



Insight beyond the rating

Surveillance Report
*Morgan Stanley Capital I Trust,
Series 2007-TOP27*

FEBRUARY 2009

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Morgan Stanley Capital I Trust, Series 2007-TOP27

CAPITAL STRUCTURE										
Class	Outstanding Balance		Interest Shortfall (1)	Credit Enhancement (C/E)		DBRS Ratings			COMP Range C/E	
	Original	Current		Original	Proj. Loss	Original	Current	Trend	Low	High
A-1	\$93,700,000	\$79,688,561		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-2	\$279,300,000	\$279,300,000		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-3	\$137,400,000	\$137,400,000		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-AB	\$112,300,000	\$112,300,000		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-4	\$1,077,071,000	\$1,077,071,000		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-1A	\$287,920,000	\$287,698,316		27.0%	27.1%	AAA	AAA	Stable	n/a	n/a
A-M	\$172,286,000	\$172,286,000		17.0%	17.1%	AAA	AAA	Stable	n/a	n/a
A-MFL	\$100,000,000	\$100,000,000		17.0%	17.1%	AAA	AAA	Stable	n/a	n/a
A-J	\$190,601,000	\$190,601,000		10.0%	10.1%	AAA	AAA	Stable	9.5%	17.5%
B	\$54,457,000	\$54,457,000		8.0%	8.0%	AA	AA	Stable	7.4%	12.7%
C	\$30,633,000	\$30,633,000		6.9%	6.9%	AA (low)	AA (low)	Stable	6.6%	10.8%
D	\$30,632,000	\$30,632,000		5.8%	5.8%	A	A	Stable	5.2%	9.1%
E	\$23,825,000	\$23,825,000		4.9%	4.9%	A (low)	A (low)	Stable	4.4%	9.0%
F	\$23,825,000	\$23,825,000		4.0%	4.0%	BBB (high)	BBB (high)	Stable	3.5%	7.7%
G	\$30,632,000	\$30,632,000		2.9%	2.9%	BBB	BBB	Stable	2.7%	6.2%
H	\$23,825,000	\$23,825,000		2.0%	2.0%	BBB (low)	BBB (low)	Stable	1.8%	4.8%
J	\$3,404,000	\$3,404,000		1.9%	1.9%	BB (high)	BB	Stable	1.5%	3.3%
K	\$3,403,000	\$3,403,000		1.8%	1.8%	BB	B (high)	Stable	1.1%	2.3%
L	\$6,808,000	\$6,808,000		1.5%	1.5%	BB (low)	B	Stable	0.9%	1.9%
M	\$6,807,000	\$6,807,000		1.3%	1.3%	B (high)	B (low)	Stable	0.8%	1.7%
N	\$6,807,000	\$6,807,000		1.0%	1.0%	B	CCC	Stable	n/a	n/a
O	\$3,403,000	\$3,403,000		0.9%	0.9%	B (low)	CCC	Stable	n/a	n/a
P	\$23,826,021	\$23,826,021	\$20,764	0.0%	0.0%	NR	NR	n/a	n/a	n/a
X (2)	\$2,722,865,021	\$2,708,631,898		n/a	n/a	AAA	AAA	Stable	n/a	n/a
AW34	\$50,150,000	\$50,150,000		n/a	n/a	NR	NR	n/a	n/a	n/a

Note:

All figures are in U.S. dollars unless otherwise noted.

(1) If shortfalls exist, further detail is found on page 11.

(2) Notional balance.

DBRS Ratings Viewpoint

Delinquency in the pool, inclusive of 30-day delinquent loans, has increased and currently stands at 1.5% (see page 10 for further detail). While only one property is currently REO and expected to take a near-term loss, DBRS projects that losses on the other delinquent loans could total anywhere from \$6 million to \$10 million. The downgrades of Classes J through O reflect this projection. DBRS reviewed the top ten and shadow-rated loans (combined 38.1% of the current pool balance), analysis beginning on page 5, and found the performance of these loans to be stable from issuance, with the exception of one loan that no longer meets investment-grade criteria. In addition, DBRS identified several HotList loans highlighted on page 9, comprising 1.8% of the current pool balance, that are exhibiting higher default characteristics. As a result of its full review, DBRS was able to confirm the remaining classes. All trends are Stable.

Unique Structural Features

Class AW34, not rated by DBRS, is secured by one loan held within the trust; however, it is not part of the pooled collateral.



COLLATERAL SUMMARY			CONCENTRATIONS					
	Original Closing July 2007	Current Cut-off February 2009	Property Type	Original	Current	Province/State	Original	Current
Balance	\$2,723,160,433	\$2,708,631,898	Retail	44.7%	44.6%	NY	20.2%	20.2%
Whole Loan Balance	\$2,723,160,433	\$2,708,631,898	Lodging	9.7%	9.7%	CA	13.1%	13.1%
# of Loans	225	225	Multi-Family	10.1%	10.2%	VA	12.9%	13.0%
WAC	5.68%	5.68%	Office	24.0%	24.0%	MD	5.6%	5.6%
WALTV	60.5%	60.3%	Industrial	7.5%	7.5%	TX	3.8%	3.8%
WADSCR	1.73	1.64	Self Storage	1.2%	1.2%	FL	2.8%	2.8%
			Mixed Use	1.1%	1.1%	PA	3.8%	3.9%
			Health Care	0.0%	0.0%	AZ	1.2%	1.2%
			MHC	0.9%	0.9%	IL	2.7%	2.7%
			Other	0.0%	0.0%	GA	0.6%	0.6%
			Securities	0.0%	0.0%	Various	5.1%	5.1%

Loan Size	With Multi-Family				Without Multi-Family			
	% of Pool	Average DSCR	Average LTV	% Reporting	% of Pool	Average DSCR	Average LTV	% Reporting
Loans 1-10	29.4%	1.81	54.6%	100.0%	29.4%	1.81	54.6%	100.0%
Loans 11-20	12.8%	1.59	61.2%	100.0%	10.0%	1.65	60.2%	100.0%
Total Pool	100.0%	1.65	59.4%	94.8%	89.8%	1.66	59.9%	94.2%

Concentration Comments

All of the loans remain in the pool from issuance and, as a result, most of the property concentrations are relatively unchanged. The collateral is concentrated in retail (44.6% of the current pool balance) and office (24.0% of the current pool balance) properties, with 20.2% of the pool located in New York. The majority of the underlying loans have reported full-year financials from YE2007 (94.8% of the pool), with many reporting partial 2008 financials as well.

LARGE LOAN PERFORMANCE SUMMARY

Loan Name	Property Type	Balance	% of Pool	Loan/Unit	% Change from Underwriting (UW)			Original/Current Shadow Rating	Pari Passu
					NCF	Revenue	Expenses		
360 Park Avenue South	Office	\$220,000,000	8.12%	487	-1%			n/a	N
Legacy Village	Retail	\$96,612,831	3.57%	162	0%			n/a	N
CS Wholesale Portfolio (I)	Industrial	\$82,500,000	3.05%	48	5%			n/a	N
Fair City Mall	Retail	\$71,000,000	2.62%	185	-6%			n/a	N
Plaza at Landmark	Retail	\$69,000,000	2.55%	161	-7%	n.a.	n.a.	n/a	N
Maple Tree Place	Retail	\$63,400,000	2.34%	130	-5%			n/a	N
The Mercer Hotel	Lodging	\$55,000,000	2.03%	733,333	10%			BBB (low)/BBB (low)	N
NY Inland Portfolio (II)	Retail	\$52,310,000	1.93%	78	-19%			n/a	N
485 Madison Avenue	Office	\$45,000,000	1.66%	161	17%			A (low)/A (low)	N
Parkshore Plaza 1	Office	\$41,275,000	1.52%	153	1%			n/a	N

Note: DSCR figures are based on whole-loan debt service.


TOP TEN & SHADOW-RATED LOANS IN THE POOL

Prospectus ID	Property Name	Property Type	Shadow-Rating (Original/Current)	Current % of Pool	Loan per Unit	Maturity Date	Most Recent Occupancy	Occupancy Date	Issuer UW DSCR (A-Note)	Most Recent DSCR (A-Note)
1	360 Park Avenue South	Office	n/a	8.1%	\$486.94	Mar-2022	100%	Dec-07	1.53	1.51
	Commentary The entire building is leased to Reed Elsevier through 2021. There are three floors available for sublet (according to CoStar Group, Inc. (CoStar)) and are currently vacant. Although the property is 100% leased, it has 14.7% availability. The loan originally had a 15-year term, with maturity following the expiration of the tenant's lease in 2022. The loan does provide for amortization on a 20-year schedule to the extent that the tenant's debt rating is downgraded below investment grade. The current debt rating is in the BBB category.									
2	Legacy Village	Retail	n/a	3.6%	\$162.46	Jan-2014	88%	Dec-07	1.28	1.42
	Commentary The property is an outdoor lifestyle center located in Lyndhurst, Ohio (outside of Cleveland). The property is 88% occupied and has an old EXPO Design Center space that is guaranteed by its parent, The Home Depot, Inc. (Home Depot), through 2044. It comprises 11% of the income for the property. Risks at the center include concerns about retail tenants, such as the health of Home Depot.									
3	CS Wholesale Portfolio (I)	Industrial	n/a	3.0%	\$47.94	Jan-2017	100%	Dec-07	1.88	1.97
	Commentary The portfolio is secured by four warehouse properties that are fully leased to C&S Wholesale Grocers, Inc. (C&S). The leases run through 2022, five years beyond the loan maturity. The loan is structured with a hyper-amortization structure in the event the borrower cannot refinance at maturity. C&S does not have any termination options within the leases, but it can go dark. The borrower is required to sign a master lease if the tenant chooses to go dark. DBRS has inquired of the servicer if any properties are dark; however the most recent reported occupancy at each property was 100% (as of September 2008).									
4	Fair City Mall	Retail	n/a	2.6%	\$184.53	May-2017	98%	Dec-07	1.47	1.40
	Commentary The property is an L-shaped community center anchored by a Shoppers Food Warehouse, Marshalls and Bed Bath & Beyond. The property is performing as anticipated at issuance. The risks associated with this property, aside from the retail risks, which are higher in today's market, include refinance risk and the fact that the sponsors have little cash equity remaining in the transaction since they have owned it since it was originally constructed in 1974. However, this is mitigated by the fact that the land value is high, given the property's location in Fairfax, Virginia. This loan has common ownership with the next loan, Prospectus ID#5.									
5	Plaza at Landmark	Retail	n/a	2.5%	\$160.96	May-2017	100%	Dec-07	1.45	1.37
	Commentary The property is a community center anchored by a Shoppers Food Warehouse, Bally Total Fitness, Marshalls and Ross Dress for Less. The property is performing as anticipated at issuance. The risks associated with this property, aside from the retail risks, which are higher in today's market, include refinance risk and the fact that the sponsors have little cash equity remaining in the transaction since they have owned it since it was originally constructed. However, this is mitigated by the fact that many of the anchor tenants have contractual rent bumps that will help increase cash flow by loan maturity. This loan has common ownership with the previous loan, Prospectus ID#4.									
6	Maple Tree Place	Retail	n/a	2.3%	\$129.67	Mar-2012	88%	Dec-07	1.77	1.68
	Commentary The loan is secured by a retail center built a few years ago, located in Williston, Vermont. The property has a Linens 'n Things (fifth largest tenant). DBRS has inquired as to the co-tenancy clauses that may exist as a part of LNT's liquidation. LNT comprised approximately 8% of the base rental income; without this income, the DSCR should decline from 1.68x to 1.50x. The center is anchored by Shaw's Supermarkets, whose sales were strong at issuance. The loan sponsor is Inland Western Real Estate Trust, Inc. (Inland). At issuance, the property had an office component that had difficulty leasing.									
7	The Mercer Hotel	Lodging	BBB (low)/BBB (low)	2.0%	\$733,333.33	Jun-2017	94%	Dec-07	2.76	3.03
	Commentary The property is secured by a boutique hotel located in the SoHo neighborhood of Manhattan. The loan per key is very high at greater than \$500,000 (excluding the retail and restaurant revenue). While the hotel industry is anticipated to have a substantial decline in demand and RevPAR in 2009, DBRS shadow-rated the loan assuming that the loan reverted to 2004 performance levels, which would be a 24% decline in the RevPAR. At this point, performance continues to be on par with issuance levels and therefore, the shadow rating remains applicable. DBRS will continue to monitor the performance of this loan closely.									


TOP TEN & SHADOW-RATED LOANS IN THE POOL (Continued)

Prospectus ID	Property Name	Property Type	Shadow-Rating (Original/Current)	Current % of Pool	Loan per Unit	Maturity Date	Most Recent Occupancy	Occupancy Date	Issuer UW DSCR (A-Note)	Most Recent DSCR (A-Note)
8	NY Inland Portfolio (II)	Retail	n/a	1.9%	\$77.65	Jan-2012	87%	Dec-07	1.93	1.56
	Commentary The loan is secured by two Home Depot anchored retail centers in New York, one in Poughkeepsie and one in Saratoga Springs. The Poughkeepsie property has a dark grocery anchor whose lease is guaranteed by Stop & Shop Supermarket Company through 2028. The properties will have exposure to retail pressures. The sponsor is Inland. The loan is structured as an anticipated repayment date (ARD); therefore, to the extent the borrower has difficulty refinancing the loan, it is structured to self-liquidate.									
9	485 Madison Avenue	Office	A (low)/A (low)	1.7%	\$160.68	May-2017	100%	Dec-07	2.17	2.54
	Commentary The loan is secured by a 24-story Class B office property located in the Plaza District of Manhattan. According to CoStar, there is about 11% available for lease, of which 2.6% is sublet; the rest is direct space. This occupancy is in line with the occupancy at issuance. Asking rents at the building are approximately \$70 psf. The lead tenant, McKinsey & Company, has a lease that expires in 2014. The loan per square foot is well below replacement costs at \$161 and given its location, it can withstand an increase in vacancy and still be able to cover debt service. As a result, the loan is shadow-rated A (low).									
10	Parkshore Plaza 1	Office	n/a	1.5%	\$153.29	May-2017	99%	Dec-07	1.59	1.61
	Commentary The loan is secured by four adjacent Class A office buildings located in Folsom, California (east of Sacramento). The biggest risk associated with this loan is the fact that the largest tenant within the complex is Verizon, whose lease expires in June 2009. Verizon has a five-year renewal option. In addition, Wachovia Bank, N.A. occupies 4.8% of the net rentable area. Given the Wells Fargo & Company acquisition, it is unknown if that lease will be extended and for what length of time. The risk of Verizon is mitigated by the fact that the borrower is required to post a reserve or guarantee equal to 18-months of Verizon's rent plus a leasing commission allowance if the tenant decides not to exercise its renewal in June 2009. DBRS has inquired as to the status of the renewal; however, nine months prior to the lease expiration, the servicer was required to spring a hard lockbox if it had not been notified of Verizon's intent to renew. In addition, CoStar does not indicate that there is much available space in the four buildings.									
15	161 William Street	Office	BBB (low)/BBB (low)	1.3%	\$181.41	May-2017	100%	Dec-07	2.15	1.63
	Commentary The loan is secured by an office property located in lower Manhattan, with a low LTV at issuance of 49%. In addition, more than 80% of the space is leased to two tenants, Pace University and the City of New York, through 2021; therefore, there is little risk during the term of the loan and the term DSCR is high, which on a ten-year term, the tenancy would still be in place at refinancing. In addition, the land value was estimated to be half of the loan amount. The DSCR was down as of YE2007, but it has rebounded to its expected figures as of the most recent cash flows.									
26	Lennox Town Center	Retail	BBB (low)/BBB (low)	1.0%	\$75.60	Jul-2017	100%	Dec-07	2.14	2.22
	Commentary The loan is secured by a retail center located in Columbus, Ohio. The property benefits from its tenancy of Target (lease expiry in 2016) and AMC Theatres (lease expiry in 2021). Together, they represent 62% of the total NRS. The most recent occupancy shows the property is 100% occupied. As a result, performance is stable from issuance and the shadow rating is supported.									
29	Eastlake Village Center	Retail	A (low)/A (low)	0.9%	\$110.61	May-2017	100%	Dec-07	2.04	2.10
	Commentary The loan collateral is a grocery-anchored community shopping center located in Yorba Linda, California. The anchors include Vons Supermarket (lease expiry in 2020) and Longs Drugs Stores (lease expiry in 2015). The solid long-term tenancy, location of the asset and high debt service have contributed to the shadow rating of this loan. The loan is performing as expected.									
39	The Fields Apartment Homes	Multi-Family	BBB (low)/NR	0.7%	\$65,614.04	Jun-2017	95%	Dec-07	2.01	1.33
	Commentary The loan collateral is an apartment building located in Bloomington, Indiana. The LTV was low at issuance, 51%. Even though occupancy has remained high, the borrower reported revenue is down from what was expected at underwriting (including historicals). As a result, DBRS no longer considers this loan to be investment grade. (Originally 1.96x term coverage, the YE2007 DSCR of 1.33x brings the refinance DSCR below 1.0x.)									
41	Stuart Woods	Multi-Family	BBB (low)/BBB (low)	0.6%	\$70,833.33	Jun-2017	94%	Dec-07	2.23	1.89
	Commentary The loan collateral is a multi-family property located in Herndon, Virginia (Fairfax County). The shadow rating is supported by the high DSCR.									



TOP TEN & SHADOW-RATED LOANS IN THE POOL (Continued)										
Prospectus ID	Property Name	Property Type	Shadow-Rating (Original/Current)	Current % of Pool	Loan per Unit	Maturity Date	Most Recent Occupancy	Occupancy Date	Issuer UW DSCR (A-Note)	Most Recent DSCR (A-Note)
42	Jillian Square Apartments	Multi-Family	BBB (low)/BBB (low)	0.6%	\$47,752.81	May-2017	87%	Dec-07	2.08	2.19
	Commentary The loan collateral is a multi-family property located in Fairbanks, Alaska. Primary demand for the property is generated from the U.S. Army. The property benefits from its high occupancy. It can have seasonal tendencies, with occupancy dropping in the winter, but there is sufficient excess cash flow to mitigate this risk. The loan is performing as expected and continues to support its shadow rating. The loan has a related borrower to Prospectus ID#48, Sophie Plaza Apartments.									
43	Arizona Self Storage Portfolio (V)	Self Storage	BBB (low)/BBB (low)	0.6%	\$46.11	Jan-2017	88%	Dec-07	1.67	1.98
	Commentary The loan is secured by a 363,552 sf climate-controlled storage portfolio (consisting of five different properties) located in the Phoenix area. Current performance is in line with expectations; however, given the fact that the Phoenix housing market is one of the most depressed in the country, it may have a direct impact on storage. This could be positive for storage as people move or it could be negative. As a result, our outlook for this property is developing and DBRS will be closely monitoring loan performance.									
48	Sophie Plaza Apartments	Multi-Family	BBB (low)/BBB (low)	0.6%	\$43,785.31	May-2017	87%	Dec-07	2.02	2.12
	Commentary The loan collateral is a multi-family property located in Fairbanks, Alaska. Primary demand for the property is generated from the U.S. Army. The property benefits from its high occupancy. It can have seasonal tendencies, with occupancy dropping in the winter, but there is sufficient excess cash flow to mitigate this risk. The loan is performing as expected and continues to support its shadow rating. The loan has a related borrower to Prospectus ID#42, Jillian Square Apartments.									
54	Embassy Suites Hotel - Secaucus	Ground Lease	BBB (low)/BBB (low)	0.5%	\$55,343.51	May-2017	100%	Sep-08	2.66	2.69
	Commentary The loan collateral is a hotel property that is 100% leased to Hilton. Hilton operates the property as an Embassy Suites hotel. The Hilton lease expires in 2011, but it has renewal options. The cash flow would increase to the extent that Hilton does not renew its lease and the property is directly operated as a hotel, presenting upside if Hilton chooses not to renew its lease.									
60	Birchwood Towers Cooperative	Multi-Family	AAA/AAA	0.5%	\$26,232.88	Apr-2017	100%	Dec-07	7.34	0.78
	Commentary The property is a cooperative residential unit. Originally, the DSCR is shown as if the property is a rental at market rates. The loan is considered to have a low risk of default, supporting the AAA shadow rating, because if the loan is delinquent, the lender's recourse is to the entire building and unit owners would stand to lose their units and any associated equity.									
67	Creekside Inn	Lodging	BBB (high)/BBB (high)	0.4%	\$86,443.77	Jun-2017	75%	Dec-07	2.33	2.51
	Commentary The loan is secured by a 136-room hotel located in Palo Alto, California. The loan performance is stable from issuance and continues to support its shadow rating. The property may suffer increased vacancy over the next few years as the economy continues its recession. However, even a moderate decline in performance would still support its investment-grade shadow rating.									
68	One Flint Hill	Office	A (high)/A (high)	0.4%	\$86.99	Mar-2011	91%	Dec-07	1.42	1.39
	Commentary The collateral is a six-story office building located in Fairfax, Virginia. According to CoStar, the property is currently 98.1% leased. The major tenants at the property include ICF Consulting and Avtec Systems, Inc. The loan is performing as expected at issuance.									
83	Iroquois Shopping Center	Retail	A/A	0.3%	\$62.07	Apr-2014	97%	Dec-07	2.90	2.94
	Commentary The loan collateral is a retail center located in Naperville, Illinois. Major tenants include Big Lots Stores, Inc. (lease expiry in 2015), Sears Logistics Services Inc. (lease expiry in 2011) and Planet Fitness (lease expiry in 2010). Loan performance continues to be strong as reported by the most recent financials and thus supports the shadow rating.									
90	Franklin Manor Apartments	Multi-Family	BBB (high)/BBB (high)	0.3%	\$57,142.86	Mar-2017	92%	Dec-07	2.14	2.03
	Commentary The collateral is a multi-family property located in Morristown, New Jersey. Property performance continues to be in line with expectations and the high DSCR supports the shadow rating.									
147	890 West End Avenue Cooperative	Multi-Family	AAA/AAA	0.1%	\$50,632.91	Jun-2017	100%	Dec-07	13.33	0.64
	Commentary The property is a cooperative residential unit. Originally, the DSCR is shown as if the property is a rental at market rates. The loan is considered to have a low risk of default, supporting the AAA shadow rating, because if the loan is delinquent, the lender's recourse is to the entire building and unit owners would stand to lose their units and any associated equity.									

**TOP TEN & SHADOW-RATED LOANS IN THE POOL (Continued)**

Prospectus ID	Property Name	Property Type	Shadow-Rating (Original/Current)	Current % of Pool	Loan per Unit	Maturity Date	Most Recent Occupancy	Occupancy Date	Issuer UW DSCR (A-Note)	Most Recent DSCR (A-Note)
152	247 West 35th Street	Office	AAA/AAA	0.1%	\$47.27	Apr-2017	96%	Dec-07	3.45	1.35
Commentary										
The loan collateral is a 16-story Class C office property located in New York City, at 247 West 35th Street. The loan is performing in line with expectations and, given its low LTV at less than 20%, supports its current shadow rating. Financials for 2007 are not anticipated to reflect true performance of the asset. The most recent financials reported from Q2 2008 are more representative of true property performance.										
The tenant rent roll is diverse and comprises tenants that occupy 1,000 sf to 5,000 sf.										

PROPERTIES OR LOANS NO LONGER IN THE POOL

Prospectus ID	Property Name	(In Trust) Orig. Ln. Bal.	% of Pool at Issuance	Coupon	Maturity Date	Payoff Date	Recovery	Defeased Date/%	Prepayment Penalty	Losses
<i>All loans and properties remain in the pool.</i>										



DBRS HOTLIST FINDINGS							
Number of Loans on DBRS HotList		5		Number of Loans on Servicer Watchlist		11	
% of Pool		1.8%		% of Pool		5.1%	
HOTLIST LOANS							
Loan Name	Property Type	City	State/Province	Balance	% of Pool	A-Note DSCR	Performance Challenge(s)
Century III Plaza	Retail	West Mifflin	PA	\$26,200,000	1.0%	1.64	Significant exposure to bankrupt tenant
Crossroads	Retail	Chesapeake	VA	\$11,210,000	0.4%	2.37	Significant exposure to bankrupt tenant
Country Inn Suites - Chanhasse	Lodging	Chanhasse	MN	\$8,038,444	0.3%	0.22	DSCR below 1.0x; declining occupancy
Pinebrook Estates	MHC	Douglasville	GA	\$2,349,021	0.1%	0.53	DSCR below 1.0x; declining occupancy
Jamestown Flex Building	Industrial	Avondale	AZ	\$2,258,671	0.1%	0.97	DSCR below 1.0x; declining occupancy
Prospectus ID	25	HotList Performance Challenge(s)					
Property Name	Century III Plaza	Significant exposure to bankrupt tenant					
Property Type	Retail	Description & Performance					
Trust Loan Balance	\$26,200,000	The loan is secured by a retail property with exposure to a bankrupt retailer, Circuit City, which makes up a total of 20% of the NRA and 30% of the income. The servicer is working with the borrower to confirm whether or not there are any co-tenancy clauses with Circuit City. Other major tenants include Home Depot, Giant Eagle and Kohl's (subject to a ground lease). A decrease of 30% of the income could cause the loan to drop to a DSCR of 1.24x. Because the loan is a five-year interest-only loan, the refinance risk is elevated as a result of the Circuit City liquidation. The sponsor for the loan is an Inland Western Retail Real Estate Trust, Inc. fund. Inland is a major owner/operator and may have greater access to finding a tenant.					
% of Pool	1.0%						
Total Loan Balance	\$26,200,000						
Loan psf	\$92						
Location	West Mifflin, PA						
Prospectus ID	70	HotList Performance Challenge(s)					
Property Name	Crossroads	Significant exposure to bankrupt tenant					
Property Type	Retail	Description & Performance					
Trust Loan Balance	\$11,210,000	The loan is secured by a retail property with exposure to a bankrupt retailer, Circuit City, which makes up a total of 28% of the NRA and 23% of the income. According to the original asset summary, there are no co-tenancy clauses with Circuit City. The loss of Circuit City's rental income should not significantly impair the performance of the loan; however, the other primary tenant, T.J. Maxx, has its lease expire within the loan term and several tenants have co-tenancy clauses with T.J. Maxx. A dark Circuit City anchor could potentially decrease the probability that T.J. Maxx renews its lease prior to the loan maturity in 2012. The loan is a five-year interest-only loan. However, it benefits from experienced sponsorship through an Inland fund.					
% of Pool	0.4%						
Total Loan Balance	\$11,210,000						
Loan psf	\$93						
Location	Chesapeake, VA						
Prospectus ID	88	HotList Performance Challenge(s)					
Property Name	Country Inn Suites - Chanhasse	DSCR below 1.0x; declining occupancy					
Property Type	Lodging	Description & Performance					
Trust Loan Balance	\$8,038,444	The loan is secured by a 122-room hotel located in Chanhasse, Minnesota. Chanhasse is located to the southwest of downtown Minneapolis and St.Paul. The DSCR fell to 0.58x compared with 1.46x at issuance. The borrower notes this is primarily due to the slow economy and cancellation of several conventions. The loan per square foot appears to be moderate, although given performance decline in today's market, it may result in losses if the borrower defaults.					
% of Pool	0.3%						
Total Loan Balance	\$8,038,444						
Loan psf	\$65,889						
Location	Chanhasse, MN						
Prospectus ID	197	HotList Performance Challenge(s)					
Property Name	Pinebrook Estates	DSCR below 1.0x; declining occupancy					
Property Type	MHC	Description & Performance					
Trust Loan Balance	\$2,349,021	The loan is secured by a manufactured housing community with 147 pads located in Douglasville, Georgia (approximately 20 miles west of Atlanta). The loan is considered a HotList loan because of the increased vacancy noted as of Q3 2008, 65%, which resulted in the DSCR dropping below 1.0x. The servicer reports the drop in revenue is due to the borrower having to decrease rental rates in order to attract new tenants. The loan per pad is considered low at \$15,980.					
% of Pool	0.1%						
Total Loan Balance	\$2,349,021						
Loan psf	\$15,980						
Location	Douglasville, GA						
Prospectus ID	199	HotList Performance Challenge(s)					
Property Name	Jamestown Flex Building	DSCR below 1.0x; declining occupancy					
Property Type	Industrial	Description & Performance					
Trust Loan Balance	\$2,258,671	The loan is secured by a 28,336 sf industrial building located in Avondale, Arizona, west of the Phoenix MSA along Interstate 10. The occupancy at the property continues to decline and was most recently reported to be 63% occupied as of Q3 2008, causing the DSCR to drop below 1.0x. The industrial market in the Phoenix MSA was 12.1% vacant as of YE2008, according to Reis. Given the current housing crisis and soft economy, DBRS does not expect it to get better any time soon.					
% of Pool	0.1%						
Total Loan Balance	\$2,258,671						
Loan psf	\$80						
Location	Avondale, AZ						


DEFAULTED/DELINQUENT/MATURED PERFORMING LOANS

Prospectus ID	50	
Property Name	Grand Mart Chicago Portfolio (VII)	The loan is 30 days delinquent and is not in special servicing. The loan is collateralized by the portfolio of three retail properties in three different suburbs of Chicago. The comments on the watchlist are incorrect: they note that the tenant Cub Foods vacated two of the three properties. In actuality, all of the leases are to Grand Mart International Food, a grocery chain on the east coast that expanded into the Chicago area in 2006–2007. The chain subsequently pulled out of the Chicago area. The tenant signed 25-year leases at each of the properties and personally guaranteed the leases. According to the issuer's documents, the leases contain a "no go dark provision." DBRS has inquired of the servicer about the dark provision because it is our understanding that the buildings are dark. According to the servicer, the borrower has failed to provide OSARs and rent rolls. Asset Management and the Delinquency Team are working on reaching the borrower. The properties are located in Bridgeview, Joliet and Aurora. A loss is difficult to estimate given the personal guarantee on the leases; however, without that, it could be upward of 50%.
Property Type	Retail	
Loan Balance	\$14,518,814	
% of Pool	0.5%	
Loan psf	\$75	
Expected Loss	\$5,807,526	
Advances	\$0	
Value	\$24,100,000	
Valuation Date	Feb. 20, 2007	
Advances/Value Ratio	0%	
Prospectus ID	75	
Property Name	One Exchange Place	The loan was transferred to special servicing following payment default. The loan is currently greater than 90 days delinquent. The loan became delinquent as a result of the borrower not being able to get tenants into occupancy due to fire-code violations brought about by tenant buildout. The borrower has threatened to cure the delinquency, but thus far has not presented a plan acceptable to the special servicer. We are awaiting an updated appraisal. Collateral is a 97,000 sf office property located in Jersey City, New Jersey. The servicer reported June 2008 occupancy to be 55% and based on capping the most recent NOI using a 10% cap rate, the value could be as low as \$3.5 million, which would result in a significant loss amount. The borrower purchased the property in 1997 for \$5.5 million and even with some renovation work that was done, the \$10 million loan completely cancels out any original equity in the transaction.
Property Type	Office	
Loan Balance	\$10,000,000	
% of Pool	0.4%	
Loan psf	\$102	
Expected Loss	\$0	
Advances	\$228,511	
Value	\$17,100,000	
Valuation Date	Jan. 4, 2007	
Advances/Value Ratio	1.3%	
Prospectus ID	125	
Property Name	Country Inn and Suites - Ft Myers Airport	The loan was recently transferred to special servicing for delinquency. Because it was recently transferred, we do not know which course of action the servicer will pursue. The loan is secured by an 85-unit hotel located near the Fort Myers Airport in Florida. The borrower relies on traffic brought in from the airlines. At issuance, the occupancy was noted to be declining. Most recent occupancy has been in the 60% range, reported from YE2007 through Q2 2008. Servicer reported financials also vary, from below 1.0x as of YE2007 to 1.54x as of the most recent financials. The loan is structured on a 20-year amortization schedule. The borrower built the property in 2001 for \$6 million and therefore still has cash equity remaining in the property. DBRS loss estimates assume the loan is performing below 1.0x or it wouldn't be delinquent. Competition in the immediate area includes Comfort Inn, Hampton Inn and Best Western.
Property Type	Lodging	
Loan Balance	\$4,786,602	
% of Pool	0.2%	
Loan psf	\$56,313	
Expected Loss	\$957,320	
Advances	\$0	
Value	\$10,100,000	
Valuation Date	Mar. 25, 2007	
Advances/Value Ratio	0%	
Prospectus ID	129	
Property Name	Red Self Storage	This loan is 30 days delinquent and has been so for the past few months, but the borrower keeps bringing it current. The borrower has not reported financials on the loan since issuance. The collateral is a 44,000 sf storage facility located in Miami. At origination, the property was operating at a high vacancy compared with a stabilized 75% to 85% occupancy. The primary driver of the higher vacancy was the smaller 50 sf units. Based on the age and configuration of the property, built in 1921, the property was counting on upside from the newer residential and retail development Midtown Miami that is near the subject. That project was anticipated to bring 3,000 residential units to the area, increasing demand. The success of that project is not known.
Property Type	Self Storage	
Loan Balance	\$4,725,000	
% of Pool	0.2%	
Loan psf	\$106	
Expected Loss	\$1,890,000	
Advances	\$0	
Value	\$6,700,000	
Valuation Date	Apr. 10, 2007	
Advances/Value Ratio	0%	


DEFAULTED/DELINQUENT/MATURED PERFORMING LOANS (Continued)

Prospectus ID	143	<p>This loan is 30 days delinquent and has been so for the past few months, but the borrower keeps bringing it current. The latest performance figures reported by the servicer show property performance to be in line with issuance expectations. However, it could be that the market has experienced continued downward pressure as a result of the recession. There is a lot of competition within the Daytona, Florida, MSA. The property is well located, directly on the beach. At this time, without further information on the performance, it is difficult to predict a loss in the event the payments remain delinquent.</p>
Property Name	Hampton Inn - Daytona	
Property Type	Lodging	
Loan Balance	\$3,930,594	
% of Pool	0.1%	
Loan psf	\$34,479	
Expected Loss	\$98,265	
Advances	\$0	
Value	\$12,700,000	
Valuation Date	Mar. 7, 2007	
Advances/Value Ratio	0%	
Prospectus ID	212	<p>The property is now REO and is listed for sale. The occupancy at the property is 30% and is the primary reason for borrower default. The subject was new construction and lost many tenants. It is located near a shopping center anchored by Winn-Dixie in St. Cloud, Florida, which is south of Orlando and Kissimmee. Capping the estimated NOI (based on a 30% occupancy) at 10% cap rate, the value would imply a significant loss to this loan. The appraisal ordered in 2008 shows a value of \$2.1 million. DBRS is doubtful that value can be obtained in today's market.</p>
Property Name	Regent Shoppes - St. Cloud, FL	
Property Type	Retail	
Loan Balance	\$1,666,795	
% of Pool	0.1%	
Loan psf	\$154	
Expected Loss	\$1,166,795	
Advances	\$31,257	
Value	\$2,140,000	
Valuation Date	May 8, 2008	
Advances/Value Ratio	1.5%	

INTEREST SHORTFALLS
Cumulative Interest Shortfall \$20,764

Shortfall Description The cumulative interest shortfall currently totals \$20,764. The shortfall is due to fees associated with loans in special servicing.

Glossary

Notes

ADR = average daily rate
Avg. HH = 2000 average annual household income
BR = bedroom
capex = capital expenditures
CBD = central business district
CMBS = commercial mortgage-backed securities
DSCR = debt service coverage ratio
EGI = effective gross income
ERV = estimated rental value
F&B = food & beverage
FF&E = furniture fixtures & equipment
G&A = general and administrative
GPR = gross potential rent
ICR = interest coverage ratio
IPD = interest payment date, generally quarterly
IO = interest only
LC = leasing commission
LTV = loan-to-value
MHC = mobile home community
MTM = month to month
MSA = metropolitan statistical area
n.a. = not available
n/a = not applicable
NCF = net cash flow
NNN = triple net
NOI = net operating income
NRA = net rentable area
NRI = net rentable income
NR – PIF = not rated – paid in full
OSAR = operating statement analysis report
P&B = payroll and benefits
P&I = principal and interest
PPL = pari passu loan
psf = per square foot
R&M = repairs & maintenance
REIT = real estate investment trust
RevPAR = revenue per available room
sf = square foot/square feet
SPE = special purpose entity
TI = tenant improvement
TIC = tenants in common
T-12 = trailing 12 months
UW = underwriting
WA = weighted average
WAC = weighted-average coupon
WH = warehouse
x = times
YE = year-end
YTD = year-to-date

Glossary

capital expenditure (capex) – Costs incurred in the improvement of a property that will have a life of more than one year.

debt service coverage ratio (DSCR) – A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income (NOI) or net cash flow (NCF) to the debt service payments.

effective gross income (EGI) – Rental revenue minus vacancies plus miscellaneous income.

issuer UW – Issuer underwritten from Annex A or servicer reports.

loan-to-value (LTV) – The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.

maximum debt service – The maximum actual annual debt service obligations of the borrower throughout the term of the loan.

net cash flow (NCF) – The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income (NOI) less tenant improvements, leasing commissions and capital expenditures.

NNN (triple net) – A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.

net operating income (NOI) – The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.

net rentable area (NRA) – The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.

revenue per available room (RevPAR) – A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.

tenant improvements (TIs) – The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.

weighted average (WA) – Calculation is weighted by the size of each mortgage in the pool.

weighted-average coupon (WAC) – The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.



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