

Wachovia Bank Commercial Mortgage Trust

Commercial Mortgage Pass-Through Certificates, Series 2004-C14

Estimated Closing Date: August 2004

This pre-sale report addresses the structure and characteristics of the proposed transaction based on information provided to Moody's as of August 5, 2004. Investors should be aware that some issues concerning the transaction have yet to be finalized. On conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavor to assign definitive ratings. The definitive ratings may differ from the preliminary ratings set forth in this report. Moody's will disseminate the definitive ratings through its client service desk.

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PROVISIONAL (P) RATINGS

Class*	Amount (\$)	Rating	Credit Support (%)
A-1	534,414,000	(P) Aaa	13.625
A-2	413,146,000	(P) Aaa	13.625
B	28,797,000	(P) Aa2	11.000
C	13,713,000	(P) Aa3	9.750
D	17,827,000	(P) A2	8.125
E	10,970,000	(P) A3	7.125
F	12,342,000	(P) Baa1	6.000
G	12,342,000	(P) Baa2	4.875
H	15,084,000	(P) Baa3	3.500
J	2,743,000	(P) Ba1	3.250
K	4,114,000	(P) Ba2	2.875
L	6,856,000	(P) Ba3	2.250
M	2,743,000	(P) B1	2.000
N	2,743,000	(P) B2	1.750
O	2,743,000	(P) B3	1.500
P	16,453,349	(P) NR	0.000
X-p ¹	1,057,622,000	(P) Aaa	N/A
X-C ¹	1,097,030,349	(P) Aaa	N/A
MAD**	13,555,555	(P) Baa2	N/A
PP**	39,958,978	(P) Baa3	N/A

¹ Initial aggregate notional amount.

* Moody's understands that classes E through P and X-P, X-C, MAD, and PP have not been and will not be registered under the Securities Act of 1933. The issuance has been designed to permit resale under SEC rule 144A.

N/R-Not Rated. N/A-Not Applicable.

**The MAD Certificates are supported only by the 11 Madison Avenue non pooled loan component and the PP Certificates are supported only by the Park Place B Note.

POOL SUMMARY

Balance	\$1,097,030,350
Collateral	81 fixed rate loans, 83 commercial and multifamily properties
Structure	Sequential Pay
Sellers	Wachovia Bank, National Association and Artesia Mortgage Capital Corporation
Moody's Actual DSCR	1.44X
Moody's LTV Ratio	90.7%
Moody's Property Quality Grade	1.7
Moody's Red-Yellow-Green™ Score	62.4
Moody's Economic Diversity Score	75.6
Pool Herfindahl Index	24
Shadow Rated Loans	Three loans (25.1% of pool balance) ranging in credit quality from Aa3 to Baa3
Underwriters	Wachovia Capital Markets, LLC, Goldman, Sachs & Co., and Greenwich Capital Markets, Inc.
Master Servicer	Wachovia Bank, National Association
Special Servicer	Allied Capital Corporation
Trustee	LaSalle Bank National Association
Fiscal Agent	ABN AMRO Bank N.V.



STRENGTHS

- The pool has three loans (25.1% of the pool balance) that are shadow rated as investment grade.
- Approximately 62.9% of the pool balance is comprised of less risky asset classes, including regional malls (15.0%), anchored retail (15.4%), multifamily (27.2%), self storage (2.9%), and manufactured housing (2.4%).
- The pool has four loans (11.8% of the pool balance) that are crossed or secured by multiple property loans. Loans that are crossed or secured by multiple properties benefit from lower levels of cash flow volatility.
- The pool has a better than average property quality grade than recent conduit transactions. The pool's weighted average property quality grade is 1.7.
- Loans representing 98.9% of the pool balance are structured with borrowers organized as special purpose entities.
- Five loans (21.5% of the pool balance) are structured with in-place hard lockbox provisions. In addition, 47 loans (56.6% of the pool balance) are structured with soft or springing lockboxes.
- Borrowers are required to fund monthly escrows for real estate taxes (79.0% of the pool balance), capital expenditures (65.5%), insurance (64.9%) and TI/LC's (8.0%).

CONCERNS

- The pool, excluding shadow rated loans, has a Moody's LTV ratio of 95.1%. This is partially mitigated by the inclusion of three investment grade loans which results in a Moody's LTV ratio for the pool of 90.7%.
- The transaction is concentrated compared to recent conduit transactions. The Herfindahl score for the pool is 24.
- Approximately 37.0% of the pool is composed of more volatile asset types including office (32.7%), unanchored retail (2.1%), mixed use (1.2%), hotel (0.9%), and land (0.1%). However, 35.1% of the office loan balance is shadow rated investment grade.
- Approximately 29.0% of the loans by pool balance are encumbered by some form of additional and/or subordinate debt.
- Two loans representing 10.5% of the pool balance provide for interest only payments throughout their entire respective terms and 19 loans representing 31.8% of the pool balance provide for interest only payments for a portion of their respective terms.
- There are 13 properties (10.6% of pool balance), that are occupied by a single tenant. However, 61.5% of these properties (by pool balance) are occupied by tenants with an investment grade rating.
- Twelve loans (10.0% of the pool balance) are secured by properties that were built or opened for operation in the past 24 months and as such, have limited operating histories.

POOL CHARACTERISTICS

Loan Concentration

The pool consists of 81 loans. The largest loan is \$149.8 million or 13.7% of the pool balance, and the ten largest loans represent 58.0% of the pool balance. The average loan size is \$13,543,585, which represents 1.2% of the pool balance. Moody's uses the Herfindahl Index to measure diversity of loan size. The pool has a Herfindahl Index of 24. The pool, excluding shadow rated loans, has a Herfindahl Index of 37. It is below the credit neutral score of 100, and below the average of other conduit pools recently rated by Moody's.

Property Type Concentration

Based on the pool balance, the property type composition is as follows: (1) Office, 32.7%; (2) Retail, 32.6% (Regional Mall, 15.0%; Anchored, 15.4%; Unanchored, 2.1%); (3) Multifamily, 27.2%; (4) Self Storage, 2.9%; (5) Mobile Home Park, 2.4%; (6) Mixed Use, 1.2%; (7) Hospitality, 0.9%; and (8) Land, 0.1%.

Geographic Concentration

The properties securing the loans are located across 25 states and the District of Columbia. Based on the pool balance, the top five state concentrations are as follows: Illinois, 16.6%; California, 14.0%; Arizona, 13.7%; New York, 9.1%; and Colorado, 6.7%. Of the remaining 20 states and the District of Columbia, none represents more than 5.9% of the pool balance. The ten largest MSA concentrations are presented in *Figure 1*. The pool has some geographic concentration as the Chicago and Tucson MSA's represent 30.3% of the pool balance.

Single Tenant Concentration

Thirteen loans (10.6% of the pool balance) are secured by properties leased to a single tenant. Of these properties, 61.5% are leased to investment grade tenants.

Operating History

Twelve loans (10.0% of the pool balance) are secured by properties that were built or opened for operation in the past 24 months and as such, have limited operating histories.

Borrower Concentration

The largest sponsors in the pool are GGP Limited Partnership (one loan; 13.7% of the pool balance), Donal P. Barry and James W. Purcell (ten loans; 10.1%), and Tamir Sapir (one loan; 7.5%). In addition, five groups of mortgage loans, representing 19.3% of the pool balance, are made to the same borrower or to borrowers related through common ownership. The largest loan group represents 10.1% of the pool balance.

Borrower Quality

One loan (1.1% of the pool balance) has borrower principals/sponsors that have previously filed for bankruptcy. In each of these cases, the bankruptcy has been resolved.

Ownership Interest

The collateral consists of first lien positions on the fee and/or leasehold interests. Four loans (5.5% of the pool balance) are secured only by leasehold interests. The remaining loans (94.5% of the pool balance) are secured by fee simple interests. Five loans (2.9%) are owned by individuals or entities as tenants in common.

Figure 1

MSA CONCENTRATION

MSA	% of Pool Balance
Chicago IL PMSA	16.6%
Tucson AZ MSA	13.7%
New York NY PMSA	8.1%
Denver CO PMSA	6.7%
Los Angeles-Long Beach CA PMSA	5.1%
Washington DC-MD-VA-WV PMSA	4.3%
Atlanta GA MSA	4.1%
Baltimore MD PMSA	3.8%
Orange County CA PMSA	2.8%
Fort Lauderdale FL PMSA	1.9%
Top 10	67.1%

LOAN CHARACTERISTICS

Loan Originators

The loans were originated by Wachovia Bank, National Association (90.6% of pool balance) and Artesia Mortgage Capital Corporation (9.4%).

Loan Origination Dates

Loans representing 99.6% of the pool balance were originated within the past 12 months, and 100.0% of the loans were originated within the past 48 months.

Loan Type

All loans are fixed rate with a weighted average interest rate of 5.61% and a range from 4.99% to 8.70%.

Loan Term

Original loan terms range from 60 to 240 months, with a weighted average of 102 months. Remaining terms to maturity or ARD date range from 58 months to 240 months, with a weighted average of 101 months.

Loan Amortization

Seventy-eight loans representing 99.3% of the pool balance are balloon loans and three loans (0.7%) are fully amortizing. In addition, 40 of the balloon loans (46.2%) are ARD loans. Two loans representing 10.5% of the pool balance provide for interest only payments for their entire term and 19 loans representing 31.8% of the pool balance provide for interest only payments for a portion of their respective terms.

Crossed Collateral

The pool contains two groups of loans (10.8% of the pool balance) that are cross-collateralized and cross-defaulted. The pool contains two loans (1.0%) that are each secured by multiple properties.

Cash Management

Five mortgage loans (21.5% of the pool balance) have in-place hard lockboxes. Forty-seven loans (56.6% of the pool balance) have soft or springing lockbox provisions. In addition, borrowers are required to fund monthly escrows for real estate taxes (79.0%), capital expenditures (65.5%), insurance (64.9%) and TI/LC's (8.0%).

Special Purpose Entities

Approximately 98.9% of the pool balance is represented by borrowers organized as special purpose borrowing entities.

Additional Debt

Approximately 29.0% of the loans by pool balance are encumbered by some form of subordinate debt. A summary of the pool's existing subordinate debt is provided in *Figure 2*. Additionally, 14 loans (32.1%) have the right to incur future additional financing in the form of mezzanine debt, four loans (3.6%) are permitted to incur future secured subordinate debt, and one loan (1.4%) is permitted to incur both future secured subordinate debt and future mezzanine debt. All existing and future debt has been factored into the subordination levels.

Figure 2

LOANS WITH ADDITIONAL DEBT

Form of Debt	Loans	% of Pool Balance
B Note	3	21.8%
Second Mortgage	0	0.0%
Unsecured Subordinate Debt	2	7.2%
Mezzanine Debt	0	0.0%
Total	5	29.0%

Pari Passu Loans

One loan representing 7.5% of the pool balance is structured as a pari passu note. A summary of this loan is presented in *Figure 3*.

Figure 3

PARI PASSU LOANS

Loan	Trust Balance	Total Pari Passu Balance	Pari Passu Notes	Transactions with Related Pari Passu Notes	Control	Additional Debt
11 Madison Avenue	\$95,555,556 (\$82,000,000 Pooled; \$13,555,556 Non-Pooled)	\$430,000,000	4	\$143.3 MM: WB 2004-C10 \$95.6 MM: WB 2004-C11 \$95.6 MM: WB 2004-C12	Pursuant to Wachovia, Series 2004- C10	\$10.0 million B Note \$37.5 million C Note \$37.5 million D Note
Total	\$95,555,556	\$430,000,000	4	N/A	N/A	N/A

THIRD PARTY REVIEWS

Appraisals

Appraisals were completed for all the properties. Appraisals for all but two of the properties (0.4% of the pool balance) were completed within the past twelve months.

Environmental

Eighty-three mortgaged properties (100.0% of the pool balance) were subject to a Phase I environmental site assessment performed by an independent third party environmental consultant. All but two (0.4%) of these assessments were conducted during the past twelve months. For all instances in which an adverse or potentially material environmental condition was identified, appropriate additional measures were taken, including one of the following: the conditions were remedied, a no further action or remediation letter was obtained from an environmental consultant, an environmental insurance policy was obtained, or an escrow account was established to cover the estimated costs of any required investigation, testing, monitoring, or remediation.

Structural

All the properties were subject to an engineering report. For all but two properties (0.4% of the pool balance) the reports were completed by an independent third party engineer within the past twelve months. For most properties, escrows were established to correct deferred maintenance issues identified in the reports.

Seismic

Eighteen of the mortgage properties (18.2% of the pool balance) are located in areas that are considered a high earthquake risk. With the exception of two properties (4.2% of the pool balance), none of the properties had a PML greater than 20%. Both of these properties have earthquake insurance in place.

Insurance

The insurance policies for each of the top ten loans provide for some level of terrorism coverage, subject to certain policy restrictions.

STRUCTURAL REVIEW

Payment Priority

Distribution of all scheduled and unscheduled principal payments are made sequentially based upon the seniority of the tranches. Increases in credit support are realized through the application of scheduled and unscheduled principal distribution amounts. Decreases in credit support are determined by actual losses.

The Class MAD Certificates will only receive distributions from, and will only incur losses with respect to amounts received from or losses incurred with respect to the 11 Madison Avenue mortgage loan.

The Class PP Certificates will only receive distributions from, and will only incur losses with respect to amounts received from or losses incurred with respect to the Park Place Mall mortgage loan.

Representations and Warranties

The sellers of the mortgage loans, Wachovia Bank, National Association and Artesia Mortgage Capital Corporation, have made representations and warranties concerning the mortgage loans to the depositor, Wachovia Commercial Mortgage Securities, Inc. and these have been assigned to the trustee for the benefit of the certificate holders. The representations and warranties, which generally are of standard scope, cover such items as title to the underlying properties, the lien status of the mortgage loans, the enforceability of the related promissory notes, and the payment status of the mortgage loans. A material breach of any representations will require the sellers to cure or repurchase any affected mortgage loans.

Servicing

Wachovia Bank, National Association will be the master servicer and Allied Capital Corporation will be the special servicer for this transaction, respectively. The responsibilities of the master and special servicers include advancing delinquent scheduled principal and interest payments (other than balloon payments) on the mortgage loans and such other sums necessary for the protection of the property (e.g., real estate taxes, insurance, etc.) all to the extent deemed recoverable. Wachovia Bank, National Association and Allied Capital Corporation have been reviewed by Moody's and found acceptable in the roles of master servicer and special servicer.

Ratings

Moody's ratings are based upon the quality of the collateral, the levels of credit enhancement furnished by the subordinate tranches, and on the structural and legal integrity of the transaction. The ratings on the certificates address the likelihood of receipt by certificate holders of timely payment of interest and of all distributions of principal by the final rated distribution date in August 2041.

Moody's rating addresses only the credit risks associated with the transaction. Other non-credit risks, such as those associated with the timing of principal payments and the payment of prepayment penalties, have not been addressed and may have a significant effect on yield to investors.

MOODY'S CREDIT ANALYSIS

Moody's reviewed the loan collateral for approximately 72.5% of the pool by loan balance. The collateral information included loan summaries, financial statements, a rent roll report (as applicable), appraisals, as well as engineering and environmental studies. In addition, Moody's performed selected site inspections to confirm our impressions of the properties based on a review of the loan files. Properties representing 34.1% of the pool by loan balance were visited. New York, Colorado, and Illinois were among the states visited. *Figure 4* presents a summary of Moody's analysis by property type.

Figure 4

PROPERTY TYPE SUMMARY

Property Type	% of Pool Balance	Net Cash Flow Adjustment	Property Quality Grade	Moody's Actual DSCR ¹	Moody's Stressed DSCR ²	U/W DSCR ³	Moody's LTV Ratio	U/W LTV Ratio
Multifamily	27.2%	-2.0%	1.7	1.22	0.91	1.26	98.0%	77.0%
Manufactured Housing	2.4%	-0.3%	2.0	1.27	0.94	1.27	97.5%	79.2%
Self Storage	2.9%	-3.3%	2.4	1.66	1.35	1.72	76.4%	64.0%
Regional Mall	15.0%	+3.2%	1.6	1.68	1.19	1.62	75.7%	63.9%
Anchored Retail	15.4%	-2.9%	1.5	1.29	0.98	1.33	93.7%	74.4%
Unanchored Retail	2.1%	-1.3%	2.4	1.42	1.17	1.44	97.0%	69.4%
Office*	32.7%	-2.9%	1.6	1.64	1.12	1.72	90.2%	64.9%
Mixed Use	1.2%	-2.5%	2.0	1.26	1.00	1.29	102.4%	71.4%
Land	0.1%	-2.5%	2.0	1.72	1.33	1.77	77.2%	53.3%
Hotel	0.9%	-4.4%	3.0	1.60	1.48	1.68	87.8%	60.6%
Total/Wtd Average Pool*	100.0%	-1.6%	1.7	1.44	1.05	1.50	90.7%	70.0%

¹ Moody's Actual DSCR is based on Moody's NCF and the actual debt service during P&I periods.

² Moody's Stressed DSCR is based on Moody's NCF and a 9.25% stressed rate applied to the pool balance.

³ UW DSCR is based on the underwritten NCF and the actual debt service.

* NCF Adjustment, Property Quality Grade, Moody's Actual DSCR, Moody's Stressed DSCR, and Moody's LTV Ratio exclude 11 Madison Avenue.

Red-Yellow-GreenTM

Moody's classifies the commercial real estate markets as Red, Yellow, or Green based on supply and demand relationships as well as other variables relevant to specific property types. The pool's Red-Yellow-GreenTM score of 62.4 is lower than the recent conduit average of 64.5 and lower than the national average of 69.8 for all markets and property types covered. The pool has a Red-Yellow-GreenTM coverage score of 67.3% which is higher than the recent conduit average of 61.4%. The coverage score indicates the percentage of the total pool for which scores are available. The availability of scores is dependent on whether data is available for a particular market and property type. For example, regional malls, power centers, and less common property types such as self-storage, manufactured housing, and healthcare facilities are not covered in our analysis. Approximately 22.4% of the "non-covered" collateral is located in MSAs which are ranked below the top 100 or are too small to be designated a MSA. For additional details please refer to Appendix A.

Economic Diversity

Moody's considers the pool to be slightly below average in terms of economic diversification. The pool has a composite score of 75.6, which is below 76.3, the median score of the conduit universe rated by Moody's between 1996 and 2003. The shares of most industries in the pool are similar to those of the national economy as a whole. For additional details please refer to Appendix B.

Figure 5

SHADOW RATED LOANS

Loan	Pool Balance	% of Pool Balance	Moody's LTV Ratio	Moody's Shadow Rating
Park Place Mall	\$149,846,169	13.7%	74.0%	Baa3
11 Madison Avenue*	\$82,000,000	7.5%	N/A	Aa3
Independence Plaza	\$44,000,000	4.0%	66.0%	Baa2
Total	\$275,846,169	25.1%	N/A	N/A

* The 11 Madison Avenue loan was analyzed utilizing the dark value at the balloon date due to the subject's credit leases. As such, the LTV ratio figures are not applicable in this context.

Shadow Rated Loans

The pool has three shadow rated loans that represent 25.1% of the pool balance. A summary of these loans is presented in *Figure 5*. The assigned shadow ratings are equivalent to the ratings that would have been assigned to the junior most tranche of the pooled loan balance had that loan been securitized on a stand alone basis. The shadow ratings are reflective of each loan's credit quality and are independent of the pool's diversity characteristics.

Moody's DSCR

Moody's weighted average actual DSCR for the pool is 1.44X (excluding 11 Madison Avenue). Moody's weighted average actual DSCR for the pool, excluding shadow rated loans, is 1.32X. *Figure 6* provides a distribution of Moody's DSCRs for the pool, excluding shadow rated loans, based on the adjusted net cash flow and the actual debt service.

Moody's LTV Ratio

For each loan, the LTV ratio was derived by applying Moody's standard capitalization rates (by property type) to Moody's net cash flow. The pool's weighted average Moody's LTV ratio is 90.7% (excluding 11 Madison Avenue). The pool's weighted average Moody's LTV ratio, excluding shadow rated loans, is 95.1%. *Figure 7* provides a distribution of Moody's LTV ratios for the pool, excluding shadow rated loans.

Property Quality Grade

In addition to most of the largest properties, Moody's assessed collateral representative of the pool by property type and by geographic location. Moody's grades properties on a scale of 1 to 5 (best to worst) and considers those grades when assessing the likelihood of debt payment. The factors considered include property age, quality of construction, location, market, and tenancy. The average grade for the pool is 1.7 (excluding 11 Madison Avenue), which indicates a higher asset quality compared to other recent transactions. The average grade for the pool, excluding shadow rated loans, is 1.7. *Figure 8* provides a distribution of the property grades for the pool, excluding shadow rated loans.

Net Cash Flow Adjustment

Based in part upon the supplied collateral information, Moody's made property-type specific adjustments to the underwriter's net cash flow projections. In order to derive a stabilized net cash flow available to service the debt, we considered rents, revenues, operating expense ratios, and vacancy allowances consistent with the property market. In addition, Moody's considered capital items, such as leasing commissions, tenant improvements, replacement reserves, and furniture, fixtures, and equipment (FF&E) reserves to the extent not already included in the underwritten cash flow. Moody's weighted average reduction to the pool's underwritten net cash flow was 1.6% (excluding 11 Madison Avenue). Moody's weighted average reduction to the pool's underwritten net cash flow, excluding shadow rated loans, was 2.4%.

DISTRIBUTIONS

Figure 6 MOODY'S ACTUAL DSCR			Figure 7 MOODY'S LTV RATIO			Figure 8 PROPERTY QUALITY GRADE		
DSCR	Properties	% of Pool Balance	LTV Ratio	Properties	% of Pool Balance	Property Quality Grade	Properties	% of Pool Balance
0.00-1.14	0	0.0%	105% - 109.9%	3	2.9%	0.50-1.24	1	4.5%
1.15-1.19	6	10.0%	100% - 104.9%	6	7.4%	1.25-1.49	1	4.3%
1.20-1.24	23	38.7%	95% - 99.9%	30	53.3%	1.50-1.74	42	50.8%
1.25-1.29	13	12.4%	90% - 94.9%	18	21.3%	1.75-1.99	9	11.9%
1.30-1.34	10	11.2%	85% - 89.9%	9	6.7%	2.00-2.24	11	17.5%
1.35-1.39	7	4.1%	80% - 84.9%	3	1.8%	2.25-2.49	5	3.2%
1.40-1.49	9	7.4%	75% - 79.9%	6	5.4%	2.50-2.74	8	4.8%
1.50-1.59	5	3.7%	70% - 74.9%	1	0.2%	2.75-2.99	1	0.4%
1.60-1.79	6	12.3%	60% - 69.9%	3	0.8%	3.00-3.24	1	1.8%
1.80-1.99	0	0.0%	40% - 59.9%	1	0.2%	3.25-3.49	1	0.7%
2.00-4.00	1	0.2%	30% - 39.9%	0	0.0%	3.50-3.74	0	0.0%
> 4.00	0	0.0%	20% - 29.9%	0	0.0%	3.75-5.00	0	0.0%

Distributions are for the pool, excluding shadow rated loans.

TOP TEN LOAN ANALYSIS

Figure 9
SUMMARY

Property Name	Property Type	% of Pool Balance	NCF Adjust-ment	Property Quality Grade	Moody's Value Per Unit	Moody's Actual DSCR ¹	Moody's Stressed DSCR ²	U/W DSCR ³	Moody's LTV Ratio	U/W LTV Ratio
Park Place Mall	Regional Mall	13.7%	+3.8%	1.5	\$433	1.70	1.20	1.64	74.0%	63.8%
BJB Portfolio	Multifamily	10.1%	-2.0%	1.5	\$115,721	1.20	0.87	1.23	99.8%	78.3%
11 Madison Avenue	Office	7.5%	N/A	N/A	N/A	N/A	N/A	1.81	N/A	54.7%
444 N. Michigan Avenue	Office	6.5%	-0.3%	1.7	\$146	1.68	1.03	1.69	96.0%	65.0%
Independence Plaza	Office	4.0%	-4.1%	1.9	\$119	2.82	1.54	2.94	66.0%	51.5%
FBI Field Office	Office	3.8%	-5.7%	1.8	\$288	1.34	1.07	1.42	93.3%	75.1%
Barneys Beverly Hills	Anchored Retail	3.4%	-3.5%	1.0	\$347	1.23	0.93	1.27	92.8%	74.0%
1750 H Street	Office	3.2%	-4.8%	1.3	\$324	1.20	0.96	1.26	98.0%	74.5%
Aylesbury Farms	Multifamily	3.0%	-4.4%	2.0	\$88,132	1.16	0.93	1.31	98.5%	80.0%
Kennedy Ridge	Multifamily	2.7%	-0.3%	2.0	\$31,525	1.23	0.93	1.23	99.1%	76.1%
Total/Wtd. Average Top 10 Loans*		58.0%	-1.0%	1.6	N/A	1.54	1.06	1.59	88.5%	67.8%
Total/Wtd. Average Pool, excluding shadow rated loans		74.9%	-2.4%	1.7	N/A	1.32	1.00	1.36	95.1%	73.6%
Total/Wtd. Average Pool*		100.0%	-1.6%	1.7	N/A	1.44	1.05	1.50	90.7%	70.0%

1 Moody's Actual DSCR is based on Moody's NCF and the actual debt service during P&I periods.

2 Moody's Stressed DSCR is based on Moody's NCF and a 9.25% stressed rate applied to the pool balance.

3 UW DSCR is based on the underwritten NCF and the actual debt service.

* Statistics exclude 11 Madison Avenue.

1. PARK PLACE MALL

COLLATERAL SUMMARY	
% of Pool	13.7%
Pool Amount	\$149,846,169
Originator	Wachovia
Shadow Rating	Baa3
Property Type	Regional Mall
Location	Tucson, Arizona
Red-Yellow-Green Score	N/A
Size	467,141 square feet
Year Built/Renovated	1974 / 2001
Occupancy	95.5% as of 6/04
Ownership	Fee Simple
Purchase Price	N/A

DEBT SUMMARY			
		Moody's	
		LTV	DSCR
Pool Balance	\$149,846,169	74.0%	1.70X
B Note	\$39,958,978	93.8%	1.34X
Total	\$189,805,147	93.8%	1.34X

LOAN SUMMARY	
Loan Type	Fixed Rate
Interest Rate	5.15%
Interest Only Period	None
Amortization	30 years
Maturity Date	1/11/10
Sponsor	GGPLP L.L.C.
Borrower	Bankruptcy Remote, SPE

STRUCTURAL FEATURES	
Lock Box	Hard
Ongoing Reserves	Springing
Upfront Reserves	N/A
Other	The \$39.9 million B-Note is guaranteed by GGPLP L.L.C. The guaranteed amount is subject to decrease based on NOI targets.

Strengths

- The pooled loan has a Moody's LTV ratio of 74.0% and is shadow rated **Baa3**.
- Strong comparable in-line sales for tenants under 10,000 square feet of \$458 per square foot, with a low occupancy cost of 11.2%.
- The property was renovated for \$100.0 million between 1999 and 2001.
- The subject has excellent exposure with an average daily traffic count of 93,900 cars per day, which is superior to its competitors.
- Strong sponsorship and management by GGPLP L.L.C., a wholly-owned subsidiary of General Growth Properties, Inc., the second largest mall REIT which owns, develops, and manages malls in 41 states. As of March 2004, GGP had ownership interests in or management responsibilities for over 170 regional malls.

Concerns

- The loan has additional debt in the form of a B-Note, which Moody's has factored into its analysis. The B-Note is guaranteed by GGPLP L.L.C. The guaranty carries a burnoff/clawback feature where it is reduced/increased based on various net operating income hurdles. The B-Note is rated **Baa3** by Moody's.
- Below average sales performance from Macy's and Sears. However, both tenants have operating covenants that do not expire until 2014.
- The subject is located in an area with substantial retail competition. However, the subject has the highest mall shop sales per square foot among its competitors.

Property Description

The subject is a one and part two story regional mall with three anchor tenants and a 20-screen movie theater. The mall is located six miles east of downtown Tucson, AZ, along East Broadway Boulevard, a roadway with an average traffic count of 93,900 cars per day. Between 1999 and 2001, the property was renovated for \$100.0 million which included a new Dillard's store, food court, outdoor lifestyle component, and movie theater as well as interior renovations of the in-line mall shops. The subject's general area has a mix of commercial, retail, and office developments with residential uses to the north and south of the primary arteries.

Tenant Overview

A summary of the subject's anchor alignment is presented in *Figure 10*. Each of the three anchors owns its own land and improvements. Sales for Dillard's exceed the chain wide average, while sales for Macy's of \$106 per square foot are lower than the chain wide average of \$186 per square foot (Macy's West Division average). Sales for Sears (\$203 per square foot) are also below the \$302 per square foot chain average in 2003. As of June 2003, the total mall occupancy was 98.0% and the collateral occupancy was 95.5%. Mall shop occupancy was 94.6%. However, these statistics include approximately 11,885 square feet (2.5% of the collateral square footage and 1.1% of the total square footage) of leases out for signature.

The subject is leased to five major tenants (over 10,000 square feet) including Borders and Old Navy. Sales for comparable tenants over 10,000 SF were \$295 PSF as of the trailing twelve month period ended March 2004 compared to \$288 PSF during the same period last year. The mall is leased to over 100 national and regional mall shop tenants including Ann Taylor Loft, Banana Republic, Guess, and Radio Shack. Comparable mall shop sales for tenants less than 10,000 square feet were \$458 per square foot as of the trailing twelve month period ended March 2004. This is an increase of 2.1% versus the same period last year. The occupancy cost for in-line tenants under 10,000 square feet was 11.2%, which is low given the high level of sales. The rollover exposure is manageable, with only 33.3% of the square footage expiring during the loan term.

Figure 10

PARK PLACE MALL ANCHOR TENANT OVERVIEW

Tenant	Collateral	GLA (SF)	Lease/REA Expiration	Sales PSF	Moody's Senior Unsecured Rating (Parent rating)
Sears	No	221,457	11/2014	\$203	Baa1
Dillard's	No	200,000	11/2014	\$200	B2
Macy's	No	160,000	11/2014	\$106	Baa1
Century Theaters (20 screens)	Yes	73,280	8/2021	\$711,000/screen	N/A
Tenants > 10,000 SF	Yes	103,700	N/A	\$295	N/A
In-Line Tenants	Yes	269,060	N/A	\$458	N/A
Vacant Space	Yes	21,101	N/A	NA	N/A
Total		1,048,598	N/A	N/A	N/A

Market Overview

The subject's seven mile trade area has a population of 430,290 persons, which reflects a compound annual growth rate of 1.24% between 1990 and 2003. This growth rate is lower than that of the Tucson PMSA growth rate of 2.4% during the same period. The area also benefits from tourism as well as its seasonal population base which adds 250,000 to 300,000 people to the Tucson region during the winter months. The trade area's average household income was \$51,263 in 2003.

The subject competes with several malls in the area including El Con Center, Tucson Mall, and Foothills Mall. El Con Center is located 3.2 miles from the subject. The mall is moving towards an off-price/discount orientation having recently added a Home Depot and Target. The mall lost its Montgomery Ward and Dillard's anchor tenants in 2000. Mall shop occupancy is only 70%. Tucson Mall (owned by GGP) is located 11 miles from Park Place mall and is the subject's primary competitor. It is anchored by Macy's, Dillard's, Sears, JC Penney, Robinsons-May, and Mervyn's. The mall shop occupancy is 93.7% with sales of approximately \$360 per square foot. This mall offers the broadest array of merchandising in the region. Foothills Mall is located 15 miles from the subject and is anchored by Saks Off-Fifth, Barnes & Noble, and Ross Dress for Less. The center has been re-tenanted as a value-oriented center and has mall shop sales of approximately \$225 per square foot. The subject will also compete with the recently developed 255,000 square foot La Encantada, which opened in November 2003, 12 miles from the subject. The development is an upscale lifestyle center anchored by Crate and Barrel and AJ's Purveyors of Fine Food. It also has traditional mall-based tenants such as Ann Taylor, Talbot's, and Victoria's Secret. There are no other new developments planned or under construction in the subject's immediate area.

2. BJB PORTFOLIO II

COLLATERAL SUMMARY	
% of Pool	10.1%
Pool Amount	\$111,152,524
Originator	Wachovia
Shadow Rating	N/A
Property Type	Multifamily
Location	Chicago, IL
Red-Yellow-Green™	Yellow (45)
Size	964 Units
Year Built/Renovated	Various (10 properties)
Occupancy	95.1% as of 7/2004
Ownership	Fee Simple
Purchase Price	N/A

DEBT SUMMARY			
		Moody's	
		LTV	Actual DSCR
Pool Balance	\$111,152,524	99.8%	1.20X
Other Secured Debt	\$0	N/A	N/A
Mezzanine	\$0	N/A	N/A
Total	\$111,152,524	99.8%	1.20X

LOAN SUMMARY	
Loan Type	Fixed Rate
Interest Rate	5.3%
Interest Only Period	None
Amortization	30 years
Maturity Date	Various / ARD
Sponsor	Donald Barry & James Purcell
Borrower	Bankruptcy Remote, SPE

STRUCTURAL FEATURES	
Lockbox	Springing three months prior to ARD date.
Ongoing Reserves	Taxes, Insurance, Replacement
Upfront Reserves	Engineering (\$73,975), Environmental (\$5,000), Taxes (\$250,203), Insurance (\$48,378)
Other	N/A

Strengths

- The portfolio occupancy is 95.1%.
- The subject benefits from diversification as it is a cross-defaulted and cross-collateralized pool of ten multifamily buildings located in the Near North area of Chicago. The pool is not subject to any release provisions; however, the remaining terms to maturity of the loans vary from 81 months to 118 months.
- The properties are located in one of the three desirable Chicago submarkets of Lincoln Park, Gold Coast, or Belmont-Montrose and the properties benefit from their proximity to downtown Chicago.
- All of the properties have undergone significant renovations since 2000. Renovations totaled approximately \$29.1 million or an average of \$30,237 per unit.

Concerns

- The first mortgage loan has a high Moody's LTV ratio of 99.8%.
- The Chicago multifamily market has experienced rising vacancy levels, increasing from 2.5% in 2000 to 6.0% at year end 2003. The Lincoln Park and Belmont-Montrose submarkets, in which eight of the subject properties are located, continue to maintain vacancy levels below 5.0%.

Property Description

The collateral consists of the fee interests in a portfolio of ten multifamily buildings totaling 964 units located in the Chicago submarkets of Lincoln Park, Gold Coast, and Belmont-Montrose. All of the properties have been renovated in the past three years. The total renovation expenditure was approximately \$29.1 million or \$30,237 per unit. Renovations typically included new flooring and kitchens in the units, new electrical service and conduits in each unit, as well as public area upgrades. A summary of the properties is presented in *Figure 11*.

Figure 11

BJB PORTFOLIO PROPERTY SUMMARY

Property	Submarket	Built/ Renovated	Units	Subject Vacancy	% of Moody's Value	Moody's Value/Unit
4100 N. Marine Dr.	Belmont-Montrose	1952/2002	190	5.3%	26.7%	\$156,164
21-27 East Delaware	Gold Coast	1926/2003	146	4.8%	17.5%	\$135,254
451 West Wrightwood	Lincoln Park	1928/2004	177	5.1%	16.1%	\$100,970
18 East Elm Street	Gold Coast	1920/2004	150	5.3%	12.8%	\$94,690
443 West Wrightwood	Lincoln Park	1928/2004	176	4.5%	13.2%	\$83,539
1213-1229 W. Diversey	Lincoln Park	1928/2003	46	4.3%	5.7%	\$136,899
1939 N. Lincoln Avenue	Lincoln Park	1928/2003	57	5.3%	4.5%	\$88,474
482-484 W. Deming Place	Lincoln Park	1890/2002	6	0.0%	1.4%	\$262,792
507-509 West Wrightwood	Lincoln Park	1890/2003	7	0.0%	1.2%	\$191,576
734-742 W. Oakdale	Lincoln Park	1930/2003	9	0.0%	1.0%	\$126,602
Total	N/A	N/A	964	4.9%	100.0%	\$115,721

Market Overview

Figure 12 provides a summary of the markets in which the subject properties are located. The Chicago apartment market has been strained due to the weak economy and a boom in the single-family residential market due to the low-interest rate environment. In addition, there has been an increase in condominium development and apartment conversion in the Gold Coast, Lincoln Park, and River North, East, and West areas, which has stressed the multifamily rental market. According to Reis, the overall Chicago metro vacancy rate increased from 2.5% in 2000 to 6.0% at year-end 2003. Average asking rent growth has been sluggish, increasing by only 1.0% in 2002 and 0.9% in 2003. The subject properties are located in three submarkets, Lincoln Park, Gold Coast, and Belmont-Montrose. The average asking rents in each of these markets generally exceed the average Chicago metro asking rent due to the location of these areas approximately four to six miles from downtown Chicago and their proximity to the Chicago lakefront and parks. The Gold Coast submarket benefits from its proximity to the Magnificent Mile.

Figure 12

BJB PORTFOLIO MARKET SUMMARY

Year	Chicago Metro Vacancy	Chicago Metro Avg. Asking Rental Rate	Lincoln Park Vacancy	Lincoln Park Avg. Asking Rental Rate	Belmont- Montrose Vacancy	Belmont-Montrose Avg. Asking Rental Rate	Gold Coast Vacancy	Average Asking Rent
1998	2.6%	\$828	1.2%	\$1,001	1.6%	\$890	N/A	N/A
1999	2.4%	\$857	1.2%	\$1,038	1.4%	\$946	N/A	N/A
2000	2.5%	\$899	1.3%	\$1,082	2.2%	\$995	N/A	N/A
2001	5.1%	\$942	3.1%	\$1,113	3.9%	\$1,043	N/A	N/A
2002	6.0%	\$951	4.8%	\$1,115	4.3%	\$1,054	6.2%	\$1,302
2003	6.0%	\$953	N/A	N/A	N/A	N/A	6.5%	\$1,339

3. ELEVEN MADISON AVENUE

COLLATERAL SUMMARY	
% of Pool	7.5%
Pool Amount	\$82,000,000
Originator	Wachovia
Shadow Rating	Aa3
Property Type	Office
Location	New York, NY
Red-Yellow-Green™	Green (69)
Size	2,256,552 Square Feet
Year Built/Renovated	1937/94/97
Collateral Occupancy	98.6% as of 4/1/04
Ownership	Fee Simple
Purchase Price	\$675.0 mil as of 12/03

DEBT SUMMARY		Moody's	
		LTV	Actual DSCR
Trust Balance*	\$95,555,556	N/A	N/A
Pari-Passu Debt	\$334,444,444	N/A	N/A
Other Secured Debt	\$85,000,000	N/A	N/A
Mezzanine	\$0	N/A	N/A
Total	\$515,000,000	N/A	N/A

NOTE: Due to the amount of investment-grade rated revenue, the loan was analyzed similar to a credit tenant lease structure and utilized the dark value at balloon. As such, the LTV and DSCR figures are not applicable in this context.

* The \$95.6 million pari passu note is further divided into an \$82.0 million senior pooled component and a \$13.5 million subordinate non-pooled component that supports the MAD Class.

LOAN SUMMARY	
Loan Type	Fixed Rate
Interest Rate	5.30%
Interest Only Period	60 months
Amortization	30 years after I/O period
Maturity Date	1/11/2014
Extension Options	N/A
Sponsor	Tamir Sapir
Borrower	Bankruptcy Remote, SPE

STRUCTURAL FEATURES	
Lockbox	Hard lockbox
Ongoing Reserves	Cap Ex, Insurance, Taxes, TI/LC
Upfront Reserves	Insurance (\$216,667), Taxes (\$207,460)
Other	

Strengths

- The pooled loan is shadow rated **Aa3**.
- Credit Suisse First Boston ("CSFB") occupies 85% of the net rentable area on long term leases and uses the building as its world headquarters.
- Investment grade tenants generate 95.5% of the total rent.
- In-place average rent at the property is below market.

Concerns

- Tenant concentration risk with 85% of the net rentable area occupied by a single tenant. However, CSFB is rated Aa3 and uses the building as its world headquarters. They occupy the space on long term leases at below market rents.
- CSFB has a termination option in 2007 on 528,730 square feet (27.5% of their space). The termination option is mitigated by 1) a \$32 million (3 years rent) termination fee if all 528,730 square feet are terminated, 2) two year termination notice with 100% cash trap in event of such notice, and 3) below market lease terms.
- The loan is interest only for the first 60 months.
- Additional leverage in the form of secured subordinate debt.

Property Description

The loan is secured by a 30-story class A office building in New York City. The 2,256,552 square foot project was initially constructed in 1937 and was subsequently renovated from 1994 through 1997. The floor plates range from 100,000 square feet in the base to 45,000 square feet in the tower. The building is serviced by 48 elevators (41 passenger, 2 freight, and 3 combined use). The predominant façade material is limestone. The property is bounded by Madison Avenue, Park Avenue South, 24th Street and 25th Street. Madison Square Park is located directly to the west of the subject. Several subway lines are within one block.

Tenant Overview

A summary of the subject's tenants is presented in *Figure 13*. The largest tenant, Credit Suisse First Boston (**Aa3**), occupies 85% of the net rentable area and uses the property as its world headquarters. The CSFB space has multiple expiration dates with 20.3% expiring in 2007, 5.4% expiring in 2013, and 74.3% expiring in 2017. Additionally, CSFB has a termination option on 528,730 square feet (27.5% of their space) that is otherwise leased through 2017. If CSFB exercises the termination option, they will be required to give two years notice and pay up to \$32 million in termination fees. Aon Corporation (**Baa2**) occupies 6.1% of the net rentable area, and is currently subleasing its entire 138,072 square feet to IBM Corporation (**A1**). Omnicom Group, Inc. (**Baa1**) occupies 4.2% of the net rentable area. Omnicom is one of the largest advertising companies in the world. Excluding the CSFB termination space, 34.3% of the net rentable area expires during the loan term.

Figure 13

ELEVEN MADISON AVENUE TENANT OVERVIEW

Tenant	NRA (SF)	% of NRA	Gross Rent PSF	Lease Expiration	Moody's Senior Unsecured Rating
Credit Suisse First Boston	1,921,459	85.2%	\$25.79	2007,10,13,17	Aa3
Aon Corporation	138,072	6.1%	\$31.98	2013	Baa2
Omnicom Group	95,557	4.2%	\$31.54	2008	Baa1
Gould Paper	46,318	2.1%	\$23.56	2013	N/A
Other Tenants	23,518	1.0%	\$22.42	N/A	N/A
Vacant Space	31,628	1.4%	N/A	N/A	N/A
Total	2,256,552	100.0%	\$26.34	N/A	N/A

Note: The gross rent PSF figure includes both base rent and recoveries.

Market Overview

Moody's classified the New York office market as Green (69) in its second quarter 2004 Red-Yellow-Green Outlook. The subject is located in the East Midtown South submarket. According to Torto Wheaton Research (TWR), this submarket contains 37.6 million square feet of space, or 10.9% of the New York City market. As of third quarter 2003, TWR reported class-A submarket vacancy and average asking rent of 7.4% (down from 8.1% the previous quarter) and \$31.40 (unchanged from the previous quarter), respectively. The current average rent at the subject property is considered below market. TWR also reported that there was no additional supply expected in the near term for the East Midtown South submarket.

4. 444 NORTH MICHIGAN AVENUE

COLLATERAL SUMMARY		DEBT SUMMARY			
% of Pool	6.5%			Moody's	
Pool Amount	\$71,500,000			LTV	Actual DSCR
Originator	Wachovia	Pool Balance	\$71,500,000	96.0%	1.68X
Shadow Rating	N/A	Other Secured Debt	\$0	N/A	N/A
Property Type	Office	Mezzanine	\$0	N/A	N/A
Location	Chicago, IL	Total	\$71,500,000	96.0%	1.68X
Red-Yellow-Green™	Yellow (46)				
Size	511,201 Square Feet				
Year Built/Renovated	1976 / 1991				
Occupancy	85.8% as of 5/21/04				
Ownership	Fee Simple				
Purchase Price	\$85.0 million as of 6/2002				

LOAN SUMMARY		STRUCTURAL FEATURES	
Loan Type	Fixed Rate	Lockbox	Hard
Interest Rate	5.68%	Ongoing Reserves	Replacement, Tax, Insurance, TI/LC
Interest Only Period	120 months	Upfront Reserves	\$468,093 for retail rent, \$425,000 for new retail tenant TI/LC's.
Amortization	None		Taxes (\$611,000), Insurance (\$94,186)
Maturity Date	7/11/2014	Other	N/A
Sponsor	Kan Am Group (90%) & Andalex Group (10%)		
Borrower	Bankruptcy Remote, SPE		

Strengths

- The property is well located at the corner of North Michigan Avenue and Illinois Street, along Chicago's Magnificent Mile.
- The subject has a diverse rent roll with no tenant occupying more than 8.5% of the NRA or generating more than 10.2% of the in-place base rent.
- Strong sponsorship by The Kan Am Group, a private German based real estate syndicator with the majority of its holdings in the U.S. Total assets under management amount to over \$6.0 billion.

Concerns

- The loan has no amortization due to the 120-month interest only period.
- The downtown Chicago office market has weakened in the past three years with a 15.7% vacancy rate as of the first quarter 2004. The subject's North Michigan Avenue submarket is stronger with a vacancy of 11.6%. The subject is 14.2% vacant.
- The property has rollover risk as approximately 73.7% of the occupied square footage expires through 2010. There is a rollover reserve in the amount of \$1.25 per square foot per year (\$638,750 annually) for leasing costs.
- Two new retail tenants, Payless Shoes and Delmonico's, will not commence rent payment until October and November 2004, respectively. However, both tenants have executed leases and their spaces are being built-out. Starbucks, which recently renewed its lease, will not commence its rent payment until November 2004. There is an upfront escrow in the amount of \$468,093 for the projected rental payments over this time period and there is a \$425,000 upfront reserve for tenant improvement costs for the two new retail tenants.

Property Description

The subject is a 36-story, multi-tenant Class A-/B+ office tower built in 1976 with four ground floor retail spaces. The property is located at the corner of North Michigan Avenue and Illinois Street in the Magnificent Mile and Gold Coast neighborhoods of downtown Chicago, IL. The property is located in an area with dense commercial, retail, office, hotel, and residential development. The Shops at North Bridge, a four level, upscale shopping center anchored by Nordstrom, is located just north of the subject. The property does not have on-site parking facilities.

Tenant Overview

A summary of the subject's tenants is presented in *Figure 14*. The property is 85.8% leased to 65 tenants. The tenant roster is diverse as the largest tenant, Shefsky & Froelich, occupies only 8.5% of the net rentable area and generates 10.3% of the in-place base rent. However, there is some near term rollover risk as the tenant's lease expires in May 2005. Shefsky & Froelich is a law firm with 50 lawyers founded in 1970. The tenant occupies three floors, has been in occupancy since 1990, and has made significant expenditures on its space including the construction of an interior stair case. The second largest tenant is Gordon & Glickson, a law firm founded in 1974 that provides general legal services. The tenant generates 6.6% of the in-place base rent.

The property will be exposed to rollover risk during the loan term with approximately 73.8% of the leases expiring through 2010. There is rollover risk in 2005 (12.8% of the occupied square footage expires), 2007 (14.4%), 2008 (21.0%), and 2010 (13.4%).

Figure 14

444 NORTH MICHIGAN AVENUE TENANT OVERVIEW

Tenant	NRA (SF)	% of NRA	Base Rent PSF	Lease Expiration	Moody's Senior Unsecured Rating
Shefsky & Froelich Ltd.	43,612	8.5%	\$20.05	5/2005	N/A
Gordon & Glickson L.L.C.	30,999	6.1%	\$19.07	12/2007	N/A
TMP Worldwide, Inc. (Monster)	30,816	6.0%	\$19.98	9/2010	N/A
Other Tenants	333,232	65.2%	\$19.43	Various	N/A
Vacant Space	72,542	14.2%	N/A	N/A	N/A
Total	511,201	100.0%	\$19.51	N/A	N/A

Market Overview

Moody's classified the Chicago, IL office market as Yellow (46) in its second quarter 2004 Red-Yellow-Green™ Outlook. The subject is located in the Chicago CBD which encompasses 120.8 million square feet of office space. The total vacancy rate as of the first quarter 2004 was 15.7%, up from 14.9% last quarter. The average net asking rent was \$18.28 per square foot as of the end of the first quarter 2004. The Chicago office market has experienced weakened rents and occupancy levels since 2000.

The subject is located in the North Michigan Avenue submarket, which had a total vacancy of 11.6%, as of the first quarter 2004, up from 11.2% last quarter. The submarket had a Class A vacancy of 13.8% and a Class B vacancy of 9.3%. The average asking rent for Class A and Class B properties was \$17.01 and \$16.04 per square foot, net, respectively. As of May 2004, the subject's vacancy was 14.2% with an average base rent in place of \$19.51 per square foot. The appraiser identified five comparable properties which were between 80% and 93% occupied. Net asking rents for these properties ranged from \$12 to \$22 per square foot. Moody's believes that the subject's rents are sustainable at their current levels.

5. INDEPENDENCE PLAZA

COLLATERAL SUMMARY		DEBT SUMMARY			
% of Pool	4.0%			Moody's	
Pool Amount	\$44,000,000			LTV	Actual DSCR
Originator	Wachovia	Pool Balance	\$44,000,000	66.0%	2.82X
Shadow Rating	Baa2	Other Secured Debt	\$0	N/A	N/A
Property Type	Office	Mezzanine	\$0	N/A	N/A
Location	Denver, CO	Total	\$44,000,000	66.0%	2.82X
Red-Yellow-Green™	Yellow (43)				
Size	561,957 Square Feet				
Year Built/Renovated	1971 / 1995				
Occupancy	87.7% as of 6/11/04				
Ownership	Fee Simple				
Purchase Price	N/A				
LOAN SUMMARY		STRUCTURAL FEATURES			
Loan Type	Fixed Rate	Lockbox	Springing		
Interest Rate	5.06%	Ongoing Reserves	Taxes		
Interest Only Period	60 months	Upfront Reserves	Engineering (\$326,238), Taxes (\$79,639).		
Amortization	None	Other	Cash trap if DSCR falls below 2.25X.		
Maturity Date	8/11/2009				
Sponsor	Amstar-ARA Denver, LLC				
Borrower	Bankruptcy Remote, SPE				

Strengths

- The loan has a Moody's LTV ratio of 66.0% and is shadow rated **Baa2**.
- The property is well located in the Denver CBD on 17th Street, with a block of retail space on the 16th Street Pedestrian Mall.
- The subject has a diverse rent roll with no tenant occupying more than 10.7% of the NRA or generating more than 10.3% of the in-place rent.
- Strong sponsorship by Amstar Group and American Realty Advisors (ARA). ARA is an asset manager with over \$1.5 billion under management. The ARA entity that will co-sponsor the loan is the American Stable Value Fund, LLC, a real estate fund which holds real estate throughout the U.S. As of the first quarter 2004, the Fund had total commitments of \$206 million. Amstar's portfolio includes 29 commercial properties.

Concerns

- The 60-month loan pays interest-only for the entire term.
- The Denver office market is weak. Class A and B office vacancies are approximately 18% and rents have declined each year since 2000. However, the subject has outperformed the market with a current vacancy of 12.3%.
- The property has rollover risk as approximately 69.6% of the occupied square footage expires through 2009. There are no rollover reserves.
- The property was built in 1972 and its exterior design is dated. However, the property has received over \$12.0 million in capital expenditures since 1993 and is in good condition.

Property Description

The property consists of a 24-story, Class A-/B+ office tower, a two-story office building, and a three-story building, all interconnected with ground level enclosed retail and restaurant space and a second level outdoor plaza. The subject is located in downtown Denver. It is surrounded on three sides with heavily trafficked one-way streets and along the fourth by the 16th Street Mall, a public street converted to a landscaped pedestrian mall. The property was developed in 1971. Approximately \$12.0 million was spent on capital improvements since 1993 including renovations of the main lobby, elevator modernization, and elevator lobby renovations and restroom upgrades on 12 multi-tenant floors. The property has a three level subterranean parking garage with 690 parking spaces.

Tenant Overview

A summary of the subject's tenants is presented in *Figure 15*. The property is 87.7% leased to 63 tenants. The tenant roster is diverse as the largest tenant, AT&T, leases only 10.7% of the net rentable area and generates 10.4% of the in-place gross rent. The lease expires in 2008. The second largest tenant is Questar, an energy holding company. The company's largest utility subsidiary, Questar Gas, distributes natural gas to more than 770,000 customers in Utah, Idaho, and Wyoming. The property will be exposed to rollover risk during the loan term with approximately 69.6% of the leases expiring through 2009. Rollover does not exceed 17.3% (2006) in any given year.

Figure 15

INDEPENDENCE PLAZA TENANT OVERVIEW

Tenant	NRA (SF)	% of NRA	Gross Rent PSF	Lease Expiration	Moody's Senior Unsecured Rating
AT&T	59,940	10.7%	\$18.67	8/2008	Baa2
Questar	38,333	6.8%	\$22.05	8/2007	A2
Kennedy, Christopher, Foggs	30,302	5.4%	\$23.24	2/2010	N/A
Other Tenants	364,116	64.8%	\$22.64	Various	N/A
Vacant Space	69,266	12.3%	N/A	N/A	N/A
Total	561,957	100.0%	\$21.88	N/A	N/A

Market Overview

Moody's classified the Denver, CO office market as Yellow (43) in its second quarter 2004 Red-Yellow-GreenTM Outlook. The subject is located in the Denver CBD which encompasses 21.7 million square feet of office space with a Class A vacancy rate of 17.9% as of the first quarter 2004 and a Class B vacancy rate of 18.6% during the same period. The long term Class A and Class B average vacancy rates in Denver are approximately 14.8% and 17.7%, respectively. Class A and Class B average rental rates were \$18.37 and \$14.69 per square foot, respectively, as of the first quarter 2004. The Denver office market has experienced declining rents and occupancy levels since 2000 due to corporate cutbacks, particularly in the technology and communications industries, and excess space due to supply gains in the late 1990's and early 2000's.

As of June 2004, the subject's vacancy was 12.3% with an average gross rent in place of \$21.88 per square foot. The subject competes primarily with 23 Class A high rise buildings located within a block or two of the 16th Street Mall between Broadway and Larimer Street. As of April 2004, the competitive set had a direct vacancy rate of 13.8% and a total vacancy rate including sublet space of 17.9%, with an average rental rate of \$18.80 per square foot. Given the subject's location along 17th Street and the 16th Street Mall, as well as its stable performance, Moody's believes that the subject's rents are sustainable at a level slightly above the current competitive set average.

6. FBI FIELD OFFICE

COLLATERAL SUMMARY		DEBT SUMMARY			
% of Pool	3.8%			Moody's	
Pool Amount	\$41,900,000			LTV	Actual DSCR
Originator	Artesia	Pool Balance	\$41,900,000	93.3%	1.34X
Shadow Rating	N/A	Other Secured Debt	\$0	N/A	N/A
Property Type	Office	Mezzanine	\$0	N/A	N/A
Location	Woodlawn, MD	Total	\$41,900,000	93.3%	1.34X
Red-Yellow-Green™	Yellow (45)				
Size	155,755 Square Feet				
Year Built/Renovated	2004				
Occupancy	100.0% as of 6/7/04				
Ownership	Fee Simple				
Purchase Price	N/A				
LOAN SUMMARY		STRUCTURAL FEATURES			
Loan Type	Fixed Rate	Lockbox	Hard		
Interest Rate	6.24%	Ongoing Reserves	Replacement, Tax, Insurance		
Interest Only Period	24 months	Upfront Reserves	\$2.6 million retention; \$100,000 occupancy		
Amortization	20 year amortization months 1-12; interest-only months 13-36; 30 year amortization thereafter	Other	LOC/NCF sweep for \$7.0 million for TI/LC's starting in 2011.		
Maturity Date	8/11/2034; 8/11/2013 ARD Date				
Sponsor	Anthony Hai, Chris Penrose, NGP Capital Partners III LLC				
Borrower	Bankruptcy Remote, SPE				

Strengths

- The property is a newly built Class A facility with state of the art security and high quality amenities.
- The subject is leased to the General Services Administration ("GSA") for ten years, plus two five year renewal options.

Concerns

- The loan has reduced amortization due to the 24 month interest-only period in years two and three.
- The property is leased to a single tenant with a lease expiration in 2014. This is partially mitigated by the fact that the FBI invested over \$3.8 million in the space and is therefore likely to renew its lease. The borrower is also required to post letters of credit totaling \$7.0 million starting in 2011 for potential retenanting costs or to pay down the loan.
- The tenant's rent of \$40.01 per square foot is above comparable property average Class A rents of approximately \$33.00 per square foot and much higher than the submarket Class A average of \$16.25 per square foot, gross.
- The loan amount per square foot of \$269 is high. However, the building was developed specifically for the FBI and has various upgrades and security enhancements.

Property Description

The subject is a recently constructed four-story suburban office tower with a one-story annex/parking structure with 175 spaces. There is also a surface parking lot with 275 spaces. The subject was built to suit and is leased to the GSA to be occupied by the FBI for use as the Baltimore field office complex. The property is located in the Windsor Corporate Park in the Baltimore suburb of Woodlawn, MD, one mile from the I-695 Beltway. Downtown Baltimore is seven miles southeast of the subject. The subject building includes a multi-media conference room and fitness

center. In addition, the property has several security upgrades including entrance guard houses, perimeter restraint barriers, and bulletproof glass windows. The interior spaces are a mix of partitioned office space, interior offices, and specialized improvements including a photo lab, press room, and secure evidence rooms. The annex structure is used to maintain the FBI's automotive fleet and for vehicle evidence processing. The total project development cost was \$42.5 million.

Tenant Overview

The center is 100.0% leased to the General Services Administration and is occupied by the FBI through June 30, 2014. The tenant has two, five-year renewal options. The current in place rent is \$40.01 per square foot which includes a base rent of \$33.82 per square foot and expense recoveries of \$6.18 per square foot. The base rent is flat for the term and any renewals. The expense portion escalates annually based on CPI. Real estate taxes are subject to pass through of increases over a base year. A summary of the subject's tenant is presented in *Figure 16*.

If the tenant has not renewed/extended its lease by August 2011 through at least 2019, the borrower is required to post a letter of credit in the amount of \$2.0 million in each of year eight and year nine for a total of \$4.0 million (\$25.68 per square foot) for TI/LC's. If either of the letters of credit is not provided, a cash sweep will commence in lieu of the letter of credit. One month prior to the ARD, the borrower must provide another \$3.0 million letter of credit. The letters of credit will be maintained until the tenant has renewed/extended its lease or until another tenant is found. The reserved amounts will be made available for re-tenanting costs or principal balance reduction.

Figure 16

FBI HEADQUARTERS TENANT OVERVIEW

Tenant	NRA (SF)	% of NRA	Base Rent PSF	Lease Expiration	Moody's Senior Unsecured Rating
General Services Administration	155,755	100.0%	\$40.01	6/30/2014	Aaa
Vacant Space	0	0.0%	N/A	N/A	N/A
Total	155,755	100.0%	\$40.01	N/A	N/A

Market Overview

Moody's classified the suburban Baltimore, MD office market as Yellow (45) in its second quarter 2004 Red-Yellow-Green™ Outlook. According to CoStar, Baltimore County had 27.5 million square feet of office space with a total vacancy rate of 14.4% as of May 2004. The Class A vacancy rate was 13.3%.

The subject is located in the Woodlawn neighborhood of Baltimore County at the Security Boulevard/I-695 interchange. There is almost no vacant land available for development. The area consists of office and flex developments and is dominated by the Social Security Administration headquarters. There is significant commercial development along Security Boulevard including retail centers, gas stations, and restaurants. Residential development is located off the major arterials and is considered lower to middle income suburban tract developments. There are four major business parks in the Woodlawn area with a total of 2.9 million square feet.

According to CoStar, the Woodlawn office market had 3.1 million square feet with a total vacancy rate of 16.7% as of May 2004 and a Class A vacancy rate of 11.7%. Market average rents were \$15.48 per square foot with rents of \$16.25 per square foot for Class A properties. Rental rates have been relatively flat over the past several years. Comparable properties had adjusted average rental rates between \$26.51 and \$44.85 per square foot, with an average of \$32.90 per square foot. Given the subject's tenancy, Moody's believes that the subject's rent is sustainable during the loan term, however, Moody's adjusted its rent levels to account for the rollover/balloon risk.

7. BARNEYS BEVERLY HILLS

COLLATERAL SUMMARY		DEBT SUMMARY			
% of Pool	3.4%			Moody's	
Pool Amount	\$37,000,000			LTV	Actual DSCR
Originator	Wachovia	Pool Balance	\$37,000,000	92.8%	1.23X
Shadow Rating	N/A	Other Secured Debt	\$0	N/A	N/A
Property Type	Anchored Retail	Mezzanine	\$0	N/A	N/A
Location	Los Angeles, CA	Total	\$37,000,000	92.8%	1.23X
Red-Yellow-Green™	Green (91)				
Size	114,978 Square Feet				
Year Built/Renovated	1993				
Collateral Occupancy	100.0% as of 7/12/04				
Ownership	Leasehold				
Purchase Price	N/A				
LOAN SUMMARY		STRUCTURAL FEATURES			
Loan Type	Fixed Rate	Lockbox	Hard		
Interest Rate	5.78%	Ongoing Reserves	Springing, TI/LC		
Interest Only Period	None	Upfront Reserves	\$1.8 million LOC		
Amortization	30 years	Other	Cash Trap for \$300,000/year up to 1.0 million if Barney's net worth falls below \$80.0 million		
Maturity Date	8/11/2014				
Sponsor	Stanley Cayre				
Borrower	Bankruptcy Remote, SPE				

Strengths

- Excellent location in the Golden Triangle area of Beverly Hills, one block west of Rodeo Drive, one of the most notable retail destinations in the world.
- Moody's classified the Los Angeles retail market as Green (91) in its second quarter 2004 Red-Yellow-Green™ Outlook.

Concerns

- The property is leased to a single tenant, with a long term issuer rating of Caa1, which emerged from bankruptcy in 1999. This is mitigated by an upfront letter of credit for \$1.8 million. In addition, if Barney's net worth falls below \$80.0 million, there will be a cash trap of \$25,000 per month (\$300,000 per year) up to \$1.0 million or until the company's net worth increases to \$80.0 million.

Property Description

The collateral consists of the leasehold interest in the 114,978 square foot, five-story single tenant retail building leased to Barney's New York. The property is located in Beverly Hills, CA along the southwest corner of Wilshire Boulevard and Camden Drive, one block west of Rodeo Drive. The property is located in an area known as the "Golden Triangle" of Beverly Hills, which is home to the most exclusive retailers in the world including Hermes, Gucci, Prada, and Ferragamo. Along Wilshire Boulevard is "Department Store Row", comprised of Barney's, Saks Fifth Avenue, and Neiman-Marcus. The subject has four levels of onsite, below grade parking for 309 cars. The property is subject to a 99-year ground lease that expires in 2088. The ground lease calls for CPI adjustments every seven years. The current ground rent payment is approximately \$1.4 million.

Tenant Overview

The center is 100.0% leased to Barney's New York through January 2019. The tenant has three, 10-year renewal options. The current in place rent is \$29.80 per square foot and escalates in 2006, 2011, and 2016 based on CPI growth. The lease is absolutely triple net and Barney's pays all expenses including ground rent. Barney's is a premier high end clothing retailer with nine full price stores including three flagship stores in Beverly Hills, New York, and Chicago and 12 outlets. Estimated sales at the subject location are in excess of \$700 per square foot resulting in an occupancy cost of approximately 7.5%. A summary of the subject's tenant is presented in *Figure 17*.

There is an upfront letter of credit for \$1.8 million (\$15.65 per square foot) to offset potential re-tenanting costs or leasing downtime. However, the letter of credit will be released if Barney's net worth exceeds \$250.0 million, but would be reinstated if the net worth falls below the threshold. In addition, if Barney's net worth falls below \$80.0 million (current net worth is approximately \$160 million), there will be a cash trap of \$25,000 per month (\$300,000 per year) up to \$1.0 million or until the company's net worth increases to \$80.0 million.

Figure 17

BARNEYS TENANT OVERVIEW

Tenant	GLA (SF)	Lease Expiration	2003 Sales PSF	Occupancy Cost	Moody's Long Term Issuer Rating
Barneys New York	114,978	1/2019	Approx. \$700	7.5%	Caa1
Vacant	0	N/A	N/A	N/A	N/A
Total	114,978	N/A	N/A	N/A	N/A

Market Overview

Moody's classified the Los Angeles retail market as Green (91) in its second quarter 2004 Red-Yellow-Green™ Outlook. According to REIS, the Los Angeles retail market had an overall vacancy rate of 3.9% as of the first quarter 2004. The market has maintained a vacancy level below 5.0% since 1999. The subject is located in the Santa Monica/Westside/Downtown retail submarket which has 4.5 million square feet of retail space with a vacancy rate of 5.4% as of the first quarter 2004. The average asking rent was \$33.47 per square foot.

Upscale department stores such as the subject typically have trade areas of five miles or more since they are destination retail centers. The population within a five mile radius of the subject was 695,741 in 2003 and the average household income was \$85,615. In addition, the property is located one block north of Rodeo Drive, in the Beverly Hills retail market, which receives over 12 million visitors annually.

8. 1750 H STREET

COLLATERAL SUMMARY		DEBT SUMMARY			
% of Pool	3.2%			Moody's	
Pool Amount	\$35,400,000			LTV	Actual DSCR
Originator	Wachovia	Pool Balance	\$35,400,000	98.0%	1.20X
Shadow Rating	N/A	Other Secured Debt	\$0	N/A	N/A
Property Type	Office	Mezzanine	\$0	N/A	N/A
Location	Washington, DC	Total	\$35,400,000	98.0%	1.20X
Red-Yellow-Green™	Yellow (63)				
Size	111,373 Square Feet				
Year Built/Renovated	2002 / N/A				
Occupancy	97.0% as of 5/04; 100.0% leased				
Ownership	Fee Simple				
Purchase Price	\$41.1 million as of 12/2002				
LOAN SUMMARY		STRUCTURAL FEATURES			
Loan Type	Fixed Rate	Lockbox	Springing at ARD date		
Interest Rate	5.60%	Ongoing Reserves	Taxes, Insurance, Replacement, Springing TI/LC		
Interest Only Period	12 months	Upfront Reserves	Taxes (\$242,929), Insurance (\$45,437)		
Amortization	25 years	Other	N/A		
Maturity Date	7/11/2014				
Sponsor	National Treasury Emp. Union				
Borrower	Bankruptcy Remote, SPE				

Strengths

- The subject is a newly constructed, Class A property with a good location in the CBD submarket of Washington, D.C.
- The property is 100% leased to high quality tenants.
- Experienced property management by Carr America Real Estate Services, which currently manages over 24.0 million square feet of office space in 12 markets.

Concerns

- The first mortgage loan has a high Moody's LTV ratio of 98.0%.
- There is tenant concentration risk as the three largest tenants occupy 90.6% of the square footage and generate 91.2% of the in-place rent. However, the building has a strong tenant profile.

Property Description

The property is a 10-story, Class A office building located on the south side of H Street between 17th and 18th Streets in the CBD submarket of Washington, D.C. The property is three blocks northwest of the White House and three blocks west of Washington Circle. The subject is well served by public transportation with access to Metrorail one block away. The direct vicinity is dominated by office buildings similar to the subject. The property was constructed in 2002 and has 4,643 square feet of ground floor retail space. There is also a three level subterranean parking garage with 74 parking spaces.

Tenant Overview

A summary of the subject's tenants is presented in *Figure 18*. The property is 100.0% leased to six tenants. The tenant roster is concentrated as the largest tenant, NTEU, leases 56.8% of the space (63,212 square feet) and generates 59.9% of the rent. There is 3,322 square feet of ground floor, side street, retail space in shell condition that the NTEU leases, but is not occupied. NTEU is responsible for all leasing costs associated with this space.

NTEU is a federal employees union representing approximately 150,000 workers in 29 government agencies. NTEU has operated for over 65 years. The second largest tenant is the Bank Fund Staff Federal Union which occupies 21.4% of the square footage and generates 19.7% of the in-place rent. The tenant is a financial cooperative that primarily serves the staffs of the World Bank and IMF.

The property will be exposed to rollover risk in 2012 and 2013 when the Bank Fund Staff Federal Union and Wells Fargo leases expire. Aggregate rollover in 2012 and 2013 is 41.1%. Starting in January 2010, the borrower is required to deposit \$8,000 per month into a TI/LC reserve account for re-tenanting costs. The reserve will be released if the Bank Fund Staff Federal Union renews its lease for five years.

Figure 18

1750 H STREET TENANT OVERVIEW

Tenant	NRA (SF)	% of NRA	Base Rent PSF	Lease Expiration	Moody's Senior Unsecured Rating
National Treasury Emp. Union	63,212	56.8%	\$32.99	12/2017	N/A
Bank Fund Staff Federal Union	23,845	21.4%	\$28.77	9/2013	N/A
Wells Fargo Bank	13,807	12.4%	\$29.06	10/2012	Aa1
Other Tenants	10,509	9.4%	\$29.27	Various	N/A
Vacant Space	0	0.0%	N/A	N/A	N/A
Total	111,373	100.0%	\$31.34	N/A	N/A

Market Overview

Moody's classified the Washington, D.C. office market as Yellow (63) in its second quarter 2004 Red-Yellow-Green™ Outlook. According to TortoWheaton Research, the subject is located in the CBD submarket which encompasses 32.4 million square feet of office space with a Class A vacancy rate of 6.7% as of the first quarter 2004 and a Class B vacancy rate of 7.9% during the same period. The average triple net asking rents are \$38.15 and \$32.41 per square foot for Class A and Class B properties, respectively, as of the first quarter 2004.

As of July 2004, the subject was 100.0% leased with an average rent in place of \$31.34 per square foot, triple net. The subject competes primarily with office buildings located on I and H Streets with a concentration in the western portion of the CBD. The six competitive properties had triple net adjusted rental rates between \$28.50 and \$36.15 per square foot. Occupancies ranged from 91.2% to 100%, with the exception of one property built in 2003 which was 52.5% occupied. Moody's believes that the subject's rents are sustainable at their current level.

9. AYLESBURY FARMS APARTMENT HOMES

COLLATERAL SUMMARY	
% of Pool	3.0%
Pool Amount	\$33,000,000
Originator	Wachovia
Shadow Rating	N/A
Property Type	Multifamily
Location	Duluth, GA
Red-Yellow-Green™	Green (70)
Size	380 Units
Year Built/Renovated	1996 / 2000
Collateral Occupancy	92.1% as of 7/6/04
Ownership	Fee Simple
Purchase Price	\$39,000,000 as of 7/04

DEBT SUMMARY			
		Moody's	
		LTV	Actual DSCR
Pool Balance	\$33,000,000	98.5%	1.16X
Other Secured Debt	\$0	N/A	N/A
Mezzanine	\$0	N/A	N/A
Total	\$33,000,000	98.5%	1.16X

LOAN SUMMARY	
Loan Type	Fixed Rate
Interest Rate	5.66%
Interest Only Period	60 months
Amortization	30 years
Maturity Date	8/11/2014
Sponsor	Steven M. Rayman
Borrower	Bankruptcy Remote, SPE

STRUCTURAL FEATURES	
Lockbox	None
Ongoing Reserves	Taxes, Insurance, Replacement
Upfront Reserves	\$1.0 million for washer/dryer installation and Fitness center construction. Taxes \$352,586), Insurance (\$18,004)
Other	

Strengths

- Moody's classifies the Atlanta multifamily market as Green (70).
- The subject is a Class A+ multifamily facility with high quality amenities with a good location and accessibility.
- The subject is located in a growing submarket with strong demographics. The average household income within three miles of the subject is \$127,211.

Concerns

- The first mortgage loan has a high Moody's LTV ratio of 98.5%.
- The loan has reduced amortization due to the 60 month interest-only period.
- The property has offered significant concessions in order to increase occupancy. Current concessions are approximately 17% of in-place "contractual" rents. However, concessions for new leases at the subject property have declined in the past three months.

Property Description

The subject consists of 24, two and three story Class A apartment buildings containing 380 units with exterior entrances. The subject was built in 1996 and is located in Duluth, Northern Fulton County, GA. The subject has good accessibility via Georgia Highway 400, which provides access to Interstate 285. The subject's immediate area consists of new residential developments, a shopping center, single family homes, and a golf course. Amenities include a 6,000 square foot clubhouse/leasing office, two outdoor swimming pools, two lighted tennis courts, a fitness center, and laundry facilities. The borrower plans to install washer/dryers in each unit as well as expand the fitness facility in the near term. A summary of the subject's unit mix is provided in *Figure 19*.

Figure 19

AYLESBURY FARMS APARTMENTS UNIT MIX

Unit Type	Count	Subject		Comparables	
		Average SF/Unit	Average Rent/Unit	Average SF/Unit	Average Rent/Unit
1 BR / 1 BA	100	960	\$883-\$913	851	\$794-\$851
2 BR / 1 BA	170	1,415	\$1,068-\$1,107	1,273	\$999-\$1,058
3 BR / 2 BA	36	1,550	\$1,215-\$1,255	1,669	\$1,320-\$1,356
Units with Garages	74	1,543	\$1,348-\$1,358	1,423	\$1,162-\$1,187
Total	380	1,277	N/A	N/A	N/A

Market Overview

The subject is located in the Atlanta, GA residential market which Moody's classified as Green (70) in its second quarter 2004 Red-Yellow-Green Outlook. According to TortoWheaton Research, the subject is located in the West Gwinnett County submarket which had a vacancy rate of 7.2% as of the first quarter 2004, down from 8.9% in 2003 and 9.2% in 2002. Vacancy is forecasted to decline further to 6.7% in 2004 and 6.5% in 2005 as there has been a minimal increase in new supply in 2003 and 2004 compared to the high rate of completions in the past four years. The average monthly rent per unit in the submarket is \$752. The population within three miles of the subject was 58,037 as of 2003 which reflected a population growth of 7.2% between 2000 and 2003. The average household income within three miles of the subject is \$127,211.

The appraiser identified five comparable properties whose average rents are presented in *Figure 19*. The subject's rents are slightly above the comparables; however, the subject's unit sizes exceed those of the competitors in each category, except for three bedroom/two bathroom units, where the subject's rents are lower than the competitor's. Occupancy levels for the comparables ranged from 94% to 96%. The subject's vacancy has improved from 15.0% in January 2004 to 7.9% as of July 2004.

10. KENNEDY RIDGE APARTMENTS

COLLATERAL SUMMARY	
% of Pool	2.7%
Pool Amount	\$29,973,130
Originator	Wachovia
Shadow Rating	N/A
Property Type	Multifamily
Location	Denver, CO
Red-Yellow-Green™	Green (74)
Size	959 Units
Year Built/Renovated	1972 / 2002
Collateral Occupancy	83.9% as of 6/1/04
Ownership	Fee Simple
Purchase Price	\$32,400,000 as of 1/96

DEBT SUMMARY			
		Moody's	
		LTV	Actual DSCR
Pool Balance	\$29,973,130	99.1%	1.23X
Other Secured Debt	\$0	N/A	N/A
Mezzanine	\$0	N/A	N/A
Total	\$29,973,130	99.1%	1.23X

LOAN SUMMARY	
Loan Type	Fixed Rate
Interest Rate	5.70%
Interest Only Period	None
Amortization	30 years
Maturity Date	7/2034; 7/2009 ARD
Sponsor	Roger Thompson & James Michie
Borrower	Bankruptcy Remote, SPE

STRUCTURAL FEATURES	
Lockbox	Springing upon ARD
Ongoing Reserves	Taxes, Insurance, Replacement
Upfront Reserves	\$371,625 for Required Repairs, Insurance (\$70,169)
Other	N/A

Strengths

- Moody's classifies the Denver multifamily market as Green (74).
- Good accessibility and location near various office and retail centers and adjacent to a golf course and public park.

Concerns

- The first mortgage loan has a high Moody's LTV ratio of 99.1%.
- The property was constructed in 1972 and the units have not been renovated in several years.
- The Denver market and the subject's submarket have experienced significant supply growth over the past three years which has resulted in current multifamily vacancy rates of approximately 10%. The subject's vacancy of 16.1% exceeds that of the submarket and the competitive set.

Property Description

The subject consists of 37, three story Class B apartment buildings containing 959 units. The subject was built in three phases between 1972 and 1976 and was renovated for \$2.8 million (most of which was used for roof replacement) between 1996 and 2002. The subject has good accessibility via Interstate 25, the major thoroughfare through Denver, and Interstate 225. The subject site is adjacent to a golf course and a public park and is in a built up area with a variety of commercial, retail, and residential uses. Amenities include a 3,600 square foot clubhouse/leasing office, two outdoor swimming pools, three tennis courts, a fitness center, playground, and laundry facilities. Most units include wood-burning fireplaces and patios/balconies. A summary of the subject's unit mix is provided in *Figure 20*.

Figure 20

KENNEDY RIDGE APARTMENTS UNIT MIX

Unit Type	Count	Average SF/Unit	Average Rent/Unit
Studio	108	368	\$450
1 BR / 1 BA	515	637	\$541
2 BR / 1 BA	120	850	\$645
2 BR / 2 BA	216	900	\$710
Total	959	692	\$531

Market Overview

The subject is located in the Denver, CO residential market which Moody's classified as Green (74) in its second quarter 2004 Red-Yellow-Green Outlook. According to CB Richard Ellis, the Denver PMSA multifamily market has a total inventory of 275,011 units with a vacancy rate of 10.5% as of the first quarter 2004, down from 13.1% in the first quarter 2003. Occupancies are improving due to an improving national economy and a slowdown in supply growth after record high multifamily supply increases in Denver in 2002 and 2003. The average multifamily rental rate in Denver was \$809 per unit per month as of the first quarter 2004. Concessions are prevalent in the market and range from one to four months of free rent on a one year lease.

The subject is located in the Far Southeast submarket which had a multifamily vacancy rate of 10.3% as of the first quarter 2004, down from 15.3% in the first quarter of 2003. The average vacancy rate in the submarket between 1995 and the first quarter 2004 was 7.1%. Average rent in the submarket is \$737 per unit per month, compared to the subject's average rent of \$531 per unit per month. The subject competes with six properties built prior to 1985 with occupancies ranging from 87.0% to 94.0%, compared to the subject's occupancy of 83.9%. The subject's vacancy exceeds that of the competitive set. According to the borrower, a new manager will be hired shortly in an effort to improve the property's performance. There are no planned or under construction units in the vicinity of the subject. The population within three miles of the subject was 127,304 as of 2003 with expected growth of 5.1% between 2003 and 2008. The average household income within three miles of the subject is \$51,598.

APPENDIX A: MOODY'S RED-YELLOW-GREEN MARKET SCORE ANALYSIS

1. RED-YELLOW-GREEN SCORES BY PROPERTY TYPE

Deal Name:		TOTAL Score	Multi	Retail ¹	Ofc-CBD	Ofc-Sub	Ind	Hotel-Full	Hotel-Ltd
WBCMT 2004-C14	Subject Pool ²	62.4	62.1	82.7	56.7	47.4	N/A	N/A	68.9
Total Pool Balance:	Recent Conduits ³	64.5	68.9	78.1	58.4	49.2	58.9	51.9	74.5
\$1,097,030,350	National Average ⁴	69.8	77.3	83.4	56.6	47.9	64.3	67.9	68.8

2. RED-YELLOW-GREEN SCORE COVERAGE

	Subject Pool (By Balance)	Recent Conduits ⁵ (By Balance)	Multi	Retail ¹	Ofc-CBD	Ofc-Sub	Ind	Hotel-Full	Hotel-Ltd
Share WITH Scores	67.3%	61.4%	86.4%	38.1%	100.0%	80.7%	N/A	N/A	62.6%
Share WITHOUT Scores ⁶	32.7%	38.6%	13.6%	61.9%	0.0%	19.3%	N/A	N/A	37.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	100.0%

3. DISTRIBUTION OF POOL WITH RED-YELLOW-GREEN SCORES

	Subject Pool ⁷	Recent Conduits ⁸	Multi	Retail ¹	Ofc-CBD	Ofc-Sub	Ind	Hotel-Full	Hotel-Ltd
Red (0-16)	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Red (17-33)	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Yellow (34-50)	40.6%	16.1%	15.1%	0.0%	15.6%	9.9%	0.0%	0.0%	0.0%
Yellow (51-66)	11.9%	22.5%	2.0%	2.3%	5.8%	1.7%	0.0%	0.0%	0.0%
Green (67-84)	34.0%	41.0%	14.6%	5.8%	12.8%	0.0%	0.0%	0.0%	0.8%
Green (85-100)	13.6%	15.8%	3.3%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	35.0%	18.4%	34.2%	11.6%	0.0%	0.0%	0.8%

4. DISTRIBUTION OF POOL WITHOUT RED-YELLOW-GREEN SCORES

MSA Ranking	Market Not Covered by R-Y-G Analysis ⁹	Other Retail ¹⁰	Self-Storage	Health Care	Manufactured Housing	Mixed Use	Other	Subject Pool
Top 10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11 ----- 25	0.0%	0.0%	8.4%	0.0%	0.0%	0.0%	0.0%	8.4%
26 ----- 50	5.0%	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	8.7%
51 ----- 100	10.6%	41.8%	0.0%	0.0%	0.0%	0.4%	0.0%	52.8%
101 ----- 318 ¹¹	8.7%	0.0%	0.5%	0.0%	7.2%	0.0%	0.0%	16.4%
No MSA	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.7%
Undetermined ¹²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	38.0%	41.8%	8.9%	0.0%	7.2%	4.1%	0.0%	100.0%

5. LOANS IN RED MARKETS (SCORES 0-33)

Loan Name	Property Type	Loan Balance	Share ¹³	R-Y-G Market	R-Y-G Score	Stressed DSCR ¹⁴	Stressed LTV Ratio ¹⁵
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Footnote definitions begin on the next page

- 1 Retail refers to neighborhood or community shopping centers.
- 2 Scores represent the dollar-weighted average of the properties for which a R-Y-G score was available in the current transaction.
- 3 Scores represent the dollar-weighted average of the properties for which a R-Y-G score was available in all conduit transactions rated by Moody's from the previous quarter. i.e. Second Quarter 2004.
- 4 Scores represent the composite average for U.S. commercial real estate, or the weighted average for multifamily, retail, office, and industrial markets as published in Moody's Second Quarter 2004 R-Y-G report. For individual property types, the composite score is weighted by the size of the component markets. The overall total score for the U.S. commercial real estate market is an average based on a fixed weighting among property types according to their approximate shares of CMBS collateral.
- 5 Refers to all conduit and fusion transactions rated by Moody's from the previous quarter. i.e. Second Quarter 2004
- 6 Percentages represent the share of the total pool balance for which a R-Y-G score was NOT available. No R-Y-G score can be calculated for properties in markets for which data was not available; for regional malls or power centers; or for less common properties types such as self-storage, health-care facilities, manufactured housing, etc. Please refer to table 4 for a distribution of loans with no R-Y-G scores.
- 7 The distribution among the six color/score categories for which a R-Y-G score can be calculated in the current transaction. These six categories total 100% and do NOT include the share of the pool that does not have a score.
- 8 The distribution among the six color/score categories for which a R-Y-G score can be calculated in all conduit transactions rated by Moody's from the previous quarter. i.e. Second Quarter 2004. These six categories total 100% and do NOT include the share of the pool that does not have a score.
- 9 Multifamily, Retail, Office, Industrial, and Hotel properties that are not located in major MSA would not be part of the analysis.
- 10 Other Retail refers to regional malls or power centers.
- 11 There are only 318 MSAs in the U.S.
- 12 The category includes loans in portfolios with various property types or are located in various MSAs.
- 13 Percentages represent the loan's share of the total pool balance in the current transaction.
- 14 Stressed DSCR = Moody's NCF / 9.25% Stressed Rate X Loan Balance
- 15 Stressed LTV = Current Balance / (Moody's NCF / Moody's Cap Rates)

APPENDIX B: POOL ECONOMIC DIVERSITY ANALYSIS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	U.S. Share	Conduits Industry Mix	Pool Share	Pool Industry Mix	MSA-Level Diversity	Geographic Dispersion	Composite Score
BASIC INDUSTRIES							
Construction & Bldg Mat's	6.2%	0.98	6.5%	1.04	84.8	18.0	77.3
Agriculture	0.4%	0.72	0.2%	0.50	84.1	24.2	63.4
Mining & Metals	1.3%	0.79	1.0%	0.83	87.4	8.7	70.6
Oil & Gas	0.3%	0.94	0.2%	0.80	83.9	16.2	70.0
MANUFACTURING							
Electronics	2.2%	0.98	2.1%	0.97	86.8	16.3	77.8
Beverages, Food & Tobacco	1.6%	0.89	1.4%	0.89	87.2	14.5	74.1
Machinery	1.2%	0.81	1.1%	0.85	87.5	12.1	72.0
Consumer Durable Goods	0.9%	0.97	0.8%	0.95	86.7	17.1	77.1
Automobile	1.1%	0.77	0.6%	0.57	87.0	18.4	64.7
Chemicals, Plastics & Rubber	1.1%	0.83	0.9%	0.78	88.2	10.0	69.4
Textiles & Apparel	0.7%	1.12	0.7%	1.06	84.8	13.0	75.0
Aerospace & Defense	0.3%	0.92	0.6%	1.81	76.2	2.1	50.8
Consumer Non-durable Goods	0.7%	0.99	0.8%	1.09	86.9	14.3	74.6
Computer Hardware & Software	1.3%	1.04	1.5%	1.09	83.1	15.9	73.9
Forest Products & Paper	0.5%	0.83	0.5%	0.87	86.6	10.2	72.5
TRANSPORTATION, COMMUNICATION & PUBLIC UTILITIES							
Transportation-Cargo	2.4%	0.93	2.2%	0.93	87.2	14.6	76.0
Transportation-Personal	1.0%	1.06	1.1%	1.11	85.6	15.3	73.6
Telecommunications	1.1%	1.09	1.2%	1.06	86.3	17.0	76.3
Utilities	0.6%	0.94	0.6%	0.93	85.1	19.4	76.3
RETAIL							
Retail	11.0%	0.97	10.5%	0.95	85.2	17.9	76.8
FINANCE, INSURANCE & REAL ESTATE							
Banking	2.2%	1.03	2.2%	1.04	86.5	15.9	77.4
Insurance	1.9%	0.95	1.7%	0.91	87.2	16.8	75.2
Real Estate	1.1%	1.14	1.3%	1.21	84.5	15.8	70.0
Finance	2.1%	1.08	2.4%	1.14	85.8	13.0	72.2
SERVICES							
Business Services	11.4%	1.06	12.6%	1.11	85.3	16.2	73.9
Healthcare	9.4%	0.97	8.8%	0.93	84.9	16.2	75.6
Hotels & Gaming	7.8%	0.99	7.8%	1.00	84.3	18.0	78.8
Consumer Services	4.4%	1.05	4.6%	1.03	84.2	17.7	77.4
Education & Social Services	3.9%	1.06	4.0%	1.03	84.6	14.7	76.9
Media	1.4%	1.02	1.5%	1.09	85.6	15.1	74.5
Leisure & Entertainment	1.6%	1.12	1.8%	1.10	85.1	16.5	74.4
GOVERNMENT							
State & Local Government	13.2%	0.98	13.3%	1.01	84.0	15.4	78.0
Federal Government	2.2%	0.96	2.4%	1.10	80.2	12.7	72.2
Military	1.5%	0.88	1.3%	0.84	80.5	11.3	69.4
TOTAL/WEIGHTED AVERAGE							
	100.0%		100.0%	93.8	84.9	16.0	75.6
Recent Conduits/Fusions (8)							
	High			97.3	85.1	54.3	83.4
	Median			93.5	80.7	28.6	76.3
	Low			87.3	73.8	9.7	69.6

(1) Share of total employment in the U.S. (all MSAs) in each sector.

(2) Concentration of employment in each sector among conduit transactions issued in 2001 through 1H 2004 (median).

(3) Share of employment in this transaction in each sector.

(4) Share of employment in the pool (column 3) in each sector divided by share of employment in the U.S. in each sector (column 1). Equivalent to a location quotient.

(5) The economic diversity of MSAs in a pool; a higher number implies that the sector prevails in more diversified cities.

(6) The dispersion or distribution of each sector across MSAs; a lower number implies a "lumpier" distribution of a sector.

(7) Composite score is the combination of variables in columns 4, 5 and 6 with different weights for each variable.

(8) Recent conduit universe is based on 173 transactions rated by Moody's in 1996 through 1H 2004.

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