

U.S. Commercial Mortgage Servicer Report

Helios AMC, LLC

Ratings

Special Servicer CSS3+

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See page 6 for Servicer at a Glance.

Summary

Fitch Ratings upgraded Helios AMC, LLC's (Helios AMC, or the company) commercial mortgage-backed securities (CMBS) special servicer rating to 'CSS3+' from 'CSS3' on July 24. The special servicer rating upgrade is based on the company's experienced management staff, its implementation of a robust asset management system, and its ability to successfully manage substantial portfolio growth through the hiring of additional experienced CMBS special servicing asset managers.

Strengths

- Strong management team with extensive workout experience through real estate cycles.
- Good use of technology, including the development of a robust asset management system.

Concerns

- Limited special servicing resolutions as a company.
- Ability to continue to add staff as servicing responsibilities increase.

Mitigants

- Policies and procedures for CMBS special servicing are in place, and many of Helios AMC's management and staff have experience successfully working out CMBS loans.
- Helios AMC's management team has extensive industry contacts and has successfully added to staff as its active special servicing portfolio has increased.

Company Overview

Helios AMC was officially launched in December 2007 and is headquartered in San Francisco, CA. The company's senior management team has more than 20 years of industry experience and previously worked together at two CMBS special servicing shops. The company was capitalized through a joint venture operating agreement between CMBS B-piece buyer Brookfield Investment Management (BIM) and Helios Ventures, LLC. Since mid-2008, BIM has transferred the special servicing of 12 CMBS transactions to Helios AMC.

Helios AMC's principals and staff are commercial real estate workout veterans who provide workout services based on wisdom derived from more than two decades in the business and multiple commercial real estate cycles. Core services are managing and resolving problems and issues of complex debt structure covenants common in the financing of commercial real estate today.

Near-term goals for Helios AMC include the following:

- Continued enhancement of its internally developed Management Information Data Analysis System (MIDAS) asset management system.
- Grow Helios Capital Advisors, an investment company whose mission is to acquire CMBS B-pieces, as well as stressed and distressed whole loans and real estate.

- Develop due diligence and surveillance processes to support investment activities.
- Acquire third-party special servicing clients, providing the market with additional experienced workout expertise.

Financial

Fitch does not rate the credit of Helios AMC. However, Fitch's REIT group reviewed Helios AMC's financial statements to provide an internal assessment, as a company's financial condition is an important component of Fitch's servicer rating analysis.

Employees

As of June 30, 2009, Helios AMC maintained a staff of 17 full-time employees, including seven dedicated special servicing asset managers. Senior managers are highly experienced, averaging more than 26 years of industry experience. Middle managers average 20 years of experience. Overall, Helios AMC employees are experienced, averaging 21 years in the industry. Additionally, many of the employees had worked together elsewhere for more than 10 years prior to joining Helios AMC.

Helios AMC's senior management team is responsible for determining training topics and arranging for industry-related professionals to conduct seminars for the staff. The compliance manager tracks training hours for each employee using a training log. Helios AMC's employees' participation in training is a component of their annual performance appraisal.

In 2008 and 2009, training at Helios AMC consisted primarily of in-house seminars presented by industry professionals. Seminar topics include the following:

- Lender liability and bankruptcy challenges.
- Navigating the real estate credit crunch.
- Insurance review.
- Appraisal reduction methodology.
- Nonrecoverability determination.
- Legal issues.

Other internal training sessions covered policies, procedures, and systems. Helios AMC reported in May that its average employee participated in slightly more than 11 hours

Servicer Ratings

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

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

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

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

of training during the preceding 12 months, substantially below the 36.8 hour average reported by Fitch-rated special servicers. The low number of training hours per Helios AMC employee is partially due to the fact that the company has grown substantially over the past 18 months.

Policies and Procedures

Helios AMC maintains a complete and detailed set of policies and procedures for commercial real estate asset management and CMBS special servicing. The manual is updated throughout the year as necessary and is reviewed by the director of administration and the compliance manager annually. Revisions to policies are reviewed and approved by the appropriate managing director. In 2009, a few minor edits were made to the policies and procedures to provide clarification to a procedure or to better define a process. To standardize and track its policies and procedures, Helios AMC has implemented Policy Tech, a web-based policy and procedure documentation system.

Helios AMC engaged Deloitte & Touche LLP to perform a Reg AB audit on its entire special servicing portfolio for 2008. The Reg AB report dated February 2009 indicated that there were no reportable instances of non-compliance uncovered during the review.

Helios AMC does not currently maintain an internal audit program. As special servicing assignments and asset management workloads increase, it is anticipated that Helios AMC will institute a formalized, periodic internal audit program.

Technology

Helios AMC implemented its proprietary web-based MIDAS asset management system in February 2008. MIDAS features include the following:

- Pooling and servicing agreement (PSA)-driven compliance tracking and reporting.
- Deal/loan/property level data capture and storage.
- REO and property manager tracking.
- Third-party report and vendor rating tracking.
- Monthly trustee reporting.
- Commercial Mortgage Securities Association (CMSA) investor reporting compliant.

Version 2 of the system is currently under development. The new version will have greater workflow, approval, and notification functionality and will include a fully integrated business plan and cash flow module.

Helios AMC employs five onsite contractors and has a system development team working offsite in Irvine, California. Onsite contractors include a system architect, a technical lead, a senior application and reporting writing developer, a project manager and a part time help desk technician. All offsite resources are system developers. For reporting purposes, Helios AMC uses SQL Server Reporting Services. Reports can be delivered in a variety of formats with a range of interactivity and printing options.

Helios AMC continues to use PaperHost, a hosted document management system providing its employees with access to company files via the internet. Helios AMC has created multiple applications on PaperHost, with each application representing a body of documents with specific predefined indexing criteria. Security is controlled down to the application level, at which a user is either excluded or granted specific access rights to that application.

Helios AMC has developed a comprehensive disaster recovery and business continuity plan. Employees have been provided with a copy of the plan and can also access it via Helios AMC Paperhost. Disaster recovery and business continuity tests are scheduled and performed on an annual basis. A successful full scale test of all systems and processes was performed on June 5, 2009.

Special Servicing

As of June 30, 2009, Helios AMC was named special servicer for 2,019 loans in 12 CMBS transactions, with a total outstanding balance of \$27.4 billion. As of the same date, the company was actively specially servicing 103 CMBS loans totaling \$1.7 billion and was responsible for seven CMBS real estate-owned (REO) asset valued at \$48 million.

As of July 31, 2009, Helios AMC has resolved one CMBS loan with an unpaid principal balance of \$4.1 million.

Helios AMC relies on the experience and track records of its operating principals. Most of the company's staff has worked together for an average of 12 years while at Hanford/Healy Asset Management Company and its acquirer, GMAC Commercial Mortgage.

The company employs seven asset managers dedicated to special servicing. Additional asset managers and analysts will be hired as needed in conjunction with the following:

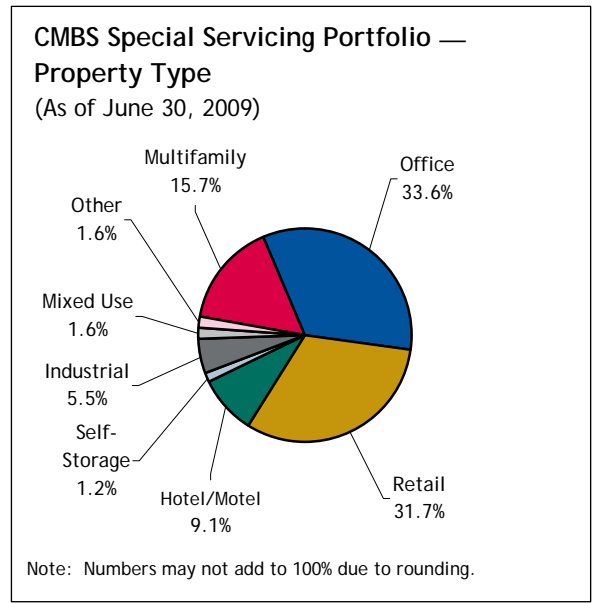
- Special servicing portfolio growth.
- Projected defaults from monitoring the watch list.

As of June 30, 2009, Helios AMC asset managers were responsible for an average of 12 CMBS loans and/or assets per asset manager.

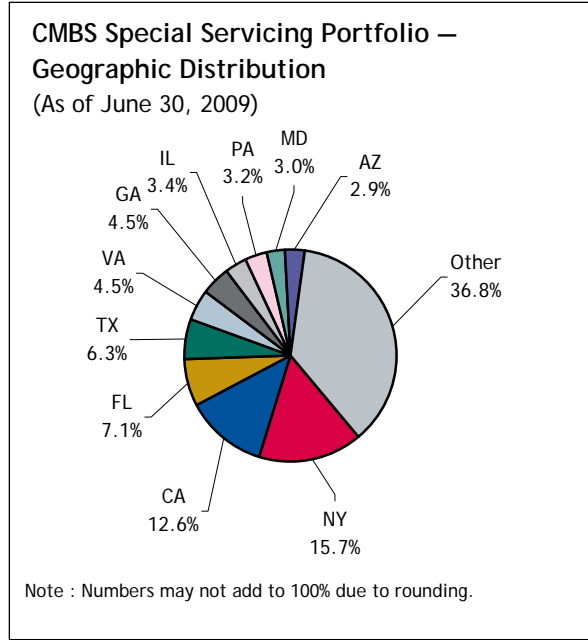
The director of asset management reviews watchlist reports and discusses potential loan transfers with the controlling class representative. The watchlist review emphasizes the following criteria:

- Period-over-period declines in debt service coverage, net operating income and/or occupancy rates.
- Major tenant lease expirations and lease defaults.
- Credit quality and other issues of major tenants.
- Upcoming loan maturity dates.
- Loans that are 30 days delinquent.

Helios AMC conducts regular meetings and calls with master servicers to discuss problem assets.



The compliance manager serves as the point person for loan transfers. An asset analyst audits the received servicing file, reviews MIDAS' PSA abstract for key due dates, and loads the loan data onto MIDAS. The asset manager then reviews the file and begins due diligence of the property, borrower, and market and determines loan or PSA restrictions. Then, the asset manager promptly begins communication with the borrower in order to analyze the cause of the transfer and the history of the loan to determine possible remedies or recovery and disposition options and recommend an action plan. The asset status report documents the asset manager's assessment of the overall problem and proposes a resolution strategy, including a timeline, to dispose the loan in a manner that will provide the greatest recovery for the trust. If the PSA does not specify a requirement for submission of an asset status report, the asset manager will prepare and submit a report within 90 days of transfer.



Helios AMC has an established a delegation of authority policy for asset-related decision-making. The company has also instituted an investment committee to provide oversight and approval for all loan resolution actions of more than \$1 million.

Prior to the beginning of each reporting month, the investor reporting staff updates and distributes a trustee reporting calendar with the due dates for the upcoming reporting cycle. The asset manager updates asset status comments and projected resolution dates in MIDAS that flow through to the CMSA special servicer loan file. The investor reporting group then generates a report for each securitization that is reviewed by the director of asset management before it is sent to the master servicer.

Helios AMC reviews the performance of its asset managers through an annual performance evaluation process. Senior management considers the asset manager's statistics in managing assets, the average time to resolve assets, the complexity of the assets, and the asset manager's ability to minimize any loss to the certificateholders.

Servicer At A Glance — Helios AMC, LLC

Experience (Years)		
In Business	2	
Loan Workout	1	
CMBS Workout	1	
Credit Rating	Fitch Ratings does not rate the credit of Helios AMC, LLC.	
Employees		
Number of Employees	16	
Senior Management:		
Experience in Industry (Years)	26	
Tenure with Company (Years)	2	
Middle Management:		
Experience in Industry (Years)	22	
Tenure with Company (Years)	2	
Average Training Hours Per Employee Per Year	11	
Overall Employee Turnover (%)	8	
Management Turnover (%)	17	
2008 Reg AB Auditor	Completed by Deloitte & Touche LLP	
Special Servicer Results	\$ Mil.	No. of Loans
Loans Resolved in Past 12 Months	4.1	1
Loans Resolved Since Inception	4.1	1
Servicing System	MIDAS	

CMBS Special Servicing Portfolio

(As of June 30, 2009)

Number of Transactions	12
UPB (\$ Bil.)	27.4
Number of Loans	2,019
UPB Loans (Specially Serviced Only; Not Including REO) (\$ Mil.)	1,692.5
Number of Loans (Specially Serviced Only; Not Including REO)	103
UPB REO (\$ Mil.)	48.2
Number of Assets	7

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