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Green Loan Services LLC Commercial Mortgage Special Servicer Ranking Raised To ABOVE AVERAGE; Outlook Stable

Primary Servicer Analyst:

Mary Chamberlain, New York 212-438-3034; mary_chamberlain@standardandpoors.com

Secondary Servicer Analyst:

Michael S Merriam, New York (1) 212-438-2548; michael_merriam@standardandpoors.com

NEW YORK (Standard & Poor's) May 4, 2009--Standard & Poor's Ratings Services today raised its commercial mortgage special servicer ranking on Green Loan Services LLC (GLS), a wholly owned subsidiary of SL Green Realty Corp., to ABOVE AVERAGE from AVERAGE. The outlook is stable.

GLS has served as the named special servicer for affiliate Gramercy Capital Corp.'s commercial real estate collateralized debt obligation (CRE CDO) transactions since 2005. The company also continues to provide special servicing work stemming from the parent's third-party investor relationships and from the owned loan portfolios acquired through SL Green's and Gramercy's structured finance businesses. In addition, GLS is currently the appointed special servicer on two commercial mortgage-backed securities (CMBS) deals and three CRE CDO deals.

The raised ranking acknowledges that the company has made significant improvements in both its management and organization and its special servicing administration. GLS recently enhanced its internal audit regimen to include a supplemental independent testing program, which it mirrored on the requirements for Regulation AB compliance. The company is finalizing the scope and scheduling for this program and plans to launch the first reviews by Dec. 31, 2009.

The company has also streamlined its organizational structure by

splitting special servicing into two teams, one covering the GLS portfolio and one for the Gramercy portfolio, and it maintains detailed asset management procedures for resolving nonperforming assets. Furthermore, the company has experienced a significant increase in special servicing activity and has successfully resolved a number of complex assets from diverse property types.

GLS demonstrates sufficient capacity to meet the increase in special servicing activity. It has quadrupled staffing since our last review and can also leverage resources from its parent for core special servicing support functions. Its technology platform includes purchased applications for real estate accounting and for tracking essential asset activity to support its special servicing work, as well as any reporting needs related to the SL Green, Gramercy, and Gramercy CDO portfolios.

Outlook

The outlook is stable. Standard & Poor's expects GLS to continue to be a fully competent special servicer that can effectively manage and adapt to the challenges facing the market both now and in the future.

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