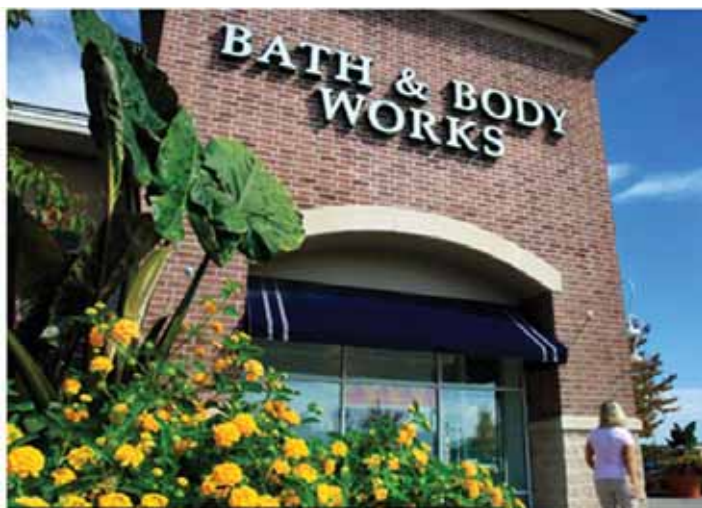
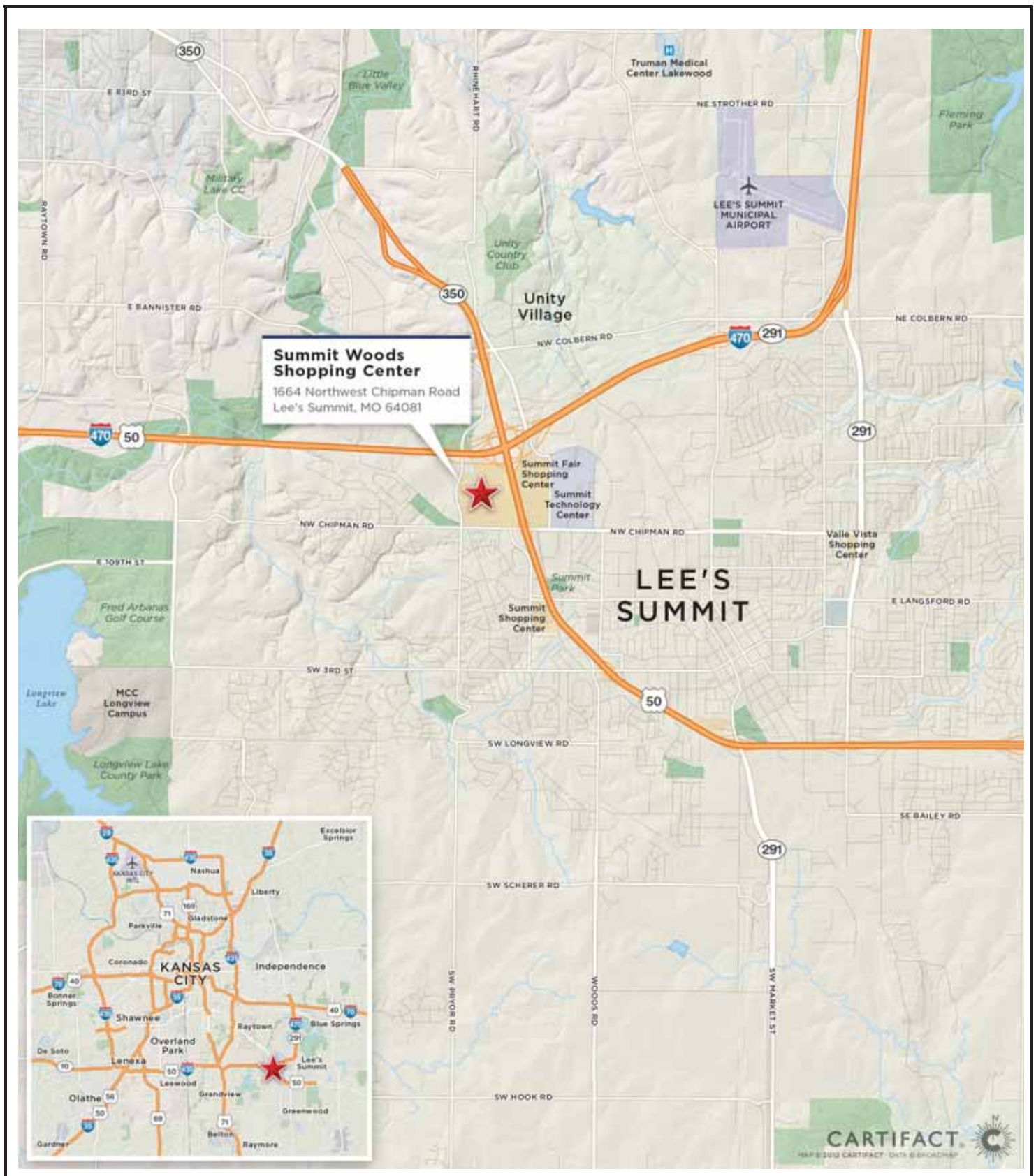


Mortgage Loan No. 4 – Summit Woods Shopping Center





## Mortgage Loan No. 4 – Summit Woods Shopping Center



**Mortgage Loan No. 4 – Summit Woods Shopping Center**



## Mortgage Loan No. 4 – Summit Woods Shopping Center

## Mortgage Loan Information

<b>Mortgage Loan Seller:</b>	LCF
<b>Original Principal Balance:</b>	\$59,000,000
<b>Cut-off Date Principal Balance:</b>	\$59,000,000
<b>% of Pool by IPB:</b>	5.5%
<b>Loan Purpose:</b>	Refinance
<b>Borrower:</b>	Summitwoods SPE, LLC
<b>Sponsors<sup>(2)</sup>:</b>	Various
<b>Interest Rate<sup>(3)</sup>:</b>	4.92800%
<b>Note Date:</b>	10/10/2012
<b>Anticipated Repayment Date<sup>(3)</sup>:</b>	11/6/2022
<b>Interest-only Period:</b>	24 months
<b>Original Term<sup>(4)</sup>:</b>	120 months
<b>Original Amortization:</b>	360 months
<b>Amortization Type:</b>	ARD-IO-Balloon
<b>Call Protection:</b>	L(25),Def(91),O(4)
<b>Lockbox:</b>	Hard
<b>Additional Debt:</b>	Yes
<b>Additional Debt Balance:</b>	\$9,000,000
<b>Additional Debt Type:</b>	Mezzanine

## Property Information

<b>Single Asset/Portfolio:</b>	Single Asset
<b>Title:</b>	Fee
<b>Property Type - Subtype:</b>	Retail - Anchored
<b>Net Rentable Area (SF)<sup>(1)</sup>:</b>	545,051
<b>Location:</b>	Lee's Summit, MO
<b>Year Built/Renovated:</b>	2001 / N/A
<b>Occupancy:</b>	100.0%
<b>Occupancy Date:</b>	9/24/2012
<b>Number of Tenants:</b>	32
<b>2009 NOI:</b>	\$5,518,812
<b>2010 NOI:</b>	\$5,378,555
<b>2011 NOI:</b>	\$5,329,613
<b>TTM NOI<sup>(5)</sup>:</b>	\$5,316,594
<b>UW Economic Occupancy:</b>	95.0%
<b>UW Revenues:</b>	\$7,717,765
<b>UW Expenses:</b>	\$2,032,107
<b>UW NOI<sup>(6)</sup>:</b>	\$5,685,659
<b>UW NCF:</b>	\$5,251,774
<b>Appraised Value / Per SF:</b>	\$93,700,000 / \$172
<b>Appraisal Date:</b>	6/15/2012

Escrows and Reserves<sup>(7)</sup>

	Initial	Monthly	Initial Cap
<b>Taxes:</b>	\$822,206	\$74,746	N/A
<b>Insurance:</b>	\$0	Springing	N/A
<b>Replacement Reserves:</b>	\$0	\$9,889	\$356,000
<b>TI/LC:</b>	\$0	\$22,981	N/A
<b>Other:</b>	\$1,015,059	\$0	N/A

## Financial Information

<b>Cut-off Date Loan / SF:</b>	\$108
<b>ARD Loan / SF:</b>	\$93
<b>Cut-off Date LTV:</b>	63.0%
<b>ARD LTV:</b>	54.4%
<b>UW NCF DSCR:</b>	1.39x
<b>UW NOI Debt Yield:</b>	9.6%

(1) The Net Rentable Area and all associated calculations are based upon the improved square footage at the property, including the non-collateral improved square footage for Lowe's Home Center, which owns its own improvements and leases the underlying land from the borrower. Excluding the Lowe's Home Center building, the total Net Rentable Area is 409,051 square feet.

(2) The sponsors include Dan Lowe, Michael L. and Susan Ebert and Scott and Susan Rehorn.

(3) The loan is structured with an anticipated repayment date ("ARD") of November 6, 2022. In the event that the loan is not paid off on or before the ARD, the borrower is required to make monthly payments to the lender of principal and interest in the amount of the monthly debt service payment at the initial interest rate and additional interest will accrue based on a step up in the interest rate of 200 basis points plus the initial interest rate of 4.92800%. The final maturity date of the loan is November 6, 2037.

(4) Represents the Original Term to the ARD.

(5) TTM NOI represents the trailing twelve month period ending August 31, 2012.

(6) The increase in UW NOI from TTM NOI reflects contractual rent increases and the signing of the Ulta Salon lease for 25,449 square feet. Ulta Salon is in occupancy and paying rent.

(7) For a full description of Escrows and Reserves, please refer to the "Escrows and Reserves" section herein.

**The Loan.** The Summit Woods Shopping Center loan has an outstanding principal balance of \$59.0 million and is secured by a first mortgage lien on a 545,051 square foot anchored retail center located in Lee's Summit, Missouri. The loan is structured with an anticipated repayment date of November 6, 2022, and a final maturity date of November 6, 2037. Subsequent to an initial 24-month interest-only period, the loan will amortize based on a 30-year schedule through the ARD and will hyperamortize after the ARD. The proceeds of the loan, along with \$9.0 million of mezzanine debt, were used to refinance the existing debt of approximately \$42.7 million and to effect a partnership buyout. RED Capital Holdings of Lee's Summit SPE, LLC, previously the 50% owner of the property, bought out its 50% partner for \$24.0 million. The remaining proceeds were used to cover closing costs, escrows and fees of approximately \$3.8 million with the sponsor investing an additional \$2.6 million of cash equity at closing to effect the refinancing and buyout. The previously existing debt was securitized in CSFB 2002-CKS4.

**The Borrower.** The borrowing entity for the loan is Summitwoods SPE, LLC, a Delaware limited liability company and special purpose entity.



## Mortgage Loan No. 4 – Summit Woods Shopping Center

**The Sponsors.** The loan's sponsors and nonrecourse carve-out guarantors are Dan Lowe, Michael L. and Susan Ebert, and Scott and Susan Rehorn. Scott Rehorn, Michael L. Ebert and Dan Lowe, three of the five guarantors of the recourse carveout obligations under the loan founded RED Development, LLC ("RED") in 1995. RED is a full service real estate company with offices in Kansas City, Kansas and in Phoenix, Arizona. RED has a current portfolio of 37 retail, commercial and mixed-used properties totaling more than 17 million square feet across 12 states.

**The Property.** Summit Woods Shopping Center is a 545,051 square foot retail power center located in Lee's Summit, Missouri and is anchored by Lowe's Home Center ("Lowe's") and Kohl's, with junior anchors including Best Buy, Dick's Sporting Goods, TJ Maxx, Bed Bath & Beyond and Michael's. Lowe's owns its improvements and therefore does not constitute collateral for the loan. Additionally, Ulta Salon recently executed a new lease for 25,449 square feet and is currently building out its space. Other national retailers at the Summit Woods Shopping Center include Pier 1 Imports, Famous Footwear, Men's Warehouse, Petco, Office Depot, Starbucks and other national in-line tenants. The property has maintained occupancy of approximately 95.0% or greater since opening in 2001, with all tenants expiring in the past year exercising their renewal options. As of September 24, 2012, the property was 100.0% leased by 32 tenants. As of the trailing 12 months ending August 31, 2012, average sales at the property for reporting tenants are approximately \$265 per square foot with average occupancy costs of 6.0%. Additionally, the property is located across the street from Summit Fair (also owned by RED Development), a 92.0% occupied lifestyle center, according to the appraisal, anchored by Macy's and JCPenney, which does not serve as collateral for the loan.

The property is located along US 50 and Interstate 470 in Lee's Summit, Jackson County, Missouri which is located in the Kansas City metropolitan statistical area ("MSA"), approximately 22 miles southeast of the Kansas City central business district and 18 miles east of downtown Overland Park. The area covers more than 5,000 square miles and includes more than 100 municipalities. Lee's Summit is an established suburban Kansas City market with an approximate population of 100,000 within a five-mile radius of the property as of 2012. Jackson County is the largest county in the Kansas City MSA with a population in excess of 710,000. The market has a 2012 median household income of \$61,683 within a five mile radius.

According to the appraisal, the Kansas City retail market contains 8.8 million square feet of space. The property's submarket contains 2.2 million square feet, or 25.4% of the region's inventory. The appraisal identified five competitive properties ranging from 92,425 to 619,084 square feet that reported a weighted average occupancy of approximately 93.4% and rental rates ranging from \$15.00 to \$30.00 per square foot. Average asking rental rates for retail space in the submarket were \$16.05 per square foot compared to the average rent at the property of \$11.84 per square foot. The retail occupancy in the submarket is 94.2% compared to the property's occupancy of 100.0%.

Historical and Current Occupancy <sup>(1)</sup>			
2009	2010	2011	Current <sup>(2)</sup>
100.0%	100.0%	98.7%	100.0%

(1) Historical Occupancies are as of December 31 of each respective year.

(2) Current Occupancy is as of September 24, 2012.

Tenant Summary <sup>(1)</sup>							
Tenant	Ratings <sup>(2)</sup> Moody's/S&P/Fitch	Net Rentable Area (SF)	% of Total NRA <sup>(3)</sup>	Base Rent PSF	Sales PSF <sup>(4)</sup>	Occupancy Costs	Lease Expiration Date
Lowe's Home Center <sup>(3)</sup>	A3 / A- / NA	136,000	25.0%	\$3.11	\$189	1.7%	2/28/2022
Kohl's	Baa1 / BBB+ / BBB+	86,925	15.9%	\$8.47	\$229	3.7%	1/31/2022
Best Buy	Baa2 / BB+ / BB+	46,250	8.5%	\$15.00	\$579	3.4%	1/31/2017
Dick's Sporting Goods	NA / NA / NA	30,732	5.6%	\$13.00	\$285	6.2%	1/31/2017
TJ Maxx	A3 / A / NA	30,000	5.5%	\$10.50	\$296	5.2%	10/31/2016
Bed Bath & Beyond	NA / BBB+ / NA	28,000	5.1%	\$11.75	\$229	7.2%	1/31/2017
Ulta Salon	NA / NA / NA	25,449	4.7%	\$16.00	N/A	N/A	7/31/2022
Michael's	B3 / B / NA	23,784	4.4%	\$12.50	\$126	13.7%	2/29/2016
Office Depot	B2 / B- / NA	22,844	4.2%	\$12.50	\$136	12.7%	10/31/2016
Old Navy	BB+ / Baa3 / BBB-	22,000	4.0%	\$12.90	\$205	8.5%	10/31/2021
Petco	B2 / B / NA	15,000	2.8%	\$15.50	\$310	6.5%	12/31/2016

(1) Based on the underwritten rent roll.

(2) Ratings provided are for the parent company of the entity listed in the "Tenant" field whether or not the parent company guarantees the lease.

(3) Lowe's Home Center owns its own improvements and leases the underlying land from the borrower. The Net Rentable Area and all associated calculations are based upon the improved square footage at the property, including the non-collateral improved square footage for Lowe's Home Center.

(4) Sales PSF represents trailing twelve months sales ending August 31, 2012 for all anchor and major tenants available.

## Mortgage Loan No. 4 – Summit Woods Shopping Center

Lease Rollover Schedule <sup>(1)</sup>									
Year	Number of Leases Expiring	Net Rentable Area Expiring	% of NRA Expiring	Base Rent Expiring	% of Base Rent Expiring	Cumulative Net Rentable Area Expiring	Cumulative % of NRA Expiring	Cumulative Base Rent Expiring	Cumulative % of Base Rent Expiring
Vacant	NAP	0	0.0%	NAP	NAP	0	0.0%	NAP	NAP
2012 & MTM	0	0	0.0	\$0	0.0%	0	0.0%	\$0	0.0%
2013	3	9,536	1.7	240,222	3.7	9,536	1.7%	\$240,222	3.7%
2014	0	0	0.0	0	0.0	9,536	1.7%	\$240,222	3.7%
2015	0	0	0.0	0	0.0	9,536	1.7%	\$240,222	3.7%
2016	12	114,484	21.0	1,781,324	27.6	124,020	22.8%	\$2,021,546	31.3%
2017	11	143,937	26.4	2,393,578	37.1	267,957	49.2%	\$4,415,124	68.4%
2018	1	5,506	1.0	148,662	2.3	273,463	50.2%	\$4,563,786	70.7%
2019	0	0	0.0	0	0.0	273,463	50.2%	\$4,563,786	70.7%
2020	0	0	0.0	0	0.0	273,463	50.2%	\$4,563,786	70.7%
2021	2	23,214	4.3	320,245	5.0	296,677	54.4%	\$4,884,031	75.7%
2022	3	248,374	45.6	1,566,652	24.3	545,051	100.0%	\$6,450,683	100.0%
2023 & Beyond	0	0	0.0	0	0.0	545,051	100.0%	\$6,450,683	100.0%
<b>Total</b>	<b>32</b>	<b>545,051</b>	<b>100.0%</b>	<b>\$6,450,683</b>	<b>100.0%</b>				

(1) Based on the underwritten rent roll.

Operating History and Underwritten Net Cash Flow							
	2009	2010	2011	TTM <sup>(1)</sup>	Underwritten	Per Square Foot	% <sup>(2)</sup>
Rents in Place <sup>(3)</sup>	\$5,876,536	\$5,888,502	\$5,824,656	\$5,712,809	\$6,450,683	\$11.84	80.0%
Vacant Income	0	0	0	0	0	0	0.0
<b>Gross Potential Rent</b>	<b>\$5,876,536</b>	<b>\$5,888,502</b>	<b>\$5,824,656</b>	<b>\$5,712,809</b>	<b>\$6,450,683</b>	<b>\$11.84</b>	<b>80.0%</b>
Total Reimbursements	1,742,243	1,497,347	1,467,732	1,274,883	1,615,645	2.96	20.0
<b>Net Rental Income</b>	<b>\$7,618,779</b>	<b>\$7,385,849</b>	<b>\$7,292,388</b>	<b>\$6,987,692</b>	<b>\$8,066,328</b>	<b>\$14.80</b>	<b>100.0%</b>
(Vacancy/Credit Loss)	0	0	0	0	(404,040)	(0.74)	(5.0)
Other Income	12,028	3,025	102,638	\$55,478	55,478	0.10	0.7
<b>Effective Gross Income</b>	<b>\$7,630,807</b>	<b>\$7,388,874</b>	<b>\$7,395,026</b>	<b>\$7,043,170</b>	<b>\$7,717,765</b>	<b>\$14.16</b>	<b>95.7%</b>
<b>Total Expenses</b>	<b>\$2,111,995</b>	<b>\$2,010,319</b>	<b>\$2,065,413</b>	<b>\$1,726,576</b>	<b>\$2,032,107</b>	<b>\$3.73</b>	<b>26.3%</b>
<b>Net Operating Income</b>	<b>\$5,518,812</b>	<b>\$5,378,555</b>	<b>\$5,329,613</b>	<b>\$5,316,594</b>	<b>\$5,685,659</b>	<b>\$10.43</b>	<b>73.7%</b>
Total TI/LC, Capex/RR	0	0	0	0	433,885	0.80	5.6
<b>Net Cash Flow</b>	<b>\$5,518,812</b>	<b>\$5,378,555</b>	<b>\$5,329,613</b>	<b>\$5,316,594</b>	<b>\$5,251,774</b>	<b>\$9.64</b>	<b>68.0%</b>

(1) TTM column represents the trailing twelve month period ending August 31, 2012.

(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) The increase in Underwritten Rents in Place from TTM is a result of contractual rent increases and the signing of the Ulta Salon lease for 25,449 square feet. Ulta Salon is in occupancy and paying rent.

**Property Management.** This property is managed by RED Development, LLC, an affiliate of the sponsor.**Escrows and Reserves.** At closing, the borrower deposited into escrow \$822,206 for real estate taxes, \$622,737 for outstanding tenant improvements and leasing commissions related to Ulta Salon's recently executed lease and \$85,250 for deferred maintenance.**Tax Escrows** - The borrower is required to escrow 1/12 of the annual estimated tax payments monthly, which currently equates to \$74,746.**Insurance Escrows** - The requirement for the borrower to make monthly deposits to the insurance escrow is waived so long as the borrower provides satisfactory evidence that the property is insured under a blanket policy.**Replacement Reserves** - On a monthly basis, the borrower is required to escrow \$9,889 (approximately \$0.22 per square foot annually) for replacement reserves. The reserve is subject to a cap of \$356,000 (approximately \$0.65 per square foot).**TI/LC Reserves** - On a monthly basis, the borrower is required to escrow \$22,981 (approximately \$0.51 per square foot annually) for tenant improvement and leasing commissions. The reserve is not subject to a cap.

## Mortgage Loan No. 4 – Summit Woods Shopping Center

**Target Reserve** - Target and the borrower are currently disputing certain capital expenditure repairs to Target's parking area completed by Target, for which Target is seeking reimbursement from the borrower. At closing, the borrower deposited \$142,899 into a reserve held by the lender to cover the disputed amount. The lender will hold the Target Reserve until such time as the borrower and Target reach an agreement and a clean estoppel is provided (subject to any resulting payment to be made to Target for which the lender will release such reserve).

**Office Depot Reserve** - At closing, the borrower deposited \$95,773 into a reserve held by the lender as pertaining to disputed historic CAM charges. The lender will hold such reserve until such time as the borrower and Office Depot reach an agreement and a clean estoppel is provided (subject to any resulting payment to be made to Office Depot for which the lender will release such reserve).

**Kohl's Reserve** - At closing, the borrower deposited \$68,400 into a reserve held by lender representing the costs to complete certain deferred maintenance items on the Kohl's building noted in the tenant's estoppel. The reserve will be released upon completion of the work, assuming the borrower is not in default under the lease, and receipt of a clean estoppel from tenant.

**Lockbox / Cash Management.** The loan is structured with a Hard lockbox and in-place cash management. The borrower was required to send tenant direction letters to all tenants instructing them to deposit all rents and payments into the lockbox account controlled by the lender. All funds in the lockbox account are required to be swept daily to a cash management account under the control of the lender and disbursed during each interest period of the loan term in accordance with the loan documents. If (i) the total DSCR based on the immediately preceding trailing twelve month period falls below 1.05x, (ii) there is an event of default under the loan documents, (iii) the borrower or property manager becomes the subject of a bankruptcy, insolvency or similar action, (iv) any of Lowe's Home Center, Kohl's, Best Buy, Dick's Sporting Goods, T.J. Maxx, Bed Bath & Beyond, Ulta Salon, or Michael's does not exercise any of their respective lease renewal rights, as set forth in their respective leases (with such sweep capped at \$10 per square foot for the applicable non-renewal tenant), (v) if any of Lowe's Home Center, Kohl's, or Best Buy "goes dark", or (vi) if any two of Lowe's Home Center, Kohl's, or Best Buy becomes insolvent, files for bankruptcy, or has its senior unsecured debt rating fall below BBB- by S&P or Baa3 by Moody's, then any excess cash flow from the property will be swept into an account for the benefit of lender and held as additional collateral for the loan.

**Additional Debt / Right of First Offer.** A mezzanine loan of approximately \$9.0 million secured by the equity interest in the borrower was provided by a third party. The mezzanine loan has a co-terminus maturity with the mortgage loan. The mezzanine loan is interest-only for the term of the loan and has an 10.0% coupon. Including the mezzanine loan, the Cut-off Date LTV is 72.6%, the UW NCF DSCR is 1.12x and the UW NOI Debt Yield is 8.4%. Pursuant to the mezzanine loan documents, an affiliate of the mezzanine lender has a right of first offer with respect to a sale of the mortgaged property, in addition to other purchase options, cure rights and consent rights with respect to the mortgage loan, as described under "Description of the Mortgage Pool — Mortgaged Property Considerations — Purchase Options and Rights of First Refusal" and "— Additional Debt — Mezzanine Debt" in the Free Writing Prospectus.

**TIF Financing.** Certain infrastructure improvements at the property were funded through the issuance of tax incremental financing ("TIF") bonds. TIF payments are made through real estate tax bills that will be escrowed on a monthly basis. For so long as the TIF remains in place, the applicable municipality has a continuing right to review and approve tenants for the property for any lease that equals or exceeds 35,000 square feet of space. In addition, for so long as the TIF bonds remain outstanding, the borrower may not sell, transfer or otherwise convey the property to a third party without first obtaining the consent of the applicable municipality. See "Description of the Mortgage Pool – Additional Debt – Tax Incremental Financing" in the Free Writing Prospectus.