Confidential

USF&G

Proposal
for
Securitization of Commercial
Mortgage Loans
June 26, 1991

Kidder Peabody Mortgage Capital Corporation

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EXECUTIVE SUMMARY

USF&G has set as its goal the task of reducing its real estate exposure as quickly as possible through a securitization of a portion of its commercial real estate mortgage portfolio and to avoid or minimize the impact of this action to its Income Statements. To this end, you have requested a final proposal from our firm to act as structurer and underwriter on behalf of USF&G to implement a transaction to achieve this goal.

We have reviewed the material provided and have outlined in the attached presentation our recommendations and conclusions. We have not performed in-depth due diligence on the loans and, consequently, have relied solely on the project summary material you provided. In this context, we wish to summarize our findings and recommendations for your consideration.

We believe the HUD loans totalling approximately $67.8 million should be considered for sale in a separate transaction and not as a part of the securitization contemplated in this proposal. We do not see these loans as enhancing the subject transaction; in fact the possibility exists that a combined execution would reduce the net proceeds. We are an active participant in the market for HUD insured and Ginnie Mae project loans. We will be pleased to act as principal or placement agent and will provide market indications for the loans on request.

We have reviewed the balance of the proposed portfolio and conclude, with the exception of the two hotel properties and the future commitment to lend on "Island Walk", that a securitized transaction is extremely viable. We recommend the use of a REMIC senior/subordinated structure which provides needed flexibility and is ideally suited for this portfolio. Additionally, based on the current state of the capital markets, we believe that a surety company guarantee, rated by Moody's Investors Services and Standard and Poor's, is necessary to successfully issue the senior securities. We have outlined in detail in the attached materials how we arrived at these conclusions, as well as the timing and costs of such an execution.

To best meet your goals and insure a successful issuance, we recommend a senior certificate amount of approximately $293.5 million. This amount will be subject to the final due diligence by the surety company and the concurrence of the rating agencies. We also recommend, based on current market conditions and the desire of USF&G for flexibility in early releases of the properties, a Floating Rate Note execution with interest rate caps to protect against an increase in interest rates and to match the interest rate profile of the portfolio. We have outlined our conclusions in detail our conclusions in the attached materials.

We have extensive experience in the structuring and placing of securities of the kind proposed. As a firm with some of the most highly regarded fixed income capabilities on Wall Street, we have an investor base for income securities that encompasses both the institutional and retail marketplace in the domestic and international capital markets. Kidder, Peabody is the dominant force in the issuance and trading of mortgage securities. For calendar year 1990 and for the first quarter of 1991, Kidder, Peabody has been the single largest issuer/underwriter of mortgage debt securities. Our unique fixed income trading and distribution capabilities enable us to place securities for our clients at attractive rates to a wide array of buyers. Please see the information regarding the Firm's capabilities and specifics regarding the transaction team.

We would welcome the opportunity to serve USF&G in meeting its goals. If you have any further questions or requests please do not hesitate to contact us.

SALE OF HUD LOANS

We believe the six HUD loans totalling approximately $67.8 million should be considered for sale in a separate transaction and not as a part of the securitization contemplated in this proposal. The HUD loans should be excluded from this pool of assets for three reasons: (1) their longer maturities would lengthen the maturity of the total pool, which would decrease the price the market would pay for the pool; (2) there is little benefit to placing the HUD loans into a senior/ subordinated structure because the HUD loans will trade as insured whole loans (or as Ginnie Mae securities) for approximately the same price as senior securities created from them; and, (3) it may be difficult to support the valuations of the junior component retained by USF&G.

Kidder, Peabody will act as principal or placement agent for HUD insured and Ginnie Mae project loans. We will be pleased to provide market indications for the loans on request. Our preliminary review of the loans suggests the market price for each is at a significant discount to par.

STRUCTURAL CONSIDERATIONS

Introduction: The following section addresses various concerns raised in the June 13, 1991, request for proposal from USF&G. The first part addresses the criteria and considerations for selecting the most appropriate issuing entity. The second part discusses the necessity of obtaining a surety company guarantee in order to issue commercial mortgage securities. Following this is an explanation of the role of the surety company as well as the process and timing of securing the surety bond. Next, the role and underwriting criteria of the rating agencies is summarized. We then address the specific USF&G questions relating to: (1) early releases of the properties, (2) the priority of the certificates to asset management fees and release prices, (3) the retention of the equity participations by USF&G, and, (4) whether the securities should be privately placed or publicly issued.

Issuing Entity: As a general matter any proposed issuing entity should be measured against the following criteria:

- the eligibility of different types of collateral for inclusion in the pool;

- the ability to achieve sales treatment for all or a portion of the collateral pool;

- the flexibility which the structure gives for manipulation of cash flows, retention or residual benefits, etc.; and

- familiarity of the structure in the marketplace so as to achieve broad distribution and efficient pricing.

In addition, tax considerations are often significant, namely, whether or not the issuer will be taxable and, if a taxable issuer is used, whether it is possible to structure the transaction so that either (1) no tax is paid by the issuer or (2) an equity investor can be found who is willing to shoulder the tax burden in return for expected investments returns. Structuring a transaction that involves a tax-paying issuer adds a great deal of complexity to an already complex process, and so at least initially, Kidder, Peabody would recommend disregarding such potential issuers as corporations or regular trusts which issue collateralized mortgage obligations ("CMOs"), which in any event will not be permitted after this year.

Of the remaining candidates, partnerships are sometimes used as issuers, but for a partnership's debt to be treated as debt, and not equity, for Federal tax purposes, it must be "adequately capitalized"; in practice, this means arranging a significant equity contribution, which can be uneconomic. There are additional tests, which can sometimes be difficult to meet, for a partnership to be treated as a partnership for Federal tax purposes. For these and other reasons, by far the most frequently utilized, non-taxable, entities for the securitization of mortgage have been: (1) fixed investment trusts (grantor trusts), and (2) REMICs.

A REMIC (which is an acronym for Real Estate Mortgage Investment Conduit) is a structure that was created in 1986, when Congress amended the Internal Revenue Code to authorize them. Prior to that time, many mortgage securitizations relied on qualifying as grantor trusts for their tax exempt status. For financial accounting purposes, a transfer of mortgages to a grantor trust was generally treated as a sale, which was an important objective for many issuers. However, as the mortgage securitization market grew larger, and as the investor base became more sophisticated, certain inherent limitations of grantor trusts began to make them less attractive. First, the requirements of a grantor trust are not set forth in detail in any legislation, so that custom and practice have often influenced the precise characteristics of a particular trust. As more transactions occurred, this led to uncertainty over some structures as well as an unwelcome variation among structures (which can lead to inefficient pricing). Second, a grantor trust can only be a passive entity, "flowing through" the income it receives to the trust owners (i.e., investors). Thus, with very limited exceptions, any ability on the part of the trustee to vary the trust's investments is prohibited. Third, a grantor trust can have only one class of interest. Although payments on some interests can be subordinated to payments on other interests, in all other respects the two classes must be identical. Over time, however, the investor market increasingly demanded structures with multiple investor classes having different economic characteristics, such as fast pay/slow pay.

For these and other reasons, the mortgage securities industry persuaded Congress to adopt the REMIC legislation, which is an extensive codification of rules by which a mortgage securities issuer can attain pass-through status for tax purposes. Importantly, it was specifically designed with the demands of the contemporary mortgage market in mind; not surprisingly, it has become very popular and, in general, the issuing entity of first choice.

The primary advantages of a REMIC are its ease of creation and its flexibility. To create a REMIC, a legal entity (partnership, corporation or trust) is formed. Trusts have become the most popular form of REMIC. An owner trustee is set up to manage the affairs of the trust, and the trustee files a form with the IRS stating that the REMIC requirements have been met and electing to have the trust treated as a REMIC. On an ongoing basis, the owner trustee files information returns and other reports with the IRS for a nominal fee, comparable to what a bond trustee would charge.

For the purposes of financial accounting, the transfer of mortgage assets can be treated as either a sale or a financing, as the transferor elects. From a tax perspective, the transfer is treated as a sale. A REMIC may also have as many sub-classes of interest as is economical given a particular mortgage pool. One such class must be designated the "residual" class, but need not have any economic value. Kidder, Peabody would place the residual class as part of its overall assignment.

Finally, the types of mortgage collateral which a REMIC can own are very flexible, and include second mortgages, participating mortgages (assuming they do not constitute equity for tax purposes) and participations in mortgages.

For all the above considerations, we believe that a REMIC is a logical candidate for the senior/subordinated structure which USF&G envisions. This is particularly true in light of the fact that investors will not accept the single class of interest structure of a grantor trust for the proposed portfolio. Accordingly, we recommend that USF&G proceed on this assumption, subject to further review and analysis.

Surety Bond Needed:

In today's capital market environment, executing a securitized commercial real estate mortgage transaction will require a surety company guarantee to allow a successful issuance of any form of security.

The current secondary market for commercial real estate mortgages without credit enhancement is extremely illiquid. The traditional institutional investors have largely withdrawn from the market because they have little or no capital for purchases of commercial real estate loans from others. Indeed, most such institutions have stopped new originations even in the primary market and are devoting their time and capital to managing their own portfolios. Under pressure from regulators and the rating agencies, many are themselves seeking to sell loans so as to reduce the real estate exposure in their portfolios. This is occurring at the same time as the Resolution Trust Corporation and the Federal Deposit Insurance Corporation are attempting to liquidate the loans acquired from failed thrifts and banks. Consequently, there is a huge supply of loans with almost no demand to meet it.

The creation of a senior participation interest via a senior/subordinated structure is not in itself sufficient to make the senior interests readily marketable. This is because, without a third-party credit enhancement, the investors deem such senior interests to be regular commercial real estate mortgage investments rather than bond securities. Accordingly, the senior interests then become subject to the illiquidity of the commercial mortgage secondary market described above.

The same holds true even if the senior interests are rated investment grade by Standard & Poor's and Moody's Investors Services, Inc. Large institutional investors believe that their own real estate underwriting expertise and experience is much deeper and more reliable than that of the rating agencies. While the investors will rely heavily on the rating agencies for the ratings of corporate credits, they will not do so for commercial mortgage investments without the benefit of third-party credit enhancement. Further, unless the securities are credit-enhanced by a third party, the investors must account for the securities on their books as additional real estate investments, which most at this time are extremely reluctant to do. Thus, again, the senior interests, although rated, will be treated (and shunned) as any other commercial mortgage pool.

A stand-alone rating of "AAA/Aaa" might encourage the extraordinarily few lenders in the market to consider the pool, but even if they were to purchase the loans, which is doubtful, the purchase price would be at yield equivalents above 225 basis points over the comparable maturity United States Treasury Note. To obtain a "AAA/Aaa" rating would require a massive subordination and excess debt service coverage, such that the loan-to-value would be substantially under 50% and the coverage ratio in excess of 1.8 to 1. This clearly produces too little in proceeds at too high an interest rate, a major deterrent to most issuers. A lower stand-alone rating is of almost no value in the market, for the few existing lenders will give it little credence in making their own evaluations.

Because investors treat a stand-alone rated offering as a regular commercial mortgage investment, there is a further impediment to proceeding without an insurance policy from a surety company. A large offering of $293.5 million, the size contemplated in this proposal, would require a placement with many investors because, even if some such investors could be found, none in today's market is willing to commit large amounts of capital to a single transaction. As they will not rely on the rating agencies alone, each of the many investors would require that it be allowed to perform its own extensive property-specific due diligence and be able to select out unwanted properties. It is logistically difficult to allow multiple parties to perform such due diligence. Moreover, it would seemingly be untenable to the borrowers of USF&G to have many parties performing site visits, examining documents, and asking questions.

It also would be very difficult to get all the investors to agree on the properties that could be included without reducing the pool size drastically.

Securing a surety bond from an "AAA/Aaa" rated monoline insurer, such as Financial Guaranty Insurance Company ("FGIC") or Financial Security Assurance ("FSA"), obviates the problems described above and makes the senior interests highly marketable as "AAA/Aaa" rated securities. First, the market considers such insured securities to be corporate "bond" investments. As such, investing in such securities is not deemed to increase an investor's exposure to real estate. Thus, investor capital is readily available for these insured securities. Secondly, because the securities are insured and viewed as bonds, the investors do not perform any property-level due diligence; instead, the investors rely on the reviews performed by the rating agencies (described below), the descriptive materials in the offering documents, and, most importantly, the corporate credit guarantee of the monoline insurer. Instead of multiple lenders performing due diligence on the properties, with each having its own idea as to what properties can be included and what size loan to make, USF&G would provide information to and negotiate with only the single monoline insurer.

For the above reasons, Kidder, Peabody firmly believes a surety company guarantee is necessary and strongly recommends to USF&G that it seek to obtain one.

Surety Company Role:

The monoline insurer's surety bond provides an unconditional guarantee to the investors that all principal and interest on the investors' notes will be paid on a timely basis; this guarantee provides the securities with the "AAA/Aaa" rating. In order to supply the surety bond, the insurer not only must satisfy itself that the senior interest is an acceptable credit risk but it must also participate in demonstrating to the rating agencies that the senior interests are investment grade without the benefit of the surety bond. Kidder, Peabody will work closely, both with the surety company and USF&G, in the surety company's analysis and in the presentations to the rating agencies. Having successfully executed a variety of insured commercial mortgage loan securitization transactions, Kidder, Peabody personnel are deeply familiar with the criteria and procedures of the surety companies and the rating agencies.

Although there are variations depending on the characteristics of the specific mortgage pool, in general, the surety companies seek to guarantee a senior interest that has a debt service coverage in the first year of a minimum of 1.40 to 1.0 and a maximum loan-to-value of 60%. (We have accordingly used these criteria as the basis for our analysis of the proposed pool, the expected proceeds, and the funding alternatives.) In applying these general criteria, the surety companies are particularly concerned to assess: (1) the demonstrated (not projected) current cash flows, and (2) the refinance risks associated with any bullet loans in the pool. The surety companies perform "normalization" procedures to the current cash flows. This is a complex process but ultimately is the result of certain qualitative judgements as to the current local market conditions, the creditworthiness and the types of tenants, and the competitive position of a property in its market, among other things. Similar analyses are applied to quantifying the re-financing risks.

The fees and premiums of the surety companies vary depending on the transaction and the perceived risks inherent in the subject pool of properties. Generally, though, the higher the shadow rating of a particular pool (i.e., the rating the pool would receive from the rating agencies without the benefit of the surety bond guarantee), the lower the annual premium. For example, with respect to one of our current transactions, FGIC has quoted a range of annual premiums from 32 basis points, if the pool is shadow-rated "AAA/Aaa", to 60 basis points if it were to be rated "BBB/Baa". We believe the USF&G proposed pool will likely be shadow-rated "BBB/ Baa" based on the usage of the above-mentioned criteria and thus have assumed an annual premium from a surety company of 60 basis points. With respect to other surety company fees and expenses, for a pool of the size of the one proposed, typically the surety company will have reimbursable legal and diligence costs of approximately $375,000. There also usually is a commitment fee, here of approximately $250,000, which can be paid upfront or in stages as the transaction nears completion. While the commitment fee is nonrefundable, it is credited towards the first year's premium.

The process and timing of working with the surety companies is as follows. Kidder, Peabody, working with USF&G, will present to the surety companies a package describing the loan pool and the contemplated structure that would create a senior position attractive to the surety companies for enhancement. After an initial review, taking a few days to one week, the surety companies will respond whether they are interested in proceeding and on what general terms. At this point, Kidder, Peabody will assist USF&G in selecting a surety company. (Kidder, Peabody, on an informal basis, has discussed the pool and possible structure with our affiliate company, FGIC, and has received a preliminarily very favorable response.) Once a surety company is selected, USF&G and the surety company will negotiate a letter of intent.

The letter of intent sets forth, among other things, a term sheet of the contemplated transaction, a time line, the conditions that must be satisfied for the issuance of the surety company's commitment, the surety company's premium, and the obligation of USF&G to reimburse the surety company for its expenses. The negotiations of the letter of intent should take approximately two weeks and Kidder, Peabody will assist both parties in coming to an agreement.

Once the letter of intent is signed, the surety company commences its diligence on the properties. Because the surety companies have limited staffing, most of the diligence work is contracted out to consultants. Third-party appraisal firms, such as Landauer, Cushman & Wakefield, Kenneth Leventhal, etc., are retained to either perform appraisals, or, more usually, to review and update appraisals already in place and to provide detailed local market knowledge and information. The diligence firm also checks the payment history of each loan and otherwise assists the surety company in the "normalization" of cash flows previously mentioned. Similarly, outside engineers and environmental consultants are hired to inspect the properties and perform environmental reviews, or, more usually to confirm the results of reports already prepared. The outside counsel to the surety company meanwhile will be performing the legal diligence on the underlying documentation, including all notes, mortgages, leases and title reports, etc. The property specific and legal diligence on the proposed pool should take four to nine weeks, depending on the availability of data and documents. Again, Kidder, Peabody will assist in organizing and interpreting the data and in acting as an interface between USF&G and the surety company.

While the property diligence is on-going and shortly after it commences, the fundamental documents of the structured transaction are developed. The major documents typically include an Indenture, a Collateral Management and Intercreditor Agreement, a Pooling and Servicing Agreement, the form of the Surety Bond, the Offering Circular and the forms of opinions requested by the surety company. Kidder, Peabody and its special counsel will play an integral role in the formation of these documents insuring that they reflect the business terms, all structural and tax considerations, and the requirements of issuing securities into capital markets. The documentation should take approximately six to eight weeks.

After completing its property specific and legal due diligence, the surety company sizes the loan, and then presents and negotiates on the dollar amount of senior securities it is willing to guarantee. Along with the finalization of the fundamental documents, this forms the basis for the issuance of the surety bond commitment. The negotiation of the surety bond commitment takes some two weeks after the completion of the diligence and the loan sizing. Kidder, Peabody will work closely with USF&G to secure the final commitment from the surety company. The final commitment is not itself the surety bond, but is the promise to issue the surety bond once the securities are priced and sold into market.

Rating Agency Involvement:

It is a requirement of the rating agencies that the senior interests must have a "shadow rating" of "BBB/Baa" in order for the surety company to be able to provide credit enhancement that will obtain a "AAA/Aaa" rating. Consequently, the rating agencies play an integral role in the securitization process.

While Duff & Phelps has a demonstrated expertise in commercial mortgage evaluations, the market more typically looks to Standard & Poor's ("S&P") and Moody's Investors Services, Inc. ("Moody's") for ratings on credit-enhanced mortgage securitizations. The surety companies require such ratings as a condition of the surety bond issuance; further, Kidder, Peabody recommends that ratings be obtained from both S&P and Moody's as requisites for marketing the securities.

The rating agencies have two general approaches to evaluating commercial mortgage-related securities, one termed "property specific" and the other termed "actuarial". In practice, the two approaches are often blended since many loan pools do not fall neatly into the criteria of only one approach.

The property specific rating approach is used primarily in connection with transactions involving a single property or a relatively small pool (under 50 loans). Under this approach, each property is reviewed under what the rating agencies determine to be a worst case scenario. Under the worst case scenario, the property is analyzed under adverse conditions outside the mortgagor's control: e.g., a weak economy in the area where the property is located in tandem with high vacancy rates caused by rapid property development. The rating agencies evaluate what the pro forma income to the property will be (based on the previous years) under the worst case scenario. The size of the property, its management, the quality of construction, energy efficiency, location, terms of the lease, tenant quality, and the economic base of the region are reviewed. Each of these factors will bear upon the adjustments that S&P and Moody's will use in determining projected income to the property -- again, under a worst case scenario. The rating agencies also consider the time required for workouts and receipt of delinquent payments, based upon historic practice, and the time it takes major lenders to work out problem mortgages.

In the actuarial approach, the rating agencies focus less on the details of each individual property and more on the characteristics of the mortgage pool and the transaction structure. The key factor is diversity of risk, i.e. no single mortgage may have elements which subject the pool to undue risk. For example. under the actuarial approach it is ideal for no mortgage balance to account for more than 2% of the total principal balance of the pool. The actuarial approach therefore lends itself to transactions involving large numbers of small loans.

With the proposed USF&G pool, the rating agencies will take the property specific approach but will likely apply some aspects of the actuarial approach, given that there are more than twenty loans in the pool. The rating agencies will rely on USF&G, Kidder, Peabody and the surety company for underwriting data and analysis. Nonetheless the rating agency personnel will most likely make site visits at selected properties. A two or three day tour is usually arranged and is all that is necessary.

About three weeks after the property diligence by the surety company has commenced, preliminary discussions with the rating agencies should begin. This three-week period will give the surety company time to understand the pool and the transaction and present it to the rating agencies in preliminary form. The rating agencies should require approximately two weeks to give an initial response to the proposed transaction and to suggest any changes in structure they believe should be made. The final approval of the transaction is obtained when the property due diligence and certain documents are completed, or approximately five weeks later. The actual ratings are issued at closing.

To give a shadow rating to the pool and to rate the securities that are issued, S&P charges a one-time fee equal to .05% of the par amount of the securities, while Moody;s charges a fee equal to .04% of the par amount.

On the contemplated $293.5 million offering, the rating agency fees amount to $146,750 and $117,300 respectively. (Each charges a break-up fee for a transaction that fails to close and on which they spent considerable effort.)

Timing and Costs: Please see Section 7 for a Time and Responsibility Schedule and a listing of the non-recurring costs associated with the issuance of the securities.

Prepayment Flexibility: We have noted your desire for flexibility to allow for early releases should the underlying property be refinanced or sold. We have worked with this concept on many occasions and can assure you that this flexibility can be structured within the transaction. The most common solution is to issue floating rate instruments whereby the only additional cost of a release would be the redeployment cost in breaking the short term commercial paper or Libor contracts between reissue dates. With this type of issuance, the surety companies and the rating agencies will require that

Interest Rate Caps be layered over the transaction (either by individual loan or in groups of loans) to protect USF&G and the investor from the changing interest rate markets. We have used Interest Rate Caps in our analysis of the floating rate executions.

Retention of Participation Features:

The surety company will not guarantee any of the equity participation features of the mortgages. Similarly, the rating agencies will not rate the participation features, or if they did, they likely would assign a very low rating. Unguaranteed and unrated participation features will not be viewed favorably by the market; bond investors will likely pay very little or nothing for such features and would not even know how to value them. In fact, the inclusion of unrated or low-rated features in the senior securities would probably deter investors from purchasing the securities because of a perceived indication of a greater likelihood of default. Accordingly, we recommend that all equity participation features be retained by USF&G in its subordinated interest. We have assumed throughout our analysis that USF&G will retain the participations.

Private Placement VS. Public Issuance:

As outlined in the section entitled "Alternative Financing Executions", we believe a European floating rate note execution or a domestic commercial paper program are the best issuance alternatives to meet the needs of USF&G. Neither type of execution requires registration with the Securities and Exchange Commission: (1) the Euro-floater is not governed by U.S. law and must simply be listed on the Luxembourg Stock Exchange (a quick and easy process), and (2) all Commercial Paper programs, with the proper structure, enjoy a special exemption from registration. Consequently, under the preferred forms of execution, USF&G will have the benefits of a wide public distribution but without the delays and disclosure requirements associated with the registration of the securities.

Priority of Asset Management Fees, Etc.:

Finally, you have requested our views in connection with the priority of the certificates to asset management fees and release prices. It is of paramount importance that the senior certificates stand senior in all respects and in no way may their rights be dictated or affected by other parties in interest. It is of course, possible to structure these requests senior to the junior certificates, but this will undoubtedly reduce the ultimate valuation of the junior certificates. This will have to be considered and weighed against the stated desire to minimize any loss in overall execution.

ALTERNATIVE FINANCING EXECUTIONS

Introduction: There are several financing structures that may be utilized to place the senior securities. Based on the desire of USF&G for flexibility in releasing mortgages prior to the maturity of the transaction, and based on the prepayment risk that exists in the portfolio and for which the market will charge a premium, we believe the fixed rate options will not be the best executions. We nevertheless have included the fixed rate medium term note ("MTN") offering for your review.

With respect to the floating rate alternatives, for both the European floating rate note execution and the domestic commercial paper program there is a strong market preference for transactions with a final maturity of seven years or less. Euro-floater investors prefer notes with shorter average lives (3-5 years) and final maturities of about 7 years; notes with longer average lives and maturities must carry significantly higher coupons and appeal to far fewer investors. A large Euro-offering such as the one contemplated herein must seek out the deepest market, and, consequently, should be structured to be shorter in average life and maturity. Similarly for commercial paper programs, the providers of liquidity facilities (a necessary feature of a commercial paper execution) prefer final maturities of seven years and under. Thus, to effectuate such a program requires structuring the pool so as to achieve a suitable maturity.

In order to meet the market hurdles for the maturity and average life we have utilized a "fast pay/slow pay" structure to create the requisite shorter average life and final maturity for the senior securities from the longer maturity profile set forth in the USF&G portfolio. In the fast pay/slow pay structure, all principal payments in the pool will inure only to the benefit of the holders of the senior securities. Thus, the senior interest will be retired before the final pool maturity, and thus before the subordinated interest as well. To achieve this result, the trust indenture will require the trustee to call each loan as soon as permitted. The fast pay/slow pay structure as used in the proposed pool is illustrated in Section 4 and results in an average life of 3.5 years and a final maturity of 7.08 years.

Because of the desire of USF&G to maintain maximum flexibility with respect to release options, as well as the need for protection between the fixed rate payments on the mortgages and the floating rate payments on the securities issued, we have assumed and recommend the use of "Interest Rate Caps" as the appropriate derivative hedging device.

Interest Rate Cap contracts will be required to insure that the debt service on the senior certificates does not exceed the average rate on the entire pool for each period. (One advantage of the use of the Interest Rate Cap structure is that as long as the floating rate of interest stays below the strike rate of the Cap, the difference will be paid to the subordinate interest holder, enhancing its return. This is true currently, as shown in the attached chart entitled "Libor Facility with Caps".) The structuring of the caps will be quite complex because of the changing interest rates of many of the individual loans, and because of the changing principal balance of the senior interest. For this analysis, the cap structuring process was simplified. The final result will be much more sensitive to the then prevailing interest rate environment than to the difference between this estimate and a more complex structure. The gross proceeds of the issuance of the senior interest will be reduced by the cap purchase, as well as by the other non-recurring costs. These results are shown in the summaries of alternative executions.

Finally, while the commercial paper execution appears the most favorable, we wish to note our concerns regarding commercial paper programs. Having recently completed such a program, we are aware that there is limited capacity in the market for liquidity facilities in connection with real estate issues, even when credit enhanced with a surety bond. Most traditional liquidity facility providers have withdrawn from the market. However, we are prepared to explore this execution further and have a program underway to develop new alternative liquidity providers. Additionally, as previously noted, providers of liquidity prefer the shorter maturities of five to seven years for the liquidity facilities. Also, the surety companies and rating agencies are requiring that the commercial paper be finally redeemed in advance of the expiration of the liquidity facilities (e.g., 18 to 24 months in advance), making it difficult, but not impossible, to structure a commercial paper program with a final life of more than five years.

Summary of Options:

On the next page we have summarized the estimated results and all-in costs associated with each form of execution. On the pages following are the cost details for each form of execution. In Section 8 we have set forth the major non-recurring costs to be anticipated. Note that the comparison of the floating rate executions is complicated by the uncertainty of future floating rates, and therefore, the uncertainty of the actual interest to be paid. However, the cap structure insures that the interest expense will not exceed the maximum.

SUMMARY OF ALTERNATIVES

Form of Execution	All-In Rate(1) Bond Equivalent	All-In Rate(1) Monthly Mortgage Equivalent	Gross Proceeds
LIBOR Floating with Caps	Maximum = 10.28% Current(2) = 8.28%	10.07% 8.14%	$293.5 million
LIBOR Facility Fixed with Swaps	9.79%	9.60%	$289.1 million
Commercial Paper with Caps	Maximum = 10.39% Current(2) = 8.09%	10.17% 7.96%	$293.5 million
Commercial Paper Fixed with Swaps	9.84%	9.64%	$288.5 million
Fixed Rate Medium Term Notes (Public)	10.61%	10.38%	$290.5 million

(1) Includes all costs associated with the transaction.
(2) Based on the respective market levels as of June 21, 1991.

LIBOR FLOATING WITH CAPS

I.	**Recurring Costs and Borrowing Spread**	
	Borrowing Spread over LIBOR	.60%
	Surety Company Annual Premium	.60%
	Trustee/Depository	.03%
	Total Recurring Costs	1.23%
II.	**Non-recurring Costs**	
	Kidder Structuring and Underwriting[1]	.18%
	Other[2]	.12%
	Total Non-recurring Costs	.30%
III.	**Hedging Costs (annualized)**	
	Caps (Strike Rate of 8.38%)[3][4]	.37%
IV.	**All-in Rate[5]**	
	(a) Maximum (assumes LIBOR stays at Cap strike rate on above)	
	Bond equivalent rate	10.28%
	Monthly mortgage equivalent	10.07%
	(b) Current (assumes LIBOR at current level of 6.38%) (as of June 21, 1991)	
	Bond-equivalent rate	8.28%
	Monthly mortgage equivalent	8.14%
V.	**Proceeds**	$293.5 million

(1) Represents a .5% structuring fee and .375% underwriting fee for Kidder for the floating rate financing amortized at the fixed interest rate over the term of the financing.

(2) Includes all fees and costs set forth in Section 8.

(3) Represents the cap premium amortized at the fixed rate of interest rate over the term. Hedging cost estimate is based on the average balance and average life of the financing.

(4) Assumed six month Libor, the convention for FRNs.

(5) All costs and rates, with the exception of Kidder's fees, are estimates.

LIBOR FIXED WITH SWAPS

I. Recurring Costs and Borrowing Spread

Borrowing Spread to LIBOR	.60%
Surety Company Annual Premium	.60%
Trustee/Depository	.03%
Total Recurring Costs	1.23%

II. Non-recurring Costs

Kidder Structuring and Underwriting Fee(1)	.18%
Other(2)	.12%
Total Non-recurring Costs	.30%

III. Hedging Costs (annual)(3)

Swap Spread	.60%

IV. All-in Rate(4)(5)

Based on current U.S. Treasury rate of 7.66%
(as of June 21, 1991)

Bond equivalent rate	9.79%
Monthly mortgage equivalent	9.60%

V. Proceeds — $289.1 million

(1) Represents a .5% structuring fee and .375% underwriting fee for Kidder for the floating rate financing amortized at the fixed interest rate over the term of the financing.

(2) Includes all fees and costs set forth in Section 8.

(3) Hedging cost estimate is based on the average balance and the average life of the financing.

(4) Assumed six month Libor, the convention for FRNs.

(5) All costs and rates, with the exception of Kidder's fees, are estimates.

COMMERCIAL PAPER WITH CAPS

I. Recurring Costs and Borrowing Spread

Premium to AI/PI	.05%
Surety Company Annual Premium	.60%
Liquidity Facility Provider's Fee	.50%
CP Dealer's Fee	.08%
Trustee/Depository Fee	.03%
Total Recurring Costs	1.26%

II. Non-recurring Costs

Kidder Structuring and Underwriting[1]	.10%
Liquidity Facility Provider's Fee	.12%
Other[2]	.12%
Total Non-recurring Costs	.34%

III. Hedging Costs (annualized)

Caps (Strike Rate of 8.38%)[3][4]	.41%

IV. All-in Rate[5]

(a) Maximum (assumes CP stays at or above strike rate) (as of June 21, 1991)	
Bond equivalent rate	10.39%
Monthly mortgage equivalent	10.17%
(b) Current (assumes CP at current level of 6.08%)[4]	
Bond equivalent rate	8.09%
Monthly mortgage equivalent	7.96%

V. Proceeds — $293.5 million

(1) Represents a .5% structuring fee for Kidder for the commercial paper financing amortized at the fixed interest rate over the term of the financing.

(2) Includes all fees and costs set forth in Section 8.

(3) Represents the cap premium amortized at the fixed rate of interest rate over the term. Hedging cost estimate is based on the average balance and the average life of the financing.

(4) Assumes six month Commercial Paper.

(5) All costs and rates, with the exception of Kidder's fees, are estimates.

COMMERCIAL PAPER FIXED WITH SWAPS

I. Recurring Costs and Borrowing Spread

Premium to AI/PI	.05%
Surety Company Annual Premium	.60%
Liquidity Facility Provider's Annual Fee	.50%
CP Dealer's Fee	.08%
Trustee/Depository Fee	.03%
Total Estimated Recurring Costs	1.26%

II. Non-recurring Costs

Kidder Structuring and Underwriting(1)	.10%
Liquidity Facility Provider's Fee	.12%
Other(2)	.12%
Total Non-recurring Costs	.34%

III. Hedging Costs (annual)(3)

Swap Spread	.58%

IV. All-in Rate(4)(5)

Based on current U.S. Treasury rate of 7.66% (as of June 21, 1991)

Bond equivalent rate	9.84%
Monthly mortgage equivalent	9.64%

V. Proceeds $288.5 million

(1) Represents a .5% structuring fee to Kidder for the commercial paper financing amortized over the term of the financing.

(2) Includes all fees and costs set forth in Section 8.

(3) Hedging cost estimate is based on the average balance and average life of the financing.

(4) Assumes six month Commercial Paper.

(5) All costs and rates, with the exception of Kidder's fees, are estimates.

FIXED RATE MEDIUM TERM NOTES

I. Recurring Costs and Borrowing Spread

Borrowing Spread to LIBOR	1.75%
Surety Company Annual Premium	.60%
Trustee/Depository	.03%
Total Estimated Recurring Costs	2.38%

II. Non-recurring Costs

Kidder Structuring and Underwriting[1]	.18%
Other[2]	.12%
Total Non-recurring Costs	.30%

III. Hedging Costs (annualized)

None	0

IV. All-in Rate[3]

Based on current 5-year U.S. Treasury rate of 7.93% (as of June 21, 1991)

Bond equivalent rate	10.61%
Monthly mortgage equivalent	10.38%

V. Proceeds — $290.5 million

(1) Represents a .5% structuring fee and .375% underwriting fee for Kidder for the fixed rate financing amortized at the fixed interest rate over the term of the financing.

(2) Includes all fees and costs set forth in Section 8.

(3) Represents the cap premium amortized at the fixed rate of interest rate over the term.

ANALYSIS OF POOL

Description of Pool Assets:

USF&G has provided, attached to the request for proposal, a portfolio of 27 loans consisting of HUD mortgages, debt/equity mortgages, and participating loans. We have reviewed the material provided in detail and have assumed its accuracy.

Based on our review, we can make certain recommendations as to the composition of the most appropriate portfolio for securitization. As discussed previously in Section 2, we have recommended that a separate sale be contemplated for the approximately $67.8 million of HUD loans. We have also reduced the portfolio by eliminating the two hotels because of the negative market perception of this type of asset. The forward commitment loan (number 32 in the USF&G materials) has also been excluded because it will probably not be funded in time for the review of the pool by the surety company and rating agencies. Furthermore, we have assumed for purposes of this analysis that certain restructurings will take place in connection with the loans currently in "workout" (loans #22, 24, 25 and 26). These restructurings for purposes of analysis have been assumed to be at market rates (10.5%) with cash flow coverage at 1.10 times, causing a nominal principal reduction to the loans in question.

The resulting candidate portfolio of $400.6 million is a group of loans well suited for securitization. Exhibit 1 herein shows the revised portfolio. The portfolio has an overall appraised value of $490.9 million for a loan-to-value ratio of 81.6%. The 1990 cash flow for this portfolio was $27.6 million and the 1991 proforma N.O.I. is estimated to be $39.6 million. This results in a pro forma debt service coverage ratio for 1991 of 1.10.

The pool has good diversity, both geographically. and in terms of the type of collateral. Exhibits 2 and 3 in this Section 5 summarize the diversity of the portfolio by geography and property type. Multifamily, at 33% of the pool is a highly favored asset type. Within this category, the pool is somewhat geographically concentrated in Florida, although this slightly negative factor may be compensated for by strong property performance and an average LTV of 75%. Industrial parks, at 20% of the pool, provide diversity. However, at 85% LTV, property underwriting will be important to the outcome of the financing. The largest segment of the pool is office at 47%. Geographically, this segment is reasonably diversified, and importantly, adds additional markets to the pool, and thus further diversity. However, this segment will be especially scrutinized during the underwriting process because of the current nationwide oversupply, particularly in suburban locations. As a pool, the geographic diversity is excellent, without undue concentration in any single region, state or city.

Based on the above, we believe the quality and size of the portfolio provides an excellent base for a structured financing.

Determination of Senior Interest:

The senior interest will differ slightly in each form of execution and ultimately by the results of the diligence underwriting. We have presented in Exhibit 4 herein the cash flow of each mortgage to its effective call date, assuming that each loan would be called by its terms. As discussed above in Section 4, a maturity of approximately seven years or less is of critical importance to the market. We have therefore applied all "amortization" cash flow (as the loans are called) to retire the senior tranche while allowing cash flow above that needed to service the senior certificates to pass to the subordinate holder (fast pay/slow pay referred to in Section 4). In this fashion, we can structure a fully amortizing senior interest with a term of seven years with a weighted average maturity of 3.5 years. Exhibit 5 herein is a graph of the amortization schedule of the senior interest and the completed pool. This structure will be well received by the market and yet allow us to maximize the size of the senior tranche while providing sufficient value to the subordinate tranche to bolster the valuation.

Applying the level of interest rate determined in Section 4, we conclude that from the portfolio of $400.6 million USF&G can achieve a senior certificate sale of $293.5 million. The final results will depend on the prevailing interest rate environment at the time of execution and the result of the underwriting process. In addition, the sale proceeds will be reduced by the interest rate cap purchases and the non-recurring costs of the transaction.

The equity participations from the debt/equity structures or from the participating structures have not been included in the above analysis. As discussed in Section 3, the securities market will not favor these features; it will therefore be more appropriate for USF&G to retain these participations for the benefit of the subordinate interest and to thus support the desired accounting treatment.

Finally, and as discussed previously in Section 3, and in response to your question relating to the rating agencies and the configuration of the pool, the rating agencies should be approached only after the pool is preliminarily structured, the surety company has been selected, and the portfolio has been initially reviewed by it.

U S F & G   Mortgage Portfolio

Exhibit 1

Property Name	Date Funded	Term Years	Call Option	Principal Balance	Interest Rate	Payment Rate	Appraised Value	L T V	Actual 1990 NOI	Projected 1991 NOI	Debt Service	Coverage Ratio
DEBT & EQUITY STRUCTURES												
7 Bristol Bay	Apr–90	10	5	7,200,000	9.50%	9.50%	14,000,000	51.4%	589,414	961,535	684,000	1.406
8 Fountainview I & II	Aug–90	10	5	11,404,761	9.50%	9.50%	22,370,000	51.0%	631,138	1,922,525	1,083,452	1.774
9 Habersham Pointe I & II	Oct–89	10	5	7,593,000	9.50%	9.50%	10,000,000	75.9%	358,934	819,360	721,335	1.136
10 USF&G Building	Mar–89	10	5	1,625,000	9.50%	9.50%	2,300,000	70.7%	200,219	181,870	154,375	1.178
11 Atlanta Tech Center	Sep–88	10	5	11,600,000	9.50%	9.50%	17,100,000	67.8%	1,295,599	1,151,324	1,102,000	1.045
12 Penderbrook Apartments	Nov–88	10	5	20,000,000	9.50%	9.50%	32,100,000	62.3%	1,915,903	1,806,153	1,900,000	0.951
TOTAL DEBT & EQUITIES				59,422,761			97,870,000	60.7%	4,991,207	6,842,767	5,645,162	1.212
Percent Total Portfolio				14.8%			19.9%		18.1%	17.3%		
PARTICIPATING MORTGAGES												
13 Alden Pond	May–90	20	6	12,840,000	10.25%	8.25%	14,000,000	91.7%	508,867	1,346,528	1,059,300	1.271
14 Boulden / New Castle	Jun–88	20	12	14,371,335	9.75%	9.75%	18,800,000	76.4%	1,643,926	1,742,660	1,401,205	1.244
15 Five Centerpointe	Sep–88	15	10	13,569,962	10.00%	8.75%	14,000,000	96.9%	304,412	1,157,221	1,187,372	0.975
16 Longview	Apr–88	20	12	27,065,236	9.50%	9.50%	33,000,000	82.0%	2,826,313	2,991,713	2,571,197	1.164
17 Ohio EPA	Jul–87	20	10	9,350,000	9.50%	9.50%	11,000,000	85.0%	990,764	1,055,952	888,250	1.189
18 Old Orchard	Jan–89	20	6	22,237,657	10.00%	8.00%	26,000,000	85.5%	2,063,050	2,531,011	1,779,013	1.423
19 Two Newton	Oct–87	20	12	21,000,000	10.00%	10.00%	20,000,000	105.0%	1,338,655	2,018,941	2,100,000	0.961
20 Duke Industrial Portfolio	Apr–90	10	5	49,411,796	9.50%	8.50%	59,300,000	83.3%	2,033,009	4,423,391	4,200,003	1.053
21 Metro Center	May–88	20	5	33,029,104	9.25%	8.25%	36,300,000	91.0%	2,939,831	2,895,598	2,724,901	1.063
22 Fairgate at Ballston	Oct–89			24,000,000	9.50%	9.50%	35,500,000	67.6%	2,464,539	2,766,887	2,280,000	1.214
24 Huntington Brook	Sep–84			9,700,000	10.25%		11,200,000	86.6%	930,205	1,121,572		
25 Huntington Ridge	Sep–84			6,500,000	10.75%		8,200,000	79.3%	565,534	748,860		
26 Huntington Meadows	Sep–84			7,500,000	10.50%		8,790,000	85.3%	648,150	862,949		
27 Lighton Plaza I	Feb–87	20	12	12,988,352	11.25%	10.50%	13,850,000	93.8%	1,470,422	1,190,137	1,363,777	0.873
28 Lighton Plaza II	Sep–88	20	12	13,195,830	9.25%	8.50%	13,225,000	99.8%	498,397	789,338	1,121,646	0.704
29 Silo Bend	Dec–88	20	10	14,720,797	9.50%	9.50%	14,480,000	101.7%	1,402,274	1,411,241	1,398,476	1.009
31 Bay Court	Jun–91	10	5	24,120,000	9.50%	7.00%	28,350,000	85.1%	n/a	1,809,000	1,688,400	1.071
33 Lake Howell	Jun–91	10	5	25,600,000	9.50%	7.00%	27,000,000	94.8%	n/a	1,920,000	1,792,000	1.071
TOTAL PARTICIPATING MORTGAGES				341,200,069			392,995,000	86.8%	22,628,348	32,782,999	27,555,539	1.190
Percent Total Portfolio				85.2%			80.1%		81.9%	82.7%		
TOTAL PORTFOLIO				400,622,830			490,865,000	81.6%	27,619,555	39,625,766		

U S F & G Mortgage Portfolio by Geographic Region

Exhibit 2

Property Name	Property Type	City	State	Principal Balance	Interest Rate	Pay Rate	Appraised Value	L T V	1991 NOI	Debt Service	Coverage Ratio
WESTERN REGION											
21 Metro Center	Office	Sacramento	CA	33,029,104	9.25%	8.25%	36,300,000	91.0%	2,895,598	2,724,901	1.063
15 Five Centerpointe	Office	Lake Oswego	OR	13,569,962	10.00%	8.75%	14,000,000	96.9%	1,157,221	1,187,372	0.975
31 Bay Court	Apartment	Seattle	WA	24,120,000	9.50%	7.00%	28,350,000	85.1%	1,809,000	1,688,400	1.071
TOTAL WEST				70,719,066		7.92%	78,650,000	89.9%	5,861,819	5,600,673	1.047
Percent Total Portfolio				17.7%			16.0%		14.8%	15.6%	
MID-ATLANTIC REGION											
14 Boulden / New Castle	Food Distribution	New Castle	DE	14,371,335	9.75%	9.75%	18,800,000	76.4%	1,742,660	1,401,205	1.244
16 Longview	Office	Hunt Valley	MD	27,065,236	9.50%	9.50%	33,000,000	82.0%	2,991,713	2,571,197	1.164
22 Fairgate at Ballston	Office	Arlington	VA	24,000,000	10.50%	10.50%	35,500,000	67.6%	2,766,887	2,520,000	1.098
12 Penderbrook Apartments	Apartment	Fairfax	VA	20,000,000	9.50%	9.50%	32,100,000	62.3%	1,806,153	1,900,000	0.951
TOTAL MID-ATLANTIC				85,436,571		9.82%	119,400,000	71.6%	9,307,413	8,392,403	1.109
Percent Total Portfolio				21.3%			24.3%		23.5%	23.4%	
SOUTHEAST REGION											
8 Fountainview I & II	Apartment	Naples	FL	11,404,761	9.50%	9.50%	22,370,000	51.0%	1,922,525	1,083,452	1.774
33 Lake Howell	Apartment	Orlando	FL	25,600,000	9.50%	7.00%	27,000,000	94.8%	1,920,000	1,792,000	1.071
7 Bristol Bay	Apartment	Bradenton	FL	7,200,000	9.50%	9.50%	14,000,000	51.4%	961,535	684,000	1.406
29 Silo Bend	Industrial Park	Hillsborough	FL	14,720,797	9.25%	7.00%	14,480,000	101.7%	1,411,241	1,030,456	1.370
9 Habersham Pointe I & II	Apartment	Atlanta	GA	7,593,000	9.50%	9.50%	10,000,000	75.9%	819,360	721,335	1.136
11 Atlanta Tech Center	Office	Atlanta	GA	11,600,000	9.50%	9.50%	17,100,000	67.8%	1,151,324	1,102,000	1.045
TOTAL SOUTHEAST				78,118,558		8.21%	104,950,000	74.4%	8,185,985	6,413,243	1.276
Percent Total Portfolio				19.5%			21.4%		20.7%	17.9%	
MID-WEST REGION											
18 Old Orchard	Office	Skokie	IL	22,237,657	10.00%	8.00%	26,000,000	85.5%	2,531,011	1,779,013	1.423
20 Duke Industrial Portfolio	Industrial Parks	Indianapolis	IN	49,411,796	9.50%	9.00%	59,300,000	83.3%	4,423,391	4,447,062	0.995
20 Duke Industrial Portfolio	Industrial Parks	Cincinnati	OH								
20 Duke Industrial Portfolio	Industrial Parks	Nashville	TN								
28 Lighton Plaza II	Office	Overland Pk	KS	13,195,830	9.25%	8.50%	13,225,000	99.8%	789,338	1,121,646	0.704
27 Lighton Plaza I	Office	Overland Pk	KS	12,988,352	11.25%	10.50%	13,850,000	93.8%	1,190,137	1,363,777	0.873
10 USF&G Building	Office	Louisville	KY	1,625,000	9.50%	9.50%	2,300,000	70.7%	181,870	154,375	1.178
13 Alden Pond	Apartment	Eagan	MN	12,840,000	10.25%	8.25%	14,000,000	91.7%	1,346,528	1,059,300	1.271
17 Ohio EPA	Office	Columbus	OH	9,350,000	9.50%	9.50%	11,000,000	85.0%	1,055,952	888,250	1.189
TOTAL MID-WEST				121,648,635		8.89%	139,675,000	87.1%	11,518,227	10,813,422	1.065
Percent Total Portfolio				30.4%			28.5%		29.1%	30.2%	
SOUTHWEST REGION											
26 Huntington Meadows	Apartment	Dallas	TX	7,500,000	10.50%	10.50%	8,790,000	85.3%	862,949	787,500	1.096
25 Huntington Ridge	Apartment	Irving	TX	6,500,000	10.50%	10.50%	8,200,000	79.3%	748,860	682,500	1.097
24 Huntington Brook	Apartment	Dallas	TX	9,700,000	10.50%	10.50%	11,200,000	86.6%	1,121,572	1,018,500	1.101
TOTAL SOUTHWEST				23,700,000		10.50%	28,190,000	84.1%	2,733,381	2,488,500	1.098
Percent Total Portfolio				5.9%			5.7%		6.9%	6.9%	
NORTHEAST REGION											
19 Two Newton	Office	Newton	MA	21,000,000	10.00%	10.00%	20,000,000	105.0%	2,018,941	2,100,000	0.961
TOTAL NORTHEAST				21,000,000		10.00%	20,000,000	105.0%	2,018,941	2,100,000	0.961
Percent Total Portfolio				5.2%			4.1%		5.1%	5.9%	

U S F & G Mortgage Portfolio by Property Type

Exhibit 3

Property Name	Property Type	City	State	Principal Balance	Interest Rate	Payment Rate	Appraised Value	L T V	Projected 1991 NOI	Debt Service	Coverage Ratio
APARTMENT PROPERTIES											
8 Fountainview I & II	Apartment	Naples	FL	11,404,761	9.50%	9.50%	22,370,000	51.0%	1,922,525	1,083,452	1.774
33 Lake Howell	Apartment	Orlando	FL	25,600,000	9.50%	7.00%	27,000,000	94.8%	1,920,000	1,792,000	1.071
31 Bay Court	Apartment	Seattle	WA	24,120,000	9.50%	7.00%	28,350,000	85.1%	1,809,000	1,688,400	1.071
26 Huntington Meadows	Apartment	Dallas	TX	7,500,000	10.50%	10.50%	8,790,000	85.3%	862,949	787,500	1.096
25 Huntington Ridge	Apartment	Irving	TX	6,500,000	10.50%	10.50%	8,200,000	79.3%	748,860	682,500	1.097
24 Huntington Brook	Apartment	Dallas	TX	9,700,000	10.50%	10.50%	11,200,000	86.6%	1,121,572	1,018,500	1.101
7 Bristol Bay	Apartment	Bradenton	FL	7,200,000	9.50%	9.50%	14,000,000	51.4%	961,535	684,000	1.406
13 Alden Pond	Apartment	Eagan	MN	12,840,000	10.25%	8.25%	14,000,000	91.7%	1,346,528	1,059,300	1.271
12 Penderbrook Apartments	Apartment	Fairfax	VA	20,000,000	9.50%	9.50%	32,100,000	62.3%	1,806,153	1,900,000	0.951
9 Habersham Pointe I & II	Apartment	Atlanta	GA	7,593,000	9.50%	9.50%	10,000,000	75.9%	819,360	721,335	1.136
TOTAL APARTMENT PROPERTIES				132,457,761		8.62%	176,010,000	75.3%	13,318,482	11,416,987	1.167
Percent Total Portfolio				33.1%			35.9%		33.6%	31.9%	
INDUSTRIAL PROPERTIES											
14 Boulden / New Castle	Food Distribution	New Castle	DE	14,371,335	9.75%	9.75%	18,800,000	76.4%	1,742,660	1,401,205	1.244
29 Silo Bend	Industrial Park	Hillsborough	FL	14,720,797	9.25%	7.00%	14,480,000	101.7%	1,411,241	1,030,456	1.370
20 Duke Industrial Portfolio	Industrial Park	Indianapolis	IN								
20 Duke Industrial Portfolio	Industrial Park	Cincinnati	OH								
20 Duke Industrial Portfolio	Industrial Park	Nashville	TN	49,411,796	9.50%	9.00%	59,300,000	83.3%	4,423,391	4,447,062	0.995
TOTAL INDUSTRIAL PROPERTIES				78,503,928		8.76%	92,580,000	84.8%	7,577,292	6,878,723	1.102
Percent Total Portfolio				19.6%			18.9%		19.1%	19.2%	
OFFICE PROPERTIES											
28 Lighton Plaza II	Office	Overland Pk	KS	13,195,830	9.25%	8.50%	13,225,000	99.8%	789,338	1,121,646	0.704
27 Lighton Plaza I	Office	Overland Pk	KS	12,988,352	11.25%	10.50%	13,850,000	93.8%	1,190,137	1,363,777	0.873
10 USF&G Building	Office	Louisville	KY	1,625,000	9.50%	9.50%	2,300,000	70.7%	181,870	154,375	1.178
21 Metro Center	Office	Sacramento	CA	33,029,104	9.25%	8.25%	36,300,000	91.0%	2,895,598	2,724,901	1.063
11 Atlanta Tech Center	Office	Atlanta	GA	11,600,000	9.50%	9.50%	17,100,000	67.8%	1,151,324	1,102,000	1.045
22 Fairgate at Ballston	Office	Arlington	VA	24,000,000	10.50%	10.50%	35,500,000	67.6%	2,766,887	2,520,000	1.098
15 Five Centerpointe	Office	Lake Oswego	OR	13,569,962	10.00%	8.75%	14,000,000	96.9%	1,157,221	1,187,372	0.975
18 Old Orchard	Office	Skokie	IL	22,237,657	10.00%	8.00%	26,000,000	85.5%	2,531,011	1,779,013	1.423
17 Ohio EPA	Office	Columbus	OH	9,350,000	9.50%	9.50%	11,000,000	85.0%	1,055,952	888,250	1.189
16 Longview	Office	Hunt Valley	MD	27,065,236	9.50%	9.50%	33,000,000	82.0%	2,991,713	2,571,197	1.164
19 Two Newton	Office	Newton	MA	21,000,000	10.00%	10.00%	20,000,000	105.0%	2,018,941	2,100,000	0.961
TOTAL OFFICE PROPERTIES				189,661,141		9.23%	222,275,000	85.3%	18,729,992	17,512,530	1.070
Percent Total Portfolio				47.3%			45.3%		47.3%	48.9%	
TOTAL PORTFOLIO				400,622,830		8.94%	490,865,000	81.6%	39,625,766	35,808,240	1.107

EXHIBIT 4

SCHEDULE OF

INTEREST AND PRINCIPAL

PAYMENTS

FOR THE POOL

AND THE

SENIOR AND SUBORDINATE

SECURITIES

U S F & G Mortgage Portfolio

INTEREST SCHEDULE FOR COMMERCIAL PAPER ALTERNATIVE

	Property Name	Principal Balance	Monthly Payment Rate	Years to Call Date	Cumulative Principal	Mo to Call Date	Date Funded	Call Date	Feb-92	Mar-92	Apr-92	May-92	Jun-92	Jul-92	Aug-92
21	Metro Center	33,029,104	0.69%	1.33	80,729,104	16	May-88	May-93	227,075	227,264	227,454	227,643	227,833	228,023	228,213
11	Atlanta Tech Center	11,600,000	0.79%	1.67	92,329,104	20	Sep-88	Sep-93	91,833	91,833	91,833	91,833	91,833	91,833	91,833
12	Penderbrook Apartmen	20,000,000	0.79%	1.84	112,329,104	22	Nov-88	Nov-93	158,333	158,333	158,333	158,333	158,333	158,333	158,333
10	USF&G Building	1,625,000	0.79%	2.16	113,954,104	26	Mar-89	Mar-94	12,865	12,865	12,865	12,865	12,865	12,865	12,865
9	Habersham Pointe I &	7,593,000	0.79%	2.75	121,547,104	33	Oct-89	Oct-94	60,111	60,111	60,111	60,111	60,111	60,111	60,111
18	Old Orchard	22,237,657	0.67%	3.00	143,784,761	36	Jan-89	Jan-95	148,251	148,251	148,251	148,251	148,251	148,251	148,251
20	Duke Industrial Port	49,411,796	0.75%	3.25	193,196,557	39	Apr-90	Apr-95	370,588	370,743	391,503	391,503	391,503	391,503	391,503
7	Bristol Bay	7,200,000	0.79%	3.25	200,396,557	39	Apr-90	Apr-95	57,000	57,000	57,000	57,000	57,000	57,000	57,000
8	Fountainview I & II	11,404,761	0.79%	3.58	211,801,318	43	Aug-90	Aug-95	90,288	90,288	90,288	90,288	90,288	90,288	90,288
13	Alden Pond	12,840,000	0.69%	4.33	224,641,318	52	May-90	May-96	88,275	88,422	88,569	99,471	99,554	99,637	99,720
24	Huntington Brook	9,700,000	0.88%	4.42	17,200,000	53	Sep-84	Jun-96	84,875	84,875	84,875	84,875	84,875	84,875	84,875
25	Huntington Ridge	6,500,000	0.88%	4.42	23,700,000	53	Sep-84	Jun-96	56,875	56,875	56,875	56,875	56,875	56,875	56,875
26	Huntington Meadows	7,500,000	0.88%	4.42	7,500,000	53	Sep-84	Jun-96	65,625	65,625	65,625	65,625	65,625	65,625	65,625
33	Lake Howell	25,600,000	0.58%	4.42	250,241,318	53	Jun-91	Jun-96	149,333	149,644	149,956	150,269	161,338	161,606	161,876
31	Bay Court	24,120,000	0.58%	4.42	274,361,318	53	Jun-91	Jun-96	140,700	140,993	141,287	141,581	141,876	142,172	142,468
17	Ohio EPA	9,350,000	0.79%	5.50	283,711,318	66	Jul-87	Jul-97	74,021	74,021	74,021	74,021	74,021	74,021	74,021
15	Five Centerpointe	13,569,962	0.73%	6.67	297,281,280	80	Sep-88	Sep-98	107,429	107,474	107,518	107,563	107,608	107,653	107,698
29	Silo Bend	14,720,797	0.58%	6.92	312,002,077	83	Dec-88	Dec-98	85,871	86,032	86,194	86,355	98,877	98,980	99,083
27	Lighton Plaza I	12,988,352	0.88%	7.09	324,990,429	85	Feb-87	Feb-99	117,707	117,744	117,781	117,817	117,854	117,891	117,928
19	Two Newton	21,000,000	0.83%	7.75	345,990,429	93	Oct-87	Oct-99	175,000	175,000	175,000	175,000	175,000	175,000	175,000
16	Longview	27,065,236	0.79%	8.25	373,055,665	99	Apr-88	Apr-2000	214,266	214,266	214,266	214,266	214,266	214,266	214,266
14	Boulden / New Castle	14,371,335	0.81%	8.42	387,427,000	101	Jun-88	Jun-2000	116,767	116,767	116,767	116,767	116,767	116,767	116,767
28	Lighton Plaza II	13,195,830	0.71%	8.67	400,622,830	104	Sep-88	Sep-2000	93,470	93,529	93,587	93,646	93,704	93,763	93,822
22	Fairgate at Ballston	24,000,000	0.88%	8.67	47,700,000	104	Oct-89	Sep-2000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
	Total Interest Payments								2996560	2997956	3019960	3031959	3056257	3057337	3058419
	Restructured Principal Repayments														
	Scheduled Principal Repayments														
	Total Principal Payments								0	0	0	0	0	0	0
	T O T A L C A S H F L O W							-4.0E+08	2996560	2997956	3019960	3031959	3056257	3057337	3058419
	Cumulative Interest Payments								2996560	5994516	9014476	12046434	15102691	18160029	21218448
	Cumulative Principal Payments								0	0	0	0	0	0	0
					W A M		W A C								
	CUMULATIVE CASH FLOW	9.93%			4.90		9.68%		2996560	5994516	9014476	12046434	15102691	18160029	21218448
	Total Principal	400,622,830							4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08
			L T V	D S C	W A M		W A C								
	Senior Interests	73.25%	59.8%	1.401	3.62		9.64%								
	Principal Balance	293,456,223			Avg Bal				2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08
	Interest Due	9.64%			153,800,508				2357432	2357432	2357432	2357432	2357432	2357432	2357432
	Interest Payments								-2357432	-2357432	-2357432	-2357432	-2357432	-2357432	-2357432
	Principal Payments								0	0	0	0	0	0	0
	Total Payments								2357432	2357432	2357432	2357432	2357432	2357432	2357432
	Cumulative Payments								2357432	4714863	7072295	9429727	11787158	14144590	16502022
	Junior Interests	26.75%													
	Principal Balance	107,166,607													
	Payments	10.07%						-1.1E+08	639128.4	640524.4	662527.9	674527.1	698825.2	699905.8	700987.7
	Cumulative Payments								639128.4	1279653	1942181	2616708	3315533	4015439	4716427
	Total Portfolio Cumulative Payments								2996560	5994516	9014476	12046434	15102691	18160029	21218448
	Loans with Accural Features														
21	Interest								254,599	254,812	255,024	255,236	255,449	255,662	255,875
	Payment								(227,075)	(227,264)	(227,454)	(227,643)	(227,833)	(228,023)	(228,213)
	Metro Center	33,029,104							33056628	33084175	33111746	33139339	33166955	33194594	33222256
20	Interest								391,177	391,340	391,503	391,503	391,503	391,503	391,503
	Payment								(370,588)	(370,743)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)
	Duke Industrial Cent	49,411,796							49432384	49452981	49452981	49452981	49452981	49452981	49452981
13	Interest								109,675	109,858	110,041	110,224	110,316	110,408	110,500
	Payment								(88,275)	(88,422)	(88,569)	(99,471)	(99,554)	(99,637)	(99,720)
	Alden Pond	12,840,000							12861400	12882836	12904307	12915061	12925823	12936595	12947375
33	Interest								202,667	203,089	203,512	203,936	204,361	204,701	205,043
	Payment								(149,333)	(149,644)	(149,956)	(150,269)	(161,338)	(161,606)	(161,876)
	Lake Howell	25,600,000							25653333	25706778	25760334	25814001	25857024	25900119	25943286
31	Interest								190,950	191,348	191,746	192,146	192,546	192,947	193,349
	Payment								(140,700)	(140,993)	(141,287)	(141,581)	(141,876)	(142,172)	(142,468)
	Bay Court	24,120,000							24170250	24220605	24271064	24321629	24372299	24423075	24473956
15	Interest								113,083	113,130	113,177	113,224	113,272	113,319	113,366
	Payment								(107,429)	(107,474)	(107,518)	(107,563)	(107,608)	(107,653)	(107,698)
	Five Centerpointe	13,569,962							13575616	13581273	13586932	13592593	13598256	13603922	13609591
29	Interest								113,473	113,686	113,899	114,112	114,326	114,445	114,565
	Payment								(85,871)	(86,032)	(86,194)	(86,355)	(98,877)	(98,980)	(99,083)
	Silo Bend	14,720,797							14748398	14776052	14803757	14831514	14846963	14862429	14877911
27	Interest								121,766	121,804	121,842	121,880	121,918	121,956	121,994
	Payment								(117,707)	(117,744)	(117,781)	(117,817)	(117,854)	(117,891)	(117,928)
	Lighton Plaza I	12,988,352							12992411	12996471	13000532	13004595	13008659	13012724	13016791
28	Interest								101,718	101,781	101,845	101,909	101,972	102,036	102,100
	Payment								(93,470)	(93,529)	(93,587)	(93,646)	(93,704)	(93,763)	(93,822)
	Lighton Plaza II	13,195,830							13204077	13212330	13220588	13228851	13237119	13245392	13253670

Sep-92	Oct-92	Nov-92	Dec-92	Jan-93	Feb-93	Mar-93	Apr-93	May-93	Jun-93	Jul-93	Aug-93	Sep-93	Oct-93	Nov-93	Dec-93	Jan-94	Feb-94
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228,403	228,593	228,784	228,974	229,165	229,356	229,547	229,739	229,930	0	0	0	0	0	0	0	0	0
91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	91,833	0	0	0	0	0
158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	0	0	0
12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865	12,865
60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111
148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251
391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503
57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288
99,803	99,886	99,969	100,052	100,136	100,219	100,303	100,386	100,470	100,554	100,637	100,721	100,805	100,889	100,973	101,058	101,142	101,226
84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875
56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875
65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625
162,146	162,416	162,686	162,958	163,229	163,501	163,774	164,047	164,320	175,567	175,786	176,006	176,226	176,446	176,667	176,888	177,109	177,330
142,765	143,062	143,360	143,659	143,958	144,258	144,559	144,860	176,268	176,415	176,562	176,709	176,856	177,003	177,151	177,298	177,446	177,594
74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021
107,743	107,787	107,832	107,877	107,922	107,967	108,012	108,057	108,102	108,147	108,192	108,237	108,283	108,328	108,373	108,418	108,463	108,508
99,186	99,289	99,393	99,496	99,600	99,704	99,808	99,912	100,016	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
117,965	118,002	118,038	118,075	118,112	118,149	118,186	118,223	118,260	118,297	118,334	118,371	118,408	118,445	118,482	118,519	118,556	118,593
175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266
116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767
96,641	96,682	96,722	96,762	96,803	96,843	96,883	96,924	96,964	97,004	97,045	97,085	97,126	97,166	97,207	97,247	97,288	97,328
210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
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3062264	3063331	3064399	3065468	3066539	3067611	3068685	3069760	3101943	2899361	2899933	2900507	2901080	2809821	2810396	2652638	2653214	2653790
								33472255				11600000		20000000			
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0	0	0	0	0	0	0	0	33472255	0	0	0	11600000	0	20000000	0	0	0
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3062264	3063331	3064399	3065468	3066539	3067611	3068685	3069760	36574198	2899361	2899933	2900507	14501080	2809821	22810396	2652638	2653214	2653790
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24280712	27344043	30408441	33473909	36540448	39608059	42676744	45746504	48848447	51747808	54647741	57548248	60449328	63259149	66069545	68722183	71375397	74029187
0	0	0	0	0	0	0	0	33472255	33472255	33472255	33472255	45072255	45072255	65072255	65072255	65072255	65072255
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24280712	27344043	30408441	33473909	36540448	39608059	42676744	45746504	82320703	85220063	88119997	91020503	1.1E+08	1.1E+08	1.3E+08	1.3E+08	1.4E+08	1.4E+08
4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	3.7E+08	3.7E+08	3.7E+08	3.7E+08	3.6E+08	3.6E+08	3.4E+08	3.4E+08	3.4E+08	3.4E+08
2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.5E+08	2.5E+08	2.3E+08	2.3E+08	2.3E+08
2357432	2357432	2357432	2357432	2357432	2357432	2357432	2357432	2357432	2088538	2088538	2088538	2088538	1995351	1995351	1834685	1834685	1834685
-2357432	-2357432	-2357432	-2357432	-2357432	-2357432	-2357432	-2357432	-2357432	-2088538	-2088538	-2088538	-2088538	-1995351	-1995351	-1834685	-1834685	-1834685
0	0	0	0	0	0	0	0	-3.3E+07	0	0	0	-1.2E+07	0	-2.0E+07	0	0	0
2357432	2357432	2357432	2357432	2357432	2357432	2357432	2357432	35829687	2088538	2088538	2088538	13688538	1995351	21995351	1834685	1834685	1834685
18859453	21216885	23574317	25931748	28289180	30646612	33004043	35361475	71191162	73279700	75368237	77456775	91145313	93140664	1.2E+08	1.2E+08	1.2E+08	1.2E+08
704832.4	705898.9	706966.9	708036.3	709107.2	710179.5	711253.3	712328.6	744511.4	810822.7	811395.4	811968.7	812542.4	814470	815044.8	817953.4	818529.2	819105.5
5421259	6127158	6834125	7542161	8251268	8961448	9672701	10385030	11129541	11940364	12751759	13563728	14376270	15190740	16005785	16823738	17642268	18461373
24280712	27344043	30408441	33473909	36540448	39608059	42676744	45746504	82320703	85220063	88119997	91020503	1.1E+08	1.1E+08	1.3E+08	1.3E+08	1.4E+08	1.4E+08
256,088	256,302	256,515	256,729	256,943	257,157	257,371	257,586	257,800									
(228,403)	(228,593)	(228,784)	(228,974)	(229,165)	(229,356)	(229,547)	(229,739)	(229,930)									
33249941	33277650	33305381	33333135	33360913	33388714	33416538	33444385	33472255									
391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503
(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)
49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981
110,592	110,684	110,777	110,869	110,961	111,054	111,146	111,239	111,332	111,424	111,517	111,610	111,703	111,796	111,889	111,983	112,076	112,169
(99,803)	(99,886)	(99,969)	(100,052)	(100,136)	(100,219)	(100,303)	(100,386)	(100,470)	(100,554)	(100,637)	(100,721)	(100,805)	(100,889)	(100,973)	(101,058)	(101,142)	(101,226)
12958165	12968963	12979771	12990587	13001413	13012247	13023091	13033943	13044805	13055676	13066555	13077444	13088342	13099249	13110165	13121090	13132024	13142968
205,384	205,727	206,070	206,413	206,757	207,102	207,447	207,793	208,139	208,486	208,746	209,007	209,269	209,530	209,792	210,054	210,317	210,580
(162,146)	(162,416)	(162,686)	(162,958)	(163,229)	(163,501)	(163,774)	(164,047)	(164,320)	(175,567)	(175,786)	(176,006)	(176,226)	(176,446)	(176,667)	(176,888)	(177,109)	(177,330)
25986525	26029836	26073219	26116674	26160202	26203802	26247475	26291221	26335040	26367959	26400919	26433920	26466962	26500046	26533171	26566337	26599545	26632795
193,752	194,156	194,560	194,966	195,372	195,779	196,187	196,595	197,005	197,169	197,333	197,498	197,663	197,827	197,992	198,157	198,322	198,487
(142,765)	(143,062)	(143,360)	(143,659)	(143,958)	(144,258)	(144,559)	(144,860)	(176,268)	(176,415)	(176,562)	(176,709)	(176,856)	(177,003)	(177,151)	(177,298)	(177,446)	(177,594)
24524943	24576037	24627237	24678544	24729958	24781478	24833106	24884842	24905579	24926334	24947106	24967895	24988702	25009526	25030367	25051226	25072102	25092995
113,413	113,461	113,508	113,555	113,602	113,650	113,697	113,744	113,792	113,839	113,887	113,934	113,982	114,029	114,077	114,124	114,172	114,219
(107,743)	(107,787)	(107,832)	(107,877)	(107,922)	(107,967)	(108,012)	(108,057)	(108,102)	(108,147)	(108,192)	(108,237)	(108,283)	(108,328)	(108,373)	(108,418)	(108,463)	(108,508)
13615261	13620934	13626610	13632287	13637968	13643650	13649335	13655022	13660712	13666404	13672098	13677795	13683494	13689195	13694899	13700605	13706314	13712025
114,684	114,803	114,923	115,043	115,162	115,282	115,403	115,523	115,643	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
(99,186)	(99,289)	(99,393)	(99,496)	(99,600)	(99,704)	(99,808)	(99,912)	(100,016)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)
14893408	14908922	14924453	14939999	14955561	14971140	14986735	15002346	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974
122,032	122,071	122,109	122,147	122,185	122,223	122,261	122,300	122,338	122,376	122,414	122,453	122,491	122,529	122,567	122,606	122,644	122,682
(117,965)	(118,002)	(118,038)	(118,075)	(118,112)	(118,149)	(118,186)	(118,223)	(118,260)	(118,297)	(118,334)	(118,371)	(118,408)	(118,445)	(118,482)	(118,519)	(118,556)	(118,593)
13020858	13024927	13028998	13033069	13037142	13041216	13045292	13049368	13053446	13057525	13061606	13065688	13069771	13073855	13077941	13082027	13086116	13090205
102,164	102,206	102,249	102,291	102,334	102,377	102,419	102,462	102,505	102,547	102,590	102,633	102,676	102,718	102,761	102,804	102,847	102,890
(96,641)	(96,682)	(96,722)	(96,762)	(96,803)	(96,843)	(96,883)	(96,924)	(96,964)	(97,004)	(97,045)	(97,085)	(97,126)	(97,166)	(97,207)	(97,247)	(97,288)	(97,328)
13259192	13264717	13270244	13275773	13281305	13286839	13292375	13297913	13303454	13308997	13314543	13320091	13325641	13331193	13336748	13342305	13347864	13353425

Mar-94	Apr-94	May-94	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Jul-95	Aug-95
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12,865	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60,111	60,111	60,111	60,111	60,111	60,111	60,111	60,111	0	0	0	0	0	0	0	0	0	0
148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	148,251	0	0	0	0	0	0	0
391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	0	0	0	0
57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	0	0	0	0
90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288	90,288
101,310	101,395	101,479	101,564	101,648	101,733	101,818	101,903	101,988	102,073	102,158	102,243	102,328	102,413	113,580	113,580	113,580	113,580
84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875
56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875
65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625
177,552	177,774	177,996	189,357	189,515	189,673	189,831	189,989	190,148	190,306	190,465	190,623	190,782	190,941	191,100	202,510	202,594	202,679
177,742	177,890	178,038	178,187	178,335	178,484	178,633	178,781	178,930	179,080	179,229	179,378	179,528	179,677	190,405	190,484	190,564	190,643
74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021
108,554	108,599	108,644	108,689	108,735	108,780	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
118,630	118,667	118,704	118,741	118,778	118,815	118,853	118,890	118,927	118,964	119,001	119,038	119,076	119,113	119,150	119,187	119,225	119,262
175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266
116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767
97,369	97,409	97,450	97,490	97,531	97,572	97,612	97,653	97,694	97,734	97,775	97,816	97,857	97,897	97,938	97,979	98,020	98,061
210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
2654367	2642080	2642658	2654375	2654889	2655403	2661645	2662115	2602474	2602944	2603415	2455635	2456107	2456578	2030207	2041774	2042016	2042258
1625000							7593000			22237657			68057742				
1625000	0	0	0	0	0	0	7593000	0	0	22237657	0	0	68057742	0	0	0	0
4279367	2642080	2642658	2654375	2654889	2655403	2661645	10255115	2602474	2602944	24841072	2455635	2456107	70514320	2030207	2041774	2042016	2042258
76683554	79325634	81968291	84622666	87277554	89932957	92594602	95256717	97859191	1.0E+08	1.0E+08	1.1E+08	1.1E+08	1.1E+08	1.1E+08	1.1E+08	1.2E+08	1.2E+08
66697255	66697255	66697255	66697255	66697255	66697255	66697255	74290255	74290255	74290255	96527912	96527912	96527912	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08
1.4E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.6E+08	1.6E+08	1.7E+08	1.7E+08	1.7E+08	2.0E+08	2.0E+08	2.0E+08	2.8E+08	2.8E+08	2.8E+08	2.8E+08	2.8E+08
3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.0E+08	3.0E+08	3.0E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08
2.3E+08	2.3E+08	2.3E+08	2.3E+08	2.3E+08	2.3E+08	2.3E+08	2.3E+08	2.2E+08	2.2E+08	2.2E+08	2.0E+08	2.0E+08	2.0E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08
1834685	1821630	1821630	1821630	1821630	1821630	1821630	1821630	1760633	1760633	1760633	1581991	1581991	1581991	1035260	1035260	1035260	1035260
-1834685	-1821630	-1821630	-1821630	-1821630	-1821630	-1821630	-1821630	-1760633	-1760633	-1760633	-1581991	-1581991	-1581991	-1035260	-1035260	-1035260	-1035260
-1625000	0	0	0	0	0	0	-7593000	0	0	-2.2E+07	0	0	-6.8E+07	0	0	0	0
3459685	1821630	1821630	1821630	1821630	1821630	1821630	9414630	1760633	1760633	23998290	1581991	1581991	69639733	1035260	1035260	1035260	1035260
1.2E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.4E+08	1.4E+08	1.5E+08	1.5E+08	1.7E+08	1.7E+08	1.8E+08	2.4E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08
819682.4	820449.3	821027.2	832744.2	833258.2	833772.5	840014.8	840484.5	841840.4	842310.9	842781.6	873644.2	874115.7	874587.6	994946.6	1006514	1006756	1006997
19281055	20101505	20922532	21755276	22588534	23422307	24262322	25102806	25944647	26786957	27629739	28503383	29377499	30252087	31247033	32253547	33260302	34267300
1.4E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.6E+08	1.6E+08	1.7E+08	1.7E+08	1.7E+08	2.0E+08	2.0E+08	2.0E+08	2.8E+08	2.8E+08	2.8E+08	2.8E+08	2.8E+08
391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503	391,503				
(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)	(391,503)				
49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981	49452981				
112,263	112,356	112,450	112,544	112,638	112,731	112,825	112,919	113,013	113,108	113,202	113,296	113,391	113,485	113,580	113,580	113,580	113,580
(101,310)	(101,395)	(101,479)	(101,564)	(101,648)	(101,733)	(101,818)	(101,903)	(101,988)	(102,073)	(102,158)	(102,243)	(102,328)	(102,413)	(113,580)	(113,580)	(113,580)	(113,580)
13153920	13164882	13175852	13186832	13197821	13208820	13219827	13230843	13241869	13252904	13263948	13275001	13286064	13297136	13297136	13297136	13297136	13297136
210,843	211,107	211,370	211,635	211,811	211,987	212,164	212,341	212,518	212,695	212,872	213,050	213,227	213,405	213,583	213,761	213,850	213,939
(177,552)	(177,774)	(177,996)	(189,357)	(189,515)	(189,673)	(189,831)	(189,989)	(190,148)	(190,306)	(190,465)	(190,623)	(190,782)	(190,941)	(191,100)	(202,510)	(202,594)	(202,679)
26666086	26699418	26732793	26755070	26777366	26799680	26822013	26844365	26866735	26889124	26911532	26933958	26956403	26978867	27001349	27012600	27023855	27035115
198,653	198,818	198,984	199,150	199,316	199,482	199,648	199,815	199,981	200,148	200,315	200,481	200,649	200,816	200,983	201,067	201,151	201,234
(177,742)	(177,890)	(178,038)	(178,187)	(178,335)	(178,484)	(178,633)	(178,781)	(178,930)	(179,080)	(179,229)	(179,378)	(179,528)	(179,677)	(190,405)	(190,484)	(190,564)	(190,643)
25113906	25134834	25155780	25176743	25197724	25218722	25239737	25260770	25281821	25302889	25323975	25345078	25366199	25387338	25397916	25408498	25419085	25429676
114,267	114,314	114,362	114,410	114,457	114,505	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
(108,554)	(108,599)	(108,644)	(108,689)	(108,735)	(108,780)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)
13717738	13723454	13729172	13734892	13740615	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341
115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)
15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974
122,721	122,759	122,797	122,836	122,874	122,913	122,951	122,989	123,028	123,066	123,105	123,143	123,182	123,220	123,259	123,297	123,336	123,374
(118,630)	(118,667)	(118,704)	(118,741)	(118,778)	(118,815)	(118,853)	(118,890)	(118,927)	(118,964)	(119,001)	(119,038)	(119,076)	(119,113)	(119,150)	(119,187)	(119,225)	(119,262)
13094296	13098388	13102481	13106575	13110671	13114768	13118867	13122966	13127067	13131169	13135273	13139378	13143484	13147591	13151700	13155810	13159921	13164033
102,933	102,976	103,018	103,061	103,104	103,147	103,190	103,233	103,276	103,319	103,362	103,405	103,448	103,492	103,535	103,578	103,621	103,664
(97,369)	(97,409)	(97,450)	(97,490)	(97,531)	(97,572)	(97,612)	(97,653)	(97,694)	(97,734)	(97,775)	(97,816)	(97,857)	(97,897)	(97,938)	(97,979)	(98,020)	(98,061)
13358989	13364556	13370124	13375695	13381268	13386844	13392422	13398002	13403584	13409169	13414756	13420346	13425938	13431532	13437128	13442727	13448328	13453932

	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97
	0																	
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	0																	
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	0																	
	113,580	113,580	113,580	113,580	113,580	113,580	113,580	113,580	113,580	0	0	0	0	0	0	0	0	0
	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	84,875	0	0	0	0	0	0	0	0
	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	56,875	0	0	0	0	0	0	0	0
	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	65,625	0	0	0	0	0	0	0	0
	202,763	202,848	202,932	203,017	203,102	203,186	203,271	203,355	203,440	203,525	0	0	0	0	0	0	0	0
	190,723	190,802	190,882	190,961	191,041	191,120	191,200	191,280	201,990	201,990	0	0	0	0	0	0	0	0
	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021	74,021
	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
	119,299	119,336	119,374	119,411	119,448	119,486	119,523	119,560	119,598	119,635	119,672	119,710	119,747	119,785	119,822	119,859	119,897	119,934
	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266
	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767
	98,102	98,142	98,183	98,224	98,265	98,306	98,347	98,388	98,429	98,470	98,511	98,552	98,593	98,634	98,675	98,717	98,758	98,799
	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
	1952212	1952454	1952696	1952939	1953181	1953424	1953666	1953909	1964783	1851366	1238554	1238633	1238711	1238790	1238868	1238947	1239025	1239104
										23700000								
									12840000	52662538								
	0	0	0	0	0	0	0	0	12840000	76362538	0	0	0	0	0	0	0	0
	1952212	1952454	1952696	1952939	1953181	1953424	1953666	1953909	14804783	78213905	1238554	1238633	1238711	1238790	1238868	1238947	1239025	1239104
	1.2E+08	1.2E+08	1.2E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.5E+08	1.5E+08	1.5E+08
	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.8E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08
	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	3.0E+08	3.0E+08	3.1E+08	3.9E+08	3.9E+08	3.9E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08
	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.4E+08	2.2E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08
	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.3E+08	1.2E+08	39668030	39668030	39668030	39668030	39668030	39668030	39668030	39668030
	1035260	1035260	1035260	1035260	1035260	1035260	1035260	1035260	1035260	932112.2	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5
	-1035260	-1035260	-1035260	-1035260	-1035260	-1035260	-1035260	-1035260	-1035260	-932112	-318667	-318667	-318667	-318667	-318667	-318667	-318667	-318667
	0	0	0	0	0	0	0	0	-1.3E+07	-7.6E+07	0	0	0	0	0	0	0	0
	1035260	1035260	1035260	1035260	1035260	1035260	1035260	1035260	13875260	77294651	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5	318666.5
	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.6E+08	2.6E+08	2.6E+08	2.7E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.5E+08
	916951.8	917193.9	917436.1	917678.4	917920.8	918163.3	918405.9	918648.6	929522.5	919253.9	919887.8	919966.2	920044.7	920123.2	920201.7	920280.3	920358.8	920437.5
	35184252	36101446	37018882	37936560	38854481	39772644	40691050	41609699	42539221	43458475	44378363	45298329	46218374	47138497	48058699	48978979	49899338	50819775
	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	2.9E+08	3.0E+08	3.0E+08	3.1E+08	3.9E+08	3.9E+08	3.9E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08
	113,580	113,580	113,580	113,580	113,580	113,580	113,580	113,580	113,580									
	(113,580)	(113,580)	(113,580)	(113,580)	(113,580)	(113,580)	(113,580)	(113,580)	(113,580)									
	13297136	13297136	13297136	13297136	13297136	13297136	13297136	13297136	13297136									
	214,028	214,117	214,206	214,296	214,385	214,474	214,564	214,653	214,742	214,832								
	(202,763)	(202,848)	(202,932)	(203,017)	(203,102)	(203,186)	(203,271)	(203,355)	(203,440)	(203,525)								
	27046380	27057649	27068923	27080202	27091485	27102773	27114066	27125364	27136666	27147973								
	201,318	201,402	201,486	201,570	201,654	201,738	201,822	201,906	201,990	201,990								
	(190,723)	(190,802)	(190,882)	(190,961)	(191,041)	(191,120)	(191,200)	(191,280)	(201,990)	(201,990)								
	25440272	25450872	25461477	25472086	25482699	25493317	25503939	25514566	25514566	25514566								
	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)
	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341
	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)
	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974
	123,413	123,451	123,490	123,529	123,567	123,606	123,644	123,683	123,722	123,760	123,799	123,838	123,876	123,915	123,954	123,993	124,031	124,070
	(119,299)	(119,336)	(119,374)	(119,411)	(119,448)	(119,486)	(119,523)	(119,560)	(119,598)	(119,635)	(119,672)	(119,710)	(119,747)	(119,785)	(119,822)	(119,859)	(119,897)	(119,934)
	13168147	13172262	13176378	13180496	13184615	13188735	13192857	13196979	13201103	13205229	13209355	13213483	13217613	13221743	13225875	13230008	13234142	13238278
	103,707	103,751	103,794	103,837	103,880	103,924	103,967	104,010	104,054	104,097	104,140	104,184	104,227	104,271	104,314	104,357	104,401	104,444
	(98,102)	(98,142)	(98,183)	(98,224)	(98,265)	(98,306)	(98,347)	(98,388)	(98,429)	(98,470)	(98,511)	(98,552)	(98,593)	(98,634)	(98,675)	(98,717)	(98,758)	(98,799)
	13459537	13465146	13470756	13476369	13481984	13487602	13493221	13498844	13504468	13510095	13515724	13521356	13526990	13532626	13538264	13543905	13549549	13555194

Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98
0	0	0	0	0	0												
0	0	0	0	0	0												
0	0	0	0	0	0												
0	0	0	0	0	0												
0	0	0	0	0	0												
0	0	0	0	0	0												
74,021	74,021	74,021	74,021	74,021	0												
114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
119,972	120,009	120,047	120,084	120,122	120,159	120,197	120,235	120,272	120,310	120,347	120,385	120,423	120,460	120,498	120,535	120,573	120,611
175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266
116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767
98,840	98,881	98,922	98,964	99,005	99,046	99,087	99,129	99,170	99,211	99,253	99,294	99,335	99,377	99,418	99,460	99,501	99,542
210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
1239183	1239261	1239340	1239419	1239497	1165555	1165634	1165713	1165792	1165871	1165950	1166029	1166108	1166187	1166266	1166345	1166424	1166503
				9350000													
0	0	0	0	9350000	0	0	0	0	0	0	0	0	0	0	0	0	0
1239183	1239261	1239340	1239419	10589497	1165555	1165634	1165713	1165792	1165871	1165950	1166029	1166108	1166187	1166266	1166345	1166424	1166503
1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.6E+08	1.7E+08	1.7E+08	1.7E+08	1.7E+08
2.5E+08	2.5E+08	2.5E+08	2.5E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08	2.6E+08
4.0E+08	4.0E+08	4.1E+08	4.1E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08
1.5E+08	1.5E+08	1.5E+08	1.5E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08	1.4E+08
39668030	39668030	39668030	39668030	39668030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030	30318030
318666.5	318666.5	318666.5	318666.5	318666.5	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8
-318667	-318667	-318667	-318667	-318667	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555	-243555
0	0	0	0	-9350000	0	0	0	0	0	0	0	0	0	0	0	0	0
318666.5	318666.5	318666.5	318666.5	9668667	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8	243554.8
3.5E+08	3.5E+08	3.5E+08	3.5E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.6E+08	3.7E+08
920516.1	920594.8	920673.5	920752.2	920831	922000.6	922079.4	922158.3	922237.1	922316.1	922395	922474	922552.9	922632	922711	922790.1	922869.2	922948.3
51740291	52660886	53581560	54502312	55423143	56345144	57267223	58189381	59111618	60033934	60956329	61878803	62801356	63723988	64646699	65569489	66492359	67415307
4.0E+08	4.0E+08	4.1E+08	4.1E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.2E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08	4.3E+08
114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553	114,553
(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)	(114,553)
13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341	13746341
115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764	115,764
(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)	(115,764)
15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974	15017974
124,109	124,148	124,186	124,225	124,264	124,303	124,342	124,381	124,419	124,458	124,497	124,536	124,575	124,614	124,653	124,692	124,731	124,770
(119,972)	(120,009)	(120,047)	(120,084)	(120,122)	(120,159)	(120,197)	(120,235)	(120,272)	(120,310)	(120,347)	(120,385)	(120,423)	(120,460)	(120,498)	(120,535)	(120,573)	(120,611)
13242415	13246553	13250693	13254834	13258976	13263119	13267264	13271410	13275557	13279706	13283856	13288007	13292159	13296313	13300468	13304625	13308782	13312941
104,488	104,531	104,575	104,619	104,662	104,706	104,749	104,793	104,837	104,880	104,924	104,968	105,012	105,055	105,099	105,143	105,187	105,231
(98,840)	(98,881)	(98,922)	(98,964)	(99,005)	(99,046)	(99,087)	(99,129)	(99,170)	(99,211)	(99,253)	(99,294)	(99,335)	(99,377)	(99,418)	(99,460)	(99,501)	(99,542)
13560842	13566493	13572145	13577800	13583458	13589118	13594780	13600444	13606111	13611780	13617452	13623126	13628802	13634481	13640162	13645845	13651531	13657219

Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-2000	Feb-2000
114,553	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
115,764	115,764	115,764	115,764	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120,649	120,686	120,724	120,762	120,799	120,837	0	0	0	0	0	0	0	0	0	0	0	0
175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	0	0	0	0
214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266	214,266
116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767	116,767
99,584	99,625	99,667	99,708	99,750	99,792	99,833	99,875	99,916	99,958	100,000	100,041	100,083	100,125	100,166	100,208	100,250	100,292
210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
1166582	1052109	1052188	1052267	936583	936662	815867	815908	815950	815992	816033	816075	816117	816158	641200	641242	641283	641325
13746341			15017974		13337923								21000000				
13746341	0	0	15017974	0	13337923	0	0	0	0	0	0	0	21000000	0	0	0	0
14912923	1052109	1052188	16070241	936582.9	14274585	815866.7	815908.3	815949.9	815991.5	816033.1	816074.8	816116.5	21816158	641199.9	641241.7	641283.4	641325.2
1.7E+08	1.7E+08	1.7E+08	1.7E+08	1.7E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08	1.8E+08
2.8E+08	2.8E+08	2.8E+08	2.9E+08	2.9E+08	3.1E+08	3.1E+08	3.1E+08	3.1E+08	3.1E+08	3.1E+08	3.1E+08	3.1E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08	3.3E+08
4.5E+08	4.5E+08	4.5E+08	4.7E+08	4.7E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.9E+08	4.9E+08	5.1E+08	5.1E+08	5.1E+08	5.1E+08	5.1E+08
1.2E+08	1.2E+08	1.2E+08	1.1E+08	1.1E+08	95382400	95382400	95382400	95382400	95382400	95382400	95382400	95382400	74382400	74382400	74382400	74382400	74382400
30318030	16571690	16571690	16571690	1553716	1553716	0	0	0	0	0	0	0	0	0	0	0	0
243554.8	133125.9	133125.9	133125.9	12481.52	12481.52	0	0	0	0	0	0	0	0	0	0	0	0
-243555	-133126	-133126	-133126	-12481.5	-12481.5	0	0	0	0	0	0	0	0	0	0	0	0
-1.4E+07	0	0	-1.5E+07	0	-1553716	0	0	0	0	0	0	0	0	0	0	0	0
13989895	133125.9	133125.9	15151100	12481.52	1566197	0	0	0	0	0	0	0	0	0	0	0	0
3.8E+08	3.8E+08	3.8E+08	3.9E+08	3.9E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08
923027.5	918982.8	919062	919141.3	924101.4	12708387	815866.7	815908.3	815949.9	815991.5	816033.1	816074.8	816116.5	21816158	641199.9	641241.7	641283.4	641325.2
68338334	69257317	70176379	71095521	72019622	84728009	85543876	86359784	87175734	87991726	88807759	89623834	90439950	1.1E+08	1.1E+08	1.1E+08	1.1E+08	1.1E+08
4.5E+08	4.5E+08	4.5E+08	4.7E+08	4.7E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.8E+08	4.9E+08	4.9E+08	5.1E+08	5.1E+08	5.1E+08	5.1E+08	5.1E+08
114,553																	
(114,553)																	
13746341																	
115,764	115,764	115,764	115,764														
(115,764)	(115,764)	(115,764)	(115,764)														
15017974	15017974	15017974	15017974														
124,809	124,848	124,887	124,926	124,965	125,004												
(120,649)	(120,686)	(120,724)	(120,762)	(120,799)	(120,837)												
13317102	13321263	13325426	13329590	13333756	13337923												
105,274	105,318	105,362	105,406	105,450	105,494	105,538	105,582	105,626	105,670	105,714	105,758	105,802	105,846	105,890	105,934	105,978	106,023
(99,584)	(99,625)	(99,667)	(99,708)	(99,750)	(99,792)	(99,833)	(99,875)	(99,916)	(99,958)	(100,000)	(100,041)	(100,083)	(100,125)	(100,166)	(100,208)	(100,250)	(100,292)
13662910	13668603	13674298	13679995	13685695	13691398	13697103	13702810	13708519	13714231	13719945	13725662	13731381	13737102	13742826	13748552	13754281	13760012

Mar-2000	Apr-2000	May-2000	Jun-2000	Jul-2000	Aug-2000	Sep-2000
0	0	0	0			
0	0	0	0			
0	0	0	0			
0	0	0	0			
214,266	214,266	0	0			
116,767	116,767	116,767	116,767	0		
100,333	100,375	100,417	100,459	100,501	100,543	100,585
210,000	210,000	210,000	210,000	210,000	210,000	210,000
641367	641409	427184	427226	310501	310543	310585
						24000000
	27065236		14371335			13800195
0	27065236	0	14371335	0	0	37800195
641367	27706645	427184.1	14798561	310500.7	310542.6	38110780
1.9E+08	1.9E+08	1.9E+08	1.9E+08	1.9E+08	1.9E+08	1.9E+08
3.3E+08	3.5E+08	3.5E+08	3.7E+08	3.7E+08	3.7E+08	4.1E+08
5.1E+08	5.4E+08	5.4E+08	5.5E+08	5.5E+08	5.6E+08	5.9E+08
74382400	47317164	47317164	32945829	32945829	32945829	-4854366
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08	4.0E+08
641367	27706645	427184.1	14798561	310500.7	310542.6	38110780
1.2E+08	1.4E+08	1.4E+08	1.6E+08	1.6E+08	1.6E+08	2.0E+08
5.1E+08	5.4E+08	5.4E+08	5.5E+08	5.5E+08	5.6E+08	5.9E+08
106,067	106,111	106,155	106,199	106,244	106,288	106,332
(100,333)	(100,375)	(100,417)	(100,459)	(100,501)	(100,543)	(100,585)
13765745	13771481	13777219	13782960	13788702	13794448	13800195

Outstanding Principal Balances of Pool and Senior Securities

Fast Pay / Slow Pay Structure Retires Senior Securities Before Servicing the Subordinate Securities

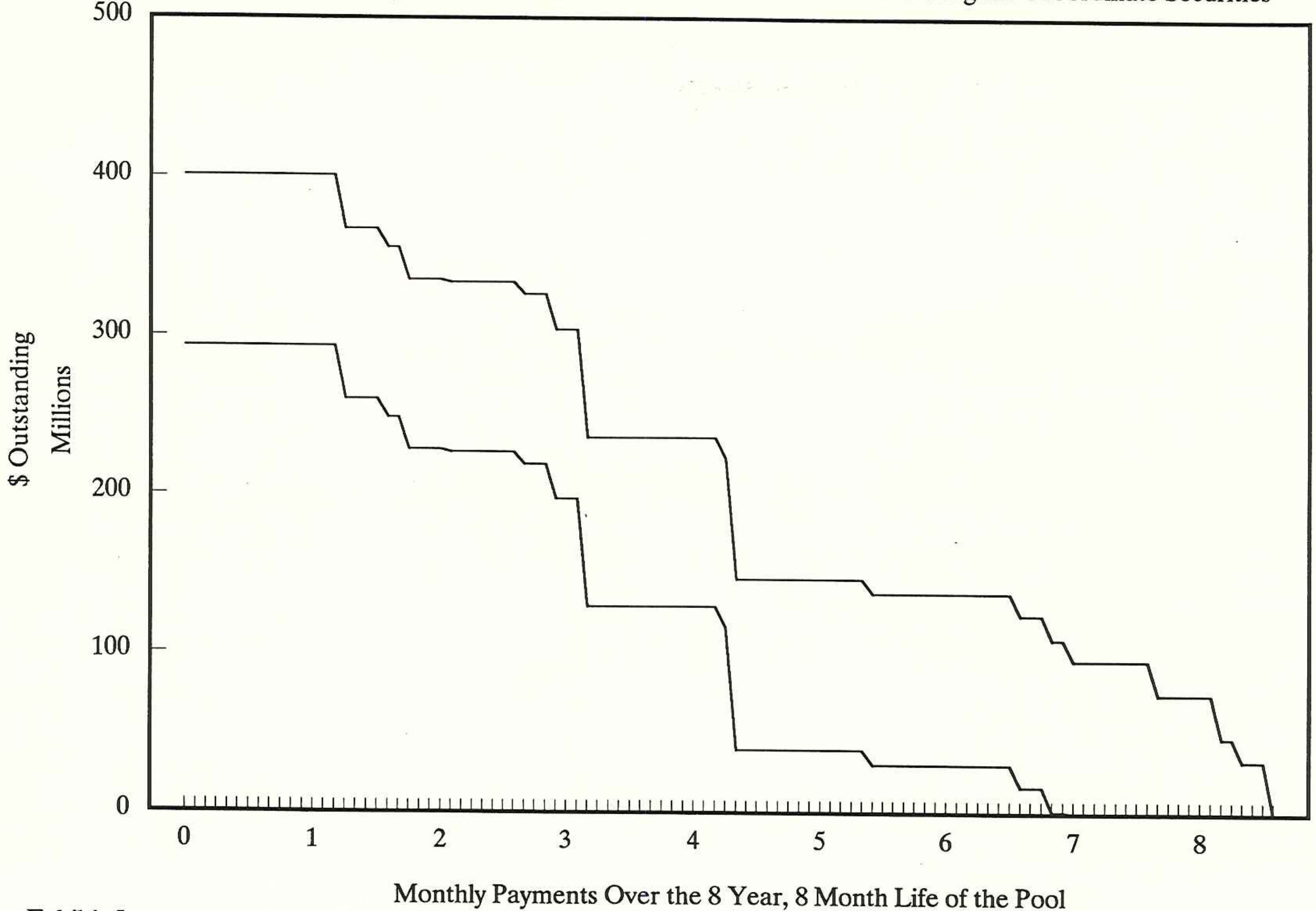

Exhibit 5

ACCOUNTING TREATMENT OF SENIOR/SUBORDINATED TRANSACTIONS

In this section we address accounting concerns with respect to senior/subordinate transactions generally. First, we reference the applicable accounting rules. Next, we briefly discuss the major accounting issues relating to sale vs. financing treatment, the calculation of gain or loss, and the carrying value of the subordinated security. Lastly, we describe certain regulatory and tax matters.

Applicable Accounting Literature:

Statement of Financial Accounting Standards No. 77, Reporting by Transferors for Transfers of Receivables with Recourse issued by the Financial Accounting standards Board (the "FASB") in December 1983 ("SFAS 77") states in paragraph 3 that "This statement establishes standards of financial accounting and reporting...for transfers of receivables with recourse that <u>purport to be sales of receivables</u>..." (emphasis added)

Senior/subordinated transactions are transactions where the cash flow from a pool of collateral, typically mortgage receivables, is allocated between a Senior security and a Subordinated security. Available cash flow from the collateral is allocated first to debt service on the Senior security. The remaining cash flow, if any, is utilized to fund debt service on the Subordinated security. In this manner, the Subordinated security provides credit enhancement to the Senior security by providing the Senior security "recourse" to the cash flow otherwise allocable to the Subordinated security. The sale of the securities is generally "purported" to be equivalent to the sale of receivables with recourse, and therefore, the accounting guidance for Senior/Subordinated transactions is provided by SFAS 77.

In addition to SFAS 77, additional guidance has been issued by the FASB through Technical Bulletin 85.2 and through Consensus 88-11 of the Emerging Issues Task Force ("EITF") of the FASB.

The literature noted above sets forth generally accepted accounting principles for the accounting for the sale of receivables with recourse. In addition, there may be criteria issued by Federal and/or state regulatory agencies governing the accounting for transactions involving recourse, and the agency criteria may differ from the generally accepted accounting principles ("GAAP") criteria.

difficult to quantify, since the collateral is not homogenous and the number of loans in the pool is relatively small. Therefore, the treatment of the sale of commercial loans with recourse must be determined on a facts and circumstances basis, rather than on industry practice and general guidance.

Calculations of Gain or Loss:

Prior to EITF Consensus 88-11, cost was allocated pro rata to the principal amount of the classes of securities being issued. Consensus 88-11 requires that cost be allocated based on the relative fair market value of the securities being issued. Fair market value is readily determined if the securities are sold. However, if the Subordinated class is retained by the issuer, there may not be an objective indication of the value of such a class. Other indications of value, such as discounted cash flow, may be used if no objective measure exists.

Carrying Value of Subordinated Security:

The initial carrying value of the Subordinated security should be at the lower of allocated cost or fair market value if the security is held for sale. However, if the security is held for investment, it should be carried at the lower of cost or net realizable value.

Regulatory Criteria:

The National Association of Insurance Commissioners ("NAIC") and state insurance regulators promulgate accounting standards for insurance companies. Currently, the NAIC has not issued written guidance for sales of receivables with recourse. We understand that the NAIC is in the preliminary stages of developing guidance for the valuation of real estate related assets, including mortgage receivables, and providing written guidance on accounting for transactions involving real estate related assets. Currently, the NAIC would look to GAAP for guidance. However, based on recent discussions with regulators, it may take more conservative positions regarding the estimation of the cost of recourse provisions than GAAP.

Tax Matters:

Generally, a fixed pool of mortgages with multiple classes of interests held by investors is taxed as a separate entity. Avoidance of the entity level tax is permitted if certain statutory requirements are met and REMIC status is elected. Also, if REMIC status is elected, the transfer of the mortgage assets is treated as a sale from a tax perspective (and as either a sale or a financing from a financial accounting perspective, as the transferor elects).

We refer to Section 3 for a further discussion of the use of the REMIC structure.

Accounting Support:

Kidder, Peabody works very closely with the accounting firm of Kenneth Leventhal & Company on commercial real estate securitization issues. We are prepared to review all accounting aspects of the transaction with them and to work with your internal and external auditors in order to ensure that all issues have been satisfactorily addressed. If USF&G prefers another firm, we will be happy to proceed with it.

MARYLAND INSURANCE COMMISSION

USF&G has also asked us to comment on the legality, for investment purposes, of the subordinated participation in the mortgage pool which it would retain/purchase. The Maryland Insurance Code and the Regulations promulgated thereunder govern the types of investments which both a life insurance company and a property and casualty company can make. Ultimately, questions of the appropriateness of such investments are matters of Maryland law, and are properly within the expertise of USF&G and its counsel. However, Kidder, Peabody and its counsel would work closely with USF&G's legal team to resolve the question quickly and positively.

Unfortunately, the extent of our analysis to date (which, with your permission, has been on a very preliminary basis) yields no clear answer to this question. In the first instance, the investment criteria for life companies are different than those for casualty companies. We will therefore need to determine:

(i) which USF&G affiliate(s) hold the mortgages now;

(ii) whether there are tax, accounting or other factors that dictate or limit the transfer of the mortgages among USF&G affiliates; and

(iii) whether, apart from the question of legality for investment purposes, USF&G's objectives dictate holding the new, subordinate investment in a particular affiliate.

Secondly, neither the investment criteria for life companies (Section 96 of the Maryland Internal Code) nor the criteria for casualty companies (Section 104) explicitly authorizes investments in second mortgages (which is one way of characterizing the proposed USF&G investment). What is more, Section 91 (in the case of life companies) prohibits "any investment or security which is found by the Commissioner to be designed to evade any prohibition of this article", and Section 106 (in the case of casualty companies) prohibits "any mortgage, or deed of trust, or any real property or any interest therein, which does not come within the class of investments specified in Section 104."

Notwithstanding these provisions, we are optimistic that a strong case for legality can be made. For example, it may be possible to alter the structure of the issuer, and of the investment security, to make it a permissible investment under non-real estate criteria. Alternatively, it may be possible to argue that if the origination of the mortgage pool was a legal investment, the retention of even a subordinate interest in the pool does not create an impermissible investment.

The latter argument is buttressed by Sections 88 and 99 of the Insurance Code, which provide that generally eligibility is determined at the time the investment is made or acquired. Still, given USF&G's prominence, the size of the proposed transaction, and its impact on USF&G, we would recommend getting clear guidance from the Maryland Insurance Commissioner on the legality of the proposed investment. This could be done either informally, or perhaps through a request for a formal interpretation of the statutes. If USF&G concurs with this proposal, we further urge that the process be initiated immediately, not only because of the time that may be required to obtain the Commissioner's views, but also because of the potential for significant impact on the transaction's structure.

TIMING AND COST ANALYSIS

Set forth on the next page is a time and responsibility schedule. This represents our estimate of the time required to: select a surety company, proceed with the property and legal due diligence, receive an investment grade shadow rating from the rating agencies, structure and document the transaction, obtain the commitment for the surety bond, and issue the securities. These estimates are based on our prior experience with similar transactions. Delays in the process usually arise either from delays in getting property specific information and documents to the consultants hired by the surety company, or, from specific, unanticipated legal or accounting problems. Kidder, Peabody will work with USF&G to ensure such obstacles do not impede an expeditious execution.

With respect to the costs associated with the transaction, we first refer you to Section 4 ("Alternative Financing Executions") for detailed charts of the all-in costs for each type of execution. As for the costs of the surety company, we refer you to the discussion in Section 3 ("Structural Considerations"). We have described the major upfront costs in the table attached hereto.

Finally, with respect to the Kidder, Peabody fees, we propose the following: (1) a .5% structuring fee, of which non-refundable $100,000 is to be paid on engagement, with the balance to be paid at closing; (2) a .375% underwriting fee payable at closing, or, alternatively, in the case of a commercial paper execution, an on-going 8 basis point dealer fee; and, (3) reimbursement for all out-of-pocket expenses and all legal fees of our counsel, payable as billed.

TIME AND RESPONSIBILITY SCHEDULE

Event	Responsibility
Select and Engage Kidder Peabody (Week 0)	B/KP
Select and Engage Bond Insurer (Weeks 1–3)	B/KP
Property Due Diligence (1) (Weeks 3–12)	DDC/BI/KP
Rating Agency–Initial Read (Weeks 6–8)	BI/KP
Rating Agency–Approval (Weeks 8–13)	BI/KP
Documents (2) (Weeks 5–13)	OM/CB
Surety Bond Commitment (Weeks 13–15)	BI/CBI/KP
Finalize and Closing (Weeks 15–18)	ALL

Week: 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

(1) Including, but not limited to, financial, title, document appraisal, engineering and environmental.

(2) Including preparation and negotiation of loan agreements, mortgage indenture, collateral management agreement, opinions, underwriting agreement, and offering circular.

Key:

B:	USF&G
CB:	Counsel To Borrower
BI:	Bond Insurer
CBI:	Counsel To Bond Issuer
KP:	Kidder Peabody
OM:	O'Melveny & Myers
DDC:	Due Diligence Consultant

ESTIMATED OTHER UPFRONT COSTS

Proposed Vendor or Type of Services	Est. Cost For Fixed Rate MTN Execution	Est. Cost For Commercial Paper Execution	Est. Cost For Euro-FRN Execution
Legal Fees for Underwriter/Arranger	$400,000	$400,000	$400,000
Legal Fees for Borrower	$400,000	$400,000	$400,000
Legal Fees for Bond Issuer	$200,000	$200,000	$200,000
Legal Fees for Liquidity Banks	$ 0	$100,000	$ 0
Issuer Counsel	$ 0	$ 0	$ 25,000
Bond Issuer Due Diligence Costs			
--Due Diligence Consultant	$200,000	$200,000	$200,000
--Engineering Review	$100,000	$100,000	$100,000
--Environmental Review	$ 50,000	$ 50,000	$ 50,000
--Miscellaneous Out-of-Pocket	$ 25,000	$ 25,000	$ 25,000
Title	To Be Provided	To Be Provided	To Be Provided
Recording	To Be Provided	To Be Provided	To Be Provided
Printing Costs	$ 10,000	$ 10,000	$ 10,000
Listing Fee For Luxembourg Exchange	---------	---------	$ 15,000
Rating Fee For Moody's	$117,000	$117,000	$117,000
Rating Fee For S&P	$147,000	$147,000	$147,000
Total	$1,649,000	$1,749,000	$1,689,000

KIDDER PEABODY QUALIFICATIONS

Real Estate Experience

Overview:

In today's markets Kidder, Peabody's Real Estate Capital Markets Group is playing an integral role in helping corporations, institutions, developers and individual owners of real estate to reposition their real estate investments so as to maximize their respective objectives. In order to achieve this goal, the Group consists of a multi-disciplined staff of professionals who operate on a fully integrated basis with Kidder, Peabody's other product capabilities in providing a wide range of services. These services include arranging asset sales, sale/leasebacks, secondary market financings, conventional and securitized mortgage financings, and structuring investment vehicles. The Group's extensive coverage of both domestic and foreign sources of capital, combined with its intimate knowledge of real estate markets enables it to achieve the most effective execution on behalf of its clients. The Group also has the flexibility to act as principal, committing Kidder's own capital on behalf of its clients to facilitate the timely conclusion of transactions.

The Group, through its commercial mortgage portfolio securitization activities, creates secondary market financing opportunities for financial institutions and other owners of real estate mortgage assets. In today's uncertain real estate markets, the use of securitization techniques in the sale or refinancing of commercial loans offers commercial banks, insurance companies, financial institutions and other corporations the ability to better match assets and liabilities by enhancing the liquidity of selected segments of a given commercial loan portfolio.

The Group coordinates its structuring efforts with Kidder, Peabody's extensive fixed income distribution system in order to produce the most cost effective and efficient transaction possible.

The group has become a leader in the commercial mortgage securitization market and on the following page is a list of completed and pending transactions.

Kidder Peabody Real Estate
Commercial Mortgage Loan Securitizations

Client	Transaction Amount ($ millions)	Description
GE Capital	$174	Senior securitized interests wrapped with FGIC guarantee and secured by two NYC buildings. Euro FRN execution.
GE Capital	$600	Senior securitized interest wrapped with FGIC guarantee and secured by diverse portfolio of properties. Domestic CP execution.
Security Pacific	$155	Senior securitized interest wrapped with FSA guarantee and secured by 11 hotels. Collateralized Mortgage Bonds domestically placed by Kidder, Peabody.
Domino's Pizza	$ 62	Fixed rate notes guaranteed by a letter of credit from Credit Agricole.
Equitable Life	$226	Senior securitized interests wrapped with FGIC guarantee and secured by various Trammell Crow Properties. Euro FRN execution pending.[1]
Co-mingled pension fund of a major life insurance company	$205	Pending Euro-FRN execution guaranteed by FGIC.[1]
Large co-mingled pension fund	$175	Pending Euro-FRN execution guaranteed by FGIC.[1]

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[1] "Pending" transactions are in various stages of development, from having recently signed a letter of intent to having just received a commitment to issue a surety bond and moving towards final pricing.

Fixed Income Group Overview:

The Fixed Income Group is active in all aspects of the taxable fixed income markets, including the issuance and secondary market trading of corporate securities and mortgage-related instruments, as well as acting as a primary dealer in United States government securities. Kidder, Peabody maintains an active secondary market, trading all major fixed income products worldwide. Over 100 fixed income traders enable Kidder, Peabody to price new issues efficiently to the advantage of both the issuer and the investor. In addition to over 100 institutional fixed income sales specialists responsible for new issue securities, Kidder, Peabody has almost 1,400 retail brokers who exclusively cover 152,500 small and medium-sized institutions and wealthy individuals. "Retail" investors typically look for $500,000 to $5,000,000 lots of bonds to buy and hold and are less sensitive to yield than larger, more sophisticated institutions.

Kidder, Peabody is the leading force in the underwriting and secondary trading of mortgage related instruments. According to the Securities Data Company, and other published league table rankings, Kidder, Peabody for all of 1990 and the first quarter of 1991 was the largest single issuer/underwriter for mortgage-backed securities. Kidder, Peabody's pre-eminence in the mortgage market gives it a unique ability to effectively place new issues of mortgage-backed securities.

With respect to issuances overseas, the domestic Fixed Income Group personnel work closely with our foreign offices and subsidiaries. Kidder, Peabody International Limited, one such subsidiary, historically has been an innovative force in the international capital markets since its establishment over 25 years ago. In recent years Kidder, Peabody International has been particularly active in the origination of credit enhanced and mortgage backed securities, as well as more traditional financings for major corporations and sovereign entities. In the last year Kidder, Peabody has acted as lead manager for a number of such financings in the international public and private placement markets.

Private Debt Group Overview:

The Private Finance Group at Kidder, Peabody works closely with relationship teams to structure, market and distribute privately placed securities for our clients. Relying on the relationship team's knowledge of a client's industry and capital requirements, the Private Finance Group can be instrumental in tailoring a transaction to meet the objectives of both the issuer and the institutional investor.

One key to Kidder, Peabody's success is our unusual organizational approach to marketing private financings. Depending on the clients' needs and the nature of the transaction, we either market directly to lending institutions, including insurance companies and pension funds, or coordinate with approximately 100 fixed income specialists in 12 regional and branch offices. In the first instance, the Group's professionals utilize Kidder's long-standing institutional relationships in order to implement the highly tailored marketing plans often required for more complex transactions. In the latter case, our fixed income specialists offer private issues to any of over 100 private placement buyers of investment grade debt. As a result, issuers are able to enter the market quickly and effectively. We believe this efficient marketing strategy enables us to achieve both the lowest possible interest cost and the most flexible terms for Kidder, Peabody clients.

Another significant factor contributing to Kidder, Peabody's success is our emphasis on cultivating and maintaining a strong institutional presence. Our private finance and fixed income specialists have an established rapport with not only large "primary tier" buyers of investment grade debt but also with the more arcane, small-to-medium-sized "secondary tier" buying institutions. In fact, during 1989, Kidder, Peabody placed in excess of 60 percent of the new issue private placement dollar volume, that we handled, into the portfolios of these secondary tier players. We believe that the strength and breadth of our institutional relationships translate into a keen understanding of the private capital markets and uniquely position Kidder, Peabody to pinpoint the best source of financing for our clients.

Short Term Debt Group Offering:

Kidder, Peabody's money market activities are a very significant part of its daily distribution and trading of securities. On any given day, Kidder, Peabody's investors hold approximately $50 billion of short-term money market instruments sold to them by the Kidder, Peabody worldwide salesforce.

Kidder, Peabody believes that commercial paper is a placement security rather than a trading security. Therefore, Kidder, Peabody is committed to creating a large investor base with an appetite for different types of commercial paper within a variety of maturities. Kidder, Peabody's salesforce personnel and commercial paper investor relations effort concentrates on obtaining investor approvals for Kidder, Peabody's commercial paper clients. This commitment to expanding the investor base enables Kidder, Peabody to place its clients' commercial paper in a wide range of maturities, thereby increasing financing flexibility. Our traders work closely with the salesforce to constantly gauge the level of investor demand and maturity preferences, allowing them to recommend an issuance strategy for each client. Our traders work side by side with traders of a wide variety of other money market securities to develop a full view of the money markets. Additionally, our traders assist our clients with the management of their commercial maturity profiles, as well as the maintenance of pricing stability between primary and secondary paper.

Kidder Peabody Mortgage Capital Corporation
Transaction Team

Steven P. Baum
Managing Director

Mr. Baum joined Kidder, Peabody in 1985 and is the head of the commercial real estate activities of Kidder Peabody Mortgage Capital Corporation, including trading commercial real estate securities. Prior to heading up this effort, Mr. Baum was responsible for all mortgage trading activities at Kidder, Peabody.

Mr. Baum has been involved in the structuring, trading and analysis of mortgages, mortgage-backed securities and related instruments since 1979. He has spent most of his career focusing on the more esoteric mortgage products, including whole loans, ARMS, commercial real estate mortgages and servicing packages.

Mr. Baum has prior experience with Salomon Brothers, serving four years as head of the whole loan trading desk and two years as an analyst for the Bond Portfolio Analysis Group. Mr. Baum received his Ph.D. in applied mathematics from Cornell University in 1977.

John A. Taylor
Managing Director

John "Jack" A. Taylor is a Managing Director of Kidder Peabody Mortgage Capital Corporation in the Real Estate Capital Markets Group.

After practicing law in New York City, Jack joined Kidder, Peabody in 1985 as a mortgage salesman in esoteric mortgage products. Since 1989, he has specialized in commercial real estate mortgages with an emphasis on the creation of rated securities. For the past four years, Jack has acted on behalf of Kidder, Peabody as a consultant and fiduciary to The Equitable Life Assurance Society of the United States with respect to market pricing terms and conditions for transactions with respect to certain of Equitable pension advisory accounts, including the Prime Property Fund, a fund with assets in excess of $3.5 billion.

Jack received a B.A. in Philosophy from the University of Illinois (1979), an M.Sc. in International Relations from the London School of Economics and Political Science (1980), and a J.D. from the Yale Law School (1983).

Kidder, Peabody Real Estate Group
Transaction Team

James W. O'Keefe, Jr.
Managing Director

Mr. O'Keefe joined Kidder, Peabody as a Managing Director in 1987. Prior to joining Kidder, Mr. O'Keefe was employed at Morgan Stanley & Co., Inc. for fourteen years, the last four of which he served as a Managing Director of Morgan Stanley Realty, Inc. Mr. O'Keefe's responsibilities include the origination, structuring and placement of major commercial real estate financings and sales involving office buildings, hotels, retail centers and industrial properties. In addition to real estate sales and financings, Mr. O'Keefe regularly provides advice and valuations in merger and acquisition assignments and advice on corporate real estate strategies.

Mr. O'Keefe received his B.A. in Economics from Georgetown University and an M.B.A. from the Harvard Business School in 1972. He serves as a Member of the Real Estate Board of New York, Urban Land Institute-Retail and Commercial Council, National Realty Committee, and is a Director and Vice President of the Avenue of the Americas Association.

Patrick A. Grasso
Senior Vice President

Mr. Grasso joined Kidder, Peabody in 1990, bringing with him 11 years of real estate investment banking experience. As an officer of Eastdil Realty, Inc. and later as a co-founding partner of Well Hill Partners, he has successfully completed a broad range of real estate assignments throughout the U.S. These transactions have included financings, acquisitions, sales, joint ventures and restructurings and have involved both existing and proposed office, retail, residential and hotel projects. Mr. Grasso received an M.B.A. from the Wharton School in 1979, and a B.E. (Civil Engineering) from Manhattan College in 1975.

Brett Bossung
Associate

Mr. Bossung is an Associate in the Real Estate Group. While at Kidder, Peabody, he has participated in various real estate activities, including debt and equity financings and debt restructuring assignments.

Mr. Bossung joined Kidder, Peabody after graduating with an M.B.A. from the University of Chicago Graduate School of Business. He has prior work experience with The Linpro Company, a large east coast development firm. Mr. Bossung received his B.S. degree (First Honors) in Finance and Computer Science from Drexel University.

Consultants to Kidder, Peabody

O'Melveny & Myers

O'Melveny & Myers was founded over 100 years ago in Los Angeles, and now consists of more than 500 attorneys in nine offices in the United States, Asia and Europe. The Firm represents many leading financial institutions in sophisticated real estate and securities transactions, including Security Pacific, Citicorp Real Estate and Olympia & York. The New York office of O'Melveny & Myers consists of 80 attorneys and includes members of the Firm's corporate real estate and tax departments.

Kenneth Leventhal & Company

Kenneth Leventhal & Company is a national Certified Public Accounting firm which provides extensive, high quality services in accounting, tax and management consulting to a variety of industries. It is particularly noted for its work in real estate and financial services, and played a leading role in the evolution of the mortgage backed securities market.