



*Insight beyond the rating*

Surveillance Report

*Bear Stearns Commercial Mortgage  
Securities Trust, Series 2007-TOP26*

MARCH 2009

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## CONTACT INFORMATION FOR BEAR STEARNS COMMERCIAL MORTGAGE SECURITIES TRUST, SERIES 2007-TOP26

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# Bear Stearns Commercial Mortgage Securities Trust, Series 2007-TOP26

<b>CAPITAL STRUCTURE</b>											
Class	Outstanding Balance		Interest Shortfall (1)	Credit Enhancement (C/E)		DBRS Ratings			COMP Range C/E		
	Original	Current		Original	Current	Original	Current	Trend	Low	High	
A-1	\$75,000,000	\$56,188,286		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-2	\$177,000,000	\$177,000,000		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-3	\$65,400,000	\$65,400,000		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-AB	\$78,000,000	\$78,000,000		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-4	\$991,880,000	\$991,880,000		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-1A	\$150,102,000	\$148,987,139		27.0%	27.3%	AAA	AAA	Stable	n/a	n/a	
A-M	\$210,601,000	\$210,601,000		17.0%	17.2%	AAA	AAA	Stable	n/a	n/a	
A-J	\$160,583,000	\$160,583,000		9.4%	9.5%	AAA	AAA	Stable	9.5%	17.5%	
B	\$42,120,000	\$42,120,000		7.4%	7.4%	AA	AA	Stable	7.4%	12.7%	
C	\$18,427,000	\$18,427,000		6.5%	6.6%	AA (low)	AA (low)	Stable	6.6%	10.8%	
D	\$28,958,000	\$28,958,000		5.1%	5.2%	A	A	Stable	5.2%	9.1%	
E	\$15,795,000	\$15,795,000		4.4%	4.4%	A (low)	A (low)	Stable	4.4%	9.0%	
F	\$18,427,000	\$18,427,000		3.5%	3.5%	BBB (high)	BBB (high)	Stable	3.5%	7.7%	
G	\$18,428,000	\$18,428,000		2.6%	2.7%	BBB	BBB	Stable	2.7%	6.2%	
H	\$18,427,000	\$18,427,000		1.8%	1.8%	BBB (low)	BBB (low)	Stable	1.8%	4.8%	
J	\$2,633,000	\$2,633,000		1.6%	1.6%	BB (high)	BB (high)	Stable	1.6%	4.1%	
K	\$2,632,000	\$2,632,000		1.5%	1.5%	BB	BB	Stable	1.5%	3.3%	
L	\$5,265,000	\$5,265,000		1.3%	1.3%	BB (low)	BB (low)	Stable	1.3%	2.8%	
M	\$2,633,000	\$2,633,000		1.1%	1.1%	B (high)	B (high)	Stable	1.1%	2.3%	
N	\$5,265,000	\$5,265,000		0.9%	0.9%	B	B	Negative	0.9%	1.9%	
O	\$2,632,000	\$2,632,000		0.8%	0.8%	B (low)	B (low)	Negative	0.8%	1.7%	
P	\$15,795,971	\$15,795,971	\$4,049	0.0%	0.0%	NR	NR	n/a	n/a	n/a	
X-1 (2)	\$2,106,003,971	\$2,086,077,396		n/a	n/a	AAA	AAA	Stable	n/a	n/a	
X-2 (2)	\$2,069,863,000	\$1,972,239,000		n/a	n/a	AAA	AAA	Stable	n/a	n/a	

**Note:**

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

(1) If shortfalls exist, further detail is found on page 10.

(2) Notional balance.

**DBRS Ratings Viewpoint**

DBRS has changed the trend of Class N and Class O to Negative from Stable based on the number of HotList loans and concern over one of the two loans in special servicing. There have been seven loans (4.4% of the current pool balance) added to the DBRS HotList due to concerns regarding performance, including one of the ten largest loans. In addition, one loan (0.2% of the current pool balance) was transferred to special servicing because of imminent default due to the property's occupancy having plummeted since issuance. DBRS has reviewed all of the shadow-rated loans and found two crossed loans, Stoney Point East & West (combined 1.3% of the current pool balance), to no longer meet investment-grade criteria due to its increased vacancy and market outlook (see page 6 for details).

**Unique Structural Features**

The transaction is a sequential-pay pass-through structure with no underlying pari passu pieces outside of the trust.



COLLATERAL SUMMARY			CONCENTRATIONS					
	Original Closing April 2007	Current Cut-off February 2009	Property Type	Original	Current	Province/State	Original	Current
Balance	\$2,106,003,972	\$2,086,077,397	Retail	24.9%	24.9%	NY	16.0%	16.2%
Whole Loan Balance	\$2,106,003,972	\$2,086,077,397	Lodging	7.6%	7.6%	CA	12.6%	12.6%
# of Loans	237	235	Multi-Family	6.9%	6.9%	TX	9.5%	9.6%
WAC	5.67%	5.67%	Office	40.8%	41.0%	NJ	7.0%	7.1%
WALTV	59.6%	59.1%	Industrial	11.6%	11.4%	MO	5.7%	5.8%
WADSCR	1.82	1.70	Self Storage	1.3%	1.3%	FL	3.9%	3.9%
			Mixed Use	5.5%	5.5%	AZ	3.6%	3.7%
			Health Care	0.0%	0.0%	GA	3.6%	3.6%
			MHC	0.2%	0.2%	WA	3.0%	3.1%
			Other	0.0%	0.0%	IL	2.6%	2.7%
			Securities	0.0%	0.0%	Various	0.6%	0.6%

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	33.9%	1.69	60.3%	100.0%	33.9%	1.69	60.3%	100.0%
Loans 11-20	11.2%	1.68	60.5%	100.0%	9.0%	1.73	57.7%	100.0%
Total Pool	100.0%	1.66	57.6%	99.6%	93.1%	1.68	58.0%	99.6%

**Concentration Comments**

Two small loans have paid out of the pool since issuance, but most of the property concentrations are relatively unchanged. The collateral is concentrated in office (41.0% of the current pool balance) and retail (24.9% of the current pool balance) properties but is well diversified geographically. All but three of the underlying loans have reported full-year financials from YE2007 (99.6% of the pool), with the majority 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		
One Dag Hammarskjold Plaza	Office	\$150,000,000	7.19%	192	-10%	-4%	2%	A (low)/A (low)	N
One AT&T Center	Office	\$112,695,000	5.40%	92	-2%	-1%	49%	n/a	N
Fulbright Tower	Office	\$89,000,000	4.27%	71	-34%	-13%	7%	BBB (low)/BBB (low)	N
Scripps Center	Office	\$68,283,175	3.27%	126	1%	5%	12%	n/a	N
Academy Sports HQ	Industrial	\$68,250,000	3.27%	47	0%	0%	0%	n/a	N
Viad Corporate Center	Office	\$65,000,000	3.12%	136	-8%	-1%	5%	n/a	N
909 A Street	Office	\$48,000,000	2.30%	228	3%	-31%	-93%	n/a	N
DoubleTree Hotel Jersey City	Lodging	\$45,000,000	2.16%	227,273	-3%	21%	48%	n/a	N
Overlook II	Office	\$31,500,000	1.51%	124	-11%	-3%	6%	n/a	N
The Shops at Sherman Plaza	Retail	\$30,275,000	1.45%	199	-9%	-19%	-37%	n/a	N

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


**TOP 10 & 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	One Dag Hammarskjold Plaza	Office	A (low)/A (low)	7.2%	\$191.59	Feb-2022	98%	Dec-07	2.17	1.95
	<b>Commentary</b> The loan performance shows a decrease in NCF as of YE2007; however, the partial-year 2008 figures are more in line with underwriting numbers. The property is located near the United Nations in New York City and attracts many tenants that conduct business with the UN. CoStar Group, Inc. (CoStar) currently shows the property to be 97.8% leased, which is also in line with underwritten occupancy figures. Asking rent on available space is \$75 psf.									
2	One AT&T Center	Office	n/a	5.4%	\$91.90	Jan-2017	100%	Dec-07	2.24	2.20
	<b>Commentary</b> The loan is secured by an office complex that is 100% leased to AT&T Services, Inc. and the lease is fully guaranteed by AT&T Inc., which is rated "A" by DBRS. The lease extends through 2017.									
3	Fulbright Tower	Office	BBB (low)/BBB (low)	4.3%	\$71.37	Feb-2012	91%	Dec-07	2.50	1.82
	<b>Commentary</b> There was a decline in the YE2007 NCF and quarterly 2008 NCF, which was anticipated as the second largest tenant didn't begin to pay rent until March 2008. This was anticipated at origination and therefore DBRS does not find a concern with this loan. The property is secured by an office building located in Houston.									
4	Scripps Center	Office	n/a	3.3%	\$125.61	Mar-2017	91%	Dec-07	1.62	1.63
	<b>Commentary</b> The loan is secured by a 36-story Class A office building and parking garage located in Cincinnati, Ohio. According to CoStar, the property is 89.7% leased and 11.8% of the space, which includes some sublet space, is currently being marketed. Asking rents on the space have dropped to \$16.50 psf (plus utilities). The property's second largest tenant, Thompson Hine, LLP, has a lease that expires in 2010.									
5	Academy Sports HQ	Industrial	n/a	3.3%	\$46.92	Feb-2017	100%	Dec-07	1.60	1.61
	<b>Commentary</b> The loan is secured by an industrial facility that is fully leased to Academy Sports & Outdoors (Academy) as part of a sale leaseback transaction. Academy's lease is for 20 years, with several renewal options. The loan is performing as expected.									
6	Viad Corporate Center	Office	n/a	3.1%	\$136.43	Dec-2016	89%	Dec-07	1.23	1.13
	<b>Commentary</b> The loan is secured by an office complex located in Phoenix. It is on the servicer's watchlist because the second largest tenant, LandAmerica Financial Group, notified the borrower that it would reduce its NRA as of February 2009, when its lease expired. In order to retain the tenant, the borrower had to agree to a \$20 psf rental rate on its remaining space and a five-year term. According to CoStar, almost 15% of the building is available for lease, most of which is available for direct lease and is currently vacant. Asking rents are between \$27 and \$32 psf, but given a new lease was signed at \$20 psf, it is likely that rate is closer to market. Class A vacancy was reported to be 21.3% in the Phoenix MSA (CoStar). The downward pressure on rents and increased vacancy at the property and within the market are a concern for DBRS as it relates to this property. As such, DBRS has placed this loan on its HotList.									
7	909 A Street	Office	n/a	2.3%	\$228.37	Feb-2017	100%	Dec-07	1.47	1.51
	<b>Commentary</b> The loan is secured by a Class A office building located in Tacoma, Washington. The building is 100% leased to Russell Investment Group (Russell) and serves as its headquarters. Russell's lease extends through November 2013, with one five-year renewal option.									
8	DoubleTree Hotel Jersey City	Lodging	n/a	2.2%	\$227,272.73	Jan-2017	85%	Dec-07	2.07	2.01
	<b>Commentary</b> The Hilton's website currently notes that the property is undergoing parking lot and room renovations to improve the property. The franchise agreement with Double Tree was scheduled to expire in December 2008. DBRS has asked the servicer about its renewal, but thus far confirms that the property is still available for bookings through Hilton's reservation system. Hotel performance in the New York MSA is expected to decline significantly in the upcoming year as a result of the economy. Therefore, given its close proximity to the Manhattan market, we would expect this hotel's performance to decline as well.									



TOP 10 & 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)
9	Overlook II <b>Commentary</b> The loan is secured by a Class A office building located in northwest suburban Atlanta (Cumberland/Galleria submarket). CoStar currently notes the property is 90.7% leased, which is in line with occupancy at origination. CoStar also reports current availability in the building, including sublease space, to be 18.4% and average asking rents are \$23 psf. The property's submarket is 15% vacant, with quoted rental rates of \$21 (CoStar). This submarket experienced negative net absorption in 2008.	Office	n/a	1.5%	\$123.70	Mar-2017	90%	Dec-07	1.42	1.27
10	The Shops at Sherman Plaza <b>Commentary</b> The collateral for this loan is a retail plaza located in Evanston, Illinois. The property was not stabilized at issuance when the subject's occupancy rate was 88%. Since then, the property has attained an occupancy of 98% (September 2008 rent roll). Most of the major tenants are longer term, including LA Fitness, Barnes & Noble and Pier 1 Imports.	Retail	n/a	1.5%	\$198.93	Mar-2017	95%	Dec-07	1.94	1.77
11	503 Broadway <b>Commentary</b> The loan is secured by a five-story, 150,000 sf mixed-use building located in the SoHo section of New York City. At issuance, the loan was 67% occupied, primarily because the borrower had exercised its option to terminate the leases on two tenants occupying the second floor and basement level because the rents were far below market. Currently, CoStar shows the property to be 83% leased and lists 25,000 sf on the second floor as available at an asking rate of \$50 psf. The current DSCR continues to support the shadow rating on the loan. And even though values have fallen substantially in the New York City MSA, the leverage point of \$200 psf remains favorable.	Mixed Use	A (low)/A (low)	1.4%	\$200.00	Dec-2016	83%	Dec-07	2.46	2.32
12	Harmony Marketplace <b>Commentary</b> The property is secured by a 12-building, 225,938 sf anchored retail center located in Fort Collins, Colorado. The primary tenants are The Home Depot (paying ground rent), King Soopers, PetSmart, Walgreens and Linens 'n Things (LNT). LNT comprised 9.7% of the space. DBRS has inquired as to the potential for co-tenancy clauses with LNT. In addition, there is a Circuit City on site, but it is not part of the collateral. Without the LNT rent, the DSCR is expected to drop to 2.10x, which would still support the shadow rating. However, in the event that the LNT or Circuit City were to trigger co-tenancy clauses or further increase vacancy, the shadow rating could be downgraded or removed.	Retail	A (high)/A (high)	1.4%	\$87.04	Mar-2017	95%	Dec-07	2.49	2.40
14 & 15	Stony Point East & West <b>Commentary</b> The security is two cross-collateralized and cross-defaulted loans, Stony Point East and Stony Point West, secured by five office properties located in Santa Rosa, California. DBRS has removed the shadow rating on these loans because of increased vacancy at the Stony Point East properties. The combined DSCR will drop to 1.22x when considering the current vacancy and approximately 58% of the tenants have leases that expire in the next three years. The property has typically signed three- to five-year leases, which means that tenant rollover is higher; however, in 2007, the average renewal was lower than historically, with about 50% of the tenants renewing. When we consider the rollover, increased vacancy and the fact that new leases are signing for \$2 to \$3 psf lower than the existing rent, it will be difficult for this loan to maintain sufficient cash flow to support the shadow rating. That being said, DBRS does not consider this to be a HotList loan at this time, in part because the borrower was able to retain tenants whose leases expired in 2007 and signed new tenants in 2008 as well. Therefore, while the outlook for the market may be soft, the borrower has still been able to attract new tenants to the buildings. The borrower has been operating in the Santa Rosa area for years and has managed these properties since they were built.	Office	BBB (high)/NR	1.3%	\$95.46	Oct-2013	75%	Sep-2008	1.98	1.39
32	Fox Chapel Shopping Center <b>Commentary</b> The loan is secured by a 115,000 sf grocery-anchored shopping center located in Germantown, Maryland (30 miles northwest of Washington D.C.). The center is anchored by Giant Foods (45% NRA and 23% base rent), a fitness tenant and café. The Giant Foods lease expires within the term; however, the tenant has two of its original four renewal options remaining. The loan is subject to a hard lockbox.	Retail	BBB (low)/BBB (low)	0.7%	\$134.51	Feb-2017	95%	Dec-07	2.05	2.24
33	Byram Plaza Shopping Center <b>Commentary</b> The loan is secured by a 137,000 sf grocery-anchored shopping center located in Byram Township, New Jersey (50 miles west of New York City). The major tenant is ShopRite grocer, comprising more than 50% of the NRA and base rent. The tenant's lease extends through 2023, well beyond the loan term, and has historically reported very high sales. According to the September 2008 rent roll, the property is well occupied, with only two vacant units totaling 5,700 sf, yielding a 96% occupancy rate. Performance remains in line with expectations, supporting the shadow rating.	Retail	BBB (low)/BBB (low)	0.7%	\$110.16	Apr-2017	94%	Dec-07	1.98	1.84
38	HSBC Sioux Falls <b>Commentary</b> The loan is secured by a two inter-connected office buildings located in Sioux Falls, South Dakota. Both properties are 100% leased to HSBC Card Services, whose lease is basically co-terminous with loan maturity in 2014. The loan is interest-only for the full term. The drop in DSCR is not explainable, given the property is 100% leased. The risk of having a vacant building at maturity is mitigated by two factors: (1) the loan has an anticipated repayment date (ARD) structure and a hard lockbox will be enacted within 12 months of loan maturity or HSBC's lease expiration, with excess cash flow accumulating to three years' worth of debt service payments, and (2) the dark value of the property was assessed to be greater than the loan amount.	Office	BBB (low)/BBB (low)	0.7%	\$87.06	Oct-2014	100%	Dec-07	2.45	1.99



<b>TOP 10 &amp; SHADOW-RATED LOANS IN THE POOL (Continued)</b>										
<b>Prospectus ID</b>	<b>Property Name</b>	<b>Property Type</b>	<b>Shadow-Rating (Original/Current)</b>	<b>Current % of Pool</b>	<b>Loan per Unit</b>	<b>Maturity Date</b>	<b>Most Recent Occupancy</b>	<b>Occupancy Date</b>	<b>Issuer UW DSCR (A-Note)</b>	<b>Most Recent DSCR (A-Note)</b>
49	38-05 to 38-17 and 37-27/29 Main Street <b>Commentary</b> The loan is secured by two adjacent retail buildings located along Main Street in Flushing, New York. The largest tenant is Citibank, N.A. (Citibank), whose lease extends through 2017. The rental rate of Citibank steps up to more than \$200 psf by loan maturity. The increase in DSCR likely reflects a rent step in the Citibank lease that occurred in late 2007. While the loan per square foot is high and the loan is interest-only for the full term, the location helps to mitigate the tenant risk at maturity.	Retail	BBB (low)/BBB (low)	0.5%	\$684.07	May-2017	88%	Dec-07	1.88	2.12
51	213 West 35th Street <b>Commentary</b> The property is secured by a 13-story office building built in 1921 located in Manhattan's garment district. As of the October 2008 rent roll, the property was well leased, with only one vacant unit. The shadow rating is supported by the high DSCR and low loan per square foot.	Office	BBB (low)/BBB (low)	0.5%	\$59.10	Jan-2017	100%	Dec-07	2.24	2.90
52	Newbury Portfolio Roll-Up (I) <b>Commentary</b> The loan is secured by a portfolio of five buildings that contain retail, office and residential units well located in Boston's Back Bay area. The loan continues to perform in line with expectations supporting the shadow rating.	Mixed Use	BBB (low)/BBB (low)	0.5%	\$364.82	Feb-2017	100%	Dec-07	1.82	1.96
58	Bridgeport Stop & Shop II <b>Commentary</b> The loan is secured by a 67,000 sf free-standing Stop & Shop located in Bridgeport, Connecticut. Stop & Shop's lease extends through 2018, one year beyond maturity; however, it has six five-year renewal options and has historically reported very strong sales at this location, which help mitigate the single-tenant risk.	Retail	BBB (low)/BBB (low)	0.4%	\$139.50	Jan-2017	100%	Dec-07	2.26	2.39
68	Rye Colony Apartment <b>Commentary</b> The loan is secured by a co-operative housing located in Rye, New York. The issuer UW DSCR shows what the DSCR would look like if the servicer had to bring the property to market as a multi-family property. The risk of that happening would depend on the co-operative unit owners defaulting upon the loan, in which case they would lose their interest/ownership in the building. The servicer is not required to report financials as if it was a rental, therefore the DSCRs are not comparable.	Multi-Family	AAA/AAA	0.4%	\$49,517.89	Jan-2017	100%	Dec-07	4.22	0.77
78	Westover Apartments <b>Commentary</b> The loan is secured by a seven-story, 159-unit mid-rise apartment complex located in Caldwell, New Jersey (22 miles from New York City). The shadow-rating is supported by the loan's high DSCR and conservative leverage on the property.	Multi-Family	BBB (high)/BBB (high)	0.3%	\$44,025.16	Jan-2017	98%	Dec-07	2.20	2.55
90	Whole Foods Santa Monica <b>Commentary</b> The security for the loan is the land upon which Mrs. Gooch's Natural Foods Market is located, along Wilshire Boulevard in Santa Monica, California. The loan is structured with a 10-year term and is subject to a 20-year amortization schedule. The loan amortizes to \$144 psf upon reaching maturity, which, at origination, the appraiser estimated to be less than half of the land value. The tenant lease extends through 2021 and pays a base rent plus a percentage rent.	Leased Fee	AA/AA	0.3%	\$210.80	Apr-2017	100%	Dec-07	1.99	2.21
103	36 Sutton Place South <b>Commentary</b> The loan is secured by a co-operative housing located in New York, New York. The issuer UW DSCR shows what the DSCR would look like if the servicer had to bring the property to market as a multi-family property. The risk of that happening would depend on the co-operative unit owners defaulting upon the loan, in which case they would lose their interest/ownership in the building. The servicer is not required to report financials as if it was a rental; therefore, the DSCRs are not comparable.	Multi-Family	AAA/AAA	0.2%	\$50,750.00	Jan-2017	100%	Dec-07	9.88	0.34
143	Tracy Towers <b>Commentary</b> The loan is secured by a co-operative housing located in New York City. The issuer UW DSCR shows what the DSCR would look like if the servicer had to bring the property to market as a multi-family property. The risk of that happening would depend on the co-operative unit owners defaulting upon the loan, in which case they would lose their interest/ownership in the building. The servicer is not required to report financials as if it was a rental; therefore, the DSCRs are not comparable.	Multi-Family	AAA/AAA	0.1%	\$18,449.56	Dec-2016	100%	Dec-07	10.05	1.42
<b>Loans or Properties No Longer in the Pool</b>										
<b>Prospectus ID</b>	<b>Property Name</b>	<b>Orig. Ln. Bal.</b>	<b>at Issuance</b>	<b>Coupon</b>	<b>Date</b>	<b>Date</b>	<b>Recovery</b>	<b>Date/%</b>	<b>Penalty</b>	<b>Losses</b>
164	94 - 125 Leokane	\$2,473,303	0.12%	7%	Jan-2012	Feb-2008	100%		\$49,002	n/a
172	Newington Warehouse	\$2,200,000	0.10%	6%	Jan-2017	Sep-2008	100%		n/a	n/a



**DBRS HOTLIST FINDINGS**

<b>Number of Loans on DBRS HotList</b>	<b>7</b>	<b>Number of Loans on Servicer Watchlist</b>	<b>17</b>
<b>% of Pool</b>	<b>4.4%</b>	<b>% of Pool</b>	<b>7.4%</b>

**HOTLIST LOANS**

Loan Name	Property Type	City	State/Province	Balance	% of Pool	A-Note DSCR	Performance Challenge(s)
Viad Corporate Center	Office	Phoenix	AZ	\$65,000,000	3.1%	1.03	Decline in occupancy; Adverse market conditions
100 Challenger	Office	Ridgefield Park	NJ	\$17,000,000	0.8%	0.64	DSCR below 1.0x; Master lease income
Summertree Park Apartments	Multi-Family	Tacoma	WA	\$2,833,554	0.1%	1.01	DSCR below 1.0x; Decline in occupancy
West Dearborn Apartments	Multi-Family	Dearborn	MI	\$1,872,624	0.1%	0.83	DSCR below 1.0x; Rising expenses
Premier Self Storage	Self Storage	Tuscaloosa	AL	\$1,854,442	0.1%	0.87	DSCR below 1.0x
20195 Stevens Creek Boulevard	Office	Cupertino	CA	\$1,835,417	0.1%	0.86	DSCR below 1.0x; Decline in occupancy
Hollywood Plaza	Retail	Clinton Township	MI	\$1,560,829	0.1%	0.47	DSCR below 1.0x; Decline in occupancy

<b>Prospectus ID</b>	6	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	Viad Corporate Center	Decline in occupancy; Adverse market conditions
<b>Property Type</b>	Office	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$65,000,000	The loan is secured by an office complex located in Phoenix. It is on the servicer's watchlist because the second largest tenant, LandAmerica Financial Group, notified the borrower that it would reduce its NRA when its lease expired (February 2009). In order to retain the tenant, the borrower had to agree to a \$20 psf rental rate on its remaining space and a five-year term. According to CoStar, almost 15% of the building is available for lease, most of which is available for direct lease and is currently vacant. Asking rents are between \$27 and \$32 psf, but given a new lease was signed at \$20 psf, it is likely that rate is closer to market. Class A vacancy was reported to be 21.3% in the Phoenix MSA (CoStar). The downward pressure on rents and increased vacancy at the property and within the market are a concern for DBRS. As such, DBRS has placed this loan on its HotList.
<b>% of Pool</b>	3.1%	
<b>Total Loan Balance</b>	\$65,000,000	
<b>Loan psf</b>	\$136	
<b>Location</b>	Phoenix, AZ	

<b>Prospectus ID</b>	30	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	100 Challenger	DSCR below 1.0x; Master lease income
<b>Property Type</b>	Office	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$17,000,000	The loan is secured by a leasehold interest in a 149,000 sf office building located in Ridgefield Park in the Northern New Jersey office market. The property has been performing with a DSCR of less than 1.0x due to vacancy at the subject, which was being master leased – in 2008, the occupancy was 64% to 66%, in line with issuance. The property's primary tenant, AGFA, reduced its square footage (previously 100% tenant) and the borrower, Hartz Mountain, master leased the remaining space with no expiry date. The servicer reports that the borrower was able to execute some new leases and according to CoStar, the property is now 83% leased. DBRS had placed the loan on the HotList until it can determine whether the master lease income is being properly accounted for.
<b>% of Pool</b>	0.8%	
<b>Total Loan Balance</b>	\$17,000,000	
<b>Loan psf</b>	\$114	
<b>Location</b>	Ridgefield Park, NJ	

<b>Prospectus ID</b>	157	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	Summertree Park Apartments	DSCR below 1.0x; Decline in occupancy
<b>Property Type</b>	Multi-Family	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$2,833,554	The property was added to the DBRS HotList because it has experienced a decrease in occupancy, down from 95% at issuance to 75% to 84% (September 2008) and a lowering of the rental rates, which has put additional pressure on the DSCR. The loan per unit is moderate, considering the property is a Class C garden-style multi-family built in 1964.
<b>% of Pool</b>	0.1%	
<b>Total Loan Balance</b>	\$2,833,554	
<b>Loan psf</b>	\$41,670	
<b>Location</b>	Tacoma, WA	



<b>DBRS HOTLIST FINDINGS (Continued)</b>		
<b>Prospectus ID</b>	189	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	West Dearborn Apartments	DSCR below 1.0x; Rising expenses
<b>Property Type</b>	Multi-Family	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$1,872,624	The loan is secured by a multi-family property located in Dearborn, Michigan. Since issuance, the property has experienced stable occupancy in the high 80% range; however, DSCR has fallen as expenses have risen. The loan per unit is low; however, the property is likely to continue to experience performance challenges due to its location. At issuance, the asset summary reported that there were no leases in place and all tenants paid month to month. It was noted that the borrower was in the process of obtaining leases, but it was not a condition of closing. DBRS has added the loan to the HotList as a result of the low DSCR.
<b>% of Pool</b>	0.1%	
<b>Total Loan Balance</b>	\$1,872,624	
<b>Loan psf</b>	\$20,807	
<b>Location</b>	Dearborn, MI	
<b>Prospectus ID</b>	192	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	Premier Self Storage	DSCR below 1.0x
<b>Property Type</b>	Self Storage	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$1,854,442	The borrower reported a YE2007 DSCR of less than 1.0x. The property is seasonal as it relies on the summer months when college students use the facility. DBRS has added the loan to the HotList until it receives full YE2008 cash flow figures to determine whether the property is stabilizing at greater than 1.0x.
<b>% of Pool</b>	0.1%	
<b>Total Loan Balance</b>	\$1,854,442	
<b>Loan psf</b>	\$54	
<b>Location</b>	Tuscaloosa, AL	
<b>Prospectus ID</b>	191	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	20195 Stevens Creek Boulevard	DSCR below 1.0x; Decline in occupancy
<b>Property Type</b>	Office	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$1,835,417	The loan is secured by a 17,000 sf office property located in Cupertino, California (San Jose MSA). Occupancy has dropped to 45% as of the July 2008 rent roll, which is expected to continue to put additional pressure on the borrower's ability to service the debt. The servicer has requested a leasing update and the borrower reports that some space is out for lease (12% NRA) and the remaining space is on the market. The property's largest tenant, Cathay Bank (33% NRA), has a lease that expires at the end of 2009.
<b>% of Pool</b>	0.1%	
<b>Total Loan Balance</b>	\$1,835,417	
<b>Loan psf</b>	\$102	
<b>Location</b>	Cupertino, CA	
<b>Prospectus ID</b>	204	<b>HotList Performance Challenge(s)</b>
<b>Property Name</b>	Hollywood Plaza	DSCR below 1.0x; Decline in occupancy
<b>Property Type</b>	Retail	<b>Description &amp; Performance</b>
<b>Trust Loan Balance</b>	\$1,560,829	This loan has been chronically delinquent (as recent as January 2009 and December 2008). The loan is secured by two retail properties located in Clinton Township, Michigan (15 miles northeast of Detroit's CBD). The property lost its primary tenant, a restaurant that contributed 33% of total rent, and the borrower since has had difficulty leasing space. Two tenants, including the vacated restaurant, were related to the borrower. DBRS expects this property will continue to face challenges given the soft market.
<b>% of Pool</b>	0.1%	
<b>Total Loan Balance</b>	\$1,560,829	
<b>Loan psf</b>	\$82	
<b>Location</b>	Clinton Township, MI	



**DEFAULTED/DELINQUENT/MATURED PERFORMING LOANS**

**DBRS Update**

**Prospectus ID** 76  
**Property Name** Metropolitan Business Center  
**Property Type** Office  
**Loan Balance** \$7,249,310  
**% of Pool** 0.3%  
**Loan psf** \$53  
**Expected Loss** \$4,349,586  
**Advances** \$9,027  
**Value** \$13,500,000  
**Valuation Date** Aug-2006  
**Advances/Value Ratio** 0.1%

The loan was transferred to special servicing because of the bankruptcy filing of TIC syndicator DBSI Inc. The property was 92% occupied as of the September 2008 rent roll and there is sufficient cash flow to keep the debt service current. The most recent reported DSCR was 2.20x. DBRS expects this loan will stay in special servicing as long as DBSI is in bankruptcy or until DBSI is no longer affiliated with this loan. However, DBRS does not expect a loss besides the fees associated with special servicer's workout fee.

**Prospectus ID** 118  
**Property Name** The Plaza at Jordan Creek Crossing  
**Property Type** Mixed Use  
**Loan Balance** \$4,287,716  
**% of Pool** 0.2%  
**Loan psf** \$155  
**Expected Loss** \$2,572,629  
**Advances** \$0  
**Value** \$5,500,000  
**Valuation Date** Nov-2006  
**Advances/Value Ratio** \$0

The loan was recently transferred to special servicing due to imminent default. The property is a mixed-use office/retail building located in West Des Moines, Iowa. At issuance, the property was 95.4% occupied; however, the last rent roll received as of September 2008 shows occupancy has fallen to 46.5%. Given the high leverage and low occupancy, it is likely that the borrower is seeking some type of modification from the special servicer. DBRS is of the opinion that if the servicer needed to sell the property in today's market, the loss would be in excess of 50%; however, that would be contained to the unrated Class P.

**INTEREST SHORTFALLS**

**Cumulative Interest Shortfall** \$4,049

**Shortfall Description** The cumulative interest shortfall currently totals \$4,049. 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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