

Offering Circular Supplement  
(To Offering Circular  
Dated June 2, 2017)

\$248,655,000  
(Approximate)



**Freddie Mac**  
Multifamily ML Certificates  
Series ML-04

**Offered Classes:** Classes of ML Certificates shown below  
**Trust:** FRETE 2018-ML04 Trust  
**Underlying Tax-Exempt Loans:** Tax-exempt loans (each a “TEL”)  
**Originators:** Citibank, N.A., Hunt Mortgage Partners, LLC, Jones Lang LaSalle Multifamily, LLC, KeyBank National Association, PNC Bank, National Association, Prudential Affordable Mortgage Company, LLC, Walker & Dunlop, LLC and Wells Fargo Bank, National Association  
**Depositor:** Freddie Mac  
**Master Servicer:** Freddie Mac  
**Special Servicers:** KeyBank National Association and Wells Fargo Bank, National Association, under the circumstances set forth herein  
**Trustee, Certificate Administrator and Custodian:** U.S. Bank National Association  
**Payment Dates:** Monthly beginning in June 2018  
**Optional Termination:** The ML Certificates are subject to a 10% clean-up call right, as described in this offering circular supplement  
**Form of ML Certificates:** Book-entry on DTC System  
**Offering Terms:** The placement agents named below are offering the ML Certificates shown below in negotiated transactions at varying prices; it is expected that we will purchase all or a portion of the class X certificates  
**Tax Status:** Dechert LLP will render its opinion to the effect that (i) a portion of the Trust will be treated as a partnership that owns the TELs, and the holders of the offered certificates will be treated as partners in the partnership for federal income tax purposes, and (ii) the holders of the offered certificates will be allocated their respective shares of all tax-exempt interest accrued on the TELs and all expenses and fees incurred by the partnership for federal income tax purposes. Taxable Guarantor Payments received by holders of offered certificates will not be excludable from gross income for federal income tax purposes.  
**Closing Date:** On or about May 23, 2018

<u>Class</u>	<u>Original Principal Balance or Notional Amount<sup>(1)</sup></u>	<u>Class Coupon</u>	<u>CUSIP Number</u>	<u>Final Payment Date</u>
A	\$248,655,000	(2)	30306QAA8	December 25, 2033
X	\$276,283,970	(2)	30306QAB6	November 25, 2035

(1) Approximate. May vary by up to 5%.

(2) See “Summary of Offering Circular Supplement—Transaction Overview and Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this offering circular supplement.

The ML Certificates may not be suitable investments for you. You should consider carefully the risks of investing in them. See “Risk Factors” and “Prepayment, Yield and Suitability Considerations” in our Multifamily ML Certificates Offering Circular dated June 2, 2017 (the “Offering Circular”).

You should purchase ML Certificates only if you have read and understood this offering circular supplement, the attached Offering Circular and the documents listed under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information.”

We guarantee certain payments of interest and principal on the ML Certificates shown above. These payments are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. Because of applicable securities law exemptions, we have not registered the ML Certificates with any federal or state securities commission. No securities commission has reviewed this supplement.

*Co-Lead Managers and Joint Bookrunners*

**Wells Fargo Securities**

**Jefferies**

*Co-Managers*

**Citigroup**

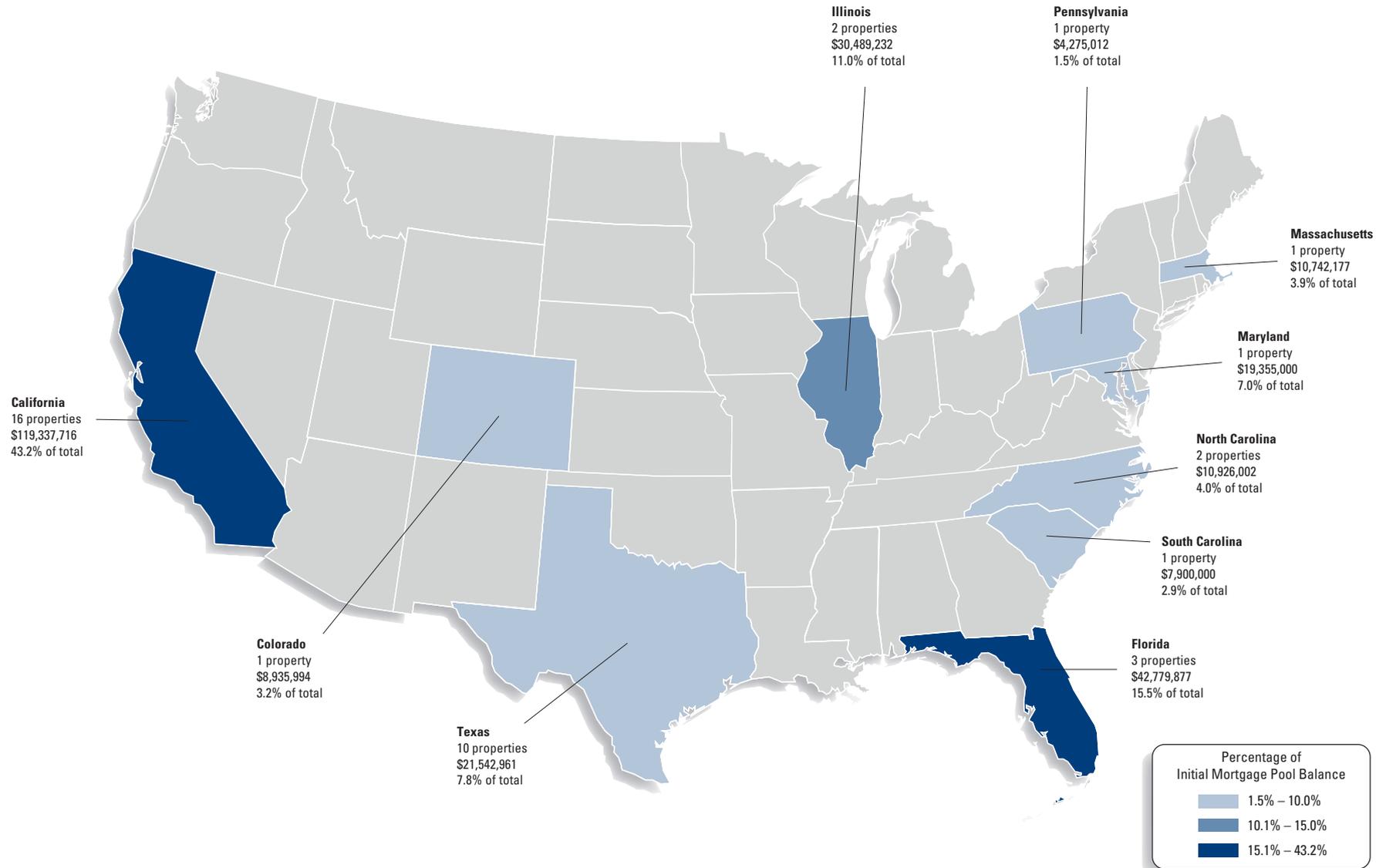
**Goldman Sachs & Co. LLC**

**Mischler Financial Group, Inc.**

**May 11, 2018**

# FRETE 2018-ML04 Mortgage Trust

## Multifamily Mortgage Pass-Through Certificates Series 2018-ML04



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### Exhibits to Offering Circular Supplement

EXHIBIT A-1	—	CERTAIN CHARACTERISTICS OF THE TELS, THE UNDERLYING MORTGAGE LOANS AND THE RELATED MORTGAGED REAL PROPERTIES
EXHIBIT A-2	—	CERTAIN MORTGAGE POOL INFORMATION
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EXHIBIT C-1	—	DEPOSITOR’S REPRESENTATIONS AND WARRANTIES
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EXHIBIT D	—	DECREMENT TABLE FOR THE CLASS A CERTIFICATES
EXHIBIT E	—	PRICE/YIELD TABLE FOR THE CLASS X CERTIFICATES

**You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.**

### **IMPORTANT NOTICE REGARDING THE CERTIFICATES**

NEITHER FREDDIE MAC NOR ANY OTHER PERSON INTENDS TO RETAIN A 5% NET ECONOMIC INTEREST WITH RESPECT TO THE CERTIFICATES IN ANY OF THE FORMS PRESCRIBED BY ARTICLE 405(1) OF EUROPEAN UNION REGULATION 575/2013 OR BY ANY OTHER EUROPEAN UNION LEGISLATION THAT REQUIRES THAT THERE BE SUCH A RETENTION AS A CONDITION TO AN INVESTMENT IN THE CERTIFICATES BY A EUROPEAN INVESTOR SUBJECT TO SUCH LEGISLATION. FOR ADDITIONAL INFORMATION IN THIS REGARD, SEE “RISK FACTORS—RISKS RELATED TO THE OFFERED CERTIFICATES—LEGAL AND REGULATORY PROVISIONS AFFECTING INVESTORS COULD ADVERSELY AFFECT THE LIQUIDITY OF YOUR INVESTMENT” IN THIS OFFERING CIRCULAR SUPPLEMENT. IN ADDITION, NO PARTY WILL RETAIN RISK WITH RESPECT TO THIS TRANSACTION IN A FORM OR AN AMOUNT PURSUANT TO THE TERMS OF THE U.S. CREDIT RISK RETENTION RULE (12 C.F.R. PART 1234). SEE “DESCRIPTION OF THE DEPOSITOR AND GUARANTOR—CREDIT RISK RETENTION” IN THIS OFFERING CIRCULAR SUPPLEMENT.

### **IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS OFFERING CIRCULAR SUPPLEMENT**

THE PLACEMENT AGENTS DESCRIBED IN THIS OFFERING CIRCULAR SUPPLEMENT MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY COMPANY NAMED IN THIS OFFERING CIRCULAR SUPPLEMENT.

THE PLACEMENT AGENTS AND/OR THEIR RESPECTIVE EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY SECURITY OR CONTRACT DISCUSSED IN THIS OFFERING CIRCULAR SUPPLEMENT.

THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR SUPPLEMENT SUPERSEDES ANY PREVIOUS SUCH INFORMATION DELIVERED TO ANY INVESTOR.

### **NOTICE TO RESIDENTS OF THE REPUBLIC OF KOREA**

THIS OFFERING CIRCULAR SUPPLEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF SECURITIES IN KOREA. NONE OF THE DEPOSITOR, ANY PLACEMENT AGENT OR ANY OF THEIR AGENTS MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS OFFERING CIRCULAR SUPPLEMENT TO ACQUIRE THE OFFERED CERTIFICATES UNDER THE LAWS OF KOREA, INCLUDING, BUT WITHOUT LIMITATION, THE FOREIGN EXCHANGE TRANSACTION LAW AND REGULATIONS THEREUNDER (THE “FETL”). THE OFFERED CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA FOR PUBLIC OFFERING IN KOREA, AND NONE OF THE OFFERED CERTIFICATES MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND THE DECREES AND REGULATIONS THEREUNDER (THE “FSCMA”), THE FETL AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES IN KOREA.

### **NOTICE TO RESIDENTS OF THE PEOPLE’S REPUBLIC OF CHINA**

THE OFFERED CERTIFICATES WILL NOT BE OFFERED OR SOLD IN THE PEOPLE’S REPUBLIC OF CHINA (EXCLUDING HONG KONG, MACAU AND TAIWAN, THE “PRC”) AS PART OF THE INITIAL DISTRIBUTION OF THE OFFERED CERTIFICATES BUT MAY BE AVAILABLE FOR PURCHASE BY INVESTORS RESIDENT IN THE PRC FROM OUTSIDE THE PRC.

THIS OFFERING CIRCULAR SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE PRC TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN THE PRC.

THE PRC DOES NOT REPRESENT THAT THIS OFFERING CIRCULAR SUPPLEMENT MAY BE LAWFULLY DISTRIBUTED, OR THAT ANY OFFERED CERTIFICATES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN THE PRC, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, OR ASSUME ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, NO ACTION HAS BEEN TAKEN BY THE PRC WHICH WOULD PERMIT A PUBLIC OFFERING OF ANY OFFERED CERTIFICATES OR THE DISTRIBUTION OF THIS OFFERING CIRCULAR SUPPLEMENT IN THE PRC. ACCORDINGLY, THE OFFERED CERTIFICATES ARE NOT BEING OFFERED OR SOLD WITHIN THE PRC BY MEANS OF THIS OFFERING CIRCULAR SUPPLEMENT OR ANY OTHER DOCUMENT. NEITHER THIS OFFERING CIRCULAR SUPPLEMENT NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN THE PRC, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

#### **NOTICE TO RESIDENTS OF JAPAN**

THE OFFERED CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS EXCHANGE ACT OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED (THE “FIEL”)), AND EACH OF THE PLACEMENT AGENTS HAS AGREED THAT IT WILL NOT OFFER OR SELL ANY OFFERED CERTIFICATES, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY JAPANESE PERSON, OR TO OTHERS FOR RE OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO ANY JAPANESE PERSON, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEL AND ANY OTHER APPLICABLE LAWS AND REGULATIONS. FOR THE PURPOSES OF THIS PARAGRAPH, “JAPANESE PERSON” SHALL MEAN ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS AND REGULATIONS OF JAPAN.

#### **NOTICE TO RESIDENTS OF HONG KONG**

THE OFFERED CERTIFICATES ARE NOT BEING OFFERED OR SOLD AND WILL NOT BE OFFERED OR SOLD IN HONG KONG, BY MEANS OF ANY DOCUMENT (EXCEPT FOR OFFERED CERTIFICATES WHICH ARE A “STRUCTURED PRODUCT” AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) (THE “SFO”) OF HONG KONG) OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) (THE “C(WUMPO)”) OF HONG KONG OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMPO). NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE OFFERED CERTIFICATES HAS BEEN ISSUED OR WILL BE ISSUED, WHETHER IN HONG KONG OR ELSEWHERE, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO OFFERED CERTIFICATES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

## NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

THIS OFFERING CIRCULAR SUPPLEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE (AS DEFINED BELOW).

THE OFFERED CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE “EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING:

- (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); OR
- (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR
- (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC (AS AMENDED, THE “PROSPECTUS DIRECTIVE”).

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE OFFERED CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE OFFERED CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION. FURTHERMORE, THIS OFFERING CIRCULAR SUPPLEMENT HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF OFFERED CERTIFICATES IN THE EEA WILL ONLY BE MADE TO A LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR UNDER THE PROSPECTUS DIRECTIVE. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THE EEA OF THE OFFERED CERTIFICATES MAY ONLY DO SO WITH RESPECT TO QUALIFIED INVESTORS. NEITHER FREDDIE MAC NOR ANY PLACEMENT AGENT HAS AUTHORIZED, NOR DOES ANY OF THEM AUTHORIZE, THE MAKING OF ANY OFFER OF OFFERED CERTIFICATES OTHER THAN TO QUALIFIED INVESTORS.

We provide information to you about the offered certificates in this offering circular supplement, which describes the specific terms of the offered certificates.

You should read this offering circular supplement in full to obtain material information concerning the offered certificates.

This offering circular supplement includes cross-references to sections in this offering circular supplement where you can find further related discussions. The Table of Contents in this offering circular supplement identifies the pages where these sections are located.

When deciding whether to invest in any of the offered certificates, you should only rely on the information contained in this offering circular supplement and the accompanying Offering Circular. We have not authorized any dealer, salesman or other person to give any information or to make any representation that is different. In addition, information in this offering circular supplement is current only as of the date on its cover. By delivery of this offering circular supplement, we are not offering to sell any securities, and are not soliciting an offer to buy any securities, in any state or other jurisdiction where the offer and sale is not permitted.

## SUMMARY OF OFFERING CIRCULAR SUPPLEMENT

This summary highlights selected information from this offering circular supplement and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offered certificates, you should carefully read this offering circular supplement and the accompanying Offering Circular in their entirety prior to making an investment in any offered certificates, including the information set forth under “Risk Factors” in this offering circular supplement. This summary provides an overview of certain information to aid your understanding and is qualified by the full description presented in this offering circular supplement.

### Transaction Overview

The offered certificates will be part of a series of multifamily mortgage pass-through certificates designated as the Multifamily ML Certificates, Series ML-04. The certificates will consist of three classes. The table below identifies and specifies various characteristics for those classes.

Class	Total Initial Principal Balance or Notional Amount	Approximate % of Total Initial Principal Balance	Approximate Initial Credit Support	Pass-Through Rate Description	Assumed Weighted Average Life (Years) <sup>(1)(2)</sup>	Assumed Principal Window <sup>(1)(3)</sup>	Assumed Final Distribution Date <sup>(1)(4)</sup>
<u>Offered Certificates:</u>							
A	\$248,655,000	90.000%	10.000%	LIBOR + 0.32000% <sup>(5)</sup>	13.04	1 – 187	December 25, 2033
X	\$276,283,970	N/A	N/A	Variable IO	13.35	N/A	November 25, 2035
<u>Non-Offered Certificates:</u>							
B	\$ 27,628,970	10.000%	0.000%	N/A	16.12	187 – 210	November 25, 2035

- (1) As to any given class of certificates shown in this table, the assumed weighted average life, the assumed principal window and the Assumed Final Distribution Date have been calculated based on the Modeling Assumptions, including, among other things, that—
  - (i) there are no voluntary or involuntary prepayments with respect to the TELs,
  - (ii) there are no delinquencies, modifications or losses with respect to the TELs,
  - (iii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service or balloon payments on the TELs, and
  - (iv) the certificates are not redeemed prior to their Assumed Final Distribution Date pursuant to the clean-up call described under the heading “—The Offered Certificates—Optional Termination” below.
- (2) As to the class A and B certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for the certificates and the date on which payment of each dollar of principal has been received on that class. As to the class X certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for that class and the application of each dollar to be applied in reduction of the notional amount of that class.
- (3) As to the class A and B certificates, the assumed principal window is the period during which holders of that class are expected to receive distributions of principal.
- (4) As to the class A and B certificates, the Assumed Final Distribution Date is the distribution date on which the last distribution of principal and interest (if any) is assumed to be made on that class. As to the class X certificates, the Assumed Final Distribution Date is the distribution date on which the last reduction to the notional amount is expected to occur.
- (5) For each distribution date, LIBOR will be determined as described under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this offering circular supplement. LIBOR for the first Interest Accrual Period for the class A certificates is assumed to be 2.00000% *per annum*. The class A certificates will bear interest at a floating rate and such interest will accrue on the basis of a 360-day year and the actual number of days elapsed in the applicable Interest Accrual Period. The timely payment of interest on and the ultimate payment of principal (if any) of the offered certificates and the reimbursement of Realized Losses allocated to the offered certificates will be guaranteed by Freddie Mac, as described in this offering circular supplement.

In reviewing the foregoing table, please note that:

- Only the class A and class X certificates are offered by this offering circular supplement.
- The class A and B certificates will have principal balances (the “Principal Balance Certificates”). The class X certificates will have a notional amount. The class A and X certificates will bear interest. The class X certificates constitute the “interest-only certificates.”

- The initial principal balance or notional amount of any class shown in the table may be larger or smaller depending on, among other things, the actual initial TEL pool balance. The initial TEL pool balance may be 5% more or less than the amount shown in the table on page 36. The initial TEL pool balance refers to the aggregate outstanding principal balance of the TELs as of the Cut-off Date (as defined below), after application of all payments of principal due with respect to the TELs on or before the Cut-off Date, whether or not received.
- The offered certificates will bear interest and such interest will accrue based on the assumption that each year is 360 days long and the actual number of days elapsed in the applicable Interest Accrual Period (an “Actual/360 Basis”).
- The class A certificates have a *per annum* pass-through rate of LIBOR plus the specified margin (*provided* that, if LIBOR is determined to be below zero, the pass-through rate on the class A certificates will be equal to the margin).
- The class X certificates have a “variable” pass-through rate.
- The class B certificates are principal-only certificates that will not accrue interest and will not have a pass-through rate.
- For purposes of calculating the accrual of interest as of any date of determination, the class X certificates will have a notional amount that is equal to the then total outstanding principal balance of the Principal Balance Certificates.
- The *per annum* pass-through rate for the class X certificates for any distribution date will equal the percentage equivalent of a fraction, the numerator of which is the dollar amount of Net Interest Collections remaining after the class A certificates have been allocated interest, and the denominator of which is the outstanding notional amount of the class X certificates immediately prior to such distribution date multiplied by a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the related Interest Accrual Period. In no event may the class X pass-through rate be less than zero. “Net Interest Collections” means, for any distribution date, an amount equal to the Available Distribution Amount minus the Principal Distribution Amount.

See “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this offering circular supplement.

The document that will govern the issuance of the certificates, the creation of the issuing entity and the servicing and administration of the TELs and the related underlying mortgage loans will be a pooling and servicing agreement to be dated as of May 1, 2018 (the “Pooling Agreement”), among us, as depositor, master servicer and guarantor, KeyBank National Association, as special servicer with respect to the TELs and underlying mortgage loans other than the Manors I And II Apartments TEL and Mortgage Loan, Wells Fargo Bank, National Association, as special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan, and U.S. Bank National Association, as trustee, certificate administrator and custodian.

The certificates will evidence the entire beneficial ownership of the issuing entity which we intend to establish. The primary assets of the issuing entity will be a segregated pool of 20 loans intended to be tax-exempt loans, which we refer to herein as “TELs”. We did not originate the TELs, but have purchased them from 8 sellers and servicers (the “Originators”). The TELs are funding loans made to various state and local governmental entities (the “Governmental Authorities”), which used the TEL proceeds to make mortgage loans (such loans, the “underlying mortgage loans”) to multifamily developers and owners to finance the acquisition and/or rehabilitation of 38 affordable multifamily housing properties identified on Exhibit A-1.

Each TEL, and the related underlying mortgage loan funded by such TEL, have identical payment terms. Each TEL is payable primarily from payments made by the related underlying borrower on the related underlying mortgage loan without any recourse either to the related Governmental Authority, the related fiscal agent or the related Originator for any failure of such underlying borrower to make required payments on such underlying mortgage loan. The master servicer is the master servicer of all of the TELs and the related underlying mortgage loans. There are 8 sub-servicers of the TELs and the related underlying mortgage loans. Each special servicer is the

special servicer of the TELs, the underlying mortgage loans and the REO Properties for which it is acting as special servicer. Each underlying mortgage loan is pledged by the related Governmental Authority to the related fiscal agent, acting on behalf of the holder of the related TEL, as security for the payment of the related TEL. Because payments on, or in respect of, the underlying mortgage loans are the sole source of payments on the TELs, this offering circular supplement describes the underlying mortgage loans, the servicing of the underlying mortgage loans and other parties involved with the underlying mortgage loans in addition to describing the TELs, the servicing of the TELs and various parties involved with the TELs.

The underlying mortgage loans and therefore, the TELs, will provide for monthly debt service payments. As of the applicable due dates for the TELs and underlying mortgage loans in May 2018 (which will be May 1, 2018, subject, in some cases, to a next succeeding business day convention), which we refer to in this offering circular supplement as the “Cut-off Date,” the TELs and underlying mortgage loans will have the general characteristics discussed under the heading “Description of the TELs and Underlying Mortgage Loans” in this offering circular supplement.

**Relevant Parties/Entities**

<b>Issuing Entity</b> .....	FRETE 2018-ML04 Trust, a New York common law trust, will be formed on the Closing Date pursuant to the Pooling Agreement. See “Description of the Issuing Entity” in this offering circular supplement.
<b>Depositor</b> .....	Freddie Mac, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended (the “ <u>Freddie Mac Act</u> ”), or any successor to it, will create the issuing entity and transfer the TELs to it. Freddie Mac will also act as the master servicer of the TELs and the related underlying mortgage loans and guarantor of the offered certificates. Freddie Mac maintains an office at 8200 Jones Branch Drive, McLean, Virginia 22102. See “Description of the Depositor and Guarantor” in this offering circular supplement.
<b>Originators</b> .....	Each TEL was originated by one of the Originators and was acquired by the depositor. See “Description of the TELs and Underlying Mortgage Loans—Significant Originator” in this offering circular supplement for information regarding any Originator that has originated a significant portion of the TELs pool. As of the Closing Date, certain of the underlying mortgage loans and TELs will be sub-serviced by various sub-servicers pursuant to sub-servicing agreements between the master servicer and each of the sub-servicers (each, a “ <u>Sub-Servicing Agreement</u> ”). Subject to meeting certain requirements, each Originator has the right to, and may, appoint itself or its affiliate or a third party as the sub-servicer for any of the underlying mortgage loans and TELs it originated. See “The Pooling Agreement—Significant Sub-Servicer” and “—Summary of Significant Sub-Servicing Agreement” in this offering circular supplement for information regarding any sub-servicer that is sub-servicing a significant portion of the TELs and underlying mortgage loans and information regarding the terms of the related Sub-Servicing Agreement. See Exhibit A-1 for the identity of the applicable Originator for each underlying mortgage loan and TEL.
<b>Fiscal Agents</b> .....	A fiscal agent is a third-party financial institution appointed by the Governmental Authority to take an assignment of and to administer the underlying mortgage loan, which is the sole security for the Governmental Authority’s obligations on the TEL. If a servicer had not been appointed for an underlying mortgage loan, the fiscal agent would have been required to collect payments on the underlying mortgage loan from the underlying borrower and remit those payments to the issuing entity, as the owner of the related TEL. Upon the occurrence of an event of default with respect to any TEL or the related underlying mortgage loan, pursuant to the related TEL loan agreement, the issuing entity’s representative, which will be the special servicer, may instruct the related fiscal agent to take any actions to protect and enforce the rights of the issuing entity and the fiscal agent, including declaring the TEL immediately due and payable and commencing foreclosure proceedings on the related mortgaged real property, which will be performed by the special servicer on behalf of the fiscal agent. See Exhibit A-1 for the identity of the fiscal agent for each TEL and underlying mortgage loan.

**Master Servicer** ..... Freddie Mac will act as the master servicer with respect to the TELs (including the underlying mortgage loans). Freddie Mac is also the depositor and the guarantor of the offered certificates. Freddie Mac maintains a servicing office at 8100 Jones Branch Drive, McLean, Virginia 22102.

As consideration for servicing the TELs and the related underlying mortgage loans, the master servicer will receive a master servicing fee and a sub-servicing fee with respect to each TEL and underlying mortgage loan. The sub-servicing fee is then paid by the master servicer to the applicable sub-servicer with respect to each TEL and underlying mortgage loan.

In addition, the master servicer will receive a master servicer surveillance fee with respect to each Surveillance Fee Mortgage Loan, subject to the rights of the sub-servicers described in “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—The Servicing Fee” in this offering circular supplement. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement for the applicable rates at which such fees accrue and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—The Servicing Fee” in this offering circular supplement for further information regarding such fees.

The master servicing fee, the master servicer surveillance fee and the sub-servicing fees are components of the “Administration Fee Rate” set forth on Exhibit A-1. Such fees are calculated on the same basis as interest on each TEL and will be paid out of interest payments received on the TELs prior to any distributions being made on the offered certificates. The master servicer will also be entitled to additional servicing compensation in the form of borrower-paid fees as more particularly described in this offering circular supplement. See “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” and “—The Master Servicer” in this offering circular supplement.

**Special Servicers** ..... KeyBank National Association, a national banking association (“KeyBank”), is expected to act as the special servicer with respect to the TELs and the related underlying mortgage loans, other than the Manors I And II Apartments TEL and Mortgage Loan. KeyBank also may, in certain circumstances, act as the Affiliated Borrower Loan Directing Certificateholder with respect to underlying mortgage loans and TELs that are not Affiliated Borrower Special Servicer Loans and may, if requested, act as the Directing Certificateholder Servicing Consultant. KeyBank is also the originator of 1 of the TELs representing 3.2% of the initial TEL pool balance. The principal commercial mortgage special servicing offices of KeyBank are located at 11501 Outlook Street, Suite 300, Overland Park, Kansas 66211.

Wells Fargo Bank, National Association, a national banking association (“Wells Fargo Bank”), is expected to act as the special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan. Wells Fargo Bank is also the originator of 1 of the TELs, representing 3.9% of the initial TEL pool balance. The principal west coast commercial mortgage servicing offices of Wells Fargo Bank are located at MAC A0227-020, 1901 Harrison Street, Oakland, California

94612. The principal east coast commercial mortgage servicing offices of Wells Fargo Bank are located at Three Wells Fargo Bank, MAC D1050-084, 401 South Tryon Street, Charlotte, North Carolina 28202.

For purposes of this offering circular supplement, “special servicer” means, as applicable, (a) KeyBank, in its capacity as special servicer with respect to the TELs and related underlying mortgage loans (other than the Manors I And II Apartments TEL and Mortgage Loan), the related REO Loans and the related REO Properties or (b) Wells Fargo Bank, in its capacity as special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan, the related REO Loan and REO Property.

The special servicer will, in general, be responsible for servicing and administering:

- underlying mortgage loans and TELs that, in general, are in default or as to which default is reasonably foreseeable; and
- any real estate or other property acquired by the issuing entity upon foreclosure of a Defaulted TEL.

As consideration for servicing any underlying mortgage loan and TEL if it is being specially serviced and the related underlying mortgage loans if the related mortgaged real property or REO Property has become subject to a foreclosure proceeding, the special servicer will receive a special servicing fee. In addition, the special servicer will receive a special servicer surveillance fee with respect to each Surveillance Fee Mortgage Loan. The surveillance fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fees will be calculated on the same basis as interest on the TELs and will generally be payable to the special servicer monthly from collections on the TELs. Additionally, the special servicer will, in general, be entitled to receive a workout fee with respect to the TEL and underlying mortgage loan if it becomes a Specially Serviced Mortgage Loan and has been returned to performing status. The special servicer will also be entitled to receive a liquidation fee with respect to each TEL and the related underlying mortgage loan if it becomes a Specially Serviced Mortgage Loan for which a full, partial or discounted payoff is made or Liquidation Proceeds are received. However, no liquidation fee is payable in connection with certain purchases by the directing certificateholder, the depositor or the special servicer. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement for the applicable rates at which such fees accrue and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Principal Special Servicing Compensation” in this offering circular supplement for further information regarding such fees.

The special servicer may be terminated by the directing certificateholder who may appoint a successor special servicer meeting the Successor Servicer Requirements including Freddie Mac’s approval, which approval may not be unreasonably withheld or delayed. See “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—The Special Servicers” in this offering circular supplement.

Fees payable to the master servicer and special servicer are paid only with respect to the combination of the related TEL and the underlying mortgage loan pursuant to the Pooling Agreement. No separate fee is payable with respect to both a TEL and the related underlying mortgage loan for services provided.

The Pooling Agreement provides that in certain circumstances the Approved Directing Certificateholder (if any) may, at its own expense, request that a person (which may be the special servicer) (in such capacity, the “Directing Certificateholder Servicing Consultant”) prepare and deliver a recommendation relating to a requested waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain modifications, waivers or amendments for certain non-Specially Serviced Mortgage Loans. See “The Pooling Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” in this offering circular supplement.

If at any time an Affiliated Borrower Special Servicer Loan Event occurs (other than with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and is described in the definition of “Affiliated Borrower Special Servicer Loan Event”), the Pooling Agreement will require that the special servicer promptly resign as special servicer of the related Affiliated Borrower Special Servicer Loan and will provide for the appointment of a successor Affiliated Borrower Special Servicer to act as the special servicer with respect to such Affiliated Borrower Special Servicer Loan. For further information relating to Affiliated Borrower Special Servicer Loan Events, see “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” and “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” in this offering circular supplement.

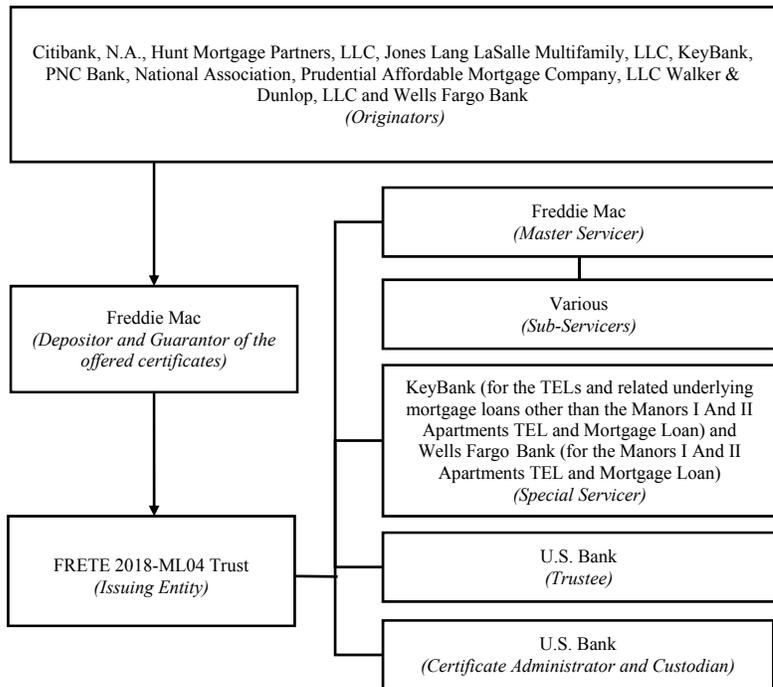
**Trustee, Certificate Administrator  
and Custodian.....**

U.S. Bank National Association, a national banking association (“U.S. Bank”), will act as the trustee on behalf of the certificateholders. The trustee’s principal address is One Federal Street, 3rd Floor, Mail Code EX-MA-FED, Boston, Massachusetts 02110. As consideration for acting as trustee, U.S. Bank will receive a trustee fee. The trustee fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on the TELs. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement for the applicable rate at which such fee accrues, “The Pooling Agreement—Matters Regarding the Trustee, the Certificate Administrator and Custodian” in this offering circular supplement for further information regarding such fees, and “The Pooling Agreement—The Trustee, Certificate Administrator and Custodian” in this offering circular supplement for further information about the trustee.

U.S. Bank will also act as the certificate administrator, the custodian and the certificate registrar. The certificate administrator’s principal address is One Federal Street, 3rd Floor, Mail Code EX-MA-FED, Boston, Massachusetts 02110 (and for certificate transfer purposes, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder

Services - FRETE 2018-ML04), and it has a custodial office at 60 Livingston Ave., Suite 800, St. Paul, Minnesota 55107, Attention: FRETE 2018-ML04. As consideration for acting as certificate administrator, custodian and certificate registrar, U.S. Bank will receive a certificate administrator fee. The certificate administrator fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on the TELs. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement for the applicable rate at which such fee accrues, “The Pooling Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this offering circular supplement for further information regarding such fees, and “The Pooling Agreement—The Trustee, Certificate Administrator and Custodian” in this offering circular supplement for further information about the certificate administrator and the custodian.

**Parties** ..... The following diagram illustrates the various parties involved in the transaction and their functions.



**Directing Certificateholder** ..... The “directing certificateholder” will be the Controlling Class Majority Holder or its designee; *provided* that if the class A certificates are the Controlling Class, Freddie Mac or its designee will act as the directing certificateholder and be deemed the Approved Directing Certificateholder. It is anticipated that PAC ML04, a Delaware limited liability company and an affiliate of Preferred Apartment Communities Operating Partnership, LP, will be designated to serve as the initial directing certificateholder (the “Initial Directing Certificateholder”). For more information regarding the identity and selection of the directing certificateholder and the procedure for a Controlling Class Majority Holder becoming or designating an Approved Directing Certificateholder, see “The Pooling Agreement—Realization Upon

Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

As and to the extent described under “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement, the Approved Directing Certificateholder (if any) may direct the master servicer or the special servicer with respect to various servicing matters involving each of the underlying mortgage loans. A directing certificateholder that is not an Approved Directing Certificateholder will not have such rights with respect to such servicing matters, but will be entitled to exercise the Controlling Class Majority Holder Rights described in this offering circular supplement. Upon the occurrence and during the continuance of any Affiliated Borrower Loan Event with respect to any underlying mortgage loan, any right of the directing certificateholder to (i) approve and consent to certain actions with respect to such underlying mortgage loan, (ii) exercise an option to purchase any Defaulted TELs and related Defaulted Crossed TELs, as applicable, from the issuing entity and (iii) access certain information and reports regarding such underlying mortgage loan will be restricted as described in “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” and “—Purchase Option,” as applicable, in this offering circular supplement. Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the special servicer, as the Affiliated Borrower Loan Directing Certificateholder, will be required to exercise any approval, consent, consultation or other rights with respect to any matters related to an Affiliated Borrower Loan as described in “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement.

As of the Closing Date, no Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

The Pooling Agreement provides that in certain circumstances the Approved Directing Certificateholder may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver recommendations relating to certain requests for consent to assumptions, modifications, waivers or amendments. See “The Pooling Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” in this offering circular supplement. The Approved Directing Certificateholder (if any) will be entitled to certain borrower-paid fees in connection with such assumptions, modifications, waivers, amendments or consents. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

**Guarantor**.....

Freddie Mac will act as guarantor of the class A and X certificates offered by this offering circular supplement. Freddie Mac is entitled to a Guarantee Fee. For a discussion of the Freddie Mac Guarantee, see “Description of the Certificates—Distributions—Freddie Mac Guarantee” and “Description of the Depositor and Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this offering circular supplement.

**Significant Dates and Periods**

<b>Cut-off Date</b> .....	The TELs will be considered assets of the issuing entity as of May 1, 2018. All payments and collections received on the TELs after May 1, 2018, excluding any payments or collections that represent amounts due on or before such due date, will belong to the issuing entity. May 1, 2018 is considered the Cut-off Date for the issuing entity.
<b>Closing Date</b> .....	The date of initial issuance for the certificates will be on or about May 23, 2018.
<b>Due Dates</b> .....	Subject to a next succeeding business day convention, monthly installments of principal and/or interest will be due on the first day of the month with respect to the TELs.
<b>Determination Date</b> .....	The monthly cut-off for collections on the TELs that are to be distributed, and information regarding the TELs that is to be reported, to the holders of the certificates on any distribution date will be the close of business on the determination date in the same month as that distribution date. The determination date will be the 11th calendar day of each month, commencing in June 2018, or, if the 11th calendar day of any such month is not a Business Day, then the next succeeding Business Day.
<b>Distribution Date</b> .....	Distributions of principal and/or interest on the certificates are scheduled to occur monthly, commencing in June 2018. The distribution date will be the 25th calendar day of each month, or, if the 25th calendar day of any such month is not a Business Day, then the next succeeding Business Day.
<b>Record Date</b> .....	The record date for each monthly distribution on a certificate will be the last Business Day of the prior calendar month. The registered holders of the certificates at the close of business on each record date will be entitled to receive any distribution on those certificates on the following distribution date, except that the final distribution on any offered certificate will be made only upon presentation and surrender of that certificate at a designated location.
<b>Collection Period</b> .....	Amounts available for distribution on the certificates on any distribution date will depend on the payments and other collections received, and any advances of payments due, on or with respect to the TELs during the related Collection Period. Each Collection Period— <ul style="list-style-type: none"><li>• will relate to a particular distribution date;</li><li>• will begin when the prior Collection Period ends or, in the case of the first Collection Period, will begin on the Cut-off Date; and</li><li>• will end at the close of business on the determination date that occurs in the same month as the related distribution date.</li></ul>
<b>Interest Accrual Period</b> .....	The amount of interest payable with respect to the interest-bearing classes of the certificates on any distribution date will be a function of the interest accrued during the related Interest Accrual Period. The “ <u>Interest Accrual Period</u> ” for any distribution date will be (i) with respect to the first distribution date, the period commencing on the Closing Date and ending on June 24, 2018, and (ii) with respect to any

distribution date thereafter, the period commencing on and including the 25th day of the month preceding the month in which such distribution date occurs and ending on and including the 24th day of the month in which such distribution date occurs.

**Assumed Final Distribution Date** ..... For each class of offered certificates, the applicable date set forth on the cover page.

**The Offered Certificates**

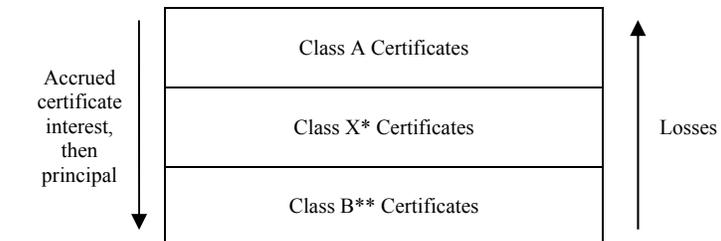
**General** ..... The certificates offered by this offering circular supplement are the class A and X certificates. Each class of offered certificates will have the initial principal balance or notional amount and pass-through rate set forth or described in the table on page 7 or otherwise described above under “—Transaction Overview”. There are no other securities offered by this offering circular supplement.

**Collections** ..... The master servicer or the special servicer, as applicable, will be required to make reasonable efforts in accordance with the Servicing Standard to collect all payments due under the terms and provisions of the TELs and underlying mortgage loans. Underlying borrowers on the underlying mortgage loans make debt service payments to the related sub-servicer, or if a servicer had not been appointed with respect to an underlying mortgage loan, to the fiscal agent, which, in turn, would forward such payments to the master servicer. Such payments will be deposited in the collection account on a daily basis.

**Distributions** ..... Funds collected or advanced on the TELs will be distributed on each corresponding distribution date, net of (i) specified issuing entity expenses, including master servicing fees, special servicing fees, sub-servicing fees, master servicer surveillance fees, special servicer surveillance fees, certificate administrator fees, trustee fees, Guarantee Fees, CREFC® Intellectual Property Royalty License Fees, certain expenses, related compensation and indemnities, (ii) amounts used to reimburse advances made by the master servicer, the special servicer or the trustee and (iii) amounts used to reimburse Balloon Guarantor Payments or interest on such amounts.

**Subordination** ..... The chart below under “—Priority of Distributions” describes the manner in which the rights of various classes will be senior to the rights of other classes. Entitlement to receive principal and interest on any distribution date is depicted in descending order. The manner in which TEL losses are allocated is depicted in ascending order.

**Priority of Distributions** ..... The following chart illustrates generally the distribution priorities and the subordination features applicable to the certificates:



\* Interest-only  
 \*\* Principal-only

On each distribution date, the class X certificates will be allocated the Net Interest Collections remaining after the class A certificates have been allocated interest distributions. See “Legal and Investment Considerations—Investment Considerations” below in this offering circular supplement.

Principal distributions will be made sequentially to the class A certificates until paid in full and then to the class B certificates, in that order, unless the total outstanding principal balance of the class B certificates has been reduced to zero as a result of losses on the TELs and/or default-related or other unanticipated issuing entity expenses. The class X certificates do not have a principal balance and do not entitle holders to distributions of principal.

No form of credit enhancement will be available to you as a holder of offered certificates other than as described under “—Freddie Mac Guarantee” below and “Description of the Certificates—Distributions—Subordination” in this offering circular supplement.

**Freddie Mac Guarantee .....**

It is a condition to the issuance of the offered certificates that Freddie Mac guarantee certain payments on the offered certificates, described in this offering circular supplement (the “Freddie Mac Guarantee”). Any Guarantor Payment made to the class A certificates in respect of principal will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X certificates. The Freddie Mac Guarantee will also cover, with respect to the class A certificates, any Guarantee Cap Payments. “Guarantee Cap Payment” means, with respect to any distribution date and related Interest Accrual Period, a payment under the Freddie Mac Guarantee equal to the amount, if any, by which the amount of interest accrued on the outstanding principal balance of the class A certificates exceeds Net Interest Collections. The Freddie Mac Guarantee does not cover Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loans and TELs, nor does it cover any decrease in the interest entitlement of the class X certificates, which could be reduced to zero, as a result of (i) an increase in LIBOR, or (ii) with respect to the TELs that bear interest based on SIFMA, an increase in LIBOR relative to SIFMA, or (iii) as a result of a decrease in the Weighted Average Net Mortgage Pass-Through Rate due to a faster rate of prepayment on the TELs with high interest rates. See “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement. Freddie Mac is entitled to a Guarantee Fee as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement.

The portion of any Guarantee Cap Payment that represents tax-exempt income for federal income tax purposes will be the excess, if any, of the Guarantee Cap Payment over the Taxable Guarantor Payment. The portion of any Guarantee Cap Payment that represents taxable income for federal income tax purposes (the “Taxable Guarantor Payment”) will be, for any distribution date, the excess, if any, of (i) (a) the Class A Pass-Through Rate times (b) the class A certificate principal balance over (ii) (a) the Weighted Average Net Mortgage Pass-Through Rate times (b) the Stated Principal Balance of the TELs.

The offered certificates are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to pay under the Freddie Mac Guarantee, the offered certificates could be subject to losses.

Freddie Mac will not guarantee any class of certificates other than the offered certificates.

**Interest Distributions** ..... During each Interest Accrual Period, the offered certificates will bear interest that will accrue on an Actual/360 Basis, based on:

- the pass-through rate with respect to that class for that Interest Accrual Period; and
- the outstanding principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date.

Although the underlying mortgage loans and TEL documents require the payment of a full month's interest on any voluntary prepayment not made on a due date, a whole or partial prepayment on an underlying mortgage loan or TEL may not be accompanied by the amount of a full month's interest on the prepayment in some instances. To the extent those shortfalls are not covered by the master servicer as described under "The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses" in this offering circular supplement, they will be allocated, as described under "Description of the Certificates—Distributions—Interest Distributions" in this offering circular supplement, to reduce the amount of accrued interest otherwise payable to the holders of the offered certificates. However, such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee.

On each distribution date, subject to available funds and the distribution priorities described under "—Priority of Distributions" above, you will be entitled to receive your proportionate share of all unpaid distributable interest accrued with respect to your class of offered certificates for the related Interest Accrual Period. See "Legal and Investment Considerations—Investment Considerations" below, "Description of the Certificates—Distributions—Interest Distributions" and "—Distributions—Priority of Distributions" in this offering circular supplement.

**Principal Distributions** ..... Subject to—

- available funds,
- the distribution priorities described under "—Priority of Distributions" above,
- the reductions to the outstanding principal balances described under "—Reductions of Certificate Principal Balances in Connection with Losses and Expenses" below, and
- payments under the Freddie Mac Guarantee,

the holders of the class A certificates will be entitled to receive a total amount of principal distributions over time equal to the outstanding principal balance of such class.

The total distributions of principal to be made on the certificates on any distribution date will, in general, be a function of—

- the amount of scheduled payments of principal due or, in some cases, deemed due, on the TELs during the related Collection Period, which payments are either received as of the end of that Collection Period, advanced by the master servicer and/or the trustee, as applicable, or are the subject of a Balloon Guarantor Payment, and
- the amount of any prepayments and other unscheduled collections of previously unadvanced principal with respect to the TELs that are received during the related Collection Period.

However, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (in each case, together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the TELs (thereby reducing the amount of principal otherwise distributable on the certificates on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the TELs. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this offering circular supplement.

If any underlying borrower fails to pay the entire outstanding principal balance of an underlying Balloon Loan on its scheduled maturity date, the Guarantor will be required, pursuant to the Freddie Mac Guarantee, to make a Balloon Guarantor Payment in an amount equal to the amount of principal that otherwise would have been paid on the related TEL and thereupon on the class A certificates if such underlying Balloon Loan had been paid in full on its scheduled maturity date. However, such payment may not exceed the outstanding principal balance of the class A certificates less any principal scheduled to be distributed to the class A certificates on such distribution date. Any Balloon Guarantor Payment made to the class A certificates will reduce the outstanding principal balance of such class and will also result in a corresponding reduction in the notional amount of the class X certificates. See “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement. Each Balloon Guarantor Payment will be reimbursed to the Guarantor (i) first, from subsequent collections on the related TEL, net of any such collections used to reimburse the master servicer or the trustee, as applicable, for advances made by them (including interest on those advances) on such TEL or on other TELs if determined to be nonrecoverable (and therefore the principal portion of any such subsequent collections will not be included in the Principal Distribution Amount for future distribution dates) as described in “Description of the Certificates—Distribution Account—Withdrawals” in this offering circular supplement and (ii) second, as described under “Description of

the Certificates—Distributions—Priority of Distributions” in this offering circular supplement.

The certificate administrator will be required to make principal distributions on the Principal Balance Certificates in the sequential order described below, taking account of whether the payments (or advances in lieu of the payments) and other collections of principal that are to be distributed were received and/or made with respect to the TELs, that generally equal:

- in the case of the class A certificates, an amount (not to exceed the principal balance of the class A certificates outstanding immediately prior to the subject distribution date) equal to the principal distribution amount for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero; and
- in the case of the class B certificates, an amount (not to exceed the principal balance of the class B certificates outstanding immediately prior to the subject distribution date) equal to the principal distribution amount for the subject distribution date (exclusive of any distributions of principal to which the holders of the class A certificates are entitled on the subject distribution date as described in the immediately preceding bullet), until the outstanding principal balance of such class of certificates is reduced to zero.

Because of losses on the underlying mortgage loans and, in turn, on the TELs and/or default-related or other unanticipated issuing entity expenses, the outstanding principal balance of the class B certificates could be reduced to zero at a time when the class A certificates remain outstanding.

The class X certificates do not have a principal balance. They do not entitle holders to any distributions of principal. See “Description of the Certificates—Distributions—Principal Distributions” and “—Priority of Distributions” in this offering circular supplement.

**Distributions of Static Prepayment**

**Premiums and Yield**

**Maintenance Charges .....**

100% of any Static Prepayment Premium or Yield Maintenance Charges collected in respect of any of the underlying mortgage loans and, in turn, on the TELs will be distributed to the holders of the class X certificates. See “Description of the Certificates—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges” in this offering circular supplement.

**Reductions of Certificate Principal Balances in Connection with Losses and Expenses .....**

As and to the extent described under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this offering circular supplement, losses on, and default-related or other unanticipated issuing entity expenses attributable to, the TELs will, in general, be allocated on each distribution date, after making distributions on such distribution date, to reduce the outstanding principal balances of the Principal Balance Certificates, sequentially, in the following order:

<b>Reduction Order</b>	<b>Class</b>
1 <sup>st</sup>	Class B certificates
2 <sup>nd</sup>	Class A certificates

Any reduction of the outstanding principal balances of the class A and class B certificates will result in a corresponding reduction in the notional amount of the class X certificates. However, Freddie Mac will be required under its guarantee to pay the holder of any class A certificate an amount equal to any such loss allocated to the class A certificates as set forth in “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement.

**Advances of Delinquent Monthly Debt Service Payments .....**

Except as described below in this “—Advances of Delinquent Monthly Debt Service Payments” section, the master servicer will be required to make advances with respect to any delinquent scheduled monthly payments on the underlying mortgage loans and, in turn, on the TELs, other than certain payments (including balloon payments), of principal and/or interest due on the TELs. The master servicer will be required to make advances of assumed monthly payments for those TELs that become defaulted upon their maturity dates on the same amortization schedule as if the maturity date had not occurred. In addition, the trustee will be required to make any of those advances to the extent that the master servicer fails to make any such advances, in each case subject to a nonrecoverability determination. As described under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement, if the master servicer or the trustee, as applicable, makes an advance, it will be entitled to be reimbursed for the advance, together with interest at the Prime Rate.

However, neither the master servicer nor the trustee will advance master servicing fees, master servicer surveillance fees, special servicer surveillance fees or sub-servicing fees. Moreover, neither the master servicer nor the trustee will be required to make any advance if the master servicer, the trustee or the special servicer determines such advance is or would constitute a Nonrecoverable Advance. In addition, the trustee may conclusively rely on any determination of nonrecoverability made by the master servicer, and the master servicer and the trustee will be required to conclusively rely on any determination of nonrecoverability made by the special servicer.

In addition, if any of the adverse events or circumstances that we refer to under “The Pooling Agreement—Required Appraisals” in this

offering circular supplement occur or exist with respect to any underlying mortgage loan or related mortgaged real property, the special servicer will generally be obligated to use reasonable efforts to obtain a new appraisal or, in some cases involving TELs and underlying mortgage loans with outstanding principal balances of less than \$2,000,000, conduct an internal valuation of that related mortgaged real property. If, based on that appraisal or internal valuation, it is determined that an Appraisal Reduction Amount exists with respect to the subject TEL and underlying mortgage loan, then the amount otherwise required to be advanced (subject to a nonrecoverability determination) with respect to interest on the subject underlying mortgage loan will be reduced. That reduction will generally be in the same proportion that the Appraisal Reduction Amount bears to the Stated Principal Balance of the subject TEL and underlying mortgage loan. Due to the distribution priorities, any such reduction in advances will first reduce the funds available to pay interest as follows:

Reduction Order	Class
1 <sup>st</sup>	Class X certificates
2 <sup>nd</sup>	Class A certificates

The above-described reduction in advances for delinquent monthly debt service payments will not occur after the outstanding principal balance of the class B certificates has been reduced to zero.

See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling Agreement—Required Appraisals” in this offering circular supplement.

**Reports to Certificateholders.....**

On each distribution date, the certificate administrator will be required to provide or make available to any Privileged Person a monthly report substantially in the form of and containing the information substantially as required by Exhibit B. The certificate administrator’s report will be required to detail, among other things, the distributions made to the certificateholders on that distribution date and the performance of the TELs, the underlying mortgage loans and the mortgaged real properties. The certificate administrator will also be required to make available to any Privileged Person via its website initially located at [www.usbank.com/abs](http://www.usbank.com/abs), certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package® in accordance with the Pooling Agreement.

You may also review via the certificate administrator’s website or, upon reasonable prior notice, at the master servicer’s, the special servicer’s, the certificate administrator’s or the custodian’s offices during normal business hours, a variety of information and documents that pertain to the TELs, the underlying mortgage loans and the mortgaged real properties. Underlying borrower operating statements, rent rolls and property inspection reports will be available at the office of the master servicer or the special servicer, as applicable, and may be available on the master servicer’s website or the special servicer’s website, as applicable.

There are restrictions on the information that may be made available to you if you are an underlying borrower or an affiliate of an underlying borrower with respect to an underlying mortgage loan.

See “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this offering circular supplement.

**Deal Information/Analytics**..... Certain information concerning the TELs and the certificates may be available through the following services:

- BlackRock Financial Management, Inc., Bloomberg, L.P., Moody’s Analytics, Trepp, LLC, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator’s website initially located at [www.usbank.com/abs](http://www.usbank.com/abs);
- the master servicer’s website initially located at <https://mf.freddie.com>; and
- the KeyBank special servicer’s website initially located at [www.keybank.com/key2cre](http://www.keybank.com/key2cre).

**Sale of Defaulted TELs**..... If any TEL becomes a Defaulted TEL, then the directing certificateholder will have an assignable option to purchase that TEL (together with an assignment of the underlying mortgage loan) from the issuing entity at the price and on the terms, including the restrictions applicable to Affiliated Borrower Loans and any applicable time limits, described in “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement. If the fair value price to be paid by the directing certificateholder or any assignee for the TEL is less than 99% of the Purchase Price for such TEL, then Freddie Mac will also have the right to purchase such TEL. The directing certificateholder and Freddie Mac may each assign their respective purchase options.

A Defaulted TEL in the Crossed Loan Group may be purchased in the manner described above while any other TEL in the Crossed Loan Group remains in the issuing entity only if the special servicer modifies, upon such purchase, the related loan documents in a manner whereby such Defaulted TEL to be purchased, on the one hand, and any related TEL in the Crossed Loan Group that remains in the issuing entity, on the other, would no longer be cross-collateralized or cross-defaulted with one another (but in the event that more than one TEL in the related Crossed Loan Group remains in the issuing entity, all such related crossed TELs that remain in the issuing entity will continue to be cross-collateralized and cross-defaulted with one another).

See “The Pooling Agreement—Realization Upon Mortgage Loans” in this offering circular supplement.

**Repurchase Obligation**..... If the depositor has been notified of, or itself has discovered, a defect in any TEL file or a breach of any of its representations and warranties that materially and adversely affects the value of any TEL or any interests of the holders of any class of certificates, then the depositor will be required to either cure such breach or defect, repurchase the affected TEL from the issuing entity or substitute another TEL for the affected TEL. If the depositor repurchases any affected TEL, such repurchase would have the same effect on the certificates as a prepayment in full of such TEL (without payment of any Static

Prepayment Premium or Yield Maintenance Charge). See “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement.

**Optional Termination**..... The (i) Controlling Class Majority Holder, but excluding Freddie Mac, (ii) special servicer, and (iii) any successor master servicer that is not Freddie Mac (a “Third Party Master Servicer”), in that order, will each in turn have the option to purchase all of the TELs and all other property remaining in the issuing entity on any distribution date on which the total Stated Principal Balance of the TELs is less than 10.0% of the initial TEL pool balance.

If any party so entitled exercises this option, the issuing entity will terminate and all outstanding certificates will be retired, as described in more detail under “The Pooling Agreement—Termination” in this offering circular supplement.

**Denominations** ..... The offered certificates will be issued, held and transferable in book-entry form through the Depository Trust Company (“DTC”). DTC or its nominee will be the registered Holder of the offered certificates at initial issuance. The offered certificates will be issuable in the denominations set forth under “Description of the Certificates—Registration and Denominations” in this offering circular supplement.

## Legal and Investment Considerations

**Federal Income Tax Consequences** ..... Bond counsel for each of the TELs has rendered an opinion that interest on such TELs will be excludable from the gross income of owners of such TELs for federal income tax purposes. A portion of the issuing entity will be treated as a partnership that owns the TELs, and the holders of the offered certificates will be treated as partners in the partnership for federal income tax purposes. The holders of the offered certificates will be allocated their respective shares of tax-exempt interest accrued and expenses and fees incurred by the partnership for federal income tax purposes. With respect to any distribution date and related accrual period, and to the extent tax-exempt interest accrues on the TELs, interest payments to holders of the offered certificates (including any Guarantor Payments) will represent tax-exempt interest excludable from gross income for federal income tax purposes up to the amount of such interest payment minus any Taxable Guarantor Payment (discussed below) made on such class of offered certificates on such distribution date.

Because a portion of the tax-exempt interest allocated to holders of the offered certificates will be used to pay expenses and fees of the issuing entity, the amount of tax-exempt interest allocated and reported to holders of the offered certificates is expected to exceed the amount of tax-exempt interest that will be paid to holders of the offered certificates, and a portion of those expenses and fees will be allocated and reported to the holders of the offered certificates. Restrictions apply to the deductibility of expenses and fees related to tax-exempt interest. See “Certain Federal Income Tax Consequences” in this offering circular supplement.

A portion of the payments on the class A certificates may represent the right to receive Taxable Guarantor Payments. Taxable Guarantor Payments will not be treated as interest for federal income tax purposes, but will be treated as received in respect of a separate contractual arrangement that will be treated as a notional principal contract for federal income tax purposes, and income with respect to such contract will not be excludable from gross income. The holders of the class A certificates will be treated by the issuing entity as having paid, in the aggregate, a premium of \$9,274,831.50 for the notional principal contract entitling them to receive Taxable Guarantor Payments.

To the extent holders of certificates receive a portion of any Static Prepayment Premiums or Yield Maintenance Charges collected in respect of any of the underlying mortgage loans, such amounts will be treated as taxable gain and will not be treated as tax-exempt interest.

Interest on the applicable TELs is not a specific tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and such interest is not included in adjusted current earnings in calculating the federal alternative minimum taxable income of certain corporations.

A Monthly Closing Election will be made with respect to the certificates, Partnership Factors will not apply, and a Section 761 Election will not be made with respect to the certificates or the issuing entity. The issuing entity will treat all of the TELs as having been acquired with market discount. It is expected that the portion of the purchase price for the class A certificates that is attributable to the acquisition of an interest in the partnership will be less than the share of the principal balance of the TELs allocated to the class A certificates. Gain, if any, recognized upon a disposition or retirement of a TEL, including receipt of principal payments on a TEL, will not be exempt from federal income tax, and will be characterized as ordinary income to a holder of a class A certificate to the extent of that holder's allocable share of market discount on the TELs that has economically accrued. See "Certain Federal Income Tax Consequences" in this offering circular supplement.

**ERISA Considerations** ..... Fiduciaries investing the assets of employee benefit plans or other retirement arrangements subject to Section 406 of ERISA or Section 4975 of the Code may not acquire or hold the offered certificates on behalf of any such plan or arrangement. Governmental plans and other plans not subject to Section 406 of ERISA or Section 4975 of the Code should consult with their advisors regarding their ability to acquire and hold the offered certificates.

See "ERISA Considerations" in this offering circular supplement.

**Investment Considerations** ..... The rate and timing of payments and other collections of principal on or with respect to the underlying mortgage loans and, in turn, the TELs will affect the yield to maturity on each offered certificate.

If you purchase class A certificates at a premium, then a faster than anticipated rate of payments and other collections of principal on the TELs could result in a lower than anticipated yield to maturity with respect to those certificates. Conversely, if you purchase class A certificates at a discount, a slower than anticipated rate of payments and other collections of principal on the TELs could result in a lower than anticipated yield to maturity with respect to those certificates.

The yield to maturity on the class A certificates will be highly sensitive to changes in the levels of LIBOR such that decreasing levels of LIBOR will have a negative effect on such certificateholders. In addition, prevailing market conditions may increase the margin above LIBOR at which comparable securities are being offered, which would cause the class A certificates to decline in value.

If you are contemplating the purchase of class X certificates, you should be aware that the yield to maturity on those certificates will be highly sensitive to the rate and timing of principal prepayments and other liquidations on or with respect to the underlying mortgage loans and, in turn, the TELs. In addition, with respect to the class X certificates, a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loans and, in turn, the TELs could result in a lower than anticipated yield to maturity with respect to those certificates. Furthermore, with respect to the class X certificates, an extremely rapid rate of prepayments and/or other liquidations on or with respect to the underlying mortgage loans and, in

turn, the TELs could result in a substantial loss of your initial investment with respect to those certificates.

In addition, the entitlement to interest of the class X certificates will be reduced, and could be reduced to zero, as a result of (i) an increase in LIBOR, or (ii) with respect to the TELs that bear interest based on SIFMA, an increase in LIBOR relative to SIFMA, or (iii) as a result of a decrease in the Weighted Average Net Mortgage Pass-Through Rate due to a faster rate of prepayment on the TELs with higher Net Mortgage Interest Rates than the Weighted Average Net Mortgage Pass-Through Rate. Any such reduction will negatively impact the yield to maturity of the class X certificates and will not be covered under the Freddie Mac Guarantee.

Furthermore, because the class X certificates provide credit support for the class A certificates, any shortfalls in the Net Interest Collections will result in shortfalls in interest distributions to the class X certificates before they result in shortfalls in interest distributions to the class A certificates. Any such shortfalls to the class X certificates will also negatively impact the yield to maturity of the class X certificates (subject to the Freddie Mac Guarantee).

When trying to determine the extent to which payments and other collections of principal on the TELs will adversely affect the respective yields to maturity of the interest-only certificates, you should consider what the notional amount of those interest-only certificates is and how payments and other collections of principal on the TELs are to be applied to the total outstanding principal balance of the Principal Balance Certificates that make up those notional amounts.

We have not engaged any nationally recognized statistical rating organization (“NRSRO”), as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

If your investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities, then you may be subject to restrictions on investment in the certificates. You should consult your own legal advisors for assistance in determining the suitability of and consequences to you of the purchase, ownership, and sale of the certificates.

**Credit Risk Retention**..... For information as to the compliance of this transaction with the FHFA’s Credit Risk Retention Rule (12 C.F.R. Part 1234), see “Description of the Depositor and Guarantor—Credit Risk Retention” in this offering circular supplement.

## The TELs and Underlying Mortgage Loans

**General**..... The certificates will evidence the entire beneficial ownership of the issuing entity which we intend to establish. The primary assets of the issuing entity will be a segregated pool of 20 TELs. We did not originate the TELs, but have purchased them from the Originators. The TELs are funding loans made by the Originators to the Governmental Authorities. The Governmental Authorities used the proceeds to make the underlying mortgage loans to finance the acquisition and/or rehabilitation of 38 mortgaged real properties identified on Exhibit A-1.

Each TEL and the related underlying mortgage loan funded by such TEL have identical payment terms. Each TEL is payable primarily from payments made by the related underlying borrower on the related underlying mortgage loan without any recourse either to the Governmental Authority, the fiscal agent or to the related Originator for any failure of such underlying borrower to make required payments on such underlying mortgage loan. The master servicer is the master servicer of both the TELs and the related underlying mortgage loans. There are 8 sub-servicers of the TELs and the related underlying mortgage loans. Each special servicer is the special servicer of the TELs, the underlying mortgage loans and the REO Properties for which it is acting as special servicer. Each underlying mortgage loan is pledged by the Governmental Authority to the fiscal agent as security for the payment of the related TEL and those security interests will be assigned to the issuing entity in connection with the transfer of the TELs to the issuing entity.

Because payments on, or in respect of, the underlying mortgage loans are the primary source of payments on the TELs, this offering circular supplement describes the underlying mortgage loans, the servicing of the underlying mortgage loans and other parties involved with the underlying mortgage loans in addition to describing the TELs, the servicing of the TELs and various parties involved with the TELs.

For a description of the underwriting criteria utilized in connection with the origination of each of the TELs and the related underlying mortgage loans, see “Description of the TELs and Underlying Mortgage Loans—Underwriting Matters” in this offering circular supplement.

In this section, “—The TELs and Underlying Mortgage Loans”, we provide summary information with respect to the TELs and the related underlying mortgage loans. For more detailed information regarding the TELs and the related underlying mortgage loans, you should review the following sections in this offering circular supplement:

- “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans”;
- “Description of the TELs and Underlying Mortgage Loans”;
- Exhibit A-1—Certain Characteristics of the TELs, the Underlying Mortgage Loans and the Related Mortgaged Real Properties;
- Exhibit A-2—Certain Mortgage Pool Information; and

- Exhibit A-3—Description of the Ten Largest Underlying Mortgage Loans or Group of Cross-Collateralized Underlying Mortgage Loans.

When reviewing the information that we have included in this offering circular supplement with respect to the TELs and/or the underlying mortgage loans, please note that—

- All numerical information provided with respect to the TELs and the related underlying mortgage loans is provided on an approximate basis.
- All weighted average information provided with respect to the TELs and the related underlying mortgage loans reflects a weighting based on their respective Cut-off Date Principal Balances. We show the principal balance as of the Cut-off Date for each of the TELs on Exhibit A-1.
- In calculating the respective Cut-off Date Principal Balances of the TELs, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the TELs on or before the Cut-off Date have been timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to any of the TELs during the period from its due date in April 2018 up to and including May 1, 2018.
- Whenever we refer to the initial TEL pool balance in this offering circular supplement, we are referring to the total Cut-off Date Principal Balance of the entire TEL pool.
- 1 group of TELs, collectively representing 4.0% of the initial TEL pool balance, is made up of TELs that are cross-collateralized and cross-defaulted with each other TEL in such group (the “Crossed Loan Group”). Unless otherwise indicated, we present the information regarding the TELs in the Crossed Loan Group as separate loans. However, each TEL in the Crossed Loan Group is treated as having the same Cut-off Date Loan-to-Value Ratio, Maturity Loan-to-Value Ratio, Cut-off Date Balance/Unit and historical and Underwritten Debt Service Coverage Ratios as the Crossed Loan Group as a whole. Except as described in this offering circular supplement as to any subordinate mortgage loan, none of the TELs is cross-collateralized or cross-defaulted with any loan that is not in the issuing entity.
- When information with respect to TELs is expressed as a percentage of the initial TEL pool balance, the percentages are based on the Cut-off Date Principal Balances of the related TELs.
- If an underlying mortgage loan is secured by a mortgaged real property consisting of multiple parcels of real property, we treat those parcels as a single mortgaged real property.
- Whenever we refer to a particular mortgaged real property by name, we mean the property identified by that name on

Exhibit A-1. Whenever we refer to a particular underlying mortgage loan or TEL by name, we mean the underlying mortgage loan secured by the mortgaged real property identified by that name on Exhibit A-1 or the related TEL.

- Statistical information regarding the underlying mortgage loans or TELs may change prior to the Closing Date due to changes in the composition of the mortgage pool prior to that date.

**Payment and Other Terms .....**

Each of the TELs is the obligation of the respective Governmental Authority to repay a specified sum with interest. Payments under the TELs are secured by a pledge of, and are payable primarily from, payments received from the underlying mortgage loans.

Each of the underlying mortgage loans is the obligation of an underlying borrower to repay the same specified sum as the related TEL with matching interest. Repayment of each of the underlying mortgage loans is secured by a mortgage lien on the fee or leasehold interest of the related underlying borrower in each mortgaged real property, which is pledged to the related fiscal agent to secure the TEL. Upon the occurrence of an event of default with respect to any TEL or the related underlying mortgage loan, pursuant to the related TEL loan agreement, the issuing entity's representative, which will be the special servicer, may instruct the related fiscal agent to take any actions to protect and enforce the rights of the issuing entity and the fiscal agent, including declaring the TEL immediately due and payable and commencing foreclosure proceedings on the related mortgaged real property, which will be performed by the special servicer on behalf of the fiscal agent.

Each of the TELs is nonrecourse to the related Governmental Authority or fiscal agent. Each of the underlying mortgage loans is nonrecourse to the related underlying borrower except with respect to certain limited nonrecourse carveouts. Although the offered certificates will be guaranteed by Freddie Mac pursuant to the Freddie Mac Guarantee, none of the TELs or underlying mortgage loans is insured or guaranteed by any governmental agency or instrumentality or by any private mortgage insurer.

Each of the TELs currently accrues interest at the annual rate specified with respect to that TEL on Exhibit A-1.

18 of the TELs, collectively representing 89.0% of the initial TEL pool balance, accrue interest at a fixed interest rate. Such TELs accrue interest on a 30/360 Basis.

2 of the TELs, representing 11.0% of the initial TEL pool balance, accrues interest at a floating interest rate based on SIFMA plus a margin. Such TELs accrue interest on an Actual/Actual Basis. Each related underlying mortgage loan has the benefit of an Interest Rate Cap Agreement that is currently in place. The SIFMA cap strike rate under such Interest Rate Cap Agreements is 3.500%. The Interest Rate Cap Agreements require the applicable interest rate cap provider to pay the related underlying borrower an amount equal to the amount by which SIFMA exceeds the specified cap strike rate, multiplied by a notional amount at least equal to the principal balance of the related underlying

mortgage loan. The underlying borrowers' rights under the Interest Rate Cap Agreements have been collaterally assigned to secure the related underlying mortgage loans. Each Interest Rate Cap Agreement expires prior to the maturity date of the related underlying mortgage loan, but the related loan documents obligate the applicable underlying borrower to obtain a new interest rate cap agreement upon such expiration.

1 of the TELs, representing 9.1% of the initial TEL pool balance, had an initial term to maturity of 180 months. 10 of the TELs, collectively representing 54.7% of the initial TEL pool balance, had initial terms to maturity of 192 months. 4 of the TELs, collectively representing 25.0% of the initial TEL pool balance, had initial terms to maturity of 204 months. 2 of the TELs, collectively representing 4.0% of the initial TEL pool balance, had initial terms to maturity of 215 months. 2 of the TELs, collectively representing 5.8% of the initial TEL pool balance, had initial terms to maturity of 216 months. 1 of the TELs, representing 1.5% of the initial TEL pool balance, had an initial term to maturity of 227 months.

**Balloon Loans**.....

All of the underlying mortgage loans and TELs are Balloon Loans. An underlying mortgage loan and TEL is considered to be a "Balloon Loan" if its principal balance is not scheduled to be fully amortized by the underlying mortgage loan's and TEL's scheduled maturity date and thus requires a payment at such scheduled maturity date larger than the regular monthly debt service payment due on such underlying mortgage loan and TEL.

**Interest-Only Periods** .....

8 of the TELs, collectively representing 45.4% of the initial TEL pool balance, provide for an interest-only period of between 11 and 36 months following origination followed by amortization for the balance of the loan term. None of the TELs are scheduled to fully amortize over their term.

**Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership**.....

The issuing entity will include 6 groups of TELs for which the underlying mortgage loans were made to the same underlying borrower or underlying borrowers under common ownership, including 1 group that is the Crossed Loan Group. The TELs in the Crossed Loan Group are cross-collateralized and cross-defaulted with each other. In addition, pursuant to the Pooling Agreement, the TELs in the Crossed Loan Group may be released from the cross-collateralization and cross-default provisions under certain circumstances (including repurchases due to breaches of the representations and warranties described on Exhibit C-1), subject to certain restrictions. Except as described in this offering circular supplement as to any subordinate mortgage loan, none of the TELs is cross-collateralized or cross-defaulted with any loan that is not in the issuing entity

With respect to 3 of the TELs, collectively representing 21.9% of the initial TEL pool balance, each of the underlying borrowers for the related underlying mortgage loans is owned by, among other entities, two natural persons, two family trusts and two limited liabilities companies, one of which limited liability companies is the carve-out guarantor for each such related underlying mortgage loan.

See “Description of the TELs and Underlying Mortgage Loans—Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership”.

**Prepayment Characteristics .....**

18 of the underlying mortgage loans and TELs, collectively representing 89.0% of the initial TEL pool balance, restrict voluntary prepayments by prohibiting any voluntary principal prepayments for a specified period of time after the origination of the underlying mortgage loan (during which time defeasance is permitted), followed by a prepayment consideration period during which defeasance is permitted or voluntary principal prepayments are restricted by requiring that any voluntary principal prepayments made be accompanied by the greater of a Static Prepayment Premium and a Yield Maintenance Charge, followed by a prepayment consideration period during which defeasance is permitted or voluntary principal prepayments are restricted by requiring that any voluntary principal prepayments be accompanied by a Static Prepayment Premium, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

2 of the underlying mortgage loans and TELs, collectively representing 11.0% of the initial TEL pool balance, restrict voluntary prepayments by prohibiting any voluntary principal prepayments for a specified period of time after the origination of the underlying mortgage loan, followed by a prepayment consideration period during which voluntary principal prepayments are restricted by requiring that any voluntary principal prepayment made be accompanied by a Static Prepayment Premium, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

The purchase of any TEL by Freddie Mac following default as a result of an uncured material breach of a representation and warranty or a material document defect generally would have the same effect on the offered certificates as a prepayment (without payment of any Static Prepayment Premium or Yield Maintenance Charge).

In addition, 7 of the TELs, collectively representing 56.2% of the initial TEL pool balance, require the related borrower to prepay in part such underlying mortgage loan and TEL if the tax abatement expected to benefit the related mortgaged real property is not obtained. See “Description of the TELs and Underlying Mortgage Loans—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Tax Abatements and Exemptions” in this offering circular supplement.

In addition, 1 of the TELs, representing approximately 7.0% of the initial TEL pool balance, requires the related borrower to deposit \$1,069,000 into a HAP reserve. Pursuant to the related loan documents, if the related underlying borrower does not obtain approval for a HAP contract within 6 months after the closing date of the related underlying mortgage loan, the related lender may apply all or a portion of the related HAP reserve toward a prepayment in part of the underlying mortgage loan. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the

TELEs and Underlying Mortgage Loans—Prepayment Provisions” in this offering circular supplement.

In addition, 1 of the TELEs, representing approximately 1.9% of the initial TELE pool balance, requires the related borrower to prepay in part the related underlying mortgage loan upon receipt of a payment made by the underlying borrower in order to satisfy certain debt service coverage ratio requirements as set forth in the related underlying borrower’s organizational documents.

In general, the TELEs that provide for a Yield Maintenance Charge also provide that such Yield Maintenance Charge will not be less than a fixed percentage of the amount prepaid. See “Description of the TELEs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELEs and Underlying Mortgage Loans—Release of Property Through Defeasance or Prepayment—Prepayment” in this offering circular supplement.

**Defeasance** ..... 18 of the TELEs, collectively representing 89.0% of the initial TELE pool balance, permit the underlying borrower to obtain the prepayment of the related underlying mortgage loan and the release of the related mortgaged real property from the lien of the related mortgage instrument(s) upon the pledge to the trustee of certain securities that are (i) direct, non-callable and non-redeemable U.S. treasury obligations, (ii) non-callable bonds, debentures, notes and other similar debt obligations issued by Freddie Mac or Fannie Mae, and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any Federal Home Loan Bank. The securities used in connection with a defeasance must provide for payments that equal or exceed scheduled interest and principal payments due under the related mortgage note(s), including balloon payments at the respective scheduled maturity date.

See “Description of the TELEs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELEs and Underlying Mortgage Loans—Release of Property Through Defeasance or Prepayment” in this offering circular supplement.

**Delinquency Status** ..... None of the TELEs was 30 days or more delinquent with respect to any monthly debt service payment as of May 1, 2018.

**Geographic Concentration** ..... Mortgaged real properties that secure underlying mortgage loans collectively representing 5.0% or more of the initial TELE pool balance are located in each of the states listed in the table below. The table below shows the number of, and percentage of the initial TELE pool balance secured by, mortgaged real properties located in these states:

State	Number of Mortgaged Real Properties	% of Initial TELE Pool Balance
California .....	16	43.2%
Florida .....	3	15.5%
Illinois.....	2	11.0%
Texas .....	10	7.8%
Maryland.....	1	7.0%

The remaining mortgaged real properties are located throughout 5 other states. No more than 4.0% of the initial TELE pool balance is secured by

mortgaged real properties located in any of these other states. Several of the underlying mortgage loans are secured by more than one mortgaged real property.

1 of the California properties, securing an underlying mortgage loan representing 9.1% of the initial TEL pool balance, is located in northern California (i.e., addresses with zip codes above 93600). 15 of the California properties, securing underlying mortgage loans collectively representing 34.1% of the initial TEL pool balance, are located in southern California (i.e., addresses with zip codes of 93600 or below).

See “Description of the TELs and Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans” in this offering circular supplement for a discussion of certain legal aspects related to states in which mortgaged real properties that secure underlying mortgage loans that secure TELs collectively representing 10% or more of the initial TEL pool balance are located and see Exhibit A-2 for additional information on the geographic distribution of the mortgaged real properties.

**Property Type** ..... All of the mortgaged real properties are multifamily properties.

**Encumbered Interests** ..... 17 of the TELs, collectively representing 94.2% of the initial TEL pool balance, are secured by underlying mortgage loans that encumber the fee interest of the related underlying borrower in the mortgaged real property. 3 of the TELs, collectively representing 5.8% of the initial TEL pool balance, are secured by underlying mortgage loans that encumber the leasehold interest of the related underlying borrower in the mortgaged real properties.

**Subordinate Lien** ..... As of the date of this offering circular supplement, 30 of the mortgaged real properties, collectively representing 53.7% of the initial TEL pool balance, are currently encumbered by one or more subordinate liens. Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan documents.

See “Description of the TELs and Underlying Mortgage Loans—General,” “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Permitted Additional Debt” and “—Subordinate Debt” in this offering circular supplement.

Except as set forth in this section, the remaining underlying mortgage loans prohibit all other encumbrances except for limited permitted encumbrances that are described in this offering circular supplement.

**Significant Underlying Mortgage**

**Loans** ..... The ten largest TELs or group of cross-collateralized and cross-defaulted TELs collectively represent 78.0% of the initial TEL pool balance. See “Description of the TELs and Underlying Mortgage Loans” in this offering circular supplement and Exhibits A-1, A-2 and A-3.

**Additional Statistical Information**

**General Characteristics**..... The underlying mortgage loans securing the TELs that we intend to include in the issuing entity will have the following general characteristics as of May 1, 2018:

	<b><u>Mortgage Pool</u></b>
Initial TEL pool balance .....	\$276,283,971
Number of TELs.....	20
Number of mortgaged real properties.....	38
Largest Cut-off Date Principal Balance .....	\$42,000,000
Smallest Cut-off Date Principal Balance.....	\$2,248,964
Average Cut-off Date Principal Balance.....	\$13,814,199
Highest annual mortgage interest rate <sup>(1)</sup> .....	4.930%
Lowest annual mortgage interest rate <sup>(1)</sup> .....	3.830%
Weighted average annual mortgage interest rate <sup>(1)</sup> .....	4.417%
Longest original term to maturity .....	227 months
Shortest original term to maturity .....	180 months
Weighted average original term to maturity .....	197 months
Longest remaining term to maturity .....	210 months
Shortest remaining term to maturity .....	169 months
Weighted average remaining term to maturity .....	180 months
Highest Underwritten Debt Service Coverage Ratio.....	1.40x
Lowest Underwritten Debt Service Coverage Ratio.....	1.09x
Weighted average Underwritten Debt Service Coverage Ratio.....	1.21x
Highest Cut-off Date LTV.....	89.6%
Lowest Cut-off Date LTV .....	56.9%
Weighted average Cut-off Date LTV .....	77.1%

(1) With respect to the TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as “Van Buren Park Apartments” and “Bloomingdale Apartments,” collectively representing 11.0% of the initial TEL pool balance, which each bear interest at a floating rate based on SIFMA, all calculations were based on a mortgage note rate of 3.990%, which includes an assumed SIFMA of 2.000% *per annum*.

The number of underlying mortgage loans is different than the number of mortgaged real properties because (i) the underlying mortgage loan identified on Exhibit A-1 as “Columbia Apartments” is secured by 5 mortgaged real properties, (ii) the underlying mortgage loan identified on Exhibit A-1 as “Buckingham Apartment Portfolio” is secured by 4 mortgaged real properties, (iii) the underlying mortgage loan identified on Exhibit A-1 as “Princess Apartments” is secured by 4 mortgaged real properties and (iv) the underlying mortgage loan identified on Exhibit A-1 as “HACEP Tranche 1B Portfolio” is secured by 9 mortgaged real properties.

All calculations in this offering circular supplement are without regard to any subordinate indebtedness unless otherwise specifically indicated.

In reviewing the foregoing table, please note that the Underwritten Net Cash Flow for any mortgaged real property (which is the basis for the Underwritten Debt Service Coverage Ratio for the related underlying mortgage loan) is an estimated number based on numerous assumptions that may not necessarily reflect recent historical performance and may not ultimately prove to be an accurate prediction of future performance.

The information presented in the foregoing table with respect to the Crossed Loan Group treats each cross-collateralized and cross-defaulted TEL in such group as a separate loan. However, each TEL in the Crossed Loan Group is treated as having the same Cut-off Date Loan-to-Value Ratio, Maturity Loan-to-Value Ratio, Cut-off Date Balance/Unit and historical and Underwritten Debt Service Coverage Ratios as the Crossed Loan Group as a whole. Except as described in this offering circular supplement as to any subordinate mortgage loan, none of the TELs is cross-collateralized or cross-defaulted with any loan that is not in the issuing entity.

## RISK FACTORS

The risks and uncertainties described below summarize the material risks in connection with the purchase of the offered certificates. All numerical information concerning the TELs and/or the underlying mortgage loans is provided on an approximate basis.

### **The Certificates May Not Be a Suitable Investment for You**

The certificates are not suitable investments for all investors. In particular, you should not purchase any class of certificates unless you understand and are able to bear the prepayment, credit, liquidity and market risks associated with that class of certificates. For those reasons and for the reasons set forth in these “Risk Factors,” the yield to maturity and the aggregate amount and timing of distributions on the certificates are subject to material variability from period to period and give rise to the potential for significant loss over the life of the certificates to the extent the Guarantor does not make Guarantor Payments on the offered certificates. The interaction of these factors and their effects are impossible to predict and are likely to change from time to time. As a result, an investment in the certificates involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities.

### **Combination or “Layering” of Multiple Risks May Significantly Increase Risk of Loss**

Although the various risks discussed in this offering circular supplement are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the certificates may be significantly increased.

### **Risks Related to the TELs and Underlying Mortgage Loans**

***The TELs and Underlying Mortgage Loans Are Nonrecourse.*** Each of the TELs is a nonrecourse obligation of the related Governmental Authority. Each of the underlying mortgage loans is, except for certain limited nonrecourse carveouts, a nonrecourse obligation of the underlying borrower. This means that, in the event of a default, recourse will generally be limited to the related underlying mortgage loan securing the TEL or the related mortgaged real property or properties securing the underlying mortgage loan, respectively, and other assets that have been pledged to secure that TEL or underlying mortgage loan. Consequently, full and timely payment on each TEL will depend on one or more of the following:

- the sufficiency of the net operating income of the applicable mortgaged real property to pay debt service;
- the market value of the applicable mortgaged real property at or prior to maturity; and
- the ability of the related underlying borrower to refinance or sell the applicable mortgaged real property at maturity.

In general, the value of any multifamily property will depend on its ability to generate net operating income. The ability of an owner to finance a multifamily property will depend, in large part, on the property’s value and ability to generate net operating income.

None of the TELs or underlying mortgage loans will be insured or guaranteed by any governmental entity or private mortgage insurer.

***Repayment of Each of the TELs Will Be Dependent on the Cash Flow Produced by the Related Pledged Underlying Mortgage Loan and the Related Mortgaged Real Property, Which Can Be Volatile and Insufficient to Allow Timely Distributions on the Offered Certificates, and on the Value of the Related Mortgaged Real Property, Which May Fluctuate Over Time.*** Each TEL is secured by, and solely payable from, payments under a related underlying mortgage loan secured by one or more multifamily rental properties. Repayment of loans secured by multifamily rental properties typically depends on the cash flow produced by those properties. The ratio of net cash flow to debt service of an underlying mortgage loan secured by an income-producing property is an important measure of the risk of default on the loan.

Payment on each underlying mortgage loan may also depend on:

- the ability of the related underlying borrower to sell the related mortgaged real property or refinance the underlying mortgage loan, at scheduled maturity, in an amount sufficient to repay the underlying mortgage loan; and/or
- in the event of a default under the underlying mortgage loan and a subsequent sale of the related mortgaged real property upon the acceleration of such underlying mortgage loan's maturity, the amount of the sale proceeds, taking into account any adverse effect of a foreclosure proceeding on those sale proceeds.

In general, if an underlying mortgage loan has a relatively high loan-to-value ratio or a relatively low debt service coverage ratio, a foreclosure sale is more likely to result in proceeds insufficient to satisfy the outstanding debt.

The cash flows from the operation of multifamily real properties are volatile and may be insufficient to cover debt service on the related underlying mortgage loan and pay operating expenses at any given time. This may cause the value of a property to decline. Cash flows and property values generally affect:

- the ability to cover debt service;
- the ability to pay an underlying mortgage loan in full with sales or refinance proceeds; and
- the amount of proceeds recovered upon foreclosure.

Cash flows and property values depend on a number of factors, including:

- national, regional and local economic conditions, including plant closings, military base closings, economic and industry slowdowns and unemployment rates;
- local real estate conditions, such as an oversupply of units similar to the units at the related mortgaged real property;
- increases in vacancy rates;
- changes or continued weakness in a specific industry segment that is important to the success of the related mortgaged real property;
- increases in operating expenses at the mortgaged real property and in relation to competing properties;
- the nature of income from the related mortgaged real property, such as whether rents are subject to rent control or rent stabilization laws;
- a decline in rental rates as leases are renewed or entered into with new tenants;
- whether rental rates are less than the average market rental rates for the area and are not offset by low operating expenses;
- the level of required capital expenditures for proper maintenance, renovations and improvements demanded by tenants or required by law at the related mortgaged real property;
- creditworthiness of tenants, a decline in the financial condition of tenants or tenant defaults;
- the number of tenants at the related mortgaged real property and the duration of their respective leases;
- dependence upon a concentration of tenants working for a particular business or industry;
- demographic factors;
- retroactive changes in building or similar codes that require modifications to the related mortgaged real property;
- capable management and adequate maintenance for the related mortgaged real property;
- location of the related mortgaged real property;

- proximity and attractiveness of competing properties;
- whether the mortgaged real property has uses subject to significant regulation;
- the rate at which new rentals occur;
- perceptions by prospective tenants of the safety, convenience, services and attractiveness of the related mortgaged real property;
- the age, construction, quality and design of the related mortgaged real property; and
- whether the related mortgaged real property is readily convertible to alternative uses.

***Criminal Activity May Adversely Affect Property Performance.*** Certain of the TELs are payable from related underlying mortgage loans which are secured by mortgaged real properties that may have been, or may be, the site of criminal activities. Perceptions by prospective tenants of the safety and reputation of such mortgaged real properties may influence the cash flow produced by such mortgaged real properties. In addition, in connection with any criminal activities that occur at a related mortgaged real property, litigation may be brought against an underlying borrower or political or social conditions may result in civil disturbances.

***Forfeiture (Including for Drug, RICO and Money Laundering Violations) May Present Risks.*** Federal law provides that property purchased or improved with assets derived from criminal activity or otherwise tainted, or used in the commission of certain offenses, can be seized and ordered forfeited to the United States. A number of offenses can trigger such a seizure and forfeiture including, among others, violations of the Racketeer Influenced and Corrupt Organizations Act, the Bank Secrecy Act, the Money Laundering Control Act, the USA PATRIOT Act and the regulations issued pursuant to all of them, as well as the controlled substance laws. In many instances, the United States may seize the property civilly, without a criminal prosecution.

In the event of a forfeiture proceeding, a financial institution that is a lender of funds may be able to establish its interest in the property by proving that (i) its mortgage was executed and recorded before the commission of the illegal conduct from which the assets used to purchase or improve the property were derived or before the commission of any other crime upon which the forfeiture is based, or (ii) at the time of the execution of the mortgage, despite appropriate due diligence, it “did not know or was reasonably without cause to believe that the property was subject to forfeiture.” However, we cannot assure you that such a defense will be successful.

If a mortgaged real property becomes the subject of such a forfeiture, this may lead to a default on the underlying mortgage loan and thus a default on the related TEL.

***Underlying Borrowers May Be Unable to Make Balloon Payments.*** All of the TELs are Balloon Loans which are payable from amounts collected under related underlying mortgage loans which are themselves Balloon Loans. Balloon Loans have amortization schedules that are significantly longer than their respective terms, and many of the Balloon Loans require only payments of interest for part or all of their respective terms. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Additional Amortization Considerations” in this offering circular supplement. A longer amortization schedule or an interest-only provision in a TEL and underlying mortgage loan will result in a higher amount of principal outstanding on the TEL and underlying mortgage loan at any particular time, including at the maturity date of the TEL and underlying mortgage loan, than would have otherwise been the case had a shorter amortization schedule been used or had the TEL and underlying mortgage loan had a shorter interest-only period or not included an interest-only period at all. That higher principal amount outstanding could both (i) make it more difficult for the related underlying borrower to make the required balloon payment at maturity and (ii) lead to increased losses for the issuing entity either during the loan term or at maturity if the underlying mortgage loan becomes a defaulted underlying mortgage loan resulting in a Defaulted TEL. The underlying borrower under a Balloon Loan is required to make a substantial payment of principal and interest, which is commonly called a balloon payment, on the maturity date of the loan. The ability of the underlying borrower to make a balloon payment depends upon the underlying borrower’s ability to refinance or sell the mortgaged real property securing the loan. The ability of the underlying borrower to refinance or sell the mortgaged real property will be affected by a number of factors, including—

- the fair market value and condition of the mortgaged real property;

- the level of interest rates;
- the underlying borrower's equity in the mortgaged real property;
- the underlying borrower's financial condition;
- the operating history of the mortgaged real property;
- changes in zoning and tax laws;
- changes in competition in the relevant area;
- changes in rental rates in the relevant area;
- changes in governmental regulation and fiscal policy;
- prevailing general and regional economic conditions;
- the state of the fixed income and mortgage markets;
- the availability of credit for mortgage loans secured by multifamily rental properties; and
- the requirements (including loan-to-value ratios and debt service coverage ratios) of lenders for mortgage loans secured by multifamily rental properties.

Neither we, any of our affiliates, any of the Originators nor any of the Governmental Authorities will be obligated to refinance any underlying mortgage loan or TEL.

In addition, compliance with legal requirements, such as the credit risk retention regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), could cause commercial real estate lenders to tighten their lending standards and reduce the availability of debt financing for commercial real estate borrowers. This, in turn, may adversely affect the underlying borrowers' ability to refinance the underlying mortgage loan or sell the mortgaged real property on the maturity date. We cannot assure you that each underlying borrower under a Balloon Loan will have the ability to repay the outstanding principal balance of such underlying mortgage loan on the related maturity date, thereby adversely affecting related amounts available for the payment of the related TEL.

The master servicer or the special servicer may, within prescribed limits, extend and modify underlying mortgage loans and related TELs that are in default or as to which a payment default is reasonably foreseeable in order to maximize recoveries on such underlying mortgage loans and TELs. The master servicer or the special servicer is only required to determine that any extension or modification is reasonably likely to produce a greater recovery than a liquidation of the real property securing the defaulted underlying mortgage loan which secures the Defaulted TEL. There is a risk that the decision of the master servicer or the special servicer to extend or modify an underlying mortgage loan and related TEL may not in fact produce a greater recovery. See "—Modifications of the Underlying Mortgage Loans" below.

***Modifications of the Underlying Mortgage Loans.*** If any underlying mortgage loans become delinquent or are in default, the special servicer will be required to work with the related underlying borrowers to maximize collections on such underlying mortgage loans. This may include modifying the terms of such underlying mortgage loans that are in default or whose default is reasonably foreseeable. At each step in the process of trying to bring a Defaulted TEL current or in maximizing proceeds to the issuing entity, the special servicer will be required to invest time and resources not otherwise required for the master servicer to collect payments on performing underlying mortgage loans. Modifications of underlying mortgage loans implemented by the special servicer in order to maximize the ultimate proceeds of such underlying mortgage loans may have the effect of, among other things, reducing or otherwise changing the mortgage rate, forgiving or forbearing on payments of principal, interest or other amounts owed under the underlying mortgage loan, extending the final maturity date of the underlying mortgage loan, capitalizing or deferring delinquent interest and other amounts owed under the underlying mortgage loan, forbearing payment of a portion of the principal balance of the underlying mortgage loan or any combination of these or other modifications. Any modified underlying mortgage loan may remain in the issuing entity, and the modification may result in a reduction in the funds received with respect to such underlying mortgage loan. Any

such reduction in the funds received with respect to such underlying mortgage loan would reduce the funds received for payment of the related TEL.

***Multifamily Lending Subjects Your Investment to Special Risks that Are Not Associated with Single-Family Residential Lending.*** The TELs are secured by, and payable from, underlying mortgage loans that are secured by multifamily income-producing properties.

Multifamily lending is generally thought to be riskier than single-family residential lending because, among other things, larger loans are made to the same borrower or borrowers under common ownership.

Furthermore, the risks associated with lending on multifamily properties are inherently different from those associated with lending on the security of single-family residential properties. For example, repayment of each of the underlying mortgage loans will be dependent on the performance and/or value of the related mortgaged real property.

There are additional factors in connection with multifamily lending, not present in connection with single-family residential lending, which could adversely affect the economic performance of the respective mortgaged real properties that secure the underlying mortgage loans which, in turn, secure the TELs. Any one of these additional factors, discussed in more detail in this offering circular supplement, could result in a reduction in the level of cash flow from those mortgaged real properties that is required to ensure timely distributions on the offered certificates.

***Certain Multifamily Properties May Contain Commercial Components.*** Certain of the mortgaged real properties may contain retail, office or other commercial units. The value of retail, office and other commercial units is significantly affected by the quality of the tenants and the success of the tenant business. The correlation between the success of tenant businesses and a retail unit's value may be more direct with respect to retail units than other types of commercial property because a component of the total rent paid by certain retail tenants may be tied to a percentage of gross sales. In addition, certain retail, office and commercial units may have tenants that are subject to risks unique to their business, such as medical offices, dental offices, theaters, educational facilities, fitness centers and restaurants. These types of leased spaces may not be readily convertible (or convertible at all) to alternative uses if the leased spaces were to become vacant. We cannot assure you that the existence of retail, office or other commercial units will not adversely impact operations at or the value of the mortgaged real properties, thereby adversely impacting amounts available for payment of the TELs.

***The Source of Repayment on the Offered Certificates Will Be Limited to Payments and Other Collections on the TELs, Subject to the Freddie Mac Guarantee.*** The offered certificates will represent interests solely in the issuing entity. The primary assets of the issuing entity will be a segregated pool of TELs which are collateralized by a related segregated pool of multifamily mortgage loans. Accordingly, repayment of the offered certificates will be limited to payments and other collections on the TELs, subject to the Freddie Mac Guarantee.

However, neither the TELs nor the underlying mortgage loans will be an obligation of, or be insured or guaranteed by:

- any governmental entity;
- any private mortgage insurer;
- the depositor;
- Freddie Mac;
- the master servicer;
- the special servicer;
- any sub-servicer of the master servicer or the special servicer;
- the trustee;
- the certificate administrator;

- the custodian; or
- any of their or our respective affiliates.

***All of the TELs are Secured by Underlying Mortgage Loans That Are Themselves Secured by Multifamily Rental Properties, Thereby Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties.*** All of the mortgaged real properties are primarily used for multifamily rental purposes. A number of factors may adversely affect the value and successful operation of a multifamily rental property. Some of these factors include:

- the number of competing residential developments in the local market, including apartment buildings and site-built single family homes;
- the physical condition and amenities, including access to transportation, of the subject property in relation to competing properties;
- the subject property's reputation;
- applicable state and local regulations designed to protect tenants in connection with evictions and rent increases, including rent control and rent stabilization regulations;
- the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base;
- restrictions on the age of tenants who may reside at the subject property;
- local factory or other large employer closings;
- the location of the property, for example, a change in the neighborhood over time;
- the level of mortgage interest rates to the extent it encourages tenants to purchase housing;
- the ability of the management team to effectively manage the subject property;
- the ability of the management team to provide adequate maintenance and insurance;
- compliance and continuance of any government housing rental subsidy programs from which the subject property receives benefits and whether such subsidies or vouchers may be used at other properties;
- distance from employment centers and shopping areas;
- adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payment or a reduction in occupancy level;
- the financial condition of the owner of the subject property; and
- government agency rights to approve the conveyance of such mortgaged real properties could potentially interfere with the foreclosure or execution of a deed-in-lieu of foreclosure of such properties.

Because units in a multifamily rental property are primarily leased to individuals, usually for no more than a year, the ability of the property to generate net operating income is likely to change relatively quickly where a downturn in the local economy or the closing of a major employer in the area occurs.

In addition, some units in a multifamily rental property may be leased to corporate entities. Expiration or non-renewals of corporate leases and vacancies related to corporate tenants may adversely affect the income stream at a mortgaged real property.

We cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real properties.

Particular factors that may adversely affect the ability of a multifamily property to generate net operating income include—

- an increase in interest rates, real estate taxes and other operating expenses;

- an increase in the capital expenditures needed to maintain the property or make renovations or improvements;
- an increase in vacancy rates;
- a decline in rental rates as leases are renewed or replaced; and
- natural disasters and civil disturbances such as earthquakes, hurricanes, floods, eruptions or riots.

The volatility of net operating income generated by a multifamily property over time will be influenced by many of these factors, as well as by—

- the length of tenant leases;
- the creditworthiness of tenants;
- the rental rates at which leases are renewed or replaced;
- the percentage of total property expenses in relation to revenue;
- the ratio of fixed operating expenses to those that vary with revenues; and
- the level of capital expenditures required to maintain the property and to maintain or replace tenants.

Therefore, multifamily properties with short-term or less creditworthy sources of revenue and/or relatively high operating costs can be expected to have more volatile cash flows than multifamily properties with medium- to long-term leases from creditworthy tenants and/or relatively low operating costs. A decline in the real estate market will tend to have a more immediate effect on the net operating income of multifamily properties with short-term revenue sources and may lead to higher rates of delinquency or defaults on the underlying mortgage loans secured by those properties and, correspondingly, on the TELs.

In addition, some states regulate the relationship of an owner and its tenants at a multifamily rental property. Among other things, these states may—

- require written leases;
- require good cause for eviction;
- require disclosure of fees;
- prohibit unreasonable rules;
- prohibit retaliatory evictions;
- prohibit restrictions on a resident's choice of unit vendors;
- limit the bases on which a landlord may increase rent; or
- prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building.

Apartment building owners have been the subject of lawsuits under state "Unfair and Deceptive Practices Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices.

Some counties and municipalities also impose rent control regulations on apartment buildings. These regulations may limit rent increases to—

- fixed percentages;
- percentages of increases in the consumer price index;
- increases set or approved by a governmental agency; or
- increases determined through mediation or binding arbitration.

We cannot assure you that the rent stabilization laws or regulations will not cause a reduction in rental income. If rents are reduced, we cannot assure you that such mortgaged real property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses, which may adversely affect payments on the related TEL.

In many cases, the rent control laws do not provide for decontrol of rental rates upon vacancy of individual units. Any limitations on a landlord's ability to raise rents at a multifamily rental property may impair the landlord's ability to repay an underlying mortgage loan secured by the property or to meet operating costs.

In addition, multifamily rental properties are part of a market that, in general, is characterized by low barriers to entry. Thus, a particular multifamily rental property market with historically low vacancies could experience substantial new construction and a resultant oversupply of rental units within a relatively short period of time. Because units in a multifamily rental property are typically leased on a short-term basis, the tenants residing at a particular property may easily move to alternative multifamily rental properties with more desirable amenities or locations or to single family housing.

Certain of the mortgaged real properties may be subject to certain restrictions imposed pursuant to restrictive covenants, reciprocal easement agreements and operating agreements or historical landmark designations.

Such use restrictions could include, for example, limitations on the use of the properties, the character of improvements on the properties, the underlying borrowers' right to operate certain types of facilities within a prescribed radius of the properties and limitations affecting noise and parking requirements, among other things. In addition, certain of the multifamily rental properties that secure the underlying mortgage loans may have access to certain amenities and facilities at other local properties pursuant to shared use agreements, and we cannot assure you that such use agreements will remain in place indefinitely, or that any amenities and facilities at other properties will remain available to the tenants of any multifamily rental property securing an underlying mortgage loan. These limitations could adversely affect the ability of the related underlying borrower to lease the mortgaged real property on favorable terms, thus adversely affecting the underlying borrower's ability to fulfill its obligations under the related underlying mortgage loan, which may adversely affect payments on the related TEL.

Some of the multifamily rental properties that secure the underlying mortgage loans may be subject to land use restrictive covenants or contractual covenants in favor of federal or state housing agencies. The obligations of the related underlying borrowers to comply with such restrictive covenants and contractual covenants, in most cases, constitute encumbrances on the related mortgaged real property that are superior to the lien of the related underlying mortgage loan. In circumstances where the mortgaged real property is encumbered by a regulatory agreement in favor of a federal or state housing agency, the underlying borrower is generally required by the loan documents to comply with any such regulatory agreement. The covenants in a regulatory agreement may require, among other things, that a minimum number or percentage of units be rented to tenants who have incomes that are substantially lower than median incomes in the applicable area or region or impose restrictions on the type of tenants who may rent units, such as imposing minimum age restrictions. These covenants may limit the potential rental rates that may govern rentals at any of those properties, the potential tenant base for any of those properties or both. An owner may subject a multifamily rental property to these covenants in exchange for tax credits or rent subsidies. When the credits or subsidies cease, net operating income will decline. We cannot assure you that these requirements will not cause a reduction in rental income. If rents are reduced, we cannot assure you that the related property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses, which may adversely affect payments on the related TEL.

In addition, restrictive covenants and contractual covenants contained in regulatory agreements may require an underlying borrower, among other conditions, (i) to submit periodic compliance reports and/or permit regulatory authorities to conduct periodic inspections of the related mortgaged real property, (ii) to meet certain requirements as to the condition of affordable units or (iii) to seek the consent of a regulatory authority in connection with the transfer or sale of the mortgaged real property or in connection with a change in the property management. In some cases, regulatory agreements may provide for remedies other than specific performance of restrictive covenants. Such other remedies may include, but are not limited to, providing for the ability of a regulatory authority to replace the property manager. In addition, in some cases, regulatory agreements may impose restrictions on transfers of the mortgaged real property in connection with a foreclosure, including, but not limited to, requiring regulatory authority consent and limiting the type of entities that are permissible transferees of the mortgaged real property. We

cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real property, that such consent will be obtained in the event a federal or state housing agency has the right to consent to any change in the property management or ownership of the mortgaged real property or that the failure to obtain such consent will not adversely impact the lender's ability to exercise its remedies upon default of an underlying mortgage loan.

Some of the mortgaged real properties may have tenants that rely on rent subsidies under various government funded programs, including Section 8. In addition, with respect to certain of the underlying mortgage loans, the underlying borrower may receive subsidies or other assistance from government programs. Generally, a mortgaged real property receiving such subsidy or assistance must satisfy certain requirements, the underlying borrower must observe certain leasing practices and/or the tenant(s) must regularly meet certain income requirements. See "Description of the TELs and Underlying Mortgage Loans—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Rental Subsidy Programs" in this offering circular supplement for a description of the mortgaged real properties subject to rental subsidy programs, including Section 8.

We cannot assure you that such programs will continue in their present form or that the underlying borrowers will continue to comply with the requirements of the programs to enable the underlying borrowers to receive the subsidies in the future or that the level of assistance provided will be sufficient to generate enough revenues for the underlying borrowers to meet their obligations under the underlying mortgage loans, nor can we assure you that any transferee of the mortgaged real property, whether through foreclosure or otherwise, will obtain the consent of the HUD or any state or local housing agency.

Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive low income housing tax credits pursuant to Code Section 42. Code Section 42 provides a tax credit for owners of multifamily rental properties meeting the definition of low income housing who have received a tax credit allocation from a state or local allocating agency. The total amount of tax credits to which a property owner is entitled is based on the percentage of total units made available to qualified tenants.

The tax credit provisions limit the gross rent for each low-income unit. Under the tax credit provisions, a property owner must comply with the tenant income restrictions and rental restrictions over a minimum of a 15-year compliance period. In addition, agreements governing the multifamily rental property may require an "extended use period," which has the effect of extending the income and rental restrictions for an additional period.

In the event a multifamily rental property does not maintain compliance with the tax credit restrictions on tenant income or rental rates or otherwise satisfy the tax credit provisions of the Code, the property owner may suffer a reduction in the amount of available tax credits and/or face the recapture of all or part of the tax credits related to the period of the noncompliance and face the partial recapture of previously taken tax credits. The loss of tax credits, and the possibility of recapture of tax credits already taken, may provide significant incentive for the property owner to keep the related multifamily rental property in compliance with such tax credit restrictions and limit the income derived from the related property.

See "Description of the TELs and Underlying Mortgage Loans—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Low Income Housing Tax Credits" in this offering circular supplement for a description of mortgaged real properties subject to Low Income Housing Tax Credits.

Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive tax abatements or exemptions or may be subject to reduced taxes in connection with a "payment in lieu of taxes" ("PILOT") agreement. See "Description of the TELs and Underlying Mortgage Loans—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Tax Abatements and Exemptions" in this offering circular supplement for additional information relating to tax abatements and exemptions applicable to the mortgaged real properties.

With respect to such mortgaged real properties that entitle their owners to receive tax exemptions, the related Cut-off Date LTVs are often calculated using Appraised Values that assume that the owners of such mortgaged real properties receive such property tax exemptions. Such property tax exemptions often require the property owners to be formed and operated for qualifying charitable purposes and to use the property for those qualifying charitable purposes. Claims for such property tax exemptions must often be re-filed annually by the property owners. Although

the loan documents generally require the underlying borrower to submit an annual claim and to take actions necessary for the underlying borrower and the mortgaged real property to continue to qualify for a property tax exemption, if the underlying borrower fails to do so, property taxes payable by the underlying borrower on the mortgaged real property could increase, which could adversely impact the cash flow at or the value of the mortgaged real property. In addition, if the issuing entity forecloses on any such mortgaged real property, the issuing entity may be unable to qualify for a property tax exemption. Finally, if the issuing entity sells any such mortgaged real property in connection with a default on the underlying mortgage loan, prospective purchasers may be unwilling to bid on the mortgaged real property if they are unable to satisfy the requirements of a property tax exemption. This could limit the pool of prospective purchasers for any such mortgaged real property.

We cannot assure you that any tax abatements and exemptions or PILOT agreements will continue to benefit the related mortgaged real properties or that the continuance or termination of any of the tax abatements or exemptions will not adversely impact the mortgaged real properties or the related underlying borrowers' ability to generate sufficient cash flow to satisfy debt service payments and operating expenses.

***The Successful Operation of a Multifamily Property Depends on Tenants.*** Generally, multifamily properties are subject to leases. The owner of a multifamily property typically uses lease or rental payments for the following purposes—

- to pay for maintenance and other operating expenses associated with the property;
- to fund repairs, replacements and capital improvements at the property; and
- to pay debt service on mortgage loans secured by, and any other debt obligations associated with operating, the property.

Factors that may adversely affect the ability of a multifamily property to generate net operating income from lease and rental payments include—

- an increase in vacancy rates, which may result from tenants deciding not to renew an existing lease;
- an increase in tenant payment defaults;
- a decline in rental rates as leases are entered into, renewed or extended at lower rates;
- whether rental rates are less than the average market rental rates for the area and are not offset by low operating expenses;
- an increase in the capital expenditures needed to maintain the property or to make improvements; and
- an increase in operating expenses.

**Underlying Mortgage Loans That Are Subject to Ground Leases Can Pose Unique Risks.** With respect to the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “Craven Terrace Phase II,” “Craven Terrace Phase I” and “HACEP Tranche 1B Portfolio,” collectively representing 5.8% of the initial TEL pool balance, each such underlying mortgage loan is secured by the leasehold interest of the related underlying borrower in each such mortgaged real property. We cannot assure you that circumstances related to the ground lease agreements at any mortgaged real property secured by the leasehold interests of an underlying borrower will not adversely impact operations at, or the value of, such mortgaged real property or the underlying borrower's ability to generate sufficient cash flow to satisfy debt service payments and operating expenses. See “Description of the TELs and Underlying Mortgage Loans—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Ground Leases” in this offering circular supplement.

***The Success of an Income-Producing Property Depends on Reletting Vacant Spaces.*** The operations at or the value of an income-producing property will be adversely affected if the owner or property manager is unable to renew leases or relet space on comparable terms when existing leases expire and/or become defaulted. Even if vacated space is successfully relet, the costs associated with reletting can be substantial and could reduce cash flow from the income-producing properties. Moreover, if a tenant at an income-producing property defaults in its lease obligations, the landlord may incur substantial costs and experience significant delays associated with enforcing its rights and protecting its investment, including costs incurred in renovating and reletting the property. We cannot

assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real properties. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans” in this offering circular supplement.

If an income-producing property has multiple tenants, re-leasing expenditures may be more frequent than in the case of a property with fewer tenants, thereby reducing the cash flow generated by the mortgaged real property. If a smaller income-producing property has fewer tenants, increased vacancy rates may have a greater possibility of adversely affecting operations at or the value of the related mortgaged real property, thereby reducing the cash flow generated by the property. For example, with respect to 23 of the mortgaged real properties, collectively representing 30.8% of the initial TEL pool balance, such mortgaged real properties include 100 or fewer units. Similarly, if an income producing property has a number of short-term leases, re-leasing expenditures may be more frequent, thereby reducing the cash flow generated by such property. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Property Value May Be Adversely Affected Even When Current Operating Income Is Not.*** Various factors may affect the value of multifamily properties without affecting their current net operating income, including—

- changes in interest rates;
- the availability of refinancing sources;
- changes in governmental regulations, licensing or fiscal policy;
- changes in zoning or tax laws; and
- potential environmental or other legal liabilities.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Maintaining a Property in Good Condition May Be Costly.*** The owner may be required to expend a substantial amount to maintain, renovate or refurbish a multifamily property. Failure to do so may materially impair the property’s ability to generate cash flow. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements. Even superior construction will deteriorate over time if management does not schedule and perform adequate maintenance in a timely fashion. We cannot assure you that an income-producing property will generate sufficient cash flow to cover the increased costs of maintenance and capital improvements in addition to paying debt service on the underlying mortgage loan(s) that may encumber that property.

The proportion of older mortgaged real properties may adversely impact payments on the underlying mortgage loans and, correspondingly, on the TELs on a collective basis. For example, with respect to 26 of the mortgaged real properties, securing underlying mortgage loans that secure TELs, collectively representing 85.4% of the initial TEL pool balance, all or part of the mortgaged real properties were constructed prior to 1980. We cannot assure you that a greater proportion of underlying mortgage loans secured by older mortgaged real properties will not adversely impact cash flow at the mortgaged real properties on a collective basis or that it will not adversely affect payments related to your investment.

Certain of the mortgaged real properties may currently be undergoing or are expected to undergo in the future redevelopment or renovation.

We cannot assure you that any current or planned redevelopment or renovation will be completed, that such redevelopment or renovation will be completed in the time frame contemplated, or that, when and if redevelopment or renovation is completed, such redevelopment or renovation will improve the operations at, or increase the value of, the subject property. Failure of any of the foregoing to occur could have a material negative impact on the related mortgaged real property, which could affect the ability of the related underlying borrower to repay the underlying mortgage loan.

In the event the related underlying borrower (or a tenant, if applicable) fails to pay the costs of work completed or material delivered in connection with ongoing redevelopment or renovation, the portion of the mortgaged real property on which there is construction may be subject to mechanic's or materialmen's liens that may be senior to the lien of the related underlying mortgage loan.

The existence of construction at a mortgaged real property may make such mortgaged real property less attractive to tenants and, accordingly, could have a negative effect on net operating income.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Competition Will Adversely Affect the Profitability and Value of an Income-Producing Property.*** Some income-producing properties are located in highly competitive areas. Comparable income-producing properties located in the same area compete on the basis of a number of factors including—

- rental rates;
- location;
- type of services and amenities offered; and
- nature and condition of the particular property.

The profitability and value of an income-producing property may be adversely affected by a comparable property that—

- offers lower rents;
- has lower operating costs;
- offers a more favorable location; or
- offers better facilities and/or amenities.

Costs of renovating, refurbishing or expanding an income-producing property in order to remain competitive can be substantial. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan.*** Under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), the filing of a petition in bankruptcy by or against a borrower, including a petition filed by or on behalf of a junior lienholder, will stay the sale of a mortgaged real property owned by that borrower, as well as the commencement or continuation of a foreclosure action.

In addition, if a bankruptcy court determines that the value of a mortgaged real property is less than the principal balance of the underlying mortgage loan it secures, the bankruptcy court may reduce the amount of secured indebtedness to the then-value of the property. This would make the lender a general unsecured creditor for the difference between the then-value of the property and the amount of its outstanding mortgage indebtedness.

A bankruptcy court also may—

- grant a debtor a reasonable time to cure a payment default on an underlying mortgage loan;
- reduce monthly payments due under an underlying mortgage loan;
- change the rate of interest due on an underlying mortgage loan; or
- otherwise alter an underlying mortgage loan's repayment schedule.

Furthermore, the borrower, as debtor-in-possession, or its bankruptcy trustee has special powers to avoid, subordinate or disallow debts. In some circumstances, the claims of a secured lender, such as the issuing entity, may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

Under the Bankruptcy Code, a lender will be stayed from enforcing a borrower's assignment of rents and leases. The legal proceedings necessary to resolve these issues can be time consuming and may significantly delay the receipt of rents. Rents also may escape an assignment to the extent they are used by borrower to maintain its property or for other court authorized expenses.

As a result, the issuing entity's recovery with respect to underlying borrowers in bankruptcy proceedings may be significantly delayed, and the total amount ultimately collected may be substantially less than the amount owed. Certain of the key principals or the related sponsors of the respective underlying borrowers may have declared bankruptcy in the past, which may mean they are more likely to declare bankruptcy again in the future or put the borrowing entities into bankruptcy in the future.

Pursuant to the doctrine of substantive consolidation, a bankruptcy court, in the exercise of its equitable powers, has the authority to order that the assets and liabilities of a borrower be consolidated with those of a bankrupt affiliate for the purposes of making distributions under a plan of reorganization or liquidation. Thus, property that is ostensibly the property of a borrower may become subject to the bankruptcy case of an affiliate, the automatic stay applicable to such bankrupt affiliate may be extended to a borrower and the rights of creditors of a borrower may become impaired.

In connection with the origination of certain of the underlying mortgage loans, no non-consolidation opinion with respect to the related underlying borrower entity was obtained at origination.

With respect to the TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as "Lake Delray Apartments" and "Van Buren Park Apartments," collectively representing 20.8% of the initial TEL pool balance, each of the sponsors of the respective underlying borrower reported at least one prior discounted payoff, default, bankruptcy, foreclosure or deed-in-lieu of foreclosure with respect to the other properties of such sponsor.

We cannot assure you that these circumstances will not have an adverse impact on the liquidity of the related underlying borrowers or the related sponsors. Therefore, we cannot assure you that these circumstances will not adversely impact the underlying borrowers' or the sponsors' ability to maintain the related mortgaged real properties or pay amounts owed on the related underlying mortgage loans, thereby adversely affecting amounts to be collected on the related TELs.

***Fraudulent Transfer and Enforceability Considerations.*** Each underlying borrower with respect to a TEL in the Crossed Loan Group has executed a security instrument encumbering its interest in the related mortgaged real property that secures repayment of the TEL as well as, pursuant to the cross-collateralization agreement, each other TEL in the Crossed Loan Group. Cross-collateralization and cross-default arrangements could be unenforceable in bankruptcy or be challenged as a fraudulent transfer or conveyance by creditors of that borrower in an action outside a bankruptcy case or by the representative of a borrower or operating lessee's bankruptcy estate or certain other parties in interest in a bankruptcy case. Cross-default provisions could be unenforceable in bankruptcy if the obligations are deemed to be insufficiently interrelated or if there is a lack of adequate consideration for paying another borrower's obligations. Generally, under federal and most state fraudulent conveyance statutes, the transfer of property or an interest in property or the incurrence of an obligation by a person or entity will be subject to avoidance under certain circumstances if such person or entity (a) transferred such property or incurred such obligation with the actual intent to hinder, delay or defraud its creditors or (b) did not receive fair consideration or reasonably equivalent value in exchange for such obligation or transfer and (i) was insolvent or was rendered insolvent by such obligation or transfer, (ii) was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with such person or entity constituted unreasonably small capital, or (iii) intended to, or believed that it would, incur debts that would be beyond such person's or entity's ability to pay as such debts matured. The measure of insolvency will vary depending on the law of the applicable jurisdiction. However, an entity will generally be considered insolvent if the present fair salable value of its assets is less than (x) the sum of its debts and (y) the amount that would be required to pay its probable liabilities on its existing debts as they become absolute and matured.

Accordingly, a lien granted by an underlying borrower to secure the repayment of an underlying mortgage loan in excess of its allocated share could be avoided if a court were to determine that (i) such underlying borrower was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, or was left with

inadequate capital, or was not able to pay its debts as they matured and (ii) the underlying borrower did not, when it allowed the related mortgaged real property to be encumbered by a lien securing the entire indebtedness represented by the underlying mortgage loan, receive fair consideration or reasonably equivalent value for pledging such mortgaged real property for the equal benefit of each other underlying borrower.

Although each underlying borrower with respect to a TEL in the Crossed Loan Group has agreed to provide for appropriate allocation of contribution liabilities and other obligations as among the related underlying borrowers, we cannot assure you that a fraudulent transfer challenge would not be made or, if made, that it would not be successful.

Among other things, a legal challenge to the granting of a lien and/or the incurrence of an obligation by an underlying borrower with respect to a TEL in the Crossed Loan Group may focus on the benefits realized by such underlying borrower from the TEL proceeds, as well as the overall cross-collateralization. If a court were to find or conclude that the granting of the liens or the incurrence of the obligations associated with a TEL was an avoidable fraudulent transfer or conveyance with respect to a particular underlying borrower, that court could subordinate all or part of the TEL to existing or future indebtedness of such underlying borrower or operating lessee, recover the payments made under the TEL by such underlying borrower, or take other actions detrimental to the certificateholders, including under certain circumstances, invalidating the TEL or the related underlying mortgage loan securing such TEL.

We cannot assure you that these circumstances will not have an adverse impact on the liquidity of the related underlying borrowers or the related sponsors. Therefore, we cannot assure that these circumstances will not adversely impact the underlying borrowers' or the sponsors' ability to maintain the related mortgaged real property or pay amounts owed on the related TELs and related underlying mortgage loans.

***Property Management Is Important to the Successful Operation of the Mortgaged Real Property.*** The successful operation of a real estate project depends in part on the performance and viability of the property manager. The property manager is generally responsible for:

- operating the property and providing building services;
- establishing and implementing the rental structure;
- managing operating expenses;
- responding to changes in the local market; and
- advising the underlying borrower with respect to maintenance and capital improvements.

Properties deriving revenues primarily from short-term leases, such as the leases at multifamily properties, generally are more management intensive than properties leased to creditworthy tenants under long-term leases.

A good property manager, by controlling costs, providing necessary services to tenants and overseeing and performing maintenance or improvements on the property, can improve cash flow, reduce vacancies, reduce leasing and repair costs and preserve building value. On the other hand, management errors can, in some cases, impair short-term cash flow and the long-term viability of an income-producing property.

We do not make any representation or warranty as to the skills of any present or future property managers with respect to the mortgaged real properties that will secure the underlying mortgage loans which, in turn, will secure the TELs. Furthermore, we cannot assure you that any property managers will be in a financial condition to fulfill their management responsibilities throughout the terms of their respective management agreements. In addition, certain of the mortgaged real properties are managed by affiliates of the applicable underlying borrower. If an underlying mortgage loan is in default or undergoing special servicing, this could disrupt the management of the mortgaged real property and may adversely affect cash flow. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***The Performance of an Underlying Mortgage Loan and the Related Mortgaged Real Property Depends in Part on Who Controls the Underlying Borrower and the Related Mortgaged Real Property.*** The operation of a mortgaged real property and the performance of an underlying mortgage loan, and therefore the related TEL, will

depend in part on the identity of the persons or entities that control the related underlying borrower and the related mortgaged real property. The performance of the underlying mortgage loan, and the corresponding collections on the related TELs, may be adversely affected if control of the underlying borrower changes. This may occur, for example, by means of transfers of direct or indirect ownership interests in such underlying borrower. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Due-on-Sale and Due-on-Encumbrance Provisions” in this offering circular supplement.

***Losses on Larger Loans May Adversely Affect Distributions on the Certificates.*** Certain of the TELs have Cut-off Date Principal Balances that are substantially higher than the average Cut-off Date Principal Balance. In general, these concentrations can result in losses that are more severe than would be the case if the total principal balance of the TELs backing the offered certificates were more evenly distributed. See Exhibits A-1, A-2 and A-3 for information relating to significant TELs, including the ten largest TELs or group of cross-collateralized TELs.

***Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of Cross-Collateralization and Cross-Default Provisions May Otherwise Be Limited.*** The TELs in the Crossed Loan Group, collectively representing 4.0% of the initial TEL pool balance, are cross-collateralized and cross-defaulted with each other TEL in such group. These arrangements attempt to reduce the risk that the related mortgaged real properties which secure the TELs may not generate enough net operating income to pay debt service and to reduce realized losses in the event of liquidation. However, cross-collateralization arrangements involving more than one underlying borrower could be challenged as a fraudulent conveyance and avoided if a court were to determine that:

- such underlying borrower was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, was left with unreasonably small capital, or was not able to pay its debts as they matured; and
- the underlying borrower did not, when it allowed its mortgaged real property to be encumbered by a lien securing the entire indebtedness represented by the other TELs, receive fair consideration or reasonably equivalent value for pledging such mortgaged real property for the equal benefit of the underlying borrower.

If the lien is avoided, the related lender would lose the benefits afforded by such lien.

Subject to the definition of Servicing Transfer Event, a default under any of the TELs included in the Crossed Loan Group may lead to a default and a subsequent Servicing Transfer Event with respect to the other TELs included in the Crossed Loan Group, which could lead to special servicing fees and additional costs with respect to TELs which are not otherwise in default but for the cross-default provisions of the related loan documents. However, pursuant to the terms of the Pooling Agreement, the occurrence of a Servicing Transfer Event with respect to any TEL will not in and of itself constitute a Servicing Transfer Event with respect to any other TEL that is in the Crossed Loan Group unless (i) the master servicer or the special servicer (in the case of the special servicer, with the approval of the Approved Directing Certificateholder (if any), subject to the last paragraph of “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement with respect to any Affiliated Borrower Loan) determines, in accordance with the Servicing Standard, that it is in the best interest of the certificateholders (taken as a whole) to effect a Servicing Transfer Event with respect to one or more such TELs that are in the Crossed Loan Group and (ii) Freddie Mac approves such Servicing Transfer Event with respect to one or more such TELs that are in the Crossed Loan Group.

See “Description of the TELs and Underlying Mortgage Loans—Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership” and “—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Release of Property Through Defeasance or Prepayment” in this offering circular supplement.

***Mortgage Loans to the Same Underlying Borrower or Underlying Borrowers Under Common Ownership May Result in More Severe Losses on the Offered Certificates.*** Certain groups of the underlying mortgage loans were made to the same underlying borrower or to underlying borrowers under common ownership, including 1 group that is the Crossed Loan Group. Mortgage loans with the same underlying borrower or underlying borrowers under common ownership pose additional risks. Among other things:

- financial difficulty at one mortgaged real property could cause the owner to defer maintenance at another mortgaged real property in order to satisfy current expenses with respect to the troubled mortgaged real property; and
- the owner could attempt to avert foreclosure on one mortgaged real property by filing a bankruptcy petition that might have the effect of interrupting monthly payments for an indefinite period on all of the related underlying mortgage loans.

In addition, multiple real properties owned by the same underlying borrower or underlying borrowers under common ownership are likely to have common management. This would increase the risk that financial or other difficulties experienced by the property manager could have a greater impact on the owner of the underlying mortgage loans.

Except as described in this offering circular supplement as to any subordinate mortgage loan, none of the TELs is cross-collateralized or cross-defaulted with any loan that is not in the issuing entity.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

See “Description of the TELs and Underlying Mortgage Loans—Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership” in this offering circular supplement.

***An Underlying Borrower’s Other Loans May Reduce the Cash Flow Available to Operate and Maintain the Related Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Related Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates.*** As described under “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—Subordinate Financing Increases the Likelihood That an Underlying Borrower Will Default on an Underlying Mortgage Loan” below and “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Permitted Additional Debt” in this offering circular supplement, any of the mortgaged real properties may be encumbered in the future by other subordinate debt. In addition, subject, in some cases, to certain limitations relating to maximum amounts, the underlying borrowers generally may incur trade and operational debt or other unsecured debt and enter into equipment and other personal property and fixture financing and leasing arrangements, in connection with the ordinary operation and maintenance of the related mortgaged real property. Furthermore, in the case of any underlying mortgage loan that requires or allows letters of credit to be posted by the related underlying borrower as additional security for the underlying mortgage loan, in lieu of reserves or otherwise, such underlying borrower may be obligated to pay fees and expenses associated with the letter of credit and/or to reimburse the letter of credit issuer in the event of a draw on the letter of credit by the lender.

The existence of other debt could:

- adversely affect the financial viability of an underlying borrower by reducing the cash flow available to the underlying borrower to operate and maintain the mortgaged real property or make debt service payments on the underlying mortgage loan or TELs that are cross-collateralized or cross-defaulted with the TEL such underlying mortgage loan secures;
- adversely affect the security interest of the lender;

- complicate workouts or bankruptcy proceedings; and
- delay foreclosure on the mortgaged real property.

We cannot assure you that these circumstances will not adversely impact operations at or the value of the related mortgaged real properties. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

The subordination and intercreditor agreements between the senior lender and the subordinate lenders provide that a default under the subordinate loan generally constitutes a default under the senior loan. In certain instances, the subordinate lender can commence a foreclosure action upon providing the senior lender with ninety days' notice.

***Changes in TEL Pool Composition Can Change the Nature of Your Investment.*** The TELs will amortize at different rates and mature on different dates. In addition, some of those TELs may be prepaid or liquidated. As a result, the relative composition of the TEL pool will change over time.

If you purchase certificates with a pass-through rate that is equal to or calculated based on a weighted average of interest rates on the TELs, your pass-through rate will be affected, and may decline, as the relative composition of the TEL pool changes.

In addition, as payments and other collections of principal are received with respect to the TELs, the remaining TEL pool backing the certificates may exhibit an increased concentration with respect to number and affiliation of underlying borrowers and geographic location.

See “Yield and Maturity Considerations—Yield Considerations—Rate and Timing of Principal Payments” in this offering circular supplement.

***Geographic Concentration of the Mortgaged Real Properties May Adversely Affect Distributions on the Offered Certificates.*** The concentration of mortgaged real properties in a specific state or region will make the performance of the underlying mortgage loans and, correspondingly, the TELs, as a whole, more sensitive to the following factors in the state or region where the underlying borrowers and the mortgaged real properties are concentrated:

- economic conditions, including real estate market conditions;
- changes in governmental rules and fiscal policies;
- regional factors such as earthquakes, floods, tornadoes, forest fires or hurricanes;
- acts of God, which may result in uninsured losses; and
- other factors that are beyond the control of the underlying borrowers.

See Exhibit A-2 for additional information relating to the geographic concentration of the mortgaged real properties.

***Subordinate Financing Increases the Likelihood That an Underlying Borrower Will Default on an Underlying Mortgage Loan.*** 15 of the mortgaged real properties, collectively representing 53.7% of the initial TEL pool balance, are currently encumbered by one or more subordinate liens. A default under the subordinate mortgage loan documents for each of those mortgaged real properties generally constitutes a default under the senior underlying mortgage loan documents. The underlying mortgage loans prohibit all other encumbrances except for limited permitted encumbrances (which limited permitted encumbrances do not secure subordinate mortgage loans).

See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Permitted Additional Debt” in this offering circular supplement.

The underlying mortgage loans require the consent of the holder of the TEL prior to incurring future subordinate debt and so encumbering the related mortgaged real property. However, a violation of this prohibition may not become evident until the affected underlying mortgage loan otherwise defaults, and the master servicer may not realistically be able to prevent an underlying borrower from incurring subordinate debt.

The existence of any secured subordinated indebtedness or unsecured indebtedness increases the difficulty of making debt service payments or refinancing an underlying mortgage loan at the loan's maturity. Further, the fact that a default under a subordinate loan constitutes a default under the underlying mortgage loan is not commonplace and creates a higher degree of uncertainty than would normally be imposed. In addition, the related underlying borrower may have difficulty repaying multiple loans. Moreover, the filing of a petition in bankruptcy by, or on behalf of, a junior lienholder may stay the senior lienholder from taking action to foreclose out the junior lien. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***The Type of Borrower May Entail Risk.*** Mortgage loans made to partnerships, corporations or other entities may entail risks of loss from delinquency and foreclosure that are greater than those of mortgage loans made to individuals. The borrower's sophistication and form of organization may increase the likelihood of protracted litigation or bankruptcy in default situations.

A number of the underlying borrowers are partnerships. The bankruptcy of the general partner in a partnership may result in the dissolution of the partnership. The dissolution of an underlying borrower that is a partnership, the winding up of its affairs and the distribution of its assets could result in an acceleration of its payment obligations under the related underlying mortgage loan.

With respect to all of the underlying mortgage loans, the underlying borrowers' organizational documents or the terms of the underlying mortgage loans limit the underlying borrowers' activities to the ownership of only the related mortgaged real properties and, subject to exceptions, including relating to future subordinate debt secured by the mortgaged real properties, generally limit the underlying borrowers' ability to incur additional future indebtedness other than trade payables and equipment financing relating to the mortgaged real properties in the ordinary course of business. These provisions are designed to mitigate the possibility that the underlying borrowers' financial condition would be adversely impacted by factors unrelated to the mortgaged real property and the underlying mortgage loan. However, we cannot assure you that the underlying borrowers will comply with these requirements. Also, although an underlying borrower may currently be structured as a single-purpose entity, such underlying borrower may have previously owned property other than the mortgaged real property and/or may not have observed all covenants and conditions which typically are required to view an underlying borrower as a "single purpose entity" under standard NRSRO criteria. We cannot assure you that circumstances arising from an underlying borrower's failure to observe the required covenants will not impact the underlying borrower or the mortgaged real property. In addition, underlying borrowers that are not single-purpose entities structured to limit the possibility of becoming insolvent or bankrupt may be more likely to become insolvent or subject to a voluntary or involuntary bankruptcy proceeding because the underlying borrowers may be operating entities with a business distinct from the operation of the mortgaged real property with the associated liabilities and risks of operating an ongoing business or individuals that have personal liabilities unrelated to the mortgaged real property. However, any underlying borrower, even a single-purpose entity structured to be bankruptcy-remote, as an owner of real estate, will be subject to certain potential liabilities and risks. We cannot assure you that any underlying borrower will not file for bankruptcy protection or that creditors of an underlying borrower or a corporation or individual general partner or managing member of an underlying borrower will not initiate a bankruptcy or similar proceeding against the underlying borrower or corporate or individual general partner or managing member.

None of the underlying borrowers or their owners have an independent director whose consent would be required to file a voluntary bankruptcy petition on behalf of such underlying borrower. One of the purposes of an independent director of the underlying borrower (or of a single purpose entity having an interest in the underlying borrower) is to avoid a bankruptcy petition filing which is intended solely to benefit an affiliate and is not justified by the underlying borrower's own economic circumstances. Underlying borrowers (and any single purpose entity having an interest in any such underlying borrowers) that do not have an independent director may be more likely to file a voluntary bankruptcy petition and therefore less likely to repay the related underlying mortgage loan. Even in the case of underlying borrowers with independent directors, we cannot assure you that an underlying borrower will not file for bankruptcy protection, that creditors of an underlying borrower will not initiate a bankruptcy or similar proceeding against such underlying borrower, or that, if initiated, a bankruptcy case of the underlying borrower could be dismissed.

Pursuant to Section 364 of the Bankruptcy Code, a bankruptcy court may, under certain circumstances, authorize a debtor to obtain credit after the commencement of a bankruptcy case, secured among other things, by

senior, equal or junior liens on property that is already subject to a lien. In the recent bankruptcy case of General Growth Properties, the debtors initially sought approval of a debtor-in-possession loan to the corporate parent entities guaranteed by the property-level single purpose entities and secured by second liens on their properties. Although the debtor-in-possession loan ultimately did not include these subsidiary guarantees and second liens, we cannot assure you that, in the event of a bankruptcy of a sponsor of an underlying borrower, the sponsor of such underlying borrower would not seek approval of a similar debtor-in-possession loan, or that a bankruptcy court would not approve a debtor-in-possession loan that included such subsidiary guarantees and second liens on such subsidiaries' properties.

Furthermore, with respect to any underlying borrowers under common ownership, creditors of a common parent in bankruptcy may seek to consolidate the assets of those underlying borrowers with those of the parent. Consolidation of the assets of the underlying borrowers would likely have an adverse effect on the funds available to make distributions on the certificates. The bankruptcy of an underlying borrower, or the general partner or the managing member of an underlying borrower, may impair the ability of the lender to enforce its rights and remedies under the related mortgage.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Most of the Underlying Mortgage Loans Are Seasoned Loans.*** Other than with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Cypress Pines," representing 9.1% of the initial TEL pool balance and which was originated on June 15, 2017, all of the underlying mortgage loans were originated between December 18, 2015 and April 21, 2017.

Appraisals, environmental assessments and property condition assessments were generally obtained in connection with the origination of the underlying mortgage loans, but were generally not updated in connection with this securitization. For example, with respect to 37 of the mortgaged real properties, collectively securing TELs representing 90.9% of the initial TEL pool balance, a property condition assessment was conducted at each related mortgaged real property prior to the last 12 months preceding the Closing Date.

We cannot assure you that the information in such appraisals, environmental assessments and property condition assessments obtained in connection with the origination of the underlying mortgage loans reflects the current condition of, or a reliable estimate of the current condition of, the mortgaged real properties.

***Certain of the Underlying Mortgage Loans May Have Land Trust Borrowers.*** With respect to certain of the underlying mortgage loans, the related underlying borrower may be the beneficiary of a land trust. If the mortgaged real property is in a land trust, legal title to the real property will typically be held by a land trustee under a land trust agreement for the benefit of the underlying borrower as beneficiary. At origination of a mortgage loan involving a land trust, the trustee typically mortgages the property to secure the beneficiary's obligation to make payments on the mortgage note. The lender's authority under a mortgage, the trustee's authority under a deed of trust and the grantee's authority under a deed to secure debt are governed by the express provisions of the mortgage, the law of the state in which the real property is located and certain federal laws. In addition, certain decisions regarding the real property may require the consent of the holders of the beneficial interests in the land trust and, in such event, there is a risk that obtaining such consent will be time consuming and cause delays in the event certain actions need to be taken by or on behalf of the underlying borrower or with respect to the real property. At least one state bankruptcy court has held that the doctrine of merger applied to extinguish a land trust where the trustee was the holder of 100% of the beneficiary ownership interest in the trust. Whether a land trust can be a debtor eligible for relief under the Bankruptcy Code depends on whether the trust constitutes a business trust under the Bankruptcy Code. That determination is dependent on the business activity that the trust conducts. We cannot assure you that, given the business activities that the trustee has been authorized to undertake, a bankruptcy court would find that the land trust is ineligible for relief as a debtor under the Bankruptcy Code or that there will not be delays with respect to any actions needed to be taken at the mortgaged real property. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Certain of the Underlying Mortgage Loans Lack Customary Provisions.*** A number of the underlying mortgage loans lack one or more features that are customary in mortgage loans intended for securitization. Among

other things, the underlying borrowers with respect to those underlying mortgage loans may not be required to have an independent director or to make payments to lockboxes or to maintain reserves for certain expenses, such as taxes, insurance premiums, capital expenditures, tenant improvements and leasing commissions or the requirements to make such payments may be suspended if the related underlying borrower complies with the terms of the related loan documents, or the lenders under such underlying mortgage loans may not have the right to terminate the related property manager upon the occurrence of certain events or require lender approval of a replacement property manager. In addition, although mortgage loans intended to be securitized often have a guarantor with respect to certain bad acts such as fraud, guarantors may not be required with respect to certain of the underlying mortgage loans. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Some Remedies May Not Be Available Following a Mortgage Loan Default.*** The underlying mortgage loans contain, subject to certain exceptions, “due-on-sale” and “due-on-encumbrance” clauses. These clauses permit the holder of an underlying mortgage loan to accelerate the maturity of the underlying mortgage loan if the related underlying borrower sells or otherwise transfers or encumbers the related mortgaged real property or its interest in the mortgaged real property in violation of the terms of the mortgage. All of the underlying mortgage loans also include a debt-acceleration clause that permits the related lender to accelerate the debt upon specified monetary or non-monetary defaults of the underlying borrower.

The courts of all states will enforce clauses providing for acceleration in the event of a material payment default. The equity courts of a state, however, may refuse the foreclosure or other sale of a mortgaged real property or refuse to permit the acceleration of the indebtedness as a result of a default deemed to be immaterial or if the exercise of these remedies would be inequitable or unjust. See “Description of the TELs and Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans” in this offering circular supplement for a discussion of certain legal aspects related to states in which mortgaged real properties that secure underlying mortgage loans that secure TELs collectively representing 10.0% or more of the initial TEL pool balance are located.

The related underlying borrower generally may collect rents for so long as there is no default. As a result, the issuing entity’s rights to these rents as payment on the related TEL will be limited because:

- the issuing entity may not have a perfected security interest in the rent payments until the master servicer, special servicer or sub-servicer collects them;
- the master servicer, special servicer or sub-servicer may not be entitled to collect the rent payments without court action; and
- the bankruptcy of the related underlying borrower could limit the ability of the master servicer, special servicer or sub-servicer to collect the rents.

***Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan and a Related TEL.*** Principals of the underlying borrowers under certain of the underlying mortgage loans and/or their affiliates may be subject to defaults with respect to unrelated mortgage loans or, in some cases, with respect to prior mortgage loans that had been secured by real properties currently securing underlying mortgage loans. For example, with respect to the TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as “Lake Delray Apartments” and “Van Buren Park Apartments,” collectively representing 20.8% of the initial TEL pool balance, each of the sponsors of the respective underlying borrowers reported at least one prior discounted payoff, default, bankruptcy, foreclosure or deed-in-lieu of foreclosure with respect to the other properties of such sponsor. We cannot assure you that these circumstances will not have an adverse effect on the liquidity of the sponsors or the underlying borrowers or that such circumstances will not adversely affect the sponsors’ or the underlying borrowers’ ability to maintain each related mortgaged real property, to pay amounts owed on each related underlying mortgage loan or to refinance each related underlying mortgage loan. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL. See “—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan” above.

***Lending on Income-Producing Real Properties Entails Environmental Risks.*** Under various federal and state laws, a current or previous owner or operator of real property may be liable for the costs of cleanup of

environmental contamination on, under, at or emanating from, the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the contamination. The costs of any required cleanup and the owner's liability for these costs are generally not limited under these laws and could exceed the value of the property and/or the total assets of the owner. Contamination of a property may give rise to a lien on the property to assure the costs of cleanup. An environmental lien may have priority over the lien of an existing mortgage. In addition, the presence of hazardous or toxic substances, or the failure to properly clean up contamination on the property, may adversely affect the owner's or operator's future ability to refinance the property.

Certain environmental laws impose liability for releases of asbestos into the air, and govern the responsibility for the removal, encapsulation or disturbance of asbestos-containing materials when the asbestos-containing materials are in poor condition or when a property with asbestos-containing materials undergoes renovation or demolition. Certain laws impose liability for lead-based paint, lead in drinking water, elevated radon gas inside buildings and releases of polychlorinated biphenyl compounds. Third parties may also seek recovery from owners or operators of real property for personal injury or property damage associated with exposure to asbestos, lead, radon, polychlorinated biphenyl compounds and any other contaminants.

Pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, ("CERCLA") as well as some other federal and state laws, a secured lender, such as the issuing entity, may be liable as an "owner" or "operator" of the real property, regardless of whether the borrower or a previous owner caused the environmental damage, if—

- prior to foreclosure, agents or employees of the lender participate in the management or operational affairs of the borrower; or
- after foreclosure, the lender fails to seek to divest itself of the facility at the earliest practicable commercially reasonable time on commercially reasonable terms, taking into account market conditions and legal and regulatory requirements.

Although the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996 attempted to clarify the activities in which a lender may engage without becoming subject to liability under CERCLA or under the underground storage tank provisions of the federal Resource Conservation and Recovery Act, that legislation itself has not been clarified by the courts and has no applicability to other federal laws or to state environmental laws except as may be expressly incorporated. Moreover, future laws, ordinances or regulations could impose material environmental liability.

Federal law requires owners of residential housing constructed prior to 1978 to disclose to potential residents or purchasers—

- any condition on the property that causes exposure to lead-based paint; and
- the potential hazards to pregnant women and young children, including that the ingestion of lead-based paint chips and/or the inhalation of dust particles from lead-based paint by children can cause permanent injury, even at low levels of exposure.

Property owners may be liable for injuries to their tenants resulting from exposure under various laws that impose affirmative obligations on property owners of residential housing containing lead-based paint.

See "Description of the TELs and Underlying Mortgage Loans—Underwriting Matters—Environmental Assessments" in this offering circular supplement for information relating to ESAs prepared in connection with the origination of the underlying mortgage loans.

Furthermore, any particular environmental testing may not have covered all potential adverse conditions. For example, testing for lead-based paint, asbestos-containing materials, lead in water and radon was done only if the use, age, location and condition of the subject property warranted that testing. In general, testing was done for lead based paint only in the case of a multifamily property built prior to 1978, for asbestos containing materials only in the case of a property built prior to 1981 and for radon gas only in the case of a multifamily property located in an

area determined by the Environmental Protection Agency to have a high concentration of radon gas or within a state or local jurisdiction requiring radon gas testing.

We cannot assure you that—

- the environmental testing or assessments referred to above identified all material adverse environmental conditions and circumstances at the subject properties;
- the recommendation of the environmental consultant was, in the case of all identified problems, the appropriate action to take; or
- any of the environmental escrows established or letters of credit obtained with respect to any of the underlying mortgage loans will be sufficient to cover the recommended remediation or other action.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Risks Relating to Floating Rate Mortgage Loans.*** The TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as “Van Buren Park Apartments” and “Bloomingdale Apartments,” collectively representing 11.0% of the initial TEL pool balance, each bear interest at a floating rate based on SIFMA, which adjusts on a weekly basis. Accordingly, debt service for such TELs and underlying mortgage loans will generally increase as interest rates rise. In contrast, rental income and other income from such mortgaged real properties is not expected to rise as significantly as interest rates rise. Accordingly, the debt service coverage ratio of such TELs and underlying mortgage loans will generally be adversely affected by rising interest rates, and the ability of the underlying borrower to make all payments due on such TELs and underlying mortgage loans may be adversely affected. We cannot assure you that the related underlying borrowers will be able to make all payments due on such underlying mortgage loans if the mortgage interest rates rise or remain at increased levels for an extended period of time.

Such underlying mortgage loans have the benefit of an Interest Rate Cap Agreement that is currently in place. Interest rate cap agreements obligate a third-party to pay the applicable underlying borrower an amount equal to the amount by which SIFMA exceeds the specified cap strike rate multiplied by a notional amount at least equal to the principal balance of the related underlying mortgage loan. Interest rate cap agreements are intended to provide underlying borrowers with some of the income needed to pay a portion of the interest due on the related underlying mortgage loan. We cannot assure you that the interest rate cap provider for any Interest Rate Cap Agreement will have sufficient assets or otherwise be able to fulfill its obligations under the related Interest Rate Cap Agreement. The failure of an interest rate cap provider to fulfill its obligations under an Interest Rate Cap Agreement during periods of higher levels of SIFMA could result in the inability of an underlying borrower to pay its required debt service on an underlying mortgage loan. See “Description of the TELS and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this offering circular supplement.

We cannot assure you that each such related underlying borrower will be able to obtain a new interest rate cap agreement when it is obligated to do so, nor can we assure you that the terms of any such new interest rate cap agreement will be similar to the terms of the existing Interest Rate Cap Agreement. The inability of an underlying borrower to obtain a new interest rate cap agreement on similar terms may result in the inability of an underlying borrower to pay its required debt service on an underlying mortgage loan. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Appraisals and Market Studies May Inaccurately Reflect the Current or Prospective Value of the Mortgaged Real Properties.*** In connection with the origination of each of the underlying mortgage loans, the related mortgaged real property was appraised by an independent appraiser. The appraisal valuations provide “as-is” values as of the dates set forth on Exhibit A-1, except as described on Exhibit A-1 and/or the related footnotes as to any mortgaged real property with an “as-stabilized” value, which value is estimated assuming satisfaction of projected re-tenanting or increased tenant occupancy conditions, or with an “as-proposed” value, an “as-renovated” value, or an “as-rehabbed” value, each of which values is estimated assuming certain renovations are completed. The appraisals reflect market conditions as of the date of the appraisal valuations and may not reflect current or prospective values

of the related mortgaged real properties. Additionally, with respect to any appraisals setting forth stabilization assumptions as to prospective values, we cannot assure you that such assumptions are or will be accurate or that the prospective values upon stabilization will be attained. We have not confirmed the values of the respective mortgaged real properties in the appraisals.

Appraisals are not guarantees, and may not be fully indicative of present or future value because—

- they represent the analysis and opinion of the appraiser at the time the appraisal is conducted and the value of the mortgaged real property may have fluctuated since the appraisal was performed;
- we cannot assure you that another appraiser would not have arrived at a different valuation, even if the appraiser used the same general approach to, and the same method of, appraising the mortgaged real property;
- appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and therefore, could be significantly higher than the amount obtained from the sale of a mortgaged real property under a distress or liquidation sale; and
- appraisal valuations may be based on certain adjustments, assumptions and/or estimates, as further described under “Description of the TELs and Underlying Mortgage Loans—Underwriting Matters—Appraisals and Market Studies” in this offering circular supplement.

***Property Managers and Underlying Borrowers May Each Experience Conflicts of Interest in Managing Multiple Properties.*** In the case of many of the underlying mortgage loans, the related property managers and underlying borrowers may experience conflicts of interest in the management and/or ownership of the related mortgaged real properties because—

- a number of those mortgaged real properties are managed by property managers affiliated with the respective underlying borrowers;
- the property managers also may manage additional properties, including properties that may compete with those mortgaged real properties; and
- affiliates of the property managers and/or the underlying borrowers, or the property managers and/or the underlying borrowers themselves, also may own other properties, including properties that may compete with those mortgaged real properties.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***The Master Servicer, the Special Servicer and any Sub-Servicers May Experience Conflicts of Interest.*** In the ordinary course of their businesses the master servicer, the special servicer and any sub-servicers will service loans other than those included in the issuing entity. In addition, they may own other mortgage loans. These other loans may be similar to the underlying mortgage loans. The mortgaged real properties securing these other loans may—

- be in the same markets as mortgaged real properties securing the underlying mortgage loans;
- have owners and/or property managers in common with mortgaged real properties securing the underlying mortgage loans; and/or
- be sponsored by parties that also sponsor mortgaged real properties securing the underlying mortgage loans.

In these cases, the interests of the master servicer, the special servicer or a sub-servicer, as applicable, and its other clients may differ from and compete with the interests of the issuing entity and these activities may adversely affect the amount and timing of collections on the underlying mortgage loans, and therefore the TELs. Under the Pooling Agreement, the master servicer, the special servicer and any sub-servicers are each required to service the underlying mortgage loans for which it is responsible in accordance with the Servicing Standard.

The Pooling Agreement provides that in certain circumstances the Approved Directing Certificateholder (if any) may, at its own expense, request that the Directing Certificateholder Servicing Consultant (which may be the special servicer) prepare and deliver a recommendation relating to a waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain modifications, waivers or amendments for certain non-Specially Serviced Mortgage Loans. In making a recommendation in response to such a request, the Directing Certificateholder Servicing Consultant will not be subject to the Servicing Standard and will have no duty or liability to any certificateholder other than such Approved Directing Certificateholder. In addition, because the Directing Certificateholder Servicing Consultant may have arranged to be compensated by such Approved Directing Certificateholder in connection with such matters as to which it is making a recommendation, its interests may conflict with the interests of other certificateholders.

In addition, the master servicer, the special servicer and any sub-servicer, or one or more of their respective affiliates, may have originated some of the underlying mortgage loans. As a result, the master servicer, the special servicer or any sub-servicer may have interests with respect to such underlying mortgage loans, such as relationships with the underlying borrowers or the sponsors of the underlying borrowers, that differ from, and may conflict with, your interests.

In addition, the Pooling Agreement provides that the master servicer, the Directing Certificateholder Servicing Consultant and any sub-servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans, but the Directing Certificateholder Servicing Consultant will not be bound by any such consultation. See “The Pooling Agreement—Servicing Under the Pooling Agreement” in this offering circular supplement. Any advice provided by Freddie Mac (in its capacity as servicing consultant) in connection with any such consultation may conflict with the interests of one or more classes of certificateholders.

Under certain circumstances, the Pooling Agreement will require that the special servicer promptly resign as special servicer of any related Affiliated Borrower Special Servicer Loan and provides for the appointment of a successor Affiliated Borrower Special Servicer to act as the special servicer with respect to any such Affiliated Borrower Special Servicer Loan. See “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” and “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” in this offering circular supplement.

***If the Master Servicer, any Sub-Servicer or the Special Servicer Purchases Certificates, a Conflict of Interest Could Arise Between Their Duties and Their Interests in the Certificates.*** The master servicer, any sub-servicer and/or the special servicer or an affiliate of any of them may purchase or retain any class of certificates. The ownership of any certificates by the master servicer, any sub-servicer and/or the special servicer could cause a conflict between its duties under the Pooling Agreement or the applicable Sub-Servicing Agreement and its interest as a holder of a certificate, especially to the extent that certain actions or events have a disproportionate effect on one or more classes of certificates. However, under the Pooling Agreement and any applicable Sub-Servicing Agreement, the master servicer, any sub-servicer and the special servicer are each required to service the TELs and the related underlying mortgage loans in accordance with the Servicing Standard.

***Potential Conflicts of Interest in the Selection and Servicing of the Underlying Mortgage Loans.*** The anticipated initial investor in the class B certificates (the “B-Piece Buyer”) was given the opportunity by the depositor to perform due diligence on the TELs and the related underlying mortgage loans originally identified by the depositor for inclusion in the issuing entity, and to request the removal, re-sizing or change other features of some or all of the TELs and the related underlying mortgage loans, or request the addition of other loans for inclusion in the issuing entity. The B-Piece Buyer was and is acting solely for its own benefit with regard to its due diligence and any adjustment of the underlying mortgage loans securing the TELs and has no obligation or liability to any other party. You are not entitled to, and should not, rely in any way on the B-Piece Buyer’s acceptance of any TELs. The inclusion of any TELs included in the issuing entity is not an indication of the B-Piece Buyer’s analysis of that TEL or the related underlying mortgage loan nor can it be taken as any endorsement of the TEL or the related underlying mortgage loan by the B-Piece Buyer. In addition, a special servicer (whether the initial special servicer or a successor special servicer) may enter into one or more arrangements with the B-Piece Buyer, the directing certificateholder or any other person (or any affiliate or a third-party representative of any of them) to

provide for a discount and/or revenue sharing with respect to certain of the special servicer compensation (other than the special servicing fee and special servicer surveillance fee) in consideration of, among other things, the appointment or continued service of the special servicer under the Pooling Agreement and the establishment of limitations on the right of such person to replace the special servicer. Each of these relationships should be considered carefully by you before you invest in any certificates.

We cannot assure you that you or another investor would have made the same requests to modify the TELs pool as the B-Piece Buyer or that the final TELs pool as influenced by the B-Piece Buyer's feedback will not adversely affect the performance of the certificates generally or benefit the performance of the B-Piece Buyer's certificates. Because of the differing subordination levels and pass-through rates, and because only the offered certificates are guaranteed by Freddie Mac, the B-Piece Buyer's interests may, in some circumstances, differ from those of purchasers of the offered certificates, and the B-Piece Buyer may desire a portfolio composition that benefits the B-Piece Buyer but that does not benefit other investors. In addition, the B-Piece Buyer may enter into hedging or other transactions or otherwise have business objectives that could cause its interests with respect to the mortgage pool to diverge from those of other purchasers of the certificates.

Upon the occurrence and during the continuance of any Affiliated Borrower Loan Event with respect to the B-Piece Buyer (if the B-Piece Buyer is the directing certificateholder) and any underlying mortgage loan, any right of the B-Piece Buyer to (i) approve and consent to certain actions with respect to such underlying mortgage loan, (ii) if provided in the loan documents, purchase such underlying mortgage loan from the related Governmental Authority at a specified price, and (iii) access certain information and reports regarding such underlying mortgage loan will be restricted as described in "The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder" and "—Asset Status Report" in this offering circular supplement.

Because the incentives and actions of the B-Piece Buyer may, in some circumstances, differ from or be adverse to those of purchasers of other classes of certificates, you are strongly encouraged to make your own investment decision based on a careful review of the information set forth in this offering circular supplement and your own view of the underlying mortgage loans.

***The Master Servicer and the Special Servicer Will Be Required to Service Certain TELs and Underlying Mortgage Loans in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer to Make Certain Servicing Decisions.*** The master servicer and the special servicer will be required to service the TELs and underlying mortgage loans in accordance with (i) any and all applicable laws, (ii) the express terms of the Pooling Agreement, (iii) the express terms of the respective TELs and underlying mortgage loans and any applicable intercreditor, co-lender or similar agreements and (iv) to the extent consistent with clauses (i), (ii) and (iii), the Servicing Standard, as further described in "The Pooling Agreement—Servicing Under the Pooling Agreement." In the case of TELs and underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans, the Servicing Standard requires the master servicer to follow Freddie Mac Servicing Practices. Freddie Mac Servicing Practices require servicing and administering the TELs and underlying mortgage loans and/or REO Properties in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by Freddie Mac. This includes servicing and administering in accordance with the Freddie Mac Multifamily Seller/Servicer Guide (or any successor to the Guide). The Guide comprises Freddie Mac's servicing guidelines for its multifamily commercial mortgage loans and Freddie Mac may modify the Guide and any policies or procedures at any time. Freddie Mac Servicing Practices also includes servicing and administering in accordance with any written Freddie Mac policies, procedures or other written communications made available in writing by Freddie Mac to the master servicer, any sub-servicer or the Directing Certificateholder Servicing Consultant, as applicable, including written communications from Freddie Mac as servicing consultant pursuant to the Pooling Agreement. The master servicer, the Directing Certificateholder Servicing Consultant and any sub-servicer are permitted to consult with Freddie Mac regarding the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans. The servicing consultant may contact the related Governmental Authority or underlying borrower to request any necessary documentation from such Governmental Authority or underlying borrower in order to provide consultation to the master servicer, any sub-servicer or the Directing Certificateholder Servicing Consultant with respect to the proper application of Freddie Mac Servicing Practices. We cannot assure you that the requirement to follow Freddie Mac Servicing Practices in certain circumstances, or consultations between the master servicer, the Directing Certificateholder Servicing Consultant or any sub-servicer and Freddie

Mac regarding the application of Freddie Mac Servicing Practices will not limit the master servicer's or any sub-servicer's ability to make certain servicing decisions.

***Some of the Mortgaged Real Properties Are Legal Nonconforming Uses or Legal Nonconforming Structures.*** Some of the underlying mortgage loans may be secured by a mortgaged real property that is a legal nonconforming use or a legal nonconforming structure. This may impair the ability of the related underlying borrower to restore the improvements on a mortgaged real property to its current form or use following a major casualty. See "Description of the TELs and Underlying Mortgage Loans—Underwriting Matters—Zoning and Building Code Compliance" in this offering circular supplement. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Changes in Zoning Laws May Affect Ability to Repair or Restore a Mortgaged Real Property.*** Due to changes in applicable building and zoning ordinances and codes that may affect some of the mortgaged real properties that secure the underlying mortgage loans, which changes may have occurred after the construction of the improvements on these properties, the mortgaged real properties may not comply fully with current zoning laws because of:

- density;
- use;
- parking;
- set-back requirements; or
- other building related conditions.

These ordinance and/or code changes are not expected to materially interfere with the current use of the mortgaged real properties, and the depositor will represent that any instances of non-compliance will not materially and adversely affect the value of the related mortgaged real property. However, these changes may limit the ability of the related underlying borrower to rebuild the premises "as is" in the event of a substantial casualty loss, which in turn may adversely affect the ability of the underlying borrower to meet its mortgage loan obligations from cash flow. With some exceptions, the underlying mortgage loans secured by mortgaged real properties which no longer conform to current zoning ordinances and codes will require, or contain provisions under which the lender in its reasonable discretion may require, the underlying borrower to maintain "ordinance and law" coverage which, subject to the terms and conditions of such coverage, will insure the increased cost of construction to comply with current zoning ordinances and codes. Insurance proceeds may not be sufficient to pay off the related underlying mortgage loan in full. In addition, if the mortgaged real property were to be repaired or restored in conformity with then current law, its value could be less than the remaining balance on the underlying mortgage loan and it may produce less revenue than before repair or restoration.

In addition, with respect to certain of the underlying mortgage loans, the related mortgaged real properties may be non-conforming as to setbacks, parking and/or density, and in some cases ordinance and law insurance coverage may be in amounts less than generally required at origination of mortgage loans secured by similar properties.

To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

***Lending on Income-Producing Properties Entails Risks Related to Property Condition.*** With respect to all of the mortgaged real properties, a third-party engineering firm inspected the property to assess exterior walls, roofing, interior construction, mechanical and electrical systems and general condition of the site, buildings and other improvements located at each of the mortgaged real properties.

We cannot assure you that all conditions at the mortgaged real properties requiring repair or replacement have been identified in these inspections, or that all building code and other legal compliance issues have been identified through inspection or otherwise, or, if identified, have been adequately addressed by escrows or otherwise. Furthermore, the condition of the mortgaged real properties may have changed since the origination of the related underlying mortgage loans. Finally, with respect to certain mortgaged real properties, the loan documents may require the related underlying borrower to make certain repairs or replacements on the improvements on the

mortgaged real property within certain time periods. Some of these required repairs or replacements may be in progress as of the date of this offering circular supplement, and we cannot assure you that the related underlying borrowers will complete any such required repairs or replacements in a timely manner or in accordance with the requirements set forth in the loan documents. We cannot assure you that these circumstances will not adversely impact operations at or the value of the related mortgaged real properties. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL. See “Description of the TELs and Underlying Mortgage Loans—Underwriting Matters—Property Condition Assessments” in this offering circular supplement.

***World Events and Natural Disasters Could Have an Adverse Impact on the Mortgaged Real Properties Securing the Underlying Mortgage Loans and Consequently Could Reduce the Cash Flow Available to Make Payments on the Offered Certificates.*** The economic impact of the United States’ military operations in various parts of the world, as well as the possibility of any terrorist attacks domestically or abroad, is uncertain, but could have a material adverse effect on general economic conditions, consumer confidence, and market liquidity. We cannot assure you as to the effect of these events or other world events on consumer confidence and the performance of the underlying mortgage loans. Any adverse impact resulting from these events could ultimately be borne by the holders of one or more classes of certificates.

In addition, natural disasters, including earthquakes, floods and hurricanes, also may adversely affect the mortgaged real properties securing the underlying mortgage loans that back the offered certificates. For example, real properties located in California may be more susceptible to certain hazards (such as earthquakes or widespread fires) than properties in other parts of the country and mortgaged real properties located in coastal states generally may be more susceptible to hurricanes than properties in other parts of the country. Hurricanes and related windstorms, floods, tornadoes and oil spills have caused extensive and catastrophic physical damage in and to coastal and inland areas located in the eastern, mid-Atlantic and Gulf Coast regions of the United States and certain other parts of the eastern and southeastern United States. The underlying mortgage loans do not all require the maintenance of flood insurance for the related mortgaged real properties. We cannot assure you that any damage caused by hurricanes, windstorms, floods, tornadoes or oil spills would be covered by insurance. In addition, the National Flood Insurance Program (“NFIP”) is scheduled to expire on July 31, 2018. We cannot assure you if or when NFIP will be reauthorized by Congress. If NFIP is not reauthorized, it could have an adverse effect on the value of properties in flood zones or the borrowers’ ability to repair or rebuild after flood damage.

***Special Hazard Losses May Cause You to Suffer Losses on the Offered Certificates.*** In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of the improvements of a property by fire, lightning, explosion, smoke, windstorm and hail, and riot, strike and civil commotion, subject to the conditions and exclusions specified in the related policy. Most insurance policies typically do not cover any physical damage resulting from, among other things—

- war;
- nuclear, biological or chemical materials;
- revolution;
- governmental actions;
- floods and other water-related causes;
- earth movement, including earthquakes, landslides and mudflows;
- wet or dry rot;
- vermin; and
- domestic animals.

Unless the related loan documents specifically require (and such provisions were not waived) the underlying borrower to insure against physical damage arising from these causes, then any losses resulting from these causes may be borne by you as a holder of offered certificates.

If the related loan documents do not expressly require a particular type of insurance but permit the mortgagee to require such other insurance as is reasonable, the related underlying borrower may challenge whether maintaining that type of insurance is reasonable in light of all the circumstances, including the cost. The master servicer's efforts to require such insurance may be further impeded if the applicable Originator did not require the subject underlying borrower to maintain such insurance regardless of the terms of the related loan documents.

There is also a possibility of casualty losses on a mortgaged real property for which insurance proceeds, together with land value, may not be adequate to pay the underlying mortgage loan in full or rebuild the improvements. Consequently, we cannot assure you that each casualty loss incurred with respect to a mortgaged real property securing one of the underlying mortgage loans will be fully covered by insurance or that the underlying mortgage loan will be fully repaid in the event of a casualty. Any loss incurred on an underlying mortgage loan would be similarly incurred in an identical amount on the related TEL.

Furthermore, various forms of insurance maintained with respect to any of the mortgaged real properties for the underlying mortgage loans, including casualty insurance, may be provided under a blanket insurance policy. That blanket insurance policy will also cover other real properties, some of which may not secure underlying mortgage loans. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a property securing one of the underlying mortgage loans, thereby similarly reducing the amount recoverable on the related TEL.

We cannot assure you regarding the extent to which the mortgaged real properties securing the underlying mortgage loans will be insured against earthquake risks. See "Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Property Damage, Liability and Other Insurance" in this offering circular supplement for additional information relating to mortgaged real properties that are located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g but for which earthquake insurance was not required.

***The Absence or Inadequacy of Terrorism Insurance Coverage on the Mortgaged Real Properties May Adversely Affect Payments on the Certificates.*** Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested. In order to provide a market for such insurance, the Terrorism Risk Insurance Act of 2002 was enacted on November 26, 2002, establishing the "Terrorism Risk Insurance Program." The Terrorism Risk Insurance Program was extended through December 31, 2014 by the Terrorism Risk Insurance Program Reauthorization Act of 2007 and was subsequently reauthorized on January 12, 2015 for a period of six years through December 31, 2020 pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2015.

Under the Terrorism Risk Insurance Program, the federal government shares in the risk of losses occurring within the United States resulting from acts committed in an effort to influence or coerce United States civilians or the United States government. The federal share of compensation for insured losses of an insurer will be equal to 82% in 2018 (subject to annual decreases of 1% thereafter until equal to 80%) of the portion of such insured losses that exceed a deductible equal to 20% of the value of the insurer's direct earned premiums over the calendar year immediately preceding that program year. Federal compensation in any program year is capped at \$100 billion (with insurers being liable for any amount that exceeds such cap), and no compensation is payable with respect to a terrorist act unless the aggregate industry losses relating to such act exceed \$160 million in 2018 (subject to annual increases of \$20 million thereafter until equal to \$200 million).

The Terrorism Risk Insurance Program does not cover nuclear, biological, chemical or radiological attacks. Unless underlying borrowers obtain separate coverage for events that do not meet the thresholds or other requirements above, such events would not be covered.

If the Terrorism Risk Insurance Program is not reenacted after its expiration in 2020, premiums for terrorism insurance coverage will likely increase and the terms of such insurance policies may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available. We cannot assure you that the Terrorism Risk Insurance Program will create any long term changes in the availability and cost of

insuring terrorism risks. In addition, we cannot assure you that terrorism insurance or the Terrorism Risk Insurance Program will be available or provide sufficient protection against risks of loss on the mortgaged real properties resulting from acts of terrorism.

The applicable Governmental Authority required the related underlying borrower to obtain terrorism insurance with respect to each of the underlying mortgage loans, the cost of which, in some cases, may be subject to a maximum amount as set forth in the related loan documents. The master servicer will not be obligated to require any underlying borrower to obtain or maintain terrorism insurance in excess of the amounts of coverage and deductibles required by the loan documents. The master servicer will not be required to declare a default under an underlying mortgage loan if the related underlying borrower fails to maintain insurance with respect to acts of terrorism, and the master servicer need not maintain (or require the underlying borrower to obtain) such insurance, if certain conditions are met, as described under “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Property Damage, Liability and Other Insurance” in this offering circular supplement.

The loan documents may permit the lender to temporarily suspend, cap or otherwise limit the requirement that the underlying borrower maintain insurance against acts of terrorism for a period not longer than one year, which suspension, waiver or cap may be renewed by the lender in one year increments, if insurance against acts of terrorism is not available at commercially reasonable rates and such hazards are not at the time commonly insured against for properties similar to the related mortgaged real property and located in and around the region where the mortgaged real property is located.

We cannot assure you regarding the extent to which the mortgaged real properties securing the underlying mortgage loans will be insured against acts of terrorism.

If any mortgaged real property securing an underlying mortgage loan sustains damage as a result of an uninsured terrorist or similar act, a default on such underlying mortgage loan may result, and such damaged mortgaged real property may not provide adequate collateral to satisfy all amounts owing under such underlying mortgage loan, and therefore the related TEL. This could result in losses on some classes of certificates, subject to the Freddie Mac Guarantee.

If an underlying borrower is required, under the circumstances described above, to maintain insurance coverage with respect to terrorist or similar acts, the underlying borrower may incur higher costs for insurance premiums in obtaining that coverage which would have an adverse effect on the net cash flow of the related mortgaged real property.

***The Absence or Inadequacy of Earthquake, Flood and Other Insurance May Adversely Affect Payments on the Certificates.*** The mortgaged real properties may suffer casualty losses due to risks that are not covered by insurance or for which insurance coverage is inadequate. In addition, certain of the mortgaged real properties are located in regions that have historically been at greater risk regarding acts of nature (such as hurricanes, floods and earthquakes) than other regions, as applicable. There is no assurance that underlying borrowers under the underlying mortgage loans will be able to maintain adequate insurance. Moreover, if reconstruction or any major repairs are required, changes in laws may materially affect the underlying borrower’s ability to effect such reconstruction or major repairs or may materially increase the costs of reconstruction and repair. As a result of any of these factors, the amount available to make distributions on the offered certificates could be reduced.

***Compliance with Americans with Disabilities Act May Result in Additional Costs to Underlying Borrowers.*** Under the Americans with Disabilities Act of 1990, as amended (the “ADA”), all existing facilities considered to be “public accommodations” are required to meet certain federal requirements related to access and use by disabled persons such that the related underlying borrower is required to take steps to remove architectural and communication barriers that are deemed “readily achievable” under the ADA. Factors to be considered in determining whether or not an action is “readily achievable” include the nature and cost of the action, the number of persons employed at the related mortgaged real property and the financial resources of the underlying borrower. To the extent a mortgaged real property securing an underlying mortgage loan does not comply with the ADA, the underlying borrower may be required to incur costs to comply with this law. We cannot assure you that the underlying borrower will have the resources to comply with the requirements imposed by the ADA, which could result in the imposition of fines by the federal government or an award of damages to private litigants. To the extent

these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

**Limited Information Causes Uncertainty.** Certain of the underlying mortgage loans are loans that were made to enable the related underlying borrower to acquire the related mortgaged real property. Accordingly, for certain of these underlying mortgage loans limited or no historical operating information is available with respect to the related mortgaged real property. As a result, you may find it difficult to analyze the historical performance of those properties. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

**Litigation May Adversely Affect Property Performance.** There may be pending or, from time to time, threatened legal proceedings against the underlying borrowers, the property managers and their respective affiliates, arising out of the ordinary business of those underlying borrowers, property managers and affiliates. See “Description of the TELs and Underlying Mortgage Loans— Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Litigation” in this offering circular supplement for additional information relating to such pending or threatened litigation. We cannot assure you that litigation will not adversely impact operations at or the value of the applicable mortgaged real properties or the related TELs or will not have a material adverse effect on your investment. See “—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan” and “—Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan” above.

**Master Servicer and Special Servicer May Be Directed to Take Actions.** In connection with the servicing of Specially Serviced Mortgage Loans by the special servicer and the servicing of non-Specially Serviced Mortgage Loans by the master servicer, the master servicer or the special servicer may, at the direction of the Approved Directing Certificateholder (if any), take actions with respect to such loans that could adversely affect the holders of some or all of the classes of certificates. The Approved Directing Certificateholder (if any) may have interests that conflict with those of certain certificateholders. As a result, it is possible that the Approved Directing Certificateholder (if any) may direct the master servicer or the special servicer to take actions that conflict with the interests of certain classes of certificates. However, the master servicer and the special servicer are not permitted to take actions that are prohibited by law or violate the Servicing Standard or the terms of the loan documents.

See “—The Master Servicer, the Special Servicer and any Sub-Servicers May Experience Conflicts of Interest” above and “The Pooling Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” in this offering circular supplement.

**We May Become Subject to Receivership Laws That May Affect the Issuing Entity’s Ownership of the Underlying Mortgage Loans.** In the event of the receivership of Freddie Mac, it is possible the issuing entity’s right to payment resulting from ownership of the TELs could be challenged, and if such challenge were successful, delays or reductions in payments on the certificates could occur. See “—Risks Relating to the Depositor and Guarantor” below and “Description of the Depositor and Guarantor” in this offering circular supplement.

**One Action Rules May Limit Remedies.** Several states, including California, have laws that prohibit more than one “judicial action” to enforce a mortgage obligation, and some courts have construed the term “judicial action” broadly. Accordingly, the special servicer is required to obtain advice of counsel prior to enforcing any of the issuing entity’s legal rights under any of the underlying mortgage loans that are secured by mortgaged real properties located where the “one action” rules could be applicable. In the case of an underlying mortgage loan that is secured by mortgaged real properties located in multiple states, the special servicer may be required to foreclose first on properties located in states where the “one action” rules apply, and where non-judicial foreclosure is permitted, before foreclosing on properties located in states where judicial foreclosure is the only permitted method of foreclosure.

**Tax Considerations Related to Foreclosure.** Under the Pooling Agreement, the special servicer, on behalf of the issuing entity, among others, may acquire one or more mortgaged real properties pursuant to a foreclosure or deed-in-lieu of foreclosure. In addition, if the special servicer, on behalf of the issuing entity, among others, were to acquire one or more mortgaged real properties pursuant to a foreclosure or deed-in-lieu of foreclosure, upon acquisition of those mortgaged real properties, it may be required in certain jurisdictions, particularly in California

and New York, to pay state or local transfer or excise taxes upon liquidation of such properties. Such state or local taxes may reduce net proceeds available for distribution to the certificateholders.

***Holders of Offered Certificates May Recognize Taxable Income or Gain.*** In certain circumstances, holders of Offered Certificates may have income or gain that is treated as taxable income or gain, including with respect to Taxable Guarantor Payments, income from REO Properties and prepayment premiums. See “Certain Federal Income Tax Consequences” in this offering circular supplement.

### **Risks Related to the Offered Certificates**

***Certain Income on the Certificates Will Not be Tax-Exempt.*** A portion of the interest payments on the class A certificates may represent Taxable Guarantor Payments. Taxable Guarantor Payments will be treated as received in respect of a separate contractual arrangement for federal income tax purposes that will be treated as a notional principal contract for federal income tax purposes, and income with respect to such contract will not be treated as tax-exempt interest.

To the extent holders of certificates receive a portion of any Static Prepayment Premiums or Yield Maintenance Charges collected in respect of any of the underlying mortgage loans, such amounts will be treated as taxable gain and will not be treated as tax-exempt interest.

See “Certain Federal Income Tax Consequences” in this offering circular supplement.

***The Certificates May Lose Their Tax-Exempt Status.*** The interest on the certificates may be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the certificates for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance by the underlying borrowers with certain restrictions regarding investment of TEL proceeds and continuing compliance by the underlying borrowers with any applicable regulatory agreements. Failure of the underlying borrowers to comply with the terms and conditions of the documents relating to the TELs may result in the loss of the tax-exempt status of the interest on the certificates retroactive to the date of issuance of the certificates. See “Certain Federal Income Tax Consequences” in this offering circular supplement.

Moreover, we cannot assure you that the present advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified. Such amendment or modification could result in the inclusion in gross income of the interest on the certificates for federal income tax purposes or otherwise eliminate or reduce the benefits of the present advantageous tax treatment of the certificates. There can be no assurance that Congress will not adopt legislation applicable to the certificates, the underlying borrowers or the related mortgaged real properties, or that the underlying borrowers would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of certain interest payments on the certificates.

If interest on the certificates loses its tax-exempt status or is otherwise required to be included in gross income of a holder of such certificates for federal income tax purposes, the market for, and value of, the certificates would be adversely affected.

***The Issuing Entity’s Assets May Be Insufficient to Allow for Repayment in Full on the Offered Certificates.*** The offered certificates do not represent obligations of any person or entity and do not represent a claim against any assets other than those of the issuing entity. Other than as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement, no governmental agency or instrumentality will guarantee or insure payment on the offered certificates. In addition, neither we nor our affiliates are responsible for making payments on the offered certificates if collections on the TELs are insufficient. If the collections on the TELs are insufficient to make payments on the offered certificates, other than as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement, no other assets will be available to you for payment of the deficiency, and you will bear the resulting loss. Any advances made by the master servicer or other party with respect to the underlying mortgage loans are intended solely to provide liquidity and not credit support. The party making those advances will have a right to reimbursement, with interest, which is senior to your right to receive payment on the offered certificates.

***Credit Support Is Limited and May Not Be Sufficient to Prevent Loss on the Offered Certificates.*** Any use of credit support will be subject to the conditions and limitations described in this offering circular supplement and may not cover all potential losses or risks.

Although subordination is intended to reduce the risk to holders of senior certificates of delinquent distributions or ultimate losses, the amount of subordination will be limited and may decline if losses are incurred on the TELs.

The Freddie Mac Guarantee is intended to provide credit enhancement to the offered certificates as described in this offering circular supplement by increasing the likelihood that holders of the offered certificates will receive (i) timely payments of interest, (ii) payment of principal to holders of the class A certificates on the distribution date immediately following the maturity date of each underlying mortgage loan, (iii) reimbursement of Realized Losses (including as a result of Additional Issuing Entity Expenses) allocated to the class A certificates and (iv) ultimate payment of principal by the Assumed Final Distribution Date to the holders of the class A certificates. If, however, Freddie Mac were to experience significant financial difficulties, or if the Conservator placed Freddie Mac in receivership and Freddie Mac's guarantee was repudiated as described in "—Risks Relating to the Depositor and Guarantor" below, the credit enhancement provided by the Freddie Mac Guarantee may be insufficient and the holders of offered certificates may suffer losses as a result of the various contingencies described in this "Risk Factors" section and elsewhere in this offering circular supplement. See "Description of the Certificates—Distributions—Freddie Mac Guarantee" in this offering circular supplement for a detailed description of the Freddie Mac Guarantee. The offered certificates are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.

When making an investment decision, you should consider, among other things—

- the distribution priorities of the respective classes of certificates;
- the order in which the outstanding principal balances of the respective classes of certificates with outstanding principal balances will be reduced in connection with losses and default-related shortfalls (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee); and
- the characteristics and quality of the TELs and the related underlying mortgage loans.

***The Class X Certificates Provide Credit Support to the Class A Certificates.*** Because the class X certificates provide credit support to the class A certificates with respect to the right to receive interest distributions, any shortfalls in the Net Interest Collections will result in shortfalls in interest distributions to the class X certificates before they result in shortfalls in interest distributions to the class A certificates. Any such shortfalls to the class X certificates will also negatively impact the yield to maturity of the class X certificates (subject to the Freddie Mac Guarantee).

***The Offered Certificates Have Uncertain Yields to Maturity.*** The yield on the offered certificates will depend on, among other things—

- the price you pay for the offered certificates; and
- the rate, timing and amount of distributions on the offered certificates.

The rate, timing and amount of distributions on the offered certificates will depend on, among other things—

- the pass-through rate for, and the other payment terms of, the offered certificates;
- the rate and timing of payments and other collections of principal on the TELs;
- the rate and timing of defaults, and the severity of losses, if any, on the TELs;
- the rate, timing, severity and allocation of other shortfalls and expenses that reduce amounts available for distribution on the certificates (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee as further described in this offering circular supplement);
- the collection and payment, or waiver, of Static Prepayment Premiums, Yield Maintenance Charges and/or other prepayment premiums with respect to the TELs; and

- servicing decisions with respect to the underlying mortgage loans.

These factors cannot be predicted with any certainty. Accordingly, you may find it difficult to analyze the effect that these factors might have on the yield to maturity of the offered certificates.

If you purchase class A certificates at a premium, and if payments and other collections of principal on the TELs occur at a rate faster than you anticipated at the time of your purchase, then your actual yield to maturity may be lower than you had assumed at the time of your purchase. Conversely, if you purchase class A certificates at a discount, and if payments and other collections of principal on the TELs occur at a rate slower than you anticipated at the time of your purchase, then your actual yield to maturity may be lower than you had assumed at the time of your purchase.

If you purchase class X certificates, your yield to maturity will be particularly sensitive to the rate and timing of principal payments on the TELs and the extent to which those amounts are applied to reduce the notional amounts of those certificates. Each distribution of principal in reduction of the outstanding principal balance of any of the class A or B certificates will result in a reduction in the notional amount of the class X certificates. Your yield to maturity may also be adversely affected by—

- the repurchase of any TELs by the depositor in connection with a material breach of a representation and warranty or a material document defect, as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement;
- the purchase of a Defaulted TEL by the directing certificateholder or the depositor pursuant to its purchase option under the Pooling Agreement;
- the purchase of the Defaulted TEL by the holder of any subordinate debt or mezzanine debt pursuant to its purchase option under the related intercreditor agreement;
- the timing of defaults and liquidations of TELs; and
- the termination of the issuing entity, as described under “The Pooling Agreement—Termination” in this offering circular supplement.

In addition, the entitlement to interest of the class X certificates will be reduced, and could be reduced to zero, as a result of (i) an increase in LIBOR, or (ii) with respect to the TELs that bear interest based on SIFMA, an increase in LIBOR relative to SIFMA, or (iii) as a result of a decrease in the Weighted Average Net Mortgage Pass-Through Rate due to a faster rate of prepayment on the TELs with higher Net Mortgage Interest Rates than the Weighted Average Net Mortgage Pass-Through Rate. Any such reduction will negatively impact the yield to maturity of the class X certificates and will not be covered under the Freddie Mac Guarantee.

Prior to investing in the class X certificates, you should fully consider the associated risks, including the risk that an extremely rapid rate of amortization, prepayment or other liquidation of the TELs could result in your failure to recover fully your initial investment. See “Yield and Maturity Considerations—Yield Sensitivity of the Class X Certificates” in this offering circular supplement.

In addition, the amounts payable to the class X certificates will vary with changes in the total outstanding principal balance of the Principal Balance Certificates. The class X certificates will be adversely affected if underlying mortgage loans, and their related TELs, with relatively high interest rates experience a faster rate of principal payments than underlying mortgage loans, and their related TELs, with relatively low mortgage interest rates.

The yields on the offered certificates with variable or capped pass-through rates could also be adversely affected if underlying mortgage loans, and their related TELs, with relatively high net mortgage interest rates pay principal faster than the underlying mortgage loans, and their related TELs, with relatively low net mortgage interest rates.

If an underlying borrower prepays the underlying mortgage loan, the related TEL will also be prepaid. Generally, an underlying borrower is less likely to prepay if prevailing interest rates are at or above the interest rate borne by its mortgage loan. On the other hand, an underlying borrower is more likely to prepay if prevailing rates fall significantly below the interest rate borne by its mortgage loan. Underlying borrowers are less likely to prepay

mortgage loans with lockout periods, Yield Maintenance Charge provisions or Static Prepayment Premium provisions, to the extent enforceable, than otherwise identical mortgage loans without these provisions or with shorter lockout periods or with lower or no Yield Maintenance Charges or Static Prepayment Premiums. None of the master servicer, the special servicer or any sub-servicers will be required to advance and the Freddie Mac Guarantee does not cover any Yield Maintenance Charges, Static Prepayment Premiums or other prepayment premiums for the offered certificates.

Delinquencies on the TELs, if the delinquent amounts are not advanced, may result in shortfalls in distributions of interest and/or principal to the holders of the offered certificates for the current month (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee). Furthermore, no interest will accrue on this shortfall during the period of time that the payment is delinquent. Even if losses on the TELs are not allocated to the class A certificates, the losses may affect the weighted average life and yield to maturity of the class A certificates. Losses on the TELs, even if not allocated to the class A certificates, may result in a higher percentage ownership interest evidenced by the class A certificates in the remaining TELs than would otherwise have resulted absent the loss. The consequent effect on the weighted average lives and yields to maturity of the offered certificates will depend on the characteristics of the remaining TELs. If defaults are material and non-monetary, the special servicer may still accelerate the maturity of the underlying mortgage loan which could result in an acceleration of payments to the certificateholders.

Shortfalls in the Available Distribution Amount resulting from Net Aggregate Prepayment Interest Shortfalls will generally be allocated to all classes of interest-bearing certificates, on a *pro rata* basis, based on interest accrued. However, such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee. See “Description of the Certificates—Distributions—Interest Distributions” in this offering circular supplement.

Provisions requiring prepayment premiums or charges may not be enforceable in some states and under federal bankruptcy law, and may constitute interest for usury purposes. Accordingly, we cannot assure you that the obligation to pay a Yield Maintenance Charge or Static Prepayment Premium will be enforceable or, if enforceable, that the foreclosure proceeds will be sufficient to pay the Yield Maintenance Charge or Static Prepayment Premium in connection with an involuntary prepayment. In general, Yield Maintenance Charges and Static Prepayment Premiums will be among the last items payable out of foreclosure proceeds. Additionally, although the collateral substitution provisions related to defeasance are not intended to be, and do not have the same effect on the certificateholders as a prepayment, we cannot assure you that a court would not interpret these provisions as requiring a Yield Maintenance Charge or Static Prepayment Premium, which may be unenforceable or usurious under applicable law.

See “Yield and Maturity Considerations” in this offering circular supplement.

***Optional Early Termination of the Issuing Entity May Result in an Adverse Impact on Your Yield or May Result in a Loss.*** The certificates will be subject to optional early termination by means of the purchase of the TELs and/or REO Properties in the issuing entity at the time and for the price described in “The Pooling Agreement—Termination” in this offering circular supplement. We cannot assure you that the proceeds from a sale of the TELs and/or REO Properties will be sufficient to distribute the outstanding certificate balance plus accrued interest and any undistributed shortfalls in interest accrued on the certificates that are subject to the termination. Accordingly, the holders of certificates affected by such a termination may suffer an adverse impact on the overall yield on their certificates, may experience repayment of their investment at an unpredictable and inopportune time or may even incur a loss on their investment, subject to the Freddie Mac Guarantee in the case of the offered certificates. See “The Pooling Agreement—Termination” in this offering circular supplement.

***Commencing Legal Proceedings Against Parties to the Pooling Agreement May Be Difficult.*** The trustee may not be required to commence legal proceedings against third parties at the direction of any certificateholders unless, among other conditions, at least 25% of the voting rights (determined without notionally reducing the outstanding principal balances of the Principal Balance Certificates by any Appraisal Reduction Amounts) associated with the certificates join in the demand and offer indemnification satisfactory to the trustee. Those certificateholders may not commence legal proceedings themselves with respect to the Pooling Agreement or the certificates unless the trustee has refused to institute proceedings after the conditions described in the proceeding

sentence have been satisfied. These provisions may limit your personal ability to enforce the provisions of the Pooling Agreement.

***The Limited Nature of Ongoing Information May Make It Difficult for You to Resell the Certificates.*** The primary source of ongoing information regarding your certificates, including information regarding the status of the related TELs, will be the periodic reports delivered by the certificate administrator described under the heading “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this offering circular supplement. We cannot assure you that any additional ongoing information regarding your certificates will be available through any other source. In addition, the depositor is not aware of any source through which price information about the certificates will be generally available on an ongoing basis. The limited nature of the information regarding the certificates may adversely affect the liquidity of the offered certificates, even if a secondary market for the certificates is available. There will have been no secondary market for the certificates prior to this offering. We cannot assure you that a secondary market will develop or, if it does develop, that it will provide you with liquidity of investment or continue for the lives of the offered certificates. The market value of the certificates will fluctuate with changes in prevailing rates of interest or other credit related market changes. Consequently, the sale of the certificates in any market that may develop may be at a discount from the related par value or purchase price.

***The Right of the Master Servicer and the Trustee to Receive Interest on Advances, and the Right of the Special Servicer to Receive Servicing Compensation, May Result in Additional Losses to the Issuing Entity.*** The master servicer and the trustee will each be entitled to receive interest on unreimbursed advances made by it. This interest will generally accrue from the date on which the related advance is made through the date of reimbursement. In addition, under certain circumstances, including a default by the underlying borrower in the payment of principal and interest on an underlying mortgage loan, that underlying mortgage loan will become specially serviced and the special servicer will be entitled to compensation for performing special servicing functions under the Pooling Agreement. The right to receive these distributions of interest and compensation is senior to the rights of holders to receive distributions on the offered certificates and, consequently, may result in losses being allocated to the offered certificates that would not have resulted absent the accrual of this interest.

***Insolvency Proceedings with Respect to the Master Servicer, the Special Servicer, the Trustee or the Certificate Administrator May Adversely Affect Collections on the TELs and Underlying Mortgage Loans and the Ability to Replace the Master Servicer, the Special Servicer, the Trustee or the Certificate Administrator.*** The master servicer, the special servicer, the trustee or the certificate administrator for the certificates may be eligible to become a debtor under the United States Bankruptcy Code or enter into receivership under the Federal Deposit Insurance Act or, in the case of Freddie Mac, be placed into receivership by FHFA. Should this occur, although the issuing entity may be entitled to the termination of any such party, such provision may not be enforceable. An assumption under the Bankruptcy Code of its responsibilities under the Pooling Agreement would require the master servicer, the special servicer, the trustee or the certificate administrator to cure any of its pre-bankruptcy defaults and demonstrate that it is able to perform following assumption. The impact of insolvency by an entity governed by state insolvency law would vary depending on the laws of the particular state. We cannot assure you that a bankruptcy or receivership of the master servicer, the special servicer, the trustee or the certificate administrator would not adversely impact the servicing or administration of the TELs and the related underlying mortgage loans or that the issuing entity would be entitled to terminate any such party in a timely manner or at all.

If the master servicer, the special servicer, the trustee or the certificate administrator becomes the subject of bankruptcy, receivership or similar proceedings, claims by the issuing entity to funds in the possession of the master servicer, the special servicer, the trustee or the certificate administrator at the time of the bankruptcy filing or other similar filing may not be perfected due to the circumstances of any bankruptcy or similar proceedings. In this event, funds available to pay principal and interest on the certificates may be delayed or reduced.

***Inability to Replace the Master Servicer Could Affect Collections and Recoveries on the TELs.*** The structure of the master servicing fee and master servicer surveillance fee payable to the master servicer might affect the ability of the trustee to find a replacement master servicer. Although the trustee is required to replace the master servicer if the master servicer is terminated or resigns, if the trustee is unwilling (including for example because the master servicing fee and master servicer surveillance fee are insufficient) or unable (including for example, because the trustee does not have the computer systems required to service mortgage loans), it may be necessary to appoint a replacement master servicer. Because the master servicing fee and master servicer surveillance fee are structured as

a percentage of the Stated Principal Balance of each TEL, it may be difficult to replace the master servicer at a time when the balance of the TELs has been significantly reduced because the fees may be insufficient to cover the costs associated with servicing the TELs and/or related REO Properties remaining in the mortgage pool. The performance of the TELs may be negatively impacted, beyond the expected transition period during a servicing transfer, if a replacement master servicer is not retained within a reasonable amount of time.

***The Terms of the TELs Will Affect Payments on the Offered Certificates.*** Each of the TELs will specify the terms on which the related underlying borrower must repay the outstanding principal amount of the loan. The rate, timing and amount of scheduled payments of principal may vary, and may vary significantly, from mortgage loan to mortgage loan. The rate at which the TELs amortize will directly affect the rate at which the principal balance or notional amount of the offered certificates is paid down or otherwise reduced.

In addition, the underlying mortgage loans may permit the related underlying borrower during some of the loan term to prepay the loan, which would result in a prepayment of the TEL. In general, an underlying borrower will be more likely to prepay its mortgage loan when it has an economic incentive to do so, such as obtaining a larger loan on the same mortgaged real property or a lower or otherwise more advantageous interest rate through refinancing. If an underlying mortgage loan includes some form of prepayment restriction, the likelihood of prepayment should decline. These restrictions may include an absolute or partial prohibition against voluntary prepayments during some of the loan term, during which voluntary principal prepayments are prohibited or a requirement that voluntary prepayments made during a specified period of time be accompanied by a Static Prepayment Premium or Yield Maintenance Charge.

In certain instances, however, there will be no restriction associated with the application of insurance proceeds or condemnation proceeds as a prepayment of principal. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Release of Property Through Defeasance or Prepayment” in this offering circular supplement.

***The Terms of the TELs Do Not Provide Absolute Certainty as Regards the Rate, Timing and Amount of Payments on the Offered Certificates.*** The amount, rate and timing of payments and other collections on the TELs will be unpredictable because of possible underlying borrower defaults and prepayments on the TELs and possible casualties or condemnations with respect to the mortgaged real properties.

The investment performance of the offered certificates may vary materially and adversely from your expectations due to—

- the rate of prepayments and other unscheduled collections of principal on the TELs being faster or slower than you anticipated;
- the rate of defaults on the TELs being faster, or the severity of losses on the TELs being greater, than you anticipated;
- the actual net cash flow for the TELs being different than the underwritten net cash flow for the TELs as presented in this offering circular supplement; or
- the debt service coverage ratios for the TELs as set forth in the related loan documents being different than the debt service coverage ratios for the TELs as presented in this offering circular supplement.

The actual yield to you, as a holder of an offered certificate, may not equal the yield you anticipated at the time of your purchase, and the total return on investment that you expected may not be realized. In deciding whether to purchase any offered certificates, you should make an independent decision as to the appropriate prepayment, default and loss assumptions to be used.

See “Yield and Maturity Considerations” in this offering circular supplement.

***Prepayments on the Underlying Mortgage Loans and the TELs Will Affect the Average Lives of the Offered Certificates; and the Rate and Timing of Those Prepayments May Be Highly Unpredictable.*** Payments of principal and/or interest on the offered certificates will depend on, among other things, the rate and timing of payments on the underlying mortgage loans and the TELs. Prepayments on the underlying mortgage loans and the TELs may result in a faster rate of principal payments on the class A certificates, thereby resulting in a shorter

average life for the offered certificates than if those prepayments had not occurred. The rate and timing of principal prepayments on pools of mortgage loans is influenced by a variety of economic, demographic, geographic, social, tax and legal factors. Although many of the underlying mortgage loans and the TELs provide for prepayment lockout periods which cover a substantial portion of the loan terms, prepayments may still occur during such periods as a result of a casualty or condemnation event. In addition, prepayments may occur in connection with a release of a mortgaged real property securing a cross-collateralized TEL or in connection with a permitted partial release of a mortgaged real property. See “Risk Factors—Risk Related to the TELs and Underlying Mortgage Loans—All of the TELs are Secured by Underlying Mortgage Loans That Are Themselves Secured by Multifamily Rental Properties, Thereby Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties” and “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Release of Property Through Defeasance or Prepayment” in this offering circular supplement.

In addition, any repurchase of a TEL by the depositor due to a defect or breach of a representation or warranty will have the same effect as a prepayment of such TEL. See “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement.

Accordingly, we cannot predict the rate and timing of principal prepayments on the underlying mortgage loans and the TELs. As a result, repayment of the offered certificates could occur significantly earlier or later, and the average lives of the offered certificates could be significantly shorter or longer, than you expected.

The extent to which prepayments on the underlying mortgage loans and the TELs ultimately affect the average lives of the offered certificates depends on the terms and provisions of the offered certificates. A class of offered certificates may entitle the holders to a *pro rata* share of any prepayments on the TELs, to all or a disproportionately large share of those prepayments, or to none or a disproportionately small share of those prepayments. If you are entitled to a disproportionately large share of any prepayments on the TELs, the offered certificates may be retired at an earlier date. If, however, you are only entitled to a small share of the prepayments on the TELs, the average lives of the offered certificates may be extended. Your entitlement to receive payments, including prepayments, of principal of the TELs may—

- vary based on the occurrence of specified events, such as the retirement of one or more other classes of certificates; or
- be subject to various contingencies, such as prepayment and default rates with respect to the TELs.

***Potential Conflicts of Interest of the Depositor and the Placement Agents.*** The depositor and the placement agents and certain of the placement agents’ affiliates own, lease or manage a number of properties other than the mortgaged real properties and may acquire additional properties in the future. Such other properties, similar to other third-party owned real estate, may compete with the mortgaged real properties for existing and potential tenants. We cannot assure you that the activities of the depositor, the placement agents or the placement agents’ affiliates with respect to such other properties will not adversely impact the performance of the mortgaged real properties.

The depositor may also have ongoing relationships with the underlying borrowers under the underlying mortgage loans. If any of the underlying mortgage loans are refinanced, the depositor may purchase the refinanced loan. The depositor may be influenced by its desire to maintain good ongoing relationships with the underlying borrowers.

The depositor, the placement agents and the placement agents’ affiliates may benefit from this offering in a number of ways, some of which may be inconsistent with the interests of certificateholders. The depositor, the placement agents and certain of the placement agents’ affiliates may benefit from a completed offering of the certificates because the offering would establish a market precedent and a valuation data point for securities similar to the certificates, thus enhancing the ability of the depositor, the placement agents and certain of the placement agents’ affiliates to conduct similar offerings in the future and permitting them to write up, avoid writing down or otherwise adjust the fair value of the TELs or other similar loans or securities held on their balance sheet.

Each of these relationships should be considered carefully by you before you invest in any of the certificates.

***Potential Conflicts of Interest of the Placement Agents and Their Affiliates.*** We will offer the offered certificates to investors through placement agents. The activities of those placement agents and their respective affiliates (collectively, the “Placement Agent Entities”) may result in certain conflicts of interest. The Placement Agent Entities may retain, or own in the future, classes of certificates and any voting rights of those classes could be exercised by any such Placement Agent Entity in a manner that could adversely impact one or more classes of certificates. If that were to occur, that Placement Agent Entity’s interests may not be aligned with the interests of other holders of the certificates.

The Placement Agent Entities include broker-dealers whose businesses include executing securities and derivative transactions on their own behalf as principals and on behalf of clients. As such, they actively make markets in and trade financial instruments for their own accounts and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Placement Agent Entities’ activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which the Placement Agent Entities take positions, or expect to take positions, include loans similar to the TELs and/or the underlying mortgage loans, securities and instruments similar to the certificates, and other securities and instruments. Market making is an activity where the Placement Agent Entities buy and sell on behalf of customers, or for their own accounts, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that the Placement Agent Entities will take positions that are inconsistent with, or adverse to, the investment objectives of investors in one or more classes of the certificates.

As a result of the Placement Agent Entities’ various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, you should expect that personnel in various businesses throughout the Placement Agent Entities will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in one or more classes of the certificates.

To the extent a Placement Agent Entity makes a market in the certificates (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the certificates. The price at which a Placement Agent Entity may be willing to purchase the certificates, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the certificates and significantly lower than the price at which it may be willing to sell the certificates.

In addition, the Placement Agent Entities will have no obligation to monitor the performance of the certificates or the actions of the master servicer, the special servicer, the certificate administrator, the trustee, Freddie Mac or the directing certificateholder, and will have no authority to advise such parties or to direct their actions. Furthermore, the Placement Agent Entities may have ongoing relationships with, render services to, and engage in transactions with the underlying borrowers, the sponsors of the underlying borrowers and their respective affiliates, which relationships and transactions may create conflicts of interest between the Placement Agent Entities, on the one hand, and the issuing entity, on the other hand.

Furthermore, the Placement Agent Entities expect that a completed offering will enhance their ability to assist clients and counterparties in the transaction or in related transactions (including assisting clients in additional purchases and sales of the certificates and hedging transactions). The Placement Agent Entities expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the Placement Agent Entities’ relationships with various parties, facilitate additional business development, and enable them to obtain additional business and generate additional revenue.

Wells Fargo Securities, LLC is one of the placement agents for the certificates and is affiliated with Wells Fargo Bank, which is the special servicer for the Manors I And II Apartments TEL and Mortgage Loan and an Originator. This relationship should be considered carefully before making an investment in any class of certificates.

***Your Lack of Control Over the Issuing Entity Can Adversely Impact Your Investment.*** Except as described below, investors in the certificates do not have the right to make decisions with respect to the administration of the issuing entity. These decisions are generally made, subject to the express terms of the Pooling Agreement, by the

master servicer, the special servicer, the certificate administrator and the trustee. Any decision made by any of those parties in respect of the issuing entity in accordance with the terms of the Pooling Agreement, even if it determines that decision to be in your best interests, may be contrary to the decision that you would have made and may negatively affect your interests.

However, the directing certificateholder and Freddie Mac or its designee have the right to exercise various rights and powers in respect of the issuing entity as described under “The Pooling Agreement—Realization Upon Mortgage Loans” and “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this offering circular supplement.

In addition, in certain limited circumstances, certificateholders have the right to vote on matters affecting the issuing entity. In some cases, these votes are by certificateholders taken as a whole and in others the vote is by class. Your interests as a certificateholder of a particular class may not be aligned with the interests of certificateholders of one or more other classes of certificates in connection with any such vote. In all cases, voting is based on the outstanding certificate balance, which is reduced by Realized Losses. These limitations on voting could adversely affect your ability to protect your interests with respect to matters voted on by certificateholders. See “Description of the Certificates—Voting Rights” in this offering circular supplement.

A certificate registered in the name of the trustee, the certificate administrator, the master servicer, the special servicer, Freddie Mac, or any affiliate of any of them, as applicable, will be deemed not to be outstanding and the voting rights to which it is entitled will not be taken into account for the purposes of giving any consent, approval or waiver pursuant to the Pooling Agreement with respect to the rights, obligations or liabilities of such party, as further described under “Description of the Certificates—Voting Rights” in this offering circular supplement.

***The Interests of the Directing Certificateholder or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders.*** Any advice provided by Freddie Mac (in its capacity as servicing consultant or otherwise) may conflict with the interests of one or more classes of certificateholders. In addition, the directing certificateholder and Freddie Mac or their respective designees have the right to exercise the various rights and powers in respect of the mortgage pool described under “The Pooling Agreement—Realization Upon Mortgage Loans” in this offering circular supplement. You should expect that the directing certificateholder and Freddie Mac or their respective designees will each exercise those rights and powers on behalf of itself, and they will not be liable to any certificateholders for doing so. However, certain matters relating to Affiliated Borrower Loans will require the special servicer to act in place of the directing certificateholder. See “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement.

In certain instances, the Approved Directing Certificateholder (if any) will be entitled under the Pooling Agreement to receive a portion of certain borrower-paid transfer fees and collateral substitution fees. Such Approved Directing Certificateholder may have an incentive to maximize the amount of fees it collects by approving borrower actions that will result in the payment of such fees. As a result, such Approved Directing Certificateholder may have interests that conflict with those of other holders of certificates. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

In addition, subject to the conditions described under “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this offering circular supplement, the directing certificateholder may remove the special servicer, with or without cause, and appoint a successor special servicer chosen by it without the consent of the holders of any other certificates, the trustee, the certificate administrator or the master servicer, but with the approval of Freddie Mac, which approval may not be unreasonably withheld. Also, if at any time an Affiliated Borrower Special Servicer Loan Event occurs (other than with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and is described in the definition of “Affiliated Borrower Special Servicer Loan Event”), the Pooling Agreement will require that the special servicer promptly resign as special servicer of the related Affiliated Borrower Special Servicer Loan and, in the case where such Affiliated Borrower Special Servicer Loan is not an Affiliated Borrower Loan, the directing certificateholder will have the right to select the successor Affiliated Borrower Special Servicer to act as the special servicer with respect to such Affiliated Borrower Special Servicer Loan, in accordance with the requirements of the Pooling Agreement. See “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” and “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master

Servicer, the Special Servicer and any Sub-Servicer.” The initial directing certificateholder will be a holder of the class B certificates. The directing certificateholder is therefore likely to have interests that conflict with those of the holders of the offered certificates. See “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

***You May Be Bound by the Actions of Other Certificateholders.*** In some circumstances, the consent or approval of the holders of a specified percentage of the certificates will be required in order to direct, consent to or approve certain actions, including amending the Pooling Agreement. In these cases, this consent or approval will be sufficient to bind all holders of certificates.

***The Volatile Economy and Credit Disruptions May Adversely Affect the Value and Liquidity of Your Investment.*** In recent years, the real estate and securitization markets, including the market for commercial and multifamily mortgage-backed securities (“CMBS”), as well as global financial markets and the economy generally, experienced significant dislocations, illiquidity and volatility and thus affected the values of such CMBS. We cannot assure you that another dislocation in CMBS will not occur.

Any economic downturn may adversely affect the financial resources of the underlying borrowers and may result in the inability of the underlying borrowers to make principal and interest payments on the underlying mortgage loans, or to refinance, their underlying mortgage loans when due or to sell their mortgaged real properties for an amount sufficient to pay off such underlying mortgage loans when due, which in each case would adversely affect the related TEL. In the event of default by any underlying borrower on an underlying mortgage loan, the issuing entity may suffer a partial or total loss with respect to the related TEL. Any delinquency or loss on any TEL would have an adverse effect on the distributions of principal and interest received by certificateholders.

***Other Events or Circumstances May Affect the Value and Liquidity of Your Investment.*** The value and liquidity of your investment in the certificates may be affected by general economic conditions and financial markets, as well as the following events or circumstances:

- wars, revolts, terrorist attacks, armed conflicts, energy supply or price disruptions, political crises, natural disasters, civil unrest and/or protests and man-made disasters may have an adverse effect on the mortgaged real properties and/or the certificates;
- defaults on the TELs may occur close in time, which might result in rapid declines in the value of the certificates;
- although most of the TELs were recently underwritten and originated, the values of the mortgaged real properties may have declined since the related TELs were originated and may decline following the issuance of the certificates and such declines may be substantial and occur in a relatively short period following the issuance of the certificates; and such declines may occur for reasons largely unrelated to the circumstances of the particular mortgaged real property;
- if the TELs default, then the yield on your investment may be substantially reduced even though Liquidation Proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the offered certificates; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which you earn interest on your investment; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay your receipt of principal and the interest on your investment may be insufficient to compensate you for that delay;
- even if Liquidation Proceeds received on Defaulted TELs are sufficient to cover the principal and accrued interest on those TELs, the issuing entity may experience losses in the form of special servicing fees and other expenses, and you may bear losses as a result, or your yield may be adversely affected by such losses;
- the time periods to resolve Defaulted TELs may be long, and those periods may be further extended because of underlying borrower bankruptcies and related litigation; this may be especially true in the case of loans made to underlying borrowers that have, or whose affiliates have, substantial debts other than the

underlying mortgage loan, including related subordinate or mezzanine financing (including tax credit equity financing);

- trading activity associated with indices of CMBS may drive spreads on those indices wider than spreads on CMBS, resulting in a decrease in the value of such CMBS, including the offered certificates, and spreads on those indices may be affected by a variety of factors, and may or may not be affected for reasons involving the commercial and multifamily real estate markets and may be affected for reasons that are unknown and cannot be discerned;
- if you determine to sell the certificates, you may be unable to do so or you may be able to do so only at a substantial discount from the price you paid; this may be the case for reasons unrelated to the then-current performance of the certificates or the TELs; and this may be the case within a relatively short period following the issuance of the certificates; and
- even if CMBS are performing as anticipated, the value of such CMBS in the secondary market may nevertheless decline as a result of a deterioration in general market conditions for other asset-backed securities or structured products, and you may be required to report declines in the value of the certificates, and/or record losses, on your financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that you are entering into that are backed by or make reference to the certificates, in each case as if the certificates were to be sold immediately.

***Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of Your Investment.*** We make no representation as to the proper characterization of the certificates for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the certificates for such purposes or under such restrictions. Changes in federal banking and securities laws and other laws and regulations may have an adverse effect on issuers, investors, or other participants in the asset-backed securities markets including the CMBS market. While the general effects of such changes are uncertain, regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire CMBS, which in turn may adversely affect the ability of investors in the certificates who are not subject to those provisions to resell their certificates in the secondary market. For example:

- Investors should be aware of the risk retention and due diligence requirements in Europe (the “EU Risk Retention and Due Diligence Requirements”) which apply to European Economic Area (“EEA”) credit institutions, authorized alternative investment fund managers, investment firms and insurance and reinsurance undertakings. Among other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitizations unless: (i) the originator, sponsor or original lender in respect of the relevant securitization has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or securitized exposures; and (ii) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its securities position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the securities acquired by the relevant investor.

Effective on January 1, 2019, the current EU Risk Retention and Due Diligence Requirements will be replaced by those contained in EU Regulation (EU) 2017/2402 (“Securitization Regulation”). You should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and those in the Securitization Regulation. The Securitization Regulation will, among other things, apply also to (a) undertakings for collective investment in transferrable securities regulated pursuant to Directive (EU) 2009/65/EC and the management companies thereof (together, “UCITS”), and (b) institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorized entities appointed by such institutions (together, “IORPs”). With regard to a securitization in respect of which the relevant securities are issued prior to January 1, 2019 (a “Pre-2019 Securitization”), as is the case with the certificates,

affected investors will continue to be subject to the current investment restrictions and due diligence requirements (and will not be subject to the provisions of the Securitization Regulation in that respect), including on and after that date. However, the Securitization Regulation makes no express provision as to the application of any investment restrictions or due diligence requirements, whether under the current requirements or under the Securitization Regulation, to UCITS or IORPs that hold or acquire any interest in respect of a Pre-2019 Securitization; and, accordingly, it is not known what requirements (if any) may be applicable to them. Certain aspects of the Securitization Regulation will be supplemented by regulatory technical standards that have not been published or that have only been published in draft form and are not yet final. Prospective investors are themselves responsible for monitoring and assessing changes to the EU Risk Retention and Due Diligence Requirements and their regulatory capital requirements.

None of Freddie Mac, the depositor, their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issue of the certificates in accordance with the EU Risk Retention and Due Diligence Requirements or to take any other action that may be required by EEA-regulated investors for the purposes of their compliance with the EU Risk Retention and Due Diligence Requirements. Consequently, the certificates are not a suitable investment for EEA-credit institutions, investment firms or the other types of EEA-regulated investors mentioned above. As a result, the price and liquidity of the certificates in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding the suitability of the certificates for investment.

- No party to this transaction will retain credit risk in this transaction in a form or an amount pursuant to the terms of the U.S. credit risk retention rule (12 C.F.R. Part 1234). See “Description of the Depositor and Guarantor—Credit Risk Retention” in this offering circular supplement.
- Recent changes in federal banking and securities laws, including those resulting from the Dodd-Frank Act enacted in the United States, may have an adverse effect on issuers, investors, or other participants in the asset-backed securities markets. In particular, new capital regulations were issued by the U.S. banking regulators in July 2013; these regulations implement the increased capital requirements established under the Basel Accord and are being phased in over time. These new capital regulations eliminate reliance on credit ratings and otherwise alter, and in most cases increase, the capital requirements imposed on depository institutions and their holding companies, including with respect to ownership of asset-backed securities such as CMBS. Further changes in capital requirements have been announced by the Basel Committee on Banking Supervision and it is uncertain when such changes will be implemented in the United States. When fully implemented in the United States, these changes may have an adverse effect with respect to investments in asset-backed securities, including CMBS. As a result of these regulations, investments in CMBS, such as the certificates, by financial institutions subject to bank capital regulations may result in greater capital charges to these financial institutions and these new regulations may otherwise adversely affect the treatment of CMBS for their regulatory capital purposes.
- The Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, or any future changes, may affect the accounting for entities such as the issuing entity, could under certain circumstances require an investor or its owner generally to consolidate the assets of the issuing entity in its financial statements and record third parties’ investments in the issuing entity as liabilities of that investor or owner or could otherwise adversely affect the manner in which the investor or its owner must report an investment in CMBS for financial reporting purposes.

Accordingly, all investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the certificates will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

***The Prospective Performance of the TELs, the Underlying Mortgage Loans and the Related Mortgaged Real Properties Should Be Evaluated Separately from the Performance of the Mortgage Loans in Any of Our Other Trusts.*** While there may be certain common factors affecting the performance and value of income-producing real

properties in general, those factors do not apply equally to all income-producing real properties and, in many cases, there are unique factors that will affect the performance and/or value of a particular income-producing real property. Moreover, the effect of a given factor on a particular mortgaged real property will depend on a number of variables, including but not limited to property type, geographic location, competition, sponsorship and other characteristics of the property and the related underlying mortgage loan. Each income-producing mortgaged real property represents a separate and distinct business venture and, as a result each underlying mortgage loan and TEL requires a unique underwriting analysis. Furthermore, economic and other conditions affecting mortgaged real properties, whether worldwide, national, regional or local, vary over time. The performance of a pool of mortgage loans (or TELs secured thereby) originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage pool (or TELs secured thereby) originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the TELs independently from the performance of mortgage loans underlying any other series of certificates.

***The Market Value of the Certificates Will Be Sensitive to Factors Unrelated to the Performance of the Certificates and the TELs.*** The market value of the certificates can decline even if the certificates and the TELs are performing at or above your expectations. The market value of the certificates will be sensitive to fluctuations in current interest rates. However, a change in the market value of the certificates as a result of an upward or downward movement in current interest rates may not equal the change in the market value of the certificates as a result of an equal but opposite movement in interest rates.

The market value of the certificates will also be influenced by the supply of and demand for CMBS generally. The supply of CMBS will depend on, among other things, the amount of commercial and multifamily mortgage loans, whether newly originated or held in portfolio, that are available for securitization. A number of factors will affect investors' demand for CMBS, including—

- the availability of alternative investments that offer high yields or are perceived as being a better credit risk, having a less volatile market value or being more liquid;
- legal and other restrictions that prohibit a particular entity from investing in CMBS or limit the amount or types of CMBS that it may acquire;
- investors' perceptions regarding the commercial and multifamily real estate markets which may be adversely affected by, among other things, a decline in real estate values or an increase in defaults and foreclosures on mortgage loans secured by income-producing properties; and
- investors' perceptions regarding the capital markets in general, which may be adversely affected by political, social and economic events completely unrelated to the commercial and multifamily real estate markets.

If you decide to sell the certificates, you may have to sell at a discount from the price you paid for reasons unrelated to the performance of the certificates or the TELs. Pricing information regarding the certificates may not be generally available on an ongoing basis.

***The Certificates Will Not Be Rated.*** We have not engaged any NRSRO to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

If your investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities, then you may be subject to restrictions on investment in the certificates. You should consult your own legal advisors for assistance in determining the suitability of and consequences to you of the purchase, ownership and sale of the certificates.

***Changes to, or Elimination of, LIBOR Could Adversely Affect Your Investment in the Offered Certificates.*** Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have been conducting civil and criminal investigations into whether the banks that contributed to the British Bankers' Association (the "BBA") in connection with the calculation of daily LIBOR may have underreported or otherwise manipulated or attempted to manipulate LIBOR. Investigations remain

ongoing and we cannot assure you that there will not be findings of rate setting manipulation or that improper manipulation of LIBOR or other similar inter-bank lending rates will not occur in the future.

Based on a review conducted by the Financial Conduct Authority of the United Kingdom (the “FCA”) and a consultation conducted by the European Commission, proposals have been made for governance and institutional reform, regulation, technical changes and contingency planning. In particular: (a) new legislation has been enacted in the United Kingdom pursuant to which LIBOR submissions and administration are now “regulated activities” and manipulation of LIBOR has been brought within the scope of the market abuse regime; (b) legislation has been proposed which if implemented would, among other things, alter the manner in which LIBOR is determined, compel more banks to provide LIBOR submissions, and require these submissions to be based on actual transaction data; and (c) LIBOR rates for certain currencies and maturities are no longer published daily. In addition, pursuant to authorization from the FCA, the Intercontinental Exchange Benchmark Administration Limited (the “IBA”) (formerly NYSE Euronext Rate Administration Limited) took over the administration of LIBOR from the BBA on February 1, 2014. Any new administrator of LIBOR may make methodological changes to the way in which LIBOR is calculated or may alter, discontinue or suspend calculation or dissemination of LIBOR.

In a speech on July 27, 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA’s intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA’s intention is that after 2021, it will no longer be necessary for the FCA to ask, or to require, banks to submit contributions to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that the IBA and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we cannot assure you that LIBOR will survive in its current form, or at all.

For the certificates, LIBOR will be the IBA’s one-month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page. In the event the IBA ceases to set or publish a rate for LIBOR, the Calculation Agent will be required to use the industry-designated alternative index, as confirmed by the Guarantor. If no alternative index is designated, the Calculation Agent will use the alternative index set out in the Guide or in any communications made available in writing by Freddie Mac relating to the index being used at such time by Freddie Mac for its multifamily mortgage loans, or if no such alternative index is set out in the Guide or in any such communications from Freddie Mac, such other alternative index designated by the Guarantor.

We cannot predict the effect of the FCA’s decision not to sustain LIBOR, or, if changes are ultimately made to LIBOR, the effect of those changes. In addition, we cannot predict what alternative index would be chosen, should this occur. If LIBOR in its current form does not survive or if an alternative index is chosen, the market value and/or liquidity of the certificates could be adversely affected.

## **Risks Relating to the Depositor and Guarantor**

***The Conservator May Repudiate Freddie Mac’s Contracts, Including Its Guarantee and Other Obligations Related to the Offered Certificates.*** On September 6, 2008, the Federal Housing Finance Agency (“FHFA”) was appointed Freddie Mac’s conservator by the FHFA director. See “Description of the Depositor and Guarantor—Freddie Mac Conservatorship” in this offering circular supplement. The conservator has the right to transfer or sell any asset or liability of Freddie Mac, including its guarantee obligation, without any approval, assignment or consent. If the conservator were to transfer Freddie Mac’s guarantee obligation to another party, holders of the offered certificates would have to rely on that party for the satisfaction of the guarantee obligation and would be exposed to the credit risk of that party. Freddie Mac is also the master servicer of both the TELs and the related underlying mortgage loans and, as such, has certain servicing obligations with respect to the TELs and the related underlying mortgage loans. In addition, Freddie Mac is the depositor and as such has certain obligations to repurchase the TELs in the event of material breaches of certain representations and warranties. If the conservator were to transfer Freddie Mac’s obligations as master servicer or depositor to another party, holders of the certificates would have to rely on that party for satisfaction of the master servicing or repurchase obligations and would be exposed to credit risk of that party.

***Future Legislation and Regulatory Actions Will Likely Affect the Role of Freddie Mac.*** Future legislation will likely materially affect the role of Freddie Mac, its business model, its structure and future results of operations. Some or all of Freddie Mac's functions could be transferred to other institutions, and it could cease to exist as a stockholder-owned company or at all.

On February 11, 2011, the Obama Administration delivered a report to Congress that lays out the Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and Fannie Mae, stating that the Administration will work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report recommends using a combination of policy levers to wind down Freddie Mac and Fannie Mae, shrink the government's footprint in housing finance, and help bring private capital back to the mortgage market, including: (i) increasing guarantee fees; (ii) increasing private capital ahead of Freddie Mac and Fannie Mae guarantees and phasing in a 10% down payment requirement; (iii) reducing conforming loan limits; and (iv) winding down Freddie Mac and Fannie Mae's investment portfolios.

In addition to legislative actions, FHFA has expansive regulatory authority over Freddie Mac, and the manner in which FHFA will use its authority in the future is unclear. FHFA could take a number of regulatory actions that could materially adversely affect Freddie Mac, such as changing or reinstating current capital requirements, which are not binding during conservatorship.

On January 20, 2017, a new presidential administration took office. We have no ability to predict what regulatory and legislative policies or actions the new presidential administration will pursue with respect to Freddie Mac.

***FHFA Could Terminate the Conservatorship by Placing Freddie Mac into Receivership, Which Could Adversely Affect the Freddie Mac Guarantee.*** Under the Federal Housing Finance Regulatory Reform Act (the "Reform Act"), FHFA must place Freddie Mac into receivership if FHFA determines in writing that Freddie Mac's assets are less than its obligations for a period of 60 days. FHFA has notified Freddie Mac that the measurement period for any mandatory receivership determination with respect to Freddie Mac's assets and obligations would commence no earlier than the SEC public filing deadline for its quarterly or annual financial statements and would continue for 60 calendar days after that date. FHFA has also advised Freddie Mac that, if, during that 60-day period, Freddie Mac receives funds from the U.S. Department of the Treasury ("Treasury") in an amount at least equal to the deficiency amount under the senior preferred stock purchase agreement between FHFA, as Conservator of Freddie Mac, and Treasury (as amended, the "Purchase Agreement"), the Director of FHFA will not make a mandatory receivership determination.

In addition, Freddie Mac could be put into receivership at the discretion of the Director of FHFA at any time for other reasons, including conditions that FHFA has already asserted existed at the time Freddie Mac was placed into conservatorship. These include: a substantial dissipation of assets or earnings due to unsafe or unsound practices; the existence of an unsafe or unsound condition to transact business; an inability to meet its obligations in the ordinary course of business; a weakening of its condition due to unsafe or unsound practices or conditions; critical undercapitalization; the likelihood of losses that will deplete substantially all of its capital; or by consent. A receivership would terminate the conservatorship. The appointment of FHFA (or any other entity) as Freddie Mac's receiver would terminate all rights and claims that its creditors may have against Freddie Mac's assets or under its charter arising as a result of their status as creditors, other than the potential ability to be paid upon Freddie Mac's liquidation. Unlike a conservatorship, the purpose of which is to conserve Freddie Mac's assets and return it to a sound and solvent condition, the purpose of a receivership is to liquidate Freddie Mac's assets and resolve claims against Freddie Mac.

In the event of a liquidation of Freddie Mac's assets, there can be no assurance that there would be sufficient proceeds to pay the secured and unsecured claims of the company, repay the liquidation preference of any series of its preferred stock or make any distribution to the holders of its common stock. To the extent that Freddie Mac is placed in receivership and does not or cannot fulfill its guarantee or other contractual obligations to the holders of its mortgage-related securities, including the certificates, such holders could become unsecured creditors of Freddie Mac with respect to claims made under Freddie Mac's guarantee or its other contractual obligations.

As receiver, FHFA could repudiate any contract entered into by Freddie Mac prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of Freddie Mac's affairs. The Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver.

If FHFA, as receiver, were to repudiate Freddie Mac's guarantee obligations, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Reform Act. Any such liability could be satisfied only to the extent that Freddie Mac's assets were available for that purpose.

Moreover, if Freddie Mac's guarantee obligations were repudiated, payments of principal and/or interest to the holders of the offered certificates would be reduced in the event of any underlying borrower's late payment or failure to pay or a servicer's failure to remit underlying borrower payments into the issuing entity or advance underlying borrower payments. Any actual direct compensatory damages owed as a result of the repudiation of Freddie Mac's guarantee obligations may not be sufficient to offset any shortfalls experienced by the holders of the offered certificates.

During a receivership, certain rights of the holders of the offered certificates under the Pooling Agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed.

The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

If Freddie Mac is placed into receivership and does not or cannot fulfill its guarantee obligations or other contractual obligations under the Pooling Agreement, holders of the certificates could become unsecured creditors of Freddie Mac with respect to claims made under its guarantee or other contractual obligations.

## **CAPITALIZED TERMS USED IN THIS OFFERING CIRCULAR SUPPLEMENT**

From time to time we use capitalized terms in this offering circular supplement. A capitalized term used throughout this offering circular supplement will have the meaning assigned to it in the "Glossary" to this offering circular supplement.

## **FORWARD-LOOKING STATEMENTS**

This offering circular supplement includes the words "expects," "intends," "anticipates," "likely," "estimates," and similar words and expressions. These words and expressions are intended to identify forward-looking statements. Any forward-looking statements are made subject to risks and uncertainties that could cause actual results to differ materially from those stated. These risks and uncertainties include, among other things, declines in general economic and business conditions, increased competition, changes in demographics, changes in political and social conditions, regulatory initiatives and changes in customer preferences, many of which are beyond our control and the control of any other person or entity related to this offering. The forward-looking statements made in this offering circular supplement are accurate as of the date stated on the cover of this offering circular supplement. We have no obligation to update or revise any forward-looking statement.

## **DESCRIPTION OF THE ISSUING ENTITY**

The entity issuing the certificates will be FRETTE 2018-ML04 Trust, which we refer to in this offering circular supplement as the "issuing entity." The issuing entity is a New York common law trust that will be formed on the Closing Date pursuant to the Pooling Agreement. The only activities that the issuing entity may perform are those set forth in the Pooling Agreement, which are generally limited to owning and administering the TELs and any REO Property, disposing of Defaulted TELs and REO Property, issuing the certificates and making distributions and providing reports to certificateholders. Accordingly, the issuing entity may not issue securities other than the

certificates, or invest in securities, other than investment of funds in certain accounts maintained under the Pooling Agreement in certain short-term, high-quality investments. The issuing entity may not lend or borrow money, except that the master servicer, the special servicer or the trustee may make advances to the issuing entity only to the extent it deems such advances to be recoverable from the related underlying mortgage loan. Such advances are intended to be in the nature of a liquidity, rather than a credit facility. The Pooling Agreement may be amended as set forth under “The Pooling Agreement—Amendment” in this offering circular supplement. The issuing entity administers the TELs through the master servicer and the special servicer. A discussion of the duties of the servicers, including any discretionary activities performed by each of them, is set forth under “The Pooling Agreement” in this offering circular supplement.

The only assets of the issuing entity other than the TELs and any REO Properties are certain accounts maintained pursuant to the Pooling Agreement, the obligations of Freddie Mac pursuant to the Freddie Mac Guarantee and the short-term investments in which funds in the collection accounts and other accounts are invested. The issuing entity has no present liabilities, but has potential liability relating to ownership of the TELs and any REO Properties, and indemnity obligations to the trustee, the custodian, the certificate administrator, the master servicer, the special servicer and Freddie Mac (in its capacity as servicing consultant). The fiscal year of the issuing entity is the calendar year. The issuing entity has no executive officers or board of directors. It acts through the trustee, the custodian, the certificate administrator, the master servicer and the special servicer.

The depositor is contributing the TELs to the issuing entity. The depositor purchased the TELs from the Originators as described in “Summary of Offering Circular Supplement—The TELs and Underlying Mortgage Loans—General” and “Description of the TELs and Underlying Mortgage Loans—Representations and Warranties” in this offering circular supplement.

As a common-law trust, it is anticipated that the issuing entity would not be subject to the Bankruptcy Code. In connection with the sale of the TELs from the depositor to the issuing entity, a legal opinion is required to be rendered to the effect that if a conservator or receiver were appointed for the depositor by the Director of the Federal Housing Finance Agency (“FHFA”) acting pursuant to Section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the “Safety and Soundness Act”) (i) a conservatorship or receivership created by the FHFA would be the exclusive mechanism for adjusting the rights of the depositor’s creditors in the event of the depositor’s financial distress, and (ii) the FHFA appointed conservator or receiver, acting reasonably after full consideration of all the relevant factors, would be required to conclude that the transfer of the TELs from the depositor to the issuing entity was a true sale rather than a pledge such that the TELs, and payments under the TELs and identifiable proceeds from the TELs would not be subject to administration by such conservator or receiver and would be beyond the reach of the depositor’s creditors. This legal opinion is based on numerous assumptions, and we cannot assure you that all of such assumed facts are true, or will continue to be true. Moreover, we cannot assure you that a court would rule as anticipated in this legal opinion.

The issuing entity will be relying on an exclusion or exemption under the Investment Company Act contained in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. Accordingly, the issuing entity is being structured so as not to constitute a “covered fund” for purposes of the regulations adopted on December 10, 2013 to implement Section 619 of the Dodd-Frank Act (such statutory provision, together with such implementing regulations, the “Volcker Rule”). The Volcker Rule generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund” and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on July 21, 2012. Subject to certain exceptions, banking entities were required to be in conformance with the Volcker Rule by July 21, 2015. Under the Volcker Rule, unless otherwise jointly determined otherwise by specified federal regulators, a “covered fund” does not include an issuer that may rely on an exclusion or exemption from the definition of “investment company” under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the certificates, including a U.S. or foreign bank or a subsidiary or other bank affiliate, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

There are no legal proceedings pending against the issuing entity that are material to the certificateholders.

## DESCRIPTION OF THE DEPOSITOR AND GUARANTOR

### The Depositor and Guarantor

The depositor is Freddie Mac. The depositor will also serve as the master servicer and guarantor. The depositor maintains an office at 8200 Jones Branch Drive, McLean, Virginia 22102.

The depositor's duties pursuant to the Pooling Agreement include, without limitation, the duty to appoint a successor trustee or certificate administrator in the event of the resignation or removal of the trustee or the certificate administrator, to provide information in its possession to the certificate administrator to the extent necessary to perform the certificate administrator's duties and to indemnify the trustee, the certificate administrator, the master servicer, the special servicer, the custodian, and the issuing entity for any liability, assessment or costs arising from its willful misconduct, bad faith, fraud or negligence in providing such information.

Under the Pooling Agreement, the depositor and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the depositor as described in "The Pooling Agreement—Certain Indemnities" in this offering circular supplement.

Freddie Mac is one of the largest participants in the U.S. mortgage market. Freddie Mac is a stockholder-owned government-sponsored enterprise chartered by Congress on July 24, 1970 under the Freddie Mac Act to stabilize residential mortgage markets in the United States and expand opportunities for homeownership and affordable rental housing.

Freddie Mac's statutory purposes are:

- to provide stability in the secondary market for residential mortgages;
- to respond appropriately to the private capital markets;
- to provide ongoing assistance to the secondary market for residential mortgages (including mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- to promote access to mortgage credit throughout the United States (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Freddie Mac fulfills the requirements of its charter by purchasing residential mortgages and mortgage-related securities in the secondary mortgage market and securitizing such mortgages into mortgage-related securities for its mortgage-related investment portfolio. It also purchases multifamily residential mortgages in the secondary mortgage market and holds these loans either for investment or sale. Freddie Mac finances the purchases of its mortgage-related securities and mortgage loans, and manages its interest-rate and other market risks, primarily by issuing a variety of debt instruments and entering into derivative contracts in the capital markets. Although it is chartered by Congress, Freddie Mac is solely responsible for making payments on its obligations. Neither the U.S. government nor any agency or instrumentality of the U.S. government other than Freddie Mac guarantees its obligations.

### Freddie Mac Conservatorship

Freddie Mac continues to operate under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the FHFA, Freddie Mac's conservator (the "Conservator"). FHFA was established under the Reform Act. Prior to the enactment of the Reform Act, HUD had general regulatory authority over Freddie Mac, including authority over Freddie Mac's affordable housing goals and new programs. Under the Reform Act, FHFA now has general regulatory authority over Freddie Mac, though HUD still has authority over Freddie Mac with respect to fair lending.

Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets, and succeeded to the title to all books, records and assets of Freddie Mac held by any other legal custodian or third party. During the conservatorship, the Conservator has delegated certain authority to Freddie Mac's Board of Directors to oversee, and to Freddie Mac's management to conduct, day-to-day operations so that Freddie Mac can continue to operate in the ordinary course of business. There is significant uncertainty as to whether or when Freddie Mac will emerge from conservatorship, as it has no specified termination date, and as to what changes may occur to Freddie Mac's business structure during or following conservatorship, including whether Freddie Mac will continue to exist. While Freddie Mac is not aware of any current plans of its Conservator to significantly change its business structure in the near term, there are likely to be significant changes beyond the near-term that will be decided by Congress and the new presidential administration that took office on January 20, 2017. We have no ability to predict what regulatory and legislative policies or actions the new presidential administration will pursue with respect to Freddie Mac.

To address deficits in Freddie Mac's net worth, FHFA, as Conservator, entered into the Purchase Agreement with Treasury, and (in exchange for an initial commitment fee of senior preferred stock and warrants to purchase common stock) Treasury made a commitment to provide funding, under certain conditions. Freddie Mac is dependent upon the continued support of Treasury and FHFA in order to continue operating its business. Freddie Mac's ability to access funds from Treasury under the Purchase Agreement is critical to keeping it solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions.

On February 11, 2011, the Obama Administration delivered a report to Congress that lays out the Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and Fannie Mae, stating that the Administration will work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report states that these efforts must be undertaken at a deliberate pace, which takes into account the impact that these changes will have on borrowers and the housing market.

The report states that the government is committed to ensuring that Freddie Mac and Fannie Mae have sufficient capital to perform under any guarantees issued now or in the future and the ability to meet any of their debt obligations, and further states that the Administration will not pursue policies or reforms in a way that would impair the ability of Freddie Mac and Fannie Mae to honor their obligations. The report states the Administration's belief that under the companies' senior preferred stock purchase agreements with Treasury, there is sufficient funding to ensure the orderly and deliberate wind down of Freddie Mac and Fannie Mae, as described in the Administration's plan.

Additional information regarding the conservatorship, the Purchase Agreement and other matters concerning Freddie Mac is available in the annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the SEC by Freddie Mac.

### **Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis**

Legislation has been proposed in Congress that, if passed into law, would require Freddie Mac to transition its multifamily operations to a stand-alone entity. Because proposed legislation ultimately may not be passed into law or may be changed before it is passed into law, it is uncertain whether Freddie Mac will be required to transition its multifamily operations to a stand-alone entity by such proposed legislation or any other method.

If Freddie Mac were to transition its multifamily operations to one or more stand-alone entities, such entities may be entitled to exercise the rights and perform the obligations of Freddie Mac under the Pooling Agreement. However, Freddie Mac's obligations under the Freddie Mac Guarantee would continue to be the obligations of Freddie Mac in its capacity as Guarantor of the offered certificates.

### **Litigation Involving the Depositor and Guarantor**

For more information on Freddie Mac's involvement as a party to various legal proceedings, see the annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the SEC by Freddie Mac.

## Credit Risk Retention

Freddie Mac, as sponsor and depositor of this securitization transaction, will not retain risk pursuant to provisions of FHFA's Credit Risk Retention Rule (12 C.F.R. Part 1234) (the "Rule") because FHFA, as Conservator and in furtherance of the goals of the conservatorship, has determined to exercise authority under Section 1234.12(f)(3) of the Rule to sell or otherwise hedge the credit risk that Freddie Mac would be required to retain and has instructed Freddie Mac to take such action necessary to effect this outcome. Freddie Mac also will not rely on a third party purchaser to retain risk pursuant to the Rule, as may otherwise be permitted under Section 1234.7 (Commercial mortgage-backed securities). As a result, no party will retain risk with respect to this transaction in a form or an amount pursuant to the terms of the Rule. Although Freddie Mac will not be retaining risk pursuant to the Rule as a result of FHFA instructions, it may elect to retain, to the extent permitted by FHFA, some portion of the certificates.

## Mortgage Loan Purchase and Servicing Standards of Freddie Mac

*General.* Any mortgage loans that Freddie Mac purchases must satisfy the mortgage loan purchase standards that are contained in the Freddie Mac Act. These standards require Freddie Mac to purchase mortgage loans of a quality, type and class that meet generally the purchase standards imposed by private institutional mortgage loan investors. This means the mortgage loans must be readily marketable to institutional mortgage loan investors.

*The Guide.* In addition to the standards in the Freddie Mac Act, which Freddie Mac cannot change, Freddie Mac has established its own multifamily mortgage loan purchase standards, appraisal guidelines and servicing policies and procedures. These are in Freddie Mac's Multifamily Seller/Servicer Guide which can be accessed by subscribers at [www.allregs.com](http://www.allregs.com) (the "Guide"). Forms of Freddie Mac's current loan documents can be found on Freddie Mac's website, <https://mf.freddiemac.com>. The master servicer, special servicer and any sub-servicer will be required to service the TELs other than REO Loans, REO Properties and Specially Serviced Mortgage Loans pursuant to, among other things, Freddie Mac Servicing Practices, including the Guide, as described in "The Pooling Agreement—Servicing Under the Pooling Agreement" in this offering circular supplement.

Freddie Mac may waive or modify its mortgage loan purchase standards and guidelines and servicing policies and procedures when it purchases any particular mortgage loan or afterward. We have described those changes in this offering circular supplement if we believe they will materially change the prepayment behavior of the TELs. Freddie Mac also reserves the right to change its mortgage loan purchase standards, credit, appraisal, underwriting guidelines and servicing policies and procedures at any time. This means that the TELs may not conform at any particular time to all of the provisions of the Guide or Freddie Mac's mortgage loan purchase documents.

Certain aspects of Freddie Mac's mortgage loan purchase and servicing guidelines are summarized below. However, this summary is qualified in its entirety by the Guide, any applicable mortgage loan purchase documents, any applicable servicing agreement and any applicable supplemental disclosure.

*Mortgage Loan Purchase Standards.* Freddie Mac uses mortgage loan information available to it to determine which mortgage loans it will purchase, the prices it will pay for mortgage loans, how to pool the mortgage loans it purchases and which mortgage loans it will retain in its portfolio. The information Freddie Mac uses varies over time, and may include:

- the loan-to-value and debt service coverage ratios of the mortgage loan;
- the strength of the market in which the mortgaged real property is located;
- the strength of the mortgaged real property's operations;
- the physical condition of the mortgaged real property;
- the financial strength of the borrower and its principals;
- the management experience and ability of the borrower and its principals or the property manager, as applicable; and
- Freddie Mac's evaluation of and experience with the seller of the mortgage loan.

To the extent allowed by the Freddie Mac Act, Freddie Mac has discretion to determine its mortgage loan purchase standards and whether the mortgage loans it purchases will be securitized or held in its portfolio.

*Eligible Sellers, Servicers and Warranties.* Freddie Mac approves sellers and servicers of mortgage loans based on a number of factors, including their financial condition, operational capability and mortgage loan origination and servicing experience. The seller or servicer of a mortgage loan need not be the originator of that mortgage loan.

In connection with its purchase of a mortgage loan, Freddie Mac relies on the representations and warranties of the seller with respect to certain matters, as is customary in the secondary market. These warranties cover such matters as:

- the accuracy of the information provided by the borrower;
- the accuracy and completeness of any third party reports prepared by a qualified professional;
- the validity of each mortgage as a first or junior lien, as applicable;
- the timely payments on each mortgage loan at the time of delivery to Freddie Mac;
- the physical condition of the mortgaged real property;
- the accuracy of rent schedules; and
- the originator's compliance with applicable state and federal laws.

*Mortgage Loan Servicing Policies and Procedures.* Freddie Mac generally supervises servicing of the mortgage loans according to its written policies, procedures and the Guide. Each servicer must diligently perform all services and duties customary to the servicing of multifamily mortgages and as required by Freddie Mac Servicing Practices, which includes the Guide. These include:

- collecting and posting payments on the mortgage loans;
- investigating delinquencies and defaults;
- analyzing and recommending any special borrower requests, such as requests for assumptions, subordinate financing and partial release;
- submitting monthly electronic remittance reports and annual financial statements obtained from borrowers;
- administering escrow accounts;
- inspecting properties;
- responding to inquiries of borrowers or government authorities; and
- collecting and administering insurance claims.

Servicers service the mortgage loans, either directly or through approved sub-servicers, and receive fees for their services. Freddie Mac monitors the servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations. A servicer may remit payments to Freddie Mac under various arrangements but these arrangements do not affect the timing of payments to investors. Freddie Mac invests those payments at its own risk and for its own benefit until it passes through the payments to investors. The master servicer and the special servicer will be required to service the TELs other than REO Loans, REO Properties and Specially Serviced Mortgage Loans pursuant to, among other things, the Guide, as described in "The Pooling Agreement—Servicing Under the Pooling Agreement" in this offering circular supplement.

## DESCRIPTION OF THE TELS AND UNDERLYING MORTGAGE LOANS

### General

The primary assets of the issuing entity will be a segregated pool of 20 loans, intended to be tax-exempt loans, which we refer to herein as the TELs. The TELs are funding loans made by the Originators to the fiscal agent on behalf of various Governmental Authorities who used the proceeds to make underlying mortgage loans to underlying borrowers to finance the acquisition and/or rehabilitation of 38 affordable multifamily housing properties. Those mortgaged real properties are further identified and described on Exhibit A-1. The pool of TELs and pool of underlying mortgage loans will each have an initial total principal balance of approximately \$276,283,971 as of the Cut-off Date, subject to a variance of plus or minus 5%.

Each TEL, and the related underlying mortgage loan funded by such TEL, have identical payment terms. Each TEL is payable primarily from payments made by the related underlying borrower on the related underlying mortgage loan without any recourse either to the related Governmental Authority, the fiscal agent or to the related Originator for any failure of the underlying borrower to make required payments on the underlying mortgage loan. The master servicer is the master servicer with respect to both the TELs and the related underlying mortgage loans and there are 8 sub-servicers of the TELs and the related underlying mortgage loans. Each underlying mortgage loan is pledged to the related fiscal agent as security for the payment of the related TEL, which security interest is assigned to the issuing entity in connection with the transfer to it of the TELs.

Because payments on, or in respect of, the underlying mortgage loans are the primary source of payments on the TELs, this offering circular supplement describes the underlying mortgage loans, the servicing of the underlying mortgage loans and other parties involved with the underlying mortgage loans in addition to describing the TELs, the servicing of the TELs and various parties involved with the TELs.

The Cut-off Date Principal Balance of any underlying mortgage loan is equal to its outstanding principal balance as of the Cut-off Date, after application of all monthly debt service payments due with respect to the underlying mortgage loan on or before that date, whether or not those payments were received. Exhibit A-1 shows the Cut-off Date Principal Balance of each underlying mortgage loan. See Exhibits A-1, A-2 and A-3 for additional statistical information on the TELs, the underlying mortgage loans and the mortgage pool.

Each underlying mortgage loan is an obligation of the related underlying borrower to repay a specified sum with interest. Each underlying mortgage loan is evidenced by one or more promissory notes and secured by a mortgage, deed of trust or other similar security instrument that creates a mortgage lien on the fee and/or leasehold interest of the related underlying borrower or another party in one or more multifamily real properties. That mortgage lien will, in all cases, be a first priority lien subject to certain standard permitted encumbrances and/or any subordinate liens described in this offering circular supplement.

Except for certain limited nonrecourse carveouts, each underlying mortgage loan is a nonrecourse obligation of the related underlying borrower. In the event of a payment default by the underlying borrower, recourse will be limited to the corresponding mortgaged real property or properties for satisfaction of that underlying borrower's obligations. None of the underlying mortgage loans will be insured or guaranteed by any governmental entity or by any other person.

We provide in this offering circular supplement a variety of information regarding the underlying mortgage loans. When reviewing this information, please note that—

- All numerical information provided with respect to the underlying mortgage loans is provided on an approximate basis.
- All weighted average information provided with respect to the underlying mortgage loans reflects a weighting by their respective Cut-off Date Principal Balances.
- In calculating the Cut-off Date Principal Balances of the underlying mortgage loans, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loans on or before their respective due dates in May 2018 are timely made; and

2. there are no prepayments or other unscheduled collections of principal with respect to any underlying mortgage loans during the period from their due dates in April 2018 up to and including May 1, 2018.
- When information with respect to mortgaged real properties is expressed as a percentage of the initial TEL pool balance, the percentages are based on the Cut-off Date Principal Balances of the related underlying mortgage loans.
  - 1 group of TELs (the “Crossed Loan Group”), collectively representing 4.0% of the initial TEL pool balance, is made up of TELs that are cross-collateralized and cross-defaulted with each other TEL in such group. Unless otherwise indicated, we present the information regarding the TELs in the Crossed Loan Group as separate loans. However, each TEL in the Crossed Loan Group is treated as having the same Cut-off Date Loan-to-Value Ratio, Maturity Loan-to-Value Ratio, Cut-off Date Balance/Unit and historical and Underwritten Debt Service Coverage Ratios as the Crossed Loan Group as a whole. Except as described in this offering circular supplement as to any subordinate mortgage loan, none of the TELs is cross-collateralized or cross-defaulted with any mortgage loan that is not in the issuing entity.
  - Whenever we refer to a particular mortgaged real property by name, we mean the property identified by that name on Exhibit A-1. Whenever we refer to a particular underlying mortgage loan by name, we mean the underlying mortgage loan secured by the mortgaged real property identified by that name on Exhibit A-1.
  - Statistical information regarding the underlying mortgage loans may change prior to the Closing Date due to changes in the composition of the mortgage pool prior to that date.

**Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership**

6 groups of TELs are each secured by a group of underlying mortgage loans that were made to the same underlying borrower or underlying borrowers under common ownership, including 1 group that is the Crossed Loan Group. The table below shows each group of underlying mortgage loans that has the same underlying borrower or underlying borrowers under common ownership:

	<b>Loan Name</b>	<b>Cut-off Date Principal Balance<sup>(1)</sup></b>	<b>% of Initial TEL Pool Balance<sup>(1)</sup></b>
Group 1.....	Cypress Pines .....	\$25,066,659	9.1%
	Park Tanglewood.....	19,355,000	7.0
	Buckingham Apartment Portfolio.....	15,960,208	5.8
	<b>Total</b> .....	<b>\$60,381,867</b>	<b>21.9%</b>
Group 2.....	Columbia Apartments.....	\$17,762,534	6.4%
	Marygold Garden Apartments.....	10,188,345	3.7
	Princess Apartments.....	8,359,970	3.0
	<b>Total</b> .....	<b>\$36,310,848</b>	<b>13.1%</b>
Group 3.....	Van Buren Park Apartments.....	\$21,636,826	7.8%
	Bloomington Apartments.....	8,852,406	3.2
	<b>Total</b> .....	<b>\$30,489,232</b>	<b>11.0%</b>
Group 4.....	Garden City Apartments.....	\$16,322,961	5.9%
	Manors I And II Apartments.....	8,935,994	3.2
	<b>Total</b> .....	<b>\$25,258,954</b>	<b>9.1%</b>
Group 5.....	Craven Terrace Phase II <sup>(2)</sup> .....	\$6,403,354	2.3%
	Craven Terrace Phase I <sup>(2)</sup> .....	4,522,649	1.6
	<b>Total</b> .....	<b>\$10,926,002</b>	<b>4.0%</b>
Group 6.....	Hickory Knoll Apartments.....	\$4,703,913	1.7%
	Hampton Villa.....	2,248,964	0.8
	<b>Total</b> .....	<b>\$6,952,877</b>	<b>2.5%</b>

(1) Amounts may not add up to the totals shown due to rounding.

(2) TELs in the Crossed Loan Group.

With respect to 3 of the TELs, collectively representing 21.9% of the initial TEL pool balance, each of the underlying borrowers for the related underlying mortgage loans is owned by, among other entities, two natural persons, two family trusts and two limited liabilities companies, one of which limited liability companies is the carve-out guarantor for each such related underlying mortgage loan.

See “Description of the TELs and Underlying Mortgage Loans— Cross-Collateralized TELs; TELs and Related Underlying Mortgage Loans Made to the Same Borrower or Borrowers Under Common Ownership”.

See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—Mortgage Loans to the Same Underlying Borrower or Underlying Borrowers Under Common Ownership May Result in More Severe Losses on the Offered Certificates” in this offering circular supplement.

The TEL pool will include 1 Crossed Loan Group, as indicated in the table above. The TELs in the Crossed Loan Group are cross-collateralized by the other TELs in the Crossed Loan Group. However, the amount of the lien encumbering any particular mortgaged real property in the Crossed Loan Group may be less than the aggregate amount of the principal balance of the underlying mortgage loans securing such TELs comprising the Crossed Loan Group, generally to minimize recording tax. The mortgage amount may equal the appraised value or allocated loan

amount for the particular mortgaged real property. This would limit the extent to which proceeds from that mortgaged real property would be available to offset declines in the value of the Crossed Loan Group in the issuing entity.

See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans— Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of Cross-Collateralization and Cross-Default Provisions May Otherwise Be Limited” in this offering circular supplement.

### Certain Terms and Conditions of the TELs and Underlying Mortgage Loans

*Due Dates.* Subject, in some cases, to a next business day convention, monthly installments of principal and/or interest will be due on the first of the month with respect to each of the TELs.

*Mortgage Interest Rates; Calculations of Interest.* 18 of the TELs, collectively representing 89.0% of the initial TEL pool balance, bear interest at a mortgage interest rate that, in the absence of default or modification, is fixed until maturity. Each such TEL accrues interest on a 30/360 Basis. 2 of the TELs, collectively representing 11.0% of the initial TEL pool balance, accrue interest on an Actual/Actual Basis.

2 of the TELs, collectively representing 11.0% of the initial TEL pool balance, bear interest at floating mortgage interest rates based on SIFMA plus a margin, which adjusts on a weekly basis. Such TELs accrue interest on an Actual/Actual Basis. The underlying mortgage loans related to such TELs have the benefit of Interest Rate Cap Agreements that are currently in place. The strike rate under each such Interest Rate Cap Agreement is 3.500%. Certain information about the interest rate cap provider is provided in the table below:

Interest Rate Cap Provider	Number of Loans	Percent of TEL Pool Balance <sup>(1)</sup>	Long-term Senior Unsecured Debt Rating		
			Fitch	Moody's	S&P
SMBC Capital Markets, Inc.....	2	11.0%	NR	A1	NR

The Interest Rate Cap Agreements require the interest rate cap provider to pay the applicable underlying borrower an amount equal to the amount by which SIFMA exceeds the specified cap strike rate, multiplied by a notional amount at least equal to the principal balance of the related underlying mortgage loan. The underlying borrowers' rights under the Interest Rate Cap Agreements have been collaterally assigned to secure the related underlying mortgage loans. Each Interest Rate Cap Agreement expires prior to the maturity date of the related underlying mortgage loan, but the related loan documents obligate the applicable underlying borrower to obtain a new interest rate cap agreement upon such expiration.

“SIFMA” means the rate of interest determined by the applicable servicer on the Wednesday of each week (or, if such day is not a business day, the immediately preceding business day) for the applicable interest adjustment period, equal to the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association or any person acting in cooperation with or under the sponsorship of the Securities Industry and Financial Markets Association and acceptable to the applicable servicer. If SIFMA is no longer published, then “SIFMA” will mean the S&P Weekly High Grade Index. If the S&P Weekly High Grade Index is no longer published, then “SIFMA” will mean the prevailing rate determined by the applicable servicer for tax-exempt state and local government bonds meeting criteria determined in good faith by the applicable servicer to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA immediately prior to the date on which the Securities and Financial Markets Association ceased publication of the SIFMA.

Exhibit A-1 shows the current mortgage interest rate for each of the underlying mortgage loans.

*Term to Maturity.* 1 of the TELs, representing 9.1% of the initial TEL pool balance, had an initial term to maturity of 180 months. 10 of the TELs, collectively representing 54.7% of the initial TEL pool balance, each had an initial term to maturity of 192 months. 4 of the TELs, collectively representing 25.0% of the initial TEL pool balance, each had an initial term to maturity of 204 months. 2 of the TELs, collectively representing 4.0% of the

initial TEL pool balance, each had an initial term to maturity of 215 months. 2 of the TELs, collectively representing 5.8% of the initial TEL pool balance, each had an initial term to maturity of 216 months. 1 of the TELs, representing 1.5% of the initial TEL pool balance, had an initial term to maturity of 227 months.

*Balloon Loans.* All of the TELs are Balloon Loans. Of those TELs that have amortization schedules, each such schedule is significantly longer than the actual term of the TEL.

*Additional Amortization Considerations.* 12 of the TELs, collectively representing 54.6% of the initial TEL pool balance, do not provide for any interest-only period and provide for amortization for the entire loan term.

1 of the TELs, representing 1.5% of the initial TEL pool balance, provides for an initial interest-only period of 11 months, followed by an amortization period for the balance of the loan term.

2 of the TELs, collectively representing 4.0% of the initial TEL pool balance, provide for an initial interest-only period of 23 months, followed by an amortization period for the balance of the loan term.

4 of the TELs, collectively representing 32.9% of the initial TEL pool balance, provide for an initial interest-only period of 24 months, followed by an amortization period for the balance of the loan term.

1 of the TELs, representing 7.0% of the initial TEL pool balance, provides for an initial interest-only period of 36 months, followed by an amortization period for the balance of the loan term.

*Prepayment Provisions.* As of origination, the related underlying mortgage loans provided for certain restrictions and/or requirements with respect to prepayments during some portion of their respective loan terms. The relevant restrictions and requirements will generally consist of the following:

- With respect to 18 of the TELs, collectively representing 89.0% of the initial TEL pool balance, the related underlying mortgage loans provide for –
  1. a prepayment lockout and defeasance period, during which voluntary principal prepayments are prohibited although the related underlying mortgage loan may be defeased, followed by;
  2. a prepayment consideration period, during which the related underlying mortgage loan may be defeased or voluntary principal prepayments are restricted by requiring that any voluntary principal prepayments made be accompanied by the greater of a Static Prepayment Premium and a Yield Maintenance Charge, followed by;
  3. a prepayment consideration period, during which the related underlying mortgage loan may be defeased or voluntary principal prepayments are restricted by requiring that any voluntary principal prepayments made be accompanied by a Static Prepayment Premium, followed by;
  4. an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.
- With respect to 2 of the TELs, collectively representing 11.0% of the initial TEL pool balance, the related underlying mortgage loans provide for –
  1. a prepayment lockout period, during which voluntary principal prepayments are prohibited, followed by;
  2. a prepayment consideration period, during which voluntary principal prepayments are restricted by requiring that any voluntary principal prepayments made be accompanied by a Static Prepayment Premium, followed by;
  3. an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

- The Yield Maintenance Charge will be an amount generally equal to the greater of the following: (1) a specified percentage of the principal balance of the underlying mortgage loan being prepaid; and (2) the product obtained by multiplying (a) the amount of principal being prepaid or accelerated, by (b) the excess, if any, of one-twelfth of the mortgage note rate over an assumed reinvestment rate, by (c) a factor that discounts to present value the costs resulting to the lender from the difference in interest rates during the months remaining in the Yield Maintenance Period (which will be required to be calculated in accordance with the last paragraph of the definition of “Accepted Servicing Practices” in this offering circular supplement). Generally, the assumed reinvestment rate is equal to one-twelfth of the yield rate of the U.S. Treasury security specified in the related loan documents as reported on the Treasury website five business days before the prepayment date, expressed as a decimal calculated to two decimal places.

The open prepayment period for any underlying mortgage loan that secures a TEL will generally begin 3 months prior to the month in which such underlying mortgage loan and TEL mature, other than with respect to the TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as “Van Buren Park Apartments” and “Bloomingdale Apartments,” collectively representing 11.0% of the initial TEL pool balance, for which the open prepayment period begins 72 months prior to the month in which each such TEL and underlying mortgage loan matures.

In addition, with respect to the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “Summer Field Apartments,” “Lake Delray Apartments,” “Cypress Pines,” “Columbia Apartments,” “Buckingham Apartment Portfolio,” “Marygold Garden Apartments” and “Princess Apartments,” collectively representing approximately 56.2% of the initial TEL pool balance, requires the related borrower to prepay in part such underlying mortgage loan and TEL if the tax abatement expected to benefit the related mortgaged real property is not obtained. See “—Additional Underlying Mortgage Loan and Mortgaged Real Property Information—Tax Abatements and Exemptions” in this offering circular supplement.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Park Tanglewood,” representing approximately 7.0% of the initial TEL pool balance, the related underlying mortgage loan documents required the related borrower to deposit \$1,069,000 into a HAP reserve. Pursuant to the related loan documents, if the related underlying borrower does not obtain approval for a HAP contract within 6 months after the closing date of the related underlying mortgage loan, the related lender may apply all or a portion of the related HAP reserve toward a prepayment in part of the underlying mortgage loan.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as “HACEP Tranche 1B Portfolio,” representing approximately 1.9% of the initial TEL pool balance, the related underlying mortgage loan documents require the related underlying borrower to prepay in part such underlying mortgage loan in the amount of \$522,000 upon receipt of a payment made by such underlying borrower in order to satisfy certain debt service coverage ratio requirements as set forth in the related underlying borrower’s organizational documents.

Exhibit A-1 more particularly describes the prepayment terms of the TELs and underlying mortgage loans.

Unless a TEL and related underlying mortgage loan is relatively near its stated maturity date or unless the sale price or the amount of the refinancing of the related mortgaged real property is considerably higher than the current outstanding principal balance of that TEL and related underlying mortgage loan due to an increase in the value of the mortgaged real property or otherwise, the prepayment consideration may, even in a relatively low interest rate environment, offset entirely or render insignificant any economic benefit to be received by the underlying borrower upon a refinancing or sale of the mortgaged real property. The prepayment consideration provision is intended to create an economic disincentive for the underlying borrower to prepay an underlying mortgage loan voluntarily.

However, we cannot assure you that the imposition of a Static Prepayment Premium or a Yield Maintenance Charge will provide a sufficient disincentive to prevent a voluntary principal prepayment. Furthermore, certain state laws limit the amounts that a lender may collect from an underlying borrower as an additional charge in connection with the prepayment of an underlying mortgage loan.

We do not make any representation as to the enforceability of the provision of any underlying mortgage loan requiring the payment of a Static Prepayment Premium or a Yield Maintenance Charge, or of the collectability of

any Static Prepayment Premium or Yield Maintenance Charge and the Freddie Mac Guarantee excludes the payment of Static Prepayment Premiums or Yield Maintenance Charges.

Casualty and Condemnation. In the event of a condemnation or casualty at the mortgaged real property securing any of the underlying mortgage loans securing the TELs, the underlying borrower will generally be required to restore that mortgaged real property. However, the lender may under certain circumstances apply the condemnation award or insurance proceeds to the repayment of debt, which will not require payment of any prepayment premium.

Lockboxes. None of the underlying mortgage loans securing the TELs provide for any lockbox with springing cash management.

Escrow and Reserve Accounts. Most of the underlying mortgage loans provide for the establishment of escrow and/or reserve accounts for the purpose of holding amounts required to be on deposit as reserves for-

- taxes and insurance;
- capital improvements; and/or
- various other purposes.

As of the Closing Date, these accounts will be under the sole control of the master servicer or an approved sub-servicer. Most of the underlying mortgage loans that provide for such accounts require that the accounts be funded out of monthly escrow and/or reserve payments by the related underlying borrower.

Tax Escrows. In the case of 16 of the TELs, collectively representing 90.9% of the initial TEL pool balance, escrows were funded or will be funded for taxes with respect to the related underlying mortgage loan. The related underlying borrower for the underlying mortgage loan is generally required to deposit on a monthly basis an amount equal to one-twelfth of the annual real estate taxes and assessments. If an escrow was funded, the funds will be applied by the master servicer to pay for taxes and assessments at the related mortgaged real property.

In the case of 4 of the TELs, collectively representing 9.1% of the initial TEL pool balance, initial or monthly escrows for annual real estate taxes and assessments were not required at origination but may be required in the future subject to certain conditions set forth in the related loan documents. If an escrow was funded, the funds will be applied by the master servicer to pay for annual real estate taxes and assessments at the related mortgaged real property.

Insurance Escrows. In the case of all of the TELs, escrows were funded or will be funded for insurance premiums with respect to the related underlying mortgage loan. The related underlying borrower for the underlying mortgage loan is generally required to deposit on a monthly basis an amount equal to one-twelfth of the annual premiums payable on insurance policies that the underlying borrower is required to maintain.

Under some of the other underlying mortgage loans, the insurance carried by the related underlying borrower is in the form of a blanket policy. In these cases, the amount of the escrow is an estimate of the proportional share of the premium allocable to the mortgaged real property, or the underlying borrower pays the premium directly. See “—Property Damage, Liability and Other Insurance” below.

Recurring Replacement Reserves. The column titled “Replacement Reserve (Monthly)” on Exhibit A-1 shows for each applicable underlying mortgage loan the reserve deposits that the related underlying borrower has been or is required to make into a separate account for capital replacements and repairs.

In the case of some of the mortgaged real properties, those reserve deposits are initial amounts and may vary over time. In these cases, the related mortgage instrument and/or other related loan documents may provide for applicable reserve deposits to cease upon achieving predetermined maximum amounts in the related reserve account. Under some of the underlying mortgage loans, the related underlying borrowers may be permitted to deliver letters of credit from third parties in lieu of establishing and funding the reserve accounts or may substitute letters of credit and obtain release of established reserve accounts.

Engineering/Deferred Maintenance Reserves. The column titled “Engineering Escrow/Deferred Maintenance” on Exhibit A-1 shows the engineering reserves established at the origination of the corresponding underlying mortgage loans for repairs and/or deferred maintenance items that are generally required to be corrected within 12 months from origination. In certain cases, the engineering reserve for a mortgaged real property may be less than the cost estimate in the related inspection report because—

- the Governmental Authority may not have considered various items identified in the related inspection report significant enough to require a reserve; and/or
- various items identified in the related inspection report may have been corrected.

In the case of some of the mortgaged real properties securing the underlying mortgage loans, the engineering reserve was a significant amount and substantially in excess of the cost estimate set forth in the related inspection report because the Governmental Authority required the underlying borrower to establish reserves for the completion of major work that had been commenced. In the case of some mortgaged real properties acquired with the proceeds of the related underlying mortgage loan, the related underlying borrower escrowed an amount substantially in excess of the cost estimate set forth in the related inspection report because it contemplated completing repairs in addition to those shown in the related inspection report. Not all engineering reserves are required to be replenished.

We cannot provide any assurance that the work for which reserves were required will be completed in a timely manner or that the reserved amounts will be sufficient to cover the entire cost of the required work.

Green Improvements. 1 of the TELs, representing 7.0% of the initial TEL pool balance, identified on Exhibit A-1 under the column titled “Green Advantage” were underwritten in accordance with Freddie Mac’s Green Up® or Green Up Plus® programs. Such TELs were underwritten assuming that an underlying borrower will make certain energy and/or water/sewer improvements to a mortgaged real property generally within 2 years after origination of the underlying mortgage loan with the lender typically escrowing 125% of the cost to complete such capital improvements. The related Originator will underwrite up to 50%, with respect to the Green Up® program, or 75%, with respect to the Green Up Plus® program, of the projected energy and/or water/sewer cost savings resulting from such improvements based on a Green Assessment or Green Assessment Plus, respectively. We cannot assure you that the related underlying borrowers will complete any such capital improvements or realize any such projected cost savings. To the extent these factors present a risk to the timely or ultimate repayment of the underlying mortgage loan, they also present a risk to the timely or ultimate repayment of the related TEL.

*Release of Property Through Defeasance or Prepayment.*

Defeasance. With respect to 18 of the TELs, collectively representing 89.0% of the initial TEL pool balance, the underlying mortgage loans that secure such TELs permit the related underlying borrower to obtain the release of the related mortgaged real property through defeasance of the related underlying mortgage loan.

The underlying borrower is permitted to deliver to the fiscal agent at any time prior to the commencement of the applicable open prepayment period and subject to specified conditions, (i) direct, non-callable and non-redeemable U.S. treasury obligations, (ii) non-callable bonds, debentures, notes and other similar debt obligations issued by Freddie Mac or Fannie Mae and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any Federal Home Loan Bank, as substitute collateral and obtain a full release of the mortgaged real property. In general, the securities that are to be delivered in connection with the defeasance of any underlying mortgage loan must provide for a series of payments that—

- will be made prior, but as closely as possible, to all successive due dates through and including the maturity date (or, in some cases, the end of the lockout period), and
- will, in the case of each due date, be in the total amount equal to or greater than the monthly debt service payment, including any applicable balloon payment, scheduled to be due on that date.

In connection with any delivery of defeasance collateral, the related underlying borrower will be required to deliver a security agreement granting the issuing entity a first priority security interest in the collateral, together with the required legal opinions of counsel.

We do not make any representation as to the enforceability of the defeasance provisions of any of the underlying mortgage loans.

Prepayment. All of the underlying mortgage loans permit the related underlying borrower to obtain the release of all of the real property securing the underlying mortgage loan upon the prepayment of such underlying mortgage loan in full, together with, in most cases, the payment of a Static Prepayment Premium or Yield Maintenance Charge as described in “—Prepayment Provisions” above.

*Due-on-Sale and Due-on-Encumbrance Provisions.* All of the underlying mortgage loans contain both a due-on-sale clause and a due-on-encumbrance clause. In general, except for any Requested Transfers discussed in the next paragraph and subject to the discussion under “—Permitted Additional Debt” below, these clauses either—

- permit the holder of the mortgage to accelerate the maturity of the subject underlying mortgage loan if the related underlying borrower sells or otherwise transfers an interest in the corresponding mortgaged real property, underlying borrower or controlling entity or encumbers the corresponding mortgaged real property without the consent of the holder of the mortgage, unless such sale, transfer or encumbrance is permitted by the underlying mortgage loan documents; or
- unless permitted by the loan documents, prohibit the underlying borrower from otherwise selling, transferring or encumbering the corresponding mortgaged real property without the consent of the holder of the mortgage.

All of the underlying mortgage loans permit one or more of the following types of transfers:

- transfer of the mortgaged real property if specified conditions are satisfied, without any adjustment to the interest rate or to any other economic terms of an underlying mortgage loan, which conditions typically include, among other things—
  1. the transferee meets lender’s eligibility, credit, management and other standards satisfactory to lender in its sole discretion;
  2. the transferee’s organization, credit and experience in the management of similar properties are deemed by the lender, in its discretion, to be appropriate to the overall structure and documentation of the existing financing;
  3. the corresponding mortgaged real property will be managed by a property manager meeting the requirements set forth in the loan documents; and
  4. the corresponding mortgaged real property, at the time of the proposed transfer, meets all standards as to its physical condition, occupancy, net operating income and the collection of reserves satisfactory to lender in its sole discretion;
- a transfer that occurs by devise, descent, or by operation of law upon the death of a natural person to one or more members of the decedent’s immediate family or to a trust or family conservatorship established for the benefit of such immediate family member or members, if specified conditions are satisfied, which conditions typically include, among other things—
  1. the property manager (or a replacement property manager approved by lender), if applicable, continues to be responsible for the management of the corresponding mortgaged real property, and such transfer may not result in a change in the day-to-day operations of the corresponding mortgaged real property; and

2. those persons responsible for the management and control of the applicable underlying borrower remain unchanged as a result of such transfer, or any replacement management is approved by lender;
- any transfer of an interest in an applicable underlying borrower or any interest in a controlling entity, such as the transfers set forth below:
  1. a sale or transfer to one or more of the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild);
  2. a sale or transfer to any trust having as its sole beneficiaries the transferor and/or one or more of the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild);
  3. a sale or transfer from a trust to any one or more of its beneficiaries who are immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild) of the transferor;
  4. the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member (a spouse, parent, child, stepchild, grandchild or step-grandchild) of the transferor;
  5. a sale or transfer to an entity owned and controlled by the transferor or the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild); or
  6. a transfer of non-controlling ownership interests in the related underlying borrower;

if, in each case, specified conditions are satisfied. If title to the mortgaged real property is not being transferred, these conditions typically include, among other things, that a specified entity or person retain control of the applicable underlying borrower and manage the day-to-day operations of the corresponding mortgaged real property.

We make no representation as to the enforceability of any due-on-sale or due-on-encumbrance provision in any underlying mortgage loan.

*Permitted Additional Debt.*

General. Other than as described below, the underlying mortgage loans generally prohibit the underlying borrowers from incurring, without lender consent, any additional debt secured or unsecured, direct or contingent other than customary unsecured trade payables incurred in the ordinary course of owning and operating the corresponding mortgaged real property that do not exceed, in the aggregate, at any time a maximum amount of up to 2.0% of the original principal amount of the corresponding underlying mortgage loan and are paid within 60 days of the date incurred.

Each unsecured debt creditor could cause the related underlying borrower to seek protection under the applicable bankruptcy laws. See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—The Type of Borrower May Entail Risk” in this offering circular supplement.

Cross-Collateralization and Cross-Default of Certain Underlying Mortgage Loans. The underlying mortgage loans securing the TELs in the Crossed Loan Group are cross-collateralized and cross-defaulted with each other. Because certain states exact a mortgage recording or documentary stamp tax based on the principal amount of debt secured by a mortgage, the individual mortgages recorded with respect to certain of these crossed underlying mortgage loans collateralized by mortgaged real properties in such states may secure an amount less than the total initial principal balance of those crossed underlying mortgage loans. For the same reason, the mortgages recorded with respect to certain underlying mortgage loans may secure only a multiple of the initial principal balance of the note applicable to the related mortgaged real property rather than the entire initial principal balance of those crossed underlying mortgage loans. See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of Cross-Collateralization and Cross-Default Provisions May Otherwise Be Limited” in this offering circular supplement.

Subordinate Debt. With respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Park Tanglewood,” representing 7.0% of the initial TEL pool balance, a subordinate mortgage loan in favor of the Community Development Administration is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$169,131. The subordinate mortgage does not accrue interest. The subordinate mortgage loan is scheduled to mature on February 1, 2058.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Colony Apartments,” representing 2.9% of the initial TEL pool balance, a subordinate mortgage loan in favor of the South Carolina State Housing Finance and Development Authority is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$1,000,000. The subordinate mortgage does not accrue interest. The subordinate mortgage loan is scheduled to mature 30 years after the first payment date under the related land use restriction agreement.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as “HACEP Tranche 1B Portfolio,” representing 1.9% of the initial TEL pool balance, 2 subordinate mortgage loans in favor of the Housing Authority of the City of El Paso (the “HACEP Subordinate Loan”) and the Paisano Housing Redevelopment Corporation (the “HACEP Paisano Loan”), respectively, are secured by such mortgaged real properties. As of the date of origination of the related underlying mortgage loan, the principal balances of the HACEP Subordinate Loan and the HACEP Paisano Loan were \$5,320,000 and \$1,600,000, respectively. The HACEP Subordinate Loan and the HACEP Paisano Loan accrue interest at rates of 3.5% *per annum* and 4.5% *per annum*, respectively. Each of the HACEP Subordinate Loan and the HACEP Paisano Loan are scheduled to mature on August 1, 2071.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as “Hickory Knoll Apartments,” representing 1.7% of the initial TEL pool balance, 2 subordinate mortgage loans in favor of the Florida Housing Finance Corporation are secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balances of the subordinate mortgage loans was \$3,150,000 (the “Hickory Knoll SAIL Loan”) and \$304,800, (the “Hickory Knoll ELI Loan”) respectively. The Hickory Knoll SAIL Loan accrues interest at a rate of 1.0% *per annum*. The Hickory Knoll ELI Loan does not accrue interest. Each of the Hickory Knoll SAIL Loan and the Hickory Knoll ELI Loan are scheduled to mature on May 1, 2033.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Breslyn House,” representing 1.5% of the initial TEL pool balance, a subordinate mortgage loan in favor of the Secretary of Housing and Urban Development is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$2,223,393. The subordinate mortgage accrues interest at a rate of 2.82% *per annum*. The subordinate mortgage loan is scheduled to mature on October 1, 2036.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as “Hampton Villa,” representing 0.8% of the initial TEL pool balance, 2 subordinate mortgage loans in favor of the Florida Housing Finance Corporation are secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balances of the subordinate mortgage loans was \$2,000,000 (the “Hampton Villa SAIL Loan”) and \$340,800, (the “Hampton Villa ELI Loan”) respectively. The Hampton Villa SAIL Loan accrues interest at a rate of 1.0% *per annum*. The Hampton Villa ELI Loan does not accrue interest. Each of the Hampton Villa SAIL Loan and the Hampton Villa ELI Loan are scheduled to mature on April 1, 2033.

Each such subordinate mortgage is subject to a subordination agreement between the related subordinate mortgage lender and the lender for the related senior underlying mortgage loan, which provides that, among other things:

- If an event of default occurs under the subordinate mortgage loan documents, the subordinate mortgage lender may commence an enforcement action (including a foreclosure action) on the earlier occurrence of (i) 90 days following delivery of notice of any proposed enforcement action by the subordinate mortgage

lender to the lender of the senior underlying mortgage loan, subject to the lender of the senior underlying mortgage loan's right to cure as set forth below, or (ii) the lender of the senior underlying mortgage loan consents in writing to such enforcement action.

- The subordinate mortgage and the subordinate indebtedness are subordinate to the senior underlying mortgage loan in right of payment. The subordinate mortgage and the subordinate mortgage loan documents are subordinate to the senior underlying mortgage loan and the senior underlying mortgage loan documents. The subordinate mortgage lender may not accept any payments pursuant to the subordinate mortgage loan following receipt of notice of a default under the senior underlying mortgage loan.
- The subordinate indebtedness is payable solely from not more than a percentage of the surplus cash after payment of the senior indebtedness as set forth in the related subordination agreement, the maintenance of any required escrow or reserve accounts, property management fees and all reasonable operating expenses, while the underlying mortgage loan remains outstanding.
- Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan.
- After the occurrence of an event of default under the subordinate mortgage loan, for 90 days following delivery of notice to the lender for the senior underlying mortgage loan of any proposed enforcement action, the lender for the senior underlying mortgage loan may, but is not obligated to, cure such default. However, if such occurrence of an event of default under the subordinate mortgage loan is a non-monetary default and is not capable of being cured within such 90-day period and the lender for the senior underlying mortgage loan has commenced and is diligently pursuing such cure to completion, the lender for the senior underlying mortgage loan will have such additional period of time as may be required to cure such occurrence of an event of default under the subordinate mortgage loan, if approved by subordinate mortgage lender in writing, or until such time, if ever, as the lender for the senior underlying mortgage loan (i) discontinues its pursuit of any cure and/or (ii) delivers to the subordinate mortgage lender the written consent of the lender for the senior underlying mortgage loan to the enforcement action described in the enforcement action notice. All amounts advanced or expended by the lender for the senior underlying mortgage loan to cure any default under the subordinate mortgage loan may be added to the indebtedness on the senior underlying mortgage loan.
- The subordinate mortgage may not be modified without the consent of the lender for the senior underlying mortgage loan. The subordinate mortgage lender may not, without consent of the lender for the senior underlying mortgage loan, take any of the following actions: (i) amend, modify, waive, extend, renew or replace any provision of the subordinate loan documents; (ii) pledge, assign, transfer, convey or sell any interest in the subordinate indebtedness or any of the subordinate loan documents; (iii) accept any payment on account of the subordinate indebtedness other than a regularly scheduled payment of principal and interest made not earlier than 10 days prior to its due date and not in excess of a percentage of available surplus cash as set forth in the related subordination agreement; (iv) take any action which has the effect of increasing the subordinate indebtedness; (v) appear in, defend or bring any action to protect the subordinate lender's interest in the mortgaged real property; or (vi) take any action concerning environmental matters affecting the mortgaged real property.
- The lender for the senior underlying mortgage loan generally may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the senior underlying mortgage loan and the senior underlying mortgage loan documents without the subordinate mortgage lender's consent. However, the lender for the senior underlying mortgage loan may not modify any provision of the senior underlying mortgage loan documents that increases the indebtedness of the senior underlying mortgage loan, except for increases in the indebtedness of the senior underlying mortgage loan that result from advances made by the lender for the senior underlying mortgage loan to protect the security or lien priority of the lender for the senior underlying mortgage loan under the senior underlying mortgage loan documents or to cure defaults under the subordinate mortgage documents.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Ships Cove,” representing 3.9% of the initial TEL pool balance, 2 subordinate mortgage loans in favor of Milliken Affordable Housing, Inc. are secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balances of the subordinate mortgage loans was \$5,185,000 and \$1,252,000, respectively. The subordinate mortgage loans each accrue interest at a rate of 7.0% *per annum*. Each of the subordinate mortgage loans are scheduled to mature on December 31, 2056.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Colony Apartments,” representing 2.9% of the initial TEL pool balance, 2 subordinate mortgage loans in favor of Community Housing Concepts, Inc. are secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balances of the subordinate mortgage loans was \$4,805,906 and \$3,249,889, respectively. The subordinate mortgage loans do not accrue interest. Each of the subordinate mortgage loans are scheduled to mature on August 31, 2046.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Breslyn House,” representing 1.5% of the initial TEL pool balance, a subordinate mortgage loan in favor of Bank of America, N.A. is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$2,000,000. The subordinate mortgage does not accrue interest. The subordinate mortgage loan is scheduled to mature on January 8, 2036.

Each such subordinate mortgage is subject to a subordination agreement between the related subordinate mortgage lender and the lender for the related senior underlying mortgage loan, which provides that, among other things:

- If an event of default occurs under the subordinate mortgage loan documents, the subordinate mortgage lender may commence an enforcement action (including a foreclosure action) on the earlier occurrence of (i) 90 days following delivery of notice of any proposed enforcement action by the subordinate mortgage lender to the lender of the senior underlying mortgage loan, subject to the lender of the senior underlying mortgage loan’s right to cure as set forth below, or (ii) the lender of the senior underlying mortgage loan consents in writing to such enforcement action.
- The subordinate mortgage and the subordinate indebtedness are subordinate to the senior underlying mortgage loan in right of payment. The subordinate mortgage and the subordinate mortgage loan documents are subordinate to the senior underlying mortgage loan and the senior underlying mortgage loan documents. The subordinate mortgage lender may not accept any payments pursuant to the subordinate mortgage loan following receipt of notice of a default under the senior underlying mortgage loan.
- The subordinate indebtedness is payable solely from not more than a percentage of the surplus cash after payment of the senior indebtedness as set forth in the related subordination agreement, the maintenance of any required escrow or reserve accounts, property management fees and all reasonable operating expenses, while the underlying mortgage loan remains outstanding.
- Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan.
- After the occurrence of an event of default under the subordinate mortgage loan, following delivery of notice to the lender for the senior underlying mortgage loan of any proposed enforcement action, the lender for the senior underlying mortgage loan may, but is not obligated to, cure such default. All amounts advanced or expended by the lender for the senior underlying mortgage loan to cure any default under the subordinate mortgage loan may be added to the indebtedness on the senior underlying mortgage loan.
- The subordinate mortgage may not be modified without the consent of the lender for the senior underlying mortgage loan. The subordinate mortgage lender may not, without consent of the lender for the senior underlying mortgage loan, take any of the following actions: (i) amend, modify, waive, extend, renew or replace any provision of the subordinate loan documents; (ii) pledge, assign, transfer, convey or sell any interest in the subordinate indebtedness or any of the subordinate loan documents; (iii) accept any payment

on account of the subordinate indebtedness other than a regularly scheduled payment of principal and interest made not earlier than 10 days prior to its due date and not in excess of a percentage of available surplus cash as set forth in the related subordination agreement; (iv) take any action which has the effect of increasing the subordinate indebtedness; (v) appear in, defend or bring any action to protect the subordinate lender's interest in the mortgaged real property; or (vi) take any action concerning environmental matters affecting the mortgaged real property.

- The lender for the senior underlying mortgage loan generally may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the senior underlying mortgage loan and the senior underlying mortgage loan documents without the subordinate mortgage lender's consent.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as "Columbia Apartments," representing 6.4% of the initial TEL pool balance, a subordinate mortgage loan in favor of Columbia Apartments, a California Limited Partnership is secured by such mortgaged real properties. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$11,000,000. The subordinate mortgage accrues interest at a rate of 5.0% *per annum*. The subordinate mortgage loan is scheduled to mature on February 1, 2057.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Marygold Gardens Apartments," representing 3.7% of the initial TEL pool balance, a subordinate mortgage loan in favor of Marygold Gardens Apartments is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$4,800,000. The subordinate mortgage accrues interest at a rate of 5.0% *per annum*. The subordinate mortgage loan is scheduled to mature on November 1, 2056.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as "Princess Apartments," representing 3.0% of the initial TEL pool balance, a subordinate mortgage loan in favor of Princess Apartments, A California Limited Partnership, is secured by such mortgaged real properties. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$4,100,000. The subordinate mortgage accrues interest at a rate of 5.0% *per annum*. The subordinate mortgage loan is scheduled to mature on April 1, 2057.

Each such subordinate mortgage is subject to a subordination agreement between the related subordinate mortgage lender and the lender for the related senior underlying mortgage loan, which provides that, among other things:

- If an event of default occurs under the subordinate mortgage loan documents, the subordinate mortgage lender may commence an enforcement action (including a foreclosure action) on the earlier occurrence of (i) 90 days following delivery of notice of any proposed enforcement action by the subordinate mortgage lender to the lender of the senior underlying mortgage loan, subject to the lender of the senior underlying mortgage loan's right to cure as set forth below, or (ii) the lender of the senior underlying mortgage loan consents in writing to such enforcement action.
- The subordinate mortgage and the subordinate indebtedness are subordinate to the senior underlying mortgage loan in right of payment. The subordinate mortgage and the subordinate mortgage loan documents are subordinate to the senior underlying mortgage loan and the senior underlying mortgage loan documents. The subordinate mortgage lender may not accept any payments pursuant to the subordinate mortgage loan following receipt of notice of a default under the senior underlying mortgage loan.
- The subordinate indebtedness is payable solely from not more than a percentage of the surplus cash after payment of the senior indebtedness as set forth in the related subordination agreement, the maintenance of any required escrow or reserve accounts, property management fees and all reasonable operating expenses, while the underlying mortgage loan remains outstanding.
- Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan.

- After the occurrence of an event of default under the subordinate mortgage loan, following delivery of notice to the lender for the senior underlying mortgage loan of any proposed enforcement action, the lender for the senior underlying mortgage loan may, but is not obligated to, cure such default. All amounts advanced or expended by the lender for the senior underlying mortgage loan to cure any default under the subordinate mortgage loan may be added to the indebtedness on the senior underlying mortgage loan.
- The subordinate mortgage may not be modified without the consent of the lender for the senior underlying mortgage loan. The subordinate mortgage lender may not, without consent of the lender for the senior underlying mortgage loan, take any of the following actions: (i) amend, modify, waive, extend, renew or replace any provision of the subordinate loan documents; (ii) pledge, assign, transfer, convey or sell any interest in the subordinate indebtedness or any of the subordinate loan documents; (iii) accept any payment on account of the subordinate indebtedness other than a regularly scheduled payment of principal and interest made not earlier than 10 days prior to its due date; (iv) take any action which has the effect of increasing the subordinate indebtedness; (v) appear in, defend or bring any action to protect the subordinate lender's interest in the mortgaged real property; or (vi) take any action concerning environmental matters affecting the mortgaged real property.
- The lender for the senior underlying mortgage loan generally may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the senior underlying mortgage loan and the senior underlying mortgage loan documents without the subordinate mortgage lender's consent.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Van Buren Park Apartments," representing 7.8% of the initial TEL pool balance, a subordinate mortgage loan in favor of Related Van Buren, LLC is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$3,000,000. The subordinate mortgage loan accrues interest at a rate of 5.0% *per annum*. The subordinate mortgage loan is scheduled to mature on August 1, 2033.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Bloomingtondale Apartments," representing 3.2% of the initial TEL pool balance, a subordinate mortgage loan in favor of Related Bloomingtondale, LLC is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$1,500,000. The subordinate mortgage accrues interest at a rate of 5.0% *per annum*. The subordinate mortgage loan is scheduled to mature on August 1, 2033.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Colony Apartments," representing 2.9% of the initial TEL pool balance, a subordinate mortgage loan in favor of PNC Bank, National Association is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$5,912,000. The subordinate mortgage loan accrues interest at a rate of LIBOR plus 1.9% *per annum*. The subordinate mortgage loan is scheduled to mature on August 31, 2021.

Each such subordinate mortgage is subject to a subordination agreement between the related subordinate mortgage lender and the lender for the related senior underlying mortgage loan, which provides that, among other things:

- If an event of default occurs under the subordinate mortgage loan documents, the subordinate mortgage lender may commence an enforcement action (including a foreclosure action) on the earlier occurrence of (i) 90 days following delivery of notice of any proposed enforcement action by the subordinate mortgage lender to the lender of the senior underlying mortgage loan, subject to the lender of the senior underlying mortgage loan's right to cure as set forth below, or (ii) the lender of the senior underlying mortgage loan consents in writing to such enforcement action.
- The subordinate mortgage and the subordinate indebtedness are subordinate to the senior underlying mortgage loan in right of payment. The subordinate mortgage and the subordinate mortgage loan documents are subordinate to the senior underlying mortgage loan and the senior underlying mortgage loan

documents. The subordinate mortgage lender may not accept any payments pursuant to the subordinate mortgage loan following receipt of notice of a default under the senior underlying mortgage loan.

- Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan.
- After the occurrence of an event of default under the subordinate mortgage loan, following delivery of notice to the lender for the senior underlying mortgage loan of any proposed enforcement action, the lender for the senior underlying mortgage loan may, but is not obligated to, cure such default. All amounts advanced or expended by the lender for the senior underlying mortgage loan to cure any default under the subordinate mortgage loan may be added to the indebtedness on the senior underlying mortgage loan.
- The subordinate mortgage may not be modified without the consent of the lender for the senior underlying mortgage loan. The subordinate mortgage lender may not, without consent of the lender for the senior underlying mortgage loan, take any of the following actions: (i) amend, modify, waive, extend, renew or replace any provision of the subordinate loan documents; (ii) pledge, assign, transfer, convey or sell any interest in the subordinate indebtedness or any of the subordinate loan documents; (iii) accept any payment on account of the subordinate indebtedness other than a regularly scheduled payment of principal and interest made not earlier than 10 days prior to its due date; (iv) take any action which has the effect of increasing the subordinate indebtedness; (v) appear in, defend or bring any action to protect the subordinate lender's interest in the mortgaged real property; or (vi) take any action concerning environmental matters affecting the mortgaged real property.
- The lender for the senior underlying mortgage loan generally may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the senior underlying mortgage loan and the senior underlying mortgage loan documents without the subordinate mortgage lender's consent.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Garden City Apartments," representing 5.9% of the initial TEL pool balance, a subordinate mortgage loan in favor of PNC Bank, National Association is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$8,352,200. The subordinate mortgage loan accrues interest at a rate of LIBOR plus 1.9% *per annum*. The subordinate mortgage loan is scheduled to mature on May 16, 2021.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Craven Terrace Phase II," representing 2.3% of the initial TEL pool balance, a subordinate mortgage loan in favor of the Housing Authority of the City of New Bern is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$2,470,000. The subordinate mortgage loan accrues interest at a rate of 2.61% *per annum*. The subordinate mortgage loan is scheduled to mature on December 1, 2055.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Craven Terrace Phase I," representing 1.6% of the initial TEL pool balance, a subordinate mortgage loan in favor of the Housing Authority of the City of New Bern is secured by such mortgaged real property. As of the date of origination of the related underlying mortgage loan, the principal balance of the subordinate mortgage loan was \$1,660,000. The subordinate mortgage loan accrues interest at a rate of 2.61% *per annum*. The subordinate mortgage loan is scheduled to mature on December 1, 2055.

Each such subordinate mortgage is subject to a subordination agreement between the related subordinate mortgage lender and the lender for the related senior underlying mortgage loan, which provides that, among other things:

- If an event of default occurs under the subordinate mortgage loan documents, the subordinate mortgage lender may commence an enforcement action (including a foreclosure action) on the earlier occurrence of (i) 90 days following delivery of notice of any proposed enforcement action by the subordinate mortgage lender to the lender of the senior underlying mortgage loan, subject to the lender of the senior underlying

mortgage loan's right to cure as set forth below, or (ii) the lender of the senior underlying mortgage loan consents in writing to such enforcement action.

- The subordinate mortgage and the subordinate indebtedness are subordinate to the senior underlying mortgage loan in right of payment. The subordinate mortgage and the subordinate mortgage loan documents are subordinate to the senior underlying mortgage loan and the senior underlying mortgage loan documents. The subordinate mortgage lender may not accept any payments pursuant to the subordinate mortgage loan following receipt of notice of a default under the senior underlying mortgage loan.
- Any default under the subordinate mortgage loan documents constitutes a default under the senior underlying mortgage loan.
- After the occurrence of an event of default under the subordinate mortgage loan, following delivery of notice to the lender for the senior underlying mortgage loan of any proposed enforcement action, the lender for the senior underlying mortgage loan may, but is not obligated to, cure such default. All amounts advanced or expended by the lender for the senior underlying mortgage loan to cure any default under the subordinate mortgage loan may be added to the indebtedness on the senior underlying mortgage loan.
- The subordinate mortgage may not be modified without the consent of the lender for the senior underlying mortgage loan. The subordinate mortgage lender may not, without consent of the lender for the senior underlying mortgage loan, take any of the following actions: (i) amend, modify, waive, extend, renew or replace any provision of the subordinate loan documents; (ii) pledge, assign, transfer, convey or sell any interest in the subordinate indebtedness or any of the subordinate loan documents; (iii) take any action which has the effect of increasing the subordinate indebtedness.
- The lender for the senior underlying mortgage loan generally may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the senior underlying mortgage loan and the senior underlying mortgage loan documents without the subordinate mortgage lender's consent.

Unsecured Subordinate Debt. With respect to the TEL secured by the underlying mortgage loan that is secured by the mortgaged real property identified on Exhibit A-1 as "Park Tanglewood," representing 7.0% of the initial TEL pool balance, the underlying borrower under the underlying mortgage loan has obtained a subordinate unsecured loan in the amount of \$596,281 in favor of Tanglewood GP LLC. The subordinate loan does not accrue interest and has a maturity date of April 1, 2072.

*Property Damage, Liability and Other Insurance.* The loan documents for each of the underlying mortgage loans generally require that with respect to the related mortgaged real property the related underlying borrower maintain property damage, flood (if any portion of the improvements of the subject property is in a flood zone), commercial general liability and business income/rental value insurance in the amounts required by the loan documents, subject to exceptions in some cases for tenant insurance.

We cannot assure you regarding the extent to which the mortgaged real properties securing the underlying mortgage loans that secure the TELs will be insured against earthquake risks. With respect to the TELs secured by the underlying mortgage loans that are secured by the mortgaged real properties identified on Exhibit A-1 as "Summer Field Apartments," "Cypress Pines," "Columbia Apartments," "Buckingham Apartment Portfolio," "Marygold Garden Apartments" and "Princess Apartments," collectively representing 43.2% of the initial TEL pool balance, each such mortgaged real property is partially or fully located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g and a seismic assessment was performed to assess the scenario expected loss or probable maximum loss. With respect to 5 of the TELs, collectively representing 37.4% of the initial TEL pool balance, earthquake insurance was not required with respect to the mortgaged real properties located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g for which a scenario expected loss assessment or a probable maximum loss assessment was performed because the scenario expected loss or probable maximum loss for each of those mortgaged real properties is less than or equal to 20% of the amount of the replacement cost of the improvements. With respect to 1 of the TELs, representing 5.8% of the initial TEL pool balance, earthquake insurance was required with respect to the mortgaged real properties located in seismic zones 3 or 4 or a geographic

location with a horizontal peak ground acceleration equal to or greater than 0.15g for which a scenario expected loss assessment or a probable maximum loss assessment was performed.

In addition, we cannot assure you regarding the extent to which the mortgaged real properties securing the underlying mortgage loans will be insured against flood risks.

Subject to the discussion below regarding insurance for acts of terrorism, the master servicer will be required to use reasonable efforts in accordance with the Servicing Standard to cause each related underlying borrower to maintain, and, if such underlying borrower does not so maintain, the master servicer will itself cause to be maintained, for each mortgaged real property (including each mortgaged real property relating to any Specially Serviced Mortgage Loan) all insurance coverage as is required under the related loan documents or the Servicing Standard. The master servicer will not be required to require the related underlying borrower to obtain or maintain earthquake or flood insurance coverage that is not available at commercially reasonable rates, as determined by the master servicer in accordance with the Servicing Standard. If such underlying borrower fails to do so, the master servicer must maintain that insurance coverage, to the extent—

- the trustee has an insurable interest;
- the insurance coverage is available at commercially reasonable rates, as determined by the master servicer in accordance with the Servicing Standard; and
- any related Servicing Advance is deemed by the master servicer to be recoverable from collections on the related underlying mortgage loan.

However, the master servicer will not be required to declare a default under an underlying mortgage loan if the related underlying borrower fails to maintain insurance providing for coverage for property damage resulting from a terrorist or similar act, and the master servicer need not maintain (or require the underlying borrower to obtain) such insurance, if the special servicer has determined (after due inquiry in accordance with the Servicing Standard and with the consent of the Approved Directing Certificateholder (if any), which consent is subject to certain limitations and a specified time period as set forth in the Pooling Agreement; provided that the special servicer will not follow any such direction, or refrain from acting based on the lack of any such direction, of such Approved Directing Certificateholder, if following any such direction of such Approved Directing Certificateholder or refraining from taking such action based on the lack of any such direction of such Approved Directing Certificateholder would violate the Servicing Standard), in accordance with the Servicing Standard, that either:

- such insurance is not available at commercially reasonable rates and such hazards are not at the time commonly insured against for properties similar to the related mortgaged real property and located in and around the region in which the mortgaged real property is located; or
- such insurance is not available at any rate.

The insurance coverage required to be maintained by the underlying borrowers may not cover any physical damage resulting from, among other things, war, revolution, or nuclear, biological, chemical or radiological materials. In addition, even if a type of loss is covered by the insurance policies required to be in place at the mortgaged real property, the mortgaged real property may suffer losses for which the insurance coverage is inadequate. For example, in the case where terrorism coverage is included under a policy, if the terrorist attack is, for example, nuclear, biological or chemical in nature, the policy may include an exclusion that precludes coverage for such terrorist attack.

Various forms of insurance maintained with respect to one or more of the mortgaged real properties securing the underlying mortgage loans, including casualty insurance, may be provided under a blanket insurance policy. That blanket insurance policy will also cover other real properties, some of which may not secure underlying mortgage loans. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a property securing one of the underlying mortgage loans.

The underlying mortgage loans generally provide that insurance and condemnation proceeds are to be applied either—

- to restore the related mortgaged real property (with any balance to be paid to the underlying borrower); or
- towards payment of the underlying mortgage loan.

With respect to any REO Property, the special servicer will be required to maintain one or more insurance policies sufficient to provide no less coverage than was previously required of the underlying borrower under the related loan documents or any such lesser amount of coverage previously required by the master servicer when such REO Loan was a non-Specially Serviced Mortgage Loan or, at the special servicer's election and with the consent of the Approved Directing Certificateholder (if any) (which consent is subject to certain limitations and a specified time period as set forth in the Pooling Agreement), coverage satisfying insurance requirements consistent with the Servicing Standard, provided that such coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest. The special servicer, to the extent consistent with the Servicing Standard, may maintain earthquake insurance on REO Properties, provided that coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest.

The master servicer and the special servicer may each satisfy its obligations regarding maintenance of the property damage insurance policies by maintaining a lender placed insurance policy that provides protection equivalent to the individual policies otherwise required by the loan documents or the Servicing Standard (including containing a deductible clause consistent with the Servicing Standard) insuring against hazard losses with respect to all of the mortgaged real properties and/or REO Properties in the issuing entity for which it is responsible. Solely in the event that Accepted Servicing Practices is the applicable Servicing Standard, the deductible clause (if any) in the lender placed insurance policy referred to in the preceding sentence is required to be in an amount not in excess of customary amounts, in which case if (i) an insurance policy complying with the loan documents or the Servicing Standard or, in the case of REO Properties, as permitted by the Pooling Agreement or consistent with the Servicing Standard, if applicable, is not maintained on the related mortgaged real property or REO Property and (ii) there are losses which would have been covered by such insurance policy had it been maintained, the master servicer or the special servicer, as applicable, must deposit into the collection account from the master servicer's or the special servicer's, as applicable, own funds the portion of such loss or losses that would have been covered under such insurance policy but is not covered under the lender placed insurance policy because such deductible exceeds the deductible limitation required by the related loan documents or the Servicing Standard or, in the case of REO Properties, as permitted by the Pooling Agreement or, in the absence of any such deductible limitation, the deductible limitation which is consistent with the Servicing Standard. Any incremental costs (excluding any minimum or standby premium payable for a lender placed insurance policy, whether or not any mortgaged real property or REO Property is covered thereby) incurred by the master servicer or the special servicer, as applicable, if such master servicer or special servicer causes any mortgaged real property or REO Property to be covered by a lender placed insurance policy will be paid by the master servicer as a Servicing Advance (subject to a nonrecoverability determination).

### **Characteristics of Mortgaged Real Properties**

Exhibits A-1, A-2 and A-3 present in detail various characteristics of the underlying mortgage loans and of the corresponding mortgaged real properties, on an individual basis and in tabular format. The statistics in the tables and schedules on Exhibits A-1, A-2 and A-3 were derived, in many cases, from information and operating statements furnished by or on behalf of the respective underlying borrowers of the underlying mortgage loans. The information and the operating statements were generally unaudited and have not been independently verified by us or Freddie Mac.

### **Additional Underlying Mortgage Loan and Mortgaged Real Property Information**

*Ground Leases.* With respect to the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as "Craven Terrace Phase II," "Craven Terrace Phase I" and "HACEP Tranche 1B Portfolio," collectively representing 5.8% of the initial TEL pool balance, each such underlying mortgage loan is secured by the leasehold interest of the related borrower in the related mortgaged real property.

With respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Craven Terrace Phase II,” representing 2.3% of the initial TEL pool balance, the related underlying mortgage loan is secured by the leasehold interest of the related borrower in the related mortgaged real property. The mortgaged real property is subject to a ground lease dated December 1, 2015, between the Housing Authority of the City of New Bern, as ground lessor, and the related borrower, as ground lessee. The current fixed rent was paid in advance for the entire term of the lease in the amount of \$2,470,000 in the form of a non-recourse promissory note made by the related borrower over a 40-year term. The ground lease is scheduled to terminate on November 30, 2114.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Craven Terrace Phase I,” representing 1.6% of the initial TEL pool balance, the related underlying mortgage loan is secured by the leasehold interest of the related borrower in the related mortgaged real property. The mortgaged real property is subject to a ground lease dated December 1, 2015, between the Housing Authority of the City of New Bern, as ground lessor, and the related borrower, as ground lessee. The current fixed rent was paid in advance for the entire term of the lease in the amount of \$1,660,000 in the form of a non-recourse promissory note made by the related borrower over a 40-year term. The ground lease is scheduled to terminate on November 30, 2114.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified on Exhibit A-1 as “HACEP Tranche 1B Portfolio,” representing 1.9% of the initial TEL pool balance, the related underlying mortgage loan is secured by the leasehold interest of the related borrower in the related mortgaged real properties. The related mortgaged real properties are subject to a ground lease dated August 1, 2016, between the Housing Authority of the City of El Paso, as ground lessor, and the related borrower, as ground lessee. The current fixed rent under the ground lease is \$3,067, *per annum*. The ground lease is scheduled to terminate on August 31, 2090. In addition, pursuant to the ground lease, the related mortgaged real properties are subject to a purchase option in favor of the ground lessor under the ground lease. Such purchase option is subordinate to the lien of the underlying mortgage loan. The purchase option may be binding on others later acquiring right or title to the mortgaged real properties.

*Borrower Structures.* With respect to all of the underlying mortgage loans, the related underlying borrowers are single purpose entities whose organizational documents or the terms of the underlying mortgage loans limit their activities to the ownership of only the related mortgaged real property and, subject to exceptions, including relating to subordinate debt secured by the related mortgaged real properties, generally limit the underlying borrowers’ ability to incur additional indebtedness other than trade payables and equipment financing relating to the applicable mortgaged real properties in the ordinary course of business. Each of the underlying borrower entities consists of at least one general partner and a limited partner who has provided equity funding for the project in exchange for certain tax benefits, consisting primarily of low-income housing tax credits, depreciation and losses.

In addition, with respect to some of the underlying mortgage loans, the related nonrecourse carveout provisions of the related loan documents may be guaranteed, in whole or in part, by non-U.S. individuals or entities, which may decrease the likelihood of recovery under such guarantee. In addition, some of the underlying mortgage loans may be guaranteed, in whole or in part, by sponsors of the related underlying borrowers or other parties that are funds or other entities, the terms of which may be subject to expiration or other structural contingencies. In such cases, the related loan documents may require such entities to extend their terms or to otherwise take action or provide additional security to the lender regarding the continued existence of such entities during the terms of the underlying mortgage loans.

We cannot assure you that circumstances that may arise if such underlying borrowers do not observe the covenants will not adversely impact such underlying borrowers or the operations at or the value of such mortgaged real properties.

See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—The Type of Borrower May Entail Risk” in this offering circular supplement for a further description of each of these underlying borrower structures.

*Delinquencies.* None of the underlying mortgage loans was, as of May 1, 2018, 30 days or more delinquent with respect to any monthly debt service payment.

*Title, Survey and Similar Issues.* The permanent improvements on certain of the mortgaged real properties may encroach over an easement or a setback line or onto another property. In other instances, certain oil, gas or water estates may affect a property. Generally, in those cases, either (i) the related lender's title policy insures against loss if a court orders the removal of the improvements causing the encroachment or (ii) the respective title and/or survey issue was analyzed by the originating lender and determined not to materially affect the respective mortgaged real property for its intended use. There is no assurance, however, that any such analysis in this regard is correct, or that such determination was made in each and every case.

*Restrictive Covenants and Contractual Covenants.* Some of the multifamily rental properties that secure the underlying mortgage loans may be subject to land use restrictive covenants or contractual covenants.

For example, with respect to all of the TELs, each such mortgaged real property is subject to a land use restriction agreement in favor of a local, state or federal agency. The agreements generally require that all or a portion of the units at each such mortgaged real property be reserved for tenants earning no more than a specified income threshold. Such income thresholds range from 50.0% to 80.0% of the related area median income, subject to certain rental restrictions.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "Lake Delray Apartments," representing 13.0% of the initial TEL pool balance, the sponsor of the related underlying borrower reported that the related mortgaged real property is subject to an age-restriction or is marketed as being an age-restricted property.

In addition, with respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as "Van Buren Park Apartments," "Manors I and II Apartments" and "George W. Baines Apartments," collectively representing 11.5% of the initial TEL pool balance, the sponsor of each related borrower reported that each related mortgaged real property is subject to an age-restriction or is marketed as being an age-restricted property generally requiring that all units be reserved for tenants at least 62 years of age.

*Low Income Housing Tax Credits.* Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive low income housing tax credits pursuant to Code Section 42.

With respect to all of the TELs, the related mortgaged real properties are each subject to a land use restriction agreement in favor of a local, state or federal agency made in connection with the allocation of federal low-income housing tax credits under Code Section 42. The agreements generally require that all or a portion of the units at each such mortgaged real property be reserved for tenants earning no more than a specified income threshold. Such income thresholds range from 30.0% to 60.0% of the related area median income, subject to certain rental restrictions.

*Rental Subsidy Programs.* With respect to the underlying mortgage loans, the underlying borrower receives subsidies or other assistance from government programs. Generally, a mortgaged real property receiving such subsidy or assistance must satisfy certain requirements, the underlying borrower must observe certain leasing practices and/or the tenant(s) must regularly meet certain income requirements. For example, with respect to all of the TELs, the related mortgaged real properties are each subject to a project-based Section 8 Housing Assistance Payments ("HAP") contract. The HAP contract cannot be assigned by the lender without the consent of HUD or a state or local housing agency and will not be assigned to the issuing entity. We cannot assure you that such programs will continue in their present form or that the underlying borrowers will continue to comply with the requirements of the programs to enable the underlying borrowers to receive the subsidies in the future or that the level of assistance provided will be sufficient to generate enough revenues for the underlying borrowers to meet their obligations under the underlying mortgage loans, nor can we assure you that any transferee of the mortgaged real property, whether through foreclosure or otherwise, will obtain the consent of HUD or any state or local housing agency.

*Tax Abatements and Exemptions.* Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive tax abatements or exemptions or may be subject to reduced taxes in connection with a "payment in lieu of taxes" ("PILOT") agreement.

For example, with respect to the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “Summer Field Apartments,” “Lake Delray Apartments,” “Cypress Pines,” “Columbia Apartments,” “Buckingham Apartment Portfolio,” “Marygold Garden Apartments” and “Princess Apartments,” collectively representing approximately 56.2% of the initial TEL pool balance, each related mortgaged real property benefits or is expected to benefit from a tax abatement granted by a local, state or federal agency. Pursuant to the related loan documents, if the related underlying borrower does not obtain approval for the continuation or granting of the tax abatement, each such related underlying borrower will be required to prepay in part the related underlying mortgage loan. See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Prepayment Provisions” in this offering circular supplement.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Park Tanglewood,” representing approximately 7.0% of the initial TEL pool balance, the related mortgaged real property benefits from a tax abatement granted by Prince George’s County, Maryland. The tax abatement is scheduled to terminate on July 1, 2037.

In addition, with respect to the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “Craven Terrace Phase II” and “Craven Terrace Phase I,” collectively representing 4.0% of the initial TEL pool balance, each related mortgaged real property benefits from a tax abatement granted by the Craven County Tax Administrator and the City of New Bern Tax Collector. Each such tax abatement will remain effective until the related mortgaged real property ceases to qualify for the tax abatement under the related tax abatement program.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Manors I and II Apartments,” representing 3.2% of the initial TEL pool balance, the sponsor of the related borrower reported that the related mortgaged real property benefits from a full tax exemption granted by the State of Colorado pursuant to Section 29-4-227 of the Colorado Revised Statutes. The sponsor reported that the term of the tax abatement is perpetual provided that the borrower and the mortgaged real property continue to satisfy certain requirements under the statute.

In addition, with respect to the TEL secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “HACEP Tranche 1B Portfolio,” representing approximately 1.9% of the initial TEL pool balance, each related mortgaged real property benefits from a tax abatement granted by the El Paso Appraisal District. Each such tax abatement will terminate upon a change in use or ownership of the related mortgaged real property.

In addition, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Breslyn House,” representing 1.5% of the initial TEL pool balance, the sponsor of the related borrower reported that the related mortgaged real property is expected to benefit from a partial tax abatement granted by the Pennsylvania Housing Finance Agency as a result of certain low-income housing tax credit affordability restrictions. The sponsor reported that the tax abatement will remain in effect while the related mortgaged real property is subject to low-income tax credit compliance, which is expected to be 30 years or more.

*Litigation.* There may be pending or, from time to time, threatened legal proceedings against the underlying borrowers under the underlying mortgage loans, the property managers of the related mortgaged real properties and their respective affiliates, arising out of the ordinary business of those underlying borrowers, property managers and affiliates.

For example, with respect to the TEL secured by the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “Van Buren Park Apartments” and “Bloomingdale Apartments,” collectively representing 11.0% of the initial TEL pool balance, the sponsor of each related borrower disclosed that it is subject to a pending lawsuit in connection with such sponsor’s alleged breach of an implied covenant of good faith and fair dealing and tortious interference. The pending lawsuit does not involve the related borrower or the related mortgaged real properties. The court found in favor of the plaintiff and ruled that the sponsor was jointly and severally liable in the amount of \$5,894,391, plus pre- and post-judgment interest along with attorney’s fees and expenses. The sponsor is appealing this judgment. In addition, the sponsor disclosed that it is subject to 2 pending lawsuits in connection with claims for wrongful termination and discrimination based on gender and race by a

former employee and 1 pending lawsuit in connection with a claim by a tenant of a sponsor-affiliated property other than the mortgaged real property for unlawful discrimination based on disability. The sponsor reported that discovery is currently pending in the 2 cases brought by the former employee and that there has been no activity in the lawsuit brought by the tenant since 2013.

*Redevelopment or Renovation.* Certain mortgaged real properties are subject to current or future redevelopment, renovation or construction.

For example, with respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Garden City Apartments,” representing 5.9% of the initial TEL pool balance, the sponsor of the related borrower reported that there is currently one unavailable unit at the related mortgaged real property due to damages sustained during a fire that occurred at such mortgaged real property. The sponsor reported that the estimated cost to complete repairs is \$45,000.

## **Underwriting Matters**

*General.* Each underlying mortgage loan was generally underwritten by the applicable Originator substantially in accordance with the standards in the Freddie Mac Act and the Guide, each as described in “Description of the Depositor and Guarantor—Mortgage Loan Purchase and Servicing Standards of Freddie Mac” in this offering circular supplement, and was then originated by or for the applicable Governmental Authority. In connection with the origination of each of the underlying mortgage loans, the applicable Originator evaluated the corresponding mortgaged real property or properties in a manner generally consistent with the standards described in this “—Underwriting Matters” section.

The information provided by us in this offering circular supplement regarding the condition of the mortgaged real properties, any environmental conditions at the mortgaged real properties, valuations of or market information relating to the mortgaged real properties or legal compliance of the mortgaged real properties is based on reports described below under “—Environmental Assessments,” “—Property Condition Assessments,” “—Appraisals and Market Studies” and “—Zoning and Building Code Compliance,” provided by certain third-party independent contractors. Such reports have not been independently verified by any of the parties to the Pooling Agreement or the affiliates of any of these parties.

Subject to certain exceptions, the property condition assessments and appraisals described in this section were generally performed in connection with the origination of the underlying mortgage loans, which were originated between December 18, 2015 and June 15, 2017. We have not obtained updated property condition assessments or appraisals in connection with this securitization. We cannot assure you that the information in such property condition reports and appraisals reflect the current condition or estimate of the current or prospective value of the mortgaged real properties.

*Environmental Assessments.* With respect to all of the mortgaged real properties, Phase I environmental site assessments (each an “ESA”) were prepared in connection with the origination of the underlying mortgage loans. The ESAs, meeting criteria consistent with the Servicing Standard, were prepared pursuant to ASTM International standards for ESAs. In addition to the Phase I standards, many of the environmental reports included additional research, such as limited sampling for asbestos-containing material, lead-based paint and radon, depending on the property use and/or age. Additionally, as needed pursuant to ASTM International standards, supplemental “Phase II” site sampling investigations were completed for some mortgaged real properties to evaluate further certain environmental issues. We cannot assure you that the environmental assessments or investigations, as applicable, identified all environmental conditions and risks at, or that any environmental conditions will not have a material adverse effect on the value of or cash flow from, one or more of the mortgaged real properties.

With respect to all of the mortgaged real properties securing the underlying mortgage loans, a search of environmental databases or ESAs were conducted with respect to such underlying mortgaged real properties. We cannot assure you that the environmental database searches identified all environmental conditions and risks at, or that any environmental conditions will not have a material adverse effect on the value of or cash flow from, one or more of the mortgaged real properties.

If the environmental investigations described above identified material adverse or potentially material adverse environmental conditions at or with respect to any of the respective mortgaged real properties securing an underlying mortgage loan or at a nearby property with potential to affect a mortgaged real property, then the applicable Governmental Authority may have taken or caused to be taken one or more of the following actions:

- an environmental consultant investigated those conditions and recommended no further investigations or remediation;
- an operation and maintenance plan or other remediation was required and/or an escrow reserve was established to cover the estimated costs of obtaining that plan and/or effecting that remediation;
- those conditions were remediated or abated prior to the Closing Date;
- a letter was obtained from the applicable regulatory authority stating that no further action was required;
- another responsible party has agreed to indemnify the holder of the underlying mortgage loan from any losses that such party suffers as a result of such environmental conditions;
- an environmental insurance policy was obtained with respect to the mortgaged real property;
- in those cases in which it was known that an offsite property is the location of a leaking underground storage tank (“UST”) or groundwater contamination, a responsible party other than the related underlying borrower has been identified under applicable law, and generally one or more of the following are true—
  1. that condition is not known to have affected the mortgaged real property; or
  2. the responsible party has either received a letter from the applicable regulatory agency stating no further action is required, established a remediation fund, engaged in responsive remediation, or provided an indemnity or guaranty to the underlying borrower or the mortgagee/lender; and/or
- in those cases involving mortgage loans with an original principal balance of less than \$1,000,000, the underlying borrower expressly agreed to comply with all federal, state and local statutes or regulations respecting the identified adverse environmental conditions.

For some of the mortgaged real properties, the related ESAs may have noted that onsite USTs or leaking USTs previously had been removed or closed in place or other types of potential or actual spills or releases may have occurred, and based on criteria such as experience with past investigations, cleanups or other response actions, the quantities or types of hazardous materials involved, the absence of significant risk, tank test results or other records, and/or other circumstances including regulatory closure, the ESAs did not recommend any further investigation or other action. In some such cases, even where regulatory closure was documented for past incidents the ESAs may have reported that requests to governmental agencies for any related files are pending. However, those ESAs nevertheless concluded that such incidents were not likely to be significant at the time they were prepared.

Some underlying borrowers under the underlying mortgage loans may not have satisfied all post-closing obligations required by the related loan documents with respect to environmental matters.

We cannot assure you that such post-closing obligations have been satisfied or will be satisfied or that any of the recommended operations and maintenance plans have been or will continue to be implemented.

The Pooling Agreement will require that the special servicer obtain an ESA of a mortgaged real property within 12 months prior to acquiring title to the property or assuming its operation. This requirement precludes enforcement of the security for the related underlying mortgage loan until a satisfactory ESA is obtained or until any required remedial action is taken. We cannot assure you that the requirements of the Pooling Agreement will effectively insulate the issuing entity from potential liability for a materially adverse environmental condition at any mortgaged real property.

*Property Condition Assessments.* With respect to all of the mortgaged real properties, a third-party engineering firm inspected the property to assess exterior walls, roofing, interior construction, mechanical and electrical systems and general condition of the site, buildings and other improvements located at each of the mortgaged real properties.

The inspections identified various deferred maintenance items and necessary capital improvements at some of the mortgaged real properties. The resulting inspection reports generally included an estimate of cost for any recommended repairs or replacements at a mortgaged real property. When repairs or replacements were recommended and deemed material by the applicable Originator, the related underlying borrower was required to carry out necessary repairs or replacements and, in some instances, to establish reserves, generally in the amount of 100% to 125% of the cost estimated in the inspection report, to fund deferred maintenance or replacement items that the reports characterized as in need of prompt attention. See the columns titled “Engineering Escrow/Deferred Maintenance,” “Replacement Reserve (Initial)” and “Replacement Reserve (Monthly)” on Exhibit A-1. We cannot assure you that another inspector would not have discovered additional maintenance problems or risks, or arrived at different, and perhaps significantly different, judgments regarding the problems and risks disclosed by the respective inspection reports and the cost of corrective action. In addition, some of the required repairs or replacements may be in progress as of the date of this offering circular supplement, and we cannot assure you that the related underlying borrowers will complete any such required repairs or replacements in a timely manner or in accordance with the requirements set forth in the loan documents.

*Appraisals and Market Studies.* An independent appraiser that is state-certified and/or a member of the American Appraisal Institute conducted an appraisal reflecting a valuation as of a date occurring within the 34-month period ending on May 1, 2018, in order to establish an appraised value with respect to all of the mortgaged real properties. Those appraisal valuations are the basis for the Appraised Values for the respective mortgaged real properties set forth on Exhibit A-1 and provide “as-is” values as of the dates set forth on Exhibit A-1, except as described on Exhibit A-1 and/or the related footnotes as to any underlying mortgage loan with an “as-stabilized” value, which value is estimated assuming satisfaction of projected re-tenancing or increased tenant occupancy conditions, or an “as-proposed” value, an “as-renovated” value, or an “as-rehabbed” value, each of which values is estimated assuming certain renovations are completed. The appraisals reflect market conditions as of the date of the appraisal valuations and may not reflect current or prospective values of the related mortgaged real properties.

In general, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller. However, this amount could be significantly higher than the amount obtained from the sale of a particular mortgaged real property under a distress or liquidation sale. Implied in the Appraised Values shown on Exhibit A-1, is the contemplation of a sale at a specific date and the passing of ownership from seller to buyer under the following conditions:

- buyer and seller are motivated;
- both parties are well informed or well advised, and each is acting in what he considers his own best interests;
- a reasonable time is allowed to show the property in the open market;
- payment is made in terms of cash in U.S. dollars or in comparable financial arrangements; and
- the price paid for the property is not adjusted by special or creative financing or sales concessions granted by anyone associated with the sale.

In certain cases, appraisals may reflect “as-is,” “as stabilized” or other values which may contain certain assumptions, such as future construction completion, projected re-tenancing or increased tenant occupancies. We cannot assure you that any assumption is or will be accurate or that the “as-is,” “as stabilized” or other value will be the value of such mortgaged real property at the indicated stabilization date. See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—Appraisals and Market Studies May Inaccurately Reflect the Current or Prospective Value of the Mortgaged Real Properties” in this offering circular supplement. Each appraisal of a

mortgaged real property referred to above involved a physical inspection of the property and reflects a correlation of the values established through the Sales Comparison Approach, the Income Approach and/or the Cost Approach.

Either the appraisal itself, or a separate letter, contains a statement to the effect that the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 were followed in preparing that appraisal. However, we have not independently verified the accuracy of this statement.

In the case of any underlying mortgage loan, the related underlying borrower may have acquired the mortgaged real property at a price less than the Appraised Value on which the underlying mortgage loan was underwritten.

We cannot assure you that information regarding Appraised Values accurately reflects past, present or future market values of the mortgaged real properties. We have not confirmed the values of the respective mortgaged real properties in the appraisals.

Additionally, with respect to the appraisals setting forth assumptions as to the “as-is,” “as stabilized” or other values, we cannot assure you that such assumptions are or will be accurate or that the “as-is,” “as stabilized” or other values will be the value of the related mortgaged real property at the indicated stabilization date.

*Zoning and Building Code Compliance.* In connection with the origination of each underlying mortgage loan, the applicable Originator examined whether the use and operation of the related mortgaged real property were in material compliance with zoning, land-use, building, fire and health ordinances, rules, regulations and orders then-applicable to the mortgaged real property. Evidence of this compliance may have been in the form of certifications and other correspondence from government officials or agencies, title insurance endorsements, engineering, consulting or zoning reports, appraisals, legal opinions, surveys, recorded documents, temporary or permanent certificates of occupancy and/or representations by the related underlying borrower. Where a material noncompliance was found or the property as currently operated is a legal non-conforming use and/or structure, an analysis was generally conducted as to—

- whether, in the case of material noncompliance, such noncompliance constitutes a legal non-conforming use and/or structure, and if not, whether an escrow or other requirement was appropriate to secure the taking of necessary steps to remediate any material noncompliance or constitute the condition as a legal non-conforming use or structure;
- the likelihood that a material casualty would occur that would prevent the property from being rebuilt in its current form; and
- whether existing replacement cost property damage insurance or, if necessary, supplemental law or ordinance coverage would, in the event of a material casualty, be sufficient—
  1. to satisfy the entire underlying mortgage loan; or
  2. taking into account the cost of repair, to pay down the underlying mortgage loan to a level that the remaining collateral would be adequate security for the remaining loan amount.

We cannot assure you that any such analysis in this regard is correct, or that the above determinations were made in each and every case.

### **Significant Underlying Mortgage Loans**

For summary information on the ten largest underlying mortgage loans or group of cross-collateralized underlying mortgage loans, see Exhibits A-1, A-2 and A-3.

### **Significant Originator**

Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (“JLL Multifamily”), originated 9 of the TELs, collectively representing 52.7% of the initial TEL pool balance. JLL Multifamily is also expected to

be the sub-servicer of certain of the underlying mortgage loans and TELs. JLL Multifamily is, indirectly, wholly-owned by Jones Lang LaSalle Incorporated.

Since 1994, JLL Multifamily has originated approximately \$15.65 billion of multifamily mortgage loans with Freddie Mac, of which approximately \$8.45 billion have been sold to Freddie Mac for securitization. With respect to multifamily mortgage loans that JLL Multifamily originates for resale to Freddie Mac, JLL Multifamily originates such mortgage loans substantially in accordance with the standards in the Freddie Mac Act and the Guide as described in “Description of the Depositor and Guarantor—Mortgage Loan Purchase and Servicing Standards of Freddie Mac” in this offering circular supplement. Loans originated for purchase by Freddie Mac are underwritten to the standards of a prudent commercial real estate lender, with specific focus on complying with the standards and requirements of the Guide, and program requirements for the specific transaction and product type, and are approved and purchased by Freddie Mac prior to each securitization. JLL Multifamily’s current Freddie Mac portfolio has a delinquency rate of 0.0% as of May 4, 2018. The underwriting standards of JLL Multifamily are consistent with the standards and practices set forth in “—Underwriting Matters” in this offering circular supplement. With respect to the description of “—Underwriting Matters—Appraisals and Market Studies” above, an independent appraiser that is state certified and/or a member of the Appraisal Institute conducts an appraisal of each mortgaged real property within 90 days of the closing of the related underlying mortgage loan, in order to establish an appraised value with respect to all of the mortgaged real properties securing the underlying mortgage loans.

The information set forth in this section “Description of the Underlying Mortgage Loans—Significant Originator” has been provided by JLL Multifamily. Neither Freddie Mac nor any other person other than JLL Multifamily makes any representation or warranty as to the accuracy or completeness of such information.

#### **Assignment of the TELs and Transfer of Mortgage Files**

On or before the Closing Date, we will transfer all of the TELs to the trustee. The trustee will hold the TELs for the benefit of the certificateholders and Freddie Mac within the meaning of Section 1367(b)(19)(B) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended. In each case, the transferor will assign the TELs, without recourse, to the transferee.

In connection with these transfers, on the Closing Date or at such later date as is permitted under the Pooling Agreement, the Governmental Authorities will generally be required to deliver or cause the delivery of the mortgage file to the custodian with respect to each of the TELs, which mortgage file will consist of the following documents, among others:

- (a) the original governmental note (or, if the original governmental note has been lost, a copy of the lost governmental note (or an original or copy of the consolidated debt instrument, as applicable), together with a lost note affidavit with a customary indemnification provision), bearing, or accompanied by, all prior and intervening endorsements or assignments showing a complete chain of endorsement or assignment from the Governmental Authority (or the originator of record in the event that the Governmental Authority is not the originator of record) either in blank or to the depositor, and further endorsed (at the direction of the depositor given pursuant to the Pooling Agreement) by the depositor, on its face or by allonge attached thereto, without recourse, either in blank or to the order of the trustee;
- (b) a copy of the recorded underlying mortgage;
- (c) a copy of the note for the underlying mortgage loan;
- (d) originals or copies of all (i) assumption agreements, (ii) modification agreements, (iii) written assurance agreements and (iv) substitution agreements, together with, if required, any evidence of recording thereon or in the form submitted for recording, in those instances where any terms or provisions of the TEL, underlying mortgage, underlying mortgage loan agreement, funding loan agreement, underlying mortgage note, governmental note or any related security document have been modified or the TEL or underlying mortgage loan has been assumed;
- (e) an original or copy of the original lender’s title insurance policy (which may be in the form of an electronically issued policy) (together with all endorsement or riders that were issued with or subsequent to

the issuance of such policy), or if the policy has not yet been issued, the original or a copy of a binding written commitment (which may be a pro forma or specimen title insurance policy which has been accepted or approved in writing by the related title insurance company) or interim binder that is marked as binding and countersigned by the title company, insuring the priority of the underlying mortgage as a first lien on the related mortgaged real property, relating to such underlying mortgage loan;

- (f) the original or a counterpart of any guaranty of the obligations of the underlying borrower under the underlying mortgage loan that secures the TEL, if any;
- (g) an original or copy of the UCC financing statement relating to the underlying mortgage note and relating to the TEL note, if any, together with any intervening assignments thereof with respect to the TEL note made from the applicable originator to the depositor, in each case, in the form submitted for recording or, if recorded, with evidence of recording indicated thereon (such evidence may include an electronically recorded copy);
- (h) the original or certified copy of the power of attorney (with evidence of recording thereon if a power of attorney was used to execute the underlying mortgage) granted by the underlying borrower if the underlying mortgage, underlying mortgage loan agreement, the funding loan agreement, underlying mortgage note, the governmental note or other document or instrument referred to above was not signed by the underlying borrower, if any;
- (i) an original of any related funding loan agreement, an original of any continuing covenant agreement and a copy of any underlying mortgage loan agreement;
- (j) with respect to any other debt of an underlying borrower or mezzanine borrower permitted under the related TEL, an original or copy of a subordination agreement, standstill agreement or other intercreditor, co-lender or similar agreement relating to such other debt, if any, including any mezzanine loan documents, and a copy of the promissory note relating to such other debt (if such debt is also secured by the related mortgage);
- (k) the originals of letters of credit, if any, relating to the TELs and all appropriate assignment or amendment documentation related to the assignment to the issuing entity of any letter of credit securing a TEL; *provided* that in connection with the delivery of the mortgage file to the issuing entity, such originals will be required to be delivered to the master servicer and copies thereof will be required to be delivered to the custodian, on behalf of the trustee;
- (l) the original or a copy of any environmental indemnity agreements and copies of environmental insurance policies pertaining to the mortgaged real properties required in connection with the origination of the underlying mortgage loan or TEL, if any;
- (m) the original or a copy of each related collateral assignment of management agreements and each cash management agreement, if any;
- (n) the original or a copy of any (i) intercreditor agreements and any associated certificates, assignments, assumption agreements or other related documents, (ii) subordination agreement, standstill agreement or other intercreditor, co-lender or similar agreement related to any affiliate debt and (iii) indemnification agreement;
- (o) a copy of any related interest rate cap agreement with respect to the related underlying mortgage loan, any amendment thereof, and any notice of assignment of such interest rate cap agreement, if any;
- (p) with respect to the Crossed Loan Group, the original or a copy of the cross-collateralization agreement;
- (q) the original or a copy of each related ground lease and related estoppel certificate, if available;
- (r) an original assignment of all unrecorded documents relating to the TELs if not already otherwise assigned; and

(s) a table of contents of the documents relating to each TEL included in the subject mortgage file.

The custodian is required to hold all of the documents delivered to it with respect to the TELs in trust for the benefit of the certificateholders. Within a specified period of time following that delivery, the custodian will be further required to conduct a review of those documents. The scope of the custodian's review of those documents will, in general, be limited solely to confirming that they have been received, that they appear regular on their face (handwritten additions, changes or corrections will not be considered irregularities if initialed by the underlying borrower), that (if applicable) they appear to have been executed and that they purport to relate to an underlying mortgage loan. The trustee, the certificate administrator and the custodian are under no duty or obligation to inspect, review or examine any of the documents in the mortgage file to determine whether the document is valid, effective, enforceable, in recordable form or otherwise appropriate for the represented purpose.

If—

- any of the above-described documents required to be delivered by the related Governmental Authority to the custodian is not delivered or is otherwise defective, and
- that omission or defect materially and adversely affects the value of the underlying mortgage loan, or the interests of any class of certificateholders,

then the omission or defect will constitute a material document defect as to which the issuing entity will have the rights against the depositor as described under “—Cures, Repurchases and Substitutions” below.

Within a specified period of time as set forth in the Pooling Agreement, Freddie Mac or a third-party independent contractor will be required to submit for recording in the real property records of the applicable jurisdiction each of the assignments of recorded loan documents in the trustee's favor described above. Because some of the underlying mortgage loans are newly originated, many of those assignments may not be completed and recorded until the related mortgage instrument, reflecting the necessary recording information, is returned from the applicable recording office.

### **Representations and Warranties**

As of the Closing Date (or as of the date otherwise indicated on Exhibit C-1), the depositor will make, with respect to each TEL that it is selling for inclusion in the issuing entity, representations and warranties that are expected to be generally in the form set forth on Exhibit C-1, subject to exceptions that are expected to be generally in the form set forth on Exhibit C-2. The related Originator is expected to make separate representations and warranties to Freddie Mac with respect to each underlying mortgage loan that is being pledged to the repayment of the TELs. You should carefully consider both those representations and warranties and those exceptions.

If—

- there exists a breach of any of those representations and warranties made by the depositor, and
- that breach materially and adversely affects the value of the TEL, or the interests of any class of certificateholders,

then that breach will be a material breach of the representation and warranty. The rights of the certificateholders and the issuing entity against the depositor with respect to any material breach are described under “—Cures, Repurchases and Substitutions” below.

### **Cures, Repurchases and Substitutions**

If the depositor has been notified of, or itself has discovered, a material document defect or a breach of any of its representations and warranties that materially and adversely affects the value of any TEL or any interests of the holders of any class of certificates, then the depositor will be required to take one of the following courses of action:

- cure such breach or defect in all material respects;
- repurchase the affected TEL at the Purchase Price; or

- for certain breaches, reimburse the issuing entity for certain costs.

In addition, if the depositor has been notified of, or itself has discovered, that the interest on any TEL is includable in the gross income of the certificateholders for federal income tax purposes, the depositor shall purchase such TEL from the issuing entity at the Purchase Price.

If the depositor replaces an affected TEL with one or more Qualified Substitute TELs, then it will be required to pay to the issuing entity the amount, if any, by which—

- the price at which it would have had to purchase the removed TEL, as described in the second bullet point of the preceding paragraph, exceeds
- the Stated Principal Balance of the Qualified Substitute TEL as of the due date during the month that it is added to the issuing entity.

In addition to the foregoing, if—

- any TEL is required to be repurchased or substituted as contemplated above, and
- such TEL or related underlying mortgage loan that secures such TEL is cross-defaulted or cross-collateralized with any other TEL or related underlying mortgage loan that secures such TEL in the issuing entity,

then the applicable defect or breach (as the case may be) will be deemed to constitute a defect or breach (as the case may be) as to any related crossed TEL for purposes of the above provisions, and Freddie Mac will be required to repurchase or replace any related crossed TEL in accordance with the provisions above unless the special servicer determines that the Crossed Loan Repurchase Criteria would be satisfied if Freddie Mac were to repurchase or replace only the affected crossed TEL as to which a defect or breach had initially occurred. As to any TEL or related underlying mortgage loan that secures such TEL that is cross-collateralized and cross-defaulted with any other TEL or related underlying mortgage loan that secures such TEL and any date of determination, the “Crossed Loan Repurchase Criteria” are as follows:

- the weighted average debt service coverage ratio for any related crossed TELs that remain in the issuing entity for the four calendar quarters immediately preceding the repurchase or substitution is not less than the greater of (a) the weighted average debt service coverage ratio for all such crossed TELs, including the affected crossed TEL, for the four calendar quarters immediately preceding the repurchase or substitution and (b) 1.25x;
- the weighted average loan-to-value ratio for any related crossed TELs that remain in the issuing entity determined at the time of repurchase or substitution based on an appraisal (or any other determination of value determined by the special servicer to be a commercially reasonable method, which may include, an existing or updated appraisal, a broker’s price opinion or a tax assessed value) obtained by the special servicer at the expense of the depositor is not greater than the least of (a) the weighted average loan-to-value ratio for such crossed TELs including the affected crossed TEL set forth in the tables on Exhibit A-1, (b) the weighted average loan-to-value ratio for such crossed TELs including the affected crossed TEL determined at the time of repurchase or substitution based on an appraisal (or any other determination of value determined by the special servicer to be a commercially reasonable method, which may include, an existing or updated appraisal, a broker’s price opinion or a tax assessed value) obtained by the special servicer at the expense of the depositor and (c) 75%; and
- any reserve or other cash collateral or letters of credit securing the crossed underlying mortgage loan will be allocated among such TELs in accordance with the loan documents. All other terms of the affected crossed TELs will remain in full force and effect, without any modification thereof.

For purposes of the Crossed Loan Repurchase Criteria, weighted average calculations will be made based on the respective Stated Principal Balances. In the event that each of the Crossed Loan Repurchase Criteria would be so satisfied (as determined by the special servicer), the depositor may elect either to repurchase or, substitute only the

affected crossed TEL as to which the defect or breach exists or to repurchase or, within two years of the Closing Date, substitute all of the related crossed TELs. The determination of the special servicer as to whether the Crossed Loan Repurchase Criteria have been satisfied will be conclusive and binding in the absence of manifest error. However, if the depositor repurchases or substitutes for an affected crossed TEL in the manner prescribed above while the trustee continues to hold any related crossed TELs, the depositor must also repurchase or replace the related crossed TELs unless the third party master servicer or the special servicer, as applicable, and each related borrower have agreed to modify, upon such repurchase or substitution, the related loan documents in a manner such that (i) the repurchased or replaced crossed TEL and (ii) any related crossed TELs that were not repurchased or replaced, would no longer be cross-collateralized or cross-defaulted with one another, but in the event that more than one TEL in the Crossed Loan Group remains in the issuing entity, all such related crossed TELs that remain in the issuing entity will continue to be cross-collateralized and cross-defaulted with one another.

Any of the following document defects in an underlying mortgage loan will be conclusively presumed to materially and adversely affect the interests of a class of certificateholders:

- the absence from the mortgage file of the original signed mortgage note, unless the mortgage file contains a signed lost note affidavit, indemnity and endorsement;
- the absence from the mortgage file of the copy of the recorded signed mortgage, unless there is included in the mortgage file (i) a copy of the mortgage and the related recording information; or (ii) prior to the expiration of an applicable cure period, a certified copy of the mortgage in the form sent for recording, with a certificate stating that the original signed mortgage was sent for recordation;
- the absence from the mortgage file of the original or copy of the lender's title insurance policy (together with all endorsements or riders that were issued with or subsequent to the issuance of such policy), or, if the policy has not yet been issued, a binding written commitment (including a pro forma or specimen title insurance policy, which has been accepted or approved in writing by the related title insurance company) relating to the underlying mortgage loan;
- the absence from the mortgage file of any intervening assignments or endorsements required to create an effective assignment to the trustee on behalf of the issuing entity, unless there is included in the mortgage file a copy of the intervening assignment that will be or was sent for recordation; or
- the absence from the mortgage file of any required original letter of credit (unless such original has been delivered to the master servicer and a copy of such letter of credit is part of the mortgage file); provided that such defect may be cured by providing a substitute letter of credit or a cash reserve.

This obligation to cure, repurchase, substitute one or more Qualified Substitute TELs or reimburse the issuing entity will constitute the sole remedies available to the certificateholders and the trustee for any breach on the part of the depositor of its representations or warranties regarding the TELs.

We cannot assure you that we will have sufficient assets with which to fulfill any of our cure, repurchase or substitution obligations that may arise.

### **Changes in Mortgage Pool Characteristics**

The description in this offering circular supplement of the mortgage pool is based on the mortgage pool as it is expected to be constituted at the time the offered certificates are issued, with adjustments for the monthly debt service payments due on the TELs on or before the Cut-off Date. Prior to the issuance of the offered certificates, one or more mortgage loans may be removed from the mortgage pool if we consider the removal necessary or appropriate. A limited number of other mortgage loans may be included in the mortgage pool prior to the issuance of the offered certificates, unless including those TELs would materially alter the characteristics of the mortgage pool as described in this offering circular supplement. We believe that the information in this offering circular supplement will be generally representative of the characteristics of the mortgage pool as it will be constituted at the time the offered certificates are issued. However, the range of mortgage interest rates and maturities, as well as the other characteristics of the TELs described in this offering circular supplement, may vary, and the actual initial TEL pool balance may be as much as 5% larger or smaller than the initial TEL pool balance specified in this offering circular supplement.

## Certain Legal Aspects of the Underlying Mortgage Loans

The following discussion contains summaries of certain legal aspects related to underlying mortgage loans secured by mortgaged real properties located in California, Florida and Illinois where mortgaged real properties that secure underlying mortgage loans that secure TELs collectively representing approximately 43.2%, 15.5% and 11.0%, respectively, of the initial TEL pool balance are located. The summaries are general in nature, do not purport to be complete and are qualified in their entirety by reference to the applicable federal and state laws governing the underlying mortgage loans.

Various states have imposed statutory prohibitions or limitations that limit the remedies of a mortgagee under a mortgage or a beneficiary under a deed of trust. The underlying mortgage loans are limited recourse loans and are, therefore, generally not recourse to the underlying borrowers but limited to the mortgaged real properties. Even if recourse is available pursuant to the terms of an underlying mortgage loan, certain states have adopted statutes which impose prohibitions against or limitations on such recourse. The limitations described below and similar or other restrictions in other jurisdictions where mortgaged real properties are located may restrict the ability of the master servicer or the special servicer, as applicable, to realize on the underlying mortgage loans and may adversely affect the amount and timing of receipts on the underlying mortgage loans.

*Certain Legal Aspects of Mortgaged Real Properties Located in California.* Mortgage loans in California are generally secured by deeds of trust on the related real estate. Foreclosure of a deed of trust in California may be accomplished by a non-judicial trustee's sale (so long as it is permitted under a specific provision in the deed of trust) or by judicial foreclosure, in each case subject to and in accordance with the applicable procedures and requirements of California law. Public notice of either the trustee's sale or the judgment of foreclosure is given for a statutory period of time after which the mortgaged real estate may be sold by the trustee, if foreclosed pursuant to the trustee's power of sale, or by court appointed sheriff under a judicial foreclosure. Following a judicial foreclosure sale, the borrower or its successor-in-interest may, for a period of up to one year, redeem the property; however, there is no redemption following a sale pursuant to a trustee's power of sale. California's "security first" and "one action" rules require the lender to complete foreclosure of all real estate provided as security under the deed of trust in a single action in an attempt to satisfy the full debt before bringing a personal action (if otherwise permitted) against the borrower for recovery of the debt, except in certain cases involving environmentally impaired real property where foreclosure of the real property is not required before making a claim under the indemnity. This restriction may apply to property which is not located in California if a single promissory note is secured by property located in California and other jurisdictions. California case law has held that acts such as (but not limited to) an offset of an unpledged account constitute violations of such statutes. Violations of such statutes may result in the loss of some or all of the security under the mortgage loan and a loss of the ability to sue for the debt. A sale by the trustee under the deed of trust does not constitute an "action" for purposes of the "one action rule". Other statutory provisions in California limit any deficiency judgment (if otherwise permitted) against the borrower following a judicial foreclosure to the amount by which the indebtedness exceeds the fair value at the time of the public sale and in no event greater than the difference between the foreclosure sale price and the amount of the indebtedness. Further, under California law, once a property has been sold pursuant to a power of sale clause contained in a deed of trust (and in the case of certain types of purchase money acquisition financings, under all circumstances), the lender is precluded from seeking a deficiency judgment from the borrower or, under certain circumstances, guarantors.

On the other hand, under certain circumstances, California law permits separate and even contemporaneous actions against both the borrower (as to the enforcement of the interests in the collateral securing the loan) and any guarantors. California statutory provisions regarding assignments of rents and leases require that a lender whose loan is secured by such an assignment must exercise a remedy with respect to rents as authorized by statute in order to establish its right to receive the rents after an event of default. Among the remedies authorized by statute is the lender's right to have a receiver appointed under certain circumstances.

*Certain Legal Aspects of Mortgaged Real Properties Located in Florida.* Mortgage loans involving real property in Florida are secured by mortgages and foreclosures are accomplished by judicial foreclosure. There is no power of sale in Florida. After an action for foreclosure is commenced and the lender secures a judgment, the final judgment will provide that the property be sold at a public sale at the courthouse (or on-line depending on the county) if the full amount of the judgment is not paid prior to the scheduled sale. Generally, the foreclosure sale must occur no earlier than 20 (but not more than 35) days after the judgment is entered. During this period, a notice

of sale must be published once a week for two consecutive weeks in the county in which the property is located. There is no right of redemption after the filing of the clerk's certificate at the conclusion of the foreclosure sale. However, a certificate of title transferring title to the foreclosed property is not issued until 10 days after the foreclosure sale and challenges to the foreclosure sale are permitted within that 10-day period. Florida does not have a "one action rule" or "anti-deficiency legislation," and deficiency judgments are permitted to the extent not prohibited by the applicable loan documents. Subsequent to a foreclosure sale, however, a lender may be required to prove the value of the property sold as of the date of foreclosure sale in order to recover a deficiency. Further, other statutory provisions in Florida limit any deficiency judgment (if otherwise permitted) against a borrower following a judicial sale to the excess of the final judgment amount (which generally equals the amount of outstanding debt plus attorneys' fees and other collection costs) over the fair market value of the property at the time of the judicial sale. In certain circumstances, the lender may have a receiver appointed.

*Certain Legal Aspects of Mortgaged Real Properties Located in Illinois.* Mortgage loans in Illinois are generally secured by mortgages on the related real estate. Foreclosure of a mortgage in Illinois is usually accomplished by judicial foreclosure. There is no power of sale in Illinois. After an action for foreclosure is commenced and the lender obtains a judgment of foreclosure, the property can be sold at a sale in accordance with Article 15 of the Illinois Mortgage Foreclosure Law and on such terms and conditions as specified by the court in the judgment of foreclosure. A sale may be conducted by any judge or sheriff or other official or other person designated in the judgment of foreclosure. Generally, the foreclosure sale must occur after the expiration of the applicable reinstatement and redemption periods or waiver thereof. For any foreclosure sale, a sale notice is mandatory. A sale notice must include, among other things, the time and place of sale, the terms of the sale and the legal description for the mortgaged property. A notice of sale must be published once a week for 3 consecutive weeks in the county in which the property is located, the first such notice to be published not more than 45 days prior to the sale and the last such notice to be published not less than 7 days prior to the sale. Illinois does recognize a right of redemption, but such right may be waived by a borrower in the mortgage. Illinois does not have a "one action rule" or "anti-deficiency legislation." Subsequent to a foreclosure sale, the court conducts a hearing to confirm the sale and, if the sale is confirmed, the court enters an order confirming the sale. In the order confirming the sale pursuant to the judgment of foreclosure, the court shall enter a personal judgment for deficiency against any party (i) if otherwise authorized and (ii) to the extent requested in the complaint and proven upon presentation of a report of sale. In certain circumstances, the lender may have a receiver appointed. When the sale is confirmed, the court will order that a deed be issued to the successful purchaser.

## DESCRIPTION OF THE CERTIFICATES

### General

The certificates will be issued on the Closing Date pursuant to the Pooling Agreement. They will represent the entire beneficial ownership interest of the issuing entity. The assets of the issuing entity will include:

- the TELs;
- any and all payments under and proceeds of the TELs received after the Cut-off Date, in each case exclusive of payments of principal, interest and other amounts due on or before that date and exclusive of any fees paid or payable to Freddie Mac in connection with (i) any pre-approved servicing request with respect to an underlying mortgage loan set forth in the Pooling Agreement and (ii) the designation of an entity that has the right to form a successor borrower in connection with the defeasance of an underlying mortgage loan;
- the loan documents for the TELs;
- any REO Properties acquired by the issuing entity with respect to Defaulted TELs; and
- those funds or assets as from time to time are deposited in the collection account described under "The Pooling Agreement—Collection Account" in this offering circular supplement, the special servicer's REO accounts described under "The Pooling Agreement—Realization Upon Mortgage Loans—REO Properties" in this offering circular supplement, the distribution account described under

“—Distribution Account” below or any servicing account (in the case of a servicing account, to the extent of the issuing entity’s interest in that account).

The certificates will include the following classes:

- the class A and X certificates, which are the classes of certificates that are offered by this offering circular supplement and have the benefit of the Freddie Mac Guarantee; and
- the class B certificates, which are the classes of certificates that—
  1. will be retained or privately placed by us;
  2. are not offered by this offering circular supplement; and
  3. do not have the benefit of the Freddie Mac Guarantee.

The class A and B certificates are the certificates that will have principal balances (collectively, the “Principal Balance Certificates”). The outstanding principal balance of any of these certificates will represent the total distributions of principal to which the holder of the certificate is entitled over time out of payments, or advances in lieu of payments, and other collections on the assets of the issuing entity or, with respect to the class A certificates, the Freddie Mac Guarantee. Accordingly, on each distribution date, the outstanding principal balance of each of these certificates will be permanently reduced by any principal distributions actually made with respect to the certificates on that distribution date, including any Balloon Guarantor Payment. See “—Distributions” below. On any particular distribution date, the outstanding principal balance of each of these certificates may also be permanently reduced, without any corresponding distribution, in connection with losses on the TELs and default-related and otherwise unanticipated issuing entity expenses. See “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

The class X certificates will not have principal balances, and the holders of those certificates will not be entitled to receive distributions of principal. However, the class X certificates will have a notional amount for purposes of calculating the accrual of interest with respect to that certificate. The class X certificates are sometimes referred to in this offering circular supplement as the “interest-only certificates.” The class X certificates initially will be retained by Freddie Mac but may be offered and privately placed at a future date.

For purposes of calculating the accrual of interest as of any date of determination, the class X certificates will have a notional amount that is equal to the then total outstanding principal balance of the class A and class B certificates.

In general, outstanding principal balances and notional amounts will be reported on a class-by-class basis. In order to determine the outstanding principal balance or notional amount of any of the offered certificates from time to time, you may multiply the original principal balance or notional amount of that certificate as of the Closing Date, as specified on the face of that certificate, by the then-applicable certificate factor for the relevant class. The certificate factor for any class of certificates, as of any date of determination, will equal a fraction, expressed as a percentage, the numerator of which will be the then-outstanding principal balance or notional amount of that class, and the denominator of which will be the original principal balance or notional amount of that class. Certificate factors will be reported monthly in the certificate administrator’s report.

## **Registration and Denominations**

The offered certificates will be issued, held and transferable in book-entry form on the Depository Trust Company (“DTC”) System. DTC or its nominee is the holder of each class of the offered certificates. As an investor in certificates, you are not the Holder. You ordinarily must hold the offered certificates through one or more financial intermediaries. You may exercise your rights as an investor only through the Holder of your offered certificates, and we may treat the Holder as the absolute owner of your certificates. For the offered certificates, the term “Holder” means DTC or its nominee. We refer to the offered certificates held in book-entry form as “Book-Entry Offered Certificates.” We refer to the offered certificates held in definitive form as “Definitive Offered

Certificates.” See “The Certificates—Form, Holders and Payment Procedures—Holders of Guaranteed Certificates” in the accompanying Offering Circular.

Class A certificates will be issued, and may be held and transferred, in minimum original principal amounts of \$1,000 and additional increments of \$1. Class X certificates will be issued, and may be held and transferred, in minimum original notional principal amounts of \$100,000 and additional increments of \$1.

## **DTC**

You will hold your offered certificates through DTC, if you are a participating organization, or indirectly through organizations that are participants in the applicable system (“Participants”). DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book-entries, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participants”).

Transfers between Participants will occur in accordance with DTC rules. Certificateholders who are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, such offered certificates may do so only through Participants and Indirect Participants. In addition, holders of offered certificates in global form will receive all distributions of principal from the certificate administrator through the Participants who in turn will receive them from DTC. Under a book-entry format, holders of such offered certificates may experience some delay in their receipt of payments, since such payments will be forwarded by the certificate administrator to Cede & Co., as nominee for DTC. DTC will forward such payments to its Participants, which thereafter will forward them to Indirect Participants or such certificateholders.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC is required to make book-entry transfers of offered certificates in global form among Participants on whose behalf it acts with respect to such offered certificates and to receive and transmit distributions of principal of such offered certificates. Participants and Indirect Participants with which the certificateholders have accounts with respect to such offered certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective holders of such offered certificates. Accordingly, although such certificateholders will not possess the offered certificates, the Rules provide a mechanism by which Participants will receive payments on such offered certificates and will be able to transfer their interest.

Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a holder of offered certificates in global form to pledge such offered certificates to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such offered certificates, may be limited due to the lack of a physical certificate for such offered certificates.

DTC will take any action permitted to be taken by a holder of an offered certificate in global form under the Pooling Agreement only at the direction of one or more Participants to whose accounts with DTC such offered certificates are credited. DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of Participants whose holdings include such undivided interests.

Except as required by law, none of the depositor, Freddie Mac, the master servicer, the special servicer, the certificate administrator, the trustee or the placement agents will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the offered certificates held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

The information in this offering circular supplement concerning DTC and its book-entry systems, has been obtained from sources believed to be reliable, but we do not take any responsibility for the accuracy or completeness of that information.

## Book-Entry Registration

The offered certificates offered and sold will be issued in the form of one or more global certificates, in fully registered form without interest coupons (the “Global Certificate”). The Global Certificate will be—

- deposited with the certificate administrator as custodian for DTC (in that capacity, the “DTC Custodian”), and
- registered in the name of a nominee of DTC for credit to the respective accounts of the owners of those offered certificates at DTC.

So long as DTC or its nominee is the registered owner or holder of a Global Certificate, DTC or its nominee, as the case may be, will be considered the sole holder of that Global Certificate for all purposes under the Pooling Agreement. Participants will only be entitled to exercise rights with respect to the Book-Entry Offered Certificates credited to their DTC accounts through procedures established by DTC.

DTC’s practice is to credit direct participants’ accounts on the related distribution date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on that date. Disbursement of those distributions by Participants to beneficial owners of Book-Entry Offered Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of each such Participant (and not of DTC, us or any trustee or servicer), subject to any statutory or regulatory requirements as may be in effect from time to time. Under a book-entry system, the beneficial owners of Book-Entry Offered Certificates may receive payments after the related distribution date.

The only holder of the Book-Entry Offered Certificates will be the nominee of DTC, and the beneficial owners of the Book-Entry Offered Certificates will not be recognized as certificateholders under the Pooling Agreement. Beneficial owners of the Book-Entry Offered Certificates will be permitted to exercise the rights of certificateholders under the Pooling Agreement only indirectly through the Participants, which in turn will exercise their rights through DTC.

DTC has advised us that it will take any action permitted to be taken by a holder of a Book-Entry Offered Certificate, including the presentation of Book-Entry Offered Certificates for exchange as described below, only at the direction of one or more Participants to whose DTC accounts interests in the related Global Certificates are credited, and only in respect of that portion of the aggregate principal amount of the Book-Entry Offered Certificates as to which each such Participant has given such direction.

Although DTC, has implemented the foregoing procedures in order to facilitate transfers of interests in the Global Certificates among Participants, it is under no obligation to perform or continue to comply with those procedures, and such procedures may be discontinued at any time. We, the trustee, the certificate administrator, the master servicer, the special servicer, the certificate registrar and the placement agents will not have any responsibility for the performance by DTC or its direct or indirect Participants of their respective obligations under the rules and procedures governing their operations.

The information in this offering circular supplement concerning DTC and its book-entry systems, has been obtained from sources believed to be reliable. However, neither we nor the placement agents take any responsibility for the accuracy or completeness of the information obtained from these sources.

Offered certificates initially issued in book-entry form will thereafter be issued as Definitive Offered Certificates to applicable beneficial owners or their nominees, rather than to DTC or its nominee, only if—

- we advise the certificate administrator in writing that DTC is no longer willing or able to properly discharge its responsibilities as depository with respect to those certificates and we are unable to locate a qualified successor, or
- we, at our option, elect to terminate the book-entry system through DTC with respect to those certificates.

Upon the occurrence of either of the events described in the preceding sentence, the certificate registrar will be required to notify, in accordance with DTC's procedures, all Participants (as identified in a listing of Participant accounts to which any Book-Entry Offered Certificate is credited) through DTC of the availability of definitive certificates with respect to the Book-Entry Offered Certificates. Upon surrender by DTC of the Book-Entry Offered Certificates, together with instructions for re-registration, the certificate administrator will execute, and the certificate registrar will authenticate and deliver, to the beneficial owners identified in those instructions the Definitive Offered Certificates to which they are entitled, and thereafter the holders of those Definitive Offered Certificates will be recognized as certificateholders under the Pooling Agreement.

Each beneficial owner is deemed by virtue of its acquisition of an interest in the Book-Entry Offered Certificates to agree to comply with the transfer requirements described under "—Restrictions" below.

To the extent that under the terms of the Pooling Agreement, it is necessary to determine whether any person is a beneficial owner of a Book-Entry Offered Certificate, the certificate administrator may make that determination based on a certificate of that person which must specify, in reasonable detail satisfactory to the certificate administrator, the principal balance of the Book-Entry Offered Certificate beneficially owned. However, the certificate administrator may not knowingly recognize that person as a beneficial owner of a Book-Entry Offered Certificate if that person, to the actual knowledge of certain specified officers of the certificate administrator, acquired its interest in a Book-Entry Offered Certificate in violation of the transfer requirements described under "—Restrictions" below, or if that person's certification that it is a beneficial owner of a Book-Entry Offered Certificate is in direct conflict with information obtained by the certificate administrator from DTC and/or the Participants.

### **Distribution Account**

*General.* The certificate administrator must establish and maintain an account in which it will hold funds pending their distribution on the certificates and from which it will make those distributions. That distribution account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling Agreement. Funds held in the distribution account may be held in cash or, at the certificate administrator's risk, invested in Permitted Investments. Subject to the limitations in the Pooling Agreement, any interest or other income earned on funds in the distribution account will be paid to the certificate administrator as additional compensation.

*Deposits.* On the Business Day prior to each distribution date (the "Remittance Date"), the master servicer will be required to remit to the certificate administrator for deposit in the distribution account the following funds:

- All payments and other collections on the TELs and any REO Properties in the issuing entity on deposit in the collection account as of close of business on the second Business Day prior to the Remittance Date, exclusive of any portion of those payments and other collections that represents one or more of the following:
  1. monthly debt service payments due on a due date subsequent to the end of the related Collection Period;
  2. payments and other collections received after the end of the related Collection Period;
  3. amounts that are payable or reimbursable from the collection account to any person other than the certificateholders, in accordance with the terms of the Pooling Agreement, including—
    - (i) amounts payable to the master servicer (or a sub-servicer), the special servicer, the Approved Directing Certificateholder (if any) or any Affiliated Borrower Loan Directing Certificateholder as compensation, including master servicing fees, sub-servicing fees, special servicing fees, master servicer surveillance fees, special servicer surveillance fees, workout fees, liquidation fees, assumption fees, assumption application fees, modification fees, extension fees, consent fees, waiver fees, earnout fees, Transfer Fees, Transfer Processing Fees, defeasance fees and similar charges and, to the extent not otherwise applied to cover interest on advances and/or other Additional Issuing Entity Expenses with respect to the

related underlying mortgage loan, Default Interest and late payment charges, or as indemnification;

- (ii) amounts payable to the master servicer (for itself or on behalf of certain indemnified sub-servicers) and the special servicer;
  - (iii) amounts payable in reimbursement of outstanding advances, together with interest on those advances; and
  - (iv) amounts payable with respect to other issuing entity expenses including, without limitation, fees, expenses and indemnities of the trustee and the certificate administrator/custodian (including interest on such amounts, if applicable, and subject to the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap and the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, as applicable);
4. net investment income on the funds in the collection account; and
  5. amounts deposited in the collection account in error.
- Any advances of delinquent monthly debt service payments made by the master servicer with respect to that distribution date.
  - Any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period.

See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling Agreement—Collection Account” and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” in this offering circular supplement.

*Withdrawals.* The certificate administrator may from time to time make withdrawals from the distribution account for any of the following purposes without regard to the order below:

- without duplication, to pay itself monthly certificate administrator fees, and to the trustee, monthly trustee fees, each as described under “The Pooling Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this offering circular supplement;
- to reimburse and pay to the trustee and the master servicer, in that order, for outstanding and unreimbursed nonrecoverable advances and accrued and unpaid interest on such amounts, to the extent it or the master servicer is not reimbursed from the collection account;
- (i) to reimburse the Guarantor for any unreimbursed Balloon Guarantor Payment, together with any related Timing Guarantor Interest, from collections on any Balloon Loan as to which any such Balloon Guarantor Payment was made (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts) and (ii) to reimburse the Guarantor for any unreimbursed Guarantor Reimbursement Amounts from any liquidation fees, workout fees, servicing fees, special servicing fees or other fees or amounts collected in connection with the liquidation or other disposition of an underlying mortgage loan solely to the extent that the party entitled to any such amount has already been paid such amount from other collections on such underlying mortgage loan and the original payment of such amount resulted in a Deficiency Amount (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts);
- to pay the Guarantor the Guarantee Fee;
- without duplication, to pay indemnity amounts to itself, the custodian, the trustee, the depositor, the master servicer (including on behalf of certain indemnified sub-servicers), the special servicer, Freddie Mac (in its capacity as servicing consultant) and various related persons, subject to the relevant Aggregate Annual Caps, as described under “The Pooling Agreement—Certain Indemnities” in this offering circular supplement;

- to pay for any opinions of counsel required to be obtained in connection with any amendments to the Pooling Agreement, to the extent that the issuing entity is responsible for the cost of such opinions of counsel under the Pooling Agreement and, if applicable, to pay for the fees of the trustee for confirming the special servicer's determination of Fair Value of a Defaulted TEL;
- to pay any federal, state and local taxes imposed on the issuing entity, its assets and/or transactions, together with all incidental costs and expenses, including such taxes, that are required to be borne by the issuing entity as described under "The Pooling Agreement—Realization Upon Mortgage Loans—REO Properties" in this offering circular supplement; and
- to pay any amounts deposited in the distribution account in error to the person entitled to them.

On each distribution date, all amounts on deposit in the distribution account, exclusive of any portion of those amounts that are to be withdrawn for the purposes contemplated in the prior paragraph, will be applied by the certificate administrator on each distribution date to make distributions on the certificates and to the Guarantor (with respect to the Guarantor Reimbursement Amounts). Generally, for any distribution date, such amounts will be distributed to holders of the certificates in two separate components:

- those funds, referred to in this offering circular supplement as the Available Distribution Amount, which will be paid to the holders of all the certificates and the Guarantor, who is entitled to the Guarantee Fee, as described under "—Distributions—Priority of Distributions" below; and
- the portion of those funds that represent Static Prepayment Premiums and Yield Maintenance Charges collected on the TELs during the related Collection Period, which will be paid to the holders of the class X certificates, as described under "—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges" below.

## Fees and Expenses

The amounts available for distribution on the certificates on any distribution date will generally be net of the following amounts which accrue at the fee rates shown and are payable to the master servicer, the special servicer, the trustee, the certificate administrator, the custodian, the Guarantor or the Approved Directing Certificateholder (if any), as applicable:

Type/Recipient	Amount/Fee Rate	Frequency	Source of Funds
<u>Fees</u>			
Master Servicing Fee and Sub-Servicing Fee / Master Servicer	the Stated Principal Balance of each TEL multiplied by 0.02000% <i>per annum</i> (calculated using the same interest accrual basis of such TEL) and the Stated Principal Balance of each TEL multiplied by the applicable sub-servicing fee rate ranging from 0.07000% <i>per annum</i> to 0.25000% <i>per annum</i> (calculated using the same interest accrual basis of such TEL)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections if Liquidation Proceeds are not sufficient
Master Servicer Surveillance Fee / Master Servicer and Sub-Servicers	the Stated Principal Balance of each Surveillance Fee Mortgage Loan multiplied by 0.01750% <i>per annum</i> (calculated using the same interest accrual basis of such TEL) (subject to any applicable sub-servicer's entitlement to a portion of the master servicer surveillance fee equal to 0.01000% <i>per annum</i> multiplied by the Stated Principal Balance of each such TEL pursuant to the applicable Sub-Servicing Agreement as described in "The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses" in this offering circular supplement)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections if Liquidation Proceeds are not sufficient
Additional Servicing Compensation / Master Servicer	<ul style="list-style-type: none"> <li>all late payment fees and Default Interest (other than on Specially Serviced Mortgage Loans) not used to pay interest on advances with respect to the related TELs</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>60% of any Transfer Fees or collateral substitution fees collected on or with respect to any non-Specially Serviced Mortgage Loans for Transfers or substitutions that require the consent or review of the Approved Directing Certificateholder or Affiliated Borrower Loan Directing Certificateholder (or 100% of such fees if the directing certificateholder is not an Approved Directing Certificateholder)</li> </ul>	from time to time	the related fee

Type/Recipient	Amount/Fee Rate	Frequency	Source of Funds
	<ul style="list-style-type: none"> <li>100% of any Transfer Fees or collateral substitution fees collected on or with respect to any non-Specially Serviced Mortgage Loans for Transfers or substitutions that do not require the consent or review of the Approved Directing Certificateholder or Affiliated Borrower Loan Directing Certificateholder (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement)</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>all Transfer Processing Fees collected on or with respect to any TELs that are not Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement)</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of all defeasance fees required by the loan documents</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>all investment income earned on amounts on deposit in the collection account and certain escrow and reserve accounts</li> </ul>	monthly	investment income
Special Servicing Fee / Special Servicer	the Stated Principal Balance of each Specially Serviced Mortgage Loan or REO Loan multiplied by 0.25000% <i>per annum</i> (calculated using the same interest accrual basis of such TEL)	monthly	general collections
Special Servicer Surveillance Fee / Special Servicer	the Stated Principal Balance of each Surveillance Fee Mortgage Loan multiplied by 0.01810% <i>per annum</i> (calculated using the same interest accrual basis of such TEL)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections if Liquidation Proceeds are not sufficient
Workout Fee / Special Servicer	1.0% of each collection of principal and interest on each Corrected Mortgage Loan	monthly	the related collections of principal and interest
Liquidation Fee / Special Servicer	1.0% of each recovery of net Liquidation Proceeds or proceeds from a full, partial or discounted payoff, except as specified under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” in this offering circular supplement	upon receipt of Liquidation Proceeds	the related Liquidation Proceeds

<b>Type/Recipient</b>	<b>Amount/Fee Rate</b>	<b>Frequency</b>	<b>Source of Funds</b>
Additional Special Servicing Compensation / Special Servicer	<ul style="list-style-type: none"> <li>all late payment fees and net Default Interest on Specially Serviced Mortgage Loans not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related TELs</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of commercially reasonable fees actually paid by the related underlying borrower on modifications, extensions, earnouts, consents and other actions for Specially Serviced Mortgage Loans</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of assumption application fees, assumption fees, substitution of collateral consent application fees and related fees on Specially Serviced Mortgage Loans when received from the underlying borrower for such purpose</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>all investment income received on funds in any REO account</li> </ul>	from time to time	investment income
Fees / the Approved Directing Certificateholder or any Affiliated Borrower Loan Directing Certificateholder	40% of any Transfer Fees or collateral substitution fees collected on or with respect to any non-Specially Serviced Mortgage Loans for Transfers or substitutions that require the consent or review of the Approved Directing Certificateholder or the Affiliated Borrower Loan Directing Certificateholder	from time to time	the related fee
Trustee Fee / Trustee	0.00400% <i>per annum</i> multiplied by the Stated Principal Balance of each TEL (calculated using the same interest accrual basis of such TEL), subject to a minimum combined trustee fee and certificate administrator fee of \$5,000 <i>per annum</i> , payable in equal monthly installments	monthly	general collections
Certificate Administrator Fee / Certificate Administrator	0.01200% <i>per annum</i> multiplied by the Stated Principal Balance of each TEL (calculated using the same interest accrual basis of such TEL), subject to a minimum combined trustee fee and certificate administrator fee of \$5,000 <i>per annum</i> , payable in equal monthly installments	monthly	general collections

<b>Type/Recipient</b>	<b>Amount/Fee Rate</b>	<b>Frequency</b>	<b>Source of Funds</b>
Guarantee Fee / Guarantor	0.45000% <i>per annum</i> multiplied by the outstanding principal balance of the class A certificates (calculated on an Actual/360 Basis); <i>provided, however</i> , that if on any distribution date, the Guarantor will be required to make a Taxable Guarantor Payment, the Guarantee Fee will be reduced by an amount equal to the lesser of (a) the Guarantee Fee otherwise payable on such distribution date and (b) the Taxable Guarantor Payment ( <i>provided</i> that the Guarantee Fee may not be less than zero)	monthly	general collections
CREFC® Intellectual Property Royalty License Fee / CREFC®	0.00035% <i>per annum</i> multiplied by the Stated Principal Balance of the TELs (calculated using the same interest accrual basis as each TEL)	monthly	general collections
<u>Expenses</u>			
Servicing Advances / Master Servicer, Special Servicer and Trustee	to the extent of funds available, the amount of any Servicing Advances	from time to time	collections on the related underlying mortgage loan, or if not recoverable, from general collections
Interest on Servicing Advances / Master Servicer, Special Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from Default Interest/late payment fees, then from general collections
P&I Advances / Master Servicer and Trustee	to the extent of funds available, the amount of any P&I Advances	from time to time	collections on the related underlying mortgage loan, or if not recoverable, from general collections
Interest on P&I Advances / Master Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from Default Interest/late payment fees, then from general collections
Indemnification Expenses / Depositor, Trustee, Certificate Administrator/Custodian, Master Servicer, Special Servicer and Freddie Mac	amounts for which the depositor, the trustee, the certificate administrator/custodian, the master servicer (for itself or on behalf of certain indemnified sub-servicers), Freddie Mac (in its capacity as the servicing consultant) and the special servicer are entitled to indemnification, in each case, up to any related Aggregate Annual Cap in each calendar year until paid in full	from time to time	general collections

<b>Type/Recipient</b>	<b>Amount/Fee Rate</b>	<b>Frequency</b>	<b>Source of Funds</b>
Interest on Unreimbursed Indemnification Expenses / Depositor, Trustee, Custodian, Certificate Administrator, Master Servicer, Special Servicer and Freddie Mac	at Prime Rate	when Unreimbursed Indemnification Expenses are reimbursed	general collections

Fees payable to the master servicer and special servicer are paid only with respect to the combination of the related TEL and the underlying mortgage loan or REO Property pursuant to the Pooling Agreement. For the avoidance of doubt, no separate fee is payable with respect to both a TEL and the related underlying mortgage loan for services provided.

### **Distributions**

*General.* On each distribution date, the certificate administrator will, subject to the applicable available funds and the exception described in the next sentence, make all distributions required to be made on the certificates on that date to the holders of record as of the record date, which will be the close of business on the last Business Day of the calendar month preceding the month in which those distributions are to be made. The final distribution on any offered certificate, however, will be made only upon presentation and surrender of that certificate at the location to be specified in a notice of the pendency of that final distribution.

Distributions made to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class.

*Interest Distributions.* All of the classes of certificates will bear interest except for the class B certificates, which are principal-only certificates and bear no interest. The class X certificates are interest-only certificates.

During each Interest Accrual Period, interest will accrue on the offered certificates on an Actual/360 Basis based on:

- the pass-through rate with respect to that class for that Interest Accrual Period; and
- the outstanding principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date.

On each distribution date, subject to the Available Distribution Amount for that date and the distribution priorities described under “—Priority of Distributions” below and, in the case of the offered certificates, subject to the Freddie Mac Guarantee, the holders of each interest-bearing class of certificates will be entitled to receive—

- the total amount of interest accrued during the related Interest Accrual Period with respect to that class of certificates, reduced (to not less than zero) by
- the total portion of any Net Aggregate Prepayment Interest Shortfall for that distribution date that is allocable to that class of certificates.

If the holders of any interest-bearing class of certificates do not receive all of the interest to which they are entitled on any distribution date, as described in the prior two paragraphs (including by means of a Guarantor Payment), then they will continue to be entitled to receive the unpaid portion of that interest on future distribution dates, subject to the Available Distribution Amount for those future distribution dates and the distribution priorities described below.

The portion of any Net Aggregate Prepayment Interest Shortfall for any distribution date that is allocable to reduce the current accrued interest then payable with respect to any particular interest-bearing class of certificates will be allocated to the class A and X certificates based on the amount of interest to which such classes are entitled for such distribution date based on their respective pass-through rates. However, such Net Aggregate Prepayment Interest Shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee.

*Calculation of Pass-Through Rates.* The pass-through rate for each interest-bearing class of offered certificates for the initial Interest Accrual Period is identified in the table on page 7.

The *per annum* pass-through rate for the class A certificates for each Interest Accrual Period will be equal to a floating rate equal to LIBOR plus the specified margin set forth in the table on page 7. LIBOR will be determined for each related Interest Accrual Period, and the pass-through rate for the class A certificates will be reset as of the beginning of such Interest Accrual Period to LIBOR, determined on such LIBOR Determination Date, plus the specified margin (*provided that*, if LIBOR is determined to be below zero, the pass-through rate on the class A certificates will be equal to the margin), subject to rounding.

The offered certificates accrue interest on an Actual/360 Basis.

The *per annum* pass-through rate for the class X certificates for any distribution date will equal the percentage equivalent of a fraction, the numerator of which is the dollar amount of Net Interest Collections remaining after the class A certificates have been allocated interest, and the denominator of which is the outstanding notional amount of the class X certificates immediately prior to such distribution date multiplied by a fraction, the numerator of which is 360 and the denominator of which is the actual number of days in the related Interest Accrual Period. In no event may the class X pass-through rate be less than zero.

The notional amount of the class X certificates for each distribution date will equal the sum of the outstanding principal balance of the class A certificates and the outstanding principal balance of the class B certificates immediately prior to any date of determination.

*Principal Distributions.* Subject to the Available Distribution Amount and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal payable with respect to the Principal Balance Certificates on each distribution date will equal the Principal Distribution Amount for that distribution date.

In general, subject to the Available Distribution Amount and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal to which the holders of the Principal Balance Certificates will be entitled on each distribution date will, in the case of each of those classes, generally equal:

- in the case of the class A certificates, an amount (not to exceed the outstanding principal balance of the class A certificates immediately prior to such distribution date) equal to the Principal Distribution Amount for such distribution date, until the outstanding principal balance of such class of certificates is reduced to zero; and
- in the case of the class B certificates, an amount (not to exceed the outstanding principal balance of the class B certificates immediately prior to such distribution date) equal to the Principal Distribution Amount for such distribution date (exclusive of any distributions of principal to which the holders of the class A certificates are entitled on such distribution date as described in the immediately preceding bullet), until the outstanding principal balance of such class of certificates is reduced to zero.

While the class A certificates are outstanding, no portion of the Principal Distribution Amount for any distribution date will be allocated to the class B certificates. In no event will the holders of the class B certificates be entitled to receive any distributions of principal until the outstanding principal balance of the class A certificates is reduced to zero.

Because of losses on the underlying TELs and/or default-related or other unanticipated issuing entity expenses, the outstanding principal balance of the class B certificates could be reduced to zero at a time when the class A certificates remain outstanding. Following the payment in full of the outstanding principal balance of the class A certificates, the Principal Distribution Amount for each distribution date will be allocated to the class B certificates (following reimbursement to Freddie Mac of guarantee payments with respect to the class A certificates, other than reimbursement of Taxable Guarantor Payments) in an amount up to the lesser of the portion of that Principal Distribution Amount that remains unallocated and the outstanding principal balance of the subject class immediately prior to that distribution date.

If the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts), such amount will be deemed to be

reimbursed first out of payments and other collections of principal on all the TELs (thereby reducing the Principal Distribution Amount on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the TELs. See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this offering circular supplement.

*Loss Reimbursement Amounts.* As discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below, the outstanding principal balance of any class of Principal Balance Certificates may be reduced without a corresponding distribution of principal. If that occurs, then, subject to the Freddie Mac Guarantee in the case of the class A certificates and the Available Distribution Amount for each subsequent distribution date and the priority of distributions described below, the holders of that class will be entitled to be reimbursed for the amount of that reduction, without interest. References to “loss reimbursement amount” in this offering circular supplement mean, in the case of any class of Principal Balance Certificates, for any distribution date, the total amount to which the holders of that class are entitled as reimbursement for all previously unreimbursed reductions, if any, made in the outstanding principal balance of that class on all prior distribution dates as discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

*Freddie Mac Guarantee.* On each distribution date following the receipt from the certificate administrator of a statement to certificateholders that indicates a Deficiency Amount for any class of offered certificates for such distribution date, the Guarantor will distribute the related Guarantor Payment in an aggregate amount equal to the Deficiency Amount for such class of offered certificates for such distribution date to the certificate administrator which will be required to pay such amount directly to the holders of such class of certificates. Any Guarantor Payment made to the class A certificates in respect of a Deficiency Amount relating to principal (but not in respect of reimbursement of Realized Losses (including as a result of Additional Issuing Entity Expenses)) will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X certificates (with respect to a Guarantor Payment to the class A certificates). On each distribution date on which a Guarantor Payment is due with respect to the class A certificates, the Guarantor is required to notify the certificate administrator, the trustee, the master servicer and the special servicer that such Guarantor Payment has been made in full (or if such Guarantor Payment was not paid in full, the amount that was unpaid), and specifying the amount of such Guarantor Payment made to the class A certificates. The Freddie Mac Guarantee does not cover any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment fees or charges related to the TELs or underlying mortgage loans, nor does it cover any decrease in the interest entitlement of the class X certificates, which could be reduced to zero, as a result of (i) an increase in LIBOR, or (ii) with respect to the TELs that bear interest based on SIFMA, an increase in LIBOR relative to SIFMA, or (iii) as a result of a decrease in the Weighted Average Net Mortgage Pass-Through Rate due to a faster rate of prepayment on the TELs with high interest rates. A payment in an aggregate amount equal to the Deficiency Amount on any distribution date under the Freddie Mac Guarantee by virtue of covering the deficiency of interest distributable will include any Guarantee Cap Payment. Because on any distribution date distributions in respect of interest are first allocated to the class A certificates before being allocated to the class X certificates, it is possible that there will be no interest available to distribute to the class X certificates (subject to the Freddie Mac Guarantee).

Freddie Mac will be entitled to a Guarantee Fee equal to 0.45000% *per annum* multiplied by the outstanding principal balance of the class A certificates (calculated on an Actual/360 Basis); *provided, however*, that if on any distribution date, the Guarantor will be required to make a Taxable Guarantor Payment, the Guarantee Fee will be reduced by an amount equal to the lesser of (a) the Guarantee Fee otherwise payable on such distribution date and (b) the Taxable Guarantor Payment (*provided* that the Guarantee Fee may not be less than zero). The Freddie Mac Guarantee is not backed by the full faith and credit of the United States. If the Guarantor were unable to pay under the Freddie Mac Guarantee, the offered certificates could be subject to losses.

Each Balloon Guarantor Payment will be reimbursed to the Guarantor (i) first, from subsequent collections on the related TEL, net of any such collections used to reimburse the master servicer or the trustee, as applicable, for advances made by them (including interest on those advances) on such TEL or on other TELs if determined to be nonrecoverable (and therefore the principal portion of any such subsequent collections will not be included in the Principal Distribution Amount for future distribution dates) as described in “Description of the Certificates—Distribution Account—Withdrawals” in this offering circular supplement and (ii) second, as described under “Description of the Certificates—Distributions—Priority of Distributions” in this offering circular supplement.

*Priority of Distributions.* On each distribution date, the certificate administrator will apply the Available Distribution Amount for that date to make the following distributions in the following order of priority, in each case to the extent of the remaining portion of the Available Distribution Amount:

<b>Order of Distribution</b>	<b>Recipient</b>	<b>Type and Amount of Distribution</b>
1 <sup>st</sup>	Class A	Interest up to the total interest distributable on the class A certificates (including accrued and unpaid interest from prior Interest Accrual Periods)
2 <sup>nd</sup>	Class X	Interest up to the total interest distributable on the class X certificates
3 <sup>rd</sup>	Class A	Principal up to the total principal distributable on the class A certificates, until the outstanding principal balance of such class has been reduced to zero
4 <sup>th</sup>	Class A and Class X	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for those classes, <i>pro rata</i> , based on the loss reimbursement amounts for those classes
5 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Amounts relating to the class A or X certificates, other than (i) Guarantor Timing Reimbursement Amounts and (ii) Taxable Guarantor Payments
6 <sup>th</sup>	Guarantor	Any Guarantor Timing Reimbursement Amounts relating to the class A certificates
7 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Interest Amounts relating to the class A and X certificates
8 <sup>th</sup>	Class B	Principal up to the total principal distributable on the class B certificates, until the outstanding principal balance of such class has been reduced to zero
9 <sup>th</sup>	Class B	Reimbursement up to the loss reimbursement amount for that class

However, payments on the class A and X certificates will be covered by the Freddie Mac Guarantee, to the extent described in this offering circular supplement.

*Subordination.* As and to the extent described in this offering circular supplement, the rights of holders of the class B certificates to receive distributions of amounts collected or advanced on the TELs will be subordinated to the rights of holders of the class A certificates. This subordination is intended to enhance the likelihood of timely receipt by the holders of the class A certificates of the full amount of all interest payable in respect of such certificates on each distribution date, and the ultimate receipt by the holders of the class A certificates of principal in an amount equal to the outstanding principal balance of such certificates, which subordination will be accomplished by the application of the Available Distribution Amount on each distribution date in accordance with the order of priority described above under “—Priority of Distributions” and by the allocation of Realized Losses (including as a result of Additional Issuing Entity Expenses) as described below under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses.”

Allocation to the class A certificates for so long as they are outstanding, of the entire Principal Distribution Amount for each distribution date will generally have the effect of reducing the outstanding principal balance of the class A certificates at a faster rate than would be the case if principal payments were allocated *pro rata* to all classes of Principal Balance Certificates. Thus, as principal is distributed to the holders of the class A certificates, the percentage interest in the issuing entity evidenced by such class will be decreased, with a corresponding increase in the percentage interest in the issuing entity evidenced by the class B certificates, thereby increasing, relative to their respective outstanding principal balances, the subordination afforded to the class A certificates by the class B certificates.

*Distributions of Static Prepayment Premiums and Yield Maintenance Charges.* If any Static Prepayment Premium or Yield Maintenance Charge (each, a “Prepayment Premium”) is collected during any particular Collection Period in connection with the prepayment of any of the TELs, the certificate administrator will be required to distribute 100% of that Static Prepayment Premium or Yield Maintenance Charge on the distribution date corresponding to that Collection Period, the holders of the class X certificates.

As described under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” in this offering circular supplement, if any Yield Maintenance Charge or Static Prepayment Premium is collected in connection with a liquidation of an underlying mortgage loan or REO Property, a liquidation fee may be payable on the amount collected. In such cases, the allocation of any Yield Maintenance Charges and Static Prepayment Premiums to the class X certificates will be made net of any liquidation fee payable therefrom.

We do not make any representation as to—

- the enforceability of any provision of the TELs requiring the payment of any prepayment consideration; or
- the collectability of that prepayment consideration.

See “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Prepayment Provisions” in this offering circular supplement.

In no event will the holders of any offered certificates receive any Static Prepayment Premium, Yield Maintenance Charge or other prepayment consideration in connection with any repurchase of an underlying mortgage loan as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement. In addition, the Freddie Mac Guarantee excludes the payment of any Static Prepayment Premium, Yield Maintenance Charge or other prepayment consideration.

### **Treatment of REO Properties**

Although any mortgaged real property may be acquired by the issuing entity through foreclosure, deed-in-lieu of foreclosure or otherwise, the related underlying mortgage loan will be treated as having remained outstanding until the REO Property is liquidated for purposes of determining—

- distributions on the certificates;
- allocations of Realized Losses (including those resulting from Additional Issuing Entity Expenses) to the certificates; and
- the amount of all fees payable to the master servicer, the special servicer, the certificate administrator and the trustee under the Pooling Agreement.

In connection with these determinations, the related underlying mortgage loan will be taken into account when determining the Weighted Average Net Mortgage Pass-Through Rate and the Principal Distribution Amount for each distribution date.

Operating revenues and other proceeds from an REO Property will be applied—

- *first*, to pay, or to reimburse the master servicer, the special servicer, the certificate administrator and/or the trustee for the payment of, any costs and expenses incurred in connection with the operation and disposition of the REO Property, and
- *thereafter*, as collections of principal, interest and other amounts due on the related underlying mortgage loan.

To the extent described under “—Advances of Delinquent Monthly Debt Service Payments” below, the master servicer and the trustee will be required to advance (subject to a nonrecoverability determination) delinquent monthly debt service payments with respect to each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property, in all cases as if that underlying mortgage loan had remained outstanding.

## Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses

As a result of Realized Losses (including those resulting from the application of principal collections on the TELs to pay Additional Issuing Entity Expenses), the total outstanding principal balance of the Principal Balance Certificates could exceed the total Stated Principal Balance of the mortgage pool. If this occurs following the distributions made to the certificateholders on any distribution date, then the respective outstanding principal balances of the following classes of certificates are to be sequentially reduced in the following order, until the total outstanding principal balance of those classes of certificates equals the total Stated Principal Balance of the mortgage pool that will be outstanding immediately following the subject distribution date; *provided* that the total Stated Principal Balance of the mortgage pool will be decreased, for this purpose only, by the amount of any unreimbursed Timing Guarantor Payments and increased, for this purpose only, by amounts of principal attributable to the mortgage pool previously used to reimburse nonrecoverable advances and certain advances related to rehabilitated mortgage loans, as described under “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” in this offering circular supplement, other than any such amounts previously used to reimburse advances with respect to mortgage loans that have since become liquidated loans, that will be outstanding immediately following that distribution date.

Order of Allocation	Class
1 <sup>st</sup>	Class B Certificates
2 <sup>nd</sup>	Class A Certificates

The above-described reductions in the outstanding principal balance of the respective classes of the Principal Balance Certificates will represent an allocation of the Realized Losses (including those resulting from Additional Issuing Entity Expenses) that caused the particular mismatch in balances between the TELs and those classes of Principal Balance Certificates. However, Freddie Mac will be required under its guarantee to pay any holder of the class A certificates an amount equal to any such loss allocated to its class A certificates as described under “—Distributions—Freddie Mac Guarantee” above.

The loss, if any, in connection with the liquidation of a Defaulted TEL or related REO Property will generally be an amount equal to the excess, if any, of:

- the outstanding principal balance of the underlying mortgage loan as of the date of liquidation, together with all accrued and unpaid interest on the underlying mortgage loan through and including the end of the related mortgage interest accrual period in which such liquidation occurred, exclusive, however, of any portion of that interest that represents Default Interest, and
- all related unreimbursed Servicing Advances (with interest) and unpaid liquidation expenses, over
- the total amount of Liquidation Proceeds, if any, recovered in connection with the liquidation that are available to pay interest (other than Default Interest) on and principal of the underlying mortgage loan.

If any portion of the debt due under any TEL is forgiven, whether in connection with a modification, waiver or amendment granted or agreed to by the master servicer or the special servicer or in connection with the bankruptcy, insolvency or similar proceeding involving the related underlying borrower, the amount forgiven, other than Default Interest, also will be treated as a Realized Loss.

The following items, to the extent that they are paid out of collections on the TEL pool (other than late payment charges and/or Default Interest collected on the TELs) in accordance with the terms of the Pooling Agreement, are some examples of Additional Issuing Entity Expenses:

- any special servicing fees, workout fees and liquidation fees paid to the special servicer;
- any interest paid to the master servicer, the special servicer and/or the trustee with respect to advances;
- the cost of various opinions of counsel required or permitted to be obtained in connection with the servicing of the TELs, REO Property and underlying mortgage loans and the administration of the other assets of the issuing entity;

- any unanticipated expenses of the issuing entity, including—
  1. any reimbursements and indemnifications to the trustee, the custodian, the certificate administrator and various related persons and entities, as described under “The Pooling Agreement—Certain Indemnities” in this offering circular supplement,
  2. any reimbursements and indemnification to the master servicer, the special servicer, the depositor, Freddie Mac (in its capacity as servicing consultant) and various related persons and entities, as described under “The Pooling Agreement—Certain Indemnities” in this offering circular supplement, and
  3. any U.S. federal, state and local taxes, and tax-related expenses, payable out of assets of the issuing entity; and
- any amounts expended on behalf of the issuing entity to remediate an adverse environmental condition at any mortgaged real property securing a defaulted underlying mortgage loan that secures a Defaulted TEL, as described under “The Pooling Agreement—Realization Upon Mortgage Loans” in this offering circular supplement.

Late payment charges and Default Interest collected with respect to any underlying mortgage loan are to be applied to pay interest on any advances that have been or are being reimbursed with respect to that underlying mortgage loan. In addition, late payment charges and Default Interest collected with respect to any underlying specially serviced mortgage loan are also to be applied to reimburse the issuing entity for any Additional Issuing Entity Expenses previously incurred by the issuing entity with respect to that underlying mortgage loan. Late payment charges and Default Interest collected with respect to any underlying mortgage loan that are not so applied to pay interest on advances or to reimburse the issuing entity for previously incurred Additional Issuing Entity Expenses, as applicable, will be paid to the master servicer and/or the special servicer as additional servicing compensation.

#### **Advances of Delinquent Monthly Debt Service Payments**

The master servicer will be required to make, for each distribution date, a total amount of advances of principal and/or interest (“P&I Advances”) generally equal to all scheduled monthly debt service payments, other than balloon payments (however, if Freddie Mac is acting as master servicer, this is subject to Freddie Mac’s obligations as Guarantor to make a Balloon Guarantor payment), Default Interest, late payment charges, Yield Maintenance Charges or Static Prepayment Premiums and assumed monthly debt service payments, in each case net of related master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees, that—

- were due or deemed due, as the case may be, during the related Collection Period with respect to the TELs, and
- were not paid by or on behalf of the respective underlying borrowers or otherwise collected as of the close of business on the last day of the related Collection Period.

However, if it is determined that an Appraisal Reduction Amount exists with respect to any TEL, then the master servicer will reduce the interest portion, but not the principal portion, of each P&I Advance that it must make with respect to that TEL during the period that the Appraisal Reduction Amount exists. The interest portion of any P&I Advance required to be made with respect to any TEL as to which there exists an Appraisal Reduction Amount, will equal the product of—

- the amount of the interest portion of that P&I Advance that would otherwise be required to be made for the subject distribution date without giving effect to the Appraisal Reduction Amount, multiplied by
- a fraction—
  1. the numerator of which is equal to the Stated Principal Balance of the TEL, net of the Appraisal Reduction Amount, and

2. the denominator of which is equal to the Stated Principal Balance of the TEL.

However, there will be no such reduction in any P&I Advance due to an Appraisal Reduction Event at any time after the outstanding principal balance of the class B certificates has been reduced to zero.

With respect to any distribution date, the master servicer will be required to make P&I Advances either out of its own funds or, subject to replacement as and to the extent provided in the Pooling Agreement, out of funds held in the collection account that are not required to be paid on the certificates on the related distribution date. Further, if a Ratings Trigger Event occurs with respect to any Third Party Master Servicer, the Guarantor will have the right to require the Third Party Master Servicer to remit out of its own funds to the collection account, an amount equal to all P&I Advances previously made out of the collection account and not previously repaid from collections on the TELs, and thereafter, the Third Party Master Servicer will be required to make P&I Advances solely out of its own funds.

To the extent that the master servicer fails to make a required P&I Advance and the trustee is aware of that failure, the trustee will be obligated to make that advance in accordance with the Pooling Agreement.

The master servicer and the trustee will each be entitled to recover any P&I Advance made by it out of its own funds (together with interest accrued on such amount) from collections on the underlying mortgage loan as to which the advance was made. Neither the master servicer nor the trustee will be obligated to make any P&I Advance that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the trustee), would not ultimately be recoverable out of collections on the related underlying mortgage loan. If the master servicer or the trustee makes any P&I Advance with respect to any of the TELs (including any such advance that is a Workout-Delayed Reimbursement Amount), that the master servicer, the trustee or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, as applicable, or in accordance with good faith business judgment in the case of the trustee) will not be recoverable out of collections on that underlying mortgage loan (or, if such advance is a Workout-Delayed Reimbursement Amount, out of collections of principal on all the TELs after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (any such advance, a “Nonrecoverable P&I Advance”), the master servicer or the trustee, as applicable, may obtain reimbursement for that advance, together with interest accrued on the advance as described below, out of general collections on the mortgage pool. See “The Pooling Agreement—Collection Account” in this offering circular supplement. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan, (ii) the obligations of the underlying borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable P&I Advance (including interest accrued on such amount) will be deemed to be reimbursed first from payments and other collections of principal on the mortgage pool (thereby reducing the amount of principal otherwise distributable on the certificates on the related distribution date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The special servicer’s determination that a previously made or proposed P&I Advance is a Nonrecoverable P&I Advance will be conclusive and binding on the master servicer and the trustee. Prior to or absent such a determination by the special servicer, each of the master servicer and the trustee will be entitled to make its own determination that a P&I Advance is a Nonrecoverable P&I Advance and neither the special servicer nor any other party may require the master servicer or the trustee to make any P&I Advance that the master servicer or the trustee has determined to be a Nonrecoverable P&I Advance. In addition, the trustee will be entitled to conclusively rely on the master servicer’s determination that a P&I Advance is a Nonrecoverable P&I Advance.

However, instead of obtaining reimbursement out of general collections on the mortgage pool immediately for a Nonrecoverable P&I Advance, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for such Nonrecoverable P&I Advance over a period of time (not to exceed six months without the consent of the Approved Directing Certificateholder or 12 months in any event), with interest continuing to accrue on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement for such Nonrecoverable P&I Advance from general collections on the mortgage pool (including, without limitation, interest collections) immediately. In general, such a reimbursement

deferral will only be permitted under the Pooling Agreement if and to the extent that the subject Nonrecoverable P&I Advance, after taking into account other outstanding Nonrecoverable Advances, could not be reimbursed with interest out of payments and other collections of principal on the mortgage pool during the current Collection Period. The fact that a decision to recover a Nonrecoverable P&I Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling Agreement by any party to the Pooling Agreement or a violation of any duty owed to the certificateholders by any party to the Pooling Agreement.

In addition, in the event that any P&I Advance with respect to a Defaulted TEL remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status and the amount of such advance becomes an obligation of the related underlying borrower under the terms of the modified loan documents (a “Workout-Delayed Reimbursement Amount”), the master servicer or the trustee will be entitled to reimbursement for that advance and interest accrued on such advance (even though that advance is not deemed a Nonrecoverable P&I Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the TELs after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, prior to any distributions of principal on the certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, then the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement out of general collections as a Nonrecoverable Advance in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

The master servicer and the trustee will each be entitled to receive interest on P&I Advances made by that party out of its own funds. That interest will accrue on the amount of each P&I Advance for so long as that advance is outstanding from the date made (or, if made prior to the end of the applicable grace period, from the end of that grace period), at an annual rate equal to the Prime Rate. Subject to the discussion in the two preceding paragraphs, interest accrued with respect to any P&I Advance on an underlying mortgage loan will be payable out of general collections on the mortgage pool.

A monthly debt service payment will be assumed to be due with respect to:

- each underlying mortgage loan that is delinquent with respect to its balloon payment beyond the end of the Collection Period in which its maturity date occurs and as to which no arrangements have been agreed to for the collection of the delinquent amounts, including an extension of maturity; and
- each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property.

The assumed monthly debt service payment deemed due on any underlying mortgage loan described in the prior sentence will equal, for its maturity date (if applicable) and for each successive due date following the relevant event that it or any related REO Property remains part of the issuing entity, the sum of (i) the principal portion, if any, of the monthly debt service payment that would have been due on the underlying mortgage loan on the relevant date if the related balloon payment had not come due or the related mortgaged real property had not become an REO Property, as the case may be, and the underlying mortgage loan had, instead, continued to amortize and accrue interest according to its terms in effect prior to that event, plus (ii) one month’s interest on the Stated Principal Balance of the underlying mortgage loan at the related mortgage interest rate (but not including Default Interest).

### **Reports to Certificateholders and Freddie Mac; Available Information**

*Certificate Administrator Reports.* Based on information provided in monthly reports prepared by the master servicer and the special servicer in accordance with the Pooling Agreement, and in any event delivered to the certificate administrator, the certificate administrator will be required to prepare and make available electronically or, upon written request, provide by first class mail, (i) by 12:00 p.m. New York City time on the third Business Day prior to each distribution date to Freddie Mac and (ii) on each distribution date to each registered holder of a certificate, a statement to certificateholders substantially in the form of and containing the information substantially

as required by Exhibit B. The certificate administrator's statement to certificateholders will detail the distributions on the certificates on that distribution date and the performance, both in total and individually to the extent available, of the TELs and the related mortgaged real properties. Recipients will be deemed to have agreed to keep the subject information confidential. The statement to certificateholders will be required to detail the amount of Taxable Guarantor Payments.

The master servicer will be required to provide the standard CREFC Investor Reporting Package<sup>®</sup> to the certificate administrator on a monthly basis for the TELs. The certificate administrator will not be obligated to deliver any such report until the reporting package is provided by the master servicer.

To the extent that any related permitted subordinate mortgage debt is being serviced by the master servicer or the master servicer receives the necessary information from the applicable servicer of such permitted subordinate mortgage debt, and if not prohibited by the terms of the related permitted subordinate mortgage debt loan documents or any servicing agreement with respect to the related permitted subordinate mortgage debt (i) the master servicer will include information on such permitted subordinate mortgage debt in each CREFC<sup>®</sup> operating statement analysis report and (ii) if applicable CREFC<sup>®</sup> guidelines are revised to require information on subordinate mortgage debt to be included in other report or files in the CREFC Investor Reporting Package<sup>®</sup> that the master servicer is required to prepare and if Freddie Mac so requests in writing, the master servicer will include information on such permitted subordinate mortgage debt in such additional report or files in the CREFC Investor Reporting Package<sup>®</sup> in accordance with such CREFC<sup>®</sup> guidelines as reasonably clarified by Freddie Mac. For the purposes of including information on permitted subordinate mortgage debt in reports or files as contemplated under the terms of the Pooling Agreement, the master servicer may conclusively rely (without investigation, inquiry, independent verification or any duty or obligation to recompute, verify or recalculate any of the amounts and other information contained in), absent manifest error, on information provided to it by the sub-servicer or other servicer of such permitted subordinate mortgage debt or by Freddie Mac.

*Information Available Electronically.* To the extent the "deal documents," "periodic reports," "additional documents" and "special notices" listed in the following bullet points are in the certificate administrator's possession and prepared by it or delivered to it in an electronic format, the certificate administrator will be required to make available to any Privileged Person via the certificate administrator's website in accordance with the terms and provisions of the Pooling Agreement:

- the following "deal documents":
  1. this offering circular supplement;
  2. the Offering Circular;
  3. the Pooling Agreement; and
  4. the CREFC<sup>®</sup> loan setup file received by the certificate administrator from the master servicer;
- the following "periodic reports":
  1. certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package<sup>®</sup> (other than the CREFC<sup>®</sup> loan setup file); and
  2. statements to certificateholders;
- the following "additional documents":
  1. inspection reports; and
  2. appraisals;
- the following "special notices":
  1. notice of any failure by the depositor to repurchase a TEL that has an uncured material breach of a representation or warranty or a material document defect;
  2. notice of final payment on the certificates;

3. notice of the resignation, termination, merger or consolidation of the master servicer, the special servicer, the certificate administrator or the trustee and any notice of the acceptance of appointment by any successor thereto;
4. notice of the occurrence of any event of default that has not been cured;
5. notice of any request by the directing certificateholder to terminate the special servicer;
6. any request by certificateholders to communicate with other certificateholders;
7. any amendment of the Pooling Agreement;
8. any notice of the occurrence of or termination of any Affiliated Borrower Loan Event;
9. any officer's certificates supporting the determination that any advance was (or, if made, would be) a nonrecoverable advance; and
10. such other reports or information at the reasonable direction of the depositor or the Guarantor;

*provided, however*, that the certificate administrator may not provide to (i) any person that is an underlying borrower under an underlying mortgage loan or an affiliate of an underlying borrower under an underlying mortgage loan that is not the directing certificateholder, (a) any asset status report, inspection report, appraisal or internal valuation, or (b) the CREFC<sup>®</sup> special servicer loan file or (ii) the directing certificateholder, any asset status report, inspection report, appraisal or internal valuation relating to any Affiliated Borrower Loan. The certificate administrator's website will initially be located at [www.usbank.com/abs](http://www.usbank.com/abs). Access will be provided by the certificate administrator to Privileged Persons upon receipt by the certificate administrator from such person of an investor certification in the form(s) described in the Pooling Agreement, which form(s) may also be located on and submitted electronically via the certificate administrator's website. The parties to the Pooling Agreement will be given access to the website without providing that certification. For assistance with the certificate administrator's website, certificateholders may call (800) 934-6802.

The certificate administrator will make no representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any report, document or other information made available by it for which it is not the original source. The certificate administrator will not be deemed to have obtained actual knowledge of any information posted on the certificate administrator's website to the extent such information was not produced by the certificate administrator.

The certificate administrator may require registration and the acceptance of a disclaimer, as well as an agreement to keep the subject information confidential, in connection with providing access to its website. The certificate administrator will not be liable for the dissemination of information made by it in accordance with the Pooling Agreement.

*Other Information.* The Pooling Agreement will obligate the certificate administrator (or in the case of the items listed in the sixth and eighth bullet points below, the custodian) to make available at its offices, during normal business hours, upon reasonable advance written notice, or electronically via its website, for review by, among others, any holder or beneficial owner of an offered certificate or any person identified to the certificate administrator as a prospective transferee of an offered certificate or any interest in that offered certificate, originals or copies, in paper or electronic form, of, among other things, the following items, to the extent such documents have been delivered to the certificate administrator or the custodian, as applicable:

- any offering circular, offering circular supplement or other disclosure document relating to the applicable class of certificates, in the form most recently provided to the certificate administrator;
- the Pooling Agreement, including exhibits, and any amendments to the Pooling Agreement;
- all monthly reports of the certificate administrator delivered, or otherwise electronically made available, to certificateholders since the Closing Date;
- all officer's certificates delivered to the certificate administrator by the master servicer and/or the special servicer since the Closing Date, as described under "The Pooling Agreement—Evidence as to Compliance" in this offering circular supplement;

- all accountant’s reports delivered to the certificate administrator with respect to the master servicer and/or the special servicer since the Closing Date, as described under “The Pooling Agreement—Evidence as to Compliance” in this offering circular supplement;
- any and all modifications, waivers and amendments of the terms of an underlying mortgage loan entered into by the master servicer or the special servicer and delivered to the custodian pursuant to the Pooling Agreement (but only for so long as the related TEL is part of the issuing entity);
- any and all officer’s certificates delivered to the certificate administrator to support the master servicer’s, the special servicer’s or the trustee’s determination that any P&I Advance or Servicing Advance was or, if made, would be a Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance, as the case may be;
- any and all of the TEL documents contained in the mortgage file, and with respect to the directing certificateholder and Freddie Mac only, any and all documents contained in the mortgage file;
- information provided to the certificate administrator regarding the occurrence of Servicing Transfer Events as to the TELs; and
- any and all Sub-Servicing Agreements provided to the certificate administrator and any amendments to such Sub-Servicing Agreements and modifications of such Sub-Servicing Agreements.

Copies of any and all of these items will be required to be made available by the certificate administrator or the custodian, as applicable, upon written request. However, the certificate administrator and the custodian, as applicable, will be permitted to require payment of a sum sufficient to cover the reasonable costs and expenses of providing the copies.

In connection with providing access to or copies of information pursuant to the Pooling Agreement, including the items described above, the certificate administrator, the master servicer or the special servicer will require, in the case of a registered holder, beneficial owner or prospective purchaser of an offered certificate, a written confirmation executed by the requesting person or entity, in the form required by the Pooling Agreement, generally to the effect that, among other things, the person or entity (i) is a registered holder, beneficial owner or prospective purchaser of offered certificates, or an investment advisor representing such person, (ii) is requesting the information for use in evaluating such person’s investment in, or possible investment in, the offered certificates, (iii) is or is not an underlying borrower or an affiliate of an underlying borrower under the underlying mortgage loan, (iv) will keep the information confidential, and (v) will indemnify the certificate administrator, the trustee, the custodian, the master servicer, the special servicer, the issuing entity and the depositor from any damage, loss, cost or liability (including legal fees and expenses and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure of the information. However, the trustee, the certificate administrator, the custodian, the master servicer, the special servicer and any sub-servicer may not provide to (a) any person that is an underlying borrower under an underlying mortgage loan or an affiliate of an underlying borrower under an underlying mortgage loan unless such person is the directing certificateholder, any asset status report, inspection report, appraisal, internal valuation or the CREFC® special servicer loan file or (b) the directing certificateholder, any asset status report, inspection report, appraisal or internal valuation relating to any Affiliated Borrower Loan. However, such restrictions on providing information will not apply to the master servicer, the special servicer and any sub-servicer if the applicable loan documents expressly require such disclosure to such person as an underlying borrower under an underlying mortgage loan.

*Reports to Freddie Mac.* On or before the third Business Day prior to each distribution date, the certificate administrator will be required, in accordance with the terms of the Pooling Agreement, to prepare and distribute to Freddie Mac certain supplemental reports related to the offered certificates.

*Deal Information/Analytics.* Certain information concerning the TELs and the certificates may be available through the following services:

- BlackRock Financial Management, Inc., Bloomberg, L.P., Moody’s Analytics, Trepp, LLC, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator’s website initially located at [www.usbank.com/abs](http://www.usbank.com/abs);

- the master servicer’s website initially located at <https://mf.freddiemac.com>; and
- the KeyBank special servicer’s website initially located at [www.keybank.com/key2cre](http://www.keybank.com/key2cre).

### **Voting Rights**

The voting rights for the certificates will be allocated as follows:

- 99% of the voting rights will be allocated to the class A and B certificates, in proportion to the respective outstanding principal balances of those classes; and
- 1% of the voting rights will be allocated to the class X certificates.

Voting rights allocated to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class. However, solely for the purposes of giving any consent, approval or waiver pursuant to the Pooling Agreement with respect to the rights, obligations or liabilities of the trustee, the certificate administrator, the master servicer, the special servicer or Freddie Mac, any certificate registered in the name of such trustee, certificate administrator, master servicer, special servicer, Freddie Mac or any affiliate of any of them, as applicable, will be deemed not to be outstanding, and the voting rights to which it is entitled will not be taken into account in determining whether the requisite percentage of voting rights necessary to effect any such consent, approval or waiver has been obtained. Such restriction will not apply to (i) the selection of the Controlling Class Majority Holder or the directing certificateholder or the exercise of the special servicer’s or its affiliates’ rights as a holder of certificates in the Controlling Class and (ii) except with respect to increases in compensation or material reductions in obligations, if the trustee, the certificate administrator, the master servicer, the special servicer or Freddie Mac, as the case may be, and/or their affiliates, own the entire class of each certificates affected by the action, vote, consent or waiver. A directing certificateholder that is not an Approved Directing Certificateholder will retain any voting rights it has by virtue of being a certificateholder.

## **YIELD AND MATURITY CONSIDERATIONS**

### **Yield Considerations**

*General.* The yield on the offered certificates will depend on, among other things—

- the price you pay for your offered certificates; and
- the rate, timing and amount of distributions on your offered certificates.

The rate, timing and amount of distributions on the offered certificates will in turn depend on, among other things—

- the pass-through rate for, and the other payment terms of, the offered certificates;
- the rate and timing of payments and other collections on the TELs;
- the rate and timing of defaults, and the severity of losses, if any, on the TELs;
- the rate, timing, severity and allocation of other shortfalls and expenses that reduce amounts available for distribution on the certificates (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee, as further described in this offering circular supplement);
- the collection and payment, or waiver, of Yield Maintenance Charges or Static Prepayment Premiums with respect to the TELs; and
- servicing decisions with respect to the TELs.

These factors cannot be predicted with any certainty. Accordingly, you may find it difficult to analyze the effect that these factors might have on the yield to maturity of the offered certificates.

*Freddie Mac Guarantee.* Although the Freddie Mac Guarantee will mitigate the yield and maturity considerations with respect to the offered certificates discussed in this offering circular supplement, the Freddie Mac Guarantee is not backed by the full faith and credit of the United States. If the Guarantor were unable to pay under the Freddie Mac Guarantee, such mitigation would not apply.

*Pass-Through Rates.* The yield to maturity on the class A certificates will be highly sensitive to changes in the levels of LIBOR such that decreasing levels of LIBOR will have a negative effect on the yield to maturity of the holders of such certificates. In addition, prevailing market conditions may increase the interest rate margins above LIBOR at which comparable securities are being offered, which would cause the class A certificates to decline in value. Investors in the class A certificates should consider the risk that lower than anticipated levels of LIBOR could result in a lower yield to investors than the anticipated yield and the risk that higher market interest rate margins above LIBOR could result in a lower value of the class A certificates. See “Description of the Certificates—Distributions—Interest Distributions” in this offering circular supplement.

As further described below under “—Yield Sensitivity of the Class X Certificates,” the pass-through rates on the class X certificates will be variable and the yields on the class X certificates will be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary and involuntary prepayments and liquidations of TELs following default. In addition, the entitlement to interest of the class X certificates will be reduced, and could be reduced to zero, as a result of (i) an increase in LIBOR, or (ii) with respect to the TELs that bear interest based on SIFMA, an increase in LIBOR relative to SIFMA, or (iii) as a result of a decrease in the Weighted Average Net Mortgage Pass-Through Rate due to a faster rate of prepayment on the TELs with higher Net Mortgage Interest Rates than the Weighted Average Net Mortgage Pass-Through Rate. Any such reduction will negatively impact the yield to maturity of the class X certificates and will not be covered under the Freddie Mac Guarantee.

*Rate and Timing of Principal Payments.* The yield to maturity of the class X certificates will be extremely sensitive to, and the yield to maturity on any class A certificates purchased at a discount or a premium will be affected by, the rate and timing of principal distributions made in reduction of the outstanding principal balance of those certificates. In turn, the rate and timing of principal distributions that are paid or otherwise result in reduction of the outstanding principal balance of the class A certificates will be directly related to the rate and timing of principal payments on or with respect to the TELs. Finally, the rate and timing of principal payments on or with respect to the TELs will be affected by their amortization schedules, the dates on which balloon payments are due and the rate and timing of principal prepayments and other unscheduled collections on them, including for this purpose, collections made in connection with liquidations of TELs due to defaults, casualties or condemnations affecting the mortgaged real properties, pay downs of loans due to failure of the related property to meet certain performance criteria or purchases or other removals of TELs from the issuing entity.

Furthermore, because the class X certificates provide credit support for the class A certificates, any shortfalls in Net Interest Collections will result in shortfalls in interest distributions to the class X certificates before they result in shortfalls in interest distributions to the class A certificates. Any such shortfalls to the class X certificates will also negatively impact the yield to maturity of the class X certificates (subject to the Freddie Mac Guarantee).

If you are contemplating an investment in the interest-only certificates, you should further consider the risk that an extremely rapid rate of payments and other collections of principal on the TELs could result in your failure to fully recoup your initial investment.

Prepayments and other early liquidations of the TELs will result in distributions on the class A certificates of amounts that would otherwise be paid over the remaining terms of the TELs. This will tend to shorten the weighted average lives of the class A certificates and accelerate the rate at which the notional amounts of the corresponding component of the interest-only certificates are reduced. Defaults on the TELs, particularly at or near their maturity dates, may result in significant delays in distributions of principal on the TELs and, accordingly, on the class A certificates, while workouts are negotiated or foreclosures are completed, subject to the Freddie Mac Guarantee. These delays will tend to lengthen the weighted average lives of the class A certificates. See “The Pooling Agreement—Modifications, Waivers, Amendments and Consents” in this offering circular supplement.

The extent to which the yield to maturity on any class A certificate may vary from the anticipated yield will depend on the degree to which the class A certificate is purchased at a discount or premium and when, and to what degree payments of principal on the TELs are in turn paid in a reduction of the outstanding principal balance of the

class A certificate. If you purchase class A certificates at a discount, you should consider the risk that a slower than anticipated rate of principal payments on the TELs could result in an actual yield to you that is lower than your anticipated yield. If you purchase the interest-only certificates or class A certificates at a premium, you should consider the risk that a faster than anticipated rate of principal payments on the TELs could result in an actual yield to you that is lower than your anticipated yield.

Because the rate of principal payments on or with respect to the TELs will depend on future events and a variety of factors, no particular assurance can be given as to that rate or the rate of principal prepayments.

*Delinquencies and Defaults on the TELs.* The rate and timing of delinquencies and defaults on the TELs will affect—

- the amount of distributions on the offered certificates;
- the yield to maturity of the offered certificates;
- the notional amount of the interest-only certificates;
- the rate of principal distributions on the class A certificates; and
- the weighted average lives of the offered certificates.

Delinquencies on the TELs may result in shortfalls in distributions of interest and/or principal on the offered certificates for the current month, although Freddie Mac will be required under its guarantee to pay the holder of any offered certificate an amount equal to any such shortfall allocated to its certificates as set forth in “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement. Although any shortfalls in distributions of interest may be made up on future distribution dates, no interest would accrue on those shortfalls. Thus, any shortfalls in distributions of interest would adversely affect the yield to maturity of the offered certificates.

If—

- you calculate the anticipated yield to maturity for the offered certificates based on an assumed rate of default and amount of losses on the TELs that is lower than the default rate and amount of losses actually experienced, and
- the additional losses result in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates,

then your actual yield to maturity will be lower than you calculated and could, under some scenarios, be negative.

The timing of any loss on a liquidated mortgage loan that results in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates will also affect your actual yield to maturity, even if the rate of defaults and severity of losses are consistent with your expectations. In general, the earlier your loss occurs, the greater the effect on your yield to maturity.

Even if losses on the TELs do not result in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates, the losses may still affect the timing of distributions on, and the weighted average lives and yields to maturity of, the offered certificates.

In addition, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the TELs (thereby reducing the Principal Distribution Amount on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the TELs. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this offering circular supplement.

*Relevant Factors.* The following factors, among others, will affect the rate and timing of principal payments and defaults and the severity of losses on or with respect to the TELs:

- prevailing interest rates and, in the case of the floating rate TEL, prevailing margins over SIFMA for floating rate loans based on SIFMA;
- the terms of the TELs, including—
  1. provisions that impose prepayment lockout periods or require Yield Maintenance Charges or Static Prepayment Premiums;
  2. amortization terms that require balloon payments;
  3. due-on-sale/encumbrance provisions; and
  4. any provisions requiring draws on letters of credit or escrowed funds to be applied to principal;
- the demographics and relative economic vitality of the areas in which the mortgaged real properties are located;
- the general supply and demand for multifamily rental space of the type available at the mortgaged real properties in the areas in which those properties are located;
- the quality of management of the mortgaged real properties;
- the servicing of the TELs;
- changes in tax laws; and
- other opportunities for investment.

See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans,” “Description of the TELs and Underlying Mortgage Loans” and “The Pooling Agreement” in this offering circular supplement.

The rate of prepayment on the TELs is likely to be affected by prevailing market interest rates or, in the case of the floating rate TELs, margins over SIFMA for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate or margin over SIFMA is below the annual rate or margin at which an underlying mortgage loan accrues interest, the related underlying borrower may have an increased incentive to refinance that underlying mortgage loan. Conversely, to the extent prevailing market interest rates or, in the case of the floating rate TELs, margins over SIFMA, exceed the annual rate or margin over SIFMA at which a TEL accrues interest, the underlying borrower may be less likely to voluntarily prepay that underlying mortgage loan.

Depending on prevailing market interest rates or, in the case of the floating rate TEL, margins over SIFMA, the outlook for market interest rates or, in the case of the floating rate TELs, margins over SIFMA, and economic conditions generally, some underlying borrowers may sell their mortgaged real properties in order to realize their equity in those mortgaged real properties, to meet cash flow needs or to make other investments. In addition, some underlying borrowers may be motivated by U.S. federal and state tax laws, which are subject to change, to sell their mortgaged real properties.

In addition, certain of the underlying mortgage loans underlying the TELs may have performance escrows or letters of credit pursuant to which the funds held in escrow or the proceeds of such letters of credit may be applied to reduce the outstanding principal balance of such TELs if certain performance triggers are not satisfied. This circumstance would have the same effect on the offered certificate as a partial prepayment on such TELs without payment of a Static Prepayment Premium or a Yield Maintenance Charge. For more information regarding these escrows and letters of credit, see the footnotes to Exhibit A-1.

A number of the underlying borrowers are partnerships. The bankruptcy of the general partner in a partnership may result in the dissolution of the partnership. The dissolution of an underlying borrower partnership, the winding up of its affairs and the distribution of its assets could result in an acceleration of its payment obligations under the related underlying mortgage loan, which may adversely affect the yield to maturity on the certificates.

We make no representation or warranty regarding:

- the particular factors that will affect the rate and timing of prepayments and defaults on the TELs;
- the relative importance of those factors;
- the percentage of the total principal balance of the TELs that will be prepaid or as to which a default will have occurred as of any particular date;
- whether the TELs that are in a prepayment lockout period, including any part of that period when defeasance or prepayment with a Yield Maintenance Charge or Static Prepayment Premium is allowed, will be prepaid as a result of involuntary liquidations upon default or otherwise during that period; or
- the overall rate of prepayment or default on the TELs.

Floating rate commercial mortgage loans may be subject to a greater rate of principal prepayments in a declining interest rate environment. We cannot assure you as to the rate of prepayments on the underlying mortgage loans in stable or changing interest rate environments.

### **Weighted Average Lives of the Class A Certificates**

For purposes of this offering circular supplement, the weighted average life of any class A certificate refers to the average amount of time (in years) that will elapse from the assumed settlement date of May 23, 2018 until each dollar to be applied in reduction of the outstanding principal balance of those certificates is paid to the investor. For purposes of this “Yield and Maturity Considerations” section, the weighted average life of the class A certificates is determined by:

- multiplying the amount of each principal distribution on the class A certificates by the number of years from the assumed settlement date to the related distribution date;
- summing the results; and
- dividing the sum by the total amount of the reductions in the outstanding principal balance of the class A certificates.

Accordingly, the weighted average life of the class A certificates will be influenced by, among other things, the rate at which principal of the TELs is paid or otherwise collected or advanced and the extent to which those payments, collections and/or advances of principal are in turn applied in reduction of the outstanding principal balance of the class A certificates (including any reductions in outstanding principal balance as a result of Balloon Guarantor Payments).

As described in this offering circular supplement, the Principal Distribution Amount for each distribution date will be payable, subject to the Available Distribution Amount and the distribution priorities described under “Description of the Certificates—Distributions—Priority of Distributions” in this offering circular supplement, *first* to make distributions of principal to the holders of the class A certificates until the outstanding principal balance of the class A certificates is reduced to zero, and *thereafter* to make distributions of principal to holders of the class B certificates until the outstanding principal balance of the class B certificates is reduced to zero. As a result, the weighted average life of the class A certificates may be shorter than would otherwise be the case if the Principal Distribution Amount for each distribution date was being paid on a *pro rata* basis among the respective classes of Principal Balance Certificates.

The table set forth on Exhibit D shows with respect to the class A certificates—

- the weighted average life of that class, and
- the percentage of the initial principal balance of that class that would be outstanding after each of the specified dates,

based on each of the indicated levels of CPR and the Modeling Assumptions.

The actual characteristics and performance of the TELs will differ from the Modeling Assumptions used in calculating the table on Exhibit D. That table is hypothetical in nature and is provided only to give a general sense of how the principal cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the table on Exhibit D and the actual characteristics and performance of the TELs, or their actual prepayment or loss experience, will affect the percentages of initial principal balances outstanding over time and the weighted average lives of the class A certificates.

We cannot assure you that—

- the TELs will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this offering circular supplement;
- the TELs will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the TELs will not experience losses; or
- the TELs that are in a prepayment lockout period or defeasance period or that are prepayable during any period with a Yield Maintenance Charge or a Static Prepayment Premium will not prepay, whether voluntarily or involuntarily, during any such period.

You must make your own decisions as to the appropriate loss, prepayment and liquidation assumptions to be used in deciding to purchase any offered certificates.

### **Yield Sensitivity of the Class X Certificates**

The yields to investors on the class X certificates will be highly sensitive to the rate and timing of principal payments, including prepayments, and to the rate of default on the TELs. If you are contemplating an investment in the certificates, you should fully consider the associated risks, including the risk that an extremely rapid rate of prepayment and/or liquidation of the TELs could result in your failure to recoup fully your initial investment.

The table set forth on Exhibit E shows pre-tax corporate bond equivalent yields for the class X certificates based on the Modeling Assumptions, except that the optional termination is exercised, and further assuming the specified purchase prices and the indicated levels of CPR. Those assumed purchase prices are exclusive of accrued interest.

The yields set forth in the table on Exhibit E were calculated by:

- determining the monthly discount rate that, when applied to the assumed stream of cash flows to be paid on the class X certificates, would cause the discounted present value of that assumed stream of cash flows to equal the assumed purchase price for the class X certificates plus accrued interest, and
- converting that monthly discount rate to a corporate bond equivalent rate.

Those calculations do not take into account variations that may occur in the interest rates at which investors in the class X certificates may be able to reinvest funds received by them as payments on those certificates. Consequently, they do not purport to reflect the return on any investment on the class X certificates when reinvestment rates are considered.

In addition, the actual characteristics and performance of the TELs will differ from the Modeling Assumptions used in calculating the table on Exhibit E. That table is hypothetical in nature and is provided only to give a general sense of how the cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the table on Exhibit E and the actual characteristics and performance of the TELs, or their actual prepayment or loss experience, will affect the yield on the class X certificates.

We cannot assure you that—

- the TELs will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this offering circular supplement;
- the TELs will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the TELs will not experience losses;

- the TELs that are in a prepayment lockout period or defeasance period, or that are prepayable during any period with a Yield Maintenance Charge or a Static Prepayment Premium, will not prepay, whether voluntarily or involuntarily, during any such period; or
- the purchase prices of the class X certificates will be as assumed.

It is unlikely that the TELs will prepay as assumed at any of the specified CPR levels until maturity or that all of the TELs will so prepay at the same rate. Actual yields to maturity for investors in the class X certificates may be materially different than those indicated in the table on Exhibit E. Timing of changes in rate of prepayment, rate of default under the TELs and other liquidations may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments and other liquidations is consistent with the expectations of investors. You must make your own decisions as to the appropriate prepayment, liquidation and loss assumptions to be used in deciding whether to purchase the class X certificates.

## **THE POOLING AGREEMENT**

### **General**

The certificates will be issued, the issuing entity will be created and the TELs will be serviced and administered under a pooling and servicing agreement, to be dated as of May 1, 2018 (the “Pooling Agreement”), by and among the depositor, the master servicer, the special servicer, the trustee, the certificate administrator, the custodian and Freddie Mac. Subject to meeting certain requirements, each Originator has the right and is expected to appoint itself, its affiliate or an unaffiliated third party as the sub-servicer of the TELs it originated.

The certificate administrator will provide a copy of the Pooling Agreement to a prospective or actual holder or beneficial owner of an offered certificate, upon written request from such party or a placement agent and the completion of an appropriate confidentiality agreement in the form attached to the Pooling Agreement and, at the certificate administrator’s discretion, payment of a reasonable fee for any expenses. The Pooling Agreement will also be made available by the certificate administrator on its website, at the address set forth under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this offering circular supplement.

### **The Master Servicer**

Freddie Mac, a corporate instrumentality of the United States created and existing under the Freddie Mac Act, will be appointed as the master servicer. Freddie Mac is also the depositor and the Guarantor of the offered certificates. Freddie Mac’s principal servicing office is located at 8100 Jones Branch Drive, McLean, Virginia 22102. Freddie Mac’s Multifamily Division currently has approximately 850 employees in the McLean, Virginia headquarters and in four regional offices and five field offices.

Freddie Mac conducts business in the U.S. secondary mortgage market by working with a national network of experienced multifamily seller/servicers to finance apartment buildings and other multifamily dwellings around the country. Freddie Mac performs in-house underwriting and credit reviews of multifamily loans but does not directly originate loans or service non-securitized loans for third-party investors.

Freddie Mac’s multifamily mortgage origination and servicing platform has been active for at least 20 years and has experienced significant growth since 1993. Freddie Mac’s master servicing operations consist of four separate teams that handle surveillance activities, borrower transactions, asset resolution and REO Properties. As part of its surveillance activities, Freddie Mac risk rates loans in its portfolio, performs comprehensive reviews of higher-risk loans (including review of quarterly financial statements, annual business plans and property inspections) and monitors loan performance on Freddie Mac multifamily securitizations. Freddie Mac has extensive experience with borrower transactions, including transfers of ownership, repair escrow extensions, property management changes, releases of collateral and rental achievement releases and modifications. Freddie Mac also has extensive experience processing distressed loans in asset resolution through extensions, forbearance, sale, modification, foreclosure and other loss mitigation activities.

Freddie Mac's senior long-term debt ratings are "AA+" by S&P, "Aaa" by Moody's, and "AAA" by Fitch. Its short-term debt ratings are "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch. Freddie Mac is currently rated as a master servicer by S&P (Above Average) and by Fitch (CMS2).

Freddie Mac has developed detailed operating policies, procedures and controls across the various servicing functions to maintain compliance with the Guide, and to manage delinquent and specially-serviced loans. Freddie Mac may out-source various functions to third-party vendors such as performing site inspections and appraisals. Freddie Mac monitors its third-party vendors in accordance with Freddie Mac's internal policies and procedures, the Guide and applicable laws. Freddie Mac's servicing policies and procedures, as reflected in the Guide, are updated periodically to keep pace with changes in Freddie Mac's underwriting and servicing parameters and with developments in the multifamily mortgage-backed securities industry. Such policies and procedures have been generally consistent for the last three years in all material respects, except that in 2012, Freddie Mac's policies and procedures were updated to reflect (1) modifications to Freddie Mac's insurance requirements to reduce Freddie Mac's exposure to risk, adjust to changes in the insurance market and respond to customer needs and (2) an addition to Freddie Mac's asset resolution policies regarding the timing for obtaining new appraisals in connection with various asset resolution events.

Freddie Mac, as the master servicer, will be generally responsible for the master servicing and primary servicing functions with respect to the TELs and the related underlying mortgage loans and, if applicable, REO Property. Freddie Mac, as the master servicer, will be permitted to appoint one or more sub-servicers to perform all or any portion of its primary servicing functions under the Pooling Agreement pursuant to one or more sub-servicing agreements. Additionally, Freddie Mac may from time to time perform some of its servicing obligations under the Pooling Agreement through one or more third-party vendors that provide servicing functions such as appraisals, environmental assessments, property condition assessments, property management, real estate brokerage services and other services necessary in the routine course of acquiring, managing and disposing of REO Property. Freddie Mac will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions, and Freddie Mac will remain liable for its servicing obligations under the Pooling Agreement as if Freddie Mac had not retained any such vendors.

The manner in which collections on the underlying mortgage loans are to be maintained is described below under "—The Pooling Agreement—Collection Account." All amounts received by Freddie Mac on the TELs will be deposited into a segregated collection account. Similarly, Freddie Mac will transfer any amount that is to be disbursed to a disbursement account on the day of the disbursement. Any collections received by Freddie Mac with respect to the TELs will not be co-mingled with collections from other commercial mortgage loans.

Freddie Mac will not have primary responsibility for custody services of original documents evidencing the TELs and underlying mortgage loans. Freddie Mac may from time to time have custody of certain of such documents as necessary for enforcement actions involving the TELs or underlying mortgage loans or otherwise. To the extent that Freddie Mac has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the Servicing Standard.

No securitization transaction involving multifamily mortgage loans in which Freddie Mac was acting as master servicer, primary servicer or special servicer has experienced a servicer event of default as a result of any action or inaction of Freddie Mac as master servicer, primary servicer or special servicer, including as a result of Freddie Mac's failure to comply with the applicable servicing criteria in connection with any securitization transaction. Freddie Mac has made all advances required to be made by it under its servicing agreements for multifamily mortgage loans.

Freddie Mac continues to operate under the conservatorship of the FHFA that commenced on September 6, 2008. From time to time Freddie Mac is a party to various lawsuits and other legal proceedings arising in the ordinary course of business and is subject to regulatory actions that could materially adversely affect its operations and its ability to service loans pursuant to the Pooling Agreement. See "Description of the Depositor and Guarantor—Freddie Mac Conservatorship" and "Description of the Depositor and Guarantor—Litigation Involving the Depositor and Guarantor. "Certain duties and obligations of the master servicer and certain related provisions of the Pooling Agreement are described under "—Servicing Under the Pooling Agreement," "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses," "—Required Appraisals," and "—Inspections; Collection of Operating Information" below. The master servicer's ability to waive or modify any terms, fees, penalties or

payments on the underlying mortgage loans and the effect of that ability on the potential cash flows from the underlying mortgage loans are described under “—Modifications, Waivers, Amendments and Consents” below.

Freddie Mac’s obligations as the master servicer to make advances, and the interest or other fees charged for those advances and the terms of Freddie Mac’s recovery of those advances, are described under “—Required Appraisals” and “—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” below and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement.

## The Special Servicers

*KeyBank National Association.* KeyBank will be appointed as the special servicer with respect to the TELs and the related underlying mortgage loans other than the Manors I And II Apartments TEL and Mortgage Loan. KeyBank is a wholly-owned subsidiary of KeyCorp. KeyBank may also in certain circumstances, act as the Affiliated Borrower Loan Directing Certificateholder with respect to the TELs and related underlying mortgage loans (other than the Manor I And II Apartments TEL and Mortgage Loan) that are not Affiliated Borrower Special Servicer Loans and may, if requested, act as the Directing Certificateholder Servicing Consultant.

KeyBank has been a special servicer of commercial mortgage loans and commercial real estate assets included in CMBS transactions since 1998. As of March 31, 2018, KeyBank was named as special servicer with respect to commercial mortgage loans in 181 CMBS transactions totaling approximately \$79.1 billion in aggregate outstanding principal balance and was special servicing a portfolio that included approximately 46 commercial mortgage loans with an aggregate outstanding principal balance of approximately \$272.0 million, which portfolio includes multifamily, office, retail, hospitality and other types of income-producing properties that are located throughout the United States.

The following table sets forth information on the size and growth of KeyBank’s managed portfolio of specially serviced commercial mortgage loans for which KeyBank is the named special servicer in CMBS transactions in the United States.

<b>CMBS (US)</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2017</b>	<b>As of 3/31/2018</b>
By Approximate Number of Transactions .....	111	132	177	181
By Approximate Aggregate Principal Balance (in billions).....	\$56.2	\$60.5	\$71.1	\$79.1

KeyBank has resolved over \$15.3 billion of U.S. commercial mortgage loans over the past 10 years, \$1.32 billion of U.S. commercial mortgage loans during 2008, \$1.74 billion of U.S. commercial mortgage loans during 2009, \$2.9 billion of U.S. commercial mortgage loans during 2010, \$2.27 billion of U.S. commercial mortgage loans during 2011, \$1.89 billion of U.S. commercial mortgage loans during 2012, \$2.69 billion U.S. commercial mortgage loans during 2013, \$628.5 million of U.S. commercial mortgage loans during 2014, \$1.4 billion of U.S. commercial mortgage loans during 2015, \$263.6 million of U.S. commercial mortgage loans during 2016 and \$225 million of U.S. commercial mortgage loans during 2017.

KeyBank is approved as the master servicer, primary servicer and special servicer for CMBS rated by Moody’s, S&P, Fitch and Morningstar. Moody’s does not assign specific ratings to servicers. KeyBank is on S&P’s Select Servicer list as a U.S. Commercial Mortgage Master Servicer and as a U.S. Commercial Mortgage Special Servicer, and S&P has assigned to KeyBank the rating of “Strong” as a master servicer, primary servicer and special servicer. Fitch has assigned to KeyBank the ratings of “CMS1” as a master servicer, “CPS2+” as a primary servicer and “CSS1-” as a special servicer. Morningstar has assigned to KeyBank the rankings of “MOR CS1” as master servicer, “MOR CS1” as primary servicer and “MOR CS1” as special servicer. S&P’s, Fitch’s, and Morningstar’s ratings of a servicer are based on an examination of many factors, including the servicer’s financial condition, management team, organizational structure and operating history.

KeyBank’s servicing system utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows KeyBank to process mortgage servicing activities including: (i) performing

account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments, replacement reserve escrows and operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports. KeyBank generally uses the CREFC<sup>®</sup> format to report to trustees of CMBS transactions and maintains a website ([www.keybank.com/key2cre](http://www.keybank.com/key2cre)) that provides access to reports and other information to investors in CMBS transactions that KeyBank is the master servicer or special servicer.

KeyBank maintains the accounts it uses in connection with servicing commercial mortgage loans. The following table sets forth the ratings assigned to KeyBank’s debt obligations and deposits.

	<b>S&amp;P</b>	<b>Fitch</b>	<b>Moody’s</b>
Long-Term Debt Obligations.....	A-	A-	A3
Short-Term Debt Obligations .....	A2	F-1	P-2
Long-Term Deposits .....	N/A	A	Aa3
Short-Term Deposits.....	N/A	F1	P-1

KeyBank believes that its financial condition will not have any material adverse effect on the performance of its duties under the Pooling Agreement and, accordingly, will not have any material adverse impact on the performance of the TELs or the related underlying mortgage loans or the performance of the certificates.

KeyBank has developed policies, procedures and controls for the performance of its master servicing and special servicing obligations in compliance with applicable servicing agreements, servicing standards and the servicing criteria set forth in Item 1122 of Regulation AB. These policies, procedures and controls include, among other things, procedures to (i) notify borrowers of payment delinquencies and other loan defaults, (ii) work with borrowers to facilitate collections and performance prior to the occurrence of a servicing transfer event, (iii) if a servicing transfer event occurs as a result of a delinquency, loss, bankruptcy or other loan default, transfer the subject loan to the special servicer, and (iv) manage delinquent loans and loans subject to the bankruptcy of the borrower.

KeyBank’s servicing policies and procedures for the servicing functions it will perform under the Pooling Agreement for assets of the same type included in the issuing entity are updated periodically to keep pace with the changes in the CMBS industry. For example, KeyBank has, in response to changes in federal or state law or investor requirements, (i) made changes in its insurance monitoring and risk-management functions as a result of the Terrorism Risk Insurance Act of 2002, as amended, and (ii) established a website where investors and mortgage loan borrowers can access information regarding their investments and mortgage loans. Otherwise, KeyBank’s servicing policies and procedures have been generally consistent for the last three years in all material respects.

As the special servicer, KeyBank is generally responsible for the special servicing functions with respect to the TELs and the related underlying mortgage loans (other than the Manors I And II Apartments TEL and Mortgage Loan) and any REO Properties for which it is acting as special servicer. Additionally, KeyBank may from time to time perform some of its servicing obligations under the Pooling Agreement through one or more third-party vendors that provide servicing functions such as appraisals, environmental assessments, property condition assessments, property management, real estate brokerage services and other services necessary in the routine course of acquiring, managing and disposing of REO Properties for which it is acting as special servicer. KeyBank will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions, and KeyBank will remain liable for its servicing obligations under the Pooling Agreement as if KeyBank had not retained any such vendors.

The manner in which assets are to be deposited into the REO accounts is described in this offering circular supplement under “The Pooling Agreement—Collection Account” and “—Realization Upon Mortgage Loans—REO Account.” Generally, all amounts received by KeyBank in connection with any REO Property for which it is acting as special servicer held by the issuing entity are deposited into an REO account.

KeyBank will not have primary responsibility for custody services of original documents evidencing the TELs or the related underlying mortgage loans. KeyBank may from time to time have custody of certain of such documents as necessary for enforcement actions involving particular underlying mortgage loans or otherwise. To

the extent that KeyBank has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the Servicing Standard.

No securitization transaction involving commercial or multifamily mortgage loans in which KeyBank was acting as primary servicer or special servicer has experienced a servicer event of default as a result of any action or inaction of KeyBank as primary servicer or special servicer, including as a result of KeyBank's failure to comply with the applicable servicing criteria in connection with any securitization transaction. KeyBank has made all advances required to be made by it under its servicing agreements for commercial and multifamily mortgage loans.

From time to time KeyBank is a party to lawsuits and other legal proceedings as part of its duties as a loan servicer and otherwise arising in the ordinary course of its business. One such action was brought by a certificateholder of a CMBS trust in the Supreme Court of New York, County of New York, in connection with KeyBank's determination of the fair value of a loan secured by the Bryant Park Hotel in New York City. KeyBank denies liability in such action, and KeyBank does not believe that such action or any other lawsuits or legal proceedings that are pending at this time would, individually or in the aggregate, have a material adverse effect on its business or its ability to service the underlying mortgage loans pursuant to the Pooling Agreement.

KeyBank is not aware of any lawsuits or legal proceedings, contemplated or pending, by governmental authorities against KeyBank at this time.

The foregoing information about KeyBank set forth in this section “—The Special Servicers—KeyBank National Association” has been provided by KeyBank. Neither Freddie Mac nor any other person other than KeyBank makes any representation or warranty as to the accuracy or completeness of such information.

*Wells Fargo Bank, National Association.* Wells Fargo Bank, National Association (“Wells Fargo Bank”) will act as the special servicer for the Manors I And II Apartments TEL and Mortgage Loan. Wells Fargo Bank is a national banking association organized under the laws of the United States of America, and is a wholly-owned direct and indirect subsidiary of Wells Fargo & Company. Wells Fargo Bank is an affiliate of Wells Fargo Securities LLC, one of the placement agents. Wells Fargo Bank also may, in certain circumstances, act as the Affiliated Borrower Loan Directing Certificateholder with respect to the Manors I And II Apartments TEL and Mortgage Loan to the extent it is not an Affiliated Borrower Special Servicer Loan as it relates to Wells Fargo Bank and may, if requested, act as the Directing Certificateholder Servicing Consultant.

On December 31, 2008, Wells Fargo & Company acquired Wachovia Corporation, the owner of Wachovia Bank, National Association (“Wachovia”), and Wachovia Corporation merged with and into Wells Fargo & Company. On March 20, 2010, Wachovia merged with and into Wells Fargo Bank. Like Wells Fargo Bank, Wachovia acted as master servicer and special servicer of securitized commercial and multifamily mortgage loans and, following the merger of the holding companies, Wells Fargo Bank and Wachovia integrated their two servicing platforms under a senior management team that is a combination of both legacy Wells Fargo Bank managers and legacy Wachovia managers.

The principal west coast commercial mortgage servicing offices of Wells Fargo Bank are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage servicing offices of Wells Fargo Bank are located at Three Wells Fargo Bank, MAC D1050-084, 401 South Tryon Street, Charlotte, North Carolina 28202.

Wells Fargo Bank has acted as a special servicer of securitized commercial and multifamily mortgage loans in excess of five years. Wells Fargo Bank's special servicing system includes McCracken Financial Solutions Corp.'s Strategy CS software.

The table below sets forth information about Wells Fargo Bank's portfolio of specially serviced commercial and multifamily mortgage loans as of the dates indicated:

<b>CMBS Pools</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2017</b>	<b>As of 3/31/2018</b>
By Approximate Number .....	124	151	181	190
Named Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance (in billions) <sup>(1)</sup> .....	\$86.0	\$107.3	\$125.0	\$128.9
Actively Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance <sup>(2)</sup> .....	\$181,704,308	\$106,851,483	\$1,818,177,720	\$900,321,364

(1) Includes all loans in Wells Fargo Bank's portfolio for which Wells Fargo Bank is the named special servicer, regardless of whether such loans are, as of the specified date, specially-serviced loans.

(2) Includes only those loans in the portfolio that, as of the specified date, are specially-serviced loans.

The properties securing loans in Wells Fargo Bank's special servicing portfolio may include retail, office, multifamily, industrial, hospitality and other types of income-producing property. As a result, such properties, depending on their location and/or other specific circumstances, may compete with the mortgaged real properties for tenants, purchasers, financing and so forth.

Wells Fargo Bank has developed strategies and procedures as special servicer for working with borrowers on problem loans (caused by delinquencies, bankruptcies or other breaches of the underlying loan documents) to maximize the value from the assets for the benefit of certificate holders. Wells Fargo Bank's strategies and procedures vary on a case by case basis, and include, but are not limited to, liquidation of the underlying collateral, note sales, discounted payoffs, and borrower negotiation or workout in accordance with the applicable servicing standard, the underlying loan documents and applicable law, rule and regulation.

Wells Fargo Bank has been master servicing securitized commercial and multifamily mortgage loans in excess of ten years. Wells Fargo Bank's primary servicing system runs on McCracken Financial Solutions Corp.'s software, Strategy CS. Wells Fargo Bank reports to trustees and certificate administrators in the CREFC<sup>®</sup> format. The following table sets forth information about Wells Fargo Bank's portfolio of master or primary serviced commercial and multifamily mortgage loans (including loans in securitization transactions and loans owned by other investors) as of the dates indicated:

<b>Commercial and Multifamily Mortgage Loans</b>	<b>As of 12/31/2015</b>	<b>As of 12/31/2016</b>	<b>As of 12/31/2017</b>	<b>As of 3/31/2018</b>
By Approximate Number: .....	32,716	31,128	30,017	30,146
By Approximate Aggregate Unpaid Principal Balance (in billions): .....	\$503.34	\$506.83	\$527.63	\$538.27

Within this portfolio, as of March 31, 2018, are approximately 21,044 commercial and multifamily mortgage loans with an unpaid principal balance of approximately \$414.2 billion related to commercial mortgage-backed securities or commercial real estate collateralized debt obligation securities. In addition to servicing loans related to commercial mortgage-backed securities and commercial real estate collateralized debt obligation securities, Wells Fargo Bank also services whole loans for itself and a variety of investors. The properties securing loans in Wells Fargo Bank's servicing portfolio, as of March 31, 2018, were located in all 50 states, the District of Columbia, Guam, Mexico, the Bahamas, the Virgin Islands and Puerto Rico and include retail, office, multifamily, industrial, hotel and other types of income-producing properties.

In its master servicing and primary servicing activities, Wells Fargo Bank utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows Wells Fargo Bank to process mortgage servicing activities including, but not limited to: (i) performing account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments,

replacement reserve escrows and operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports.

The following table sets forth information regarding principal and interest advances and servicing advances made by Wells Fargo Bank, as master servicer, on commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations. The information set forth below is the average amount of such advances outstanding over the periods indicated (expressed as a dollar amount and as a percentage of Wells Fargo Bank's portfolio, as of the end of each such period, of master serviced commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations).

<u>Period</u>	<u>Approximate Securitized Master-Serviced Portfolio (UPB)*</u>	<u>Approximate Outstanding Advances (P&amp;I and PPA)*</u>	<u>Approximate Outstanding Advances as % of UPB</u>
Calendar Year 2015	\$401,673,056,650	\$ 1,600,995,208	0.40%
Calendar Year 2016	\$385,516,905,565	\$ 838,259,754	0.22%
Calendar Year 2017	\$395,462,169,170	\$ 647,840,559	0.16%
YTD Q1 2018	\$403,608,365,979	\$ 557,167,664	0.14%

\* "UPB" means unpaid principal balance, "P&I" means principal and interest advances and "PPA" means property protection advances.

Wells Fargo Bank is rated by Fitch, S&P and Morningstar as a primary servicer, a master servicer and a special servicer of commercial mortgage loans in the US. Wells Fargo Bank's servicer ratings by each of these agencies are outlined below:

<u>US Servicer Ratings</u>	<u>Fitch</u>	<u>S&amp;P</u>	<u>Morningstar</u>
Primary Servicer:.....	CPS1-	Strong	MOR CS1
Master Servicer:.....	CMS1-	Strong	MOR CS1
Special Servicer	CSS2	Above Average	MOR CS2

The long-term issuer ratings of Wells Fargo Bank are rated "A+" by S&P, "Aa2" by Moody's and "AA-" by Fitch. The short-term issuer ratings of Wells Fargo Bank are rated "A-1" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Wells Fargo Bank has developed policies, procedures and controls relating to its servicing functions to maintain compliance with applicable servicing agreements and servicing standards, including procedures for handling delinquent loans during the period prior to the occurrence of a special servicing transfer event. Wells Fargo Bank's special servicing policies and procedures are updated periodically to keep pace with the changes in the CMBS industry and have been generally consistent for the last three years in all material respects. The only significant changes in Wells Fargo Bank's policies and procedures have come in response to changes in federal or state law or investor requirements, such as updates issued by the Federal National Mortgage Association or Freddie Mac.

Wells Fargo Bank may perform any of its obligations under the Pooling Agreement through one or more third-party vendors, affiliates or subsidiaries. Notwithstanding the foregoing, the special servicer under the Pooling Agreement will remain responsible for its duties thereunder. Wells Fargo Bank may engage third-party vendors to provide technology or process efficiencies. Wells Fargo Bank monitors its third-party vendors in compliance with its internal procedures and applicable law. Wells Fargo Bank has entered into contracts with third-party vendors for the following functions:

- provision of Strategy and Strategy CS software;
- audit services
- tracking and reporting of flood zone changes;
- abstracting of leasing consent requirements contained in loan documents;
- legal representation;

- assembly of data regarding buyer and seller (borrower) with respect to proposed loan assumptions and preparation and underwriting of loan assumption package for review by Wells Fargo Bank;
- performance of property inspections;
- performance of tax parcel searches based on property legal description, monitoring and reporting of delinquent taxes, and collection and payment of taxes;
- Uniform Commercial Code searches and filings;
- insurance tracking and compliance;
- onboarding-new loan setup;
- lien release-filing and tracking;
- credit investigation and background checks; and
- defeasance calculations.

Wells Fargo Bank's responsibilities as special servicer under servicing agreements typically do not include collection on the pool assets. However, Wells Fargo Bank maintains certain operating accounts with respect to REO Properties in accordance with the terms of the applicable servicing agreement and the applicable servicing standard.

Wells Fargo Bank (in its capacity as special servicer) will not have primary responsibility for custody services of original documents evidencing the Manors I And II Apartments TEL and Mortgage Loan. On occasion, Wells Fargo Bank may have custody of certain of such documents as are necessary for enforcement actions involving the Manors I And II Apartments TEL and Mortgage Loan or otherwise. To the extent Wells Fargo Bank performs custodial functions as a special servicer, documents will be maintained in a manner consistent with the Servicing Standard.

Wells Fargo & Company files reports with the SEC as required under the Exchange Act. Such reports include information regarding Wells Fargo Bank and may be obtained at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

There are no legal proceedings pending against Wells Fargo Bank, or to which any property of Wells Fargo Bank is subject, that are material to the certificateholders, nor does Wells Fargo Bank have actual knowledge of any proceedings of this type contemplated by governmental authorities.

The foregoing information set forth in this section with respect to Wells Fargo Bank as special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan has been provided by Wells Fargo Bank. Neither Freddie Mac nor any other person other than Wells Fargo Bank makes any representation or warranty as to the accuracy or completeness of such information.

The special servicer may be requested by the Approved Directing Certificateholder to act as Directing Certificateholder Servicing Consultant and to prepare and deliver a recommendation relating to a requested waiver of any "due-on-sale" or "due-on-encumbrance" clause or a requested consent to a modification, waiver or amendment for certain non-Specially Serviced Mortgage Loans. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to such Approved Directing Certificateholder and any such recommendation provided will not be subject to the Servicing Standard. When acting as the Directing Certificateholder Servicing Consultant, the special servicer will have no duty or liability to any certificateholder other than such Approved Directing Certificateholder in connection with any recommendation it provides to such Approved Directing Certificateholder or actions taken by any party as a result of such consultation services provided to such Approved Directing Certificateholder as contemplated by the preceding sentence.

Certain duties and obligations of KeyBank as the special servicer with respect to the TELs and the related underlying mortgage loans other than the Manors I And II Apartments TEL and Mortgage Loan and Wells Fargo Bank, as special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan, and the provisions of the Pooling Agreement are described under "—Servicing Under the Pooling

Agreement,” “—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses,” “—Required Appraisals,” and “—Inspections; Collection of Operating Information” below. The special servicer’s ability to waive or modify any terms, fees, penalties or payments on the TELs and the effect of that ability on the potential cash flows from the TELs are described under “—Modifications, Waivers, Amendments and Consents” below.

Each special servicer will, among other things, oversee the resolution of the TEL, for which it acts as special servicer, during a special servicing period and the disposition of any REO Property for which it acts as special servicer. Certain of the special servicer’s duties as the special servicer under the Pooling Agreement, including information regarding the processes for handling delinquencies, losses, bankruptcies and recoveries (such as through a liquidation of an underlying mortgage loan, the sale of the TELs or negotiations or workouts with the underlying borrowers under the underlying mortgage loans) are set forth under “—Realization Upon Mortgage Loan” below.

Certain terms of the Pooling Agreement regarding the special servicer’s removal, replacement, resignation or transfer as special servicer are described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—Rights Upon Event of Default” below.

### Significant Sub-Servicer

Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (“JLL Multifamily”), is expected to be a sub-servicer of 9 of the TELs, collectively representing 52.7% of the initial TEL pool balance. JLL Multifamily originated 9 of the TELs, collectively representing 52.7% of the initial TEL pool balance. The principal mortgage servicing offices of JLL Multifamily are located at 2177 Youngman Avenue, Suite 100, St. Paul, Minnesota 55116. JLL Multifamily is, indirectly, wholly owned by Jones Lang LaSalle Incorporated.

JLL Multifamily and its predecessors have been engaged in the servicing of commercial mortgage loans since 1986 and commercial mortgage loans originated for securitization since 2009. The following table sets forth information about JLL Multifamily’s portfolio of commercial mortgage loans as of the dates indicated:

<b>Loans</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>
By Approximate Number.....	1555	1608	1678	1721
By Approximate Aggregate Outstanding Principal Balance (in billions).....	\$14.5	\$16	\$18.2	\$21.1

JLL Multifamily’s servicing portfolio includes mortgage loans secured by multifamily, office, retail, hospitality and other types of income-producing properties that are located throughout the United States. JLL Multifamily services newly-originated commercial and multifamily mortgage loans on a contracted basis for third parties such as insurance companies, banks and other financial institutions.

JLL Multifamily’s servicing system utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows JLL Multifamily to process mortgage servicing activities including: (i) performing account maintenance, (ii) tracking borrower communications, (iii) tracking real estate tax escrows and payments, insurance escrows and payments, replacement reserve escrows, operating statement data and rent rolls, (iv) entering and updating transaction data and (v) generating various reports. JLL Multifamily uses the CREFC<sup>®</sup> format to report to trustees of commercial mortgage-backed securities transactions.

JLL Multifamily has developed policies, procedures and controls for the performance of its servicing obligations in compliance with applicable servicing agreements and servicing standards. These policies, procedures and controls include, among other things, procedures to (i) notify borrowers of payment delinquencies and other loan defaults, (ii) work with borrowers to facilitate collections and performance prior to the occurrence of a servicing transfer event, (iii) if a servicing transfer event occurs as a result of a delinquency, loss, bankruptcy or other loan default, transfer the subject loan to the special servicer and (iv) handling delinquent loans and loans subject to the bankruptcy of the borrower. JLL Multifamily’s servicing policies and procedures are updated periodically to keep pace with the changes in federal or state law or investor requirements, such as updates issued by the Federal National Mortgage Association or Freddie Mac.

JLL Multifamily has an established business continuity plan that is tested regularly in accordance with its policies and procedures. In the event of a disruption, all functions of the disrupted facility would transfer to a regional data center recovery facility, providing access to all data and tools to continue to perform its servicing duties. JLL Multifamily's business continuity program is tested and updated on an annual basis.

JLL Multifamily may, from time to time, engage third party contractors and vendors to assist in performing certain routine servicing functions. JLL Multifamily will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions.

JLL Multifamily will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. JLL Multifamily may from time to time have custody of certain of such documents as necessary for enforcement actions involving particular underlying mortgage loans or otherwise. To the extent that JLL Multifamily has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the servicing standard under the primary servicing agreement.

No securitization transaction involving commercial or multifamily mortgage loans in which JLL Multifamily was acting as a servicer has experienced a servicer event of default as a result of any action or inaction of JLL Multifamily as servicer including as a result of JLL Multifamily's failure to comply with the applicable servicing criteria in connection with any securitization transaction. JLL Multifamily has made all advances required to be made by it under its servicing agreements for commercial and multifamily mortgage loans.

From time to time JLL Multifamily is a party to lawsuits and other legal proceeding as part of its duties as a loan servicer (e.g., enforcement of loan obligations) and/or arising in the ordinary course of business. There are currently no legal proceedings pending and no legal proceedings known to be contemplated by government authorities against JLL Multifamily or of which any of its property is the subject that is material to the series 2018-ML04 certificateholders.

Certain duties and obligations of JLL Multifamily as a sub-servicer, and the provisions of the sub-servicing agreement, are described under "—Summary of Sub-Servicing Agreement" below.

The information set forth above in this section "—Significant Sub-Servicer" has been provided by JLL Multifamily. Neither Freddie Mac nor any other person other than JLL Multifamily makes any representation or warranty as to the accuracy or completeness of such information.

Certain terms of the Pooling Agreement regarding JLL Multifamily's removal as sub-servicer are described under "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer" below. JLL Multifamily's rights and obligations with respect to indemnification, and certain limitations on JLL Multifamily's liability under the Pooling Agreement, are described in this offering circular supplement under "—Liability of the Servicers," "—Summary of Significant Sub-Servicing Agreement" and "—Certain Indemnities" below.

### **Summary of Significant Sub-Servicing Agreement**

Pursuant to the terms of the Sub-Servicing Agreement between JLL Multifamily and the master servicer, JLL Multifamily will perform certain primary servicing functions with respect to all of the TELs identified on Exhibit A-1 as originated by it or its affiliate and the related underlying mortgage loans. The sub-servicer may delegate its duties to agents or subcontractors so long as the related arrangements with such agents or subcontractors are consistent with the applicable Sub-Servicing Agreement and the Pooling Agreement.

The sub-servicer will service in accordance with the Servicing Standard under the Pooling Agreement. Generally, the sub-servicer will perform the following duties of the master servicer in connection with the TELs and the underlying mortgage loans in accordance with its Sub-Servicing Agreement and the Pooling Agreement:

- establishing and maintaining collection and escrow accounts, including deposits into and remittances from such accounts;
- collecting payments from the borrowers, including follow up on any past due payments and any penalty charges;

- monitoring the status and payment of taxes, other assessments and insurance premiums for compliance with the underlying loan documents;
- conducting inspections of the mortgaged real properties and delivering to the master servicer a written report of the results of such inspection (other than with respect to Specially Serviced Mortgage Loans);
- preparing (i) monthly reports using the CREFC<sup>®</sup> reporting format and (ii) quarterly and annual CREFC<sup>®</sup> NOI Adjustment Worksheet and the CREFC<sup>®</sup> Operating Statement Analysis Report based on the operating statements, budgets and rent rolls with respect to the mortgaged real properties and delivering the same to the master servicer; and
- notifying the master servicer upon becoming aware that a Servicing Transfer Event may have occurred with respect to any underlying mortgage loan.

With respect to any proposed assumptions, due-on-sale clause waivers, modifications, transfers and certain other borrower requests, (a) the sub-servicer will not permit or consent to any such action without the prior written consent of the master servicer, (b) the sub-servicer will perform and deliver to the master servicer any analysis, recommendation and other information required under the Pooling Agreement (accompanied by an officer's certificate from the sub-servicer), and (c) the master servicer, not the sub-servicer, will deal directly with the directing certificateholder in connection with obtaining any necessary approval or consent from the directing certificateholder.

As compensation for its activities under the Sub-Servicing Agreement, the sub-servicer will be paid a sub-servicing fee and will be entitled to certain additional servicing compensation, all to the extent that the master servicer is entitled to such amounts under the Pooling Agreement. See "Description of the Certificates—Fees and Expenses" in this offering circular supplement.

The master servicer and the sub-servicer each agrees in the Sub-Servicing Agreement to indemnify and hold harmless each other (including any of their general or limited partners, directors, officers, shareholders, members, managers, employees, agents or affiliates) from and against any and all liability, claim, loss, out-of-pocket cost (including reasonable attorneys' fees), penalty, expense, fee, forfeiture, judgment, or damage resulting from (i) any breach of any representation or warranty made by it in the Sub-Servicing Agreement or (ii) any willful misconduct, bad faith, fraud or negligence by the indemnitor in the performance of its obligations or duties under the Sub-Servicing Agreement or by reason of negligent disregard of such obligations and duties. Pursuant to the terms of the Pooling Agreement, the sub-servicer will be indemnified by the trust, to the extent the master servicer will be entitled to such indemnification, subject to annual liability caps of any Third Party Master Servicer or sub-servicer as more particularly described in the Pooling Agreement. See "—Certain Indemnities" below.

The sub-servicer will at all times be a Freddie Mac-approved servicer. The sub-servicer will not be an affiliate of the trustee and, should the sub-servicer become an affiliate of the trustee, the sub-servicer will promptly provide written notice to the master servicer, Freddie Mac, the certificate administrator and the trustee of such affiliation. The master servicer will have the right to terminate the sub-servicer after certain termination events under the Sub-Servicing Agreement have occurred and have not been remedied or at the direction of Freddie Mac upon a determination made by Freddie Mac, in accordance with the provisions of the Guide, that such sub-servicer should not sub-serve the underlying mortgage loan. See "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer" below.

The information set forth in this section "Description of the Underlying Mortgage Loans—Summary of Significant Sub-Servicing Agreement" has been provided by JLL Multifamily. Neither Freddie Mac nor any other person other than JLL Multifamily makes any representation or warranty as to the accuracy or completeness of such information.

### **Liability of the Servicers**

The master servicer (either in its own right or on behalf of an indemnified sub-servicer), the special servicer and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the master servicer or the special servicer, as applicable, as described under "—Certain Indemnities" below.

None of the TELs, the underlying mortgage loans, or any REO Properties will be obligations of, or be insured or guaranteed by the master servicer or the special servicer. In addition, the master servicer and the special servicer (including in its capacity as the Affiliated Borrower Loan Directing Certificateholder) will be under no liability to the issuing entity, the other parties to the Pooling Agreement or the certificateholders for any action taken, or not taken, in good faith pursuant to the Pooling Agreement or for errors in judgment. However, the master servicer and the special servicer will not be protected against any breach of warranties or representations made in the Pooling Agreement or from any liability which would otherwise be imposed by reason of willful misconduct, bad faith, fraud or negligence in the performance of its duties or negligent disregard of obligations and duties under the Pooling Agreement.

The master servicer and the special servicer each will be required to maintain at its own expense, fidelity insurance, in the form of a financial institution bond, fidelity bond or its equivalent (“Fidelity Insurance”) consistent with the Servicing Standard and errors and omissions insurance with an insurer that meets the qualifications set forth in the Pooling Agreement with coverage amounts consistent with the Servicing Standard. However, for so long as Freddie Mac is acting as the master servicer, the master servicer may elect not to maintain errors and omissions insurance.

Solely in the event that Accepted Servicing Practices is the applicable Servicing Standard, each of the master servicer and the special servicer will be required to maintain Fidelity Insurance and errors and omissions insurance with an insurer that meets the qualifications set forth in the Pooling Agreement. Such policy must meet certain requirements as to coverage set forth in the Pooling Agreement. Coverage of the master servicer or the special servicer under a policy or bond obtained by an affiliate of the master servicer or the special servicer, as applicable that meets the same requirements as a policy obtained directly by the master servicer or the special servicer will be permitted under the Pooling Agreement. In lieu of obtaining such a policy or bond, the master servicer or the special servicer will be permitted to provide self-insurance with respect to Fidelity Insurance or errors and omissions insurance, subject to satisfaction of certain credit ratings requirements by the master servicer, the special servicer, or their respective immediate or remote parent companies.

### **Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties**

*Resignation of the Master Servicer or the Special Servicer.* The master servicer, the special servicer and any Affiliated Borrower Special Servicer will only be permitted to resign from their respective obligations and duties under the Pooling Agreement (i) upon a determination that such party’s duties are no longer permissible under applicable law, (ii) upon the appointment of, and the acceptance of such appointment by, a successor to the resigning master servicer or resigning special servicer, as applicable, or (iii) as to the servicing of any Affiliated Borrower Special Servicer Loans, in the case of the special servicer and any Affiliated Borrower Special Servicer, in the manner described in “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” below, and upon the appointment of, and the acceptance of such appointment by, the successor to the resigning special servicer. Any such successor must satisfy the following conditions applicable to it (the “Successor Servicer Requirements”): (i) Freddie Mac has approved such successor, which approval will not be unreasonably withheld or delayed, (ii) the successor to the master servicer, the special servicer or the Affiliated Borrower Special Servicer, as the case may be, agrees in writing to assume all of the responsibilities, duties and liabilities of the master servicer or the special servicer, as the case may be, under the Pooling Agreement and certain Sub-Servicing Agreements that arise thereafter, (iii) such successor (1) is then listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Master Servicer (in the case of a successor master servicer) or a U.S. Commercial Mortgage Special Servicer (in the case of a successor special servicer) and (2) is rated at least “CMS3” (in the case of a successor master servicer) or “CSS3” (in the case of a successor special servicer) by Fitch and (iv) with respect to a successor special servicer or Affiliated Borrower Special Servicer, the trustee receives an opinion of counsel generally to the effect that, among other things, the agreement pursuant to which such special servicer is replaced is binding. Any determination permitting the resignation of the master servicer or the special servicer because such party’s duties are no longer permissible under applicable law must be evidenced by an opinion of counsel to such effect delivered to the certificate administrator and the trustee, the cost of which, together with any other expenses of such resignation, are required to be borne by the resigning party. No resignation by the master servicer, the special servicer or any Affiliated Borrower Special Servicer will become effective until the trustee or the successor to the master servicer, the special servicer or such Affiliated Borrower Special Servicer, as applicable, has assumed the resigning master

servicer's, special servicer's or such Affiliated Borrower Special Servicer's, as applicable, responsibilities and obligations under the Pooling Agreement in accordance with this paragraph.

*Removal of the Master Servicer, the Special Servicer and any Sub-Servicer.* If an event of default described under “—Events of Default” below occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of the directing certificateholder (but with respect to the master servicer, only if such directing certificateholder is an Approved Directing Certificateholder) or Freddie Mac, the trustee will be required, to terminate the defaulting party and appoint a successor, as described under “—Rights Upon Event of Default” below. The defaulting party is entitled to the payment of all compensation, indemnities, reimbursements, accrued and unpaid to the date of termination, and other similar amounts.

In addition, the directing certificateholder will be entitled to remove, with or without cause, the special servicer or any Affiliated Borrower Special Servicer (if the applicable Affiliated Borrower Special Servicer Loan is not an Affiliated Borrower Loan) and appoint a successor special servicer or Affiliated Borrower Special Servicer rather than have the trustee act as that successor, upon 30 Business Days' prior written notice to the parties to the Pooling Agreement. Any successor special servicer or any Affiliated Borrower Special Servicer must satisfy the Successor Servicer Requirements (including Freddie Mac's approval, which may not be unreasonably withheld or delayed). In addition, the trustee must receive an opinion of counsel to the effect that the removal of the special servicer and/or the appointment of a successor special servicer is in compliance with the terms of the Pooling Agreement. If such removal is without cause, all costs of the issuing entity and the special servicer incurred in connection with transferring the subject special servicing responsibilities to a successor special servicer will be the responsibility of the directing certificateholder that effected the termination. Moreover, the terminated special servicer will be entitled to—

- payment out of the collection account for all accrued and unpaid special servicing fees, special servicer surveillance fees and additional special servicing compensation;
- continued rights to indemnification; and
- continued rights to some or all liquidation and workout fees earned by it as described below under “—Servicing and Other Compensation and Payment of Expenses.”

If at any time an Affiliated Borrower Special Servicer Loan Event occurs (other than with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and is described in the definition of “Affiliated Borrower Special Servicer Loan Event”), the Pooling Agreement will require that the special servicer promptly resign as special servicer of the related Affiliated Borrower Special Servicer Loan and will provide for the appointment of a successor Affiliated Borrower Special Servicer to act as the special servicer with respect to such Affiliated Borrower Special Servicer Loan. If the Affiliated Borrower Special Servicer Loan is not an Affiliated Borrower Loan, the directing certificateholder will have the right to select a successor Affiliated Borrower Special Servicer in accordance with the requirements of the Pooling Agreement, including (i) the satisfaction of the Successor Servicer Requirements, and (ii) that the chosen successor is then actively acting as special servicer on a Freddie Mac multifamily mortgage loan securitization or is otherwise approved by Freddie Mac. If (a) the Affiliated Borrower Special Servicer Loan is an Affiliated Borrower Loan or (b) the directing certificateholder does not select a successor to the resigning special servicer within 15 days after receipt of written notice of the applicable Affiliated Borrower Special Servicer Loan Event (in the case of this clause (b) with the option of the directing certificateholder to extend the time period by an additional 15 days if the directing certificateholder is using reasonable efforts to appoint a successor) as described in the prior sentence, the resigning special servicer for the related Affiliated Borrower Special Servicer Loan will be required to use reasonable efforts to select the Affiliated Borrower Special Servicer within 15 days following receipt of written notice of the applicable Affiliated Borrower Special Servicer Loan Event in the case of clause (a) and within 15 days following a failure of the directing certificateholder to select a successor within the time period permitted in the case of clause (b) (in each case with the option of the special servicer to extend the time period by 15 additional days if the special servicer is using reasonable efforts to appoint a successor), each, in accordance with the requirements set forth in the Pooling Agreement, including (i) the satisfaction of the Successor Servicer Requirements, and (ii) that the chosen successor is then actively acting as special servicer on a Freddie Mac multifamily mortgage loan securitization or is otherwise approved by Freddie Mac.

The special servicer will be required to provide written notice to the parties to the Pooling Agreement and the directing certificateholder of both the occurrence (other than with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and that is described in the definition of “Affiliated Borrower Special Servicer Loan Event”) and the termination of any Affiliated Borrower Special Servicer Loan Event within five Business Days after the special servicer obtains knowledge of such occurrence or termination of such Affiliated Borrower Special Servicer Loan Event. Except with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and that is described in the definition of “Affiliated Borrower Special Servicer Loan Event,” (i) following the Closing Date and prior to its receipt of notice from the special servicer of the occurrence of an Affiliated Borrower Special Servicer Loan Event and (ii) following its receipt of notice, if any, from the special servicer of the termination of any Affiliated Borrower Special Servicer Loan Event and prior to its receipt of notice from the special servicer of the occurrence of another Affiliated Borrower Special Servicer Loan Event, unless, in each case, the trustee, certificate administrator or the master servicer has actual knowledge that an Affiliated Borrower Special Servicer Loan Event exists, the trustee, the certificate administrator, the master servicer and Freddie Mac will be entitled to conclusively assume that no Affiliated Borrower Special Servicer Loan Event exists. The master servicer, the trustee, the certificate administrator and Freddie Mac may rely on any such notice of the occurrence or termination of an Affiliated Borrower Special Servicer Loan Event without making any independent investigation.

The special servicer will not have any liability with respect to the actions or inactions of the applicable Affiliated Borrower Special Servicer or with respect to the identity of any Affiliated Borrower Special Servicer selected in accordance with the requirements set forth in the Pooling Agreement.

Each Affiliated Borrower Special Servicer will perform all of the obligations of the special servicer for the related Affiliated Borrower Special Servicer Loan and will be entitled to all amounts of compensation payable to the special servicer under the Pooling Agreement with respect to such Affiliated Borrower Special Servicer Loan that are earned during such time as the related underlying mortgage loan is an Affiliated Borrower Special Servicer Loan. The special servicer that resigns as a result of an Affiliated Borrower Special Servicer Loan Event will be entitled to any special servicer surveillance fees, special servicing fees and liquidation fees that accrued before the effective date of the resignation of the special servicer with respect to an underlying mortgage loan that became an Affiliated Borrower Special Servicer Loan and, for any such underlying mortgage loan that (i) becomes a Corrected Mortgage Loan before the effective date of the special servicer’s resignation for such Affiliated Borrower Special Servicer Loan or (ii) would have become a Corrected Mortgage Loan before the effective date of the special servicer’s resignation for such Affiliated Borrower Special Servicer Loan but for the requirement to receive three consecutive monthly debt service payments (provided that such payments occur within three months after such effective date of the special servicer’s resignation), the related workout fees.

If the master servicer or the related Affiliated Borrower Special Servicer, as applicable, has actual knowledge of the termination of any Affiliated Borrower Special Servicer Loan Event, the master servicer or Affiliated Borrower Special Servicer, as applicable, will be required to provide prompt written notice of such circumstance to each of the other parties to the Pooling Agreement and the directing certificateholder.

If at any time an Affiliated Borrower Special Servicer Loan Event no longer exists with respect to an Affiliated Borrower Special Servicer Loan, (i) the related Affiliated Borrower Special Servicer will be required to promptly resign unless the directing certificateholder, with the consent of Freddie Mac, which consent may not be unreasonably withheld, instructs such Affiliated Borrower Special Servicer not to resign within five Business Days of receipt of notice that such Affiliated Borrower Special Servicer Loan Event no longer exists, (ii) the related underlying mortgage loan will no longer be an Affiliated Borrower Special Servicer Loan upon such resignation of the Affiliated Borrower Special Servicer, (iii) the special servicer for the TELs, the underlying mortgage loans and the REO Property that are not Affiliated Borrower Special Servicer Loans will automatically succeed to the resigning Affiliated Borrower Special Servicer and will become the special servicer again for such underlying mortgage loan upon any such resignation of the Affiliated Borrower Special Servicer and (iv) such special servicer will be entitled to all compensation payable under the Pooling Agreement to the special servicer with respect to such underlying mortgage loan earned after such underlying mortgage loan is no longer an Affiliated Borrower Special Servicer Loan, and the resigning Affiliated Borrower Special Servicer will be entitled to any special servicer surveillance fee, special servicing fees and liquidation fees that accrued while it was the Affiliated Borrower Special Servicer and, for any such underlying mortgage loan that (i) becomes a Corrected Mortgage Loan while such

resigning Affiliated Borrower Special Servicer is acting in such capacity, or (ii) would have become a Corrected Mortgage Loan while such resigning Affiliated Borrower Special Servicer is acting in such capacity but for the requirement to receive three consecutive monthly debt service payments (provided that such payments occur within three months after such effective date of the resignation of such Affiliated Borrower Special Servicer), the related workout fees.

In the event of resignation of the special servicer or the Affiliated Borrower Special Servicer as to the servicing of any Affiliated Borrower Special Servicer Loans, the successor will be required to immediately succeed to its predecessor's duties under the Pooling Agreement.

“Affiliated Borrower Special Servicer” means the successor to the resigning special servicer for the related Affiliated Borrower Special Servicer Loan, which successor is appointed in accordance with the requirements set forth above.

“Affiliated Borrower Special Servicer Loan” means any underlying mortgage loan with respect to which an Affiliated Borrower Special Servicer Loan Event has occurred and is continuing (except with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and that is described in the definition of “Affiliated Borrower Special Servicer Loan Event”). As of the Closing Date, no Affiliated Borrower Special Servicer Loan is expected to exist.

“Affiliated Borrower Special Servicer Loan Event” means an event that will exist with respect to any underlying mortgage loan if at any time the special servicer obtains knowledge that the special servicer, any of its managing members or any of its affiliates (i) becomes, intends to become or is the related underlying borrower (or a proposed replacement underlying borrower) or a Restricted Mezzanine Holder, (ii) becomes aware that the special servicer, any of its managing members or any of its affiliates is or intends to become an affiliate of the related underlying borrower (or affiliate of the proposed replacement underlying borrower) or a Restricted Mezzanine Holder or (iii) becomes or intends to become the owner of a direct or indirect interest in the related underlying borrower (including a security interest (but not including a mezzanine loan unless the special servicer is a Restricted Mezzanine Holder) or preferred equity or participation interest) or in the related mortgaged real property (including any lien on such mortgaged real property). As of the Closing Date, no Affiliated Borrower Special Servicer Loan Event is expected to exist.

In addition, (i) if Freddie Mac is then acting as the master servicer, Freddie Mac may, and (ii) if Freddie Mac is not then acting as master servicer, Freddie Mac will be entitled to direct the Third Party Master Servicer to remove any sub-servicer with respect to any underlying mortgage loan if (a) Freddie Mac determines, in accordance with the provisions of the Guide that any sub-servicer should not sub-service the underlying mortgage loan, (b) such sub-servicer becomes an affiliate of the trustee or (c) Freddie Mac determines, in its reasonable discretion, that a conflict of interest exists between the sub-servicer and the related underlying borrower such that the sub-servicer should not sub-service the related underlying mortgage loan; *provided, however*, that any termination in connection with clauses (a), (b) or (c) above will be at the expense of Freddie Mac. Any sub-servicer that is terminated pursuant to clauses (a), (b) or (c) above will have the right to sell its sub-servicing to either the Third Party Master Servicer or another sub-servicer acceptable to Freddie Mac, which acceptance may not be unreasonably withheld or delayed. Except as provided in this paragraph with respect to Freddie Mac, in no event will Freddie Mac, in its capacity as depositor or master servicer, the special servicer, the trustee, the certificate administrator, any Third Party Master Servicer or the issuing entity be liable to a sub-servicer for any termination or other fees, costs and expenses associated with the removal of such sub-servicer.

*Transfer of Servicing Duties.* In connection with such appointment and assumption of a successor to the master servicer or the special servicer as described in this offering circular supplement, subject to the right of the predecessor master servicer or special servicer to retain certain fees earned by it prior to the subject event of default, the trustee may make such arrangements for the compensation of such successor out of payments on the TELs as it and such successor agree. However, no such compensation with respect to a successor master servicer or successor special servicer, as the case may be, will be in excess of that paid to the terminated master servicer or special servicer, as the case may be, under the Pooling Agreement. The trustee, the master servicer, the special servicer and such successor are required to take such action, consistent with the Pooling Agreement, as will be necessary to effectuate any such succession. Any reasonable costs and expenses associated with the transfer of the servicing function (other than with respect to a termination without cause of the special servicer by the directing

certificateholder as described above under “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer”) under the Pooling Agreement will be required to be borne by the predecessor master servicer or special servicer. However, if such predecessor master servicer or special servicer, as applicable, fails to pay such costs and expenses after reasonable efforts to obtain payment, then such costs and expenses will be an expense of the issuing entity.

If the master servicer or the special servicer, as the case may be, is terminated pursuant to the terms of the Pooling Agreement, it is required to promptly (and in any event no later than 20 Business Days after its receipt of the notice of termination) provide the trustee with all documents and records requested by it and in the possession of the master servicer or the special servicer, as the case may be, to enable the trustee or another successor to assume the master servicer’s or the special servicer’s, as the case may be, functions under the Pooling Agreement, and is required to reasonably cooperate with the trustee in effecting the termination of the master servicer’s or the special servicer’s, as the case may be, responsibilities and rights under the Pooling Agreement, including, without limitation, the prompt transfer (and in any event no later than five Business Days after its receipt of the notice of termination) to the trustee or another successor for administration by it of all cash amounts which are at the time, or should have been, credited by the master servicer to the collection account or any other account held by it on account of the TELs or credited by the special servicer to an REO account, as the case may be, or which thereafter are received with respect to any TEL or underlying mortgage loan or any REO Property.

### **The Trustee, Certificate Administrator and Custodian**

U.S. Bank National Association, a national banking association (“U.S. Bank”), will act as trustee, certificate administrator, custodian and certificate registrar under the Pooling Agreement. U.S. Bancorp, with total assets exceeding \$462 billion as of December 31, 2017, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of December 31, 2017, U.S. Bancorp served approximately 18 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 53 domestic and two international cities. The Pooling Agreement will be administered from U.S. Bank’s corporate trust office located at One Federal Street, 3rd Floor, Mailcode EX-MA-FED, Boston, Massachusetts 02110 (and for certificate transfer services, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services – FRETE 2018-ML04.

U.S. Bank has provided corporate trust services since 1924. As of December 31, 2017, U.S. Bank was acting as trustee with respect to over 92,000 issuances of securities with an aggregate outstanding principal balance of over \$3.6 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

The certificate administrator is required to make each monthly statement available to the Certificateholders via the certificate administrator’s internet website at [www.usbank.com/abs](http://www.usbank.com/abs). Certificateholders with questions may direct them to the certificate administrator’s bondholder services group at (800) 934-6802.

As of December 31, 2017, U.S. Bank (and its affiliate U.S. Bank Trust National Association) was acting as trustee, paying agent and certificate registrar on 338 issuances of commercial mortgage-backed securities with an outstanding aggregate principal balance of approximately \$136,721,800,000.

Since 2014 various plaintiffs or groups of plaintiffs, primarily investors, have filed claims against U.S. Bank in its capacity as trustee or successor trustee (as the case may be) under certain residential mortgage-backed securities (“RMBS”) trusts. The plaintiffs or plaintiff groups have filed substantially similar complaints against other RMBS trustees, including Deutsche Bank, Citibank, HSBC, Bank of New York Mellon and Wells Fargo Bank. The complaints against U.S. Bank allege the trustee caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers for these RMBS trusts and assert causes of action based upon the trustee’s purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality. The complaints also assert that the trustee failed to notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan

servicers and that the trustee purportedly failed to abide by a heightened standard of care following alleged events of default.

Currently U.S. Bank is a defendant in multiple actions alleging individual or class action claims against the trustee with respect to multiple trusts as described above with the most substantial case being: BlackRock Balanced Capital Portfolio et al v. U.S. Bank National Association, No. 605204/2015 (N.Y. Sup. Ct.) (class action alleging claims with respect to approximately 770 trusts) and its companion case BlackRock Core Bond Portfolio et al v. U.S. Bank National Association, No. 14-cv-9401 (S.D.N.Y.). Some of the trusts implicated in the aforementioned Blackrock cases, as well as other trusts, are involved in actions brought by separate groups of plaintiffs related to no more than 100 trusts per case.

U.S. Bank cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts. However, U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Under the terms of the Pooling Agreement, U.S. Bank is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. The distribution reports will be reviewed by an analyst and then by a supervisor using a transaction-specific review spreadsheet. Any corrections identified by the supervisor will be corrected by the analyst and reviewed by the supervisor. The supervisor also will be responsible for the timely delivery of reports to the administration unit for processing all cashflow items. As securities administrator, U.S. Bank is also responsible for the preparation and filing of all tax returns on behalf of the issuing entity. In the past three years, U.S. Bank has not made material changes to the policies and procedures of its securities administration services for commercial mortgage-backed securities.

U.S. Bank will act as custodian of the mortgage files pursuant to the Pooling Agreement. As custodian, U.S. Bank is responsible for holding the mortgage files on behalf of the trustee. U.S. Bank will hold the mortgage files in one of its custodial vaults, which are located at 60 Livingston Ave., Suite 800, St. Paul, Minnesota 55107 Attention: FRETE 2018-ML04 Trust. The mortgage files are tracked electronically to identify that they are held by U.S. Bank pursuant to the Pooling Agreement. U.S. Bank uses a barcode tracking system to track the location of, and owner or secured party with respect to, each file that it holds as custodian, including the mortgage files held on behalf of the trustee. As of December 31, 2017, U.S. Bank holds approximately 10,601,000 document files for approximately 980 entities and has been acting as a custodian for over 20 years.

In its capacity as trustee on commercial mortgage securitizations, U.S. Bank is generally required to make an advance if the related master servicer fails to make a required advance. In the past three years, U.S. Bank, in its capacity as trustee, has not been required to make an advance on a U.S. domestic commercial mortgage-backed securities transaction.

The information set forth above in this section “—The Trustee, Certificate Administrator and Custodian” has been provided by U.S. Bank. Neither Freddie Mac nor any other person other than U.S. Bank makes any representation or warranty as to the accuracy or completeness of such information.

See also “—Rights Upon Event of Default,” “—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” and “—Certain Indemnities” below.

### **Resignation and Removal of the Trustee and the Certificate Administrator**

Each of the trustee and the certificate administrator will be permitted at any time to resign from its obligations and duties under the Pooling Agreement by giving not less than 30 days' prior written notice to the depositor, the master servicer, the special servicer, Freddie Mac, the trustee or the certificate administrator, as the case may be, and all certificateholders. In addition, compliance with the Investment Company Act may require the trustee to resign if (i) underlying borrowers have defeased more than 20% of the outstanding principal balance of the TEL pool and (ii) an affiliate of the trustee is servicing or sub-servicing the TELs. Upon receiving a notice of resignation, the depositor will be required to use its reasonable best efforts to promptly appoint a qualified successor trustee or certificate administrator acceptable to the master servicer and Freddie Mac. If no successor trustee or certificate

administrator has been so appointed and has accepted an appointment within 30 days after the giving of the notice of resignation, the resigning trustee or certificate administrator may petition any court of competent jurisdiction to appoint a successor trustee or certificate administrator, as applicable.

Each of the trustee and the certificate administrator must at all times be, and will be required to resign if it fails to be, (i) a corporation, national bank, trust company or national banking association, organized and doing business under the laws of any state or the United States or the District of Columbia, authorized under such laws to exercise corporate trust powers and to accept the trust conferred under the Pooling Agreement, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority and, only in the case of the trustee, may not be an affiliate of the depositor, the master servicer or the special servicer (except during any period when the trustee is acting as, or has become successor to, a master servicer or special servicer, as the case may be), (ii) an institution insured by the Federal Deposit Insurance Corporation and (iii) an institution whose long term senior unsecured debt (a) is rated “A” or higher by Fitch and “Aa3” or higher by Moody’s (or “A2” or higher by Moody’s if such institution’s short term unsecured debt obligations are rated “P-1” or higher by Moody’s) or (b) is otherwise acceptable to the Approved Directing Certificateholder (if any) and Freddie Mac with respect to such trustee or certificate administrator.

If at any time the trustee or the certificate administrator ceases to be eligible to continue as the trustee or the certificate administrator under the Pooling Agreement and fails to resign after written request by Freddie Mac, the depositor or the master servicer, or if at any time the trustee or the certificate administrator, as applicable, becomes incapable of acting, or if some events of, or proceedings in respect of, bankruptcy or insolvency occur with respect to the trustee or the certificate administrator, the depositor will be authorized to remove the trustee or the certificate administrator and appoint a successor trustee or certificate administrator, as applicable. In addition, holders of the certificates entitled to at least 51% of the voting rights may with cause (at any time) or without cause (at any time upon at least 30 days’ prior written notice) remove the trustee or certificate administrator under the Pooling Agreement and appoint a successor trustee or certificate administrator acceptable to Freddie Mac. Any successor trustee or certificate administrator must be an institution that meets the requirements of the immediately preceding paragraph. Further, if the ratings of the trustee or the certificate administrator fall below the ratings required by the immediately preceding paragraph, Freddie Mac will have the right to remove the trustee or certificate administrator, as applicable, and appoint a successor trustee or certificate administrator that meets the standards set forth in the Pooling Agreement and who is otherwise acceptable to Freddie Mac in its sole discretion.

Any resignation or removal of a trustee or a certificate administrator and appointment of a successor trustee or certificate administrator will not become effective until acceptance of appointment by the successor trustee or certificate administrator, as applicable.

In the event of any resignation or removal of a trustee or a certificate administrator (other than a resignation of a trustee that is required solely due to a change in law or a conflict of interest arising after the Closing Date that is not waived by all of the parties in conflict or is unwaivable), such resignation or removal will be effective with respect to each of such party’s other capacities under the Pooling Agreement, including, without limitation, such party’s capacities as trustee, custodian, certificate administrator and certificate registrar, as the case may be.

See “—Rights Upon Event of Default,” “—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” and “—Certain Indemnities” below.

#### **Assignment of the TELs**

On the Closing Date, we will sell, assign, transfer or otherwise convey all of our right, title and interest in and to the TELs, without recourse, to the trustee for the benefit of the holders of the certificates.

## **Servicing Under the Pooling Agreement**

*General.* The master servicer and the special servicer must diligently service and administer the TELs, the underlying mortgage loans and any REO Properties owned by the issuing entity for which it is responsible under the Pooling Agreement directly, through sub-servicers or through an affiliate as provided in the Pooling Agreement on behalf of the issuing entity and in the best interests of and for the benefit of the certificateholders (as a collective whole), as determined by the master servicer or the special servicer, as the case may be, in its reasonable judgment, in accordance with—

- any and all applicable laws,
- the express terms of the Pooling Agreement,
- the express terms of the respective TELs and the related underlying mortgage loans and any applicable intercreditor, co-lender or similar agreements, and
- to the extent consistent with the foregoing, the Servicing Standard.

In general, the master servicer will be responsible for the servicing and administration of—

- all TELs and the related underlying mortgage loans as to which no Servicing Transfer Event has occurred, and
- all worked-out TELs and underlying mortgage loans as to which no new Servicing Transfer Event has occurred.

If a Servicing Transfer Event occurs with respect to any TEL and underlying mortgage loan, that TEL and underlying mortgage loan will not be considered to be “worked-out” until all applicable Servicing Transfer Events have ceased to exist.

In general, subject to specified requirements and certain consultations, consents and approvals of the Approved Directing Certificateholder (if any) contained in the Pooling Agreement, the special servicer will be responsible for the servicing and administration of each TEL and underlying mortgage loan as to which a Servicing Transfer Event has occurred and is continuing. The special servicer will also be responsible for the administration of each REO Property.

However, the Pooling Agreement will require the master servicer:

- to continue to make all calculations and, subject to the master servicer’s timely receipt of information from the special servicer, prepare and deliver all reports to the certificate administrator required with respect to any specially serviced assets; and
- otherwise, to render other incidental services with respect to any specially serviced assets.

The master servicer will transfer servicing of a TEL and an underlying mortgage loan to the special servicer upon the occurrence of a Servicing Transfer Event with respect to that TEL and underlying mortgage loan. The special servicer will return the servicing of that TEL and underlying mortgage loan to the master servicer, and that TEL and underlying mortgage loan will be considered to have been worked-out, if and when all Servicing Transfer Events with respect to that TEL and underlying mortgage loan cease to exist and that TEL and underlying mortgage loan have become a Corrected Mortgage Loan.

Any Third Party Master Servicer, the Directing Certificateholder Servicing Consultant and any sub-servicer may consult with Freddie Mac with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans, but the Directing Certificateholder Servicing Consultant will not be bound by any such consultation. Freddie Mac will be acting as a “servicing consultant” in connection with such consultations. Any sub-servicer will be required to inform the master servicer (if not Freddie Mac) of any such consultation with Freddie Mac. Freddie Mac (in its capacity as the servicing consultant) may contact the related underlying borrower to request any necessary documentation from such underlying borrower in order to provide consultation to any Third Party Master Servicer, the Directing Certificateholder Servicing Consultant or any sub-servicer with respect to the proper application of Freddie Mac Servicing Practices (a copy of such documentation

will also be provided by Freddie Mac to (i) the master servicer (if not Freddie Mac) and (ii) if applicable, the Directing Certificateholder Servicing Consultant and/or any sub-servicer that is consulting with the servicing consultant with respect to such matter, in each such case, to the extent not already provided by such underlying borrower).

## **The Guide**

In addition to the specific requirements of the Pooling Agreement as described above, and to the extent not inconsistent therewith, the master servicer and the special servicer will be required to service the TELs and underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans in accordance with Freddie Mac Servicing Practices, an important component of which is the Guide. Freddie Mac may waive or modify its servicing policies and procedures, as reflected in the Guide at any time. The Guide can be accessed by subscribers at [www.allregs.com](http://www.allregs.com).

Generally, under the Guide, servicers are required to perform all services and duties customary to the servicing of multifamily mortgage loans including those factors enumerated in “Description of the Depositor and Guarantor—Mortgage Loan Purchase and Servicing Standards of Freddie Mac—Mortgage Loan Servicing Policies and Procedures” in this offering circular supplement.

See “Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans—The Master Servicer and the Special Servicer Will Be Required to Service Certain TELs and Underlying Mortgage Loans in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer to Make Certain Servicing Decisions” in this offering circular supplement.

## **Servicing and Other Compensation and Payment of Expenses**

*The Servicing Fee.* The principal compensation to be paid to the master servicer with respect to its master servicing activities will be a servicing fee consisting of a master servicing fee, all or a portion of the master servicer surveillance fee and a sub-servicing fee. The principal compensation to be paid to any sub-servicer with respect to its sub-servicing activities will be a servicing fee consisting of a sub-servicing fee and a portion of the master servicer surveillance fee (subject to certain conditions described below).

A master servicing fee:

- will be earned with respect to each underlying mortgage loan and TEL including (without duplication)—
  1. any Specially Serviced Mortgage Loan and Specially Serviced TEL,
  2. any TEL and related underlying mortgage loan, as to which the related mortgaged real property has become an REO Property, and
  3. each defeased TEL and related underlying mortgage loan, if any, and
- in the case of each TEL and underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the master servicing fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that TEL and underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on that TEL and underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

A master servicer surveillance fee:

- will be earned with respect to each Surveillance Fee Mortgage Loan,

- will be calculated on the same interest accrual basis as that Surveillance Fee Mortgage Loan,
- will accrue at the master servicer surveillance fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement,
- will accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that Surveillance Fee Mortgage Loan, and
- will be payable monthly from amounts received with respect to interest on that Surveillance Fee Mortgage Loan (or if not so paid, will accrue and remain outstanding).

The right of the master servicer to receive the master servicing fee or the master servicer surveillance fee may not be transferred in whole or in part except in connection with the transfer of all of the master servicer’s responsibilities and obligations under the Pooling Agreement.

Pursuant to the terms of the related Sub-Servicing Agreement, a sub-servicer will be entitled to retain on a monthly basis a portion of the master servicer surveillance fees received by such sub-servicer as determined in accordance with the rate *per annum* set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement in respect of each Surveillance Fee Mortgage Loan that it services (with the obligation to remit the remaining portion of such fee to the master servicer), if such sub-servicer is identified in the Pooling Agreement as being entitled to receive such fee. A sub-servicer’s entitlement to such fee may not be transferred (in whole or in part) to any other party. If at any time an eligible sub-servicer enters, without Freddie Mac’s prior approval, into an agreement providing for the further sub-servicing by a third party of any Surveillance Fee Mortgage Loan (other than mandatory servicing transfers due to conflicts of interest), or if Freddie Mac notifies the master servicer (if not Freddie Mac) and the sub-servicer that such sub-servicer is no longer entitled to receive such fee, then the entire master servicer surveillance fee as to the Surveillance Fee Mortgage Loans serviced by that sub-servicer will be remitted to the master servicer.

A sub-servicing fee:

- will be earned with respect to each TEL and related underlying mortgage loan, including (without duplication) Specially Serviced Mortgage Loans and each underlying mortgage loan, if any, as to which the related mortgaged real property has become an REO Property, and
- in the case of each underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the sub-servicing fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on that underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

*Prepayment Interest Shortfalls.* The Pooling Agreement provides that, although the TEL documents require the payment of a full month’s interest on any voluntary prepayment not made on a due date, if any Prepayment Interest Shortfall is incurred by reason of the master servicer’s acceptance, other than at the request of the Approved Directing Certificateholder, of any principal prepayment relating to one or more TELs during any Collection Period, then the master servicer must make a payment prior to the related distribution date in an amount equal to the aggregate of such Prepayment Interest Shortfalls for such Collection Period up to an amount not to exceed the master servicing fee for such Collection Period, with no right to reimbursement. This obligation to cover Prepayment Interest Shortfalls will not apply with respect to a principal prepayment accepted by the master servicer (i) with respect to any Specially Serviced Mortgage Loan, (ii) subsequent to a default under the related TEL documents (*provided* that the master servicer or the special servicer reasonably believes that acceptance of such prepayment is consistent with the Servicing Standard), (iii) pursuant to applicable law or a court order, (iv) in

respect of a payment of insurance and condemnation proceeds or (v) pursuant to any term of the related TEL documents that allows such prepayment to be made without the payment of a full month's interest.

In addition, if Prepayment Interest Shortfalls are incurred during any Collection Period with respect to any underlying mortgage loan serviced by the master servicer and the master servicer's payment in respect of such Prepayment Interest Shortfalls as contemplated by the prior paragraph is less than the entire amount of Prepayment Interest Shortfalls, then the master servicer (i) must apply any Prepayment Interest Excesses received during that Collection Period with respect to other TELs to offset such Prepayment Interest Shortfalls and (ii) in any event, may retain, as additional compensation, any such Prepayment Interest Excesses that are not needed to accomplish such offset.

No other master servicing compensation will be available to cover Prepayment Interest Shortfalls, and the master servicer's obligation to make payments to cover Prepayment Interest Shortfalls in respect of a particular Collection Period will not carry over to any subsequent Collection Period.

Any payments made by the master servicer with respect to any distribution date to cover Prepayment Interest Shortfalls, and any Prepayment Interest Excesses applied to offset Prepayment Interest Shortfalls, will be included in the Available Distribution Amount for that distribution date, as described under "Description of the Certificates—Distributions" in this offering circular supplement. If the amount of Prepayment Interest Shortfalls incurred with respect to the TELs during any Collection Period exceeds the sum of—

- any payments made by the master servicer with respect to the related distribution date to cover those Prepayment Interest Shortfalls, and
- any Prepayment Interest Excesses applied to offset those Prepayment Interest Shortfalls,

then the resulting Net Aggregate Prepayment Interest Shortfall will be allocated among the respective interest-bearing classes of certificates, in reduction of the interest distributable on those certificates, as and to the extent described under "Description of the Certificates—Distributions—Interest Distributions" in this offering circular supplement.

*Principal Special Servicing Compensation.* The principal compensation to be paid to the special servicer with respect to its special servicing activities will be—

- the corresponding special servicing fees;
- the corresponding workout fees;
- the corresponding liquidation fees; and
- the special servicer surveillance fee.

Special Servicing Fee. A special servicing fee:

- will be earned with respect to—
  1. each TEL and underlying mortgage loan, if any, that is being specially serviced, and
  2. each TEL and underlying mortgage loan, if any, as to which the related mortgaged real property has become an REO Property;
- in the case of each TEL and underlying mortgage loan described in the previous bullet point, will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the special servicing fee rate set forth in "Description of the Certificates—Fees and Expenses" in this offering circular supplement, and

3. accrue on the Stated Principal Balance of that underlying mortgage loan outstanding from time to time; and
- will generally be payable to the special servicer monthly from general collections on the mortgage pool.

Special Servicer Surveillance Fee. A special servicer surveillance fee:

- will be earned with respect to each Surveillance Fee Mortgage Loan—
- will be calculated on the same interest accrual basis as that Surveillance Fee Mortgage Loan,
- will accrue at the special servicer surveillance fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement,
- will accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that Surveillance Fee Mortgage Loan, and
- will be payable monthly from amounts received with respect to interest on that Surveillance Fee Mortgage Loan (or if not so paid, will accrue and remain outstanding).

Workout Fee. The special servicer will, in general, be entitled to receive a workout fee with respect to each Specially Serviced Mortgage Loan that has become a Corrected Mortgage Loan. The workout fee will be payable out of, and will generally be calculated by application of the workout fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement to each payment of interest (other than Default Interest) and principal (including scheduled payments, prepayments, balloon payments, payments at maturity and payments resulting from a partial condemnation) received on the underlying mortgage loan or TEL for so long as it remains a Corrected Mortgage Loan. The workout fee with respect to any Corrected Mortgage Loan will cease to be payable if a new Servicing Transfer Event occurs with respect to that underlying mortgage loan. However, a new workout fee would become payable if the underlying mortgage loan again became a Corrected Mortgage Loan with respect to that new Servicing Transfer Event.

If the special servicer is terminated (other than for cause) or resigns, it will retain the right to receive any and all workout fees payable with respect to the underlying mortgage loans and TELs that were (or were close to becoming) a Corrected Mortgage Loan during the period that it acted as the special servicer and as to which the Servicing Transfer Event does not reoccur or no new Servicing Transfer Event occurs prior to or after termination. The successor special servicer will not be entitled to any portion of those workout fees.

Although workout fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any workout fee will reduce amounts payable to the certificateholders.

Liquidation Fee. The special servicer will be entitled to receive a liquidation fee with respect to each Specially Serviced Mortgage Loan for which a full, partial or discounted payoff is made by the related underlying borrower. The special servicer will also be entitled to receive a liquidation fee with respect to any Specially Serviced Mortgage Loan or REO Property as to which it receives any Liquidation Proceeds, except as described in the next paragraph. A liquidation fee will also be payable in connection with the repurchase or replacement of any worked-out TEL for a material breach of a representation or warranty or a material document defect, as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement, if the repurchase or substitution occurs after the end of the applicable cure period (and any applicable extension of the applicable cure period). As to each Specially Serviced Mortgage Loan and REO Property, the liquidation fee will generally be payable from, and will be calculated by application of the liquidation fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement to, the related payment or proceeds, exclusive of liquidation expenses.

However, no liquidation fee will be payable based on, or out of, proceeds received in connection with—

- the purchase of a Defaulted TEL if the purchaser is the directing certificateholder and it purchases such underlying mortgage loan within 90 days after the special servicer provides the initial Fair Value Notice described in “—Realization Upon Mortgage Loans—Purchase Option” below, or at any time if the

purchaser is Freddie Mac as described under “—Realization Upon Mortgage Loans—Purchase Option” below;

- the repurchase or replacement of any TEL for a material breach of a representation or warranty or a material document defect as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement, within the applicable cure period (and any applicable extension of the applicable cure period); or
- the purchase of all of the TELs and REO Properties in the issuing entity by the master servicer, the special servicer or the Controlling Class Majority Holder in connection with the termination of the issuing entity, as described under “—Termination” below.

Although liquidation fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any liquidation fee will reduce amounts payable to the certificateholders.

The right of the special servicer to receive the related special servicing fee and special servicer surveillance fee may not be transferred in whole or in part except in connection with the transfer of all of the special servicer’s responsibilities and obligations under the Pooling Agreement.

However, the special servicer may, subject to the above-described prohibition on transfers of the right to receive the special servicing fee and the special servicer surveillance fee, enter into one or more arrangements to assign to another person (including, without limitation, any certificateholder or an affiliate of any certificateholder), or to provide for the payment by the special servicer to such person, of all or a portion of the special servicer’s compensation (excluding the special servicing fee or the special servicer surveillance fee, as described above) under the Pooling Agreement, *provided*, that any such assignment or provision will not be binding on any successor special servicer or any other party to the Pooling Agreement.

*Additional Servicing Compensation.* The master servicer may retain, as additional compensation, any Prepayment Interest Excesses received with respect to the TELs, but only to the extent that such Prepayment Interest Excesses are not needed to offset Prepayment Interest Shortfalls, as described under “—Prepayment Interest Shortfalls” above. The master servicer may also retain all the Transfer Processing Fees collected on or with respect to any TELs and underlying mortgage loans that are related to Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement) and any defeasance fees.

Any late payment charges and Default Interest actually collected on a TEL and an underlying mortgage loan and that are not otherwise applied as described in the last paragraph under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this offering circular supplement, will be allocated between the master servicer and the special servicer as additional compensation in accordance with the Pooling Agreement.

Transfer Fees and collateral substitution fees collected on the TELs and underlying mortgage loans (other than Specially Serviced Mortgage Loans) will be allocated between the master servicer (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement) and the Approved Directing Certificateholder or Affiliated Borrower Loan Directing Certificateholder as shown under “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

Any extension fees, modification fees, assumption fees, assumption application fees, earnout fees, consent/waiver fees and other comparable transaction fees and charges collected on the Specially Serviced Mortgage Loans will be allocated to the special servicer, as shown under “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

The master servicer will be authorized to invest or direct the investment of funds held in its collection account, or in any escrow and/or reserve account maintained by it, in Permitted Investments. See “—Collection Account” below. The master servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the master servicer’s benefit, but the master servicer is not required to

cover any losses caused by the insolvency of the depository institution or trust company holding such account so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Pooling Agreement at the time such investment was made and (b) is neither the master servicer nor an affiliate of the master servicer and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Pooling Agreement.

The special servicer will be authorized to invest or direct the investment of funds held in its REO account in Permitted Investments. See “—Realization Upon Mortgage Loans—REO Account” below. The special servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the special servicer’s benefit, but the special servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding the REO accounts so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Pooling Agreement at the time such investment was made and (b) is neither the special servicer nor an affiliate of the special servicer and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Pooling Agreement.

*Servicing Advances.* With respect to each TEL and related underlying mortgage loan, in accordance with the Servicing Standard, the master servicer will be obligated, if and to the extent necessary, to advance all such amounts as are necessary to pay, among other things, (i) premiums on insurance policies with respect to the related mortgaged real property; (ii) operating, leasing, managing and liquidation expenses for the mortgaged real property after it has become an REO Property; (iii) the cost of environmental inspections with respect to the mortgaged real property; (iv) real estate taxes, assessments and other items that are or may become a lien on the mortgaged real property; (v) the costs and expenses of any enforcement or judicial proceedings with respect to that underlying mortgage loan and TEL, including foreclosure and similar proceedings; (vi) the cost of appraisals with respect to such mortgaged real property and (vii) any other amount required to be paid as a servicing advance or deemed to be a servicing advance under the Pooling Agreement (each, a “Servicing Advance”). The special servicer will not be required to make any Servicing Advances.

With respect to any underlying mortgage loan that has a related subordinate loan and is subject to an intercreditor agreement that allows the lender for the underlying mortgage loan to cure defaults on the related subordinate loan, any advance made by the master servicer or the special servicer to exercise the issuing entity’s rights under such intercreditor agreement to cure any such default on the subordinate loan will be limited to the monthly debt service payments on the subordinate loan and will be deemed to be a Servicing Advance. This monthly debt service payment limitation does not apply to defaults under the related subordinate loan which are also defaults under the senior underlying mortgage loan and as to which the Servicing Advance is being made pursuant to the related underlying mortgage loan documents and not solely to cure the default on the subordinate loan. In addition, with respect to any underlying mortgage loan that has a related subordinate loan, any Servicing Advance that is made or proposed to be made in order to cure a default on such subordinate loan will be subject to the same application, reimbursements and nonrecoverability determinations as any other Servicing Advance under the Pooling Agreement. The master servicer will not be required to make any Servicing Advance that would, if made, constitute a Nonrecoverable Servicing Advance.

Any and all customary, reasonable and necessary out-of-pocket costs and expenses (including for the remediation of any adverse environmental circumstance or condition at any of the mortgaged real properties) incurred by the master servicer or the special servicer in connection with the servicing of an underlying mortgage loan if a default, delinquency or other unanticipated event has occurred or is reasonably foreseeable, or in connection with the administration of any REO Property in the issuing entity, will be Servicing Advances. Servicing Advances will be reimbursable from future payments and other collections, including insurance proceeds, condemnation proceeds and Liquidation Proceeds, received in connection with the related underlying mortgage loan or REO Property, except as described below with respect to Nonrecoverable Servicing Advances.

The special servicer will request the master servicer to make required Servicing Advances with respect to a Specially Serviced Mortgage Loan or REO Property on a monthly basis (except for Servicing Advances required on an emergency basis). The special servicer must make the request not less than five Business Days prior to the date the subject advance is required to be made (except for Servicing Advances required on an emergency basis). The master servicer must make the requested Servicing Advance within a specified number of days following the master servicer's receipt of the request. The special servicer will be required to provide the master servicer any information in its possession as the master servicer may reasonably request to enable the master servicer to determine whether a requested Servicing Advance would be recoverable from expected collections on the Specially Serviced Mortgage Loan or REO Property.

To the extent that the master servicer fails to make a Servicing Advance that it is required to make under the Pooling Agreement and a responsible officer of the trustee has received written notice or has actual knowledge of such failure, the trustee will be required to make such Servicing Advance pursuant to the Pooling Agreement no later than one Business Day following the master servicer's failure to make such Servicing Advances by expiration of the applicable cure period as described under "—Events of Default" below.

However, neither the trustee nor the master servicer will be obligated to make Servicing Advances that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the judgment of the trustee), would not be ultimately recoverable from expected collections on the related underlying mortgage loan or REO Property. If the master servicer or the trustee makes a Servicing Advance with respect to any underlying mortgage loan or related REO Property (including any such Servicing Advance that is a Workout-Delayed Reimbursement Amount), that the master servicer, the trustee or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, as applicable, or in accordance with good faith business judgment in the case of the trustee) is not recoverable from expected collections on that underlying mortgage loan or REO Property (or, if such advance becomes a Workout-Delayed Reimbursement Amount, out of collections of principal on all the TELs after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (any such Servicing Advance, a "Nonrecoverable Servicing Advance"), the master servicer or the trustee, as applicable, may obtain reimbursement for that advance, together with interest on that advance, out of general collections on the mortgage pool. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan, (ii) the obligations of the underlying borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its "as is" condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable Servicing Advance (including interest accrued on such amount) will be deemed to be reimbursed first from payments and other collections of principal on the TELs (thereby reducing the amount of principal otherwise distributable on the certificates on the related distribution date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The special servicer's determination that a previously made or proposed Servicing Advance is a Nonrecoverable Servicing Advance will be conclusive and binding on the master servicer and the trustee. Prior to or absent such a determination by the special servicer, each of the master servicer and the trustee will be entitled to make its own determination that a Servicing Advance is a Nonrecoverable Servicing Advance, and neither the special servicer nor any other party may require the master servicer or the trustee to make any Servicing Advance that the master servicer or the trustee has determined to be a Nonrecoverable Servicing Advance. In addition, the trustee will be entitled to conclusively rely on the master servicer's determination that a Servicing Advance is a Nonrecoverable Servicing Advance.

However, instead of obtaining reimbursement out of general collections on the mortgage pool immediately, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for a Nonrecoverable Servicing Advance over a period of time (not to exceed six months without the consent of the Approved Directing Certificateholder (if any) or 12 months in any event), with interest on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement from general collections on the mortgage pool immediately. In general, such a reimbursement deferral will only be permitted under the Pooling Agreement if and to the extent that the subject Nonrecoverable Servicing Advance, after taking into account other outstanding Nonrecoverable Advances, could not be reimbursed with interest out of

payments and other collections of principal on the mortgage pool during the current Collection Period. The fact that a decision to recover a Nonrecoverable Servicing Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling Agreement by any party to the Pooling Agreement, or a violation of any duty owed by any party to the Pooling Agreement, to the certificateholder.

In addition, in the event that any Servicing Advance becomes a Workout-Delayed Reimbursement Amount, the master servicer or the trustee, as applicable, will be entitled to reimbursement for such advance and interest accrued on such advance (even though that advance is not deemed a Nonrecoverable Servicing Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the TELs after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, prior to any distributions of principal on the certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement as a Nonrecoverable Advance from general collections on the mortgage pool in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

The master servicer is permitted (or is required to, at the direction of the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved) to pay directly out of its collection account any servicing expense that, if advanced by the master servicer, would not be recoverable from expected collections on the related underlying mortgage loan or REO Property. This is only to be done, however, when the master servicer, or the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved, has determined in accordance with the Servicing Standard that making the payment is in the best interests of the certificateholders as a collective whole.

The master servicer, the special servicer and the trustee will be entitled to receive interest on Servicing Advances made by them. The interest will accrue on the amount of each Servicing Advance for so long as the Servicing Advance is outstanding, at a rate *per annum* equal to the Prime Rate. Interest accrued with respect to any Servicing Advance made with respect to any underlying mortgage loan or the related mortgaged real property will be payable in connection with the reimbursement of that Servicing Advance—

- *first*, out of any Default Interest and late payment charges collected on that underlying mortgage loan subsequent to the accrual of that advance interest, and
- *then*, at the time or after the Servicing Advance has been reimbursed, if and to the extent that the Default Interest and late payment charges referred to in the prior bullet point are insufficient to cover the advance interest, out of any amounts on deposit in the collection account.

#### **Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses**

The special servicer, with respect to the Specially Serviced Mortgage Loans and a TEL when the underlying mortgage loan is a Specially Serviced Mortgage Loan, and the master servicer, with respect to the other TELs and underlying mortgage loans, each will be required to determine, in a manner consistent with the Servicing Standard, whether to exercise or waive any right the lender may have under either a due-on-sale or due-on-encumbrance clause to accelerate payment of that underlying mortgage loan or TEL. Generally, the master servicer or the special servicer (in the case of any Specially Serviced Mortgage Loan and a TEL when the underlying loan is a Specially Serviced Mortgage Loan), will be required to enforce such due-on-sale or due-on-encumbrance clause, unless the master servicer or the special servicer, as applicable, determines, in accordance with the Servicing Standard, and subject to the applicable provisions of the Pooling Agreement, that (i) not declaring an event of default (as defined in the related loan documents) or (ii) granting its consent, in its reasonable judgment, would be consistent with the Servicing Standard. No right of the lender under a “due-on sale” clause or “due-on-encumbrance clause may be exercised or waived without obtaining the consent of the related Governmental Authority and the fiscal agent, if required under the applicable loan documents. In addition, the master servicer or the special servicer, as applicable, may not waive its rights under a due-on-sale or due-on-encumbrance clause unless the related underlying borrower or a third party, but in no event the issuing entity, pays all related expenses with respect to such waiver.

Furthermore, neither the master servicer nor the special servicer may waive its rights or grant its consent under any due-on-sale or due-on-encumbrance clause, other than as expressly permitted pursuant to the Pooling Agreement, without the consent of the Approved Directing Certificateholder (if any) (subject to the penultimate paragraph of “—Realization Upon Mortgage Loans—Asset Status Report” below with respect to any Affiliated Borrower Loan), *provided* that the Approved Directing Certificateholder provides such consent within the time period specified in the Pooling Agreement.

Before the master servicer or the special servicer may waive any rights under a “due-on-sale” or “due-on-encumbrance” clause, the master servicer or the special servicer, as applicable, must have provided notice to the Approved Directing Certificateholder (if any) and Freddie Mac in accordance with the Pooling Agreement, and provided such Approved Directing Certificateholder with its written recommendation and analysis and any other information and documents reasonably requested by such Approved Directing Certificateholder. In addition, with respect to a Requested Transfer discussed under “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Due-on-Sale and Due-on-Encumbrance Provisions,” the master servicer or the special servicer must have included along with its written recommendation and analysis (i) all material documents reviewed to reach such recommendation and analysis that such Requested Transfer is satisfactory from a credit perspective (taking into consideration, among other things, with respect to the existing underlying borrower, any proposed replacement underlying borrower, any proposed replacement designated entity for transfers under the loan documents, any proposed replacement guarantor or any proposed replacement property manager, past performance and management experience, balance sheet, equity at risk, net worth, ownership structure and any credit enhancers) and (ii) any additional information or documents that are reasonably requested by the Approved Directing Certificateholder. The approval of the Approved Directing Certificateholder (if any) must be obtained prior to any such waiver. However, the approval of the Approved Directing Certificateholder (if any) will be deemed to have been obtained if it does not approve or disapprove the request within five Business Days of its receipt of the documents described in clauses (i) and (ii) above and the recommendation and analysis from the master servicer or the special servicer, as applicable. Such approval is not permitted to be unreasonably withheld in connection with a Requested Transfer.

Subject to the five Business Day period described above, the Pooling Agreement provides that the Approved Directing Certificateholder (if any) may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver to it a recommendation relating to such waiver request. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to such Approved Directing Certificateholder and any such recommendation provided will not be subject to the Servicing Standard. The Directing Certificateholder Servicing Consultant will have no duty or liability to any certificateholder other than such Approved Directing Certificateholder in connection with any recommendation it gives such Approved Directing Certificateholder or actions taken by any party as a result of such consultation services provided to such Approved Directing Certificateholder as contemplated above. The directing certificateholder will be required to pay any fees earned in connection with such waiver, consent or approval request to the Directing Certificateholder Servicing Consultant. Any costs of a Directing Certificateholder Servicing Consultant appointment and reimbursements of expenses are required to be paid by the directing certificateholder. In no event will any expenses incurred by the Directing Certificateholder Servicing Consultant be an expense of the issuing entity.

With respect to any non-Specially Serviced Mortgage Loan and in connection with the master servicer’s review, consent and/or approval of any Transfer Processing Fee Transaction, the master servicer may as a condition to reviewing any such request by an underlying borrower require that such underlying borrower pay to it as additional servicing compensation, or otherwise, the Transfer Processing Fee. In addition, if the related loan documents require lender consent to an underlying borrower’s request for an assumption or waiver of a “due-on-sale” clause with respect to any loan, the master servicer may require that such underlying borrower pay to it as additional servicing compensation, or otherwise, the Transfer Fee; *provided* that notwithstanding anything to the contrary in the related loan documents, the master servicer may not require an underlying borrower to pay a Transfer Fee in excess of \$250,000 in connection with any single transaction; *provided, further*, that a transaction involving multiple loans in the Crossed Loan Group will not be deemed to constitute a single transaction. The master servicer is not permitted to waive any Transfer Fee set forth in the related loan documents without the consent of the Approved Directing Certificateholder (if any) or Affiliated Borrower Loan Directing Certificateholder, as applicable, if the

consent or review of the Approved Directing Certificateholder or Affiliated Borrower Loan Directing Certificateholder, as applicable, is required with respect to the related Transfer.

If the loan documents do not expressly permit an assumption of the related underlying mortgage loan or the incurrence of subordinate debt, the master servicer or the special servicer, as applicable, will be required to receive confirmation from the Approved Directing Certificateholder (if any) (which confirmation must be provided within the time periods specified in the Pooling Agreement and, with respect to a requested assumption, which confirmation may not be unreasonably withheld) that the conditions to such assumption or additional subordinate financing of the underlying mortgage loan have been met prior to (i) agreeing to a requested assumption of an underlying mortgage loan or (ii) agreeing to the incurrence of additional subordinate financing (subject to the last two paragraphs of “—Realization Upon Mortgage Loans—Asset Status Report” below with respect to any Affiliated Borrower Loan).

### **Modifications, Waivers, Amendments and Consents**

The Pooling Agreement will permit the master servicer or the special servicer, as applicable, to modify, waive or amend any term of any TEL and the related underlying mortgage loan if it determines in accordance with the Servicing Standard that it is appropriate to do so. However, no such modification, waiver or amendment of a non-Specially Serviced Mortgage Loan may—

- affect the amount or timing of any scheduled payments of principal, interest or other amounts (including Yield Maintenance Charges and Static Prepayment Premiums) payable under the underlying mortgage loan, with limited exceptions generally involving the waiver of Default Interest and late payment charges;
- affect the obligation of the related underlying borrower to pay a Yield Maintenance Charge or Static Prepayment Premium or permit a principal prepayment during the applicable lockout period;
- result in a release of the lien of the related mortgage on any material portion of such mortgaged real property without a corresponding principal prepayment, except as expressly provided by the related loan documents, in connection with a defeasance, a pending or threatened condemnation or in connection with a material adverse environmental condition at the related mortgaged real property;
- in the judgment of the master servicer or the special servicer, as applicable, materially impair the security for the underlying mortgage loan or reduce the likelihood of timely payment of amounts due on such underlying mortgage loan; or
- violate the terms of any intercreditor agreement;

unless in the reasonable judgment of the master servicer or the special servicer, as applicable, such modification, waiver or amendment is reasonably likely to produce a greater (or equal) recovery to the certificateholders.

However, in no event will any modification, waiver or amendment be permitted unless (i) if required under the applicable loan documents, consent of the Governmental Authority and fiscal agent consent is obtained or deemed given, and (ii) an opinion from nationally recognized bond counsel reasonably acceptable to the master servicer or the special servicer, as applicable, and Freddie Mac, delivered to the effect that any such modification, waiver or amendment will not cause interest on the TEL to be includable in gross income of the certificateholders for federal income tax purposes.

Despite the limitations on modifications, waivers and amendments described above, but subject to the limitations described below and the terms of any related intercreditor agreement, the special servicer may (or, in some cases, may consent to a request by the master servicer to), in accordance with the Servicing Standard—

- reduce the amounts owing under any Specially Serviced Mortgage Loan by forgiving principal and/or, accrued interest and/or any Yield Maintenance Charge or Static Prepayment Premiums;
- reduce the amount of the monthly payment on any Specially Serviced Mortgage Loan, including by way of a reduction in the related mortgage interest rate;

- forbear in the enforcement of any right granted under any mortgage note or mortgage relating to a Specially Serviced Mortgage Loan;
- extend the maturity of a Specially Serviced Mortgage Loan;
- permit the release or substitution of collateral for a Specially Serviced Mortgage Loan; and/or
- accept a principal prepayment during any lockout period.

However, in no event will—

- the master servicer or the special servicer be permitted to extend the scheduled maturity date of any underlying mortgage loan if the interest rate on such underlying mortgage loan is less than the lower of (i) the interest rate in effect prior to such extension or (ii) the then prevailing interest rate for comparable mortgage loans;
- the master servicer be permitted to defer interest due on any underlying mortgage loan in excess of 5% of the Stated Principal Balance of such underlying mortgage loan; or
- the master servicer or the special servicer extend the scheduled maturity date of any underlying mortgage loan beyond the earlier of (i) November 1, 2038 or (ii) in the case of an underlying mortgage loan secured by a leasehold estate (if any), the date that is 20 years prior to the expiration of the ground lease (after giving effect to the exercise of any extension options).

Neither the master servicer nor the special servicer may permit or modify an underlying mortgage loan that is not a Specially Serviced Mortgage Loan to permit a voluntary prepayment of a mortgage loan on any day other than its due date, unless: (i) the master servicer or the special servicer also collects interest on such underlying mortgage loan through the due date following the date of such prepayment; (ii) that prepayment is otherwise permitted under the related loan documents; (iii) that principal prepayment would not result in a Prepayment Interest Shortfall; (iv) that principal prepayment is accepted by the master servicer or the special servicer at the request of or with the consent of the Approved Directing Certificateholder (if any) (subject to the last two paragraphs of “—Realization Upon Mortgage Loans—Asset Status Report” below with respect to any Affiliated Borrower Loan), or if accepted by the master servicer, with the consent of the special servicer; or (v) it is consistent with the Servicing Standard to do so.

To the extent not inconsistent with the limitations to modifications and consents contained in the Pooling Agreement, the master servicer or the special servicer, as applicable, may, consistent with the Servicing Standard, without the consent of any other party, including the Approved Directing Certificateholder (if any) (i) modify, waive or amend the terms of any underlying mortgage loan or TEL, in accordance with the Servicing Standard, in order to (a) cure any non-material ambiguity or mistake in the related loan documents, (b) correct or supplement any non-material provisions in any related loan documents which may be inconsistent with any other provisions in the related loan documents or correct any non-material error or (c) waive minor covenant defaults or (ii) effect other non-material waivers, consents, modifications or amendments in the ordinary course of servicing an underlying mortgage loan or TEL.

The special servicer or the master servicer, as applicable, will be required to notify the trustee and the certificate administrator among others, of any modification, waiver or amendment of any term of any TEL and an underlying mortgage loan and must deliver to the custodian (with a copy to the master servicer) for deposit in the related mortgage file an original counterpart of the agreement related to such modification, waiver or amendment, promptly following the execution of any such modification, waiver or amendment (and, in any event, within 30 Business Days). Copies of each agreement whereby any such modification, waiver or amendment of any term of any underlying mortgage loan is effected are required to be available for review during normal business hours, upon prior request, at the offices of the master servicer or the special servicer, as applicable. However, no such notice will be required with respect to any waiver of Default Interest or late payment charges and any such waiver need not be in writing.

In connection with an underlying borrower's request received by the master servicer for the master servicer to take a Consent Action with respect to non-Specially Serviced Mortgage Loans that are (i) on the most recent CREFC<sup>®</sup> servicer watchlist and have a debt service coverage ratio less than 1.10x (calculated in accordance with the terms of the Pooling Agreement) or (ii) with respect to which an event of default has occurred in the last 12 months, the master servicer will be required to obtain the consent of the Approved Directing Certificateholder (if any) prior to taking such Consent Action and will be required to promptly forward its recommendation and analysis (together with any additional documents and information that such Approved Directing Certificateholder may reasonably request) to such Approved Directing Certificateholder with a copy to the special servicer. Such Approved Directing Certificateholder will be deemed to have approved such recommendation, and the master servicer will be deemed to have obtained such Approved Directing Certificateholder's consent, if not denied within five Business Days after the later of its receipt of the recommendation and analysis or receipt of all additional documents and information that it may reasonably request. Subject to the five Business Day period, the Pooling Agreement provides that the Approved Directing Certificateholder (if any) may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver a recommendation relating to such Consent Action. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to such Approved Directing Certificateholder and any such recommendation provided will not be subject to the Servicing Standard. The Directing Certificateholder Servicing Consultant will have no duty or liability to any certificateholder other than such Approved Directing Certificateholder in connection with any recommendation it gives such Approved Directing Certificateholder or actions taken by any party as a result of such consultation services provided to such Approved Directing Certificateholder as contemplated by the preceding sentence. If the directing certificateholder appoints a Directing Certificateholder Servicing Consultant, any costs of such appointment and reimbursement of expenses to the Directing Certificateholder Servicing Consultant are required to be paid by the directing certificateholder. In no event will any expenses incurred by the Directing Certificateholder Servicing Consultant be an expense of the issuing entity.

The master servicer or the special servicer, as applicable, will be required to waive any requirement for confirmation from any NRSRO with respect to any matter pursuant to the terms of any loan document.

The ability of the master servicer or the special servicer to agree to modify, waive or amend any of the terms of any underlying mortgage loan will be subject to the discussions under “—Realization Upon Mortgage Loans—Directing Certificateholder” and “—Asset Status Report” below.

Notwithstanding anything to the contrary in the loan documents or the Servicing Standard and except with respect to Transfer Fees, Transfer Processing Fees, defeasance fees, collateral substitution fees, late payment charges, Default Interest, charges for beneficiary statements or demands and amounts collected for checks returned for insufficient funds, the master servicer may not as a condition to granting any request by an underlying borrower for consent, modification, waiver or indulgence or any other matter or thing pursuant to the terms of the related loan documents (including but not limited to any transaction, matter or request involving the full or partial condemnation of the related mortgaged real property or any underlying borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, Permitted Transfers and/or permitted subordinate mortgage debt), require that such underlying borrower pay to it, or otherwise accept, as additional servicing compensation or otherwise (i) any transfer, processing, transaction, review or similar fee, (ii) any fee for additional services performed in connection with such request, including expediting or similar fees or (iii) any related costs and expenses incurred by the master servicer, other than attorneys' fees and costs and the fees and expenses of any third-party service and/or title insurance providers and, if applicable, any NRSRO.

The special servicer may, as a condition to granting any request by an underlying borrower for consent, modification, waiver or indulgence or any other matter or thing the granting of which is within its discretion pursuant to the terms of the related loan documents and is permitted by the terms of the Pooling Agreement, require that such underlying borrower pay to it (i) as additional servicing compensation, a reasonable or customary fee for the additional services performed in connection with such request and (ii) any related costs and expenses incurred by it. In no event will the special servicer be entitled to payment of such fees or expenses unless such payment is collected from the related underlying borrower.

The Pooling Agreement provides that the Approved Directing Certificateholder (if any) may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver recommendations

relating to certain requests for consent to assumptions, modifications, waivers or amendments. Such Approved Directing Certificateholder will be entitled to certain borrower-paid fees in connection with such assumptions, modifications, waivers, amendments or consents. See “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

### **Required Appraisals**

Within 60 days following the occurrence of any Appraisal Reduction Event with respect to any of the TELs and underlying mortgage loans, the special servicer must use reasonable efforts to perform an internal valuation pursuant to the following paragraph or use reasonable efforts to obtain an MAI appraisal of the related mortgaged real property from an independent appraiser meeting the qualifications set forth in the Pooling Agreement. In any event, such appraisal(s) or internal valuation(s) are required to be obtained within 120 days or such other reasonable longer time period as agreed to in writing by the Approved Directing Certificateholder (if any) and Freddie Mac from the occurrence of the event that, with the passage of time, would become such Appraisal Reduction Event, unless—

- an appraisal had previously been obtained within the prior 12 months; and
- there has been no material change in the circumstances surrounding the related mortgaged real property subsequent to that appraisal that would, in the judgment of the special servicer, materially affect the value set forth in that earlier appraisal.

However, if the outstanding principal balance of the subject underlying mortgage loan is less than \$2,000,000, then the special servicer may perform an internal valuation of the related mortgaged real property in lieu of an appraisal.

As a result of any appraisal or internal valuation, the master servicer may determine that an Appraisal Reduction Amount exists with respect to the subject TEL and underlying mortgage loan. If such appraisal is not received or an internal valuation is not completed, as applicable, within the time period specified above, the Appraisal Reduction Amount for the related TEL and underlying mortgage loan will be 25% of the Stated Principal Balance of such TEL and underlying mortgage loan as of the date of the related Appraisal Reduction Event. An Appraisal Reduction Amount is relevant to the determination of the amount of any advances of delinquent interest required to be made with respect to the affected TEL and underlying mortgage loan. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement.

If an Appraisal Reduction Event occurs with respect to any TEL and underlying mortgage loan, then the special servicer will have an ongoing obligation to obtain or perform, as the case may be, within 30 days of each anniversary of the occurrence of that Appraisal Reduction Event, an update of the prior required appraisal or internal valuation. Based on that update, the master servicer is to redetermine and report to the trustee, the certificate administrator, the Guarantor and the special servicer the new Appraisal Reduction Amount, if any, with respect to the subject TEL and underlying mortgage loan. This ongoing obligation will cease if and when—

- the TEL and underlying mortgage loan has become a Corrected Mortgage Loan as contemplated under “—Servicing Under the Pooling Agreement” above and has remained current for 12 consecutive monthly payments under the terms of the workout; and
- no other Servicing Transfer Event or Appraisal Reduction Event has occurred with respect to the TEL and underlying mortgage loan during the preceding three months.

The cost of each required appraisal, and any update of that appraisal, will be advanced by the master servicer, at the direction of the special servicer, and will be reimbursable to the master servicer as a Servicing Advance.

## Collection Account

*General.* The master servicer will be required to establish and maintain a collection account for purposes of holding payments and other collections that it receives with respect to the TELs. Each collection account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling Agreement.

The funds held in the collection account may be held as cash or invested in Permitted Investments. Subject to the limitations in the Pooling Agreement, any interest or other income earned on funds in the collection account will be paid to the master servicer as additional compensation. See “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above.

*Deposits.* Payments on the underlying mortgage loans are made by the underlying borrowers to the related sub-servicer, or if no servicer was appointed, to the fiscal agent, which then forwards such payments to the master servicer. The master servicer must deposit or cause to be deposited in its collection account on a daily basis in the case of payments from the underlying borrowers and other collections on the TELs, or as otherwise required under the Pooling Agreement, the following payments and collections received or made by or on behalf of the master servicer with respect to the TELs for which it is responsible, subsequent to the Closing Date —

- all principal payments collected, including principal prepayments;
- all interest payments collected, including late payment charges and Default Interest (net of master servicing fees, sub-servicing fees, master servicer surveillance fees, special servicing fees, special servicer surveillance fees, and in respect of late payment charges and Default Interest, net of amounts used to offset interest on any advances);
- any Static Prepayment Premiums and Yield Maintenance Charges;
- any proceeds received under any property damage, flood, title or other insurance policy that provides coverage with respect to a mortgaged real property or the related underlying mortgage loan, and all proceeds received in connection with the condemnation or the taking by right of eminent domain of a mortgaged real property, in each case to the extent not required to be applied to the restoration of the related mortgaged real property or released to the related underlying borrower;
- any amounts received and retained in connection with the liquidation of Defaulted TELs by foreclosure, deed-in-lieu of foreclosure or as otherwise contemplated under “—Realization Upon Mortgage Loans” below, in each case to the extent not required to be returned to the related underlying borrower;
- any amounts paid by the depositor in connection with the repurchase or replacement of, or the curing of any breach of a representation and warranty with respect to, a TEL as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement;
- any amounts paid to purchase or otherwise acquire all the TELs and any REO Properties in connection with the termination of the issuing entity pursuant to the clean-up call as contemplated under “—Termination” below;
- any amounts required to be deposited by the master servicer in connection with losses incurred with respect to Permitted Investments of funds held in its collection account;
- all payments required to be paid by the master servicer or received from the special servicer with respect to any deductible clause in any blanket property damage insurance policy or master lender placed property damage insurance policy, as described under “Description of the TELs and Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans—Property Damage, Liability and Other Insurance” in this offering circular supplement; and
- any amount transferred by the special servicer from its REO account with respect to the REO Properties.

Upon its receipt and identification of any of the amounts described in the prior paragraph (other than in connection with a clean-up call) with respect to any Specially Serviced Mortgage Loan, the special servicer is required to remit those identified amounts within one Business Day to the master servicer for deposit in the collection account.

*Withdrawals.* The master servicer may make withdrawals from its collection account for any of the following purposes (to the extent that each of the following is to be paid from the collection account in accordance with the terms of the Pooling Agreement), which are not listed in any order of priority:

1. to remit to the certificate administrator for deposit in the distribution account, as described under “Description of the Certificates—Distribution Account” in this offering circular supplement, on the Remittance Date, all payments and other collections on the TELs and any REO Properties that are then on deposit in the collection accounts, exclusive of any portion of those payments and other collections that represents one or more of the following—
  - (i) monthly debt service payments due on a due date subsequent to the end of the related Collection Period;
  - (ii) payments and other collections received by or on behalf of the issuing entity after the end of the related Collection Period; and
  - (iii) amounts that are payable or reimbursable from the collection account to any person other than the certificateholders in accordance with any of clauses 2 through 20 below;
2. to reimburse itself or the trustee, as applicable, for any unreimbursed advances made by that party with respect to the mortgage pool, as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement, with that reimbursement to be made out of collections on the underlying mortgage loan or REO Property as to which the advance was made;
3. to pay (i) itself and/or any sub-servicer, as applicable, any accrued and unpaid master servicing fees, sub-servicing fees or master servicer surveillance fees with respect to each underlying mortgage loan and (ii) the special servicer accrued and unpaid special servicer surveillance fees, with the payments under clause (i) or clause (ii) to be made out of collections on that underlying mortgage loan or REO Loan, as applicable, that represent payments of interest;
4. to pay itself, any sub-servicer and/or the special servicer, as applicable, any master servicing fees, sub-servicing fees, master servicer surveillance fees or special servicer surveillance fees with respect to each underlying mortgage loan or REO Loan that remain unpaid in accordance with clause 3 above following a final recovery determination made with respect to such underlying mortgage loan or the related REO Property and the deposit into the collection account of all amounts received in connection with such final recovery determination;
5. to pay the special servicer, out of general collections, accrued and unpaid special servicing fees with respect to each underlying mortgage loan that is either a Specially Serviced Mortgage Loan or an REO Loan;
6. to pay the special servicer accrued and unpaid workout fees and liquidation fees to which it is entitled, with that payment to be made from the sources described under “—Servicing and Other Compensation and Payment of Expenses” above;
7. to reimburse itself or the trustee, as applicable, out of general collections on the mortgage pool, for any unreimbursed advance made by that party with respect to the mortgage pool as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement, which advance has been determined not to be ultimately recoverable under clause 2 above (or, if the subject underlying mortgage loan has been worked out and returned to performing status, is not recoverable under clause 2 above by the time it is returned to performing status) out of collections on the related underlying mortgage loan or REO Property; *provided* that any such reimbursement is required to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement, in the case of a P&I Advance;

8. to pay itself or the trustee, as applicable, out of general collections on the mortgage pool unpaid interest accrued on any advance made by that party with respect to the mortgage pool (generally at or about the time of reimbursement of that advance); *provided* that, in the case of any advance reimbursed as described in clause 7 above, the payment of any interest on such advance is to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of interest on any such advance that is a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement, in the case of interest on any such advance that is a P&I Advance;
9. to pay itself, the special servicer, the Approved Directing Certificateholder or any Affiliated Borrower Loan Directing Certificateholder, as applicable, any items of additional servicing compensation on deposit in the collection account as discussed under “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above;
10. to pay any unpaid liquidation expenses incurred with respect to any liquidated mortgage loan or REO Property in the issuing entity;
11. to pay, out of general collections on the mortgage pool, any servicing expenses that would, if advanced, be nonrecoverable under clause 2 above;
12. to pay, out of general collections on the mortgage pool, for costs and expenses incurred by the issuing entity due to actions taken pursuant to any environmental assessment, in accordance with the Pooling Agreement;
13. to pay Freddie Mac (in its capacity as servicing consultant), itself (and certain indemnified sub-servicers), the special servicer, the trustee, the certificate administrator, the custodian, the depositor or any of their or our respective affiliates, directors, general or limited partners, members, managers, shareholders, officers, employees, controlling persons and agents, as the case may be, out of general collections on the mortgage pool, any of the reimbursements or indemnities to which we or any of those other persons or entities are entitled, subject to the relevant Aggregate Annual Cap, as described under “—Certain Indemnities” below;
14. to pay, out of general collections on the mortgage pool, for (i) the costs of various opinions of counsel related to the servicing and administration of mortgage loans not paid by the related underlying borrower; (ii) expenses properly incurred by the trustee or the certificate administrator in connection with providing tax-related advice to the special servicer and (iii) the fees of the trustee for confirming a Fair Value determination by the special servicer of a Defaulted TEL;
15. to reimburse any Third Party Master Servicer, the special servicer, the depositor, the trustee, the custodian or the certificate administrator, as the case may be, for any unreimbursed expenses reasonably incurred in respect of any material breach of a representation or warranty or a material document defect in respect of a TEL and an underlying mortgage loan giving rise to a repurchase obligation of the depositor;
16. to pay, out of general collections for any and all U.S. federal, state and local taxes imposed on assets or transactions together with incidental expenses;
17. to pay to the Originator any amounts that represent monthly debt service payments due on the TELs on or prior to the Cut-off Date or, in the case of a replacement TEL, to pay to the depositor any amounts that represent monthly debt service payments due during or before the month in which that TEL was added to the issuing entity;
18. to withdraw amounts deposited in the collection account in error, including amounts received on any mortgage loan or REO Property that has been purchased or otherwise removed from the issuing entity;
19. to pay CREFC<sup>®</sup> any accrued and unpaid CREFC<sup>®</sup> Intellectual Property Royalty License Fee;
20. to pay any other items described in this offering circular supplement as being payable from a collection account; and
21. to clear and terminate the collection account upon the termination of the Pooling Agreement.

The master servicer will be required to keep and maintain separate accounting records, on a loan by loan and property by property basis, for the purpose of justifying any withdrawal from the collection account.

The master servicer will be required to pay to CREFC® the CREFC® Intellectual Property Royalty License Fee on a monthly basis solely from funds on deposit in the collection account, to the extent sufficient funds are on deposit in the collection account. Upon receipt of a request from CREFC®, the master servicer will provide CREFC® with a report that shows the calculation of the CREFC® Intellectual Property Royalty License Fee for the period requested by CREFC®. The CREFC® Intellectual Property Royalty License Fee Rate is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on each TEL and will generally be payable to CREFC® monthly from collections on the TELs.

### **Realization Upon Mortgage Loans**

*Purchase Option.* The Pooling Agreement grants the directing certificateholder (subject to the last paragraph of this section “—Purchase Option”) and Freddie Mac an assignable option (a “Purchase Option”) to purchase Defaulted TELs from the issuing entity in the manner and at the price described below.

Each of the directing certificateholder and Freddie Mac may assign its Purchase Option to any person.

Promptly after the determination that a TEL has become a Defaulted TEL, the master servicer (if the underlying mortgage loan is not a Specially Serviced Mortgage Loan) or the special servicer (if the underlying mortgage loan is a Specially Serviced Mortgage Loan) will be required to notify the trustee, the certificate administrator, the master servicer or the special servicer, as applicable, Freddie Mac and the directing certificateholder of such determination. Subject to (i) Freddie Mac’s right to offer an increased purchase price, as described below, if the price bid by the directing certificateholder is less than 99% of the Purchase Price, (ii) the bidding procedures for Defaulted Crossed TELs and (iii) the last paragraph of this section “—Purchase Option” in the case of any Affiliated Borrower Loan, the directing certificateholder will then have the right to exercise its Purchase Option at a cash price equal to the Option Price until such right automatically terminates (a) upon the Defaulted TEL becoming a Corrected Mortgage Loan or an REO Loan, (b) upon the modification, waiver or payoff (full, partial or discounted) of the Defaulted TEL in connection with a workout or (c) upon purchase of the Defaulted TEL by Freddie Mac pursuant to the Pooling Agreement.

Subject to the last paragraph of this section “—Purchase Option” in the case of any Affiliated Borrower Loan, within ten Business Days (the “Freddie Mac Increased Offer Notice Period”) after receipt from the directing certificateholder of its notice (the “Fair Value Purchase Notice”) that it will exercise its option to purchase a Defaulted TEL and which specifies a purchase price that equals at least the Fair Value of the Defaulted TEL (the “Defaulted TEL Fair Value Purchase Price”), but is less than 99% of the Purchase Price of such Defaulted TEL, Freddie Mac will have the right to purchase such Defaulted TEL by giving notice (the “Freddie Mac Increased Offer Notice”) to the directing certificateholder, the master servicer, the special servicer, the certificate administrator and the trustee, specifying a purchase price at least 2.5% more than the Defaulted TEL Fair Value Purchase Price offered by the directing certificateholder in the Fair Value Purchase Notice. If the directing certificateholder is willing to purchase the Defaulted TEL after receipt of the Freddie Mac Increased Offer Notice, it will only be permitted to do so at a purchase price equal to the lesser of (i) at least 2.5% more than the purchase price specified by Freddie Mac in the Freddie Mac Increased Offer Notice or (ii) 99% of the Purchase Price, by giving notice of the same to Freddie Mac, the master servicer, the special servicer, the certificate administrator and the trustee within ten Business Days of receiving the Freddie Mac Increased Offer Notice (the “Directing Certificateholder Increased Offer Notice Period”). Any person exercising the Purchase Option described in this paragraph will be required to consummate such purchase within 15 Business Days after the expiration of the Freddie Mac Increased Offer Notice Period or the Directing Certificateholder Increased Offer Notice Period, as applicable.

However, if a TEL that is in the Crossed Loan Group becomes both a Defaulted TEL and a Servicing Transferred Crossed Loan (a “Defaulted Crossed TEL”) and is subject to the directing certificateholder’s purchase option, all related crossed TELs will be deemed to be subject to the directing certificateholder’s purchase option (*provided*, that the related crossed TELs that are not Defaulted Crossed TELs will not be deemed to be a “Specially Serviced Mortgage Loan” or a “Defaulted TEL” for any other purpose under the Pooling Agreement other than this Defaulted Crossed TEL purchase option), and the directing certificateholder will be required to follow the following bidding procedures:

- (i) After the special servicer determines the Fair Value of the Defaulted Crossed TEL and all related crossed TELs, the directing certificateholder may offer to purchase, by giving written notice to the special servicer, the trustee, the certificate administrator, the master servicer and Freddie Mac, the Defaulted Crossed TEL and all related crossed TELs at a price at least equal to the Fair Value of the Defaulted Crossed TEL and all related crossed TELs; *provided, however*, that if the Defaulted TEL Fair Value Purchase Price is less than 99% of the aggregate of the Purchase Prices for such Defaulted Crossed TEL and all related crossed TELs, Freddie Mac will also have the right to purchase the Defaulted Crossed TEL and all related crossed TELs in the manner described in the second preceding paragraph.
- (ii) After the special servicer determines the Fair Value of the Defaulted Crossed TEL and all related crossed TELs, the directing certificateholder may offer to purchase, by giving written notice to the special servicer, the trustee, the certificate administrator, the master servicer and Freddie Mac, the Defaulted Crossed TEL at the Purchase Price.
- (iii) Despite the provisions described in clauses (i) and (ii) above, if the directing certificateholder, or any of its respective managing members or affiliates, is a borrower or an affiliate of a borrower of the Defaulted Crossed TEL or any crossed TEL in the Crossed Loan Group, such directing certificateholder will only be permitted to purchase the Defaulted Crossed TEL and all related crossed TELs at the aggregate of their Purchase Prices (and will not be permitted to purchase only the Defaulted Crossed TEL).

A Defaulted Crossed TEL may be purchased while any other TELs in the Crossed Loan Group remain in the issuing entity only if the special servicer modifies, upon such purchase, the related loan documents in a manner whereby such Defaulted Crossed TEL to be purchased, on the one hand, and any related crossed TELs in the Crossed Loan Group that remain in the issuing entity, on the other, would no longer be cross-collateralized or cross-defaulted with one another, but all such related crossed TELs that remain in the issuing entity will continue to be cross-collateralized and cross-defaulted with one another. Notwithstanding the terms of the cross-collateralization agreement, no release premium will be payable by the directing certificateholder in connection with any such purchase of only the Defaulted Crossed TEL. Any expense incurred by the special servicer in connection with the modification of the cross-collateralization or cross-default provisions in any loan documents in connection with the purchase by the directing certificateholder of a Defaulted TEL from the issuing entity will be paid, if at all, by the related borrower pursuant to, or if not prohibited by, the loan documents, and in no event shall any such expense so incurred be considered a Servicing Advance or Additional Issuing Entity Expense.

Within 60 days after a TEL becomes a Defaulted TEL (which 60-day period may be extended for an additional 15 days by the special servicer if the special servicer has given notice prior to the end of such 60-day period that it has not received the information it reasonably requires to make its Fair Value determination), the special servicer will be required to determine the Fair Value of such TEL in accordance with the Servicing Standard and consistent with the guidelines contained in the Pooling Agreement. The special servicer will be required to change from time to time thereafter (but before the entry into a binding agreement on behalf of the issuing entity for the consummation of any related purchase) its determination of the Fair Value of a Defaulted TEL if the special servicer obtains knowledge of changed circumstances, new information or otherwise, in accordance with the Servicing Standard. All reasonable costs and expenses of the special servicer in connection with the determination of the Fair Value of a Defaulted TEL will be paid by the master servicer and be reimbursable as Servicing Advances. The special servicer must give prompt written notice (the “Fair Value Notice”) of its Fair Value determination and any subsequent change to such determination of Fair Value to the trustee, the certificate administrator, the master servicer, Freddie Mac and the directing certificateholder. If, after receiving the Fair Value Notice, and subject to the last paragraph of this section “—Purchase Option,” the directing certificateholder or its assignee elects to purchase such Defaulted TEL from the issuing entity at the Defaulted TEL Fair Value Purchase Price, such party must notify the special servicer, the trustee, the certificate administrator, the master servicer and Freddie Mac of such election and specify the Defaulted TEL Fair Value Purchase Price.

However, if a TEL becomes a Defaulted TEL solely due to a delinquency in respect of its balloon payment (without giving effect to any permitted grace period), but a Servicing Transfer Event has not occurred with respect to such TEL due to the exception set forth in clause (i) of the definition of Servicing Transfer Event, then the special servicer will have no duty to obtain an appraisal or calculate a Fair Value for such TEL unless and until a Servicing Transfer Event has occurred under clause (i) of the definition of Servicing Transfer Event with respect to such TEL. Further, no Purchase Option will exist with respect to such TEL that became a Defaulted TEL solely due to a

delinquency in respect of its balloon payment (without giving effect to any permitted grace period), unless and until a Servicing Transfer Event has occurred under clause (i) of the definition of Servicing Transfer Event with respect to such TEL.

If the directing certificateholder, or an assignee thereof (as identified to the certificate administrator) that proposes to purchase a Defaulted TEL is an affiliate of the special servicer, the trustee will be required to determine, prior to the consummation of the related purchase, whether the special servicer's determination of Fair Value for such Defaulted TEL constitutes a fair price in its reasonable judgment. In doing so, the trustee may conclusively rely on an opinion of an appraiser or other independent expert in real estate matters, in each case, appointed with due care and obtained at the expense of such affiliate of the special servicer proposing to purchase such Defaulted TEL. The trustee, in making a Fair Value determination in accordance with the second preceding sentence, will be entitled to receive from the special servicer all information in the special servicer's possession relevant to making such determination and will be further entitled to a \$1,500 fee payable by the issuing entity in connection with each such Fair Value determination. All reasonable costs and expenses of the trustee in connection with the determination of the Fair Value of a Defaulted TEL will be paid by the master servicer and be reimbursable as Servicing Advances.

Subject to the discussion above and the last paragraph of this section “—Purchase Option,” the directing certificateholder or its assigns may, at its option, purchase the subject Defaulted TEL from the issuing entity at a price (the “Option Price”) equal to—

- if the special servicer has not yet determined the Fair Value of that Defaulted TEL, the Purchase Price; or
- if the special servicer has made such Fair Value determination, at least the Defaulted TEL Fair Value Purchase Price.

If the most recent Fair Value calculation was made more than 90 days prior to the exercise date of a Purchase Option, then the special servicer must confirm or revise the Fair Value determination, and the Option Price at which the Defaulted TEL may be purchased will be modified accordingly.

Unless and until the Purchase Option with respect to a Defaulted TEL is exercised, the special servicer will be required to pursue such other resolution strategies available under the Pooling Agreement, including workout and foreclosure, consistent with the Servicing Standard, but it will not be permitted to sell the Defaulted TEL other than pursuant to the exercise of the Purchase Option or in accordance with any applicable intercreditor or co-lender agreement.

If not exercised sooner, the Purchase Option with respect to any Defaulted TEL will automatically terminate upon—

- the cure by the related underlying borrower or a party with cure rights of all defaults that caused the subject TEL to be a Defaulted TEL;
- the acquisition on behalf of the issuing entity of title to the related mortgaged real property by foreclosure or deed-in-lieu of foreclosure; or
- the modification, waiver or payoff (full, partial or discounted) of the Defaulted TEL in connection with a workout.

However, the directing certificateholder (or its assignee) will only be able to purchase an Affiliated Borrower Loan from the issuing entity at a cash price equal to the Purchase Price.

*Foreclosure and Similar Proceedings.* Pursuant to the Pooling Agreement, if an event of default on an underlying mortgage loan has occurred and is continuing, the special servicer, on behalf of the issuing entity, may at any time institute foreclosure proceedings, exercise any power of sale contained in the related mortgage or otherwise acquire title to the related mortgaged real property. The special servicer may not, however, acquire title to any mortgaged real property or take any other action with respect to any mortgaged real property that would cause the trustee, for the benefit of the certificateholders or any other specified person to be considered to hold title to, to be a “mortgagee-in-possession” of or to be an “owner” or an “operator” of such mortgaged real property within the meaning of certain federal environmental laws, unless the special servicer has previously received a report prepared

by a person who regularly conducts environmental audits (the cost of which report will be a Servicing Advance) and either—

- such report indicates that (i) the mortgaged real property is in compliance with applicable environmental laws and regulations and (ii) there are no circumstances or conditions present at the mortgaged real property for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or
- the special servicer, based solely (as to environmental matters and related costs) on the information set forth in such report, determines that taking such actions as are necessary to bring the mortgaged real property into compliance with applicable environmental laws and regulations and/or taking the actions contemplated by clause (ii) of the preceding bullet point, is reasonably likely to increase the net proceeds of the liquidation of such mortgaged real property, than not taking such actions.

An underlying borrower's failure to make required mortgage loan payments may mean that operating income from the mortgaged real property is insufficient to service the mortgage debt, or may reflect the diversion of that income from the servicing of the mortgage debt. In addition, an underlying borrower that is unable to make mortgage loan payments may also be unable to make timely payments of taxes or otherwise to maintain and insure the mortgaged real property. In general, the special servicer will be required to monitor any Specially Serviced Mortgage Loan serviced by it, evaluate whether the causes of the default can be corrected over a reasonable period without significant impairment of the value of the mortgaged real property, initiate corrective action in cooperation with the underlying borrower if cure is likely, inspect the mortgaged real property and take such other actions as it deems necessary and appropriate. A significant period of time may elapse before the special servicer is able to assess the success of any such corrective action or the need for additional initiatives. The time within which the special servicer can make the initial determination of appropriate action, evaluate the success of corrective action, develop additional initiatives, institute foreclosure proceedings and actually foreclose, or accept a deed to a mortgaged real property in lieu of foreclosure, on behalf of the certificateholders may vary considerably depending on the particular circumstances with respect to the related underlying mortgage loan, the mortgaged real property, the underlying borrower, the presence of an acceptable party to assume the underlying mortgage loan and the laws of the jurisdiction in which the mortgaged real property is located. If an underlying borrower files a bankruptcy petition, the special servicer may not be permitted to accelerate the maturity of the Defaulted TEL or to foreclose on the related mortgaged real property for a considerable period of time and may be required by the court to materially extend the term of the loan paid to the final maturity date, lower significantly the related interest rate and/or reduce the principal balance of the loan.

*REO Properties.* The special servicer will be required to use reasonable efforts to solicit cash offers for any REO Property held in the issuing entity in a manner that will be reasonably likely to realize a fair price for the property. Such solicitation will be required to be made in a commercially reasonable manner. The special servicer will be required to accept the highest cash offer received from any entity for such REO Property in an amount at least equal to the Purchase Price for such REO Property. In the absence of any such offer, the special servicer will be required to accept the highest cash offer received from any entity that is determined by the special servicer to be a fair price for such REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer reasonably believes that it will be unable to realize a fair price for such REO Property, then the special servicer will be required to dispose of such REO Property upon such terms and conditions as the special servicer deems necessary and desirable to maximize the recovery on such REO Property under the circumstances, and will be required to accept the highest outstanding cash offer from any entity that is determined by the special servicer to be a fair price for such REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law.

Whether any cash offer constitutes a fair price for any REO Property will be determined by the special servicer, if the highest offeror is a person other than the special servicer or an affiliate of the special servicer, and by the trustee, if the highest offeror is the special servicer or an affiliate of the special servicer. In determining whether any offer received from the special servicer or an affiliate of the special servicer represents a fair price for any REO Property, the trustee will be required to obtain, and may conclusively rely on, the opinion of an appraiser (the fees and costs of which will be required to be covered by a servicing advance by the master servicer) retained by the trustee. In determining whether any offer constitutes a fair price for any REO Property, the trustee will be required

to request that such appraiser take into account, as applicable, among other factors, the occupancy level and physical condition of the REO Property, the state of the local economy and the obligation to dispose of any REO Property within the time period specified in the second preceding paragraph. The Purchase Price for any REO Property will in all cases be deemed a fair price.

*REO Account.* The special servicer will be required to segregate and hold all funds collected and received in connection with any REO Property held by the issuing entity separate and apart from its own funds and general assets. If an REO Property is acquired by the issuing entity, the special servicer will be required to establish and maintain an account for the retention of revenues and other proceeds derived from that REO Property. That REO account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling Agreement. The special servicer will be required to deposit, or cause to be deposited, in its REO account, within one Business Day following receipt and identification, all net income, insurance proceeds, condemnation proceeds and Liquidation Proceeds received with respect to each REO Property held by the issuing entity. The funds held in this REO account may be held as cash or invested in Permitted Investments. Any interest or other income earned on funds in the special servicer's REO account will be payable to the special servicer, subject to the limitations described in the Pooling Agreement. See “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above.

The special servicer will be permitted to withdraw from its REO account funds necessary for the proper operation, management, leasing, maintenance and disposition of any REO Property administered by it, but only to the extent of amounts on deposit in the account relating to that particular REO Property. Promptly following the end of each Collection Period, the special servicer will be required to withdraw from its REO account and deposit, or deliver to the master servicer for deposit, into the collection account the total of all amounts received in respect of each REO Property administered by it during that Collection Period, net of:

- any withdrawals made out of those amounts, as described in the preceding sentence; and
- any portion of those amounts that may be retained as reserves, as described in the next paragraph.

The special servicer may, subject to the limitations described in the Pooling Agreement, retain in its REO account in accordance with the Servicing Standard such portion of the proceeds and collections on any REO Property administered by it as may be necessary to maintain a reserve of sufficient funds for the proper operation, management, leasing, maintenance and disposition of that property, including the creation of a reasonable reserve for repairs, replacements, necessary capital improvements and other related expenses.

The special servicer will be required to keep and maintain separate records, on a loan-by-loan and a property-by-property basis, for the purpose of accounting for all deposits to, and withdrawals from, its REO account.

*Liquidation Proceeds.* To the extent that Liquidation Proceeds collected with respect to any underlying mortgage loan are less than the sum of—

- the outstanding principal balance of that underlying mortgage loan,
- interest (other than Default Interest) accrued on that underlying mortgage loan,
- interest accrued on any P&I Advance made with respect to that underlying mortgage loan,
- the aggregate amount of outstanding reimbursable expenses (including any unreimbursed Servicing Advances and unpaid and accrued interest on such advances) incurred with respect to that underlying mortgage loan, and
- any and all servicing compensation, trustee fees, certificate administrator fees and CREFC<sup>®</sup> Intellectual Property Royalty License Fees due and payable with respect to that underlying mortgage loan,

then the issuing entity will realize a loss in the amount of such shortfall (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee).

The trustee, the certificate administrator, the master servicer, the special servicer and/or CREFC<sup>®</sup> will be entitled to reimbursement out of the Liquidation Proceeds recovered on an underlying mortgage loan, prior to the distribution of such Liquidation Proceeds to certificateholders, of any and all amounts that represent unpaid

servicing compensation, certificate administrator fees, trustee fees or CREFC® Intellectual Property Royalty License Fees in respect of that underlying mortgage loan, certain unreimbursed expenses incurred with respect to that underlying mortgage loan and any unreimbursed advances made with respect to that underlying mortgage loan. In addition, amounts otherwise distributable on the certificates will be further reduced by interest payable to the master servicer or the trustee, as applicable, on any such advances.

If any mortgaged real property suffers damage such that the proceeds, if any, of the related property damage insurance policies or flood insurance are insufficient to restore fully the damaged property, the master servicer will not be required to make Servicing Advances to effect such restoration unless—

- the special servicer determines that such restoration will increase the proceeds to the certificateholders (as a collective whole) on liquidation of the underlying mortgage loan after reimbursement of the master servicer for its expenses and the special servicer receives the consent of the Approved Directing Certificateholder (if any); and
- the master servicer determines that such expenses will be recoverable by it from related Liquidation Proceeds.

*Specially Serviced Mortgage Loans.* With respect to any underlying mortgage loan as to which a Servicing Transfer Event has occurred, the master servicer will transfer its servicing responsibilities to the special servicer, but will continue to receive payments on such underlying mortgage loan (including amounts collected by the special servicer), to make certain calculations with respect to such underlying mortgage loan and to make remittances and prepare and deliver certain reports to the certificate administrator with respect to such underlying mortgage loan.

The special servicer will continue to be responsible for the operation and management of any REO Property. The master servicer will have no responsibility for the performance by the special servicer of its duties under the Pooling Agreement.

The special servicer will return the full servicing of a Specially Serviced Mortgage Loan to the master servicer when all Servicing Transfer Events with respect to that underlying mortgage loan have ceased to exist and that underlying mortgage loan has become a Corrected Mortgage Loan.

*Directing Certificateholder.* The “directing certificateholder” will be the Controlling Class Majority Holder (or its designee) as further discussed below; *provided* that if the class A certificates are the Controlling Class, Freddie Mac or its designee will act as the directing certificateholder and be deemed the Approved Directing Certificateholder (as defined below). For the avoidance of doubt, all references to the “directing certificateholder” in this offering circular supplement will be deemed to include the Approved Directing Certificateholder (if any).

A directing certificateholder that is not an Approved Directing Certificateholder will retain the Controlling Class Majority Holder Rights discussed below but will not have any other rights of an Approved Directing Certificateholder or be entitled to any fees otherwise payable to the Approved Directing Certificateholder under the Pooling Agreement.

The “Controlling Class Majority Holder” will be either (i) the holder (or a designee acting on its behalf) of the majority of the percentage interests in the Controlling Class (as defined below) or (ii) if no single holder owns the majority of the percentage interests in the Controlling Class, the designee appointed by the holders of a majority of the percentage interests in the Controlling Class acting on behalf of such holders, in each case solely to the extent that such person is identified in writing to the trustee, the certificate administrator, the master servicer and the special servicer along with contact information.

“Controlling Class” means, as of the Closing Date, the class B certificates, until the outstanding principal balance of such class is less than 25% of the initial principal balance of such class; thereafter the class A certificates. However, if the class B certificates are the only class with an outstanding principal balance, the class B certificates will be the Controlling Class.

Any directing certificateholder that is not an Approved Directing Certificateholder will have only the following limited rights, in each case to the extent described in this offering circular supplement (the “Controlling Class Majority Holder Rights”):

- the right to remove and replace the special servicer;
- the right to exercise the directing certificateholder's option to purchase any Defaulted TELs or any Defaulted Crossed TELs, as applicable, from the issuing entity; and
- the right to access certain information and receive certain notices under the Pooling Agreement.

A directing certificateholder that is an Approved Directing Certificateholder may exercise all rights of a directing certificateholder and will be entitled to receive fees payable to the Approved Directing Certificateholder under the Pooling Agreement.

The "Approved Directing Certificateholder" will be the Initial Directing Certificateholder (or any of its affiliates) for so long as either (i) the Initial Directing Certificateholder (or any of its affiliates) or (ii) the holder or holders that designated such Initial Directing Certificateholder as the directing certificateholder on the Closing Date is the holder or are the holders, as applicable, of the majority of the percentage interests in the Controlling Class, and thereafter, either (a) a directing certificateholder that either (1) has not been rejected by Freddie Mac as an Approved Directing Certificateholder during the Directing Certificateholder Approval Period as described in this offering circular supplement or (2) satisfies the Approved Directing Certificateholder Criteria and, in each case, delivers written evidence of approval or pre-approval by Freddie Mac as described in this offering circular supplement, or (b) if the class A certificates are the Controlling Class, Freddie Mac or its designee.

"Approved Directing Certificateholder Criteria" means, with respect to any person or entity, the criteria used by Freddie Mac to determine (in Freddie Mac's reasonable discretion) if such person or entity has significant multifamily real estate experience, including, without limitation, whether such person or entity:

- owns and/or has invested in at least \$250 million (in original principal amount) of multifamily real estate related mezzanine level or subordinate securities and/or multifamily real estate properties;
- has significant multifamily management expertise and experience; and/or
- has comparable multifamily real estate ownership, investment or management expertise and experience, each as determined in Freddie Mac's reasonable discretion.

A finding that such person or entity meets the dollar value requirements of clause (a) above does not in itself bind Freddie Mac to a determination that such person or entity has significant multifamily real estate experience.

In order to exercise the rights of the Approved Directing Certificateholder, the directing certificateholder must be an Approved Directing Certificateholder. To initiate the process of becoming or designating an Approved Directing Certificateholder, the Controlling Class Majority Holder will be required to provide notice in writing to Freddie Mac, the master servicer, the special servicer, the trustee and the certificate administrator indicating which certificates that such Controlling Class Majority Holder or the certificateholder(s) designating such Controlling Class Majority Holder, as applicable, has or have purchased. In addition, such Controlling Class Majority Holder will also be required to provide a notice in writing to Freddie Mac, the master servicer, the special servicer, the trustee and the certificate administrator that includes the name and contact information of the proposed directing certificateholder (delivery of which may be satisfied by delivery of a notice substantially in the form attached to the Pooling Agreement (such notice, the "Directing Certificateholder Notice"). Within 5 Business Days of the date of receipt of such notice (such 5 Business Day period, the "Directing Certificateholder Approval Period"), Freddie Mac may elect not to respond to such notice or may countersign and return the notice to the Controlling Class Majority Holder, indicating on such notice whether Freddie Mac has approved or rejected the proposed directing certificateholder as an Approved Directing Certificateholder, and may (in Freddie Mac's sole discretion) also provide such notice to the master servicer, the special servicer, the trustee and the certificate administrator; *provided*, that Freddie Mac may, within any Directing Certificateholder Approval Period, request additional information that Freddie Mac deems necessary to complete its review and render its final approval or rejection. Any request from Freddie Mac to the submitting Controlling Class Majority Holder for additional information will be deemed a rejection by Freddie Mac of the directing certificateholder as an Approved Directing Certificateholder and the Controlling Class Majority Holder will be required to resubmit the Directing Certificateholder Notice (including, solely with respect to the notice to Freddie Mac, such additional information) to Freddie Mac, the master servicer,

the special servicer, the trustee and the certificate administrator to reinitiate the Directing Certificateholder Approval Period.

The proposed directing certificateholder will be deemed to be an Approved Directing Certificateholder during the Directing Certificateholder Approval Period, and the master servicer, the special servicer, the certificate administrator and the trustee will be entitled to conclusively treat such directing certificateholder as an Approved Directing Certificateholder until the earlier of (i) the time such parties receive notice from Freddie Mac or the Controlling Class Majority Holder that Freddie Mac has (a) rejected the proposed directing certificateholder as an Approved Directing Certificateholder or (b) requested any additional information necessary to render its final determination or (ii) the end of the Directing Certificateholder Approval Period.

If Freddie Mac (i) countersigns the Directing Certificateholder Notice approving the directing certificateholder as an Approved Directing Certificateholder or (ii) fails to respond to the Controlling Class Majority Holder, in each case, within the Directing Certificateholder Approval Period, the Controlling Class Majority Holder, in each case, will be required to provide written notice to the master servicer, the special servicer, the certificate administrator, the trustee and Freddie Mac including either (a) a copy of the approved Directing Certificateholder Notice countersigned by Freddie Mac or (b) a certification stating that Freddie Mac failed to respond and did not request any additional information within the Directing Certificateholder Approval Period (attaching the original Directing Certificateholder Notice), as applicable, and such directing certificateholder will be deemed to be an Approved Directing Certificateholder. Upon receipt of such notice, the master servicer, the special servicer, the certificate administrator and the trustee may conclusively rely thereon and treat the directing certificateholder as an Approved Directing Certificateholder. For the avoidance of doubt, following the Directing Certificateholder Approval Period, if the Controlling Class Majority Holder fails to provide the notice required by the second preceding sentence, the directing certificateholder will be deemed not to be an Approved Directing Certificateholder and will retain only the Controlling Class Majority Holder Rights; and the master servicer, the special servicer, the certificate administrator and the trustee will conclusively be entitled to treat such directing certificateholder as retaining only the Controlling Class Majority Holder Rights.

If Freddie Mac provides in the Directing Certificateholder Notice within the Directing Certificateholder Approval Period that the proposed directing certificateholder is not an Approved Directing Certificateholder, such directing certificateholder (including any Affiliated Borrower Loan Directing Certificateholder) will not be an Approved Directing Certificateholder and the Controlling Class Majority Holder will be required to provide written notice to the master servicer, the special servicer, the certificate administrator and the trustee and each such party will be entitled to conclusively rely on such notice and treat such directing certificateholder as retaining only the Controlling Class Majority Holder Rights. The rights of an Approved Directing Certificateholder (other than the Controlling Class Majority Holder Rights) will not be exercisable by any directing certificateholder (including any Affiliated Borrower Loan Directing Certificateholder) that is not an Approved Directing Certificateholder, and any provision of the Pooling Agreement requiring the Approved Directing Certificateholder's consent or approval, or requiring notice or information to be sent to the Approved Directing Certificateholder, will not require consent or approval of, or notice or information to be sent to, any directing certificateholder that is not an Approved Directing Certificateholder, unless such notice or information is required to be sent to the directing certificateholder. If there is no Approved Directing Certificateholder, the portion of any Transfer Fees or collateral substitution fees payable to the Approved Directing Certificateholder will instead be payable to the master servicer.

If no person is appointed as the directing certificateholder pursuant to the Pooling Agreement, the master servicer, the special servicer, the certificate administrator and the trustee will not be required to and will not recognize the Controlling Class Majority Holder or any other person as a directing certificateholder and any provision of the Pooling Agreement requiring notice or information to be sent to or the consent or approval of the directing certificateholder will not be applicable.

The Controlling Class Majority Holder may obtain a written pre-approval from Freddie Mac indicating that a proposed directing certificateholder qualifies as an Approved Directing Certificateholder (a "DCH Pre-Approval") in accordance with the approval provisions set forth in this section "The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder."

Notwithstanding the foregoing, (i) for each Controlling Class Majority Holder, there can be no more than three requests for a DCH Pre-Approval made per calendar year and (ii) any Freddie Mac confirmed DCH Pre-Approval

will expire and can no longer be presented with the notice delivered pursuant to the terms of the Pooling Agreement upon the later of (a) six months after the date that Freddie Mac countersigns and delivers notice of such confirmed DCH Pre-Approval and (b) if Freddie Mac failed to respond or request additional information within the Directing Certificateholder Approval Period, six months after the date that the Controlling Class Majority Holder dated and delivered the original Directing Certificateholder Notice to Freddie Mac.

For the purpose of determining whether the directing certificateholder is an affiliate of any underlying borrower (or any proposed replacement underlying borrower) with respect to any underlying mortgage loan, the term “directing certificateholder” will include the directing certificateholder (and any affiliate of the directing certificateholder), any of its managing members or general partners and any party directing or controlling the directing certificateholder (or any such affiliate), including, for example, in connection with any re-securitization of the Controlling Class.

By its acceptance of a certificate, each certificateholder confirms its understanding that (i) the directing certificateholder may take actions, and the Directing Certificateholder Servicing Consultant may provide recommendations, that favor the interests of one or more classes of certificates over other classes of certificates, (ii) the directing certificateholder and the Directing Certificateholder Servicing Consultant may have special relationships and interests that conflict with those of holders of some classes of certificates, (iii) the directing certificateholder and the Directing Certificateholder Servicing Consultant will have no liability to any certificateholder for any action taken or not taken, or any recommendation provided, as applicable, and (iv) each certificateholder agrees to take no action against the directing certificateholder or the Directing Certificateholder Servicing Consultant as a result of any such action or omission, recommendation or special relationship or conflict. See “Risk Factors—Risks Related to the Offered Certificates—The Interests of the Directing Certificateholder or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders” in this offering circular supplement.

It is anticipated that PAC ML04, a Delaware limited liability company and an affiliate of Preferred Apartment Communities Operating Partnership, LP, will be designated to serve as the initial directing certificateholder (the “Initial Directing Certificateholder”). As of the Closing Date, no Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

As and to the extent described under “—Asset Status Report” below, during the Directing Certificateholder Approval Period or if Freddie Mac has approved a directing certificateholder as an Approved Directing Certificateholder, such Approved Directing Certificateholder may direct the master servicer or the special servicer with respect to various servicing matters involving each of the TELs. A directing certificateholder who is not an Approved Directing Certificateholder will not have such rights with respect to such servicing matters, but will be entitled to exercise the Controlling Class Majority Holder Rights described in this offering circular supplement.

In addition, upon the occurrence and during the continuance of any Affiliated Borrower Loan Event with respect to any underlying mortgage loan, any right of the directing certificateholder to (i) approve and consent to certain actions with respect to such underlying mortgage loan, (ii) exercise an option to purchase any Defaulted TELs and related Defaulted Crossed TELs, as applicable, and (iii) access certain information and reports regarding such underlying mortgage loan will be restricted as described in “—Asset Status Report” below and “—Purchase Option” above, as applicable. Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the special servicer, as the Affiliated Borrower Loan Directing Certificateholder, will be required to exercise any approval, consent, consultation or other rights with respect to any matters related to an Affiliated Borrower Loan as described in “—Asset Status Report” below.

*Asset Status Report.* The special servicer is required to prepare and deliver a report to the master servicer, the directing certificateholder and Freddie Mac (the “Asset Status Report”) with respect to any underlying mortgage loan that becomes a Specially Serviced Mortgage Loan within 60 days of the special servicer’s receipt of the information it reasonably requires after a Servicing Transfer Event. The directing certificateholder will be entitled to receive, in addition to other information it is permitted to receive under the Pooling Agreement, Asset Status Reports (other than with respect to Affiliated Borrower Loans), although only the Approved Directing Certificateholder will have consent or approval rights in respect of such reports.

Any Asset Status Report prepared by the special servicer will set forth the following information, to the extent reasonably determinable:

- a summary of the status of the Specially Serviced Mortgage Loan;
- a discussion of the legal and environmental considerations reasonably known to the special servicer, consistent with the Servicing Standard, that are applicable to the exercise of remedies and whether outside legal counsel has been retained;
- a current rent roll and income or operating statement available for the related mortgaged real property;
- the appraised value of the mortgaged real property, together with the assumptions used in the calculation if the appraisal is less than 12 months old;
- a recommendation by the special servicer as to how the Specially Serviced Mortgage Loan might be returned to performing status, returned to the master servicer for regular servicing or otherwise realized upon;
- a summary of any proposed actions and a discussion of whether or not taking such action is reasonably likely to produce a greater recovery on a present value basis than not taking such action;
- a status report on any foreclosure actions or other proceedings undertaken with respect to the related mortgaged real property, any proposed workouts with respect to the Specially Serviced Mortgage Loan and the status of any negotiations with respect to those workouts and an assessment of the likelihood of additional events of default on such underlying mortgage loan; and
- such other information as the special servicer deems relevant in light of the Servicing Standard.

If, within ten Business Days following delivery of the Asset Status Report, the Approved Directing Certificateholder (if any) does not disapprove in writing of any action proposed to be taken in that Asset Status Report or, upon delivery of a finalized Asset Status Report as described below, the special servicer will be required to implement the recommended action as outlined in such Asset Status Report, *provided* that the special servicer may not take any action that is contrary to applicable law or the terms of the applicable loan documents or any related intercreditor agreement or, if applicable, the co-lender agreement. If the Approved Directing Certificateholder (if any) disapproves in writing such Asset Status Report within such ten Business Days, the special servicer is required to revise and deliver a new Asset Status Report within 30 days after such disapproval.

The special servicer must continue to revise that Asset Status Report until either (i) the Approved Directing Certificateholder (if any) fails to disapprove the revised Asset Status Report within ten Business Days of receipt, (ii) the special servicer determines that an extraordinary event has occurred with respect to the mortgaged real property as described below or (iii) the passage of 60 days from the date of preparation of the first Asset Status Report. The special servicer will be required to deliver the finalized Asset Status Report to the directing certificateholder, Freddie Mac, the master servicer, the certificate administrator and the trustee. The special servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement that report, *provided* that the revised report has been prepared, reviewed and not rejected pursuant to the terms described above. However, the special servicer (a) may, following the occurrence of an extraordinary event with respect to the related mortgaged real property, take any action set forth in such Asset Status Report before the expiration of a ten Business Day approval period if the special servicer has reasonably determined that failure to take such action would materially and adversely affect the interests of the certificateholders and it has made a reasonable effort to contact the Approved Directing Certificateholder (if any) and (b) in any case, must determine whether any affirmative disapproval by the Approved Directing Certificateholder (if any) described in this paragraph is not in the best interest of all of the certificateholders pursuant to the Servicing Standard. The special servicer will be required to notify any Approved Directing Certificateholder upon taking any such action.

The special servicer in its capacity as special servicer (and not in its capacity as Directing Certificateholder Servicing Consultant, if selected to serve in such capacity) may not take any action inconsistent with an Asset Status Report, unless that action would be required in order to act in accordance with the Servicing Standard. The special servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement that report, *provided* that the revised report has been prepared, reviewed and not rejected pursuant to the terms described above. The directing certificateholder will be entitled to be sent a copy by the special servicer of any such revised

Asset Status Report (other than for an Affiliated Borrower Loan), though only an Approved Directing Certificateholder will have consent or approval rights in respect of such report.

In addition, with respect to a Specially Serviced Mortgage Loan, the special servicer is required to, subject to the Servicing Standard and the terms of the Pooling Agreement, obtain the consent of the Approved Directing Certificateholder (if any) and respond to any reasonable request for information from Freddie Mac prior to the taking by the special servicer of the following actions (“Consent Actions”)—

- any proposed or actual foreclosure upon or comparable conversion of (which may include acquisitions of an REO Property) the ownership of the property or properties securing any Specially Serviced Mortgage Loans as come into and continue in default;
- any modification, amendment or waiver of a monetary term (including any change in the timing of payments but excluding the waiver of Default Interest and late payment charges), any material non-monetary term or any waiver of a due-on-sale or due-on-encumbrance clause of an underlying mortgage loan (other than any easement, right of way or similar agreement);
- any acceptance of a discounted payoff with respect to a Specially Serviced Mortgage Loan;
- any proposed or actual sale of an REO Property out of the issuing entity for less than the outstanding principal balance of, and accrued interest (other than Default Interest) on, the related underlying mortgage loan, except in connection with a termination of the issuing entity as described under “—Termination” below;
- any determination to bring an REO Property held by the issuing entity into compliance with applicable environmental laws or to otherwise address hazardous material located at the REO Property;
- any release of real property collateral for an underlying mortgage loan, other than in accordance with the specific terms of, or upon satisfaction of, that underlying mortgage loan; *provided, however*, that the consent of the Approved Directing Certificateholder (if any) to any release of non-material parcels of the mortgaged real property may not be unreasonably withheld;
- any acceptance of substitute or additional real property collateral for an underlying mortgage loan, other than in accordance with the specific terms of that underlying mortgage loan;
- any approval of releases of earn-out reserves or related letters of credit with respect to a mortgaged real property securing an underlying mortgage loan, other than in accordance with the specific terms of that underlying mortgage loan;
- the release of any reserves in excess of the threshold set forth in the Pooling Agreement; and
- any approval of an underlying borrower request for consent to a replacement property manager for Specially Serviced Mortgage Loans (which approval may not be unreasonably withheld), other than in connection with any pre-approved servicing request with respect to an underlying mortgage loan set forth in the Pooling Agreement.

However, no direction of the Approved Directing Certificateholder (if any), and no failure to consent to any action requiring the consent of the Approved Directing Certificateholder (if any) under the Pooling Agreement, may (i) require or cause the master servicer or the special servicer to violate the terms of the subject Specially Serviced Mortgage Loan, applicable law or any provision of the Pooling Agreement or any related intercreditor agreement; (ii) expose the master servicer, the special servicer, the trustee, the certificate administrator, the custodian, the depositor, Freddie Mac, the issuing entity or any of various other parties to any claim, suit or liability or (iii) materially expand the scope of the special servicer’s or the master servicer’s responsibilities under the Pooling Agreement. The master servicer or the special servicer, as the case may be, will not (x) follow any such direction of the Approved Directing Certificateholder, (y) initiate any such actions having any of the effects set out above, or (z) take or refrain from taking any action, if following such directions, taking such action or refraining from taking such action would violate the Servicing Standard. The master servicer or the special servicer, as the case may be, will be required to notify any Approved Directing Certificateholder if it does not follow any such direction of such Approved Directing Certificateholder.

Upon the occurrence of an Affiliated Borrower Loan Event (except with respect to any Affiliated Borrower Loan Event that exists on the Closing Date and is described in the definition of Affiliated Borrower Loan Event), the directing certificateholder will be required to provide written notice of the same to the trustee, the certificate administrator, the master servicer, the special servicer and Freddie Mac within two Business Days after the occurrence of such Affiliated Borrower Loan Event. In addition, the directing certificateholder will be required to provide written notice to the trustee, the certificate administrator, the master servicer, the special servicer and Freddie Mac of the termination of any Affiliated Borrower Loan Event within two Business Days after the termination of such Affiliated Borrower Loan Event. Except with respect to any Affiliated Borrower Loan Event that exists on the Closing Date and is described in the definition of Affiliated Borrower Loan Event, prior to its receipt of any notice from the directing certificateholder of the occurrence of an Affiliated Borrower Loan Event (or, following its receipt, if any, of the termination of any Affiliated Borrower Loan Event, prior to its receipt of any notice of the occurrence of another Affiliated Borrower Loan Event), the master servicer, the special servicer, the trustee, the certificate administrator and Freddie Mac may conclusively assume that no Affiliated Borrower Loan Event exists, unless a responsible officer of the trustee or certificate administrator, as applicable, or a servicing officer of the master servicer or the special servicer, as applicable, has actual knowledge of any Affiliated Borrower Loan Event. The master servicer, the special servicer, the trustee, the certificate administrator and Freddie Mac may rely on any such notice of the occurrence or the termination of an Affiliated Borrower Loan Event without making any independent investigation.

Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the directing certificateholder will not have any approval, consent, consultation or other rights under the Pooling Agreement with respect to any matters related to any Affiliated Borrower Loan, and the Affiliated Borrower Loan Directing Certificateholder, upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event (i) will be required to exercise any such rights in its sole discretion and in accordance with the Servicing Standard and on behalf of the certificateholders as a collective whole, without seeking the consent or consultation of any other party, except that the Affiliated Borrower Loan Directing Certificateholder may consult with Freddie Mac with respect to any matters related to the Affiliated Borrower Loan, but will not be bound by any such consultation with Freddie Mac and (ii) will be entitled to any fees that would otherwise be payable to the Approved Directing Certificateholder under “Description of the Certificates—Fees and Expenses” in this offering circular supplement but for the occurrence of such Affiliated Borrower Loan Event.

Upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event, none of the trustee, the certificate administrator, the master servicer or the special servicer will be permitted under the Pooling Agreement to seek, accept or take any action based on the approval, consent or consultation of the Approved Directing Certificateholder with respect to any matters related to any Affiliated Borrower Loan. In addition, for so long as an Affiliated Borrower Loan Event exists with respect to any Affiliated Borrower Loan, and to the extent the certificate administrator has actual knowledge of such Affiliated Borrower Loan Event, the certificate administrator may not provide to the directing certificateholder any asset status report, inspection report, appraisal or internal valuation related to such Affiliated Borrower Loan. In addition, for so long as an Affiliated Borrower Loan Event exists with respect to any underlying mortgage loan, the trustee, the certificate administrator, the master servicer and the special servicer may withhold from the directing certificateholder any information with respect to such underlying mortgage loan that the trustee, the certificate administrator, the master servicer or the special servicer, as applicable, determines, in its sole discretion, is related to the workout of such underlying mortgage loan.

### **Inspections; Collection of Operating Information**

The special servicer will be required, at the expense of the issuing entity, to physically inspect or cause a physical inspection of the related mortgaged real property as soon as practicable after any underlying mortgage loan becomes a Specially Serviced Mortgage Loan and annually thereafter for so long as that underlying mortgage loan remains a Specially Serviced Mortgage Loan. The master servicer will be required, at its own expense, to physically inspect or cause a physical inspection of each mortgaged real property securing an underlying mortgage loan for which it acts as master servicer at least once per 12-month period or, in the case of each underlying mortgage loan

with an outstanding principal balance (or allocated loan amount) less than \$2,000,000, once every 24-month period, if the special servicer has not already done so in that period as contemplated by the preceding sentence. For each underlying mortgage loan, such 12-month period or 24-month period, as applicable, will begin on such date as is consistent with the Guide. The master servicer and the special servicer will be required to prepare or cause the preparation of a written report of each inspection performed by it that generally describes the condition of the particular mortgaged real property and, upon request, deliver such written report in electronic format to (i) the certificate administrator and (ii) the master servicer (if such written report was prepared by the special servicer).

Most of the loan documents obligate the related underlying borrower to deliver quarterly, and substantially all loan documents require annual, property operating statements. However, we cannot assure you that any operating statements required to be delivered will in fact be delivered, nor is the special servicer or the master servicer likely to have any practical means of compelling such delivery in the case of an otherwise performing mortgage loan.

### **Servicer Reports**

As set forth in the Pooling Agreement, on a date preceding the applicable distribution date, the master servicer is required to deliver to the certificate administrator, the directing certificateholder and Freddie Mac a servicer remittance report setting forth the information necessary for the certificate administrator to make the distributions set forth under “Description of the Certificates—Distributions” in this offering circular supplement and containing the information to be included in the distribution report for that distribution date delivered by the certificate administrator as described under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this offering circular supplement.

### **Evidence as to Compliance**

No later than the date specified below of each year, commencing in 2019, each of the master servicer and the special servicer must deliver or cause to be delivered, as applicable, to the depositor, the trustee, the certificate administrator and Freddie Mac, among others:

- by March 15th of each year, a statement of compliance signed by an officer of the master servicer or the special servicer, as the case may be, to the effect that, among other things, (i) a review of the activities of the master servicer or the special servicer, as the case may be, during the preceding calendar year—or, in the case of the first such certification, during the period from the Closing Date through December 31, 2018 inclusive—and of its performance under the Pooling Agreement, has been made under such officer’s supervision; (ii) to the best of such officer’s knowledge, based on such review, the master servicer or the special servicer, as the case may be, has fulfilled its obligations under the Pooling Agreement in all material respects throughout the preceding calendar year or the portion of that year during which the certificates were outstanding (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such failure); (iii) that the master servicer or the special servicer, as the case may be, has maintained an effective internal control system over the servicing of mortgage loans, including the TELs; and (iv) in the case of the master servicer only, to the best of such officer’s knowledge, each sub-servicer, if any, has fulfilled its obligations under its Sub-Servicing Agreement in all material respects (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such failure and proposed actions with respect to the default); *provided, however*, that the master servicer will be entitled to conclusively rely on a review of the activities of such sub-servicer conducted by Freddie Mac, so long as the master servicer does not have any actual knowledge of such sub-servicer’s material non-fulfillment or material default (Freddie Mac will provide any Third Party Master Servicer access to such sub-servicer reviews by March 1 of each year beginning with March 1, 2019), and
- as to each annual statement of compliance delivered by the master servicer or the special servicer, as the case may be, as described in the preceding bullet point, by April 15th of each year, an accountant’s statement from a registered public accounting firm to the effect that the asserting party complied with the minimum servicing standards identified in (i) Item 1122 of Regulation AB or (ii) the Uniform Single Attestation Program for Mortgage Bankers. For purposes of determining compliance with the minimum standards identified in clauses (i) or (ii) above, the master servicer and its accountants will be entitled to

rely on the sub-servicer reviews delivered by Freddie Mac pursuant to the preceding bullet point, subject to the limitations set forth in the preceding bullet point.

As long as one party is performing the duties of both the master servicer and the special servicer, that party will be required to deliver only one report, certificate or statement satisfying the requirements listed immediately above. Copies of such statement will be provided to any certificateholder, upon written request of any certificateholder, by the certificate administrator.

### **Events of Default**

Each of the following events, circumstances and conditions will be considered events of default with respect to the master servicer or the special servicer under the Pooling Agreement:

1. any failure by the master servicer to make (i) any required deposit into its collection account or any other account created under the Pooling Agreement, which failure continues unremedied for two Business Days, or any required remittance to the certificate administrator for deposit in the distribution account by the time required under the Pooling Agreement on the Business Day prior to the related distribution date, which failure continues unremedied until 11:00 a.m. (New York City time) on the related distribution date; or (ii) any required Servicing Advance within the time specified in the Pooling Agreement, which failure remains uncured for 15 days (or such shorter time as is necessary to avoid the lapse of any required insurance policy for any mortgaged real property or the foreclosure of any tax lien on the related mortgaged real property);
2. any failure by the special servicer to deposit into the REO account, or to remit to the master servicer for deposit in the collection account, any such deposit or remittance required to be made by the special servicer, when so required under the Pooling Agreement, which failure continues unremedied for two Business Days;
3. any failure by the master servicer or the special servicer duly to observe or perform in any material respect any of its other covenants or obligations under the Pooling Agreement, which failure continues unremedied for 30 days (15 days in the case of a failure to pay the premium for any required insurance policy for any mortgaged real property) after written notice of such failure has been given to the master servicer or the special servicer, as the case may be, by any other party to the Pooling Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by the holders of 25% of the percentage interests of any class of certificates; provided, however, if such failure (other than a failure to pay insurance policy premiums for any mortgaged real property) is not capable of being cured within such 30-day period and the master servicer or the special servicer, as applicable, is diligently pursuing such cure, then such 30-day period will be extended for an additional 30 days;
4. any breach by the master servicer or the special servicer of a representation or warranty contained in the Pooling Agreement that materially and adversely affects the interests of the certificateholders and continues unremedied for 30 days after the date on which notice of such breach is given to the master servicer or the special servicer, as the case may be, by any other party to the Pooling Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by the holders of 25% of the percentage interests of any class of certificates; provided, however, if such breach is not capable of being cured within such 30-day period and the master servicer or the special servicer, as applicable, is diligently pursuing such cure, then such 30-day period will be extended for an additional 30 days;
5. certain events of insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings in respect of or relating to the master servicer or the special servicer, as applicable, and certain actions by or on behalf of the master servicer or the special servicer, as applicable indicating its insolvency or inability to pay its obligations and such decree or order remains in force for 60 days;
6. a consent by the master servicer or the special servicer to the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of

assets and liabilities or similar proceedings of or relating to such master servicer or special servicer or relating to all or substantially all of its property;

7. an admission by the master servicer or the special servicer in writing of its inability to pay its debts generally as they become due, the filing of a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, the making of an assignment for the benefit of its creditors, the voluntary suspension of payment of its obligations or the taking of any corporate action in furtherance of the foregoing;
8. a Ratings Trigger Event occurs with respect a Third Party Master Servicer or the special servicer; or
9. failure of the Third Party Master Servicer to provide the certificate administrator with certain periodic information pertaining to the TELs as required under the Pooling Agreement more than three times in a rolling 12-month period within one Business Day of the date on which the relevant report is due, unless such failure is due to force majeure or an act of God or such failure is waived by Freddie Mac; provided that Freddie Mac is not permitted to grant more than one waiver in such rolling 12-month period without the consent of the Approved Directing Certificateholder (if any), which consent may not be unreasonably withheld or delayed; provided further, that a report will not be considered late unless Freddie Mac provides the Third Party Master Servicer with written notice, with a copy to the certificate administrator, that the report was late within five days after the related distribution date.

If the Third Party Master Servicer is terminated solely due to an event described in clause 8 above, the Third Party Master Servicer will have 45 days to solicit bids and complete the sale of the servicing rights with respect to the TELs to a servicer acceptable under the Pooling Agreement, during which time period the Third Party Master Servicer will continue to service the TELs.

### **Rights Upon Event of Default**

If an event of default described under “—Events of Default” above occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of the directing certificateholder (but with respect to the master servicer, only if such directing certificateholder is an Approved Directing Certificateholder; *provided* that with respect to clause 9 under “—Events of Default” above, a directing certificateholder that is not an Approved Directing Certificateholder may inform the trustee of any such event of default) or Freddie Mac, the trustee will be required, to terminate all of the obligations and all of the rights of the defaulting party pursuant to the Pooling Agreement in and to the TELs and proceeds of the TELs, other than any rights the defaulting party may have (i) as a certificateholder or (ii) in respect of compensation, indemnities and reimbursements accrued by or owing to such defaulting party on or prior to the date of termination or due to such defaulting party thereafter for services rendered and expenses incurred. Upon any such termination, the trustee must either:

- succeed to all of the responsibilities, duties and liabilities of the defaulting party under the Pooling Agreement; or
- appoint an established mortgage loan servicing institution to act as successor to the defaulting party under the Pooling Agreement that meets the Successor Servicer Requirements;

subject, in both cases, to (i) the right of the master servicer to sell its servicing rights with respect to the TELs as described in “—Events of Default” above, (ii) the right of the directing certificateholder to appoint a successor special servicer as described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” above and (iii) the right of certificateholders entitled to at least  $66\frac{2}{3}\%$  of the voting rights allocated to each class of certificates affected by any event of default to waive such event of default as described below.

If the trustee is unwilling or unable to act as the permanent successor master servicer or special servicer or does not satisfy the Successor Servicer Requirements, it may (or, at the written request of certificateholders entitled to not less than 25% of the voting rights will be required to), promptly appoint, or petition a court of competent jurisdiction to appoint as successor to the master servicer or the special servicer, as applicable, an established mortgage loan servicing institution, which satisfies the Successor Servicer Requirements.

In general, certificateholders entitled to at least 66<sup>2</sup>/<sub>3</sub>% of the voting rights allocated to each class of certificates affected by any event of default may waive the event of default. However, the events of default described in clauses 1 and 2 under “—Events of Default” above may only be waived by all of the holders of the affected classes of certificates, the trustee and Freddie Mac. Furthermore, if the certificate administrator or the trustee is required to spend any monies in connection with any event of default or any waiver of that event of default, then that event of default may not be waived unless and until the certificate administrator or the trustee has been reimbursed for such amounts by the party requesting the waiver. Upon any waiver of an event of default, the event of default will cease to exist and will be deemed to have been remedied for every purpose under the Pooling Agreement.

No certificateholder will have the right under the Pooling Agreement to institute any proceeding with respect to the Pooling Agreement or the certificates unless:

- that holder previously has given to the trustee written notice of default;
- except in the case of a default by the trustee, certificateholders representing at least 25% of a class have made written request upon the trustee to institute that proceeding in its own name as trustee under the Pooling Agreement and have offered to the trustee reasonable security or indemnity; and
- the trustee for 60 days has neglected or refused to institute any such proceeding.

Each certificateholder will be deemed under the Pooling Agreement to have expressly covenanted with every other certificateholder and the trustee, that no one or more certificateholders will have any right in any manner whatsoever by virtue of any provision of the Pooling Agreement or the certificates to affect, disturb or prejudice the rights of the holders of any other certificates, or to obtain or seek to obtain priority over or preference to any other certificateholder, or to enforce any right under the Pooling Agreement or the certificates, except in the manner provided in the Pooling Agreement or the certificates and for the equal, ratable and common benefit of all certificateholders.

Neither the trustee nor the certificate administrator, however, will be under any obligation to exercise any of the trusts or powers vested in it by the Pooling Agreement or the certificates or to make any investigation of matters arising thereunder or under the certificates or to institute, conduct or defend any litigation under or in relation to the Pooling Agreement or the certificates at the request, order or direction of any of the certificateholders, unless in the certificate administrator’s or the trustee’s opinion, as applicable, those certificateholders have offered to the certificate administrator or the trustee, as applicable, reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the certificate administrator or the trustee as a result.

#### **Matters Regarding the Trustee, the Certificate Administrator and the Custodian**

Each of the trustee and the certificate administrator is at all times required to be a corporation, national bank, trust company or national banking association organized and doing business under the laws of the U.S. or any State of the U.S. or the District of Columbia. Furthermore, the trustee and the certificate administrator must at all times, among other things—

- be authorized under those laws to exercise corporate trust powers;
- have a combined capital and surplus of at least \$50,000,000; and
- be subject to supervision or examination by federal or state authority.

If the corporation, national bank, trust company or national banking association publishes reports of condition at least annually, in accordance with law or the requirements of the supervising or examining authority, then the combined capital and surplus of that corporation, national bank, trust company or national banking association will be deemed to be its combined capital and surplus as described in its most recent published report of condition.

The depositor, the master servicer, the special servicer and their respective affiliates, may from time to time enter into normal banking and trustee relationships with the trustee, the certificate administrator and their affiliates. The trustee, the certificate administrator and any of their respective affiliates may hold certificates in its own name. In addition, for purposes of meeting the legal requirements of some local jurisdictions, the trustee will have the power to appoint a co-trustee or separate trustee of all or any part of the assets of the issuing entity. All rights,

powers, duties and obligations conferred or imposed upon the trustee will be conferred or imposed upon the trustee and the separate trustee or co-trustee jointly or, in any jurisdiction in which the trustee is incompetent or unqualified to perform some acts, singly upon the separate trustee or co-trustee, who may exercise and perform its rights, powers, duties and obligations solely at the direction of the trustee.

The trustee and the certificate administrator will be entitled to a monthly fee for their services as trustee, certificate administrator and custodian, as applicable. This fee will accrue with respect to each and every underlying mortgage loan. The trustee fee will accrue at the trustee fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement on the Stated Principal Balance of each TEL outstanding from time to time and will be calculated on the same basis as interest on such TEL, subject to a minimum combined trustee fee and certificate administrator fee of \$5,000 *per annum* payable in equal monthly installments. The certificate administrator fee will accrue at the certificate administrator fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement on the Stated Principal Balance of each TEL outstanding from time to time and will be calculated on the same basis as interest on such TEL, subject to a minimum combined trustee fee and certificate administrator fee of \$5,000 *per annum* payable in equal monthly installments. The trustee fee and the certificate administrator fee are payable out of general collections on the mortgage pool in the issuing entity.

The certificate administrator will initially be the custodian of the mortgage files. The certificate administrator may appoint, at the certificate administrator’s own expense, one or more custodians to hold all or a portion of the mortgage files on behalf of the trustee; however the certificate administrator will be required to inform the master servicer, the trustee and Freddie Mac of such appointment and the appointment of any custodian will require the approval of Freddie Mac. Each custodian will be required to (i) be a depository institution supervised and regulated by a federal or state banking authority, (ii) have combined capital and surplus of at least \$10,000,000, (iii) be qualified to do business in the jurisdiction in which it holds any mortgage file, (iv) not be the depositor, the Originator or any affiliate of the depositor or the Originator, and (v) have in place Fidelity Insurance and errors and omissions insurance, each in such form and amount as is customarily required of custodians acting on behalf of Freddie Mac or Fannie Mae. Each custodian will be subject to the same obligations, standard of care, protections and indemnities as would be imposed on, or would protect, the certificate administrator under the Pooling Agreement in connection with the retention of mortgage files directly by the certificate administrator. The appointment of one or more custodians will not relieve the certificate administrator from any of its obligations under the Pooling Agreement, and the certificate administrator will remain responsible for all acts and omissions of any custodian.

### **Certain Indemnities**

The depositor, the master servicer (either in its own right or on behalf of an indemnified sub-servicer), the servicing consultant and the special servicer (including in its capacity as the Affiliated Borrower Loan Directing Certificateholder) and any officer, director, general or limited partner, shareholder, member, manager, employee, agent, affiliate or controlling person of the depositor, the master servicer, the special servicer or the servicing consultant will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses, including in connection with the enforcement of such indemnified party’s rights under the Pooling Agreement) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, the Pooling Agreement, the transactions contemplated by the Pooling Agreement or the certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that is specifically required to be borne by the party seeking indemnification, without right of reimbursement pursuant to the terms of the Pooling Agreement or (ii) incurred by reason of a breach of any representation or warranty by the depositor, the servicing consultant, the master servicer or the special servicer, as applicable, under the Pooling Agreement, or by reason of the willful misconduct, bad faith, fraud or negligence of the depositor, the servicing consultant, the master servicer or the special servicer, as applicable, in the performance of its respective duties under the Pooling Agreement or negligent disregard of its respective obligations or duties under the Pooling Agreement. For the avoidance of doubt, the indemnification provided by the issuing entity pursuant to the preceding sentence will not entitle the depositor, the servicing consultant, the master servicer or the special servicer, as applicable, to reimbursement for ordinary costs or expenses incurred by the depositor, the servicing consultant, the master servicer or the special servicer, as

applicable, in connection with its usual and customary performance of its duties and obligations under the Pooling Agreement that are not expressly payable or reimbursable to the servicing consultant, the master servicer or the special servicer, as applicable, under the Pooling Agreement. The master servicer, on behalf of an indemnified sub-servicer, will be entitled to pursue the issuing entity under the Pooling Agreement for any indemnification due to an indemnified sub-servicer under the terms of the related Sub-Servicing Agreement. The master servicer will be required to promptly upon receipt and identification remit such indemnification amounts to the affected indemnified sub-servicer upon reimbursement of such amounts from the collection account or (upon receipt from the trustee) the distribution account, as applicable. If the master servicer determines that a claim for indemnification submitted by a sub-servicer should not be pursued under the terms of the related Sub-Servicing Agreement or the Pooling Agreement, the master servicer will be required to promptly notify Freddie Mac in writing of the nature of such claim and a summary explanation of the master servicer's reason for denying such claim.

The trustee (in each of its capacities under the Pooling Agreement), the certificate administrator (in each of its capacities under the Pooling Agreement), the custodian and their respective officers, directors, general or limited partners, shareholders, members, managers, employees, agents, affiliates and controlling persons will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses (including in connection with the enforcement of such indemnified party's rights under the Pooling Agreement)) that may be imposed on, incurred by or asserted against the trustee, the certificate administrator or the custodian, as applicable, in connection with, related to, or arising out of the Pooling Agreement, the transactions contemplated by the Pooling Agreement or the certificates other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that constitutes a specific liability of the trustee, the certificate administrator or the custodian, as applicable, under the Pooling Agreement or (ii) incurred by reason of any breach of any representation or warranty by the trustee, the certificate administrator or the custodian, as applicable, under the Pooling Agreement or by reason of the willful misconduct, bad faith, fraud or negligence of the trustee, the certificate administrator or the custodian, as applicable, in the performance of its duties under the Pooling Agreement or negligent disregard of its obligations or duties under the Pooling Agreement.

However, subject to the last two sentences of this paragraph, in any calendar year, indemnification to us, the trustee, the certificate administrator, the custodian, the Third Party Master Servicer (for itself or certain indemnified sub-servicers, as applicable), the special servicer and their respective general or limited partners, members, managers, shareholders, affiliates, directors, officers, employees, agents and controlling persons will not exceed an amount equal to the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and the certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and the certificate administrator/custodian), the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap or the Special Servicer Aggregate Annual Cap, as applicable. Any amounts payable in excess of the relevant Aggregate Annual Cap will be required to be paid, to the extent the funds are available, in the subsequent calendar year or years (subject to the applicable Aggregate Annual Cap for each such calendar year) until paid in full. Any indemnification amounts unpaid as a result of the relevant Aggregate Annual Cap will accrue interest at a rate equal to the Prime Rate from the date on which such amounts would have otherwise been paid had such Aggregate Annual Cap not applied to the date on which such amount is paid. The foregoing Aggregate Annual Caps will not apply after the Aggregate Annual Cap Termination Date. Freddie Mac and the Approved Directing Certificateholder (if any) will have the right, in their sole and absolute discretion, to waive (as evidenced by a waiver signed by both Freddie Mac and such Approved Directing Certificateholder (if any)) the Depositor Aggregate Annual Cap, the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap, the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap, the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap or the Special Servicer Aggregate Annual Cap upon the written request (which request, in the case of certain indemnified sub-servicers, is required to be accompanied by notice to the master servicer) of the depositor, the trustee, the certificate administrator, the Third Party Master Servicer, certain indemnified sub-servicers or the special servicer, as applicable.

## Termination

The obligations created by the Pooling Agreement will terminate following the earliest of—

1. the final payment or advance on, or other liquidation of, the last underlying mortgage loan or related REO Property remaining in the issuing entity; and
2. the purchase of all of the TELs and REO Properties remaining in the issuing entity by (1) the Controlling Class Majority Holder, but excluding Freddie Mac, (2) the special servicer or (3) the Third Party Master Servicer, in that order.

Written notice of termination of the Pooling Agreement will be given to each certificateholder and Freddie Mac. The final distribution with respect to each certificate will be made only upon surrender and cancellation of that certificate at the office of the certificate registrar or at any other location specified in the notice of termination.

The following parties will each in turn, according to the order listed below, have the option to purchase all of the TELs and all other property remaining in the issuing entity on any distribution date on which the total Stated Principal Balance of the mortgage pool is less than 10.0% of the initial TEL pool balance, upon written notice to the trustee and the other parties to the Pooling Agreement:

- the Controlling Class Majority Holder, but excluding Freddie Mac;
- the special servicer; and
- the Third Party Master Servicer.

Any purchase by the Controlling Class Majority Holder (excluding Freddie Mac), a Third Party Master Servicer or a special servicer of all the TELs and REO Properties remaining in the issuing entity is required to be made at a price equal to:

- the sum of—
  1. the Purchase Price of all the TELs then included in the issuing entity, exclusive of REO Loans;
  2. the appraised value of all REO Properties then included in the issuing entity, as determined by an appraiser mutually agreed upon by the master servicer and the special servicer;
  3. without duplication, any unreimbursed Additional Issuing Entity Expenses; and
  4. any Unreimbursed Indemnification Expenses; minus
- solely in the case of a purchase by the Third Party Master Servicer or the special servicer, the total of all amounts payable or reimbursable to the purchaser under the Pooling Agreement.

The purchase will result in early retirement of the then outstanding certificates. However, the right of the Controlling Class Majority Holder, but excluding Freddie Mac, the special servicer or the Third Party Master Servicer to make the purchase is subject to the requirement that the total Stated Principal Balance of the mortgage pool be less than 1.0% of the initial TEL pool balance. The termination price, exclusive of any portion of the termination price payable or reimbursable to any person other than the certificateholders, will constitute part of the Available Distribution Amount for the final distribution date. Any person or entity making the purchase will be responsible for reimbursing the parties to the Pooling Agreement for all reasonable out-of-pocket costs and expenses incurred by those parties in connection with the purchase.

## Amendment

In general, the Pooling Agreement may be amended by mutual agreement of the parties to the Pooling Agreement without the consent of any of the holders of the certificates for the following reasons—

1. to cure any ambiguity;

2. to correct, modify or supplement any provision in the Pooling Agreement which may be inconsistent with this offering circular supplement;
3. to correct, modify or supplement any provision in the Pooling Agreement which may be inconsistent with any other provision in that document or to correct any error;
4. to make any other provisions with respect to matters or questions arising under the Pooling Agreement that are not inconsistent with the existing provisions of that document;
5. to modify, supplement or make any other provision with regard to the resignation of the trustee in connection with defeasance of 20% or more of the outstanding principal balance of the mortgage pool when the trustee is an affiliate of any of the sub-servicers;
6. with an opinion of counsel delivered to the trustee, the certificate administrator, the master servicer and the special servicer, to relax or eliminate any transfer restriction imposed on the certificates, in each case, if such laws are amended or clarified such that any such restriction may be relaxed or eliminated;
7. to modify the procedures in the Pooling Agreement relating to Rule 15Ga-1 under the Exchange Act; or
8. to modify, alter, amend, add to or rescind any of the provisions contained in the Pooling Agreement to comply with any rules or regulations promulgated by the SEC from time to time.

No amendment described in clauses (3) or (4) may adversely affect in any material respect the interests of any certificateholder or any third party beneficiary to the Pooling Agreement or any provision of the Pooling Agreement, as evidenced by the receipt by the trustee and the certificate administrator of an opinion of counsel to that effect or, alternatively, in the case of any particular certificateholder or third party beneficiary, an acknowledgment to that effect from such person.

In addition, the Pooling Agreement may be amended by the parties to the Pooling Agreement with the consent of the holders of not less than 51% of the voting rights that are materially affected by the amendment, to (i) add to, change or eliminate any of the provisions of the Pooling Agreement or (ii) modify the rights of the holders of the certificates. However, no such amendment may:

1. reduce the amount of, or delay the timing of, payments received or advanced on the TELs and/or REO Properties which are required to be distributed on any certificate, without the consent of the holder of such certificate;
2. adversely affect in any material respect the interests of the holders of any class of certificates in a manner other than as described in clause (1) above, without the consent of the holders of all certificates of such class;
3. modify the amendment provisions of the Pooling Agreement or the definitions of "Accepted Servicing Practices," "Freddie Mac Servicing Practices" or "Servicing Standard" without the consent of the holders of all certificates then outstanding;
4. modify the obligation of the Guarantor to guarantee the offered certificates;
5. significantly change the activities of the issuing entity, without the consent of holders of certificates entitled to not less than 66<sup>2</sup>/<sub>3</sub>% of the voting rights (not taking into account certificates held by the depositor or any of its affiliates or agents or Freddie Mac); or
6. adversely affect in any material respect the interests of any third party beneficiary to the Pooling Agreement without the consent of such third party beneficiary.

The Pooling Agreement provides that any amendments made to it must be accompanied by an opinion of counsel stating that the amendment will not adversely affect the partnership status for federal income tax purposes of the applicable portion of the Trust created under the Pooling Agreement.

## CERTAIN FEDERAL INCOME TAX CONSEQUENCES

Any discussion of the federal tax issues set forth in this offering circular supplement and the accompanying Offering Circular was written to support the promotion and marketing of the transactions described herein. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

Dechert LLP, special tax counsel for the issuance of this series of certificates, will provide the opinions attributed to special tax counsel in this offering circular supplement and the accompanying offering circular, subject to certain assumptions and limitations, including those described in this offering circular supplement.

Bond counsel for each of the TELs has rendered an opinion that interest on such TELs will be excludable from the gross income of owners of such TELs for federal income tax purposes. A portion of the Trust will be treated as a partnership that owns the TELs, and the holders of the offered certificates will be treated as partners in the partnership for federal income tax purposes. The holders of the offered certificates will be allocated their respective shares of tax-exempt interest accrued and expenses and fees incurred by the partnership for federal income tax purposes. With respect to any distribution date and related accrual period, and to the extent tax-exempt interest accrues on the TELs, interest payments to holders of the offered certificates (including any Guarantor Payments) will represent tax-exempt interest excludable from gross income for federal income tax purposes up to the amount of such interest payment minus any Taxable Guarantor Payment (discussed below) made on such class of offered certificates on such distribution date.

Because a portion of the tax-exempt interest allocated to holders of the offered certificates will be used to pay expenses and fees of the issuing entity, the amount of tax-exempt interest allocated and reported to holders of the offered certificates is expected to exceed the amount of tax-exempt interest that will be paid to holders of the offered certificates, and a portion of those expenses and fees will be allocated and reported to the holders of the offered certificates. Those expenses and fees allocable to tax-exempt interest will not be deductible for federal income tax purposes by individuals and other non-corporate holders of offered certificates. See “Certain Federal Income Tax Consequences—Additional Federal Income Tax Considerations—Disallowance of Interest and Other Expenses” in the accompanying Offering Circular.

A portion of the payments on the class A certificates may represent the right to receive Taxable Guarantor Payments. Taxable Guarantor Payments will not be treated as interest for federal income tax purposes, but will be treated as received in respect of a separate contractual arrangement that will be treated as a notional principal contract for federal income tax purposes, and income with respect to such contract will not be excludable from gross income. The holders of the class A certificates will be treated by the issuing entity as having paid, in the aggregate, a premium of \$9,274,831.50 for the notional principal contract entitling them to receive Taxable Guarantor Payments.

To the extent holders of certificates receive a portion of any Static Prepayment Premiums or Yield Maintenance Charges collected in respect of any of the underlying mortgage loans, such amounts will be treated as taxable gain and will not be treated as tax-exempt interest.

Interest on the applicable TELs is not a specific tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and such interest is not included in adjusted current earnings in calculating the federal alternative minimum taxable income of certain corporations.

Interest accrued on the TELs between the Cut-Off Date and the Closing Date will not represent payments of tax-exempt interest on the offered certificates but will instead be treated as a return of capital that reduces such holders’ basis in such offered certificate.

A Monthly Closing Election will be made with respect to the certificates, Partnership Factors will not apply, and a Section 761 Election will not be made with respect to the certificates or the issuing entity. The issuing entity will treat all of the TELs as having been acquired with market discount. It is expected that the portion of the purchase price for the class A certificates that is attributable to the acquisition of an interest in the partnership will be less than the share of the principal balance of the TELs allocated to the class A certificates. Gain, if any,

recognized upon a disposition or retirement of a TEL, including receipt of principal payments on a TEL, will not be exempt from federal income tax, and will be characterized as ordinary income to a holder of a class A certificate to the extent of that holder's allocable share of market discount on the TELs that has economically accrued.

See "Certain Federal Income Tax Consequences" in the accompanying Offering Circular for more information regarding the federal income tax consequences of an investment in the certificates.

DUE TO THE COMPLEXITY OF THESE RULES AND THE CURRENT UNCERTAINTY AS TO THE MANNER OF THEIR APPLICATION TO THE ISSUING ENTITY AND CERTIFICATEHOLDERS, IT IS PARTICULARLY IMPORTANT THAT POTENTIAL INVESTORS CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

## STATE AND OTHER TAX CONSIDERATIONS

In addition to the federal income tax consequences described in "Certain Federal Income Tax Consequences," potential investors should consider the state, local and other income tax consequences of the acquisition, ownership, and disposition of the certificates. State and local income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state, local or other jurisdiction. Therefore, potential investors should consult their own tax advisors with respect to the various tax consequences of investments in the certificates.

## ERISA CONSIDERATIONS

### General

If you are the fiduciary of an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" as defined in and subject to Section 4975 of the Code (each of these, a "Plan") or an entity whose underlying assets are deemed to be plan assets under U.S. Department of Labor regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Asset Regulations") by reason of investment in the entity by one or more Plans, or otherwise a "benefit plan investor" as defined in the Plan Asset Regulations (collectively, a "Benefit Plan Investor"), you will not be permitted to acquire offered certificates, and each investor in offered certificates will be required or deemed to represent that it is not, and is not acting on behalf of, a Benefit Plan Investor. If you are, or are acting on behalf of, a plan that is subject to federal, state or local law which is to a material extent similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law"), you should carefully review with your legal advisors whether the acquisition or holding of an offered certificate would be a non-exempt violation of Similar Law.

If a Plan were to acquire an offered certificate, the assets in the issuing entity would be deemed to be assets of the investing Plan, unless certain exceptions apply. However, we cannot predict in advance, nor can there be any continuing assurance, whether any of those exceptions may be applicable because of the factual nature of the rules set forth in the Plan Asset Regulations describing what constitutes the assets of a Plan. For example, one of the exceptions in the Plan Asset Regulations states that the underlying assets of an entity will not be considered "plan assets" if less than 25% of the value of each class of equity interests is held by Benefit Plan Investors. This exception is tested, however, immediately after each acquisition or disposition of an offered certificate, whether upon initial issuance or in the secondary market.

Further, the offered certificates will not satisfy the requirements of the so-called "underwriter exemptions". As a result, the relief offered by the underwriter exemptions will not be available for Plans seeking to invest in the offered certificates. In addition, the offered certificates will not meet the requirements of Section III of Prohibited Transaction Class Exemption 95-60, governing investments by insurance company general accounts. In addition, the offered certificates will not constitute "guaranteed governmental mortgage pool certificates" under the Plan Asset Regulations. Consequently, the acquisition or holding of the offered certificates by a Plan may result in non-exempt prohibited transactions and the imposition of excise taxes and/or civil penalties. Accordingly, the offered certificates may not be acquired by, on behalf of, or with assets of any Benefit Plan Investor.

## **Exempt Plan**

A governmental plan as defined in Section 3(32) of ERISA, a church plan as defined in Section 3(33) of ERISA and with respect to which no election has been made under Section 410(d) of the Code, a non-U.S. plan described in Section 4(b)(4) of ERISA, and certain other employee benefit plans and arrangements are not subject to ERISA or Code Section 4975. However, such plans may be subject to Similar Law or other legal restrictions. A fiduciary of any such plan should make its own determination as to the need for and the availability of any exemptive relief under Similar Law or other law.

## **LEGAL INVESTMENT**

No class of the offered certificates will constitute “mortgage related securities” for purposes of the SMMEA. The appropriate characterization of the certificates under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase the certificates, are subject to significant interpretive uncertainties. No representations are made as to the proper characterization of the certificates for legal investment, financial institution regulatory, or other purposes, or as to the ability of particular investors to purchase the certificates under applicable legal investment restrictions. The uncertainties described above (and any unfavorable future determinations concerning the legal investment or financial institution regulatory characteristics of the certificates) may adversely affect the liquidity and market value of the certificates.

We have not engaged any NRSRO to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

Accordingly, all investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal advisors in determining whether and to what extent the certificates will constitute legal investments for them or are subject to investment, capital, or other regulatory restrictions.

## **USE OF PROCEEDS**

We will use the net proceeds from the sale of the offered certificates to pay part of the purchase price of the TELs.

## **PLAN OF DISTRIBUTION**

Under an agreement between the depositor and the placement agents, the placement agents have agreed to purchase any of the certificates not placed with third parties for resale to us. Our agreement with the placement agents provides that we will indemnify them against certain liabilities.

## **LEGAL MATTERS**

The validity of the offered certificates and certain federal income tax matters will be passed upon for us by Dechert LLP. Certain legal matters will be passed upon for the placement agents by Cadwalader, Wickersham & Taft LLP.

## GLOSSARY

The following capitalized terms will have the respective meanings assigned to them in this “Glossary” section whenever they are used in this offering circular supplement, including in any of the exhibits to this offering circular supplement.

“30/360 Basis” means the accrual of interest based on a 360-day year consisting of 12 months each consisting of 30 days.

“Accepted Servicing Practices” means servicing and administering the TELs, underlying mortgage loans and/or REO Properties:

- (i) (a) in the same manner in which, and with the same care, skill, prudence and diligence with which the master servicer or the special servicer, as the case may be, services and administers similar mortgage loans for other third party portfolios, giving due consideration to the customary and usual standards of practice of prudent institutional commercial and multifamily mortgage loan servicers servicing mortgage loans for third parties, which includes for purposes of this clause (a), Freddie Mac Servicing Practices and (b) with the same care, skill, prudence and diligence with which the master servicer or the special servicer, as the case may be, services and administers similar commercial and multifamily mortgage loans owned by it, whichever is higher;
- (ii) with a view to the timely collection of all scheduled payments of principal and interest under the TELs and, in the case of the special servicer, if an underlying mortgage loan comes into and continues in default and if, in the judgment of the special servicer, no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on that underlying mortgage loan to the certificateholders (as a collective whole), on a net present value basis; but
- (iii) without regard to—
  - (a) any relationship that the master servicer or the special servicer, as the case may be, or any of their affiliates may have with the related underlying borrower, the related Governmental Authority, the Originator, the depositor or any other party to the Pooling Agreement,
  - (b) the ownership of any certificate or any subordinate debt by the master servicer or the special servicer, as the case may be, or by any of their affiliates,
  - (c) the master servicer’s obligation to make advances,
  - (d) the special servicer’s obligation to request that the master servicer make Servicing Advances,
  - (e) the right of the master servicer or the special servicer, as the case may be, or any of their affiliates, to receive reimbursement of costs, or the sufficiency of any compensation payable to it, or with respect to any particular transaction,
  - (f) any potential conflict of interest arising from the ownership, servicing or management for others of any other mortgage loans or mortgaged real properties by the master servicer or the special servicer, as the case may be, or any affiliate of the master servicer or the special servicer, as applicable,
  - (g) any obligation of the master servicer (in its capacity as depositor, if applicable) to cure a breach of a representation or warranty or repurchase the underlying mortgage loan,
  - (h) any debt extended to the underlying borrower or any of its affiliates by the master servicer or the special servicer, as the case may be, or any of their affiliates, or

- (i) the right of the master servicer or the special servicer, as the case may be, to exercise any purchase option as described in “The Pooling Agreement—Termination” in this offering circular supplement.

Unless otherwise specified in the Pooling Agreement, all net present value calculations and determinations made pursuant to the Pooling Agreement with respect to the TELs, the underlying mortgage loans or a mortgaged real property or REO Property (including for purposes of the definition of Accepted Servicing Practices) will be made in accordance with the loan documents or, in the event the loan documents are silent, using a discount rate appropriate for the type of cash flows being discounted, namely (a) for principal and interest payments on an underlying mortgage loan or the sale of a Defaulted TEL, the applicable mortgage interest rate and (b) for all other cash flows, including property cash flow, the “discount rate” set forth in the most recent related appraisal (or update of such appraisal).

“Actual/360 Basis” means the accrual of interest based on the actual number of days elapsed during each one-month accrual period in a year assumed to consist of 360 days.

“Actual/Actual Basis” means the accrual of interest based on the actual number of days elapsed during each one-month accrual period and the actual number of days during each year.

“Additional Issuing Entity Expense” means an expense (other than master servicer surveillance fees, special servicer surveillance fees, master servicing fees, sub-servicing fees, certificate administrator fees, trustee fees, the Guarantee Fee and CREFC<sup>®</sup> Intellectual Property Royalty License Fees) of the issuing entity that—

- (i) arises out of a default on an underlying mortgage loan or TEL or an otherwise unanticipated event affecting the issuing entity, whether or not related to a particular underlying mortgage loan or TEL;
- (ii) is not covered by a Servicing Advance, a corresponding collection from the related underlying borrower or indemnification from another person; and
- (iii) to the extent that it is allocable to a particular underlying mortgage loan or TEL, is not covered by late payment charges or Default Interest collected on that underlying mortgage loan or TEL.

We provide some examples of Additional Issuing Entity Expenses under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this offering circular supplement.

“Affiliated Borrower Loan” means any underlying mortgage loan with respect to which the directing certificateholder, any of its managing members or any of its affiliates becomes or is the related underlying borrower (or any proposed replacement underlying borrower) or any Restricted Mezzanine Holder or any such party becomes aware that the directing certificateholder, any of its managing members or any of its affiliates is an affiliate of any underlying borrower (or any proposed replacement underlying borrower) or any Restricted Mezzanine Holder.

“Affiliated Borrower Loan Directing Certificateholder” means the special servicer or, if the related Affiliated Borrower Loan is also an Affiliated Borrower Special Servicer Loan, the Affiliated Borrower Special Servicer.

“Affiliated Borrower Loan Event” means an event that will exist with respect to any underlying mortgage loan if at any time the directing certificateholder, any of its managing members or any of its affiliates becomes or is the related underlying borrower (or any proposed replacement underlying borrower) or any Restricted Mezzanine Holder or becomes aware that the directing certificateholder, any of its managing members or any of its affiliates is an affiliate of the related underlying borrower (or any proposed replacement underlying borrower) or any Restricted Mezzanine Holder. As of the Closing Date, no Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

“Affiliated Borrower Special Servicer” means the successor to the resigning special servicer for the related Affiliated Borrower Special Servicer Loan, which successor is appointed in accordance with the requirements set forth under “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing

Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” in this offering circular supplement.

“Affiliated Borrower Special Servicer Loan” means any underlying mortgage loan with respect to which an Affiliated Borrower Special Servicer Loan Event has occurred and is continuing. As of the Closing Date, there is no Affiliated Borrower Special Servicer Loan.

“Affiliated Borrower Special Servicer Loan Event” means an event that will exist with respect to any underlying mortgage loan if at any time the special servicer obtains knowledge that the special servicer, any of its managing members or any of its affiliates (i) becomes, intends to become or is the related underlying borrower (or a proposed replacement underlying borrower) or a Restricted Mezzanine Holder, (ii) becomes aware that the special servicer, any of its managing members or any of its affiliates is or intends to become an affiliate of the related underlying borrower (or affiliate of the proposed replacement underlying borrower) or a Restricted Mezzanine Holder or (iii) becomes or intends to become the owner of a direct or indirect interest in the related underlying borrower (including a security interest (but not including a mezzanine loan unless the special servicer is a Restricted Mezzanine Holder) or preferred equity or participation interest) or in the related mortgaged real property (including any lien on such mortgaged real property). As of the Closing Date, no Affiliated Borrower Special Servicer Loan Event is expected to exist.

“Aggregate Annual Cap” means, with respect to any Third Party Master Servicer and certain indemnified sub-servicers, the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap; with respect to the special servicer, the Special Servicer Aggregate Annual Cap; with respect to the trustee, the Trustee Aggregate Annual Cap; with respect to the certificate administrator and the custodian, the Certificate Administrator/Custodian Aggregate Annual Cap; and with respect to the depositor, the Depositor Aggregate Annual Cap; *provided*, that if the same person or entity is the trustee and the certificate administrator/custodian, Aggregate Annual Cap will refer to the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, and not the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap.

“Aggregate Annual Cap Termination Date” means the earlier to occur of (i) the determination date in November 2034 and (ii) any determination date on which the master servicer determines that the aggregate amount of Unreimbursed Indemnification Expenses (with interest on such amounts) and other outstanding Servicing Advances (with interest on such amounts), P&I Advances (with interest on such amounts), nonrecoverable advances (with interest on such amounts), Workout-Delayed Reimbursement Amounts (with interest on such amounts) and Additional Issuing Entity Expenses (excluding special servicing fees, liquidation fees and workout fees) equals or exceeds an amount equal to 50% of the outstanding principal balance of the mortgage pool on such determination date (after the application of all payments of principal and/or interest collected during the related Collection Period).

“Appraisal Reduction Amount” means, for any distribution date and for any TEL and underlying mortgage loan as to which any Appraisal Reduction Event has occurred, subject to the discussion under “The Pooling Agreement—Required Appraisals” in this offering circular supplement, an amount equal to the excess, if any, of (i) the Stated Principal Balance of the TEL and underlying mortgage loan over (ii) the excess, if any, of (a) the sum of (1) 90% of the appraised value of the related mortgaged real property as determined (A) by one or more independent MAI appraisals with respect to any TEL and underlying mortgage loan with an outstanding principal balance greater than or equal to \$2,000,000 (the costs of which will be required to be paid by the master servicer as a Servicing Advance) or (B) by an independent MAI appraisal (or an update of a prior appraisal) or an internal valuation performed by the special servicer with respect to any TEL and underlying mortgage loan with an outstanding principal balance less than \$2,000,000, in the case of either (A) or (B), as such appraisal or internal valuation may be adjusted downward by the special servicer in accordance with the Servicing Standard, without implying any duty to do so, based on the special servicer’s review of such appraisal, internal valuation or such other information as the special servicer deems relevant, plus (2) any letter of credit, reserve, escrow or similar amount held by the master servicer which may be applied to payments on the TEL and underlying mortgage loan over (b) the sum of (1) to the extent not previously advanced by the master servicer or the trustee, all unpaid interest on the TEL and underlying mortgage loan at a *per annum* rate equal to its mortgage interest rate, (2) all unreimbursed advances in respect of the TEL and underlying mortgage loan and interest on such amounts at the Prime Rate and (3) all currently due and unpaid real estate taxes and assessments, insurance policy premiums, ground rents and all other amounts due and unpaid with respect to the TEL and underlying mortgage loan (which taxes, assessments, premiums, ground rents and other amounts have not been subject to an advance by the master servicer or the trustee and/or for which funds have not been escrowed).

“Appraisal Reduction Event” means, with respect to any TEL and underlying mortgage loan, the earliest of any of the following events—

- (i) 120 days after an uncured delinquency (without regard to the application of any grace period) occurs in respect of a TEL and underlying mortgage loan (except that with respect to a balloon payment delinquency, an Appraisal Reduction Event will not be deemed to occur until the TEL and underlying mortgage loan becomes a Specially Serviced Mortgage Loan);
- (ii) the date on which a reduction in the amount of monthly payments on a TEL and underlying mortgage loan, or a change in any other material economic term of the TEL and underlying mortgage loan (other than an extension of its scheduled maturity date for a period of six months or less), becomes effective as a result of a modification of such TEL and underlying mortgage loan by the special servicer;
- (iii) 60 days after a receiver or liquidator has been appointed for the related underlying borrower or immediately after a receiver has been appointed for the related mortgaged real property;
- (iv) 30 days after an underlying borrower declares bankruptcy;
- (v) 60 days after the underlying borrower becomes the subject of an undischarged and unstayed decree or order for a bankruptcy proceeding; and
- (vi) immediately after a mortgaged real property becomes an REO Property;

*provided, however*, that there will be no reduction in any advance for delinquent monthly debt service payments if an Appraisal Reduction Event occurs at any time after the outstanding certificate balance of the class B certificates has been reduced to zero.

“Appraised Value” means, for any mortgaged real property securing an underlying mortgage loan, the “as is” value estimate reflected in the most recent appraisal obtained by or otherwise in the possession of the related Governmental Authority or Originator, except as described on Exhibit A-1 and/or the related footnotes as to any underlying mortgage loan with an “as-stabilized” value, which value is estimated assuming satisfaction of projected re-tenancing or increased tenant occupancy conditions, or with an “as-proposed” value, an “as-renovated” value, or an “as-rehabbed” value, each of which values is estimated assuming certain renovations are completed.

In general, the amount of costs assumed by the appraiser for these purposes is based on—

- (i) an estimate by the individual appraiser;
- (ii) an estimate by the related underlying borrower;
- (iii) the estimate set forth in the property condition assessment conducted in connection with the origination of the related underlying mortgage loan; or
- (iv) a combination of these estimates.

“Approved Directing Certificateholder” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Approved Directing Certificateholder Criteria” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Asset Status Report” means the report designated as such and described under, “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement.

“Assumed Final Distribution Date” means, with respect to any class of certificates, the date set forth for such class in the table on page 7.

“Available Distribution Amount” means, with respect to any distribution date, amounts on deposit in the distribution account available to make distributions on the certificates on that date, generally equal to (i) the sum of (a) the aggregate amount received on or with respect to the TELs and any related REO Properties on or prior to the related determination date, (b) the aggregate amount of revenues and other proceeds derived from REO Properties (net of amounts necessary for the proper operation, management, leasing, maintenance and disposition of such REO Properties) for such distribution date, (c) the aggregate amount of any P&I Advances, which P&I Advances will not include any master servicing fees, sub-servicing fees, master servicer surveillance fees and special servicer surveillance fees, made by the master servicer and/or the trustee, as applicable, for such distribution date, (d) any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period, and (e) excess liquidation proceeds (but only to the extent that the Available Distribution Amount for such distribution date would be less than the amount distributable to the certificateholders on such distribution date), minus (ii)(a) all collected monthly payments due after the end of the related Collection Period, (b) all amounts payable or reimbursable from the collection account and the distribution account pursuant to the terms of the Pooling Agreement for the payment of certain expenses, fees and indemnities, (c) all Yield Maintenance Charges and Static Prepayment Premiums, (d) all amounts deposited in the collection account in error, (e) any net interest or net investment income on funds in the collection account, any REO account or Permitted Investments, and (f) excess liquidation proceeds.

The certificate administrator will apply the Available Distribution Amount as described under “Description of the Certificates—Distributions” in this offering circular supplement to pay principal and accrued interest on the certificates on that date.

“B-Piece Buyer” means any anticipated initial investor in the class B certificates.

“Balloon Guarantor Payment” means, with respect to any distribution date and the class A certificates, the amount of additional principal that would have been distributed to the class A certificates if the Principal Distribution Amount had been increased by an amount equal to the aggregate amount of the Stated Principal Balance of each underlying Balloon Loan that reached its scheduled maturity date (without giving effect to any acceleration of principal of such underlying Balloon Loan by reason of a default and without regard to any grace period permitted by the related note or any modifications, waivers or amendments granted by the master servicer or the special servicer after the Closing Date) during the related Collection Period but as to which the related underlying borrower failed to pay the entire outstanding principal balance of the underlying Balloon Loan, including the balloon payment by the end of such Collection Period (and with respect to which no final recovery determination has been made prior to its scheduled maturity date); such aggregate amount not to exceed the total outstanding principal balance of the class A certificates, as reduced by the Principal Distribution Amount to be applied in reduction of the outstanding principal balance of the class A certificates on such distribution date.

“Balloon Loan” means any TEL and underlying mortgage loan whose principal balance is not scheduled to be fully amortized by the underlying mortgage loan’s scheduled maturity date and thus requires a payment at such scheduled maturity date larger than the regular monthly debt service payment due on such underlying mortgage loan.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“BBA” means The British Bankers’ Association.

“Business Day” means any day other than a Saturday, a Sunday or any day on which banking institutions in the City and State of New York, the States of Kansas, North Carolina or Ohio, the Commonwealth of Virginia, or in the cities in which the principal offices of Freddie Mac, the certificate administrator, the custodian, the master servicer or the special servicer are located or the city in which the corporate trust office of the trustee is located, are authorized or obligated by law, executive order or governmental decree to remain closed.

“Calculation Agent” means, for so long as any of the class A certificates remain outstanding, an agent appointed to calculate LIBOR in respect of each Interest Accrual Period for the class A certificates. The certificate administrator will be the initial Calculation Agent for purposes of determining LIBOR for each Interest Accrual Period for the class A certificates.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

“Certificate Administrator/Custodian Aggregate Annual Cap” means \$300,000 per calendar year in the aggregate with respect to the certificate administrator and the custodian.

“Class Final Guarantor Payment” means any payment made by the Guarantor in respect of clause (iv) of the definition of “Deficiency Amount”.

“Closing Date” means the date of initial issuance for the certificates, which will be on or about May 23, 2018.

“CMBS” means commercial and multifamily mortgage-backed securities.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collection Period” means, with respect to any distribution date for the certificates, the related period commencing immediately following the determination date in the calendar month preceding the month in which such distribution date occurs and ending on and including the determination date in the calendar month in which such distribution date occurs, or, with respect to the first distribution date for the certificates, the period commencing on the Cut-off Date and ending on and including the determination date in June 2018.

“Consent Actions” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement.

“Conservator” means FHFA, in its capacity as Freddie Mac’s conservator.

“Controlling Class” means, as of the Closing Date, the class B certificates, until the outstanding principal balance of such class is less than 25% of the initial principal balance of such class; and thereafter the class A certificates. However, if the class B certificates are the only class with an outstanding principal balance, the class B certificates will be the Controlling Class.

“Controlling Class Majority Holder” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Controlling Class Majority Holder Rights” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Corrected Mortgage Loan” means any Specially Serviced Mortgage Loan that has become a performing mortgage loan, in accordance with its original term or as modified in accordance with the Pooling Agreement, for three consecutive monthly payments and that no other Servicing Transfer Event is continuing with respect to such Specially Serviced Mortgage Loan and the servicing of which has been returned to the master servicer; *provided* that no additional Servicing Transfer Event is foreseeable in the reasonable judgment of the special servicer. For the avoidance of doubt, upon a Specially Serviced Mortgage Loan becoming a Corrected Mortgage Loan, the servicing of the related TEL shall also be returned to the master servicer.

“Cost Approach” means the determination of the value of a mortgaged real property arrived at by adding the estimated value of the land to an estimate of the current replacement cost of the improvements, and then subtracting depreciation from all sources.

“CPR” means an assumed constant rate of prepayments each month, which is expressed on a *per annum* basis, relative to the then-outstanding principal balance of a pool of mortgage loans for the life of those loans. The CPR model is the prepayment model that we use in this offering circular supplement.

“CREFC®” means the Commercial Real Estate Finance Council, an international trade organization for the commercial real estate capital markets.

“CREFC® Intellectual Property Royalty License Fee” means, with respect to each TEL, the monthly fee to be paid to CREFC® pursuant to the Pooling Agreement in an amount equal to the product of (i) the CREFC®

Intellectual Property Royalty License Fee Rate multiplied by (ii) the Stated Principal Balance of such TEL (calculated using the same interest accrual basis as such TEL).

“CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate” means the CREFC<sup>®</sup> Intellectual Property Royalty License Fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

“CREFC Investor Reporting Package<sup>®</sup>” means:

- (i) the following seven electronic files: (a) CREFC<sup>®</sup> Loan Setup File, (b) CREFC<sup>®</sup> Loan Periodic Update File, (c) CREFC<sup>®</sup> Property File, (d) CREFC<sup>®</sup> Bond Level File, (e) CREFC<sup>®</sup> Financial File, (f) CREFC<sup>®</sup> Collateral Summary File and (g) CREFC<sup>®</sup> Special Servicer Loan File;
- (ii) the following 11 supplemental reports: (a) CREFC<sup>®</sup> Delinquent Loan Status Report, (b) CREFC<sup>®</sup> Historical Loan Modification/Forbearance and Corrected Mortgage Loan Report, (c) CREFC<sup>®</sup> Historical Liquidation Loss Report, (d) CREFC<sup>®</sup> REO Status Report, (e) CREFC<sup>®</sup> Loan Level Reserve/LOC Report, (f) CREFC<sup>®</sup> Comparative Financial Status Report, (g) CREFC<sup>®</sup> Servicer Watchlist, (h) CREFC<sup>®</sup> Operating Statement Analysis Report, (i) CREFC<sup>®</sup> NOI Adjustment Worksheet, (j) CREFC<sup>®</sup> Reconciliation of Funds Report and (k) the CREFC<sup>®</sup> Advance Recovery Report; and
- (iii) such other reports as CREFC<sup>®</sup> may designate as part of the “CREFC Investor Reporting Package<sup>®</sup>” from time to time generally; or
- (iv) in lieu of (i), (ii) and (iii), such new CREFC Investor Reporting Package<sup>®</sup> as published by the CREFC<sup>®</sup> and consented to by the Approved Directing Certificateholder (if any), Freddie Mac and the master servicer.

“CREFC<sup>®</sup> Website” means the website located at “www.crefc.org” or such other primary website as the CREFC<sup>®</sup> may establish for dissemination of its report forms.

“Crossed Loan Group” has the meaning assigned to such term under “Descriptions of the TELs and Underlying Mortgage Loans—General” in this offering circular supplement.

“Crossed Loan Repurchase Criteria” has the meaning assigned to such term under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement.

“Cut-off Date” has the meaning assigned to such term under “Summary of Offering Circular Supplement—Transaction Overview” in this offering circular supplement.

“Cut-off Date Balance/Unit” means:

- with respect to any underlying mortgage loan other than an underlying mortgage loan referred to in the following bullet point, the ratio of—
  - (i) the Cut-off Date Principal Balance of the underlying mortgage loan and any related *pari passu* loan (if applicable), to
  - (ii) the Total Units at the related mortgaged real property (or in the case of an underlying mortgage loan secured by multiple mortgaged real properties, the sum of the Total Units at the related mortgaged real properties); and
- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple mortgaged real properties, the ratio of—
  - (i) the aggregate Cut-off Date Principal Balance of the underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, to
  - (ii) the sum of the Total Units at all of the related mortgaged real properties.

“Cut-off Date Loan-to-Value Ratio” or “Cut-off Date LTV” means:

- with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in the next bullet point, the ratio of—
  - (i) the Cut-off Date Principal Balance of the underlying mortgage loan, to
  - (ii) the most recent Appraised Value of the related mortgaged real property (or in the case of an underlying mortgage loan secured by multiple mortgaged real properties, the sum of the Appraised Values of the related mortgaged real properties); and
- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple mortgaged real properties, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of—
  - (i) the Cut-off Date Principal Balance of the underlying mortgage loan, to
  - (ii) the most recent Appraised Value of the related mortgaged real property,

in each case, weighted based on the Cut-off Date Principal Balance for such underlying mortgage loan relative to the aggregate Cut-off Date Principal Balance of it and all such underlying mortgage loans with which it is cross-collateralized.

“Cut-off Date Principal Balance” or “Cut-off Date Loan Amount” means, with respect to any TEL and underlying mortgage loan, the outstanding principal balance of such underlying mortgage loan as of the Cut-off Date.

“DCH Pre-Approval” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Defaulted Crossed TEL” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Default Interest” means any interest that (i) accrues on a Defaulted TEL solely by reason of the subject default; and (ii) is in excess of all interest at the regular mortgage interest rate for the TEL.

“Defaulted TEL Fair Value Purchase Price” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Defaulted TEL” means any TEL (i) that is at least 60 days delinquent in respect of its monthly payments, without giving effect to any grace period permitted by the related mortgage, loan agreement or mortgage note, (ii) that is delinquent in respect of its balloon payment, if any, without giving effect to any grace period permitted by the related mortgage, loan agreement or mortgage note, (iii) as to which any non-monetary event of default occurs that results in the TEL becoming a Specially Serviced Mortgage Loan or (iv) as to which the related underlying mortgage loan would be a defaulted underlying mortgage loan pursuant to clauses (i) through (iii) of this definition, *provided, however*, that no monthly payment (other than a balloon payment) will be deemed delinquent if less than \$10 of all amounts due and payable on such TEL has not been received.

“Deficiency Amount” means, with respect to any distribution date and any class of offered certificates, the sum of (i) the amount, if any, by which the interest payable on such class of offered certificates exceeds the amount of interest actually distributed to the holders of such offered certificates on such distribution date, (ii) any Balloon Guarantor Payment for such class of offered certificates, (iii) with respect to the class A certificates, the amount, if any, of Realized Losses (including those resulting from Additional Issuing Entity Expenses) allocated to the class A certificates, and (iv) on the Assumed Final Distribution Date for the class A certificates, the outstanding principal balance of such class on such Assumed Final Distribution Date (after giving effect to all amounts distributable and allocable to principal on such class but prior to giving effect to any Guarantor Payment including any Balloon Guarantor Payment for such class on such final distribution date).

“Depositor Aggregate Annual Cap” means \$300,000 per calendar year.

“Directing Certificateholder Approval Period” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Directing Certificateholder Increased Offer Notice Period” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Directing Certificateholder Notice” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” in this offering circular supplement.

“Directing Certificateholder Servicing Consultant” has the meaning assigned to such term under “Summary of Offering Circular Supplement—Relevant Parties/Entities—Special Servicers” in this offering circular supplement.

“Dodd-Frank Act” means The Dodd-Frank Wall Street Reform and Consumer Protection Act.

“EEA” means the European Economic Area.

“ESA” means an environmental site assessment.

“Estimated Annual Operating Expenses” means, for each of the mortgaged real properties securing an underlying mortgage loan, the historical annual operating expenses for the property, adjusted upward or downward, as appropriate, to reflect, among other things, any expense modifications made as discussed below.

For purposes of calculating the Estimated Annual Operating Expenses for any mortgaged real property securing an underlying mortgage loan:

- (i) the “historical annual operating expenses” for that property normally consist of historical expenses that were generally obtained/estimated—
  - (a) from operating statements relating to a complete fiscal year of the underlying borrower for the prior three calendar years or a trailing 12-month period ended in one such year,
  - (b) by annualizing the most recent partial calendar year amount of operating expenses for which operating statements were available, with adjustments for some items deemed inappropriate for annualization,
  - (c) by calculating a stabilized estimate of operating expenses which takes into consideration historical financial statements and material changes in the operating position of the property, such as newly signed leases and market data, or
  - (d) if the property was recently constructed, by calculating an estimate of operating expenses based on the appraisal of the property or market data; and
- (ii) the “expense modifications” made to the historical annual operating expenses for that property often include—
  - (a) assuming, in most cases, that a management fee, equal to approximately 2.5% to 5.0% of total revenues, was payable to the property manager,
  - (b) adjusting historical expense items upwards or downwards to reflect inflation and/or industry norms for the particular type of property,
  - (c) the underwritten recurring replacement reserve amounts, and
  - (d) adjusting historical expenses downwards by eliminating various items which are considered non-recurring in nature or which are considered capital improvements, including recurring capital improvements.

The amount of any underwritten recurring replacement reserve amounts and/or underwritten leasing commissions and tenant improvements for each of the mortgaged real properties securing an underlying mortgage loan is shown in the table titled “Engineering Reserves and Recurring Replacement Reserves” on Exhibit A-1. The underwritten recurring replacement reserve amounts shown on Exhibit A-1 are expressed as dollars per unit.

By way of example, Estimated Annual Operating Expenses generally include—

- (i) salaries and wages;
- (ii) the costs or fees of—
  - (a) utilities,
  - (b) repairs and maintenance,
  - (c) replacement reserves,
  - (d) marketing,
  - (e) insurance,
  - (f) management,
  - (g) landscaping, and/or
  - (h) security, if provided at the property, and
- (iii) the amount of taxes, general and administrative expenses and other costs.

Estimated Annual Operating Expenses generally do not reflect, however, any deductions for debt service, depreciation and amortization or capital expenditures or reserves for any of those items, except as described above.

Estimated Annual Operating Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Estimated Annual Operating Expenses set forth in this offering circular supplement. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of the Governmental Authorities, the depositor, the Originator, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Operating Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Operating Expenses for a mortgaged real property, the related Governmental Authority in most cases relied on generally unaudited financial information provided by the respective underlying borrowers. No assurance can be given with respect to the accuracy of the information provided by any underlying borrowers, or the adequacy of any procedures used by the Governmental Authorities in determining the Estimated Annual Operating Expenses.

“Estimated Annual Revenues” generally means, for each of the mortgaged real properties securing an underlying mortgage loan, the base estimated annual revenues for the property, adjusted upward or downward, as appropriate, to reflect any revenue modifications made as discussed below.

For purposes of calculating the Estimated Annual Revenues for any mortgaged real property securing an underlying mortgage loan:

- (i) the “base estimated annual revenues” for that property were generally assumed to equal the annualized amounts of gross potential rents; and

- (ii) the “revenue modifications” made to the base estimated annual revenues for that property often include—
  - (a) adjusting the revenues downwards by applying a combined vacancy and rent loss, including concessions, adjustment that reflected then current occupancy or, in some cases, a stabilized occupancy or, in some cases, an occupancy that was itself adjusted for historical trends or market rates of occupancy with consideration to competitive properties,
  - (b) adjusting the revenues upwards to reflect, in the case of some tenants, increases in base rents scheduled to occur during the following 12 months,
  - (c) adjusting the revenues upwards for estimated income consisting of, among other items, late fees, laundry income, application fees, cable television fees, storage charges, electrical pass throughs, pet charges, janitorial services, furniture rental and parking fees, and
  - (d) adjusting the revenues downwards in some instances where rental rates were determined to be significantly above market rates and the subject space was then currently leased to tenants that did not have long-term leases or were believed to be unlikely to renew their leases.

Estimated Annual Revenues for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Estimated Annual Revenues set forth in this offering circular supplement. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the Governmental Authorities, the depositor, the Originator, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Revenues for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Revenues for a mortgaged real property, the related Governmental Authority in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective underlying borrowers. No assurance can be given with respect to the accuracy of the information provided by any underlying borrowers, or the adequacy of any procedures used by the related Governmental Authority in determining the Estimated Annual Revenues.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Value” means the amount that, in the special servicer’s judgment, exercised in accordance with the Servicing Standard, and taking into account the factors specified in the Pooling Agreement, is the fair value of a Defaulted TEL.

“Fair Value Notice” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Fair Value Purchase Notice” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Fannie Mae” means the Federal National Mortgage Association.

“FHFA” means the Federal Housing Finance Agency.

“Fidelity Insurance” has the meaning assigned to such term under “The Pooling Agreement—Liability of the Servicers” in this offering circular supplement.

“First Offeror” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Fitch” means Fitch Ratings, Inc., and its successors-in-interest.

“Freddie Mac” means Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended, or any successor to it (“FHLMC”), or certain of its affiliates, if any, who assume certain obligations or are assigned certain rights under the Pooling Agreement, as described under “Description of the Depositor and Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this offering circular supplement; *provided, however*, that “Freddie Mac” means FHLMC with respect to its obligations as (i) purchaser and depositor pursuant to the Pooling Agreement and (ii) Guarantor pursuant to the Freddie Mac Guarantee.

“Freddie Mac Act” means Title III of the Emergency Home Finance Act of 1970, as amended.

“Freddie Mac Guarantee” means obligations of the Guarantor as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this offering circular supplement.

“Freddie Mac Increased Offer Notice” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Freddie Mac Increased Offer Notice Period” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Freddie Mac Servicing Practices” means, with regard to the servicing of the TELs, the underlying mortgage loans and/or REO Properties by the master servicer, any sub-servicer or the special servicer, and only to the extent such practices have been made available in writing or communicated in writing by Freddie Mac to the master servicer, such sub-servicer or the special servicer, as applicable, servicing and administering the TELs and/or REO Properties in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by it, which will include, without limitation, servicing and administering the TELs, the underlying mortgage loans and/or REO Properties in accordance with the Guide and any Freddie Mac written policies, procedures or other communications made available in writing by Freddie Mac to the master servicer, such sub-servicer or special servicer, as applicable, including written communications from Freddie Mac as servicing consultant, pursuant to the Pooling Agreement.

“GAAP” means generally accepted accounting principles.

“Governmental Authority” means the State or local governmental obligor or obligors on any related TEL, including any person that has assumed the obligations of the original obligor under the TEL promissory note.

“Guarantee Cap Payment” means, with respect to any distribution date and related Interest Accrual Period, a payment under the Freddie Mac Guarantee equal to the amount, if any, by which the amount of interest accrued on the outstanding principal balance of the class A certificates exceeds Net Interest Collections.

“Guarantee Fee” means, for any distribution date and with respect to the offered certificates, the fee payable to the Guarantor in respect of its services as Guarantor, which fee accrues at the Guarantee Fee Rate on a balance equal to the total outstanding principal balance of the class A certificates immediately prior to such distribution date. The Guarantee Fee will accrue on an Actual/360 Basis and will be based on the number of days in the related Interest Accrual Period for the class A certificates; *provided, however*, that if on any distribution date, the Guarantor will be required to make a Taxable Guarantor Payment, the Guarantee Fee will be reduced by an amount equal to the lesser of (a) the Guarantee Fee otherwise payable on such distribution date and (b) the Taxable Guarantor Payment (*provided* that the Guarantee Fee may not be less than zero).

“Guarantee Fee Rate” means the guarantee fee rate set forth in “Description of the Certificates—Fees and Expenses” in this offering circular supplement.

“Guarantor” means Freddie Mac, in its capacity as the guarantor of the offered certificates.

“Guarantor Payment” means any payment made by the Guarantor in respect of a Deficiency Amount.

“Guarantor Reimbursement Amount” means, with respect to any distribution date and any class of offered certificates, the sum of all amounts paid by the Guarantor in respect of Deficiency Amounts for such class of offered

certificates on such distribution date and on all prior distribution dates, to the extent not previously reimbursed (including from collections in respect of any mortgage loan on which a Balloon Guarantor Payment was made).

“Guarantor Reimbursement Interest Amount” means, with respect to any distribution date and any class of offered certificates, interest on any Guarantor Reimbursement Amount (other than with respect to a Timing Guarantor Payment and a Taxable Guarantor Payment) for such class at a *per annum* rate for each day (calculated on a daily basis) equal to the Prime Rate for such day plus 2.00%, calculated on an Actual/360 Basis.

“Guarantor Timing Reimbursement Amount” means, with respect to any distribution date and the class A certificates, the portion of any Guarantor Reimbursement Amount related to any Timing Guarantor Payment for the class A certificates, together with any related Timing Guarantor Interest.

“Guide” means the Freddie Mac Multifamily Seller/Servicer Guide, as amended or supplemented from time to time. To the extent the Freddie Mac Multifamily Seller/Servicer Guide is no longer published by Freddie Mac, either directly or indirectly, “Guide” will refer to any successor guide as prescribed by Freddie Mac, which will be provided by Freddie Mac upon request if not otherwise reasonably accessible to the parties to the Pooling Agreement; *provided, however*, that in the event that no successor guide is prescribed by Freddie Mac within 90 days of the date on which the Guide is no longer published by Freddie Mac, all references to the “Guide” in the Pooling Agreement will be disregarded and the Guide will no longer be applicable. For purposes of the Pooling Agreement, the term “Guide” will not include any form referenced in the Freddie Mac Multifamily Seller/Servicer Guide. Such forms will be applicable at the option of the master servicer, the special servicer or any sub-servicer.

“HUD” means the United States Department of Housing and Urban Development.

“IBA” means ICE Benchmark Administration Limited, or any successor to it.

“Income Approach” means the determination of the value of a mortgaged real property by using the discounted cash flow method of valuation or by the direct capitalization method. The discounted cash flow analysis is used in order to measure the return on a real estate investment and to determine the present value of the future income stream expected to be generated by the mortgaged real property. The future income of the mortgaged real property, as projected over an anticipated holding period, and the resulting net operating incomes or cash flows are then discounted to present value using an appropriate discount rate. The direct capitalization method generally converts an estimate of a single year’s income expectancy, or, in some cases, a hypothetical stabilized single year’s income expectancy, into an indication of value by dividing the income estimate by an appropriate capitalization rate. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value. In utilizing the Income Approach, the appraiser’s method of determination of gross income, gross expense and net operating income for the subject property may vary from the method of determining Underwritten Net Operating Income for that property, resulting in variances in the related net operating income values.

“Increased Offer Notice” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Initial Directing Certificateholder” means PAC ML04, a Delaware limited liability company and an affiliate of Preferred Apartment Communities Operating Partnership, LP, and its successors-in-interest.

“Interest Accrual Period” for any distribution date means, (i) with respect to the first distribution date, the period commencing on the Closing Date and ending on June 24, 2018, and (ii) with respect to any distribution date thereafter, the period commencing on and including the 25th day of the month preceding the month in which such distribution date occurs and ending on and including the 24th day of the month in which such distribution date occurs.

“Interest Rate Cap Agreements” means the interest rate cap agreements purchased from third-party sellers for the underlying mortgage loans.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“IRS” means the Internal Revenue Service.

“KeyBank” means KeyBank National Association, a national banking association, and its successors-in-interest.

“LIBOR” means, for any Interest Accrual Period, the IBA’s one-month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page, as determined on the related LIBOR Determination Date; *provided, however*, that, for purposes of the class A certificates, in the event LIBOR with respect to any Interest Accrual Period is less than zero, LIBOR for such Interest Accrual Period will be deemed to be zero. LIBOR is assumed to be approximately 2.00000% *per annum* for the Interest Accrual Period relating to the first Distribution Date for the class A certificates. However, no assurance can be given as to the specific LIBOR rate on the first LIBOR Determination Date. With respect to each LIBOR Determination Date, LIBOR for the class A certificates will be determined by the Calculation Agent.

“LIBOR Determination Date” means, with respect to any Interest Accrual Period and the class A certificates, the third day preceding the beginning of such Interest Accrual Period for which LIBOR has been released by the IBA.

“LIBOR Index Page” means the Bloomberg L.P., page “BBAM,” or such other page for LIBOR as may replace page BBAM on that service, or at the option of the Calculation Agent (i) the applicable page for LIBOR on another service which electronically transmits or displays IBA LIBOR rates, or (ii) any publication of LIBOR rates available from the IBA. In the event the IBA ceases to set or publish a rate for LIBOR, the Calculation Agent will use the industry-designated alternative index, as confirmed by the Guarantor, and such alternative index will constitute the LIBOR Index Page. If no alternative index is designated, the Calculation Agent will use the alternative index set out in the Guide or in any communications made available in writing by Freddie Mac relating to the index being used at such time by Freddie Mac for its multifamily mortgage loans and such alternative index will constitute the LIBOR Index Page; *provided* that if no such alternative index is set out in the Guide or in any such communications made available in writing by Freddie Mac, the Guarantor will designate an alternative index, and such alternative index will constitute the LIBOR Index Page. The Calculation Agent will promptly notify the parties to the Pooling Agreement of any designation of an alternative index.

“Liquidation Proceeds” means cash amounts (other than income, rents and profits derived from the ownership, operation or leasing of an REO Property) actually received, net of expenses, in connection with (i) the liquidation of a mortgaged real property or other collateral constituting security for a Defaulted TEL, through trustee’s sale, foreclosure sale, REO disposition or otherwise, exclusive of any portion of cash amounts required to be released to the related underlying borrower; (ii) the realization upon any deficiency judgment obtained against an underlying borrower; (iii) the purchase of a Defaulted TEL by the directing certificateholder (or any assignee or affiliate), Freddie Mac (or any assignee) in accordance with the Pooling Agreement; (iv) the repurchase or replacement of a TEL by or on behalf of the depositor in connection with a defect in any mortgage loan file or a breach of any of its representations and warranties; or (v) the purchase of all of the TELs and REO Properties remaining in the issuing entity by the holders of a majority interest of the Controlling Class (excluding Freddie Mac), the Third Party Master Servicer or the special servicer pursuant to the terms of the Pooling Agreement.

“Manors I And II Apartments TEL and Mortgage Loan” means the TEL and related underlying mortgage loan secured by the mortgage real property identified as “Manors I And II Apartments” on Exhibit A-1.

“Maturity Balance” means, with respect to any underlying mortgage loan, the outstanding principal balance of the underlying mortgage loan immediately prior to its maturity, according to the payment schedule for the underlying mortgage loan and otherwise assuming no prepayments, defaults or extensions.

“Maturity Loan-to-Value Ratio” or “Maturity LTV” means:

- with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in the following bullet point, the ratio of—
  1. the Maturity Balance of the underlying mortgage loan, to

2. the most recent Appraised Value of the related mortgaged real property (or in the case of an underlying mortgage loan secured by multiple mortgaged real properties, the sum of the Appraised Values of the related mortgaged real properties); and
- with respect to any underlying mortgage loan that is secured, including through cross-collateralization with other underlying mortgage loans, by multiple mortgaged real properties, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of—
  1. the Maturity Balance of the underlying mortgage loan, to
  2. the most recent Appraised Value of the related mortgaged real property,

in each case, weighted based on the Cut-off Date Principal Balance for such underlying mortgage loan relative to the aggregate Cut-off Date Principal Balance of it and all such underlying mortgage loans with which it is cross-collateralized.

“Modeling Assumptions” means, collectively, the following assumptions regarding the certificates and the TELs:

- (i) the TELs have the characteristics set forth on Exhibit A-1 and the initial TEL pool balance is approximately \$276,283,971;
- (ii) the initial principal balance or notional amount, as the case may be, of each class of certificates is as described in this offering circular supplement;
- (iii) the pass-through rate for each interest-bearing class of certificates is as described in this offering circular supplement;
- (iv) LIBOR remains constant at 2.00% *per annum* and SIFMA remains constant at 2.00% *per annum*;
- (v) there are no delinquencies, modifications or losses with respect to the TELs;
- (vi) no underlying mortgage loan is a Specially Serviced Mortgage Loan;
- (vii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service or balloon payments by the underlying borrowers on the TELs;
- (viii) there are no Appraisal Reduction Amounts with respect to the TELs;
- (ix) there are no casualties or condemnations affecting the corresponding mortgaged real properties;
- (x) each of the TELs provides monthly debt service payments to be due on the first day of each month, regardless of whether the subject date is a business day or not;
- (xi) monthly debt service payments on the TELs are timely received on their respective due dates in each month, regardless of whether the subject date is a business day or not;
- (xii) no voluntary or involuntary prepayments are received as to any underlying mortgage loan during that underlying mortgage loan’s prepayment lockout period, including any contemporaneous defeasance period, Yield Maintenance Period or Static Prepayment Premium Period;
- (xiii) except as otherwise assumed in assumption (xii) above, prepayments are made on each of the TELs at the indicated CPRs set forth in the subject tables or other relevant part of this offering circular supplement, without regard to any limitations in those TELs on partial voluntary principal prepayments;
- (xiv) all prepayments on the TELs are assumed to be—
  - (a) accompanied by a full month’s interest, and

- (b) received on the applicable due date of the relevant month;
- (xv) no person or entity entitled under the Pooling Agreement exercises its right of optional termination as described under “The Pooling Agreement—Termination” in this offering circular supplement;
- (xvi) none of the TELs is required to be repurchased or replaced by the Originator or any other person, as described under “Description of the TELs and Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this offering circular supplement;
- (xvii) the Administration Fee Rate is as set forth on Exhibit A-1 and the only other issuing entity expense is the Guarantee Fee;
- (xviii) the trustee fee and the certificate administrator fee are calculated on a 30/360 Basis;
- (xix) there are no Additional Issuing Entity Expenses;
- (xx) distributions on the offered certificates are made on the 25th day of each month, commencing in June 2018; and
- (xxi) the offered certificates are settled on an assumed settlement date of May 23, 2018.

“Monthly Closing Election” has the meaning assigned to such term under “Certain Federal Income Tax Consequences—Taxation of Holders—Classification as a Partnership” in the accompanying Offering Circular.

“Moody’s” means Moody’s Investors Service, Inc., and its successors-in-interest.

“Most Recent EGI” generally means, for any mortgaged real property that secures an underlying mortgage loan, the revenues received (effective gross income), or annualized or estimated in some cases, in respect of the property for the 12-month period ended as of the Most Recent Financial End Date, based on the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related underlying borrower. For purposes of the foregoing, revenues generally consist of all revenues received in respect of the property, including rental and other revenues.

In determining the Most Recent EGI for any property, the related Governmental Authority may have made adjustments to the financial information provided by the related underlying borrower similar to those used in calculating the Estimated Annual Revenues for that property.

Most Recent EGI for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Most Recent EGI set forth in this offering circular supplement. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the related Governmental Authority, the depositor, the Originator, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent EGI for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Most Recent EGI for a mortgaged real property, the related Governmental Authority in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective underlying borrowers. No assurance can be given with respect to the accuracy of the information provided by any underlying borrowers, or the adequacy of any procedures used by the related Governmental Authority in determining the Most Recent EGI.

“Most Recent Expenses” means, for any mortgaged real property that secures an underlying mortgage loan, the expenses incurred, or annualized or estimated in some cases, for the property for the 12-month period ended as of the most recent operating statement date, based on the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related underlying borrower.

Expenses generally consist of all expenses incurred for the property, including—

- (i) salaries and wages,
- (ii) the costs or fees of—
  - (a) utilities,
  - (b) repairs and maintenance,
  - (c) marketing,
  - (d) insurance,
  - (e) management,
  - (f) landscaping, and/or
  - (g) security, if provided at the property, and
- (iii) the amount of—
  - (a) real estate taxes,
  - (b) general and administrative expenses, and
  - (c) other costs.

For purposes of the foregoing, expenses do not reflect, however, any deductions for debt service, depreciation, amortization or capital expenditures.

In determining the Most Recent Expenses for any property, the related Governmental Authority may have made adjustments to the financial information provided by the related underlying borrower similar to those used in calculating the Estimated Annual Operating Expenses for that property. Most Recent Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Most Recent Expenses set forth in this offering circular supplement. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of related Governmental Authority, the depositor, the Originator, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real property based on historical operating statements. In determining the Most Recent Expenses for a mortgaged real property, the related Governmental Authority in most cases relied on generally unaudited financial information provided by the respective underlying borrowers. No assurance can be given with respect to the accuracy of the information provided by any underlying borrowers, or the adequacy of any procedures used by the related Governmental Authority in determining the Most Recent Expenses.

“Most Recent Financial End Date” means, with respect to each of the TELs, the date indicated on Exhibit A-1 as the Most Recent Financial End Date with respect to that mortgage loan. In general, this date is the end date of the period covered by the latest available annual or, in some cases, partial-year operating statement for the related mortgaged real property.

“Most Recent NCF” or “Most Recent Net Cash Flow” means, with respect to each mortgaged real property that secures an underlying mortgage loan, the Most Recent Net Operating Income, less the most recent replacement reserve amounts.

“Most Recent NOI” or “Most Recent Net Operating Income” means, with respect to each of the mortgaged real properties that secures an underlying mortgage loan, the total cash flow derived from the property that was available

for annual debt service on the related underlying mortgage loan, calculated as the Most Recent EGI less Most Recent Expenses for that property.

“Net Aggregate Prepayment Interest Shortfall” means, with respect to any distribution date, the excess, if any, of—

- (i) the total Prepayment Interest Shortfalls incurred with respect to the mortgage pool during the related Collection Period, over
- (ii) the sum of (a) the total payments made by the master servicer to cover any Prepayment Interest Shortfalls incurred during the related Collection Period; and (b) the total Prepayment Interest Excesses collected during the related Collection Period that are applied to offset Prepayment Interest Shortfalls incurred during the related Collection Period.

The master servicer will not make payments to cover, or apply Prepayment Interest Excesses received on the TELs to offset, Prepayment Interest Shortfalls incurred with respect to the TELs.

“Net Interest Collections” has the meaning assigned to such term in “Summary of Offering Circular Supplement—Transaction Overview” in this offering circular supplement.

“Net Mortgage Interest Rate” means, with respect to any TEL (or any successor REO Loan), the related mortgage interest rate (in the case of the floating rate TELs, SIFMA plus a spread) then in effect reduced by the sum of the annual rates at which the master servicer surveillance fee (if any), the special servicer surveillance fee (if any), the master servicing fee, the sub-servicing fee, the certificate administrator fee, the trustee fee and the CREFC<sup>®</sup> Intellectual Property Royalty License Fee are calculated.

“Net Mortgage Pass Through Rate” means, (i) with respect to any TEL (or any successor REO Loan) that accrues interest on a 30/360 Basis, for any distribution date, a rate *per annum* equal to the product of (a) either (1) the Original Net Mortgage Interest Rate for such TEL or (2) if the mortgage interest rate for such TEL is increased in connection with a subsequent modification of such TEL after the Cut-off Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for such TEL and (b) a fraction, the numerator of which is the number of days in the related Interest Accrual Period, and the denominator of which is 30 and (ii) with respect to any TEL (or any successor REO Loan) that accrues interest on an Actual/Actual Basis, for any distribution date, a rate *per annum* equal to the product of (a) either (1) the Original Net Mortgage Interest Rate for such TEL or (2) if the mortgage interest rate for such TEL is increased in connection with a subsequent modification of such TEL after the Cut-off Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for such TEL and (b) a fraction, the numerator of which is 360, and the denominator of which is the actual number of days in the related year.

“Nonrecoverable Advance” means any Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance or any portion of such Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance.

“Nonrecoverable P&I Advance” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement.

“Nonrecoverable Servicing Advance” has the meaning assigned to such term under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this offering circular supplement.

“NRSRO” means a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act.

“offered certificates” means the class A and X certificates.

“Option Price” means the cash price at which any Defaulted TEL may be purchased under the related Purchase Option, as described under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Original Net Mortgage Interest Rate” means, with respect to any TEL (or any successor REO Loan), the Net Mortgage Interest Rate in effect for such TEL as of the Cut-off Date (or, in the case of any TEL substituted in replacement of another TEL pursuant to or as contemplated by the Pooling Agreement, as of the date of substitution).

“Originator” means one of Citibank, N.A., Hunt Mortgage Partners, LLC, Jones Lang LaSalle Multifamily, LLC, KeyBank, PNC Bank, National Association, Prudential Affordable Mortgage Company, LLC, Walker & Dunlop, LLC and Wells Fargo Bank.

“P&I Advance” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement.

“Par Purchase Notice Period” has the meaning assigned to such term under “The Pooling Agreement—Realization Upon Mortgage Loans—Purchase Option” in this offering circular supplement.

“Partnership Factors” has the meaning assigned to such term under “Certain Federal Income Tax Consequences—State, Local and Foreign Tax Consequences” in the accompanying Offering Circular.

“Permitted Encumbrances” means, with respect to any mortgaged real property securing an underlying mortgage loan, any and all of the following—

- (i) the lien of current real property taxes, water charges, sewer rents and assessments not yet delinquent or accruing interest or penalties,
- (ii) covenants, conditions and restrictions, rights of way, easements and other matters that are of public record,
- (iii) exceptions and exclusions specifically referred to in the related lender’s title insurance policy or, if that policy has not yet been issued, referred to in a *pro forma* title policy or marked-up commitment, which in either case is binding on the subject title insurance company,
- (iv) other matters to which like properties are commonly subject,
- (v) the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related mortgaged real property, and
- (vi) if the subject mortgaged real property is a unit in a condominium, the related condominium declaration.

“Permitted Investments” means the U.S. government securities and other obligations specified in the Pooling Agreement.

“Permitted Transfer” means any Requested Transfer as to which the related underlying borrower satisfies (without modification or waiver) all the applicable requirements in the related loan documents, provided that such satisfaction is determined without requiring the exercise of lender discretion.

“Placement Agent Entities” means the placement agents for the certificates and their respective affiliates.

“Pooling Agreement” means the pooling and servicing agreement, to be dated as of May 1, 2018, among Freddie Mac, as depositor, master servicer and guarantor, KeyBank, as special servicer with respect to the TELs and the related underlying mortgage loans other than the Manors I And II Apartments TEL and Mortgage Loan, Wells Fargo Bank, as special servicer with respect to the Manors I And II Apartments TEL and Mortgage Loan, and U.S. Bank, as trustee, certificate administrator and custodian.

“Prepayment Assumption” means an assumption that there are no prepayments and no extensions of the TELs.

“Prepayment Interest Excess” means, with respect to any full or partial prepayment of a TEL made by the related underlying borrower or otherwise in connection with a casualty or condemnation during any Collection Period after the due date for that underlying mortgage loan, the amount of any interest collected on that prepayment

for the period from and after that due date, less the amount of master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees payable from that interest collection, and exclusive of any Default Interest included in that interest collection.

“Prepayment Interest Shortfall” means, with respect to any full or partial prepayment of a TEL made by the related underlying borrower that is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment or otherwise in connection with a casualty or condemnation during any Collection Period prior to the due date for that underlying mortgage loan, the amount of any uncollected interest that would have accrued on that prepayment to, but not including, such due date, less the amount of master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees that would have been payable from that uncollected interest, and exclusive of any portion of that uncollected interest that would have been Default Interest.

“Prime Rate” means an annual rate equal to the “prime rate” as published in the “Money Rates” section of The Wall Street Journal (or, if such section or publication is no longer available, such other comparable publication as is determined by the certificate administrator in its sole discretion, in consultation with the master servicer) as may be in effect from time to time (or if the “Prime Rate” is not published on any calculation date, then the “Prime Rate” for such day will be the most recently published “Prime Rate” prior to such calculation date), or if the “Prime Rate” no longer exists, such other comparable rate (as determined by the certificate administrator, in its reasonable discretion, in consultation with the master servicer) as may be in effect from time to time. If the certificate administrator and the master servicer cannot agree on a comparable publication or comparable rate, the certificate administrator will have the sole right to determine such publication or rate.

“Principal Balance Certificates” means the class A and B certificates.

“Principal Distribution Adjustment Amount” means, with respect to any distribution date, the sum of (i) the amount of any Nonrecoverable Advance that was reimbursed to the master servicer or the trustee since the preceding distribution date (or since the Closing Date, in the case of the first distribution date), and that was deemed to have been so reimbursed out of any collections of principal that would otherwise constitute part of the Principal Distribution Amount for such distribution date (as described in this offering circular supplement under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments,” as applicable), (ii) any Workout-Delayed Reimbursement Amount that was reimbursed to the master servicer or the trustee since the preceding distribution date (or since the Closing Date, in the case of the first distribution date) and that was deemed to have been so reimbursed out of any collections of principal that would otherwise constitute part of the Principal Distribution Amount for such distribution date (as described in this offering circular supplement under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments,” as applicable) and (iii) any principal collections for the related Collection Period used to reimburse Balloon Guarantor Payments or other unreimbursed Guarantor Reimbursement Amounts since the preceding distribution date pursuant to the terms of the Pooling Agreement.

“Principal Distribution Amount” means:

- (i) for any distribution date prior to the final distribution date, an amount equal to the total, without duplication, of the following—
  - (a) all payments of principal, including voluntary principal prepayments, received by or on behalf of the issuing entity with respect to the TELs during the related Collection Period, exclusive of any of those payments that represents a late collection of principal for which an advance was previously made for a prior distribution date or that represents a monthly payment of principal due on or before the Cut-off Date or on a due date for the related underlying mortgage loan subsequent to the end of the related Collection Period,
  - (b) all monthly payments of principal received by or on behalf of the issuing entity with respect to the TELs prior to, but that are due during, the related Collection Period,

- (c) all other collections, including Liquidation Proceeds, condemnation proceeds and insurance proceeds that were received by or on behalf of the issuing entity with respect to any of the TELs or any related REO Properties during the related Collection Period and that were identified and applied as recoveries of principal of the subject underlying mortgage loan or, in the case of an REO Property, of the related underlying mortgage loan, in each case net of any portion of the particular collection that represents a late collection of principal for which an advance of principal was previously made for a prior distribution date or that represents a monthly payment of principal due on or before the Cut-off Date, and
  - (d) all advances of principal made with respect to the TELs for that distribution date; and
- (ii) for the final distribution date, an amount equal to the total Stated Principal Balance of the mortgage pool outstanding immediately prior to that final distribution date.

However, the Principal Distribution Amount will be reduced on any distribution date by an amount equal to the Principal Distribution Adjustment Amount calculated with respect to such distribution date. The Principal Distribution Amount will be increased on any distribution date by the amount of any recovery occurring during the related Collection Period of an amount that was previously advanced with respect to any underlying mortgage loan, but only if and to the extent such advance was previously reimbursed from principal collections that would otherwise have constituted part of the Principal Distribution Amount for a prior distribution date in a manner that resulted in a Principal Distribution Adjustment Amount for such prior distribution date. In addition, if any insurance proceeds, condemnation proceeds or Liquidation Proceeds were received and/or a final recovery determination were made with respect to any underlying mortgage loan during any particular Collection Period, then the portion of the Principal Distribution Amount for the related distribution date that is otherwise allocable to that underlying mortgage loan will be reduced (to not less than zero) by any special servicing fees or liquidation fees payable in connection therewith.

“Privileged Person” means each party to the Pooling Agreement, each placement agent and, upon receipt by the certificate administrator of an investor certification in the form required by the Pooling Agreement, each holder, beneficial owner or prospective purchaser of a certificate and, upon receipt of a certification from an NRSRO substantially in the form as provided in the Pooling Agreement, any NRSRO that does not have a conflict of interest identified in paragraph (b)(9) of Rule 17g-5 with respect to the certificates (as certified by such NRSRO) and that has been engaged by a certificateholder, which NRSRO has provided, or will provide, an on-going rating to a class of certificates after the Closing Date and that is requesting access to such information solely for the purpose of assessing or reaffirming such on-going rating. Any Privileged Person that is an underlying borrower or an affiliate of an underlying borrower, as evidenced by the information set forth in the investor certification, will only be entitled to limited information as described in “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this offering circular supplement.

“Purchase Agreement” means the senior preferred stock purchase agreement between FHFA, as Conservator of Freddie Mac, and Treasury.

“Purchase Option” means, with respect to any Defaulted TEL, the purchase option described under “The Pooling Agreement—Realization Upon Mortgage Loans” in this offering circular supplement.

“Purchase Price” means, with respect to any TEL if it is to be purchased as contemplated under the Pooling Agreement, a price equal to the outstanding principal balance of such TEL, plus (i) accrued and unpaid interest on such TEL through and including the end of the related mortgage interest accrual period in which such purchase is made (which would include accrued and unpaid master servicer surveillance fees, special servicer surveillance fees, master servicing fees and sub-servicing fees), (ii) related special servicing fees and, if applicable, liquidation fees payable to the special servicer (to the extent accrued and unpaid or previously paid by the issuing entity), (iii) all related unreimbursed Servicing Advances or Additional Issuing Entity Expenses, (iv) all related Servicing Advances that were previously reimbursed from general collections on the mortgage pool, (v) all accrued and unpaid interest on related Servicing Advances and P&I Advances, (vi) all interest on related Servicing Advances and P&I Advances that was previously reimbursed from general collections on the mortgage pool, (vii) solely if such TEL is being purchased by the related underlying borrower or an affiliate of such underlying borrower, all Default Interest, late payment fees, extension fees and similar fees or charges incurred with respect to such TEL and all out-of-pocket

expenses reasonably incurred (whether paid or then owing) by the master servicer, the special servicer, the depositor, the custodian, the certificate administrator and the trustee in respect of such purchase, including, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such TEL and (viii) solely if such TEL is being purchased by or on behalf of the depositor pursuant to or as contemplated by the Pooling Agreement, all out-of-pocket expenses reasonably incurred (whether paid or then owing) by the Third Party Master Servicer, the special servicer, the depositor, the certificate administrator, the custodian and the trustee in respect of the breach or defect giving rise to the repurchase obligation, including any expenses arising out of the enforcement of the repurchase obligation and, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such TEL; *provided* that if a Fair Value determination has been made, the Purchase Price must at least equal the Fair Value.

“Qualified Substitute TEL” means a TEL in the same lien position as the deleted TEL that must, on the date of substitution: (i) have an outstanding principal balance, after application of all scheduled payments of principal and/or interest due during or prior to the month of substitution not in excess of the Stated Principal Balance of the deleted TEL as of the due date in the calendar month during which the substitution occurs; (ii) have a mortgage interest rate not less than the mortgage interest rate of the deleted TEL; (iii) have the same due date as the deleted TEL; (iv) accrue interest on the same basis as the deleted TEL (for example, on the basis of a 360-day year and the actual number of days elapsed); (v) have a remaining term to stated maturity not greater than, and not more than two years less than, the remaining term to stated maturity of the deleted TEL; (vi) have an original loan-to-value ratio not higher than that of the deleted TEL and a current loan-to-value ratio not higher than the then current loan-to-value ratio of the deleted TEL; (vii) materially comply (without waiver or exception) as of the date of substitution with all of the representations and warranties set forth in the applicable purchase agreement; (viii) have an environmental report with respect to the related mortgaged real property that indicates no material adverse environmental conditions with respect to the related mortgaged real property and which will be delivered as a part of the related mortgage file; and (ix) have an original debt service coverage ratio not less than the original debt service coverage ratio of the deleted TEL and a current debt service coverage ratio not less than the current debt service coverage ratio of the deleted TEL. In the event that one or more TELs are substituted for one or more deleted TELs simultaneously, then the amounts described in clause (i) above are required to be determined on the basis of aggregate outstanding principal balances and the rates described in clause (ii) above and the remaining term to stated maturity referred to in clause (v) above will be determined on a weighted average basis. When a Qualified Substitute TEL is substituted for a deleted TEL, the depositor will be required to certify that the TEL meets all of the requirements of the above definition and send the certification to the trustee and the certificate administrator, which may conclusively rely upon such certification. In addition, an opinion of nationally recognized bond counsel must be delivered to the effect that the substitution will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes.

“Ratings Trigger Event” means, with respect to a Third Party Master Servicer or the special servicer, as applicable, (a) if on the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment), such party is listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Master Servicer (in the case of the master servicer) or a U.S. Commercial Mortgage Special Servicer (in the case of the special servicer), and at any time after the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such party loses its status on such list and such status is not restored within 60 days or (b) if on the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such party has a rating by Fitch higher than or equal to “CMS3” or “CSS3,” as applicable, and at any time after the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such rating drops to a level lower than “CMS3” or “CSS3,” as applicable, and such party is not reinstated to at least “CMS3” or “CSS3,” as applicable, within 60 days.

“Realized Losses” means the amount by which (i) the aggregate Stated Principal Balance (for purposes of this calculation only, (a) giving effect to the amount of any unreimbursed Timing Guarantor Payments and (b) not giving effect to any reductions of the Stated Principal Balance for payments and other collections of principal on the mortgage pool that were used to reimburse any Nonrecoverable Advances and Workout-Delayed Reimbursement Amounts (including any accrued advance interest), other than payments or other collections of principal used to reimburse Nonrecoverable Advances or Workout-Delayed Reimbursement Amounts (including any accrued advance interest) with respect to TELs and REO Loans as to which a final recovery determination has been made) of the mortgage pool expected to be outstanding immediately following such distribution date is less than (ii) the

aggregate outstanding principal balance of the Principal Balance Certificates after giving effect to distributions of principal on such distribution date. We discuss the calculation of Realized Losses under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this offering circular supplement.

“Reform Act” means the Federal Housing Finance Regulatory Reform Act.

“Regulation AB” means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§ 229.1100-229.1125, as such rules may be amended from time to time, and subject to such clarification and interpretation as have been provided by the SEC or by the staff of the SEC, or as may be provided by the SEC or its staff from time to time, in each case, effective as of the compliance dates specified therein.

“Remittance Date” means, with respect to each distribution date, the Business Day prior to such distribution date.

“REO Loan” means an underlying mortgage loan deemed to be outstanding with respect to an REO Property.

“REO Property” means any mortgaged real property that is acquired on behalf of and in the name of the trustee for the benefit of the certificateholders through foreclosure, acceptance of a deed-in-lieu of foreclosure or otherwise in accordance with applicable law in connection with the default or imminent default of the related underlying mortgage loan.

“Requested Transfer” means, with respect to any underlying mortgage loan, a request for the transfer of an interest in the related mortgaged real property, the related underlying borrower or any designated entity for transfers, as permitted under the loan documents under certain conditions, but not including the creation of any additional lien or other encumbrance on the mortgaged real property or interests in the underlying borrower or any designated entity for transfers.

“Restricted Mezzanine Holder” means, with respect to an underlying mortgage loan, a holder of a related mezzanine loan that has accelerated, or otherwise begun to exercise its remedies with respect to, such mezzanine loan (unless such mezzanine holder is stayed pursuant to a written agreement or court order or as a matter of law from exercising any remedies associated with foreclosure of the related equity collateral under such mezzanine loan).

“Rule” has the meaning assigned to such term under “Description of the Depositor and Guarantor—Credit Risk Retention” in this offering circular supplement.

“Rule 17g-5” means Rule 17g-5 under the Exchange Act.

“S&P” means S&P Global Ratings, and its successors-in-interest.

“Sales Comparison Approach” means a determination of the value of a mortgaged real property based on a comparison of that property to similar properties that have been sold recently or for which listing prices or offering figures are known. In connection with that determination, data for generally comparable properties are used and comparisons are made to demonstrate a probable price at which the subject mortgaged real property would sell if offered on the market.

“SEC” means the U.S. Securities and Exchange Commission.

“Section 761 Election” has the meaning assigned to such term under “Certain Federal Income Tax Consequences—Taxation of Holders—Classification as a Partnership” in the accompanying Offering Circular.

“Section 8” means the Section 8 Tenant-Based Assistance Rental Certificate Program of the United States Department of Housing and Urban Development.

“Servicing Advance” has the meaning assigned to such term under “The Pooling Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this offering circular supplement.

“Servicing Standard” means:

- (i) with respect to the TELs and underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling Agreement or the terms of the respective TELs, underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering such TELs and underlying mortgage loans in accordance with (a) Freddie Mac Servicing Practices or (b) to the extent Freddie Mac Servicing Practices do not provide sufficient guidance or Freddie Mac Servicing Practices have not been made available in writing or communicated in writing by Freddie Mac to the master servicer, the special servicer or the related sub-servicer, as applicable, Accepted Servicing Practices; and
- (ii) with respect to REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling Agreement or the terms of the respective TELs, underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering such TELs and underlying mortgage loans in accordance with Accepted Servicing Practices; *provided, however*, that for Specially Serviced Mortgage Loans, to the extent consistent with applicable law, the terms of the Pooling Agreement and the terms of the respective TELs and underlying mortgage loans and any applicable intercreditor or co-lender and/or similar agreement(s), the special servicer or the master servicer may, in its sole discretion, require the applicable underlying borrower to maintain insurance consistent with either (a) Accepted Servicing Practices or (b) Freddie Mac Servicing Practices.

To the extent of any conflict under clause (i) of this definition (a) between Freddie Mac Servicing Practices and Accepted Servicing Practices, the terms of Freddie Mac Servicing Practices will govern and be applicable and (b) between Freddie Mac Servicing Practices or Accepted Servicing Practices and the express written terms of the Pooling Agreement, the terms of the Pooling Agreement will govern and be applicable.

“Servicing Transfer Event” means, with respect to any underlying mortgage loan, any of the following events, among others:

- (i) a payment default occurs at its scheduled maturity date and the related underlying borrower has not delivered to the master servicer, at least 10 Business Days prior to such scheduled maturity date, documentation reasonably satisfactory in form and substance to the master servicer which demonstrates to the master servicer’s satisfaction (determined in accordance with the Servicing Standard) that a refinancing of such underlying mortgage loan or sale of the related mortgaged real property to a party that is not a borrower affiliate will occur within 60 days after such scheduled maturity date (which 60-day period may be extended to 120 days at the discretion of the special servicer and with the consent of the Approved Directing Certificateholder (if any), subject to the last two paragraphs of “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement in the case of any Affiliated Borrower Loan); *provided* that if either (A) such refinancing or sale does not occur before the expiration date of the refinancing commitment or purchase agreement approved by the master servicer or (B) such underlying borrower does not make any normal monthly payment in respect of such underlying mortgage loan at any time prior to such a refinancing or sale, a Servicing Transfer Event will occur immediately;
- (ii) any monthly principal and/or interest payment (other than a balloon payment) is 60 days or more delinquent;
- (iii) the related underlying borrower has—
  - (a) filed for, or consented to, bankruptcy, appointment of a receiver or conservator or a similar insolvency proceeding;
  - (b) become the subject of a decree or order for such a proceeding which is not stayed or discharged within 60 days; or
  - (c) has admitted in writing its inability to pay its debts generally as they become due;

- (iv) the master servicer or the special servicer has received notice of the foreclosure or proposed foreclosure of any lien on the mortgaged real property;
- (v) in the judgment of (a) the master servicer (with the approval of Freddie Mac in the case of a Third Party Master Servicer) or (b) the special servicer (with the approval of Freddie Mac and the Approved Directing Certificateholder (if any), subject to the penultimate paragraph of “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement with respect to any Affiliated Borrower Loan), (1) a default under any underlying mortgage loan is reasonably foreseeable, (2) such default will materially impair the value of the related mortgaged real property as security for such underlying mortgage loan or otherwise materially adversely affect the interests of certificateholders, and (3) the default either would give rise to the immediate right to accelerate the underlying mortgage loan or such default is likely to continue unremedied for the applicable cure period under the terms of such underlying mortgage loan or, if no cure period is specified and the default is capable of being cured, for 30 days, *provided* that if Freddie Mac’s approval is sought by any Third Party Master Servicer and not provided (and/or during the period that any Third Party Master Servicer is waiting for Freddie Mac’s approval), any Third Party Master Servicer’s servicing obligations with respect to such underlying mortgage loan will be to service such underlying mortgage loan as a non-Specially Serviced Mortgage Loan; or
- (vi) any other default has occurred under the loan documents that, in the reasonable judgment of (a) the master servicer, or (b) with the approval of the Approved Directing Certificateholder (if any) (subject to the last two paragraphs of “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement with respect to any Affiliated Borrower Loan), the special servicer, has materially and adversely affected the value of the related underlying mortgage loan or otherwise materially and adversely affected the interests of the certificateholders and has continued unremedied for 30 days (irrespective of any grace period specified in the related mortgage note) and, *provided* that failure of the related underlying borrower to obtain all-risk casualty insurance which does not contain any carveout for terrorist or similar act (other than such amounts as are specifically required under the related underlying mortgage loan) will not apply with respect to this clause if the special servicer has determined in accordance with the Servicing Standard that either (1) such insurance is not available at commercially reasonable rates and that such hazards are not commonly insured against for properties similar to the mortgaged real property and located in or around the region in which such mortgaged real property is located, or (2) such insurance is not available at any rate.

A Servicing Transfer Event triggered by a default with respect to any underlying mortgage loan in the Crossed Loan Group will not in and of itself constitute a Servicing Transfer Event with respect to any other underlying mortgage loan that is in the Crossed Loan Group (if a Servicing Transfer Event would not otherwise have occurred but for giving effect to the cross-default provisions applicable to such underlying mortgage loan) unless (i) the master servicer or the special servicer (in the case of the special servicer, with the approval of any Approved Directing Certificateholder) (subject to the last two paragraphs of “The Pooling Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this offering circular supplement with respect to any Affiliated Borrower Loan) determines in accordance with the Servicing Standard that it is in the best interest of the certificateholders (taken as a whole) to effect such Servicing Transfer Event with respect to one or more such underlying mortgage loans that are in the Crossed Loan Group and (ii) Freddie Mac approves such Servicing Transfer Event with respect to one or more such underlying mortgage loans that are in the Crossed Loan Group.

A Servicing Transfer Event with respect to an underlying mortgage loan will result in a simultaneous transfer of servicing of the related TEL from the master servicer to the special servicer. A Servicing Transfer Event will cease to exist, if and when a Specially Serviced Mortgage Loan becomes a Corrected Mortgage Loan.

“Servicing Transferred Crossed Loan” means any underlying mortgage loan with respect to which a Servicing Transfer Event has occurred, without giving effect to any cross-default provisions in the related loan documents or the occurrence of a Servicing Transfer Event with respect to any other underlying mortgage loan.

“SIFMA” has the meaning assigned to such term under “Description of the TELs and the Underlying Mortgage Loans—Certain Terms and Conditions of the TELs and Underlying Mortgage Loans” in this offering circular supplement.

“Special Servicer Aggregate Annual Cap” means \$450,000 per calendar year, apportioned with a maximum amount of \$300,000 available to the special servicer with respect to the TELs and underlying mortgage loans other than the Manors I And II Apartments TEL and Mortgage Loan per calendar year, and a maximum amount of \$150,000 available to the special servicer with respect to the Manor I And II Apartments TEL and Mortgage Loan per calendar year.

“Specially Serviced Mortgage Loan” means any underlying mortgage loan and TEL as to which a Servicing Transfer Event has occurred and is continuing, including any REO Loan or Defaulted TEL. For the avoidance of doubt, servicing of the related TEL will transfer to the special servicer simultaneous with the Servicing Transfer Event.

“Stated Principal Balance” means, with respect to any underlying mortgage loan or TEL (except with respect to any REO Loan), as of any date of determination, an amount equal to (i) the Cut-off Date Principal Balance of such underlying mortgage loan or TEL or with respect to a Qualified Substitute TEL, the outstanding principal balance of such Qualified Substitute TEL after application of all scheduled payments of principal and interest due during or prior to the month of substitution, whether or not received, minus (ii) the sum of:

- (a) the principal portion of each monthly payment due on such underlying mortgage loan or TEL after the Cut-off Date (or, with respect to a Qualified Substitute TEL, the applicable due date during the month of substitution), to the extent received from the related underlying borrower or advanced by the master servicer or the trustee, as applicable, and distributed to the certificateholders, on or before such date of determination;
- (b) all principal prepayments received with respect to such underlying mortgage loan or TEL after the Cut-off Date (or, with respect to a Qualified Substitute TEL, the applicable due date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (c) the principal portion of all insurance and condemnation proceeds and Liquidation Proceeds received with respect to such underlying mortgage loan or TEL after the Cut-off Date (or, with respect to a Qualified Substitute TEL, the applicable due date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (d) any reduction in the outstanding principal balance of such underlying mortgage loan or TEL resulting from a valuation of the related mortgaged real property in an amount less than the then outstanding principal balance of such underlying mortgage loan or TEL by a court of competent jurisdiction, initiated by a bankruptcy proceeding and that occurred prior to the determination date for the most recent distribution date; and
- (e) any reduction in the outstanding principal balance of such underlying mortgage loan or TEL due to a modification by the special servicer pursuant to the Pooling Agreement, which reduction occurred prior to the determination date for the most recent distribution date.

However, the “Stated Principal Balance” of any underlying mortgage loan or TEL will, in all cases, be zero as of the distribution date following the Collection Period in which it is determined that all amounts ultimately collectible with respect to that underlying mortgage loan or any related REO Property have been received.

With respect to any REO Loan, as of any date of determination, “Stated Principal Balance” means an amount equal to (i) the Stated Principal Balance of the predecessor underlying mortgage loan or TEL (determined as set forth above), as of the date the related REO Property is acquired by the issuing entity, minus (ii) the sum of:

- (a) the principal portion of any P&I Advance made with respect to such REO Loan on or after the date the related REO Property is acquired by the issuing entity, to the extent distributed to certificateholders on or before such date of determination; and
- (b) the principal portion of all insurance and condemnation proceeds, Liquidation Proceeds and all income, rents and profits derived from the ownership, operation or leasing of the related REO Property received

with respect to such REO Loan, to the extent distributed to certificateholders, on or before such date of determination.

Any payment or other collection of principal on or with respect to any underlying mortgage loan or TEL (or any related successor REO Loan) that constitutes part of the Principal Distribution Amount for any distribution date, without regard to the last sentence of the definition of Principal Distribution Amount, and further without regard to any Principal Distribution Adjustment Amount for such distribution date, will be deemed to be distributed to certificateholders on such distribution date for purposes of this definition.

“Static Prepayment Premium” means a form of prepayment consideration payable in connection with any voluntary or involuntary principal prepayment that is calculated solely as a specified percentage of the amount prepaid, which percentage may change over time.

“Static Prepayment Premium Period” means, with respect to any underlying mortgage loan that at any time permits voluntary prepayments of principal if accompanied by a Static Prepayment Premium, the period during the loan term when such voluntary principal prepayments may be made if accompanied by such Static Prepayment Premium.

“Sub-Servicing Agreement” means each sub-servicing agreement between the master servicer and a sub-servicer relating to servicing and administration of TELs by such sub-servicer as provided in the Pooling Agreement.

“Successor Servicer Requirements” has the meaning assigned to such term under “The Pooling Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” in this offering circular supplement.

“Surveillance Fee Mortgage Loan” means any underlying mortgage loan other than (i) an underlying mortgage loan, or portion of an underlying mortgage loan, that has been defeased, (ii) a Specially Serviced Mortgage Loan or (iii) an REO Loan.

“Taxable Guarantor Payment” has the meaning assigned to such term under “Summary of Offering Circular Supplement—The Offered Certificates—Freddie Mac Guarantee” in this offering circular supplement.

“TEL” means each loan intended to be tax-exempt and originated for purposes of funding the origination of an underlying mortgage loan and that is payable solely from payments made on or in respect of the related underlying mortgage loan. Each TEL corresponds to and is secured by an underlying mortgage loan. Each TEL and the underlying mortgage loan have identical payment terms.

“TEL Commitment” means, each commitment letter entered into by and between Freddie Mac and an Originator pursuant to which Freddie Mac (i) commits to purchase a TEL from the Originator under the terms and conditions set forth therein and (ii) appoints the Originator as the servicer for the TEL.

“Third Party Master Servicer” has the meaning assigned to such term under “Summary of Offering Circular Supplement—The Offered Certificates—Optional Termination” in this offering circular supplement.

“Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap” means \$300,000 per calendar year with respect to any Third Party Master Servicer and certain indemnified sub-servicers under the Pooling Agreement, collectively.

“Timing Guarantor Interest” means, with respect to any distribution date and the class A certificates, the sum of (i) (a) with respect to Balloon Guarantor Payments made as a result of a forbearance of a payment default on an underlying mortgage loan permitted under clause (i) of the definition of “Servicing Transfer Event” during the time of such forbearance, an amount equal to interest at the lesser of (1) the Weighted Average Net Mortgage Pass-Through Rate for the related Interest Accrual Period or (2) the Net Mortgage Pass-Through Rate for the underlying mortgage loan requiring the Balloon Guarantor Payment for the related Interest Accrual Period, or (b) otherwise an amount equal to interest at the Weighted Average Net Mortgage Pass-Through Rate for the related Interest Accrual

Period, in each case on any unreimbursed Timing Guarantor Payment for such class and (ii) any such amount set forth in clause (i) for prior distribution dates that remains unreimbursed.

“Timing Guarantor Payment” means, with respect to any distribution date and the class A certificates, any Balloon Guarantor Payment or Class Final Guarantor Payment.

“Total Units” means the estimated number of apartments at the particular mortgaged real property, regardless of the number or size of rooms in the apartments as reflected in information provided by the underlying borrower or in the appraisal on which the most recent Appraised Value is based.

“Transfer” generally means, with respect to any underlying mortgage loan, the sale, assignment, transfer or other disposition or divestment of any interest in, change of ownership of, or encumbrance of, the related underlying borrower or the related mortgaged real property, as set forth in the related loan documents.

“Transfer Fee” means, with respect to any underlying mortgage loan, a fee payable under the related loan documents when a Transfer is completed.

“Transfer Processing Fee” means, with respect to any underlying mortgage loan and any Transfer Processing Fee Transaction, a fee equal to the lesser of (i) the fee required to be paid by the related underlying borrower under the terms of the related loan documents for the review or processing of the Transfer Processing Fee Transaction (which may also be referred to in the loan documents as a “Transfer Review Fee”) and (ii) \$15,000.

“Transfer Processing Fee Transaction” means, with respect to any underlying mortgage loan, any transaction or matter involving (i) the transfer of an interest in the related mortgaged real property, the related underlying borrower, any person that controls the underlying borrower or any person that executes a guaranty pursuant to the terms of the related loan documents, which transfer requires the master servicer’s review, consent and/or approval, including, without limitation, an underlying borrower’s request for an assumption or waiver of a “due-on-sale” clause with respect to any loan pursuant to the Pooling Agreement and/or (ii) an underlying borrower’s request for a waiver of a “due-on-encumbrance” clause with respect to any underlying mortgage loan pursuant to the Pooling Agreement, *provided, however*, that any transaction or matter involving (a) defeasance of such underlying mortgage loan, (b) the full or partial condemnation of the mortgaged real property or any underlying borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, (c) Permitted Transfers, unless the related loan documents specifically provide for payment of a Transfer Processing Fee, and/or (d) permitted subordinate mortgage debt, will not be a Transfer Processing Fee Transaction.

“Treasury” means the U.S. Department of the Treasury.

“Trustee Aggregate Annual Cap” means \$150,000 per calendar year.

“Trustee/Certificate Administrator/Custodian Aggregate Annual Cap” means if the same person or entity is acting as the trustee, the certificate administrator and the custodian, \$300,000 per calendar year with respect to such person or entity.

“U.S. Bank” means U.S. Bank National Association, a national banking association, and its successors-in-interest.

“U.S. Person” means a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States, any State in the United States or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury Regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

“Underwritten Debt Service Coverage Ratio” means:

- with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in the following bullet, the ratio of—
  - (i) the Underwritten Net Cash Flow for the related mortgaged real property, to
  - (ii) 12 times the monthly debt service payment for that underlying mortgage loan on the related due date in May 2018; and
- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple mortgaged real properties, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of—
  - (i) the Underwritten Net Cash Flow for the related mortgaged real property, to
  - (ii) 12 times the monthly debt service payment for that underlying mortgage loan on the related due date in May 2018,

in each case, weighted based on the Cut-off Date Principal Balance for such underlying mortgage loan relative to the aggregate Cut-off Date Principal Balance of it and all such underlying mortgage loans with which it is cross-collateralized;

*provided* that, if the underlying mortgage loan is currently in an interest-only period, then the amount in clause 2 of either bullet of this definition with respect to such underlying mortgage loan will be either (a) if that interest-only period extends to maturity, the aggregate of the first 12 monthly debt service payments to be due on such underlying mortgage loan or (b) if that interest-only period ends prior to maturity, 12 times the monthly debt service payment to be due on such underlying mortgage loan on the first due date after amortization begins.

“Underwritten Debt Service Coverage Ratio (IO)” means:

- with respect to any underlying mortgage loan that is currently in an interest-only period, other than an underlying mortgage loan referred to in the following bullet, the ratio of—
  - (i) the Underwritten Net Cash Flow for the related mortgaged real property, to
  - (ii) an amount equal to the aggregate of the first 12 monthly debt service payments due on such underlying mortgage loan; and
- with respect to any underlying mortgage loan that is currently in an interest-only period and is cross-collateralized or secured by multiple mortgaged real properties, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of—
  - (i) the Underwritten Net Cash Flow for the related mortgaged real property, to
  - (ii) an amount equal to the aggregate of the first 12 monthly debt service payments due on such underlying mortgage loan,

in each case, weighted based on the Cut-off Date Principal Balance for such underlying mortgage loan relative to the aggregate Cut-off Date Principal Balance of it and all such underlying mortgage loans with which it is cross-collateralized.

“Underwritten Net Cash Flow” means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the estimated total cash flow from that property expected to be available for annual debt service on the related underlying mortgage loan. In general, that estimate:

- (i) was made at the time of origination of the related underlying mortgage loan or in connection with the transactions described in this offering circular supplement; and
- (ii) is equal to the excess of (a) the Estimated Annual Revenues for the mortgaged real property, over (b) the Estimated Annual Operating Expenses for the mortgaged real property.

The management fees and reserves assumed in calculating Underwritten Net Cash Flow differ in many cases from actual management fees and reserves actually required under the loan documents for the related TELs. In addition, actual conditions at the mortgaged real properties will differ, and may differ substantially, from the conditions assumed in calculating Underwritten Net Cash Flow. Furthermore, the Underwritten Net Cash Flow for each of the mortgaged real properties does not reflect the effects of future competition or economic cycles. Accordingly, we cannot assure you that the Underwritten Net Cash Flow for any of the mortgaged real properties shown on Exhibit A-1 will be representative of the actual future net cash flow for the particular mortgaged real property.

Underwritten Net Cash Flow and the revenues and expenditures used to determine Underwritten Net Cash Flow for each of the mortgaged real properties are derived from generally unaudited information furnished by the related underlying borrower. However, in some cases, an accounting firm performed agreed upon procedures, or employees of the applicable Originator performed cash flow verification procedures, that were intended to identify any errors in the information provided by the related underlying borrower. Audits of information furnished by underlying borrowers could result in changes to the information. These changes could, in turn, result in the Underwritten Net Cash Flow shown on Exhibit A-1 being overstated. Net income for any of the mortgaged real properties as determined under GAAP would not be the same as the Underwritten Net Cash Flow for the property shown on Exhibit A-1. In addition, Underwritten Net Cash Flow is not a substitute for or comparable to operating income as determined in accordance with GAAP as a measure of the results of the property’s operations nor a substitute for cash flows from operating activities determined in accordance with GAAP as a measure of liquidity.

“Underwritten Net Operating Income” means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the Underwritten Net Cash Flow for the property, increased by any and all of the following items that were included in the Estimated Annual Operating Expenses for the property for purposes of calculating that Underwritten Net Cash Flow (i) underwritten recurring replacement reserve amounts, and (ii) capital improvements, including recurring capital improvements.

“United States” or “U.S.” means the United States of America.

“Unreimbursed Indemnification Expenses” means indemnification amounts payable by the issuing entity to the depositor, the master servicer, the special servicer, the custodian, the certificate administrator or trustee in excess of the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and certificate administrator/custodian), the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap and the Special Servicer Aggregate Annual Cap, together with any accrued and unpaid interest on such amounts, which have not been previously reimbursed.

“UST” means an underground storage tank.

“Weighted Average Net Mortgage Pass-Through Rate” means, for each distribution date, the weighted average of the respective Net Mortgage Pass-Through Rates with respect to all of the TELs (or any successor REO Loans) for that distribution date, weighted on the basis of their respective Stated Principal Balances immediately prior to that distribution date.

“Workout-Delayed Reimbursement Amount” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this offering circular supplement.

“Year Built” means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when construction of the property was principally completed, as reflected in information provided by the underlying borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

“Year Renovated” means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when the most recent substantial renovation of the property, if any, was principally completed, as reflected in information provided by the underlying borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

“Yield Maintenance Charge” means a form of prepayment consideration payable in connection with any voluntary or involuntary principal prepayment that is calculated pursuant to a yield maintenance formula, including any minimum amount equal to a specified percentage of the amount prepaid.

“Yield Maintenance Period” means, with respect to any applicable underlying mortgage loan that at any time permits voluntary prepayments of principal if accompanied by a Yield Maintenance Charge, the period during the loan term when such voluntary principal prepayments may be made if accompanied by such Yield Maintenance Charge.

**EXHIBIT A-1**

**CERTAIN CHARACTERISTICS OF THE TELS, THE UNDERLYING  
MORTGAGE LOANS AND THE RELATED MORTGAGED REAL PROPERTIES**

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Exhibit A-1 FRETE 2018-ML04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Originator	Street Address(1)	Property City	Property State	Zip Code(1)	County	Property Type	Property Subtype	Year Built	Year Renovated	Total Units
1		1	Summer Field Apartments	Jones Lang LaSalle Multifamily, LLC	83385 Gemini Street	Indio	CA	92201	Riverside	Multifamily	Garden	1972	2017	268
2		1	Lake Delray Apartments	Walker & Dunlop, LLC	700 Lindell Boulevard	Delray Beach	FL	33444	Palm Beach	Multifamily	Age Restricted	1970	2018	404
3		1	Cypress Pines	Jones Lang LaSalle Multifamily, LLC	4312 Potrero Avenue	Richmond	CA	94804	Contra Costa	Multifamily	Garden	1971	2017	82
4	(14)	1	Van Buren Park Apartments	Citibank, N.A.	2045 West Jackson Boulevard	Chicago	IL	60612	Cook	Multifamily	High Rise	1983	2017	300
5		1	Park Tanglewood	Jones Lang LaSalle Multifamily, LLC	5309 Riverdale Road	Riverdale	MD	20737	Prince George's	Multifamily	Mid Rise	1964	2017	180
6		5	Columbia Apartments	Jones Lang LaSalle Multifamily, LLC	Various	Los Angeles	CA	Various	Los Angeles	Multifamily	Garden	1912	2017	127
7	(15)	1	Garden City Apartments	PNC Bank, National Association	9601 West Montgomery Road	Houston	TX	77088	Harris	Multifamily	Garden	1970	2017	252
8		4	Buckingham Apartment Portfolio	Jones Lang LaSalle Multifamily, LLC	Various	Los Angeles	CA	90008	Los Angeles	Multifamily	Garden	1948	2017	83
9	(16)	1	Craven Terrace Phase II	Prudential Affordable Mortgage Company, LLC	601 Roundtree Street	New Bern	NC	28560	Craven	Multifamily	Garden	1942	2017	188
10	(16)	1	Craven Terrace Phase I	Prudential Affordable Mortgage Company, LLC	101 Raynor Drive	New Bern	NC	28560	Craven	Multifamily	Garden	1942	2017	131
11		1	Ships Cove	Wells Fargo Bank, National Association	130 Canal Street	Fall River	MA	02721	Bristol	Multifamily	High Rise	1973	2018	201
12		1	Marygold Garden Apartments	Jones Lang LaSalle Multifamily, LLC	17215 Marygold Avenue	Fontana	CA	92335	San Bernardino	Multifamily	Garden	1973	2017	80
13		1	Manors I And II Apartments	KeyBank National Association	661 Bennett Avenue	Glenwood Springs	CO	81601	Garfield	Multifamily	Age Restricted	1972	2017	76
14	(14)	1	Bloomingdale Apartments	Citibank, N.A.	1745 North Keystone Avenue	Chicago	IL	60639	Cook	Multifamily	Garden	1982	2017	111
15		4	Princess Apartments	Jones Lang LaSalle Multifamily, LLC	Various	Los Angeles	CA	Various	Los Angeles	Multifamily	Garden	1924	2017	58
16		1	Colony Apartments	PNC Bank, National Association	3545 West Beltline Boulevard	Columbia	SC	29203	Richland	Multifamily	Garden	1950	2017	300
17		9	HACEP Tranche 1B Portfolio	Hunt Mortgage Partners, LLC	Various	El Paso	TX	Various	El Paso	Multifamily	Various	Various	2017	120
17.01		8	Charles R. Morehead Apartments	Hunt Mortgage Partners, LLC	Various	El Paso	TX	79901	El Paso	Multifamily	Townhome	1984	2017	62
17.02		1	George W. Baines Apartments	Hunt Mortgage Partners, LLC	10661 Vista Del Sol Drive	El Paso	TX	79935	El Paso	Multifamily	Age Restricted	1982	2017	58
18		1	Hickory Knoll Apartments	Jones Lang LaSalle Multifamily, LLC	507 Northeast 22nd Avenue	Ocala	FL	34470	Marion	Multifamily	Garden	1981	2017	96
19		1	Breslyn House	Citibank, N.A.	4624 Walnut Street	Philadelphia	PA	19139	Philadelphia	Multifamily	Garden	1913	2016	60
20		1	Hampton Villa	Jones Lang LaSalle Multifamily, LLC	3190 Edgewood Avenue West	Jacksonville	FL	32209	Duval	Multifamily	Garden	1969	2017	60

Exhibit A-1 FRETE 2018-ML04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Low Income Units(2)	Very Low Income Units(2)	Cut-Off Date Balance/Unit	Unit of Measure	Occupancy %	Occupancy As of Date	Loan Purpose (Acquisition, Refinance)	Single Purpose Borrowing Entity / Single Asset Borrowing Entity	Crossed Loans	Related Borrower Loans(3)	Payment Date	Late Charge Grace Period	Note Date	First Payment Date
1		1	Summer Field Apartments	267	259	156,716	Units	98.5%	12/31/2017	Refinance	SPE	N/A	N/A	1	N/A	3/31/2017	5/1/2017
2		1	Lake Delray Apartments	202	N/A	88,681	Units	87.9%	12/27/2017	Acquisition	SPE	N/A	N/A	1	N/A	11/30/2016	1/1/2017
3		1	Cypress Pines	79	77	305,691	Units	100.0%	12/29/2017	Acquisition	SPE	N/A	Group 1	1	N/A	6/15/2017	8/1/2017
4	(14)	1	Van Buren Park Apartments	300	294	72,123	Units	96.7%	12/27/2017	Acquisition	SPE	N/A	Group 3	1	N/A	7/28/2016	9/1/2016
5		1	Park Tanglewood	180	8	107,528	Units	88.9%	1/9/2018	Acquisition	SPE	N/A	Group 1	1	N/A	4/17/2017	6/1/2017
6		5	Columbia Apartments	124	113	139,862	Units	97.6%	2/13/2018	Acquisition	SPE	N/A	Group 2	1	N/A	2/9/2017	4/1/2017
7	(15)	1	Garden City Apartments	252	246	64,774	Units	96.4%	12/31/2017	Acquisition	SPE	N/A	Group 4	1	N/A	5/16/2016	7/1/2016
8		4	Buckingham Apartment Portfolio	79	74	192,292	Units	100.0%	12/31/2017	Acquisition	SPE	N/A	Group 1	1	N/A	5/13/2016	7/1/2016
9	(16)	1	Craven Terrace Phase II	187	19	34,251	Units	96.8%	12/31/2017	Acquisition	SPE	Yes	Group 5	1	N/A	12/18/2015	2/1/2016
10	(16)	1	Craven Terrace Phase I	131	13	34,251	Units	98.5%	12/31/2017	Acquisition	SPE	Yes	Group 5	1	N/A	12/18/2015	2/1/2016
11		1	Ships Cove	201	175	53,444	Units	97.0%	12/31/2017	Acquisition	SPE	N/A	N/A	1	N/A	9/22/2016	11/1/2016
12		1	Marygold Garden Apartments	72	59	127,354	Units	97.5%	2/22/2018	Acquisition	SPE	N/A	Group 2	1	N/A	1/30/2017	3/1/2017
13		1	Manors I And II Apartments	76	N/A	117,579	Units	98.7%	12/31/2017	Acquisition	SPE	N/A	Group 4	1	N/A	7/21/2016	9/1/2016
14	(14)	1	Bloomingdale Apartments	111	N/A	79,751	Units	99.1%	12/27/2017	Acquisition	SPE	N/A	Group 3	1	N/A	7/28/2016	9/1/2016
15		4	Princess Apartments	58	54	144,137	Units	93.1%	12/31/2017	Acquisition	SPE	N/A	Group 2	1	N/A	4/21/2017	6/1/2017
16		1	Colony Apartments	300	300	26,333	Units	97.0%	12/31/2017	Acquisition	SPE	N/A	N/A	1	N/A	8/31/2016	10/1/2016
17		9	HACEP Tranche 1B Portfolio	120	N/A	43,500	Units	100.0%	3/31/2018	Acquisition	SPE	N/A	N/A	1	N/A	8/18/2016	10/1/2016
17.01		8	Charles R. Morehead Apartments	62	N/A	64,205	Units	100.0%	3/31/2018	Acquisition	SPE	N/A	N/A	1	N/A	8/18/2016	10/1/2016
17.02		1	George W. Baines Apartments	58	N/A	21,367	Units	100.0%	3/31/2018	Acquisition	SPE	N/A	N/A	1	N/A	8/18/2016	10/1/2016
18		1	Hickory Knoll Apartments	92	85	48,999	Units	100.0%	12/31/2017	Acquisition	SPE	N/A	Group 6	1	N/A	10/28/2016	12/1/2016
19		1	Breslyn House	60	60	71,250	Units	95.0%	12/31/2017	Acquisition	SPE	N/A	N/A	1	N/A	11/18/2016	1/1/2017
20		1	Hampton Villa	60	58	37,483	Units	100.0%	12/31/2017	Acquisition	SPE	N/A	Group 6	1	N/A	9/30/2016	11/1/2016

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Maturity Date	Original Loan Amount	Cut-Off Date Loan Amount	% of Cut-Off Date Pool Balance	Maturity Balance	Interest Adjustment Period (months)	First Interest Adjustment Date In Trust	Rate Index	Margin	Note Rate	Administration Fee Rate(4)	Net Mortgage Interest Rate	Rate Rounding Methodology
1		1	Summer Field Apartments	4/1/2033	42,000,000	42,000,000	15.2%	32,412,638	N/A	N/A	N/A	N/A	4.5340%	0.1620%	4.3721%	N/A
2		1	Lake Delray Apartments	12/1/2033	35,827,000	35,827,000	13.0%	26,800,578	N/A	N/A	N/A	N/A	4.5000%	0.1520%	4.3481%	N/A
3		1	Cypress Pines	7/1/2032	25,297,039	25,066,659	9.1%	19,267,440	N/A	N/A	N/A	N/A	4.9300%	0.1420%	4.7881%	N/A
4	(14)	1	Van Buren Park Apartments	8/1/2032	22,000,000	21,636,826	7.8%	16,843,042	1 Week	6/1/2018	1-Week SIFMA	1.9900%	3.9900%	0.0720%	3.9181%	Truncated to 5th decimal
5		1	Park Tanglewood	5/1/2033	19,355,000	19,355,000	7.0%	15,491,053	N/A	N/A	N/A	N/A	4.7700%	0.1420%	4.6281%	N/A
6		5	Columbia Apartments	3/1/2033	18,000,000	17,762,534	6.4%	13,236,102	N/A	N/A	N/A	N/A	4.8100%	0.1920%	4.6181%	N/A
7	(15)	1	Garden City Apartments	6/1/2033	16,740,000	16,322,961	5.9%	11,545,458	N/A	N/A	N/A	N/A	4.2300%	0.2020%	4.0281%	N/A
8		4	Buckingham Apartment Portfolio	6/1/2032	16,400,000	15,960,208	5.8%	11,504,742	N/A	N/A	N/A	N/A	3.8700%	0.1920%	3.6781%	N/A
9	(16)	1	Craven Terrace Phase II	12/1/2033	6,435,000	6,403,354	2.3%	4,668,656	N/A	N/A	N/A	N/A	4.5300%	0.2220%	4.3081%	N/A
10	(16)	1	Craven Terrace Phase I	12/1/2033	4,545,000	4,522,649	1.6%	3,297,442	N/A	N/A	N/A	N/A	4.5300%	0.2220%	4.3081%	N/A
11		1	Ships Cove	10/1/2034	10,973,000	10,742,177	3.9%	7,221,641	N/A	N/A	N/A	N/A	4.0900%	0.2220%	3.8681%	N/A
12		1	Marygold Garden Apartments	2/1/2033	10,336,000	10,188,345	3.7%	7,586,088	N/A	N/A	N/A	N/A	4.7700%	0.2320%	4.5381%	N/A
13		1	Manors I And II Apartments	8/1/2033	9,160,000	8,935,994	3.2%	6,188,697	N/A	N/A	N/A	N/A	3.8600%	0.2220%	3.6381%	N/A
14	(14)	1	Bloomingdale Apartments	8/1/2032	9,000,000	8,852,406	3.2%	6,898,995	1 Week	6/1/2018	1-Week SIFMA	1.9900%	3.9900%	0.0720%	3.9181%	Truncated to 5th decimal
15		4	Princess Apartments	5/1/2033	8,459,000	8,359,970	3.0%	6,166,992	N/A	N/A	N/A	N/A	4.6300%	0.2720%	4.3581%	N/A
16		1	Colony Apartments	9/1/2033	7,900,000	7,900,000	2.9%	5,763,923	N/A	N/A	N/A	N/A	3.9700%	0.2820%	3.6881%	N/A
17		9	HACEP Tranche 1B Portfolio	9/1/2034	5,220,000	5,220,000	1.9%	3,683,167	N/A	N/A	N/A	N/A	3.9800%	0.2920%	3.6881%	N/A
17.01		8	Charles R. Morehead Apartments	9/1/2034	3,980,719	3,980,719	1.4%	2,808,746	N/A	N/A	N/A	N/A	3.9800%	0.2920%	3.6881%	N/A
17.02		1	George W. Baines Apartments	9/1/2034	1,239,281	1,239,281	0.4%	874,421	N/A	N/A	N/A	N/A	3.9800%	0.2920%	3.6881%	N/A
18		1	Hickory Knoll Apartments	11/1/2032	4,800,000	4,703,913	1.7%	3,400,967	N/A	N/A	N/A	N/A	4.0600%	0.3120%	3.7481%	N/A
19		1	Breslyn House	11/1/2035	4,300,000	4,275,012	1.5%	2,915,771	N/A	N/A	N/A	N/A	4.6100%	0.3120%	4.2981%	N/A
20		1	Hampton Villa	10/1/2032	2,300,000	2,248,964	0.8%	1,610,041	N/A	N/A	N/A	N/A	3.8300%	0.3220%	3.5081%	N/A

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Interest Accrual Period Day Of Month (Start/End)	Rate Cap (Lifetime)	Rate Floor (Lifetime) or SIFMA Floor	SIFMA Cap (Yes/No)	SIFMA Cap Expiration Date	SIFMA Cap Strike Price	Accrual Basis	Loan Amortization Type	Monthly Debt Service Amount (Amortizing)(5)	Monthly Debt Service Amount (IO)	Projected First Monthly Payment to Trust	Monthly Debt Service Amount (at Cap)	Amortization Term (Original)
1		1	Summer Field Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	199,653.10	158,690.00	N/A	N/A	420
2		1	Lake Delray Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	169,553.69	134,351.25	N/A	N/A	420
3		1	Cypress Pines	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	126,543.91	N/A	N/A	N/A	420
4	(14)	1	Van Buren Park Apartments	First/Last (Arrears)	N/A	N/A	Yes	7/28/2026	3.500%	Actual/Actual	Balloon	90,304.86	N/A	91,536.48	117,224.34	420
5		1	Park Tanglewood	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	94,861.72	76,936.13	N/A	N/A	420
6		5	Columbia Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	88,674.36	N/A	N/A	N/A	420
7	(15)	1	Garden City Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	76,447.46	N/A	N/A	N/A	420
8		4	Buckingham Apartment Portfolio	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	71,341.80	N/A	N/A	N/A	420
9	(16)	1	Craven Terrace Phase II	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	30,573.74	24,292.13	N/A	N/A	420
10	(16)	1	Craven Terrace Phase I	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	21,594.04	17,157.38	N/A	N/A	420
11		1	Ships Cove	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	49,179.81	N/A	N/A	N/A	420
12		1	Marygold Garden Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	50,658.27	N/A	N/A	N/A	420
13		1	Manors I And II Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	39,792.56	N/A	N/A	N/A	420
14	(14)	1	Bloomingdale Apartments	First/Last (Arrears)	N/A	N/A	Yes	7/28/2026	3.500%	Actual/Actual	Balloon	36,899.81	N/A	37,403.06	47,913.87	420
15		4	Princess Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	40,716.51	N/A	N/A	N/A	420
16		1	Colony Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	34,837.19	26,135.83	N/A	N/A	420
17		9	HACEP Tranche 1B Portfolio	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	23,050.26	17,313.00	N/A	N/A	420
17.01		8	Charles R. Morehead Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	17,577.90	13,202.72	N/A	N/A	420
17.02		1	George W. Baines Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	5,472.36	4,110.28	N/A	N/A	420
18		1	Hickory Knoll Apartments	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	21,426.28	N/A	N/A	N/A	420
19		1	Breslyn House	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Partial IO	20,643.95	16,519.17	N/A	N/A	420
20		1	Hampton Villa	N/A	N/A	N/A	N/A	N/A	N/A	30/360	Balloon	9,950.62	N/A	N/A	N/A	420

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Amortization Term (Remaining)	Loan Term (Original)	Loan Term (Remaining)	IO Period	Seasoning	Prepayment Provision(6)	Appraisal Valuation Date	Appraised Value	Appraised Value Type	Cut-Off Date LTV	Maturity LTV	UW NCF DSCR	UW NCF DSCR (IO)	UW EGI
1		1	Summer Field Apartments	420	192	179	24	13	D(119) DYM1%(66) D1%(3) O(4)	1/27/2017	59,000,000	As-Proposed (Rent Restrictions)	71.2%	54.9%	1.27x	1.60x	4,621,775
2		1	Lake Delray Apartments	420	204	187	24	17	D(119) DYM1%(78) D1%(3) O(4)	6/14/2016	49,080,000	As-Is (Rent Restrictions)	73.0%	54.6%	1.15x	1.45x	4,068,476
3		1	Cypress Pines	410	180	170	0	10	D(119) DYM1%(54) D1%(3) O(4)	4/17/2017	30,100,000	As-Is	83.3%	64.1%	1.15x	N/A	2,420,069
4	(14)	1	Van Buren Park Apartments	399	192	171	0	21	L(23) 1%(96) O(73)	5/5/2018	24,900,000	As-Stabilized (Rent Restrictions)	86.9%	67.6%	1.37x	N/A	3,347,179
5		1	Park Tanglewood	420	192	180	36	12	D(119) DYM1%(66) D1%(3) O(4)	9/1/2016	22,900,000	As-Renovated (Rent Restrictions)	84.5%	67.6%	1.09x	1.34x	2,449,629
6		5	Columbia Apartments	406	192	178	0	14	D(119) DYM1%(66) D1%(3) O(4)	8/10/2016	31,200,000	As-Renovated (Rent Restrictions)	56.9%	42.4%	1.18x	N/A	1,907,852
7	(15)	1	Garden City Apartments	397	204	181	0	23	D(119) DYM1%(60) D1%(21) O(4)	3/4/2016	18,600,000	As-Renovated (Rent Restrictions)	87.8%	62.1%	1.22x	N/A	2,919,192
8		4	Buckingham Apartment Portfolio	397	192	169	0	23	D(119) DYM1%(66) D1%(3) O(4)	2/11/2016	20,600,000	As-Renovated (Rent Restrictions)	77.5%	55.8%	1.24x	N/A	1,485,009
9	(16)	1	Craven Terrace Phase II	415	215	187	23	28	D(119) DYM1%(89) D1%(3) O(4)	8/25/2015	7,150,000	As-Stabilized (Rent Restrictions)	89.6%	65.3%	1.17x	1.48x	1,373,464
10	(16)	1	Craven Terrace Phase I	415	215	187	23	28	D(119) DYM1%(89) D1%(3) O(4)	8/25/2015	5,050,000	As-Stabilized (Rent Restrictions)	89.6%	65.3%	1.17x	1.48x	1,038,551
11		1	Ships Cove	401	216	197	0	19	D(119) DYM1%(90) D1%(3) O(4)	7/21/2015	13,100,000	As-Is (Rent Restrictions)	82.0%	55.1%	1.17x	N/A	2,313,962
12		1	Marygold Garden Apartments	405	192	177	0	15	D(119) DYM1%(66) D1%(3) O(4)	8/10/2016	14,000,000	As-Renovated (Rent Restrictions)	72.8%	54.2%	1.15x	N/A	1,138,354
13		1	Manors I And II Apartments	399	204	183	0	21	D(119) DYM1%(78) D1%(3) O(4)	5/20/2016	10,300,000	As-Stabilized (Rent Restrictions)	86.8%	60.1%	1.21x	N/A	1,077,538
14	(14)	1	Bloomingdale Apartments	399	192	171	0	21	L(23) 1%(96) O(73)	5/5/2017	10,820,000	As-Stabilized (Rent Restrictions)	81.8%	63.8%	1.40x	N/A	1,331,068
15		4	Princess Apartments	408	192	180	0	12	D(119) DYM1%(66) D1%(3) O(4)	10/10/2016	14,500,000	As-Renovated (Rent Restrictions)	57.7%	42.5%	1.15x	N/A	832,556
16		1	Colony Apartments	420	204	184	24	20	D(119) DYM1%(78) D1%(3) O(4)	5/6/2016	10,575,000	As-Stabilized (Rent Restrictions)	74.7%	54.5%	1.22x	1.62x	2,127,004
17		9	HACEP Tranche 1B Portfolio	420	216	196	24	20	D(119) DYM1%(90) D1%(3) O(4)	3/10/2016	6,950,000	As-Renovated (Rent Restrictions)	75.1%	53.0%	1.25x	1.67x	841,289
17.01		8	Charles R. Morehead Apartments	420	216	196	24	20	D(119) DYM1%(90) D1%(3) O(4)	3/10/2016	5,300,000	As-Renovated (Rent Restrictions)	75.1%	53.0%	1.25x	1.67x	N/A
17.02		1	George W. Baines Apartments	420	216	196	24	20	D(119) DYM1%(90) D1%(3) O(4)	3/10/2016	1,650,000	As-Renovated (Rent Restrictions)	75.1%	53.0%	1.25x	1.67x	N/A
18		1	Hickory Knoll Apartments	402	192	174	0	18	D(119) DYM1%(65) D1%(4) O(4)	6/27/2016	6,300,000	As-Rehabbed (Rent Restrictions)	74.7%	54.0%	1.31x	N/A	851,449
19		1	Breslyn House	414	227	210	11	17	D(119) DYM1%(101) D1%(3) O(4)	6/1/2016	5,900,000	As-Stabilized (Rent Restrictions)	72.5%	49.4%	1.22x	1.53x	901,720
20		1	Hampton Villa	401	192	173	0	19	D(119) DYM1%(66) D1%(3) O(4)	7/18/2016	2,900,000	As-Proposed (Rent Restrictions)	77.6%	55.5%	1.23x	N/A	453,318

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	UW Expenses	UW NOI	UW NCF	Most Recent Financial End Date	Most Recent EGI	Most Recent Expenses	Most Recent NOI	Most Recent NCF	2nd Most Recent Financial End Date	2nd Most Recent EGI	2nd Most Recent Expenses	2nd Most Recent NOI	2nd Most Recent NCF	3rd Most Recent Financial End Date	3rd Most Recent EGI	3rd Most Recent Expenses
1		1	Summer Field Apartments	1,493,289	3,128,485	3,048,085	12/31/2017	4,537,630	1,570,112	2,967,518	2,887,118	12/31/2016	3,652,060	1,538,361	2,113,699	2,033,299	12/31/2015	3,602,403	1,512,434
2		1	Lake Delray Apartments	1,627,596	2,440,880	2,339,880	12/31/2017	4,052,789	1,504,058	2,548,731	2,548,731	12/31/2016	3,947,168	1,821,789	2,125,379	2,125,379	12/31/2015	3,737,444	1,945,821
3		1	Cypress Pines	652,309	1,767,760	1,747,260	12/31/2017	2,505,303	490,737	2,014,566	1,993,443	12/31/2016	1,540,450	708,468	831,982	783,300	12/31/2015	1,486,014	679,791
4	(14)	1	Van Buren Park Apartments	1,745,792	1,601,387	1,481,987	12/31/2017	3,377,781	1,783,394	1,594,367	1,594,367	12/31/2016	3,423,165	1,806,203	1,616,961	1,616,961	12/31/2015	3,358,965	1,723,598
5		1	Park Tanglewood	1,168,779	1,282,850	1,237,850	12/31/2017	2,282,666	1,122,454	1,160,212	1,115,212	12/31/2016	2,432,266	1,298,554	1,133,712	1,088,712	12/31/2015	2,369,565	1,119,112
6		5	Columbia Apartments	613,752	1,294,100	1,256,000	12/31/2017	1,977,022	528,873	1,448,150	1,410,050	8/31/2016	1,615,749	500,211	1,115,538	1,077,438	12/31/2015	1,566,268	469,638
7	(15)	1	Garden City Apartments	1,736,028	1,183,164	1,120,164	12/31/2017	3,036,565	1,610,409	1,426,155	1,363,155	12/31/2016	3,050,804	1,704,896	1,345,908	1,282,908	12/31/2015	2,616,645	1,772,501
8		4	Buckingham Apartment Portfolio	398,488	1,086,521	1,061,621	12/31/2017	1,512,594	346,706	1,165,887	1,144,774	12/31/2016	1,361,160	407,269	953,890	933,140	12/31/2015	1,012,337	454,434
9	(16)	1	Craven Terrace Phase II	876,315	497,149	431,349	12/31/2017	1,364,538	776,158	588,380	588,380	12/31/2016	1,506,264	932,105	574,159	574,159	6/30/2015	1,135,730	988,850
10	(16)	1	Craven Terrace Phase I	689,787	348,763	302,913	12/31/2017	1,025,434	705,116	320,318	320,318	12/31/2016	883,837	714,445	169,392	169,392	6/30/2015	817,475	711,756
11		1	Ships Cove	1,561,794	752,168	691,868	12/31/2017	2,320,209	1,492,721	827,488	767,188	12/31/2016	2,078,927	1,512,338	566,589	506,289	12/31/2015	1,972,950	1,634,028
12		1	Marygold Garden Apartments	415,240	723,114	699,114	12/31/2017	1,138,751	376,474	762,277	738,277	10/31/2016	1,051,041	401,609	649,433	625,433	12/31/2015	979,138	459,799
13		1	Manors I And II Apartments	478,496	599,042	576,242	12/31/2017	1,106,597	460,752	645,844	645,844	12/31/2016	969,056	496,879	472,178	472,178	12/31/2015	741,896	440,583
14	(14)	1	Bloomington Apartments	664,930	666,138	621,885	12/31/2017	1,360,012	771,233	588,779	588,779	12/31/2016	1,236,747	740,798	495,949	495,949	12/31/2015	1,339,591	732,331
15		4	Princess Apartments	253,447	579,109	561,709	12/31/2017	836,060	244,574	591,486	574,086	12/31/2016	740,158	220,878	519,280	501,880	12/31/2015	684,971	271,289
16		1	Colony Apartments	1,528,908	598,096	508,096	12/31/2017	2,284,858	1,565,459	719,399	719,399	5/31/2016	2,179,166	1,220,648	958,518	958,518	12/31/2015	2,058,404	1,784,918
17		9	HACEP Tranche 1B Portfolio	452,309	388,979	346,979	12/31/2017	737,558	271,860	465,698	423,698	12/31/2016	629,485	376,381	253,104	210,167	6/30/2015	595,069	444,810
17.01		8	Charles R. Morehead Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17.02		1	George W. Baines Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18		1	Hickory Knoll Apartments	484,768	366,680	337,880	12/31/2017	799,431	377,327	422,104	393,304	12/31/2016	864,104	489,734	374,370	345,570	12/31/2015	800,760	513,767
19		1	Breslyn House	580,713	321,007	302,947	12/31/2017	925,003	584,004	340,999	340,999	9/30/2016	825,595	583,557	242,038	242,038	12/31/2015	882,632	526,513
20		1	Hampton Villa	288,128	165,190	147,190	12/31/2017	460,423	248,538	211,884	193,884	12/31/2016	399,094	269,966	129,128	111,128	12/31/2015	388,980	233,872

Exhibit A-1 FRETE 2018-ML04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	3rd Most Recent NOI	3rd Most Recent NCF	Lien Position	Title Vesting (Fee/Leasehold/Both)(7)	Ground Lease Maturity Date	Cash Management (Description or N/A)	Engineering Escrow/Deferred Maintenance	Tax Escrow (Initial)(8)	Tax Escrow (Monthly)(9)	Insurance Escrow (Initial)(8)	Insurance Escrow (Monthly)	Replacement Reserve (Initial)(8)	Replacement Reserve (Monthly)(10)	Replacement Reserve - Contractual - Cap (\$ or N/A)
1		1	Summer Field Apartments	2,089,969	2,089,969	First Mortgage	Fee Simple	N/A	N/A	N/A	183,943	8,313	22,022	5,431	268,000	6,700	N/A
2		1	Lake Delray Apartments	1,791,623	1,670,423	First Mortgage	Fee Simple	N/A	N/A	N/A	41,666	2,233	44,140	15,741	N/A	Springing	N/A
3		1	Cypress Pines	806,223	757,541	First Mortgage	Fee Simple	N/A	N/A	N/A	22,801	4,978	6,458	1,614	N/A	1,709	N/A
4	(14)	1	Van Buren Park Apartments	1,635,367	1,635,367	First Mortgage	Fee Simple	N/A	N/A	N/A	34,245	17,761	36,050	8,705	N/A	9,950	N/A
5		1	Park Tanglewood	1,250,454	1,205,454	First Mortgage	Fee Simple	N/A	N/A	N/A	166,667	19,120	10,000	3,333	125,300	3,750	N/A
6		5	Columbia Apartments	1,096,630	1,058,530	First Mortgage	Fee Simple	N/A	N/A	N/A	51,099	2,488	25,620	5,894	N/A	3,175	N/A
7	(15)	1	Garden City Apartments	844,143	768,543	First Mortgage	Fee Simple	N/A	N/A	56,250	136,600	30,899	48,087	5,158	N/A	5,250	N/A
8		4	Buckingham Apartment Portfolio	557,903	537,153	First Mortgage	Fee Simple	N/A	N/A	N/A	36,425	1,178	18,641	2,438	N/A	1,781	N/A
9	(16)	1	Craven Terrace Phase II	146,880	146,880	First Mortgage	Leasehold	11/30/2114	N/A	N/A	N/A	Springing	13,881	8,659	N/A	5,483	N/A
10	(16)	1	Craven Terrace Phase I	105,719	105,719	First Mortgage	Leasehold	11/30/2114	N/A	N/A	N/A	Springing	9,439	4,102	N/A	3,821	N/A
11		1	Ships Cove	338,922	273,377	First Mortgage	Fee Simple	N/A	N/A	N/A	11,279	12,313	54,505	9,434	N/A	Springing	N/A
12		1	Marygold Garden Apartments	519,339	495,339	First Mortgage	Fee Simple	N/A	N/A	N/A	60,830	N/A	5,088	1,516	N/A	2,000	N/A
13		1	Manors I And II Apartments	301,313	301,313	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing	17,565	1,203	N/A	1,900	N/A
14	(14)	1	Bloomingdale Apartments	607,260	607,260	First Mortgage	Fee Simple	N/A	N/A	N/A	11,763	8,810	15,021	2,981	N/A	3,688	N/A
15		4	Princess Apartments	413,682	396,282	First Mortgage	Fee Simple	N/A	N/A	N/A	29,994	879	5,392	882	N/A	1,450	N/A
16		1	Colony Apartments	273,486	273,486	First Mortgage	Fee Simple	N/A	N/A	N/A	97,938	79,038	62,101	9,930	300,000	7,543	N/A
17		9	HACEP Tranche 1B Portfolio	150,259	105,193	First Mortgage	Leasehold	8/31/2090	N/A	1,875	N/A	Springing	7,897	6,361	87,000	3,501	N/A
17.01		8	Charles R. Morehead Apartments	N/A	N/A	First Mortgage	Leasehold	8/31/2090	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17.02		1	George W. Baines Apartments	N/A	N/A	First Mortgage	Leasehold	8/31/2090	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18		1	Hickory Knoll Apartments	266,993	258,193	First Mortgage	Fee Simple	N/A	N/A	5,474,107	45,765	4,194	32,531	5,554	N/A	2,400	N/A
19		1	Breslyn House	356,119	356,119	First Mortgage	Fee Simple	N/A	N/A	N/A	33,889	1,637	11,941	1,900	N/A	2,250	N/A
20		1	Hampton Villa	155,108	137,108	First Mortgage	Fee Simple	N/A	N/A	N/A	48,137	N/A	13,709	5,554	N/A	1,500	N/A

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Interest Rate Cap Reserve (Initial)(8)	Interest Rate Cap Reserve (Monthly)	Other Escrow (Initial)(8)	Other Escrow (Monthly)(11)	Other Escrow Reserve Description
1		1	Summer Field Apartments	N/A	N/A	13,421,355; 1,186,005; 183,943; N/A; N/A	N/A; N/A; N/A; 292; 1,750	Rehabilitation Reserve; HUD Account Replacement Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
2		1	Lake Delray Apartments	N/A	N/A	16,558,358; 250,000	N/A	Rehabilitation Reserve; Tax Abatement Reserve
3		1	Cypress Pines	N/A	N/A	7,248,598; 21,260; N/A; N/A	N/A; N/A; 333; 1,044	Rehabilitation Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
4	(14)	1	Van Buren Park Apartments	1,736	1,510	33,236,965; N/A	N/A; 250	Rehabilitation Reserve; Fiscal Agent Fee Reserve
5		1	Park Tanglewood	N/A	N/A	6,958,237; 1,069,000; 592,809; N/A; N/A	N/A; N/A; N/A; 333; 4,032	Rehabilitation Reserve; Section 8 HAP Reserve; Green Improvements Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
6		5	Columbia Apartments	N/A	N/A	6,662,258; 50,437; N/A; N/A	N/A; N/A; 333; 733	Rehabilitation Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
7	(15)	1	Garden City Apartments	N/A	N/A	10,051,082	N/A	Rehabilitation Reserve
8		4	Buckingham Apartment Portfolio	N/A	N/A	5,400,478; 36,425; N/A; N/A	N/A; N/A; 333; 665	Rehabilitation Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
9	(16)	1	Craven Terrace Phase II	N/A	N/A	11,607,702	N/A	Rehabilitation Reserve
10	(16)	1	Craven Terrace Phase I	N/A	N/A	8,271,230	N/A	Rehabilitation Reserve
11		1	Ships Cove	N/A	N/A	8,576,676	N/A	Rehabilitation Reserve
12		1	Marygold Garden Apartments	N/A	N/A	3,899,608; 28,374; N/A; N/A	N/A; N/A; 333; 421	Rehabilitation Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
13		1	Manors I And II Apartments	N/A	N/A	3,900,871	N/A	Rehabilitation Reserve
14	(14)	1	Bloomingdale Apartments	868	895	13,256,318; N/A	N/A; 42	Rehabilitation Reserve; Rebate Analyst Fee Reserve
15		4	Princess Apartments	N/A	N/A	3,716,833; 19,996; N/A; N/A	N/A; N/A; 333; 417	Rehabilitation Reserve; Tax Abatement Reserve; Fiscal Agent Fee Reserve; Government Lender Fee Reserve
16		1	Colony Apartments	N/A	N/A	10,717,418	N/A	Rehabilitation Reserve
17		9	HACEP Tranche 1B Portfolio	N/A	N/A	7,555,185; 315,963	N/A; 17,313	Rehabilitation Reserve; Debt Service Reserve
17.01		8	Charles R. Morehead Apartments	N/A	N/A	N/A	N/A	N/A
17.02		1	George W. Baines Apartments	N/A	N/A	N/A	N/A	N/A
18		1	Hickory Knoll Apartments	N/A	N/A	4,585,912; N/A	N/A; Springing	Rehabilitation Reserve; Radon Remediation Reserve
19		1	Breslyn House	N/A	N/A	N/A	42; 250	Rebate Analyst Fee Reserve; Fiscal Agent Fee Reserve
20		1	Hampton Villa	N/A	N/A	2,910,937	N/A	Rehabilitation Reserve

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Springing Reserve Type(9)(10)(11)	Springing Reserve Amount	Seismic Insurance if PML >= 20% (Y/N)	Green Advantage(12)	Monthly Rent Per Unit	Additional Financing In Place (existing) (Y/N)(13)	Additional Financing Amount (existing)(13)
1		1	Summer Field Apartments	N/A	N/A	No	N/A	1,491	No	N/A
2		1	Lake Delray Apartments	Replacement Reserve	10,100	No	N/A	912	No	N/A
3		1	Cypress Pines	N/A	N/A	No	N/A	2,553	No	N/A
4	(14)	1	Van Buren Park Apartments	N/A	N/A	No	N/A	969	Yes	3,000,000
5		1	Park Tanglewood	N/A	N/A	No	Green Up	1,347	Yes	596,281; 169,131
6		5	Columbia Apartments	N/A	N/A	No	N/A	1,324	Yes	11,000,000
7	(15)	1	Garden City Apartments	N/A	N/A	No	N/A	1,034	Yes	8,352,200
8		4	Buckingham Apartment Portfolio	N/A	N/A	Yes	N/A	1,525	No	N/A
9	(16)	1	Craven Terrace Phase II	Tax Reserve	N/A	No	N/A	633	Yes	2,470,000; 500,000
10	(16)	1	Craven Terrace Phase I	Tax Reserve	N/A	No	N/A	686	Yes	1,660,000; 500,000
11		1	Ships Cove	Replacement Reserve	5,025	No	N/A	1,003	Yes	5,185,000; 1,252,000
12		1	Marygold Garden Apartments	N/A	N/A	No	N/A	1,213	Yes	4,800,000
13		1	Manors I And II Apartments	Tax Reserve	N/A	No	N/A	1,244	No	N/A
14	(14)	1	Bloomingdale Apartments	N/A	N/A	No	N/A	1,053	Yes	1,500,000
15		4	Princess Apartments	N/A	N/A	No	N/A	1,246	Yes	4,100,000
16		1	Colony Apartments	N/A	N/A	No	N/A	587	Yes	5,912,000; 4,805,906; 3,249,889; 1,000,000
17		9	HACEP Tranche 1B Portfolio	Tax Reserve	N/A	No	N/A	700	Yes	5,320,000; 1,600,000
17.01		8	Charles R. Morehead Apartments	N/A	N/A	No	N/A	882	N/A	N/A
17.02		1	George W. Baines Apartments	N/A	N/A	No	N/A	506	N/A	N/A
18		1	Hickory Knoll Apartments	Radon Remediation Reserve	N/A	No	N/A	811	Yes	3,150,000; 304,800
19		1	Breslyn House	N/A	N/A	No	N/A	1,326	Yes	2,223,393; 2,000,000
20		1	Hampton Villa	N/A	N/A	No	N/A	673	Yes	2,000,000; 340,800

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Additional Financing Description (existing)(13)	Future Supplemental Financing (Y/N)	Future Supplemental Financing Description	Type of Regulatory Agreement(s)
1		1	Summer Field Apartments	N/A	No	N/A	LIHTC; HAP; HUD 236; HUD Use; Tax; Tax Abatement
2		1	Lake Delray Apartments	N/A	No	N/A	LIHTC; HAP; TEL/Bond; Tax Abatement
3		1	Cypress Pines	N/A	No	N/A	LIHTC; HAP; HUD 236; HUD Use; TEL/Bond; TEL/Bond
4	(14)	1	Van Buren Park Apartments	Subordinate Loan from Related Van Buren, LLC	No	N/A	LIHTC; DOH; HAP; HUD Use; IHDA; LURA; TEL/Bond
5		1	Park Tanglewood	Subordinate Loan from Tanglewood GP LLC; Subordinate Loan from Community Development Administration	No	N/A	LIHTC; HAP; LURA; Tax Abatement
6		5	Columbia Apartments	Subordinate Loan from Columbia Apartments, A California Limited Partnership	No	N/A	LIHTC; HAP; HUD Use; TEL/Bond
7	(15)	1	Garden City Apartments	Subordinate Bridge Loan from PNC Bank, National Association	No	N/A	LIHTC; HAP; HOME; HUD Use; TEL/Bond
8		4	Buckingham Apartment Portfolio	N/A	No	N/A	LIHTC; HAP; HUD Use; TEL/Bond; Tax Abatement
9	(16)	1	Craven Terrace Phase II	Seller Loan from Housing Authority of the City of New Bern; Capital Finance Loan from Housing Authority of the City of New Bern	No	N/A	LIHTC; HAP; RAD HAP Use; TEL/Bond; Tax Abatement
10	(16)	1	Craven Terrace Phase I	Seller Loan from Housing Authority of the City of New Bern; Capital Finance Loan from Housing Authority of the City of New Bern	No	N/A	LIHTC; RAD HAP Use; RAD HAP; TEL/Bond; Tax Abatement
11		1	Ships Cove	Seller Loan from Milliken Affordable Housing, Inc.; Subordinate Seller Reserve Loan from Milliken Affordable Housing, Inc.	No	N/A	LIHTC; HAP; HUD 236; TEL/Bond
12		1	Marygold Garden Apartments	Subordinate Loan from Marygold Gardens Apartments	No	N/A	LIHTC; HAP; HUD; HUD Use; TEL/Bond Tax Abatement
13		1	Manors I And II Apartments	N/A	No	N/A	LIHTC; HAP; HUD Use; TEL/Bond
14	(14)	1	Bloomingdale Apartments	Subordinate Loan from Related Bloomingdale, LLC	No	N/A	LIHTC; Chicago DOH; HAP; HUD - PRDP; IHDA; LURA; Tax
15		4	Princess Apartments	Subordinate Loan from Princess Apartments, A California Limited Partnership	No	N/A	LIHTC; HAP; HUD Use; TEL/Bond
16		1	Colony Apartments	Subordinate Equity Bridge Loan from PNC Bank, National Association; Subordinate CRN Loan from Community Housing Concepts, Inc.; Subordinate MRN Loan from Community Housing Concepts, Inc.; Subordinate HOME Loan from South Carolina State Housing Finance and Development Authority	No	N/A	LIHTC; CRN; HAP; HOME; HUD Use; MRN; TEL/Bond
17		9	HACEP Tranche 1B Portfolio	Subordinate Loan from Housing Authority of City of El Paso; GAP Loan from Paisano Housing Redevelopment Corporation	No	N/A	LIHTC; RAD HAP Use; TEL/Bond; Tax Abatement
17.01		8	Charles R. Morehead Apartments	N/A	No	N/A	LIHTC; RAD HAP Use; TEL/Bond; Tax Abatement
17.02		1	George W. Baines Apartments	N/A	No	N/A	LIHTC; RAD HAP Use; TEL/Bond; Tax Abatement
18		1	Hickory Knoll Apartments	Subordinate SAIL Loan from Florida Housing Finance Corporation; Subordinate ELI Loan from Florida Housing	No	N/A	LIHTC; HAP; LURA; SAIL/ELI; Tax
19		1	Breslyn House	Subordinate Restructuring Loan from Secretary of Housing And Urban Development; Subordinate Loan from Bank of America, N.A.	No	N/A	LIHTC; BOA LURA; HAP; HUD Use; LURA; MRRA; Tax
20		1	Hampton Villa	Subordinate SAIL Loan from Florida Housing Finance Corporation; Subordinate ELI Loan from Florida Housing Finance Corporation	No	N/A	LIHTC; HAP; HUD Use; SAIL/ELI; Tax

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Description of Regulatory Agreement(s)
1		1	Summer Field Apartments	LIHTC - 40% of total units at 60% AMI; HAP - 265 units; HUD 236 - Compliance with LIHPRHA Use Agreement; HUD Use - 247 units at 60% AMI, 18 units at 80% AMI and 3 non-revenue units; Tax - 40% of total units at 60% AMI, 83 units at 50% AMI and 183 units at 60% AMI
2		1	Lake Delray Apartments	LIHTC - 100% of total units at 60% AMI (80% of which shall be set aside for elderly persons); HAP - 202 units; TEL/Bond - 40% of total units at 60% AMI
3		1	Cypress Pines	LIHTC - 100% of total units at 60% AMI; HAP - 82 units; HUD 236 - 100% of total units at 80% AMI; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI following termination of HAP; TEL/Bond - 78 units at 50% of AMI and 2 units at 60% of AMI; TEL/Bond - 40% of total units at 60% AMI
4	(14)	1	Van Buren Park Apartments	LIHTC - 40% of total units at 60% AMI; DOH - 100% of total units at 60% AMI; HAP - 299 units; HUD Use - Compliance with HAP contract, 40% of total units at 60% AMI following termination of HAP; IHDA - 286 units at 60% AMI; LURA - 40% of total units at 60% AMI; TEL/Bond - 40% of total units at 60% AMI
5		1	Park Tanglewood	LIHTC - 100% of total units at 60% AMI; HAP - 15 units; LURA - 40% of total units at 60% AMI
6		5	Columbia Apartments	LIHTC - 40% of total units at 60% AMI, 42 units at 50% AMI and 80 units at 60% AMI; HAP - 127 units; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI following termination of HAP; TEL/Bond - 42 units at 50% of AMI and 80 units at 60% of AMI
7	(15)	1	Garden City Apartments	LIHTC - 100% of total units at 60% AMI; HAP - 252 units; HOME - 27 units at 50% AMI and 104 units at 80% AMI; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI following termination of HAP; TEL/Bond - 40% of total units at 60% AMI
8		4	Buckingham Apartment Portfolio	LIHTC - 10 units at 50% AMI and 73 units at 60% AMI; HAP - 83 units; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI; TEL/Bond - 8 units at 50% AMI and 75 units at 60% of AMI
9	(16)	1	Craven Terrace Phase II	LIHTC - 40% of total units at 60% AMI; HAP - 182 units; RAD HAP Use - Compliance with HAP contract, HAP units at 80% of AMI; TEL/Bond - 40% of total units at 60% AMI
10	(16)	1	Craven Terrace Phase I	LIHTC - 40% of units at 60% of AMI; RAD HAP Use - Compliance with HAP contract, HAP units at 80% of AMI; RAD HAP - 131 units; Tax - 40% of units at 60% of AMI
11		1	Ships Cove	LIHTC - 191 units at 60% AMI (93 of which shall be two-bedroom units and 98 shall be one-bedroom units) and 21 units at 30% AMI; HAP - 162 units; HUD 236 - Compliance with HAP Contract; TEL/Bond - 40% of total units at 60% AMI
12		1	Marygold Garden Apartments	LIHTC - 9 units at 50% AMI and 70 units at 60% AMI; HAP - 80 units; HUD - Compliance with HAP contract, HAP units at 80% of AMI; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI following termination of HAP; TEL/Bond - 9 units at 50% AMI and 70 units at 60% AMI
13		1	Manors I And II Apartments	LIHTC - 100% of total units at 60% AMI; HAP - 76 units; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI; TEL/Bond - 40% of units at 60% AMI, 75% of units at 100% AMI
14	(14)	1	Bloomingsdale Apartments	LIHTC - 105 units at 60% of AMI; Chicago DOH - 100% of total units at 60% AMI; HAP - 111 units; HUD PRDP - 40% of total units at 60% AMI; IHDA - 105 units at 60% AMI; LURA - 40% of total units at 60% AMI; Tax - 40% of total units at 60% AMI
15		4	Princess Apartments	LIHTC - 16 units at 50% AMI and 40 units at 60% AMI; HAP - 58 units; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI; TEL/Bond - 16 units at 50% AMI and 41 units at 60% AMI
16		1	Colony Apartments	LIHTC - 100% of total units at 60% AMI; CRN - 40% of total units at 60% AMI; HAP - 300 units; HOME - 80% of total units at 60% AMI, 20% of total units at 50% AMI, 15 two-bedroom units at 50% AMI for 20 years; HUD Use - 40% of total units at 60% AMI; MRN - 40% of total units at 60% AMI; TEL/Bond - 40% of total units at 60% AMI
17		9	HACEP Tranche 1B Portfolio	LIHTC - 120 units at 60% AMI; RAD HAP Use - 120 units at 80% AMI; TEL/Bond - 40% of total units at 60% AMI
17.01		8	Charles R. Morehead Apartments	LIHTC - 62 units at 60% AMI; RAD HAP Use - 62 units at 80% AMI; TEL/Bond - 40% of total units at 60% AMI
17.02		1	George W. Baines Apartments	LIHTC - 58 units at 60% AMI; RAD HAP Use - 58 units at 80% AMI; TEL/Bond - 40% of total units at 60% AMI
18		1	Hickory Knoll Apartments	LIHTC - 10% of total units at 45% AMI and 90% of total units at 60% AMI; HAP - 94 units; LURA - 100% of total units at 60% AMI; SAIL/ELI - 10% of total units at 45% AMI (5 of which shall be set aside for persons with a disabling conditions) and 90% of total units at 60% AMI; Tax - 40% of total units at 60% AMI
19		1	Breslyn House	LIHTC - 40% of total units at 60% of AMI and 31 units at 50% of AMI; BOA LURA - 20% of total units at 50% AMI and 40% of total units at 60% AMI; HAP - 60 units; HUD Use - 40% of total units at 60% AMI; LURA - 40% of total units at 60% AMI; MRRA - Compliance with the HAP Contract; Tax - 40% of total units at 60% AMI
20		1	Hampton Villa	LIHTC - 40% of total units at 60% AMI; HAP - 60 units; HUD Use - Compliance with HAP contract, HAP units at 80% of AMI following termination of HAP; SAIL/ELI - 10% of total units at 35% AMI (3 of which shall be set aside for persons with a disabling condition) and 90% of total units at 60% AMI; Tax - 100% of total units at 60% AMI

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Number of LIHTC Units	Tax Credit Syndicator Name	Rental/Income/Age Restrictions (Y/N)	Issuer	Fiscal Agent Name
1		1	Summer Field Apartments	108	WNC California Holding, LLC	Yes	California Statewide Communities Development Authority	Wilmington Trust, National Association
2		1	Lake Delray Apartments	404	Alliant Credit Facility, Ltd.	Yes	Housing Finance Authority of Palm Beach County, Florida	U.S. Bank National Association
3		1	Cypress Pines	82	BF Deliverance Temple, LLLP	Yes	California Municipal Finance Authority	Wilmington Trust, National Association
4	(14)	1	Van Buren Park Apartments	120	Wells Fargo Affordable Housing Community Development Corporation	Yes	Illinois Housing Development Authority	Zions Bank, A Division of ZB, National Association
5		1	Park Tanglewood	180	R4 PT Acquisition LLC	Yes	Housing Authority of Prince George's County	Wilmington Trust, National Association
6		5	Columbia Apartments	51	U.S.A. Institutional Tax Credit Fund CVII L.P.	Yes	California Statewide Communities Development Authority	Wilmington Trust, N.A.
7	(15)	1	Garden City Apartments	252	PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership	Yes	Texas Department of Housing and Community Affairs	BOKF, NA
8		4	Buckingham Apartment Portfolio	83	WNC Institutional Tax Credit Fund X California Series 14, L.P.	Yes	California Municipal Finance Authority	Wilmington Trust, National Association
9	(16)	1	Craven Terrace Phase II	76	PNC Bank, National Association	Yes	Housing Authority of the City of New Bern, N.C.	U.S. Bank National Association
10	(16)	1	Craven Terrace Phase I	53	PNC Bank, National Association	Yes	Housing Authority of the City of New Bern, N.C.	U.S. Bank National Association
11		1	Ships Cove	191	RBC-Ships Cove, LLC	Yes	Massachusetts Development Finance Agency	U.S. Bank National Association
12		1	Marygold Garden Apartments	79	U.S.A. Institutional Tax Credit Fund CVII L.P.	Yes	California Statewide Communities Development Authority	Wilmington Trust, N.A.
13		1	Manors I And II Apartments	76	Key Community Development Corporation	Yes	Colorado Housing and Finance Authority	U.S. Bank National Association
14	(14)	1	Bloomingdale Apartments	106	Wells Fargo Affordable Housing Community Development Corporation	Yes	Illinois Housing Development Authority	Zions Bank, A Division of ZB, National Association
15		4	Princess Apartments	56	U.S.A. Institutional Tax Credit Fund CVIII L.P.	Yes	California Statewide Communities Development Authority	Wilmington Trust, N.A.
16		1	Colony Apartments	300	PNC Real Estate Tax Credit Capital Institutional Fund 58, LLC	Yes	South Carolina State Housing Finance and Development Authority	U.S. Bank National Association
17		9	HACEP Tranche 1B Portfolio	120	Alden Capital Partners Tax Credit Fund 20, LP	Yes	Alamito Public Facilities Corporation	Wilmington Trust, National Association
17.01		8	Charles R. Morehead Apartments	62	Alden Capital Partners Tax Credit Fund 20, LP	Yes	Alamito Public Facilities Corporation	Wilmington Trust, National Association
17.02		1	George W. Baines Apartments	58	Alden Capital Partners Tax Credit Fund 20, LP	Yes	Alamito Public Facilities Corporation	Wilmington Trust, National Association
18		1	Hickory Knoll Apartments	96	Regions Bank	Yes	Florida Housing Finance Corporation	The Bank of New York Mellon Trust Company, N.A.
19		1	Breslyn House	55	Bank of America, N.A.	Yes	Pennsylvania Housing Finance Agency	U.S. Bank National Association
20		1	Hampton Villa	24	Regions Bank	Yes	Florida Housing Finance Corporation	U.S. Bank National Association

Exhibit A-1 FRETE 2018-ML04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Sponsor Name	Annual Governmental Lender Fee	Annual Fiscal Agent Fee (\$)	Annual Fiscal Agent Fee Payment Date	First Annual Fiscal Agent Fee Payment Date
1		1	Summer Field Apartments	Jamboree Housing Corporation	Greater of (i) \$5,000 or (ii) 0.05%	3,500	3/1	3/1/2018
2		1	Lake Delray Apartments	Timothy Henzy; Alliant Capital, Ltd.; Darren Smith	Semi-annually, \$26,870.25	3,000	1/1; 7/1	1/1/2017
3		1	Cypress Pines	Cypress Guarantor LLC	Greater of (i) \$4,000 or (ii) 0.05%	4,000	6/1	6/1/2018
4	(14)	1	Van Buren Park Apartments	The Related Companies, L.P.	0.1250%	3,000	7/28	7/28/2017
5		1	Park Tanglewood	Cypress Guarantor LLC	0.2500%	4,000	4/17	4/17/2017
6		5	Columbia Apartments	Intercontinental Affordable Housing, Inc.; Marco Gomez	Greater of (i) \$5,000 or (ii) 0.05%	4,000	1/1	1/1/2018
7	(15)	1	Garden City Apartments	Steele Properties LLC; Steele Properties Holdings LLC	the sum of (i) 0.100% and (ii) \$25 per unit	4,000	5/1	5/1/2017
8		4	Buckingham Apartment Portfolio	Cypress Guarantor LLC	Greater of (i) \$4,000 or (ii) 0.05%	4,000	5/1	5/1/2017
9	(16)	1	Craven Terrace Phase II	William Houlihan; Brian Poulin; Charles Allen	N/A	2,250	12/1	12/1/2016
10	(16)	1	Craven Terrace Phase I	William Houlihan; Brian Poulin; Charles Allen	N/A	2,250	12/1	12/1/2016
11		1	Ships Cove	The NHP Foundation	N/A	1,250	9/1	9/1/2017
12		1	Marygold Garden Apartments	Intercontinental Affordable Housing, Inc.; Marco Gomez	Greater of (i) \$5,000 or (ii) 0.05%	4,000	1/1	1/1/2018
13		1	Manors I And II Apartments	Steele Properties LLC; Steele Properties Holdings LLC	0.1000%	3,000	7/25	7/25/2017
14	(14)	1	Bloomingtondale Apartments	The Related Companies, L.P.	0.1250%	3,000	7/28	7/28/2017
15		4	Princess Apartments	Intercontinental Affordable Housing, Inc.; Marco Gomez	Greater of (i) \$5,000 or (ii) 0.05%	4,000	4/21	4/21/2018
16		1	Colony Apartments	Community Housing Concepts, Inc.	\$50.00 per unit	3,233	8/15	8/15/2017
17		9	HACEP Tranche 1B Portfolio	Paisano Housing Redevelopment Corporation	N/A	3,000	8/1	8/1/2017
17.01		8	Charles R. Morehead Apartments	Paisano Housing Redevelopment Corporation	N/A	3,000	8/1	8/1/2017
17.02		1	George W. Baines Apartments	Paisano Housing Redevelopment Corporation	N/A	3,000	8/1	8/1/2017
18		1	Hickory Knoll Apartments	J. David Page	0.2400%	4,250	5/1; 11/1	5/1/2017
19		1	Breslyn House	WCredit LLC	N/A	3,000	11/1	11/1/2017
20		1	Hampton Villa	J. David Page	Semi-annually, the greater of (i) \$10,000 or (ii) 0.24%	4,250	4/1; 10/1	4/1/2017

## Footnotes to Exhibit A-1

- (1) The following TELs have multiple street addresses:

With respect to the "Columbia Apartments" TEL, the street addresses at the mortgaged real properties are as follows: 1034 South Catalina Street, Los Angeles, California 90006, 1043 South Kingsley Drive, Los Angeles, California 90006, 1137 & 1147 South Bronson Avenue, Los Angeles, California 90019, 1522 West 11th Place, Los Angeles, California 90015 and 415 East Adams Boulevard, Los Angeles, California 90011.

With respect to the "Buckingham Apartment Portfolio" TEL, the street addresses at the mortgaged real properties are as follows: 4143 Buckingham Road, Los Angeles, California 90008, 4050 Ursula Avenue, Los Angeles, California 90008, 4706 August Street, Los Angeles, California 90008 and 3945 Gibraltar Avenue, Los Angeles, California 90008.

With respect to the "Princess Apartments" TEL, the street addresses at the mortgaged real properties are as follows: 1648 North Kingsley Drive, Los Angeles, California 90027, 4335 South Woodlawn Avenue, Los Angeles, California 90011, 6116 Eleanor Avenue, Los Angeles, California 90038 and 722 North Van Ness Avenue, Los Angeles, California 90038.

With respect to the "Charles R. Morehead Apartments" mortgaged real properties securing the underlying mortgage loan "HACEP Tranche 1B Portfolio" TEL, the street addresses are as follows: 1206 East 5th Avenue, El Paso, Texas 79901, 1000/1020 East 6th Avenue, El Paso, Texas 79901, 1215-1223 East 6th Avenue, El Paso, Texas 79901, 1216-1224 East 6th Avenue, El Paso, Texas 79901, 615 South Campbell Street, El Paso, Texas 79901, 620/624 South Kansas Street, El Paso, Texas 79901, 701, 705 and 709 South Park Street and 1009, 1011 and 1013 South St. Vrain Street, El Paso, Texas 79901.

- (2) Low-Income units are affordable to families with incomes no greater than 80.0% of area median income in multifamily rental properties.

Very Low-Income units are affordable to families with incomes no greater than 50.0% of area median income in multifamily rental properties.

- (3) The related groups of underlying TELs were made to separate borrowers under common ownership.

For discussion of the risks associated with related borrower loans, see "*Risk Factors - Risks Related to the TELs and the Underlying Mortgage Loans*" in this Offering Circular Supplement.

- (4) The Administration Fee Rate includes the master servicing fee rate, sub-servicing fee rate, master servicer surveillance fee rate, special servicer surveillance fee rate, CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate, trustee fee rate and certificate administrator fee rate applicable to each underlying TEL, with the exception of the TELs identified as "Van Buren Park Apartments" and "Bloomingdale Apartments", in which case the sub-servicing fee rate is paid separately by the borrower above the respective Note Rate for such TEL.

- (5) Monthly Debt Service Amount (Amortizing) shown for underlying TELs with partial interest-only periods reflects such amount payable after the expiration of the interest-only period.

- (6) Prepayment Provision is shown from the respective underlying TEL origination date.

With respect to Prepayment Provision, there are 7 TELs (identified as "Summer Field Apartments", "Lake Delray Apartments", "Cypress Pines", "Columbia Apartments", "Buckingham Apartment Portfolio", "Marygold Garden Apartments" and "Princess Apartments") where the related mortgaged property (i) benefits from a tax abatement or similar agreement that expires during the term of the related underlying mortgage loan or (ii) is expected to benefit from a tax abatement or similar agreement. Pursuant to the related underlying mortgage loan documents, if the related borrower does not obtain approval for the continuation or granting of such tax abatement or similar agreement by a designated date, such related borrower will be required to prepay in part the related underlying mortgage loan by an amount specified in the related underlying mortgage loan documents along with any applicable prepayment premium. The Appraised Value for such mortgaged real properties reflects the "as-is" value assuming a full property tax abatement. For discussion of the related tax abatements or similar agreements, see "*Risk Factors—Risks Related to the TELs and Underlying Mortgage Loans*" in the Offering Circular Supplement.

With respect to Prepayment Provision, for the TEL secured by the underlying mortgage loan identified as "HACEP Tranche 1B Portfolio", the related underlying mortgage loan documents require the related borrower to prepay in

part the underlying mortgage loan in the amount of \$522,000 upon receipt of a payment made by the borrower in order to satisfy certain debt service coverage ratio requirements as set forth in the borrower's organizational documents.

With respect to Other Escrow (Initial), for the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified as "Park Tanglewood", the related borrower was required to deposit approximately \$1,069,000 on the related underlying mortgage loan origination date into a Section 8 HAP Reserve. Pursuant to the related underlying mortgage loan documents, if the related borrower does not obtain approval for a HAP contract within 6 months after the underlying mortgage loan origination date, the related lender may apply all or a portion of the related Section 8 HAP Reserve toward a prepayment in part of the underlying mortgage loan.

- (7) With respect to Title Vesting (Fee/Leasehold/Both), the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified as "Craven Terrace Phase II", is secured by the leasehold interest of the related borrower in the related mortgaged real property. The mortgaged real property is subject to a ground lease dated December 1, 2015, between the Housing Authority of the City of New Bern, as ground lessor, and the related borrower, as ground lessee. The current fixed rent was paid in advance for the entire term of the lease in the amount of \$2,470,000 in the form of a non-recourse promissory note made by the related borrower over a 40-year term. The ground lease is scheduled to terminate on November 30, 2114.

With respect to Title Vesting (Fee/Leasehold/Both), the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified as "Craven Terrace Phase I", is secured by the leasehold interest of the related borrower in the related mortgaged real property. The mortgaged real property is subject to a ground lease dated December 1, 2015, between the Housing Authority of the City of New Bern, as ground lessor, and the related borrower, as ground lessee. The current fixed rent was paid in advance for the entire term of the lease in the amount of \$1,660,000 in the form of a non-recourse promissory note made by the related borrower over a 40-year term. The ground lease is scheduled to terminate on November 30, 2114.

With respect to Ground Lease Rent for the TELs secured by the underlying mortgage loans secured by the mortgaged real properties identified as "Craven Terrace Phase II" and "Craven Terrace Phase I", each had a one-time payment which was paid in advance via a promissory note from the lessee to the lessor and each such note is currently listed as additional financing.

With respect to Title Vesting (Fee/Leasehold/Both), the TEL secured by the underlying mortgage loan secured by the mortgaged real properties identified as "HACEP Trance 1B Portfolio", is secured by the leasehold interest of the related borrower in the related mortgaged real properties. The mortgaged real properties are subject to a ground lease dated August 1, 2016, between the Housing Authority of the City of El Paso, as ground lessor, and the related borrower, as ground lessee. The current fixed rent under the ground lease is \$3,067, per annum. The ground lease is scheduled to terminate on August 31, 2090.

- (8) Initial Escrow Balances are as of the related underlying TEL origination date, not as of the Cut-Off Date.
- (9) With respect to Tax Escrow (Monthly), springing Tax Escrow (Monthly) commences upon an event of default or, with respect to certain underlying mortgage loans, (i) event of default or (ii) origination of supplemental mortgage.
- (10) With respect to Replacement Reserve (Monthly), springing Replacement Reserve (Monthly) commences upon (i) event of default, (ii) origination of supplemental mortgage or (iii) certain other conditions of the underlying mortgage loan agreement, where applicable.

With respect to Replacement Reserve (Monthly), there are for 4 TELs that require monthly reserve payments to increase annually: with respect to the "Summer Field Apartments" TEL, 3.0%; with respect to the "Buckingham Apartment Portfolio" TEL, 3.0%, which began on June 1, 2017, and on each June 1 thereafter; with respect to the "Cypress Pines" TEL, 3.0% and with respect to the "Park Tanglewood" TEL, 3.0%.

- (11) With respect to Other Escrow (Monthly), a springing Radon Remediation Reserve (Monthly) commences upon the related long term radon test concluding radon concentrations greater than 4 pCi/L of repair costs.
- (12) Certain underlying TELs identified on Exhibit A-1 as having a Green Improvements Reserve were underwritten in accordance with Freddie Mac's Green Up™ or Green Up Plus™ programs. Such underlying TELs were underwritten assuming that the related borrower will make certain energy and/or water/sewer improvements to a mortgaged real property generally within 2 years after the origination of the related underlying TEL. The lender typically escrows 125% of the cost to complete such capital improvements.

- (13) See "*Permitted Additional Debt - Subordinate Debt*" in the Offering Circular Supplement for details on additional financing.
- (14) The underlying TELs identified as "Van Buren Park Apartments" and "Bloomingdale Apartments" accrue interest at a floating interest rate based on SIFMA plus a margin. Such TELs accrue interest on an Actual/Actual Basis. Each related underlying mortgage loan has the benefit of an Interest Rate Cap Agreement that is currently in place. The SIFMA cap strike rate under such Interest Rate Cap Agreements is 3.500%. The Interest Rate Cap Agreements expire on July 28, 2026. Additionally, the Interest Rate Cap Reserve (Monthly) is only for 108 months, ending with the August 2025 payment.

Interest accrues from the first day to the last day of the respective month prior to any scheduled payment date. For each weekly interest accrual period, the SIFMA rate is determined on the first day preceding the beginning of such interest accrual period for which the SIFMA rate has been released by the Securities Industry and Financial Markets Association. The SIFMA rate is determined on a weekly basis.

Monthly Debt Service Amount (Amortizing) shown is calculated based on the Cut-Off Date Loan Amount, the Amortization Term (Remaining), an assumed SIFMA rate of 2.000% and the average of the 12 monthly payments starting after the Cut-Off Date.

Projected First Monthly Payment to Trust for the underlying TEL that requires payments of principal and interest as of the Cut-Off Date is calculated based on the Cut-Off Date Loan Amount, the Amortization Term (Remaining) and an assumed SIFMA rate of 2.000%.

Monthly Debt Service Amount (at Cap) is calculated based on the Cut-Off Date Loan Amount, the Amortization Term (Remaining), the SIFMA Cap Strike Price plus the Margin and the average of the 12 monthly payments starting after the Cut-Off Date.

With respect to the Interest Rate Cap Reserve (Monthly), generally the related borrower is required to make a monthly deposit to be used for the purchase of a replacement interest rate cap agreement upon the expiration of the interest rate cap agreement in place as of the Cut-Off Date for the related underlying mortgage loan. The escrow deposit will be recomputed semi-annually or annually, as defined in the related underlying mortgage loan documents, based on the lender's estimation of the cost of the replacement interest rate cap agreement. The replacement interest rate cap agreement must be made with a provider approved by the lender.

- (15) With respect to the TEL secured by the underlying mortgage loan secured by the mortgaged real property identified as "Garden City Apartments", the \$25 per unit component of the Annual Governmental Lender Fee will increase annually based on any corresponding increase in the CPI.
- (16) With respect to Crossed Loans, the underlying mortgage loans are cross-collateralized and cross-defaulted with each other. The Cut-Off Date LTV, Maturity LTV, UW NCF DSCR and UW NCF DSCR (IO) calculations presented are based on the aggregate indebtedness of the underlying mortgage loans and the aggregate Cut-Off Date Loan Amount, Maturity Balance, Total Units, Appraised Value, Monthly Debt Service Amount (Amortizing), Monthly Debt Service (IO) and UW NCF of all mortgaged properties securing such underlying mortgage loans.

**EXHIBIT A-2**

**CERTAIN MORTGAGE POOL INFORMATION**

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## The Ten Largest Underlying Mortgage Loans or Groups of Cross-Collateralized Underlying Mortgage Loans

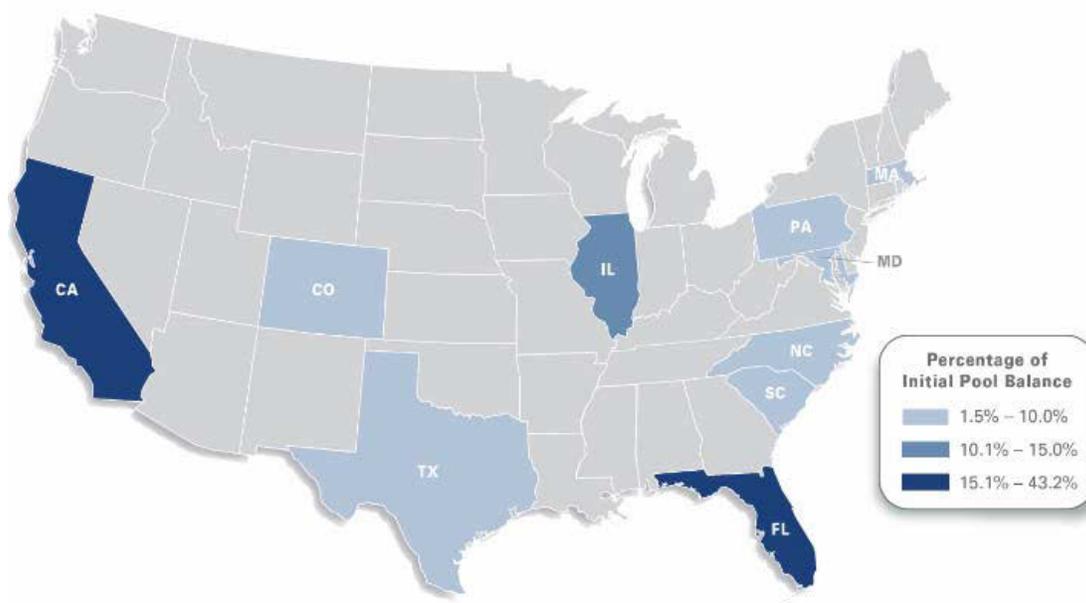
Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Mortgage Rate
Summer Field Apartments	1	Garden	Indio, CA	\$42,000,000	15.2%	1.27x	71.2%	4.534%
Lake Delray Apartments	1	Age Restricted	Delray Beach, FL	35,827,000	13.0	1.15x	73.0%	4.500%
Cypress Pines	1	Garden	Richmond, CA	25,066,659	9.1	1.15x	83.3%	4.930%
Van Buren Park Apartments	1	High Rise	Chicago, IL	21,636,826	7.8	1.37x	86.9%	3.990%
Park Tanglewood	1	Mid Rise	Riverdale, MD	19,355,000	7.0	1.09x	84.5%	4.770%
Columbia Apartments	5	Garden	Los Angeles, CA	17,762,534	6.4	1.18x	56.9%	4.810%
Garden City Apartments	1	Garden	Houston, TX	16,322,961	5.9	1.22x	87.8%	4.230%
Buckingham Apartment Portfolio	4	Garden	Los Angeles, CA	15,960,208	5.8	1.24x	77.5%	3.870%
Craven Terrace Phase II <sup>(1)</sup>	1	Garden	New Bern, NC	6,403,354	2.3	1.17x	89.6%	4.530%
Craven Terrace Phase I <sup>(1)</sup>	1	Garden	New Bern, NC	4,522,649	1.6	1.17x	89.6%	4.530%
Ships Cove	1	High Rise	Fall River, MA	10,742,177	3.9	1.17x	82.0%	4.090%
<b>Total/Wtd. Average</b>	<b>18</b>			<b>\$215,599,368</b>	<b>78.0%</b>	<b>1.21x</b>	<b>77.7%</b>	<b>4.469%</b>

(1) The two (2) underlying mortgage loans, "Craven Terrace Phase II" and "Craven Terrace Phase I" are cross-collateralized and cross-defaulted with one another.

### Underlying Mortgaged Property Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
California	16	\$119,337,716	43.2%	1.21x	71.6%	4.596%
Florida	3	42,779,877	15.5	1.17x	73.4%	4.416%
Illinois	2	30,489,232	11.0	1.38x	85.4%	3.990%
Texas	10	21,542,961	7.8	1.23x	84.7%	4.169%
Maryland	1	19,355,000	7.0	1.09x	84.5%	4.770%
North Carolina	2	10,926,002	4.0	1.17x	89.6%	4.530%
Massachusetts	1	10,742,177	3.9	1.17x	82.0%	4.090%
Colorado	1	8,935,994	3.2	1.21x	86.8%	3.860%
South Carolina	1	7,900,000	2.9	1.22x	74.7%	3.970%
Pennsylvania	1	4,275,012	1.5	1.22x	72.5%	4.610%
<b>Total/Wtd. Average</b>	<b>38</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Collateral Locations



Note: All DSCR calculations are based on amortizing debt service payments.

Calculations include two (2) SIFMA-based floating-rate TELs identified as Van Buren Park Apartments and Bloomingdale Apartments. All calculations for these TELs were based on the mortgage note rate of 3.990%, which includes an assumed SIFMA rate of 2.000%.

### Underlying Mortgage Loan Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
\$2,248,964 - \$4,999,999	4	\$15,750,538	5.7%	1.23x	78.8%	4.311%
\$5,000,000 - \$9,999,999	6	45,671,723	16.5	1.24x	77.5%	4.153%
\$10,000,000 - \$14,999,999	2	20,930,522	7.6	1.16x	77.5%	4.421%
\$15,000,000 - \$19,999,999	4	69,400,702	25.1	1.18x	76.6%	4.446%
\$20,000,000 - \$29,999,999	2	46,703,486	16.9	1.25x	85.0%	4.495%
\$30,000,000 - \$39,999,999	1	35,827,000	13.0	1.15x	73.0%	4.500%
\$40,000,000 - \$42,000,000	1	42,000,000	15.2	1.27x	71.2%	4.534%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
1.09x - 1.27x	17	\$241,090,825	87.3%	1.19x	76.1%	4.478%
1.28x - 1.39x	2	26,340,740	9.5	1.36x	84.7%	4.003%
1.40x	1	8,852,406	3.2	1.40x	81.8%	3.990%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
56.9% - 59.9%	2	\$26,122,503	9.5%	1.17x	57.2%	4.752%
60.0% - 74.9%	6	104,894,271	38.0	1.21x	72.4%	4.485%
75.0% - 79.9%	3	23,429,171	8.5	1.24x	77.0%	3.891%
80.0% - 84.9%	4	64,016,242	23.2	1.17x	83.2%	4.611%
85.0% - 89.6%	5	57,821,783	20.9	1.27x	87.6%	4.140%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Mortgage Rate
42.4% - 49.9%	3	\$30,397,516	11.0%	1.18x	43.4%	4.732%
50.0% - 54.9%	6	105,839,258	38.3	1.21x	54.6%	4.455%
55.0% - 59.9%	3	28,951,348	10.5	1.21x	55.5%	3.949%
60.0% - 64.9%	4	59,178,019	21.4	1.22x	62.9%	4.435%
65.0% - 67.6%	4	51,917,829	18.8	1.22x	67.1%	4.394%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>57.6%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Type

Mortgage Loan Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Fixed	18	\$245,794,738	89.0%	1.19x	76.0%	4.470%
Floating	2	30,489,232	11.0	1.38x	85.4%	3.990%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

Note: All DSCR calculations are based on amortizing debt service payments.

Calculations include two (2) SIFMA-based floating-rate TELs identified as Van Buren Park Apartments and Bloomingdale Apartments. All calculations for these TELs were based on the mortgage note rate of 3.990%, which includes an assumed SIFMA rate of 2.000%.

### Underlying Mortgage Loan Mortgage Rates

Range of Mortgage Rates	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
3.830% - 3.999%	7	\$70,754,397	25.6%	1.29x	81.6%	3.938%
4.000% - 4.499%	3	31,769,051	11.5	1.22x	83.9%	4.157%
4.500% - 4.930%	10	173,760,523	62.9	1.18x	74.0%	4.659%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Defeasance, then Defeasance or Greater of YM or 1%, then Defeasance or 1% Penalty	18	\$245,794,738	89.0%	1.19x	76.0%	4.470%
Lockout, then 1% Penalty	2	30,489,232	11.0	1.38x	85.4%	3.990%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Amortization Type

Amortization Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Balloon	12	\$150,780,956	54.6%	1.23x	78.1%	4.344%
Partial IO	8	125,503,015	45.4	1.19x	75.8%	4.504%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
180 - 200	11	\$176,134,825	63.8%	1.23x	75.6%	4.486%
201 - 227	9	100,149,146	36.2	1.18x	79.6%	4.294%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
169 - 180	11	\$176,134,825	63.8%	1.23x	75.6%	4.486%
181 - 210	9	100,149,146	36.2	1.18x	79.6%	4.294%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

Note: All DSCR calculations are based on amortizing debt service payments.

Calculations include two (2) SIFMA-based floating-rate TELs identified as Van Buren Park Apartments and Bloomingdale Apartments. All calculations for these TELs were based on the mortgage note rate of 3.990%, which includes an assumed SIFMA rate of 2.000%.

### Underlying Mortgage Loan Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
420	20	\$276,283,971	100.0%	1.21x	77.1%	4.417%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
397 - 405	9	\$99,591,793	36.0%	1.26x	82.3%	4.089%
406 - 420	11	176,692,178	64.0	1.18x	74.1%	4.601%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
10 - 11	1	\$25,066,659	9.1%	1.15x	83.3%	4.930%
12 - 23	17	240,291,309	87.0	1.22x	75.8%	4.358%
24 - 28	2	10,926,002	4.0	1.17x	89.6%	4.530%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgage Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Acquisition	19	\$234,283,971	84.8%	1.20x	78.1%	4.396%
Refinance	1	42,000,000	15.2	1.27x	71.2%	4.534%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgaged Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Garden	24	\$174,566,974	63.2%	1.22x	75.1%	4.475%
Age Restricted	3	46,002,275	16.7	1.16x	75.7%	4.362%
High Rise	2	32,379,003	11.7	1.30x	85.3%	4.023%
Mid Rise	1	19,355,000	7.0	1.09x	84.5%	4.770%
Townhome	8	3,980,719	1.4	1.25x	75.1%	3.980%
<b>Total/Wtd. Average</b>	<b>38</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

Note: All DSCR calculations are based on amortizing debt service payments.

Calculations include two (2) SIFMA-based floating-rate TELs identified as Van Buren Park Apartments and Bloomingdale Apartments. All calculations for these TELs were based on the mortgage note rate of 3.990%, which includes an assumed SIFMA rate of 2.000%.

### Underlying Mortgaged Property Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
2016 - 2018	38	\$276,283,971	100.0%	1.21x	77.1%	4.417%
<b>Total/Wtd. Average</b>	<b>38</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Underlying Mortgaged Property Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
87.9% - 89.9%	2	\$55,182,000	20.0%	1.13x	77.0%	4.595%
90.0% - 94.9%	4	8,359,970	3.0	1.15x	57.7%	4.630%
95.0% - 99.9%	16	159,542,257	57.7	1.25x	77.2%	4.351%
100.0%	16	53,199,744	19.3	1.20x	79.8%	4.395%
<b>Total/Wtd. Average</b>	<b>38</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

### Mortgage Pool Green Advantage<sup>SM</sup>

Green Advantage <sup>SM</sup> Classification	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Green Up <sup>SM</sup>	1	\$19,355,000	7.0%	1.09x	84.5%	4.770%
N/A	19	256,928,971	93.0	1.22x	76.5%	4.390%
<b>Total/Wtd. Average</b>	<b>20</b>	<b>\$276,283,971</b>	<b>100.0%</b>	<b>1.21x</b>	<b>77.1%</b>	<b>4.417%</b>

Note: All DSCR calculations are based on amortizing debt service payments.

Calculations include two (2) SIFMA-based floating-rate TELs identified as Van Buren Park Apartments and Bloomingdale Apartments. All calculations for these TELs were based on the mortgage note rate of 3.990%, which includes an assumed SIFMA rate of 2.000%.

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**EXHIBIT A-3**

**DESCRIPTION OF THE TEN LARGEST UNDERLYING MORTGAGE LOANS OR GROUP OF CROSS-COLLATERALIZED  
UNDERLYING MORTGAGE LOANS**

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## Description of the Ten Largest Underlying Mortgage Loans or Groups of Cross-Collateralized Underlying Mortgage Loans

### 1. Summer Field Apartments



Original Principal Balance:	\$42,000,000
Cut-off Date Principal Balance:	\$42,000,000
Maturity Date Principal Balance:	\$32,412,638
% of Initial TEL Pool Balance:	15.2%
Loan Purpose:	Refinance
Rate Type:	Fixed
Interest Rate:	4.534%
First Payment Date:	May 1, 2017
Maturity Date:	April 1, 2033
Amortization:	IO (24), then amortizing 35-year schedule
Call Protection:	D(119) DYM1%(66) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$156,716
Maturity Date Principal Balance / Unit:	\$120,943
Cut-off Date LTV:	71.2%
Maturity Date LTV:	54.9%
Underwritten DSCR:	1.27x
# of Units/Low Income /V. Low Income:	268 / 267 / 259
Collateral:	Fee Simple
Location:	Indio, CA
Property Sub-type:	Garden
Year Built / Renovated:	1972 / 2017
Occupancy:	97.0% (2017)
	99.0% (2016)
	99.1% (2015)
	99.0% (2014)
Underwritten / Most Recent NCF:	\$3,048,085 / \$2,887,118
Average Effective Annual Rent / Unit:	\$17,370 (2017)
	\$13,686 (2016)
	\$13,466 (2015)
	\$13,309 (2014)

**Generally.** The underlying mortgage loan (“Summer Field Apartments”) is secured by one (1) mortgaged real property operating as a garden multifamily property that offers various common area and unit amenities.

**Property Management.** The mortgaged real property securing Summer Field Apartments is managed by FPI Management, Inc.

**Competitive Conditions.** The mortgaged real property securing Summer Field Apartments is located in the Indio/La Quinta submarket within the Riverside-San Bernardino-Ontario, CA metropolitan statistical area. The mortgaged real property securing Summer Field Apartments is one (1) of twelve (12) rent comparable garden multifamily rental properties that were identified in the appraisal for use in calculating the market value of such mortgaged real property.

## 2. Lake Delray Apartments



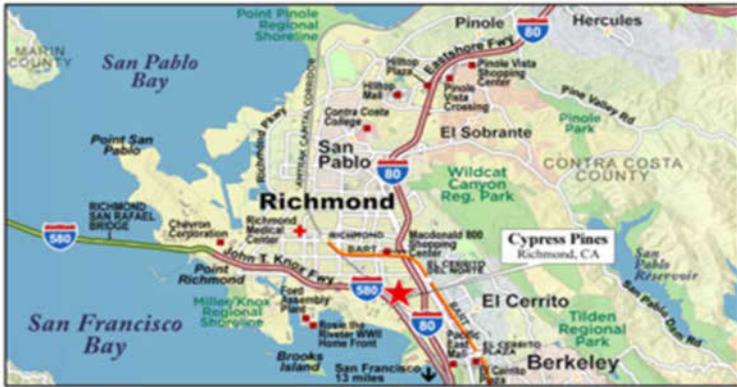
Original Principal Balance:	\$35,827,000
Cut-off Date Principal Balance:	\$35,827,000
Maturity Date Principal Balance:	\$26,800,578
% of Initial TEL Pool Balance:	13.0%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.500%
First Payment Date:	January 1, 2017
Maturity Date:	December 1, 2033
Amortization:	IO (24), then amortizing 35-year schedule
Call Protection:	D(119) DYM1%(78) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$88,681
Maturity Date Principal Balance / Unit:	\$66,338
Cut-off Date LTV:	73.0%
Maturity Date LTV:	54.6%
Underwritten DSCR:	1.15x
# of Units/Low Income /V. Low Income:	404 / 202 / N/A
Collateral:	Fee Simple
Location:	Delray Beach, FL
Property Sub-type:	Age Restricted
Year Built / Renovated:	1970 / 2018
Occupancy:	93.7% (2017)
	98.7% (2016)
	96.6% (2015)
	96.0% (2014)
	96.5% (2013)
Underwritten / Most Recent NCF:	\$2,339,880 / \$2,548,731
Average Effective Annual Rent / Unit:	\$10,566 (2017)
	\$9,774 (2016)
	\$9,433 (2015)
	\$9,288 (2014)
	\$9,229 (2013)

**Generally.** The underlying mortgage loan (“Lake Delray Apartments”) is secured by one (1) mortgaged real property operating as an age restricted multifamily property that offers various common area and unit amenities.

**Property Management.** The mortgaged real property securing Lake Delray Apartments is managed by Delray Housing Group, Inc.

**Competitive Conditions.** The mortgaged real property securing Lake Delray Apartments is located in Palm Beach county within the Boynton Beach/Delray Beach submarket of the West Palm Beach-Boca Raton-Delray Beach, FL metropolitan statistical area. The mortgaged real property securing Lake Delray Apartments is one (1) of six (6) rent comparable garden multifamily rental properties that were identified in the appraisal for use in calculating the market value of such mortgaged real property.

### 3. Cypress Pines



Original Principal Balance:	\$25,297,039
Cut-off Date Principal Balance:	\$25,066,659
Maturity Date Principal Balance:	\$19,287,440
% of Initial TEL Pool Balance:	9.1%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.930%
First Payment Date:	August 1, 2017
Maturity Date:	July 1, 2032
Amortization:	Amortizing 35-year schedule
Call Protection:	D(119) DYM1%(54) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$305,691
Maturity Date Principal Balance / Unit:	\$235,213
Cut-off Date LTV:	83.3%
Maturity Date LTV:	64.1%
Underwritten DSCR:	1.15x
# of Units/Low Income /V. Low Income:	82 / 79 / 77
Collateral:	Fee Simple
Location:	Richmond, CA
Property Sub-type:	Garden
Year Built / Renovated:	1971 / 2017
Occupancy:	100.0% (12/29/2017)
Underwritten / Most Recent NCF:	\$1,747,260 / \$1,993,443

### 4. Van Buren Park Apartments<sup>(1)</sup>



Original Principal Balance:	\$22,000,000
Cut-off Date Principal Balance:	\$21,636,826
Maturity Date Principal Balance:	\$16,843,042
% of Initial TEL Pool Balance:	7.8%
Loan Purpose:	Acquisition
Rate Type:	Floating
Interest Rate:	3.990%
First Payment Date:	September 1, 2016
Maturity Date:	August 1, 2032
Amortization:	Amortizing 35-year schedule
Call Protection:	L(23) 1%(96) O(73)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$72,123
Maturity Date Principal Balance / Unit:	\$56,143
Cut-off Date LTV:	86.9%
Maturity Date LTV:	67.6%
Underwritten DSCR:	1.37x
# of Units/Low Income /V. Low Income:	300 / 300 / 294
Collateral:	Fee Simple
Location:	Chicago, IL
Property Sub-type:	High Rise
Year Built / Renovated:	1983 / 2017
Occupancy:	96.7% (12/27/2017)
Underwritten / Most Recent NCF:	\$1,481,987 / \$1,594,367

(1) The Van Buren Park Apartments mortgage loan is a SIFMA-based floating-rate loan. All calculations were based on the mortgage note rate of 3.990%. The Van Buren Park Apartments mortgage loan accrues interest based on 1-week SIFMA plus a margin of 1.990%. For calculation purposes, an assumed SIFMA of 2.000% was used. The Van Buren Park Apartments mortgage loan is subject to a SIFMA Strike Rate of 3.500%. The Van Buren Park Apartments borrower purchased a SIFMA interest rate cap agreement from SMBC Capital Markets, Inc.

**5. Park Tanglewood**



Original Principal Balance:	\$19,355,000
Cut-off Date Principal Balance:	\$19,355,000
Maturity Date Principal Balance:	\$15,491,053
% of Initial TEL Pool Balance:	7.0%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.770%
First Payment Date:	June 1, 2017
Maturity Date:	May 1, 2033
Amortization:	IO (36), then amortizing 35-year schedule
Call Protection:	D(119) DYM1%(66) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$107,528
Maturity Date Principal Balance / Unit:	\$86,061
Cut-off Date LTV:	84.5%
Maturity Date LTV:	67.6%
Underwritten DSCR:	1.09x
# of Units/Low Income /V. Low Income:	180 / 180 / 8
Collateral:	Fee Simple
Location:	Riverdale, MD
Property Sub-type:	Mid Rise
Year Built / Renovated:	1964 / 2017
Occupancy:	88.9% (1/9/2018)
Underwritten / Most Recent NCF:	\$1,237,850 / \$1,115,212

**6. Columbia Apartments**



Original Principal Balance:	\$18,000,000
Cut-off Date Principal Balance:	\$17,762,534
Maturity Date Principal Balance:	\$13,236,102
% of Initial TEL Pool Balance:	6.4%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.810%
First Payment Date:	April 1, 2017
Maturity Date:	March 1, 2033
Amortization:	Amortizing 35-year schedule
Call Protection:	D(119) DYM1%(66) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$139,862
Maturity Date Principal Balance / Unit:	\$104,221
Cut-off Date LTV:	56.9%
Maturity Date LTV:	42.4%
Underwritten DSCR:	1.18x
# of Units/Low Income /V. Low Income:	127 / 124 / 113
Collateral:	Fee Simple
Location:	Los Angeles, CA
Property Sub-type:	Garden
Year Built / Renovated:	1912 / 2017
Occupancy:	97.6% (2/13/2018)
Underwritten / Most Recent NCF:	\$1,256,000 / \$1,410,050

## 7. Garden City Apartments



Original Principal Balance:	\$16,740,000
Cut-off Date Principal Balance:	\$16,322,961
Maturity Date Principal Balance:	\$11,545,458
% of Initial TEL Pool Balance:	5.9%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.230%
First Payment Date:	July 1, 2016
Maturity Date:	June 1, 2033
Amortization:	Amortizing 35-year schedule
Call Protection:	D(119) DYM1%(60) D1%(21) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$64,774
Maturity Date Principal Balance / Unit:	\$45,815
Cut-off Date LTV:	87.8%
Maturity Date LTV:	62.1%
Underwritten DSCR:	1.22x
# of Units/Low Income /V. Low Income:	252 / 252 / 246
Collateral:	Fee Simple
Location:	Houston, TX
Property Sub-type:	Garden
Year Built / Renovated:	1970 / 2017
Occupancy:	96.4% (12/31/2017)
Underwritten / Most Recent NCF:	\$1,120,164 / \$1,363,155



## 8. Buckingham Apartment Portfolio



Original Principal Balance:	\$16,400,000
Cut-off Date Principal Balance:	\$15,960,208
Maturity Date Principal Balance:	\$11,504,742
% of Initial TEL Pool Balance:	5.8%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	3.870%
First Payment Date:	July 1, 2016
Maturity Date:	June 1, 2032
Amortization:	Amortizing 35-year schedule
Call Protection:	D(119) DYM1%(66) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$192,292
Maturity Date Principal Balance / Unit:	\$138,611
Cut-off Date LTV:	77.5%
Maturity Date LTV:	55.8%
Underwritten DSCR:	1.24x
# of Units/Low Income /V. Low Income:	83 / 79 / 74
Collateral:	Fee Simple
Location:	Los Angeles, CA
Property Sub-type:	Garden
Year Built / Renovated:	1948 / 2017
Occupancy:	100.0% (12/31/2017)
Underwritten / Most Recent NCF:	\$1,061,621 / \$1,144,774



**9. Craven Terrace Phase II and I<sup>(1)</sup>**



Original Principal Balance:	\$10,980,000
Cut-off Date Principal Balance:	\$10,926,002
Maturity Date Principal Balance:	\$7,966,098
% of Initial TEL Pool Balance:	4.0%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.530%
First Payment Date:	February 1, 2016
Maturity Date:	December 1, 2033
Amortization:	IO (23), then amortizing 35-year schedule
Call Protection:	D(119) DYM1%(89) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$34,251
Maturity Date Principal Balance / Unit:	\$24,972
Cut-off Date LTV:	89.6%
Maturity Date LTV:	65.3%
Underwritten DSCR:	1.17x
# of Units/Low Income / V. Low Income:	319 / 318 / 32
Collateral:	Leasehold
Location:	New Bern, NC
Property Sub-type:	Garden
Year Built / Renovated:	1942 / 2017
Occupancy:	97.5% (12/31/2017)
Underwritten / Most Recent NCF:	\$734,262 / \$908,698

(1) The TEL identified as Craven Terrace Phase II, with an original principal balance of \$6,435,000, and the TEL identified as Craven Terrace Phase I, with an original principal balance of \$4,545,000, are cross-collateralized and cross-defaulted with one another with an aggregate original principal balance of \$10,980,000. For the two (2) TELs, the Cut-off Date Principal Balance / Unit, Maturity Date Principal Balance / Unit, Cut-off Date LTV, Maturity Date LTV, Underwritten DSCR and Occupancy calculations include both the Craven Terrace Phase II and Craven Terrace Phase I TELs.

**10. Ships Cove**



Original Principal Balance:	\$10,973,000
Cut-off Date Principal Balance:	\$10,742,177
Maturity Date Principal Balance:	\$7,221,641
% of Initial TEL Pool Balance:	3.9%
Loan Purpose:	Acquisition
Rate Type:	Fixed
Interest Rate:	4.090%
First Payment Date:	November 1, 2016
Maturity Date:	October 1, 2034
Amortization:	Amortizing 35-year schedule
Call Protection:	D(119) DYM1%(90) D1%(3) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance / Unit:	\$53,444
Maturity Date Principal Balance / Unit:	\$35,929
Cut-off Date LTV:	82.0%
Maturity Date LTV:	55.1%
Underwritten DSCR:	1.17x
# of Units/Low Income / V. Low Income:	201 / 201 / 175
Collateral:	Fee Simple
Location:	Fall River, MA
Property Sub-type:	High Rise
Year Built / Renovated:	1973 / 2018
Occupancy:	97.0% (12/31/2017)
Underwritten / Most Recent NCF:	\$691,868 / \$767,188

**EXHIBIT B**

**FORM OF CERTIFICATE ADMINISTRATOR'S STATEMENT TO CERTIFICATEHOLDERS**

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**DATES**

Payment Date:	Jun 25, 2018	First Payment Date:	Jun 25, 2018
Prior Payment:		Closing Date:	May 23, 2018
Next Payment:	Jul 25, 2018	Cut-off Date:	May 1, 2018
Record Date:	May 31, 2018	Final Distribution Date:	
Determination Date:	Jun 11, 2018		

**ADMINISTRATOR**

Name:  
Title:  
  
Address:

Phone:  
Email:  
Website:

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**PARTIES TO THE TRANSACTION**

**Mortgage Loan Seller:** Federal Home Loan Mortgage Corporation  
**Guarantor:** Federal Home Loan Mortgage Corporation  
**Depositor:** Federal Home Loan Mortgage Corporation  
**Trustee:** U.S. Bank National Association  
**Certificate Administrator:** U.S. Bank National Association  
**Custodian:** U.S. Bank National Association  
**Master Servicer:** Federal Home Loan Mortgage Corporation  
**Special Servicer:** KeyBank National Association  
Wells Fargo Bank, National Association

\* This report contains, or is based on, information furnished to U.S. Bank Global Corporate Trust Services ("U.S. Bank") by one or more third parties (e.g. Servicers, Master Servicer, etc.), and U.S. Bank has not independently verified information received from any such third party.





PAYMENT DETAIL

Class	Pass-Through Rate	Next Pass-Through Rate	Original Balance	Beginning Balance	Principal Distribution	Interest Distribution	Total Distribution	Negative Amortization	Realized Loss	Ending Balance
A										
B										
X										
Totals:										



FACTOR DETAIL

Class	Cusip	Beginning Balance	Principal Distribution	Interest Distribution	Total Distribution	Realized Loss	Ending Balance
A							
B							
X							



PRINCIPAL DETAIL

Class	Beginning Balance	Scheduled Principal	Unscheduled Principal	Realized Loss	Ending Balance	Deficiency Prin Amount Paid	Credit Support Original	Current
A								
B								
Totals:								



INTEREST DETAIL

Class	Accrued Certificate Interest	Net Prepay Interest Shortfall	Current Interest Shortfall	Deficiency Int Amount Paid	Prepayment Premium	Total Interest Distribution Amount	Cumul Unpaid Interest Shortfall
A							
B							
X							
<b>Totals:</b>							



ADDITIONAL RECONCILIATION DETAIL

**Mortgage Loan Activity**

Group	Number of Loans Remaining	Beginning Scheduled Balance	Principal Remittance	Current Realized Losses	Interest Remittance	Available Distribution Amount	Ending Scheduled Balance	Realized Loss Since Cutoff	Ending Actual Balance
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**HISTORICAL BOND/COLLATERAL REALIZED LOSS RECONCILIATION**

Distribution Date	Loan ID	Curr Beg Sch Bal of Loan at Liquidation	Aggregate Realized Loss on Loans	Prior Real'd Loss Appl'd to Cert A	Amt Covered by OC/other Credit Support B	Int (Shortages) / Excesses appl'd to Real'd Loss C	Mod Adj/ Appraisal Reduction Adj D	Add'l (Recov) Exp appl'd to Real'd Loss E	Real'd Loss Appl'd to Cert to Date	Recov of Real'd Loss paid as Cash	(Recov)/Real'd Loss Appl'd to Cert Int
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**Loan Count:**                      **Totals:**

Description of Fields

\*In the Initial Period the Current Realized Loss Applied to Certificates will equal Aggregate Realized Loss on Loans - B - C - D + E instead of A - C - D + E

- A                      Prior Realized Loss Applied to Certificates
- B                      Reduction to Realized Loss applied to bonds (could represent OC, insurance policies, reserve accounts, etc)
- C                      Amounts classified by the Master as interest adjustments from general collections on a loan with a Realized Loss
- D                      Adjustments that are based on principal haircut or future interest foregone due to modification
- E                      Realized Loss Adjustments, Supplemental Recoveries or Expenses on a previously liquidated loan



HISTORICAL DELINQUENCY & LIQUIDATION SUMMARY

Month	30 Days Delinq <sup>(1)</sup>		60 Days Delinq <sup>(1)</sup>		90+ Days Delinq <sup>(1)</sup>		Bankruptcy		Foreclosure		REO		Prepayments	
	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance
(1) Exclusive of loans in Bankruptcy, Foreclosure and REO														



REO STATUS REPORT

Loan ID	State	Ending Scheduled Loan Amount	REO Date	Total Exposure	Most Recent Value	Appraisal Reduction Amount	Date Asset Expected to be Resolved or Foreclosed	Net Proceed on Liquidation	Other Revenue Collected	Liquidation/ Prepayment Date
<b>Count:</b>										
<b>Totals:</b>										



HISTORICAL LIQUIDATION LOSS LOAN DETAIL

Loan ID	Current Beginning Scheduled Balance	Most Recent Value	Liquidation Sales Price	Net Proceeds Received on Liquidation	Liquidation Expense	Net Proceeds Available for Distribution	Realized Loss to Trust	Current Period Adjustment to Trust	Date of Current Period Adjustment to Trust	Loss to Loan with Cumulative Adjustment to Trust
<b>Count:</b>										
<b>Totals:</b>										



INTEREST SHORTFALL RECONCILIATION

Loan ID	Current Ending Scheduled Balance	Special Servicing Fee Amount plus Adjustments	Liquidation Fee Amount	Workout Fee Amount	Most Recent Net ASER Amount	Prepayment Interest (Excess)/ Shortfall *	Non-Recoverable (Scheduled Interest)**	Reimbursed Interest on Advances	Modified Interest Rate Reduction/ (Excess)	Reimbursement of Advances to Servicer Current Month	Outstanding	Other Shortfalls/ (Refunds)
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Count:

Totals:

Total Interest Shortfall hitting the Trust: 0.00

\*Total shortfall may not match impact to bonds due to, but not limited to, the net effect of PPIE and Master Servicing fees received as per the governing documents.

\*\*In some cases, the Servicer does not withhold their Servicing Fees on Non-Recoverable loans.



NOI LOAN DETAIL

Loan ID	ODCR	Property Type	City	State	End Schedule Balance	Most Recent Fiscal NOI	Most Recent NOI	Most Recent NOI Start Dt	Most Recent NOI End Dt	Occupancy %	Occupancy as of Date
<b>Count:</b>											
<b>Totals:</b>											



APPRAISAL REDUCTION REPORT

Loan ID	Property Name	Paid Through Date	ARA (Appraisal Reduction Amount)	ARA Date	Most Recent Value	Most Recent Valuation Date	Most Recent Net ASER Amount	Cumulative ASER Amount
<b>Count:</b>	<b>Totals:</b>							



LOAN LEVEL DETAIL

Loan ID	Property Type	Transfer Date	State*	Maturity Date	Neg Am	End Schedule Balance	Note Rate	Sched P&I	Prepay Adj	Prepay Date	Paid Thru	Prepay Premium	Loan Status **	Interest Payment	Yield Maint Charges
<b>Count:</b>		<b>Totals:</b>													
<p>* If State field is blank or 'XX', loan has properties in multiple states.</p> <p>** Loan Status: A = Payment not received but still in grace period; B = Late Payment but less than 30 days delinquent; 0 = Current; 1 = 30-59 Days Delinquent; 2 = 60-89 Days Delinquent; 3 = 90-120 Days Delinquent; 4 = Performing Matured Balloon; 5 = Non-Performing Matured Balloon; 6 = 121+ Days Delinquent; R = Repurchased.</p>															



**HISTORICAL LOAN MODIFICATION REPORT**

Loan ID	Date of Last Modification	Balance When Sent to Special Servicer	Modified Balance	Old Note Rate	Modified Note Rate	Old P&I	Modified Payment Amount	Old Maturity Date	Maturity Date	Total Months for Change of Modification	Modification Code*
<p>*Modification Code: 1 = Maturity Date Extension; 2 = Amortization Change; 3 = Principal Write-Off; 4 =Not Used; 5 = Temporary Rate Reduction; 6 = Capitalization on Interest; 7 = Capitalization on Taxes; 8 = Other; 9 = RCombination; 10 = Forbearance.</p>											



**MATERIAL BREACHES AND DOCUMENT DEFECTS**

Loan ID	Ending Principal Balance	Material Breach Date	Date Received Notice	Description
<b>Count:</b>	<b>Totals:</b>			

**MORTGAGE LOAN CHARACTERISTICS**

Loan ID	Loan Type	Loan Amount	Interest Rate	Term	Balance	Yield	Weight
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**DELINQUENT LOAN DETAIL**

Loan ID	Paid Thru Date	Current P&I Advances**	Outstanding P&I Advances***	Outstanding Servicing Advances	Loan Status Code*	Special Servicer Transfer Date	Foreclosure Date	Bankruptcy Date	Reo Date
<b>Count:</b>		<b>Totals:</b>							
<p>* Loan Status: A = Payment not received but still in grace period; B = Late Payment but less than 30 days delinquent; 0 = Current; 1 = 30-59 Days Delinquent; 2 = 60-89 Days Delinquent; 3 = 90-120 Days Delinquent; 4 = Performing Matured Balloon; 5 = Non-Performing Matured Balloon; 6 = 121+ Days Delinquent.</p> <p>** Current advances are not provided but are derived from information received from the Servicer</p> <p>***Outstanding P&amp;I Advances include the current period P&amp;I Advances and may include Servicer Advances.</p>									



**SPECIALLY SERVICED (PART I) - LOAN DETAIL**

Loan ID	Servicing Xfer Date	Loan Status	Schedule Balance	Actual Balance	Note Rate	Maturity Date	Remaining Life	Property Type	Geo. Location	NOI	DSCR	NOI Date
<b>Count:</b>		<b>Totals:</b>										

(1) Legend: A (Payment not received but still in grace period), B (Late Payment but less than 30 days delinq), 0 (Current), 1 (30-59 Days Delinq), 2 (60-89 Days Delinq), 3 (90-120 Days Delinq), 4 (Performing Matured Balloon), 5 (Non-Performing Matured Balloon), 6 (121+ Days Delinq).



**SPECIALLY SERVICED (PART II) - SERVICER COMMENTS**

Loan ID	Resolution Strategy	Comments

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## EXHIBIT C-1

### DEPOSITOR'S REPRESENTATIONS AND WARRANTIES

As of the Closing Date, the depositor will make, with respect to the TELs sold by it that we include in the issuing entity, representations and warranties that are expected to be generally in the form set forth below. The exceptions to those representations and warranties are expected to be generally in the form set forth on Exhibit C-2 to this offering circular supplement. Capitalized terms used but not otherwise defined in this Exhibit C-1 will have the meanings set forth in the TEL Commitment.

The representations and warranties serve to contractually allocate risk between the depositor, on the one hand, and the issuing entity, on the other. We present the representations and warranties set forth below for the sole purpose of describing some of the expected terms and conditions of that risk allocation. The presentation of representations and warranties below is not intended as statements regarding the actual characteristics of the TELs, the Mortgaged Real Properties or other matters. We cannot assure you that the TELs actually conform to the statements made in the representations and warranties that we present below.

For purposes of these representations and warranties, the phrase “to the knowledge of depositor” or “to depositor’s knowledge” will mean, except where otherwise expressly set forth below, the actual state of knowledge of depositor or any servicer acting on its behalf regarding the matters referred to (but expressly excluding the knowledge of the holder of the related first lien (the “Fiscal Agent”), (a) after depositor’s having conducted such inquiry and due diligence into such matters as would be customarily required by depositor’s underwriting standards represented in the Freddie Mac Multifamily Seller/Service Guide (the “Guide”) and depositor’s credit policies and procedures, at the time of depositor’s acquisition of the particular TEL; and (b) subsequent to such acquisition, utilizing the monitoring practices customarily utilized by depositor and its servicer pursuant to the Guide. All information contained in documents which are part of or required to be part of a mortgage file will be deemed to be within the knowledge of depositor. Wherever there is a reference to depositor’s receipt or possession of any information or documents, or to any action taken by depositor or not taken by depositor, such reference will include the receipt or possession of such information or documents, or the taking of such action or the not taking of such action by either Freddie Mac or any servicer acting on its behalf.

The depositor will represent and warrant, subject to the exceptions set forth in Exhibit C-2, with respect to the TELs, that as of the date specified below or, if no date is specified, as of the Closing Date, the following representations and warranties are true and correct in all material respects:

(1) Fixed Rate/Floating Rate.

Each TEL bears interest (a) at a fixed rate or (b) at a floating rate based on the high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association and any successor thereto.

(2) Cross-Collateralized and/or Cross-Defaulted TELs.

Except with respect to any subordinate mortgage identified in paragraph 3, no TEL is cross-collateralized or cross-defaulted with any other mortgage loan not being securitized in the pool.

(3) Subordinate Loans.

(a) As of the Origination Date, there were no subordinate mortgages securing subordinate loans encumbering the related Project, and, as of the Closing Date, the related Borrower has not acquired any permitted subordinate debt secured by the related Project from the depositor (other than, if applicable, other loans being held by the Trustee). The depositor has no knowledge of any mezzanine debt related to such Project.

- (b) As of the Origination Date, there were no subordinate bridge loans secured by tax credit equity with respect to the Project.

(4) Single Purpose Entity.

- (a) The documents executed in connection with the related TEL and the related Project Loan (collectively, the “TEL Documents”) pertaining to each TEL with an original principal balance of more than \$5,000,000 require the Borrower to be a Single Purpose Entity (defined below) for at least as long as the TEL is outstanding, except in cases where the related Project is a residential cooperative property.
- (b) To the depositor’s knowledge, each such Borrower is a Single Purpose Entity.

For this purpose, a “Single Purpose Entity” will mean an entity (not an individual) which meets all of the following requirements:

- (i) An entity whose organizational documents provide and which entity represented in the related TEL Documents, substantially to the effect that each of the following is true with respect to each Borrower:
  - (A) it was formed or organized solely for the purpose of owning and operating one or more of the Projects securing the TELs, and
  - (B) it is prohibited from engaging in any business unrelated to such Project or Projects.
- (ii) An entity whose organizational documents provide or which entity represented in the related TEL Documents, substantially to the effect that all the following are true with respect to each Borrower:
  - (A) it does not have any assets other than those related to its interest in and operation of such Project or Projects,
  - (B) it does not have any indebtedness other than as permitted by the related Security Instrument(s) (as defined in Section 10 below) or the other related TEL Documents,
  - (C) it has its own books and records and accounts separate and apart from any other Person (other than a Borrower for a TEL that is cross-collateralized and cross-defaulted with the related TEL), and
  - (D) it holds itself out as a legal entity, separate and apart from any other Person.
- (c) To the depositor’s actual knowledge, each Borrower has fully complied with the requirements of the related TEL Documents and the Borrower’s organizational documents regarding Single Purpose Entity status.
- (d) The TEL Documents executed in connection with each TEL with an original principal balance of \$5,000,000 or less prohibit the related Borrower from doing either of the following:
  - (i) having any assets other than those related to its interest in the related Project or its financing, or
  - (ii) engaging in any business unrelated to such property and the related TEL.

(5) Licenses, Permits and Authorization.

- (a) As of the Origination Date, to the depositor's knowledge, based solely on the related Borrower's representations and warranties in the related TEL Documents, the Borrower, commercial lessee and/or operator of the Project was in possession of all material licenses, permits, and authorizations required for use of the related Project as it was then operated.
- (b) Each Borrower covenants in the related TEL Documents that it will remain in material compliance with all material licenses, permits and other legal requirements necessary and required to conduct its business.

(6) Condition of Project.

To the depositor's knowledge, based solely upon due diligence customarily performed in connection with the origination of comparable loans, one of the following is applicable:

- (a) each related Project is free of any material damage that would materially and adversely affect the use or value of such Project as security for the TEL (other than normal wear and tear), or
- (b) to the extent a prudent lender would so require, the depositor has required a reserve, letter of credit, guaranty, insurance coverage or other mitigant with respect to the condition of the Project.

(7) Access, Public Utilities and Separate Tax Parcels.

All of the following are true and correct with regard to each Project:

- (a) each Project is located on or adjacent to a dedicated road, or has access to an irrevocable easement permitting ingress and egress,
- (b) each Project is served by public utilities and services generally available in the surrounding community or otherwise appropriate for the use in which the Project is currently being utilized, and
- (c) each Project constitutes one or more separate tax parcels. In certain cases, if such Project is not currently a separate tax parcel, an application has been made to the applicable governing authority for creation of separate tax parcels, in which case the TEL Documents require the Borrower to escrow an amount sufficient to pay taxes for the existing tax parcel of which the Project is a part until the separate tax parcels are created.

Any requirement described in clauses (a), (b) or (c) will be satisfied if such matter is covered by an endorsement or affirmative insurance under the related Title Policy (defined in paragraph 11).

(8) Taxes and Assessments.

One of the following is applicable:

- (a) there are no delinquent or unpaid taxes, assessments (including assessments payable in future installments) or other outstanding governmental charges affecting any Project that are or may become a lien on such Project of priority equal to or higher than the lien of the related Security Instrument (as defined in Section 10 below) ("Unpaid Taxes/Assessments"), or
- (b) if any Unpaid Taxes/Assessments exist with respect to any Project, an escrow of funds has been established in an amount (including all ongoing escrow payments to be made prior to the date on which any such taxes and assessments become delinquent) sufficient to cover the payment of such Unpaid Taxes/Assessments.

For purposes of this representation and warranty, real property taxes and assessments will not be considered unpaid until the date on which interest or penalties would be first payable.

(9) Ground Leases.

No TEL is secured in whole or in part by the related Borrower's interest as lessee under a ground lease of the related Project without also being secured by the related fee interest in such Project.

(10) Valid First Lien.

- (a) The security instrument (each, a "Security Instrument") securing each related Project Loan creates a valid and enforceable first priority lien on the related Project, subject to Permitted Encumbrances (defined below) and except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (b) If the related TEL is cross-collateralized with any other TEL(s), the related Security Instrument encumbering the related Project also secures such other TEL(s).
- (c) The related Project is free and clear of any mechanics' and materialmen's liens which are prior to or equal in priority with the lien of the related Security Instrument, except those which are bonded over, escrowed for or insured against by a Title Policy.
- (d) A UCC financing statement has been filed and/or recorded (or sent for filing or recording) in all places (if any) necessary at the time of origination of the TEL to perfect a valid security interest in fixtures located on the related Project (except if the Project is located in a jurisdiction that permits the Security Instrument to constitute a fixture filing, in which case the Security Instrument constitutes a fixture filing) and the personal property owned by Borrower and reasonably necessary to operate the related Project in its current use other than for any of the following:
  - (i) non-material personal property,
  - (ii) personal property subject to purchase money security interests, and
  - (iii) personal property that is leased equipment, to the extent a security interest may be created by filing or recording.

Notwithstanding the foregoing, no representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the filing of UCC financing statements are required in order to effect such perfection.

- (e) Any Security Instrument related to and delivered in connection with the TEL establishes and creates a valid and enforceable lien on the property described therein (other than on healthcare licenses or on payments to be made under Medicare, Medicaid or similar federal state or local third-party payor programs that are not assignable without governmental approval), subject to Permitted Encumbrances (as defined in Section 11(h) below) and except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(11) Title Insurance.

- (a) Each Project is covered by an ALTA lender's title insurance policy (or its equivalent as set forth in the applicable jurisdiction) (a "Title Policy"), in the original principal amount of the related TEL (or the allocated loan amount of the portions of the Project that are covered by such Title Policy).
- (b) Each Title Policy insures that the related Security Instrument is a valid first priority lien on the related Project, subject only to Permitted Encumbrances (as defined in Section 11(h) below).
- (c) Each Title Policy is in full force and effect, and all premiums have been paid.
- (d) Each Title Policy contains no exclusion for, or affirmatively insures (except for any Project located in a jurisdiction where such affirmative insurance is not available) each of the following:
  - (i) the Project has access to a public road,
  - (ii) the area shown on the survey is the same as the property legally described in the Security Instrument,
  - (iii) unless the property is located in one of the Super Lien States (defined below), the lien of the Security Instrument is superior to a lien created by any applicable statute relating to environmental remediation, and
  - (iv) to the extent that the Project consists of two or more adjoining parcels, such parcels are contiguous.
- (e) No material claims have been made or paid under the Title Policy.
- (f) The depositor has not done, by act or omission, anything that would materially impair or diminish the coverage under the Title Policy, and has no knowledge of any such action or omission.
- (g) The applicable Governmental Lender and/or Fiscal Agent, and their successors and assigns, are the sole named insureds under the Title Policy.
- (h) To the depositor's knowledge, the insurer of the Title Policy is qualified to do business in the jurisdiction in which the related Project is located.

"Permitted Encumbrances" will mean:

- (i) the lien of current real property taxes, ground rents, water charges, sewer rents and assessments not yet delinquent,
- (ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record specifically identified in the Title Policy, none of which, individually or in the aggregate, materially interferes with any of the following:
  - (A) the current use of the Project,
  - (B) the security in the collateral intended to be provided by the lien of such Security Instrument,
  - (C) the related Borrower's ability to pay its obligations when they become due, or
  - (D) the value of the Project,

- (iii) exceptions (general and specific) and exclusions set forth in such Title Policy, none of which, individually or in the aggregate, materially interferes with any of the following:
  - (A) the current use of the Project,
  - (B) the security in the collateral intended to be provided by the lien of such Security Instrument,
  - (C) the related Borrower's ability to pay its obligations when they become due, or
  - (D) the value of the Project,
- (iv) the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related Project,
- (v) other matters to which similar properties are commonly subject, none of which, individually or in the aggregate, materially interferes with any of the following:
  - (A) the current use of the Project,
  - (B) the security in the collateral intended to be provided by the lien of such Security Instrument,
  - (C) the related Borrower's ability to pay its obligations when they become due, or
  - (D) the value of the Project,
- (vi) if the related TEL is cross-collateralized with any other TEL(s), the lien(s) of the Security Instrument(s) securing any such cross-collateralized TEL(s).

“Super Lien States” means Alaska, Arizona, Arkansas, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Texas, Washington and/or Wisconsin.

(12) Encroachments.

- (a) To the depositor's knowledge (based upon surveys and/or the Title Policy obtained in connection with the origination of the TELs), as of the related Origination Date of each TEL, all of the material improvements on the related Project that were considered in determining the appraised value of the Project lay wholly within the boundaries and building restriction lines of such property, and there are no encroachments of any part of any building over any easement, except for one or more of the following:
  - (i) encroachments onto adjoining parcels that are insured against by the related Title Policy,
  - (ii) encroachments that do not materially and adversely affect the operation, use or value of such Project or the security intended to be provided by the related Security Instrument,
  - (iii) violations of the building restriction lines that are covered by ordinance and law coverage in amounts customarily required by prudent multifamily mortgage lenders for similar properties,
  - (iv) violations of the building restriction lines that are insured against by the related Title Policy, or

- (v) violations of the building restriction lines that do not materially and adversely affect the operation, use or value of such Project or the security intended to be provided by the Mortgage.
- (b) To the depositor's knowledge (based on surveys and/or the Title Policy obtained in connection with the origination of the TELs), as of the related Origination Date of each TEL, no improvements on adjoining properties materially encroached upon such Project so as to materially and adversely affect the operation, use or value of such Project or the security intended to be provided by the related Security Instrument, except those encroachments that are insured against by the related Title Policy.

(13) Zoning.

Based upon the "Zoning Due Diligence" (defined below) one of the following is applicable to each Project:

- (a) the improvements located on or forming part of each Project materially comply with applicable zoning laws and ordinances, or
- (b) the improvements located on or forming part of each Project constitute a legal non-conforming use or structure and one of the following is true:
  - (i) the non-compliance does not materially and adversely affect the value of the related Project, or
  - (ii) ordinance and law coverage was provided in amounts customarily required by prudent multifamily mortgage lenders for similar properties.

The foregoing may be based upon one or more of the following ("Zoning Due Diligence"):

- (a) a statement of full restoration by a zoning authority,
- (b) copies of legislation or variance permitting full restoration of the Project,
- (c) a damage restoration statement along with an evaluation of the Project,
- (d) a zoning report prepared by a company acceptable to the depositor,
- (e) an opinion of counsel, and/or
- (f) other due diligence considered reasonable by prudent multifamily mortgage lenders in the lending area where the subject Project is located (such reasonable due diligence includes, but is not limited to, ordinance and law coverage as specified in clause (b)(ii) above).

(14) Environmental Conditions.

- (a) As of the Origination Date, each Borrower represented and warranted in all material respects that to its knowledge, such Borrower has not used, caused or permitted to exist (and will not use, cause or permit to exist) on the related Project any Hazardous Materials (as defined below) in any manner which violates federal, state or local laws, ordinances, regulations, orders, directives or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials or other environmental laws, subject to each of the following:
  - (i) exceptions set forth in certain environmental reports obtained with respect to the Project ("Environmental Reports"),

- (ii) Hazardous Materials that are commonly used in the operation and maintenance of properties of similar kind and nature to the Project,
  - (iii) Hazardous Materials that are commonly used in accordance with prudent management practices and applicable law, and
  - (iv) Hazardous Materials that are commonly used in a manner that does not result in any contamination of the Project that is not permitted by law).
- (b) Each Security Instrument requires the related Borrower to comply, and to cause the related Project to be in compliance, with all Hazardous Materials Laws (as defined below) applicable to the Project.
- (c) Each Borrower (or an affiliate thereof) has agreed to indemnify, defend and hold the lender and its successors and assigns harmless from and against losses, liabilities, damages, injuries, penalties, fines, expenses, and claims of any kind whatsoever (including attorneys' fees and costs) paid, incurred or suffered by, or asserted against, any such party resulting from a breach of the foregoing representations or warranties given by the Borrower in connection with such TEL.
- (d) A Phase I Environmental Report and, in the case of certain TELs, a Phase II Environmental Report (in either case meeting ASTM International standards), was conducted by a reputable environmental consulting firm with respect to the related Project within 12 months of the Origination Date.
- (e) If any material non-compliance or material existence of Hazardous Materials was indicated in any Phase I Environmental Report or Phase II Environmental Report, then at least one of the following statements is true:
- (i) funds reasonably estimated to be sufficient to cover the cost to cure any material non-compliance with applicable environmental laws or material existence of Hazardous Materials have been escrowed, or a letter of credit in such amount has been provided, by the related Borrower and held by the depositor or its servicer,
  - (ii) if the Environmental Report recommended an operations and maintenance plan, but not any material expenditure of funds, the related Borrower has been required to maintain an operations and maintenance plan,
  - (iii) the environmental condition identified in the related Environmental Report was remediated or abated in all material respects,
  - (iv) a "no further action" or closure letter was obtained from the applicable governmental regulatory authority (or the environmental issue affecting the related Project was otherwise listed by such governmental authority as "closed"),
  - (v) such conditions or circumstances identified in the Phase I Environmental Report were investigated further and, based upon such additional investigation, an environmental consultant recommended no further investigation or remediation,
  - (vi) a party with financial resources reasonably estimated to be adequate to cure the condition or circumstance provided a guaranty or indemnity to the related Borrower or lender to cover the costs of any required investigation, testing, monitoring or remediation, or
  - (vii) the reasonably estimated costs of such remediation do not exceed 2% of the outstanding principal balance of the related TEL.

- (f) To the depositor's knowledge, in reliance on such Environmental Reports and except as set forth in such Environmental Reports, each Project is in material compliance with all Hazardous Materials Laws, and to the depositor's knowledge, no notice of violation of such laws has been issued by any governmental agency or authority, except, in all cases, as indicated in such Environmental Reports or other documents previously provided to the depositor.
- (g) The depositor has not taken any action which would cause the Project not to be in compliance with all Hazardous Materials Laws.
- (h) All such Environmental Reports or any other environmental assessments of which the depositor has possession have been disclosed.
- (i) With respect to the Projects securing the TELs that were not the subject of an environmental site assessment within the 12 months immediately prior to the Cut-off Date:
  - (i) no Hazardous Material is present on such Project such that (A) the value of such Project is materially and adversely affected or (B) under applicable federal, state or local law,
    - (1) such Hazardous Material could be required to be eliminated at a cost materially and adversely affecting the value of the Project before such Project could be altered, renovated, demolished or transferred, or
    - (2) the presence of such Hazardous Material could (upon action by the appropriate governmental authorities) subject the owner of such Project, or the holders of a security interest therein, to liability for the cost of eliminating such Hazardous Material or the hazard created thereby at a cost materially and adversely affecting the value of the Project, and
  - (ii) such Project is in material compliance with all applicable federal, state and local laws pertaining to Hazardous Materials or environmental hazards, any noncompliance with such laws does not have a material adverse effect on the value of such Project, and neither the depositor nor, to the depositor's knowledge, the related Borrower or any current tenant thereon, has received any notice of violation or potential violation of any such law.

"Hazardous Materials" means

- (i) petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them,
- (ii) lead and lead-based paint,
- (iii) asbestos or asbestos-containing materials in any form that is or could become friable,
- (iv) underground or above-ground storage tanks, whether empty or containing any substance,
- (v) any substance the presence of which on the Project is prohibited by any federal, state or local authority,
- (vi) any substance that requires special handling and any other material or substance now or in the future that is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" by or within the meaning of any Hazardous Materials Law, or

- (vii) any substance that is regulated in any way by or within the meaning of any Hazardous Materials Law.

“Hazardous Materials Law” means

- (i) any federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the Borrower or to the Project, and
- (ii) Hazardous Materials Laws include the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et. seq., and their state analogs.

(15) Insurance.

- (a) Each related Project is insured by each of the following:
  - (i) a property damage insurance policy, issued by an insurer meeting the requirements of the related TEL Documents and the Guide, in an amount not less than
    - (A) the lesser of (1) the outstanding principal amount of the related TEL and (2) the replacement cost (with no deduction for physical depreciation) of the Project, and
    - (B) the amount necessary to avoid the operation of any co-insurance provisions with respect to the related Project,
  - (ii) business income or rental value insurance covering no less than the effective gross income, as determined by the depositor, attributable to the Project for 12 months,
  - (iii) comprehensive general liability insurance in amounts generally required by prudent multifamily mortgage lenders for similar properties, and
  - (iv) if windstorm and related perils and/or “Named Storm” is excluded from the property damage insurance policy, the Project is insured by a separate windstorm insurance policy or endorsement covering damage from windstorm and related perils and/or “Named Storm” in an amount not less than:
    - (A) the lesser of (1) the outstanding principal amount of the related TEL and (2) the replacement cost (with no deduction for physical depreciation) of the Project, and
    - (B) the amount necessary to avoid the operation of any co-insurance provisions with respect to the related Project.
- (b) A seismic assessment has been prepared for all Projects with borrower-owned structures located in (i) seismic zones 3 or 4, or (ii) a geographic location with a horizontal Peak Ground Acceleration (PGA) equal to or greater than 0.15g, for the sole purpose of assessing (A) a scenario expected loss (“SEL”) or (B) the probable maximum loss (“PML”) for the Project in the event of an earthquake. In such instance, the SEL/PML was based upon a 475-year lookback with a 10% probability of exceedance in a 50-year period. If a seismic assessment concluded that the SEL/PML on a Project would exceed 20% of the amount of the replacement costs of the

improvements, earthquake insurance was required in an amount not less than 150% of an amount equal to the difference between (i) the projected loss for the Project using the actual SEL/PML and (ii) the projected loss for the Project using a 20% SEL/PML.

- (c) Each insurance policy (other than liability policies) requires at least ten days' prior notice to the lender of termination or cancellation by the insurer arising because of non-payment of a premium and at least 30 days' prior notice to the lender of termination or cancellation by the insurer arising for any reason other than non-payment of a premium, and no such notice has been received by the depositor.
- (d) All premiums on such insurance policies required to be paid have been paid.
- (e) Each insurance policy contains standard mortgagee and loss payee clauses in favor of lender, and names the mortgagee as an additional insured in the case of liability insurance policies (other than with respect to professional liability policies).
- (f) Based solely on a flood zone determination, if any material portion of the improvements located on the Project, exclusive of any parking lots, is located in an area identified by the Federal Emergency Management Agency as a special flood hazard area, then the Borrower is required to maintain flood insurance for such portion of the improvements in an amount equal to the maximum amount available under the National Flood Insurance Program, plus such additional excess flood coverage in an amount generally required by prudent multifamily mortgage lenders for similar properties.
- (g) The related TEL Documents for each TEL obligate the related Borrower to maintain all such insurance and, if the Borrower fails to do so, authorize the lender to maintain such insurance at the Borrower's cost and expense and to seek reimbursement for such insurance from the Borrower.
- (h) None of the TEL Documents contains any provision that expressly excuses the related Borrower from obtaining and maintaining insurance coverage for acts of terrorism.
- (i) The related TEL Documents for each TEL contain customary provisions consistent with the practices of prudent multifamily mortgage lenders for similar properties requiring the related Borrower to obtain such other insurance as the lender may require from time to time.

(16) Grace Periods.

For any TEL that provides for a grace period with respect to delinquent monthly payments, such grace period is no longer than ten days from the applicable payment date.

(17) Due on Encumbrance.

Each TEL prohibits the related Borrower from doing either of the following:

- (a) from mortgaging or otherwise encumbering the Project without the prior written consent of the depositor or the satisfaction of debt service coverage and other criteria specified in the related TEL Documents, and
- (b) from carrying any additional indebtedness, except as set forth in the TEL Documents or in connection with trade debt and equipment financings incurred in the ordinary course of Borrower's business.

(18) Carveouts to Non-Recourse.

- (a) The TEL Documents for each TEL provide that:
- (i) the related Borrower will be liable to the lender for any losses incurred by the lender due to any of the following:
    - (A) the misapplication or misappropriation of rents (after a demand is made after an event of default), insurance proceeds or condemnation awards,
    - (B) any breach of the environmental covenants contained in the related TEL Documents,
    - (C) fraud by such Borrower in connection with the application for or creation of the TEL or in connection with any request for any action or consent by the lender, and
  - (ii) the Project Loan will become full recourse in the event of a voluntary bankruptcy filing by the Borrower.
- (b) One or more natural persons are jointly and severally liable with the Borrower with respect to (a)(i) and (a)(ii).

(19) Financial Statements.

The TEL Documents require the Borrower to provide the depositor with quarterly and annual operating statements, rent rolls (or annual maintenance rolls in the case of cooperative associations), and related information and annual financial statements.

(20) Due on Sale.

- (a) Each TEL contains provisions for the acceleration of the payment of the unpaid principal balance of such TEL if, without the consent of the depositor and/or if not in compliance with the requirements of the related TEL Documents, the related Project or a controlling interest in the related Borrower is directly or indirectly transferred or sold, except with respect to any of the following transfers:
- (i) transfers of certain interests in the related Borrower to Persons already holding direct or indirect interests in such Borrower, their family members, affiliated companies and other estate planning related transfers that satisfy certain criteria specified in the related TEL Documents (which criteria are consistent with the practices of prudent multifamily mortgage lenders),
  - (ii) transfers of less than a controlling interest in a Borrower,
  - (iii) transfers of common stock in publicly traded companies, or
  - (iv) if the related Project is a residential cooperative property, transfers of stock of the related Borrower in connection with the assignment of a proprietary lease for a unit in the related Project by a tenant-shareholder of the related Borrower to other Persons who by virtue of such transfers become tenant-shareholders in the related Borrower.
- (b) The TEL Documents require the Borrower to pay all fees and expenses associated with securing the consent or approval of the depositor for all actions requiring such consent or approval under the TEL Documents, including the cost of counsel opinions relating to securitization and/or tax issues.

(21) Assignment of Leases.

- (a) Each Mortgage File contains an assignment of leases (each, an “Assignment of Leases”) that is part of the related Security Instrument.
- (b) Each such Assignment of Leases creates a valid present assignment of, or a valid first priority lien on, or security interest in, certain rights under the related lease or leases, subject only to a license granted to the related Borrower to exercise certain rights and to perform certain obligations of the lessor under such lease or leases, including the right to operate the related leased property, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors’ rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).
- (c) No Person other than the related Borrower owns any interest in any payments due under the related lease or leases that is superior to, or of equal priority with, the Fiscal Agent’s interest.
- (d) The related Security Instrument provides for the appointment of a receiver for rents or allows the holder thereof to enter into possession to collect rents or provides for rents to be paid directly to the Fiscal Agent in the event of a default under the Project Loan.

(22) Insurance Proceeds and Condemnation Awards.

- (a) Each TEL provides that insurance proceeds and condemnation awards will be applied to one of the following:
  - (i) restoration or repair of the related Project,
  - (ii) restoration or repair of the related Project, with any excess insurance proceeds or condemnation awards after restoration or repair being paid to the Borrower, or
  - (iii) reduction of the principal amount of the TEL.
- (b) In the case of all casualty losses or condemnations resulting in proceeds or awards in excess of a specified dollar amount or percentage of the TEL amount that a prudent multifamily lender would deem satisfactory and acceptable, the depositor or the Fiscal Agent (if the depositor does not exercise its right to apply the insurance proceeds or condemnation awards (including proceeds from settlement of condemnation actions) to the principal balance of the related TEL in accordance with the TEL Documents) has the right to hold and disburse such proceeds or awards as the repairs or restoration progresses.
- (c) To the depositor’s knowledge, there is no proceeding pending for the total or partial condemnation of such Project that would have a material adverse effect on the use or value of the Project.

(23) Customary Provisions.

- (a) The TEL Documents for each TEL, together with applicable state law, contain customary and enforceable provisions so as to render the rights and remedies of the holder of each Governmental Note or Security Instrument adequate for the practical realization against the related Project of the principal benefits of the security in the collateral intended to be provided by such Governmental Note or the lien of such Security Instrument, including realization by judicial or, if applicable, non-judicial foreclosure, except as the enforcement of the Security Instrument may be limited by bankruptcy, insolvency, reorganization, moratorium, redemption or other laws affecting the enforcement of creditors’ rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

- (b) No Borrower is a debtor in, and no Project is the subject of, any state or federal bankruptcy or insolvency proceeding, and, as of the Origination Date, no guarantor was a debtor in any state or federal bankruptcy or insolvency proceeding.

(24) Litigation.

To the knowledge of the depositor, there are no actions, suits or proceedings before any court, administrative agency or arbitrator concerning any TEL, Project Loan, Borrower or related Project, an adverse outcome of which would reasonably be expected to materially and adversely affect any of the following:

- (a) title to the Project or the validity or enforceability of the related Security Instrument,
- (b) the value of the Project as security for the TEL,
- (c) the use for which the Project was intended, or
- (d) the Borrower's ability to perform under the related TEL Documents.

(25) Escrow Deposits.

- (a) Except as previously disbursed pursuant to the TEL Documents, all escrow deposits and payments relating to each TEL that are required to be deposited or paid, have been deposited or paid.
- (b) All escrow deposits and payments required pursuant to each TEL are in the possession, or under the control, of the depositor, its servicer or the Fiscal Agent.

(26) Assignment.

Each related Security Instrument and Assignment of Leases, if any, is freely assignable without the consent of the related Borrower.

(27) Appraisals.

Each Servicing File (or the Servicing File of a loan that is secured by the same Project and that is concurrently being held by the Trustee) contains an appraisal for the related Project with a valuation date that is within 12 months of the Closing Date and that satisfies the guidelines set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

(28) Inspection of Project.

The depositor inspected or caused to be inspected each Project in connection with the origination of the related TEL and within 12 months of the Closing Date.

(29) Qualification To Do Business.

To the extent required under applicable law, prior to the depositor's acquisition of the Governmental Note, each holder of the Governmental Note, was authorized to transact and do business in the jurisdiction in which the related Project is located, or the failure to be so authorized did not materially and adversely affect the enforceability of the related TEL Documents.

(30) Ownership.

- (a) Immediately prior to the depositor's transfer of the TELs to the issuing entity, the depositor had good title to, and was the sole owner of, each TEL.
- (b) The depositor has full right, power and authority to transfer each of the TELs to the issuing entity and has validly and effectively conveyed (or caused to be conveyed) to the issuing entity all of the

depositor's legal and beneficial interest in and to the TELs free and clear of any and all liens, pledges, charges, security interests and/or other encumbrances of any kind.

(31) Deed of Trust.

If the Security Instrument securing the TEL and the Project Loan is a deed of trust, each of the following is true:

- (a) a trustee, duly qualified under applicable law to serve as trustee, currently serves as trustee and is named in the deed of trust (or has been or may be substituted in accordance with applicable law by the related lender), and
- (b) such deed of trust does not provide for the payment of fees or expenses to such trustee by the holder of the Project Loan or the depositor or any transferee of the holder of the Project Loan or the depositor.

(32) Validity of TEL Documents.

- (a) Each note, Security Instrument or other agreement that evidences or secures the related TEL and which was executed by or for the benefit of the related Borrower or any guarantor is the legal, valid and binding obligation of the signatory, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).
- (b) There is no valid offset, defense, counterclaim, or right of rescission, abatement or diminution available to the related Borrower or any guarantor with respect to any such note, Security Instrument or other agreement, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).
- (c) To the depositor's knowledge, no offset, defense, counterclaim or right of rescission, abatement or diminution has been asserted by Borrower or any guarantor.

(33) Compliance with Usury Laws.

As of the Origination Date, the interest rate (exclusive of any default interest, late charges, yield maintenance charge, or prepayment premiums) of each TEL was in compliance with, or was exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury.

(34) No Shared Appreciation.

No TEL has shared appreciation rights with respect to such TEL (it being understood that equity holdings, including without limitation, preferred equity holdings, will not be considered shared appreciation rights with respect to a TEL), any other contingent interest feature or a negative amortization feature.

(35) Whole Loan.

Each TEL is a whole loan and is not a participation interest in such TEL.

(36) Loan Information.

The information set forth in the TEL Schedule is true, complete and accurate in all material respects.

(37) Full Disbursement.

The proceeds of the TEL have been fully disbursed and there is no requirement for future advances.

(38) No Advances.

No advance of funds has been made by the depositor to the related Borrower, and no advance of funds have, to the depositor's knowledge, been received (directly or indirectly) by the Borrower from any Person (other than from any mezzanine lender as disclosed in the TEL Schedule or any preferred equity interest holder) for or on account of payments due on the TEL.

(39) Reserved.

(40) Loan Status; Waivers and Modifications.

Since the Origination Date and except pursuant to written instruments set forth in the related Mortgage File or as described in the Offering Circular Supplement as a depositor Pre-Approved Servicing Request, all of the following are true and correct:

- (a) the material terms of such Security Instrument, Governmental Note and related TEL Documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect,
- (b) no related Project or any portion thereof has been released from the lien of the related Security Instrument in any manner which materially interferes with the security intended to be provided by such Security Instrument or the use, value or operation of such Project, and
- (c) neither Borrower nor guarantor has been released from its obligations under the TEL Documents.

(41) Defaults.

- (a) There exists no monetary default (other than payments due but not yet more than 30 days past due) or, to the depositor's knowledge, material non-monetary default, breach, violation or event of acceleration under the related TEL.
- (b) To the depositor's knowledge, there exists no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under such TEL; provided, however, that the representations and warranties set forth in this paragraph 41 do not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered by any other representation or warranty made by the depositor in this Exhibit C-1; and, provided, further, that a breach by the Borrower of any representation or warranty contained in any TEL Document (each, a "Borrower Representation") will not constitute a material non-monetary default, breach, violation or event of acceleration for purposes of this paragraph 41 if the subject matter of such Borrower Representation is covered by any exception to any representation or warranty made by the depositor in this Exhibit C-1.
- (c) Since the Origination Date, except as set forth in the related Mortgage File, neither the depositor, the Fiscal Agent nor any servicer of the TEL (nor, to the depositor's knowledge, the Governmental Lender) has waived any material default, breach, violation or event of acceleration under any of the TEL Documents.
- (d) Pursuant to the terms of the TEL Documents, no Person or party other than the depositor, and, with respect to defaults under the Regulatory Agreement, the Governmental Lender, may direct the Fiscal Agent to declare an event of default under such TEL Documents, and no Person or party other than the depositor may direct the Fiscal Agent to accelerate the related indebtedness.

(42) Payments Current.

No scheduled payment of principal and interest under any TEL was more than 30 days past due as of the Cut-off Date, and no TEL was more than 30 days delinquent in the 12-month period immediately preceding the Cut-off Date.

(43) Reserved.

(44) Reserved.

(45) Defeasance. In connection with the defeasance of any TEL that bears interest at a fixed rate:

- (a) each TEL provides that it can be defeased up until the date that is three months prior to the maturity date,
- (b) no TEL provides that it can be defeased with any property other than either money or noncallable and nonprepayable direct obligations of the United States of America, or other defeasance securities constituting Qualified Investments approved in writing by the depositor,
- (c) the related TEL Documents provide that the related Borrower is responsible for the payment of all reasonable costs and expenses of the lender, including any rating agency fees, incurred in connection with the defeasance of such TEL and the release of the related Project,
- (d) the related TEL Documents require delivery of all of the following:
  - (i) a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code (x) payment of any money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (y) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding TEL,
  - (ii) an accountant's certificate as to the adequacy of the defeasance collateral to make all scheduled payments, and
  - (iii) an opinion of nationally recognized bond counsel to the effect that the defeasance of the TEL is in accordance with the provisions of the Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes, and
  - (iii) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the holder of the Governmental Note and its servicer under the TEL Documents have been fully paid.

(46) Releases of Project.

The TEL Documents do not permit the release of all or any portion of the related Project from the lien of the related Security Instrument, except under the following circumstances:

- (a) upon payment in full of all amounts due under the related TEL,
- (b) in connection with a full defeasance pursuant to provisions in the related TEL Documents,
- (c) if such released portion of the Project was not considered material for purposes of underwriting the TEL, was not included in the appraisal for such Project or does not generate income,

- (d) upon the payment of a release price at least equal to the allocated loan amount or, if none, the appraised value of the released parcel and any related prepayment premium due, or
- (e) with respect to any TEL that is cross-collateralized with any other TEL(s), or any TEL that is secured by multiple Projects, in connection with the release of any cross-collateralization pursuant to provisions in the related TEL Documents.

(47) Origination and Servicing.

The origination, servicing and collection practices used by the depositor or, to the depositor's knowledge, any prior holder or servicer of each TEL, have been in compliance with all applicable laws and regulations, and substantially in accordance with the practices of prudent multifamily mortgage lenders with respect to similar mortgage loans and in compliance with the Guide in all material respects.

(48) Reserved.

(49) Fiscal Agent.

Each Fiscal Agent is the sole owner and holder (except for certain reserved rights of the Governmental Lender and the beneficial interests of the depositor, as the holder of the Governmental Note) of the Project Loan and Security Instrument related to the TEL for which it is the Fiscal Agent. The Fiscal Agent's interest in each such Project Loan and Security Instrument is free and clear of any third-party security interests, claims and encumbrances of any kind (except for certain reserved rights of the Governmental Lender and the beneficial interests of the depositor as the holder of the Governmental Note).

(50) Failure to Pay Fees or Expenses.

Pursuant to the TEL Documents, neither the Governmental Lender nor the Fiscal Agent, nor any other third party, may direct or cause an acceleration of the TEL or the related Project Loan, or a foreclosure of the lien of the related Security Instrument pursuant to the terms of the related TEL Documents based on a failure to pay the fees or expenses or any other amounts owed to the Governmental Lender, the Fiscal Agent or any such third party without the prior consent of the depositor.

(51) Reserved.

(52) LURA.

- (a) As of the Origination Date, to the depositor's knowledge, based on the related Borrower's representations and warranties in the related TEL Documents, the use and operation of the Project was in compliance with the provisions of the Land Use Restriction Agreement, the Regulatory Agreement or other similar tax regulatory agreement imposing operating restrictions on the Project executed in connection with the TEL (in any case, the "LURA").
- (b) As of the Origination Date, to Freddie Mac's knowledge, based on the related Borrower's representations and warranties in the related TEL Documents, Borrower has not received any notice from the agency that administers and regulates the LURA that Borrower is in default under the LURA.

(53) Federal Income Tax Matters.

As of the Origination Date, to the depositor's knowledge, based on the related Borrower's representations and warranties in the related TEL Documents, (i) the Borrower had not taken any action, omitted to take any action, or permitted any action to be taken that would impair the exclusion from gross income for federal income tax purposes of the interest payable on any TEL, and (ii) the Borrower was not in violation of any material requirement of any tax certificate relating to its TEL.

**EXHIBIT C-2**

**EXCEPTIONS TO DEPOSITOR’S REPRESENTATIONS AND WARRANTIES SET FORTH IN EXHIBIT C-1**

<b>Representation and Warranty</b>	<b>TEL Number*</b>	<b>Project Name</b>	<b>Issue</b>
2 (Cross-Collateralized and/or Cross-Defaulted TELs)	5	Park Tanglewood	The TEL is cross-defaulted with a subordinate mortgage loan provided by a governmental entity after the Origination Date, which subordinate mortgage loan is not being securitized in the pool.
3 (Subordinate Loans)	4 6 9 10 11 12 14 15 16 17 18 19 20	Van Buren Park Apartments Columbia Apartments Craven Terrace Phase II Craven Terrace Phase I Ships Cove Marygold Garden Apartments Bloomingdale Apartments Princess Apartments Colony Apartments HACEP Tranche 1B Portfolio Hickory Knoll Apartments Breslyn House Hampton Villa	As of the Origination Date, a subordinate mortgage existed with respect to the Project.
3 (Subordinate Loans)	7 9 10 11 17 18 20	Garden City Apartments Craven Terrace Phase II Craven Terrace Phase I Ships Cove HACEP Tranche 1B Portfolio Hickory Knoll Apartments Hampton Villa	As of the Origination Date, there was a subordinate bridge loan in place with respect to the Project, which bridge loan was secured by tax credit equity.
3 (Subordinate Loans)	16	Colony Apartments	As of the Origination Date, there was a subordinate bridge loan in place with respect to the Project, which bridge loan was secured by both tax credit equity and a subordinate mortgage that encumbered the Project.
7 (Access, Public Utilities and Separate Tax Parcels)	9 10	Craven Terrace Phase II Craven Terrace Phase I	The Project is part of a shared tax parcel that includes real property ground leased by an affiliate of Borrower.
9 (Ground Leases)	9 10 17	Craven Terrace Phase II Craven Terrace Phase I HACEP Tranche 1B Portfolio	The TEL is secured only by Borrower’s interest as lessee under a ground lease of the Project and is not secured by the fee interest in the Project.

\* As specified in the column “Loan No. / Property No.” on Exhibit A-1.

Representation and Warranty	TEL Number*	Project Name	Issue
10 (Valid First Lien)	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Summer Field Apartments Lake Delray Apartments Cypress Pines Van Buren Park Apartments Park Tanglewood Columbia Apartments Garden City Apartments Buckingham Apartment Portfolio Craven Terrace Phase II Craven Terrace Phase I Ships Cove Marygold Garden Apartments Manors I And II Apartments Bloomingdale Apartments Princess Apartments Colony Apartments HACEP Tranche 1B Portfolio Hickory Knoll Apartments Breslyn House Hampton Villa	The Project is subject to a regulatory agreement, declaration of restrictive covenants, land use restriction agreement, extended use agreement or other similar agreement (each, a “ <u>Regulatory Agreement</u> ”) that may impose certain tenant income and/or rent affordability restrictions and, in some cases, certain other operating restrictions, on all or a portion of the units in the Project and may include remedies beyond those of specific performance and/or injunctive relief. The covenants and restrictions contained in the Regulatory Agreement may run with the land and may be binding on Borrower and its successors and assigns and all others later acquiring right or title to the Project.
10 (Valid First Lien)	17	HACEP Tranche 1B Portfolio	The Projects are subject to an option to purchase (the “ <u>Purchase Option</u> ”) in favor of the ground lessor under the ground lease. Based on the terms of the ground lease, the Purchase Option is subordinate to the lien of the Security Instrument, but the Purchase Option may be binding on others later acquiring right or title to the Projects.
11 (Title Insurance)	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Summer Field Apartments Lake Delray Apartments Cypress Pines Van Buren Park Apartments Park Tanglewood Columbia Apartments Garden City Apartments Buckingham Apartment Portfolio Craven Terrace Phase II Craven Terrace Phase I Ships Cove Marygold Garden Apartments Manors I And II Apartments Bloomingdale Apartments Princess Apartments Colony Apartments HACEP Tranche 1B Portfolio Hickory Knoll Apartments Breslyn House Hampton Villa	The Project is subject to a Regulatory Agreement that may impose certain tenant income and/or rent affordability restrictions and, in some cases, certain other operating restrictions, on all or a portion of the units in the Project and may include remedies beyond those of specific performance and/or injunctive relief. The covenants and restrictions contained in the Regulatory Agreement may run with the land and may be binding on Borrower and its successors and assigns and all others later acquiring right or title to the Project.

<b>Representation and Warranty</b>	<b>TEL Number*</b>	<b>Project Name</b>	<b>Issue</b>
11 (Title Insurance)	6 15	Columbia Apartments Princess Apartments	The Title Policy contains an exclusion for or fails to affirmatively insure that the area shown on the survey is the same as the property legally described in the Security Instrument because Freddie Mac waived the requirement for a survey of the Project and, therefore, a Same As Survey endorsement to the Title Policy was not required.
11 (Title Insurance)	17	HACEP Tranche 1B Portfolio	The Projects are subject to a Purchase Option in favor of the ground lessor under the ground lease. Based on the terms of the ground lease, the Purchase Option is subordinate to the lien of the Security Instrument, but the Purchase Option may be binding on others later acquiring right or title to the Projects.
14 (Environmental Conditions)	11	Ships Cove	A Phase I Environmental Report was conducted with respect to the Project more than 12 months prior to the Origination Date.
18 (Carveouts to Non-Recourse)	1 3 4 5 7 8 11 13 14 16 17 19	Summer Field Apartments Cypress Pines Van Buren Park Apartments Park Tanglewood Garden City Apartments Buckingham Apartment Portfolio Ships Cove Manors I And II Apartments Bloomingdale Apartments Colony Apartments HACEP Tranche 1B Portfolio Breslyn House	The guarantor is not a natural person.
21 (Assignment of Leases)	1 3	Summer Field Apartments Cypress Pines	The Project is subject to a regulatory agreement (the “ <u>TCAC Regulatory Agreement</u> ”), which grants an assignment of rents to the Tax Credit Allocation Committee as security for Borrower’s performance under such TCAC Regulatory Agreement. The TCAC Regulatory Agreement is not subordinated to the lien of the Security Instrument. The Assignment of Leases is subject to the assignment of rents contained in the TCAC Regulatory Agreement.

<b>Representation and Warranty</b>	<b>TEL Number*</b>	<b>Project Name</b>	<b>Issue</b>
27 (Appraisals)	1	Summer Field Apartments	The Servicing File for the Project contains an appraisal with a valuation date that is not within 12 months of the Closing Date.
	2	Lake Delray Apartments	
	3	Cypress Pines	
	4	Van Buren Park Apartments	
	5	Park Tanglewood	
	6	Columbia Apartments	
	7	Garden City Apartments	
	8	Buckingham Apartment Portfolio	
	9	Craven Terrace Phase II	
	10	Craven Terrace Phase I	
	11	Ships Cove	
	12	Marygold Garden Apartments	
	13	Manors I And II Apartments	
	14	Bloomingtondale Apartments	
	15	Princess Apartments	
	16	Colony Apartments	
	17	HACEP Tranche 1B Portfolio	
	18	Hickory Knoll Apartments	
	19	Breslyn House	
	20	Hampton Villa	
28 (Inspection of Project)	5	Park Tanglewood	The Project was inspected more than 12 months prior to the Closing Date.
	13	Manors I And II Apartments	
	15	Princess Apartments	
	19	Breslyn House	
30 (Ownership)	1	Summer Field Apartments	The Project has a Housing Assistance Payment Contract (the " <u>HAP Contract</u> ") in place between Borrower and the United States Department of Housing and Urban Development or a state or local housing agency (collectively, " <u>HUD</u> "). HUD has provided a consent (the " <u>HUD Consent</u> ") to Borrower and Freddie Mac that permits Borrower to assign a security interest in the HAP Contract to Freddie Mac. The HUD Consent by its terms states that neither the HAP Contract nor the HUD Consent can be assigned to any other parties, including the Trustee, without HUD's consent. Neither the HAP Contract nor the HUD Consent is being assigned or delivered to the Trustee or any other party as a result.
	2	Lake Delray Apartments	
	3	Cypress Pines	
	4	Van Buren Park Apartments	
	6	Columbia Apartments	
	7	Garden City Apartments	
	8	Buckingham Apartment Portfolio	
	9	Craven Terrace Phase II	
	10	Craven Terrace Phase I	
	11	Ships Cove	
	12	Marygold Garden Apartments	
	13	Manors I And II Apartments	
	14	Bloomingtondale Apartments	
	15	Princess Apartments	
	16	Colony Apartments	
	17	HACEP Tranche 1B Portfolio	
	18	Hickory Knoll Apartments	
	19	Breslyn House	
	20	Hampton Villa	

Representation and Warranty	TEL Number*	Project Name	Issue
30 (Ownership)	5	Park Tanglewood	Following the Origination Date of the TEL, the Project became subject to a HAP Contract between Borrower and HUD. Borrower is required to deliver, within a certain period of time, an executed HUD Consent to Freddie Mac that permits Borrower to assign a security interest in the HAP Contract to Freddie Mac. The HUD Consent by its terms will state that neither the HAP Contract nor the HUD Consent can be assigned to any other parties, including the Trustee, without HUD's consent. Neither the HAP Contract nor the HUD Consent is being assigned or delivered to the Trustee or any other party as a result.

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**EXHIBIT D**

**DECREMENT TABLE FOR THE CLASS A CERTIFICATES**

**Percentage of Initial Principal Balance Outstanding For:**

**Class A Certificates**

0% CPR During Defeasance, Yield Maintenance and Static Prepayment Premium Periods  
— Otherwise at Indicated CPR

**Prepayments**

<b><u>Following the Distribution Date in—</u></b>	<b><u>0% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>50% CPR</u></b>	<b><u>75% CPR</u></b>	<b><u>100% CPR</u></b>
Closing Date .....	100%	100%	100%	100%	100%
May 2019 .....	99%	99%	99%	99%	99%
May 2020 .....	98%	98%	98%	98%	98%
May 2021 .....	96%	96%	96%	96%	96%
May 2022 .....	95%	95%	95%	95%	95%
May 2023 .....	93%	93%	93%	93%	93%
May 2024 .....	91%	91%	91%	91%	91%
May 2025 .....	90%	90%	90%	90%	90%
May 2026 .....	88%	88%	88%	88%	88%
May 2027 .....	86%	83%	81%	78%	75%
May 2028 .....	84%	79%	76%	74%	73%
May 2029 .....	82%	76%	73%	71%	71%
May 2030 .....	79%	73%	70%	69%	69%
May 2031 .....	77%	70%	67%	67%	67%
May 2032 .....	74%	66%	63%	62%	52%
May 2033 .....	19%	18%	18%	17%	11%
May 2034 and thereafter .....	0%	0%	0%	0%	0%
<b>Weighted average life (in years) .....</b>	<b>13.04</b>	<b>12.71</b>	<b>12.55</b>	<b>12.46</b>	<b>12.26</b>

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**EXHIBIT E**

**PRICE/YIELD TABLE FOR THE CLASS X CERTIFICATES**

**Corporate Bond Equivalent (CBE) Yield of the Class X Certificates at Various CPRs\***  
**1.36772%\*\* Per Annum Initial Pass-Through Rate**  
**\$276,283,970 Initial Notional Amount**

0% CPR During Defeasance, Yield Maintenance and Static Prepayment Premium Periods  
 — Otherwise at Indicated CPR

<b>Price (%)***</b>	<b>0% CPR CBE Yield (%)</b>	<b>25% CPR CBE Yield (%)</b>	<b>50% CPR CBE Yield (%)</b>	<b>75% CPR CBE Yield (%)</b>	<b>100% CPR CBE Yield (%)</b>
6.5000	25.79	25.70	25.65	25.61	25.53
7.0000	23.56	23.46	23.41	23.37	23.28
7.5000	21.62	21.51	21.45	21.41	21.32
8.0000	19.89	19.78	19.71	19.67	19.57
8.5000	18.35	18.23	18.17	18.12	18.02
9.0000	16.97	16.84	16.77	16.73	16.62
9.5000	15.71	15.58	15.51	15.46	15.35
10.0000	14.57	14.43	14.35	14.31	14.19
10.5000	13.52	13.37	13.30	13.25	13.12
11.0000	12.54	12.40	12.32	12.27	12.14
11.5000	11.64	11.49	11.41	11.36	11.23
<b>Weighted Average Life (in years)</b>	<b>13.30</b>	<b>13.00</b>	<b>12.85</b>	<b>12.77</b>	<b>12.57</b>

\* Yields presented in the table above are based on an assumed LIBOR of 2.00000% *per annum* and discounting on a 30/360 day count convention. Assumes the exercise of the right to purchase the TELs in the event the total Stated Principal Balance of the TEL pool is less than 10% of the initial TEL pool balance, as described under “The Pooling Agreement—Termination” in this offering circular supplement.

\*\* Approximate.

\*\*\* Exclusive of accrued interest.