Rating Report

Report Date:
August 18, 2010

LEAF Receivables Funding 4, LLC - Equipment Contract Backed Notes, Series 2010-3

Analysts

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Ratings

Debt	Final Rating	Rating Action	Trend
Class A	AAA (sf)	New Rating	<-->
Class B	AA (sf)	New Rating	<-->
Class C	A (sf)	New Rating	<-->
Class D	BBB (sf)	New Rating	<-->
Class E	BB (sf)	New Rating	<-->

Note: Various capitalized terms are used throughout this document and can be found in the Index of Principal Terms in the offering memorandum.

Structure Summary

LEAF Receivables Funding 4, LLC - Equipment Contract Backed Notes, Series 2010-3

Class Description	Rating Action	Amount	%	Estimated Coupon	Payment Frequency	Stated Maturity Date	Final Rating
Class A	New Rating	131,242,000	72.15%	3.45%	Monthly	8/20/2016	AAA (sf)
Class B	New Rating	13,820,000	7.60%	4.90%	Monthly	2/20/22	AA (sf)
Class C	New Rating	10,367,000	5.70%	5.00%	Monthly	2/20/22	A (sf)
Class D	New Rating	8,000,000	4.40%	5.50%	Monthly	2/20/22	BBB (sf)
Class E	New Rating	8,000,000	4.40%	5.50%	Monthly	2/20/22	BB (sf)

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Transaction Parties and Relevant Dates

Issuer:	LEAF Receivables Funding 4, LLC (LEAF 4), a Delaware limited liability company.
Originator:	LEAF Funding, Inc. (LFI), a Delaware corporation and wholly owned subsidiary of LEAF Financial Corporation, a Delaware corporation.
Indenture Trustee:	U.S. Bank National Association will serve as indenture trustee.
Servicer:	LEAF Financial Corporation (LEAF Financial, in its capacity as servicer, along with LEAF 4, RFC, L4S, LEAF Financial and LFI, the LEAF Entities).
Sellers & Transferor:	Resource Capital Funding, LLC (RFC), a Delaware limited liability company or LEAF 4A SPE, LLC (L4S), a Delaware limited liability company (collectively, the Sellers). LEAF Equipment Finance Fund 4, LLC, a Delaware limited liability company (the Transferor). On the closing date, the Sellers will transfer to the the Transferor certain contracts, and all ownership of the related equipment set forth under the contracts (the Collateral Pool), and the Transferor will transfer the Collateral Pool to the Issuer. The Issuer will purchase the Collateral Pool from the Transferor. Proceeds from sale will ultimately be used to repay outstanding warehouse lines maintained by the LEAF Entities relating to the Collateral Pool.
Back Up Servicer:	Lyon Financial Services, Inc. d/b/a U.S. Bank Portfolio Services (Lyon Financial) will serve as backup servicer under a backup servicing agreement.
Primary Asset of the Issuer:	Contracts and related payments, and any ownership interest the Sellers has in the related equipment, in connection with the leasing and financing of small to large ticket equipment.
Payment Date:	Monthly (20th) Principal and interest is scheduled to be paid to the noteholders on the 20th day of each month or, if not a Business Day, then the next Business Day.
First Payment Date:	August 20, 2010.
Collection Period:	Payments made on each Payment Date will relate to the collections received in respect of the Contracts during the period beginning on the opening of business on the first day of the immediately preceding calendar month and ending on the close of business on the last day of such month.
Interest Accrual Period:	With respect to any Payment Date, the period of time from, and including, the prior Payment Date (or from, and including, the Closing Date with respect to the first Payment Date) to, but excluding, the current Payment Date *provided however*, that with respect to each Class of notes and on each Payment Date, interest shall be deemed not to have accrued during the previous Interest Accrual Period on an amount equal to the Impairment of such Class of Notes.
Stated Maturity Dates:	Class A, August 20, 2016; Class B, February 20, 2022; Class C, February 20, 2022; Class D, February 20, 2022; Class E, February 20, 2022.

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Transaction Summary

DBRS has assigned ratings to the LEAF Receivables Funding 4, LLC, Equipment Contract Backed Notes, Series 2010-3 (LEAF 4 2010-4) listed on page 1. The LEAF 4 2010-3 transaction represents the fourth term asset-backed securitization sponsored by LEAF Financial since 2007 under Rule 144A. The LEAF 4 2010-3 pledged assets include a segregated pool consisting primarily of a pool of secured commercial loan contracts, finance leases and fair market value leases acquired or originated by LFI, sold to the Sellers, to be transferred to the Transfer and sold to the LEAF 4 on the closing date together with the Transferor's interest in the related underlying equipment or other property. The LEAF 4 2010-3 notes are issued under an indenture with U.S. Bank National Association acting as indenture trustee for the benefit of the holders of the LEAF 4 2010-3 notes.

The transaction structure and the Collateral Pool are similar to LEAF Financial's previous term Rule 144a transaction with credit enhancement provided through overcollateralization, subordination, a cash reserve account and excess spread. Please see page 17 for a transaction comparisons between LEAF Receivables Funding 3, LLC in May 2010, the LEAF 4 2010-3 transaction.

LEAF 4 2010-3 notes are issued in five classes of notes - Classes A, B, C, D and E. The initial Class A credit support of 29.35% includes Class B notes (7.60%), Class C notes (5.70%), Class D notes (4.40%), Class E notes (4.40%), a reserve account (1.50%, funded at inception, non-declining, the Reserve Account) and overcollateralization (5.75%). The initial Class B credit support of 21.75% includes the Class C notes, the reserve account and overcollateralization. The initial Class C credit support of 16.05% includes the Class D notes, the Class E notes, the reserve account and overcollateralization. The initial Class D credit support of 11.65% includes the Class E notes, the reserve account and overcollateralization. The initial Class E credit support of 7.25% includes the reserve account and overcollateralization. Additional credit support may be provided from excess spread available in the structure.

On each Payment Date and after the issuer repays any outstanding advances and transaction fees in accordance with the priority of payments, the issuer will pay interest on the notes. Amounts available from collections will be applied to interest due and payable, first to Class A notes, then to the Class B notes, then to the Class C Notes, then to the Class D Notes and then to the Class E notes. Subject to the amount of available funds, principal payments will be equal to the amount needed to decrease the aggregate note principal amount to the Contract Pool principal balance minus the overcollateralization amount and will be allocated to each class of notes sequentially until such class of notes are paid in full and the outstanding balance is reduced to zero.

Overcollateralization as a percentage of the Contract Pool (OC) will build within the transaction structure through the distribution of principal sequentially to the notes. The Amount on deposit in the Reserve Account will initially be 1.50% of the initial Contract Pool principal balance.

The Collateral Pool securing the notes, as of the closing date, will consist primarily of hell-or-high water obligations including secured commercial business loans (approximately 54%), finance leases (approximately 30%), fair-market value leases (approximately 14%), and operating leases (approximately 2%) to commercial customers. The related equipment consists primarily of several types of small to mid ticket equipment including copiers, telecommunications equipment and computers. The Collateral Pool does include approximately 15% of large ticket equipment with original costs equal to or exceeding $300,000.

The customer base consists of small to large sized companies engaged in general businesses across a wide array of industries including service companies, finance and insurance companies, manufacturers, healthcare organizations and retail and wholesale trade companies. The lessees comprise a diverse group with no significant concentrations existing within the Contract Pool.

LEAF Financial has reviewed their underwriting guidelines and increased eligibility criteria for acceptable customers in response to recent economic conditions. Also, LEAF Financial has been able to continue to raise equity in 2008 and 2009 through its retail broker program, despite the persistent difficult economic environment. LEAF Financial has also affirmed their commitment to certain core markets which include its origination and acquisition strategies.

LEAF Financial will service the portfolio and Lyon Financial Services, Inc., d/b/a U.S. Bank Portfolio Services will act as a back-up servicer under a back-up servicing agreement for the life of the transaction.

Rating Rationale

- Subordination, overcollateralization, amounts held in the reserve fund and excess spread create credit enhancement levels that, when adjusted for seasoning, are comparable to the prior LEAF Financial transaction and other issuers in the sector. The credit enhancement levels can support DBRS projected expected cumulative net losses (CNLs) under various stress scenarios using multiples of approximately 5.5 times of the CNL assumptions with respect to the Class A, 4.5 times of the CNL assumptions with respect to the Class B, 3.5 times of the CNL assumptions with respect to the Class C, 2.5 times of the CNL with respect to the Class D, and 1.75 times of the CNL with respect to the Class E.
    - The transaction structure includes credit enhancement in the form of subordination of junior classes of notes. The notes will pay sequentially with the Class A notes paid in full before any payments of principal to the Class B, C, D and Class E notes, the Class B notes paid in full before any payments of principal to the Class C, D and E notes, the Class C notes paid in full before any payments of principal to the Class D and E notes and the Class D notes paid in full before any payments of principal to the Class E notes.
    - Sequential amortization of the notes, subordination of junior classes, overcollateralization and the non-declining reserve amount, create increasing credit enhancement for the Class A notes as a percentage of the Contract Pool balance.

- LEAF Financial maintain a strong and visible position in the small to large equipment leasing space providing financing to vendors of commercial equipment to small through large sized businesses. Many of the LEAF management team have been involved in the equipment leasing industry since the 1980s and have been working together for over 20 years.
    - LEAF uses multiple sales origination channels to effectively penetrate the highly diversified equipment leasing market, which account for approximately 100% of current originations. These activities involve:
        - Portfolio acquisition (third party originated, purchased by LEAF);
        - Joint ventures with manufacturers and equipment dealers;
        - Virtual joint ventures; and
        - Program agreement with equipment vendors and dealers.
    - DBRS conducted an on-site review of LEAF Financial's origination, underwriting and servicing functions in Philadelphia, Pennsylvania. DBRS deems LEAF Financial as an acceptable originator and servicer, respectively.
        - Lyon Financial, the back-up servicer for this facility, an experienced servicer of equipment lease backed secured transactions.

- LEAF Financial has been sponsoring secured facilities since its inception in 2003. LEAF Financial has previously sponsored one securitization and has created several lending facilities secured by collateral originated by LEAF Financial and its affiliates (for which LEAF Financial) provides servicing. No securitization or secured lending facility organized by LEAF Financial have defaulted or experienced an amortization triggering event.
    - The 2007-1 2010-1 and 2010-2 transactions are currently outstanding. The 2007-1 transaction has experienced some increase in actual losses (compared to earlier originated portfolios) related to the credit crisis and economic downturn, but to date have performed in accordance with their transaction terms without any significant events occurring.
    - Cumulative gross losses when tracked quarterly based on the quarter of origination have ranged between 2.72% and 6.08% and cumulative net losses ranging between 2.08% and 4.21%.

- Relatively higher loss curves and projected losses for contracts originated in 2007 versus earlier originated contracts, which generally relates to the impact of the credit crisis and economic downturn.
  - Since 2008 LEAF Financial has actively sought to improve quality and performance by focusing on customers with higher credit scores and reducing exposure to industries that have demonstrated sensitivity to the economic downturn.

- LEAF Financial's customers do remain subject to continued stressed macroeconomic conditions. In response, LEAF has focused on its preferred clientele with the strongest relationships and the existing end user customer base for repeat business. LEAF has also increased the equity available to support additional lending programs.
  - The collateral is highly seasoned with a weighted average age of approximately 23 months in contrast with six to twelve months of seasoning (which is typical for sector).
    - Seasoning credit was attributed to the Collateral Pool but such credit was limited to .06%.
  - The Contract Pool does not contain any significant concentrations of obligors, or geographic concentrations above industry norms.
  - Diversification of the Contract Pool is also supported by the essential use of the related equipment.

- The Contract Pool includes the related equipment for the operating lease assets.
  - Residual values were included in the initial pool balance used for determining advance rates for the transaction and the sizing of the notes.
    - Analysis of LEAF Financial's historical residual realization has been strong with over 90% of booked residual realized.
      - 30% percent credit has been attributed to expected residual amounts and realization was lagged by six months in cash flow analysis.

- Interest Payments - The notes will bear interest from the Closing Date at the applicable interest rate for the respective Class on the then outstanding balance of such Class of notes as adjusted for any Impairment.
  - Interest will accrue during each Interest Accrual Period and be payable to the Noteholders of a Class on the related Payment Date; provided however, that with respect to each Class of Notes and on each Payment Date, interest shall be deemed not to have accrued during the previous Interest Accrual Period on an amount equal to the Impairment of such Class of Notes.
    - Interest on each Class of notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
  - An "Impairment" shall mean as of each Payment Date (as calculated immediately prior to the distributions pursuant to the priority of payments set forth in the transaction documents), an amount equal to (x) the aggregate outstanding note balance of all Classes of notes minus (y) the sum of (i) the aggregate discounted pool balance and (ii) amounts on deposit in the Reserve Account.
    - Impairment with respect to each Class of notes as of each Payment Date shall be allocated first, to the Class E notes, in an amount equal to the lesser of the outstanding principal balance of the Class E notes and the Impairment, second, to the Class D notes, in an amount equal to the lesser of the outstanding principal balance of the Class D notes and the Impairment not yet allocated on such Payment Date, third, to the Class C notes, in an amount equal to the lesser of the outstanding principal balance of the Class C notes and the Impairment not yet allocated on such Payment Date, fourth, to the Class B notes, in an amount equal to the lesser of the outstanding principal balance of the Class B notes and the Impairment not yet allocated on such Payment Date and fifth to the Class A notes, in an amount equal to the lesser of the outstanding principal balance of the Class A notes and the Impairment not yet allocated on such Payment Date.

- The transaction’s financial structure includes a non-declining Reserve Account amount of 1.50% of the initial Contract Pool principal balance.

Operational Summary

LEAF Financial’s equipment lease finance business is headquartered in Philadelphia, Pennsylvania, with facilities in Missouri, and California supporting activities across a nationwide origination footprint. LEAF Financial's primary activity is to underwrite and originate small ticket and middle ticket equipment leases and commercial loan contracts and to acquire portfolios of existing small ticket and middle ticket equipment leases and commercial loan contracts. LEAF Financial maintains separate business lines including office products, information technology, healthcare, commercial & industry, specialty finance and structured finance which support finances of several categories of equipment, including restaurant equipment, medical and dentistry equipment, copiers, printers, fax machines, computers, computer servers, software and telecommunications equipment as core asset types. LEAF Financial seeks to develop strategic vendor finance programs and other long-term relationships by creating custom financing solutions aligned with the customer’s goals and objectives.

LEAF purchases principally new equipment from manufacturers or vendors, although LEAF may also purchase used or reconditioned equipment if the equipment is then owned by the entity which will be the lessee or if a particular lessee specifically wants to lease used equipment. All contracts relate to business equipment deemed essential to operations by LEAF Financial and generally have a purchase price of less than $2,000,000 and an averaging between $50,000 and $100,000 (with the Collateral Pool average purchase price being approximately $25,705). The contracts typically have terms of 24 to 84 months, with a weighted average ranging from 48 to 60 months (although approximately 10% of the Collateral Pool had original contract terms that exceeded 84 months and a weighted average original term of 63 months). The terms and provisions of each equipment lease or secured loan may vary depending on a number of factors, including the type and intended use of the equipment, the business, operations and financial condition of the obligor, any regulatory considerations, and the tax consequences and accounting treatment of the lease transaction. Certain terms and provisions, however, generally will be included in all of LEAF's equipment financings. For example, each equipment financing holds the obligor responsible for:

- paying rent without deduction or offset of any kind;
- bearing the risk of equipment loss and maintaining both casualty and liability insurance on the equipment;
- paying sales, use or similar taxes relating to the lease or other use of the equipment;
- paying all miscellaneous charges such as documentation fees, late charges, charges for returned checks and similar fees and costs;
- indemnifying against any liability resulting from any act or omission of the obligor or its agents related to the equipment;
- maintaining the equipment in good working order and condition during the term of the equipment lease;
- notifying the lessor and obtaining its approval for moving the equipment; and
- requiring the lessor's prior written consent before assigning or subleasing the equipment.

LEAF Financial seeks to gain and maximize a competitive advantage by offering cost efficient equipment financing products through state-of-the-art technology that permit, among other things, 24/7 self service websites and on-line end-user account management tools. LEAF Funding, Inc.'s business strategy relies heavily on its relationships with vendors. Vendors provide LEAF Funding, Inc. with an ongoing source of referrals for new Contracts and may provide assistance in remarketing Equipment upon termination of existing Contracts. LEAF has long standing vendor programs in office products, information technology, healthcare and commercial & industrial equipment

LEAF maintained a total of approximately $1.3 billion of assets under management as of September 30, 2009, with approximately 102,500 current end-customers across the Untied States, serving many industries including a wide range of manufacturers and vendors. LEAF currently employees over 250 people and maintains business operations in Philadelphia, PA, Columbia, SC, Moberly, MO and Santa Ana, CA, and are responsible for $3 billion of originations (both organically and through acquisition) since 2003. The LEAF customer base ranges from small businesses and consumers to large-sized companies and maintains more than 50 national program partners. In the past 12 months LEAF has funded transactions with more than 2000 vendors.

The LEAF presence in the US equipment loan and leasing industry has been steady, often increasing, until 2009, when LEAF did not execute any acquisitions and scaled back organic origination to focus on existing clientele for repeat business and management of relationships. As of September 2009, LEAF had originated contracts related equipment assets totaling over $3 billion since 2003. The following table indicates the total originations by LEAF by year ($ millions):

9/30/2003	9/30/2004	9/30/2005	9/30/2006	9/30/2007	9/30/2008	9/30/2009
$49	$150	$251	$424	$779	$1,186	$401

Underwriting

Portfolio Acquisition Strategies

In acquiring portfolios of equipment subject to existing leases and secured loans, LEAF seeks portfolios that will be consistent with the types of credit, industries and equipment it focuses on in its direct equipment finance activities. Evaluation of whether a portfolio represents the type of opportunistic acquisition sought by LEAF Financial includes:

- buy versus build analysis;
- cost savings or efficiency synergies;
- profitability effects (e.g. expectations for net income and return on equity);
- cash investment required;
- new markets or expansion of existing market;
- systems compatibilities; and
- human resource value and cultural fit.

LEAF purchases portfolios of equipment from these principal sources: small company equipment lessors; international leasing institutions; regional and national commercial banks; and captive finance companies of large manufacturers.

In evaluating a portfolio acquisition, LEAF considers the following factors:

- business objectives of the seller in selling the portfolio;
- how the leases and/or secured loans were originated, whether directly with the end-user or through vendors or brokers;
- portfolio characteristics, including geographic and obligor concentrations, equipment cost range, types of leases and the original and remaining terms of the leases;
- seller's credit decision process;

- seller's lease and/or secured loan documentation and any material variations from industry practices;
- seller's servicing policies;
- portfolio's aging, performance and default history, including the default history of other portfolios sold by the seller;
- who the seller is and its overall industry reputation;
- performance of other portfolios it has acquired from the seller;
- effect of the acquisition on the overall portfolio; and
- credit enhancements available from the seller, such as guarantees or additional security.

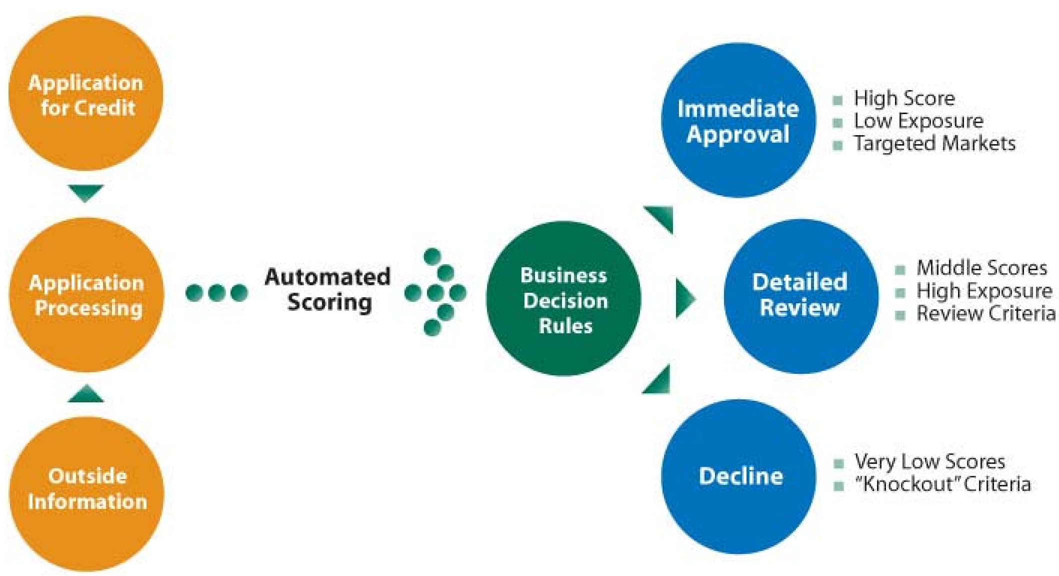
LEAF Financial credit scores a sampling of the obligors in the portfolio as well as the obligors having the largest positions in the portfolio. If LEAF Financial then decides to pursue the portfolio acquisition, it will do a credit analysis of the entire portfolio, or a larger sampling, through credit scoring, financial analysis or other appropriate procedures. LEAF Financial's investment committee considers the results of the analysis at each step and decides on whether or not to make an offer to acquire such portfolio. In pursuing a portfolio, the credit committee will also determine the terms of such offer.

Organic Originations

LEAF Financial maintains formal underwriting policies and procedures. LEAF Financial has developed credit evaluation systems designed to address the inability of most small to mid-sized businesses to provide audited financial statements. Key elements of LEAF Financial's systems include:

- automatic extraction of credit information from online databases;
- credit scoring for smaller transactions; and
- credit analyst review only of larger transactions and transactions where credit scoring does not provide a clear acceptance or rejection.

The chart below details an example of the typical origination process from application to approval:



LEAF Financial's credit scoring systems, were developed for it in part by Fair Isaac Corporation and operate by assigning point values to various factors such as business longevity, type of business, payment history, bank account balances, lawsuits, judgments, liens and credit ratings. Fair Isaac Corporation (NYSE: FIC) is a leading provider of credit management solutions and is the developer of the well known and widely used FICO® scores, the standard measure of credit risk for consumer lending by banks, credit card issuers, insurers and retailers. The credit scoring system uses data obtained from Dun & Bradstreet, Experian, Equifax and TransUnion. The system weighs the point values based on their correlation to default predictability, and then adds them to arrive at a credit score for the applicant. The system either grants or declines approval, or refers the application to a credit analyst, based on thresholds established from statistical correlations between scores and payment performance using industry and other data.

In addition to the Originator's credit scoring systems, the Originator generally uses traditional financial analysis to underwrite transactions of more than $100,000. Furthermore, to measure a particular lease and/or secured loan pool's projected loss performance, the Originator uses a cumulative loss curve that indicates when, during the lifecycle of a pool of leases and/or secured loans, the losses may occur. The cumulative loss timing curve was developed from an analysis of diversified lease and loan pools representing tens of thousands of leases and loans to small and medium size businesses. Because lease and secured loan transactions are not all originated at the same time or in the same amount, the loss curve is weighted by the aggregate discounted contract balance of all lease or secured loan contracts, as applicable, originated as of a certain date and by the average duration of transactions.

LEAF Financial follows customary procedures to perfect its security interest in its assets by filing Uniform Commercial Code (UCC) financing statements with the Secretary of State of the State in which the obligor is incorporated. LEAF Financial only perfects its security interest in its equipment when the original purchase price of the equipment subject to a Contract is in excess of (i) $25,000 in a full payout lease or secured loan or (ii) $50,000 in a "true" lease. Full payout leases are leases in which the rent over the term of the lease will return the Originator's invested capital plus an appropriate return without consideration of the residual, and where the lessee may acquire the equipment at the end of the lease term for a nominal amount. "True Leases" are leases under which the aggregate non-cancelable rental payments during the original term of the lease, on a net present value basis, are not sufficient to recover the purchase price of the equipment leased under the lease and where any lessee purchase option is for the then fair market value of the equipment or otherwise not for a nominal amount. With respect to motor vehicles, it is the policy of LEAF Financial to have its (or its nominee's) name noted as the first lienholder on the certificate of title within a reasonable time after origination or acquisition of the related contract.

A critical component of the LEAF Financial risk management approach is utilizing a specific set of evaluation criteria to assess opportunities and transactions in order to mitigate risk to the organization. At the core the LEAF Financial risk assessment approach are core principals based on knowing the market, collateral, sources and obligors and being able to measure and monitor these areas. LEAF utilizes a various levels of decision making authority based on the size of the related contract. The following table sets forth a summary of the credit decision levels:

<$100,000	**Credit Scoring Direct Reference Verification Single Signature Authority**
$100,000 - $250,000	**Credit Scoring Direct Reference Verification Financial Statement Review Dual Signature Authority**
>$250,000	**Credit Scoring Direct Reference Verification Financial Statement Review Moody's Shadow Rating Credit Committee**

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Servicing

LEAF Financial, as servicer, is obligated under a servicing agreement to service the contracts with reasonable care, using that degree of skill and attention that the servicer generally exercises with respect to all comparable contracts and related assets that it services for itself or others. In performing these duties, it shall comply in all material respects with its written the credit and collection policies and procedures.

The servicer is responsible for:

- reviewing and certifying that the contract files are complete;
- monitoring and tracking any property and sales taxes to be paid by obligors;
- billing, collecting, and recording payments from obligors;
- communicating with and providing billing records to obligors;
- depositing funds into the collection account;
- receiving payments as the issuer's agent on the insurance policies maintained by the obligors and communicating with insurers;
- issuing reports to the indenture trustee;
- repossessing and remarketing equipment following obligor defaults; and
- paying the fees and ordinary expenses of the indenture trustee and the owner trustee.

The servicer may delegate servicing responsibilities to subservicers which are third parties or affiliates, provided that the servicer will remain obligated to the related issuer and the depositor for the proper servicing performance.

The servicer is obligated to act in a commercially reasonable manner with respect to the repossession and disposition of equipment following a contract default with a view to realizing proceeds at least equal to the equipment's fair market value. The servicer may choose to dispose of equipment through a new lease or in some other manner which provides for payment for the equipment over time. In these cases, the servicer will be required to pay from its own funds an amount which, in its reasonable judgment, is equal to the fair market value of the equipment, less liquidation expenses, and the servicer will be entitled to all subsequent payments in respect of the equipment. Any amounts the servicer pays will constitute additional liquidation proceeds with respect to the related contract and equipment and will be allocated as described in the priority of payments.

LEAF Financial's collection department is supported by an automated collection tracking system that accesses all account-related information stored on its main computers. The tracking system:

- prioritizes and queues delinquent accounts by age and dollar amount;
- allows collectors to record all correspondence and discussions with lessees and borrowers; and
- generates management reports which assess the quality and quantity of collections by individual service representatives, supervisory units and the collection department as a whole.

LEAF Financial's collections policy is designed to identify payment problems early enough to permit it to address delinquencies in leases or secured loans quickly and, when necessary, to act on the partnership's behalf to preserve its interest in its collateral. Collection accounts are assigned to individual collectors based on a number of factors which may include but are not limited to the:

- severity of delinquency;

- amount of past due dollars;
- location of the debtor; and
- type of asset being financed.

LEAF Financial's management place significant emphasis on phone contact as the most effective means to ensure an immediate and verifiable commitment for payment. Telephone contact begins at ten (10) days past due or sooner at the discretion of the servicer's management. A series of collection letters are sent at various stages of delinquency in conjunction with the phone calls. In addition to the collection activity with the direct obligor, collection calls are made and collection letters are sent to personal and corporate guarantors as applicable. Generally, by the time an account is more than ninety days past due (90-120 DPD) it will be referred to LEAF Financial's legal/workout unit and the account will be placed with one of the commercial litigation law firms that the servicer has engaged throughout the United States. The servicer also engages third party collection agencies and third party site inspectors to assist in the collection activity and make direct physical inspections at the debtor's location. Repossessed assets are remarketed through approved equipment re-marketers.

The Transferor, an affiliate of the servicer, may make advances for delinquent scheduled payments if in its discretion the advances will be recoverable. In the event that an entity other than LEAF Financial, or one of its affiliates, is a servicer of the contracts, that entity shall have no obligation to make advances. The transferor advances will be deposited into the collection account and made available to make payments on any payment date. The transferor advances are reimbursable from contract payments as provided in the priority of payments. Advances will be reimbursed to the Transferor (or the servicer on behalf of the Transferor) only from subsequent payments made on the related contract by the customer and advance are not permitted to be made on contracts that are defaulted or non-performing as defined in the transaction documents.

The servicer shall be entitled to recover all reasonable out-of-pocket expenses incurred in the liquidation of a contract and disposal of related equipment. The servicer is entitled to retain, from liquidation proceeds, a reserve for out-of-pocket liquidation expenses in an amount equal to the expenses, in addition to those previously incurred, as it reasonably estimates will be incurred. The servicer is permitted to grant payment extensions on a contract not exceeding an aggregate of six months in accordance with its credit and collection policies and procedures if the servicer believes in good faith that an extension is necessary to avoid a termination and liquidation of the contract and will maximize the amount to be received by the issuer under the contract. The servicer is permitted to agree to modifications or amendments to a contract in accordance with its credit and collection policies and procedures.

The servicer may allow a prepayment of any lease contract, but only if the amount paid or, in the case of a partial prepayment, the sum of its prepayment and the remaining Contract Pool principal balance, is at least equal to the required payoff amount of the contract.

The servicer will remit collections to the collection account on a daily basis. In the future, the servicer may be permitted to make remittances of collections to the collection account on a monthly basis as set forth below. In the event that the servicer is permitted to make remittances of collections to the collection account on a monthly basis pursuant to the second alternative (item (ii) listed below in Transaction Structure), the pooling and servicing agreement will be modified, to the extent necessary, without the consent of any holders of notes. Pending each monthly deposit into the collection account, collections on the contracts may be invested by the servicer at its own risk and for its own benefit and will not be segregated from its own funds.

Compensation to the servicer will be a monthly fee equal to the product of one-twelfth of 2.00 percent per annum multiplied by the Contract Pool principal balance as of the first day of the related collection period. Compensation to the back-up servicer will include a monthly fee approximately equal to the product of one-twelfth of 0.065 percent per annum multiplied by the Contract Pool principal balance as of the first day of the related collection period.

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Transaction Structure

The net proceeds from the sale of the notes were applied by the issuer entity to finance the purchase of a portfolio of equipment contracts (the Contract Pool) acquired by the issuer. On the closing date, the purchase price for the Contract Pool was based on the statistical discounted value of the contractual stream of scheduled future payments. For the LEAF 4 2010-3 notes, the statistical discounted rate applied to the Contract Pool is 6.75% per annum.

The issuer will apply the net proceeds from the sale of the LEAF 4 2010-3 notes to (i) acquire the portfolio of Contracts from LEAF IV, currently financed in a warehouse facilities provided by various commercial paper issuers, (ii) to make the initial deposit to the reserve account, and (iii) to pay costs and expenses.

The distribution dates are the 20th day of each month, beginning in August 2010. The structure of cash collections includes a mechanism to limit the commingling risk of the servicer that requires all amounts collected to be remitted daily to a trust account controlled by indenture trustee for the benefit of the holders of LEAF 4 2010-3 notes.

The servicing agreement will permit the servicer to make the deposits described above into the collection account once each month on the deposit date following the Collection Period for that month so long as (i) the servicer or the direct or indirect parent of the servicer has and maintains a short-term debt rating of at least R-1 (high) by DBRS or (ii) the servicer obtains a letter of credit, surety bond or insurance policy which satisfies the requirements in the transaction documents, under which demands for payment may be made to secure timely remittance of monthly collections to the collection account and notice and detail of such support if furnished to each rating agency then providing a rating on the notes.

Each of the Class A, Class B, Class C, Class D and Class E notes have been priced using a fixed rate of interest. The notes may be sold at a discount to the face value. Principal payments will be equal to the amount needed to decrease the aggregate note principal amount to the Contract Pool principal balance.

Interest Payments on the Notes - The notes will bear interest from the Closing Date at the applicable interest rate for the respective Class on the then outstanding balance of such Class of notes as adjusted for any Impairment. Interest will accrue during each Interest Accrual Period and be payable to the Noteholders of a Class on the related Payment Date; provided however, that with respect to each Class of Notes and on each Payment Date, interest shall be deemed not to have accrued during the previous Interest Accrual Period on an amount equal to the Impairment of such Class of Notes. Interest on each Class of notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. An Impairment shall mean as of each Payment Date (as calculated immediately prior to the distributions pursuant to the priority of payments set forth in the transaction documents), an amount equal to (x) the aggregate outstanding note balance of all Classes of notes minus (y) the sum of (i) the aggregate discounted pool balance and (ii) amounts on deposit in the Reserve Account. Impairment with respect to each Class of notes as of each Payment Date shall be allocated first, to the Class E notes, in an amount equal to the lesser of the outstanding principal balance of the Class E notes and the Impairment, second, to the Class D notes, in an amount equal to the lesser of the outstanding principal balance of the Class D notes and the Impairment not yet allocated on such Payment Date, third, to the Class C notes, in an amount equal to the lesser of the outstanding principal balance of the Class C notes and the Impairment not yet allocated on such Payment Date, fourth, to the Class B notes, in an amount equal to the lesser of the outstanding principal balance of the Class B notes and the Impairment not yet allocated on such Payment Date, and fifth, to the Class A notes, in an amount equal to the lesser of the outstanding principal balance of the Class A notes and the Impairment not yet allocated on such Payment Date.

The noteholders of any Class of notes on which an Impairment has occurred will, subject to certain conditions, have the opportunity to conduct investigation of such Impairment.

Each of the notes is rated based on full repayment of the notes by their respective stated maturity dates. To the extent that funds (arising from the underlying assets) are not sufficient to repay interest and principal, amounts in the reserve account will be applied to repay the notes.

Priority of Payments

On each payment date, the servicer will generally direct the indenture trustee to apply available funds for the related collection period in the following order of priority to pay:

(1) Reimbursement of the Transferor advances;

(2) Servicing fee;

(3) Reimbursement of servicing charges and collection costs to the servicer or the Transferor;

(4) Trustee fees, custodial fees and back-up servicing fees and expenses (subject to certain limitations), and servicer transition costs if any (not to exceed $150,000);

(5) Interest on the Class A notes;

(6) Interest on the Class B notes;

(7) Interest on the Class C notes;

(8) Interest on the Class D notes;

(9) Interest on the Class E notes;

(10) Amounts necessary to reduce the Class A note principal amount outstanding until they are paid in full;

(11) Amounts necessary to reduce the Class B note principal amount outstanding until they are paid in full;

(12) Amounts necessary to reduce the Class C note principal amount outstanding until they are paid in full;

(13) Amounts necessary to reduce the Class D note principal amount outstanding until they are paid in full;

(14) Amounts necessary to reduce the Class E note principal amount outstanding until they are paid in full;

(15) Any remaining indemnification amounts owed to the trustee, securities intermediary, custodian and back-up servicer; and

(16) Any remainder to the issuer.

To the extent of any deficiencies in the amounts available to pay amounts described in clauses (5) to (7) immediately above, the issuer will draw on amounts on deposit in the reserve account to pay such deficiencies. The amount of principal required to be paid to noteholders under the indenture, however, generally will be limited to amounts available to make such payments in accordance with the priority of payments. Thus, the failure to pay principal to a class of notes due to a lack of amounts available to make such a payment will not result in the occurrence of an Event of Default until the Stated Maturity Date for that class of notes.

In general, the rate of such payments may be influenced by a number of other factors, including general economic conditions. The rate of principal payments on, and the weighted average lives of, the notes will be directly related to the rate of principal payments on the underlying contracts. The principal payments on such contracts may be in the form of scheduled principal payments, prepayments or liquidations due to default, casualty, repurchases for breach of representations and warranties and the like. Any such payments will result in distributions to holders of notes of amounts which would otherwise have been distributed over the remaining term of the contracts.

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Events of Default

1. Failure to pay when due any payment (including accrued interest on any note), which failure continues unremedied for five (5) or more calendar days after such payment date (other than as described under clause (5) below);

2. The issuer, servicer or Seller/Transferor shall fail to observe or perform any covenants set forth in the transaction documents which continues unremedied for a period of thirty (30) Business Days after the earlier of (x) actual knowledge thereof by such Person or (y) receipt by such Person of written notice thereof;

3. Any representation or warranty made by the issuer, servicer or Seller/Transferor in the transaction documents or any document delivered pursuant thereto (other than a representation or warranty made with respect to the Contracts) proves to have been incorrect in any material respect when made and continues to be incorrect in any material respect for a period of thirty (30) Business Days after the earlier to occur of (x) the discovery thereof by such LEAF Entities (y) the receipt by such LEAF Entities of written notice thereof.

4. The occurrence of an insolvency event relating to the issuer;

5. The outstanding note balance of any Class of notes shall not be reduced to zero and all interest due paid by the Stated Maturity Date for such Class of notes;

6. The issuer becomes an "investment company" within the meaning of the Investment Company Act; or

7. Any Class of notes shall cease to constitute debt for federal income tax purposes, as evidenced by a written determination of the Internal Revenue Service.

Event of Servicing Termination

1. The servicer fails to make any required payment, deposit or related instruction, and the failure continues for five (5) business days after such is due;

2. The servicer fails to perform or observe in any material term, covenant or agreement in the servicing agreement or any other transaction document (other than as described in clause 1 above) and the failure continues unremedied for thirty-one (31) days after actual knowledge of the servicer;

3. Events of bankruptcy or insolvency occur with respect to the servicer; or

4. Any representation, warranty, certification or statement of the servicer made under the servicing agreement or in any other transaction document delivered pursuant to the servicing agreement is incorrect in any material respect when made (or deemed to be made), and continues not remedied for thirty-one (31) days after actual knowledge of the servicer.

5. The cumulative net losses on the Collateral Pool exceed any of the following level within the prescribed periods:

Determination Dates after losing	Cumulative Net Loss Trigger Level
1-6	2.00%
7-12	3.00%
13-18	3.50%
19-24	3.75%
25-30	4.00%
31-36	4.25%
37-42	4.50%
43-48	5.50%
49+	6.5%

6. The rendering against the servicer of one or more final judgments, decrees or orders for the payment of money in the aggregate in excess of $5,000,000 and the continuance of such judgments, decrees or orders unsatisfied and in effect for any period of thirty-one (31) days without a stay of execution; or

7. Following the closing date, and for the periods of determination preceding the first three payment dates, the three month rolling average the delinquency ratio shall exceed 5.00%; or

8. For the period of determination following the period of determination for the first three payment dates, and continuing for the next 20 periods of determination thereafter, the three month rolling average delinquency ratio shall exceed 4.00%;

9. For the periods of determination following the period of determination on and after the 24th payment date, the three month rolling average delinquency ratio shall exceed 5.00%.

If an event of termination remains unremedied, the indenture trustee may, and at the written direction of the required majority of the noteholders, shall, terminate all of the rights and obligations of the servicer under the servicing agreement.

A successor servicer will succeed to all the responsibilities, duties and liabilities of the servicer under the servicing agreement. The successor servicer will be entitled to compensation as described above; any successor servicer will not be liable for any acts or omissions of the prior servicer occurring prior to a transfer of the servicer's servicing and related functions or for any breach by the prior servicer of any of its obligations. A majority of the noteholders may waive any default by the servicer under the pooling and servicing agreement and its consequences. In addition, the servicer must maintain an insurance policy or financial guarantee bond in customary form covering errors and omissions by the servicer.

The servicer is not permitted to resign as servicer under the servicing agreement for so long as its duties are permissible under applicable law. No resignation will become effective until a successor servicer has assumed the servicer's responsibilities under the servicing agreement. Removal of the servicer is permissible only upon the occurrence of an event of termination as discussed previously.

Once the aggregate outstanding principal balance of the notes is less than 10% of the initial Contract Pool principal balance, the servicer will have the option to purchase all the contracts held by the issuer. Upon exercise of this option, on the next Payment Date, the issuer will redeem all notes then outstanding. The redemption price for each such note will be the outstanding principal amount of the note plus unpaid accrued interest up to, but excluding, the redemption date.

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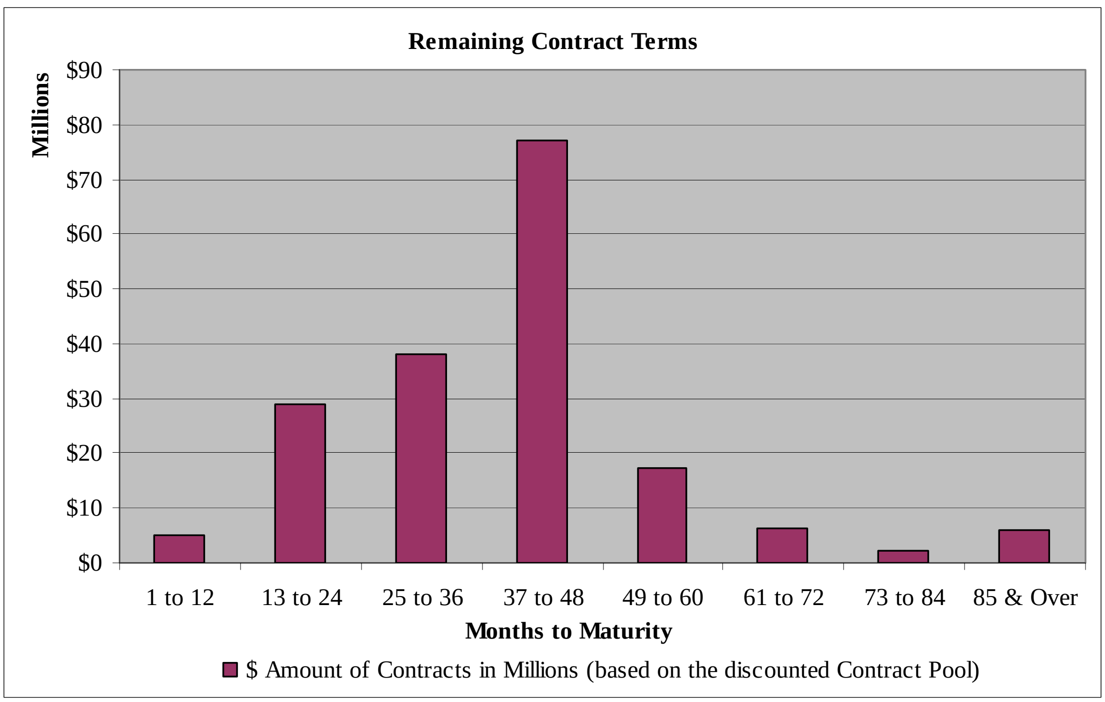
Portfolio Characteristics

The portfolio is comprised of receivables related to micro and small ticket equipment contracts with a diversified pool of obligors. The following reflects certain of the characteristics of the portfolio:

- Discounted Contract Pool Balance $180,810,030.82
- Discounted Amount related to Residual Interests....................................... $1,079,350.02
- Total $181,889,380.84
- Number of Contracts 7,037
- Average Contract Value $25,694.19
- Weighted average remaining term to maturity .... 40 months
- Weighted average original term to maturity... 63 months
- Weighted average age of the Contracts... 23 months
- Distribution by type of equipment as a percentage of the discounted Contract Pool Balance:
  - Healthcare 15.6%
  - Copiers... 11.9%
  - Automotive... .9.1%
  - Construction.. 8.0%
  - Industrial... 7.4%
- Largest obligor concentration 0.6%
- Largest state concentration... 14.5%



The collateral composition has varied somewhat but has retained certain consistent characteristics across the term series and warehouse facilities utilized by LEAF.

	2010-3	2010-2	2010-1	2007-1	LEAF I	LEAF II
Pricing Date	Aug-10	May-10	May-10	Jun-09	Oct-07	Oct-07
Total Balance	181,889,381	109,797,264	97,882,856	276,850,000	50,000,000	125,000,000
# of Accounts	7,037	6,519	3,293	9,200	40,723	51,828
Average Balance	25,694	16,863	29,725	30,268	49,000	44,000
Discount Rate	6.75%	7.68%	7.68%	9.00%	6.08%	5.93%
Credit Enhancement (% of initial pool)						
Class B	7.60%	5.50%	16.00%	5.25%	N/A	N/A
Class C	5.70%	5.00%	2.90%	N/A	N/A	N/A
Class D	4.40%	5.00%				
Class E	4.40%	3.75%				
Initial Overcollateralization	5.75%	5.50%	5.30%	0.60%	9.00%	9.00%
Initial Cash Reserves	1.50%	1.75%	1.90%	4.75%	1.00%	1.00%
Excess Spread:	>1.00%	>1.00%	>1.00%	>1.50%	0.00%	0.00%
WAOM (Months)	63	53	61	58	45	44
WARM (Months)	40	47	32	40	40	38
Seasoning (Months)	23	6	29	18	5	6
Geographic Distribution	CA - 14.50%	NY - 13.30%	CA - 20.20%	CA - 14.14%	CA - 13.09%	CA - 12.03%
	FL - 8.11%	CA - 8.30%	FL - 12.12%	NY - 7.49%	TX - 9.48%	TX - 10.24%
	TX - 7.57%	NJ - 6.87%	TX - 6.96%	TX - 7.15%	NY - 8.96%	NY - 8.91%
Collateral Components						
Small Ticket under $50K	33.74%	67.35%	69.23%	25.26%	38.10%	32.67%
Mid Ticket $50-250k	40.97%	32.12%	28.41%	56.16%	45.44%	47.53%
Large Ticket over $250k	25.27%	0.54%	2.36%	18.58%	15.78%	18.76%
Customer Type (Top 3)						
Medical & Dental Equip	15.50%	N/A	N/A	N/A	N/A	N/A
Eating Places	5.93%	N/A	30.15%	N/A	N/A	N/A
Beauty Shops	2.47%	N/A	9.32%	N/A	N/A	N/A

Credit Enhancement

In accordance with its rating methodology, DBRS analyzed the following forms of credit enhancement available to the LEAF 4 2010-3 transaction.

Excess Spread:
For purposes of determining an advance rate and the appropriate level of credit enhancement, a discount rate is applied to the Contract Pool future payment obligations. With respect to the LEAF 4 2010-3 portfolio, the assumed discount rate is equal to 6.75%. This assumed discount rate exceeds the sum of the anticipated weighted average interest rate and the cost of senior items in the priority of payments (i.e. the sum of (a) the weighted average of the note rates for each class of notes, weighted by the respective initial principal balance of each class of notes and estimated initial average life of each class of notes plus (b) the servicer fee rate plus (c) the trustee and custodial fee rates plus and (d) any backup servicing fee rate).

To the extent that the assumed discount rate exceeds this sum, excess spread is created. For example, for the LEAF 3 2010-2 transaction base case used to run breakeven modeling scenarios with estimates for items (a) through (d) totaling 5.72%, resulting in 1.03% of excess spread (i.e. 6.75%, less (a) 3.63% + (b) 2.00% + (c) 0.02% + (d) 0.065%).

Subordination:
The Class B, Class C, Class D, and Class E notes are subordinated to the Class A notes. The Class B, Class C, Class D and Class E notes will not receive payments of principal until the Class A notes have been paid in full. The Class C notes will not receive payments of principal until the Class A and Class B notes have been paid in full. The Class D notes will not receive payments of principal until the Class A, Class B and Class C notes have been paid in full. The Class E notes will not receive payments of principal until the Class A, Class B, Class C and Class D notes have been paid in full. Payments of interest on subordinate notes will only be made to the extent that available funds remain after making all distributions of interest on the more senior classes of notes and paying all fees, expenses, reimbursement, etc. to the servicer, the issuer and the backup servicer on such Payment Date.

Overcollateralization (OC):
OC is the amount by which the value of the discounted pool balance exceeds the principal balance of all of the notes. OC supports all classes of notes. The initial OC amount is equal to 5.75% of the initial Contract Pool principal balance.

Reserve Account:
The Issuer has been required to deposit into the reserve account an amount equal to 1.50% of the initial Contract Pool principal balance (the reserve required amount).

Residuals:
The Collateral Pool includes rights that the equipment related to secured business loans and operating leases. LEAF Financial’s historical residual realization on equipment of the type included in the Collateral Pool has historically been over 90% of booked residual realized. 30% credit was attributed to residuals which was included as an additional amount in sizing of the notes.

Stress Testing

In the cash flow modeling analysis, various factors of the transaction were stressed in order to test whether the transaction cash flows can withstand potential performance deterioration of the collateral at each requested rating level.

The key inputs of the cash flow modeling that are stressed include:

- loan defaults and losses, assignment of credit for seasoning
- timing of losses
- recoveries
- delinquencies
- aggregate costs of the transaction

Given the diversity of obligors, collateral and geography, no additional stress scenarios were applied to stress the existing concentrations.

To arrive at a suitable base case cumulative net loss assumption, DBRS analyzed the composition of the Contracts comprising the Contract Pool in combination with the historical cumulative loss performance of sub-segments of LEAF’s owned and managed portfolios over the past seven years. Consistent with our published methodology, stress factors were applied to the base loss assumptions according to the DBRS rating scale. The multiple loss ranges applied are based on the DBRS criteria set forth in the Rating U.S. Equipment Lease and Loan Securitization methodology, dated January 2010. In each case, the respective notes were able to withstand the stress levels without loss to the respective note holders.

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The cumulative net loss expectations used to evaluate available credit enhancement are based on the historical loss targets and actual experience of LEAF. However, losses on recent vintages have highlighted the potential asset performance volatility. While LEAF has demonstrated that it can effectively respond to changing market conditions and economic environment, the recent performance experience warrants an increase in the expectation for aggregate losses to address the potential risk. Accordingly, a stress factor multiple that in the mid-range of the parameters set forth in the DBRS criteria was utilized.

The table below set forth the approximate multiples applied to the losses for each rating.

Stress Multiples by Rating Category

Rating Category	Stress Multiples (x)
AAA	5.5
AA	4.5
A	3.5
BBB	2.5
BB	1.75

In addition to losses the stress scenarios included, increased costs related to back-up and successor servicing were incorporated. The stress scenarios also contemplate decreases in the recovery rates and increases to the lag time required to achieve those rates, as well as increased delinquency rates, each as described in the DBRS criteria. In addition, the structure was tested using varying default curves and cumulative prepayment rates (CPR).

The transaction was tested using three different loss timing curves: front mid and back loaded losses to determine the impact of loss timing on the structure. While prepayments for the contracts in the small to mid-ticket space have historically been between 7% and 9%, varying prepayment rates can provide some indication how the collateral might perform under unexpected circumstances. The CPR assumption used for the base case cash flow modeling was 8%, and was varied in the stress scenarios ranging from 0% and 20% for all classes.

The Collateral Pool includes rights that the equipment related to secured loans and operating leases. LEAF Financial provided historical information supporting the dispositions of the types of equipment comprising the residuals in the Collateral Pool. 30% of credit was attributed to residuals which was included as an additional amount in sizing the Class A notes.

Legal Structure & Opinions

The Transferor will be a purchaser of contracts from the Sellers and the Sellers will be the purchaser of contracts from LFI. The Transferor will transfer the contracts to the issuer. Counsel to the Seller and the Transferor will rendered opinions indicating the “true sale” of the assets from LFI to the Sellers and the Sellers to the Transferor and from the Transferor to the issuer, and the enforceability of the documents against the Sellers and the Transfer, issuer and the assets of the issuer on the closing date. Counsel to LEAF Financial has also rendered an opinion stating that the indenture and the pledges and grants thereunder create a valid security interest in the Contract Pool for securing payment of the obligations of the issuer and that the creditors of the seller/transferor or any LEAF affiliate could not successfully look to the assets of the issuer for satisfaction of such parties obligations. In addition, the LEAF 4 2010-3 transaction structure, representation and warranties, and documentation were reviewed for consistency with the DBRS Legal Criteria for U.S. Structured Finance Transactions dated September 2009.

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Note:
All figures are in U.S. Dollars unless otherwise noted.

This report is based on information as of August 18, 2010. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.