STANDARD
&POOR'S

Presale: Wachovia Bank Commercial Mortgage Trust 2005-C20

(Reprinted from RatingsDirect)
Publication date: 04-Aug-2005

Table of Contents

$3.7 Billion Commercial Mortgage Pass-Through Certificates Series 2005-C20	1
Profile	1
Rationale	2
Transaction Structure	3
Pool Characteristics	3
Top Seven Loans	8
Credit Evaluation	23

$3.7 Billion Commercial Mortgage Pass-Through Certificates Series 2005-C20

This presale report is based on information as of Aug. 4, 2005. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings.

Preliminary Ratings As Of August 4, 2005			
Class	**Preliminary rating***	**Preliminary amount ($)**	**Recommended credit support (%)**
A-1	AAA	85,000,000	30.000
A-2	AAA	148,096,000	30.000
A-3FL	AAA	179,875,000	30.000
A-3FX	AAA	179,875,000	30.000
A-4	AAA	225,000,000	30.000
A-5	AAA	121,177,000	30.000
A-6	AAA	268,951,000	30.000
A-PB	AAA	175,888,000	30.000
A-7	AAA	861,941,000	30.000
A-1A	AAA	318,883,000	30.000
A-MFL	AAA	183,192,000	20.000
A-MFX	AAA	183,192,000	20.000
A-J	AAA	274,788,000	12.500
B	AA	77,856,000	10.375
C	AA-	27,479,000	9.625
D	A	68,697,000	7.750
E	A-	41,218,000	6.625
F	BBB+	41,218,000	5.500
G	BBB	32,059,000	4.625
H	BBB-	41,218,000	3.500
J	BB+	22,899,000	2.875
K	BB	13,739,000	2.500
L	BB-	13,739,000	2.125
M	B+	9,160,000	1.875
N	B	9,160,000	1.625
O	B-	9,160,000	1.375
P	N.R.	50,377,891	0.000
X-P?	AAA	3,531,024,000?	N/A
X-C?	AAA	3,663,837,891?	N/A

*The rating of each class of securities is preliminary and subject to change at any time. ?Interest-only class. ?Notional amount. N.R.?Not rated. N/A?Not applicable.

Profile

Expected closing date: Aug. 23, 2005.

Collateral: 209 loans secured by 385 properties.

Underwriters: Wachovia Capital Markets LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Nomura Securities International Inc.

Sellers: Wachovia Bank N.A., Artesia Mortgage Capital Corp., and CWCapital LLC

Master servicer: Wachovia Bank N.A.

Special servicer: CWCapital Asset Management LLC.

Depositor: Wachovia Commercial Mortgage Securities Inc.

Trustee: LaSalle Bank N.A.

Rationale

The preliminary ratings assigned to Wachovia Bank Commercial Mortgage Trust 2005-C20's $3.7 billion commercial mortgage pass-through certificates series 2005-C20 reflect the credit support provided by the subordinate classes of certificates, the liquidity provided by the trustee, the economics of the underlying loans, and the geographic and property type diversity of the loans. Class A-1, A-2, A-3FL, A-3FX, A-4, A-5, A-6, A-PB, A-7, A-1A, A-MFL, A-MFX, A-J, B, C, and D are currently being offered publicly. Standard & Poor's Ratings Services' analysis determined that, on a weighted average basis, the pool has a debt service coverage (DSC) of 1.56, a beginning LTV of 99.2%, and an ending LTV of 92.0%.

Unless otherwise indicated, all calculations in this report, including weighted averages, do not include the subordinate nontrust B notes for the following loans: Monument I at WorldGate, Hilton Garden Inn, Tollway Office Center II, and Rapp Collins Worldwide.

For the class A-MFL certificates, Standard & Poor's rating does not apply to the receipt of interest at the floating rate, but rather, Standard & Poor's rating applies only to the receipt of interest by the trust at the fixed rate payable to the class A-3FI and A-MFL "regular interest," as more specifically described in the related pooling and servicing agreement (PSA).

Strengths

The transaction exhibits the following strengths:

- Five of the loans (13.8% of the pool) have trust balances with credit characteristics consistent with obligations rated investment grade by Standard & Poor's: AmericasMart ('AA+', 5.6%), 60 Hudson ('AA-', 4.4%), Westfield San Francisco Centre ('AA-', 1.6%), 101 Avenue of the Americas ('BBB-', 1.6%) and JC Studios ('A-', 0.5%);
- All of the loans in the pool have borrowing entities that are structured as special-purpose entities (SPEs). Additionally, 53 of these loans (58.4% of the pool) are structured as bankruptcy-remote SPEs with a nonconsolidation opinion and an independent director;
- Of the loans, 23 (21.7%) are secured by multiple cross-collateralized and cross-defaulted assets; and
- The weighted average quality score for the assets securing mortgages in the pool is 2.79, an above-average score on Standard & Poor's scale of 1 (highest) to 5 (lowest).

Concerns and mitigating factors

This transaction exhibits the following concerns and mitigating factors:

- The pool exhibits geographic concentration, with 64.8% of the mortgaged properties concentrated in six states. The largest concentrations are in Virginia (22.1%), California (13.7%, 10.0% in Southern California and 3.7% in Northern California), Georgia (9.6%), New York (8.2%), Illinois (5.8%), and Texas (5.3%). The remaining assets are dispersed throughout 38 states plus the District of Columbia, with no other state concentration exceeding 5.0% of the pool balance;
- The pool exhibits loan concentration, as the top 10 loans represent 38.9% of the pool balance. However, four (14.6%) of the top 10 loans are secured by multiple cross-collateralized and cross-defaulted assets, and two of the top 10 loans (10.0% of the pool balance) have trust balances with credit characteristics consistent with obligations rated investment-grade by Standard & Poor's. Additionally, nine (35.0% of the pool balance) of the top 10 loans are structured

with bankruptcy-remote SPE borrowers;

- Of the loans in the pool, 70 (43.1% of the pool balance) are full-term interest-only (IO) loans. Two of these loans (6.0% of the pool balance) have trust balances with credit characteristics consistent with obligations rated investment grade by Standard & Poor's: 60 Hudson Street ('AA-', 4.4% of the pool balance) and Westfield San Francisco ('AA-', 1.6% of the pool balance). Additionally, four of the IO loans (4.4% of the pool balance) are secured by multiple cross-collateralized and cross-defaulted properties. Finally, Standard & Poor's took the IO structure into account in sizing levels;
- One loan (representing 0.7% of the pool) has existing subordinate debt secured by the mortgage property and a pledge of equity interest in the borrower, subject to the terms of a subordination and standstill agreement. Five loans (3.2%) permit the borrower to incur future unsecured secondary debt. This future additional debt requires a satisfactory intercreditor agreement and certain performance parameters to be met. The borrower for four loans (10.7% of the pool) have existing mezzanine debt subject to the terms of an intercreditor agreement. Of the loans, 25 (27.4% of the pool) permit the borrower to incur future mezzanine debt subject to a subordination and standstill agreement. All existing and potential future additional debt has been taken into account in the credit support levels; and
- The pool exhibits asset type concentration in office properties (38.4% of the pool) and retail properties (23.9% of the pool). Two loans secured by office properties (6.0% of the pool and 15.6% of the office concentration) have trust balances with credit characteristics consistent with obligations rated investment grade by Standard & Poor's. Furthermore, seven of the office loans (10.2% of the pool) are secured by portfolios of multiple cross-collateralized and cross-defaulted loans. One loan secured by a retail property (1.6% of the pool and 6.8% of the retail concentration) has a trust balance with credit characteristics consistent with obligations rated investment grade by Standard & Poor's. In addition, the retail concentration is most heavily weighted toward regional malls and anchored retail (21.7% of the pool), which are the most stable segments of the sector, and six of the retail loans (6.9% of the pool) are secured by a portfolio of multiple cross-collateralized and cross-defaulted assets. The capital structure takes property type into account and the credit support levels for the pool consider asset class concentrations.

Transaction Structure

The certificates issued by the trust represent the beneficial ownership interest in 205 fixed-rate whole loans (97.3%) and the senior interests of four fixed-rate whole loans (2.7%), which are structured as A/B loans. The junior-interest B notes will not be included in the trust.

The pool includes 23 loans that consist of related loans that are cross-defaulted and cross-collateralized with each other. For the purposes of this report, each of these loan groups is considered to be one loan. The rated final distribution date for all of the certificates will be July 2042.

Pool Characteristics

Collateral description

The pool contains 209 conventional fixed-rate loans secured by liens on 385 properties. By property type, the pool has the following composition: office (38.4%), retail (23.9%),

multifamily (9.0%), hotel (7.6%), industrial (6.2%), special purpose (merchandise mart) (5.6%), mixed-use (4.2%), self-storage (4.1%), health care (0.6%), and parking garage (0.3%).

Hard lockboxes are in place for 33 loans, representing 39.8% of the total pool balance. Of the loans, 16 loans (12.6%) have soft lockboxes in-place, and 46 (10.7%) have springing cash management that is triggered by certain conditions, including minimum DSC tests or events of default under the loan documents.

Monthly real estate tax escrows have been established for 132 loans (59.1% of the pool), and monthly insurance premium escrows have been established for 107 loans (48.9% of the pool).

Reserves have been established for the remediation of existing deferred maintenance items for 67 loans (30.1% of the pool). Generally, the reserve established for each loan equals 125% of the amount recommended in the engineering report.

Monthly leasing and/or up-front leasing reserves have been established for 30 loans (26.0% of the pool representing office, retail, industrial, and mixed-use properties).

Of the loans, 47 (16.3% of the pool) are secured by properties leased to single tenants. Of these loans, 45 (11.1% of the pool) have lease terms that expire after the loan maturity, and 32 (10.2% of the pool) are secured by properties that are leased to investment-grade tenants, including: Walgreens ('A+'), United States of America ('AAA'), CVS ('A-'), and American Express ('A+').

Geographic diversity

The pool consists of properties in 44 states and the District of Columbia. The largest concentrations are in Virginia (22.1%), California (13.7%, 10.0% in Southern California and 3.7% in Northern California), Georgia (9.6%), New York (8.2%), Illinois (5.8%), and Texas (5.3%). The remaining assets are dispersed throughout 38 states plus the District of Columbia, with no other state concentration exceeding 5.0% of the pool balance.

Loan sellers

Wachovia Bank N.A. contributed 135 loans (80.2%), Artesia Mortgage Capital Corp. contributed 37 loans (11.1%), and CWCapital LLC contributed 37 loans (8.8%).

Loan origination dates

All of the mortgage loans in the pool were originated in the past 12 months except for two loans (0.2% of the pool balance): The Best Western Expo loan (0.1%) and the Lawndale Plaza loan (0.1%).

Agreed-upon procedures

Agreed-upon procedures were not performed for any of the loans in the pool.

Hyperamortizing loans

Of the loans, 27 (9.0% of the pool) were structured as hyperamortizing loans. All of these loans are structured with some form of cash management.

Interest-only loans

Of the loans in the pool, 70 (43.1% of the pool) are IO for the full term of the loans, and an additional 61 loans (36.2% of the pool) have initial IO periods ranging from 12-60 months, at the beginning of the loan term.

Collateral quality

Based on Standard & Poor's analysis, the pool has a DSC of 1.56x on a weighted average coupon of 5.25%. Standard & Poor's DSC reflects adjustments made to the net cash flow (NCF) of the properties based on the bankers' underwriting, historical and projected operating statements, and the assets' competitive positions in their respective markets.

Standard & Poor's adjusted the NCF of the portfolio downward by 5.3% on a weighted average basis. This decrease reflects adjustments to rental rates, expense reimbursement ratios, parking and other income levels, occupancy levels, operating expenses, capital expenditure reserves, and tenant improvement and leasing commission (TI/LC) assumptions.

Standard & Poor's weighted average beginning LTV for the pool is 99.2%, and the weighted average ending LTV is 92.0%. The weighted average capitalization rate applied to Standard & Poor's NCF is 9.06%. Capitalization rates are a function of asset type, quality, tenancy, position in the competitive set, and current and future market conditions.

Properties

Standard & Poor's inspected assets representing 56.8% of the total pool and re-underwrote cash flows and derived asset values for assets representing 61.7% of the pool. The weighted average quality score for the inspected properties is 2.79, an above-average score on Standard & Poor's scale of 1 (highest) to 5 (lowest).

Borrower concentrations

The largest related sponsor group is Beacon Capital Strategic Partners III L.P., the sponsor for seven loans (including the third-largest loan) secured by seven properties (14.1% of the pool balance). The five largest sponsors represent 36.4% of the pool, and the 10 largest sponsors represent 53.7% of the pool.

The largest loan in the pool is the AmericasMart loan (5.6% of the pool balance). The top five loans represent 24.1% of the pool balance, and the top 10 loans account for 38.9% of the overall pool balance.

Two of the top 10 loans (10.0% of the pool balance) have trust balances that exhibit credit characteristics consistent with investment-grade obligations: AmericasMart ('AA+', 5.6%) and 60 Hudson Street ('AA-', 4.4%).

Four of the top 10 loans (14.6% of the pool) are secured by portfolios of multiple cross-collateralized and cross-defaulted loans.

Nine of the top 10 loans (35.0% of the pool) have bankruptcy-remote SPE borrowers with nonconsolidation opinions and independent directors.

Bankruptcy issues

Seven of the loans, representing 2.1% of the pool balance, were made to borrowers with members or affiliates that have previously filed for bankruptcy. All of these previously bankrupt borrowers are structured as SPEs. Six of these loans (1.2% of the pool) are structured as bankruptcy-remote SPEs with a nonconsolidation opinion and an independent director and were structured with a cash management agreement in place.

Leasehold interests

Eleven loans (15.3% of the pool) are secured either solely or materially by a mortgage lien on the borrower's leasehold interest pursuant to a ground lease. The ground leases for 10 of these loans (16.3% of pool) provide for notice and cure provisions. However, one of these loans, relating to the largest loan in the pool (5.6% of the pool balance), has 15 separate ground leases that are generally older in nature, have near-term expiration

dates, and in a few instances, generally do not comply with Standard & Poor's criteria. For example, the leases do not contain provisions that guarantee a new ground lease if the borrower was to file for bankruptcy. Standard & Poor's took into consideration these criteria deviations when determining the capital structure and subordination levels for this loan.

Tenancies in common

Of the loans, 16 (6.2%) are owned by individuals or entities as tenants-in-common (TIC). These generally conform to Standard & Poor's criteria.

Pari passu loans

The largest loan in the pool, the AmericasMart loan, has a trust balance of $204.4 million (5.6%) and a whole-loan balance of $408.8 million. The whole loan, which has credit characteristics consistent with investment-grade obligations rated 'AA+', has been divided into two pari passu pieces: the $204.4 million A-2 note that is included in this transaction, and a $205.0 million A-1 note that was included in the Wachovia Bank Commercial Mortgage Trust 2005-C19 transaction. This loan will be serviced pursuant to the PSA for the Wachovia Bank Commercial Mortgage Trust 2005-C19 transaction.

The second largest loan in the pool, the NGP-Rubicon GSA Office Portfolio loan, has a trust balance of $194.5 million (5.3%) and a whole-loan balance of $389.0 million. The whole loan has been divided into two pari passu pieces: the $194.5 million A-1 note that is included in this transaction, and a $194.5 million A-2 note to be included in a future transaction. This loan will be serviced pursuant to the PSA for this transaction.

The third largest loan in the pool, the 1000-1100 Wilson Boulevard loan, has a trust balance of $182.5 million (5.0%) and a whole-loan balance of $365.0 million. The whole loan has been divided into two pari passu pieces: the $182.5 million A-1 note that is included in this transaction, and a $182.5 million A-2 note to be included in a future transaction. This loan will be serviced pursuant to the PSA for this transaction.

The Westfield San Francisco loan has a trust balance of $60.0 million (1.6%) and a whole-loan balance of $120.0 million. The whole loan, which has credit characteristics consistent with investment-grade obligations rated 'AA-', has been divided into two pari passu pieces: the $60.0 million A-1 note that is included in this transaction and a $60.0 million A-2 note to be included in a future transaction.

The 101 Avenue of the Americas loan has a trust balance of $59.8 million (1.6%) and a whole-loan balance of $149.5 million. The whole loan, which has credit characteristics consistent with investment-grade obligations rated 'BBB-', has been divided into two pari passu pieces: the $59.8 million A-2 note that is included in this transaction and the $89.7 million A-1 note that was included in the LB-UBS Commercial Mortgage Trust 2005-C3 transaction. This loan will be serviced pursuant to the PSA for the LB-UBS Commercial Mortgage Trust 2005-C3 transaction.

The U-Haul Portfolio loan has a trust balance of $44.9 million (1.2%) and a whole-loan balance of $239.7 million. The whole loan has been divided into seven pari passu pieces: the $44.9 million A-2 note that is included in this transaction and six other notes totaling $194.8 that were included in the Morgan Stanley Capital I Trust 2005-HQ6 deal. This loan will be serviced pursuant to the PSA for the Morgan Stanley Capital I Trust 2005-HQ6 transaction.

A/B notes

The mortgaged properties securing four loans, representing 2.7% of the pool balance, are encumbered by additional debt in the form of a subordinate B note.

The Monument I at WorldGate loan (1.1% of pool balance) is structured with a $6.3 million subordinate B note, the Hilton Garden Inn (0.6% of pool balance) is structured with a $9.0 million subordinate B note, the Tollway Office Center II (0.6% of pool balance) is structured with a $2.9 million subordinate B note, and the Rapp Collins Worldwide loan (0.4% of pool balance) is structured with a $1.5 million subordinate B note.

Each of these subordinate loans is subject to a subordination agreement and is held outside of the trust.

Standard & Poor's believes the relative rights in a bankruptcy are more favorable when an A/B loan is structured as a participation rather than with separate notes. Currently, the master and special servicer of this trust will service both the A and B notes for the above-mentioned A/B loans. These A/B loans are subject to intercreditor agreements that generally conform to Standard & Poor's criteria.

Additional indebtedness

One loan (representing 0.7% of the pool) has existing subordinate debt secured by the mortgage property and a pledge of equity interest in the borrower, subject to the terms of a subordination and standstill agreement.

Five loans (3.2%) permit the borrower to incur future unsecured secondary debt. This future additional debt requires a satisfactory intercreditor agreement and certain performance parameters to be met.

The borrower for four loans (10.7% of the pool) have existing mezzanine debt subject to the terms of an intercreditor agreement.

Of the loans, 25 (27.4% of the pool) permit the borrower to incur future mezzanine debt subject to a subordination and standstill agreement.

All existing and potential future additional debt has been taken into account in the credit support levels.

Terrorism insurance coverage

The loan documents generally require the related borrower to maintain insurance against damage from terrorism and other acts of sabotage. However, the requirements may contain certain qualifications, such as the availability of insurance at commercially reasonable rates and the possibility of the expiration of the Terrorism Risk Insurance Act of 2002, which could prevent terrorism-related coverage from being obtained by the applicable borrower.

Appraisal reports

Appraisal reports, in conformance with USPAP and FIRREA, were prepared for 100% of the pool balance in the past 12 months.

Environmental review

Phase I environmental site assessments and/or updates of prior site assessments were prepared for all of the properties in the 12-month period before the cutoff date.

For three loans (0.1% of pool balance), a phase II assessment was performed in connection with origination of the loan, and no further action was deemed necessary.

Escrows totaling $3,542,999 have been established for 12 properties (8.8%) to address actions that were recommended in the phase I environmental reports.

Structural review

Independent, licensed engineers prepared engineering reports for all of the properties in

the pool. The reports identified both deferred maintenance items to be corrected immediately and long-term capital expenditure needs. Assets securing 64 loans (29.6%) were identified as needing immediate repairs, and escrows totaling $10,500,142 were established at closing to remedy these items and perform planned, near-term capital improvements. Generally, the loan sellers' requirements for up-front, deferred maintenance reserves are 100%-125% of the recommended amount indicated in the reports.

Engineering reports for all of the loans were completed within 12 months of the cutoff date.

Seismic review

Of the loans, 49 (13.4%) are secured by properties in seismic zones 3 or 4. Seismic studies were completed for all of these properties, none of which had a probable maximum loss in excess of 20%.

Hurricane and flood review

Of the loans, 33 (9.4%) have properties that are in Florida or Texas, states that have historically been at greater risk for hurricanes and tornadoes. Generally, the originators require wind insurance for all properties in coastal areas. The loans secured by properties in Federal Emergency Management Agency-designated flood zones are required to comply with flood insurance regulations.

Top Seven Loans

AmericasMart

The largest loan in the pool, AmericasMart, has a trust balance of $204.4 million (5.6% of the pool) and a whole-loan balance of $408.8 million. The whole loan has been divided into two pari passu notes: the $204.4 million A-2 note that is included in this transaction and the $205.0 million A-1 note that was included in the Wachovia Bank Commercial Mortgage Trust 2005-C19 deal. The 10-year, fixed-rate loan bears interest at 5.72%, amortizes on a 30-year schedule, and matures in May 2015.

The loan is secured by a first mortgage on the fee and leasehold interests in 4.1 million net rentable sq. ft. including both permanent and temporary space in a wholesale market center located in the central business district (CBD) of Atlanta, Ga. The subject consists of a campus of three integrated, interconnected buildings: the 23-story Merchandise Mart, built in 1961 and expanded in 1979 and 1992; the 18-story Gift Mart, built in 1961; and the 15-story Apparel Mart, built in 1979 and expanded in 1988. The subject includes approximately 3.1 million sq. ft. of permanent space, 72,357 sq. ft. of retail space, and 900,000 sq. ft. of temporary space designated as exhibition space. Additionally, the borrower plans to add up to 2 million sq. ft. of additional space on a contiguous parcel controlled by the sponsor, which is not included in this transaction as collateral. The construction is expected to start in late 2005/early 2006 and is expected to be completed in 2009. Although the expansion space will not be part of the collateral, it will be connected to the subject by skywalks and will be considered an additional amenity to the subject that will allow for enhanced flexibility. The expansion is intended primarily to provide additional temporary exhibition space, because there is an extensive waiting list for the existing temporary space included in the collateral. On average, the center produces 23 different market shows each year and is known particularly for its gift, rug, and apparel markets. The largest show by attendance and product variety is the Atlanta International Gift and Home Furnishings Market, which is the premier gift market in the U.S. As of April 1, 2005, the property was 95.9% occupied.

The borrower is structured as a bankruptcy-remote SPE with an independent director and a nonconsolidation opinion. The sponsor of the borrowing entity, AMC Inc., is John Portman. Mr. Portman designed and built the subject properties and is internationally recognized both as an architect and a developer. His architectural firm, John Portman & Associates Inc., has more than 50 years of experience in designing hotels, universities, offices, trade marts, and mixed-use urban complexes globally. Some of the major projects built or designed by the firm include the Embarcadero Center in San Francisco, the Marriott Marquis in New York, N.Y., the Renaissance Center office and hotel in Detroit, Mich., and the San Francisco Fashion Center in San Francisco, Calif. The property is managed by the borrower, AMC Inc. The loan is structured with a hard lockbox for cash management.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- Underwritten permanent tenant revenues were based on leases in place as of the April 1, 2005, rent roll, and were grossed up at the weighted average in-place rents. Standard & Poor's assumed a 5% vacancy;
- Temporary tenant revenues were based on historical averages and projected occupancy and trade shows, with a 5% vacancy assumed;
- Retail tenant revenues were based on leases in place as of the April 1, 2005, rent roll because the occupancy level for this space was below market. Standard & Poor's assumed no additional vacancy;
- Publishing, parking, and other income were based on historical data;
- All leases are full-service gross, so no expense reimbursements were included;
- Real estate taxes and insurance premiums were based on actual bills;
- Operating expenses were based on historical data and are in line with the appraiser's estimates;
- A management fee of 4% of effective gross income (EGI) was assumed;
- TI allowances were estimated at $4.00 per sq. ft. for new permanent space and $2.00 per sq. ft. for renewal permanent space;
- TI allowances were estimated at $8.00 per sq. ft. for new retail space and $4.00 per sq. ft. for renewal retail space;
- LCs were estimated at 4.0% for new leases of permanent and retail space and 2.0% for renewal leases of permanent and retail space;
- A 65% renewal probability was assumed for both permanent and retail tenants;
- For TI/LC calculations, a lease term of 4.6 years was assumed for the permanent tenants, and 11.1 years was assumed for the retail tenants, with LCs capped at 10 years;
- Replacement reserves were underwritten at $0.25 per sq. ft.;
- Based on these assumptions, Standard & Poor's overall NCF variance for the center was 9.2%;
- Standard & Poor's applied a blended capitalization rate (considering permanent and temporary tenants) of 9.61% to NCF, yielding a value of $615.9 million ($150.0 per sq. ft.); and
- The quality score for this asset was 2.75, an above-average score.

This loan exhibits the following strengths:

- The pari passu A notes of this loan exhibit credit characteristics consistent with

investment-grade obligations rated 'AA+' by Standard & Poor's;

- The AmericasMart, located in the heart of the Atlanta CBD, is generally considered the premier wholesale market center in the Southeast and one of the largest wholesale market center properties in the U.S. On average, the center produces 23 different market shows each year; and
- The subject property is the only national market center in Atlanta. It faces no existing or proposed competition locally. Due to the size and scope of the property, barriers to entry for new competitors are high. The closest competitors to the AmericasMart Atlanta are national trade marts located in Dallas, Chicago, Los Angeles, and New York.

This loan exhibits the following concerns and mitigating factors:

- The complex is subject to 15 separate ground leases, which are generally older in nature, have near-term expiration dates, and, in most instances, generally do not comply with Standard & Poor's criteria. For example, the leases do not contain provisions that guarantee a new ground lease if the borrower was to file for bankruptcy. Standard & Poor's took into consideration these criteria deviations when determining the capital structure and subordination levels for this loan; and
- Due to its specialized asset type, the property is subject to a high level of operating business risk relative to other real estate assets. Mitigating this risk, however, is the operating history of the property over the past several years, which reflects a stable level of occupancy, rental revenue, NCFs, and high barriers to entry. In addition, Standard & Poor's took into consideration the asset type when determining the capital structure and subordination levels for this loan.

NGP-Rubicon GSA Pool

The second-largest loan in the pool (5.3% of the pool balance), NGP-Rubicon GSA Pool, has a trust balance of $194.5 million and a whole-loan balance of $389.0 million. The whole loan is split into two pari passu notes: the $194.5 million A-1 note to be included in this transaction and a $194.5 million A-2 note to be included in a future transaction. There is current mezzanine debt of $5 million in place, secured by a pledge of 49% of the equity interests of NGP Garrison LLC, an SPE wholly owned by NGP Capital Partners III LLC and a 19.9% indirect equity interest in the co-borrowers. Up to $24 million in future mezzanine debt is allowed, subject to lender approval of the mezzanine lender. The future mezzanine debt may not be incurred while the current mezzanine debt is still outstanding. The 10-year, fixed-rate loan amortizes on a 30-year schedule after an initial five years of interest-only payments, bears interest at 5.46%, and matures in June 2015.

The loan is secured by a first mortgage encumbering the fee interest in a portfolio of 13 suburban office buildings and one distribution center located in 10 states and the District of Columbia and totaling 2,990,570 sq. ft. The weighted average occupancy for the portfolio was 98.6% as of May 2005. Table 1 gives details of each property securing the loan.

Table 1 ?NGP-Rubicon GSA Pool

Property name	Allocated loan amount ($)	Sq. ft.	Year built/ renovated	Occupancy as of May 2004 (%)
NGP-Burlington, N.J.	41,006,000	1,048,631	1990	100.0
NGP-Sacramento, Calif.	28,736,000	326,306	1989	90.5
NGP-Suffolk, Va.	27,811,000	351,075	1993	100.0

Table 1 ?NGP-Rubicon GSA Pool				
Property name	**Allocated loan amount ($)**	**Sq. ft.**	**Year built/ renovated**	**Occupancy as of May 2004 (%)**
NGP-Washington, D.C.	24,030,200	146,365	1931	100.0
NGP-Kansas City, Kan.	18,000,000	182,554	1999	100.0
NGP-San Diego, Calif.	10,759,000	131,891	1988	100.0
NGP-Concord, Mass.	10,240,000	97,256	1962	100.0
NGP-Philadelphia, Pa.	7,000,000	88,717	1911	100.0
NGP-Huntsville, Ala.	6,983,200	118,040	1994	100.0
NGP-Houston, Texas	6,130,600	138,020	1972	99.6
NGP-Providence, R.I.	6,090,000	130,600	1982	100.0
NGP-Aurora, Colo.	3,248,000	103,000	1998	100.0
NGP-Lakewood, Colo.	2,720,200	74,285	1974	85.0
NGP-Norfolk, Va.	1,745,800	53,830	1994	100.0
Total/weighted avg.	194,500,000	2,990,570	?	98.6

The largest single component of the portfolio is the NGP-Burlington, N.J. property, which represents 35.1% of the total NRA and 20.9% of the overall GPR. The property is one of only two warehouses in the U.S. that handles virtually every supply needed and used by all U.S. federal agencies, and it fulfills approximately 60% of all GSA warehouse functions in the world. The 20-year lease is set to expire in December 2010, but the property is well located to supply everything needed east of the Mississippi River and west of the Ganges River. GSA is expected to renew the lease for another 20 years upon expiration.

The sponsor of the bankruptcy-remote SPE borrower is a joint venture between Rubicon US REIT Inc. (80.1%) and NGP Capital Partners III LLC (NGP; 19.9%). Rubicon US REIT is a subsidiary of Rubicon America Trust, which is incorporated in Australia and traded on the Australian Stock Exchange. Rubicon America Trust's strategy is to invest in stable, income-producing property located in the U.S. NGP is focused on acquiring and operating properties leased to the GSA. The principals of NGP have been involved in the acquisition or development and management of over 16 million sq. ft. of government-occupied space. Total assets for NGP totaled $508.5 million in March 2005, with real estate assets of $466 million. The properties will be managed by CB Richard Ellis for the first year after the closing of the loan, at which point NGP will take over management of the portfolio. The loan is structured with a hard lockbox for cash management.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- GPR was based on the rents in place as of May 2005, with vacant space grossed up at each property's weighted average in-place rent;
- Expense reimbursements were based on contractual obligations and historical reimbursement ratios;
- An overall vacancy of 5.0% was assumed for the portfolio;
- Parking income was based on historical levels;
- A management fee of 3.0% of EGI was assumed for each property excluding

the NGP-Sacramento, Calif. property, for which a management fee of 3.5% of EGI was assumed;

- Additional operating expenses were based on historical levels;
- Table 2 details the TI, average lease term, and average in-place rent assumptions for each property in the portfolio;
- LC expenses were assumed to be 4.0% for new leases and 2.0% for renewals;
- LC expenses were capped at 10 years for each property;
- An 75.0% renewal probability was assumed for all space occupied by the GSA, while a 65% renewal probability was assumed for all other space;
- Replacement reserves were estimated at $0.25 per sq. ft. for all properties excluding the NGP-Burlington, N.J. property, for which replacement reserves were estimated at $0.10 per sq. ft.;
- Based on these assumptions, Standard & Poor's NCF variance was 1.7%;
- Standard & Poor's applied an overall capitalization rate of 9.00% to the NCF, resulting in a portfolio value of $367.8 million, or $123 per sq. ft.; and
- The quality scores for the properties ranged from 2.75-3.25, with a pool average of 3.05, an average score.

This loan exhibits the following strengths:

- The loan is secured by 14 geographically diverse, cross-collateralized, and cross-defaulted properties;
- The portfolio is 94.9% leased to GSA tenants; and
- The properties benefit from strong sponsorship and management provided by NGP, the principals of which have extensive experience in operating GSA-occupied buildings.

This loan exhibits the following concern and mitigating factor:

- There is current mezzanine debt of $5 million in place, secured by a pledge of the equity interests in the borrower, and up to $24 million in future mezzanine debt is allowed subject to lender approval of the mezzanine lender. The future mezzanine debt may not be incurred while the current mezzanine debt is still outstanding. Furthermore, the future mezzanine lender will be required to execute a standstill agreement precluding them from exercising any remedies. Standard & Poor's factored current and future allowable mezzanine debt amounts into the capital structure for this loan and the subordination levels for the transaction.

Table 2 ? NGP-Rubicon GSA Office Portfolio Assumptions

Property name	Avg. lease term	Avg. rent per sq. ft. ($)	New TIs ($)	Renewal TIs ($)
NGP-Burlington, N.J.	20.0	10.32	5.00	2.50
NGP-Sacramento, Calif.	16.9	24.76	15.00	7.50
NGP-Suffolk, Va.	17.7	18.68	12.00	6.00
NGP-Washington, D.C.	10.6	31.82	15.00	7.50
NGP-Kansas City, Kan.	10.0	22.00	10.00	5.00
NGP-San Diego, Calif.	14.1	26.06	15.00	7.50

Table 2 ? NGP-Rubicon GSA Office Portfolio Assumptions				
Property name	Avg. lease term	Avg. rent per sq. ft. ($)	New TIs ($)	Renewal TIs ($)
NGP-Concord, Mass.	20.0	23.25	15.00	7.50
NGP-Philadelphia, Pa.	18.0	22.59	12.00	6.00
NGP-Huntsville, Ala.	10.0	16.10	8.00	4.00
NGP-Houston, Texas	14.8	14.05	10.00	5.00
NGP-Providence, R.I.	25.0	24.22	12.00	6.00
NGP-Aurora, Colo.	15.0	17.68	10.00	5.00
NGP-Lakewood, Colo.	5.2	16.40	8.00	4.00
NGP-Norfolk, Va.	15.0	14.06	8.00	4.00
Total/weighted avg.	?	?	?	?

1000 ? 1100 Wilson Boulevard

The third-largest loan in the pool, 1000-1100 Wilson Boulevard, has a trust balance of $182.5 million (5.0% of the pool) and a whole-loan balance of $365.0 million. The whole loan has been divided into two pari passu notes: the $182.5 million A-1 note that is included in this transaction and a $182.5 million A-2 note that will be included in a future transaction. The five-year, fixed-rate, IO loan bears interest at 4.97% through loan maturity in June 2010.

The loan is collateralized by a first mortgage encumbering two 31-story, class A office buildings totaling 1,069,303 sq. ft. in Arlington, Va., in the Rosslyn-Ballston Corridor. Rosslyn is located across the Potomac River from Georgetown and within five miles of downtown Washington, D.C. The subject buildings were built in 1980 and 1982 and are the tallest and most recognizable buildings in Northern Virginia. They are connected by a two-story mall that includes a CVS, a health club, a salon, convenience retail stores, and several restaurants. In addition, each building has a 4-5-level, below-grade parking structure. As of June 2005, the property was 100% leased by 39 office tenants and 16 retail tenants paying average rents of $35.60 per sq. ft. and $37.20 per sq. ft., respectively. Table 3 lists the major office tenants at the property, and table 4 lists the major retail tenants at the property.

Table 3 ? 1000-1100 Wilson Boulevard Major Office Tenants						
Tenant	Rating	Sq. ft.	Property NRA (%)	Base rent per sq. ft.	Base rent (% of GPR)	Lease expiration
General Services Administration	AAA	191,909	17.9	32.26	16.1	June 2007, April 2012, November 2012, and December 2012
Northrop Grumman Systems Corp.	BBB	130,419	12.2	39.74	13.5	December 2012
Raytheon Co.	BBB	116,128	10.9	34.04	10.3	August 2013
WJLA-TV	N.R.	84,423	7.9	31.63	7.0	June 2017
SRI International Inc.	N.R.	59,361	5.6	34.42	5.3	June 2017
NRA?Net rentable area. GPR?Gross potential rent. N.R.?Not rated.						

Table 4 ? 1000-1100 Wilson Boulevard Major Retail Tenants						
Tenant	**Rating**	**Sq. ft.**	**Property NRA (%)**	**Base rent per sq. ft.**	**Base rent (% of GPR)**	**Lease expir-ation**
Applied Career Training Inc.	N.R.	17,671	1.7	39.60	1.8	2014
China Garden	N.R.	10,000	0.9	29.20	0.8	2007
CVS	A-	9,722	0.9	50.65	1.3	2010
Verve Health & Fitness	N.R.	6,206	0.6	21.22	0.3	2009
The Great Eatery	N.R.	5,171	0.5	34.13	0.5	2011
NRA?Net rentable area. GPR?Gross potential rent. N.R.?Not rated.						

The sponsor of the bankruptcy-remote borrower is Beacon Capital Strategic Partners III L.P., a real estate investment firm headquartered in Boston, Mass. Beacon and its predecessors have been actively involved in developing, owning, and operating commercial real estate across the U.S. for the past 58 years. The property is managed by an affiliate of the borrower. The loan is structured with a hard lockbox for cash management.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- GPR was based on leases in place as of June 2005;
- A 5% vacancy rate was assumed, which is in line with the property's submarket;
- Expense reimbursements were underwritten based on the actual lease terms and historical recovery performance;
- Parking and other income were based on historical performance;
- Operating expenses were based on the property's average historical levels and 2005 budgeted expenses;
- The management fee was capped at $1.0 million;
- Replacement reserves were underwritten at $0.35 per sq. ft.;
- TI expenses for office space were estimated at $15.00 per sq. ft. for new leases and $7.50 per sq. ft. for renewal leases. TI expenses for retail space were estimated at $12.00 per sq. ft. for new leases and $6.00 per sq. ft. for renewal leases;
- LC expenses were estimated at 4.0% for new space and 2.0% for renewal space;
- TI/LC assumptions were based on weighted average in-place lease terms of 14 years and 19 years for office and retail tenants, respectively, with LC expenses capped at 10 years;
- A renewal probability of 75% was assumed for the GSA and 65% was assumed for all other tenants;
- Based on these assumptions, Standard & Poor's overall NCF variance for the property was 8.8%;
- Standard & Poor's applied a capitalization rate of 8.75% to NCF and gave credit for the present value of rent steps for Standard & Poor's rated tenants, yielding a value of $303.7 million, or $284 per sq. ft.; and
- The quality score for this asset was 2.50, an above-average score.

This loan exhibits the following strengths:

- The property is well located in Rosslyn-Ballston corridor of Arlington, Va., with a strong submarket occupancy of 95%; and
- Investment-grade tenants account for 47.1% of the NRA and 46.1% of GPR.

This loan exhibits the following concern and mitigating factor:

- The Base Realignment and Closure Initiative, which is currently 85% approved, calls for the GSA Department of Defense tenants to be relocated to government-owned buildings. Even though the GSA occupies nearly 18% of NRA of the property, the Department of Defense only occupies 6,184 sq. ft. (0.6%) in one building. In addition, due to the subject's unmatched location, 360-degree views, and amenities, it continues to outperform the market in occupancy and rental rates.

60 Hudson Street

The fourth-largest loan in the pool, 60 Hudson Street, has a trust and whole-loan balance of $160.0 million (4.4% of the pool). The fixed-rate, interest-only, 10-year loan bears interest at 5.00% and matures in July 2015.

The loan is secured by a first mortgage encumbering a 24-story, 1,051,158-sq.-ft. office building in the Tribeca area of New York City. The building occupies an entire block along the east side of Hudson Street, between Thomas and Worth Streets. The property, also known as the Western Union Building, was originally constructed in 1930 as the headquarters for Western Union. The subject's unique art deco fa?ade and lobby design led to its New York City Landmark designation in 1991. Approximately 90% of the building's NRA is telecom space and 10% is traditional office space. Major tenants include MCI Telecommunications Corp., occupying 125,456 sq. ft. ('B+', 11.9% of NRA); The City of New York (Department of Corrections), occupying 99,471 sq. ft. ('AAA', 9.5% of NRA); and Sprint Corp., occupying 83,920 sq. ft. ('BBB-', 8.0% of NRA). Other tenants at the property include AT&T ('BB+'), Qwest Communications ('BB-'), Sirius Telecom (not rated), and Verizon Global Networks ('A+'). The subject is currently 78.8% occupied by 66 tenants paying a weighted average rent of $42.48 per sq. ft.

The sponsor of the bankruptcy-remote SPE borrower is Kenneth Carmel and the Estate of Stanley Stahl. Kenneth Carmel, vice chairman of the board of Williams Real Estate Co. Inc., has more than 30 years of experience in leasing, investment sales, management consultation, building operation, and project coordination for more than 10 million sq. ft. of real estate, and is general partner in the ownership of 5 million sq. ft. of office space. The Estate of Stanley Stahl and affiliates include 277 Park Avenue, the Chanin Building, and Apple Bank for Savings. The property is managed by GVA Williams Real Estate, an affiliate of the borrower, which currently manages 20 million sq. ft. of office properties in the tri-state area. The loan is structured with a hard lockbox for cash management.

The following section summarizes Standard & Poor's underwriting assumptions for this loan:

- GPR was based on leases in place as of June 2005;
- Expense reimbursements were underwritten based on the actual lease terms and historical recovery performance;
- Other income was based on historical performance;
- No additional vacancy was assumed because the property's occupancy of 78.8% is less than market occupancy;

- Operating expenses were based on the property's average historical levels and the appraiser's estimates;
- A management fee of $1.0 million was assumed;
- TI expenses were estimated at $14.00 per sq. ft. for new leases and $7.00 per sq. ft. for renewal leases based on a weighted average in-place lease term of 17.0 years;
- LC expenses were estimated at 4.0% for new leases and 2.0% for renewal leases and were capped at 10 years;
- A renewal probability of 65.0% was assumed;
- Replacement reserves were underwritten at $0.25 per sq. ft.;
- Based on these assumptions, Standard & Poor's overall NCF variance for the property was 20.7%;
- Standard & Poor's applied a capitalization rate of 9.25% to NCF, which yielded a value of $236.4 million, or $225 per sq. ft.; and
- The quality score for this asset is 3.00, an average score.

This loan exhibits the following strengths:

- The whole-loan balance displays credit characteristics consistent with investment-grade obligations rated 'AA-' by Standard & Poor's;
- New York City is the biggest and most concentrated telecom market in the world, with 60.0% of all international voice and data traffic. The market has seen a steady increase in demand for outsourced technology and facilities, and the subject property is strategically situated to capitalize on the increasing demand from midsize and large corporate users; and
- The property benefits from strong sponsorship and management.

This loan exhibits the following concerns and mitigating factors:

- Approximately 90% of the rents come from telecom tenants. However, the subject is considered to be one of the premier telecom buildings in New York, with its heavy floor loads, high ceilings, superior connectivity, and infrastructure of pneumatic tubes. These features have helped establish the property as the dominant telecom facility in the region; and
- A large portion of the leases, representing 20.5% of the NRA, rolls within the next three years. However, the property has a very high retention rate given the tenants' significant capital contributions associated with the construction of their spaces.

Macon & Burlington Mall Portfolio

The fifth-largest loan in the pool, Macon & Burlington Mall Portfolio, has a trust and whole-loan balance of $141.2 million (3.9% of the pool). The 10-year, fixed-rate loan bears interest at 5.780%, amortizes on a 30-year schedule, and matures in July 2015. In addition to the first mortgage financing, the Macon & Burlington Mall Portfolio has $27.15 million of mezzanine financing.

The loan is secured by a first mortgage encumbering the fee interest in two cross-collateralized and cross-defaulted regional malls totaling 1,181,592 sq. ft. One of the properties is located in Burlington, N.C., and the second is located in Macon, Ga. The total occupancy for the portfolio was 89.8% as of May 2005. Table 5 gives details of each property securing the loan.

back to Contents

Table 5 - Colonial Portfolio					
Property name	**Allocated loan amount ($)**	**Sq. ft.**	**Year built/ renovated**	**Occupancy as of July 2004 (%)**	**S&P cap rate (%)**
Burlington Mall, Burlington, N.C.	30,800,000	419,194	1969/2004	91.9	8.75
Macon Mall, Macon, Ga.	110,400,000	762,398	1975	88.6	8.75
Total	141,200,000	1,181,592	?	89.8	8.75

Macon Mall is a 762,398-sq.-ft. (64.5% of the portfolio's NRA) regional mall in Macon, Ga., approximately three miles west of Interstate 75 and five miles southwest of downtown Macon. The property, built in 1975 and renovated in 1988, has weighted average anchor and in-line rents of $4.93 per sq. ft. and $22.74 per sq. ft., respectively. Occupancy costs at the property averaged 10.39% in 2004. Table 6 details the anchor tenants.

Table 6 - Macon Mall Anchor Tenants						
Tenant	**Rating**	**Collateral occupied sq. ft.**	**% of collateral NRA**	**Base rent per sq. ft.**	**2004 sales per sq. ft. ($)**	**Lease expiration**
JC Penney	BB+	169,042	22.2	2.75	143	February 2007
Parisians	BB	100,726	13.2	8.58	89	February 2017
Total/Average	?	269,868	35.4	?	123	?
NRA?Net rentable area. N/A?Not applicable.						

Table 7 summarizes the five largest in-line tenants.

Table 7 - Macon Mall Major Tenants					
Tenant	**Rating**	**Occupied sq. ft.**	**% of collateral NRA**	**Base rent per sq. ft. ($)**	**Lease expiration**
Linens-N-Things	N.R.	28,000	3.7	12.00	January 2014
Old Navy	BBB-	15,317	2.0	13.00	October 2010
Abercrombie & Fitch	N.R.	12,577	1.6	17.48	Multiple lease expirations
Piccadilly Cafeteria	N.R.	11,550	1.5	11.00	December 2007
Gap/Gap Kids	BBB-	10,009	1.3	25.98	January 2010
Total	?	77,453	10.2	14.74	?
NRA?Net rentable area. N.R.?Not rated.					

In-line tenants have been averaging sales of $293 per sq. ft. since the beginning of 2002.

Burlington Mall is a 419,194-sq.-ft. (35.5% of the portfolio's NRA) regional mall located in Burlington, N.C., approximately 35 miles east of Greensboro-Winston-Salem and approximately 45 miles west of Raleigh-Durham. The property, built in 1969 and renovated in 2004, has weighted average anchor and in-line rents of $3.86 per sq. ft. and $19.26 per sq. ft., respectively. Occupancy costs at the property averaged 5.39% in 2004. Table 8 details the anchor tenants.

Table 8 - Burlington Mall Anchor Tenants						
Tenant	**Rating**	**Collateral occupied sq. ft.**	**% of collateral NRA**	**Base rent per sq. ft.**	**2004 sales per sq. ft. ($)**	**Lease expiration**
Sears	BB+	110,435	26.3	% rent only	151	July 2009
Belk	N.R.	88,000	21.0	3.07	178	November 2009

Table 8 - Burlington Mall Anchor Tenants						
Tenant	**Rating**	**Collateral occupied sq. ft.**	**% of collateral NRA**	**Base rent per sq. ft.**	**2004 sales per sq. ft. ($)**	**Lease expiration**
JC Penney	BB+	40,388	9.6	3.81	141	February 2008
Goody's Family Clothing	N.R.	27,000	6.4	6.50	N/A	August 2009
Total/avg.	?	265,823	63.4	2.25	?	?
NRA?Net rentable area. N/A?Not applicable.						

Table 9 summarizes the five largest in-line tenants.

Table 9 - Burlington Mall Major Tenants					
Tenant	**Rating**	**Occupied sq. ft.**	**% of collateral NRA**	**Base rent per sq. ft. ($)**	**Lease expiration**
Fitness Today	N.R.	12,500	3.0	7.20	December 2005
Books-A-Million	N.R.	10,950	2.6	9.50	February 2007
Applehouse of Burlington	N.R.	10,001	2.4	5.00	December 2005
Casual Corner	N.R.	9,492	2.3	12.64	November 2012
American eagle Outfitters	N.R.	5,140	1.2	23.00	January 2012
Total	?	48,083	11.5	10.03	?
NRA?Net rentable area. N.R.?Not rated.					

In-line tenants have been averaging sales of $305 per sq. ft. since the beginning of 2002.

The sponsor of the SPE borrower is the Lightstone Group/Prime Retail. The company has a diversified portfolio of more than 16,000 residential units as well as office, industrial, and retail properties totaling 25 million sq. ft. in 24 states and Puerto Rico. In total, Lightstone owns 20 million sq. ft. of retail space. In 2004, the Lightstone Group purchased Prime Retail Inc., one of the largest developers and owners of outlet centers in the U.S. The Prime Retail portfolio includes approximately 36 outlet centers totaling 10.2 million sq. ft. The properties will be managed by an affiliate of the borrower. The loan is structured with a hard lockbox for cash management.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- GPR was based on the rents in place as of May 2005;
- Expense reimbursements were based on contractual obligations;
- The in-place vacancy rates were assumed;
- Percentage rent was based on contractual obligations, and other income was based on historical amounts;
- A management fee of 5.0% of EGI was assumed;
- Additional operating expenses were based on historical performance;
- Average TI expenses for the in-line tenants were estimated at $8.00 per sq. ft. for new leases and $4.00 per sq. ft. for renewal leases;
- Average TI expenses for the anchor tenants were estimated at $2.00 per sq. ft. for new leases and $1.00 per sq. ft. for renewal leases;
- LC expenses were assumed to be 4.0% for new leases and 2.0% for renewals;
- TI/LC assumptions for in-line tenants were based on the weighted average in-place lease terms, which ranged from 7.2-9.0 years;
- TI assumptions for anchor tenants were based on the weighted average

in-place lease terms, which ranged from 7.5-13.8 years;

- LC expenses were capped at 10 years;
- A 65.0% renewal probability was assumed;
- Replacement reserves were estimated at $0.25 per sq. ft. of collateral NRA;
- Based on these assumptions, Standard & Poor's NCF variance was 0.6%;
- Standard & Poor's applied an 8.75% capitalization rate to NCF to derive a portfolio value of $154.8 million, or $131 per sq. ft.; and
- The quality score for both properties was 3.00, an average score.

This loan exhibits the following strengths:

- The loan is secured by two cross-collateralized and cross-defaulted properties;
- Both malls are the only regional malls in their immediate trade areas. The closest competitive regional mall to the Macon Mall is approximately 60 miles from the subject and the closest competitive regional mall to the Burlington Mall is approximately 40 miles away; and
- The properties benefit from strong sponsorship and management.

This loan exhibits the following concern and mitigating factor:

- There is $27.15 million in mezzanine financing that is secured by the equity pledges in the borrower. The mezzanine debt is subject to an intercreditor agreement, and was considered when sizing the capital structure attributed to this loan.

Millennium Park Plaza

The sixth-largest loan in the pool, Millenium Park Plaza, has a trust and whole-loan balance of $140 million (3.8% of the pool). The 10-year, fixed-rate, interest-only loan bears interest at 5.130% and matures in August 2015.

The loan is collateralized by a first-mortgage encumbering a 41-story, 551-unit, class A multifamily building located next to Millennium Park on North Michigan Avenue in Chicago, Ill. Millenium Park Plaza was built in 1982 and is in the process of an ongoing renovation. $6,000 per unit has already been spent, and the borrower has budgeted an additional $3.75 million, which was held back from the loan proceeds at closing, to complete renovations to the multifamily units, residential corridors, and top-floor health club. In addition to the residential units, the subject also contains 36,772 sq. ft. of retail space, 47,884 sq. ft. of shared office space, and 46,268 sq. ft. of telecom space. In-unit amenities include frost-free refrigerators and freezers, dishwashers, and cabinet-hung microwaves. General amenities include a fitness center on the 38th floor with a swimming pool, a sauna, and a steam room, as well as a second fitness center on the first floor, a business center, and a rooftop sundeck. Of the residential units, 141 are fully furnished and leased as corporate units.

Retail tenants at the property include La Strada restaurant, a salon, a dry cleaner, and a 6,000-sq.-ft. grocery store. The property is located next to Millennium Park, a quarter-mile from Lake Michigan. Adjacent to Millennium Park is Museum Campus, a 57-acre lakefront park that connects the Adler Planetarium & Astronomy Museum, The Field Museum, and the John G. Shedd Aquarium. The immediate area offers a wide variety of dining, retail, and entertainment options.

As of June 2005, the multifamily portion of the property was 93.0% leased and the retail space was 100% leased to five tenants paying an average rent of $4.41 per sq. ft., the

telecom space was 97.6% leased to 18 tenants paying an average rent of $38.77 per sq. ft., and the shared office space was 86.8% leased to a variety of tenants paying an average rent of $32.57 per sq. ft.

The sponsors of the bankruptcy-remote SPE borrower are the principals of BJB Partners LLC. BJB Partners currently manages over 90 investment properties, including more than 5,000 apartment units and 1,650,000 sq. ft. of commercial space in the Chicago area. The property is managed by an affiliate of the borrower. The loan is not structured with a lockbox or cash management feature.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- GPR was based on leases in place as of June 2005;
- No additional vacancy was assumed for the property, as it was deemed to be operating at a sustainable occupancy level given its location and position in the submarket;
- Expense reimbursements were underwritten based on the borrower's 2005 budget, the appraiser's forecast, and historical recovery performance;
- Operating expenses were based on market expenses, the appraiser's forecast, the borrower's 2005 budget, and historical levels;
- A management fee was underwritten at a blended rate of 3.61% of EGI, which represents 3.5% of the income associated with the multifamily units and 4.0% of the income associated with the rest of the space;
- Replacement reserves were underwritten at $225 per unit for the multifamily units, $0.20 per sq. ft. for the retail space, and $0.35 per sq. ft. for the office and telecom space;
- TI expenses for the office space were estimated at $12.00 per sq. ft. for new leases and $6.00 per sq. ft. for renewal leases.
- TI expenses for the telecom space were estimated at $10.00 per sq. ft. for new leases and $5.00 per sq. ft. for renewal leases;
- TI expenses for the retail space were estimated at $10.00 per sq. ft. for new leases and $5.00 per sq. ft. for renewal leases;
- LC expenses were estimated at 4.0% for new space and 2.0% for renewal space;
- TI/LC assumptions were based on weighted average in-place lease terms of 7.5 years for the office space and 5.0 years for the telecom and retail space;
- A renewal probability of 65% was assumed;
- An upfront TI/LC reserve of $1.75 million was annualized over the 10-year loan term and added to NCF;
- Based on these assumptions, Standard & Poor's overall NCF variance for the property was 0.75%;
- Standard & Poor's applied a blended capitalization rate of 8.31% to NCF, which represents capitalization rates of 8.00% for the income associated with the multifamily and retail space, 9.25% for the income associated with the office space, and 9.75% for the income associated with the telecom space;
- Because the in-place average rent of $5.73 per sq. ft. for the retail space was deemed to be significantly below market given the property's location and quality, Standard & Poor's assumed that all of the retail space, excluding the 38th-floor health club, would roll at market rents once the current leases expire. The weighted average time to expiration for the in-place leases is 1.1 years, and it

was assumed that the space would take another year beyond that to lease up to a stabilized 95% occupancy rate at market rents, which were assumed to be $38.00 per sq. ft. Standard & Poor's applied a capitalization rate of 8.00% to the incremental income that would be realized at these assumed occupancy and rent levels to arrive at an incremental value attributable to the re-leasing of the retail space, subtracted incremental TI and LC expenses, and then calculated the present value of the net incremental value based on a 2.1-year total average lease-up period and a discount rate of 8.00%. Standard & Poor's added this amount to the overall value of the property;

- The upfront TI/LC reserve of $1.75 million was then added to value, yielding an overall value for the property of $142.8 million, or $198 per sq. ft. of NRA; and
- The quality score for this asset was 2.75, an above-average score.

This loan exhibits the following strengths:

- The property benefits from a strong and desirable location on North Michigan Avenue, adjacent to Millennium Park and less than a quarter-mile from Lake Michigan; and
- The property benefits from strong sponsorship and a management company that has extensive experience in the Chicago area.

This loan exhibits the following concern and mitigating factor:

- The subject property was purchased by the borrower in October 2004 and is currently in the middle of a $7.0 million renovation; therefore, there is limited historical operating information that is consistent with the subject's current and emerging position in the submarket. However, since the acquisition, the property has gone from a 70.0% overall occupancy to a 93.2% overall occupancy. Further upside also remains for the retail portion of the property, which is currently leased at rents that are significantly below market. Finally, the new sponsors have extensive experience in managing both multifamily and commercial properties in the Chicago area.

200 Public Square

The seventh-largest loan in the pool, 200 Public Square, has a trust and whole-loan balance of $115.0 million (3.1% of the pool). The seven-year, fixed-rate loan bears interest at a rate of 5.18%, is IO for the first three years, amortizes on a 30-year schedule thereafter, and matures in July 2012.

The loan is collateralized by a first mortgage encumbering a 1,191,462-sq.-ft., 45-story, class A office building in downtown Cleveland, Ohio. The subject was built in 1985, and was originally constructed as the corporate headquarters for Standard Oil of Ohio. The subject features a polished granite exterior, an eighth-floor atrium lobby, and views of Lake Erie. In addition, the subject has an attached 757-car parking deck. As of June 2005, the property was 87.8% leased at an average rent of $19.06 per sq. ft.

Table 10 lists the major office tenants at the property.

Table 10 ? Major 200 Public Square Tenants

Tenant	Rating	Sq. ft.	Property NRA (%)	Base rent per sq. ft.	Lease expiration
BP America	AA+	243,338	20.4	15.04	September 2008
Benesch	N.R.	115,390	9.7	24.38	July 2009
Han Loeser	N.R.	70,015	5.9	19.08	September 2012

Table 10 ? Major 200 Public Square Tenants					
Tenant	**Rating**	**Sq. ft.**	**Property NRA (%)**	**Base rent per sq. ft.**	**Lease expiration**
Management Resources	N.R.	51,774	4.3	13.50	February 2011
National City Bank	N.R.	51,242	4.3	16.50	September 2013
NRA?Net rentable area. N.R.?Not rated.					

The largest tenant, BP America ('AA+', 20.4% of NRA, lease expires Sept. 30, 2008), is not occupying its space and is subleasing portions of it. To mitigate this concern, an up-front TI/LC reserve was established at closing in the amount of $7 million ($31.44 per sq. ft. of affected space).

The sponsor of the bankruptcy-remote borrower is The Harbor Group International. The Harbor Group International is a full-service, diversified real estate investment concern that has owned and managed office buildings, shopping centers, multifamily, and industrial space throughout the U.S. for more than 20 years. The Harbor Group controls more than $1 billion of real estate investments with the office portion of its portfolio currently including 15 buildings totaling more than 5.5 million sq. ft. The property manager is Harbor Group Management Co., an affiliate of the borrower. The loan is structured with a hard lockbox for cash management.

The following points summarize Standard & Poor's underwriting assumptions for this loan:

- GPR was based on leases in place as of June 2005, with vacant space grossed up at the market rent of $20.00 per sq. ft., which is in line with actual;
- A market vacancy rate of 15.9% was assumed;
- Expense reimbursements were underwritten based on the actual lease terms and historical recovery performance;
- Other income was based on historical performance;
- Operating expenses, other than property taxes and insurance premiums, were based on the property's average historical levels;
- Property tax expense was based on the property's current tax bill, and insurance expense was based on the current premium;
- A management fee of 4% of EGI was assumed;
- Replacement reserves were underwritten at $0.35 per sq. ft.;
- TI expenses were estimated at $8.00 per sq. ft. for new leases and $4.00 per sq. ft. for renewal leases;
- LC expenses were estimated at 4.0% for new space and 2.0% for renewal space;
- TI/LC assumptions were based on weighted average in-place lease terms of 12.4 years, with LC expenses capped at 10 years;
- A renewal probability of 0% was assumed for BP America and 65% was assumed for all other tenants;
- On a normalized basis, Standard & Poor's added the up-front TI/LC reserve of $7 million to value and NCF. Based on these assumptions, Standard & Poor's overall NCF variance for the property was 7.4%;
- Standard & Poor's applied a capitalization rate of 9.25% to NCF, yielding a value of $124.9 million, or $105 per sq. ft.; and
- The quality score for this asset was 2.50, an above-average score.

This loan exhibits the following strengths:

- The property benefits from strong and experienced sponsorship and management; and
- The subject property benefits from its high-quality construction coupled with a premier location in the downtown CBD of Cleveland, Ohio.

This loan exhibits the following concern and mitigating factor:

- The largest tenant, BP America ('AA+', 20.4% of NRA, lease expires Sept. 30, 2008) is not occupying its space and is subleasing portions of it. To mitigate this concern, an up-front TI/LC reserve was established at closing in the amount of $7 million. Additionally, Standard & Poor's assumed a 0% renewal probability for this tenant when factoring the TI/LC rollover calculations.

Credit Evaluation

The following tables provide further analysis of the cash flow and valuation of the various property types, the top 10 loan characteristics, and Standard & Poor's DSC and LTV stratification ranges.

Table 11 - Cash Flow Analysis And Valuation

Property type	% of pool	DSC (x)	NCF diff.* (%)	Cap rate (%)	Beg. LTV (%)	End. LTV (%)	Value per unit/sq. ft. ($)
Office	38.4	1.55	6.3	8.96	102.8	97.7	199
Retail	23.9	1.51	4.1	8.42	97.9	91.7	176
Multifamily	9.0	1.34	0.7	8.34	98.7	87.4	68,009
Hotel	7.6	1.72	11.7	11.34	105.5	95.3	107,795
Industrial	6.2	1.40	3.7	9.22	94.6	79.7	123
Special purpose	5.6	2.07	9.2	9.61	66.4	56.0	151
Mixed use	4.2	1.61	0.8	8.31	94.7	93.2	198
Self-storage	4.1	1.56	3.8	10.2	111.5	103.9	74
Health care	0.6	1.48	0.5	13.50	127.4	107.6	54,691
Parking garage	0.3	1.19	4.6	10.25	120.8	91.2	14,853
Total	100.0	1.56	5.3	9.06	99.2	92.0	N/A

*Difference between Standard & Poor's estimated NCF and underwriter's estimated NCF as a percentage of underwriter's estimated NCF. DSC?Debt service coverage. NCF?Net cash flow. N/A?Not applicable.

Table 12 - Top 10 Loans

Property name	Property type	% of pool	DSC (x)	% NCF diff.*	Cap rate (%)	Beg. LTV (%)	End. LTV (%)	Value per unit/sq. ft. ($)
AmericasMart	Special purpose	5.6	2.07	9.19	9.61	66.38	55.99	151
NGP Rubicon GSA Portfolio	Office	5.3	1.25	1.70	9.00	106.35	98.75	122
1000 & 1100 Wilson	Office/ suburban	5.0	1.42	4.44	8.75	118.56	118.56	288
60 Hudson Street	Office/ CBD	4.4	2.73	20.42	9.25	67.69	67.69	225
Macon & Burlington Mall Pool	Mall	3.9	1.37	0.64	8.75	91.22	78.71	131

Table 12 - Top 10 Loans								
Property name	**Property type**	**% of pool**	**DSC (x)**	**% NCF diff.***	**Cap rate (%)**	**Beg. LTV (%)**	**End. LTV (%)**	**Value per unit/sq. ft. ($)**
Millennium Park Plaza	Mixed use	3.8	1.55	0.76	8.31	98.07	98.07	198
200 Public Square	Office/ CBD	3.1	1.61	7.40	9.25	92.09	86.70	105
Prentiss Pool	Office/ suburban	2.7	1.13	7.46	9.06	126.45	111.53	172
Extra Space Portfolio	Self storage	2.7	1.61	4.90	10.21	118.85	118.85	76
1701 North Fort Myer	Office/ suburban	2.4	1.53	1.18	8.50	112.12	112.12	275
Total/ weighted average	?	38.9	1.66	6.09	9.07	97.01	91.76	N/A

*Difference between Standard & Poor's estimated NCF and underwriter's estimated NCF as a percentage of underwriter's estimated NCF. DSC?Debt service coverage. NCF?Net cash flow. CBD?Central business district. . N/A?Not applicable.

Table 13 - Standard & Poor's DSC Range			
DSC range (x)	**No. of loans**	**Loan balance ($)**	**% of pool**
>1.65	31	770,496,020	21.0
1.55 - 1.65	17	591,147,611	16.1
1.50 - 1.54	17	320,837,145	8.8
1.45 - 1.49	10	240,607,827	6.6
1.40 - 1.44	16	396,893,267	10.8
1.35 - 1.39	10	222,839,909	6.1
1.30 - 1.34	13	135,720,203	3.7
1.25 - 1.29	17	138,438,896	3.8
1.20 - 1.24	21	435,388,355	11.9
1.15 - 1.19	16	263,599,107	7.2
1.10 - 1.14	3	107,780,888	2.9
1.05 - 1.09	2	40,088,666	1.1
1.04 - 1.00	0	0	0.0
0.00 - 1.00	0	0	0.0

DSC?Debt service coverage.

Table 14 - Standard & Poor's Beginning LTV			
Beginning LTV range (%)	**No. of loans**	**Loan balance ($)**	**% of pool**
<50	2	8,185,074	0.2
50 - 60	0	0	0.0
61 - 70	8	442,944,304	12.1
71 - 75	4	27,458,859	0.7
76 - 80	7	65,461,170	1.8
81 - 85	8	99,352,372	2.7
86 - 90	14	68,141,662	1.9
91 - 95	21	450,425,700	12.3
96 - 100	25	402,391,907	11.0
>100	84	2,099,476,844	57.3

Table 15 - Standard & Poor's Ending LTV			
Ending LTV range (%)	**No. of loans**	**Loan balance ($)**	**% of pool**
Fully amortizing loans	2	7,273,612	0.2
0 - 50	3	10,275,624	0.3
51 - 60	12	285,360,968	7.8

Table 15 - Standard & Poor's Ending LTV			
Ending LTV range (%)	No. of loans	Loan balance ($)	% of pool
61 - 70	13	277,667,232	7.6
71 - 75	6	87,153,423	2.4
76 - 80	13	235,845,345	6.4
81 - 85	21	237,823,495	6.5
86 - 90	35	429,067,926	11.7
91 - 95	16	277,925,975	7.6
96 - 100	18	533,800,565	14.5
>100	34	1,281,643,727	35.0

Published by Standard & Poor's, a Division of Th e McGraw-Hill Companies, Inc. Executive Offices: 1221 Avenue of the Americas, New York, NY 10020. Editorial Offices: 55 Water Street, New York, NY 10041. Subscriber service: (1) 212-438-7280. Copyright 2003 by The McGraw-Hill Companies, Inc. Reproduction in whole or part prohibited except by permission. All rights reserved. Information has been obtained by Standard & Poor's from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or the result obtained from the use of such information. Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities.

The McGraw-Hill Companies