt	Amt. (\$ Mil.)	Amt. psf (\$)	Stressed																		
			DSCR (x)	LTV (%)																	
Whole Loan	52.5	143	1.15	94.4																	
<b>Property Summary</b>																					
Property Type:	Office																				
Collateral:	Fee																				
Total Size:	366,043 sf																				
Location:	Woodlands, TX																				
Year Built/Renovated:	2001																				
DSCR – Debt service coverage ratio. LTV – Loan-to-value ratio.																					
sf – square feet. psf – per square foot. NRA – Net rentable area.																					

### Fitch Commentary

#### Strengths

- Strong submarket. The Woodlands is a master-planned community located 30 miles north of the Houston CBD. Per TWR, the submarket's vacancy rate and average gross rents of 2.3% and \$23.17 psf, respectively, are the strongest in the Houston metropolitan area.
- High-quality asset with strong location. The subject consists of two class A office buildings built in 2000 and 2001 and features granite floors and walls in the lobby with high-end tenant finishes. The exterior features attractive landscaping and a reflecting pool with a decorative walkway. The property is located within the Woodlands Town Center, which includes most of the community's commercial development, including The Woodlands Shopping Center.
- Barriers to entry. Any development in the Woodlands is controlled by the Woodlands Development Corporation, which is a joint venture between GGP and Morgan Stanley. Only one class A office building is under construction currently, which is expected to be completed in November 2005.
- Based on the purchase price, the borrower will have approximately \$12.5 million cash equity in the subject.

#### Concern

- TIC borrower structure.

#### Mitigant

- The sponsor providing nonrecourse carveouts is Triple Net Properties, LLC, which structures TIC transactions for investors that purchase undivided interests in mortgaged commercial real estate properties. Since inception, Triple Net Properties has raised more than \$1.37 billion from 17,185 investors. Additionally, each TIC member has waived its right of partition, Triple Net Properties is the managing member, the loan is joint and several to each TIC member, each TIC member has waived its right against other TIC members prior to loan maturity, and the credit enhancement levels reflect the TIC borrowing structure.

#### Market Information

- The subject property is located in The Woodlands, a 27,000-acre master-planned community located approximately 30 miles north of the Houston CBD. The property is located approximately three blocks from Interstate 45. Office tenants in The Woodlands complement the upper-income residents of the community.
- Per TWR, class A office buildings in The Woodlands submarket of Houston exhibit an average occupancy of 97.7%, with average gross rents of \$23.17 psf. The Woodlands is outperforming the overall Houston market, which has a class A vacancy rate of 16.8% and average in-place gross rents of \$18.65 psf. The subject is performing in line with the submarket, with a vacancy rate of 3.7% and average in-place gross rents of \$23.77 psf.

**Rating Methodology Highlights**

The ratings reflect the credit enhancement provided to each class by the subordination of classes junior to it. Fitch Ratings evaluates the credit enhancement based on stressed debt service coverage ratios (DSCRs) and loan-to-value ratios (LTVs), various pool and loan composition factors, parties to the transaction, and the transaction's financial structure. Some highlights of the methodology are discussed below.

**Stressed DSCR and LTV**

Fitch stressed DSCRs and LTVs are based on an adjusted net cash flow (NCF). The Fitch stressed DSCR is the average of the Fitch constant DSCR, to reflect balloon risk, and the Fitch term DSCR, to reflect term risk. Both DSCR calculations use the Fitch NCF. The Fitch constant DSCR is based on a debt service equal to the greater of the actual constant or an assumed property-specific refinance rate combined with an assumed amortization schedule, while the Fitch term DSCR is based on actual debt service. The Fitch stressed LTVs are calculated by applying property-specific capitalization rates to the adjusted NCF to determine a Fitch stressed value and then dividing this Fitch value into the current loan balance. Both these ratios are used to calculate the base credit enhancement level.

Reunderwriting is used to determine a sustainable cash flow for a representative sample of loans. When assessing sustainable property income, Fitch looks for trends in historical operating statements and considers property and market rent and occupancy levels. Common adjustments to net operating income include raising vacancy and collection loss, reducing revenue to current market levels, and increasing management fees. Typically, for properties with short-term leases, the underwritten NCF is based on the most recent 12 months of information available. For properties with longer term leases, consideration is given to leases in place and current expenses are adjusted upward. Fitch adjusts NCF for recent events such as new construction, expected store closures, or hotel performance at historical highs. Fitch deducts capital expenditure reserves from each property's cash flow, as well as tenant improvements and leasing commissions for retail, office, and industrial property types. The result is a Fitch NCF for each property reviewed. The aggregate banker-provided NCF for the sample is compared with the aggregate Fitch NCF, resulting in a variance, or haircut, that is extrapolated to the rest of the pool.

**Loan and Pool Issues**

**Property Type:** Certain types of properties have historically exhibited more cash flow volatility, which can lead to difficulty in making debt service payments or in obtaining a refinancing. Riskier property types to which Fitch attributes an increased refinance constant include: weak retail; self-storage; health care; hotels; theaters; and operating businesses, among others.

**Property Market Metric™:** Fitch uses Property Market Metric™ (PMM) to expand property type risk analysis and consider market conditions. The PMM score combines historical property type income volatility with growth forecasts into a single risk measure for five property types in each of more than 300 metropolitan statistical areas. Each PMM corresponds to a specific volatility group from 1 to 5, with higher numbers indicating more risk. Group 6 contains other property types and locations. Default probability adjustments are made to each loan according to its volatility group score.

**Volatility Assessment:** Fitch reviews asset summaries to assess volatility risks such as loan per square foot, tenant quality, management/sponsor experience, and lack of operating history, among other items. A sample of asset summaries is scored from 1 to 5, with higher numbers indicating more risk. Default probability adjustments are made according to the volatility score and extrapolated to the pool.

**Loan Diversity:** To measure loan diversity, Fitch calculates a loan diversity index (LDI), which is the sum of the squares of each loan's percentage of the pool excluding investment-grade rated loans. Credit enhancement for the pool is increased as the LDI score for the pool rises. Other concentrations, such as borrower, manager, and operator, are measured against the pool's LDI score and, to the extent there are differences, credit enhancement may be increased.

**Geographic Diversity:** Fitch credit enhancement levels reflect the assumption of a higher probability of default of those loans secured by properties in the state or region with the highest concentration. For purposes of analysis, Northern and Southern California are treated as two regions, and the metropolitan area of New York City is treated as one. Levels also reflect the risks of geographically concentrated natural disasters, such as earthquakes in California and hurricanes in certain coastal areas.

**Site Inspections**

Site inspections are performed to determine the quality of the properties securing the loans and to verify the integrity of data in the asset files. Factors assessed include access, visibility, property condition, level of amenities, strength of the immediate submarket, new construction, and the property's competitive position. Fitch assigns property quality grades on a scale from "A" to "D". A lower probability of default is attributed to loans secured by properties considered "B+" or better. Higher probability of default is attributed to loans secured by below-average quality ("C+" or worse properties).

## Deal Comparison

	JPMCC		Sept. 29, 2004–Sept. 7, 2005	
	2005-LDP4	Average	Average	Range
Pool Balance (\$ Mil.)	2,705	1,847		977–4,019
Number of Properties	244	198		82–549
Number of Loans	186	148		80–297
% of Pool 10 Largest Loans or Borrower Concentrations	38.50	40.21		23.50–61.70
Loan Diversity Index*	308	245		103–453
% of Pool with Investment-Grade Credit Assessments	5.03	15.06		0.00–34.92
Issuer Weighted Average DSCR	1.49	1.64		1.42–2.06
Fitch Stressed Weighted Average DSCR**	1.17	1.25		1.13–1.61
% Below 1.0x	10.90	3.73		0.00–16.90
% Above 1.5x	1.80	12.83		1.60–37.60
Fitch Constant Weighted Average DSCR	0.92	1.04		0.91–1.33
Fitch Term Weighted Average DSCR**	1.45	1.58		1.37–1.93
Fitch Stressed Weighted Average LTV (%)**	100.75	91.04		76.82–100.12
% Above 90%	84.30	59.05		16.41–89.10
% Below 65%	5.40	9.55		0.30–30.72
Total Cash Flow Variance (%)	2.00	3.49		1.86–6.89
Actual Weighted Average Constant (%)	6.28	6.53		5.98–7.20
Collateral Quality Score†	8.76	8.70		8.09–9.46
Property Market Metric™ Score*	2.43	2.77		2.34–3.13
% of Pool Having or Allowing Subordinate Debt	18.50	29.21		10.15–53.35
% of Pool with Interest-Only Loans	30.30	25.02		2.20–54.10
% of Pool with Partial Interest-Only Loans	39.70	27.46		0.00–52.32
<b>Subordination (%)</b>				
'AAA'	12.38	12.53		9.38–14.25
'AA'	10.50	10.23		7.25–12.13
'A'	7.88	7.61		5.38–9.25
'BBB'	4.50	4.52		3.00–5.75
'BB'	2.50	2.46		1.63–3.25
'B'	1.63	1.52		0.88–2.00

\*See Rating Methodology Highlights, page 21.

\*\*The Fitch stressed debt service coverage ratio (DSCR) equals the average of the Fitch constant DSCR and Fitch term DSCR. The Fitch term DSCR equals Fitch net cash flow/actual debt service. See Stressed DSCR and LTV section in Rating Methodology Highlights, page 21.

†Score is based on a scale of 1–10, where a 10 represents a pool that consists entirely of properties of above-average collateral quality and a 1 represents a pool that consists entirely of properties of below-average collateral quality. The scores are the result of site inspections that Fitch performs on a representative sample of the pool. For more information on Fitch's methodology for grading collateral quality, see the Site Inspections section in Rating Methodology Highlights, page 21.

LTV – Loan-to-value ratio.

Note: Averages and ranges are based on fixed-rate multiborrower conduit and fusion transactions rated by Fitch from Sept. 29, 2004 through Sept. 7, 2005. The current sample includes 33 transactions with an aggregate balance of \$57.258 billion, consisting of 4,726 loans secured by 6,337 commercial properties. The transactions included in the sample are: MLMT 2004-KEY 2; BSCMI-PWR 5; MSCI 2004-HQ4; BACM 2004 4; MSCI-TOP16; MLMT 2004-BPC1; GMAC 2004-C3; JPMCC 2004-C3; BACM 2004-6; MSCI-TOP17; CSFB 2005-C1; MSCI 2005-IQ9; GE 2005-C1; JPMCC 2005-LDP1; BSCMISI 2005-PWR7; MSCI 2005-HQ5; WBCMT 2005-C17; BACM 2005-1; MSCI –TOP 18; LBUBS 2005-C2; GE 2005-C2; GMAC 2005-C1; JPMCC 2005-LDP2; GSMS 2005-GG4; BSCMSI 2005-PWR8; WBCMT 2005-C19; MSCI-TOP 19; JPMCC 2005-CIBC12; MSCI 2005-HQ6; GE 2005-C3; MLMT 2005-CIP1; and WBCMT 2005-C20. The current deal is not included in the sample.

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