

U.S. Commercial
Mortgage
Servicer Report

Green Loan Services LLC

Ratings

Large Loan Special Servicer CLLSS2-

Analysts

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See page 5 for Servicer at a Glance details.

Summary

Fitch Ratings assigns Green Loan Services LLC (GLS) a large loan special servicer rating of 'CLLSS2-'. The rating is based on GLS's experienced asset management team, whose members have demonstrated the ability to specially service large nonperforming assets. Fitch defines a large loan as a commercial real estate loan over \$50 million, and GLS is the first to be assigned this designation since it was revived this year. As of June 30, 2009, GLS was managing portfolios with assets under management of approximately \$2 billion. The company was actively specially servicing 20 loans containing two CMBS assets, 16 CDO assets, and two balance sheet loans, plus three REO properties, totaling \$1.28 billion.

Strengths

- Strong real estate company, with extensive workout experience with large loans in New York City, California, Florida, and Texas.
- Experienced senior team with minimal management turnover.
- Strong, motivated asset managers.

Concerns

- Limited CMBS workout experience.
- Limited experience with Fitch.

Mitigants

- Very strong real estate workout experience and demonstrated focused on mastering CMSA reporting.
- Workout resolutions presented to Fitch experienced strong recoveries.

Company Overview and Operational Highlights

GLS is a subsidiary of SL Green Realty Corp. (SL Green; NYSE: SLG), a public REIT based in New York City that provides asset management and special servicing functions to SL Green's structured finance portfolio, Gramercy Capital Corp. (Gramercy), and other institutional third parties. SL Green and GLS have managed approximately \$3.9 billion of loan workouts, restructurings, and other special servicing assignments covering 61 loan positions. The company has an asset management team led by highly experienced managers that possess extensive real estate and legal backgrounds.

SL Green was formed in 1997 and primarily owns, acquires, manages, and repositions office properties located in Manhattan. Additionally, SL Green owns 12% of the public shares of commercial real estate finance investment company Gramercy.

Financial

Fitch does not rate the credit of parent company SL Green. However, Fitch's Real Estate Investment Trust group performed a financial assessment of GLS and determined the company's short-term financial viability adequate to support the CMBS servicing platform.

Employees

As of June 30, 2009, GLS's special servicing staff included 18 professionals. Two senior managers average 16 years of experience in the industry and nine years with the company. Five middle managers average 12 years of industry experience and six years tenure at GLS. These managers have extensive experience in the management and workout of large, complicated real estate assets across many property types, as well as geographic locations. GLS experienced no turnover for the 12 months ended June 30, 2009.

GLS conducts monthly training seminars presented by industry professionals. Topics include loan documentation, cash management, workouts and restructuring, foreclosure, bankruptcy, receivership, lender liability, defeasance, and environmental issues. In-house training is unstructured and on the job, and employees average 18 hours of training per year.

Policies and Procedures

The policies and procedures manual is a high-level summary of special servicing functions, including the following:

- Asset management.
- Workouts and business plans.
- Foreclosure and REO management.
- Third-party vendors.
- Credit analysis.

The manual is reviewed annually and updated as necessary with senior management approval. GLS was not required to undergo USAP or RegAB examination during 2008; however, they will be required for the year ending Dec. 31, 2009.

Technology

GLS uses the following systems for special servicing functions:

- Chatham Financial FMS, a loan tracking database system with customizable asset management functions.
- ARGUS, for cash flow projection.
- YARDI, an accounting system.
- Excel-based proprietary valuation/cash flow and return modeling.

Servicer Ratings

Fitch rates primary and master servicers, which protect the interests of the certificateholders in the trust by servicing and administering the mortgage loans. The primary servicer is responsible for day-to-day servicing functions, while the master servicer is responsible for monitoring the activities of the primary servicers, investor reporting, and timely remittance of funds to trustees.

Fitch also rates special servicers, which are key to maintaining the credit quality of a pool containing nonperforming commercial mortgages and real estate owned assets. The special servicer is responsible for working out loans, foreclosing, and liquidating assets.

In assessing and analyzing the capabilities of primary, master, and special servicers, Fitch reviews several key factors, including the management team, organizational structure and operating history, financial condition, information systems, and, with respect to the special servicer, workout and asset disposition experience and strategies.

Fitch rates commercial mortgage primary, master, and special servicers on a scale of 1 to 5, with 1 being the highest rating. Within each of these rating levels, Fitch further differentiates ratings by plus (+) and minus (-), as well as the flat rating. For more information about Fitch commercial mortgage servicer ratings or rating criteria, see Fitch Research on "U.S. Commercial Mortgage Servicer Rating Criteria," dated June 19, 2009, available on Fitch's Web site at www.fitchratings.com.

GLS has customized Chatham Financial FMS for the asset management of large, complex loans. Asset managers can upload financial statements, rent rolls, and historical underwriting into the system. While asset summary reports are generated through this system, many special servicing functions are performed offline, and workout strategies and calculations are performed in Excel. The system incorporates ticklers and houses searchable loan documents. The system is currently unable to produce CMSA reports.

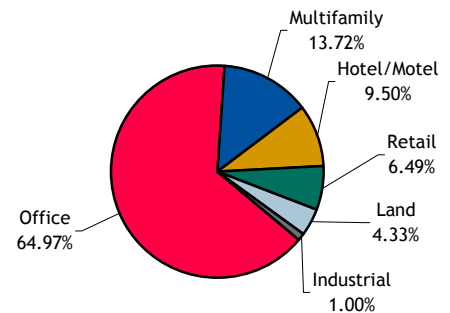
SL Green maintains a working disaster recovery site in White Plains, NY. Disaster recovery tests are performed annually, most recently in December 2008, with successful results.

Special Servicing

As of June 30, 2009, GLS was actively servicing 20 loans totaling \$1.28 billion. The special servicing group is led by seasoned workout professionals with significant company tenure. Asset managers described many successful workout situations for large distressed assets during the servicer review. While the properties were mainly office and condominiums based in New York City, they did present case studies from other cities and a variety of property types. The asset managers presented innovative strategies, and while they are still unseasoned, senior management experience is solid. GLS conducts weekly credit committee meetings attended by the CFO, CIO, and CEO, to discuss workout strategies for specially serviced assets. Formal business plans are updated monthly and presented to the credit committee. GLS currently targets a maximum of five nonperforming loans per asset manager.

Property Type — Active Special Servicing Portfolio

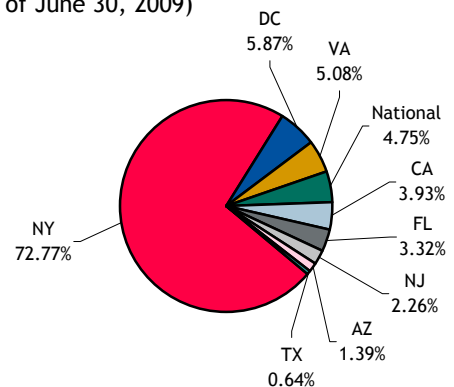
(As of June 30, 2009)



Note: Numbers may not add to 100% due to rounding.

Geographic Distribution — Active Special Servicing Portfolio

(As of June 30, 2009)



Note: Numbers may not add to 100% due to rounding.

Servicer At A Glance — Green Loan Services LLC

Experience (Years)

Servicing	5
CMBS Servicing	1
Loan Workout	10
CMBS Workout	1

Credit Rating

Fitch does not rate the credit of parent company SL Green.

Employees

Number of Employees	18
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Senior Management:

Experience in Industry (Years)	16
Tenure with Company (Years)	9

Middle Management:

Experience in Industry (Years)	12
Tenure with Company (Years)	6

Average Training Hours Per Employee Per Year	18
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Overall Employee Turnover (%)	0
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Management Turnover (%)	0
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Special Servicer Results as of 6/30/09

	\$ Mil.	No. of Loans
Loans Resolved Past 12 Months	1,666	26
Loans Resolved Since Inception	2,680	41

Servicing System

Chatham Financial Management System

Special Servicing Portfolio

(As of June 30, 2009)

Number of Transactions	20
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Named Special Servicing

UPB (\$ Bil.)	1.28
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Number of Loans	20
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Active Special Servicing, Not Including REO

UPB Loans (\$ Mil.)	1.28
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Number of Loans	20
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REO

UPB (\$ Mil.)	203
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Number of Assets	3
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