Supplemental Statement

Freddie Mac

Structured Pass-Through Certificates (SPCs), Series K-012

Capitalized terms used and not otherwise defined have the respective meanings assigned to them in Freddie Mac's Giant and Other Pass-Through Certificates Offering Circular dated June 1, 2010 and its Offering Circular Supplement relating to the Series K-012 Structured Pass-Through Certificates, dated April 12, 2011 (the "Supplement").

SPECIAL DISCLOSURE

The Class A-1 CUSIP number set forth in the table on the front cover of the Supplement under the column "CUSIP Number" is deleted and replaced with "3137A8PN2".

Co-Lead Managers and Joint Bookrunners

Wells Fargo Securities **Goldman, Sachs & Co.**

Co-Managers

Credit Suisse **Deutsche Bank Securities** **Jefferies & Company, Inc.** **J.P. Morgan**

Supplemental Statement dated April 27, 2011

Offering Circular Supplement
(To Offering Circular Dated June 1, 2010)

$1,038,065,000
(Approximate)

Freddie Mac

Structured Pass-Through Certificates (SPCs), Series K-012

Offered Classes:	Classes of SPCs shown below
Underlying Classes:	Each Class of SPCs represents a pass-through interest in a separate class of securities issued by the Underlying Trust
Underlying Trust:	FREMF 2011-K12 Mortgage Trust
Mortgages:	Fixed-rate, balloon multifamily mortgages
Underlying Originators:	Bellwether Real Estate Capital, LLC, Berkadia Commercial Mortgage LLC, CBRE Capital Markets, Inc., CWCapital LLC, Deutsche Bank Berkshire Mortgage, Inc., Financial Federal Savings Bank, Grandbridge Real Estate Capital LLC, Holliday Fenoglio Fowler, L.P., KeyCorp Real Estate Capital Markets, Inc., M&I Marshall & Ilsley Bank, M&T Realty Capital Corporation, NorthMarq Capital, LLC, PNC Bank, National Association (successor by merger to PNC Multifamily Mortgage LLC), Walker & Dunlop, LLC and Wells Fargo Bank, National Association
Underlying Seller:	Freddie Mac
Underlying Depositor:	Wells Fargo Commercial Mortgage Securities, Inc.
Underlying Master Servicer:	Midland Loan Services, a Division of PNC Bank, National Association
Underlying Special Servicer:	Wells Fargo Bank, National Association
Underlying Trustee and Custodian:	Citibank, N.A.
Payment Dates:	Monthly beginning in May 2011
Optional Termination:	The SPCs are subject to a 1% clean-up call right and the Underlying Trust is subject to certain liquidation rights, each as described in this Supplement
Form of SPCs:	Book-entry on DTC System
Offering Terms:	The placement agents named below are offering the SPCs in negotiated transactions at varying prices
Closing Date:	On or about April 27, 2011

Class	Original Principal Balance or Notional Amount(1)	Class Coupon	CUSIP Number	Final Payment Date
A-1	$ 196,455,000	3.427%	3137A8PNZ	October 25, 2020
A-2	841,610,000	4.186(2)	3137A8PP7	December 25, 2020
X1	1,038,065,000	(3)	3137A8PQ5	December 25, 2020
X3	172,506,709	(3)	3137A8PR3	January 25, 2041

(1) Approximate. May vary by up to 5%.
(2) Subject to a "WAC Cap." See *Terms Sheet — Interest.*
(3) See *Terms Sheet — Interest*.

The SPCs may not be suitable investments for you. You should not purchase SPCs unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. *Certain Risk Considerations* on page S-2 highlights some of these risks.

You should purchase SPCs only if you have read and understood this Supplement, the attached Offering Circular and the documents identified under *Available Information.*

We guarantee certain principal and interest payments on the SPCs. These payments are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac. The SPCs are not tax-exempt. Because of applicable securities law exemptions, we have not registered the SPCs with any federal or state securities commission. No securities commission has reviewed this Supplement.

Co-Lead Managers and Joint Bookrunners

Wells Fargo Securities **Goldman, Sachs & Co.**

Co-Managers

Credit Suisse **Deutsche Bank Securities** **Jefferies & Company, Inc.** **J.P. Morgan**

April 12, 2011

CERTAIN RISK CONSIDERATIONS

Although we guarantee the payments on the SPCs, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. You should also read *Risk Factors* and *Prepayment, Yield and Suitability Considerations* in the Offering Circular and *Risk Factors* in the Information Circular for further discussions of these risks.

SPCs May Not be Suitable Investments for You. The SPCs are complex securities. You should not purchase SPCs unless you are able to understand and bear the associated prepayment, basis, redemption, interest rate, yield and market risks.

Prepayments Can Reduce Your Yield. Your yield could be lower than you expect if:

- You buy your SPCs at a premium over their principal balance and prepayments on the underlying Mortgages are faster than you expect. This is especially true for X1 and X3, which are Interest Only Classes.
- You buy your SPCs at a discount to their principal balance and prepayments on the underlying Mortgages are slower than you expect.

Rapid prepayments on the Mortgages, especially those with relatively high interest rates, could reduce the yields on A-2, X1 and X3 and, in the case of X1 and X3, could even result in the failure of investors in those Classes to recover their investments.

The SPCs May Be Subject to Basis Risk. A-2 is subject to the **WAC Cap** and X-1 and X-3 bear interest based in part on the **Weighted Average Net Mortgage Pass-Through Rate**. As a result, these Classes may be subject to basis risk, which may reduce their yields.

The SPCs are Subject to Redemption Risk. If the Underlying Trust is terminated or the SPCs are redeemed, the effect on the SPCs will be similar to a full prepayment of all the Mortgages.

The SPCs are Subject to Market Risks. You will bear all of the market risks of your investment. The market value of your SPCs will vary over time, primarily in response to changes in prevailing interest rates. If you sell your SPCs when their market value is low, you may experience significant losses. The placement agents named on the front cover (the **"Placement Agents"**) intend to deliver the SPCs on our behalf to third party purchasers; however, if the SPCs are not placed with third parties, they will be resold to us by the Placement Agents.

TERMS SHEET

This Terms Sheet contains selected information about this Series. You should refer to the remainder of this Supplement and to the attached documents for further information.

Our Giant and Other Pass-Through Certificates Offering Circular dated June 1, 2010 (the **"Offering Circular"**), attached to this Supplement, defines many of the terms we use in this Supplement. The Underlying Depositor's Information Circular dated the same date as this Supplement (the **"Information Circular"**), also attached to this Supplement, defines terms that appear in **bold type** on their first use and are not defined in this Supplement or the Offering Circular.

In this Supplement, we sometimes refer to Classes of SPCs only by their number and letter designations. For example, "A-1" refers to the A-1 Class of this Series.

General

Each Class of SPCs represents the entire undivided interest in a separate pass-through pool. Each pass-through pool consists of a class of securities (each, an **"Underlying Class"**) issued by the Underlying Trust. Each Underlying Class has the same designation as its corresponding Class of SPCs. Each Mortgage is a fixed-rate, multifamily balloon mortgage loan that provides for (1) an amortization schedule that is significantly longer than its remaining term to stated maturity or no amortization prior to stated maturity; and (2) in either case, a substantial payment of principal on its maturity date.

In addition to the Underlying Classes, the Underlying Trust is issuing four other classes of securities: the **series 2011-K12 class B, class C, class X2** and **class R certificates**.

Interest

A-1 will bear interest at its Class Coupon shown on the front cover.

A-2 will bear interest at a Class Coupon equal to the lesser of:

- The Class Coupon for that Class shown on the front cover; and
- The WAC Cap.

X1 and X3 each will bear interest at a Class Coupon equal to the interest rate of its Underlying Class, which is equal to the weighted average of its related "strip rates," as described in the Information Circular. Accordingly, the Class Coupons of X1 and X3 will vary from month to month. The initial Class Coupons of X1 and X3 are approximately 0.143% per annum and 2.287% per annum, respectively.

See *Payments — Interest* in this Supplement and *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans* and *Description of the Series 2011-K12 Certificates — Distributions — Interest Distributions* in the Information Circular.

Interest Only (Notional) Classes

X1 and X3 do not receive principal payments. To calculate interest payments, X1 has a notional amount equal to the then-current sum of the principal balances of Underlying Classes A-1 and A-2, and X3 has a notional amount equal to the then-current sum of the principal balances of the series 2011-K12 class B and C certificates.

For more specific information, see *Description of the Series 2011-K12 Certificates — Distributions — Interest Distributions* in the Information Circular.

Principal

On each Payment Date, we pay principal on each of A-1 and A-2 in an amount equal to the principal, if any, required to be paid on that Payment Date on its corresponding Underlying Class.

See *Payments — Principal* and *Prepayment and Yield Analysis* in this Supplement and *Description of the Series 2011-K12 Certificates — Distributions — Principal Distributions* in the Information Circular.

Static Prepayment Premiums and Yield Maintenance Charges

Any **Static Prepayment Premium** or **Yield Maintenance Charge** collected in respect of any of the Mortgages will be distributed first as additional interest on Underlying Classes A-1 and A-2 and the series 2011-K12 class B certificates and thereafter to Underlying Class X1, the series 2011-K12 class X2 certificates and Underlying Class X3. Any such additional interest on Underlying Classes A-1, A-2, X1 or X3 will be passed through to the corresponding Classes of SPCs. Our guarantee does not cover the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages.

See *Description of the Series 2011-K12 Certificates — Distributions — Distributions of Static Prepayment Premiums and Yield Maintenance Charges* in the Information Circular.

Federal Income Taxes

If you own a Class of SPCs, you will be treated for federal income tax purposes as owning an undivided interest in the related Underlying Class. Each Underlying Class represents ownership in a REMIC "regular interest."

See *Certain Federal Income Tax Consequences* in this Supplement, in the Offering Circular and in the Information Circular.

Weighted Average Lives

The Information Circular shows weighted average lives and declining principal balances for Underlying Classes A-1 and A-2 and weighted average lives and pre-tax yields for Underlying Classes X1 and X3. The weighted average lives, declining principal balances and pre-tax yields, as applicable, for each Class of SPCs would be the same as those shown in the Information Circular for its corresponding Underlying Class, based on the assumptions described in the Information Circular. These assumptions are likely to differ from actual experience in many cases.

See *Yield and Maturity Considerations — Weighted Average Lives of the Offered Series 2011-K12 Principal Balance Certificates, — Yield Sensitivity of the Class X1 and X3 Certificates* and *Exhibits C* and *D* in the Information Circular.

AVAILABLE INFORMATION

You should purchase SPCs only if you have read and understood:

- This Supplement.
- The Offering Circular.
- The Information Circular.
- The Incorporated Documents listed under *Additional Information* in the Offering Circular.

This Supplement incorporates the Incorporated Documents by reference. When we incorporate documents by reference, that means we are disclosing information to you by referring to those documents rather than by providing you with separate copies. The Incorporated Documents are considered part of this Supplement. Information that we incorporate by reference will automatically update information in this Supplement. You should rely only on the most current information provided or incorporated by reference in this Supplement.

You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You can obtain, without charge, copies of the Incorporated Documents, any documents we subsequently file with the SEC, the Pass-Through Trust Agreement and current information concerning the SPCs, as well as the disclosure documents and current information for any other securities we issue, from our Investor Inquiry Department or our internet website as described on page 7 of the Offering Circular.

You can also obtain the documents listed above from the Placement Agents named below at:

Wells Fargo Securities, LLC
Customer Support
201 South College Street — 6th Floor
MAC D1100-060
Charlotte, NC 28244-0002
CMClientSupport@wellsfargo.com
US Callers: 1-800-326-5897
International: 1-877-856-8878

Goldman, Sachs & Co.
Attn: Prospectus Department
200 West Street
New York, New York 10262
(866) 471-2526
prospectus-ny@ny.email.gs.com

The Underlying Depositor has prepared the Information Circular in connection with its sale of the Underlying Classes to us. The Underlying Depositor is responsible for the accuracy and completeness of the Information Circular, and we do not make any representations that it is accurate or complete.

GENERAL INFORMATION

Pass-Through Trust Agreement

We will form a trust fund to hold the Underlying Classes and to issue the SPCs, each pursuant to the Pass-Through Certificates Master Trust Agreement dated June 1, 2010 and a Terms Supplement dated the Closing Date (together, the **"Pass-Through Trust Agreement"**). We will act as Trustee and Administrator under the Pass-Through Trust Agreement.

You should refer to the Pass-Through Trust Agreement for a complete description of your rights and obligations and those of Freddie Mac. You will acquire your SPCs subject to the terms and conditions of the Pass-Through Trust Agreement, including the Terms Supplement.

Form of SPCs

The SPCs are issued, held and transferable on the DTC System. DTC or its nominee is the Holder of each Class. As an investor in SPCs, you are not the Holder. See *Description of Pass-Through Certificates — Form of Pass-Through Certificates, Holders and Payment Procedures* in the Offering Circular.

Denominations of SPCs

A-1 and A-2 will be issued, and may be held and transferred, in minimum original principal amounts of $1,000 and additional increments of $1. X1 and X3 will be issued, and may be held and transferred, in minimum original notional principal amounts of $100,000 and additional increments of $1.

Structure of Transaction

General

Each Class of SPCs represents the entire interest in a pass-through pool consisting of its corresponding Underlying Class. Each Underlying Class represents an interest in the Underlying Trust formed by the Underlying Depositor. The Underlying Trust consists primarily of the Mortgages described under *Description of the Underlying Mortgage Loans* in the Information Circular. Each Class of SPCs receives the payments of principal and/or interest required to be made on its corresponding Underlying Class.

In addition to the Underlying Classes, the Underlying Trust is issuing four other classes which are subordinate to the Underlying Classes to the extent described in the Information Circular. These additional classes will not be assets underlying the Classes of SPCs offered hereby. The pooling and servicing agreement for the Underlying Trust (the **"Pooling Agreement"**) governs the Underlying Classes and these additional classes.

Each Underlying Class will bear interest at the same rate, and at all times will have the same principal balance or notional amount, as its corresponding Class of SPCs. On the Closing Date, we will acquire the Underlying Classes from the Underlying Depositor. We will hold the Underlying Classes in certificated form on behalf of investors in the SPCs.

See *Description of Pass-Through Certificates — Structured Pass-Through Certificates* in the Offering Circular.

Credit Enhancement Features of the Underlying Trust

The Underlying Classes will have a payment priority over the subordinated classes issued by the Underlying Trust to the extent described in the Information Circular. Subordination is designed to provide the holders of the Underlying Classes with protection against most losses realized when the remaining unpaid amount on a Mortgage exceeds the amount of net proceeds recovered upon the liquidation of that Mortgage. In general, this is accomplished by allocating the **Realized Losses** among subordinated certificates as described in the Information Circular. See *Description of the Series 2011-K12 Certificates — Distributions — Subordination* in the Information Circular.

Underlying Classes A-1 and A-2, in that order, will receive all of the principal payments on the Mortgages until they are retired. Thereafter, the series 2011-K12 class B and class C certificates, in that order, will be entitled to such principal payments. Because of losses on the Mortgages and/or default-related or other unanticipated expenses of the Underlying Trust, the total principal balance of the series

2011-K12 class B and class C certificates could be reduced to zero at a time when both Underlying Classes A-1 and A-2 remain outstanding. Under those circumstances, any principal payments to Underlying Classes A-1 and A-2 will be made on a *pro rata* basis in accordance with the then-outstanding total principal balances of those classes. See *Description of the Series 2011-K12 Certificates — Distributions — Principal Distributions* and *— Priority of Distributions* in the Information Circular.

Private Rating of Certain Underlying Classes

Without taking into account our guarantee, each of **Moody's** and **Realpoint** has determined that as of, and only as of, their date of issuance, Underlying Classes A-1, A-2 and X1 issued by the Underlying Trust (and which back A-1, A-2 and X1 offered hereby) would each carry a rating of "Aaa(sf)" and "AAA," respectively. Underlying Class X3 issued by the Underlying Trust (and which backs X3 offered hereby) will not be rated. The ratings assigned to Underlying Classes A-1, A-2 and X1 will not be subject to on-going monitoring, upgrades or downgrades or any further assessment by any rating agency after the date of issuance of such Underlying Classes.

See *Ratings* in the Information Circular, which further describes the ratings of Underlying Classes A-1, A-2 and X1 and the series 2011-K12 class B and class X2 certificates.

The Mortgages

The Mortgages consist of 69 fixed-rate mortgage loans, secured by 69 multifamily properties. The Mortgages have an **initial mortgage pool balance** of approximately $1,210,571,710 as of April 1, 2011. All of the Mortgages are balloon mortgage loans.

Mortgages representing 37.4% of the initial mortgage pool balance provide for an interest-only period of between 12 and 60 months following origination, followed by amortization for the balance of the loan term. One Mortgage representing 0.7% of the initial mortgage pool balance provides for an interest-only period for the balance of the loan term. Mortgages representing 95.5% of the initial mortgage pool balance permit the borrowers to defease such Mortgages, if certain conditions are met. Four Mortgages, which are cross-collateralized and cross-defaulted with each other, collectively representing 7.3% of the initial mortgage pool balance, permit the related borrower to substitute another property owned by the related borrower for an individual mortgaged real property, if certain conditions are met. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Release of Property Through Substitution, Defeasance or Prepayment* in the Information Circular.

Description of the Underlying Mortgage Loans and *Exhibits A-1*, *A-2* and *A-3* in the Information Circular further describe the Mortgages.

PAYMENTS

Payment Dates; Record Dates

We make payments of principal and interest on the SPCs on each Payment Date, beginning in May 2011. A **"Payment Date"** is the 25th of each month or, if the 25th is not a **Business Day**, the next Business Day.

On each Payment Date, DTC credits payments to the DTC Participants that were owners of record at the close of business on the last Business Day of the related Accrual Period.

Method of Payment

The Registrar makes payments to DTC in immediately available funds. DTC credits payments to the accounts of DTC Participants in accordance with its normal procedures. Each DTC Participant, and each other financial intermediary, is responsible for remitting payments to its customers.

Interest

General

We pay interest on each Payment Date on each Class of SPCs. The Classes bear interest as described under *Terms Sheet — Interest* in this Supplement.

Accrual Period

The **"Accrual Period"** for each Payment Date is the preceding calendar month.

We calculate interest based on a 360-day year of twelve 30-day months.

Principal

We pay principal on each Payment Date on each of A-1 and A-2 to the extent principal is payable on its corresponding Underlying Class. Investors receive principal payments on a *pro rata* basis among the SPCs of their Class.

See *Terms Sheet — Principal* in this Supplement and *Description of the Series 2011-K12 Certificates — Priority of Distributions* and *— Distributions — Principal Distributions* in the Information Circular.

Static Prepayment Premiums and Yield Maintenance Charges

Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the Mortgages will be distributed first as additional interest on Underlying Classes A-1 and A-2 and the series 2011-K12 class B certificates and thereafter to Underlying Class X1, the series 2011-K12 class X2 certificates and Underlying Class X3. Any such additional interest on Underlying Classes A-1, A-2, X1 or X3 will be passed through to the corresponding Classes of SPCs. Our guarantee does not cover the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages.

See *Description of the Series 2011-K12 Certificates — Distributions — Distributions of Static Prepayment Premiums and Yield Maintenance Charges* in the Information Circular.

Class Factors

General

We make Class Factors for the Classes of SPCs available on or prior to each Payment Date. See *Description of Pass-Through Certificates — Payments — Class Factors* in the Offering Circular.

Use of Factors

You can calculate principal and interest payments by using the Class Factors.

For example, the reduction in the balance of a Class in February will equal its original balance times the difference between its January and February Class Factors. The amount of interest to be paid on a Class in February will equal interest at its Class Coupon, accrued during the related Accrual Period, on its balance determined by its January Class Factor.

Guarantees

We guarantee to each Holder of each Class of SPCs (a) the timely payment of interest at its Class Coupon; (b) the payment of principal on A-1 and A-2, on or before the Payment Date immediately following the maturity date of each Mortgage (to the extent of principal on such Class of SPCs that would have been payable from such Mortgage); (c) the reimbursement of any Realized Losses and any **Additional Issuing Entity Expenses** allocated to each Class of SPCs; and (d) the ultimate payment of principal on A-1 and A-2 by the Final Payment Date of such Class. Our guarantee does not cover any loss of yield on X1 or X3 following a reduction of its notional amount due to a write-down of any Underlying Classes or of the series 2011-K12 class B or class C certificates, nor does it cover the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages. See *Description of Pass-Through Certificates — Guarantees* in the Offering Circular and *Description of the Series 2011-K12 Certificates — Distributions — Freddie Mac Guarantee* in the Information Circular.

Optional Termination; Redemption

The **Directing Certificateholder** for the Underlying Trust, the Underlying Special Servicer and the Underlying Master Servicer each will have the option, in a prescribed order, to purchase the Mortgages and other trust property and terminate the Underlying Trust on any Payment Date on which the total **Stated Principal Balance** of the Mortgages is less than 1% of the initial mortgage pool balance. In addition, after the principal balances of Underlying Classes A-1 and A-2 and the series 2011-K12 class B certificates have been reduced to zero, the **Sole Certificateholder** for the Underlying Trust (excluding Freddie Mac) will have the right, with the consent of the Underlying Master Servicer, to exchange all of its series 2011-K12 certificates for all of the Mortgages and each **REO Property** remaining in the Underlying Trust, resulting in the liquidation of the Underlying Trust. See *The Series 2011-K12 Pooling and Servicing Agreement — Termination* in the Information Circular.

If a termination of the Underlying Trust occurs, each Class of SPCs will receive its unpaid principal balance, if any, plus interest for the related Accrual Period. We will give notice of termination to Holders not later than the fifth Business Day of the month in which the termination will occur, and each Class Factor we publish in that month will equal zero.

In addition, we will have the right to redeem the outstanding SPCs on any Payment Date when the aggregate remaining principal balance of A-1 and A-2 would be less than 1% of their aggregate original principal balance. We will give notice of any exercise of this right to Holders 30 to 60 days before the redemption date. We will pay a redemption price equal to the unpaid principal balance, if any, of each Class redeemed plus interest for the related Accrual Period.

PREPAYMENT AND YIELD ANALYSIS

Mortgage Prepayments

The rates of principal payments on the Classes will depend primarily on the rates of principal payments, including prepayments, on the related Mortgages. Each Mortgage may be prepaid, subject to certain restrictions and requirements, including one of the following:

- a prepayment lock-out and defeasance period, during which voluntary prepayments are prohibited (although, for a portion of that period, beginning no sooner than the second anniversary of the date of issuance of the SPCs, the related Mortgage may be defeased), followed by an open period during which voluntary prepayments may be made without any restriction or prepayment consideration; or

- a prepayment consideration period during which voluntary prepayments must be accompanied by the greater of a Yield Maintenance Charge and a Static Prepayment Premium, followed by a prepayment consideration period during which voluntary prepayments must be accompanied by a Static Prepayment Premium, followed by an open period during which voluntary prepayments may be made without any restriction or prepayment consideration.

Mortgage prepayment rates may fluctuate continuously and, in some market conditions, substantially.

See *Prepayment, Yield and Suitability Considerations — Prepayments* in the Offering Circular for a discussion of mortgage prepayment considerations and risks. *Risk Factors, Description of the Underlying Mortgage Loans* and *Yield and Maturity Considerations* in the Information Circular discuss prepayment considerations for the Underlying Classes.

Yield

As an investor in SPCs, your yield will depend on:

- Your purchase price.
- The rate of principal payments on the underlying Mortgages.
- Whether an optional termination of the Underlying Trust occurs or the SPCs are redeemed.
- The actual characteristics of the underlying Mortgages.
- Whether or not the Class Coupon of your Class of SPCs is based on the Weighted Average Net Mortgage Pass-Through Rate or is subject to the WAC Cap.
- In the case of A-2, X1 or X3, the extent to which its Class Coupon formula results in reductions or increases in its Class Coupon.
- The delay between each Accrual Period and the related Payment Date.

See *Prepayment, Yield and Suitability Considerations — Yields* in the Offering Circular for a discussion of yield considerations and risks.

Suitability

The SPCs may not be suitable investments for you. See *Prepayment, Yield and Suitability Considerations — Suitability* in the Offering Circular for a discussion of suitability considerations and risks.

FINAL PAYMENT DATES

The Final Payment Date for each Class of SPCs is the latest date by which it will be paid in full and will retire. The Final Payment Dates generally reflect the maturity dates of the Mortgages (except that the X3 Final Payment Date is based on the latest date to which the maturity date of a Mortgage may be modified under the terms of the Pooling Agreement) and assume, among other things, no prepayments or defaults on the Mortgages. The actual retirement of each Class may occur earlier than its Final Payment Date.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

Any discussion of tax matters herein and in the Offering Circular was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed on

such person. Such discussion was written to support the promotion and marketing of the SPCs. Investors should consult their own independent tax advisors regarding the SPCs and each investor's particular circumstances.

The following is a general discussion of federal income tax consequences of the purchase, ownership and disposition of the Classes of SPCs. It does not address all federal income tax consequences that may apply to particular categories of investors, some of which may be subject to special rules. The tax laws and other authorities for this discussion are subject to change or differing interpretations, and any change or interpretation could apply retroactively. You should consult your tax advisor to determine the federal, state, local and any other tax consequences that may be relevant to you.

Neither the SPCs nor the income derived from them is exempt from federal income, estate or gift taxes under the Code by virtue of the status of Freddie Mac as a government-sponsored enterprise. Neither the Code nor the Freddie Mac Act contains an exemption from taxation of the SPCs or the income derived from them by any state, any possession of the United States or any local taxing authority.

Classification of Investment Arrangement

The arrangement under which each Class of SPCs is created and sold and the related pass-through pool is administered will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. As an investor in SPCs, you will be treated for federal income tax purposes as the owner of a *pro rata* undivided interest in the related Underlying Class.

Status of Classes

Upon the issuance of the Underlying Classes, Cadwalader, Wickersham & Taft LLP, counsel for the Underlying Depositor, will deliver its opinion generally to the effect that, assuming compliance with all the provisions of the Pooling Agreement and certain other documents:

- Specified portions of the assets of the Underlying Trust will qualify as multiple REMICs under the Code.
- Each Underlying Class will represent ownership of a "regular interest" in one of those REMICs.

Accordingly, an investor in a Class of SPCs will be treated as owning a REMIC regular interest.

For information regarding the federal income tax consequences of investing in an Underlying Class, see *Certain Federal Income Tax Consequences* in the Information Circular.

Information Reporting

We will provide each Holder of each Class of SPCs, within a reasonable time after the end of each calendar year, information to assist beneficial owners in preparing their federal income tax returns, or to enable the Holder to make such information available to investors or financial intermediaries for which the Holder holds the SPCs as nominee.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your legal advisor to determine whether the SPCs are a legal investment for you and whether you can use the SPCs as collateral for borrowings. See *Legal Investment Considerations* in the Offering Circular.

ACCOUNTING CONSIDERATIONS

You should consult your accountant for advice on the appropriate accounting treatment for your SPCs. See *Accounting Considerations* in the Offering Circular.

ERISA CONSIDERATIONS

Fiduciaries of employee benefit plans should review *ERISA Considerations* in the Offering Circular.

PLAN OF DISTRIBUTION

Under an agreement with the Placement Agents, they have agreed to purchase all of the SPCs 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

Our General Counsel or one of our Deputy General Counsels will render an opinion on the legality of the SPCs. Cadwalader, Wickersham & Taft LLP is representing the Underlying Depositor and the Placement Agents on legal matters concerning the SPCs. That firm is also rendering certain legal services to us with respect to the SPCs.

Freddie Mac

Giant and Other Pass-Through Certificates

Giant Certificates
Stripped Giant Certificates
Stripped Interest Certificates
Callable Pass-Through Certificates
Structured Pass-Through Certificates

The Pass-Through Certificates

Freddie Mac issues and guarantees several types of Pass-Though Certificates. Pass-Through Certificates are securities that represent interests in pools of assets that are held in trust for investors and are backed by residential mortgages.

Freddie Mac's Guarantee

We guarantee the payment of interest and principal on the Pass-Through Certificates as described in this Offering Circular. **Principal and interest payments on the Pass-Through Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac**. We alone are responsible for making payments on our guarantee.

Freddie Mac Will Provide More Information for Each Offering

This Offering Circular describes the general characteristics of Pass-Through Certificates. For each offering of Pass-Through Certificates, we prepare an offering circular supplement. The supplement will describe more specifically the particular Pass-Through Certificates included in that offering.

Tax Status and Securities Law Exemptions

The Pass-Through Certificates are not tax-exempt. Because of applicable securities law exemptions, we have not registered the Pass-Through Certificates with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

Pass-Through Certificates may not be suitable investments for you. You should not purchase Pass-Through Certificates unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. The *Risk Factors* section beginning on page 11 highlights some of these risks.

Offering Circular dated June 1, 2010

If you intend to purchase Pass-Through Certificates, you should rely on the information in this Offering Circular, in the disclosure documents that we incorporate by reference in this Offering Circular as stated under *Additional Information* and in the related supplement for those Pass-Through Certificates. We have not authorized anyone to provide you with different information.

This Offering Circular, the related supplement and any incorporated documents may not be correct after their dates.

We are not offering the Pass-Through Certificates in any jurisdiction that prohibits their offer.

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The *Index of Terms* (Appendix I) shows where definitions of capitalized terms appear.

FREDDIE MAC

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the **"Freddie Mac Act"**) with a public mission to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing.

Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market. We fulfill our mission by purchasing residential mortgages and mortgage-related securities in the secondary mortgage market and securitizing them into mortgage-related securities that can be sold to investors. Our participation in the secondary mortgage market includes providing our credit guarantee for residential mortgages originated by mortgage lenders and investing in mortgage loans and mortgage-related securities. Through our credit guarantee activities, we securitize mortgage loans by issuing PCs to third-party investors. We also resecuritize mortgage-related securities that are issued by us or Ginnie Mae as well as private, or non-agency, entities by issuing structured securities to third-party investors. We guarantee multifamily mortgage loans that support housing revenue bonds issued by third parties and we guarantee other mortgage loans held by third parties.

Although we are chartered by Congress, we alone are responsible for making payments on our securities. Neither the U.S. government nor any agency or instrumentality of the U.S. government, other than Freddie Mac, guarantees our securities and other obligations.

Our statutory mission, as defined in our charter, is:

- To provide stability in the secondary market for residential mortgages;
- To respond appropriately to the private capital market;
- To provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages for low- and moderate-income families, involving a reasonable economic return that may be less than the return earned on other activities); and
- To promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas).

Conservatorship

We continue to operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of the Federal Housing Finance Agency (**"FHFA"**), our conservator (the **"Conservator"**). FHFA was established under the Federal Housing Finance Regulatory Reform Act of 2008 (the **"Reform Act"**). Prior to the enactment of the Reform Act, the Office of Federal Housing Enterprise Oversight and the U.S. Department of Housing and Urban Development (**"HUD"**), had general regulatory authority over Freddie Mac, including authority over our affordable housing goals and new programs. Under the Reform Act, FHFA now has general regulatory authority over us, 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 us and our 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 our Board of Directors to oversee, and to 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 we will emerge from conservatorship, as it has no specified termination date, and as to what changes may occur to our business structure during or following our conservatorship, including whether we will continue to exist. While we are not aware of any current plans of our Conservator to significantly change our business structure in the near term, Treasury and HUD, in consultation with other government agencies, are expected to develop legislative recommendations on government-sponsored enterprises Freddie Mac, Fannie Mae and the Federal Home Loan Banks.

To address deficits in our net worth, FHFA, as Conservator, entered into a senior preferred stock purchase agreement (as amended, the **"Purchase Agreement"**) with the U.S. Department of the Treasury (**"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. We are dependent upon the continued support of Treasury and FHFA in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions.

Our Initiatives Under the Making Home Affordable Program

On February 18, 2009, President Obama announced the Homeowner Affordability and Stability Plan, designed to help in the housing recovery, promote liquidity and housing affordability, expand our foreclosure prevention efforts and set market standards. The Obama administration subsequently announced additional details about these initiatives under the Making Home Affordable Program (the **"MHA Program"**).

Under the MHA Program, Freddie Mac is carrying out initiatives to enable eligible homeowners to refinance qualifying mortgages and to encourage modifications of such mortgages for eligible homeowners who are in default and those who are at risk of imminent default, including the following:

- *Home Affordable Refinance initiative*. We call our initiative in this area the **"Relief Refinance Program."** Under this program, we have set forth the terms and conditions under which we will purchase refinancings of mortgages we own or guarantee. Borrowers under **"Relief Refinance Mortgages"**[SM] must be current on their original mortgages. Certain eligible borrowers applying for Relief Refinance Mortgages may be subject to streamlined underwriting procedures and, for certain eligible mortgages, the value of eligible properties may be determined using an automated valuation model. The loan to value (**"LTV"**) ratio on fixed rate Relief Refinance Mortgages may be more than 105% and equal to or lower than 125%. A Relief Refinance Mortgage may be without mortgage insurance if the original mortgage did not bear mortgage insurance. Relief Refinance Mortgages must be originated on or before June 30, 2011.

- *Home Affordable Modification initiative*. We call our initiative in this area the **"Home Affordable Modification Program"** or **"HAMP."** Under this program, our servicers offer eligible borrowers in owner-occupied homes who are delinquent or who are current but at risk of imminent default on their mortgages modifications that reduce their monthly principal and interest payments on their mortgages. HAMP seeks to provide a uniform, consistent regime that servicers can use in modifying mortgages to prevent foreclosures. Under HAMP, servicers that service mortgages are provided incentives to reduce at-risk borrowers' monthly mortgage payments to a minimum of 31% of gross monthly income, which may be achieved through a variety of methods, including interest rate reductions, term extensions and principal forbearance. Borrowers are subject to a trial

period under which they are required to remit a number of monthly payments that are an estimate of the anticipated modified payment amount. After the borrower successfully meets the requirements of the trial period and provides all required documentation, a borrower's mortgage is modified. We bear the full cost of these modifications and do not receive a reimbursement from Treasury. Servicers are paid incentive fees both when they originally modify a loan, and over time, if the modified loan remains current. Borrowers whose mortgages are modified through this program will also accrue monthly incentive payments that will be applied to reduce their principal as they successfully make timely payments over a period of five years. Freddie Mac, rather than Treasury, will bear the costs of these servicer and borrower incentive fees. Mortgage holders are also entitled to certain subsidies for reducing the monthly payments from 38% to 31% of the borrower's income; however, we will not receive such subsidies on mortgages. HAMP applies to mortgages originated on or before January 1, 2009 and will expire on December 31, 2012.

ADDITIONAL INFORMATION

Our common stock is registered with the Securities and Exchange Commission (the **"SEC"**) under the Securities Exchange Act of 1934 (**"Exchange Act"**). As a result, we file annual, quarterly and current reports, proxy statements and other information with the SEC.

As described below, we incorporate certain documents by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Offering Circular:

- Our most recent Annual Report on Form 10-K, filed with the SEC.
- All other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K, excluding any information "furnished" to the SEC on Form 8-K.
- All documents that we file with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Offering Circular and prior to the termination of the offering of the related Certificates, excluding any information we "furnish" to the SEC on Form 8-K.
- The current offering circular for our Mortgage Participation Certificates and any related supplements (together, the **"PC Offering Circular"**).

These documents are collectively referred to as the **"Incorporated Documents"** and are considered part of this Offering Circular. You should read this Offering Circular and the related supplement, in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Offering Circular and the related supplement.

You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You can obtain, without charge, copies of this Offering Circular, the Incorporated Documents, the Pass-Through Trust Agreement and the related supplement under which Certificates are issued from:

Freddie Mac — Investor Inquiry
1551 Park Run Drive, Mailstop D5O
McLean, Virginia 22102-3110
Telephone: 1-800-336-3672
(571-382-4000 within the Washington, D.C. area)
E-mail: Investor_Inquiry@freddiemac.com

We also make these documents available on our internet website at this address:

Internet Website: www.freddiemac.com*

This Offering Circular relates to Pass-Through Certificates issued on and after June 1, 2010. For information about Pass-Through Certificates issued before that date, see the related Offering Circular (available on our internet website) that was in effect at the time of issuance of those Pass-Through Certificates. Under the Pass-Through Trust Agreement described in this Offering Circular, Freddie Mac has agreed to act as Trustee for and to administer all existing Pass-Through Certificates substantially in accordance with the Pass-Through Trust Agreement, as described in this Offering Circular. See *The Pass-Through Trust Agreement*.

* We are providing this and other internet addresses solely for the information of investors. We do not intend these internet addresses to be active links and we are not using references to these addresses to incorporate additional information into this Offering Circular or any supplement, except as specifically stated in this Offering Circular.

SUMMARY

This summary highlights selected information about the Pass-Through Certificates. Before buying Pass-Through Certificates, you should read the remainder of this Offering Circular and the supplement for the particular offering and the Incorporated Documents. You should rely on the information in the supplement if it is different from the information in this Offering Circular.

Trustee, Depositor, Administrator and Guarantor . . . . . Federal Home Loan Mortgage Corporation, or **"Freddie Mac,"** a shareholder-owned government-sponsored enterprise.

On September 6, 2008, the Director of FHFA placed Freddie Mac into conservatorship pursuant to authority granted by the Reform Act. As the Conservator, FHFA 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 the assets of Freddie Mac. For additional information regarding the conservatorship, see *Freddie Mac — Conservatorship* and *Risk Factors — Governance Factors*.

Pass-Through Certificates . . . As Depositor, we transfer and deposit mortgage-related assets that we have acquired into various trust funds established pursuant to the Pass-Through Trust Agreement. As Trustee for these trust funds, we create and issue under the Pass-Through Trust Agreement **"Pass-Through Certificates"** representing beneficial ownership interests in **"Pass-Through Pools,"** which are pools of assets held by those trust funds.

Assets and Mortgages . . . . . The assets in each Pass-Through Pool may include Freddie Mac PCs, GNMA Certificates, Pass-Through Certificates, other securities backed by residential mortgages that we have purchased or other mortgage-related assets, all proceeds of those assets, amounts on deposit in a custodial account of collections from those assets and the right to receive payments pursuant to our guarantee. The mortgages underlying the assets (the **"Mortgages"**) may be secured by single-family or multifamily residential properties, and have either a fixed or an adjustable interest rate.

Types of Pass-Through Certificates:

- **Giant Certificates**. . . . . Giant Certificates are single-class securities that receive principal and interest from their underlying assets. They may have either a fixed or an adjustable interest rate, called a class coupon, depending on the underlying Mortgages.
  - •• **Giant PCs** . . . . . Giant PCs are Giant Certificates whose underlying assets are Freddie Mac PCs, other Giant PCs or Freddie Mac REMIC securities backed by PCs.
  - •• **Giant Securities**. . . . . Giant Securities are Giant Certificates whose underlying assets are GNMA Certificates or other Giant Securities.

- **Stripped Giant Certificates** . . . . . Stripped Giant Certificates are issued in series consisting of two or more classes that receive principal only, interest only or both principal and interest from their underlying asset. Each series is backed by a single Giant Certificate. If you own proportionate amounts of each of the classes from the same series, you may exchange them for an equivalent amount of the underlying asset, and vice versa.

  •• **Modifiable And Combinable Securities (MACS)** . . . MACS are Stripped Giant Certificates issued in series consisting of a fixed rate interest only class, a principal only class and multiple fixed rate classes that receive both principal and interest with different class coupons, ranging from deep discount to high premium coupons. A series of MACS also may include multiple floating rate and inverse floating rate classes, some of which receive both principal and interest and some of which are interest only classes. If you own appropriate amounts of MACS classes, you may exchange them for other classes of the same series with different class coupons or interest rate formulas, or for an equivalent amount of the underlying asset, and vice versa.

- **Stripped Interest Certificates** . . . . . Stripped Interest Certificates are issued in series consisting of one or more classes that receive interest payments from one or more assets. Each series is backed by a portion of interest payments from Mortgages included in various pools that back Freddie Mac PCs.

- **Callable Pass-Through Certificates (CPCs)** . . . . . CPCs are issued in series consisting of pairs of callable and call classes, and are backed by Giant Certificates. The callable class receives principal and interest from the underlying assets. The call class receives no principal or interest, but has the right to call the related callable class for redemption and to receive the underlying securities.

- **Structured Pass-Through Certificates (SPCs)** . . . . . SPCs are issued in series consisting of one or more classes. Each class receives payments from one or more assets. The assets usually are REMIC classes issued by Freddie Mac or another party.

Payments . . . . . As Administrator, Freddie Mac passes through any payment of principal and interest due on a Pass-Through Certificate monthly on the applicable Payment Date. As described in more detail later, Payment Dates fall on or about:

- The 15th of each month, for classes backed by PCs.
- The 17th or 20th of each month, as applicable, for classes backed by GNMA Certificates.

• **Interest**	Freddie Mac pays interest on each class of Pass-Through Certificates at its class coupon. Interest payable on a Payment Date accrues during the monthly accrual period specified in this Offering Circular or the applicable supplement.
• **Principal**	Pass-Through Certificates receive principal payments in the same amounts and the same periods as their underlying assets. Holders of a class of Pass-Through Certificates entitled to principal receive principal payments proportionately with each other, based on the principal amounts of their Pass-Through Certificates.
Trustee	Freddie Mac serves as Trustee for each issue of Pass-Through Certificates pursuant to the terms of the Pass-Through Trust Agreement for that issue.
Accounting Considerations . . .	Various factors may influence the accounting treatment applicable to various types of Pass-Through Certificates. You should consult your own accountant regarding the appropriate accounting treatment for Pass-Through Certificates or an exchange of Pass-Through Certificates.
Form of Pass-Through Certificates	Pass-Through Certificates that are backed by PCs or GNMA Certificates in most cases will be issued, held and transferable on the book-entry system of the Federal Reserve Banks (the **"Fed System"**). In some cases, Pass-Through Certificates may be issued, held and transferable on the book-entry system (the **"DTC System"**) of The Depository Trust Company or its successor (**"DTC"**). Some classes, including call classes, will be issued in registered, certificated form. They will be transferable at our office, in our capacity as registrar, or at the office of any successor registrar we designate (the **"Registrar"**).
Holders	As an investor in Pass-Through Certificates, you are not necessarily the Holder of those Pass-Through Certificates. You will ordinarily hold your Pass-Through Certificates through one or more financial intermediaries. Your rights as an investor may be exercised only through the Holder of your Pass-Through Certificates, and Freddie Mac may treat the Holder as the absolute owner of your Pass-Through Certificates. The term **"Holder"** means: • For a class held on the Fed System, any entity that appears on the records of a Federal Reserve Bank as a holder of that class. • For a class held on the DTC System, DTC or its nominee. • For a certificated class, any entity or individual that appears on the records of the Registrar as a registered holder of that class.

RISK FACTORS

Although we guarantee the payments on Pass-Through Certificates, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. Investors should carefully consider the risks described below and elsewhere in this Offering Circular, the related supplement and the Incorporated Documents before deciding to purchase Pass-Through Certificates. You should also review the *Risk Factors* section of the PC Offering Circular for discussions of the risks related to PCs and the underlying Mortgages. However, neither this Offering Circular nor those other documents describe all the possible risks of an investment in the Pass-Through Certificates that may result from your particular circumstances, nor do they project how the Pass-Through Certificates will perform under all possible interest rate and economic scenarios.

PREPAYMENT AND YIELD FACTORS:

Principal payment rates are uncertain. Principal payment rates on the Pass-Through Certificates will depend on the rates of principal payments on the underlying Mortgages. Mortgage principal payments include scheduled payments and full and partial prepayments, including prepayments that result from refinancings and other voluntary payments by borrowers and from the repurchase of Mortgages due to defaults or delinquencies, inaccurate representations or warranties or other factors. Mortgage prepayment rates fluctuate continuously and in some market conditions substantially. Therefore, we cannot predict the rate of prepayments on the Assets or the rate of principal payments on the related Pass-Through Certificates.

Substantial repurchases of seriously delinquent Mortgages could materially affect the prepayment rates of the assets backing your Pass-Through Certificates. Starting in March 2010, we began repurchasing seriously delinquent Mortgages from PC pools, and we expect to continue repurchasing most of those Mortgages that become 120 days or more delinquent if we determine that the cost of guarantee payments, including advances of interest, exceeds the cost of holding those nonperforming Mortgages in our retained portfolio, due to our adoption of new accounting standards and changing economics. We will continue to review the economics of repurchasing Mortgages that are 120 days or more delinquent in the future and may reevaluate our delinquent Mortgage repurchase practices and alter them if circumstances warrant.

Increased Mortgage refinance, modification and other loss mitigation programs could materially affect Mortgage prepayment speeds. Working with our Conservator, we have significantly increased our loan modification and foreclosure prevention efforts since we entered into conservatorship, such as foreclosure suspensions and the Relief Refinance and Home Affordable Modification Programs under the MHA Program.

Depending on the level of borrower response to our Relief Refinance and Home Affordable Modification Programs and the number of borrowers who qualify for such refinancings and modifications, the increase in prepayments on certain Mortgages could be material. Generally, refinancings and modifications of Mortgages result in prepayments to investors in an amount equal to the unpaid principal balance of the affected Mortgages. We cannot predict the number of borrowers who will qualify for these programs or the rate of prepayments on the related Pass-Through Certificates.

Mortgage prepayments are affected by many factors and are unpredictable. The rates of prepayments of Mortgages, and therefore the rates of principal payments on the assets backing a series of Pass-Through Certificates, are influenced by a variety of economic, social and other factors, including local and regional economic conditions, homeowner mobility and the availability of, and costs associated with, alternative financing.

Such factors include but are not limited to prevailing mortgage interest rates, Mortgage characteristics, such as the geographic location of the mortgaged properties, loan size, LTV ratios or year of origination, borrower characteristics (such as credit scores) and equity positions in their houses, availability and convenience of refinancing and prevailing servicing fee rates. In addition, the rate of defaults and resulting repurchases of the Mortgages and repurchases due to breaches of representations and warranties by Mortgage sellers (presently, we have a substantial backlog of such repurchase requests to Mortgage sellers), or due to modification (such as may occur upon a borrower's successful completion of a trial period under our Home Affordable Modification Program) or refinancing as a result of default or imminent default, could affect prepayment rates and adversely affect the yield on your Pass-Through Certificates.

Prepayments can reduce your yield. Your yield on a class of Pass-Through Certificates will depend on its price, the rate of prepayments on its underlying assets and the other characteristics of the Mortgages. The Mortgages may be prepaid at any time, in most cases without penalty.

- If you purchase your class at a discount to its principal amount and the rate of principal payments is slower than you expect, you will receive payments over a longer period than you expect, so the yield on your investment will be lower than you expect.
- If you purchase your class at a premium over its principal amount and the rate of principal payments is faster than you expect, you will receive payments over a shorter period than you expect, so the yield on your investment will be lower than you expect.
- If you purchase an interest only class (including a class of Stripped Interest Certificates) or any other class at a significant premium and prepayments are very fast, you may not even recover your investment.
- In general, the rate of prepayments early in your investment has the greatest effect on your yield to maturity. A negative effect on your yield produced by principal prepayments at a higher (or lower) rate than you expect in the period immediately following your purchase of your class is not likely to be fully offset by an equivalent reduction (or increase) in that rate in later periods.

Callable classes are subject to redemption risks. If you own a callable class, a redemption will be similar in its principal payment effect to a full prepayment of all the related Mortgages. After a callable class becomes redeemable, its value is not likely to exceed, and may be lower than, its redemption price.

Index levels can reduce your yield if you own a floating rate or inverse floating rate class. The yield on your class could be lower than you expect:

- If you own a floating rate class and the levels of the applicable index are lower than you expect.
- If you own an inverse floating rate class and the levels of the applicable index are higher than you expect.

If you buy an interest only floating rate class, you may not even recover your investment if the level of the applicable index is low or prepayments are fast. If you buy an interest only inverse floating rate class, you may not even recover your investment if the level of the applicable index is high or prepayments are fast.

Reinvestment of principal payments may produce lower yields; expected principal payments may not be available for reinvestment. Mortgages tend to prepay fastest when current interest rates are low. When you receive principal payments in a low interest rate environment, you may not be able to reinvest them in comparable securities with as high a yield as your Pass-Through Certificates. When

current interest rates are high, Mortgages tend to prepay more slowly and your ability to reinvest principal payments could be delayed. If the yield on comparable investments is higher than the yield of your Pass-Through Certificates at that time, you could be disadvantaged by not receiving principal for reinvestment as quickly as you expected.

Weak economic conditions persist and could adversely affect your Pass-Through Certificates. Weak economic conditions persist in the United States and the residential housing market continues to experience serious difficulties. House prices have declined nationwide and that decline has been larger in certain states, including California, Florida, Arizona and Nevada, and in certain geographical regions, including the Midwest. A substantial number of borrowers are "underwater," or owe more on their Mortgages than their homes are currently worth. National home prices may continue to decrease. Unemployment has increased substantially and the credit markets, including the residential mortgage market, have been volatile and have contracted considerably. Certain large lenders have failed, and some of our largest servicers have experienced ratings downgrades and liquidity constraints. At the same time, the rate and number of mortgage payment delinquencies, particularly with respect to mortgages originated in recent years, have increased significantly and the prevailing adverse condition of the economy and the housing market have made it difficult or impossible for many borrowers to sell their homes or refinance their mortgages.

These circumstances may persist and could worsen and accelerate if the United States economy, the housing market and consumer confidence do not recover or if foreign economies continue to experience difficulties. Payment defaults on Mortgages could result in accelerated prepayments of your Pass-Through Certificates as a result of Mortgage modifications, refinancings, foreclosures or workouts.

The rate of such refinancings and modifications could also substantially increase as a result of our Relief Refinance and Home Affordable Modification Programs. These developments could adversely affect the liquidity, pricing and yield of your Pass-Through Certificates. Payment and recovery of principal on the Pass-Through Certificates could depend on our ability to honor our guarantee obligations. See *Increased Mortgage refinance, modification and other loss mitigation programs could materially affect Mortgage prepayment speeds.*

INVESTMENT FACTORS:

The Pass-Through Certificates may not be suitable investments for you. The Pass-Through Certificates are complex securities. You, alone or together with your financial advisor, need to understand the risks of your investment. You need to be able to analyze the information in the related offering documents and the Incorporated Documents, as well as the economic, interest rate and other factors that may affect your investment. You also need to understand the terms of the Pass-Through Certificates and any investment restrictions that may apply to you. Because each investor has different investment needs and different risk tolerances, you should consult your own financial, legal, accounting and tax advisors to determine if the Pass-Through Certificates are suitable investments for you. If you require a definite payment stream, or a single payment on a specific date, the Pass-Through Certificates are not suitable investments for you. If you purchase Pass-Through Certificates, you need to have enough financial resources to bear all of the risks related to your investment.

The Pass-Through Certificates are subject to liquidity risk. Illiquidity can have a severely negative impact on the prices of the Pass-Through Certificates, especially those that are particularly sensitive to prepayment or interest rate risk. The Pass-Through Certificates are not traded on any exchange and the market price of a particular issuance of Pass-Through Certificates or a benchmark price

may not be readily available. A secondary market for some types of Pass-Through Certificates may not develop. Even if a market develops, it may not continue. As a result, you may not be able to sell your Pass-Through Certificates easily or at prices that will allow you to realize your desired yield. The secondary markets for some Pass-Through Certificates have experienced periods of illiquidity in the past, and can be expected to do so again in the future. Our financial condition, the conservatorship, uncertainty concerning our future structure and organization, including whether we will continue to exist, the level of governmental support for Freddie Mac and market perceptions or speculation concerning such factors could materially affect the liquidity and pricing of your Pass-Through Certificates. Moreover, adverse national or global financial developments may materially affect the liquidity and pricing of your Pass-Through Certificates. These include, among others: the disruption of international and domestic credit markets, recessionary or weak economic conditions in the U.S. and in foreign countries (including those countries that own and trade our Pass-Through Certificates and other mortgage-backed securities), severe contraction in the residential mortgage credit market and the demise and consolidation of several major securities broker-dealers and financial institutions (including substantial mortgage originators). See *Prepayment and Yield Factors: Weak economic conditions persist and could adversely affect your Pass-Through Certificates.*

Reductions in our mortgage portfolio may affect the liquidity of your Pass-Through Certificates. Under the Purchase Agreement, the size of our mortgage-related investments portfolio was capped at $900 billion as of December 31, 2009 and, beginning in 2010, will decrease at the rate of 10% per year until it reaches $250 billion. The Purchase Agreement also limits the amount of indebtedness we can incur. Historically, our portfolio assets have included a substantial amount of our Pass-Through Certificates and we have been an active purchaser of our Pass-Through Certificates for a variety of reasons, including to provide liquidity for our Pass-Through Certificates. The limitation on our indebtedness, the proceeds of which have been used in the past to purchase assets for our portfolio, and the requirement to shrink our portfolio beginning in 2010 may adversely affect the liquidity and pricing of your Pass-Through Certificates.

The Pass-Through Certificates are subject to market risk. The market value of your Pass-Through Certificates will vary over time, primarily in response to changes in prevailing interest rates. Financial, regulatory and legislative developments concerning Freddie Mac generally, including whether we are in conservatorship or receivership, could affect prices for your Pass-Through Certificates. In addition, any adverse change in the market perception of our level of governmental support or credit standing could reduce the market price of the Pass-Through Certificates. If you sell your Pass-Through Certificates when their market values are low, you may experience significant losses.

The value of each call class will depend primarily on the market value of the assets to which the related call right applies (which will depend on prevailing interest rates and other market and economic conditions), market expectations about its future value, and the costs associated with any exercise of the call right. If you own a call class, you should consider the risk that you may lose all of your initial investment.

Index levels will affect yields of your adjustable rate Pass-Through Certificates. If your Pass-Through Certificates are backed by adjustable rate Mortgages, and the index level used to adjust the interest rates on those Mortgages is lower than you expect, the yield on your investment could be lower than you expect, especially if prepayments are slow. Even if the index level is high but prepayments are fast, your yield could be lower than you expect.

Your ability to exchange classes of MACS may be limited. You must own the right classes in the right proportions to enter into an exchange involving MACS. If you do not own the right classes, you may not be able to obtain them because:

- The owner of a class that you need for an exchange may refuse or be unable to sell that class to you at a reasonable price or at any price.
- Some classes may be unavailable because they have been placed into other financial structures, such as a REMIC.
- Principal payments and prepayments over time will decrease the amounts available for exchange.

You may not be allowed to buy Pass-Through Certificates. If you are subject to investment laws and regulations or to review by regulatory authorities, you may not be allowed to invest in some types of Pass-Through Certificates. If you purchase Pass-Through Certificates in violation of such laws or regulations, you may be compelled to divest such Pass-Through Certificates. See *Legal Investment Considerations*.

GOVERNANCE FACTORS:

The Conservator may repudiate our contracts, including our guarantee. As Conservator, FHFA may disaffirm or repudiate contracts (subject to certain limitations for qualified financial contracts) that we entered into prior to its appointment as Conservator if it determines, in its sole discretion, that performance of the contract is burdensome and that disaffirmation or repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires FHFA to exercise its right to disaffirm or repudiate most contracts within a reasonable period of time after its appointment as Conservator.

The Conservator has advised us that it has no intention of repudiating any guarantee obligation relating to Freddie Mac's mortgage-related securities, including the Pass-Through Certificates, because it views repudiation as incompatible with the goals of the conservatorship. In addition, the Reform Act provides that mortgage loans and mortgage-related assets that have been transferred to a Freddie Mac securitization trust must be held for the beneficial owners of the related Freddie Mac mortgage-related securities, including the Pass-Through Certificates, and cannot be used to satisfy our general creditors.

If our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be reduced in the event of any borrowers' late payments or failure to pay or a servicer's failure to remit borrower payments to the trust. In that case, trust administration and servicing fees could be paid from payments on the Assets prior to distributions to Holders. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders.

The Conservator also has the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without any approval, assignment or consent. If the Conservator were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party.

FHFA could terminate the conservatorship by placing us into receivership, which could adversely affect our guarantee, and restrict or eliminate certain rights of Holders. Under the Reform Act, FHFA must place us into receivership if the Director of FHFA makes a determination in

writing that our assets are, and for a period of 60 days have been, less than our obligations. FHFA has notified us that the measurement period for any mandatory receivership determination with respect to our assets and obligations would commence no earlier than the SEC public filing deadline for our quarterly or annual financial statements and would continue for 60 calendar days after that date. FHFA has also advised us that, if, during that 60-day period, we receive funds from Treasury in an amount at least equal to the deficiency amount under the Purchase Agreement, the Director of FHFA will not make a mandatory receivership determination.

In addition, we 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 the then Director of FHFA placed us 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 our obligations in the ordinary course of business; a weakening of our condition due to unsafe or unsound practices or conditions; critical undercapitalization; the likelihood of losses that will deplete substantially all of our capital; or by consent. A receivership would terminate the current conservatorship.

If FHFA were to become our receiver, it could exercise certain powers that could adversely affect Holders. As receiver, FHFA could repudiate any contract entered into by us 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 our 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 our 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 our assets were available for that purpose. Moreover, if our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be reduced in the event of any borrowers' late payments or failure to pay or a servicer's failure to remit borrower payments to the trust. In that case, trust administration and servicing fees could be paid from payments on the assets prior to distributions to Holders of Pass-Through Certificates. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without any approval, assignment or consent of any party. If FHFA, as receiver, were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party.

During a receivership, certain rights of Holders of Pass-Through Certificates under the Pass-Through Trust Agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed. The Pass-Through Trust Agreement provides that upon the occurrence of a Guarantor event of default, which includes the appointment of a receiver, Holders have the right to replace Freddie Mac as Trustee and Administrator if the requisite percentage of Holders consent. Pursuant to the Reform Act, FHFA, as receiver, may prevent Holders from enforcing their rights to replace Freddie Mac as Trustee and Administrator if the event of default arises solely because a receiver has been appointed.

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 we are placed into receivership and do not or cannot fulfill our guarantee obligation to Holders of Pass-Through Certificates, Holders could become unsecured creditors of Freddie Mac with respect to claims made under our guarantee. For a description of certain rights of Holders to proceed against the Treasury if we fail to pay under our guarantee, see *The Pass-Through Trust Agreement — Rights Upon Event of Default.*

APPLICATION OF PROCEEDS

Most Pass-Through Certificates are issued in exchange for the underlying assets, in which case we do not receive cash proceeds. In some instances, we issue Pass-Through Certificates backed by assets that we already own. In those transactions, we use the net proceeds received from the sale of the Pass-Through Certificates to the related dealers for cash to provide funds for general corporate purposes, including the purchase and financing of additional Mortgages and mortgage securities.

DESCRIPTION OF PASS-THROUGH CERTIFICATES

GENERAL

As Depositor, we transfer and deposit mortgage-related securities and other mortgage-related assets into Pass-Through Pools within the related trust funds. As Trustee, we create and issue Pass-Through Certificates under the related Pass-Through Trust Agreement representing interests in those pools. Each Pass-Through Pool has its own identification number assigned by us, as Administrator. The securities in the Pass-Through Pools are backed by Mortgages that we have purchased.

A Pass-Through Pool usually includes a single type of asset. These assets are typically:

- Freddie Mac PCs or Giant PCs.
- GNMA Certificates or Freddie Mac Giant Securities.
- Securities that represent "regular interests" in a real estate mortgage investment conduit (**"REMIC"**).
- Other Pass-Through Certificates offered under this Offering Circular.
- Other mortgage-related assets identified in the related supplement.
- Other securities identified as assets in the related supplement.

As Trustee, we hold legal title to the assets, directly or through our agent, in each Pass-Through Pool and related trust fund for the benefit of the investors in the related Pass-Through Certificates. Below we describe more specifically the types of Pass-Though Certificates and the characteristics of their underlying assets. In addition, if we issue any other type of Pass-Through Certificates, we will describe them in the related supplement.

GIANT CERTIFICATES

"Giant Certificates" are single-class securities entitled to payments of both principal and interest received on the related assets. When we issue Giant Certificates, we form a Pass-Through Pool that typically consists of PCs (including Freddie Mac REMIC securities backed by PCs) or GNMA Certificates. If the assets are PCs (including Freddie Mac REMIC securities backed by PCs), the Giant Certificates we issue are **"Giant PCs."** If the assets are GNMA Certificates, the Giant Certificates we issue are **"Giant Securities."** A Pass-Through Pool for Giant Certificates also may include other Giant Certificates of the same type.

Giant Certificates may bear interest at a fixed rate or an adjustable rate. The assets underlying fixed-rate Giant Certificates usually have the same fixed interest rate as the related Giant Certificates. However, we sometimes issue fixed rate Giant Certificates with an interest rate that is higher or lower than the rate payable on the related assets by retaining a portion of the principal or interest payments on the assets.

The interest rate of an adjustable rate Giant Certificate adjusts each month based on the weighted average of the interest rates of the related assets. The interest rates on all of the adjustable rate Mortgages (**"ARMs"**) backing an adjustable rate Giant Certificate adjust based on the same index and using the same means of adjustment, but do not necessarily adjust on the same date.

The minimum original principal balance of a Pass-Through Pool backing Giant Certificates is $1 million.

STRIPPED GIANT CERTIFICATES

"Stripped Giant Certificates" are issued in series, each consisting of two or more classes. These classes receive unequal proportions of the principal and interest paid on a single underlying asset. When the underlying asset is a Giant PC, the Stripped Giant Certificates we issue are **"Stripped Giant PCs."** When the underlying asset is a Giant Security, the Stripped Giant Certificates we issue are **"Stripped Giant Securities."**

Stripped Giant Certificates include interest only classes (**"Interest Only Classes"** or **"IO Classes"**), principal only classes (**"Principal Only Classes"** or **"PO Classes"**) and interest/principal classes (**"IP Classes"**). IO Classes receive all or a portion of the interest payments from the underlying asset and no principal. PO Classes receive all or a portion of the principal payments from the underlying asset and no interest. IP Classes receive a portion of both the principal and interest payments from the underlying asset.

IO and IP Classes may bear interest at a fixed, adjustable, floating or inverse floating rate.

In order to calculate the interest due each month, a notional principal amount is assigned to each IO Class. The original notional principal amount will equal the original principal amount of the underlying asset, and will decline proportionately with the principal amount of that asset.

The minimum original principal balance of a Pass-Through Pool backing Stripped Giant Certificates is $1 million.

Stripped Giant Certificates include a feature that permits you to exchange them for their underlying asset. To exchange your Stripped Giant Certificates for an equivalent amount of the underlying Giant Certificate, you must own proportionate interests in the principal and notional principal amounts of all classes of the same series. Similarly, if you own a Giant Certificate that has been reconstituted by an

exchange, you may exchange it for equivalent interests in the related Stripped Giant Certificates. Stripped Giant Certificates may be recombined and restripped in this manner repeatedly.

We may charge you a fee for an exchange. We have described the procedures for exchanging Stripped Giant Certificates in *Appendix II*.

"Modifiable And Combinable Securities" or **"MACS"** are Stripped Giant Certificates that are issued in a range of possible class coupons or class coupon formulas and that are exchangeable for other classes of the same series having different class coupons or class coupon formulas. Each series of MACS is backed by a single fixed rate Giant PC or Giant Security.

A series of MACS typically includes a fixed rate IO Class, a PO Class and multiple fixed rate IP Classes with class coupons ranging in 50 basis point increments from 0.5% to as high as 24.0%. We designate the IP classes of each series by their class coupons, calling a class with a class coupon of 0.5% the "0.5 Class," a class with a class coupon of 24.0% the "24.0 Class" and so forth. A series of MACS also may include multiple floating rate and inverse floating rate classes, some of which are IP Classes and some of which are IO Classes.

We offer MACS classes in *maximum* original principal or notional principal amounts. The maximum amount for each class is considered individually for that class and without regard to the amounts of the other classes. It represents the largest amount of the class that the underlying asset could support.

You can exchange classes of MACS for one or more different classes of the same series. You can also exchange one or more classes of MACS for a portion of the underlying Giant Certificate, and vice versa. To make any of these exchanges, follow the procedures in *Appendix II*. *Appendix III* shows examples of exchanges involving MACS.

The classes of a series of MACS that are outstanding at any given time will depend upon which classes were issued initially and upon any exchanges that have occurred. The aggregate outstanding principal amount of all classes, not including the notional principal amounts of IO Classes, will equal the remaining principal amount of the underlying asset at all times. Similarly, the outstanding classes will receive interest payments, in the aggregate, equal to the interest payments made on the underlying asset.

STRIPPED INTEREST CERTIFICATES

"Stripped Interest Certificates" or **"SCs"** are issued in series, each consisting of one or more classes. These classes receive interest paid on their underlying assets. The underlying assets may consist of certain interest amounts payable on Mortgages that have been included in Freddie Mac PCs.

SCs consist of IO Classes that receive a portion of the interest payments from the related Mortgages and no principal. IO Classes may bear interest at a fixed rate, an adjustable rate or a weighted average rate.

In order to calculate the interest due each month, a notional principal amount is assigned to each IO Class. The original notional principal amount will equal or be derived from the original principal amount of the underlying asset, and will decline proportionately with the principal amount of that asset or as otherwise described in the related supplement.

CALLABLE PASS-THROUGH CERTIFICATES

"Callable Pass-Through Certificates" or **"CPCs"** represent interests in a Pass-Through Pool that contains a single Giant PC or a Giant Security as its primary asset. Classes of CPCs are issued in pairs of

"Callable Classes" and **"Call Classes."** If you own a Callable Class, you will receive all of the interest and principal payments made on the asset. If you own a Call Class, you will not receive any payments of principal or interest because the Call Class does not represent an ownership interest in the underlying asset.

There can be only one Holder at a time of a Call Class. If you are the Holder of a Call Class, you will have the right (the **"Call Right"**):

1. To direct Freddie Mac, as Administrator, to redeem the related Callable Class on any Payment Date during the period specified in the applicable supplement.
2. To exchange your Call Class for the related Callable Assets.

The **"Callable Assets"** will be:

- If the related Pass-Through Pool contains a Giant PC, that Giant PC.
- If the related Pass-Through Pool contains a Giant Security, the GNMA Certificates (and any Giant Securities) underlying that Giant Security.

You must pay a Call Fee and a Call Payment to exercise the Call Right. *Appendix IV* describes the procedures for exercising the Call Right.

STRUCTURED PASS-THROUGH CERTIFICATES

"Structured Pass-Through Certificates" or **"SPCs"** represent interests in Pass-Through Pools that contain one or more of the following:

- REMIC classes issued by Freddie Mac or a third party.
- Pass-Through Certificates.
- Freddie Mac debt instruments.
- Other securities described in the related supplement.

The Pass-Through Pools typically contain, and the related SPCs represent interests in, separate classes or types of assets. The supplement for each series of SPCs will provide information on the assets for that series. A series of SPCs typically contains two or more classes, and each class of SPCs is backed by its own Pass-Through Pool.

CATEGORIES OF CLASSES

For purposes of principal and interest payments, classes of Pass-Through Certificates are categorized as shown below.

The following chart identifies and generally defines most categories of classes. The first column of the chart shows our standard abbreviation for each category. Each supplement may identify the categories of classes of the related series by means of one or more of these abbreviations.

Principal Types

Freddie Mac Standard Abbreviation	Category of Class	Definition
NTL	Notional	Classes having only a notional principal amount. A notional principal amount is the amount used as a reference to calculate the amount of interest due on an Interest Only Class. We indicate parenthetically the type of class with which a Notional Class will reduce.
PT	Pass-Through	Classes that receive all or a specified portion of the principal payments on the underlying Giant PC or other Pass-Through Pool assets.

Interest Types

Freddie Mac Standard Abbreviation	Category of Class	Definition
FIX	Fixed Rate	Classes with class coupons that are fixed throughout the life of the class.
FLT	Floating Rate	Classes with class coupons that are reset periodically based on an index and that vary directly with changes in the index.
INV	Inverse Floating Rate	Classes with class coupons that are reset periodically based on an index and that vary inversely with changes in the index.
IO	Interest Only	Classes that receive some or all of the interest payments made on the underlying Giant PC or other Pass-Through Pool assets and no principal. Interest Only Classes have a notional principal amount.
PO	Principal Only	Classes that do not receive any interest.
S	Structured Formula	Floating Rate and Inverse Floating Rate Classes with class coupons that are periodically reset using a formula other than an index (without any multiplier) plus a constant, in the case of Floating Rate Classes, or a constant minus an index (without any multiplier), in the case of Inverse Floating Rate Classes, and which are not designated as Toggle Classes.
T	Toggle	Floating Rate, Inverse Floating Rate and Weighted Average Coupon Classes with Class Coupons that change significantly as a result of very small changes in the applicable index. The change in Class Coupon may not be a continuous function of changes in the index; rather, a change in the index may result in a “shift” from a predetermined rate or formula to a different predetermined rate or formula.
W	WAC (or Weighted Average Coupon)	Classes whose class coupons represent a blended interest rate that may change from period to period. WAC Classes may consist of components with different interest rates or may be backed by assets with different interest rates.

PASS-THROUGH POOL ASSETS

General

Each Pass-Through Pool will contain one or more assets. This section describes the general characteristics of PCs and GNMA Certificates, which directly or indirectly back most of our Pass-Through Certificates. Pass-Through Pools can also contain Giant Certificates, REMIC classes, other Pass-Through Certificates or any other securities or mortgage-related assets that are purchased by Freddie Mac and identified as assets in the related supplement.

PCs

Freddie Mac Mortgage Participation Certificates, or **"PCs,"** are single-class securities, guaranteed by Freddie Mac, that represent undivided interests in pools of residential Mortgages. Nearly all Mortgages that back PCs are conventional mortgages, which means that neither the United States nor any federal agency or instrumentality guarantees or insures them.

If the underlying Mortgages have a fixed rate of interest, the PCs may be either **"Gold PCs"** or **"Original PCs."** If the underlying Mortgages are ARMs, the related PCs are called **"ARM PCs."**

For Gold PCs, there is a delay of approximately 45 days between the time interest begins to accrue and the time the PC investor receives his interest payment. This time period is a **"Payment Delay."** For ARM PCs and Original PCs there is a Payment Delay of approximately 75 days.

Giant PCs have names — **"Gold Giant PCs," "Original Giant PCs"** and **"ARM Giant PCs"** — that identify their underlying assets. Thus, if you invest in a Giant PC, the name of the Giant PC will identify for you the type of underlying PC and the applicable Payment Delay.

Some PCs represent interests in special types of Mortgages, such as relocation Mortgages, cooperative share Mortgages or extended buydown Mortgages. These types of Mortgages may prepay differently than standard Mortgages. If any one of these types of PCs represents more than 10%, or if any combination of them represents more than 15%, of the original principal balance of a Pass-Through Pool, the applicable supplement will disclose this.

Some PCs represent interests in other special types of Mortgages, such as initial interest Mortgages (which we intend to cease purchasing on or about September 1, 2010), reduced servicing fee Mortgages, biweekly Mortgages, assumable Mortgages, super-conforming Mortgages, jumbo-conforming Mortgages, high LTV Mortgages or prepayment penalty Mortgages. Jumbo-conforming and super-conforming ARM Mortgages, and in some cases, super-conforming fixed rate Mortgages, may be combined and included in a single PC pool. If any of these types of PCs are included in a Pass-Through Pool, the applicable supplement will disclose this.

See the PC Offering Circular and our internet website for information on how PC pool numbers and prefixes indicate the general type of Mortgages backing a PC.

We may issue Giant PCs backed by Gold PCs issued under our cash and multilender swap programs. In forming such Giant PCs, we, as Depositor, will deposit Mortgages purchased under those programs into PC pools and contribute the resulting Gold PCs to the Giant Pass-Through Pool.

Under our cash program, we purchase Mortgages for cash and contribute them to PC pools. Under our multilender swap program, a mortgage seller can sell Mortgages to us in exchange for the same

principal amount of Gold PCs backed by the Mortgages transferred by that mortgage seller and/or by other mortgage sellers.

Our PC Offering Circular describes the characteristics of the various types of PCs. Supplements for Pass-Through Certificates backed by PCs will incorporate by reference the current PC Offering Circular.

GNMA Certificates

"GNMA Certificates" are mortgage-backed securities that the Government National Mortgage Association (**"GNMA"**) guarantees. GNMA is a corporate instrumentality of the United States within HUD. GNMA guarantees the timely payment of principal and interest on certificates that are backed by pools of mortgages insured or guaranteed by the Federal Housing Administration, the U.S. Department of Veterans Affairs, the U.S. Department of Agriculture Rural Development (formerly the Rural Housing Service) or HUD.

Investors in GNMA Certificates receive monthly payments of interest and scheduled principal, even if the borrowers on the underlying mortgages have not made their monthly payments. GNMA's guarantee obligations, unlike Freddie Mac's, are backed by the full faith and credit of the United States.

Mortgage banking companies and other financial concerns approved by GNMA issue and service GNMA Certificates. GNMA guarantees securities under its GNMA I program (**"GNMA I Certificates"**) and GNMA II program (**"GNMA II Certificates"**). Holders of GNMA I Certificates and GNMA II Certificates have substantially similar rights, although a few differences do exist.

Under the GNMA I program, a single GNMA issuer assembles a pool of mortgages and issues and markets GNMA I Certificates that are backed by that pool. The origination date of mortgages in the pool must be within two years of the date that the related GNMA I Certificates are issued. All mortgages underlying a particular GNMA I Certificate must be of the same type (for example, all single-family, level payment mortgages) and have the same fixed interest rate. The pass-through rate on each GNMA I Certificate is 50 basis points less than the interest rate on the mortgages included in the pool. Holders of GNMA I Certificates receive payments on or about the 15th of each month. GNMA I Certificates have a Payment Delay of approximately 45 days.

Under the GNMA II program, a pool may consist of mortgages submitted by more than one GNMA issuer. The resulting pool backs a single issue of GNMA II Certificates, which each participating issuer markets to the extent that it contributed mortgages to the pool. Each GNMA II Certificate issued from a multiple issuer pool, however, represents an interest in the entire pool, not just in mortgages contributed to the pool by a particular GNMA issuer. GNMA II Certificates also may be backed by a custom pool of fixed rate mortgages formed by a single issuer. Holders of GNMA II Certificates receive payments on or about the 20th of each month. GNMA II Certificates have a Payment Delay of approximately 50 days.

Each GNMA II Certificate pool consists entirely of fixed rate mortgages or entirely of ARMs. Fixed rate mortgages underlying any particular GNMA II Certificate must be of the same type, but may have annual interest rates that vary from each other by up to 100 basis points. The pass-through rate on each fixed rate GNMA II Certificate will be 50 to 150 basis points per annum, in the case of GNMA II Certificates issued prior to July 1, 2003, and 25 to 75 basis points per annum, in the case of GNMA II Certificates issued on or after July 1, 2003, less than the highest per annum interest rate on any mortgage included in the pool.

ARMs underlying any particular GNMA II Certificate will have interest rates that adjust annually based on the one-year Treasury index. GNMA pooling specifications require that all ARMs in a given

pool have an identical first adjustment date, annual interest adjustment date, first payment adjustment date, index reference date and means of adjustment. All of the ARMs underlying a particular GNMA II Certificate issued prior to July 1, 2003 must have interest rates that are 50 to 150 basis points per annum above the interest rate of the GNMA II Certificate. In addition, the mortgage margin for those ARMs must be 50 to 150 basis points per annum greater than the margin for the related GNMA II Certificate. All of the ARMs underlying a particular GNMA II Certificate issued on or after July 1, 2003 must have interest rates that are 25 to 75 basis points per annum above the interest rate of the related GNMA II Certificate. In addition, the mortgage margin with respect to those ARMs must be 25 to 75 basis points per annum greater than the margin for the related GNMA II Certificate. The ARMs and GNMA II Certificates have an annual adjustment cap of $\pm 1\%$ and lifetime cap of $\pm 5\%$ above or below the initial interest rate; provided however, that with respect to GNMA II Certificates issued on or after October 1, 2003 and backed by 7-year and 10-year hybrid ARMs, these GNMA II Certificates and the related mortgage loans will be subject to an annual adjustment cap of $\pm 2\%$ and a lifetime cap of $\pm 6\%$ above or below the initial interest rate. Thirty days after each annual interest adjustment date, the payment amount of an ARM resets so that its remaining principal balance would fully amortize in equal monthly payments over its remaining term to maturity, assuming its interest rate were to remain constant at the new rate.

Under its "Platinum" program, GNMA guarantees certificates that represent ownership interests in pools of GNMA I Certificates or GNMA II Certificates. The terms "GNMA I Certificates" and "GNMA II Certificates" include certificates guaranteed under the Platinum program.

PAYMENTS

Class Factors

General

As Administrator, we calculate and make available each month (including on our internet website) the Class Factor for each class of Pass-Through Certificates having a principal or notional principal amount.

The **"Class Factor"** for any class having a principal amount for any month is a truncated eight-digit decimal which, when multiplied by the original principal amount of a Pass-Through Certificate of that class, will equal its remaining principal amount. The Class Factor for any month reflects payments of principal to be made on the Payment Date:

- In the same month, for classes backed by Gold PCs or GNMA Certificates.
- In the following month, for classes backed by Original PCs or ARM PCs.

Class Factors will be available on or about:

- The fifth Business Day (as defined below) of each month, for classes backed by Gold PCs, ARM PCs or Original PCs.
- The tenth Business Day of each month, for classes backed by GNMA Certificates.

A Class Factor for a class that has a notional principal amount will reflect the remaining notional principal amount of a Pass-Through Certificate of that class in the same manner.

Each class of Stripped Giant Certificates has the same Class Factor as its underlying Giant Certificate. The Class Factor for a class of Stripped Giant Certificates may not reflect the outstanding amount of the class as a whole, because that amount may decrease or increase due to exchanges.

The Class Factor for each class for the month of issuance is 1.0000000.

Class Factors for GNMA Certificates

We calculate Class Factors for classes backed by GNMA Certificates by using GNMA Certificate factors reported each month. Currently, the reported factors that we use are preliminary and subject to revision. In addition, there may not be reported factors for some GNMA Certificates. If a factor has not been reported, we will estimate it on the basis of assumed mortgage amortization schedules. Our estimate will reflect payment factor information previously reported and estimated subsequent scheduled amortization (but not prepayments) on the related mortgages.

Because GNMA Certificate factors may be preliminary, and we must estimate factors when reported factors are not available, there may be variances between the principal payments we receive on the GNMA Certificates in any month and the amounts we pay on the related Pass-Through Certificates, as reflected by their Class Factors for that month. However, the Class Factor for any month will reconcile any variances that occurred in the preceding month. Our determination of the Class Factors in the manner described above will be final.

Payment Dates

As Administrator, we will make payments to the Holders of Pass-Through Certificates on each applicable Payment Date. The **"Payment Date"** will be:

- For classes backed by PCs, the 15th of each month or, if the 15th is not a Business Day, the next Business Day.
- For classes backed entirely by GNMA I Certificates, the 17th of each month or, if the 17th is not a Business Day, the next Business Day.
- For classes backed entirely or partly by GNMA II Certificates, the 20th of each month or, if the 20th is not a Business Day, the next Business Day after the 20th.

For this purpose, **"Business Day"** means a day other than:

- A Saturday or Sunday.
- A day when Freddie Mac is closed.
- For Pass-Through Certificates on the Fed System, a day when the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent) is closed or, as to any Holder, a day when the Federal Reserve Bank that maintains the Holder's account is closed.
- For any Pass-Through Certificates on the DTC System, a day when DTC is closed.

Payments of Principal

On each Payment Date, we will pay principal to the Holders of each class on which principal is then due. The Holders of Pass-Through Certificates of any class will receive principal payments on a pro rata basis.

Holders of IO Classes and Call Classes of CPCs will not receive principal payments.

For any Payment Date, you can calculate the amount of principal to be paid on a Pass-Through Certificate by multiplying its original principal amount by:

- The difference between its Class Factors for the preceding and current months, for a class backed by Gold PCs or GNMA Certificates.
- The difference between its Class Factors for the two preceding months, for a class backed by Original PCs or ARM PCs.

Payments of Interest

Interest will accrue on each Pass-Through Certificate during each Accrual Period at the class coupon described in the related supplement. In the case of a fixed rate Pass-Through Certificate, the class coupon is set at the time of issuance and does not change. In the case of an adjustable rate Pass-Through Certificate, the class coupon adjusts monthly based on the interest rate, or the weighted average of the interest rates, of the assets or as otherwise described in the applicable supplement. Generally, we compute interest on the basis of a 360-day year of twelve 30-day months.

Floating Rate and Inverse Floating Rate Classes bear interest using interest formulas shown in the applicable supplements. Unless otherwise provided, their class coupons are based on LIBOR. **"LIBOR"** is the arithmetic mean of the London interbank offered quotations for Eurodollar deposits with a maturity of one month.

As Administrator, we calculate the class coupons of LIBOR-based Floating Rate and Inverse Floating Rate Classes for each Accrual Period (after the first) on the second business day before the Accrual Period begins (an **"Adjustment Date"**). For this purpose, a "business day" is a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C. We determine LIBOR by using the "Interest Settlement Rate" for one-month U.S. dollar deposits set by the British Bankers' Association (the **"BBA"**) as of 11:00 a.m. (London time) on the Adjustment Date.

The BBA's Interest Settlement Rates are currently displayed on Reuters page 3750. That page, or any other page that may replace page 3750 on that service or any other service the BBA nominates as the information vendor to display the BBA's Interest Settlement Rates for deposits in U.S. dollars, is a **"Designated Reuters Page."** Reuters Monitor Money Rates Service page "LIBOR01" and Bloomberg L.P. page "BBAM" also currently display the BBA's Interest Settlement Rates. The BBA's Interest Settlement Rates currently are rounded to five decimal places.

If the BBA's Interest Settlement Rate does not appear on the Designated Reuters Page as of 11:00 a.m. (London time) on an Adjustment Date, or if the Designated Reuters Page is not then available, we will obtain the Interest Settlement Rate from Reuters' page "LIBOR01" or Bloomberg's page. If neither of those two pages publishes the Interest Settlement Rate for the Adjustment Date, LIBOR for that date will be the most recently published Interest Settlement Rate. If the BBA no longer sets an Interest Settlement Rate, we will designate an alternative index that has performed, or that we expect to perform, in a manner substantially similar to the BBA's Interest Settlement Rate. We will select an alternative index only if tax counsel advises us that the alternative index will not cause the related Pass-Through Pool to lose its classification as a grantor trust.

Absent clear error, our determination of the applicable LIBOR levels and our calculation of the class coupons for the Floating Rate and Inverse Floating Rate Classes for each Accrual Period will be final and binding. You can get the class coupons for the current and all preceding Accrual Periods from our internet

website or from our Investor Inquiry Department. Our method for determining LIBOR is subject to modification as necessary to reflect technological and market changes.

Holders of PO Classes and Call Classes of CPCs will not receive interest payments.

Interest will accrue on the principal or notional principal amount of a Pass-Through Certificate as determined by its Class Factor for:

- The month preceding the Payment Date, for a class backed by Gold PCs or GNMA Certificates.
- The second month preceding the Payment Date, for a class backed by Original PCs or ARM PCs.

Unless otherwise provided in the applicable supplement, the **"Accrual Period"** relating to any Payment Date will be one of:

- The calendar month preceding the month of the Payment Date, for a Fixed Rate Class backed by Gold PCs or GNMA Certificates.
- The 15th of the preceding month to the 15th of the month of that Payment Date, for a Floating Rate or Inverse Floating Rate Class.
- The second calendar month preceding the month of the related Payment Date, for a class backed by Original PCs or ARM PCs.

The class coupon for Pass-Through Certificates backed by ARMs adjusts as of the first day of each Accrual Period and will equal the weighted average of the interest rates of the assets as of the same date, truncated at the third decimal place. Investors can obtain the class coupons for the current Accrual Period on our internet website or by contacting our Investor Inquiry Department.

Record Dates

As Administrator, we pass through payments on each Payment Date to Holders as of the related Record Date. The **"Record Date"** for any Payment Date is the close of business on the last day of:

- The preceding month, for a class backed by Gold PCs or GNMA Certificates.
- The second preceding month, for a class backed by Original PCs or ARM PCs.

Final Payment Date

The **"Final Payment Date"** for each class of Pass-Through Certificates usually reflects the latest final payment date of the underlying PCs, GNMA Certificates or other assets. The final payment dates of the assets are determined by various methods depending upon their type and date of issuance, as described in the applicable offering materials. The actual final payment on any class of Pass-Through Certificates could occur significantly earlier than its Final Payment Date.

You will receive the final payment on your Pass-Through Certificates on or before the Payment Date that falls (a) in the same month as the applicable Final Payment Date, for Gold Pass-Through PCs and Pass-Through Securities, and (b) in the month after the applicable Final Payment Date, for Original Pass-Through PCs and ARM Pass-Through PCs.

GUARANTEES

With respect to each Pass-Through Pool, as Guarantor, we guarantee to the Trustee and to each Holder of a Pass-Through Certificate:

- The timely payment of interest at its class coupon.
- The payment of principal as principal payments are made on the underlying assets.
- The final payment of its entire principal amount by the Payment Date that falls (a) in the month of its Final Payment Date, for Gold Pass-Through PCs and Pass-Through Securities, and (b) in the month after its Final Payment Date, for Original Pass-Through PCs and ARM Pass-Through PCs.
- In the case of the Holder of a Call Class of CPCs, all proceeds due to the Holder upon exercise of its Call Right.

We also guarantee:

- For all PCs, the timely payment of interest and the full and final payment of principal on the underlying Mortgages.
- For Gold PCs only, the timely payment of scheduled principal on the underlying Mortgages, calculated as described in the applicable PC Offering Circular.
- For other assets issued by Freddie Mac, the payment of interest and principal as described in the applicable offering materials.

Principal and interest payments on the Pass-Through Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

FORM OF PASS-THROUGH CERTIFICATES, HOLDERS AND PAYMENT PROCEDURES

Form and Denominations

Fed System. Investors who own Pass-Through Certificates held on the Fed System typically are not the Holders of those Pass-Through Certificates. Only banks and other entities eligible to maintain book-entry accounts with a Federal Reserve Bank (**"Fed Participants"**) may be Holders of Pass-Through Certificates held on the Fed System.

Pass-Through Certificates held on the Fed System are subject to the HUD regulations governing Freddie Mac's book-entry securities (24 C.F.R. Part 81, Subpart H) and any procedures that Freddie Mac and a Federal Reserve Bank may agree to. These regulations and procedures relate to the issuance and recordation of, and transfers of interests (including security interests) in, all of Freddie Mac's book-entry securities held on the Fed System, regardless of when the securities were issued. Fed Participants' individual accounts are governed by operating circulars and letters of the Federal Reserve Banks.

DTC System. DTC is a New York-chartered limited purpose trust company that performs services for its participants (**"DTC Participants"**), mostly brokerage firms and other financial institutions. Pass-Through Certificates held on the DTC System are registered in the name of the DTC or its nominee. Therefore, DTC or its nominee is the Holder of Pass-Through Certificates held on the DTC System.

Certificated Classes. Certificated classes will be transferable only at the office of the Registrar. A Holder may have to pay a service charge to the Registrar for any registration of transfer of a certificated

class, and will have to pay any transfer taxes or other governmental charges. Each Call Class will be issued as a single certificate in an original notional principal amount equal to the original principal amount of its related Callable Class and will be held and transferable only as a single certificate.

CUSIP Number. Each class of Pass-Through Certificates will have a unique nine-character designation, known as a **"CUSIP Number,"** used to identify that class.

Denominations. Holders on the Fed System or the DTC System must hold and transfer their Pass-Through Certificates in minimum original principal or notional principal amounts of $100,000 (for IO, PO, Inverse Floating Rate, Structured Formula and Toggle Classes) or $1,000 (for other Classes) and additional increments of $1. A Holder may not transfer a Pass-Through Certificate if, as a result of the transfer, the Holder would have remaining in its account Pass-Through Certificates of any class having an original principal or notional principal amount of less than $100,000 or $1,000, as applicable. A Holder of Pass-Through Certificates on the Fed System will also have to comply with any Federal Reserve Bank minimum wire transfer requirements.

Holders

A Holder of a Pass-Through Certificate is not necessarily its beneficial owner. Beneficial owners ordinarily will hold classes through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, as an investor, you may hold a class through a brokerage firm which, in turn, holds through a Fed Participant. In that case, you would be the beneficial owner and the participant would be the Holder.

If your class is held on the DTC System, your ownership will be recorded on the records of the brokerage firm, bank or other financial intermediary where you maintain an account for that purpose. In turn, the financial intermediary's interest in the class will be recorded on the records of DTC (or of a DTC Participant that acts as agent for the financial intermediary, if the intermediary is not itself a DTC Participant).

A Holder that is not also the beneficial owner of a Pass-Through Certificate, and each other financial intermediary in the chain between the Holder and the beneficial owner, will be responsible for establishing and maintaining accounts for their customers. Freddie Mac and any Federal Reserve Bank will not have a direct obligation to a beneficial owner of a Pass-Through Certificate that is not also the Holder. A Federal Reserve Bank or DTC will act only upon the instructions of the Fed Participant or DTC Participant, as applicable, in recording transfers of a class.

Freddie Mac, the Registrar, the Federal Reserve Banks and DTC may treat the Holder as the absolute owner of a Pass-Through Certificate for the purpose of receiving payments and for all other purposes, regardless of any notice to the contrary. Your rights as a beneficial owner of a Pass-Through Certificate may be exercised only through the Holder.

Payment Procedures

Federal Reserve Banks will credit payments on classes held on the Fed System to the appropriate Fed Participants.

We or, in some cases, the Registrar will make payments on classes held on the DTC System in immediately available funds to DTC. DTC will be responsible for crediting the payment to the accounts of the appropriate DTC Participants in accordance with its normal procedures.

The Registrar will make payments on a certificated class by check mailed to the addresses of the Holders shown on the Registrar's records or, if the related supplement provides, by wire transfer to the Holders. However, a Holder will receive the final payment on a certificated class only upon presentation and surrender of the Holder's certificate to the Registrar.

Each Holder and each other financial intermediary will be responsible for remitting payments to the beneficial owners of a class that it represents.

If a principal or interest payment error occurs, we may correct it by adjusting payments to be made on future Payment Dates or in any other manner we consider appropriate.

PREPAYMENT, YIELD AND SUITABILITY CONSIDERATIONS

PREPAYMENTS

The rates of principal payments on the assets and the Pass-Through Certificates will depend on the rates of principal payments on the related Mortgages. Mortgage principal payments may be in the form of scheduled amortization or partial or full prepayments. Prepayments include:

- Voluntary prepayments by the borrower, as well as prepayments due to refinancings and modifications (including under our Relief Refinance and Home Affordable Modification Programs).
- Prepayments resulting from the repurchase or liquidation of Mortgages due to default, delinquency, inaccurate representations and warranties made by sellers or other factors.
- Liquidations resulting from casualty or condemnation.
- Payments made by Freddie Mac, as Guarantor, or GNMA under their guarantees of principal (other than payments of scheduled principal).

Mortgages may be voluntarily prepaid in full or in part at any time, in most cases without payment of a penalty. We cannot make any representation regarding the likely prepayment experience of the Mortgages underlying any pass-through pool.

Mortgage prepayment rates are likely to fluctuate significantly over time. Prepayment rates are influenced by a variety of economic, social and other factors, including local and regional economic conditions, homeowner mobility and the availability of, and costs associated with, alternative financing.

Such factors, which may be affected by the Relief Refinance and Home Affordable Modification Programs, include but are not limited to prevailing mortgage interest rates, Mortgage characteristics, such as the geographic location of the mortgaged properties, loan size, LTV ratios or year of origination, borrower characteristics (such as credit scores) and equity positions in their houses, availability and convenience of refinancing and prevailing servicing fee rates. In addition, the rate of defaults and resulting repurchases of the Mortgages, and repurchases due to breaches of representations and warranties by Mortgage sellers (presently, we have a substantial backlog of such repurchase requests to Mortgage sellers), or due to modification (such as may occur upon a borrower's successful completion of a trial period under our Home Affordable Modification Program) or refinancing as a result of default or imminent default could also affect prepayment rates and adversely affect the yield on the Pass-Through Certificates.

The characteristics of particular Mortgages may also influence their principal payment rates. For example, ARMs tend to have higher default rates than fixed rate Mortgages. In addition, the rate of principal payments on Pass-Through Certificates backed by ARMs may be affected by changes in scheduled amortization resulting from adjustments in the interest rates and monthly payment amounts of the underlying ARMs.

Transfers of mortgaged properties also influence prepayment rates. The Mortgages underlying fixed rate PCs generally include "due-on-transfer" clauses which provide that the holder of the Mortgage may demand full payment of the Mortgage upon the transfer of the mortgaged property. Freddie Mac, in most cases, requires mortgage servicers to enforce these clauses where permitted by applicable law. The PC Offering Circular discusses this further. ARMs and Mortgages underlying GNMA Certificates generally do not include due-on-transfer clauses.

If you are purchasing a Pass-Through Certificate backed by PCs, you should review the discussion of prepayments and yields in the PC Offering Circular.

YIELDS

General

In general, your yield on any class of Pass-Through Certificates will depend on several variables, including:

- The price you paid for that class.
- The rate of principal prepayments on the underlying Mortgages.
- The actual characteristics of the underlying Mortgages.
- In the case of adjustable rate Pass-Through Certificates, the levels of the interest rates on the underlying ARMS, as adjusted from time to time.

You should carefully consider the yield risks associated with Pass-Through Certificates, including these:

- If you purchase a class at a discount to its principal amount and the rate of principal payments on the underlying Mortgages is slower than you expect, you will receive payments over a longer period than you expect, so the yield on your investment will be lower than you expect. This is especially true for a PO Class.
- If you purchase a class at a premium over its principal amount and the rate of principal payments on the underlying Mortgages is faster than you expect, you will receive payments over a shorter period than you expect, so the yield on your investment will be lower than you expect.
- If you purchase an IO Class or any other class at a significant premium over its principal amount and there are fast principal payments on the underlying Mortgages, you may not even recover your investment in that class.
- In general, the rate of Mortgage prepayments early in your investment has the greatest effect on your yield to maturity. As a result, a negative effect on your yield produced by principal prepayments at a higher (or lower) rate than you expect in the period immediately following

your purchase of a Pass-Through Certificate is not likely to be offset by an equivalent reduction (or increase) in that rate in later periods.

- Mortgages tend to prepay fastest when prevailing interest rates are low. When this happens, you may not be able to reinvest your principal payments in comparable securities at as high a yield.

Yields of Floating Rate and Inverse Floating Rate Classes

If you invest in a Floating Rate or Inverse Floating Rate Class, you should consider the following additional risks:

- If you own a Floating Rate Class, index levels lower than you expect could result in yields lower than you expected, especially if the class coupon varies based on a multiple of the index. Also, the class coupon of your class can never be higher than its stated maximum rate, regardless of the level of the index. If you own an Interest Only Floating Rate Class, you may not even recover your investment if the level of the applicable index is low or Mortgage prepayments are fast.
- If you own an Inverse Floating Rate Class, index levels higher than you expect could result in yields lower than you expected, especially if the class coupon varies based on a multiple of the index. The class coupons of most Inverse Floating Rate Classes can fall as low as 0%. If you own an Interest Only Inverse Floating Rate Class, you may not even recover your investment if the level of the applicable index is high or Mortgage prepayment rates are fast.
- When mortgage interest rates are generally low, which usually results in faster prepayments, the applicable index value may be high. On the other hand, when mortgage interest rates are generally high, which usually results in slower prepayments, the applicable index value could be low. Either of these scenarios could result in a lower than expected yield on your Pass-Through Certificates.
- No index will remain constant at any value. Even if the average value of an index is consistent with what you expect, the timing of any changes in that value may affect your actual yield. In general, the earlier a change in the value of the applicable index, the greater the effect on your yield. As a result, a negative effect on your yield produced by an index value that is higher (or lower) than you expect early in your investment is not likely to be offset by an equivalent reduction (or increase) in that value in later periods.

Yields of ARM Pass-Through Certificates

If you invest in adjustable rate Pass-Through Certificates, you should consider the following additional risks:

- If the index levels used to adjust the underlying ARMs are lower than you expect, the yield on your investment could be lower than you expect.
- The interest rates on ARMs are subject to limits on the amount they can adjust on each adjustment date. The total amount that an ARM can adjust may also be limited by lifetime ceilings and, in some cases, lifetime floors.
- Class coupons for adjustable rate Pass-Through Certificates generally adjust monthly, based on a weighted average of the interest rates on the underlying ARMs. The interest rates on the

underlying ARMs may adjust monthly, semi-annually, annually or at other intervals. Moreover, there is a gap of several months from the publication of an applicable index value until the interest rate of an ARM reflects that value. As a result, the class coupon of your Pass-Through Certificates may not fully reflect current interest rates.

- Disproportionate principal payments, including prepayments, on ARMs that have relatively low and high interest rates compared to the other ARMs in the same pool will affect the level of the class coupons for the related Pass-Through Certificates, even if the interest rates on those ARMs remain unchanged.
- When mortgage interest rates are generally low, which usually results in faster prepayments, the index value may be high. On the other hand, when mortgage interest rates are generally high, which usually results in slower prepayments, the index value could be low. Either of these scenarios could result in a lower than expected yield on adjustable rate Pass-Through Certificates.
- No index will remain constant at any value. Even if the average value of an index is consistent with what you expect, the timing of any changes in that value may affect your actual yield. In general, the earlier a change in the value of the applicable index, the greater the effect on your yield. As a result, a negative effect on your yield produced by an index value that is higher (or lower) than you expect early in your investment is not likely to be offset by an equivalent reduction (or increase) in that value in later periods.

Payment Delay

The effective yield on any interest-bearing Pass-Through Certificate with a Payment Delay will be less than the yield that its class coupon and purchase price would otherwise produce, because:

- On its first Payment Date, 30 days' interest will be payable on the Pass-Through Certificate even though interest began to accrue approximately 45 to 75 days earlier, depending on its Payment Delay.
- On each Payment Date after the first, the interest payable on the Pass-Through Certificate will accrue during its Accrual Period, which will end approximately 15 to 45 days before that Payment Date, depending on its Payment Delay.

SUITABILITY

Pass-Through Certificates may not be suitable investments for you. You should consider the following before you invest in Pass-Through Certificates.

- Pass-Through Certificates are not appropriate investments if you require a single lump sum payment on a date certain, or if you require an otherwise definite payment stream.
- A market may not develop for the sale of some types of Pass-Through Certificates after their initial issuance. Even if a market develops, it may not continue. As a result, you may not be able to sell your Pass-Through Certificates easily or at prices that will allow you to realize your desired yield.
- The market values of your Pass-Through Certificates are likely to fluctuate, primarily in response to changes in prevailing interest rates. Such fluctuations may result in significant losses to you.

- The secondary markets for mortgage-related securities have experienced periods of illiquidity in the past, and can be expected to do so in the future. Illiquidity can have a severely negative effect on the prices of Pass-Through Certificates, especially those that are particularly sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment needs of limited categories of investors. In addition, illiquidity could result from our financial condition, the conservatorship, uncertainty concerning our future structure, organization, or level of government support and market perceptions or speculation.

- The Pass-Through Certificates of some classes may not be eligible to back Freddie Mac REMIC classes or other Freddie Mac structured transactions. This may impair the liquidity of those classes.

- Pass-Through Certificates are complex securities. Before investing in a Pass-Through Certificate, you should be able, either alone or with a financial advisor, to evaluate the information contained and incorporated in this Offering Circular and in the related supplement. You should evaluate the information in the context of your personal financial situation and your views on possible and likely interest rate and economic scenarios.

This Offering Circular does not describe all the possible risks of an investment in Pass-Through Certificates that may result from your particular circumstances, nor does it project how Pass-Through Certificates will perform under all possible interest rate and economic scenarios. You should purchase Pass-Through Certificates only if you understand and can bear the prepayment, redemption, yield, liquidity and market risks associated with your investment under a variety of interest rate and economic scenarios. If you purchase Pass-Through Certificates, you need to have enough financial resources to bear all the risks related to your Pass-Through Certificates.

TABULAR INFORMATION IN SUPPLEMENTS

In order to illustrate the effect of prepayments on classes of Pass-Through Certificates, the related supplements may include tables that show the following information, in each case under various prepayment and/or index scenarios:

- Pre-tax yields to maturity.

- Weighted average lives.

- Cash flows.

- Declining principal balances.

All of the tables shown in a supplement will be based on assumptions about the underlying Mortgages. Because the Mortgages will have characteristics that differ from those assumed in preparing any table, the actual weighted average lives, pre-tax yields, cash flows and declining principal balances are likely to differ from those shown, even in the unlikely event that all the underlying Mortgages were to prepay at the assumed rates.

Yield Calculations

We calculate pre-tax yields by:

1. Determining the monthly discount rates (whether positive or negative) that, when applied to the assumed stream of cash flows to be paid on a class, would cause the discounted present value of those cash flows to equal the assumed purchase price of the class.

2. Converting the monthly rates to corporate bond equivalent (semiannual payment) rates.

These yield calculations do not take into account any variations in the interest rates at which you might reinvest payments that you receive. Consequently, they will not reflect the return on any investment when those reinvestment rates are considered.

Weighted Average Lives

The weighted average life of a security refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal has been repaid to the investor. The weighted average lives of the classes of Pass-Through Certificates will depend primarily on the rate at which principal is paid on the Mortgages. We calculate weighted average lives by:

1. Multiplying the assumed reduction, if any, in the principal balance on each Payment Date by the number of years from the date of issuance to that Payment Date.

2. Summing the results.

3. Dividing the sum by the aggregate amount of the assumed reductions in principal balance.

Prepayment Models

Prepayments on pools of Mortgages can be measured based on a variety of prepayment models. The models typically used in supplements for Pass-Through Certificates will be The Securities Industry and Financial Markets Association's standard prepayment (or **"PSA"**) model and the constant prepayment rate (or **"CPR"**) model.

The PSA model assumes that:

- Mortgages will prepay at an annual rate of 0.2% in the first month after origination.
- The prepayment rate will increase by an annual rate of 0.2% per month up to the 30th month after origination.
- The monthly prepayment rate will be constant at 6% per annum in the 30th and later months.

This assumption is called "100% PSA." For example, at 100% PSA, mortgages with a loan age of three months (mortgages in their fourth month after origination) are assumed to prepay at an annual rate of 0.8%. "0% PSA" assumes no prepayments; "50% PSA" assumes prepayment rates equal to 0.50 times 100% PSA; "200% PSA" assumes prepayment rates equal to 2.00 times 100% PSA; and so forth.

The CPR model assumes an annual constant mortgage prepayment rate each month relative to the then outstanding principal balance of a pool of mortgages for the life of that pool. For example, at 6% CPR, the CPR model assumes that the monthly prepayment rate will be constant at 6% per annum. (For mortgages in their 30th and later months, 6% CPR corresponds to 100% PSA.)

Neither the PSA nor the CPR model describes historical prepayment experience or can predict the prepayment rate of any actual mortgage pool.

Even though the tables in a supplement will use assumed Mortgage prepayment rates, the underlying Mortgages will not prepay at a constant rate until maturity, nor will all of those Mortgages prepay at the same rate. You must make an independent decision regarding the appropriate principal prepayment scenarios to use in deciding whether to purchase Pass-Through Certificates.

THE PASS-THROUGH TRUST AGREEMENT

Under the Pass-Through Certificates Master Trust Agreement dated the same date as this Offering Circular, as Depositor, we transfer and deposit assets that we have acquired into various Pass-Through Pools. As Trustee, we create and issue Pass-Through Certificates under the Pass-Through Certificates Master Trust Agreement and the related **"Terms Supplement"** for each offering of Pass-Through Certificates. For any particular offering, the Pass-Through Certificates Master Trust Agreement and the applicable Terms Supplement together constitute the **"Pass-Through Trust Agreement."**

The following summary describes various provisions of the Pass-Through Trust Agreement. This summary is not complete. You should refer to the Pass-Through Trust Agreement if you would like further information about its provisions. You can obtain copies of the Pass-Through Trust Agreement, including any Terms Supplements, from our Investor Inquiry Department as shown under *Additional Information*. Your receipt and acceptance of a Pass-Through Trust Certificate constitutes your unconditional acceptance of all the terms of the Pass-Through Trust Agreement.

TRANSFER OF ASSETS TO PASS-THROUGH POOL

The assets deposited in each Pass-Through Pool will be identified to that Pass-Through Pool in our corporate records. As Trustee, we will hold legal title to the assets, directly or through our agent, for the benefit of each Pass-Through Pool and the Holders of the related Pass-Through Certificates.

VARIOUS MATTERS REGARDING FREDDIE MAC

Freddie Mac in its Corporate Capacity

Freddie Mac, in its corporate capacity, and its directors, officers, employees and agents will not be liable to Holders for any action taken or omitted in good faith or for errors in judgment. However, they will not be protected against any liability that results from their willful misfeasance, bad faith, gross negligence or reckless disregard of their obligations.

The Pass-Through Trust Agreement requires Freddie Mac, as Administrator, to administer Pass-Through Pool assets using the same standards as for similar assets that it owns. Holders will not be able to direct or control Freddie Mac's actions under the Pass-Through Trust Agreement, unless an Event of Default occurs.

Except with regard to its guarantee obligations or other payment obligations, Freddie Mac will not be liable for any Holder's direct damages unless Freddie Mac has failed to exercise the same degree of ordinary care that it exercises in the conduct of its own affairs. Freddie Mac will not be liable for any Holder's consequential damages.

In addition, Freddie Mac need not appear in any legal action that is not incidental to its responsibilities under the Pass-Through Trust Agreement and that we believe may result in any expense or

liability. However, Freddie Mac may undertake any legal action that we believe is necessary or desirable in the interests of the Holders. Freddie Mac will bear the legal costs of any such action.

Freddie Mac may acquire all or part of the Pass-Through Certificates of any class. Except as described under *Rights Upon Event of Default* and *Voting Rights* below, Pass-Through Certificates we hold will be treated the same as Pass-Through Certificates of the same class held by other Holders.

The Pass-Through Trust Agreement will be binding upon any successor to Freddie Mac.

Custodial Account

We are responsible as the Administrator under the Pass-Through Trust Agreement for certain duties.

As Administrator, we hold funds that are received from the assets and used to pay Holders in an account or accounts separate from our own corporate funds. Such separate account(s), collectively, are called the custodial account and funds held in the custodial account are held in trust for the benefit of Holders of Pass-Through Certificates. The custodial account is the account from which Holders are paid. Amounts on deposit in the custodial account may be commingled with funds for all Pass-Through Pools and for other Freddie Mac mortgage securities (and temporarily with other collections on Mortgages) and are not separated on a Pass-Through Pool by Pass-Through Pool basis. As Administrator, we are entitled to investment earnings on funds on deposit in the custodial account and we are responsible for any losses. Holders are not entitled to any investment earnings from the custodial account. We may invest funds in the custodial account in eligible investments set forth in the Pass-Through Trust Agreement prior to distribution to Holders.

Certain Matters Regarding Our Duties as Trustee

We serve as Trustee under each Pass-Through Trust Agreement. We may resign from our duties as Trustee under the Pass-Through Trust Agreement upon providing 90 days' advance written notice. Our resignation would not become effective until a successor has assumed our duties. Even if our duties as Trustee under the Pass-Through Trust Agreement terminate, we still would be obligated under our guarantee.

Under the Pass-Through Trust Agreement, the Trustee may consult with and rely on the advice of counsel, accountants and other advisors, and the Trustee will not be responsible for errors in judgment or for anything it does or does not do in good faith if it so relies. This standard of care also applies to our directors, officers, employees and agents. We are not required, in our capacity as Trustee, to risk our funds or incur any liability if we do not believe those funds are recoverable or we do not believe adequate indemnity exists against a particular risk. This does not affect our obligations as Guarantor.

We are indemnified by each Pass-Through Pool for actions we take in our capacity as Trustee in connection with the administration of that Pass-Through Pool. Officers, directors, employees and agents of the Trustee are also indemnified by each Pass-Through Pool with respect to that Pass-Through Pool. Nevertheless, neither we nor they will be protected against any liability if it results from willful misfeasance, bad faith or gross negligence or as a result of reckless disregard of our duties. The Trustee is not liable for consequential damages.

The Pass-Through Trust Agreement provides that the Trustee may, but is not obligated to, undertake any legal action that it deems necessary or desirable in the interests of Holders. We may be reimbursed for the legal expenses and costs of the action from the assets of the Pass-Through Pool. Any such reimbursement will not affect our guarantee obligations.

EVENTS OF DEFAULT

"Events of Default" under the Pass-Through Trust Agreement are:

- Any failure by Freddie Mac, as Guarantor or Administrator, to pay principal or interest that lasts for 30 days.
- Any failure by Freddie Mac, as Guarantor or Administrator, to perform in any material way any other obligation under the Pass-Through Trust Agreement, if the failure lasts for 60 days after Freddie Mac receives written notice from the Holders of at least 60% of the outstanding principal or notional principal amount of an affected class.
- Specified events of bankruptcy, insolvency or similar proceedings involving Freddie Mac, including the appointment of a receiver, liquidator, assignee, custodian or sequestrator or similar official for Freddie Mac (but not including the appointment of a conservator or similar official for Freddie Mac).

RIGHTS UPON EVENT OF DEFAULT

If an Event of Default under a Pass-Through Trust Agreement is not remedied, the Holders of at least 50% of the outstanding principal or notional principal amount of any affected class of Pass-Through Certificates may remove Freddie Mac as Administrator and nominate a successor as to that Pass-Through Pool. That nominee will replace Freddie Mac as Administrator unless Freddie Mac objects within ten days after the nomination. In that event, either Freddie Mac or anyone who has been a bona fide Holder of an affected class for at least six months may ask a court to appoint a successor. The court may then appoint a successor Administrator. Any such removal will not affect Freddie Mac's guarantee obligations.

In addition, Freddie Mac may be removed as Trustee if an Event of Default has occurred with respect to a Pass-Through Pool. In that case, we can be removed and replaced by a successor trustee as to an affected Pass-Through Pool by Holders owning not less than 50% of the outstanding principal or notional principal amount of any affected Class of Pass-Through Certificates.

For these purposes Pass-Through Certificates held by Freddie Mac will be disregarded.

The rights provided to Holders of Pass-Through Certificates under the Pass-Through Trust Agreement as described above may not be enforced against FHFA, or enforcement of such rights may be delayed, if we are placed into receivership. The Pass-Through Trust Agreement provides that upon the occurrence of an Event of Default, which includes the appointment of a receiver, Holders have the right to replace Freddie Mac as Trustee and Administrator if the requisite percentage of Holders of an affected class of Pass-Through Certificates consent. The Reform Act prevents Holders from enforcing their rights to replace Freddie Mac as Trustee and Administrator if the Event of Default arises solely because a receiver has been appointed. 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.

Under the Purchase Agreement between Treasury and us, Holders of Pass-Through Certificates are given certain limited rights against Treasury under the following circumstances: (i) we default on our guarantee payments, (ii) Treasury fails to perform its obligations under its funding commitment, and

(iii) we and/or the Conservator are not diligently pursuing remedies in respect of that failure. In that case, the Holders of an affected class of Pass-Through Certificates may file a claim in the U.S. Court of Federal Claims for relief requiring Treasury to fund to us up to the lesser of (1) the amount necessary to cure the payment default and (2) the lesser of (a) the amount by which our total liabilities exceed our total assets, as reflected on our balance sheet prepared in accordance with generally accepted accounting principles, and (b) the maximum amount of Treasury's funding commitment under the Purchase Agreement less the aggregate amount of funding previously provided under this commitment. The enforceability of such rights has been confirmed by the Office of Legal Counsel of the U.S. Department of Justice in an opinion dated September 26, 2008.

VOTING RIGHTS

Except in limited circumstances following an Event of Default, no Holder of a Pass-Through Certificate has any right to vote or to otherwise control in any manner the management and operation of any Pass-Through Pool. In addition, Holders may institute legal actions and proceedings with respect to the Trust Agreement or the Pass-Through Certificates only in limited circumstances, and no Holder has the right to prejudice the rights of any other Holder under the Trust Agreement or to seek preference or priority over any other Holder.

VOTING UNDER ANY PC OR REMIC AGREEMENT

Holders of PCs and Freddie Mac REMIC classes have various rights under the agreements governing their securities. If a default occurs under one of these agreements, holders of a specified percentage of the affected PCs or REMIC classes may seek to remove Freddie Mac under that agreement. As Trustee, we will hold the PCs and REMIC classes that back Pass-Through Certificates. However, the Pass-Through Trust Agreement generally allows the Holders of the Pass-Through Certificates, rather than Freddie Mac, to act if an event of default occurs under the related PC or REMIC agreement. For this purpose, the Holders of Pass-Through Certificates will be treated as the holders of the affected PC or REMIC class in proportion to the outstanding principal amounts of their Pass-Through Certificates.

The rights provided to holders of PCs and REMIC classes under the agreements governing those securities and the rights of Holders of the Pass-Through Certificates under the underlying agreements are also subject to the limitations of the Reform Act, as described above.

Holders of PCs and Freddie Mac REMIC classes also have the right to consent to certain amendments to their governing agreements. The Pass-Through Trust Agreement provides that, as the holder of a PC or REMIC class that backs Pass-Through Certificates, Freddie Mac, as Trustee, may consent to such an amendment. However, if the amendment would adversely affect in any material way the interests of the Holders of Pass-Through Certificates, Freddie Mac may not agree to it unless Holders of at least 50% of the outstanding principal or notional principal amount of each affected class consent in writing. Despite this rule, Freddie Mac may amend an agreement governing Mortgage Participation Certificates, without the consent of Holders, if the amendment changes Freddie Mac's procedures for calculating payments or passing through prepayments on Mortgage Participation Certificates that back Pass-Through Pools formed after September 1, 1995. See the PC Offering Circular for information about payments on Mortgage Participation Certificates.

AMENDMENT

Freddie Mac and the Trustee may amend the Pass-Through Trust Agreement without the consent of any Holder or Holders to:

- Cure any ambiguity or to correct or add to any provision in the Pass-Through Trust Agreement, if the amendment does not adversely affect Holders in any material way.
- Maintain the qualification of any Pass-Through Pool as a grantor trust under the Internal Revenue Code of 1986 (the **"Code"**).
- Avoid the imposition of any state or federal tax on a Pass-Through Pool.

With the written consent of the Holders of at least 50% of the then outstanding principal or notional principal amount of any affected class, Freddie Mac and the Trustee also may amend the Pass-Through Trust Agreement in any other way. However, unless each affected Holder consents, Freddie Mac and the Trustee may not amend the Pass-Through Trust Agreement to impair the rights of Holders to receive payments (including guarantee payments) when due or to sue for any payment that is overdue.

To the extent that any provisions of the Pass-Through Trust Agreement differ from the provisions of any of our previous agreements governing Pass-Through Certificates, the Pass-Through Trust Agreement will be deemed to amend those prior agreements if such change would not require the consent of Holders under the terms of those prior agreements.

GOVERNING LAW

The Pass-Through Trust Agreement is to be interpreted in accordance with federal law. If there is no applicable federal precedent and if the application of New York law would not frustrate the purposes of the Freddie Mac Act, the Pass-Through Trust Agreement or any Pass-Through Certificate transaction, then New York law will be deemed to reflect federal law.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

GENERAL

Any discussion of tax matters in this Offering Circular and any applicable supplement was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed on such person. Such discussion was written to support the promotion and marketing of the Pass-Through Certificates. Investors should consult their own independent tax advisors regarding the Pass-Through Certificates and each investor's particular circumstances.

The following is a general discussion of the material federal income tax consequences relating to the purchase, ownership and transfer of Pass-Through Certificates. It does not address all the federal income tax consequences that may apply to particular categories of investors. Some investors may be subject to special rules. **The tax laws and other authorities for this discussion are subject to change or differing interpretations, and any change or interpretation may apply retroactively. You should consult your own tax advisors to determine the federal, state, local and any other tax consequences that may be relevant to you.**

Although Freddie Mac is a government-sponsored enterprise, neither the Pass-Through Certificates nor the income received from them is exempt from federal income, estate or gift taxes under the Code.

Further, neither the Code nor the Freddie Mac Act exempts the Pass-Through Certificates or income on them from taxation by any state, any United States possession or any local taxing authority.

If you exchange assets for Pass-Through Certificates (or for Pass-Through Certificates and cash) you may be required to recognize gain or loss on the exchange. If you enter into such an exchange, you should consult your own tax advisors about this matter.

We will report income on the Pass-Through Certificates to the Internal Revenue Service (the **"Service"**) and to Holders of Pass-Through Certificates based, in part, on the final Treasury Regulations under Sections 1271-1275 of the Code (the **"OID Regulations"**).

The federal income tax treatment of some classes of Pass-Through Certificates depends on the treatment of those classes under the "stripped bond" rules of Section 1286 of the Code. Debt instruments can be characterized in various ways under the stripped bond rules, including the possible application of the regulations governing contingent payment obligations. Because of this uncertainty and the relationship between the stripped bond rules and the contingent payment obligation rules, you should consult your own tax advisors regarding the proper tax treatment of these Pass-Through Certificates. The tax information we will provide for Pass-Through Certificates will assume that the contingent payment obligation rules are not applicable.

We will treat Stripped Giant Certificates and Stripped Interest Certificates (each, for tax purposes, a **"Strip"**) according to the rules discussed below under *Strips*. Also, if a class of Strips backs a Pass-Through Certificate, the same rules may apply indirectly to that Pass-Through Certificate. We will describe this in the applicable supplement.

The arrangements under which Giant Certificates, Strips, SPCs and CPCs are created and sold and the related Pass-Through Pools are administered will be classified as grantor trusts under subpart E, part I of subchapter J of the Code and not as associations taxable as corporations.

If you own a Giant Certificate or a SPC, you will be treated for federal income tax purposes as the owner of a pro rata undivided interest in each of the assets of the related Pass-Through Pool, subject to the discussion below under *Giant Certificates — Application of the Stripped Bond Rules*.

If you own a Strip, you will be treated for federal income tax purposes as the owner of the right to receive payments of principal and/or interest, as applicable, on the assets in the related Pass-Through Pool.

Tax Status

Giant Certificates generally will be considered to represent "loans . . . secured by an interest in real property" within the meaning of Section 7701(a)(19)(C)(v) of the Code and "real estate assets" within the meaning of Section 856(c)(5)(B) of the Code. Interest income from the Giant Certificates generally will be considered to represent "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code. In the event that any Mortgage has an LTV in excess of 100 percent (that is, the amount of any Mortgage exceeds the fair market value of the real property securing the Mortgage), it is not certain whether or to what extent such Mortgages would qualify as loans secured by an interest in real property for purposes of Section 7701(a)(19)(C)(v) of the Code. Even if the property securing the Mortgage does not meet this test, the Giant Certificates will be treated as "obligations of a corporation which is an instrumentality of the United States" within the meaning of Section 7701(a)(19)(C)(ii) of the Code. Thus, the Giant Certificates will be a qualifying asset for a domestic building and loan association. Additionally, if any Mortgage has a LTV in excess of 100 percent,

interest income on the excess portion of the Mortgage will not be "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code and such excess portion of the Mortgage will not be a "real estate asset" within the meaning of Section 856(c)(5)(B) of the Code. The excess portion will represent a "Government security" within the meaning of Section 856(c)(4)(A) of the Code. If a Giant Certificate contains a Mortgage with an LTV in excess of 100 percent, a holder that is a real estate investment trust should consult its tax advisor concerning the appropriate tax treatment of such excess portion.

Although there is no specific precedent and the characterization of the Strips is not entirely free from doubt, the Strips generally should be considered to represent "loans . . . secured by an interest in real property" within the meaning of Section 7701(a)(19)(C)(v) of the Code and "real estate assets" within the meaning of Section 856(c)(5)(B) of the Code, and original issue discount and interest from the Strips generally should be considered to represent "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code. In the event that some portion of a Strip is backed by a Mortgage with an LTV in excess of 100 percent, it is not certain whether or to what extent such Mortgages would qualify as loans secured by an interest in real property for purposes of Section 7701(a)(19)(C)(v) of the Code. Even if the property securing the Mortgage does not meet this test, the Strips should be treated as "obligations of a corporation which is an instrumentality of the United States" within the meaning of Section 7701(a)(19)(C)(ii) of the Code. Thus, the Strips should be a qualifying asset for a domestic building and loan association. Additionally, if any Mortgage has a LTV in excess of 100 percent, a portion of the interest income on the Strip that is attributable to that Mortgage will not be "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code and a portion of the Strip that is attributable to that Mortgage will not be a "real estate asset" within the meaning of Section 856(c)(5)(B) of the Code. The portion of a Strip that does not qualify as a "real estate asset" within the meaning of Section 856(c)(5)(B) of the Code should represent a "Government security" within the meaning of Section 856(c)(4)(A) of the Code. If a Strip is backed by a Mortgage with an LTV in excess of 100 percent, a holder that is a real estate investment trust should consult its tax advisor concerning the appropriate tax treatment of such excess portion.

GIANT CERTIFICATES

General

If you own Giant Certificates, you generally must report on your federal income tax return your pro rata share of the entire income from the Mortgages underlying the assets in the related Pass-Through Pool, in accordance with your method of accounting. Income generally will include gross interest income at the interest rates on the Mortgages and incidental fees, if any. If you own a Giant PC backed by Freddie Mac REMIC securities, you should review the related supplement to this Offering Circular for a description of the underlying Freddie Mac REMIC securities, and the offering documents related to such Freddie Mac REMIC securities for a description of the federal income tax consequences of owning such securities.

You generally will be able to deduct, under Section 162 or 212 of the Code, your pro rata share of servicers' fees or any Freddie Mac or GNMA guarantee fees, including incidental fees paid by the borrowers and retained by the servicers, Freddie Mac or GNMA, and all administrative and other expenses of the Pass-Through Pool in accordance with your method of accounting. The Code limits the deductions for these miscellaneous itemized deductions for some investors.

Discount and Premium

If you purchase a Giant Certificate, you will be treated as purchasing an interest in each of the underlying Mortgages at a price determined by allocating the purchase price paid for that Giant Certificate among the Mortgages in proportion to their fair market values at the time of purchase. To the extent that the portion of the purchase price allocated to a Mortgage is less than or greater than the portion of the principal balance of the Mortgage allocated to the Giant Certificate, the interest in the Mortgage will be deemed to have been acquired with discount or premium, respectively. The treatment of any discount will depend on whether the discount represents original issue discount or market discount.

You should consult your own tax advisors to determine whether Section 1272(a)(6) of the Code, as expanded by the Taxpayer Reform Act of 1997, could affect the accrual of discount or amortization of premium on your Giant Certificates or otherwise affect the tax accounting for your Giant Certificates.

If you recognize gain or loss attributable to discount or premium that is not characterized as original issue discount, market discount or amortizable bond premium (described below), your gain or loss will be treated as capital gain or loss if the Giant Certificate is held as a capital asset.

Original Issue Discount. You will be required to report as ordinary income your pro rata share of any original issue discount related to the Mortgages underlying the Giant Certificate pursuant to Sections 1271-1273 and 1275 of the Code. Original issue discount may arise as a result of initial incentive or "teaser" interest rates on ARMs or points charged at origination. You will be required to accrue original issue discount into current income only if it exceeds a *de minimis* amount. The Mortgages also would be subject to the original issue discount rules if, as discussed below, the "stripped bond" provisions of the Code were determined to be applicable.

Freddie Mac intends to treat any negative amortization on an ARM underlying a Giant Certificate as original issue discount. You will be required to include any resulting deferred interest in income in the period in which it accrues.

Market Discount. The market discount rules of Sections 1276-1278 of the Code will apply to treat market discount in excess of a *de minimis* amount as ordinary income. You must recognize accrued market discount to the extent of gain realized on disposition or to the extent of principal payments that you receive. The market discount rules provide that:

- Market discount will be considered to accrue under a straight-line method unless you elect to calculate it under a constant interest method.
- Interest that you paid or that accrues on indebtedness that you incurred or continued to purchase or carry Mortgages acquired at a market discount will be allowed as a deduction only to the extent that such interest, reduced by the interest on the Mortgages includible in income, including original issue discount, is greater than the market discount that accrued but was not taken into account during the taxable year such interest was paid or accrued. Any such interest expense that is deferred will, in general, be allowed as a deduction when the related market discount income is recognized.
- Alternatively, you may elect to include market discount in income currently, under either a straight-line method or a constant interest method, on all market discount obligations you hold except those acquired in taxable years before the year of the election. An election to include market discount as income currently can be revoked only with the Service's consent.

In this event, the rules about ordinary income on disposition and interest deferral discussed above will not apply.

The exact application of the market discount rules is not clear.

Premium. If you have purchased your interest in any Mortgage at a premium, the premium may be amortizable under a constant interest method at your election under Section 171 of the Code. The premium is treated as an offset to interest income includable with respect to the Mortgage. An election to amortize premium will apply to all debt instruments you hold at the beginning of the tax year for which you make the election and to all such instruments acquired after the election. An election to amortize premium can be revoked only with the Service's consent.

Constant Yield Method. You may elect to include in gross income all interest that accrues on a Mortgage by using the constant yield method. For purposes of this election, interest would include stated interest, *de minimis* original issue discount, original issue discount, *de minimis* market discount and market discount, as adjusted by any premium. You should consider the relationship between this election and the elections described above under *Market Discount* and *Premium*.

Sale or Exchange of a Giant Certificate

If you sell a Giant Certificate, you will recognize gain or loss equal to the difference between your adjusted tax basis in the Giant Certificate and the amount you realized in the sale (not including amounts attributable to accrued and unpaid interest, which will be treated as ordinary interest income).

In general, your adjusted tax basis in the Giant Certificate will equal what you paid for the Giant Certificate, plus the amount of any discount income you previously reported on the Giant Certificate, less the amount of any premium you previously offset against interest income on the Giant Certificate and the amount of any principal payments you received on it.

You must report accrued but unrecognized market discount as ordinary income, but your gain or loss otherwise will be a capital gain or loss if you held the Giant Certificate as a capital asset. The capital gain or loss will be long-term or short-term, depending on whether you owned the Giant Certificate for the long-term capital gain holding period (currently more than one year).

Application of the Stripped Bond Rules

When we issue a class of Giant Certificates, Revenue Ruling 71-399, 1971-2 C.B. 433, issued to us by the Service, indicates that any difference between interest payable at the mortgage interest rate and the sum of (a) interest payable at the class coupon plus (b) fees applicable to the Mortgages (servicers' fees or any Freddie Mac or GNMA guarantee fees) should be accounted for as discount income or premium expense. If such sum exceeds the mortgage interest rate, the difference is characterized as "discount" and considered additional gross income. If such sum is less than the mortgage interest rate, the net difference is characterized as "premium expense."

In Revenue Ruling 71-399, the Service ruled that discount income is to be included as ordinary income in accordance with the beneficial owner's method of accounting, and that premium expense may be deductible in accordance with applicable rules. The Service, however, may contend that by reason of enactment of the stripped bond rules of Section 1286 of the Code (or its predecessor, Section 1232B), Revenue Ruling 71-399 is no longer applicable in characterizing such difference.

The Service has issued guidance taking the position that, when mortgages are sold and the servicer is entitled to receive amounts that exceed reasonable compensation for the mortgage servicing to be performed, the Mortgages are treated as stripped bonds within the meaning of Section 1286 of the Code. If this treatment applies, you would not be treated as having a pro rata undivided interest in the underlying Mortgages, but rather you would be treated as owning "stripped bonds" to the extent of your share of principal payments and "stripped coupons" to the extent of the class coupon plus reasonable servicing fees and guarantee fees. The consequences of this characterization are described below under *Strips*.

The Service has also issued guidance providing that a purchaser of a mortgage that is a stripped bond must treat it as a market discount bond if the amount of original issue discount on the stripped bond is considered to be zero after application of the *de minimis* rule of Section 1273(a)(3) of the Code or if the annual stated rate of interest payable on the stripped bond is 100 basis points or less below the annual stated rate of interest payable on the mortgage. These conditions apparently are based on the premise that the interest payments which remain associated with the stripped bond are treated, for purposes of the original issue and market discount provisions of the Code, as stated interest payable with respect to the stripped bond. If these conditions are met, you would be required to account for any market discount in accordance with the rules for market discount as described above under *Discount and Premium*.

It is unclear whether the position taken by the Service in the guidance would be upheld if challenged.

STRIPS

General

Under Section 1286 of the Code, "stripped bonds" are created as a result of the separation of the ownership of the right to receive some or all interest payments on an obligation from the right to receive some or all of the principal payments. If you own a Strip, you will be considered to own the following:

- Stripped bonds, to the extent of your share of principal payments on the underlying assets.
- Stripped coupons, to the extent of your share of interest payments on the underlying assets.

Section 1286 treats a stripped bond or a stripped coupon, for purposes of applying the original issue discount rules, as a debt instrument issued with original issue discount on the date that you purchase the stripped interest. While it is unclear whether the original issue discount calculations described below should be done separately for each principal and/or interest payment on a Strip, or by treating all such payments as if they were made on a single debt instrument, we intend to treat a Strip as a single debt instrument for purposes of information reporting.

Determination of Income on Strips

You must include original issue discount on each Strip in your ordinary income for federal income tax purposes as it accrues, which may be prior to receipt of the cash attributable to such income. You must include this in accordance with a constant interest method that takes into account the compounding of interest. Although not free from doubt (see *Possible Alternative Characterizations*), the amount of original issue discount you are required to include in your income in any taxable year likely will be computed as described below. This computation will:

- Use the prepayment rate assumed in pricing the transaction as stated in the applicable supplement (the **"Pricing Speed"**).

- With respect to certain Strips that are Floating Rate or Inverse Floating Rate Classes, project a level of future payments by assuming that the variable rate is a fixed rate equal to the value of the variable rate as of the date of the applicable supplement. The supplement will identify those Strips as to which this assumption applies. In the case of other Strips that include rights to variable interest payments, however, these rules will apply by assuming that the variable rate is a fixed rate that reflects the overall yield that is reasonably expected for the relevant Strip (which in many instances will also equal the value of the variable rate as of the date of the applicable supplement).
- Require periodic adjustments to take into account actual prepayment experience.

Generally, if you own a Strip, you must include in your gross income the sum of the "daily portions," as defined below, of the original issue discount on the Strip for each day that you own it, including the date you purchased it, but not including the date you dispose of it.

You can determine the daily portions of original issue discount as follows:

1. Calculate the original issue discount that accrues during each month or, if applicable, the shorter period from the date of purchase to the end of the first month. For each period, you do this by:
   - Adding:
     - the present values at the end of the month of any payments to be received in future months, using the Pricing Speed (by using as a discount rate the yield to maturity of the Strip, as described below), and
     - any payments included in the stated redemption price of the Strip received during such month.
   - Subtracting from the above sum the "adjusted issue price" of the Strip at the beginning of the month.
     - The adjusted issue price of a Strip at the beginning of the first month, or shorter period, is its issue price.
     - The adjusted issue price of a Strip at the beginning of a month following the first month or shorter period is the adjusted issue price at the beginning of the immediately preceding month *plus* the amount of original issue discount allocable to that preceding month and *minus* the amount of any payment included in the stated redemption price made at the end of or during that preceding month and the amount of any loss recognized at the end of that preceding month.
2. Divide the original issue discount accruing during that month, or shorter period, by the number of days in the period.

The yield used in making these calculations should be the monthly rate (assuming monthly compounding) determined as of the date of purchase that, if used in discounting the remaining payments on the portion of the underlying Mortgages allocable to the Strip, would cause the present value of those payments to equal your purchase price of the Strip.

It is not clear whether the Pricing Speed would be determined at the time you purchase the Strip or at the time the Strips are created and first sold. The Pricing Speed that we will use for purposes of

information reporting will be the same for each class of Strips backed by the same pass-through pool, and will be determined based upon conditions at the time of the initial creation and sale of the related Strips.

Under the method for calculating the accrual of original issue discount described above, the rate at which you recognize original issue discount on a Strip and, in the case of an IO Class, the amount of such original issue discount depend on the actual rate of prepayment of the underlying Mortgages and the relative amount of principal and interest on each Mortgage represented by the Strip.

If the method for computing income for any particular month results in a negative amount, you may be entitled to deduct such amount as a loss only against future income from the Strip. However, you should be entitled to deduct a loss to the extent that your remaining basis would otherwise exceed the maximum amount of future payments which you are entitled to receive (determined by assuming that no future prepayments will occur on the underlying Mortgages).

Treatment of Servicing Fee for Federal Income Tax Purposes

For purposes of tax reporting, either of the following amounts will be allocated to related classes of Strips, based on relative amounts of original issue discount accrued during each accrual period on each class:

- The excess of the interest paid on the Mortgages over the aggregate interest payable on the related Strips.
- The portion of that excess that represents reasonable servicing fees, as described above under *Giant Certificates — Application of the Stripped Bond Rules.*

If you own a Strip, you will be entitled to deduct each year, in accordance with your method of accounting, the amount of the servicing fee allocated to you to the same extent as if you paid the amount of the servicing fee directly. The Code limits the deductions for such servicing fees for some investors.

Sale of a Strip

If you sell a Strip, you will recognize a gain or loss equal to the difference, if any, between the amount realized and your adjusted basis in the Strip. The gain or loss will be a capital gain or loss if you held the Strip as a capital asset. The capital gain or loss will be long-term or short-term, depending on whether you owned the Strip for the long-term capital gain holding period (currently more than one year). In general, your adjusted basis in the Strip will equal the amount you paid for the Strip, plus the amount of original issue discount you previously reported on the Strip, minus the amount of any payments included in the stated redemption price of the Strip received by you and the amount of any losses previously recognized by you with respect to the Strip.

Possible Alternative Characterizations

The Service could assert that you must use a method other than the one described above to determine the accrual of original issue discount on a Strip. For example, the Service might require that original issue discount for a month be calculated under the method described above except that both the yield and the remaining payments should be determined by assuming no further prepayments of the Mortgages.

Further, the characterizations of Strips discussed above are not the only possible interpretations of the applicable Code provisions. For example, if you own a Strip, you may be treated as the owner of:

- One installment obligation consisting of the Strip's pro rata share of the payments attributable to principal on each Mortgage and a second installment obligation consisting of the Strip's pro rata share of the payments attributable to interest on each Mortgage.
- As many stripped bonds or stripped coupons as there are scheduled payments of principal and/or interest on each Mortgage.
- A separate installment obligation for each Mortgage, representing the Strip's pro rata share of payments of principal and/or interest to be made on that Mortgage.

Alternatively, if you own Strips, you may be treated as owning (a) a pro rata fractional undivided interest in each Mortgage to the extent that the Strip represents the same pro rata portion of principal and interest on each Mortgage and (b) a stripped bond or stripped coupon, as applicable, to the extent of any disproportionate principal or interest.

In addition, the Service might assert that the contingent payment rules mentioned above under *General* should apply to certain Strips.

Purchase of More Than One Class of Strips

Although the matter is not free from doubt, if you purchase more than one class of Strips issued from the same Pass-Through Pool at the same time or in the same series of transactions, you should be treated for federal income tax purposes as having made a single purchase. If you purchase more than one class of Strips issued from the same Pass-Through Pool in different transactions, it is unclear whether the federal income tax treatment of the Strips should be determined by treating each class separately or as described in the previous sentence.

SPCs

If you own an SPC, you should review the applicable supplement for a description of the related assets, and the offering documents applicable to the assets for a description of the federal income tax consequences of owning the assets.

CPCs

Status of the CPC Classes

The Callable Class. If you own a Callable Class, you will be treated as:

1. Owning an undivided interest in the underlying Callable Assets; and
2. Having written a call option on your interest in the underlying Callable Assets. The call option is represented by a proportionate part of the Call Right. You will be treated as having written the call option in exchange for an option premium equal to an amount computed under the rules described below.

Special considerations may apply to thrifts, REMICs, real estate investment trusts and regulated investment companies investing in a Callable Class.

The Call Class. If you own a Call Class, you will be treated as having purchased a call option on all the Callable Assets underlying the related Callable Class for an option premium equal to the price you paid for the Call Class.

If you own a Call Class and acquire an interest in the related Callable Class, the call option probably would be extinguished, to the extent of that interest, for at least as long as you held such interest, and you would be treated as holding a proportionate share of the underlying Callable Assets.

Taxation of the CPC Classes

The Callable Class

Allocations. If you own a Callable Class, you will be required, for federal income tax purposes, to account separately for the underlying Callable Assets and the call option you are deemed to have written. You must allocate your purchase price for the Callable Class between the Callable Assets and the call option based on the relative fair market values of each on the date of purchase. The (positive) amount that you allocate to the Callable Assets is your basis in the Callable Assets and the (negative) amount that you allocate to the call option is the option premium you are deemed to have received for writing the call option. Accordingly, your basis in the underlying Callable Assets will be *greater* than the amount you paid for the Callable Class.

Upon the sale, exchange or other disposition of the Callable Class, you must again allocate amounts between the underlying Callable Assets and the call option you were deemed to have written. This allocation is based on the relative fair market values of the Callable Assets and the call option on the date of sale. The (positive) amount that you allocate to the underlying Callable Assets is your amount realized with respect to the Callable Assets and the (negative) amount you allocate to the call option is the amount you are deemed to have paid to be relieved from your obligations under the call option. The amount realized with respect to the underlying Callable Assets will be *greater* than the amount actually received.

Taxation of Underlying Callable Assets. Except as described below under *Application of the Straddle Rules*, the anticipated material federal income tax consequences to you of purchasing, owning and disposing of your interest in the underlying Callable Assets will be as described in the offering materials for the Callable Assets.

Taxation of Call Option Premium. If you own a Callable Class, you will not be required to immediately include in your income the option premium that you were deemed to have received when you purchased the Callable Class. Rather, you need to take such premium into account only when the Call Right lapses, is exercised, or is otherwise terminated. As described above, an amount equal to that option premium is included in your basis in the Callable Assets. Your recovery of such basis will not occur at the same rate as the option premium is included in your income.

As the owner of a Callable Class, you will include the option premium in income as short-term capital gain when the Call Right lapses. Typically, the principal amount of the Callable Assets subject to the Call Right will be reduced over time due to principal payments. It is not entirely clear whether the Call Right would thus be deemed to lapse as the Callable Assets are paid down, and if so, at what rate. However, Freddie Mac intends to assume that the Call Right lapses, and you would recognize the related premium, proportionately as principal is paid on the Callable Assets (whether as scheduled principal payments or prepayments) after the first date on which the Call Right may be exercised. The Service may or may not agree with this method of determining income from the lapse of the Call Right.

If you own a Callable Class and the Call Right is exercised, you will add an amount equal to the unamortized portion of the option premium to the amount realized from the sale of the underlying Callable Assets. If you transfer your interest in a Callable Class, the transfer will be treated as a "closing transaction" with respect to the option you were deemed to have written. Accordingly, you will recognize a short-term capital gain or loss equal to the difference between the unamortized amount of option premium and the amount you are deemed to pay, under the rules discussed above, to be relieved from such your obligation under the option.

Taxation of Income from GIFC. If a Callable Class is redeemed, the amount received by the Pass-Through Pool from the Call Class Holder and not immediately payable to the Holders of the Callable Class will be invested by Freddie Mac in a Guaranteed Investment and Fee Contract (**"GIFC"**). The GIFC allows Freddie Mac to invest these amounts for the period from the date received to the date paid to Holders, and it provides for payment of a fee to Freddie Mac. If you own a redeemed Callable Class, you should treat your proportionate share of any accrued interest for the month of redemption as income earned under the GIFC for that period.

The Call Class

Since the purchase price paid by the investor in a Call Class will be treated as an option premium for the Call Right, it will be:

1. Added to the purchase price of the Callable Assets (in addition to any fee for the exchange) if the Callable Assets are purchased upon exercise of the Call Right.

2. Treated as a loss as the Call Right lapses.

For a discussion of when the Call Right may be deemed to lapse, see *The Callable Class — Taxation of Call Option Premium* above. Assuming that the underlying Callable Assets, if acquired, would be capital assets, then loss recognized on such lapse will be treated as a capital loss.

Application of the Straddle Rules

If you own a Callable Class, the Service might take the position that your interest in the underlying Callable Assets and the call option constitute positions in a straddle. If this were correct, the straddle rules of Section 1092 of the Code would apply, with the following consequences:

- If you sell your Callable Class, you will be treated as selling your interest in the underlying Callable Assets at a gain or loss, which would be short-term because your holding period would be tolled. As discussed above, your gain or loss with respect to the option premium always will be short-term under the option rules, regardless of the application of the straddle rules.

- The straddle rules might require you to capitalize, rather than deduct, a portion of any interest and carrying charges allocable to your interest in a Callable Class.

- If the Service were to take the position that your interest in the underlying Callable Assets and the call option constitute a "conversion transaction" as well as a straddle, then a portion of the gain with respect to the underlying Callable Assets or the call option might be characterized as ordinary income.

Tax-Exempt Organizations

In general, income or gain from the CPC classes will not be subject to the tax on unrelated business taxable income for a tax-exempt organization, if the CPC classes do not constitute "debt-financed property."

EXCHANGE TRANSACTIONS

If you surrender classes of Strips in return for an equivalent principal amount of the underlying Giant Certificate, or vice versa, you will not recognize gain or loss as a result. After the exchange, you will be treated as continuing to own the interests that you owned immediately prior to the exchange.

If you surrender MACS for other MACS or for an interest in the underlying assets, or vice versa, you will not recognize gain or loss as a result. After the exchange, you will be treated as continuing to own the interests that you owned immediately prior to the exchange.

BACKUP WITHHOLDING, FOREIGN WITHHOLDING AND INFORMATION REPORTING

If you are a U.S. Person, you may be subject to federal backup withholding tax under Section 3406 of the Code on payments on your Pass-Through Certificate, unless you comply with applicable information reporting procedures or are an exempt recipient. Any such amounts withheld would be allowed as a credit against your federal income tax liability.

Payments made to an investor who is an individual, a corporation, an estate or a trust that is not a U.S. Person, or to a Holder on behalf of such an investor, generally will not be subject to federal income or withholding tax if:

- The Mortgages underlying the investor's Pass-Through Certificates all were originated after July 18, 1984;
- The Pass-Through Certificate is not held by the investor in connection with a trade or business in the United States (or if an income tax treaty applies, is not attributable to a U.S. permanent establishment);
- The investor is not with respect to the United States a corporation that accumulates earnings in order to avoid United States federal income tax;
- The investor is not a U.S. expatriate or former U.S. resident who is taxable in the manner provided in Section 877(b) of the Code; and
- The investor provides a statement (on Internal Revenue Service Form W-8BEN or a similar substitute form) signed under penalties of perjury that includes its name and address and certifies that it is not a U.S. Person in accordance with applicable requirements.

Payments to an investor who is not a U.S. Person that represent interest on Mortgages originated before July 19, 1984 may be subject to federal withholding tax at the rate of 30 percent or any lower rate provided by an applicable tax treaty.

Regardless of the date of origination of the Mortgages, federal backup withholding tax will not apply to payments on a Pass-Through Certificate made to an investor who is not a U.S. Person if the investor furnishes an appropriate statement of non-U.S. status.

In general, an investor in a CPC will not be subject to federal withholding tax on amounts received or deemed received with respect to the option associated with the CPC.

Investors who are individuals, corporations, estates or trusts that are not U.S. Persons should be aware of recent legislation that, beginning on January 1, 2013, would impose a 30 percent United States withholding tax on certain payments (which could include payments in respect of Pass-Through Certificates and gross proceeds from the sale or other disposition of Pass-Through Certificates) made to a non-U.S. entity that fails to disclose the identity of its direct or indirect "substantial U.S. owners" or to certify that it has no such owners. Various exceptions are provided under the legislation and additional exceptions may be provided in future guidance. Such investors should consult their own tax advisors regarding the potential application and impact of this legislation based upon their particular circumstances.

We will make available to each Holder of a Pass-Through Certificate, within a reasonable time after the end of each calendar year, information to assist Holders and investors in preparing their federal income tax returns. The information made available to you may not be correct for your particular circumstances.

For these purposes, the term "**U.S. Person**" means one of the following:

- An individual who, for federal income tax purposes, is a citizen or resident of the United States.
- A corporation (or other business entity treated as a corporation for federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia.
- An estate whose income is subject to federal income tax, regardless of its source.
- A trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust.
- To the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that elect to be treated as U.S. Persons.

If a partnership (or other entity treated as a partnership for federal income tax purposes) holds Pass-Through Certificates, the treatment of a partner will generally depend upon the status of the particular partner and the activities of the partnership. If you are a partner in such a partnership, you should consult your own tax advisors.

ERISA CONSIDERATIONS

A Department of Labor regulation provides that if an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (**"ERISA"**) acquires a "guaranteed governmental mortgage pool certificate," then, for purposes of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code, the plan's assets include the certificate and all of its rights in the certificate, but do not, solely by reason of the plan's holding of the certificate, include any of the mortgages underlying the certificate. Under this regulation, the term "guaranteed governmental mortgage pool certificate" includes a certificate "backed by, or evidencing an interest in, specified mortgages or participation interests therein" if Freddie Mac guarantees the interest and principal payable on the certificate.

The regulation makes it clear that Freddie Mac and other persons, in providing services for the assets in the pool, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, or the

prohibited transaction provisions of Section 406 of ERISA or Code Section 4975, merely by reason of the plan's investment in a certificate.

Unless otherwise stated in the applicable supplement, the Pass-Through Certificates should qualify as "guaranteed governmental mortgage pool certificates."

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their own legal advisors before purchasing Pass-Through Certificates.

All employee benefit plan investors should consult with their legal advisors to determine whether the purchase, holding or resale of a Pass-Through Certificate could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.

In addition, special considerations apply to Callable Classes of CPCs. The acquisition of the Call Right by the beneficial owner of the related Call Class of CPCs, as well as the consequences of the exercise of the Call Right by such a beneficial owner, might be treated under ERISA as principal transactions between the beneficial owners of the related Callable Class and the beneficial owner of that Call Class. Thus, in theory, the acquisition or exercise of the Call Right could be characterized under certain circumstances as an ERISA prohibited transaction between a plan and a "party in interest" (assuming that the plan owns a Callable Class and the "party in interest" owns the related Call Class, or vice versa), unless an ERISA prohibited transaction exemption, such as PTE 84-14 (for Transactions by Independent Qualified Professional Asset Managers), is applicable. A Call Class may be deemed to be an option to acquire a guaranteed governmental mortgage pool certificate rather than such a certificate. ERISA plan fiduciaries should consult with their counsel concerning these issues.

ACCOUNTING CONSIDERATIONS

Various factors may influence the accounting treatment applicable to an investor's acquisition and holding of mortgage-related securities. Accounting standards, and the application and interpretation of such standards, are subject to change from time to time. Before making an investment in the Pass-Through Certificates or exchanging the Pass-Through Certificates, investors are encouraged to consult their own accountant for advice on the appropriate accounting treatment for their series of Pass-Through Certificates.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether Pass-Through Certificates are legal investments for you and whether you can use Pass-Through Certificates as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators to determine the appropriate treatment of Pass-Through Certificates under risk-based capital and similar rules.

If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in some types of Pass-Through Certificates or in Pass-Through Certificates generally. Institutions regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Treasury or any other federal or state

agency with similar authority should review applicable regulations, policy statements and guidelines before purchasing or pledging Pass-Through Certificates.

DISTRIBUTION ARRANGEMENTS

Freddie Mac generally purchases assets from dealers (each, a **"Dealer"**) and other customers and, as Depositor, deposits those assets in a Pass-Through Pool. As Trustee, Freddie Mac creates and issues Pass-Through Certificates representing interests in those same assets and sells the related Pass-Through Certificates through the same Dealers or customers. Dealers and their affiliates may enter into other transactions with and provide other services to Freddie Mac in the ordinary course of business. Freddie Mac, the Dealers or other parties may receive compensation, trading gain or other benefits in connection with transactions in Pass-Through Certificates. We typically receive a fee from the Dealers and other customers for each offering.

Each offering may be made and the Pass-Through Certificates may be offered or sold only where it is legal to do so. This Offering Circular and any applicable supplement do not constitute an offer to sell or buy or a solicitation of an offer to buy or sell any securities other than the Pass-Through Certificates or an offer to sell or buy or a solicitation of an offer to buy or sell Pass-Through Certificates in any jurisdiction or in any other circumstance in which such an offer or solicitation is unlawful or not authorized.

Freddie Mac may retain or repurchase Pass-Through Certificates for its own portfolio, and may offer or re-offer such Pass-Through Certificates from time to time. These transactions may affect the market prices of Pass-Through Certificates.

Certain Dealers may buy, sell and make a market in Pass-Through Certificates. The secondary market for Pass-Through Certificates may be limited. If a Dealer sells a Pass-Through Certificate, the Dealer is required to confirm the sale, notify the purchaser of the settlement date, purchase price, concessions and fees and deliver a copy of this Offering Circular and the applicable supplement to the purchaser.

INCREASE IN SIZE

Before the settlement date for any offering of Pass-Through Certificates, Freddie Mac and any Dealers or other customers may agree to increase the size of the offering. In that event, the Pass-Through Certificates will have the same characteristics as described in the applicable supplement, except that the original principal or notional principal amount of each class receiving payment from the same Pass-Through Pool will increase by the same proportion.

Appendix I

INDEX OF TERMS

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Appendix II

EXCHANGE PROCEDURES FOR STRIPPED GIANT CERTIFICATES

Information About Securities Eligible for Exchange

You can obtain the balances of classes of Pass-Through Certificates that are subject to exchange either from Freddie Mac's internet website or the Investor Inquiry Department at Freddie Mac.

Notice

- If you want to enter into an exchange involving Stripped Giant Certificates (including MACS), you must notify Freddie Mac's Mortgage Funding and Investor Relations Department through a Dealer that belongs to Freddie Mac's REMIC dealer group. The Dealer must notify Freddie Mac by telephone (571-382-3767 or 866-903-2767) or by fax (571-382-4277).
- The notice must be received at least one business day before the proposed exchange date, and must include:
  - The outstanding principal or notional principal amounts of the securities to be exchanged and received.
  - The proposed exchange date, which is subject to Freddie Mac's approval.
- Your notice becomes irrevocable on the business day before the proposed exchange date.

Exchange Fee

- We may charge an exchange fee. If so, it will be calculated as described in the applicable supplement.
- Promptly after receiving your notice, Freddie Mac will call the Dealer to give instructions for delivering the collateral. Freddie Mac will collect any exchange fee on a delivery versus payment basis.

Payments Following an Exchange

- Freddie Mac will make the first payment on the securities issued in an exchange in either the first or second month after their issuance, as determined by their Payment Delay.
- Freddie Mac will make the last payment on the securities surrendered in an exchange in either the month of the exchange or the following month, as determined by their Payment Delay.

Limitations on Ability to Exchange Classes

- You must own the right classes in the right proportions in order to enter into an exchange. The principal amount of the securities received in an exchange must equal the principal amount of the securities exchanged, and interest must be payable on the securities received in the same amount as would have been payable on the securities exchanged.
- If you do not own the right classes, you may not be able to obtain them because:
  - The owner of a class that you need for an exchange may refuse or be unable to sell that class to you at a reasonable price or at any price.
  - Some classes may be unavailable because they have been placed into other financial structures, such as a REMIC.
  - Principal payments and prepayments over time will decrease the amounts available for exchange.

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Appendix III

EXAMPLES OF MACS EXCHANGES

You may exchange one or more classes of a series of MACS (the **"Old MACS"**) for one or more different classes of MACS of the same series (the **"New MACS"**).

Freddie Mac will allow any exchange of MACS, so long as:

- The aggregate outstanding principal amount of the New MACS (rounded to whole dollars) immediately after the exchange equals that of the Old MACS immediately before the exchange. In this calculation, the outstanding principal amount of the IO Class always equals $0.
- The aggregate Annual Interest Amount of the New MACS (rounded to whole dollars) equals that of the Old MACS. The **"Annual Interest Amount"** for any class equals its outstanding principal or notional principal amount times its class coupon. If an exchange includes one or more Floating Rate or Inverse Floating Rate Classes, the Annual Interest Amount for the classes received and the classes surrendered must be equal at all levels of the applicable index.
- If Floating Rate and/or Inverse Floating Rate Classes are being exchanged for other Floating Rate and/or Inverse Floating Rate Classes, the Classes being surrendered are first exchanged for corresponding amounts of the IO and/or PO Classes.

Exchanges that include both Floating Rate or Inverse Floating Rate Classes and Fixed Rate or Principal Only Classes are permitted only from the 15th through the last day of a month. Exchanges involving only Fixed Rate and Principal Only Classes and exchanges involving only Floating Rate and Inverse Floating Rate Classes are permitted at any time.

The following examples illustrate some of the possible exchanges of Old MACS for New MACS involving Fixed Rate and PO Classes. Assume that your Old MACS have the following characteristics. Also assume that the class coupon of the underlying Giant Certificate, and therefore that of the IO Class, is 8.5%.

Old MACS

Outstanding Principal Amount	Class	Class Coupon	Annual Interest Amount
$10,000,000	4.0	4.0%	$ 400,000
10,000,000	8.0	8.0	800,000
10,000,000	18.0	18.0	1,800,000
$30,000,000			$3,000,000

New MACS

Example 1: You can receive New MACS consisting entirely of the 10.0 Class:

Outstanding Principal Amount	Class	Class Coupon	Annual Interest Amount
$30,000,000	10.0	10.0%	$3,000,000

Example 2: You can receive New MACS consisting of the PO and IO Classes:

Outstanding Principal Amount	Class	Class Coupon	Annual Interest Amount
$30,000,000	PO	0.0%	$ 0
35,294,118(notional)	IO	8.5	3,000,000
$30,000,000			$3,000,000

Example 3: You can receive New MACS consisting of the 6.0, 9.0 and IO Classes:

Outstanding Principal Amount	Class	Class Coupon	Annual Interest Amount
$20,000,000	6.0	6.0%	$1,200,000
10,000,000	9.0	9.0	900,000
10,588,236(notional)	IO	8.5	900,000
$30,000,000			$3,000,000

Example 4: You can receive New MACS consisting of the PO, 6.0, 9.0, and 20.0 Classes:

Outstanding Principal Amount	Class	Class Coupon	Annual Interest Amount
$ 500,000	PO	0.0%	$ 0
5,000,000	6.0	6.0	300,000
20,000,000	9.0	9.0	1,800,000
4,500,000	20.0	20.0	900,000
$30,000,000			$3,000,000

You also may exchange your Old MACS for an equivalent part of the underlying Giant Certificate. Continuing with the above examples, you could exchange $10,000,000 of the 4.0 Class, $10,000,000 of the 8.0 Class and $5,263,158 of the 18.0 Class for $25,263,158 of the underlying Giant Certificate, and vice versa. Such exchanges may occur repeatedly.

Other possible exchanges of MACS may involve Floating Rate and Inverse Floating Rate Classes. The applicable supplement will describe MACS exchanges of this type and may include additional examples.

Appendix IV

REDEMPTION AND EXCHANGE PROCEDURES FOR CPCs

Notice

- If you own a Call Class and want to call the related Callable Class on any permitted Payment Date (the **"Redemption Date"**), you must notify Freddie Mac at least five business days (if the underlying asset is a Giant PC) or three business days (if the underlying asset is a Giant Security) before the related Record Date.
- You must notify Freddie Mac through a Dealer that belongs to Freddie Mac's REMIC dealer group. The Dealer must notify Freddie Mac by telephone (571-382-3767 or 866-903-2767), followed by written confirmation on the same day in a form specified by Freddie Mac.

Related Fees and Payments

- The **"Initial Call Payment"** will equal 5% of the principal amount of the Callable Class being redeemed, based on its Class Factor for the month preceding the Redemption Date.
- The **"Final Call Payment"** will equal 95% of the principal amount of the Callable Class being redeemed, based on its Class Factor for the month preceding the Redemption Date.
- The **"Call Payment"** will equal the Initial Call Payment plus the Final Call Payment.
- The **"Redemption Price"** of a Callable Class will equal:
    1. 100% of the outstanding principal amount of the Callable Class, based on its Class Factor for the month preceding the Redemption Date, plus
    2. accrued interest at its class coupon for the related Accrual Period on its outstanding principal amount
- The **"Call Fee"** equals 1/32 of 1% of the outstanding principal amount of the Callable Class being redeemed (but not less than $10,000).

Deposit of Initial Call Payment; Pledge

- You must deposit the Initial Call Payment with Freddie Mac at the time that you notify Freddie Mac that you want to redeem the Callable Class.
- At the same time, you must pledge all of your interest in the underlying Giant Certificate to Freddie Mac as security for your obligation to pay the Final Call Payment and Call Fee. You must sign a pledge agreement prepared by Freddie Mac for this purpose.

Effect of Notice

- Your notice of redemption and your pledge will become irrevocable when you deposit the Initial Call Payment.
- By the Record Date relating to the Redemption Date, Freddie Mac will post a notice on either the Fed or DTCC System stating that the Callable Class will be redeemed.
- In the month of redemption, Freddie Mac will reduce the Class Factors of both the Callable Class and the Call Class to zero to reflect the redemption that will occur in that month.

Exchange of Callable Assets

- On the first Business Day of the month of redemption (the **"Exchange Date"**), Freddie Mac will transfer the related Callable Assets to you in exchange for:
  - The Call Class.
  - The Call Fee.
  - The Final Call Payment.
- Freddie Mac will give you instructions for delivery of the Call Class, Call Fee and Final Call Payment.
- Principal and interest on the Callable Assets received in the exchange will first become payable to you in the month following the exchange.

Redemption of Callable Class

- On the Redemption Date, Freddie Mac will redeem the Callable Class by paying its Holders, on a pro rata basis, the Redemption Price.
- Freddie Mac will not make any other payment on the Callable Class.
- Once redeemed, a Callable Class and its related Call Class will not be reissued.

Payment to Call Class Holder

On the Redemption Date, Freddie Mac will pay to you the excess of (a) the Call Payment plus payments received on the underlying Callable Assets in the month of redemption over (b) the Redemption Price.

Defaulting Call Class Holder

If you fail to deliver the Call Class, Final Call Payment and Call Fee on the Exchange Date, then:

- On the next Business Day, Freddie Mac will liquidate the related Giant Certificate, in accordance with your pledge, in a commercially reasonable manner.
- Freddie Mac will apply the net proceeds of the liquidation and the Initial Call Payment, as necessary, to redeem the Callable Class.
- Freddie Mac will charge you a liquidation fee in an amount equal 1% of the Call Payment.
- On the Redemption Date, Freddie Mac will pay to you the excess, if any, of:
  1. the Initial Call Payment, plus
  2. payments received on the underlying Callable Assets in the month of redemption, plus
  3. net proceeds to Freddie Mac from the liquidation of the Giant Certificate

  over

  1. the Redemption Price for the related Callable Class, plus
  2. the liquidation fee.
- You will have no further right to or interest in the Call Class or the related Callable Asset.

Limitations

Freddie Mac will permit the redemption of a Callable Class only if the underlying Giant Certificate has at least the market value specified in the related supplement.

- Freddie Mac will determine market value upon request of the Dealer providing the redemption notice. The Dealer must make the request at the same time as it gives the redemption notice by telephone.
- Freddie Mac will determine the market value based on bid quotations available at the time of the request.
- Freddie Mac's determination of the market value will be final and binding.

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Appendix V

FREQUENTLY USED GIANT PREFIXES

Prefixes are subject to change (including modification, discontinuance or the addition of new ones) at any time. You should refer to our internet website for the most current list of frequently used prefixes.

Fixed-rate Giant PCs

Product Type	Giant PC Prefix	Collateral Prefix
30-year	G0	A0-A9, B2-B3, C0-C9, D0-D9, F8-F9, G0, G3, Q0-Q9, Z4
15-year	G1	B0-B1, B4-B5, E0-E9, G1, J0-J9, Z5
20-year	G3	C9, D9, F8-F9, G3, Z6
7-year Balloon	G4	L6, L8, M8, N8, N9, G4
5-year Balloon	G5	L5, L7, L9, M0, M1, M9, G5
40-year	K3	K3, K5

PCs with Special Mortgage Characteristics

Product Type	Giant PC Prefix	Collateral Prefix
30-year FHA/VA	G2	B6-B9, G2
15-year FHA/VA	G7	F6, F7
10/20 Initial Interest℠ Fixed-rate (30-year)	H0	H0
15/15 Initial Interest Fixed-rate (30-year)	H1	H1
10/10 Initial Interest Fixed-rate (20-year)	H2	H2
10/20 Initial Interest (30-year) SafeSteps	H3	H3
Jumbo Conforming 10/20 Initial Interest, Fixed-rate	H4	H4
10/5 Initial Interest Fixed-rate (15-year)	H5	H5
10/5 Initial Interest Fixed-rate Various PPM	H6	H6
10/10 Initial Interest Fixed-rate Various PPM	H7	H7
10/20 Various PPM	H8	H8
30-year, Fixed-rate, Reduced minimum servicing less than 12.5 bps	K0	K0
15-year, Fixed-rate, Reduced minimum servicing less than 12.5 bps	K1	K1
20-year, Fixed-rate, Reduced minimum servicing less than 12.5 bps	K2	K2
40-year, Fixed-rate, Reduced minimum servicing less than 25 bps	K8	K8
30-year, Fixed-rate, Reduced minimum servicing 12.5 bps	L0	L0
20-year, Fixed-rate, Reduced minimum servicing 12.5 bps	L2	L2
15-year, Fixed-rate, Reduced minimum servicing 12.5 bps	L4	L4
30-year Relocation	N3	N2, N3
15-year Relocation	M3	M2, M3
30-year Cooperative Share	N7	N6, N7
15-year Cooperative Share	M7	M6, M7
30-year Biweekly Convertible	N5	N5
15-year Biweekly Convertible	M5	M5
30-year Prepayment Penalty Mortgages, 3-year/2%	P0	P0
15-year Prepayment Penalty Mortgages, 3-year/2%	P1	P1
30-year Prepayment Penalty Mortgages, 5-year/6-month	P2	P2
15-year Prepayment Penalty Mortgages, 5-year/6-month	P3	P3
40-year, Various Prepayment Penalties	P4	P4
30-year, Various Prepayment Penalties	P5	P5
15-year, Various Prepayment Penalties	P6	P6
Jumbo Conforming 15-year, Fixed-rate	T4	T4
Jumbo Conforming 20-year, Fixed-rate	T5	T5
Jumbo Conforming 30-year, Fixed-rate	T6	T5, T6
Jumbo Conforming 40-year, Fixed-rate	T9	T9
15-year, High LTV, >105%	U4	U4
20-year, High LTV, >105%	U5	U5
30-year, High LTV, >105%	U6	U5, U6
5/25 Initial Interest Fixed-rate (30-year)	V2	V2
5/25 Initial Interest Fixed-rate Various PPM	V3	V3
5/10 Initial Interest Fixed-rate (15-year)	V4	V4
5/10 Initial Interest Fixed-rate Various PPM	V5	V5
30-year Reverse REMIC	Z4	Z4
15-year Reverse REMIC	Z5	Z5
20-year Reverse REMIC	Z6	Z6

GNMA-backed Giant Securities

Product Type	Giant PC Prefix	Collateral Prefix
GNMA 30-year	G8	Single-family I and II
GNMA 15-year	G9	Single-family I and II

ARM Giant PCs

Product Type	Giant PC Prefix	Collateral Prefix	
Rate-Capped ARM PCs		***Non-convertible***	***Convertible***
Annual, 1-year Treasury, 2% Periodic Cap	84	35, 60, 61, 84	40, 41, 71, 84
Annual, 1-year Treasury, 1% Periodic Cap	84	37, 64, 84	63, 72, 84
Annual, 1-year, (3/1, 5/1, 7/1, 10/1), Various Caps	84	78, 1L, 84	78, 1L, 84
5-year Treasury, Various Caps	84	76, 84	76, 84
3-year Treasury, Various Caps	84	86, 84	86, 84
Semiannual, 6-month LIBOR, Various Caps	84	870001-874999, 84	870001-874999, 84
Semiannual, 6-month LIBOR, (3/1, 5/1, 7/1, 10/1), Various Caps	84	1A, 84	NA
Annual, 1-year LIBOR, 2% Periodic Cap	84	1C, 84	1E, 84
Annual, 1-year LIBOR, 3% Periodic Cap	84	1D, 84	1F, 84
Annual, 1-year LIBOR, (3/1, 5/1, 7/1, 10/1), Various Caps	84	1B, 2B, 84	1B, 2B, 84
Annual, 1-year LIBOR, Initial Interest Hybrid ARMs, Various Caps	1Q	1G, 1Q	N/A
Annual, 1-year Treasury, Initial Interest Hybrid ARMs, Various Caps	1Q	1H, 1Q	N/A
Annual, 1-year LIBOR, 1-year Initial Interest Hybrid ARMs, Various Caps	1Q	1U, 1Q	N/A
Annual, 1-year LIBOR, 10-year Initial Interest Hybrid ARMs, Various Caps	1Q	1J, 1Q	N/A
Annual, 1-year Treasury, 10-year Initial Interest Hybrid ARMs, Various Caps	1Q	1K, 1Q	N/A
Annual, 1-year LIBOR, Non-Standard Initial Interest Hybrid ARMs, Various Caps	1Q	1V, 1Q	N/A
Semiannual, 6-month LIBOR, Initial Interest Hybrid ARMs, Various Caps	1Q	1M, 1Q	N/A
Semiannual, 6-month LIBOR, 10-year Initial Interest Hybrid ARMs, Various Caps	1Q	1N, 1Q	N/A
Semiannual, 6-month LIBOR, 10-year Initial Interest ARMs, Various Caps	1Q	1P, 1Q	N/A
Pay-capped ARM PCs			
Monthly 11th COFI	1R	39, 42, 1R	N/A
Federal Costs of Funds	1R	5A, 1R	N/A
Various Treasury	1R	94, 1R	N/A
Various LIBOR	1R	96, 1R	N/A

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Appendix VI

EXAMPLE GIANT POOL SUPPLEMENT

This example Offering Circular Supplement illustrates the form and content of the Offering Circular Supplement we post on our internet website for each Pass-Through Pool whose assets are PCs and/or Giant PCs or Freddie Mac REMIC securities.

Pass-Through Pool XXXXXX

Offering Circular Supplement
(To Offering Circular Dated June 1, 2010)

FREDDIE MAC
Pass-Through Certificates
Initial Interest Adjustable-rate Mortgages

The Pass-Through Certificates that we are offering in this Offering Circular Supplement (the **"Certificates"**) consist of interests in a pass-through pool whose assets are PCs and/or Giant PCs or Freddie Mac REMIC securities.

Capitalized terms used in this Offering Circular Supplement (other than capitalized terms that are defined in this document) have the same meanings as in the Giant and Other Pass-Through Certificates Offering Circular dated June 1, 2010 as it may be amended or supplemented from time to time (the **"Offering Circular"**).

We prepare pool supplements that contain additional information about the assets underlying this pass-through pool. You can obtain these pool supplements by contacting our Investor Inquiry Department, as described on page 7 of the Offering Circular, or by accessing Freddie Mac's website at www.freddiemac.com.

This Offering Circular Supplement incorporates by reference the Offering Circular and Freddie Mac's Mortgage Participation Certificates Offering Circular dated March 11, 2010, as it may be amended or supplemented from time to time (the **"PC Offering Circular"**). This Offering Circular Supplement supplements the Pass-Through Certificates Master Trust Agreement dated as of June 1, 2010 and constitutes the Terms Supplement within the meaning of that Trust Agreement for the pass-through pool described herein.

The Certificates may not be suitable investments for you. You should not purchase the Certificates unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in the Certificates, as described in the Offering Circular. The PCs and/or Giant PCs or Freddie Mac REMIC securities, which constitute the assets of this pass-through pool, are backed by Initial Interest ARMs as defined in the PC Offering Circular. For an initial period of time, we will pass-through scheduled installments of interest at the PC Coupon rate. After this initial period, we will pass-through scheduled installments of principal together with interest at the PC Coupon rate.

You should purchase the Certificates only if you have read and understood this Pool Supplement, the Offering Circular and any documents that we have incorporated by reference in the Offering Circular.

Offering Circular Supplement dated _____

Principal and interest payments on the Certificates are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Certificates are not tax-exempt securities. Because of applicable securities law exemptions, Freddie Mac has not registered the Certificates with any federal or state securities commission. No securities commission has reviewed this Offering Circular Supplement.

Pass-Through Pool XXXXXX

DESCRIPTION OF ARM PASS-THROUGH POOL

Pass-Through Type	INITIAL INTEREST ARM GIANT
Pass-Through Pool Number	XXXXXX
CUSIP Number	XXXXXXXXX
Pass-Through Coupon (*)	5.422%
Original Principal Amount	$10,356,362.00
Date of Pass-Through Pool Formation	04/01/2010
First Payment Date	06/15/2010
Final Payment Date	08/15/2038

* Calculated as a weighted average of the applicable weighted average component information of the ARM PCs in the pass-through pool in effect for the month of settlement, as of the first day of that month, rounded down to the nearest .001%. "Components" are groups of mortgages having the same adjustment date (net of gross fees).

GENERAL

The ARM PCs underlying the Certificates are either all Rate Capped ARM PCs (as defined in the PC Offering Circular) or all Payment Capped ARM PCs (as defined in the PC Offering Circular). If the underlying ARM PCs are Payment Capped ARM PCs, we will add any deferred interest (resulting from negative amortization) to the principal amount of such ARM PCs. We also will add a like amount of deferred interest to the principal amount of the Certificates rather than making current payments of such deferred interest to Holders. We make available **"Negative Amortization Factors"** for Payment Capped ARM PCs that reflect the amount of deferred interest to be added to the principal balance of the underlying mortgages in the preceding month as a result of negative amortization. See *"Payments on the PCs-Negative Amortization Factors"* in the PC Offering Circular.

On each Payment Date, Holders of the Certificates will receive interest (before giving effect to any deferral, as described above) equal to 30 days' interest on the principal amount of the Certificates. You can determine the principal amount, as reduced on any Payment Date, by using the applicable Class Factor published in the preceding month, as described under *"Description of Pass-Through Certificates — Payments — Class Factors"* in the Offering Circular.

The class coupon of the Certificates for any Payment Date will equal the weighted average of the interest rates of the underlying ARM PCs for the same Payment Date rounded down to the next .001%.

This Offering Circular Supplement constitutes the Terms Supplement for the Certificates. Holders and anyone having a beneficial interest in the Certificates should refer to Freddie Mac's current Pass-Through Certificates Master Trust Agreement for a complete description of their rights and obligations and the rights and obligations of Freddie Mac. Holders and beneficial owners of the Certificates will acquire their Certificates subject to all terms and conditions of the Pass-Through Master Trust Agreement, including this Terms Supplement. The Pass-Through Master Trust Agreement is available from our Investor Inquiry Department or by accessing Freddie Mac's website at www.freddiemac.com.

Pass-Through Pool XXXXXX

SELECTED INFORMATION ABOUT THE ASSETS

The following tables contain selected information about the underlying PCs and/or Giant PCs in the pass-through pool identified above. The tables below reflect aggregated PC Pool level data on the PCs and/or Giant PCs comprising the Giant PC Pool, and do not necessarily reflect (and therefore may differ from) data derived from each of the underlying mortgages in each PC and/or Giant PC in the Giant PC Pool.

PASS-THROUGH INFORMATION

Seller	FREDDIE MAC GIANT
WAC (estimated)	5.960%
AOLS	$294,974
WAOLS	$304,540
WALA	XXX
WAOLT	XXX
WARM	323
WAOCS	735
WAOLTV	70
WAOCLTV	74
WAODTI	41
WAMTAM	83.94
Initial Interest Period	10
Third Party Origination	32.420%
Legend	

UNKNOWN ORIGINAL CREDIT SCORE, ORIGINAL LTV, ORIGINAL CLTV, AND ORIGINAL DTI

	% of UPB	# of Loans	% of Loans
Unknown Credit Score	0.00%	0	0.00%
Unknown LTV	0.00%	0	0.00%
Unknown CLTV	0.00%	0	0.00%
Unknown DTI	0.00%	0	0.00%

Pass-Through Pool XXXXXX

ARM SPECIFIC INFORMATION

Initial Fixed Rate Period	7
Adjustment Period	12
Index	1 YR LIBOR — WSJ
Lookback Period	45
Next Adjustment Date	12/01/2012
Weighted Average Months to Adjust (WAMTA)	46.940
Initial Cap (Increase)	5.000%
Initial Cap (Decrease)	5.000%
Periodic Cap	2.000%
Convertible	N
PC Margin	1.711%
Weighted Average Margin	2.250%
PC Lifetime Ceiling	10.422%
Weighted Average Lifetime Ceiling	10.961%
PC Lifetime Floor	0.000%
Weighted Average Lifetime Floor	0.000%
Prepayment Penalty Mortgages	N
Reduced Minimum Servicing	N

INITIAL INTEREST FIRST P&I PAYMENT DATE

Initial Interest First P&I Payment Date	Aggregate UPB	% of UPB	# of Loans	% of Loans
01/01/2016	$ 686,235.47	6.63%	2	0.53%
02/01/2016	2,742,793.06	26.48%	13	3.44%
09/01/2016	456,041.92	4.40%	2	0.53%
10/01/2016	278,151.67	2.69%	2	0.53%
11/01/2016	515,315.11	4.98%	2	0.53%
12/01/2016	335,530.00	3.24%	1	0.26%
01/01/2017	1,233,597.95	11.91%	4	1.06%
02/01/2017	268,000.00	2.59%	1	0.26%
06/01/2017	9,960.61	0.10%	11	2.91%
07/01/2017	98,942.75	0.96%	146	38.62%
08/01/2017	49,406.93	0.48%	71	18.78%
05/01/2018	19,129.42	0.18%	1	0.26%
06/01/2018	85,538.00	0.83%	3	0.79%
07/01/2018	271,169.69	2.62%	8	2.12%
08/01/2018	1,139,337.63	11.00%	38	10.05%
09/01/2018	2,167,212.19	20.93%	73	19.31%

Pass-Through Pool XXXXXX

Initial Interest First P&I Date Payment Date (continued)	WAC	Note Rate Low-High	WARM	Remaining Maturity Low-High	WALA	Loan Age Low-High
01/01/2016	5.928%	5.750 - 6.125%	308	308-308	52	52-052
02/01/2016	5.843%	5.250 - 6.500%	309	309-309	51	51-052
09/01/2016	6.875%	6.875 - 6.875%	316	316-316	44	44-044
10/01/2016	6.639%	6.500 - 6.750%	317	317-317	43	43-043
11/01/2016	6.716%	6.625 - 6.750%	318	318-318	42	42-042
12/01/2016	6.375%	6.375 - 6.375%	319	319-319	41	41-041
01/01/2017	6.325%	6.000 - 6.875%	320	320-320	40	39-040
02/01/2017	6.500%	6.500 - 6.500%	321	321-321	39	39-039
06/01/2017	6.484%	5.250 - 7.125%	325	325-325	35	34-035
07/01/2017	6.126%	5.125 - 7.875%	326	326-326	34	33-035
08/01/2017	6.096%	5.125 - 7.750%	327	327-327	33	33-034
05/01/2018	4.750%	4.750 - 4.750%	336	336-336	24	24-024
06/01/2018	5.895%	5.125 - 6.625%	337	337-337	23	23-023
07/01/2018	5.272%	4.625 - 5.875%	338	338-338	22	22-022
08/01/2018	5.573%	4.750 - 6.250%	339	339-339	21	20-021
09/01/2018	5.614%	4.750 - 6.500%	340	340-340	20	19-021

HIGH AND LOW MORTGAGE DATA

Remaining Maturity Low-High	Note Rate Low-High	Margin Low-High	Lifetime Ceiling Low-High	Lifetime Floor Low-High
308-340	4.608% - 7.877%	2.250% - 2.250%	9.625% - 12.875%	0.000% - 0.000%

Pass-Through Pool XXXXXX

ARM PC COMPONENT LEVEL DATA

Component Coupon Adjustment Date	Component Initial Interest First P&I Payment Date	Component UPB	Number of Loans	Component Coupon	Component Coupon Low-High
12/01/2012		$ 686,235.47	2	5.552%	5.374% - 5.749%
	01/01/2016	686,235.47	2	5.552%	5.374% - 5.749%
01/01/2013		2,742,793.06	13	5.467%	4.874% - 6.124%
	02/01/2016	2,742,793.06	13	5.467%	4.874% - 6.124%
08/01/2013		456,041.92	2	5.950%	5.950% - 5.950%
	09/01/2016	456,041.92	2	5.950%	5.950% - 5.950%
09/01/2013		278,151.67	2	5.714%	5.575% - 5.825%
	10/01/2016	278,151.67	2	5.714%	5.575% - 5.825%
10/01/2013		515,315.11	2	5.791%	5.700% - 5.825%
	11/01/2016	515,315.11	2	5.791%	5.700% - 5.825%
11/01/2013		335,530.00	1	5.450%	5.450% - 5.450%
	12/01/2016	335,530.00	1	5.450%	5.450% - 5.450%
12/01/2013		1,233,597.95	4	5.400%	5.075% - 5.950%
	01/01/2017	1,233,597.95	4	5.400%	5.075% - 5.950%
01/01/2014		268,000.00	1	5.575%	5.575% - 5.575%
	02/01/2017	268,000.00	1	5.575%	5.575% - 5.575%
05/01/2014		9,960.61	11	5.794%	4.560% - 6.435%
	06/01/2017	9,960.61	11	5.794%	4.560% - 6.435%
06/01/2014		98,942.75	146	5.436%	4.435% - 7.185%
	07/01/2017	98,942.75	146	5.436%	4.435% - 7.185%
07/01/2014		49,406.93	71	5.406%	4.435% - 7.060%
	08/01/2017	49,406.93	71	5.406%	4.435% - 7.060%
04/01/2015		19,129.41	1	4.390%	4.390% - 4.390%
	05/01/2018	19,129.41	1	4.390%	4.390% - 4.390%
05/01/2015		85,537.99	3	5.535%	4.765% - 6.265%
	06/01/2018	85,537.99	3	5.535%	4.765% - 6.265%
06/01/2015		271,169.69	8	4.912%	4.265% - 5.515%
	07/01/2018	271,169.69	8	4.912%	4.265% - 5.515%
07/01/2015		1,139,337.63	38	5.213%	4.390% - 5.890%
	08/01/2018	1,139,337.63	38	5.213%	4.390% - 5.890%
08/01/2015		2,167,212.19	73	5.254%	4.390% - 6.140%
	09/01/2018	2,167,212.19	73	5.254%	4.390% - 6.140%

Pass-Through Pool XXXXXX

Component Coupon Adjustment Date (continued)	Component Initial Interest First P&I Payment Date (continued)	Component Margin	Component Margin Low-High	Component Lifetime Ceiling	Component Lifetime Ceiling Low-High
12/01/2012		1.874%	1.874% - 1.874%	10.552%	10.374%-10.749%
	01/01/2016	1.874%	1.874% - 1.874%	10.552%	10.374%-10.749%
01/01/2013		1.874%	1.874% - 1.874%	10.467%	9.874%-11.124%
	02/01/2016	1.874%	1.874% - 1.874%	10.467%	9.874%-11.124%
08/01/2013		1.325%	1.325% - 1.325%	10.950%	10.950%-10.950%
	09/01/2016	1.325%	1.325% - 1.325%	10.950%	10.950%-10.950%
09/01/2013		1.325%	1.325% - 1.325%	10.714%	10.575%-10.825%
	10/01/2016	1.325%	1.325% - 1.325%	10.714%	10.575%-10.825%
10/01/2013		1.325%	1.325% - 1.325%	10.791%	10.700%-10.825%
	11/01/2016	1.325%	1.325% - 1.325%	10.791%	10.700%-10.825%
11/01/2013		1.325%	1.325% - 1.325%	10.450%	10.450%-10.450%
	12/01/2016	1.325%	1.325% - 1.325%	10.450%	10.450%-10.450%
12/01/2013		1.325%	1.325% - 1.325%	10.400%	10.075%-10.950%
	01/01/2017	1.325%	1.325% - 1.325%	10.400%	10.075%-10.950%
01/01/2014		1.325%	1.325% - 1.325%	10.575%	10.575%-10.575%
	02/01/2017	1.325%	1.325% - 1.325%	10.575%	10.575%-10.575%
05/01/2014		1.560%	1.560% - 1.560%	10.794%	9.560%-11.435%
	06/01/2017	1.560%	1.560% - 1.560%	10.794%	9.560%-11.435%
06/01/2014		1.560%	1.560% - 1.560%	10.436%	9.435%-12.185%
	07/01/2017	1.560%	1.560% - 1.560%	10.436%	9.435%-12.185%
07/01/2014		1.560%	1.560% - 1.560%	10.406%	9.435%-12.060%
	08/01/2017	1.560%	1.560% - 1.560%	10.406%	9.435%-12.060%
04/01/2015		1.890%	1.890% - 1.890%	9.390%	9.390%-9.390%
	05/01/2018	1.890%	1.890% - 1.890%	9.390%	9.390%-9.390%
05/01/2015		1.890%	1.890% - 1.890%	10.535%	9.765%-11.265%
	06/01/2018	1.890%	1.890% - 1.890%	10.535%	9.765%-11.265%
06/01/2015		1.890%	1.890% - 1.890%	9.912%	9.265%-10.515%
	07/01/2018	1.890%	1.890% - 1.890%	9.912%	9.265%-10.515%
07/01/2015		1.890%	1.890% - 1.890%	10.213%	9.390%-10.890%
	08/01/2018	1.890%	1.890% - 1.890%	10.213%	9.390%-10.890%
08/01/2015		1.890%	1.890% - 1.890%	10.254%	9.390%-11.140%
	09/01/2018	1.890%	1.890% - 1.890%	10.254%	9.390%-11.140%

Component Coupon Adjustment Date (continued)	Component Initial Interest First P&I Payment Date (continued)	Component Lifetime Floor	Component Lifetime Floor Low-High
12/01/2012		0.000%	0.000% - 0.000%
	01/01/2016	0.000%	0.000% - 0.000%
01/01/2013		0.000%	0.000% - 0.000%
	02/01/2016	0.000%	0.000% - 0.000%
08/01/2013		0.000%	0.000% - 0.000%
	09/01/2016	0.000%	0.000% - 0.000%
09/01/2013		0.000%	0.000% - 0.000%
	10/01/2016	0.000%	0.000% - 0.000%
10/01/2013		0.000%	0.000% - 0.000%
	11/01/2016	0.000%	0.000% - 0.000%
11/01/2013		0.000%	0.000% - 0.000%

Pass-Through Pool XXXXXX

Component Coupon Adjustment Date (continued)	Component Initial Interest First P&I Payment Date (continued)	Component Lifetime Floor	Component Lifetime Floor Low-High
12/01/2013		0.000%	0.000% - 0.000%
	01/01/2017	0.000%	0.000% - 0.000%
01/01/2014		0.000%	0.000% - 0.000%
	02/01/2017	0.000%	0.000% - 0.000%
05/01/2014		0.000%	0.000% - 0.000%
	06/01/2017	0.000%	0.000% - 0.000%
06/01/2014		0.000%	0.000% - 0.000%
	07/01/2017	0.000%	0.000% - 0.000%
07/01/2014		0.000%	0.000% - 0.000%
	08/01/2017	0.000%	0.000% - 0.000%
04/01/2015		0.000%	0.000% - 0.000%
	05/01/2018	0.000%	0.000% - 0.000%
05/01/2015		0.000%	0.000% - 0.000%
	06/01/2018	0.000%	0.000% - 0.000%
06/01/2015		0.000%	0.000% - 0.000%
	07/01/2018	0.000%	0.000% - 0.000%
07/01/2015		0.000%	0.000% - 0.000%
	08/01/2018	0.000%	0.000% - 0.000%
08/01/2015		0.000%	0.000% - 0.000%
	09/01/2018	0.000%	0.000% - 0.000%

QUARTILE DISTRIBUTION

	Original Loan Size	Remaining Maturity	Loan Age	Loan Term
Quartile 1	$55,000 - 240,000	308-309	19-021	360-360
Quartile 2	240,000 - 327,000	309-320	21-040	360-360
Quartile 3	327,000 - 369,000	320-339	40-051	360-360
Quartile 4	369,000 - 706,000	339-340	51-052	360-360

	Original Credit Score	Original LTV	Original CLTV	Original DTI
Quartile 1	625-698	19-058	20-060	8-035
Quartile 2	698-743	58-070	60-077	35-041
Quartile 3	743-767	70-080	77-090	41-050
Quartile 4	767-813	80-100	90-100	50-065

LOAN PURPOSE

Type	% of UPB	# of Loans	% of Loans
Purchase	55.34%	182	48.15%
Cash-Out Refinance	29.05%	107	28.31%
No Cash-Out Refinance	15.61%	89	23.54%
Refinance NotSpecified	0.00%	0	0.00%
Unknown	0.00%	0	0.00%

Pass-Through Pool XXXXXX

NUMBER OF UNITS

# of Units	# of UPB	# of Loans	% of Loans
1	94.91%	356	94.18%
2-4	5.09%	22	5.82%
Unknown	0.00%	0	0.00%

NUMBER OF BORROWERS

# of Borrowers	# of UPB	# of Loans	% of Loans
1	47.42%	214	56.61%
>1	52.58%	164	43.39%

OCCUPANCY TYPE

Type	# of UPB	# of Loans	% of Loans
Owner Occupied	86.73%	262	69.31%
Second Home	9.61%	34	8.99%
Investment Property	3.66%	82	21.69%
Unknown	0.00%	0	0.00%

FIRST PAYMENT DISTRIBUTION

Not Paying % of UPB	Not Paying # of Loans	Not Paying % of Loans
0.00%	0	0.00%

FIRST-TIME HOME BUYER DISTRIBUTION

Type	# of UPB	# of Loans	% of Loans
First-Time Homebuyer	10.12%	50	13.23%
Unknown	0.00%	0	0.00%

MORTGAGE INSURANCE DISTRIBUTION

Type	# of UPB	# of Loans	% of Loans
Loans with MI	15.31%	34	8.99%
Unknown	0.00%	0	0.00%

ASSETS DOCUMENTATION DISTRIBUTION

Type	# of UPB	# of Loans	% of Loans
Assets Verified/Waived	92.64%	262	69.31%
Assets Not Verified/Not Waived	7.36%	116	30.69%
Unknown	0.00%	0	0.00%

Pass-Through Pool XXXXXX

EMPLOYMENT DOCUMENTATION DISTRIBUTION

Type	# of UPB	# of Loans	% of Loans
Employment Verified/Waived	94.82%	361	95.50%
Employment Not Verified/Not Waived	5.18%	17	4.50%
Unknown	0.00%	0	0.00%

INCOME DOCUMENTATION DISTRIBUTION

Type	# of UPB	# of Loans	% of Loans
Income Verified/Waived	81.81%	237	62.70%
Income Not Verified/Not Waived	18.19%	141	37.30%
Unknown	0.00%	0	0.00%

THIRD PARTY ORGANIZATION (TPO) DISTRIBUTION

Type	Aggregate UPB	% of UPB	# of Loans	% of Loans
Retail	$6,998,692.29	67.58%	171	45.24%
Broker	0.00	0.00%	0	0.00%
Correspondent	0.00	0.00%	0	0.00%
TPO	3,357,670.12	32.42%	207	54.76%
Not Specified				
Unknown	0.00	0.00%	0	0.00%

LOAN ORIGINATION DISTRIBUTION

Year	Aggregate UPB	% of UPB	# of Loans	% of Loans
2005	$3,429,028.53	33.11%	15	3.97%
2006	3,086,636.65	29.80%	12	3.17%
2007	158,310.30	1.53%	228	60.32%
2008	3,682,386.93	36.56%	123	32.54%

Pass-Through Pool XXXXXX

GEOGRAPHIC DISTRIBUTION

State	Aggregate UPB	% of UPB	# of Loans	% of Loans
California	$1,582,037.79	15.28%	140	37.04%
Florida	1,220,134.71	11.78%	39	10.32%
Maryland	1,193,843.02	11.53%	12	3.17%
Georgia	972,202.89	9.39%	15	3.97%
Virginia	929,480.06	8.97%	10	2.65%
New Jersey	542,472.37	5.24%	8	2.12%
New York	531,620.79	5.13%	9	2.38%
Connecticut	503,524.91	4.86%	3	0.79%
Massachusetts	360,785.34	3.48%	3	0.79%
Washington	358,947.43	3.47%	19	5.03%
Pennsylvania	326,377.85	3.15%	4	1.06%
Alabama	299,883.77	2.90%	1	0.26%
South Carolina	280,878.90	2.71%	16	4.23%
Arizona	248,210.58	2.40%	13	3.44%
Minnesota	213,272.96	2.06%	9	2.38%
Colorado	151,886.50	1.47%	16	4.23%
Illinois	115,139.77	1.11%	9	2.38%
Texas	102,811.34	0.99%	6	1.59%
Hawaii	69,649.88	0.67%	6	1.59%
Nevada	62,630.74	0.60%	5	1.32%
Idaho	61,358.82	0.59%	5	1.32%
North Carolina	52,855.40	0.51%	5	1.32%
Oregon	33,024.46	0.32%	3	0.79%
District of Columbia	32,820.17	0.32%	2	0.53%
Delaware	32,526.61	0.31%	1	0.26%
Ohio	25,777.23	0.25%	1	0.26%
Utah	26,247.33	0.25%	8	2.12%
South Dakota	21,220.75	0.20%	1	0.26%
Missouri	1,837.41	0.02%	4	1.06%
Michigan	1,895.72	0.02%	3	0.79%
New Mexico	612.35	0.01%	1	0.26%
Kansas	394.55	0.00%	1	0.26%

SERVICER DISTRIBUTION

Servicer	% of UPB	# of Loans	% of Loans
XXXXXXXXXXXXXXX	97.19%	149	39.42%
XXXXXXXXXXXXXXX	1.53%	228	60.32%
XXXXXXXXXXXXXXX	1.28%	1	0.26%

Servicer (continued)	WAC	Note Rate Low-High	WALA	Loan Age Low-High	WARM	Remaining Maturity Low-High
XXXXXXXXXXXXXXX	5.951%	4.625 - 6.875%	37	19 - 052	323	308 - 340
XXXXXXXXXXXXXXX	6.139%	5.125 - 7.875%	34	33 - 035	326	325 - 327
XXXXXXXXXXXXXXX	6.500%	6.500 - 6.500	51	51 - 051	309	309 - 309

Pass-Through Pool XXXXXX

SELLER DISTRIBUTION

Seller	% of UPB	# of Loans	% of Loans
XXXXXXXXXXXXXXX	68.67%	138	36.51%
XXXXXXXXXXXXXXX	29.80%	12	3.17%
XXXXXXXXXXXXXXX	1.53%	228	60.32%

Seller (continued)	WAC	Note Rate Low-High	WALA	Loan Age Low-High	WARM	Remaining Maturity Low-High
XXXXXXXXXXXXXXX	5.714%	4.625 - 6.625%	35	19 - 052	325	308 - 340
XXXXXXXXXXXXXXX	6.520%	6.000 - 6.875%	41	39 - 044	319	316 - 321
XXXXXXXXXXXXXXX	6.139%	5.125 - 7.875%	34	33 - 035	326	325 - 327

The following schedule lists the assets in the ARM pass-through pool identified above. This schedule reflects the unpaid principal balances of each asset as of the date of the formation of this ARM pass-through pool. ARM PCs whose pool numbers begin with “39”, “42”, “94”, “96”, or “5A” are Payment Capped ARM PCs.

Pool Number	Unpaid Principal Balance
XXXXXX	$ 3,429,028.48
XXXXXX	3,086,636.59
XXXXXX	158,310.29
XXXXXX	3,682,386.90
Total	$10,356,362.26

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TERMS USED IN POOL SUPPLEMENTS

This *Appendix VII* defines certain terms used in Pool Supplements.

Description of ARM Pass-Through Pool

Pass-Through Type: A general description of the type of mortgages in the Pass-Through Pool.

Pass-Through Pool Number: A unique numeric or alphanumeric designation assigned by Freddie Mac to identify a Giant PC. The first two or three characters of a Pool Number indicate the **"Giant PC Prefix."**

CUSIP Number: A unique nine-digit alphanumeric designation assigned by the CUSIP Service Bureau to each Giant PC. The CUSIP Number is used to identify the Giant PC on the books and records of the Federal Reserve Banks' book-entry system. All Giant PCs in book-entry form are identified by a CUSIP Number.

Pass-Through Coupon: The current annual rate at which interest is passed through monthly to a Holder of a Giant PC, based on a 360-day year of twelve 30-day months. For ARM Giant PCs, calculated as a weighted average of the individual coupons of the underlying ARM PCs and/or ARM Giant PCs in effect as of the first day of that month, rounded down to the nearest .001%.

Original Principal Amount: The aggregate principal balance of the mortgages in a Pass-Through Pool at the date of Pass-Through Pool formation.

Date of Pass-Through Pool Formation: The first day of the month and year of issuance of the Giant PC, which is the first day that interest accrues for the first payment to Holders of Giant PCs.

First Payment Date: The day of the month on which Freddie Mac passes through the first payment of principal and interest to Holders of Giant PCs. The 15th day of each month is a Payment Date unless the 15th day is not a business day, in which case the next succeeding business day is the Payment Date, except for GNMA Giants, which is generally the 17th, 20th or 25th day of the month.

Final Payment Date: The last possible Payment Date on which Freddie Mac could pass through payments of principal and interest to Holders of Giant PCs. The 15th day of each month is a Payment Date unless the 15th day is not a business day, in which case the next succeeding business day is the Payment Date, except for GNMA Giants, which is generally the 17th, 20th or 25th day of the month.

Pass-Through Information

Seller: Freddie Mac Giant.

WAC (Weighted Average Coupon): The weighted average of the current note rates of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average current note rates and their contribution percentage to the related Giant PC pool (updated monthly for Gold Giant PCs; disclosed only at pool formation for ARM Giant PCs).

AOLS (Average Original Loan Size): The simple average of the UPBs as of the note date of the mortgages in the underlying PCs and/or Giant PCs in the related Giant PC pool. Refer to WAOLS for the weighted average.

WAOLS (Weighted Average Original Loan Size): The weighted average UPBs, as of the note date, of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average original loan size and their contribution percentage to the related Giant PC pool (updated monthly). Refer to AOLS for the simple average.

WALA (Weighted Average Loan Age): For Gold PCs only, the weighted average of the current number of months since the note dates of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs and their contribution percentage to the related Giant PC pool (updated monthly).

WAOLT (Weighted Average Original Loan Term): For Gold Giant PCs only, the weighted average of the number of scheduled monthly payments of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average of the original loan term and their contribution percentage to the related Giant PC pool (updated monthly).

WARM (Weighted Average Remaining Maturity): The weighted average of the current number of scheduled monthly payments that, after giving effect to full and partial unscheduled principal payments, remain on the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average remaining maturity and their contribution percentage to the related Giant PC pool. For Giant PC pools backed by balloon/reset mortgages, the WARM reflects the **WATB (Weighted Average Term to Balloon)**, which is the weighted average remaining number of months to the balloon maturity or reset date of the mortgages.

WAOCS (Weighted Average Original Credit Score): The weighted average original credit score of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs original credit score and their contribution percentage to the related Giant PC pool (updated monthly). The original WAOCS consists of known credit scores as of the settlement date of the Giant PC and the first month update after the settlement date may reflect additional known credit scores.

WAOLTV (Weighted Average Original Loan to Value): The weighted average of the original loan- to- value ratios of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average of the original loan to value ratios and their contribution percentage to the related Giant PC pool (updated monthly). The original loan to value ratio is the comparison of the mortgage's unpaid principal balance (UPB), as of the note date and either (1) in the case of a purchase, the lesser of the appraised value of the mortgaged premises on the note date or the purchase price of the mortgaged premises or (2) in the case of a refinancing, the appraised value of the mortgaged premises on the note date.

WAOCLTV (Weighted Average Original Combined Loan to Value): The weighted average of the original loan- to- value ratios of the mortgages in the Giant PC is based on the underlying PCs and/or Giant PCs weighted average of the original loan to value ratios and their contribution percentage to the related Giant PC pool (updated monthly). The original loan to value ratio is the comparison of the mortgage's unpaid principal balance (UPB), as of the note date plus any secondary mortgage loan amount disclosed by the seller and either (1) in the case of a purchase, the lesser of the mortgaged property's appraised value on the note date or its purchase price or (2) in the case of a refinancing the mortgaged property's appraised value on the note date.

If the secondary financing amount disclosed by the seller includes a home equity line of credit, then the mortgage CLTV ratio used in the WAOCLTV calculation reflects the disbursed amount at closing of the first lien mortgage, not the maximum loan amount available under the home equity line of credit.

In the case of a seasoned mortgage, if the seller cannot warrant that the value of the mortgaged property has not declined since the note date, Freddie Mac requires that the seller must provide a new appraisal value, which is used in the mortgage CLTV calculation and subsequently in the WAOCLTV calculation.

This disclosure is subject to the widely varying standards originators use to verify borrowers' secondary mortgage loan amounts.

WAODTI (Weighted Average Original Debt to Income): The weighted average of the ratios between each mortgage's (1) sum of the borrower's monthly debt payments, including monthly housing expenses that incorporate the mortgage payment the borrower is making at the time of the delivery of the mortgage to Freddie Mac and (2) the total monthly income used to underwrite the borrower as of the date of the origination of the mortgage.

This disclosure is subject to the widely varying standards originators use to verify borrowers' assets and liabilities.

WAMTAM (Weighted Average Months to Amortize): For Initial Interest Giant PCs only, the weighted average number of months from the first day of the current month to the First P&I Payment Date of the mortgages in the Giant PC, adjusted by adding one month (for ARM Giant PCs only) to reflect the timing of the corresponding Giant PC First P&I Payment Date.

Initial Interest Period: For Initial Interest Giant PCs only, the period of time between the first payment due date and the first scheduled principal and interest payment date required in accordance with the terms of the mortgages backing the Giant PC. This time period will be designated by one of the numbers below, which indicates the number of months between such dates:

00 = Not Applicable
01 = 06-18 months
03 = 30-42 months
05 = 54-66 months
07 = 78-90 months
10 = 114-126 months
15 = 174-186 months

Legend: A text field used to disclose additional information about the mortgages in the underlying PCs and/or Giant PCs or the Giant PC.

Unknown Original Credit Score, Original LTV, Original CLTV and Original DTI

Original Credit Score Unknown: The number of mortgages and percentage of mortgages that have credit scores that are not available for the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that have credit scores that are not available for the Giant PC based on the underlying PCs and/or Giant PCs percentage of aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

Original LTV Unknown: The number of mortgages and percentage of mortgages that have loan-to-value ratios that are not available for the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that have loan-to-value ratios that are not available for the Giant PC

based on the underlying PCs and/or Giant PCs percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

Original CLTV Unknown: The number of mortgages and percentage of mortgages that have combined loan-to-value ratios that are not available for the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that have combined loan-to-value ratios that are not available for the Giant PC based on the underlying PCs and/or Giant PCs percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

Original DTI Unknown: The number of mortgages and percentage of mortgages that have debt-to-income ratios that are not available for the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that have debt-to-income ratios that are not available for the Giant PC based on the underlying PCs and/or Giant PCs percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

ARM Specific information (ARMs Only)

Initial Fixed-Rate Period: For hybrid ARMs only, the period of time between the note date of the mortgages and the first interest change date. The initial period will be designated by one of the numbers below, which defines the eligible months to first interest change date for the mortgages in the ARM Giant PC pool.

2 = Initial Fixed-Rate Period between 18 and 30 months

3 = Initial Fixed-Rate Period between 30 and 42 months

4 = Initial Fixed-Rate Period between 42 and 54 months

5 = Initial Fixed-Rate Period between 54 and 66 months

6 = Initial Fixed-Rate Period between 66 and 78 months

7 = Initial Fixed-Rate Period between 78 and 90 months

8 = Initial Fixed-Rate Period between 90 and 102 months

9 = Initial Fixed-Rate Period between 102 and 114 months

10 = Initial Fixed-Rate Period between 114 and 126 months

15 = Initial Fixed-Rate Period between 174 and 186 months

For example, an initial period equal to 3 and an Adjustment Period equal to 12 denotes a 3/1 hybrid ARM.

Adjustment Period: The frequency (in months) that the mortgages in the ARM Giant PC pool will adjust. For hybrid ARMs, the Adjustment Period is the frequency that the mortgages will adjust after the first interest change date.

Index: A fluctuating economic indicator specified in the mortgage note, the value of which is used to adjust the note rate of the mortgages in the ARM Giant PC pool.

Lookback Period: For each mortgage in an ARM Giant PC pool, the number of days from the publication of the Index value used to adjust the note rate to the interest change date.

Next Adjustment Date: For ARM Giant PCs only, the next date on which the Pass-Through Coupon adjusts (updated monthly).

Weighted Average Months to Adjust (WAMTA): For ARM Giant PCs only, the weighted average of the number of months from pool formation until the next date on which the Pass-Through Coupon adjusts (updated monthly).

Initial Cap (Increase): The maximum amount that the note rate may increase at the first interest change date for the mortgages in an ARM Giant PC pool. If the field is blank and the initial cap is not specified in the Legend field, the initial cap equals the periodic cap; a value of zero (0.000%) indicates that there is no upward adjustment permitted.

Initial Cap (Decrease): The maximum amount that the note rate may decrease at the first interest change date for the mortgages in an ARM Giant PC pool. If the field is blank and the initial cap is not specified in the Legend field, the initial cap equals the periodic cap; a value of zero (0.000%) indicates that there is no downward adjustment permitted.

Periodic Cap: The maximum amount that the note rate may increase or decrease at each interest change date after the first interest adjustment date for the mortgages in an ARM Giant PC pool. However, if an initial cap is not separately disclosed for an ARM Giant PC, the periodic cap is the initial cap. A periodic cap of zero (0.00%) indicates that there is no periodic cap and mortgages are subject to the lifetime ceiling and margin only.

Convertible: Indicates whether the mortgages in the ARM Giant PC pool may convert from an adjustable interest rate to a fixed interest rate during a specified conversion window. The conversion window is either a specified period of time or specific dates that the borrower can exercise the option to convert from an adjustable interest rate to a fixed interest rate.

PC Margin: The weighted average of the margins of the mortgages in the ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs component margin and their contribution percentage to the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same adjustment date (net of gross fees). The margin is the number of percentage points that is added to the current Index value to establish the new note rate at each interest change date.

Weighted Average Margin: The original weighted average of the margins of the mortgages in the ARM Giant PC pool is based on the underlying ARM PCs and/or ARM Giants PCs weighted average of the margins and their contribution percentage to the related Giant PC pool. The margin is the number of the percentage points that is added to the current Index valued to establish the new note rate at each interest change date.

PC Lifetime Ceiling: The weighted average of the lifetime ceilings of the mortgages in an ARM Giant PC Pool is based on the underlying ARM PCs and/or ARM Giant PCs weighted average lifetime ceilings in the related ARM Giant PC pool (updated monthly). The lifetime ceiling is the maximum note rate to which an ARM may adjust over the life of the mortgage.

Weighted Average Lifetime Ceiling: The weighted average lifetime ceiling of the mortgages in the Giant PC is based on the underlying ARM PCs and/or Giant PCs component lifetime ceilings and their contribution percentage to the related ARM Giant PC pool (updated monthly). **"Components"** are

groups of mortgages having the same adjustment date (net of gross fees). The lifetime ceiling is the maximum note rate to which a mortgage may adjust over the life of the mortgage.

PC Lifetime Floor: The weighted average of the lifetime floors of the mortgages in an ARM Giant PC pool is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component lifetime floors in the related ARM Giant PC pool (updated monthly). The lifetime floor is the minimum interest note to which an ARM may decrease.

Weighted Average Lifetime Floor: The weighted average lifetime floor of the mortgages in the Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs component lifetime floor and their contribution percentage to the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same adjustment date (net of gross fees). The lifetime floor is the minimum note rate to which a mortgage may adjust over the life of the mortgage.

Prepayment Penalty Mortgages: Indicates whether the mortgages in the ARM Giant PC pool are Prepayment Penalty Mortgages (PPMs). A PPM is a mortgage with respect to which the borrower is, or at any time has been, obligated to pay a premium in the event of certain prepayments of principal. (Fixed-rate PPMs will be identified by a unique Giant PC prefix.)

Reduced Minimum Servicing: The minimum spread is the least amount of interest income, as established by Freddie Mac, that must be retained by the servicer as compensation for servicing mortgages. "Y" in this field indicates that the minimum servicing spread is less than 25 basis points. "N" in this field indicates that the minimum servicing spread is 25 basis points.

High and Low Mortgage Data

Remaining Maturity Low: The shortest remaining term to maturity, as of Giant formation, of the mortgages in an ARM Giant PC pool, expressed in months.

Remaining Maturity High: The longest remaining term to maturity, as of Giant formation, of the mortgages in an ARM Giant PC pool, expressed in months.

Note Rate Low: The lowest note rate, as of Giant formation, of the mortgages in an ARM Giant PC pool.

Note Rate High: The highest note rate, as of Giant formation, of the mortgages in an ARM Giant PC pool.

Margin Low: The lowest mortgage margin, as of Giant formation, of the mortgages in an ARM Giant PC pool.

Margin High: The highest mortgage margin, as of Giant formation, of the mortgages in an ARM Giant PC pool.

Lifetime Ceiling Low: The lowest lifetime ceiling, as of Giant formation, of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs lowest lifetime ceiling in the related ARM Giant PC pool. The lifetime ceiling is the maximum note rate to which an ARM may adjust.

Lifetime Ceiling High: The highest lifetime ceiling, as of Giant formation, of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs highest lifetime ceiling in the related ARM Giant PC pool. The lifetime ceiling is the maximum note rate to which an ARM may adjust.

Lifetime Floor Low: The lowest lifetime floor, as of Giant formation, of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs lowest lifetime floor in the related ARM Giant PC pool. The lifetime floor is the minimum note rate to which an ARM may adjust.

Lifetime Floor High: The highest lifetime floor, as of Giant formation, of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs highest lifetime floor in the related ARM Giant PC pool. The lifetime floor is the minimum note rate to which an ARM may adjust.

ARM PC Component Level Data

Component Coupon Adjustment Date: The next scheduled interest change date of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs component adjustment date in the related ARM Giant PC pool. For ARM PCs, the component adjustment date is the next scheduled interest change date of the mortgages in an ARM PC pool having the same interest change date, adjusted by adding one month to reflect the timing of the corresponding PC coupon adjustment.

Component Initial First P&I Payment Date (Initial Interest ARM PCs Only): The first fully amortizing principal and interest payment date of a group of mortgages in an initial interest ARM Giant PC pool having the same Component Coupon Adjustment Date, adjusted by adding one month to reflect the timing of the corresponding First P&I Payment Date.

Component UPB: The aggregate component UPB of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs component UPB in the related ARM Giant PC (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees).

Number of Loans: The number of loans in an ARM Giant PC having the same Component Coupon Adjustment Date. For initial interest ARM Giant PCs, the number of loans in an ARM Giant PC pool having the same Component Coupon Adjustment Date and the same Component First P&I Payment Date.

Component Coupon: The weighted average component note rates of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component note rates in the related ARM Giant PC updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees).

Component Coupon Low: The lowest component note rate of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs lowest component note rate in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees).

Component Coupon High: The highest component note rate of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs highest component note rate in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees).

Component Margin: The weighted average component margins of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component margins in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The margin is the number of percentage points that is added to the current Index value to establish the new note rate at each interest change date.

Component Margin Low: The lowest component margin of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs lowest component margin in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The margin is the number of percentage points that is added to the current Index value to establish the new note rate at each interest change date.

Component Margin High: The highest component margin of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs highest component margin in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The margin is the number of percentage points that is added to the current Index value to establish the new note rate at each interest change date.

Component Lifetime Ceiling: The weighted average component lifetime ceilings of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component lifetime ceilings in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same adjust change date (net of gross fees). The lifetime ceiling is the maximum note rate to which an ARM may increase.

Component Lifetime Ceiling Low: The lowest component lifetime ceiling of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs lowest component lifetime ceiling in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The lifetime ceiling is the maximum note rate to which an ARM may adjust.

Component Lifetime Ceiling High: The highest component lifetime ceiling of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs highest component lifetime ceiling in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The lifetime ceiling is the maximum note rate to which an ARM may adjust.

Component Lifetime Floor: The weighted average component lifetime floors of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component lifetime floors in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The lifetime floor is the maximum note rate to which an ARM may decrease.

Component Lifetime Floor Low: The lowest component lifetime floors of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component lifetime floors in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The lifetime floor is the maximum note rate to which an ARM may decrease.

Component Lifetime Floor High: The highest component lifetime floors of the mortgages in an ARM Giant PC is based on the underlying ARM PCs and/or ARM Giant PCs weighted average component lifetime floors in the related ARM Giant PC pool (updated monthly). **"Components"** are groups of mortgages having the same interest change date (net of gross fees). The lifetime floor is the maximum note rate to which an ARM may decrease.

Quartile Distribution

Quartiles are based on each 25th percentile of each Giant PC's current principal balance (updated monthly).

Quartile 1 represents the range from the lowest value of the data to the data corresponding to the 25th percentile of the Giant PC's current principal balance.

Quartile 2 represents the range from the data corresponding to the 25th percentile of the Giant PC's current principal balance to the data corresponding to the 50th percentile of the Giant PC's current principal balance.

Quartile 3 represents the range from the data corresponding to the 50th percentile of the Giant PC's current principal balance to the data corresponding to the 75th percentile of the Giant PC current principal balance.

Quartile 4 represents the range from the data corresponding to the 75th percentile of the Giant PC's current principal balance to the highest data.

Quartiles represent the distribution of the following attributes for all mortgages in the Giant PC pool:

Original Loan Size: Loan amount as of the note date of the mortgage.

Remaining Maturity (Gold Giant PCs only): Remaining term to maturity date, or term to balloon maturity or reset date.

Loan Age (Gold Giant PCs only): Number of months from the note date of the mortgage to the current month.

Loan Term (Gold Giant PCs only): Number of scheduled monthly payments that are due over the life of the mortgage.

Original Credit Score: A number summarizing an individual's credit profile that indicates the likelihood that the individual will repay future obligations.

Original LTV: Original loan-to-value ratio.

Original CLTV: Original combined loan-to-value ratio.

Original DTI: Original debt-to-income ratio.

Loan Purpose: The number of mortgages and percentage of mortgages that are either refinance mortgages or purchase mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that are either refinance mortgages or purchase mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs percentage of UPB and their contribution percentage to the related Giant PC pool (updated monthly). If the Loan Purpose is not available, it will be reflected under the heading "Unknown" (updated monthly).

Number of Units: The number of mortgages and percentage of mortgages that are secured by one-unit properties and by two to four unit properties in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that are secured by one-unit properties and by two- to-four unit properties in the Giant PC, based on the underlying PCs and/or Giant PCs percentage of

aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). If the Number of Units is not available, it will be reflected under the heading "Unknown" (updated monthly).

Number of Borrowers: The number of mortgages, percentage of mortgages, and percentage of the aggregate UPB of the mortgages in a PC Giant pool that have one borrower or more than one borrower obligated to repay the mortgage note secured by the mortgaged property.

Occupancy Type: The number of mortgages and percentage of mortgages that are secured by primary residences, second homes, and investment properties in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that are secured by primary residences, second homes, and investment properties in the Giant PC based on the underlying PCs and/or Giant PCs percentage of UPB and their contribution percentage to the related Giant PC pool (updated monthly). If the Occupancy Type is not available, it will be reflected under the heading "Unknown" (updated monthly).

First Payment Distribution: The number of mortgages and percentage of mortgages that have not yet reached their first payment date in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that have not yet reached their first payment date in the Giant PC, based on the underlying PCs and/or Giant PCs percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

First-Time Homebuyer: The number of mortgages, percentage of mortgages and percentage of the aggregate UPB of the mortgages in a PC Giant pool that have indicated whether the borrower, or one of a group of borrowers, is a First-Time Homebuyer.

Specifically, a First-Time Homebuyer is an individual borrower, or one of a group of borrowers, who (1) is purchasing the mortgaged property, (2) will reside in the mortgaged property as a primary residence and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the mortgaged property. With certain limited exceptions, a displaced homemaker or single parent may also be considered a First-Time Homebuyer if the individual had no ownership interest in a residential property during the preceding three-year period other than an ownership interest in the marital residence with a spouse.

Mortgages for which First-Time Homebuyer information is not available will be reflected under the heading "Unknown."

Mortgage Insurance Percentage: The number of mortgages, percentage of mortgages, and percentage of the aggregate UPB of the mortgages in a PC Giant pool having loss coverage, at the time of Freddie Mac's purchase of the mortgage, that a mortgage insurer is providing to cover losses incurred as a result of a default on the mortgage. Only primary mortgage insurance that is purchased by the borrower, lender or Freddie Mac is included in this category. Mortgage insurance that constitutes "credit enhancement" that is not required by Freddie Mac's Charter is not included.

Mortgages for which the amount of mortgage insurance reported by sellers is in excess of 55% will be reflected under the heading "Unknown."

Documentation Type: The number of mortgages, percentage of mortgages and percentage of the aggregate UPB of the mortgages in a PC Giant pool for which the documentation has been verified/

waived or not verified/not waived. Mortgages for which this information cannot be determined will be reflected under the heading "Unknown."

Documentation Type — Assets
Documentation Type — Employment
Documentation Type — Income

Generally, Freddie Mac requires that sellers of mortgages document or verify loan application information about the borrower's income, assets and employment. Sellers' documentation or verification can take several forms; for example, sellers may require that a borrower provide pay stubs or W-2 or 1099 forms to verify employment and income and depository and brokerage statements to verify assets. In some cases, because of the measured creditworthiness of the borrower (*e.g.*, credit score) and loan attributes (*e.g.*, a refinance loan or low loan-to-value ratio), a seller may require a reduced level of documentation or verification or may waive its general documentation or verification requirements. In other cases, pursuant to programs offered by lenders, borrowers may elect to provide a reduced level of documentation or verification or may elect to provide no documentation or verification of some or all of this information in a loan application. Standards to qualify for reduced levels of documentation and for waivers of documentation based on creditworthiness, and what constitutes a material reduced level of documentation, may vary among sellers. If Freddie Mac agrees with a seller's decision to underwrite the borrower using reduced documentation or no documentation, Freddie Mac will generally require that sellers deliver a special code in connection with the delivery of such mortgages. Freddie Mac monitors the performance of such mortgages to determine whether they continue to perform at least as well as traditional full documentation mortgages.

In cases of full documentation and verification, mortgages bear the disclosure "Yes (Verified/Waived)." In cases in which the seller delivered a mortgage to Freddie Mac with a special code indicating a reduced level of documentation or waiver, Freddie Mac has used its review of the seller's underwriting standards for reduced documentation or waiver and its data on actual mortgages' performance to make a judgment about the credit quality of that loan, which is reflected in whether the Mortgage bears the disclosure "Yes (Verified/Waived)" or "No (Not Verified/Not Waived)." Under these circumstances, mortgages bearing the disclosure "Yes (Verified/Waived)" reflect an assessment by Freddie Mac of higher credit quality than those loans that bear the disclosure "No (Not Verified/Not Waived)." The performance standard for reduced or waived-documentation loans is default performance on a level at least as strong as traditional full documentation loans.

In cases in which sellers did not deliver a special code indicating a reduced level of documentation or a waiver, the disclosure will indicate "Yes (Verified/Waived)." It is possible nonetheless that loans delivered without a special code may be loans that had a reduced level of documentation or waiver. Freddie Mac seeks to identify through special codes all cases of reduced documentation and conducts quality control sampling to identify and work with sellers on correcting data deficiencies.

Third Party Origination Percentage (TPO%): The number of mortgages, percentage of mortgages and percentage of the aggregate UPB of the mortgages in a PC Giant pool that were originated by a third party, to include broker and correspondent originations. Loans for which Third Party Origination is applicable, but for which the seller does not specify the broker or correspondent, will be disclosed as "TPO Not Specified" and will be included in this category.

"Broker" is a person or entity that specializes in loan originations, receiving a commission (from a correspondent or other lender) to match borrowers and lenders. The broker performs some or most of the loan processing functions, such as taking loan applications, or ordering credit reports, appraisals and title

reports. Typically, the broker does not underwrite or service the mortgage and generally does not use its own funds for closing; however, if the broker funded a mortgage on a lender's behalf, such a mortgage is considered a "broker" third party origination mortgage. The mortgage is generally closed in the name of the lender who commissioned the broker's services.

"Correspondent" is an entity that typically sells the mortgages it originates to other lenders, which are not affiliates of that entity, under a specific commitment or as part of an ongoing relationship. The correspondent performs some or all of the loan processing functions, such as taking the loan application, ordering credit reports, appraisals, and title reports, and verifying the borrower's income and employment. The correspondent may or may not have delegated underwriting and typically funds the mortgages at settlement. The mortgage is closed in the correspondent's name and the correspondent may or may not service the mortgage. The correspondent may use a broker to perform some of the processing functions or even to fund the mortgage on its behalf; under such circumstances, the mortgage is considered a "broker" third party origination mortgage, rather than a "correspondent" third party origination mortgage.

"Retail" mortgage is a mortgage that is originated, underwritten and funded by a lender or its affiliates. The mortgage is closed in the name of the lender or its affiliate and if it is sold to Freddie Mac, it is sold by the lender or its affiliate that originated it. A mortgage that a broker or correspondent completely or partially originated, processed, underwrote, packaged, funded or closed is not considered a retail mortgage.

For purposes of the definitions of correspondent and retail, "affiliate" means any entity that is related to another party as a consequence of the entity, directly or indirectly, controlling the other party, being controlled by the other party, or being under common control with the other party.

Loan Origination Distribution: The number of mortgages and percentage of mortgages that are originated in a given year in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that are originated in a given year in the Giant PC, based on underlying PCs and/or Giant PCs percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). For seller-owned modified mortgages, modified mortgages, converted adjustable rate mortgages, and construction-to-permanent mortgages, the modification/converted date is substituted for the origination date.

Geographic Distribution: The number of mortgages and percentage of mortgages that are secured by property in a given state in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). The percentage of the aggregate UPB of the mortgages that are secured by property in a given state in the Giant PC, based on the underlying PCs and/or Giant PCs percentage of aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly).

Servicer Distribution: The number of mortgages and percentage of mortgages for each entity that services at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). For Gold Giant PCs, the WAC, WALA, WARM, and percentage of the aggregate UPB of the mortgages for each entity that services at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs WAC, WALA, WARM, and percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). For Gold Giant PCs, the highest and lowest note rates, highest and lowest loan age, and highest and lowest remaining maturity of the mortgages for each entity that

services at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs highest and lowest in the related Giant PC pool (updated monthly). For ARM Giant PCs, the WAC, WARM, and percentage of the aggregate UPB of the mortgages for each entity that services at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs WAC, WARM, and percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). For ARM Giant PCs, the highest and lowest note rates and highest and lowest remaining maturity of the mortgages for each entity that services at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs highest and lowest in the relate Giant PC pool (updated monthly). Entities servicing less than 1% of the mortgages are reflected under the heading "Servicers＜1%" (updated monthly).

Seller Distribution: The number of mortgages and percentage of mortgages for each entity that sold to Freddie Mac at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs number and percentage of mortgages in the related Giant PC pool (updated monthly). For Gold Giant PCs, the WAC, WALA, WARM, and percentage of the aggregate UPB of the mortgages for each entity that sold to Freddie Mac at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs WAC, WALA, WARM, and percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). For Gold Giant PCs, the highest and lowest note rates, highest and lowest loan age, and highest and lowest remaining maturity of the mortgages for each entity that sold to Freddie Mac at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs highest and lowest in the related Giant PC pool (updated monthly). For ARM Giant PCs, the WAC, WARM, and percentage of the aggregate UPB of the mortgages for each entity that sold to Freddie Mac at least 1% of the mortgages in the Giant PC based on the underlying PCs and/or Giant PCs WAC, WARM, and percentage of the aggregate UPB and their contribution percentage to the related Giant PC pool (updated monthly). For ARM Giant PCs, the highest and lowest note rates and highest and lowest remaining maturity of the mortgages for each entity that sold to Freddie Mac at least 1% of the mortgages in the Giant PC, based on the underlying PCs and/or Giant PCs highest and lowest in the related Giant PC pool (updated monthly). Entities that sold less than 1% of the mortgages are reflected under the heading "Servicers＜1%" (updated monthly).

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$1,038,065,000
(Approximate)

Multifamily Mortgage Pass-Through Certificates, Series 2011-K12

FREMF 2011-K12 Mortgage Trust
issuing entity

Wells Fargo Commercial Mortgage Securities, Inc.
depositor

Federal Home Loan Mortgage Corporation
mortgage loan seller and guarantor

We, Wells Fargo Commercial Mortgage Securities, Inc., intend to establish a trust fund to act as an issuing entity, which we refer to in this information circular as the "issuing entity." The primary assets of the issuing entity will consist of sixty-nine (69) multifamily mortgage loans secured by sixty-nine (69) mortgaged real properties with the characteristics described in this information circular. The issuing entity will issue eight (8) classes of certificates (the "series 2011-K12 certificates"), four (4) of which, referred to in this information circular as the "offered certificates," are being offered by this information circular, as listed below. The issuing entity will pay interest and/or principal monthly, commencing in May 2011. The offered certificates represent obligations of the issuing entity only (and, solely with respect to certain payments of interest and principal pursuant to a guarantee of the offered certificates described in this information circular, the Federal Home Loan Mortgage Corporation ("Freddie Mac")), and do not represent obligations of or interests in us or any of our affiliates. We do not intend to list the offered certificates on any national securities exchange or any automated quotation system of any registered securities association.

This information circular was prepared solely in connection with the offering and sale of the offered certificates to Freddie Mac.

Investing in the offered certificates involves risks. See "Risk Factors" beginning on page 36 of this information circular.

Offered Classes	Approximate Total Initial Principal Balance or Notional Amount	Initial Pass-Through Rate	Assumed Final Distribution Date
Class A-1	$ 196,455,000	3.427%	October 25, 2020
Class A-2	$ 841,610,000	4.186%	December 25, 2020
Class X1	$1,038,065,000	0.143%	December 25, 2020
Class X3	$ 172,506,709	2.287%	January 25, 2021

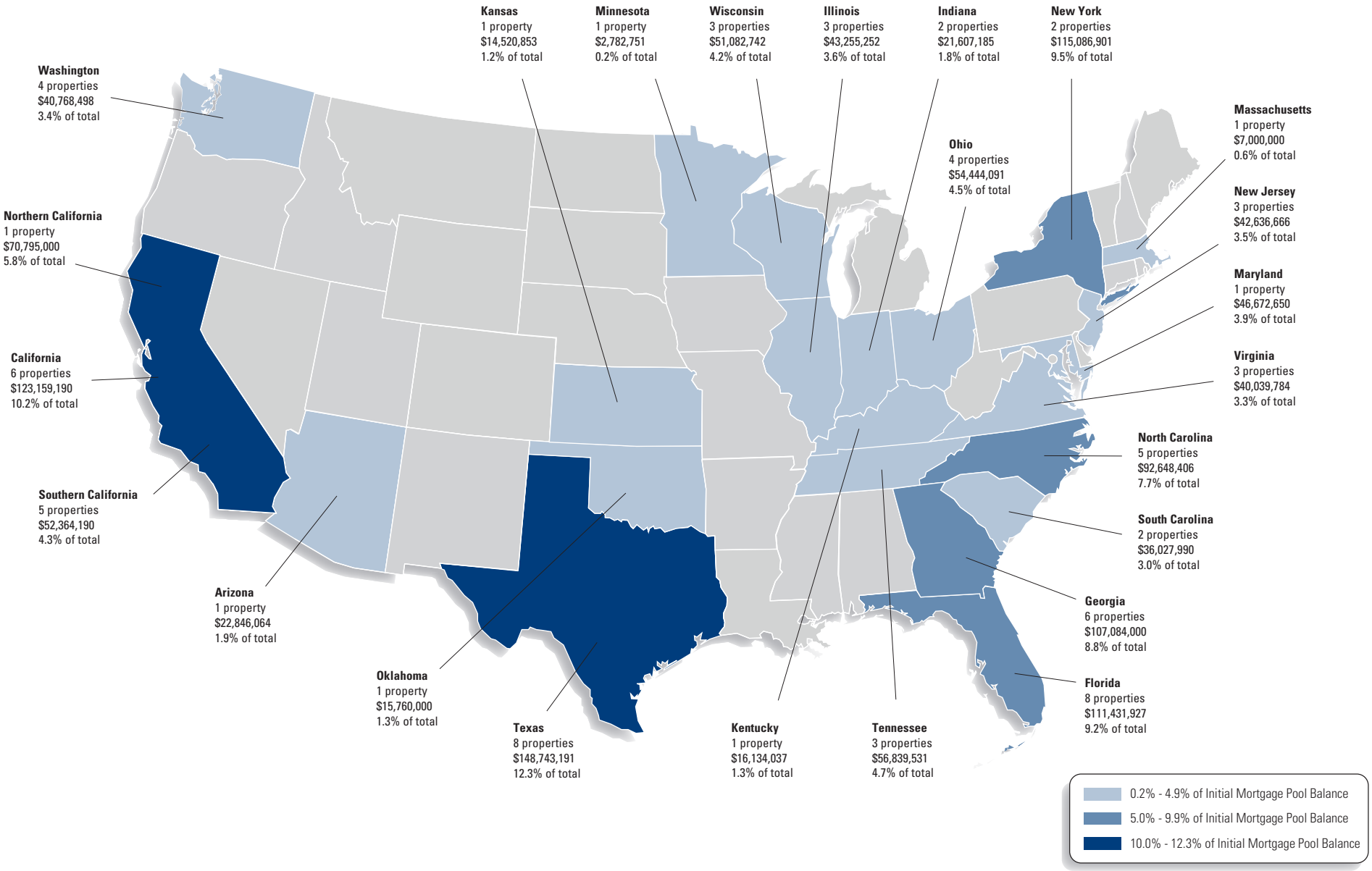
Delivery of the offered certificates will be made on or about April 27, 2011. Credit enhancement will be provided by (i) the subordination of certain classes of series 2011-K12 certificates to certain other classes of such certificates as described in this information circular under "Summary of Information Circular—The Offered Certificates—Subordination," "—The Offered Certificates—Priority of Distributions" and "Description of the Series 2011-K12 Certificates—Distributions—Subordination" and (ii) the guarantee of the offered certificates by Freddie Mac as described under "Summary of Information Circular—The Offered Certificates—Freddie Mac Guarantee," and "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular.

It is a condition to the issuance of the offered certificates that they be purchased and guaranteed by Freddie Mac as described in this information circular. The obligations of Freddie Mac under its guarantee of the offered certificates are obligations of Freddie Mac only. **Freddie Mac will not guarantee any class of series 2011-K12 certificates other than the offered certificates.** The offered certificates are not guaranteed by the United States of America ("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. Income on the offered certificates has no exemption under federal law from federal, state or local taxation.

Information Circular Dated April 12, 2011

FREMF 2011-K12 Mortgage Trust

Multifamily Mortgage Pass-Through Certificates Series 2011-K12



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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

EACH INVESTOR HAS REQUESTED THAT THE PLACEMENT AGENTS PROVIDE TO SUCH INVESTOR INFORMATION IN CONNECTION WITH SUCH INVESTOR'S CONSIDERATION OF THE PURCHASE OF THE CERTIFICATES DESCRIBED IN THESE MATERIALS. THESE MATERIALS ARE BEING PROVIDED TO EACH INVESTOR FOR INFORMATIVE PURPOSES ONLY IN RESPONSE TO SUCH INVESTOR'S SPECIFIC REQUEST. THE PLACEMENT AGENTS DESCRIBED IN THESE MATERIALS MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY COMPANY NAMED IN THESE MATERIALS. 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 THESE MATERIALS.

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

IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS INFORMATION CIRCULAR

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

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

This information circular includes cross-references to sections in this information circular where you can find further related discussions. The Table of Contents in this information circular 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 information circular or as provided in "Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship" and "—Litigation Involving Mortgage Loan Seller and Guarantor" in this information 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 information circular is current only as of the date on its cover. By delivery of this information circular, we are not offering to sell any securities, and are not soliciting an offer to buy any securities, in any state where the offer and sale is not permitted.

IRS CIRCULAR 230 NOTICE

THIS INFORMATION CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE OR LOCAL TAX PENALTIES. THIS INFORMATION CIRCULAR IS WRITTEN AND PROVIDED BY THE DEPOSITOR IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEPOSITOR OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS INFORMATION CIRCULAR. INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

SUMMARY OF INFORMATION CIRCULAR

This summary highlights selected information from this information circular 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, carefully read this information circular. This summary provides an overview of certain information to aid your understanding and is qualified by the full description presented in this information circular.

Transaction Overview

The offered certificates will be part of a series of multifamily mortgage pass-through certificates designated as the Series 2011-K12 Multifamily Mortgage Pass-Through Certificates. The series 2011-K12 certificates will consist of eight (8) classes. The table below identifies and specifies various characteristics for those classes other than the class R certificates.

Class[(1)]	Total Initial Principal Balance or Notional Amount	Approximate % of Total Initial Principal Balance	Approximate Initial Credit Support	Pass-Through Rate Description	Initial Pass-Through Rate	Assumed Weighted Average Life (Years) [(2) (3)]	Assumed Principal Window [(2) (4)]	Assumed Final Distribution Date[(2) (5)]
Offered Certificates:								
A-1	$ 196,455,000	16.228%	14.250%[(6)]	Fixed	3.427%	5.32	1-114	October 25, 2020
A-2	$ 841,610,000	69.522%	14.250%[(6)]	WAC Cap	4.186%	9.61	114-116	December 25, 2020
X1	$ 1,038,065,000	N/A	N/A	Variable IO	0.143%[(7)]	8.80	N/A	December 25, 2020
X3	$ 172,506,709	N/A	N/A	Variable IO	2.287%[(7)]	9.69	N/A	January 25, 2021
Non-Offered Certificates:								
X2	$ 1,210,571,709	N/A	N/A	Fixed IO	0.100%	8.93	N/A	January 25, 2021
B	$ 81,713,000	6.750%	7.500%	WAC	4.346%[(7)]	9.66	116-116	December 25, 2020
C	$ 90,793,709	7.500%	0.000%	N/A	N/A	9.73	116-117	January 25, 2021

(1) The class R certificates are not represented in this table. The class R certificates will not have a principal balance, notional amount or pass-through rate.

(2) As to any given class of series 2011-K12 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 underlying mortgage loans,

(ii) there are no delinquencies, modifications or losses with respect to the underlying mortgage loans,

(iii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service payments by borrowers on the underlying mortgage loans, and

(iv) the offered 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.

(3) As to any given class of series 2011-K12 certificates shown in this table, other than the class X1, X2 and X3 certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for the series 2011-K12 certificates and the payment of each dollar of principal on that class. As to the class X1, X2 and X3 certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for those classes of certificates and the application of each dollar to be applied in reduction of the total notional amounts of those classes of certificates.

(4) As to any given class of series 2011-K12 certificates shown in this table, other than the class X1, X2 and X3 certificates, the assumed principal window is the period during which holders of that class would receive distributions of principal.

(5) As to any given class of series 2011-K12 certificates shown in this table, other than the class X1, X2 and X3 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 X1, X2 and X3 certificates, the Assumed Final Distribution Date is the distribution date on which the last reduction to the notional amount occurs and the last distribution of interest is assumed to be made with respect to those classes of certificates.

(6) The approximate initial credit support is the approximate credit support of the aggregate principal balance of the class A-1 and A-2 certificates.

(7) The initial pass-through rates with respect to the class X1, X3 and B certificates are approximate.

In reviewing the foregoing table, please note that:

- Only the class A-1, A-2, X1 and X3 certificates are offered by this information circular.

- All of the classes of certificates in the table on page 5, except the class X1, X2 and X3 certificates, will have principal balances. All of the classes (other than the class C certificates) shown in that table will bear interest. The series 2011-K12 certificates with principal balances constitute the "series 2011-K12 principal balance certificates." The class X1, X2 and X3 certificates constitute the "interest-only certificates."

- The total initial principal balance or notional amount of any class shown in the table on page 5 may be larger or smaller depending on, among other things, the actual initial mortgage pool balance.

- Each class of series 2011-K12 certificates (other than the class C certificates) shown on the table on page 5 will bear interest and such interest will accrue based on the assumption that each year is 360 days long and consists of twelve 30-day months (a "30/360 Basis").

- Each class identified in the table on page 5 as having a "Fixed" pass-through rate has a fixed pass-through rate that will remain constant at the initial pass-through rate shown for that class in that table.

- Each class identified in the table on page 5 as having a "WAC" pass-through rate has a per annum rate equal to the Weighted Average Net Mortgage Pass-Through Rate minus the Class X2 Strip Rate for the related distribution date (*provided*, that in no event may such pass-through rate be less than zero).

- Each class identified in the table on page 5 as having a "WAC Cap" pass-through rate has a variable pass-through rate equal to the lesser of—

  (i) the initial pass-through rate shown for that class in that table; and

  (ii) the excess, if any, of (a) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date over (b) the sum of (1) the Class X2 Strip Rate and (2) the Guarantee Fee Rate (*provided*, that in no event may such pass-through rate be less than zero) (such excess, the "WAC Cap").

- The class C certificates are principal-only certificates that will not bear interest and will not have a pass-through rate.

- For purposes of calculating the accrual of interest as of any date of determination, (i) the class X1 certificates will have a total notional amount that is equal to the then total principal balances of the class A-1 and A-2 certificates, (ii) the class X2 certificates will have a total notional amount that is equal to the then total principal balances of the class A-1, A-2, B and C certificates and (iii) the class X3 certificates will have a total notional amount that is equal to the then total principal balances of the class B and C certificates.

- The pass-through rate of the class X1 certificates for any interest accrual period will equal the weighted average of the Class X1 Strip Rates (weighted based upon the relative sizes of their respective components). The "Class X1 Strip Rates" are, for the purposes of calculating the pass-through rate of the class X1 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X1 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class A-1 certificates and the other component will be comprised of the total principal balance of the class A-2 certificates. For purposes of calculating the pass-through rate of the class X1 certificates for each interest accrual period, the applicable Class X1 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate and minus the Guarantee Fee Rate, over (ii) the pass-through rate in effect during such interest accrual period for the class A-1 or A-2 certificates, as applicable (*provided*, that in no event may any Class X1 Strip Rate be less than zero).

- The pass-through rate of the class X2 certificates for any interest accrual period will equal the Class X2 Strip Rate. The "Class X2 Strip Rate" will equal a per annum rate equal to 0.100%.

- The pass-through rate of the class X3 certificates for any interest accrual period will equal the weighted average of the Class X3 Strip Rates (weighted based upon the relative sizes of their respective components). The "Class X3 Strip Rates" are, for the purposes of calculating the pass-through rate of the class X3 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X3 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class B certificates and the other component will be comprised of the total principal balance of the class C certificates. For purposes of calculating the pass-through rate of the class X3 certificates for each interest accrual period, the applicable Class X3 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate, over (ii)(a) with respect to the component related to the class B certificates, the pass-through rate in effect during such interest accrual period for the class B certificates and (b) with respect to the component related to the class C certificates, 0.000% (*provided*, that in no event may any Class X3 Strip Rate be less than zero).

- The "Net Mortgage Pass-Through Rate" as used in this information circular, means, as to any particular underlying mortgage loan, an annual interest rate that is generally equal to the related mortgage interest rate in effect as of the date of initial issuance of the offered certificates (unless such rate is increased as a result of a modification, but for the avoidance of doubt, not decreased), minus the sum of the annual rates at which the master servicing fee, the sub-servicing fee and the trustee fee are calculated; *provided* that, if the subject mortgage loan accrues interest on the basis of the actual number of days elapsed during any one-month interest accrual period in a year assumed to consist of 360 days, then, in some months, the Net Mortgage Pass-Through Rate calculated as described above for that mortgage loan will be converted to an annual rate that would generally produce an equivalent amount of interest accrued on the basis of an assumed 360-day year consisting of twelve 30-day months. Further, with respect to the underlying mortgage loans that accrue interest on an Actual/360 Basis, the Net Mortgage Pass-Through Rate will be adjusted to reflect interest reserve amounts, as described under "Description of the Series 2011-K12 Certificates—Interest Reserve Account" and in the definition of "Net Mortgage Pass-Through Rate" in the Glossary in this information circular.

- Subject to the discussion under "Ratings" in this information circular, the ratings on the rated certificates address the likelihood of the timely receipt by holders of all payments of interest to which they are entitled on each distribution date and the ultimate receipt by holders of all payments of principal to which they are entitled on or before the applicable rated final distribution date. The rated final distribution date for each class of offered certificates is the distribution date in January 2046.

See "Description of the Series 2011-K12 Certificates—Distributions—Calculation of the Pass-Through Rates" in this information circular.

The document that will govern the issuance of the series 2011-K12 certificates, the creation of the related issuing entity and the servicing and administration of the underlying mortgage loans will be a pooling and servicing agreement to be dated as of April 1, 2011, among us, as depositor, Citibank, N.A., as trustee and custodian, Freddie Mac, as guarantor of the offered certificates, Midland Loan Services, a Division of PNC Bank, National Association, as master servicer, and Wells Fargo Bank, National Association, as special servicer.

The series 2011-K12 certificates will evidence the entire beneficial ownership of the issuing entity that we intend to establish. The primary assets of that issuing entity will be a segregated pool of multifamily mortgage loans. Those mortgage loans will provide for monthly debt service payments and, except as described under "—The Underlying Mortgage Loans" below, will have fixed mortgage interest rates in the absence of default. We will acquire those mortgage loans, for deposit in the issuing entity, from the mortgage loan seller. As of the applicable due dates in April 2011 for such mortgage loans (which will be April 1, 2011, subject, in some cases, to a next succeeding business day convention), which we refer to in this information circular as the "Cut-off Date," the underlying mortgage loans will have the general characteristics discussed under the heading "—The Underlying Mortgage Loans" below.

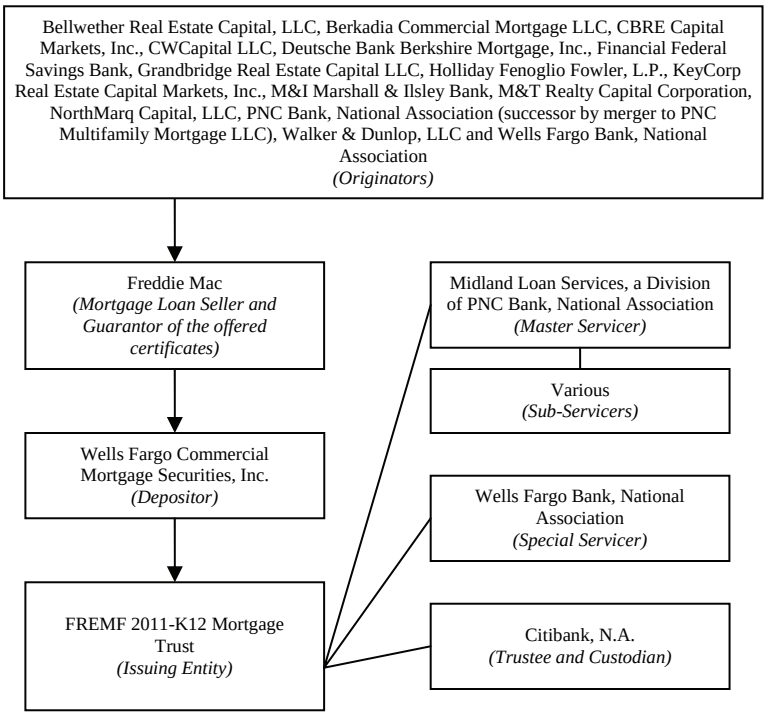
Relevant Parties/Entities

Issuing Entity	FREMF 2011-K12 Mortgage Trust, a New York common law trust, will be formed on the Closing Date pursuant to a pooling and servicing agreement by and among the depositor, the trustee, the custodian, the master servicer, the special servicer and the guarantor. See "Description of the Issuing Entity" in this information circular.
Mortgage Loan Seller	Freddie Mac, a corporate instrumentality of the United States of America ("United States") created and existing under Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"), will act as the mortgage loan seller. Freddie Mac maintains an office at 8200 Jones Branch Drive, McLean, Virginia 22102. See "Description of the Mortgage Loan Seller and Guarantor" in this information circular.
Depositor	Wells Fargo Commercial Mortgage Securities, Inc., a North Carolina corporation, will create the issuing entity and transfer the subject underlying mortgage loans to it. We are also an affiliate of Wells Fargo Bank, National Association, which will be the special servicer, is the originator of some of the underlying mortgage loans and is expected to be the sub-servicer of the underlying mortgage loans it originated, and Wells Fargo Securities, LLC, which will be one of the initial purchasers of the series 2011-K12 certificates and one of the placement agents for the Series K-012 SPCs. Our principal executive office is located at 123 N. Wacker, 24th Floor, Chicago, Illinois 60606. All references to "we," "us" and "our" in this information circular are intended to mean Wells Fargo Commercial Mortgage Securities, Inc. See "Description of the Depositor" in this information circular.
Originators	Each underlying mortgage loan was originated by one of Bellwether Real Estate Capital, LLC, Berkadia Commercial Mortgage LLC, CBRE Capital Markets, Inc., CWCapital LLC, Deutsche Bank Berkshire Mortgage, Inc., Financial Federal Savings Bank, Grandbridge Real Estate Capital LLC, Holliday Fenoglio Fowler, L.P., KeyCorp Real Estate Capital Markets, Inc., M&I Marshall & Ilsley Bank, M&T Realty Capital Corporation, NorthMarq Capital, LLC, PNC Bank, National Association (successor by merger to PNC Multifamily Mortgage LLC), Walker & Dunlop, LLC or Wells Fargo Bank, National Association, and was acquired by the mortgage loan seller.
Master Servicer	Midland Loan Services, a Division of PNC Bank, National Association ("Midland"), a national banking association, and an affiliate of an originator of one (1) of the underlying mortgage loans, will act as master servicer with respect to the underlying mortgage loans. Another division of PNC Bank, National Association, which does business as PNC Real Estate Multifamily ("PNC Real Estate Multifamily"), is expected to be the sub-servicer of such underlying mortgage loan. Midland is not an affiliate of the issuing entity, the depositor, the mortgage loan seller, the trustee, any other originator or any sub-servicer other than PNC Real Estate Multifamily. The principal master servicing offices of the master servicer are located at 10851 Mastin Street, Building 82, Suite 300, Overland Park, Kansas 66210. As of the Closing Date, certain of the underlying mortgage loans will be sub-serviced by various sub-servicers pursuant to sub-servicing agreements

	between the master servicer and each of the sub-servicers. Subject to meeting certain requirements, each originator has the right and is expected to appoint itself or its affiliate as the sub-servicer of the underlying mortgage loans it originated. See Exhibit A-1 to this information circular to determine the originator for each underlying mortgage loan. As consideration for servicing the underlying mortgage loans, the master servicer will receive a master servicing fee and sub-servicing fee with respect to each underlying mortgage loan. The master servicing fee is equal to 0.01% per annum on the stated principal balance of each underlying mortgage loan, including each specially serviced mortgage loan. The sub-servicing fee with respect to each underlying mortgage loan ranges from 0.05% per annum to 0.16% per annum on the stated principal balance of such underlying mortgage loan. The master servicing fee and the sub-servicing fees are components of the "Administration Fee" set forth on Exhibit A-1 to this information circular. Such fees are calculated on the same basis as interest on the underlying mortgage loan and will be paid out of interest payments received from the related borrower 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 information circular. In the event that Midland resigns or is terminated as master servicer, Midland will be entitled to retain a portion of interest on each underlying mortgage loan, referred to as the Excess Servicing Strip, as described in "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular. See "The Series 2011-K12 Pooling and Servicing Agreement—The Master Servicer" in this information circular.
Special Servicer.....	Wells Fargo Bank, National Association, a national banking association, will act as special servicer with respect to the underlying mortgage loans. Wells Fargo Bank, National Association is also the originator of some of the underlying mortgage loans, is expected to be the sub-servicer of the underlying mortgage loans it originated, and is an affiliate of Wells Fargo Commercial Mortgage Securities, Inc., which is the depositor, and of Wells Fargo Securities, LLC, which will be one of the initial purchasers of the series 2011-K12 certificates and one of the placement agents for the Series K-012 SPCs. The principal west coast commercial mortgage special servicing offices of the special servicer are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage special servicing offices of the special servicer are located at MAC D1086-120, 550 South Tryon Street, Charlotte, North Carolina 28202. The special servicer will, in general, be responsible for servicing and administering: • underlying mortgage loans that, in general, are in default or as to which default is reasonably foreseeable; and • any real estate acquired by the issuing entity upon foreclosure of a defaulted underlying mortgage loan.

	As consideration for servicing each underlying mortgage loan that is being specially serviced and each underlying mortgage loan as to which the corresponding mortgaged real property has become subject to a foreclosure proceeding, the special servicer will receive a special servicing fee that will accrue at a rate of 0.25% per annum on the stated principal balance of the underlying mortgage loan. Such fee is calculated on the same basis as interest on the underlying mortgage loan and will generally be payable to the special servicer monthly from collections on the underlying mortgage loans. Additionally, the special servicer will, in general, be entitled to receive a work-out fee with respect to each specially serviced mortgage loan in the issuing entity that has been returned to performing status. The work-out fee will be payable out of, and will generally be calculated by application of a work-out fee rate of 1.0% to, each payment of interest (other than default interest) and principal received on the underlying mortgage loan for so long as it remains a worked-out mortgage loan. The special servicer will also be entitled to receive a liquidation fee with respect to each specially serviced mortgage loan in the issuing entity for which it obtains a full, partial or discounted payoff or otherwise recovers liquidation proceeds. As to each specially serviced mortgage loan and REO Property in the issuing entity, the liquidation fee will generally be payable from, and will be calculated by application of a liquidation fee rate of 1.0% to, the related payment or proceeds, net of liquidation expenses. The special servicer may be terminated by the series 2011-K12 directing certificateholder, who, subject to limitations set forth in the series 2011-K12 pooling and servicing agreement, may appoint a replacement special servicer. See "The Series 2011-K12 Pooling and Servicing Agreement—The Special Servicer" in this information circular.
Trustee and Custodian	Citibank, N.A., a national banking association, will act as trustee and custodian on behalf of the series 2011-K12 certificateholders. It maintains a trust office at 388 Greenwich Street, 14th Floor, New York, New York 10013. As consideration for acting as trustee and custodian, Citibank, N.A. will receive a trustee fee of 0.0008% per annum on the stated principal balance of each underlying mortgage loan. Such fee will be calculated on the same basis as interest on the underlying mortgage loans. See "The Series 2011-K12 Pooling and Servicing Agreement—The Trustee and Custodian" in this information circular.

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



Series 2011-K12 Directing Certificateholder..... The series 2011-K12 directing certificateholder initially will be a certificateholder or its designee selected by holders of series 2011-K12 certificates representing a majority interest in the series 2011-K12 class C certificates, until the total principal balance of such class of certificates is less than 25% of the total initial principal balance of such class. Thereafter, the series 2011-K12 directing certificateholder will be a certificateholder or its designee selected by holders of series 2011-K12 certificates representing a majority interest in the series 2011-K12 class B certificates, until the total principal balance of such class of certificates is less than 25% of the total initial principal balance of such class. Thereafter, Freddie Mac will act as the series 2011-K12 directing certificateholder. It is anticipated that BVF-II K12 L.L.C., a Delaware limited liability company, will serve as the initial series 2011-K12 directing certificateholder.

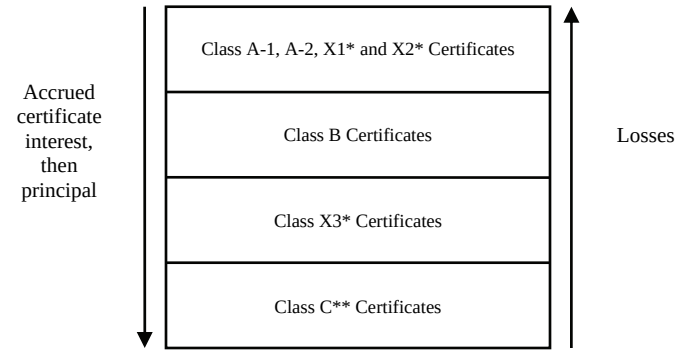
As and to the extent described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular, the series 2011-K12 directing certificateholder may direct the master servicer or special servicer with respect to various servicing matters involving each of the underlying mortgage loans.

Guarantor..... Freddie Mac will act as guarantor of the series 2011-K12 class A-1, A-2, X1 and X3 certificates offered by this information circular. Freddie Mac is entitled to a Guarantee Fee as described under "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac

	Guarantee" in this information circular. For a discussion of the Freddie Mac Guarantee, see "—The Offered Certificates—Freddie Mac Guarantee" below.
Junior Loan Holder	Freddie Mac will be the initial holder of a second priority lien, subject to an intercreditor agreement, on mortgaged real properties securing certain of the underlying mortgage loans if the related borrower exercises its option to obtain secondary secured financing as described under "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt" in this information circular.
	Significant Dates and Periods
Cut-off Date.....	The underlying mortgage loans will be considered assets of the issuing entity as of April 1, 2011. All payments and collections received on each of the underlying mortgage loans after their applicable due dates in April 2011 (which will be April 1, 2011, subject, in some cases, to a next succeeding business day convention), excluding any payments or collections that represent amounts due on or before such due dates, will belong to the issuing entity. April 1, 2011 is considered the Cut-off Date for the issuing entity.
Closing Date	The date of initial issuance for the series 2011-K12 certificates will be on or about April 27, 2011.
Due Dates.....	Subject, in some cases, 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 each of the underlying mortgage loans.
Determination Date	The monthly cut-off for collections on the underlying mortgage loans that are to be distributed, and information regarding the underlying mortgage loans that is to be reported, to the holders of the series 2011-K12 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 May 2011, or, if the 11th calendar day of any such month is not a business day, then the next succeeding business day.
Distribution Date	Distributions of principal and/or interest on the series 2011-K12 certificates are scheduled to occur monthly, commencing in May 2011. 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.
Record Date.....	The record date for each monthly distribution on a series 2011-K12 certificate will be the last business day of the prior calendar month. The registered holders of the series 2011-K12 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 of principal and/or interest on any offered certificate will be made only upon presentation and surrender of that certificate at a designated location.
Collection Period.....	Amounts available for distribution on the series 2011-K12 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 underlying mortgage loans during the related Collection Period. Each Collection Period— • will relate to a particular distribution date; • will begin when the prior Collection Period ends or, in the case of the first Collection Period, will begin as of the Closing Date; and • will end at the close of business on the determination date that occurs in the same month as the related distribution date.
Interest Accrual Period	The amount of interest payable with respect to the interest-bearing classes of the series 2011-K12 certificates on any distribution date will be a function of the interest accrued during the related interest accrual period. The interest accrual period for any distribution date will be the calendar month immediately preceding the month in which that distribution date occurs.
Assumed Final Distribution Date	For each class of offered certificates, the respective date set forth on the cover page.
Rated Final Distribution Date	The distribution date occurring in January 2046.
	The Offered Certificates
General	The series 2011-K12 certificates offered by this information circular are the class A-1, A-2, X1 and X3 certificates. Each class of offered certificates will have the total initial principal balance or notional amount and pass-through rate set forth in the table on page 5 or otherwise described under "—Transaction Overview" in this information circular. There are no other securities offered by this information circular.
Collections	The master servicer or the special servicer, as applicable, will make reasonable efforts in accordance with the applicable servicing standards to collect all payments due under the terms and provisions of the underlying mortgage loans. Such payments will be deposited in the master servicer's collection account on a daily basis.
Distributions.....	Funds collected or advanced on the underlying mortgage loans 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, indemnities, trustee fees and expenses and related compensation, (ii) amounts used to reimburse advances made by the master 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 mortgage loan 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 series 2011-K12 certificates:



* Interest-only
** Principal-only

No form of credit enhancement will be available to you as a holder of offered certificates, other than (a) the subordination of the class B, X3 and C certificates to the class A-1, A-2 and X1 certificates and (b) the Freddie Mac Guarantee, as described under "—Freddie Mac Guarantee" and "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular.

The allocation of interest distributions among the class A-1, A-2, X1 and X2 certificates is to be made concurrently on a *pro rata* basis based on the interest accrued with respect to each such class.

The allocation of principal distributions between the class A-1 and A-2 certificates is described under "—Principal Distributions" below. The class X1, X2 and X3 certificates do not have principal balances and do not entitle holders to distributions of principal.

Freddie Mac Guarantee ..... It is a condition to the issuance of the offered certificates that they be purchased by Freddie Mac and that Freddie Mac guarantee certain payments on the offered certificates, as described in this information circular (the "Freddie Mac Guarantee"). Any Guarantor Payment made to any class of offered principal balance certificates in respect of principal will reduce the principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X1 certificates. The Freddie Mac Guarantee does not cover Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yields on the class X1 or X3 certificates following a reduction in their notional amounts resulting from a write-down to any class of certificates. See "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular.

	Freddie Mac is entitled to a Guarantee Fee as described under "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular. 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. See "Risk Factors—Risks Related to the Offered Certificates—Credit Support Is Limited and May Not Be Sufficient To Prevent Loss on Your Offered Certificates" and "Risk Factors—Risks Relating to the Mortgage Loan Seller and Guarantor" in this information circular. Freddie Mac will not guarantee any class of series 2011-K12 certificates other than the offered certificates.
Interest Distributions	Each class of offered certificates will bear interest that will accrue during each interest accrual period based upon: • the pass-through rate with respect to that class for that interest accrual period; • the total principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date; and • the assumption that each year consists of twelve 30-day months. Although the loan documents require the payment of a full month's interest on any voluntary prepayment, in some instances a whole or partial prepayment on an underlying mortgage loan may not be accompanied by the amount of a full month's interest on the prepayment. These shortfalls (to the extent not covered by the master servicer as described under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular) will be allocated, as described under "Description of the Series 2011-K12 Certificates—Distributions—Interest Distributions" in this information circular, to reduce the amount of accrued interest otherwise payable to the holders of one or more of the interest-bearing classes of series 2011-K12 certificates, including 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 if such amounts were not paid pursuant to the Freddie Mac Guarantee. See "Description of the Series 2011-K12 Certificates—Distributions—Interest Distributions" and "—Distributions—Priority of Distributions" in this information circular.

Principal Distributions.....	Subject to— • available funds, • the distribution priorities described under "—Priority of Distributions" above, and • the reductions to principal balances described under "—Reductions of Certificate Principal Balances in Connection with Losses and Expenses" below, the holders of each class of offered principal balance certificates will be entitled to receive a total amount of principal over time equal to the total principal balance of their particular class. The total distributions of principal to be made on the series 2011-K12 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 underlying mortgage loans 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 underlying mortgage loans that are received during the related Collection Period. If the master servicer or the trustee reimburses itself out of general collections on the mortgage pool for any advance that it or the special servicer has determined is not ultimately recoverable out of collections on the related underlying mortgage loan, then that advance (together with accrued interest on such advance) will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans (thereby reducing the amount of principal otherwise distributable on the series 2011-K12 certificates on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans. Additionally, in the event that any advance (including any interest accrued on such advance) with respect to a defaulted underlying mortgage loan remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status, the master servicer or the trustee, as applicable, will be entitled to reimbursement for that advance (even though that advance is not deemed nonrecoverable out of collections on the related underlying mortgage loan), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for nonrecoverable debt service advances and/or servicing advances as described in the prior paragraph (thereby reducing the amount of principal otherwise distributable on the series 2011-K12 certificates on the related distribution date). Notwithstanding the preceding sentence, if any such advance, or any

portion of any such advance, (a) is determined, at any time during this reimbursement process, to be ultimately nonrecoverable out of collections on the related underlying mortgage loan or (b) is determined, at any time during this reimbursement process, to be ultimately nonrecoverable out of payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for nonrecoverable debt service advances and/or servicing advances as described above, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement as a nonrecoverable advance in an amount equal to the portion of that advance that remains outstanding, plus accrued interest on that amount. See "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular.

In the event that any borrower fails to pay the entire outstanding principal balance of an underlying mortgage loan on its 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 offered principal balance certificates if such mortgage loan had been paid in full on its maturity date; *provided* that such payment may not exceed the outstanding principal balance of the offered certificates less any principal scheduled to be distributed to the offered principal balance certificates on such distribution date. The amount of any such Balloon Guarantor Payment made to any class of offered principal balance certificates will reduce the principal balance of such class by the corresponding amount and will also result in a corresponding reduction in the notional amount of the class X1 certificates. See "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular. Each Balloon Guarantor Payment will be reimbursed to the guarantor first from subsequent collections on the related underlying mortgage loan, 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 underlying mortgage loan or on other underlying mortgage loans 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) and second as described under "Description of the Series 2011-K12 Certificates—Distributions—Priority of Distributions" in this information circular.

The trustee must make principal distributions on the offered 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 underlying mortgage loans, that generally equal:

- in the case of the class A-1 certificates, an amount (not to exceed the total principal balance of the class A-1 certificates outstanding immediately prior to the subject distribution date) equal to the principal distribution amount for the subject distribution date, until the total principal balance of such class of certificates is reduced to zero; and

	• in the case of the class A-2 certificates, an amount (not to exceed the total principal balance of the class A-2 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-1 certificates are entitled on the subject distribution date as described in the immediately preceding bullet), until the total principal balance of such class of certificates is reduced to zero. So long as the class A-1 or A-2 certificates are outstanding, no portion of the Principal Distribution Amount for any distribution date will be allocated to any other class of series 2011-K12 principal balance certificates. Because of losses on the underlying mortgage loans and/or default-related or other unanticipated issuing entity expenses, the total principal balances of the class B and C certificates could be reduced to zero at a time when both of the class A-1 and A-2 certificates remain outstanding. Under those circumstances, any principal distributions on the class A-1 and A-2 certificates will be made on a *pro rata* basis in accordance with the relative sizes of the respective then outstanding total principal balances of those classes. The class X1, X2 and X3 certificates do not have principal balances. They do not entitle holders to any distributions of principal. See "Description of the Series 2011-K12 Certificates—Distributions—Principal Distributions" and "—Distributions—Priority of Distributions" in this information circular.
Distributions of Static Prepayment Premiums and Yield Maintenance Charges	While any of the offered certificates are outstanding, any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the underlying mortgage loans will be distributed, in the proportions described under "Description of the Series 2011-K12 Certificates—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges" in this information circular, as additional interest to any holders of the class A-1, A-2 and/or B certificates, and thereafter to the holders of the class X1, X2 and X3 certificates.

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

As and to the extent described under "Description of the Series 2011-K12 Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" in this information circular, losses on, and default-related or other unanticipated issuing entity expenses attributable to, the underlying mortgage loans will, in general, be allocated to reduce the principal balances of the following classes of the series 2011-K12 principal balance certificates, sequentially, in the following order:

Reduction Order	Class
1st	Class C certificates
2nd	Class B certificates
3rd	Class A-1 and A-2 certificates

Any reduction of the principal balances of the class A-1 and A-2 certificates as a result of losses will be made on a *pro rata* basis in accordance with the relative sizes of such principal balances at the time of the reduction. Any reduction of the principal balances of the class A-1 and A-2 certificates will also result in a corresponding reduction in the notional amount of the class X1 certificates. Any reduction of the principal balances of the class B and C certificates will result in a corresponding reduction in the notional amount of the class X3 certificates.

Notwithstanding the foregoing, Freddie Mac will be required under its guarantee to pay the holder of any offered principal balance certificate an amount equal to any such loss allocated to its offered principal balance certificates as set forth in "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular.

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, other than certain payments (including balloon payments), of principal and/or interest due on the underlying mortgage loans. The master servicer will be required to make advances of assumed monthly payments for those loans that become defaulted upon their maturity dates on the same amortization schedule as if the maturity date had not occurred. In addition, the trustee must make any of those advances that the master servicer fails to make, in each case subject to a recoverability determination. As described under "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular, 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 described in that section of this information circular.

Notwithstanding the foregoing, neither the master servicer nor the trustee will advance master servicing fees or sub-servicing fees. Moreover, neither the master servicer nor the trustee will be required to make any advance that it determines will not be recoverable from proceeds of the related underlying mortgage loan. 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 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 Series 2011-K12 Pooling and Servicing Agreement—Required Appraisals" in this information circular occur or exist with respect to any underlying mortgage loan or the related mortgaged real property, the special servicer will generally be obligated to obtain a new appraisal or, in some cases involving underlying mortgage loans with principal balances of less than $2,000,000, conduct an internal valuation of that property. If, based on that appraisal or other valuation, it is determined that the principal balance of, and other delinquent amounts (which may include unpaid master servicing fees, sub-servicing fees, unreimbursed servicing advances and interest on advances) due under or with respect to, the subject underlying mortgage loan, exceed an amount equal to—

1. 90% of the new appraised/estimated value of that real property (as such value may be adjusted downward by the special servicer), minus

2. any liens on that mortgaged real property that are prior to the lien of the subject mortgage loan, plus

3. the amount of related escrow payments, reserve funds and letters of credit which are posted as additional security for payments due on the subject underlying mortgage loan,

then the amount otherwise required to be advanced with respect to interest on the subject underlying mortgage loan will be reduced (subject to a recoverability determination). That reduction will generally be in the same proportion that (i) the excess, sometimes referred to in this information circular as an Appraisal Reduction Amount, bears to (ii) the principal balance of the subject underlying mortgage loan, net of related unreimbursed advances of principal. Due to the distribution priorities, any reduction will first reduce the funds available to pay interest on the most subordinate interest-bearing class of series 2011-K12 certificates outstanding and then on the other series 2011-K12 certificates in reverse sequential order, as follows:

Reduction Order	Class
1st	Class X3 certificates
2nd	Class B certificates
3rd	Class A-1, A-2, X1 and X2 certificates

Any reduction of the funds available to pay interest on the class A-1, A-2, X1 and X2 certificates will be made on a *pro rata* basis in accordance with the relative amounts of interest to which each such class is entitled from the applicable underlying mortgage loans at the time of the reduction.

There will be no such reduction in any advance for delinquent monthly debt service payments at any time after the principal balances of the class B and C certificates have been reduced to zero.

	See "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" and "The Series 2011-K12 Pooling and Servicing Agreement—Required Appraisals" in this information circular.
Reports to Certificateholders.....	On each distribution date, the trustee will provide or make available to the registered holders of the offered certificates, the guarantor and certain other parties specified in the series 2011-K12 pooling and servicing agreement a monthly report substantially in the form of Exhibit B to this information circular. The trustee's report will detail, among other things, the distributions made to the series 2011-K12 certificateholders on that distribution date and the performance of the underlying mortgage loans and the mortgaged real properties. The trustee will also make available to the registered holders of the offered certificates, the guarantor and certain other parties specified in the series 2011-K12 pooling and servicing agreement, via its website initially located at www.sf.citidirect.com, certain underlying mortgage loan information as presented in the standard CREFC investor reporting package in accordance with the series 2011-K12 pooling and servicing agreement. You may also review via the trustee's website or, upon reasonable prior notice, at the master servicer's, trustee's or custodian's offices during normal business hours, a variety of information and documents that pertain to the underlying mortgage loans and the mortgaged real properties securing those loans. Borrower operating statements, rent rolls and property inspection reports will be available at the office of the master servicer or special servicer or on the master servicer's website. See "Description of the Series 2011-K12 Certificates—Reports to Certificateholders and Guarantor; Available Information" in this information circular.
Deal Information/Analytics.....	Certain information concerning the underlying mortgage loans and the series 2011-K12 certificates may be available through the following services: • Bloomberg, L.P., Thomson Reuters Corporation, Trepp, LLC and Intex Solutions, Inc.; • the trustee's website initially located at www.sf.citidirect.com; and • the master servicer's website initially located at www.midlandls.com.
Sale of Defaulted Loans.....	If any mortgage loan in the issuing entity becomes delinquent as to any balloon payment or becomes 60 days delinquent as to any other monthly debt service payment (in each case without giving effect to any applicable grace period) or becomes a specially serviced mortgage loan as a result of any non-monetary event of default, then the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option" in this information circular) has an assignable option to purchase that underlying mortgage loan from the issuing entity at the price and on the terms, including any

	applicable time limits, described in the series 2011-K12 pooling and servicing agreement; *provided*, that if the fair value price to be paid by the series 2011-K12 directing certificateholder or any assignee for the underlying mortgage loan is less than 99% of the purchase price (generally the outstanding principal balance of the underlying mortgage loan, plus accrued and unpaid interest, unpaid servicing fees, and all outstanding advances and accrued and unpaid interest on such advances) for such underlying mortgage loan, the guarantor will also have the right to purchase such underlying mortgage loan; *provided, further*, that if the Junior Loan Holder is the holder of a second priority lien on an underlying mortgage loan, such Junior Loan Holder will have the first option to purchase such underlying mortgage loan from the issuing entity. See "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular.
Repurchase Obligation.....	If the mortgage loan seller has been notified of a defect in any mortgage file or a breach of any of its representations and warranties, or, itself, has discovered any such defect or breach, which, in either case, materially and adversely affects the value of any underlying mortgage loan (including any foreclosure property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of series 2011-K12 certificates, then the mortgage loan seller will be required to either cure such breach or defect, repurchase the affected underlying mortgage loan from the issuing entity or, within two (2) years of the Closing Date, substitute the affected underlying mortgage loan with another mortgage loan. If the mortgage loan seller opts to repurchase the affected underlying mortgage loan, such repurchase would have the same effect on the series 2011-K12 certificates as a prepayment in full of such underlying mortgage loan (without payment of any static prepayment premium or yield maintenance charge). See "Description of the Underlying Mortgage Loans—Representations and Warranties" in this information circular.
Optional Termination.....	Various parties will each in turn, in the order listed under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular, have the option to purchase all of the underlying mortgage loans and all other property remaining in the issuing entity on any distribution date on which the total principal balance of the underlying mortgage loans from the perspective of the series 2011-K12 certificateholders, based on collections and advances of principal on those underlying mortgage loans previously distributed, and losses on those underlying mortgage loans previously allocated, to the series 2011-K12 certificateholders, is less than 1.0% of the initial mortgage pool balance. In the event that any party so entitled exercises this option, the issuing entity will terminate and all outstanding series 2011-K12 certificates will be retired, as described in more detail under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular. In addition, after the principal balances of the class A-1, A-2 and B certificates have been reduced to zero, the Sole Certificateholder (excluding Freddie Mac), with the consent of the master servicer, may exchange all of its series 2011-K12 certificates (other than the class R

certificates) for all of the underlying mortgage loans and each REO Property remaining in the issuing entity as described in more detail under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.

Denominations ..... The offered certificates will be issuable in registered form, in the denominations set forth under "Description of the Series 2011-K12 Certificates—Registration and Denominations" in this information circular.

Physical Certificates ..... Freddie Mac will hold the offered certificates in the form of fully registered physical certificates. Freddie Mac will include the offered certificates in pass-through pools that it will form for its series K-012 structured pass-through certificates (the "Series K-012 SPCs").

Ratings ..... It is a condition to the issuance of the series 2011-K12 certificates that the class A-1, A-2, X1, X2 and B certificates (referred to in this information circular as the "rated certificates") receive the following credit ratings from Moody's Investors Service, Inc. ("Moody's") and Realpoint LLC ("Realpoint" and together with Moody's, the "Rating Agencies"):

Class of Certificates	Ratings (Moody's*/Realpoint)
Class A-1	Aaa(sf)** / AAA**
Class A-2	Aaa(sf)** / AAA**
Class X1	Aaa(sf)** / AAA**
Class X2	Aaa(sf) / AAA
Class B	A3(sf) / A+

* Moody's has informed us that the "sf" designation in the ratings represents an identifier of structured finance product ratings and was implemented by Moody's for ratings of structured finance products as of August 2010. For additional information about this identifier, prospective investors can go to www.moodys.com.

** With respect to the class A-1, A-2 and X1 certificates, each Rating Agency's ratings will be determined only as of the date of issuance of such certificates and at no other time. The ratings assigned to the class A-1, A-2 and X1 certificates will not be subject to on-going monitoring, upgrades, downgrades, withdrawals, surveillance or any further assessment by the Rating Agencies after the date of issuance of such certificates.

The ratings address the likelihood of the timely receipt of distributions of interest to which the holders of the rated certificates are entitled by such holders and, with respect to the classes of rated certificates entitled to principal distributions, the ultimate distribution of principal by the rated final distribution date, which is the distribution date occurring in January 2046. The ratings of the rated certificates should be evaluated independently from similar ratings on other types of securities. The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies.

In addition, these ratings do not address: (i) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and its impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (ii) the possibility that a certificateholder might suffer a lower than anticipated yield, (iii) the likelihood of receipt of prepayment charges, assumption fees, prepayment premiums, yield maintenance charges, prepayment fees or

penalties, default interest or post-anticipated repayment date additional interest, (iv) the likelihood of experiencing prepayment interest shortfalls, an assessment of whether or to what extent the interest payable on any class of rated certificates may be reduced in connection with any prepayment interest shortfalls, or of receiving compensating interest payments, (v) the tax treatment of the rated certificates or effect of taxes on the payments received, (vi) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or the likelihood or willingness of any party or court to enforce, or hold enforceable, the documents in whole or in part, (vii) an assessment of the yield to maturity that investors may experience, (viii) the likelihood, timing or receipt of any payments of interest to the holders of the rated certificates resulting from an increase in the interest rate on any underlying mortgage loan in connection with a mortgage loan modification, waiver or amendment or (ix) other non-credit risks, including, without limitation, market risks or liquidity.

The ratings take into consideration certain credit risks and the extent to which the payment stream of the collateral is adequate to make payments required under the rated certificates. However as noted above, the ratings do not represent an assessment of the likelihood, timing or frequency of principal prepayments (both voluntary and involuntary) by borrowers, or the degree to which such prepayments might differ from those originally anticipated. In general, the ratings address credit risk and not prepayment risk. In addition, the ratings do not represent an assessment of the yield to maturity that investors may experience or the possibility that the certificateholders of the class X1 or X2 certificates might not fully recover their initial investment in the event of delinquencies or defaults or rapid prepayments on the mortgage assets (including both voluntary and involuntary prepayments) or the application of any Realized Losses. In the event that holders of class X1 or X2 certificates do not fully recover their investment as a result of rapid principal prepayments on the underlying mortgage loans, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings assigned to such certificates.

As indicated in this information circular, the class X1 and X2 certificates are interest-only certificates. If the underlying mortgage loans were to prepay in the initial month following the Closing Date, with the result that the holders of the class X1 or X2 certificates receive only a single month's interest and therefore, suffer a nearly complete loss of their investment, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings received on the class X1 and X2 certificates. The notional amounts of the class X1 and X2 certificates on which interest is calculated will be reduced by the allocation of Realized Losses and prepayments, whether voluntary or involuntary, to the classes of series 2011-K12 principal balance certificates from which their respective notional amounts are derived. The ratings do not address the timing or magnitude of reductions of such notional amount, but only the obligation to pay interest timely on the notional amount as so reduced from time to time. Therefore, the ratings of the class X1 and X2 certificates should be evaluated independently from similar ratings on other types of securities.

While Realpoint may issue ratings solely on asset-backed securities, Realpoint does not (i) issue short-term ratings, or (ii) rate, assess or review corporate entities, credit support providers, seller(s), guarantors, servicers, trustees, certain accounts or investments, insurers, liquidity providers, hedge providers or other similar entities or items. Therefore, Realpoint's ratings and analysis do not take into consideration such characteristics of the transaction referenced in clauses (i) and (ii) of the preceding sentence. In addition, Realpoint's ratings and analysis do not take into consideration (a) the Freddie Mac Guarantee, (b) any amounts (including any interest that accrues on such amounts) payable or reimbursable under the Freddie Mac Guarantee and/or (c) whether any certificateholder will receive any payments under the Freddie Mac Guarantee or whether such guarantee will exist. In addition, Realpoint's ratings and analysis do not take into consideration (I) any potential or actual risk of repudiation, receivership or other ramifications related to Federal Deposit Insurance Corporation ("FDIC") administration and/or enforcement of FDIC rights and remedies with respect to any entity involved in the transaction including a bank or subsidiary of a bank or (II) any Federal Housing Finance Agency ("FHFA") administration and/or enforcement of FHFA rights and remedies with respect to any entity involved in the transaction. In addition, Realpoint's ratings do not take into consideration an assessment of the arranger(s), originator(s) and/or prior holder(s) of the underlying mortgage loans. Additionally, for the avoidance of doubt, Realpoint does not rate obligors, managers or issuers. Further, the ratings do not assess whether any exchange of certificates by the Sole Certificateholder may occur or any delays or disruptions in payment due to such exchange may occur.

Other nationally recognized statistical ratings organizations ("NRSROs") that we have not engaged to rate the rated certificates may issue unsolicited credit ratings on one or more classes of series 2011-K12 certificates relying on information they receive pursuant to Rule 17g-5 under the Securities Exchange Act of 1934, as amended. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by the Rating Agencies. Furthermore, the Securities and Exchange Commission may determine that Moody's or Realpoint no longer qualifies as an NRSRO for purposes of the federal securities laws and that determination may have an adverse effect on the market price of the series 2011-K12 certificates. See "Ratings" in this information circular.

The class C and X3 certificates will not be rated by the Rating Agencies.

Legal and Investment Considerations

Federal Income Tax Consequences..... The trustee will cause elections to be made to treat designated portions of the assets of the issuing entity as two separate real estate mortgage investment conduits under sections 860A through 860G of the Internal Revenue Code of 1986 (the "Code"). There will be the following REMICs:

- the Lower-Tier REMIC, which will consist of, among other things—
  1. the underlying mortgage loans, and
  2. any mortgaged real properties that may be acquired by the issuing entity following a borrower default; and
- the Upper-Tier REMIC, which will hold the regular interests in the Lower-Tier REMIC.

The offered certificates will be treated as REMIC regular interests. This means that they will be treated as newly issued debt instruments for federal income tax purposes. You will have to report income on your offered certificates in accordance with the accrual method of accounting even if you are otherwise a cash method taxpayer.

For a description of the tax opinions that our counsel will be issuing on the Closing Date and a more detailed discussion of the federal income tax aspects of investing in the offered certificates, see "Certain Federal Income Tax Consequences" in this information circular.

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

If you purchase your class of series 2011-K12 principal balance certificates at a premium, then a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loans could result in a lower than anticipated yield to maturity with respect to your certificates. Conversely, if you purchase your series 2011-K12 principal balance certificates at a discount, a slower than anticipated rate of payments and other collections of principal on the underlying mortgage loans could result in a lower than anticipated yield to maturity with respect to those certificates.

If you are contemplating the purchase of an interest-only certificate, 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,
- a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loans could result in a lower than anticipated yield to maturity with respect to those certificates, and

- an extremely rapid rate of prepayments and/or other liquidations on or with respect to the underlying mortgage loans could result in a substantial loss of your initial investment with respect to those certificates.

When trying to determine the extent to which payments and other collections of principal on the underlying mortgage loans will adversely affect the respective yields to maturity of the interest-only certificates, you should consider what the notional amounts of those interest-only certificates are and how payments and other collections of principal on the underlying mortgage loans are to be applied to the principal balances of the series 2011-K12 principal balance certificates that make up those notional amounts.

In addition, the pass-through rate for the class A-2 certificates is subject to the WAC Cap and the pass-through rates for the class X1 and X3 certificates are calculated based upon the Weighted Average Net Mortgage Pass-Through Rate. As a result, the pass-through rates (and, accordingly, the yields to maturity) on the class A-2, X1 and X3 certificates could be adversely affected if underlying mortgage loans with relatively high mortgage interest rates experience a faster rate of principal payment than underlying mortgage loans with relatively low mortgage interest rates. This means that the yields to maturity on the class A-2, X1 and X3 certificates will be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary prepayments and liquidations of the underlying mortgage loans following default. The Weighted Average Net Mortgage Pass-Through Rate will not be affected by modifications, waivers or amendments with respect to the underlying mortgage loans, except for any modifications, waivers or amendments that increase the mortgage interest rate.

See "Yield and Maturity Considerations" in this information circular. Consult your legal advisor as to the appropriate characterization of the offered certificates under any legal investment restrictions applicable to you.

The Underlying Mortgage Loans

General ..... We intend to include in the issuing entity sixty-nine (69) mortgage loans, which we refer to in this information circular as the "underlying mortgage loans" and which are secured by the sixty-nine (69) mortgaged real properties identified on Exhibit A-1 to this information circular. In this section, "—The Underlying Mortgage Loans," we provide summary information with respect to those mortgage loans. For more detailed information regarding those mortgage loans, you should review the following sections in this information circular:

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

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

When reviewing the information that we have included in this information circular with respect to the underlying mortgage loans, 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 based on their respective Cut-off Date Principal Balances. We will transfer the underlying mortgage loans with their respective Cut-off Date Principal Balances to the issuing entity. We show the Cut-off Date Principal Balance for each of the underlying mortgage loans on Exhibit A-1 to this information circular.

- In calculating the respective 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 those mortgage loans on or before their respective due dates in April 2011 are timely made; and

  2. there are no prepayments or other unscheduled collections of principal with respect to any of those mortgage loans during the period from its due date in March 2011 up to and including April 1, 2011.

- Whenever we refer to the initial mortgage pool balance in this information circular, we are referring to the total Cut-off Date Principal Balance of the entire mortgage pool.

- Some of the underlying mortgage loans are cross-collateralized and cross-defaulted with one or more other underlying mortgage loans. Unless otherwise indicated, when an underlying mortgage loan is cross-collateralized and cross-defaulted with another underlying mortgage loan, we present the information regarding such group of cross-collateralized and cross-defaulted mortgage loans as separate loans. One exception is that each and every underlying mortgage loan in any particular group of cross-collateralized and cross-defaulted mortgage loans is treated as having the same loan-to-value ratio, the same maturity loan-to-value ratio and the same debt service coverage ratio. None of the underlying mortgage loans will be cross-collateralized or cross-defaulted with any mortgage loan that is not in the issuing entity.

- When information with respect to mortgaged real properties is expressed as a percentage of the initial mortgage pool balance, the percentages are based upon the Cut-off Date Principal Balances of the related underlying mortgage loans.

- If an underlying mortgage loan is secured by multiple parcels of real property and the operation or management of those

	parcels so warrants, we treat those parcels as a single parcel of 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 to this information circular. 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 to this information circular. • Statistical information regarding the underlying mortgage loans may change prior to the date of initial issuance of the offered certificates due to changes in the composition of the mortgage pool prior to that date.
Source of the Underlying Mortgage Loans	We are not the originator of the underlying mortgage loans. We will acquire those mortgage loans from Freddie Mac, the mortgage loan seller, pursuant to a mortgage loan purchase agreement dated as of the Cut-off Date. Each underlying mortgage loan was originated by one of Bellwether Real Estate Capital, LLC, Berkadia Commercial Mortgage LLC, CBRE Capital Markets, Inc., CWCapital LLC, Deutsche Bank Berkshire Mortgage, Inc., Financial Federal Savings Bank, Grandbridge Real Estate Capital LLC, Holliday Fenoglio Fowler, L.P., KeyCorp Real Estate Capital Markets, Inc., M&I Marshall & Ilsley Bank, M&T Realty Capital Corporation, NorthMarq Capital, LLC, PNC Bank, National Association (successor by merger to PNC Multifamily Mortgage LLC), Walker & Dunlop, LLC or Wells Fargo Bank, National Association, and each underlying mortgage loan was acquired by Freddie Mac. For a description of the underwriting criteria utilized in connection with the origination or acquisition of each of the underlying mortgage loans, see “Description of the Underlying Mortgage Loans—Underwriting Matters” in this information circular.
Payment and Other Terms	Each of the underlying mortgage loans is the obligation of a borrower to repay a specified sum with interest. Repayment of each of the underlying mortgage loans is secured by a first priority lien on the fee interest of the related borrower in the mortgaged real property. As of the date of this information circular, no mortgaged real properties are encumbered by subordinate liens except for certain limited permitted encumbrances that are described in this information circular. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Subordinate Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan,” “Description of the Underlying Mortgage Loans—General” and “—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular. Except with respect to certain standard nonrecourse carveouts, each of the underlying mortgage loans is nonrecourse to the borrower. Although the offered certificates will be guaranteed by Freddie Mac

pursuant to the Freddie Mac Guarantee, none of the underlying mortgage loans is insured or guaranteed by any governmental agency or instrumentality or by any private mortgage insurer.

Each of the underlying mortgage loans currently accrues interest at the annual rate specified with respect to that mortgage loan on Exhibit A-1 to this information circular.

Balloon Loans..... All of the underlying mortgage loans are balloon loans that provide for:

- an amortization schedule that is significantly longer than its remaining term to stated maturity or no amortization prior to stated maturity; and
- a substantial balloon payment of principal on its maturity date.

Mortgage Loans with Interest-Only Periods ..... One (1) of the underlying mortgage loans, representing 0.7% of the initial mortgage pool balance, does not provide for any amortization prior to the maturity date. Twenty-seven (27) of the underlying mortgage loans, representing 37.4% of the initial mortgage pool balance, provide for an interest-only period of between 12 and 60 months following origination followed by amortization for the balance of the loan term.

Crossed Mortgage Loans and Related Borrower Loans ..... The issuing entity will include two (2) groups of underlying mortgage loans that are cross-collateralized and cross-defaulted with each other. Each group of crossed mortgage loans has the same or affiliated borrowers. The table below identifies those crossed mortgage loans.

Loan Name	% of Initial Mortgage Pool Balance[(1)]
Park Crest At Innisbrook	2.6%
Verandas At Sam Ridley	2.0
Avondale At Kennesaw Farms	1.6
535 Brookwood	1.2
Total	**7.3%**
Creekview Apartments	0.8%
Pear Ridge Apartments	0.4
Total	**1.2%**

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

In reviewing the foregoing table, you should note that the groups of crossed mortgage loans referred to in the table generally allow for the termination of the applicable cross-collateralization provisions and the release of any mortgaged real property (i) with respect to the underlying mortgage loans comprising the Mid-America Crossed Portfolio, upon the substitution of another property for such mortgaged real property and (ii) with respect to the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, upon the defeasance of such mortgaged real property, in each case as set forth in the related loan documents. See "Risk Factors—Risks Related to the

Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited," "—Substitution of Mortgaged Real Properties May Lead to Increased Risks," "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" and "—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

In addition, the table below shows each group of mortgaged real properties that has the same or affiliated borrowers, including one group of three (3) underlying mortgage loans, two (2) of which underlying mortgage loans comprise the Creekview and Pear Ridge Crossed Portfolio:

Loan Name	% of Initial Mortgage Pool Balance[(1)]
Waterford Lakes	2.5%
Mont Clare At Harlem Avenue	1.7
Villa Oceana	1.6
Bay Park	1.4
Total	**7.2%**
The Heights At Perimeter Center	2.1%
The Lofts Perimeter Center	2.0
The Drexel	1.8
Total	**5.9%**
The Landings At Beckett Ridge	2.0%
Sterling Lakes Apartments	1.4
Shadow Ridge Apartments	1.3
Total	**4.7%**
Sheridan Ridge	1.2%
Creekview Apartments	0.8
Pear Ridge Apartments	0.4
Total	**2.4%**
Waterford On The Meadow	1.2%
Arbors Of Carrollton	0.4
Total	**1.6%**
Pebble Creek Apartments	0.6%
Glenwood Pointe Apartments	0.5
Total	**1.1%**

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

See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Mortgage Loans to Related Borrowers May Result in More Severe Losses on Your Offered Certificates" and "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans

	and Mortgage Loans with Affiliated Borrowers" in this information circular.
Lockboxes.....	Two (2) of the underlying mortgage loans, representing 14.9% of the initial mortgage pool balance, provide for in-place soft, springing hard lockbox accounts. Such accounts are in the form of a cash management arrangement pursuant to which funds are swept to a borrower-controlled account prior to an event of default with respect to the related underlying mortgage loan and are swept to a lender-controlled account after an event of default with respect to the related underlying mortgage loan. One (1) of the underlying mortgage loans, representing 3.9% of the initial mortgage pool balance, provides for an in-place hard lockbox account. Such account is in the form of a cash management arrangement pursuant to which funds are kept in a lender-controlled account.
Prepayment Characteristics of the Mortgage Loans.....	Sixty-seven (67) of the underlying mortgage loans, representing 95.5% of the initial mortgage pool balance, restrict voluntary prepayments by prohibiting any voluntary prepayments for a specified period of time after the origination of the underlying mortgage loan (during which time defeasance is permitted after the second anniversary of the Closing Date), followed by an open period prior to maturity during which voluntary principal prepayments may be made without any restriction or prepayment premium. See "—Defeasance and Substitution" below. Two (2) of the underlying mortgage loans, representing 4.5% of the initial mortgage pool balance, restrict prepayments by requiring that any voluntary principal prepayment made during a specified period of time be accompanied by a static prepayment premium or yield maintenance charge. The purchase of any underlying mortgage loan by any party that has an option or is otherwise entitled to purchase such loan from the issuing entity following default (or, with respect to the mortgage loan seller, is required to purchase such loan 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 general, the underlying mortgage loans 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 Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment—Prepayment" in this information circular.
Defeasance and Substitution.....	Sixty-seven (67) of the underlying mortgage loans, representing 95.5% of the initial mortgage pool balance, permit the borrower (no earlier than the second anniversary of the Closing Date) to obtain the release of the related mortgaged real property or, in the case of the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, the release of one or more of the related mortgaged real properties subject to the additional conditions set forth in the related

loan documents, 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, with respect to some of the underlying mortgage loans, Fannie Mae, and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any consolidated bank that is a member of the Federal Home Loan Banks. 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 notes(s), including balloon payments at maturity.

Additionally, the four (4) underlying mortgage loans comprising the Mid-America Crossed Portfolio, representing 7.3% of the initial mortgage pool balance, permit the related borrower to substitute another property owned by the related borrower for an individual mortgaged real property upon the satisfaction of certain conditions specified in the related loan documents, which are described in "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment—Substitution" in this information circular. See also "Risk Factors—Risks Related to the Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited," "—Substitution of Mortgaged Real Properties May Lead to Increased Risks" and "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" in this information circular.

See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

Delinquency Status ..... None of the underlying mortgage loans was thirty (30) days or more delinquent in respect of any monthly debt service payment as of April 1, 2011.

Geographic Concentration..... Mortgaged real properties representing 5.0% or more of the initial mortgage pool balance are located in each of Texas, California, New York, Florida, Georgia and North Carolina. The table below shows the number of, and percentage of the initial mortgage pool balance secured by, mortgaged real properties located in these states:

State	Number of Mortgaged Real Properties	% of Initial Mortgage Pool Balance
Texas	8	12.3%
California	6	10.2%
New York	2	9.5%
Florida	8	9.2%
Georgia	6	8.8%
North Carolina	5	7.7%

	The remaining mortgaged real properties are located throughout sixteen (16) other states. No more than 4.7% of the initial mortgage pool balance is secured by mortgaged real properties located in any of these other states. In circumstances where a particular underlying mortgage loan is secured, due to cross-collateralization, by multiple mortgaged real properties located in two or more states, the foregoing information reflects the allocated loan amounts in each state for those properties. Five (5) of the California properties, securing 4.3% of the initial mortgage pool balance, are located in southern California – areas with zip codes of 93600 or below – and one (1) of the California properties, securing 5.8% of the initial mortgage pool balance, is located in northern California – areas with zip codes above 93600. See "Description of the Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans" in this information circular.
Property Type	All of the mortgaged real properties are multifamily properties. See "Risk Factors" in this information circular for a description of some of the risks relating to multifamily properties.
Encumbered Interests	All of the underlying mortgage loans encumber the fee interests of the related borrowers in the mortgaged real properties. As of the date of this information circular, no mortgaged real properties are encumbered by subordinate liens except for certain limited permitted encumbrances that are described in this information circular. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Subordinate Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan," "Description of the Underlying Mortgage Loans—General" and "—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt" in this information circular.
Mezzanine Debt.....	With respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, a $6,750,000 mezzanine loan is secured by a pledge of ownership interests in the related borrower. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Mezzanine Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan" and "Description of the Underlying Mortgage Loans—Mezzanine Debt" in this information circular.
Significant Mortgage Loans.....	The ten (10) largest underlying mortgage loans or group of crossed mortgage loans represent 41.1% of the initial mortgage pool balance. See "Risk Factors—Risks Related to the Underlying Mortgage Loans" and "Description of the Underlying Mortgage Loans" in this information circular and Exhibits A-1, A-2 and A-3 to this information circular.

Additional Statistical Information

General Characteristics ..... The mortgage loans that we intend to include in the issuing entity will have the following general characteristics as of April 1, 2011:

	Mortgage Pool
Initial mortgage pool balance	$1,210,571,710
Number of underlying mortgage loans	69
Number of mortgaged real properties	69
Largest Cut-off Date Principal Balance	$109,421,417
Smallest Cut-off Date Principal Balance	$1,866,109
Average Cut-off Date Principal Balance	$17,544,518
Highest annual mortgage interest rate	5.210%
Lowest annual mortgage interest rate	4.130%
Weighted average annual mortgage interest rate	4.534%
Longest original term to maturity	120
Shortest original term to maturity	120
Weighted average original term to maturity	120
Longest remaining term to maturity	117
Shortest remaining term to maturity	114
Weighted average remaining term to maturity	116
Highest Underwritten Debt Service Coverage Ratio	2.27x
Lowest Underwritten Debt Service Coverage Ratio	1.24x
Weighted average Underwritten Debt Service Coverage Ratio	1.39x
Highest Cut-off Date LTV	80.0%
Lowest Cut-off Date LTV	48.2%
Weighted average Cut-off Date LTV	68.7%

In reviewing the foregoing table, please note that the underwritten net cash flow for any mortgaged real property 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 groups of cross-collateralized and cross-defaulted mortgage loans treat each cross-collateralized and cross-defaulted mortgage loan as a separate loan. One exception is that each and every underlying mortgage loan in any particular group of cross-collateralized and cross-defaulted mortgage loans is treated as having the same loan-to-value ratio, the same maturity loan-to-value ratio and the same debt service coverage ratio.

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 underlying mortgage loans is provided on an approximate basis.

The Series 2011-K12 Certificates May Not Be a Suitable Investment for You

The series 2011-K12 certificates are not suitable investments for all investors. In particular, you should not purchase any class of series 2011-K12 certificates unless you understand and are able to bear the prepayment, credit, liquidity and market risks associated with that class of series 2011-K12 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 series 2011-K12 certificates are subject to material variability from period to period and give rise to the potential for significant loss over the life of the series 2011-K12 certificates to the extent the guarantor does not make Guarantor Payments on the Offered Certificates. The interaction of the foregoing factors and their effects are impossible to predict and are likely to change from time to time. As a result, an investment in the series 2011-K12 certificates involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities.

Risks Related to the Underlying Mortgage Loans

The Mortgage Loans Underlying Your Offered Certificates Are Nonrecourse. All of the underlying mortgage loans are nonrecourse loans. This means that, in the event of a default, recourse will generally be limited to the related real property or properties securing the defaulted underlying mortgage loan and other assets that have been pledged to secure that underlying mortgage loan. Consequently, full and timely payment on each underlying mortgage loan 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 borrower to refinance or sell the applicable mortgaged real property at maturity.

In general, the value of a 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 underlying mortgage loans will be insured or guaranteed by any governmental entity or private mortgage insurer. Freddie Mac will act as guarantor of the class A-1, A-2, X1 and X3 certificates.

Repayment of Each of the Underlying Mortgage Loans Will Be Dependent on the Cash Flow Produced by the Related Mortgaged Real Property, Which Can Be Volatile and Insufficient To Allow Timely Distributions on Your Offered Certificates, and on the Value of the Related Mortgaged Real Property, Which May Fluctuate Over Time. 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 a 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 borrower to sell the related mortgaged real property or refinance the subject 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 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 upon 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;
- 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.

Borrowers May Be Unable To Make Balloon Payments. All of the mortgage loans underlying your offered certificates are non-amortizing or only partially amortizing. The borrower under a mortgage loan of that type 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 borrower to make a balloon payment depends upon the borrower's ability to refinance or sell the real property securing the loan. The ability of the borrower to refinance or sell the property will be affected by a number of factors, including—

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

- the level of interest rates;

- the borrower's equity in the underlying real property;

- the borrower's financial condition;

- the operating history of the underlying 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 nor any of our affiliates, the mortgage loan seller or any of the originators will be obligated to refinance any mortgage loan underlying your offered certificates.

The current credit crisis and recent economic downturn has resulted in tightened lending standards and a substantial reduction in capital available to refinance commercial mortgage loans at maturity. These factors have increased the risks of refinancing mortgage loans. See "—Risks Related to the Offered Certificates—The Volatile Economy and Credit Crisis May Increase Loan Defaults and Affect the Value and Liquidity of Your Investment" in this information circular. We cannot assure you that each borrower under a balloon loan will have the ability to repay the principal balance of such mortgage loan on the related maturity date.

The master servicer or special servicer may, within prescribed limits, extend and modify mortgage loans underlying your offered certificates that are in default or as to which a payment default is reasonably foreseeable in order to maximize recoveries on such loans. The master servicer or 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 loan. There is a risk that the decision of the master servicer or special servicer to extend or modify a mortgage loan may not in fact produce a greater recovery.

Multifamily Lending Subjects Your Investment to Special Risks that Are Not Associated with Single-Family Residential Lending. The underlying mortgage loans are secured by multifamily income-producing property types.

Multifamily lending is generally thought to be riskier than single-family residential lending because, among other things, larger loans are made to single borrowers or groups of related borrowers.

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. Any one of these additional factors, discussed in more detail in this information circular, could result in a reduction in the level of cash flow from those mortgaged real properties that is required to ensure timely distributions on your offered certificates.

Condominium Ownership May Limit Use of the Property and Decision Making Related to the Property. In the case of condominiums, a board of managers generally has discretion to make decisions affecting the condominium and there is no assurance that the related borrower will have any control over decisions made by the related board of managers. Decisions made by that board of managers, including decisions regarding assessments to be paid by the unit owners, insurance to be maintained on the condominium and many other decisions affecting the maintenance of the condominium, may have an adverse impact on any underlying mortgage loans that are secured by condominium interests. We cannot assure you that the related board of managers will always act in the best interests of the borrower under those mortgage loans. Further, due to the nature of condominiums, a default on the part of the borrower will not allow the applicable special servicer the same flexibility in realizing on the collateral as is generally available with respect to properties that are not condominiums. The rights of other unit owners, the documents governing the management of the condominium units and the state and local laws applicable to condominium units must be considered. In addition, in the event of a casualty with respect to a mortgaged real property which consists of a condominium interest, due to the possible existence of multiple loss payees on any insurance policy covering the mortgaged real property, there could be a delay in the allocation of related insurance proceeds, if any. Consequently, servicing and realizing upon a condominium property could subject you to a greater delay, expense and risk than with respect to a mortgage loan secured by a property that is not a condominium.

For example, with respect to the MetroPlace Mortgage Loan and the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "The Verandas" and "Carlyle Apartments," collectively representing 4.8% of the initial mortgage pool balance, the related mortgaged real properties constitute, in whole or in part, condominiums. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as "River Oaks," representing 1.7% of the initial mortgage pool balance, the related mortgaged real property is part of a 280-unit condominium development, twenty-eight (28) units of which are owned by unrelated private individuals and are not part of the collateral securing the underlying mortgage loan. In the related security instruments, each borrower generally agreed, among other things, (i) that all condominium documents are subordinated or subject to the related loan documents; (ii) that, so long as the related loan is outstanding, the condominium documents will not be modified or amended without the prior written consent of the lender; (iii) that no portion of the condominium units and no portion of the common elements have been sold or encumbered and/or that it will not sell or encumber any such portions without the express written consent of the lender; (iv) that it will operate the related property solely as a rental apartment project and (v) that it will indemnify the lender from and against any and all losses or damages arising out of the failure of the borrower to comply with any laws or regulations related to the condominium. We cannot assure you that the related borrower will abide by the foregoing agreements or that the foregoing considerations will not adversely impact your investment.

The Source of Repayment on Your Offered Certificates Will Be Limited to Payments and Other Collections on the Underlying Mortgage Loans. The offered certificates will represent interests solely in the issuing entity. The primary assets of the issuing entity will be a segregated pool of multifamily mortgage loans. Accordingly, repayment of the offered certificates will be limited to payments and other collections on the underlying mortgage loans, subject to the Freddie Mac Guarantee.

However, the underlying mortgage loans will not be an obligation of, or be insured or guaranteed by:

- any governmental entity;
- any private mortgage insurer;
- us;
- Freddie Mac;
- the master servicer;
- the special servicer;
- any sub-servicer of the master servicer or the special servicer;
- the trustee;
- the custodian; or
- any of their or our respective affiliates.

All of the Underlying Mortgage Loans Are 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, manufactured housing communities 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.

For instance, with respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Legacy Heights," "River Oaks" and "Hunters Mill Apartments," collectively representing 4.3% of the initial mortgage pool balance, at the time such underlying mortgage loans were underwritten a significant number of units at the related mortgaged real properties were leased to military tenants. Base closings and the transient nature of military service may adversely affect the income stream at the related mortgaged real properties.

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 the related 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 the foregoing 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 mortgage loans secured by those properties.

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 suits 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.

For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "200 Water Street," representing 9.0% of the initial mortgage pool balance, the related mortgaged real property is subject to rent stabilization laws or regulations. 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 the related property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses.

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 a 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 multifamily rental properties that secure the underlying mortgage loans 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 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. These limitations could adversely affect the ability of the related borrower to lease the mortgaged real property on favorable terms, thus adversely affecting the borrower's ability to fulfill its obligations under the related underlying mortgage loan.

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. These covenants normally require 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. 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 the foregoing 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.

For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Park Place By The Bay," representing 1.9% of the initial mortgage pool balance, the related mortgaged real property is subject to a land use restriction agreement in favor of the Housing Finance Authority of Dade County (Florida) in connection with the issuance of tax-exempt bonds to finance the ownership of the related mortgaged real property. Although the rent and income restrictions contained in the agreement have expired, certain other provisions of the agreement remain in effect, including, generally, (i) the requirement that the mortgaged real property remain a residential property and not be rented to transients, (ii) the requirement that the mortgaged real property remain a rental property and (iii) the requirement that the owner of the mortgaged real property take no action to negate the tax-exempt status of the related bonds. The agreement expires, subject to its terms and conditions, in January 2022.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Turnbridge I & II," representing 0.3% of the initial mortgage pool balance, each phase of the related mortgaged real property has been awarded tax credits and is subject to a declaration of land use and related restrictive covenants in favor of the North Carolina Federal Tax Reform Allocation Committee. The restrictive covenants generally require that 100% of the units be rented to tenants with income not in excess of 60% of the area median income at rental rates set forth in the related declaration. The restrictive covenants generally terminate fifteen (15) years after any related building is first placed into service, subject to an extended compliance period of an additional fifteen (15) years and subject to earlier termination in certain circumstances.

Some of the mortgaged real properties have tenants that rely on rent subsidies under various government funded programs, including Section 8. With respect to certain of the underlying mortgage loans, the borrower may receive subsidies or other assistance from government programs. Generally, the mortgaged real property must satisfy certain requirements, the borrower must observe certain leasing practices and/or the tenant(s) must regularly meet certain income requirements. For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Claridge House," representing 1.7% of the initial mortgage pool balance, the related mortgaged real property is 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 the United States Department of Housing and Urban Development or a state or local housing agency and will not be assigned to the issuing entity. We cannot assure you that any transferee of the mortgaged real property, whether through foreclosure or otherwise, will obtain the consent of the United States Department of Housing and Urban Development to assign the HAP contract. In addition, we cannot assure you that such programs will continue in their present form or that the borrower will continue to comply with the requirements of the programs to enable the borrower to receive the subsidies in the future or that the level of assistance provided will be sufficient to generate enough revenues for the related borrower to meet its obligations under the related mortgage loans.

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 Section 42 of the Code. For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Turnbridge I & II," representing 0.3% of the initial mortgage pool balance, the related

mortgaged real property receives low-income housing tax credits pursuant to Section 42 of the Code. Section 42 of the Code 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 the state or local allocating agency. The total amount of tax credits to which the property owner is entitled is based upon 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 fifteen (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.

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. For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "200 Water Street," representing 9.0% of the initial mortgage pool balance, the mortgaged real property is subject to a tax exemption and abatement. We cannot assure you that the foregoing or any other tax abatements and exemptions 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 related mortgaged real properties or the related 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; and
- an increase in the capital expenditures needed to maintain the property or to make improvements.

Student Housing Facilities Pose Risks Not Associated With Other Types of Multifamily Properties. Student housing facilities may be more susceptible to damage or wear and tear than other types of multifamily housing. Such properties are also affected by their reliance on the financial well-being of the college or university to which such housing relates, competition from on-campus housing units (which may adversely affect occupancy), and the physical layout of the housing (which may not be readily convertible to traditional multifamily use). Further, student tenants have a higher turnover rate than other types of multifamily tenants, which in certain cases is compounded by the fact that student leases are available for periods of less than twelve (12) months. Some of the mortgaged real

properties securing the underlying mortgage loans have tenants who are students. For example, with respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Stadium Suites," "The Galleria Apartments," "University Courtyard Apartments" and "Bel Air and Village West Apartments," collectively representing 4.0% of the initial mortgage pool balance, at the time such mortgage loans were underwritten the related mortgaged real properties had a significant student population.

The Success of an Income-Producing Property Depends on Reletting Vacant Spaces. The operations at 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. Due to the current economic conditions, a number of the mortgaged real properties are experiencing or have experienced increases in vacancy rates recently. 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. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans" in this information circular.

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 multi-tenanted property. If a smaller income-producing property has fewer tenants, increased vacancy rates may have a greater possibility of adversely affecting operations at the related mortgaged real property, thereby reducing the cash flow generated by the property. For example, with respect to five (5) of the underlying mortgage loans, collectively representing 2.2% of the initial mortgage pool balance, the related mortgaged real properties include 100 or fewer units.

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.

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 mortgage loan(s) that may encumber that property.

The proportion of older mortgaged real properties may adversely impact payments on the underlying mortgage loans on a collective basis. For example, with respect to twenty (20) of the underlying mortgaged real properties, securing underlying mortgage loans collectively representing 32.8% of the initial mortgage pool balance, the related 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 related 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 underlying mortgage loan, which could affect the ability of the related borrower to repay the related underlying mortgage loan.

In the event the related 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.

For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "200 Water Street," representing 9.0% of the initial mortgage pool balance, for so long as the work will not adversely and materially affect access to the mortgaged real property or materially diminish rents or the marketability of the mortgaged real property, the related loan documents permit the related borrower, without lender consent, to extend the frontage of the retail space on Fulton Street to the property line on the Fulton Street side of the improvements, extend the frontage of the retail space on Water Street to the property line on the John Street side of the improvements and/or remove, alter or relocate certain art work (including, without limitation, the clock and the pool) and restore or repair the plazas as required in connection with such removal, alteration or relocation. We cannot assure you that this work will not have an adverse effect on the income from or operations at the related mortgaged real property, that the work will not result in the related filing of any mechanic's or materialmen's liens against the mortgaged real property or that the work will not adversely affect the related borrower's ability to satisfy debt service payments.

If the special servicer forecloses on behalf of the issuing entity on a mortgaged real property that is being redeveloped or renovated, pursuant to the REMIC provisions, the special servicer will only be permitted to arrange for completion of the redevelopment or renovation if at least 10% of the costs of construction were incurred at the time the default on the related mortgage loan became imminent. As a result, the issuing entity may not realize as much proceeds upon disposition of a foreclosure property as it would if it were permitted to complete construction.

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.

Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on a Mortgage Loan Underlying Your Offered Certificates. 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 will stay the sale of a real property owned by that borrower, as well as the commencement or continuation of a foreclosure action.

In addition, if a court determines that the value of a real property is less than the principal balance of the mortgage loan it secures, the 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 a mortgage loan;
- reduce monthly payments due under a mortgage loan;
- change the rate of interest due on a mortgage loan; or
- otherwise alter a 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 of the foregoing, the issuing entity's recovery with respect to 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 sponsors of the 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.

For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Summer House Apartments," representing 5.8% of the initial mortgage pool balance, the related sponsors reported five (5) prior foreclosures with respect to the sponsors' other properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Villas At Centerview," representing 2.4% of the initial mortgage pool balance, the related sponsors reported a bankruptcy filing in connection with a 2009 default with respect to the related mortgaged real property resulting from a failure to provide certain financial statements and compliance certifications of the related guarantor. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Claridge House," representing 1.7% of the initial mortgage pool balance, the related sponsors reported a prior bankruptcy. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Legacy Heights," representing 1.7% of the initial mortgage pool balance, the related sponsors reported a prior foreclosure with respect to another of the sponsors' properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Paces Commons," representing 1.5% of the initial mortgage pool balance, the related sponsors reported a 2009 foreclosure with respect to another of the sponsors' properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Sterling Lakes

Apartments," representing 1.4% of the initial mortgage pool balance, the related sponsors reported two (2) prior deeds-in-lieu of foreclosure with respect to the sponsors' other properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "The Reserve At Maryville," representing 1.1% of the initial mortgage pool balance, the related sponsors reported a 2009 foreclosure with respect to another of the sponsors' properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Cobblestone Fayette," representing 0.9% of the initial mortgage pool balance, the related sponsors reported a 2001 foreclosure with respect to another of the sponsors' properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Cypress Village Apartments," representing 0.8% of the initial mortgage pool balance, the related sponsors reported a 2010 foreclosure with respect to another of the sponsors' properties. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Advenir Station At Springdale," representing 0.6% of the initial mortgage pool balance, the related sponsors reported a prior bankruptcy. In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Washington Heights Apartments," representing 0.6% of the initial mortgage pool balance, the related sponsors reported a prior bankruptcy. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of a related borrower or related sponsors and therefore will not adversely impact the borrower's or the sponsors' ability to maintain the related mortgaged real property or pay amounts owed on the underlying mortgage loan.

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 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. 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 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.

The Performance of an Underlying Mortgage Loan and the Related Mortgaged Real Property Depends in Part on Who Controls the Borrower and the Related Mortgaged Real Property. The operation and performance of an underlying mortgage loan will depend in part on the identity of the persons or entities that control the related borrower and the related mortgaged real property. The performance of such mortgage loan may be adversely affected if control of the related borrower changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in such borrower.

Losses on Larger Loans May Adversely Affect Distributions on Your Certificates. Certain of the underlying mortgage loans or the groups of cross-collateralized underlying mortgage loans 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 mortgage loans backing the offered certificates were more evenly distributed. The following chart lists the ten (10) largest mortgage loans (including one (1) group of cross-collateralized underlying mortgage loans) that are to be included in the issuing entity. For additional information on the ten (10) largest underlying mortgage loans (including one (1) group of cross-collateralized underlying mortgage loans), see Exhibit A-3 to this information circular.

Ten Largest Mortgage Loans or Group of Cross-Collateralized Mortgage Loans

Loan Name	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance
200 Water Street	$109,421,417	9.0%
Mid-America Crossed Portfolio[(1)]	88,154,581	7.3
Summer House Apartments	70,795,000	5.8
Cool Springs At Frisco Bridges	48,505,983	4.0
MetroPlace At Towncenter	46,672,650	3.9
Waterford Lakes	30,591,156	2.5
Villas At Centerview	29,100,000	2.4
The Heights At Perimeter Center	25,602,000	2.1
Post Oak Park I & II	25,000,000	2.1
The Landings At Beckett Ridge	23,752,962	2.0
Total	**$497,595,750**	**41.1%**

(1) The Mid-America Crossed Portfolio is comprised of four (4) underlying mortgage loans that are cross-collateralized and cross-defaulted with one another. See "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" in this information circular.

Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited. The underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Park Crest At Innisbrook," "Verandas At Sam Ridley," "Avondale At Kennesaw Farms" and "535 Brookwood" (which underlying mortgage loans comprise the "Mid-America Crossed Portfolio"), collectively representing 7.3% of the initial mortgage pool balance, are cross-collateralized. In addition, the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Creekview Apartments" and "Pear Ridge Apartments" (which underlying mortgage loans comprise the "Creekview and Pear Ridge Crossed Portfolio"), collectively representing 1.2% of the initial mortgage pool balance, are cross-collateralized. These arrangements attempt to reduce the risk that one mortgaged real property 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 borrower could be challenged as a fraudulent conveyance and avoided if a court were to determine that:

- such borrower was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, or was left with unreasonably small capital, or was not able to pay its debts as they matured; and

- the borrower did not, when it allowed its mortgaged real property to be encumbered by a lien securing the entire indebtedness represented by the other mortgage loan, receive fair consideration or reasonably equivalent value for pledging such mortgaged real property for the equal benefit of the other borrower.

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

In addition, the underlying mortgage loans referred to in the foregoing paragraph generally allow for the termination of the applicable cross-collateralization provisions and the release of any mortgaged real property (i) with respect to the underlying mortgage loans comprising the Mid-America Crossed Portfolio, upon the substitution of another property for such mortgaged real property and (ii) with respect to the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, upon the defeasance of such mortgaged real

property, in each case as set forth in the related loan documents. See "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" in this information circular.

Substitution of Mortgaged Real Properties May Lead to Increased Risks. With respect to the four (4) underlying mortgage loans comprising the Mid-America Crossed Portfolio, collectively representing 7.3% of the initial mortgage pool balance, which underlying mortgage loans are cross-collateralized and cross-defaulted with each other, the related loan documents permit the related borrower to substitute another property for one of the related mortgaged real properties subject to the satisfaction of certain conditions set forth in the related documents. As a result, it is possible that any one (1) of the four (4) mortgaged real properties that secure such underlying mortgage loans may not secure the Mid-America Crossed Portfolio for its entire term. The substitute property may differ from the original mortgaged real property with respect to certain characteristics. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

Mortgage Loans to Related Borrowers May Result in More Severe Losses on Your Offered Certificates. Certain groups of the underlying mortgage loans were made to the same borrower or to borrowers under common ownership. See "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" in this information circular. Other than with respect to (i) the underlying mortgage loans comprising the Mid-America Crossed Portfolio and (ii) the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, none of the underlying mortgage loans is cross-collateralized or cross-defaulted. Mortgage loans with the same borrower or related borrowers 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 mortgage loans.

In addition, multiple real properties owned by the same borrower or related borrowers 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 related loans.

See "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers" in this information circular.

A 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 Your Offered Certificates. As described under "Risk Factors—Risks Related to the Underlying Mortgage Loans—Subordinate Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan" and "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt" in this information circular, all 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 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 those mortgage loans which require or allow letters of credit to be posted by the related borrower as additional security for its mortgage loan, in lieu of reserves or otherwise, the related 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 a borrower by reducing the cash flow available to the borrower to operate and maintain the related mortgaged real property;
- adversely affect the security interest of the lender in the equipment or other assets acquired through its financings;
- complicate bankruptcy proceedings; and
- delay foreclosure on the related mortgaged real property.

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

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

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

Geographic Concentration of the Mortgaged Real Properties May Adversely Affect Distributions on Your Offered Certificates. The concentration of mortgaged real properties in a specific state or region will make the performance of the underlying mortgage loans, as a whole, more sensitive to the following factors in the state or region where the 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, forest fires or hurricanes;
- acts of God, which may result in uninsured losses; and
- other factors that are beyond the control of the borrowers.

The mortgaged real properties are located in twenty-two (22) states. The table below sets forth the states in which a significant percentage of the mortgaged real properties are located. Except as set forth below, no state contains more than 4.7%, by Cut-off Date Principal Balance or allocated loan amount, of the mortgaged real properties that secure the underlying mortgage loans.

Significant Geographic Concentrations of Mortgaged Real Properties

State	Number of Mortgaged Real Properties	% of Initial Mortgage Pool Balance
Texas	8	12.3%
California	6	10.2%
New York	2	9.5%
Florida	8	9.2%
Georgia	6	8.8%
North Carolina	5	7.7%

For a discussion of certain legal aspects related to states in which more than 10% of the mortgaged real properties are located, see “Description of the Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans” in this information circular.

Subordinate Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan. No mortgage loan included in the issuing entity is encumbered with a subordinate lien. Moreover, other than with respect to future subordinate debt meeting specified criteria, as described under "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt" in this information circular, the mortgage loans included in the issuing entity require the consent of the holder of the mortgage loan prior to so encumbering the related mortgaged real property. However, a violation of this prohibition may not become evident until the affected mortgage loan otherwise defaults, and a lender, such as the issuing entity, may not realistically be able to prevent a borrower from incurring subordinate debt.

The borrowers under all of the underlying mortgage loans are permitted to incur an additional limited amount of indebtedness secured by the related mortgaged real properties beginning twelve (12) months after the origination date of each related underlying mortgage loan. Under the related loan documents, it is a condition to the incurrence of any future secured subordinate indebtedness on these mortgage loans that, among other things: (a) the total loan-to-value ratio of these loans be below, and the debt service coverage ratio be above, certain thresholds set out in the related loan documents and (b) subordination agreements and intercreditor agreements be put in place between the issuing entity and the related lenders. In the event a borrower satisfies these conditions, the borrower is permitted to obtain secured subordinate debt from approved lenders who will make such subordinate financing exclusively for purchase by Freddie Mac. The related intercreditor agreement will provide that the subordinate debt may be transferred to certain "qualified transferees" meeting certain minimum net worth requirements or other criteria set forth in such intercreditor agreement.

The existence of any secured subordinated indebtedness increases the difficulty of refinancing a mortgage loan at the loan's maturity. In addition, the related 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.

Mezzanine Debt Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan. With respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, a $6,750,000 mezzanine loan is secured by a pledge of ownership interests in the related borrower in favor of BVF-II Camp Springs, MD, L.L.C. as mezzanine lender. The mezzanine loan is subject to an intercreditor agreement between the related mezzanine lender and the related mortgage lender, which generally provides that all rights and remedies of the related mezzanine lender with respect to the mezzanine loan are subordinate to the rights and remedies of the related mortgage lender with respect to the mortgage loan. Mezzanine debt may affect a related borrower's ability to make debt service payments on any related mortgage loan included in the issuing entity. Mezzanine debt is debt that is secured by ownership interests in the related mortgage borrower. This type of financing can effectively reduce a principal's indirect equity interests in the corresponding mortgaged real property. Although a mezzanine lender has no security interest in or rights to the related mortgaged real property, a default related to the mezzanine loan could cause a change in control with respect to the related mortgage borrower. A mezzanine lender may generally have the right (i) to cure certain defaults with respect to a related mortgage loan, (ii) to purchase a related mortgage loan upon certain defaults with respect to such mortgage loan and (iii) to foreclose upon the ownership interests in the related mortgage borrower upon a default with respect to the mezzanine loan. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan. See "Description of the Underlying Mortgage Loans—Mezzanine Debt" in this information circular.

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.

With respect to sixty-six (66) of the underlying mortgage loans, representing 99.2% of the initial mortgage pool balance, the borrowers' organizational documents or the terms of the mortgage loans limit their activities to the ownership of only the related mortgaged real property or properties and, subject to exceptions, including relating to subordinate debt secured by the related mortgaged real properties, generally limit the borrowers' ability to incur additional 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 borrowers'

financial condition would be adversely impacted by factors unrelated to the mortgaged real property and the mortgage loan. However, we cannot assure you that the related borrowers will comply with these requirements. Also, although a borrower may currently be structured as a single-purpose entity, such borrower may have previously owned property other than the related mortgaged real property and/or may not have observed all covenants and conditions which typically are required to view a borrower as a "single purpose entity" under standard rating agency criteria. We cannot assure you that circumstances that arose or may arise when the borrower did not or does not observe the required covenants will not impact the borrower or the related mortgaged real property. In addition, 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 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 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 borrower will not file for bankruptcy protection or that creditors of a borrower or a corporation or individual general partner or managing member of a borrower will not initiate a bankruptcy or similar proceeding against the borrower or corporate or individual general partner or managing member.

Most of the borrowers and their owners do not have an independent director whose consent would be required to file a voluntary bankruptcy petition on behalf of such borrower. One of the purposes of an independent director of the borrower (or of a single purpose entity having an interest in the borrower) is to avoid a bankruptcy petition filing which is intended solely to benefit an affiliate and is not justified by the borrower's own economic circumstances. Borrowers (and any single purpose entity having an interest in any such 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 mortgage loan. Even in the case of borrowers with independent directors, we cannot assure you that a borrower will not file for bankruptcy protection, that creditors of a borrower will not initiate a bankruptcy or similar proceeding against such borrower, or that, if initiated, a bankruptcy case of the 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, the sponsor 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 affiliated borrowers, creditors of a common parent in bankruptcy may seek to consolidate the assets of those borrowers with those of the parent. Consolidation of the assets of the borrowers would likely have an adverse effect on the funds available to make distributions on your certificates, and may lead to a downgrade, withdrawal or qualification of the ratings of your certificates. The bankruptcy of a borrower, or the general partner or the managing member of a borrower, may impair the ability of the lender to enforce its rights and remedies under the related mortgage

With respect to three (3) of the underlying mortgage loans, secured by the mortgaged real properties identified on Exhibit A-1 of this information circular as "Carlyle Apartments," "Thomasville Apartments" and "Bel Air and Village West Apartments," collectively representing 0.8% of the initial mortgage pool balance, the related borrowers are single asset entities whose only assets are the related mortgaged real properties. However, additional debt may be undertaken by such borrowers which may increase the possibility that the borrower may become bankrupt or insolvent. Each such borrower is not permitted to (i) own any real or personal property other than the related mortgaged real property and personal property related to the operation and maintenance of the related mortgaged real property, (ii) operate any business other than the management and operation of the related mortgaged real property or (iii) maintain its assets in a way that is difficult to segregate and identify. We cannot assure you that circumstances that arose or may arise when the borrower did not or does not observe these covenants will not impact the borrower or the related mortgaged real property.

With respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 of this information circular as "Villages At Turtle Rock," "Claridge House" and "Legacy Heights," collectively representing 5.1% of the initial mortgage pool balance, no guarantees of the nonrecourse carveout provisions of the related loan documents were obtained. In addition, some of the underlying mortgage loans may be guaranteed, in whole or in part, by sponsors 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 term of the related underlying mortgage loans.

Tenants-in-Common. With respect to two (2) underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio and the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Sheridan Ridge," collectively representing 2.4% of the initial mortgage pool balance, the related borrowers own the mortgaged real properties as tenants-in-common.

Generally, in tenant-in-common ownership structures, each tenant-in-common owns an undivided share in the subject real property. If a tenant-in-common desires to sell its interest in the subject real property and is unable to find a buyer or otherwise desires to force a partition, the tenant-in-common has the ability to request that a court order a sale of the subject real property and distribute the proceeds to each tenant-in-common owner proportionally. To reduce the likelihood of a partition action, each tenant-in-common borrower under the mortgage loan referred to above has waived its partition right. However, we cannot assure you that, if challenged, this waiver would be enforceable or that it would be enforced in a bankruptcy proceeding.

The enforcement of remedies against tenant-in-common borrowers may be prolonged because each time a tenant-in-common borrower files for bankruptcy, the bankruptcy court stay is reinstated. While a lender may seek to mitigate this risk after the commencement of the first bankruptcy of a tenant-in-common by commencing an involuntary proceeding against the other tenant-in-common borrowers and moving to consolidate all those cases, we cannot assure you that a bankruptcy court would consolidate those separate cases.

The bankruptcy, dissolution or action for partition by one or more of the tenants-in-common could result in an early repayment of the related mortgage loan, a significant delay in recovery against the tenant-in-common borrowers, a material impairment in property management and a substantial decrease in the amount recoverable upon the related mortgage loan.

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 borrowers with respect to those 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 borrower complies with the terms of the related loan documents, or the lenders under such 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, guarantors may not be required with respect to the related underlying mortgage loan.

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 mortgage loan if the related borrower sells or otherwise transfers or encumbers the related mortgaged real property or its interest in the related 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 related 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.

The related borrower generally may collect rents for so long as there is no default. As a result, the issuing entity's rights to these rents 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 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 a Mortgage Loan Underlying Your Offered Certificates. Principals of certain of the underlying mortgage loans and/or their affiliates may be subject to defaults with respect to other mortgage loans in their portfolios or, in some cases, with respect to prior mortgage loans related to mortgaged real properties securing underlying mortgage loans that are assets of the issuing entity. For example, with respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Summer House Apartments," "Cool Springs At Frisco Bridges," "Villas At Centerview," "Mont Clare At Harlem Avenue," "Claridge House," "Legacy Heights," "Paces Commons," "Bay Park," "The Reserve At Maryville," "Cobblestone Fayette," "Cypress Village Apartments," "Advenir Station At Springdale" and "Washington Heights Apartments," collectively representing 24.2% of the initial mortgage pool balance, each related sponsor reported at least one current or recent default. We cannot assure you that the foregoing circumstances will not have an adverse effect on the liquidity of the sponsors or the borrowers or that such circumstances will not adversely affect the sponsors' or the borrowers' ability to maintain each related mortgaged real property, to pay amounts owed on each underlying mortgage loan or to refinance each underlying mortgage loan. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on a Mortgage Loan Underlying Your Offered Certificates" in this information circular.

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.

The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, as well as other federal and state laws, provide that 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—

- agents or employees of the lender are deemed to have participated in the management of the borrower; or

- the lender actually takes possession of a borrower's property or control of its day-to-day operations, including through the appointment of a receiver or foreclosure.

Although subsequently enacted legislation clarifies the activities in which a lender may engage without becoming subject to liability under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and similar federal laws, that legislation has no applicability to state environmental laws. 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.

With respect to all of the mortgaged real properties, Phase I environmental site assessments were prepared in connection with the origination of the mortgage loan.

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 originator may have 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 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 or groundwater contamination, a responsible party other than the related 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 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 borrower expressly agreed to comply with all federal, state and local statutes or regulations respecting the identified adverse environmental conditions.

For example, with respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, a historical environmental report was conducted prior to construction and development of the related mortgaged real property to determine the levels of volatile organic compounds in the 54-acre development of which

the related mortgaged real property is now a part. According to the related environmental consultant, the concentrations were determined to have no material impact and no further action was required. We cannot assure you that the foregoing circumstances will not have an adverse impact on operations at the related mortgaged real property.

Some 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.

For example, with respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, the related environmental consultant noted a potentially leaking utility-owned transformer and recommended that the related borrower notify the owner of the transformer, Potomac Electric Power Company, about the potential leak, which the borrower agreed to do pursuant to the related loan documents. We cannot assure you that the foregoing circumstances will not have an adverse impact on operations at the related mortgaged real property.

In addition, with respect to six (6) underlying mortgage loans, collectively representing 4.9% of the initial mortgage pool balance, each related borrower is currently conducting short- or long-term radon testing at the related mortgaged real property. Pursuant to each related repair agreement entered into at origination, if the lender determines that the radon testing indicates further remediation is necessary, the related borrower is required (i) to provide the lender with a signed, binding, fixed-price radon remediation contract with a qualified service provider, (ii) to complete such remediation work within a specified time frame and (iii) to enter into an operations and maintenance agreement with respect to such remediation work.

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 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 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.

Appraisals and Market Studies May Inaccurately Reflect the 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.

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; and

- 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.

The appraisals reflect market conditions at the time the appraisals were conducted and may not reflect current values.

We have not confirmed the values of the respective mortgaged real properties in the appraisals.

Property Managers and 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 borrowers may experience conflicts of interest in the management and/or ownership of the related mortgaged real properties because:

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

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

- be in the same markets as mortgaged real properties securing mortgage loans in the issuing entity; and/or

- have owners and/or property managers in common with mortgaged real properties securing mortgage loans in the issuing entity; and/or

- be sponsored by parties that also sponsor mortgaged real properties securing mortgage loans in the issuing entity.

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 mortgage loans in the issuing entity. Under the series 2011-K12 pooling and servicing agreement, the master servicer, the special servicer and any sub-servicers are each required to service the mortgage loans in the issuing entity for which it is responsible in the same manner, and with the same care, as similar mortgage loans serviced by it and held as part of its own portfolio or the portfolios of third parties.

If the Master Servicer, any Sub-Servicer or Special Servicer Purchases Series 2011-K12 Certificates, a Conflict of Interest Could Arise Between Their Duties and Their Interests in the Series 2011-K12 Certificates. The master servicer, any sub-servicer and/or special servicer or an affiliate of any of them may purchase or retain any of the class X2, B and C certificates. The ownership of series 2011-K12 certificates by the master servicer, any sub-servicer and/or special servicer could cause a conflict between its duties under the series 2011-K12 pooling and servicing agreement or the applicable sub-servicing agreement and its interest as a holder of a series 2011-K12 certificate, especially to the extent that certain actions or events have a disproportionate effect on one or more classes of series 2011-K12 certificates. However, under the series 2011-K12 pooling and servicing agreement and the applicable sub-servicing agreement, the master servicer, any sub-servicer and special servicer are each required to service the underlying mortgage loans in accordance with the Servicing Standard.

Potential Conflicts of Interest in the Selection of the Underlying Mortgage Loans. The anticipated initial investor (the "B-Piece Buyer") in the class X2 and C certificates was given the opportunity by the mortgage loan

seller and the depositor to perform due diligence on the mortgage loans originally identified by the mortgage loan seller for inclusion in the issuing entity, and to request the removal, re-sizing or change other features of some or all of the mortgage loans. The mortgage loan pool as originally proposed by the mortgage loan seller was adjusted based on some of these requests. The B-Piece Buyer was and is acting solely for its own benefit 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 underlying mortgage loans. The inclusion of any mortgage loan in the issuing entity is not an indication of the B-Piece Buyer's analysis of that underlying mortgage loan nor can it be taken as any endorsement of the underlying mortgage loan by the B-Piece Buyer.

We cannot assure you that you or another investor would have made the same requests to modify the mortgage loan pool as the B-Piece Buyer or that the final pool as influenced by the B-Piece Buyer's feedback will not adversely affect the performance of your series 2011-K12 certificates and benefit the performance of the B-Piece Buyer's series 2011-K12 certificates. Because of the differing subordination levels and the fact that only the offered certificates are guaranteed by Freddie Mac, the B-Piece Buyer has interests that may, in some circumstances, differ from those of purchasers of other classes of series 2011-K12 certificates, including the offered certificates, and 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 also could cause its interests with respect to the loan pool to diverge from those of other purchasers of the series 2011-K12 certificates.

In addition, an affiliate of the B-Piece Buyer is the lender with respect to a mezzanine loan secured by a pledge of ownership interests in the related borrower under the MetroPlace Mortgage Loan. Upon the occurrence of a default with respect to the MetroPlace Mortgage Loan, such affiliate of the B-Piece Buyer, as mezzanine lender, may have the right, among other things, to foreclose upon the ownership interests in the related borrower under the MetroPlace Mortgage Loan, in which case such affiliate of the B-Piece Buyer would become the owner of the borrower under the MetroPlace Mortgage Loan. Upon the occurrence and during the continuance of any MetroPlace Event, the B-Piece Buyer's right to approve and consent to certain actions with respect to the MetroPlace Mortgage Loan will be restricted as described in "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular.

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 advised and encouraged to make your own investment decision based on a careful review of the information set forth in this information circular and your own view of the underlying mortgage loans.

Some of the Mortgaged Real Properties Are Legal Nonconforming Uses or Legal Nonconforming Structures. Many of the underlying mortgage loans may be secured by a mortgage lien on a real property that is a legal nonconforming use or a legal nonconforming structure. This may impair the ability of the related borrower to restore the improvements on a mortgaged real property to its current form or use following a major casualty. See "Description of the Underlying Mortgage Loans—Underwriting Matters—Zoning and Building Code Compliance" in this information circular.

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 are to secure the underlying mortgage loans, which changes may have occurred after the construction of the improvements on these properties, these 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 will not materially interfere with the current use of the mortgaged real property. However, these changes may limit the ability of the related borrower to rebuild the premises "as is" in the event of a substantial casualty loss which may adversely affect the ability of the related 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 borrower to maintain "law and ordinance" 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 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 related mortgage loan and it may produce less revenue than before repair or restoration.

Lending on Income-Producing Properties Entails Risks Related to Property Condition. With respect to all of the mortgaged real properties securing the mortgage loans that we intend to include in the issuing entity, 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.

For example, with respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Summer House Apartments" and "Highland Oaks," collectively representing 6.4% of the initial mortgage pool balance, escrows in the approximate amounts of $2,500,000 and $550,534, respectively, were established at origination of the underlying mortgage loans in connection with repairs and/or renovations at the related mortgaged real properties, including with respect to construction of new buildings, concrete and parking lot repairs, a roof replacement and other repairs and renovations. We cannot assure you that the foregoing escrows will be sufficient to cover the repairs or replacements.

Additionally, 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. For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "200 Water Street," representing 9.0% of the initial mortgage pool balance, one (1) or more fire code violations were noted with respect to the mortgaged real property. Pursuant to and in accordance with the related loan documents, the borrower is required to repair such violations. We cannot assure you that such repairs will be completed or that the failure to make such repairs will not adversely impact the mortgaged real property.

World Events and Natural Disasters Could Have an Adverse Impact on the Real Properties Securing the Mortgage Loans Underlying Your Offered Certificates and Consequently Could Reduce the Cash Flow Available To Make Payments on the Offered Certificates. The world-wide economic crisis has had a material impact on general economic conditions, consumer confidence and market liquidity. 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 can give no assurance as to the effect of these events on consumer confidence and the performance of the mortgage loans held by the issuing entity. Any adverse impact resulting from these events would be borne by the holders of one or more classes of the certificates.

In addition, natural disasters, including earthquakes, floods and hurricanes, also may adversely affect the real properties securing the mortgage loans that back your 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 and tornadoes have caused extensive and catastrophic physical damage in and to coastal and inland areas located in the Gulf Coast region of the United States and certain other parts of the southeastern United States. The underlying mortgage loans do not all require the maintenance of flood insurance for the related real properties. We cannot assure you that any damage caused by hurricanes, windstorms, floods or tornadoes would be covered by insurance.

Likewise, events such as the oil platform explosion and subsequent oil spill that occurred in the Gulf of Mexico in April 2010 could lead to a regional economic downturn for the gulf coast region of the United States, which could have an adverse impact on Properties located in, among other places, Texas, Louisiana, Mississippi or Florida. Regional areas affected by such events often experience disruptions in travel, transportation and tourism, loss of jobs and an overall decrease in consumer activity, and often a decline in real estate-related investments. We cannot assure you that the economies in such impacted areas will recover sufficiently to support income producing real estate at pre-event levels or that the costs of the related clean-up will not have a material adverse effect on the local or national economy.

Special Hazard Losses May Cause You To Suffer Losses on Your 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;
- riot, strike and civil commotion;
- terrorism;
- 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 borrower to insure against physical damage arising from these causes, then the resulting losses may be borne by you as a holder of offered certificates.

There is also a possibility of casualty losses on a 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 real property securing one of the underlying mortgage loans included in our issuing entity will be fully covered by insurance or that the underlying mortgage loan will be fully repaid in the event of a casualty.

Furthermore, various forms of insurance maintained with respect to any of the real properties for the underlying mortgage loans included in the issuing entity, 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 in the issuing entity. 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 in the issuing entity.

Earthquake insurance was not required with respect to the mortgaged real properties because the probable maximum loss for each such mortgaged real property is less than 20%.

The Absence or Inadequacy of Terrorism Insurance Coverage on the Mortgaged Real Properties May Adversely Affect Payments on Your Certificates. Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many reinsurance companies (which assume some of the risk of policies sold by primary insurers) eliminated coverage for acts of terrorism from their reinsurance policies. Without that reinsurance coverage, primary insurance companies would have to assume that risk themselves, which may cause them to eliminate such coverage in their policies, increase the amount of the deductible for acts of terrorism or charge higher premiums for such coverage. In order to offset this risk, Congress passed the Terrorism Risk Insurance Act of 2002, which established the Terrorism Insurance Program. On December 26, 2007, the Terrorism Insurance Program was extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 through December 31, 2014 ("TRIREA").

The Terrorism Insurance Program is administered by the Secretary of the Treasury and through December 31, 2014 will provide some financial assistance from the United States Government to insurers in the event of another terrorist attack that results in an insurance claim. The program applies to United States risks only and to acts that are committed by an individual or individuals as an effort to influence or coerce United States civilians or the United States Government. TRIREA requires an investigation by the Comptroller General to study the availability and affordability of insurance coverage for nuclear, biological, chemical and radiological attacks.

In addition, no compensation will be paid under the Terrorism Insurance Program unless the aggregate industry losses relating to such act of terror exceed $100 million. As a result, unless the borrowers obtain separate coverage for events that do not meet these thresholds (which coverage may not be required by the Loan Documents and may not otherwise be obtainable), such events would not be covered.

The Treasury Department has established procedures for the Terrorism Insurance Program under which the federal share of compensation will be equal to 85% of the portion of insured losses that exceeds an applicable insurer deductible required to be paid during each program year (which insurer deductible was fixed by TRIREA at 20% of an insurer's direct earned premium for any program year). The federal share in the aggregate in any program year may not exceed $100 billion (and the insurers will be liable for any amount that exceeds this cap). An insurer that has paid its deductible is not liable for the payment of any portion of total annual United States wide losses that exceed $100 billion, regardless of the terms of the individual insurance contracts.

Through December 2014, insurance carriers are required under the program to provide terrorism coverage in their basic policies providing "special" form coverage. Any commercial property and casualty terrorism insurance exclusion that was in force on November 26, 2002 is automatically voided to the extent that it excludes losses that would otherwise be insured losses. Any state approval of such types of exclusions in force on November 26, 2002 is also voided.

Because the Terrorism Insurance Program is a temporary program, there is no assurance that it will create any long-term changes in the availability and cost of such insurance. Moreover, we cannot assure you that subsequent terrorism insurance legislation will be passed upon TRIREA's expiration.

If TRIREA is not extended or renewed upon its expiration in 2014, premiums for terrorism insurance coverage will likely increase and/or the terms of such insurance may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available (perhaps to the point where it is effectively not available). In addition, to the extent that any policies contain "sunset clauses" (*i.e.*, clauses that void terrorism coverage if the federal insurance backstop program is not renewed), then such policies may cease to provide terrorism insurance upon the expiration of TRIREA. We cannot assure you that such temporary program will create any long term changes in the availability and cost of such insurance.

The originators required borrowers to obtain terrorism insurance with respect to all 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, including with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "200 Water Street," representing 9.0% of the initial mortgage pool balance. In addition, with respect to each of the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Park Crest At Innisbrook" and "535 Brookwood," collectively representing 3.7% of the initial mortgage pool balance, the related loan documents provide that if terrorism insurance is not available at commercially reasonable rates and if related hazards are not at

the time commonly insured against for properties similar to the related mortgaged real property and located in or around the region in which the mortgaged real property is located, then the lender may temporarily suspend, cap or otherwise limit the requirement to have such terrorism insurance for a period not to exceed one (1) year, which period may be extended by the lender for additional one-year periods. The master servicer will not be obligated to require any borrower to obtain or maintain terrorism insurance in excess of the amounts of coverage and deductibles required by the related loan documents. The master servicer will not be required to call a default under a mortgage loan in the issuing entity if the related borrower fails to maintain insurance with respect to acts of terrorism, and the master servicer need not maintain (or require the 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 series 2011-K12 directing certificateholder, which consent is subject to certain limitations and a specified time period as set forth in the series 2011-K12 pooling and servicing agreement (*provided* that the special servicer will not follow any such direction, or refrain from acting based upon the lack of any such direction, of the series 2011-K12 directing certificateholder, if following any such direction of the series 2011-K12 directing certificateholder or refraining from taking such action based upon the lack of any such direction of the series 2011-K12 directing certificateholder would violate the Servicing Standard), that either—

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

- such insurance is not available at any rate.

If the related loan documents do not expressly require insurance against acts of terrorism, but permit the mortgagee to require such other insurance as is reasonable, the related borrower may challenge whether maintaining insurance against acts of terrorism 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 originating lender did not require the subject borrower to maintain such insurance, regardless of the terms of the related loan documents.

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 the subject mortgage loan may result, and such damaged mortgaged real property may not provide adequate collateral to satisfy all amounts owing under such mortgage loan, which could result in losses on some classes of the series 2011-K12 certificates, subject to the Freddie Mac Guarantee.

If a borrower is required, under the circumstances described above, to maintain insurance coverage with respect to terrorist or similar acts, the 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 Your 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 Texas, California and Florida, or states that have historically been at greater risk regarding acts of nature (such as hurricanes, floods and earthquakes) than other states or territories, as applicable. There is no assurance borrowers will be able to maintain adequate insurance. Moreover, if reconstruction or any major repairs are required, changes in laws may materially affect the 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 Borrowers. Under the Americans with Disabilities Act of 1990, 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 borrower is required to take steps to remove architectural and communication barriers that are deemed "readily achievable" under the Americans with Disabilities Act of 1990. 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 related borrower. To the extent a mortgaged real property securing an underlying mortgage loan does not comply with the Americans with Disabilities Act of 1990, the related borrower may be required to incur costs to comply with this law. We cannot assure you that the related borrower will have the resources to comply with the requirements imposed by the Americans with Disabilities Act

of 1990, which could result in the imposition of fines by the federal government or an award of damages to private litigants.

Limited Information Causes Uncertainty. Certain of the underlying mortgage loans are loans that were made to enable the related borrower to acquire the related real property. Accordingly, for certain of these mortgage loans limited or no historical operating information is available with respect to the related real property. As a result, you may find it difficult to analyze the historical performance of those properties.

Litigation May Adversely Affect Property Performance. There may be pending or, from time to time, threatened legal proceedings against the borrowers under the underlying mortgage loans, the managers of the related mortgaged real properties and their respective affiliates, arising out of the ordinary business of those borrowers, managers and affiliates. We cannot assure you that litigation will not have a material adverse effect on your investment. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on a Mortgage Loan Underlying Your Offered Certificates" and "—Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on a Mortgage Loan Underlying Your Offered Certificates" in this information circular.

For example, with respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, the sponsors reported that (i) a breach of contract action is pending against the borrower pursuant to which the plaintiff is alleging that the borrower failed to pay for cleaning services and thereby breached a contract entered into by a management company, as agent for the borrower, (ii) a breach of contract/quantum meruit action is pending against the borrower pursuant to which the plaintiff is alleging that the borrower failed to pay for delivery and installation of carpeting and thereby breached a contract entered into by a management company, as agent for the borrower, (iii) a breach of contract and unjust enrichment action is pending against the borrower pursuant to which the plaintiff is alleging that the borrower failed to pay for waste removal services and thereby breached a contract with the plaintiff and that the borrower failed to pay termination fees as a result of such alleged breach and (iv) a breach of contract/quantum meruit action is pending against an entity with respect to which the guarantor of the underlying mortgage loan is a principal pursuant to which the plaintiff is alleging that the defendant failed to pay for legal services rendered. The related borrower entered into a litigation escrow agreement with respect to the pending litigation pursuant to which the borrower deposited approximately $185,000 as additional security for the underlying mortgage loan until the litigation has been resolved or the mortgage loan has been paid in full. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Park Place By The Bay," representing 1.9% of the initial mortgage pool balance, the borrower reported that it is the subject of a lis pendens action with respect to which the property appraiser is requesting a reinstatement of a 2007 tax assessment and an appeal of the tax reduction the borrower received. The related title company has insured over the lis pendens action. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Green Valley Apartments," representing 0.9% of the initial mortgage pool balance, the sponsors reported that they are defendants in a slip-and-fall action related to the mortgaged real property in which the plaintiff is claiming damages in an amount less than $100,000. In addition, the borrower reported a pending lawsuit against the borrower-affiliated property management company pursuant to which the plaintiff is alleging misappropriation of funds by a former employee in connection with a property other than the mortgaged real property. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Eagles Apartments," representing 0.9% of the initial mortgage pool balance, a sponsor reported that it has an ownership interest in a condominium developer which is a defendant in a

lawsuit alleging that the defendant failed to make certain repairs to the condominium property's common areas. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Highland Oaks," representing 0.5% of the initial mortgage pool balance, a sponsor reported that it is a defendant in an action by a former tenant of a condominium project in which the sponsor formerly held an interest pursuant to which the tenant is alleging health problems due to mold in the condominium unit in which he lived. We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of any related borrower or sponsor and therefore will not adversely impact a borrower's or sponsor's ability to maintain the mortgaged real property or pay amounts owed on the underlying mortgage loan.

Special Servicer May be Directed To Take Actions. In connection with the servicing of a specially serviced mortgage loan, the special servicer may, at the direction of the series 2011-K12 directing certificateholder, take actions with respect to the specially serviced mortgage loans that could adversely affect the holders of some or all of the classes of certificates. The series 2011-K12 directing certificateholder may have interests in conflict with those of certain series 2011-K12 certificateholders. As a result, it is possible that the series 2011-K12 directing certificateholder may direct the special servicer to take actions that conflict with the interests of certain classes of certificates. However, the special servicer is not permitted to take actions that are prohibited by law or violate the Servicing Standard or the terms of the loan documents.

The Mortgage Loan Seller May Not Be Able To Make a Required Cure, Repurchase or Substitution of a Defective Mortgage Loan. The mortgage loan seller is the sole warranting party in respect of the underlying mortgage loans sold by it to us. Neither we nor any of our affiliates are obligated to cure, repurchase or substitute any underlying mortgage loan in connection with a material breach of the mortgage loan seller's representations and warranties or any material document defects, if the mortgage loan seller defaults on its obligations to do so. We cannot provide assurances that the mortgage loan seller will have the financial ability to effect such cures, repurchases or substitutions. Any underlying mortgage loan that is not cured, repurchased or substituted and that is not a "qualified mortgage" for a REMIC may cause designated portions of the issuing entity to fail to qualify as one or more REMICs or cause the issuing entity to incur a tax. See "—Risks Relating to the Mortgage Loan Seller and Guarantor", "Description of the Mortgage Loan Seller and Guarantor" and "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular.

The Mortgage Loan Seller 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 the mortgage loan seller, it is possible the issuing entity's right to payment from ownership of the underlying mortgage loans could be challenged, and if such challenge were successful, delays or reductions in payments on your certificates could occur. See "—Risks Relating to the Mortgage Loan Seller and Guarantor" and "Description of the Mortgage Loan Seller and Guarantor" in this information circular.

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 rights under any of the underlying mortgage loans that are secured by mortgaged real properties located where the rule could be applicable. In the case of a 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 series 2011-K12 pooling and servicing 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. The special servicer will be permitted to perform or complete construction work on a foreclosed property only if such construction was at least 10% complete when default on the related mortgage loan became imminent. In addition, any net income from the operation and management of any such property that is not qualifying "rents from real property," within the meaning of section

856(d) of the Code, as amended, and any rental income based on the net profits of a tenant or sub-tenant or allocable to a service that is non-customary in the area and for the type of property involved, will subject the issuing entity to U.S. federal (and possibly state or local) tax on such income at the highest marginal corporate tax rate (currently 35%), thereby reducing net proceeds available for distribution to the series 2011-K12 certificateholders.

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 series 2011-K12 certificateholders.

Changes to REMIC Restrictions on Loan Modifications May Impact an Investment in the Certificates. On September 15, 2009, the IRS issued Revenue Procedure 2009-45 easing the tax requirements for a servicer to modify a commercial or multifamily mortgage loan held in a REMIC by interpreting the circumstances when default is "reasonably foreseeable" to include those where the servicer reasonably believes that there is a "significant risk of default" with respect to the mortgage loan upon maturity of the loan or at an earlier date, and that by making such modification the risk of default is substantially reduced. Accordingly, if the master servicer or the special servicer determined that an underlying mortgage loan was at significant risk of default and permitted one or more modifications otherwise consistent with the terms of series 2011-K12 pooling and servicing agreement, any such modification may impact the timing and ultimate recovery on the mortgage loan, and likewise on one or more classes of certificates.

In addition, final regulations and related guidance were issued under the REMIC provisions of the Code that modify the tax restrictions imposed on a servicer's ability to modify the terms of mortgage loans held by a REMIC relating to changes in the collateral, credit enhancement and recourse features to permit those modifications so long as the mortgage loan remains "principally secured" by real property (within the meaning of the final regulations and related guidance). These regulations and related guidance could impact the timing and ultimate recovery on a mortgage loan, and likewise on one or more classes of certificates.

You should consider the possible impact on your investment of any existing REMIC restrictions as well as any potential changes to the REMIC rules.

Risks Related to the Offered Certificates

The Issuing Entity's Assets May Be Insufficient To Allow for Repayment in Full on Your 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 Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular, 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 underlying mortgage loans are insufficient. If the underlying mortgage loans are insufficient to make payments on your offered certificates, other than as described under "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular, 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 mortgage loans underlying your offered certificates 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 your offered certificates.

Credit Support Is Limited and May Not Be Sufficient To Prevent Loss on Your Offered Certificates. Any use of credit support will be subject to the conditions and limitations described in this information circular 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 under certain circumstances described in this information circular. In addition, if principal payments on one or more classes of certificates are made in a specified order or priority, any limits with respect to the aggregate amount of claims under any related credit support may be exhausted before the principal of the later paid classes of certificates has been repaid in full.

As a result, the impact of losses and shortfalls experienced with respect to the mortgage loans may fall primarily upon those subordinate classes of certificates.

The Freddie Mac Guarantee is intended to provide credit enhancement to the offered certificates as described in this information circular 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 Guaranteed Principal Balance Certificates, on or before the distribution date immediately following the maturity date of each mortgage loan, (iii) reimbursement of Realized Losses and any Additional Issuing Entity Expenses allocated to the Guaranteed Principal Balance Certificates and (iv) ultimate payment of principal by the Assumed Final Distribution Date of each class of Guaranteed Principal Balance 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 "Risk Factors—Risks Relating to the Mortgage Loan Seller and Guarantor" in this information circular, 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 information circular. See "Description of the Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular 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 the series 2011-K12 certificates;
- the order in which the principal balances of the respective classes of the series 2011-K12 certificates with 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 underlying mortgage loans.

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

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

The rate, timing and amount of distributions on your offered certificates will depend on—

- the pass-through rate for, and the other payment terms of, your offered certificates;
- the rate and timing of payments and other collections of principal on the underlying mortgage loans;
- the rate and timing of defaults, and the severity of losses, if any, on the underlying mortgage loans;
- the rate, timing, severity and allocation of other shortfalls and expenses that reduce amounts available for distribution on the series 2011-K12 certificates (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee);
- the collection and payment of Static Prepayment Premiums, Yield Maintenance Charges and/or other prepayment premiums with respect to the underlying mortgage loans; 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 your offered certificates.

If you purchase your offered certificates at a premium, and if payments and other collections of principal on the underlying mortgage loans 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 your offered certificates at a discount, and if payments and other collections of principal on the underlying mortgage loans 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 the class X1 or X3 certificates, your yield to maturity will be particularly sensitive to the rate and timing of principal payments on the underlying mortgage loans 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 total principal balance of any of the class A-1 or A-2 certificates will result in a reduction in the total notional amount of the class X1 certificates. Each distribution of principal in reduction of the total principal balances of the class B and C certificates will result in a reduction in the total notional amount of the class X3 certificates. Your yield to maturity may also be adversely affected by—

- the repurchase of any underlying mortgage loans by the mortgage loan seller in connection with a material breach of a representation and warranty or a material document defect, in each case as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular;

- the purchase of the defaulted mortgage loan 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 underlying mortgage loans; and

- the termination of the issuing entity, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.

Prior to investing in the class X1 or X3 certificates, you should fully consider the associated risks, including the risk that an extremely rapid rate of amortization, prepayment or other liquidation of the mortgage loans could result in your failure to recover fully your initial investment.

In addition, the amounts payable to the class X1 certificates will vary with changes in the sizes of the total principal balances of the class A-1 and A-2 certificates, and the amounts payable to the class X3 certificates will vary with changes in the sizes of the total principal balances of the class B and C certificates. The class X1 and X3 certificates will be adversely affected if mortgage loans with relatively high mortgage interest rates experience a faster rate of principal payments than mortgage loans 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 the underlying mortgage loans with relatively high net mortgage interest rates pay principal faster than the mortgage loans with relatively low net mortgage interest rates.

Generally speaking, a 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, a borrower is more likely to prepay if prevailing rates fall significantly below the interest rate borne by its mortgage loan. Borrowers are less likely to prepay mortgage loans with lock-out 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 lock-out 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.

Delinquencies on the underlying mortgage loans, 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 underlying mortgage loans are not allocated to a particular class of offered certificates, the losses may affect the weighted average life and yield to maturity of that class of offered certificates. Losses on the

underlying mortgage loans, even if not allocated to a class of offered certificates, may result in a higher percentage ownership interest evidenced by those offered certificates in the remaining underlying mortgage loans than would otherwise have resulted absent the loss. The consequent effect on the weighted average life and yield to maturity of the offered certificates will depend upon the characteristics of the remaining underlying mortgage loans. If defaults are material and non-monetary, the special servicer may still accelerate the maturity of the related mortgage loan which could result in an acceleration of payments to the series 2011-K12 certificateholders.

Shortfalls in the available distribution amount resulting from uncovered prepayment interest shortfalls will generally be allocated to all classes of interest-bearing series 2011-K12 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 Series 2011-K12 Certificates—Distributions—Interest Distributions" in this information circular.

Provisions requiring prepayment consideration may not be enforceable in some states and under federal bankruptcy law, and may constitute interest for usury purposes. Accordingly, no assurance can be given 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 series 2011-K12 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.

Optional Early Termination of the Issuing Entity May Result in an Adverse Impact on Your Yield or May Result in a Loss. The series 2011-K12 certificates will be subject to optional early termination by means of the purchase of the underlying mortgage loans and/or REO Properties in the issuing entity at the time and for the price described in "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular. We cannot assure you that the proceeds from a sale of the underlying mortgage loans 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 series 2011-K12 certificates that are subject to the termination. Accordingly, the holders of series 2011-K12 certificates affected by such a termination may suffer an adverse impact on the overall yield on their series 2011-K12 certificates, may experience repayment of their investment at an unpredictable and inopportune times or may even incur a loss on their investment, subject to the Freddie Mac Guarantee in the case of the offered certificates. See "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.

Commencing Legal Proceedings Against Parties to the Series 2011-K12 Pooling and Servicing Agreement May Be Difficult. The trustee may not be required to commence legal proceedings against third parties at the direction of any series 2011-K12 certificateholders unless, among other conditions, at least 25% of the voting rights (determined without notionally reducing the principal balances of the series 2011-K12 certificates by any Appraisal Reduction Amounts) associated with the series 2011-K12 certificates join in the demand and offer indemnification satisfactory to the trustee. Those series 2011-K12 certificateholders may not commence legal proceedings themselves 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 series 2011-K12 pooling and servicing agreement.

The Limited Nature of Ongoing Information May Make It Difficult for You To Resell Your Series 2011-K12 Certificates. The primary source of ongoing information regarding your 2011-K12 certificates, including information regarding the status of the related underlying mortgage loans, will be the periodic reports delivered by the trustee described under the heading "Description of the Series 2011-K12 Certificates—Reports to Certificateholders and Guarantor; Available Information" in this information circular. We cannot assure you that any additional ongoing information regarding your series 2011-K12 certificates will be available through any other source. In addition, the depositor is not aware of any source through which price information about the series 2011-K12 certificates will be generally available on an ongoing basis. The limited nature of the information regarding the series 2011-K12 certificates may adversely affect the liquidity of the offered certificates, even if a secondary market for the series 2011-K12 certificates is available.

The Right of the Master Servicer and the Trustee To Receive Interest on Advances 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 borrower in the payment of principal and interest on an underlying mortgage loan, that mortgage loan will become specially serviced and the special servicer will be entitled to compensation for performing special servicing functions pursuant to the related governing document(s). 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.

Inability To Replace the Master Servicer Could Affect Collections and Recoveries on the Mortgage Loans. The structure of the servicing fee payable to the master servicer might effect 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 servicing fee is 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 is structured as a percentage of the stated principal balance of each mortgage loan, it may be difficult to replace the servicer at a time when the balance of the mortgage loans has been significantly reduced because the fee may be insufficient to cover the costs associated with servicing the mortgage loans and/or related REO Properties remaining in the mortgage pool. The performance of the mortgage loans 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 Underlying Mortgage Loans Will Affect Payments on Your Offered Certificates. Each of the underlying mortgage loans will specify the terms on which the related 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 underlying mortgage loans amortize will directly affect the rate at which the principal balance or notional amount of your offered certificates is paid down or otherwise reduced.

In addition, any underlying mortgage loan may permit the related borrower during some of the loan term to prepay the loan. In general, a 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 underlying real property or a lower or otherwise more advantageous interest rate through refinancing. If a 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 payments are prohibited (although, for a portion of that period, beginning no sooner than the second anniversary of the date of initial issuance of the offered certificates, the mortgage loan may be defeased) 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 many cases, however, there will be no restriction associated with the application of insurance proceeds or condemnation proceeds as a prepayment of principal.

The Terms of the Underlying Mortgage Loans Do Not Provide Absolute Certainty as Regards the Rate, Timing and Amount of Payments on Your Offered Certificates. Notwithstanding the terms of the underlying mortgage loans, the amount, rate and timing of payments and other collections on those mortgage loans will, to some degree, be unpredictable because of borrower defaults and because of casualties and condemnations with respect to the underlying real properties.

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

- the rate of prepayments and other unscheduled collections of principal on the underlying mortgage loans being faster or slower than you anticipated; or

- the rate of defaults on the underlying mortgage loans being faster, or the severity of losses on the underlying mortgage loans being greater, than you anticipated.

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.

Prepayments on the Underlying Mortgage Loans Will Affect the Average Life of Your Offered Certificates; and the Rate and Timing of Those Prepayments May Be Highly Unpredictable. Payments of principal and/or interest on your offered certificates will depend upon, among other things, the rate and timing of payments on the related mortgage loans. Prepayments on the underlying mortgage loans may result in a faster rate of principal payments on your offered certificates, thereby resulting in a shorter average life for your 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 substantially all of the underlying mortgage loans provide for prepayment lock-out periods which cover a substantial portion of the loan terms, a prepayment may still occur during such period 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 mortgage loan or in connection with a permitted partial release of a mortgaged real property. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

In addition, upon a default related to the MetroPlace Mortgage Loan, with respect to which the ownership interests in the related borrower have been pledged to secure a mezzanine loan, any purchase of the MetroPlace Mortgage Loan by the related mezzanine lender will have the same effect as a prepayment of the MetroPlace Mortgage Loan. See "Description of the Underlying Mortgage Loans—Mezzanine Debt" in this information circular. Likewise, any repurchase of an underlying mortgage loan by the mortgage loan seller due to a defect or breach of a representation or warranty will have the same effect as a prepayment of such underlying mortgage loan. See "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular.

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

The extent to which prepayments on the underlying mortgage loans ultimately affect the average life of your offered certificates depends on the terms and provisions of your offered certificates. A class of offered certificates may entitle the holders to a *pro rata* share of any prepayments on the underlying mortgage loans, 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 underlying mortgage loans, your offered certificates may be retired at an earlier date. If, however, you are only entitled to a small share of the prepayments on the underlying mortgage loans, the average life of your offered certificates may be extended. Your entitlement to receive payments, including prepayments, of principal of the underlying mortgage loans 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 underlying mortgage loans.

Defeasance. Substantially all of the underlying mortgage loans permit the related borrower, during the period specified and subject to the conditions set forth in the loan documents, to pledge to the holder of the mortgage loan a specified amount of (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, with respect to some of the mortgage loans, Fannie Mae, and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any consolidated bank that is a member of the Federal Home Loan Banks and thereby obtain a release of the related mortgaged real property. The cash amount which the borrower must expend to purchase, or must

deliver to the master servicer in order for the master servicer to purchase, the required securities, may be in excess of the principal balance of the mortgage loan. A court could interpret that excess amount as a form of prepayment premium or could take it into account for usury purposes. In some states, some forms of prepayment premiums are unenforceable. If the payment of that excess amount were held to be unenforceable, the remaining portion of the cash amount to be delivered may be insufficient to purchase the requisite amount of securities.

Potential Conflicts of Interest of the Mortgage Loan Seller and the Depositor and Its Affiliates. The mortgage loan seller, the depositor and the depositor's 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 mortgage loan seller, the depositor and the depositor's affiliates with respect to such other properties will not adversely impact the performance of the mortgaged real properties.

The mortgage loan seller, the depositor and the depositor's affiliates (including certain of the placement agents of the Series K-012 SPCs) may benefit from this offering in a number of ways, some of which may be inconsistent with the interests of purchasers of the series 2011-K12 certificates. The mortgage loan seller, the depositor and its affiliates may benefit from a completed offering of the series 2011-K12 certificates because the offering would establish a market precedent and a valuation data point for securities similar to the series 2011-K12 certificates, thus enhancing the ability of the mortgage loan seller, the depositor and its 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 underlying mortgage loans or other similar loans or securities held on their balance sheet.

Each of the foregoing relationships should be considered carefully by you before you invest in any of the series 2011-K12 certificates.

Potential Conflicts of Interest of the Placement Agents. We expect that Freddie Mac will include the offered certificates in pass-through pools that it will form for its Series K-012 SPCs, which we expect Freddie Mac will offer 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 Series K-012 SPCs or series 2011-K12 certificates and any voting rights of those classes could be exercised by them in a manner that could adversely impact one or more classes of the Series K-012 SPCs or one or more classes of the series 2011-K12 certificates. If that were to occur, that Placement Agent Entity's interests may not be aligned with the interests of the holders of the Series K-012 SPCs or the series 2011-K12 certificates.

The Placement Agent Entities include broker-dealers whose business includes 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 account 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 underlying mortgage loans, securities and instruments similar to the Series K-012 SPCs, the series 2011-K12 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 account, 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 one or more classes of the Series K-012 SPCs or one or more classes of the series 2011-K12 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 Series K-012 SPCs or one or more classes of the series 2011-K12 certificates.

To the extent a Placement Agent Entity makes a market in the Series K-012 SPCs or series 2011-K12 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 Series K-012 SPCs or series 2011-K12 certificates. The price at which a Placement Agent Entity may be willing to purchase Series K-012 SPCs or series 2011-K12 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 Series K-012 SPCs or series 2011-K12 certificates and significantly lower than the price at which it may be willing to sell the Series K-012 SPCs or series 2011-K12 certificates.

In addition, the Placement Agent Entities will have no obligation to monitor the performance of the Series K-012 SPCs, the series 2011-K12 certificates or the actions of the master servicer, the special servicer or the trustee and will have no authority to advise the master servicer, the special servicer or the trustee or to direct their actions. Furthermore, the Placement Agent Entities may have ongoing relationships with, render services to, and engage in transactions with the borrowers, the sponsors 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.

The Placement Agent Entities are playing several roles in this transaction. Wells Fargo Securities, LLC, one of the Placement Agents for the Series K-012 SPCs, is an affiliate of Wells Fargo Commercial Mortgage Securities, Inc., which is the depositor, and Wells Fargo Bank, National Association, which will be the special servicer, is the originator of some of the underlying mortgage loans and is expected to be the sub-servicer of the underlying mortgage loans it originated. In addition, Deutsche Bank Securities Inc., one of the Placement Agents for the Series K-012 SPCs, is an affiliate of Deutsche Bank Berkshire Mortgage, Inc., which is the originator of some of the underlying mortgage loans, and DB Mortgage Services, LLC, which is expected to be the sub-servicer of some of the underlying mortgage loans. Each of the foregoing relationships should be considered carefully before making an investment in any class of Series K-012 SPCs or any class of series 2011-K12 certificates.

Your Lack of Control Over the Issuing Entity Can Adversely Impact Your Investment. Except as described below, investors in the series 2011-K12 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 series 2011-K12 pooling and servicing agreement, by the master servicer, the special servicer and the trustee. Any decision made by any of those parties in respect of the issuing entity in accordance with the terms of the series 2011-K12 pooling and servicing 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.

Notwithstanding the foregoing, the series 2011-K12 directing certificateholder and guarantor or its designee have the right to exercise various rights and powers in respect of the issuing entity as described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" and "The Series 2011-K12 Pooling and Servicing Agreement—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" in this information circular.

In addition, in certain limited circumstances, series 2011-K12 certificateholders have the right to vote on matters affecting the issuing entity. In some cases, these votes are by series 2011-K12 certificateholders taken as a whole and in others the vote is by class. 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 series 2011-K12 certificateholders. See "Description of the Series 2011-K12 Certificates—Voting Rights" in this information circular.

The Interests of the Series 2011-K12 Directing Certificateholder or the Guarantor May Be in Conflict with the Interests of the Offered Certificateholders. The series 2011-K12 directing certificateholder and the guarantor or its designee have the right to exercise the various rights and powers in respect of the mortgage pool described under

"The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular. You should expect that the series 2011-K12 directing certificateholder and the guarantor or its designee will exercise those rights and powers on behalf of itself, and they will not be liable to any 2011-K12 certificateholders for doing so. In addition, subject to the conditions described under "The Series 2011-K12 Pooling and Servicing Agreement—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" in this information circular, the series 2011-K12 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 series 2011-K12 certificates, the trustee or the master servicer, but with the approval of the guarantor, which approval may not be unreasonably withheld. In the absence of significant losses on the underlying mortgage loans, the series 2011-K12 directing certificateholder will be a holder of a non-offered class of series 2011-K12 certificates. The series 2011-K12 directing certificateholder is therefore likely to have interests that conflict with those of the holders of the offered certificates.

You May Be Bound by the Actions of Other Series 2011-K12 Certificateholders. In some circumstances, the consent or approval of the holders of a specified percentage of the series 2011-K12 certificates will be permitted to direct, consent to or approve certain actions, including amending the series 2011-K12 pooling and servicing agreement. In these cases, this consent or approval will be sufficient to bind all holders of series 2011-K12 certificates.

Future Terrorist Attacks and Military Actions May Adversely Affect the Value of the Offered Certificates and Payments on the Underlying Mortgage Loans. On September 11, 2001, the United States was subjected to multiple terrorist attacks, resulting in the loss of many lives and massive property damage and destruction in New York City, the Washington D.C. area and Pennsylvania. It is impossible to predict the extent to which future terrorist activities may occur in the United States.

The United States military currently occupies Iraq and maintains a presence in Afghanistan, which may prompt further terrorist attacks against the United States.

It is uncertain what effects the U.S. military occupation of Iraq, any future terrorist activities in the United States or abroad and/or any consequent actions on the part of the United States Government and others, including military action, could have on general economic conditions, real estate markets, particular business segments (including those that are important to the performance of multifamily mortgage loans) and/or insurance costs and the availability of insurance coverage for terrorist acts. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, reduced consumer confidence, as well as a heightened concern for personal safety, could result in a material decline in personal spending and travel.

As a result of the foregoing, defaults on certain real estate loans could increase; and, regardless of the performance of the underlying mortgage loans, the liquidity and market value of the offered certificates may be impaired.

The Volatile Economy and Credit Crisis May Increase Loan Defaults and Affect the Value and Liquidity of Your Investment. The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including a decrease in investor demand for and purchases of commercial and multifamily mortgage-backed securities ("CMBS") and other asset-backed securities and structured financial products. While the United States economy may technically be coming out of the recession, any recovery could be fragile and may not be sustainable for any specific period of time, and could slip into an even more significant recession. Downward price pressures and increased defaults and foreclosures in residential real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis have also led to decreased occupancy, decreased rents and/or other declines in income from, or the value of, commercial and multifamily real estate. A very substantial amount of United States commercial mortgage loans, with balloon payment obligations in excess of their respective current property values, are maturing over the coming three years. Additionally, the lack of credit liquidity, correspondingly higher mortgage rates and decreases in the value of commercial and multifamily properties have prevented many commercial mortgage borrowers from refinancing their mortgages. These circumstances have increased delinquency and default rates of securitized commercial mortgage loans, and have led, and may continue to lead, to widespread commercial mortgage defaults. In addition, the declines in commercial and multifamily real estate values have resulted in reduced borrower equity, hindering the ability of borrowers to

refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid foreclosure. Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realized had commercial and multifamily property values remained the same or continued to increase. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of CMBS.

In addition, commercial mortgage lenders have tightened their loan underwriting standards, which has reduced the availability of mortgage credit to prospective borrowers. These developments have contributed, and may continue to contribute, to a weakening in the commercial and multifamily real estate market as these adjustments have, among other things, inhibited refinancing and reduced the number of potential buyers of commercial and multifamily real estate. The continued use or further adjustment of these loan underwriting standards may contribute to further increases in delinquencies and losses on commercial mortgage loans generally.

In addition, developments since spring 2008, including among other factors, the circumstances of the collapse and subsequent sale of Bear, Stearns & Co. Inc., the bankruptcy of Lehman Brothers Holdings, Inc., the insolvency of Washington Mutual Inc., the emergency extension of approximately $152 billion in credit by the U.S. Department of Treasury to American International Group Inc., the conservatorship and the control by the U.S. government since September 2008 of Freddie Mac and the Federal National Mortgage Association, commonly referred to as Fannie Mae, and the establishment of the Troubled Asset Relief Program through the Emergency Economic Stabilization Act of 2008, have resulted in a substantial level of uncertainty in the financial markets, particularly with respect to mortgage related investments.

Additionally, the global financial markets have recently experienced increased volatility due to uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Much of this uncertainty has related to certain countries, including Greece, Ireland, Spain, Portugal and Italy, that participate in the European Monetary Union and whose sovereign debt is generally denominated in euros, the common currency shared by members of that union. In addition, some economists, observers and market participants have expressed concerns regarding the sustainability of the monetary union and the common currency in their current form. Concerns regarding sovereign debt may spread to other countries at any time. Furthermore, many state and local governments in the United States are experiencing, and are expected to continue to experience, severe budgetary strain. One or more states could default on their debt, or one or more significant local governments could default on their debt or seek relief from their debt under the Bankruptcy Code or by agreement with their creditors. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time.

Moreover, other types of events may affect general economic conditions and financial markets, such as wars, revolts, insurrections, armed conflicts, terrorism, political crises, natural disasters and man-made disasters. We cannot predict such matters or their effect on the value or performance of the offered certificates.

Investors should consider that general conditions in the commercial and multifamily real estate and mortgage markets may adversely affect the performance of the underlying mortgage loans and accordingly the performance of the offered certificates. In addition, in connection with all the circumstances described above, you should be aware in particular that:

- such circumstances may result in substantial delinquencies and defaults on the underlying mortgage loans and adversely affect the amount of liquidation proceeds the issuing entity would realize in the event of foreclosures and liquidations;

- defaults on the underlying mortgage loans may occur in large concentrations over a period of time, which might result in rapid declines in the value of your certificates;

- notwithstanding that all of the underlying mortgage loans were recently underwritten and originated, the values of the mortgaged real properties may have declined since the related underlying mortgage loans were originated and may decline following the issuance of the series 2011-K12 certificates and such declines may be substantial and occur in a relatively short period following the issuance of the series 2011-

K12 certificates; and such declines may or may not occur for reasons largely unrelated to the circumstances of the particular mortgaged real property;

- if you determine to sell your series 2011-K12 certificates, you may be unable to do so or you may be able to do so only at a substantial discount form the price you paid; this may be the case for reasons unrelated to the then-current performance of the offered certificates or the underlying mortgage loans; and this may be the case within a relatively short period following the issuance of the series 2011-K12 certificates;

- if the underlying mortgage loans default, then the yield on your investment may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on your 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 underlying mortgage loans are sufficient to cover the principal and accrued interest on those underlying mortgage loans, 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 mortgage loans may be long, and those periods may be further extended because of borrower bankruptcies and related litigation; this may be especially true in the case of loans made to borrowers that have, or whose affiliates have, substantial debts other than the underlying mortgage loan, including related subordinate or mezzanine financing;

- trading activity associated with indices of CMBS may also drive spreads on those indices wider than spreads on CMBS, thereby resulting in a decrease in the value of such CMBS, including your 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; and

- even if you intend to hold your series 2011-K12 certificates, depending on your circumstances, you may be required to report declines in the value of your series 2011-K12 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 your series 2011-K12 certificates, in each case as if your series 2011-K12 certificates were to be sold immediately.

In connection with all the circumstances described above, the risks we describe elsewhere under “Risk Factors” in this information circular are heightened substantially, and you should review and carefully consider such risk factors in light of such circumstances.

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 series 2011-K12 certificates for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the series 2011-K12 certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the series 2011-K12 certificates for such purposes or under such restrictions. We note that 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 series 2011-K12 certificates who are not subject to those provisions to resell their series 2011-K12 certificates in the secondary market. For example, regulatory and legislative provisions related but not limited to (i) The Dodd-Frank Wall Street Reform and Consumer Protection Act, which was recently enacted in the United States, (ii) Article 122a of the Banking Consolidation Directive (Directive 2006/48/EC, as amended), which Member States of the European Union are in the process of implementing, and (iii) changes recently adopted by The Financial Accounting Standards Board with respect to accounting standards for structured products may adversely limit, restrict or otherwise impact

investments in the series 2011-K12 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, accounting and other advisors in determining whether, and to what extent, the series 2011-K12 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 Underlying Mortgage Loans Included in the Issuing Entity 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 mortgage loan. Each income-producing mortgaged real property represents a separate and distinct business venture and, as a result each mortgage loan 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 originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage pool originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the underlying mortgage loans independently from the performance of mortgage loans underlying any other series of certificates.

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

The market value of your certificates will also be influenced by the supply of and demand for commercial mortgage-backed securities generally. The supply of commercial mortgage-backed securities 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 commercial mortgage-backed securities, 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 commercial mortgage-backed securities or limit the amount or types of commercial mortgage-backed securities 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 your certificates, you may have to sell at a discount from the price you paid for reasons unrelated to the performance of your certificates or the related mortgage loans. Pricing information regarding your certificates may not be generally available on an ongoing basis.

Recent Changes to Accounting Standards Could Have an Adverse Impact on the Certificates. Recently, the Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, or any other future changes, may impact the accounting for entities such as the issuing entity. Each investor in the certificates should consult its accounting advisor to determine the impact these accounting changes might have as a result of their investment in the certificates.

Rating Agency Feedback. Other NRSROs that we have not engaged to rate the series 2011-K12 certificates may nevertheless issue unsolicited credit ratings on one or more classes of such certificates. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by Moody's or Realpoint. The issuance of unsolicited ratings on one or more classes of the series 2011-K12 certificates that are different from the ratings assigned by Moody's or Realpoint may impact the value of that class of certificates.

As part of the process of obtaining ratings for the series 2011-K12 certificates, the depositor had initial discussions with and submitted certain materials to Moody's, Realpoint, DBRS, Inc., Fitch and S&P. Based on preliminary feedback from those five (5) rating agencies at that time, the depositor and Freddie Mac selected Moody's and Realpoint to rate the series 2011-K12 certificates (other than the class C and X3 certificates, which will not be rated) and not DBRS, Inc., Fitch or S&P due in part to such rating agencies' initial subordination levels for certain classes of the series 2011-K12 certificates and Freddie Mac's desire to have diversity among the rating agencies rating its multifamily securitization transactions. Had the depositor and Freddie Mac selected DBRS, Inc., Fitch or S&P to rate the series 2011-K12 certificates, we cannot assure you as to the ratings that DBRS, Inc., Fitch or S&P would ultimately have assigned to the series 2011-K12 certificates.

Although unsolicited ratings may be issued by any rating agency, and rating agencies have the ability to access information required to make a ratings determination, a rating agency might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the depositor.

Risks Relating to the Mortgage Loan Seller 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 Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship" in this information circular. 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 mortgage loan seller and as such has certain obligations to purchase underlying mortgage loans in the event of a breach of certain representations or warranties. If the conservator were to transfer Freddie Mac's obligations as mortgage loan seller to another party, holders of the series 2011-K12 certificates would have to rely on that party for satisfaction of the repurchase obligation 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 ten (10) percent 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.

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 Freddie Mac 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 series 2011-K12 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 borrower's late payment or failure to pay or a servicer's failure to remit borrower payments into the issuing entity or advance 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 series 2011-K12 pooling and servicing agreement and mortgage loan purchase 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 series 2011-K12 pooling and servicing agreement, holders of the series 2011-K12 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 INFORMATION CIRCULAR

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

FORWARD-LOOKING STATEMENTS

This information circular 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 information circular are accurate as of the date stated on the cover of this information circular. We have no obligation to update or revise any forward-looking statement.

DESCRIPTION OF THE ISSUING ENTITY

The entity issuing the offered certificates will be FREMF 2011-K12 Mortgage Trust, which we refer to in this information circular 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 series 2011-K12 pooling and servicing agreement. The only activities that the issuing entity may perform are those set forth in the series 2011-K12 pooling and servicing agreement, which are generally limited to owning and administering the underlying mortgage loans and any REO Property, disposing of defaulted mortgage loans and REO Property, issuing the offered 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 series 2011-K12 pooling and servicing agreement in certain short-term, high-quality investments. The issuing entity may not lend or borrow money, except that the master 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 series 2011-K12 pooling and servicing agreement may be amended as set forth under "The Series 2011-K12 Pooling and Servicing Agreement—Amendment" in this information circular. The issuing entity administers the underlying mortgage loans 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 Series 2011-K12 Pooling and Servicing Agreement" in this information circular.

The only assets of the issuing entity other than the underlying mortgage loans and any REO Properties are certain accounts maintained pursuant to the series 2011-K12 pooling and servicing 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 underlying mortgage loans and any REO Properties, and indemnity obligations to the trustee, the custodian, the master servicer, the special servicer and the guarantor. 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 master servicer and the special servicer.

The depositor is contributing the underlying mortgage loans to the issuing entity. The depositor is purchasing the underlying mortgage loans from the mortgage loan seller pursuant to a mortgage loan purchase agreement, as described in "Summary of Information Circular—The Underlying Mortgage Loans—Source of the Underlying

Mortgage Loans" and "Description of the Underlying Mortgage Loans—Representations and Warranties" in this information circular.

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 underlying mortgage loans from the depositor to the issuing entity, a legal opinion is required to be rendered to the effect that if the depositor were to become a debtor in a case under the Bankruptcy Code, a federal bankruptcy court, which acted reasonably and correctly applied the law to the facts as set forth in such legal opinion after full consideration of all relevant factors, would hold that the transfer of the underlying mortgage loans from the depositor to the issuing entity is a sale such that (i) the underlying mortgage loans, and payments under the underlying mortgage loans and identifiable proceeds from the underlying mortgage loans would not be property of the estate of the depositor under Section 541 of the Bankruptcy Code and (ii) the automatic stay arising pursuant to Section 362 of the Bankruptcy Code upon the commencement of a bankruptcy case of the depositor is not applicable to payments on the underlying mortgage loans. 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 the foregoing legal opinion.

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

DESCRIPTION OF THE DEPOSITOR

The depositor is Wells Fargo Commercial Mortgage Securities, Inc., a North Carolina corporation. The depositor is an affiliate of Wells Fargo Bank, National Association, which will be the special servicer, is the originator of some of the underlying mortgage loans and is expected to be the sub-servicer of the underlying mortgage loans it originated, and Wells Fargo Securities, LLC, which will be one of the initial purchasers of the series 2011-K12 certificates and one of the placement agents for the Series K-012 SPCs. The depositor maintains its principal office at 123 N. Wacker, 24th Floor, Chicago, Illinois 60606. Its telephone number is at (312) 827-1522. The depositor does not have, nor is it expected in the future to have, any significant assets or liabilities.

The depositor will have minimal ongoing duties with respect to the offered certificates and the underlying mortgage loans. The depositor's duties pursuant to the series 2011-K12 pooling and servicing agreement include, without limitation, the duty to appoint a successor trustee in the event of the resignation or removal of the trustee, to remove the trustee if requested by at least a majority of certificateholders, to provide information in its possession to the trustee to the extent necessary to perform REMIC tax administration and to indemnify the trustee and any similar party and issuing entity for any liability, assessment or costs arising from its bad faith, negligence, fraud or malfeasance in providing such information. The depositor is required under the certificate purchase agreement relating to the offered certificates to indemnify Freddie Mac for certain liabilities.

Under the series 2011-K12 pooling and servicing agreement, the depositor and each of its members, managers, shareholders, affiliates, directors, officers, employees, agents and controlling persons will be entitled to indemnification from the issuing entity against any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) that is incurred without misfeasance, bad faith, fraud or negligence in the performance of obligations or duties under the series 2011-K12 pooling and servicing agreement or negligent disregard of such obligations and duties under the series 2011-K12 pooling and servicing agreement and not as a result of any breach of representations and warranties made by it in the series 2011-K12 pooling and servicing agreement as and to the extent described under "The Series 2011-K12 Pooling and Servicing Agreement—Certain Indemnities" in this information circular.

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

Neither we nor any of our affiliates will guarantee any of the underlying mortgage loans. Furthermore, no governmental agency or instrumentality will guarantee or insure any of those mortgage loans.

DESCRIPTION OF THE MORTGAGE LOAN SELLER AND GUARANTOR

The Mortgage Loan Seller and Guarantor

All of the underlying mortgage loans were sold to us by Freddie Mac, the mortgage loan seller. Each mortgage loan was purchased by the mortgage loan seller from one of Bellwether Real Estate Capital, LLC, Berkadia Commercial Mortgage LLC, CBRE Capital Markets, Inc., CWCapital LLC, Deutsche Bank Berkshire Mortgage, Inc., Financial Federal Savings Bank, Grandbridge Real Estate Capital LLC, Holliday Fenoglio Fowler, L.P., KeyCorp Real Estate Capital Markets, Inc., M&I Marshall & Ilsley Bank, M&T Realty Capital Corporation, NorthMarq Capital, LLC, PNC Bank, National Association (successor by merger to PNC Multifamily Mortgage LLC), Walker & Dunlop, LLC or Wells Fargo Bank, National Association, and were re-underwritten by the mortgage loan seller.

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, the U.S. Department of Housing and Urban Development ("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 the Obama Administration and Congress.

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.

Litigation Involving Mortgage Loan Seller 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.

Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller

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

The Guide. In addition to the standards in the Emergency Home Finance Act, which Freddie Mac cannot change, Freddie Mac has established its own multifamily mortgage 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 (the "Guide"). Forms of Freddie Mac's loan documents can be found on Freddie Mac's website, www.freddiemac.com.

Freddie Mac may waive or modify its mortgage purchase standards and guidelines and servicing policies and procedures when it purchases any particular mortgage. We have described those changes in this information circular if we believe they will materially change the prepayment behavior of the mortgages included in the issuing entity. Freddie Mac also reserves the right to change its mortgage purchase standards, credit, appraisal, underwriting guidelines and servicing policies and procedures at any time. This means that the mortgages included in the issuing

entity may not conform at any particular time to all of the provisions of the Guide or Freddie Mac's mortgage purchase documents.

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

Mortgage Purchase Standards. Freddie Mac uses mortgage information available to it to determine which mortgages it will purchase, the prices it will pay for mortgages, how to pool the mortgages it purchases and which mortgages 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;
- 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.

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

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

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 second lien, as applicable;
- the timely payments on each mortgage 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 Servicing Policies and Procedures. Freddie Mac generally supervises servicing of the mortgages according to the policies and procedures in the Guide. Each servicer must diligently perform all services and duties customary to the servicing of multifamily mortgages and as required by the Guide. These include:

- collecting and posting payments on the mortgages;
- 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 insurance claims.

Servicers service the mortgages, 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.

DESCRIPTION OF THE UNDERLYING MORTGAGE LOANS

General

The issuing entity will consist primarily of sixty-nine (69) fixed rate loans, secured by sixty-nine (69) multifamily properties. We refer to these fixed rate loans that we intend to include in the issuing entity collectively in this information circular as the "underlying mortgage loans." The underlying mortgage loans will have an initial total principal balance of approximately $1,210,571,710 as of their applicable due dates in April 2011 (which will be April 1, 2011, subject, in some cases, to a next succeeding business day convention) (which we refer to in this information circular as the "Cut-off Date"), subject to a variance of plus or minus 5%.

The Cut-off Date Principal Balance of any underlying mortgage loan is equal to its unpaid principal balance as of the Cut-off Date, after application of all monthly debt service payments due with respect to the mortgage loan on or before that date, whether or not those payments were received. The Cut-off Date Principal Balance of each underlying mortgage loan is shown on Exhibit A-1 to this information circular.

Each of the underlying mortgage loans is an obligation of the related borrower to repay a specified sum with interest. Each of those mortgage loans 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 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.

Except for certain standard nonrecourse carveouts, each of the underlying mortgage loans is a nonrecourse obligation of the related borrower. In the event of a payment default by the related borrower, recourse will be limited to the corresponding mortgaged real property or properties for satisfaction of that 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 information circular a variety of information regarding the underlying mortgage loans. When reviewing this information, please note that—

- All numerical information provided with respect to those mortgage loans is provided on an approximate basis.
- All weighted average information provided with respect to those 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 those mortgage loans on or before their respective due dates in April 2011, are timely made; and

    2. there are no prepayments or other unscheduled collections of principal with respect to any of those mortgage loans during the period from its due date in March 2011 up to and including April 1, 2011.

- When information with respect to mortgaged real properties is expressed as a percentage of the initial mortgage pool balance, the percentages are based upon the Cut-off Date Principal Balances of the related underlying mortgage loans.

- Some of the underlying mortgage loans are cross-collateralized and cross-defaulted with one or more other underlying mortgage loans. Unless otherwise indicated, when an underlying mortgage loan is cross-collateralized and cross-defaulted with another underlying mortgage loan, we present the information regarding such group of cross-collateralized and cross-defaulted mortgage loans as separate loans. One exception is that each and every underlying mortgage loan in any particular group of cross-collateralized and cross-defaulted mortgage loans is treated as having the same loan-to-value ratio and the same debt service coverage ratio. None of the underlying mortgage loans will be 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 to this information circular. 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 to this information circular.

- Statistical information regarding the underlying mortgage loans may change prior to the date of initial issuance of the offered certificates due to changes in the composition of the mortgage pool prior to that date.

Cross-Collateralized Mortgage Loans and Mortgage Loans with Affiliated Borrowers

The mortgage pool will include two (2) groups of mortgage loans that are made to affiliated borrowers and that are also cross-collateralized and cross-defaulted with one another. However, the amount of the mortgage lien encumbering any particular one of those properties may be less than the full amount of the group of cross-collateralized mortgage loans or set of mortgage loans, generally to minimize recording tax. The mortgage amount may equal the appraised value or allocated loan amount for the particular real property. This would limit the extent to which proceeds from that property would be available to offset declines in value of the group of cross-collateralized mortgage loans or set of mortgage loans in the issuing entity.

The table below identifies the group of underlying mortgage loans that are cross-collateralized and cross-defaulted with one another.

Cross-Collateralized Loans

Loan Name	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance[(1)]
Park Crest At Innisbrook	$30,955,801	2.6%
Verandas At Sam Ridley	23,812,155	2.0
Avondale At Kennesaw Farms	19,347,376	1.6
535 Brookwood	14,039,250	1.2
Total	$88,154,581	**7.3%**
Creekview Apartments	$10,100,000	0.8%
Pear Ridge Apartments	4,700,000	0.4
Total	$14,800,000	**1.2%**

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

With respect to the crossed mortgage loans described above, the related loan documents allow for the termination of the applicable cross-collateralization provisions and the release of any mortgaged real property (i) with respect to the underlying mortgage loans comprising the Mid-America Crossed Portfolio, upon the substitution of another property for such mortgaged real property and (ii) with respect to the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, upon the defeasance of such mortgaged real property, in each case as set forth in the related loan documents and as described in this information circular. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

In addition, the table below shows each group of mortgaged real properties that has the same or affiliated borrowers, including one group of three (3) underlying mortgage loans, two (2) of which underlying mortgage loans comprise the Creekview and Pear Ridge Crossed Portfolio:

Related Borrower Loans

Loan Name	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance[(1)]
Waterford Lakes	$30,591,156	2.5%
Mont Clare At Harlem Avenue	20,553,511	1.7
Villa Oceana	19,370,701	1.6
Bay Park	16,685,873	1.4
Total	**$87,201,242**	**7.2%**
The Heights At Perimeter Center	$25,602,000	2.1%
The Lofts Perimeter Center	23,693,000	2.0
The Drexel	21,797,000	1.8
Total	**$71,092,000**	**5.9%**
The Landings At Beckett Ridge	$23,752,962	2.0%
Sterling Lakes Apartments	17,108,671	1.4
Shadow Ridge Apartments	16,134,037	1.3
Total	**$56,995,670**	**4.7%**
Sheridan Ridge	$14,520,853	1.2%
Creekview Apartments	10,100,000	0.8
Pear Ridge Apartments	4,700,000	0.4
Total	**$29,320,853**	**2.4%**
Waterford On The Meadow	$14,015,000	1.2%
Arbors Of Carrollton	5,300,000	0.4
Total	**$19,315,000**	**1.6%**
Pebble Creek Apartments	$7,612,147	0.6%
Glenwood Pointe Apartments	5,970,312	0.5
Total	**$13,582,459**	**1.1%**

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

Certain Terms and Conditions of the 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 underlying mortgage loans.

Mortgage Interest Rates; Calculations of Interest. Each of the underlying mortgage loans bears interest at a mortgage interest rate that, in the absence of default or modification, is fixed until maturity.

The current mortgage interest rate for each of the underlying mortgage loans is shown on Exhibit A-1 to this information circular.

None of the underlying mortgage loans provides for negative amortization or for the deferral of interest.

All of the underlying mortgage loans accrue interest on an Actual/360 Basis.

Balloon Loans. All of the underlying mortgage loans are characterized by—

- either (a) an amortization schedule that is significantly longer than the actual term of the subject mortgage loan or (b) no amortization prior to the stated maturity of the subject mortgage loan, and
- a substantial payment of principal on its stated maturity date.

Additional Amortization Considerations. One (1) of the underlying mortgage loans, representing 0.8% of the initial mortgage pool balance, provides for an initial interest-only period of twelve (12) months.

Twenty-three (23) of the underlying mortgage loans, representing 32.3% of the initial mortgage pool balance, provide for an initial interest-only period of twenty-four (24) months.

Three (3) of the underlying mortgage loans, representing 4.2% of the initial mortgage pool balance, provide for an initial interest-only period of sixty (60) months.

One (1) of the underlying mortgage loans, representing 0.7% of the initial mortgage pool balance, provides for an interest-only period that extends to maturity.

Prepayment Provisions. As of origination, all of the 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:

- Sixty-seven (67) of the underlying mortgage loans, representing 95.5% of the initial mortgage pool balance, provide for –

    1. a prepayment lock-out and a defeasance period, during which voluntary principal prepayments are prohibited (although, for a portion of that period, beginning no sooner than the second anniversary of the date of initial issuance of the offered certificates, the related mortgage loan may be defeased), followed by;

    2. an open period prior to maturity during which voluntary principal prepayments may be made without any restriction or prepayment premium.

- Two (2) of the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as “Cool Springs At Frisco Bridges” and “Highland Oaks,” collectively representing 4.5% of the initial mortgage pool balance, provide for –

    1. a prepayment consideration period during which voluntary principal prepayments must be accompanied by the greater of a Yield Maintenance Charge and a Static Prepayment Premium, followed by;

    2. a prepayment consideration period during which voluntary principal prepayments must be accompanied by a Static Prepayment Premium, followed by;

    3. an open prepayment period during which voluntary principal prepayments may be made without any restriction or 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 subject 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 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. 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 U.S. Department of 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 will generally begin three (3) months prior to the month in which the mortgage loan matures.

The prepayment terms of the underlying mortgage loans are more particularly described in Exhibit A-1 to this information circular.

Unless an 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 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 borrower upon a refinancing or sale of the mortgaged real property. The prepayment consideration provision is intended to create an economic disincentive for the borrower to prepay a 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 a borrower as an additional charge in connection with the prepayment of a 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, the 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. Two (2) of the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "200 Water Street" and "Summer House Apartments," collectively representing 14.9% of the initial mortgage pool balance, provide for in-place soft, springing hard lockbox accounts. Such accounts are in the form of a cash management arrangement pursuant to which funds are swept to a borrower-controlled account prior to an event of default with respect to the related underlying mortgage loan and are swept to a lender-controlled account after an event of default with respect to the related underlying mortgage loan. The MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, provides for an in-place hard lockbox account. Such account is in the form of a cash management arrangement pursuant to which funds are kept in a lender-controlled account.

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 date of initial issuance of the offered certificates, 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 borrower.

Tax Escrows. In the case of all of the underlying mortgage loans, escrows were funded or will be funded for taxes. The related borrower 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.

Insurance Escrows. In the case of forty-six (46) of the underlying mortgage loans, representing 67.3% of the initial mortgage pool balance, escrows were funded or will be funded for insurance premiums. The related borrower 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 borrower is required to maintain. If an escrow was funded, the funds will be applied by the master servicer to pay for insurance premiums at the related mortgaged real property.

Under some of the other underlying mortgage loans, the insurance carried by the related 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 related borrower pays the premium directly. See "—Hazard, Liability and Other Insurance" below.

In still other cases, no insurance escrow was funded because the mortgage loan seller did not deem it necessary for various reasons.

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

In the case of most of the mortgaged real properties that secure an underlying mortgage loan, 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 borrowers were 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 Reserves. The column titled "Engineering Escrow/Deferred Maintenance" on Exhibit A-1 to this information circular shows the engineering reserves established at the origination of the corresponding underlying mortgage loans for deferred maintenance items that are required to be corrected within 12 months from origination. In a significant number of those cases, the engineering reserve for a mortgaged real property is less than the cost estimate in the related inspection report because—

- the mortgage loan seller 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 several 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 mortgage loan seller required the 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 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.

Release of Property Through Substitution, Defeasance or Prepayment.

Substitution. With respect to the crossed mortgage loans comprising the Mid-America Crossed Portfolio, collectively representing 7.3% of the initial mortgage pool balance, the related loan documents allow for the termination of the applicable cross-collateralization provisions and the release of an individual mortgaged real property from the lien of the related security instrument if the related borrower exercises its right to substitute another property for an individual mortgaged real property upon the satisfaction of certain conditions specified in the related loan documents, including, but not limited to: (i) the loan-to-value ratio of the substitute property at the time of the substitution may not exceed the lesser of (a) the underwritten loan-to-value ratio of the property to be released as set forth on the then-effective substitution schedule and (b) the loan-to-value ratio of the property to be released as of the date immediately preceding the substitution; (ii) the net operating income and debt service

coverage ratio for the substitute property for the 12-month period immediately preceding the substitution must be greater than each of (a) the net operating income and debt service coverage ratio for the property to be released as set forth on the then-effective substitution schedule, (b) the net operating income and debt service coverage ratio for the property to be released as of the date immediately preceding the substitution and (c) a net operating income and debt service coverage ratio of 1.30x; (iii) the net operating income for the substitute property must not show a downward trend over the three (3) years immediately prior to the date of substitution or such shorter period of time as may be determined from the net operating income information available; (iv) the debt service coverage ratio for the portfolio of crossed mortgage loans after the substitution must not be less than the debt service coverage ratio at origination and the date immediately preceding the substitution; (v) the entity owning the substitute property must be the borrower; (vi) a total of one (1) substitution is allowed during the period that any of the crossed mortgage loans are outstanding; and (vii) a 1.0% substitution fee based on the unpaid principal balance of the substituted loan and a $25,000 non-refundable review fee must be paid in connection with the substitution, which review fee may be credited toward payment of the 1.0% substitution fee.

Defeasance. Sixty-seven (67) of the underlying mortgage loans, representing 95.5% of the initial mortgage pool balance, permit the borrower to obtain the release of the related mortgaged real property through defeasance of the related underlying mortgage loan.

The borrower is permitted to deliver, during specified periods 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, with respect to some of the mortgage loans, Fannie Mae and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any consolidated bank that is a member of the Federal Home Loan Banks, 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 borrower will be required to deliver a security agreement granting the issuing entity a first priority security interest in the collateral, together with an opinion of counsel confirming the first priority status of the security interest.

None of the underlying mortgage loans may be defeased prior to the second anniversary of the date of initial issuance of the offered certificates.

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

With respect to the crossed mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, collectively representing 1.2% of the initial mortgage pool balance, the related loan documents allow for the termination of the applicable cross-collateralization provisions and the release of an individual mortgaged real property from the lien of the related security instrument if, during any defeasance period with respect to the underlying mortgage loan, the related borrower defeases the related underlying mortgage loan upon satisfaction of certain conditions set forth in the related loan documents including, but not limited to: (i) prior written notice by the related borrower to the lender, (ii) no event of default has occurred and, as of the date of such release, no event or circumstance exists with respect to the underlying mortgage loan which with the giving of notice or the passage of time or both could constitute such an event of default, (iii) payment by the related borrower of an administrative fee of $7,500 per remaining property and the payment of certain other lender costs, (iv) compliance with the defeasance provisions of any applicable security instrument, (v) delivery by the related borrower of defeasance collateral in an amount sufficient to defease the indebtedness with respect to the applicable mortgaged real property and to cover the defeasance release price which is to be applied pro-rata to any remaining mortgage loans, (vi) an aggregate debt service coverage ratio with respect to the remaining mortgaged real properties of not less than the greater of 1.30x and the aggregate debt service coverage ratio of all of the mortgaged real properties immediately prior to the release,

(vii) an aggregate loan-to-value ratio with respect to the remaining mortgaged real properties of not more than the lesser of 80% and the aggregate loan-to-value ratio with respect to all of the mortgaged real properties immediately prior to the release and (viii) receipt by the lender of an endorsement to the related title insurance policy.

Prepayment. Two (2) of the underlying mortgage loans, secured by the mortgaged real properties identified in Exhibit A-1 to this information circular as "Cool Springs At Frisco Bridges" and "Highland Oaks," collectively representing 4.5% of the initial mortgage pool balance, permit the borrower to obtain the release of all of the real property securing such mortgage loan upon the prepayment of such mortgage loan in full, together with a Static Prepayment Premium or Yield Maintenance Charge as described in "—Prepayment Provisions" above.

Other Permitted Releases. With respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, pursuant to the loan documents, the borrower has the right to release an unimproved portion of the mortgaged real property from the lien of the underlying mortgage loan upon the satisfaction of certain conditions including, but not limited to: (i) the receipt by the lender of an endorsement to the title policy indicating the release parcel has been legally subdivided and represents a separate tax lot, (ii) the payment by the related borrower of any associated costs, taxes and expenses and (iii) immediately after the partial release, either (a) the loan-to-value ratio of the mortgaged real property is equal to or less than 125% or (b) the principal balance of the underlying mortgage loan is paid down by the least of the following amounts (1) if the release parcel is sold, the net proceeds of an arm's length sale of the release parcel to an unrelated person, (2) the fair market value of the release parcel at the time of the partial release and (3) an amount such that the loan to value ratio of the underlying mortgage loan does not increase after the partial release, unless lender receives an opinion of counsel that if such amount is not paid, the issuing entity will not fail to maintain its status as a REMIC as a result of the partial release.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Verandas At Sam Ridley," representing 2.0% of the initial mortgage pool balance, the related borrower has requested a modification of the related loan documents to allow for the release of an unimproved portion of the related mortgaged real property, which request has been approved and which modification is in process as of the date of this information circular.

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 the 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 related mortgage instrument to accelerate the maturity of the subject underlying mortgage loan if the borrower sells or otherwise transfers an interest in the corresponding mortgaged real property, related 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 loan documents; or

- unless permitted by the loan documents, prohibit the 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 a 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 immediate family of such natural person 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 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 borrower or any interest in a controlling entity, such as the transfers set forth below:

    - a sale or transfer to one or more of the transferor's immediate family members (a spouse, parent, child or grandchild);

    - 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 or grandchild);

    - a sale or transfer from a trust to any one or more of its beneficiaries who are immediate family members (a spouse, parent, child or grandchild) of the transferor;

    - the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member (a spouse, parent, child or grandchild) of the transferor;

    - a sale or transfer to an entity owned and controlled by the transferor or the transferor's immediate family members (a spouse, parent, child or grandchild);

    - a sale or transfer to a natural person or entity that has an existing interest in the borrower or in a controlling entity; or

    - a transfer of non-controlling ownership interests in the related borrower;

  if, in each case, specified conditions are satisfied, which conditions typically include, among other things, a specified entity or person retains control of the applicable borrower and manages 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 borrowers from incurring, without lender consent, any additional debt secured or unsecured, direct or contingent other than (i) permitted supplemental mortgages and (ii) 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 5.0% of the original principal amount of the corresponding mortgage loan and are paid within sixty (60) days of the date incurred.

The borrowers under three (3) of the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Carlyle Apartments," "Thomasville Apartments" and "Bel Air and Village West Apartments," collectively representing 0.8% of the initial mortgage pool balance, may have incurred or may incur unsecured indebtedness other than in the ordinary course of business which is or may be substantial in relation to the amount of the subject mortgage loan. Each unsecured debt creditor could cause the related borrower to seek protection under applicable bankruptcy laws.

Permitted Subordinated Mortgage Debt. The borrowers under all of the underlying mortgage loans are permitted to incur an additional limited amount of indebtedness secured by the related mortgaged real properties beginning twelve months after the origination date of each related underlying mortgage loan. It is a condition to the incurrence of any future secured subordinate indebtedness on these mortgage loans that, among other things: (i) the total loan-to-value ratio of these loans be below certain thresholds set out in the related loan documents and (ii) subordination agreements and intercreditor agreements be put in place between the issuing entity and the related lenders. In the event a borrower satisfies these conditions, the borrower will be permitted to obtain secured subordinate debt from certain approved lenders who will make such subordinate financing exclusively for purchase by Freddie Mac.

The loan documents require that any such subordinate debt be governed by an intercreditor agreement which will, in general, govern the respective rights of the holder of the subordinate indebtedness and the issuing entity as the holder of the related senior mortgage loan. The following paragraphs describe certain provisions that will be included in the intercreditor agreements, but they do not purport to be complete and are subject, and qualified in their entirety by reference to the actual provisions of each intercreditor agreement. The issuing entity as the holder of the senior mortgage loan is referred to in these paragraphs as the "Senior Lender" and the related mortgage loan included in the issuing entity is referred to as the "Senior Loan". The holder of the subordinate indebtedness is referred to in these paragraphs as the "Junior Lender" and the related subordinate indebtedness is referred to as the "Junior Loan".

Allocations of Payments. The right of the Junior Lender to receive payments of interest, principal and other amounts will be subordinated to the rights of the Senior Lender. Generally, as long as no event of default has occurred under the Senior Loan or the Junior Loan, the related borrower will make separate payments of principal and interest to the Junior Lender and the Senior Lender, respectively. If an event of default occurs with respect to the Senior Loan or the Junior Loan, or the related borrower becomes a subject of any bankruptcy, insolvency or reorganization proceeding, then, prior to any application of payments to the Junior Loan, all amounts tendered by the related borrower or otherwise available for payment will be applied (with any payments received by the Junior Lender during this time to be forwarded to the Senior Lender), net of certain amounts, to satisfy the interest (other than default interest), principal and other amounts owed with respect to the related Senior Loan until these amounts are paid in full.

Modifications. The Senior Lender will be permitted to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver of any term or provision of any Senior Loan without the consent of the Junior Lender unless such modification will (i) increase the interest rate or principal amount of the Senior Loan, (ii) increase in any other material respect any monetary obligations of related borrower under the Senior Loan, (iii) extend or shorten the scheduled maturity date of the Senior Loan (other than pursuant to extension options exercised in accordance with the terms and provisions of the related loan documents), (iv) convert or exchange the Senior Loan into or for any other indebtedness or subordinate any of the Senior Loan to any indebtedness of related borrower, (v) amend or modify the provisions limiting transfers of interests in the related borrower or the related mortgaged real property, (vi) modify or amend the terms and provisions of the Senior Loan cash management agreement with respect to the manner, timing and method of the application of payments under the related loan documents, (vii) cross-default the Senior Loan with any other indebtedness, (viii) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of the Senior Loan, (ix) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the mortgaged real property (or other similar equity participation), or (x) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or Yield Maintenance Charge or increase the amount of any such prepayment fee, premium or Yield Maintenance Charge. However, in no event will Senior Lender be obligated to obtain Junior Lender's consent in the case of a work-out or other surrender, compromise,

release, renewal, or modification of the Senior Loan during the existence of a continuing Senior Loan event of default, except that under all conditions Senior Lender will obtain Junior Lender's consent to a modification with respect to clause (i) (with respect to increasing the principal amount of the Senior Loan only) and clause (x) of this paragraph.

The Junior Lender will be permitted to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver of any term or provision of any Junior Loan without the consent of the Senior Lender unless such modification will (i) increase the interest rate or principal amount of the Junior Loan, (ii) increase in any other material respect any monetary obligations of related borrower under the related loan documents with respect to the Junior Loan, (iii) extend or shorten the scheduled maturity date of the Junior Loan (other than pursuant to extension options exercised in accordance with the terms and provisions of the related loan documents), (iv) convert or exchange the Junior Loan into or for any other indebtedness or subordinate any of the Junior Loan to any indebtedness of the related borrower, (v) amend or modify the provisions limiting transfers of interests in the related borrower or the related mortgaged real property, (vi) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of the Junior Loan, (vii) cross-default the Junior Loan with any other indebtedness, (viii) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the related mortgaged real property (or other similar equity participation) or (ix) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or Yield Maintenance Charge or increase the amount of any such prepayment fee, premium or Yield Maintenance Charge. However, in no event will Junior Lender be obligated to obtain Senior Lender's consent to a modification or amendment in the case of a work-out or other surrender, compromise, release, renewal, or modification of the Junior Loan if an event of default has occurred and is continuing with respect to the Junior Loan, except that under all conditions Junior Lender will be required to obtain Senior Lender's consent to a modification with respect to clause (i) (with respect to increasing the principal amount of the Junior Loan only), clause (ii), clause (iii) (with respect to shortening the scheduled maturity date of the Junior Loan only), clause (iv), clause (viii) and clause (ix) of this paragraph.

Cure. Upon the occurrence of any default that would permit the Senior Lender under the related loan documents to commence an enforcement action, the Junior Lender will also have the right to receive notice from the Senior Lender of the default and the right to cure that default after or prior to the expiration of the related borrower's cure period or in some cases for a period extending beyond the related borrower's cure period. The Junior Lender generally will have a specified period of time, set forth in the related intercreditor agreement, to cure any default, depending on whether the default is monetary or non-monetary. The Junior Lender is prohibited from curing monetary defaults for longer than four consecutive months. Before the lapse of such cure period, neither the master servicer nor the special servicer may foreclose on the related mortgaged real property or exercise any other remedies with respect to the mortgaged real property.

Purchase Option. If the Senior Loan becomes a Defaulted Loan (in accordance with the series 2011-K12 pooling and servicing agreement), pursuant to the intercreditor agreement and the series 2011-K12 pooling and servicing agreement, the Junior Lender and the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option" in this information circular) will have an option to purchase the Senior Loan at a purchase price equal to at least the Fair Value of such Senior Loan, and the Junior Lender will have the first right to purchase such Defaulted Loan at a purchase price equal to the unpaid principal balance of such Senior Loan, plus accrued and unpaid interest on such balance, all related unreimbursed Servicing Advances together with any unpaid interest on any advance owing to the party or parties that made them, and all accrued servicing fees and additional expenses of the issuing entity allocable to such Senior Loan whether paid or unpaid and all costs and expenses in connection with the sale. See "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option" in this information circular.

Cross-Collateralization and Cross-Default of Certain Underlying Mortgage Loans. The underlying mortgage loans comprising the Mid-America Crossed Portfolio and the Creekview and Pear Ridge Crossed Portfolio, representing 7.3% and 1.2%, respectively, of the initial mortgage pool balance, are cross-collateralized and cross-defaulted with the other underlying mortgage loans in their respective group. 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 mortgage loans collateralized by properties in such states may secure an amount less than the total initial principal balance of those crossed mortgage loans. For the same reason, the mortgages recorded with respect to certain 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 mortgage loans. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited" in this information circular.

With respect to the crossed mortgage loans described in the previous paragraph, the related loan documents allow for the termination of the applicable cross-collateralization provisions and the release of any mortgaged real property (i) with respect to the underlying mortgage loans comprising the Mid-America Crossed Portfolio, upon the substitution of another property for such mortgaged real property and (ii) with respect to the underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio, upon the defeasance of such mortgaged real property, in each case as set forth in the related loan documents and as described in this information circular. See "—Release of Property Through Substitution, Defeasance or Prepayment" in this information circular.

Hazard, Liability and Other Insurance. The loan documents for each of the underlying mortgage loans generally require the related borrower to maintain with respect to the corresponding mortgaged real property the following insurance coverage, subject to exceptions in some cases for tenant insurance:

- hazard insurance in an amount that is, subject to a customary deductible, equal to the full insurable replacement cost of the improvements located on the insured property;

- if any portion of the improvements of the subject property was in a special flood hazard area, flood insurance in an amount that is equal to the full insurable value of the first two (2) floors of the portion of the improvements within the flood zone, if such insurance is available;

- commercial general liability insurance, including contractual injury, bodily injury, broad form death and property damage liability against any and all claims, including all legal liability to the extent insurable imposed upon the applicable borrower and all attorneys' fees and costs, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the corresponding mortgaged real property with:

  (i) a combined limit of not less than $2,000,000 in the aggregate and $1,000,000 per occurrence, plus

  (ii) umbrella or excess liability coverage with minimum limits in the aggregate and per occurrence of $1,000,000 for improvements that have one (1) to three (3) stories and an additional $2,000,000 in coverage for each additional story with maximum required coverage of $10,000,000, plus

  (iii) motor vehicle liability coverage for all owned and non-owned vehicles (including, without limitation, rented and leased vehicles) containing minimum limits per occurrence, including umbrella coverage, of $1,000,000; and

- business interruption, including loss of rental value, insurance for the mortgaged real property in an amount equal to (i) not less than twelve (12) months' estimated gross rents and based on gross rents for the immediately preceding year or, (ii) in the case of a mortgaged real property consisting of five (5) or more stories or mortgage loans equal to or greater than $50,000,000, a minimum of eighteen (18) months' estimated gross rents attributable to the mortgaged real property and based on gross rents for the immediately preceding year and, in each case, otherwise sufficient to avoid any co-insurance penalty with, in the case of a majority of the underlying mortgage loans, a 30-day to 90-day extended period of indemnity.

We cannot assure you regarding the extent to which the mortgaged real properties securing the underlying mortgage loans will be insured against earthquake risks. In the case of those properties located in seismic zones 3 and 4, a seismic assessment was made to assess the probable maximum loss for the property. Earthquake insurance was not required with respect to the mortgaged real properties because the probable maximum loss for each such mortgaged real property is less than 20%.

With respect to each of the mortgaged real properties for the underlying mortgage loans, subject to the discussion below regarding insurance for acts of terrorism, the master servicer will be required to use reasonable efforts consistent with the Servicing Standard and the loan documents to cause each borrower to maintain, and, if the 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, subject to applicable law, under the related loan documents; *provided* that, if and to the extent that any such loan documents permit the holder of the mortgage loan any discretion (by way of consent, approval or otherwise) as to the insurance coverage that the related borrower is required to maintain, the master servicer will exercise such discretion in a manner consistent with the Servicing Standard with a view towards requiring insurance comparable to that required by the mortgage loan seller with respect to each mortgaged real property as of the Closing Date absent a material change with respect to any mortgaged real property, the related borrower, or the geographic market in which any mortgaged real property is located, which would render such insurance coverage materially at variance with prevailing standards for properties of similar size, type and location under other comparable commercial mortgage loans serviced by the master servicer with express provisions governing such matters, in which event the master servicer will be required to exercise such discretion to require such insurance as the master servicer deems appropriate under the Servicing Standard. The master servicer will use reasonable efforts, consistent with the Servicing Standard, to cause the related borrower to maintain insurance coverage, as described above. If the related 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; and
- any related Servicing Advance is deemed by the master servicer to be recoverable from collections on the related mortgage loan.

Notwithstanding the foregoing, the master servicer will not be required to call a default under a mortgage loan in the issuing entity if the related 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 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 series 2011-K12 directing certificateholder, which consent is subject to certain limitations and a specified time period as set forth in the series 2011-K12 pooling and servicing agreement; *provided* that the special servicer will not follow any such direction, or refrain from acting based upon the lack of any such direction, of the series 2011-K12 directing certificateholder, if following any such direction of the series 2011-K12 directing certificateholder or refraining from taking such action based upon the lack of any such direction of the series 2011-K12 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 subject mortgaged real property and located in and around the region in which the subject mortgaged real property is located; or
- such insurance is not available at any rate.

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 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 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 originator did not require the subject borrower to maintain such insurance, regardless of the terms of the related loan documents.

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 loans in the

issuing entity. 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 loans in the issuing entity.

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 borrower); or
- towards payment of the subject mortgage loan.

If any mortgaged real property is acquired by the issuing entity through foreclosure, deed-in-lieu of foreclosure or otherwise following a default on the related underlying mortgage loan, the special servicer will be required to maintain for that property insurance comparable to that required by the mortgage loan seller with respect to each mortgaged real property as of the Cut-off Date or, at the special servicer's election and with the series 2011-K12 directing certificateholder's consent (which consent is subject to certain limitations and a specified time period as set forth in the series 2011-K12 pooling and servicing agreement), coverage satisfying insurance requirements consistent with the Servicing Standard, *provided* that such coverage is available at commercially reasonable rates.

Each of the master servicer and the special servicer may satisfy its obligations regarding maintenance of the hazard insurance policies referred to in this information circular by maintaining a blanket insurance policy or master single interest insurance policy insuring against hazard losses on all of the mortgage loans and/or REO Properties in the issuing entity for which it is responsible. If any blanket insurance policy or master single interest insurance policy maintained by the master servicer or the special servicer contains a deductible clause, however, the master servicer or special servicer, as the case may be, will be required, in the event of a casualty that would have been covered by an individual policy, to pay out of its own funds (without a right to reimbursement) all sums that—

- are not paid because of the deductible clause; and
- exceed the deductible limitation that pertains to the related mortgage loan or, in the absence of any such deductible limitation, an assumed deductible limitation for an individual policy which is consistent with the Servicing Standard.

Mezzanine Debt

With respect to the MetroPlace Mortgage Loan, representing 3.9% of the initial mortgage pool balance, a $6,750,000 mezzanine loan is secured by a pledge of ownership interests in the related borrower in favor of BVF-II Camp Springs, MD, L.L.C. as mezzanine lender. The mezzanine loan matures on January 1, 2021. The mezzanine loan is subject to an intercreditor agreement between the related mezzanine lender and the related lender for the underlying mortgage loan, which provides that, among other things:

- The mezzanine lender may not foreclose on the collateral for the mezzanine loan unless certain conditions are satisfied, including that any transferee, if not the mezzanine lender, must meet specified requirements as of the date of transfer.
- The mezzanine loan is generally subordinate to the related underlying mortgage loan in right of payment; *provided*, *however*, that so long as no event of default has occurred and is continuing with respect to such underlying mortgage loan, the mezzanine lender may accept payments due and payable from time to time under the related mezzanine loan documents.
- The mezzanine lender has the right to receive notice of any event of default under the related underlying mortgage loan prior to the mortgage lender commencing any enforcement action with respect to such underlying mortgage loan and the right to cure any monetary default within the later of five (5) business days after receipt of such notice or the borrower's cure period under the mortgage loan documents; *provided*, *however*, that the mezzanine lender will not have the right to cure with respect to monthly scheduled debt service payments for a period of more than four (4) consecutive months unless the mezzanine lender has commenced and is continuing to diligently pursue its rights against the mezzanine

collateral. In addition, if the default is of a non-monetary nature, the mezzanine lender will have the same period of time as the borrower to cure such non-monetary default under the mortgage loan documents; *provided*, *however*, that, if such non-monetary default is susceptible to cure but cannot reasonably be cured within such time period then, subject to certain conditions, the mezzanine lender will be given an additional period of time as is reasonably necessary in the exercise of due diligence to cure such non-monetary default.

- If the related underlying mortgage loan has been accelerated, or any proceeding to foreclose or otherwise enforce the security instrument or other security for such underlying mortgage loan has been commenced or if the mortgage loan becomes a specially serviced mortgage loan, then the mezzanine lender has the right to purchase such underlying mortgage loan for a price equal to the outstanding principal balance of such underlying mortgage loan, together with all accrued interest and other amounts due on such underlying mortgage loan, including any interest charged by the lender on any advances for monthly payments of interest on such underlying mortgage loan and/or any protective advances, and all costs and expenses (including legal fees and expenses) actually incurred by the lender under the mortgage loan in enforcing the terms of the mortgage loan documents, but excluding any exit fees or prepayment fees or premiums. Such purchase option expires upon a foreclosure sale, sale by power of sale or delivery of a deed-in-lieu of foreclosure.

- The mezzanine loan documents generally may be modified without the mortgage lender's consent, although certain provisions of the mezzanine loan documents may not be modified without the mortgage lender's consent, including, without limitation, increasing in any material respect any monetary obligations of the mezzanine loan borrower. Notwithstanding the foregoing, in addressing an event of default that has occurred under the mezzanine loan documents, the mezzanine lender is permitted, subject to the satisfaction of certain conditions, to amend or modify the mezzanine loan in a manner that increases the interest rate under the mezzanine loan documents.

- The mortgage loan documents generally may be modified without the mezzanine lender's consent, although certain provisions of the mortgage loan documents may not be modified without the mezzanine lender's consent, including, without limitation, increasing in any material respect any monetary obligations of the mortgage loan borrower. Notwithstanding the foregoing, in addressing an event of default that has occurred under the mortgage loan documents, the mortgage lender is permitted, subject to the satisfaction of certain conditions, to amend or modify the mortgage loan in a manner that increases the interest rate under the mortgage loan documents.

Mortgage Pool Characteristics

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

Additional Loan and Property Information

Borrower Structures. With respect to sixty-six (66) of the underlying mortgage loans, representing 99.2% of the initial mortgage pool balance, the related borrowers are single purpose entities whose organizational documents or the terms of the mortgage loans limit their activities to the ownership of only the related mortgaged real property or properties and, subject to exceptions, including relating to subordinate debt secured by the related mortgaged real properties, generally limit the borrowers' ability to incur additional indebtedness other than trade payables and equipment financing relating to the mortgaged real properties in the ordinary course of business.

With respect to three (3) of the underlying mortgage loans, secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Carlyle Apartments," "Thomasville Apartments" and "Bel Air and Village West Apartments," collectively representing 0.8% of the initial mortgage pool balance, each related

borrower is a single asset entity that is not permitted to (i) own any real or personal property other than the related mortgaged real property and personal property related to the operation and maintenance of the related mortgaged real property, (ii) operate any business other than the management and operation of the related mortgaged real property or (iii) maintain its assets in a way that is difficult to segregate and identify.

With respect to three (3) underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Villages At Turtle Rock," "Claridge House" and "Legacy Heights," collectively representing 5.1% of the initial mortgage pool balance, no guarantees of the nonrecourse carveout provisions of the related loan documents were obtained.

With respect to two (2) underlying mortgage loans comprising the Creekview and Pear Ridge Crossed Portfolio and the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "Sheridan Ridge," collectively representing 2.4% of the initial mortgage pool balance, the related borrowers own the mortgaged real properties as tenants-in-common.

See "Risk Factors—Risks Related to the Underlying Mortgage Loans—The Type of Borrower May Entail Risk" in this information circular for a further description of each of these borrower structures.

Delinquencies. None of the underlying mortgage loans was, as of April 1, 2011, thirty (30) days or more delinquent with respect to any monthly debt service payment.

Title, Survey and Similar Issues. In the case of certain mortgaged real properties securing the underlying mortgage loans, the permanent improvements on the subject property 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.

Underwriting Matters

General. In connection with the origination or acquisition of each of the underlying mortgage loans, the related originator or acquiror of the subject mortgage loan evaluated the corresponding mortgaged real property or properties in a manner generally consistent with the standards described in this "—Underwriting Matters" section.

Environmental Assessments. With respect to all of the mortgaged real properties securing the underlying mortgage loans, Phase I environmental site assessments were prepared in connection with the origination of the mortgage loan. We cannot assure you that the environmental assessments or studies, 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.

The information provided by us in this information circular regarding environmental conditions at the respective mortgaged real properties is based on the environmental site assessments referred to in this "—Underwriting Matters—Environmental Assessments" subsection and has not been independently verified by—

- us;
- any of the other parties to the series 2011-K12 pooling and servicing agreement;
- the mortgage loan seller; or
- the affiliates of any of these parties.

The series 2011-K12 pooling and servicing agreement requires that the special servicer obtain an environmental site assessment 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 mortgage loan until a satisfactory

environmental site assessment is obtained or until any required remedial action is taken. We cannot assure you that the requirements of the series 2011-K12 pooling and servicing 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 securing the mortgage loans expected to be included in the issuing entity, 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 related originator, the related 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 to this information circular. 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.

Appraisals and Market Studies. An independent appraiser that is state-certified and/or a member of the Appraisal Institute conducted an appraisal during the 10-month period ending on April 1, 2011, in order to establish an appraised value with respect to all of the mortgaged real properties securing the underlying mortgage loans. Those appraisals are the basis for the Appraised Values for the respective mortgaged real properties set forth on Exhibit A-1 to this information circular.

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 to this information circular, 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.

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 upon which is based the Appraised Value for each mortgaged real property shown on Exhibit A-1 to this information circular, 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 borrower may have acquired the mortgaged real property at a price less than the appraised value on which the mortgage loan was underwritten.

Zoning and Building Code Compliance. In connection with the origination of each underlying mortgage loan, the 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 borrower. Where a material noncompliance was found or the property as currently operated is a permitted non-conforming use and/or structure, an analysis was generally conducted as to—

- whether, in the case of material noncompliance, such noncompliance constitutes a permitted 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 permitted 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 hazard insurance or, if necessary, supplemental law or ordinance coverage would, in the event of a material casualty, be sufficient—
    1. to satisfy the entire subject mortgage loan; or
    2. taking into account the cost of repair, to pay down the subject 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 Mortgage Loans

For summary information on the ten largest underlying mortgage loans or group of crossed mortgage loans, see Exhibit A-3 to this information circular.

Assignment of the Underlying Mortgage Loans

On or before the date of initial issuance of the offered certificates, the mortgage loan seller will transfer to us the underlying mortgage loans, and we will transfer to the trustee all of those underlying mortgage loans. The trustee will hold those mortgage loans for the benefit of the certificateholders and the guarantor 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 subject mortgage loans, without recourse, to the transferee.

In connection with the foregoing transfers, at the closing or at such later date as is permitted under the series 2011-K12 pooling and servicing agreement, the mortgage loan seller will generally be required to deliver or cause the delivery of the following documents, among others, to the custodian with respect to each of the underlying mortgage loans as to which it is identified as the mortgage loan seller on Exhibit A-1 to this information circular:

- either—
    1. the original promissory note, endorsed without recourse, representation or warranty (other than as set forth in the mortgage loan purchase agreement) to the order of the trustee or in blank, or
    2. if the original promissory note has been lost, a copy of that note, together with a lost note affidavit and indemnity;
- the original, certified copy or a copy of the mortgage instrument, and if the particular document has been returned from the applicable recording office, together with originals, certified copies or copies of any

intervening assignments of that document, in each case, with evidence of recording on the document or certified by the applicable recording office;

- an executed original assignment of the related mortgage instrument in favor of the trustee or in blank, in recordable form except for any missing recording information relating to that mortgage instrument;

- originals or copies of all written assumption, modification and substitution agreements, if any, in those instances where the terms or provisions of the related mortgage instrument or promissory note have been modified or the mortgage loan has been assumed;

- with respect to any other debt of a borrower permitted under the related mortgage loan, 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 preferred equity documents, and a copy of the promissory note relating to such other debt (if such other debt is also secured by the related mortgage);

- original letters of credit, if any, relating to the mortgage loans and all appropriate assignment or amendment documentation related to the assignment to the issuing entity of any letter of credit securing the mortgage loan which entitle the issuing entity to draw on such letter of credit; *provided* that in connection with the delivery of the mortgage file to the issuing entity, such originals will be delivered to the master servicer and copies thereof will be delivered to the custodian on behalf of the trustee;

- the original or a copy of any environmental indemnity agreements and copies of any environmental insurance policies pertaining to the mortgaged real properties required in connection with the origination of the mortgage loan, if any;

- with respect to any group of cross-collateralized underlying mortgage loans, the related cross-collateralization agreement; and

- an original or copy of the lender's title insurance policy or, if a title insurance policy has not yet been issued or located, a *pro forma* title policy or a "marked up" commitment for title insurance, which in either case is binding on the title insurance company.

The custodian is required to hold all of the documents delivered to it with respect to the underlying mortgage loans in trust for the benefit of the series 2011-K12 certificateholders under the terms of the series 2011-K12 pooling and servicing agreement. 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 borrower), that (if applicable) they appear to have been executed and that they purport to relate to a mortgage loan in the issuing entity. None of the trustee, the master servicer, the special servicer or the custodian is under any duty or obligation to inspect, review or examine any of the documents relating to the mortgage loans 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 mortgage loan seller to the custodian is not delivered or is otherwise defective, and

- that omission or defect materially and adversely affects the value of the subject mortgage loan, or the interests of any class of series 2011-K12 certificateholders,

then the omission or defect will constitute a material document defect as to which the series 2011-K12 certificateholders will have the rights against the mortgage loan seller as described under "—Cures, Repurchases and Substitutions" below.

Within a specified period of time as set forth in the series 2011-K12 pooling and servicing agreement, the mortgage loan seller 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 cannot 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 date of initial issuance of the offered certificates (or as of the date otherwise indicated in the mortgage loan purchase agreement), the mortgage loan seller will make, with respect to each mortgage loan that it is selling to us for inclusion in the issuing entity (except as described below), specific representations and warranties generally to the effect listed below. The representations and warranties to be made by the mortgage loan seller may be qualified by exceptions disclosed in the mortgage loan purchase agreement between the mortgage loan seller and us. The trustee will provide a copy of the exceptions to the representations and warranties to a prospective or actual holder or beneficial owner of an offered certificate upon written request from such party or a placement agent for the Series K-012 SPCs and completion of an appropriate confidentiality agreement and, at the trustee's discretion, payment of a reasonable fee for any related expenses incurred by the trustee. For the purposes of your decision to invest in any offered certificates, any disclosure in this information circular that conflicts with the representations and warranties summarized below should be considered an exception to those representations and warranties. The representations and warranties to be made by the mortgage loan seller will include, among other things—

1. the information set forth in the schedule of the mortgage loans attached to the mortgage loan purchase agreement is true, complete and accurate in all material respects as of the dates of the information set forth in such schedule;

2. the mortgage loan seller is transferring the mortgage loan free and clear of any and all pledges, liens and/or other security interests, except for certain interests in servicing rights (including those being assigned pursuant to the series 2011-K12 pooling and servicing agreement);

3. no scheduled payment of principal and interest under the mortgage loan was 30 days or more delinquent as of the Cut-off Date, and the mortgage loan has not been more than 30 days delinquent since origination;

4. the related mortgage constitutes, subject to certain creditors' rights exceptions, a valid and enforceable first priority mortgage lien (subject to the Permitted Encumbrances) upon the related mortgaged real property;

5. the assignment of the related mortgage in favor of the trustee constitutes a legal, valid and binding assignment, except as enforcement of the assignment may be limited by laws affecting the enforcement of creditors' rights;

6. the mortgage loan has not been satisfied, canceled, rescinded or subordinated and the related mortgaged real property, nor any part of the related mortgaged real property, has been released from the lien of the related mortgage in any manner that materially interferes with the security intended to be provided by that mortgage;

7. the related mortgaged real property is, to the seller's knowledge, free and clear of any material damage that would materially and adversely affect its value as security for the mortgage loan (normal wear and tear excepted) or reserves have been established to remediate such damage;

8. as of the Closing Date, there is no proceeding pending for the condemnation of all or any material portion of any mortgaged real property that would have a material adverse effect on the use or value of the related mortgaged real property;

9. the related mortgaged real property is covered by an American Land Title Association (or an equivalent form of) lender's title insurance policy or a "marked-up" title insurance commitment or the equivalent of such title insurance policy (for which the required premium has been paid) which evidences such title insurance policy that insures that the related mortgage is a first priority lien on

such mortgaged real property, subject only to the exceptions stated in the title insurance policy and the other Permitted Encumbrances;

10. the proceeds of the mortgage loan have been fully disbursed and there is no obligation for future advances with respect to such proceeds;

11. an environmental site assessment was performed with respect to the mortgaged real property in connection with the origination of the related first mortgage loan, and the mortgage loan seller has no knowledge of any material noncompliance with environmental laws affecting such mortgaged real property that was not disclosed in the report of such assessment;

12. each mortgage note, mortgage and other agreement executed by or for the benefit of the borrower, any guarantor or their successors and assigns in connection with the related mortgage loan is, subject to certain creditors' rights exceptions and other exceptions of general application, the legal, valid and binding obligation of the related borrower, enforceable in accordance with its terms, and, there is no valid defense, counterclaim or right of rescission available to the related borrower with respect to such mortgage note, mortgage or other agreement, except as such enforcement may be limited by laws affecting the enforcement of creditors' rights and general principles of equity;

13. the related mortgaged real property is, and is required pursuant to the related mortgage and the mortgage loan seller to be, insured by casualty and liability insurance policies of a type specified in the related mortgage and the mortgage loan seller's requirements;

14. there are no delinquent and unpaid taxes or assessments affecting the related mortgaged real property that are or may become a lien of priority equal to or higher than the lien of the related mortgage or an escrow of funds has been created for the payment of such taxes and assessments;

15. as of the Closing Date, the related borrower is not a debtor in any state or federal bankruptcy or insolvency proceeding;

16. no mortgage loan is secured in whole or in part by the related borrowers' interest as lessee under a ground lease of the related mortgaged real property without also being secured in whole or in part by the related fee interest in such mortgaged real property;

17. the mortgage loan is not cross-collateralized or cross defaulted with any loan other than one or more other mortgage loans in the issuing entity;

18. except as disclosed in this information circular with respect to crossed mortgage loans, no mortgage requires the holder of the mortgage to release any material portion of the related mortgaged real property from the lien on the related mortgaged real property except upon payment in full of the mortgage loan;

19. for all underlying mortgage loans originated after December 6, 2010, no underlying mortgage loan that is secured by more than one mortgaged real property or that is cross-collateralized with another underlying mortgage loan permits the release of cross-collateralization of the related mortgaged real properties other than in compliance with the REMIC provisions;

20. for all underlying mortgage loans originated after December 6, 2010, if the fair market value of the real property constituting the remaining mortgaged real property immediately after a release of a portion of the mortgaged real property from the lien of the related security instrument is not equal to at least (i) 80% of the remaining principal amount of the underlying mortgage loan or (ii) the fair market value of the mortgaged real property immediately before the release of such portion of the mortgaged real property, the related borrower is required to prepay the underlying mortgage loan in an amount equal to or greater than the amount required by the REMIC provisions; and

21. as of the Closing Date, there exists no monetary default (other than payments due but not yet 30 days or more past due) or material non-monetary default, breach, violation or event of acceleration or, to the

mortgage loan seller's knowledge, no event that, with the passage of time or the giving of notice, or both, would constitute a material default, breach, violation or event of acceleration under such mortgage loan; *provided* that this representation and warranty will not cover a default, breach, violation or event of acceleration arising out of the subject matter covered by any other representation and warranty made by the mortgage loan seller.

The representations and warranties made by the mortgage loan seller as listed and described above will be assigned by us to the trustee under the series 2011-K12 pooling and servicing agreement.

If—

- there exists a breach of any of the above-described representations and warranties made by the mortgage loan seller, and

- that breach materially and adversely affects the value of the subject mortgage loan, or the interests of any class of series 2011-K12 certificateholders,

then that breach will be a material breach of the representation and warranty. The rights of the series 2011-K12 certificateholders against the mortgage loan seller with respect to any material breach are described under "—Cures, Repurchases and Substitutions" below.

Cures, Repurchases and Substitutions

If the mortgage loan seller has been notified of a defect in any mortgage file or a breach of any of its representations and warranties, or, itself has discovered any such defect or breach, which, in either case, materially and adversely affects the value of any mortgage loan (including any REO Property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of series 2011-K12 certificates, then the mortgage loan seller will be required to take one of the following courses of action:

- cure such breach or defect in all material respects; or

- repurchase the affected mortgage loan at a price generally equal to the sum of—

    1. the outstanding principal balance of such mortgage loan as of the date of purchase, plus

    2. all accrued and unpaid interest on such mortgage loan at the related mortgage interest rate in effect from time to time in absence of a default, to but not including the due date in the collection period of purchase (which includes unpaid master servicing fees and sub-servicing fees), plus

    3. all related unreimbursed Servicing Advances plus, in general, accrued and unpaid interest on related advances at the reimbursement rate (as set forth in the series 2011-K12 pooling and servicing agreement), plus

    4. all expenses incurred (whether paid or then owing) by the master servicer, the special servicer, us, and the trustee in respect of the defect or breach giving rise to the repurchase obligation, including any expenses arising out of the enforcement of the repurchase obligation, plus

    5. the amount of any special servicing fees accrued on such mortgage loan and, if the mortgage loan is repurchased following the expiration of the applicable cure period (as it may be extended as described below), the amount of the liquidation fee payable to the special servicer; or

- replace the affected mortgage loan with a Qualified Substitute Mortgage Loan; *provided* that in no event may a substitution occur later than the second anniversary of the Closing Date; or

- for certain breaches, reimburse the issuing entity for certain costs.

If the mortgage loan seller replaces one mortgage loan with another, as described in the third bullet of the preceding paragraph, 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 mortgage loan, as described in the second bullet of the preceding paragraph, exceeds

- the Stated Principal Balance of the substitute mortgage loan as of the due date during the month that it is added to the issuing entity.

The time period within which the mortgage loan seller must complete the remedy, repurchase or substitution described in the immediately preceding paragraph, will generally be limited to 90 days following its receipt of notice of the subject material breach or material document defect. However, unless the subject material breach or material document defect relates to any mortgage note (or lost note affidavit or indemnity with respect to such mortgage note), if the subject material breach or material document defect is capable of being cured, if the mortgage loan seller is diligently attempting to correct the material breach or material document defect and with respect to a material document defect, such loan is not then a specially serviced mortgage loan and the missing or defective document is not needed to adequately pursue the lender's rights prior to such time, then it will generally be entitled to as much as an additional 90 days to complete that remedy, repurchase or substitution (unless such material breach or material document defect causes any mortgage loan to not be a "qualified mortgage" within the meaning of the REMIC provisions of the Code).

In addition to the foregoing, if—

- any underlying mortgage loan is required to be repurchased or substituted as contemplated above, and

- such underlying mortgage loan is a cross-collateralized loan,

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 mortgage loan for purposes of the above provisions, and the mortgage loan seller will be required to repurchase or replace any related crossed mortgage loan in accordance with the provisions above unless the special servicer determines that all of the following conditions would be satisfied if the mortgage loan seller were to repurchase or replace only the affected crossed mortgage loan as to which a defect or breach had initially occurred:

(i) the debt service coverage ratio for any related crossed mortgage loans 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 debt service coverage ratio for all such crossed mortgage loans, including the affected crossed mortgage loan, for the four calendar quarters immediately preceding the repurchase or substitution and (b) 1.25x;

(ii) the loan-to-value ratio for any related crossed mortgage loans that remain in the issuing entity (determined at the time of repurchase or substitution based upon an appraisal obtained by the special servicer at the expense of the mortgage loan seller) is not greater than the least of (a) the loan-to-value ratio for such crossed mortgage loans including the affected crossed mortgage loan (determined at the time of repurchase or substitution based upon an appraisal obtained by the special servicer at the expense of the mortgage loan seller), (b) the loan-to-value ratio for such crossed mortgage loans including the affected crossed mortgage loan set forth in the tables in Exhibit A-1 to this information circular and (c) 75%; and

(iii) each of the trustee and the master servicer or the special servicer, as applicable, receives an opinion of independent counsel (at the expense of the mortgage loan seller) to the effect that such repurchase or substitution will not result in the imposition of a tax on the issuing entity or its assets, income or gain, cause the crossed mortgage loans not purchased or replaced to have been significantly modified under the REMIC provisions of the Code or cause either Trust REMIC created under the series 2011-K12 pooling and servicing agreement to fail to qualify as a REMIC for U.S. federal or applicable state tax purposes at any time that any series 2011-K12 certificate is outstanding.

In the event that each of the conditions set forth in the preceding sentence would be so satisfied (as determined by the special servicer), the mortgage loan seller may elect either to repurchase or substitute only the affected crossed mortgage loan as to which the defect or breach exists or to repurchase or substitute all of the related crossed mortgage loans. The determination of the special servicer as to whether the conditions set forth above have been satisfied will be conclusive and binding in the absence of manifest error. Notwithstanding the foregoing, if the mortgage loan seller repurchases or substitutes for an affected crossed mortgage loan in the manner prescribed above while the trustee continues to hold any related crossed mortgage loans, the mortgage loan seller must also repurchase or replace the related crossed mortgage loans unless the 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 (a) the repurchased or replaced crossed mortgage loan and (b) any related crossed mortgage loans that were not repurchased or replaced, would no longer be cross-defaulted or cross-collateralized with one another.

Any of the following document defects will be conclusively presumed materially and adversely to affect the interests of a class of series 2011-K12 certificateholders in an underlying mortgage loan:

- 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 original signed mortgage, unless there is included in the mortgage file (i) a copy of the mortgage and the related recording information; or (ii) 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 lender's title insurance policy or a copy of the original 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 subject 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 thereof is part of the mortgage file); *provided* that such defect may be cured by providing a substitute letter of credit or a cash reserve.

The foregoing obligation to cure, repurchase, provide a substitute mortgage loan or loans or reimburse the issuing entity will constitute the sole remedies available to the certificateholders and the trustee for any defect in a mortgage file or any breach on the part of the mortgage loan seller of its representations or warranties regarding the underlying mortgage loans.

Any defect or any breach that, in either case, causes any mortgage loan not to be a "qualified mortgage" within the meaning of the REMIC provisions of the Code will be deemed a material breach or material document defect, requiring the mortgage loan seller to purchase or substitute the affected mortgage loan from the issuing entity within 90 days following its receipt of notice of the defect or breach at the applicable purchase price or in conformity with the mortgage loan purchase agreement.

We cannot assure you that the mortgage loan seller has or will have sufficient assets with which to fulfill any repurchase/substitution obligations on its part that may arise.

Changes in Mortgage Pool Characteristics

The description in this information circular of the mortgage pool is based upon 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 underlying mortgage loans on or before their respective due dates in April 2011. 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 mortgage loans would materially alter the characteristics of the mortgage pool as described in this information circular. We believe that the information in this information circular 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 underlying mortgage loans described in this information circular, may vary, and the actual initial mortgage pool balance may be as much as 5% larger or smaller than the initial mortgage pool balance specified in this information circular.

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 Texas and California, in which states approximately 12.3% and 10.2%, respectively, of the mortgaged real properties 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 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 Texas. Commercial mortgage loans in Texas are generally secured by deeds of trust on the related real estate. Foreclosure of a deed of trust in Texas may be accomplished by either a non-judicial trustee's sale under a specific power-of-sale provision set forth in the deed of trust or by judicial foreclosure. Due to the relatively short period of time involved in a non-judicial foreclosure, the judicial foreclosure process is rarely used in Texas. A judicial foreclosure action must be initiated, and a non-judicial foreclosure must be completed, within four (4) years from the date the cause of action accrues. The cause of action for the unpaid balance of the indebtedness accrues upon the maturity of the indebtedness (by acceleration or otherwise). Unless expressly waived in the deed of trust, the lender must provide the debtor with a written demand for payment, a notice of intent to accelerate the indebtedness, and a notice of acceleration prior to commencing any foreclosure action. It is customary practice in Texas for the demand for payment to be combined with the notice of intent to accelerate the indebtedness. In addition, with respect to a non-judicial foreclosure sale and notwithstanding any waiver by debtor to the contrary, the lender is statutorily required to (i) provide each debtor obligated to pay the indebtedness a notice of foreclosure sale via certified mail, postage prepaid and addressed to each debtor at such debtor's last known address at least twenty-one (21) days before the date of the foreclosure sale; (ii) post a notice of foreclosure sale at the courthouse door of each county in which the property is located; and (iii) file a notice of foreclosure sale with the county clerk of each county in which the property is located. Such twenty-one (21) day period includes the entire calendar day on which the notice is deposited with the United States mail and excludes the entire calendar day of the foreclosure sale. The statutory foreclosure notice may be combined with the notice of acceleration of the indebtedness and must contain the location of the foreclosure sale and a statement of the earliest time at which the foreclosure sale will begin. To the extent the note or deed of trust contains additional notice requirements, the lender must comply with such requirements in addition to the statutory requirements set forth above. The trustee's sale must be performed pursuant to the terms of the deed of trust and must take place between the hours of 10 A.M. and 4 P.M. on the first Tuesday of the month, in the area designated for such sales by the county commissioners' court of the county in which the property is located, and must begin at the time set forth in the notice of foreclosure sale or not later than three (3) hours after that time. If the property is located in multiple counties, the sale may occur in any county in which a portion of the property is located. Under Texas law, the debtor does not have the right to redeem the property after foreclosure. Any action for deficiency must be brought within two (2) years of the foreclosure sale. If the foreclosure sale price is less than the fair market value of the property, the debtor and any obligor (including any guarantor) may be entitled to an offset against the deficiency in the amount by which the fair market value of the property exceeds the foreclosure sale price.

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 under a specific provision in the deed of trust or by judicial foreclosure. 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. California's "one action rule" requires the lender to exhaust the security afforded under the deed of trust by foreclosure 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. California case law has held that acts such as 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 loan. Other statutory provisions in California limit any deficiency judgment (if otherwise permitted) against the borrower following a 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, the lender is precluded from seeking a deficiency judgment from the borrower or, under certain circumstances, 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.

DESCRIPTION OF THE SERIES 2011-K12 CERTIFICATES

General

The series 2011-K12 certificates will be issued, on or about April 27, 2011, under a pooling and servicing agreement, to be dated as of April 1, 2011, among us, as depositor, the trustee, the custodian, the master servicer, the special servicer and the guarantor. They will represent the entire beneficial ownership interest of the issuing entity. The assets of the issuing entity will include:

- the underlying mortgage loans;
- any and all payments under and proceeds of the underlying mortgage loans received after their respective due dates in April 2011, in each case exclusive of payments of principal, interest and other amounts due on or before that date;
- the loan documents for the underlying mortgage loans;
- our rights under the mortgage loan purchase agreement;
- any REO Properties acquired by the issuing entity with respect to defaulted underlying mortgage loans; and
- those funds or assets as from time to time are deposited in the master servicer's collection account described under "The Series 2011-K12 Pooling and Servicing Agreement—Collection Accounts" in this information circular, the special servicer's REO account described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—REO Properties" in this information circular, the trustee's distribution account described under "—Distribution Account" below or the trustee's interest reserve account described under "—Interest Reserve Account" below.

The series 2011-K12 certificates will include the following classes:

- the class A-1, A-2, X1 and X3 certificates, which are the classes of series 2011-K12 certificates that are offered by this information circular and have the benefit of the Freddie Mac Guarantee; and

- the class X2, B, C and R certificates, which are the classes of series 2011-K12 certificates that—

    1. will be retained or privately placed by us;

    2. are not offered by this information circular; and

    3. do not have the benefit of the Freddie Mac Guarantee.

The class A-1, A-2, B and C certificates are the series 2011-K12 certificates that will have principal balances. The class B and C certificates are subordinate in right of payment to the class A-1 and A-2 certificates and do not have the benefit of the Freddie Mac Guarantee. The class X3 certificates are subordinate in right of payment to the class A-1, A-2, B, X1 and X2 certificates but have the benefit of the Freddie Mac Guarantee. The series 2011-K12 certificates with principal balances constitute the series 2011-K12 principal balance certificates. The 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 offered certificates, the Freddie Mac Guarantee. Accordingly, on each distribution date, the 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 principal balance of each of these certificates may also be permanently reduced, without any corresponding distribution, in connection with losses on the underlying mortgage loans 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 X1, X2, X3 and R certificates will not have principal balances, and the holders of those certificates will not be entitled to receive distributions of principal. However, each of the class X1, X2 and X3 certificates will have a notional amount for purposes of calculating the accrual of interest with respect to that certificate. The class X1, X2 and X3 certificates are sometimes referred to in this information circular as the "interest-only certificates."

For purposes of calculating the accrual of interest as of any date of determination, (a) the class X1 certificates will have a total notional amount that is equal to the then total principal balances of the class A-1 and A-2 certificates, (b) the class X2 certificates will have a total notional amount that is equal to the then total principal balances of the class A-1, A-2, B and C certificates and (c) the class X3 certificates will have a total notional amount that is equal to the then total principal balances of the class B and C certificates.

In general, principal balances and notional amounts will be reported on a class-by-class basis. In order to determine the principal balance of any of your offered certificates from time to time, you may multiply the original principal balance of that certificate as of the date of initial issuance of the series 2011-K12 certificates, 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 offered certificates, as of any date of determination, will equal a fraction, expressed as a percentage, the numerator of which will be the then-outstanding total principal balance of that class, and the denominator of which will be the original total principal balance of that class. Certificate factors will be reported monthly in the trustee's report.

Registration and Denominations

The class A-1 and A-2 certificates will be issued to Freddie Mac in physical form in original denominations of $10,000 initial principal balance and any whole dollar denomination in excess of $10,000. The class X1 and X3 certificates will be issued to Freddie Mac in physical form in original denominations of $100,000 initial notional amount and any whole dollar denomination in excess of $100,000.

Distribution Account

General. The trustee must establish and maintain an account in which it will hold funds pending their distribution on the series 2011-K12 certificates and from which it will make those distributions. That distribution account must be maintained in a manner and with a depository institution that satisfies rating agency standards for securitizations similar to the one involving the offered certificates. Funds held in the trustee's distribution account

may be held in cash or, at the trustee's risk, invested in Permitted Investments. Subject to the limitations in the series 2011-K12 pooling and servicing agreement, any interest or other income earned on funds in the trustee's distribution account will be paid to the trustee 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 trustee for deposit in the distribution account the following funds:

- All payments and other collections on the mortgage loans and any REO Properties in the issuing entity on deposit in the master servicer's 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 master servicer's collection account to any person other than the series 2011-K12 certificateholders, in accordance with the terms of the series 2011-K12 pooling and servicing agreement, including—

        (a) amounts payable to the master servicer (or a sub-servicer) or the special servicer as compensation, including master servicing fees, sub-servicing fees, special servicing fees, work-out fees, liquidation fees, assumption fees, assumption application fees, modification fees, extension fees, consent fees, waiver fees, earnout 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;

        (b) amounts payable to the master servicer (for itself or on behalf of certain indemnified sub-servicers) and the special servicer;

        (c) amounts payable in reimbursement of outstanding advances, together with interest on those advances; and

        (d) amounts payable with respect to other issuing entity expenses including, without limitation, fees, expenses and indemnities of the custodian and trustee (including interest on such amounts, if applicable, and subject to the Trustee/Custodian Aggregate Annual Cap);

    4. net investment income on the funds in the master servicer's collection account; and

    5. amounts deposited in the master servicer's 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 Series 2011-K12 Pooling and Servicing Agreement—Collection Accounts" and "—Servicing and Other Compensation and Payment of Expenses" in this information circular.

Commencing in 2012, with respect to each distribution date that occurs during March (or February, if the related distribution date is the final distribution date), the trustee will be required to transfer from its interest reserve account, which we describe under "—Interest Reserve Account" below, to its distribution account the interest reserve amounts that are then being held in that interest reserve account with respect to the underlying mortgage loans that accrue interest on an Actual/360 Basis.

The trustee will be authorized, but will not be obligated, to invest or direct the investment of funds held in its distribution account and interest reserve account in Permitted Investments. It will be—

- entitled to retain any interest or other income earned on those funds; and

- required to cover any losses of principal of those investments from its own funds, but the trustee is not required to cover any losses caused by the insolvency of the depository institution or trust company holding such account so long as such depository institution or trust company (i) satisfied the requirements set forth in the series 2011-K12 pooling and servicing agreement (a) at the time such investment was made and (b) as of the date that is thirty (30) days prior to such insolvency and (ii) is neither the trustee nor an affiliate of the trustee.

Withdrawals. The trustee may from time to time make withdrawals from its distribution account for any of the following purposes without regard to the order below:

- without duplication, to pay to the trustee, monthly trustee fees, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Matters Regarding the Trustee" in this information circular;

- 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;

- to reimburse the guarantor for any unreimbursed Balloon Guarantor Payment, together with interest on such amount, from collections on any underlying mortgage 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);

- to pay the guarantor the Guarantee Fee;

- without duplication, to pay indemnity amounts to the custodian, the trustee, the depositor, the master servicer (including on behalf of certain indemnified sub-servicers), the special servicer and various related persons, subject to the relevant Aggregate Annual Caps, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Certain Indemnities" in this information circular;

- to pay for any opinions of counsel required to be obtained in connection with any amendments to the series 2011-K12 pooling and servicing agreement, to the extent that the issuing entity is responsible for the cost of such opinions of counsel in accordance with the terms of the series 2011-K12 pooling and servicing agreement;

- 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 Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—REO Properties" in this information circular;

- commencing in 2012, with respect to each distribution date during February of any year and each distribution date during January of any year that is not a leap year (unless, in either case, the related distribution date is the final distribution date), to transfer to its interest reserve account the interest reserve amounts required to be so transferred in that month with respect to the underlying mortgage loans that accrue interest on an Actual/360 Basis, as described under "—Interest Reserve Account" below; 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 trustee's distribution account, exclusive of any portion of those amounts that are to be withdrawn for the purposes contemplated in the foregoing paragraph, will be applied by the trustee on each distribution date to make distributions on the series 2011-K12 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 series 2011-K12 certificates in two (2) separate components:

- those funds, referred to in this information circular as the Available Distribution Amount, which will be paid to the holders of all the series 2011-K12 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 underlying mortgage loans during the related Collection Period, which will be paid as additional interest to the holders of the class A-1, A-2 and/or B certificates while any of those certificates are outstanding, and thereafter to the holders of the class X1, X2 and X3 certificates, as described under "—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges" below.

Interest Reserve Account

The trustee must maintain an account or subaccount in which it will hold the interest reserve amounts described in the next paragraph with respect to the underlying mortgage loans that accrue interest on an Actual/360 Basis. That interest reserve account must be maintained in a manner and with a depository that satisfies rating agency standards for securitizations similar to the one involving the series 2011-K12 certificates.

Commencing in 2012, during January, except in a leap year, and February of each calendar year (unless, in either case, the related distribution date is the final distribution date), the trustee will, on or before the distribution date in that month, withdraw from its distribution account and deposit in its interest reserve account the interest reserve amount with respect to each of the underlying mortgage loans that accrue interest on an Actual/360 Basis and for which the monthly debt service payment due in that month was either received or advanced. In general, the "interest reserve amount" for each of those mortgage loans will equal one day's interest accrued at the related Net Mortgage Pass-Through Rate on the Stated Principal Balance of that loan as of the end of the related Collection Period.

During March of each calendar year (or February, if the related distribution date is the final distribution date), the trustee will, on or before the distribution date in that month, withdraw from its interest reserve account and deposit in its distribution account any and all interest reserve amounts then on deposit in the interest reserve account with respect to the underlying mortgage loans that accrue interest on an Actual/360 Basis. All interest reserve amounts that are so transferred from the interest reserve account to the distribution account will be included in the Available Distribution Amount for the distribution date during the month of transfer.

The funds held in the trustee's interest reserve account may be held in cash or, at the risk of the trustee, invested in Permitted Investments. Subject to the limitations in the series 2011-K12 pooling and servicing agreement, any interest or other income earned on funds in the trustee's interest reserve account may be withdrawn from the interest reserve account and paid to the trustee as additional compensation.

The trustee will be required to deposit in its interest reserve account the amount of any losses of principal arising from investments of funds held in the interest reserve account, but the trustee is not required to cover any losses caused by the insolvency of the depository institution or trust company holding the interest reserve account so long as such depository institution or trust company satisfied the requirements set forth in the series 2011-K12 pooling and servicing agreement (i) at the time the relevant funds were deposited with such depositary institution or trust company and (ii) as of the date that is thirty (30) days prior to such insolvency, *provided*, *however*, that the foregoing exculpation will not be deemed to relieve the trustee from any obligations that arise from it or an affiliate acting as the depositary institution or trust company holding such accounts, including, without limitation, any obligation of the trustee to cover losses on such accounts held by it or by an affiliate.

Fees and Expenses

The amounts available for distribution on the certificates on any distribution date will generally be net of the following amounts which are payable to the master servicer, the special servicer, the trustee, the custodian or the guarantor, as applicable:

Type/Recipient	Amount	Frequency	Source of Funds
Master Servicing Fee and Sub-Servicing Fee / Master Servicer	the Stated Principal Balance of each underlying mortgage loan (including any specially serviced mortgage loan) multiplied by 0.01% (such fee is calculated using the same interest accrual basis of such underlying mortgage loan) and the Stated Principal Balance of each underlying mortgage loan multiplied by the applicable sub-servicing fee rate (such fee is calculated using the same interest accrual basis of such underlying mortgage loan)	monthly	interest payments on related loan or, with respect to liquidated loans, general collections if liquidation proceeds are not sufficient
Additional Servicing Compensation / Master Servicer	• all late payment fees and net default interest (other than on specially serviced mortgage loans) not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related mortgage loans	from time to time	the related fee
	• 50% of commercially reasonable fees actually paid by the related borrower on modifications, extensions, earnouts and other actions for non-specially serviced mortgage loans, which require the consent of, or review by, the special servicer and 100% of such fees for non-specially serviced mortgage loans not requiring such consent or review	from time to time	the related fee
	• 60% of assumption application fees and assumption fees on non-specially serviced mortgage loans when received from the borrower for such purpose	from time to time	the related fee
	• all investment income earned on amounts on deposit in the collection account and certain reserve accounts	monthly	investment income
Special Servicing Fee / Special Servicer	the Stated Principal Balance of each specially serviced mortgage loan multiplied by 0.25% (such fee is calculated using the same interest accrual basis of such mortgage loan)	monthly	general collections
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

Type/Recipient	Amount	Frequency	Source of Funds
Liquidation Fee / Special Servicer	1.0% of each recovery of net Liquidation Proceeds, except as specified under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular	upon receipt of Liquidation Proceeds	the related Liquidation Proceeds
Additional Special Servicing Compensation / Special Servicer	• 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 mortgage loans	from time to time	the related fee
	• 50% of commercially reasonable fees actually paid by the related borrower on modifications, extensions, earnouts and other actions for non-specially serviced mortgage loans, which require the consent of, or review, by the special servicer and 100% of such fees on specially serviced mortgage loans	from time to time	the related fee
	• 40% of assumption application fees and assumption fees on non-specially serviced mortgage loans and 100% of such fees on specially serviced mortgage loans, when received from the borrower for such purpose	from time to time	the related fee
	• all investment income received on funds in any REO account	from time to time	investment income
Trustee Fee / Trustee	0.0008% multiplied by the Stated Principal Balance of the underlying mortgage loans (such fee is calculated using the same interest accrual basis as each underlying mortgage loan)	monthly	interest payments on the related loan
Guarantee Fee / Guarantor	0.16% multiplied by the outstanding principal balance of the Guaranteed Principal Balance Certificates (calculated on a 30/360 Basis)	monthly	general collections
Expenses			
Servicing Advances / Master Servicer and Trustee	to the extent of funds available, the amount of any Servicing Advances	time to time	collections on the related loan, or if not recoverable, from general collections

Type/Recipient	Amount	Frequency	Source of Funds
Interest on Servicing Advances / Master 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	time to time	collections on the related 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, Custodian, Master Servicer and Special Servicer	amounts for which the depositor, the trustee, the custodian, the master servicer (for itself or on behalf of certain indemnified sub-servicers) and the special servicer are entitled to indemnification, in each case, up to the related Aggregate Annual Cap (if any) in each calendar year until paid in full	time to time	general collections
Interest on Unreimbursed Indemnification Expenses / Depositor, Trustee, Custodian, Master Servicer and Special Servicer	at Prime Rate	when Unreimbursed Indemnification Expenses are reimbursed	general collections

Distributions

General. On each distribution date, the trustee will, subject to the applicable available funds and the exception described in the next sentence, make all distributions required to be made on the series 2011-K12 certificates on that date to the holders of record as of 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 of principal and/or interest 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 series 2011-K12 certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class.

Interest Distributions. All of the classes of the series 2011-K12 certificates will bear interest, except for the class C and R certificates.

With respect to each interest-bearing class of the series 2011-K12 certificates, that interest will accrue during each interest accrual period based upon:

- the pass-through rate with respect to that class for that interest accrual period;
- the total principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date; and
- the assumption that each year consists of twelve 30-day months.

On each distribution date, subject to the Available Distribution Amount for that date and the distribution priorities described below and, in the case of the offered certificates, subject to the Freddie Mac Guarantee, the holders of each interest-bearing class of the series 2011-K12 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 series 2011-K12 certificates.

If the holders of any interest-bearing class of the series 2011-K12 certificates do not receive all of the interest to which they are entitled on any distribution date, as described in the prior paragraph (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 the series 2011-K12 certificates will be allocated to the class A-1, A-2, X1, X2, X3 and B certificates based on the amount of interest to which such classes are entitled for such distribution date from mortgage loans.

Notwithstanding any of the foregoing, 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 of each interest-bearing class of series 2011-K12 certificates for the initial interest accrual period is shown in the table on page 5. However, the initial pass-through rates shown in the table on page 5 with respect to the class B, X1 and X3 certificates are approximate.

The pass-through rate of the class A-1 certificates for each interest accrual period will remain fixed at the initial pass-through rate for that class shown on page 5.

The pass-through rate of the class A-2 certificates for each interest accrual period will equal the lesser of—

- the initial pass-through rate shown for that class in the table on page 5; and

- the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date over (ii) the sum of (a) the Class X2 Strip Rate and (b) the Guarantee Fee Rate (*provided*, that in no event may such pass-through rate be less than zero).

The pass-through rate of the class B certificates for each interest accrual period will equal the excess, if any, of the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date over the Class X2 Strip Rate (*provided*, that in no event may the pass-through rate for the class B certificates be less than zero).

The pass-through rate of the class X1 certificates for any interest accrual period will equal the weighted average of the Class X1 Strip Rates (weighted based upon the relative sizes of their respective components). The "Class X1 Strip Rates" are, for the purposes of calculating the pass-through rate of the class X1 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X1 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class A-1 certificates and the other component will be comprised of the total principal balance of the class A-2 certificates. For purposes of calculating the pass-through rate of the class X1 certificates for each interest accrual period, the applicable Class X1 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate and minus the Guarantee Fee Rate, over (ii) the pass-through rate in effect during such interest accrual period for the class A-1 or A-2 certificates, as applicable (*provided*, that in no event may any Class X1 Strip Rate be less than zero).

The pass-through rate of the class X2 certificates for any interest accrual period will equal the Class X2 Strip Rate. The "Class X2 Strip Rate" will equal a per annum rate equal to 0.100%.

The pass-through rate of the class X3 certificates for any interest accrual period will equal the weighted average of the Class X3 Strip Rates (weighted based upon the relative sizes of their respective components). The "Class X3 Strip Rates" are, for the purposes of calculating the pass-through rate of the class X3 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X3 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class B certificates and the other component will be comprised of the total principal balance of the class C certificates. For purposes of calculating the pass-through rate of the class X3 certificates for each interest accrual period, the applicable Class X3 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate, over (ii)(a) with respect to the component related to the class B certificates, the pass-through rate in effect during such interest accrual period for the class B certificates and (b) with respect to the component related to the class C certificates, 0.000% (*provided*, that in no event may any Class X3 Strip Rate be less than zero).

The class C and R certificates will not be interest-bearing and, therefore, will not have pass-through rates.

Principal Distributions. Subject to the Available Distribution Amount and the priority of distributions described below, the total amount of principal payable with respect to the series 2011-K12 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 priority of distributions described below, the total amount of principal to which the holders of the class A-1 and A-2 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-1 certificates, an amount (not to exceed the total principal balance of the class A-1 certificates outstanding immediately prior to the subject distribution date) equal to the Principal Distribution Amount for the subject distribution date, until the total principal balance of such class of certificates is reduced to zero; and

- in the case of the class A-2 certificates, an amount (not to exceed the total principal balance of the class A-2 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-1 certificates are entitled on the subject distribution date as described in the immediately preceding bullet), until the total principal balance of such class of certificates is reduced to zero.

While the class A-1 and A-2 certificates are outstanding, no portion of the Principal Distribution Amount for any distribution date will be allocated to any other class of series 2011-K12 principal balance certificates.

Because of losses on the underlying mortgage loans and/or default-related or other unanticipated issuing entity expenses, the total principal balance of the class B and C certificates could be reduced to zero at a time when both of the class A-1 and A-2 certificates remain outstanding. Under those circumstances, any principal distributions on the class A-1 and A-2 certificates will be made on a *pro rata* basis in accordance with the relative sizes of the respective then outstanding total principal balances of those classes.

Following the payment in full of the outstanding principal balances of the class A-1 and A-2 certificates, the Principal Distribution Amount for each distribution date will be allocated *first*, to the class B certificates (following reimbursement to Freddie Mac of guarantee payments with respect to the class A-1, A-2 and X1 certificates, other than interest with respect to such guarantee payments) and *second* to the class C certificates (following reimbursement to Freddie Mac of guarantee payments with respect to the class A-1, A-2, X1 and X3 certificates), in each case, in an amount up to the lesser of the portion of that Principal Distribution Amount that remains unallocated and the total principal balance of the subject class immediately prior to that distribution date.

In no event will the holders of any class B certificates be entitled to receive any distributions of principal until the total principal balance of the class A-1 and A-2 certificates is reduced to zero and in no event will the holders of any class C certificates be entitled to receive any distributions of principal until the total principal balance of the offered principal balance certificates and the class B certificates is reduced to zero.

If the master servicer or the trustee reimburses itself out of general collections on the mortgage pool for any Nonrecoverable Advance, then that advance (together with accrued interest on such amounts) will be deemed, to the fullest extent permitted, to be reimbursed first out of payments and other collections of principal on the mortgage pool otherwise distributable on the series 2011-K12 certificates, prior to being deemed reimbursed out of payments and other collections of interest on the mortgage pool otherwise distributable on the series 2011-K12 certificates.

Additionally, in the event that any advance (including any interest accrued on such amounts) with respect to a defaulted mortgage loan in the issuing entity remains unreimbursed following the time that such mortgage loan is modified and returned to performing status, the master servicer or the trustee will be entitled to reimbursement for such advance (even though such advance is not deemed to be a Nonrecoverable Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, as described in the preceding paragraph, prior to any distributions of principal on the series 2011-K12 certificates. If any such advance is not reimbursed in whole on any distribution date 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 amounts continuing to accrue) for reimbursement on the following distribution date (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.

Reimbursements of the type described in the two preceding paragraphs would result in a reduction of the Principal Distribution Amount for the related distribution date.

Loss Reimbursement Amounts. As discussed under "—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" below, the total principal balance of any class of series 2011-K12 principal balance certificates may be reduced without a corresponding distribution of principal. If that occurs with respect to any class of series 2011-K12 principal balance certificates, then, subject to the Freddie Mac Guarantee in the case of the offered 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 information circular mean, in the case of any class of series 2011-K12 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 total 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 trustee 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 directly to the holders of such class of certificates, without first depositing such amount in the collection account or distribution account. Any Guarantor Payment made to any class of offered certificates in respect of a Deficiency Amount relating to principal (but not in respect of reimbursement of Realized Losses or Additional Issuing Entity Expenses) will reduce the principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X1 certificates. On each distribution date on which a Guarantor Payment is due with respect to any class of offered certificates, the guarantor is required to notify 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 each class of offered 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 mortgage loans. In addition, the Freddie Mac Guarantee does not cover

any loss of yield on the class X1 or X3 certificates following a reduction in their notional amounts resulting from a write-down to any class of principal balance certificates comprising such notional amounts. In addition, Freddie Mac will be entitled to a Guarantee Fee equal to 0.16% per annum multiplied by the outstanding principal balance of each class of Guaranteed Principal Balance Certificates. 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.

Priority of Distributions. On each distribution date, the trustee 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:

Order of Distribution	Recipient	Type and Amount of Distribution
1st	A-1, A-2, X1 and X2	Interest up to the total interest distributable on those classes (including accrued and unpaid interest from prior interest accrual periods), *pro rata* based on the respective entitlements of those classes to interest from the underlying mortgage loans
2nd	A-1 and A-2*	Principal up to the total principal distributable on the class A-1 and A-2 certificates, in that order, until the total principal balance of each such class has been reduced to zero
3rd	A-1 and A-2	Reimbursement up to the loss reimbursement amounts, if any, for those classes, *pro rata*, based on the loss reimbursement amounts for those classes
4th	Guarantor	Any Guarantor Reimbursement Amounts relating to the class A-1, A-2 and X1 certificates, other than Guarantor Timing Reimbursement Amounts relating to the class A-1 and A-2 certificates
5th	Guarantor	Any Guarantor Timing Reimbursement Amounts relating to the class A-1 and A-2 certificates (*provided* that on any distribution date, the amount distributable pursuant to this priority 5th may not exceed the excess of (x) the remaining Available Distribution Amount over (y) the total interest distributable on the class B certificates on such distribution date)
6th	B	Interest up to the total interest distributable on that class
7th	B	Principal up to the total principal distributable on that class, until the total principal balance of such class has been reduced to zero
8th	B	Reimbursement up to the loss reimbursement amount for that class
9th	X3	Interest up to the total interest distributable on that class
10th	Guarantor	Any Guarantor Reimbursement Amounts relating to the class X3 certificates
11th	Guarantor	Any Guarantor Reimbursement Interest Amounts relating to the class A-1, A-2, X1 and X3 certificates
12th	C	Principal up to the total principal distributable on that class, until the total principal balance of such class has been reduced to zero
13th	C	Reimbursement up to the loss reimbursement amount for that class
14th	R	Any remaining portion of the funds in the Lower-Tier REMIC or Upper-Tier REMIC

* The priority of principal distributions between the class A-1 and A-2 certificates is described above under "—Distributions—Principal Distributions." Because of losses on the underlying mortgage loans and/or default-related or other unanticipated issuing entity expenses, the total principal balance of the class B and C certificates could be reduced to zero at a time when both of the class A-1 and A-2 certificates remain outstanding. Under those circumstances, any principal distributions on the class A-1 and A-2 certificates will be made on a *pro rata* basis in accordance with the relative sizes of the respective then outstanding total principal balances of those classes.

Notwithstanding the foregoing, payments on the class A-1, A-2, X1 and X3 certificates will be covered by the Freddie Mac Guarantee, to the extent described in this information circular.

Subordination. As and to the extent described in this information circular, the rights of holders of the class C and X3 certificates to receive distributions of amounts collected or advanced on the underlying mortgage loans will be subordinated to the rights of holders of the class A-1, A-2, X1, X2 and B certificates. In addition, as and to the extent described in this information circular, the rights of the holders of the class B certificates to receive distributions of amounts collected or advanced on the underlying mortgage loans will be subordinated to the rights of holders of the class A-1, A-2, X1 and X2 certificates. This subordination is intended to enhance the likelihood of timely receipt by the holders of the class A-1, A-2, X1, X2 and B 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 each class of series 2011-K12 principal balance certificates of principal in an amount equal to the entire 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 except for the class X3 certificates, by the allocation of Realized Losses and 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-1 and A-2 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 those classes at a faster rate than would be the case if principal payments were allocated *pro rata* to all classes of certificates with outstanding principal balances. Thus, as principal is distributed to the holders of the class A-1 and A-2 certificates, the percentage interest in the issuing entity evidenced by such will be decreased, with a corresponding increase in the percentage interest in the issuing entity evidenced by the applicable Subordinate Certificates, thereby increasing, relative to their respective outstanding principal balances, the subordination afforded to the class A-1 and A-2 certificates by the applicable Subordinate Certificates.

Distributions of Static Prepayment Premiums and Yield Maintenance Charges. If any Static Prepayment Premium or Yield Maintenance Charge is collected during any particular Collection Period in connection with the prepayment of any of the underlying mortgage loans while any of the offered certificates are outstanding, then the trustee will distribute that Static Prepayment Premium or Yield Maintenance Charge as additional interest, on the distribution date corresponding to that Collection Period, as follows:

- to the holders of any class A-1, A-2 and/or B certificates that are then entitled to distributions of principal on that distribution date out of that portion of the total Principal Distribution Amount for that date that includes the prepaid mortgage loan, will be entitled to an amount equal to, in the case of each such class, the product of—

    - the amount of the subject Static Prepayment Premium or Yield Maintenance Charge, multiplied by

    - a fraction, not greater than one or less than zero, the numerator of which is equal to the excess, if any, of the pass-through rate of that class of series 2011-K12 principal balance certificates for the related interest accrual period, over the relevant discount rate, and the denominator of which is equal to the excess, if any, of the mortgage interest rate for the prepaid mortgage loan, over the relevant discount rate, multiplied by

    - a fraction, not greater than one or less than zero, the numerator of which is equal to the total distributions of principal to be made with respect to that class of series 2011-K12 principal balance certificates entitled to Static Prepayment Premiums or Yield Maintenance Charges on the subject distribution date from that portion of the total principal distribution amount for that date, and the denominator of which is equal to the total principal distribution amount for the subject distribution date; and

- any portion of the subject Static Prepayment Premium or Yield Maintenance Charge that may remain after any distribution(s) contemplated by the prior bullets will be distributed *pro rata* to the holders of the class X1, X2 and X3 certificates (such *pro rata* distribution to be calculated based on (1) in the case of the class X1 certificates, the sum of (x) amounts distributed to the guarantor in respect of the Guarantee Fee on such distribution date and (y) amounts distributed as interest to the class X1 certificates, as applicable, on such

distribution date and (2) in the case of the class X2 and X3 certificates, amounts distributed as interest to the class X2 or X3 certificates, as applicable, on such distribution date).

For purposes of the foregoing, the relevant discount rate will, in general, be the same discount rate that would have been used to calculate the Yield Maintenance Charge for such underlying mortgage loan during the Yield Maintenance Period (adjusted, with respect to Static Prepayment Premiums, to reflect the remaining Static Prepayment Period instead of the remaining Yield Maintenance Period).

The foregoing calculations will be made on the basis of the Modeling Assumptions, except that it will be assumed that no prepayments of the mortgage loans occur following the end of the period in which the prepayment in question was received.

As described under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular, liquidation fees may be paid from Yield Maintenance Charges and Static Prepayment Premiums. In such cases, the formulas described above for allocating any Yield Maintenance Charges and Static Prepayment Premiums to any particular class of series 2011-K12 certificates will be applied to the prepayment consideration in question, net of any liquidation fee payable therefrom.

We do not make any representation as to—

- the enforceability of any provision of the underlying mortgage loans requiring the payment of any prepayment consideration; or
- the collectability of that prepayment consideration.

See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions" in this information circular.

In no event will the holders of the 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 Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular. 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

Notwithstanding that any mortgaged real property may be acquired as part of 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 series 2011-K12 certificates;
- allocations of Realized Losses and Additional Issuing Entity Expenses to the series 2011-K12 certificates; and
- the amount of all fees payable to the master servicer, the special servicer and the trustee under the series 2011-K12 pooling and servicing agreement.

In connection with the foregoing, 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 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 and Additional Issuing Entity Expenses, the total Stated Principal Balance of the mortgage pool may decline below the total principal balance of the series 2011-K12 principal balance certificates. If this occurs following the distributions made to the 2011-K12 certificateholders on any distribution date, then the respective total principal balances of the following classes of the series 2011-K12 certificates are to be sequentially reduced in the following order, until the total principal balance of those classes of series 2011-K12 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 in this information circular under "—Advances of Delinquent Monthly Debt Service Payments" and "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses," 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
1st	C
2nd	B
3rd	A-1 and A-2*

* *Pro rata* based on the respective total outstanding principal balances of the subject classes.

The above-described reductions in the total principal balances of the respective classes of the series 2011-K12 certificates identified in the foregoing table will represent an allocation of the Realized Losses and/or Additional Issuing Entity Expenses that caused the particular mismatch in balances between the underlying mortgage loans and those classes of series 2011-K12 certificates. Notwithstanding the foregoing, Freddie Mac will be required under its guarantee to pay the holder of any offered certificates an amount equal to any such loss allocated to its offered certificate as described under "—Distributions—Freddie Mac Guarantee" above.

The loss, if any, in connection with the liquidation of a defaulted underlying mortgage loan, or related REO Property, held by the issuing entity will generally be an amount equal to the excess, if any, of:

- the outstanding principal balance of the subject mortgage loan as of the date of liquidation, together with all accrued and unpaid interest on the subject mortgage loan to but not including the due date in the Collection Period in which the 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 subject mortgage loan.

If any portion of the debt due under any of the underlying mortgage loans 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 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 mortgage pool (other than late payment charges and/or Default Interest collected on the underlying mortgage loans) in accordance with the terms of the series 2011-K12 pooling and servicing agreement, are some examples of Additional Issuing Entity Expenses:

- any special servicing fees, work-out 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 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 and the custodian and various related persons and entities, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Certain Indemnities" in this information circular,
    2. any reimbursements and indemnification to the master servicer, the special servicer, us and various related persons and entities, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Certain Indemnities" in this information circular, and
    3. any U.S. federal, state and local taxes, and tax-related expenses, payable out of assets of the issuing entity, as described under "Certain Federal Income Tax Consequences—Taxes That May Be Imposed on a REMIC" in this information circular; and
- rating agency fees, other than on-going surveillance fees, that cannot be recovered from the borrower and that are not paid by any party to the series 2011-K12 pooling and servicing agreement or the mortgage loan seller; 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, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular.

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 mortgage loan. In addition, late payment charges and Default Interest collected with respect to any underlying 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 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 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, 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 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 underlying mortgage loans, and
- were not paid by or on behalf of the respective borrowers thereunder or otherwise collected as of the close of business on the last day of the related collection period.

Notwithstanding the foregoing, if it is determined that an Appraisal Reduction Amount exists with respect to any mortgage loan in the issuing entity, then the master servicer will reduce the interest portion, but not the principal portion, of each monthly debt service advance that it must make with respect to that mortgage loan during the period that the Appraisal Reduction Amount exists. The interest portion of any monthly debt service advance required to be made with respect to any underlying mortgage loan as to which there exists an Appraisal Reduction Amount, will equal the product of—

- the amount of the interest portion of that monthly debt service advance that would otherwise be required to be made for the subject distribution date without regard to this sentence and the prior sentence, multiplied by

- a fraction—

    1. the numerator of which is equal to the Stated Principal Balance of the subject mortgage loan, net of the Appraisal Reduction Amount, and

    2. the denominator of which is equal to the Stated Principal Balance of the subject mortgage loan.

However, there will be no such reduction in any advance for delinquent monthly debt service payments due to an Appraisal Reduction Event at any time after the principal balances of the class B and C certificates have been reduced to zero.

With respect to any distribution date, the master servicer will be required to make monthly debt service advances either out of its own funds or, subject to replacement as and to the extent provided in the series 2011-K12 pooling and servicing agreement, out of funds held in the master servicer's collection account that are not required to be paid on the series 2011-K12 certificates on the related distribution date. Further, if a Ratings Trigger Event occurs with respect to the master servicer, the guarantor will have the right to require the master servicer to remit out of its own funds to the master servicer's collection account, an amount equal to all monthly debt service advances previously made out of the master servicer's collection account and not previously repaid from collections on the underlying mortgage loans, and thereafter, the master servicer will be required to make monthly debt service advances solely out of its own funds.

If the master servicer fails to make a required monthly debt service advance and the trustee is aware of that failure, the trustee will be obligated to make that advance.

The master servicer and the trustee will each be entitled to recover any monthly debt service 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 monthly debt service advance that, in its judgment, would not ultimately be recoverable out of collections on the related mortgage loan. If the master servicer or the trustee makes any monthly debt service advance with respect to any of the underlying mortgage loans that it or the special servicer subsequently determines will not be recoverable out of collections on that mortgage loan (such advance, a "Nonrecoverable P&I Advance"), it may obtain reimbursement for that advance, together with interest accrued on the advance as described in the third succeeding paragraph, out of general collections on the mortgage pool. See "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular and "The Series 2011-K12 Pooling and Servicing Agreement—Collection Accounts" in this information circular. Any reimbursement of a Nonrecoverable P&I Advance (including interest accrued on such amount) as described in the second preceding sentence 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 series 2011-K12 certificates on the related distribution date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The trustee will be entitled to conclusively rely on the master servicer's determination that a monthly debt service advance is nonrecoverable. The master servicer and the trustee will be required to conclusively rely on and be bound by the special servicer's determination that a monthly debt service advance is nonrecoverable, *provided* that in the absence of such determination by the special servicer, each of the master servicer and the trustee will be entitled to make its own determination that a monthly debt service advance is nonrecoverable, and in no event will a determination by the special servicer that a previously made or proposed monthly debt service advance would be recoverable be binding on the master servicer or the trustee.

Notwithstanding the foregoing, 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 series 2011-K12 directing certificateholder or 12 months in any event), with interest continuing to accrue on such amount at the prime rate as described below. 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 series 2011-K12 pooling and servicing 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. The fact that a decision to recover a Nonrecoverable P&I Advance over time, or not to do so, benefits some classes of series 2011-K12 certificateholders to the detriment of other classes of 2011-K12 certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the series 2011-K12 pooling and servicing agreement by any party to the series 2011-K12 pooling and servicing agreement or a violation of any duty owed by any party to the series 2011-K12 certificateholders.

In addition, in the event that any monthly debt service advance (including interest accrued on such amount) with respect to a defaulted underlying mortgage loan remains unreimbursed following the time that such mortgage loan is modified and returned to performing status, the master servicer or the trustee will be entitled to reimbursement for that 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 underlying mortgage loans 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 series 2011-K12 certificates. If any such advance is not reimbursed in whole on any distribution date 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 on the following distribution date (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 monthly debt service advances made by that party out of its own funds. That interest will accrue on the amount of each monthly debt service 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 as published in *The Wall Street Journal*, as that prime rate may change from time to time, and be compounded annually. Subject to the discussion in the two preceding paragraphs, interest accrued with respect to any monthly debt service 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 (a) the principal portion, if any, of the monthly debt service payment that would have been due on the subject 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 subject mortgage loan had, instead, continued to amortize and accrue interest according to its terms in effect prior to that event, plus (b) one month's interest on the Stated Principal Balance of the subject mortgage loan at the related mortgage interest rate (but not including Default Interest).

Reports to Certificateholders and Guarantor; Available Information

Trustee Reports. Based on information provided on a one-time basis by the mortgage loan seller, and in monthly reports prepared by the master servicer and the special servicer in accordance with the series 2011-K12 pooling and servicing agreement, and in any event delivered to the trustee, the trustee will be required to prepare and make available electronically or, upon written request, provide by first class mail, (i) three business days prior to each distribution date to the guarantor and (ii) on each distribution date to each registered holder of a series 2011-K12 certificate, a statement to certificateholders substantially in the form of, and containing substantially the information set forth in, Exhibit B to this information circular. The trustee's statement to certificateholders will detail the distributions on the series 2011-K12 certificates on that distribution date and the performance, both in total and individually to the extent available, of the underlying mortgage loans and the related mortgaged real properties. Recipients will be deemed to have agreed to keep the subject information confidential.

Such statement to certificateholders (in the form of Exhibit B) will set forth, to the extent applicable:

(i) the amount, if any, of such distributions to the holders of each class of series 2011-K12 principal balance certificates applied to reduce the aggregate certificate balance of such class;

(ii) the amount of such distribution to holders of each class of certificates allocable to (A) interest and (B) Yield Maintenance Charges and Static Prepayment Premiums;

(iii) the number of outstanding underlying mortgage loans and the aggregate principal balance and scheduled principal balance of the underlying mortgage loans at the close of business on the related determination date, and any material modifications, extensions or waivers to mortgage loan terms, fees, penalties or payments;

(iv) the number and aggregate scheduled principal balance of underlying mortgage loans:

(A) delinquent 30 to 59 days,

(B) delinquent 60 to 89 days,

(C) delinquent 90 days or more,

(D) as to which foreclosure proceedings have been commenced, or

(E) as to which bankruptcy proceedings have been commenced;

(v) with respect to any REO Property included in the issuing entity, the principal balance of the related underlying mortgage loan as of the date of acquisition of the REO Property and the scheduled principal balance of the related underlying mortgage loan;

(vi) as of the related determination date:

(A) as to any REO Property sold during the related Collection Period, the date of the related determination by the special servicer that it has recovered all payments which it expects to be finally recoverable and the amount of the proceeds of such sale deposited into the collection account, and

(B) the aggregate amount of other revenues collected by the special servicer with respect to each REO Property during the related Collection Period and credited to the collection account, in each case identifying such REO Property by the loan number of the related underlying mortgage loan;

(vii) the aggregate certificate balance or notional amount of each class of certificates before and after giving effect to the distribution made on such distribution date;

(viii) the aggregate amount of principal prepayments made during the related Collection Period;

(ix) the pass-through rate of each class of certificates for such distribution date;

(x) the aggregate amount of servicing fees paid to the master servicer and the special servicer;

(xi) the amount of unpaid interest, Realized Losses or expense losses, if any, incurred with respect to the underlying mortgage loans, including a break out by type of such expense losses on an aggregate basis;

(xii) the aggregate amount of advances outstanding, separately stated, that have been made by the master servicer, the special servicer and the trustee and the aggregate amount of advances made by the master servicer in respect of the non-specially serviced mortgage loans;

(xiii) any Appraisal Reduction Amounts effected during the related Collection Period on a loan-by-loan basis and the total Appraisal Reduction Amounts in effect as of such distribution date;

(xiv) the record date for such distribution date;

(xv) updated mortgage loan information, such as weighted average interest rate, and weighted average remaining term;

(xvi) material breaches of mortgage loan representations and warranties or material document defects of which the trustee, the master servicer or the special servicer has received written notice;

(xvii) material breaches of any covenants under the series 2011-K12 pooling and servicing agreement of which the trustee, the master servicer or the special servicer has received written notice;

(xviii) any Deficiency Amount with respect to a class of offered certificates;

(xix) the Guarantee Fee paid to the guarantor;

(xx) any Unreimbursed Indemnification Expenses (payable to each of the master servicer (for itself or any indemnified sub-servicer as applicable), the special servicer, the custodian and the trustee and in the aggregate); and

(xxi) such other information and in such form as will be specified in the series 2011-K12 pooling and servicing agreement.

In the case of information furnished pursuant to subclauses (i), (ii) and (xi) above, the amounts will be expressed as a dollar amount per $1,000 of original actual principal amount of the certificates for all certificates of each applicable class.

The master servicer will be required to provide the standard CREFC investor reporting package to the trustee on a monthly basis. The trustee will not be obligated to deliver any such report until the reporting package is provided by the master servicer.

Information Available Electronically. In addition, the trustee will also make (i) this information circular, (ii) the series 2011-K12 pooling and servicing agreement, (iii) certain underlying mortgage loan information as presented in the standard CREFC investor reporting package, (iv) any other report or information at the reasonable direction of the depositor or the guarantor and (v) statements to series 2011-K12 certificateholders, available to any Privileged Person via the trustee's internet website in accordance with the terms and provisions of the series 2011-K12 pooling and servicing agreement; *provided, however*, that the trustee may not provide to any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan (i) any asset status report, inspection report or appraisal, (ii) the CREFC special servicer loan file or (iii) any supplemental reports in the CREFC investor reporting package. The trustee's internet website will initially be located at www.sf.citidirect.com. For assistance with the trustee's internet website certificateholders may call (888) 855-9695.

The trustee will make no representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any information made available by it for which it is not the original source.

The trustee 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 internet website. The trustee will not be

liable for the dissemination of information made by it in accordance with the series 2011-K12 pooling and servicing agreement.

Other Information. The series 2011-K12 pooling and servicing agreement will obligate the trustee (or in the case of the items listed in the sixth, eighth and tenth bullet points below or 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 trustee as a prospective transferee of an offered certificate or any interest in that offered certificates, 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 trustee or the custodian, as applicable:

- any private placement memorandum or other disclosure document relating to the applicable class of series 2011-K12 certificates, in the form most recently provided to the trustee;

- the series 2011-K12 pooling and servicing agreement, including exhibits, and any amendments to the series 2011-K12 pooling and servicing agreement;

- all monthly reports of the trustee delivered, or otherwise electronically made available, to series 2011-K12 certificateholders since the date of initial issuance of the offered certificates;

- all officer's certificates delivered to the trustee by the master servicer and/or the special servicer since the date of initial issuance of the offered certificates, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Evidence as to Compliance" in this information circular;

- all accountant's reports delivered to the trustee with respect to the master servicer and/or the special servicer since the date of initial issuance of the offered certificates, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Evidence as to Compliance" in this information circular;

- 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 series 2011-K12 pooling and servicing agreement (but only for so long as the affected underlying mortgage loan is part of the issuing entity);

- any and all officer's certificates delivered to the trustee to support the master servicer'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 loan documents contained in the mortgage file, and with respect to the series 2011-K12 directing certificateholder and the guarantor only, any and all documents contained in the mortgage file;

- information provided to the trustee regarding the occurrence of Servicing Transfer Events as to the underlying mortgage loans; and

- any and all sub-servicing agreements provided to the trustee and any amendments to such sub-servicing agreements and modifications of such sub-servicing agreements.

Copies of any and all of the foregoing items will be available from the trustee or the custodian, as applicable, upon written request. However, the trustee 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 series 2011-K12 pooling and servicing agreement, including the items described above, the trustee, 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 attached to the series 2011-K12 pooling and servicing agreement, generally to the effect that, among other things, the person or entity is a registered holder, beneficial owner or prospective purchaser of offered certificates, or an investment advisor representing such person, is requesting the information for use in evaluating such person's investment in, or possible investment in, the

offered certificates, will keep the information confidential, and will indemnify 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.

Reports to Guarantor. On or before the third business day prior to each distribution date, the trustee will be required, in accordance with the terms of the series 2011-K12 pooling and servicing agreement, to prepare and distribute to the guarantor certain supplemental reports related to the offered certificates.

Deal Information/Analytics. Certain information concerning the underlying mortgage loans and the series 2011-K12 certificates may be available through the following services:

- Bloomberg, L.P., Thomson Reuters Corporation, Trepp, LLC and Intex Solutions, Inc.;
- the trustee's website initially located at www.sf.citidirect.com; and
- the master servicer's website initially located at www.midlandls.com.

Voting Rights

The voting rights for the series 2011-K12 certificates will be allocated as follows:

- 99% of the voting rights will be allocated to the class A-1, A-2, B and C certificates, in proportion to the respective total principal balances of those classes;
- 1% of the voting rights will be allocated to the class X1, X2 and X3 certificates, in proportion to the respective notional amounts of those classes; and
- 0% of the voting rights will be allocated to the class R certificates.

Voting rights allocated to a class of series 2011-K12 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 series 2011-K12 pooling and servicing agreement with respect to the rights, obligations or liabilities of the trustee, the master servicer, the special servicer or the guarantor, any series 2011-K12 certificate registered in the name of such trustee, master servicer, special servicer, guarantor 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 series 2011-K12 directing certificateholder or the exercise of the special servicer's or its affiliates' rights as a member of the controlling class and (ii) if the trustee, the master servicer, the special servicer or the guarantor, as the case may be, and/or their affiliates, own the entire class of each series 2011-K12 certificates affected by the action, vote, consent or waiver.

YIELD AND MATURITY CONSIDERATIONS

Yield Considerations

General. The yield on any offered certificate will depend on—

- the price at which the certificate is purchased by an investor; and
- the rate, timing and amount of distributions on the certificate.

The rate, timing and amount of distributions on any offered certificate will in turn depend on, among other things—

- the pass-through rate for the certificate;
- the rate and timing of principal payments, including principal prepayments, and other principal collections on the underlying mortgage loans and the extent to which those amounts are to be applied or otherwise result in reduction of the principal balance of the certificate;
- the rate, timing and severity of Realized Losses and Additional Issuing Entity Expenses and the extent to which those losses and expenses result in the reduction of the principal balance of the certificate; and
- the timing and severity of any Net Aggregate Prepayment Interest Shortfalls and the extent to which those shortfalls result in the reduction of the interest distributions on the certificate.

Freddie Mac Guarantee. Although the Freddie Mac Guarantee will mitigate the yield and maturity considerations with respect to the offered certificates discussed in this information circular, 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 pass-through rate of the class A-2 certificates will be subject to the WAC Cap and the pass-through rates of the class X1 and X3 certificates will be variable and will be calculated based upon the Weighted Average Net Mortgage Pass-Through Rate. The Weighted Average Net Mortgage Pass Through Rate would decline if the rate of principal payments on the underlying mortgage loans with higher Net Mortgage Pass-Through Rates was faster than the rate of principal payments on the underlying mortgage loans with lower Net Mortgage Pass-Through Rates. Accordingly, the yields on the class A-2, X1 and X3 certificates will be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary prepayments and liquidations of underlying mortgage loans following default. The Weighted Average Net Mortgage Pass-Through Rate will not be affected by modifications, waivers or amendments with respect to the underlying mortgage loans except for any modifications, waivers or amendments that increase the mortgage interest rate.

Rate and Timing of Principal Payments. The yield to maturity of the interest-only certificates will be extremely sensitive to, and the yield to maturity on any offered principal balance certificates purchased at a discount or a premium will be affected by, the rate and timing of principal distributions made in reduction of the total principal balances of those certificates. In turn, the rate and timing of principal distributions that are paid or otherwise result in reduction of the total principal balance of any offered principal balance certificates will be directly related to the rate and timing of principal payments on or with respect to the underlying mortgage loans. Finally, the rate and timing of principal payments on or with respect to the underlying mortgage loans 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 underlying mortgage loans 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 underlying mortgage loans from the issuing entity.

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 mortgage loans could result in your failure to fully recoup your initial investment.

Prepayments and other early liquidations of the underlying mortgage loans will result in distributions on the offered principal balance certificates of amounts that would otherwise be paid over the remaining terms of the subject mortgage loans. This will tend to shorten the weighted average lives of the offered principal balance certificates and accelerate the rate at which any notional amounts of the interest-only certificates are reduced. Defaults on the underlying mortgage loans, particularly at or near their maturity dates, may result in significant delays in distributions of principal on the subject mortgage loans and, accordingly, on the offered principal balance certificates, while work-outs are negotiated or foreclosures are completed. These delays will tend to lengthen the weighted average lives of the offered principal balance certificates. See "The Series 2011-K12 Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular.

The extent to which the yield to maturity on any offered certificate may vary from the anticipated yield will depend upon the degree to which the principal balance certificate is purchased at a discount or premium and when, and to what degree payments of principal on the underlying mortgage loans are in turn paid in a reduction of the principal balance of the certificate. If you purchase your offered principal balance certificates at a discount, you should consider the risk that a slower than anticipated rate of principal payments on the underlying mortgage loans could result in an actual yield to you that is lower than your anticipated yield. If you purchase your interest-only certificates or offered principal balance certificates at a premium, you should consider the risk that a faster than anticipated rate of principal payments on the underlying mortgage loans 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 underlying mortgage loans 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 Mortgage Loans. The rate and timing of delinquencies and defaults on the underlying mortgage loans will affect—

- the amount of distributions on your offered certificates;
- the yield to maturity of your offered certificates;
- the notional amount of the interest-only certificates;
- the rate of principal distributions on your offered certificates; and
- the weighted average life of your offered certificates.

Delinquencies on the underlying mortgage loans may result in shortfalls in distributions of interest and/or principal on your 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 Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular. 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 your offered certificates.

If—

- you calculate the anticipated yield to maturity for your offered certificates based on an assumed rate of default and amount of losses on the underlying mortgage loans 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 principal balance of your 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 principal balance of your 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 underlying mortgage loans do not result in a reduction of the total distributions on or the total principal balance of your offered certificates, the losses may still affect the timing of distributions on, and the weighted average life and yield to maturity of, your offered certificates.

In addition, if the master servicer or the trustee is reimbursed out of general collections on the mortgage pool for any Nonrecoverable Advance, then that advance (together with accrued interest on such amount) will be deemed, to the fullest extent permitted, to be reimbursed first out of payments and other collections of principal on the underlying mortgage loans otherwise distributable on the series 2011-K12 certificates, prior to being deemed reimbursed out of payments and other collections of interest on the underlying mortgage loans otherwise distributable on the series 2011-K12 certificates.

In the event that any advance (including any interest accrued on such amount) with respect to a defaulted underlying mortgage loan remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status, the master servicer or the trustee, as applicable, will be entitled to reimbursement for that advance (even though that advance is not deemed a Nonrecoverable Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, as described in the preceding paragraph, prior to any distributions of principal on the series 2011-K12 certificates. If any such advance is not reimbursed in whole on any distribution date 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 on the following distribution date (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 in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

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 underlying mortgage loans:

- prevailing interest rates;

- the terms of those mortgage loans, including—

    1. provisions that impose prepayment lock-out 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 those mortgage loans;
- changes in tax laws; and
- other opportunities for investment.

See "Risk Factors—Risks Related to the Underlying Mortgage Loans," "Description of the Underlying Mortgage Loans" and "The Series 2011-K12 Pooling and Servicing Agreement" in this information circular.

The rate of prepayment on the mortgage loans in the issuing entity is likely to be affected by prevailing market interest rates for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate is below the annual rate at which a mortgage loan accrues interest, the related borrower may have an increased incentive to refinance that mortgage loan. Conversely, to the extent prevailing market interest rates exceed the annual rate at which a mortgage loan accrues interest, the related borrower may be less likely to voluntarily prepay that mortgage loan.

Depending on prevailing market interest rates, the outlook for market interest rates and economic conditions generally, some underlying borrowers may sell their mortgaged real properties in order to realize their equity in those 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 mortgage loans 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 principal balance of such mortgage loans if certain performance triggers are not satisfied. This circumstance would have the same effect on the offered certificate as a partial prepayment on such mortgage loans without payment of a Yield Maintenance Charge. For more information regarding these escrows and letters of credit, see the footnotes to Exhibit A-1 to this information circular.

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 a 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 mortgage loan.

We make no representation or warranty regarding:

- the particular factors that will affect the rate and timing of prepayments and defaults on the underlying mortgage loans;
- the relative importance of those factors;
- the percentage of the total principal balance of the underlying mortgage loans that will be prepaid or as to which a default will have occurred as of any particular date;
- whether the underlying mortgage loans that are in a prepayment lock-out 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 underlying mortgage loans.

Delay in Distributions. Because monthly distributions will not be made on the offered certificates until the distribution date following the due dates for the underlying mortgage loans during the related Collection Period, your effective yield will be lower than the yield that would otherwise be produced by your pass-through rate and purchase price, assuming that purchase price did not account for a delay.

Weighted Average Lives of the Offered Series 2011-K12 Principal Balance Certificates

For purposes of this information circular, the weighted average life of any series 2011-K12 principal balance certificate refers to the average amount of time that will elapse from the assumed settlement date of April 27, 2011 until each dollar to be applied in reduction of the total principal balance of those certificates is paid to the investor. For purposes of this "Yield and Maturity Considerations" section, the weighted average life of any series 2011-K12 principal balance certificate is determined by:

- multiplying the amount of each principal distribution on the certificate 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 principal balance of the certificate.

Accordingly, the weighted average life of any series 2011-K12 principal balance certificate will be influenced by, among other things, the rate at which principal of the underlying mortgage loans 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 principal balance of that certificate (including any reductions in principal balance as a result of Balloon Guarantor Payments).

As described in this information circular, the Principal Distribution Amount for each distribution date will be payable *first* to make distributions of principal to the holders of the class A-1 and/or A-2 certificates (allocated among those classes as described under "Description of the Series 2011-K12 Certificates—Distributions—Principal Distributions" in this information circular) until the total principal balances of those classes are reduced to zero, *second* to make distributions of principal to holders of the class B certificates until the total principal balance of that class is reduced to zero, and will thereafter be distributable entirely to the class C certificates. As a consequence of the foregoing, the weighted average life of the class A-1 certificates may be shorter, and the weighted average lives of the class A-2, B and C certificates may be longer, 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 series 2011-K12 principal balance certificates.

The tables set forth in Exhibit C show with respect to each class of offered certificates, which is a series 2011-K12 principal balance certificate—

- the weighted average life of that class, and
- the percentage of the initial total principal balance of that class that would be outstanding after each of the specified dates,

based upon each of the indicated levels of CPR and the Modeling Assumptions.

The actual characteristics and performance of the underlying mortgage loans will differ from the Modeling Assumptions used in calculating the tables on Exhibit C to this information circular. Those tables are hypothetical in nature and are 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 tables on Exhibit C to this information circular and the actual characteristics and performance of the underlying mortgage loans, or actual prepayment or loss experience, will affect the percentages of initial total principal balances outstanding over time and the weighted average lives of the respective classes of offered certificates. You must make your own decisions as to the appropriate prepayment, liquidation and loss assumptions to be used in deciding whether to purchase any offered certificate.

We make no representation that—

- the underlying mortgage loans will prepay in accordance with the assumptions set forth in this information circular at any of the indicated levels of CPR or at any other particular prepayment rate;

- all the underlying mortgage loans will prepay in accordance with the assumptions set forth in this information circular at the same rate; or

- underlying mortgage loans that are in a prepayment lock-out period or prepayable with a Yield Maintenance Charge or a Static Prepayment Premium will not prepay as a result of involuntary liquidations upon default or otherwise during that 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 X1 and X3 Certificates

The yields to investors on the class X1 and X3 certificates will be highly sensitive to the rate and timing of principal payments, including prepayments, on the mortgage loans. 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 mortgage loans could result in your failure to recoup fully your initial investment.

The tables set forth in Exhibit D show pre-tax corporate bond equivalent yields for the class X1 and X3 certificates based on the Modeling Assumptions, except that the optional termination is exercised, and 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 tables in Exhibit D were calculated by:

- determining the monthly discount rate that, when applied to the assumed stream of cash flows to be paid on the class X1 or X3 certificates, as applicable, would cause the discounted present value of that assumed stream of cash flows to equal—

    1. the assumed purchase price for the class X1 or X3 certificates, as applicable, plus

    2. accrued interest at the initial pass-through rate for the class X1 or X3 certificates, as applicable, from and including April 1, 2011 to but excluding the assumed settlement date of April 27, 2011, which is a part of the Modeling Assumptions; and

- converting those monthly discount rates to corporate bond equivalent rates.

Those calculations do not take into account variations that may occur in the interest rates at which investors in the class X1 or X3 certificates may be able to reinvest funds received by them as payments on those certificates. Consequently, they do not purport to reflect the return of any investment on the class X1 or X3 certificates when reinvestment rates are considered.

We cannot assure you that—

- the mortgage loans will prepay in accordance with the assumptions used in preparing the table in Exhibit D,

- the mortgage loans will prepay as assumed at any of the rates shown in the table in Exhibit D,

- the mortgage loans will not experience losses,

- the mortgage loans will not be liquidated during any applicable prepayment lockout period or prepaid or liquidated during any other period that prepayments are assumed not to occur, or

- the purchase price of the class X1 and X3 certificates will be as assumed.

It is unlikely that the mortgage loans will prepay as assumed at any of the specified percentages of CPR until maturity or that all of the mortgage loans will so prepay at the same rate. Actual yields to maturity for investors in the class X1 and X3 certificates may be materially different than those indicated in the table in Exhibit D. Timing of

changes in rate of prepayment 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 X1 or X3 certificates.

THE SERIES 2011-K12 POOLING AND SERVICING AGREEMENT

General

The series 2011-K12 certificates will be issued, the issuing entity will be created and the underlying mortgage loans will be serviced and administered under a pooling and servicing agreement, to be dated as of April 1, 2011, by and among us (as depositor), the master servicer, the special servicer, the trustee, the custodian and the guarantor. Subject to meeting certain requirements, each originator has the right and is expected to appoint itself or its affiliate as the sub-servicer of the underlying mortgage loans it originated. See Exhibit A-1 to this information circular to determine the originator for each underlying mortgage loan.

The trustee will provide a copy of the series 2011-K12 pooling and servicing 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 series 2011-K12 pooling and servicing agreement and, at the trustee's discretion, payment of a reasonable fee for any expenses. The series 2011-K12 pooling and servicing agreement will also be made available by the trustee on its website, at the address set forth under "Description of the Series 2011-K12 Certificates—Reports to Certificateholders and Guarantor; Available Information" in this information circular.

The Master Servicer

Midland Loan Services, a Division of PNC Bank, National Association ("Midland"), an affiliate of an originator of one (1) of the underlying mortgage loans, will be the master servicer and in this capacity will be responsible for the master servicing and administration of the mortgage loans pursuant to the series 2011-K12 pooling and servicing agreement. Another division of PNC Bank, National Association, PNC Real Estate Multifamily, is expected to be the sub-servicer of such underlying mortgage loan. Midland is not an affiliate of the issuing entity, the depositor, the mortgage loan seller, the trustee, any other originator or any sub-servicer other than PNC Real Estate Multifamily. Midland's principal servicing office is located at 10851 Mastin Street, Building 82, Suite 300, Overland Park, Kansas 66210.

Midland is a real estate financial services company that provides loan servicing, asset management and technology solutions for large pools of commercial and multifamily real estate assets. Midland is approved as a master servicer, special servicer and primary servicer for investment-grade CMBS by S&P, Moody's and Fitch. Midland has received the highest rankings as a master, primary and special servicer of real estate assets under U.S. CMBS transactions from both S&P and Fitch. S&P ranks Midland as "Strong" and Fitch ranks Midland as "1" for each category. Midland is also a HUD/FHA-approved mortgagee and a Fannie Mae-approved multifamily loan servicer.

Midland has detailed operating procedures across the various servicing functions to maintain compliance with its servicing obligations and the servicing standards under Midland's servicing agreements, including procedures for managing delinquent and special serviced loans. The policies and procedures are reviewed annually and centrally managed. Furthermore Midland's disaster recovery plan is reviewed annually.

Midland will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. Midland may from time to time have custody of certain of such documents as necessary for enforcement actions involving particular mortgage loans or otherwise. To the extent that Midland 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 Midland 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 Midland as master servicer, primary servicer or special servicer, as applicable, including as a result of Midland's failure to comply with the applicable servicing criteria in connection with any securitization transaction. Midland has made all advances required to be made by it under the servicing agreements on the commercial and multifamily mortgage loans serviced by Midland in securitization transactions.

From time-to-time Midland is a party to lawsuits and other legal proceedings as part of its duties as a loan servicer (e.g., enforcement of loan obligations) and/or arising in the ordinary course of business. Midland does not believe that any such lawsuits or legal proceedings would, individually or in the aggregate, have a material adverse effect on its business or its ability to service loans pursuant to the series 2011-K12 pooling and servicing agreement.

Midland currently maintains an Internet-based investor reporting system, CMBS Investor Insight®, that contains performance information at the portfolio, loan and property levels on the various commercial mortgage-backed securities transactions that it services. Series 2011-K12 certificateholders, prospective transferees of the series 2011-K12 certificates and other appropriate parties may obtain access to CMBS Investor Insight through Midland's website at www.pnc.com/midland. Midland may require registration and execution of an access agreement in connection with providing access to CMBS Investor Insight.

As of December 31, 2010, Midland was servicing approximately 28,650 commercial and multifamily mortgage loans with a principal balance of approximately $269 billion. The collateral for such loans is located in all 50 states, the District of Columbia, Puerto Rico, Guam and Canada. Approximately 13,400 of such loans, with a total principal balance of approximately $136 billion, pertain to commercial and multifamily mortgage-backed securities. The related loan pools include multifamily, office, retail, hospitality and other income-producing properties.

Midland has been servicing mortgage loans in commercial mortgage-backed securities transactions since 1992. The table below contains information on the size and growth of the portfolio of commercial and multifamily mortgage loans in commercial mortgaged-backed securities and other servicing transactions for which Midland has acted as master and/or primary servicer from 2008 to 2010.

	Calendar Year End (Approximate amounts in billions)		
Portfolio Size – Master/Primary	**2008**	**2009**	**2010**
CMBS	$149	$145	$136
Other	$100	$130	$133
Total	**$249**	**$275**	**$269**

The foregoing information set forth in this section "The Series 2011-K12 Pooling and Servicing Agreement—The Master Servicer" has been provided by Midland. Neither the depositor nor any other person other than Midland makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of Midland as the master servicer and the provisions of the series 2011-K12 pooling and servicing agreement are described under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing Under the Series 2011-K12 Pooling and Servicing Agreement," "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses," "—Required Appraisals," and "—Inspections; Collection of Operating Information" in this information circular. Midland's ability to waive or modify any terms, fees, penalties or payments on the mortgage loans and the effect of that ability on the potential cash flows from the mortgage loans are described under "The Series 2011-K12 Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular.

Midland, as the master servicer will, among other things, be responsible for the master servicing and administration of the mortgage loans pursuant to the series 2011-K12 pooling and servicing agreement. Certain servicing and administrative functions will also be provided by one or more primary servicers that previously serviced the mortgage loans for the applicable loan seller.

Certain terms of the series 2011-K12 pooling and servicing agreement regarding Midland's removal, replacement, resignation or transfer are described under "The Series 2011-K12 Pooling and Servicing Agreement—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" and "—Rights Upon Event of Default" in this information circular. Midland's rights and obligations with respect to indemnification, and certain

limitations on Midland's liability under the series 2011-K12 pooling and servicing agreement, are described in this information circular under "The Series 2011-K12 Pooling and Servicing Agreement—Liability of the Servicers" and "—Certain Indemnities" in this information circular.

The Special Servicer

Wells Fargo Bank, National Association ("Wells Fargo") will act as the initial special servicer for the underlying mortgage loans. Wells Fargo 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 is also the originator of some of the underlying mortgage loans, is expected to be the sub-servicer of the underlying mortgage loans it originated, and is an affiliate of Wells Fargo Commercial Mortgage Securities, Inc., which is the depositor, and of Wells Fargo Securities, LLC, which will be one of the initial purchasers of the series 2011-K12 certificates and one of the placement agents for the Series K-012 SPCs. 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. Like Wells Fargo, 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 and Wachovia began to integrate their two servicing platforms under a senior management team that is a combination of both legacy Wells Fargo managers and legacy Wachovia managers. That integration is continuing.

The principal west coast commercial mortgage servicing offices of Wells Fargo are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage servicing offices of Wells Fargo are located at MAC D1086-120, 550 South Tryon Street, Charlotte, North Carolina 28202.

Wells Fargo has acted as a special servicer of securitized commercial and multifamily mortgage loans in excess of five years. Wells Fargo's special servicing system includes McCracken Financial Solutions Corp.'s Strategy CS software. Wells Fargo has extensive experience in performing the obligations of the special servicer set forth in the series 2011-K12 pooling and servicing agreement.

The table below sets forth information about Wells Fargo's portfolio of specially serviced commercial and multifamily mortgage loans as of the dates indicated:

CMBS Pools	As of 12/31/2008	As of 12/31/2009	As of 12/31/2010
By Approximate Number	61	52	56
Named Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance (in billions)[(1)]	$26.0	$18.5	$22.6
Actively Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance[(2)]	$675,096,189	$913,424,748	$1,081,410,457

(1) Includes all loans in Wells Fargo's portfolio for which Wells Fargo 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'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 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'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.

It is anticipated that Wells Fargo and the initial series 2011-K12 directing certificateholder or its designee will enter into a separate agreement pursuant to which Wells Fargo, as special servicer, will agree to pay to the initial

series 2011-K12 directing certificateholder or its designee a portion of the special servicing compensation received by Wells Fargo, as special servicer, from time to time.

Wells Fargo has been master servicing securitized commercial and multifamily mortgage loans in excess of ten years. Wells Fargo's primary servicing system runs on McCracken Financial Solutions Corp.'s Strategy CS software. Wells Fargo reports to trustees and certificate administrators in the CREFC format. The table below sets forth information about Wells Fargo'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:

Commercial and Multifamily Mortgage Loans	As of 12/31/2008	As of 12/31/2009	As of 12/31/2010
By Approximate Number:	43,720	41,703	39,125
By Approximate Aggregate Unpaid Principal Balance (in billions):	$491.4	$473.4	$451.0

Within this portfolio, as of December 31, 2010, are approximately 28,733 commercial and multifamily mortgage loans with an unpaid principal balance of approximately $368 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 also services whole loans for itself and a variety of investors. The properties securing loans in Wells Fargo's servicing portfolio, as of December 31, 2010, 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, hospitality and other types of income-producing properties.

In its master servicing and primary servicing activities, Wells Fargo utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows Wells Fargo 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 table below sets forth information regarding principal and interest advances and servicing advances made by Wells Fargo, as master servicer, on commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations. The information set forth is the average amount of such advances outstanding over the periods indicated (expressed as a dollar amount and as a percentage of Wells Fargo's portfolio, as of the end of each such period, of master serviced commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations).

Period	Approximate Securitized Master-Serviced Portfolio (UPB)*	Approximate Outstanding Advances (P&I and PPA)*	Approximate Outstanding Advances as % of UPB
Calendar Year 2008	$384,974,195,963	$ 152,404,687	0.04%
Calendar Year 2009	$370,868,977,095	$ 492,576,563	0.13%
Calendar Year 2010	$350,208,413,696	$ 1,560,768,558	0.45%

* "UPB" means unpaid principal balance, "P&I" means principal and interest advances and "PPA" means property protection advances.

Wells Fargo is rated by Fitch and S&P as a primary servicer, a master servicer and a special servicer of commercial mortgage loans. Wells Fargo's servicer ratings by each of these agencies are outlined below:

	Fitch	S&P
Primary Servicer:	CPS2+	Above Average
Master Servicer:	CMS2-	Above Average
Special Servicer:	CSS2-	Above Average

The long-term deposits of Wells Fargo are rated "AA" by S&P, "Aa2" by Moody's and "AA-" by Fitch. The short-term deposits of Wells Fargo are rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Wells Fargo 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's master servicing and special servicing policies and procedures are updated periodically to keep pace with the changes in the commercial mortgage-backed securities industry and have been generally consistent for the last three years in all material respects. The only significant changes in Wells Fargo'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 Federal Home Loan Mortgage Corporation.

Subject to certain restrictions in the series 2011-K12 pooling and servicing agreement, Wells Fargo may perform any of its obligations under the series 2011-K12 pooling and servicing agreement through one or more third-party vendors, affiliates or subsidiaries. Notwithstanding the foregoing, the special servicer under the series 2011-K12 pooling and servicing agreement will remain responsible for its duties under the series 2011-K12 pooling and servicing agreement. Wells Fargo may engage third-party vendors to provide technology or process efficiencies. Wells Fargo monitors its third-party vendors in compliance with its internal procedures and applicable law. Wells Fargo has entered into contracts with third-party vendors for the following functions:

- provision of Strategy and Strategy CS software;
- entry of rent roll information and property performance data from operating statements;
- tracking and reporting of flood zone changes;
- abstracting of insurance requirements contained in loan documents;
- comparison of insurance certificates to insurance requirements contained in loan documents and reporting of expiration dates and deficiencies, if any;
- 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 of loan assumption package for review by Wells Fargo;
- entry of new loan data and document collection;
- performance of quality control measures for new loans boarded;
- 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;
- review of borrower requests for disbursements from reserves for compliance with loan documents, which requests are subsequently submitted to Wells Fargo for approval; and
- Uniform Commercial Code searches and filings.

Wells Fargo's responsibilities as special servicer under servicing agreements typically do not include collection on the pool assets; however, Wells Fargo 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 will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. On occasion, Wells Fargo may have custody of certain of such documents as are necessary for enforcement actions involving the underlying mortgage loans or otherwise. To the extent Wells Fargo

performs custodial functions as a servicer, documents will be maintained in a manner consistent with the Servicing Standard.

A Wells Fargo proprietary website (www.wellsfargo.com/com) provides investors with access to investor reports for commercial mortgage-backed securitization transactions for which Wells Fargo is master servicer or special servicer, and also provides borrowers with access to current and historical loan and property information for these transactions.

Wells Fargo & Company files reports with the Securities and Exchange Commission as required under the Securities Exchange Act of 1934, as amended. Such reports include information regarding Wells Fargo and may be obtained at the website maintained by the Securities and Exchange Commission at www.sec.gov.

There are no legal proceedings pending against Wells Fargo, or to which any property of Wells Fargo is subject, that are material to the series 2011-K12 certificateholders, nor does Wells Fargo have actual knowledge of any proceedings of this type contemplated by governmental authorities.

The foregoing information set forth in this section "The Series 2011-K12 Pooling and Servicing Agreement—The Special Servicer" has been provided by Wells Fargo. Neither the depositor nor any other person other than Wells Fargo makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of Wells Fargo as the special servicer and the provisions of the series 2011-K12 pooling and servicing agreement are described under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing Under the Series 2011-K12 Pooling and Servicing Agreement," "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses," "—Required Appraisals," and "—Inspections; Collection of Operating Information" in this information circular. Wells Fargo's ability to waive or modify any terms, fees, penalties or payments on the mortgage loans and the effect of that ability on the potential cash flows from the mortgage loans are described under "The Series 2011-K12 Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular.

Wells Fargo, as the special servicer will, among other things, oversee the resolution of a mortgage loan during a special servicing period and the disposition of REO properties. Certain of Wells Fargo's duties as the special servicer under the series 2011-K12 pooling and servicing agreement, including information regarding the processes for handling delinquencies, losses, bankruptcies and recoveries (such as through a liquidation of a mortgage loan, the sale of a mortgage loan or negotiations or workouts with the borrower under a mortgage loan) are set forth under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular.

Certain terms of the series 2011-K12 pooling and servicing agreement regarding Wells Fargo's removal, replacement, resignation or transfer are described under "The Series 2011-K12 Pooling and Servicing Agreement—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" and "—Rights Upon Event of Default" in this information circular. Wells Fargo's rights and obligations with respect to indemnification, and certain limitations on Wells Fargo's liability under the series 2011-K12 pooling and servicing agreement, are described under "The Series 2011-K12 Pooling and Servicing Agreement—Liability of the Servicers" and "—Certain Indemnities" in this information circular.

The special servicer is entitled to indemnification from the issuing entity for losses and liabilities incurred in connection with its servicing functions under the series 2011-K12 pooling and servicing agreement unless such losses and liabilities are caused by the special servicer's misfeasance, negligence, fraud or bad faith as described under "The Series 2011-K12 Pooling and Servicing Agreement—Liability of the Servicers" and "—Certain Indemnities" in this information circular.

Liability of the Servicers

The master servicer, the special servicer and each of their respective officers, directors, shareholders, members, managers, employees, agents and controlling persons are entitled to indemnification from 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) that may be imposed on, incurred by or asserted against them in

connection with, related to, or arising out of, the series 2011-K12 pooling and servicing agreement, the transactions contemplated by the series 2011-K12 pooling and servicing agreement or the series 2011-K12 certificates other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) incurred in connection with any legal action incurred by reason of a breach of any representation or warranty under the series 2011-K12 pooling and servicing agreement by the master servicer or special servicer or by reason of the master servicer's or special servicer's negligent misfeasance, bad faith, fraud or negligence in the performance of its respective duties or negligent disregard of its respective obligations or duties under the series 2011-K12 pooling and servicing agreement. The master servicer, on behalf of an indemnified sub-servicer, will be entitled to pursue the issuing entity under the series 2011-K12 pooling and servicing agreement for any indemnification due to an indemnified sub-servicer under the terms of the related sub-servicing agreement. The master servicer will promptly 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 series 2011-K12 pooling and servicing agreement, the master servicer will promptly notify the guarantor in writing of the nature of such claim and a summary explanation of the master servicer's reason for denying such claim.

The underlying mortgage loans will not be an obligation of, or be insured or guaranteed by the master servicer or the special servicer. In addition, the master servicer and the special servicer will be under no liability to the issuing entity, the other parties to the series 2011-K12 pooling and servicing agreement or the series 2011-K12 certificateholders for any action taken, or not taken, in good faith pursuant to the series 2011-K12 pooling and servicing 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 series 2011-K12 pooling and servicing agreement or any liability which would otherwise be imposed by reason of negligent misfeasance, bad faith, fraud or negligence in the performance of its duties or negligent disregard of obligations and duties under the series 2011-K12 pooling and servicing agreement.

The master servicer and the special servicer will be required to maintain a fidelity bond and errors and omissions policy or their equivalent that provides coverage against losses that may be sustained as a result of an officer's or employee's misappropriation of funds or errors and omissions, subject to certain limitations as to amount of coverage, deductible amounts, conditions, exclusions and exceptions permitted by the series 2011-K12 pooling and servicing agreement.

Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties

If an event of default occurs and remains unremedied with respect to the master servicer or the special servicer under the series 2011-K12 pooling and servicing agreement, then, in each and every such case, so long as the event of default remains unremedied, the trustee will be authorized to, and at the written direction of the guarantor or the series 2011-K12 directing certificateholder, will be required to, terminate all of the obligations and rights of the master servicer or the special servicer, as applicable, under the series 2011-K12 pooling and servicing agreement and in and to the assets of the issuing entity, other than any rights the defaulting party may have (i) as a series 2011-K12 certificateholder, (ii) with respect to the Excess Servicing Strip or (iii) that accrued prior to such termination in respect of any unpaid servicing compensation, unreimbursed advances and interest on such amounts or rights to indemnification. In the case of the master servicer, upon any such termination, the trustee must either:

- succeed to all of the responsibilities, duties and liabilities of the master servicer under the series 2011-K12 pooling and servicing agreement; or

- appoint a qualified mortgage loan servicing institution to act as successor to the master servicer under the series 2011-K12 pooling and servicing agreement.

In the case of the special servicer, upon any such termination of the special servicer, the series 2011-K12 directing certificateholder will be required to appoint a qualified mortgage loan servicing institution to act as successor to the special servicer under the series 2011-K12 pooling and servicing agreement. In the event that the series 2011-K12 directing certificateholder does not appoint such successor special servicer in a reasonable time, the

trustee will be required to appoint a qualified mortgage loan servicing institution to act as successor to the special servicer under the series 2011-K12 pooling and servicing agreement.

If the trustee is unwilling or unable so to act as the permanent successor master servicer or special servicer or does not satisfy the conditions set forth below, it may (or, at the written request of series 2011-K12 certificateholders entitled to not less than 51% 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 such special servicer, as applicable, an established mortgage loan servicing institution, which satisfies the following three conditions: (i) the guarantor has approved such successor, which approval will not be unreasonably withheld or delayed, (ii) the successor to the master servicer or special servicer, as the case may be, agrees in writing to assume all of the responsibilities, duties and liabilities of the master servicer or special servicer, as the case may be, under the series 2011-K12 pooling and servicing agreement and certain sub-servicing agreements that arise thereafter and (iii)(a)(1) such successor 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) or 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 (2) with respect to Realpoint, if the applicable successor is currently acting as a master servicer or special servicer, as applicable, on a deal- or transaction-level basis for all or a significant portion of the mortgage loans in any other CMBS transaction, a responsible officer the trustee does not have actual knowledge that Realpoint has, and such applicable successor certifies that Realpoint has not, with respect to any such other CMBS transaction, qualified, downgraded or withdrawn its rating or ratings of one or more classes of such CMBS and cited servicing concerns with the replacement master servicer or special servicer, as the case may be, as the sole or material factor in such rating action or (b) subject to clause (i) above, is otherwise acceptable to the Rating Agency as evidenced by receipt of Rating Agency Confirmation. No such successor master servicer may terminate a sub-servicer without the consent of the guarantor, except to the extent permitted in the series 2011-K12 pooling and servicing agreement and the existing sub-servicing agreement.

In connection with such appointment and assumption of a successor to the master servicer or the special servicer as described in this information circular, 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 underlying mortgage loans 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 series 2011-K12 pooling and servicing agreement. The trustee, the master servicer, the special servicer and such successor are required to take such action, consistent with the series 2011-K12 pooling and servicing 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 as described below) under the series 2011-K12 pooling and servicing 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 trustee or an affiliate acts as successor to the master servicer, it may reduce the related Excess Servicing Strip to the extent that its or such affiliate's compensation as successor master servicer would otherwise be below the market rate servicing compensation and the trustee will be permitted to direct the successor master servicer to retain such reduced Excess Servicing Strip portion and direct the trustee to pay the remaining portion, if any, of the Excess Servicing Strip to the holder of the Excess Servicing Strip. If the trustee elects to appoint a successor to the master servicer other than itself or an affiliate, it may reduce the related Excess Servicing Strip to the extent reasonably necessary (in the sole discretion of the trustee) for the trustee to appoint a qualified successor master servicer that meets the requirements of the series 2011-K12 pooling and servicing agreement and the trustee will be permitted to direct the successor master servicer to retain such reduced Excess Servicing Strip portion and direct the trustee to pay the remaining portion, if any, of the Excess Servicing Strip to the holder of the Excess Servicing Strip.

In addition, the series 2011-K12 directing certificateholder will be entitled to remove, with or without cause, the special servicer and appoint a successor special servicer rather than have the trustee act as that successor, upon not less than 30 business days' prior written notice to the respective parties to the series 2011-K12 pooling and servicing agreement. Any successor special servicer must satisfy the following three conditions: (i) the guarantor has approved such successor, which approval will not be unreasonably withheld or delayed, (ii) such successor special

servicer agrees in writing to assume all of the responsibilities, duties and liabilities of the special servicer under the series 2011-K12 pooling and servicing agreement and (iii)(a)(1) such successor special servicer is then listed on S&P's Select Servicer List as a U.S. Commercial Mortgage Special Servicer or is rated at least "CSS3" by Fitch and (2) with respect to Realpoint, if the applicable successor is currently acting as a special servicer on a deal- or transaction-level basis for all or a significant portion of the mortgage loans in any other CMBS transaction, a responsible officer of the trustee does not have actual knowledge that Realpoint has, and such applicable successor certifies that Realpoint has not, with respect to any such other CMBS transaction, qualified, downgraded or withdrawn its rating or ratings of one or more classes of such CMBS and cited servicing concerns with the replacement special servicer as the sole or material factor in such rating action or (b) subject to clause (i) above, is otherwise acceptable to the Rating Agency as evidenced by receipt of Rating Agency Confirmation. 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 series 2011-K12 directing certificateholder that effected the termination. However, any such appointment of a successor special servicer will be subject to, among other things, receipt by the trustee of the written agreement of the proposed special servicer to be bound by the terms and conditions of the series 2011-K12 pooling and servicing agreement. Moreover, the terminated special servicer may be entitled to—

- payment out of the collection account for all earned and unpaid special servicing fees and additional special servicing compensation;
- continued rights to indemnification; and
- continued rights to some or all liquidation and work-out fees earned by it as described below under "—Servicing and Other Compensation and Payment of Expenses."

Further, if a Ratings Trigger Event occurs with respect to a sub-servicer or as otherwise set forth in the series 2011-K12 pooling and servicing agreement, the guarantor will be entitled to direct the master servicer to remove any sub-servicer and any such removal will be at the expense of the guarantor; none of the master servicer, the issuing entity, the depositor or the trustee will be liable for any termination fees and expenses payable to any sub-servicer upon such removal.

If the master servicer or special servicer, as the case may be, is terminated pursuant to the terms of the series 2011-K12 pooling and servicing agreement, it is required to promptly provide the trustee with all documents and records requested by it to enable the trustee or another successor to assume the master servicer's or special servicer's, as the case may be, functions under the series 2011-K12 pooling and servicing agreement, and is required to reasonably cooperate with the trustee in effecting the termination of the master servicer's or special servicer's, as the case may be, responsibilities and rights under the series 2011-K12 pooling and servicing agreement, including, without limitation, the prompt transfer 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 underlying mortgage loans or credited by the special servicer to an REO account, as the case may be, or which thereafter are received with respect to any underlying mortgage loan or any REO Property.

The Trustee and Custodian

Citibank, N.A. ("Citibank"), a national banking association, will act as trustee and custodian under the series 2011-K12 pooling and servicing agreement. The corporate trust office of the trustee responsible for administration of the issuing entity is located at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Global Transaction Services—FREMF 2011-K12.

Citibank is a wholly owned subsidiary of Citigroup Inc., a Delaware corporation. Citibank performs as trustee and custodian through the Agency and Trust line of business, which is part of the Global Transaction Services division. Citibank has primary corporate trust offices located in both New York and London. Citibank is a leading provider of corporate trust services offering a full range of agency, fiduciary, tender and exchange, depositary and escrow services. As of the end of the first quarter of 2011, Citibank's Agency and Trust group managed in excess of $4.8 trillion in fixed income and equity investments on behalf of approximately 2,500 corporations worldwide.

Citibank's Agency and Trust group has provided trustee services since 1987 for asset-backed securities containing pool assets consisting of airplane leases, auto loans and leases, boat loans, commercial loans, commodities, credit cards, durable goods, equipment leases, foreign securities, funding agreement backed note programs, truck loans, utilities, student loans and commercial and residential mortgages. As of the end of the first quarter of 2011, Citibank, N.A. acted as trustee, certificate administrator and/or paying agent for approximately thirteen (13) transactions backed by commercial mortgages with an aggregate principal balance of approximately $5.8 billion. In its capacity as trustee on commercial mortgage securitizations, Citibank is generally required to make an advance if the related master servicer or special servicer fails to make a required advance. Citibank has not been required to make an advance on a commercial mortgage-backed securities transaction for which it acts as trustee.

Citibank will act as custodian of the mortgage loan files pursuant to the series 2011-K12 pooling and servicing agreement. In that capacity, Citibank is responsible to hold and safeguard the mortgage notes and other contents of the mortgage files on behalf of the trustee and the certificateholders. Each mortgage file is maintained in a separate file folder marked with a unique bar code to assure loan level file integrity and to assist in inventory management. Files are segregated by transaction and/or issuer. Citibank through its affiliates and third-party vendors has been engaged in the mortgage document custody business for more than ten years. Citibank through its affiliates and third-party vendors maintains its commercial document custody facilities in Chicago, Illinois and St. Paul, Minnesota.

There have been no material changes to Citibank's policies or procedures with respect to its commercial mortgage-backed trustee function other than changes required by applicable laws.

In the past three years, Citibank has not materially defaulted in its trustee obligations under any pooling and servicing agreement or caused an early amortization or other performance triggering event because of the performance by Citibank as trustee with respect to commercial mortgage-backed securities.

The foregoing information set forth in this section "The Series 2011-K12 Pooling and Servicing Agreement—The Trustee and Custodian" has been provided by Citibank. Neither the depositor nor any other person other than Citibank makes any representation or warranty as to the accuracy or completeness of such information. Citibank is providing such information at our request in order to assist us with the preparation of this information circular and, other than with respect to such information and the information contained in "Summary of Information Circular—Relevant Parties/Entities—Trustee and Custodian" in this information circular, Citibank assumes no responsibility or liability for the contents of this information circular.

Each of the trustee and custodian and each of their respective directors, officers, employees, agents and controlling persons will be entitled to indemnification from the issuing entity against any loss, liability, claim, judgment, cost, fee or other expense (including reasonable legal fees and expenses) that is incurred without misfeasance, bad faith, fraud or negligence in the performance of its duties under the series 2011-K12 pooling and servicing agreement or negligent disregard of its obligations under the series 2011-K12 pooling and servicing agreement as further described in "—Certain Indemnities" below.

See also "—Rights Upon Event of Default," "—Matters Regarding the Trustee" and "—Certain Indemnities" in this information circular.

Resignation and Removal of the Trustee

The trustee will be permitted at any time to resign from its obligations and duties under the series 2011-K12 pooling and servicing agreement by giving written notice to the depositor, master servicer, special servicer, the guarantor and all series 2011-K12 certificateholders. In addition, compliance with the Investment Company Act of 1940 may require the trustee to resign if (i) borrowers have defeased more than 20% of the mortgage loans (by principal balance) in the issuing entity and (ii) an affiliate of the trustee is servicing or sub-servicing the mortgage loans. Upon receiving a notice of resignation, the depositor will be required to use its best efforts to promptly appoint a qualified successor trustee reasonably acceptable to the guarantor. If no successor trustee has accepted an appointment within a specified period after the giving of the notice of resignation, the resigning trustee may petition any court of competent jurisdiction to appoint a successor trustee.

The trustee must at all times be, and will be required to resign if it fails to be, (i)(a) a corporation, national bank, trust company or national banking association, organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust powers and to accept the trust conferred under the series 2011-K12 pooling and servicing 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 may not be an affiliate of the depositor, the master servicer (but only with respect to the trustee) 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), (b) an institution insured by the Federal Deposit Insurance Corporation, (c) an institution whose long-term senior unsecured debt is rated "A" or higher by Fitch and "Aa3" or higher by Moody's (or with respect to Citibank in its capacity as initial trustee, "A1" or higher by Moody's if Citibank's short-term unsecured debt obligations are rated "P-1" or higher by Moody's) and (d) an institution with respect to which, if the institution is currently acting as a trustee on a deal- or transaction-level basis for all or a significant portion of the mortgage loans in any other CMBS transaction, Realpoint has not qualified, downgraded or withdrawn its rating or ratings of one or more classes of such CMBS and cited concerns with such institution's role as a trustee as the sole or material factor in such rating action or (ii) otherwise acceptable to the series 2011-K12 directing certificateholder, the guarantor and each Rating Agency as evidenced by the receipt of Rating Agency Confirmation with respect to such trustee.

If at any time the trustee ceases to be eligible to continue as the trustee under the series 2011-K12 pooling and servicing agreement, or if the depositor has received notice from a Rating Agency that failure to remove the trustee will result in a downgrade, withdrawal or qualification of the then current ratings assigned to the class B or X2 certificates (if then rated by such Rating Agency), and fails to resign after written request by the guarantor, the depositor or the master servicer, or if at any time the trustee becomes incapable of acting, or if some events of, or proceedings in respect of, bankruptcy or insolvency occur with respect to the trustee, the depositor will be authorized to remove the and appoint a successor trustee. In addition, holders of the certificates entitled to at least 51% of the voting rights may at any time, without cause, remove the trustee under the series 2011-K12 pooling and servicing agreement and appoint a successor trustee acceptable to the guarantor. Any successor trustee must be an institution that meets the requirements of the immediately preceding paragraph. Further, if the ratings of the trustee fall below the ratings required by the immediately preceding paragraph, the guarantor will have the right to remove the trustee and appoint a successor trustee in accordance with the standards set forth in the series 2011-K12 pooling and servicing agreement and who is otherwise acceptable to the guarantor in its sole discretion.

Any resignation or removal of a trustee and appointment of a successor trustee will not become effective until acceptance of appointment by the successor trustee.

See "—Rights Upon Event of Default," "—Matters Regarding the Trustee," and "—Certain Indemnities" below.

Assignment of the Mortgage Loans

On the date of initial issuance of the offered certificates, we will sell, assign, transfer or otherwise convey all of our right, title and interest in and to the mortgage loans acquired from the mortgage loan seller, without recourse, to the trustee for the benefit of the holders of the series 2011-K12 certificates. We will also assign to the trustee our rights under the agreement pursuant to which we acquired the mortgage loans from the mortgage loan seller, except for certain rights to receive notices regarding demands for the mortgage loan seller to repurchase or replace any of the underlying mortgage loans.

Servicing Under the Series 2011-K12 Pooling and Servicing Agreement

General. The master servicer and special servicer must service and administer the underlying mortgage loans and any REO Properties owned by the issuing entity for which it is responsible under the series 2011-K12 pooling and servicing agreement directly, through sub-servicers or through an affiliate as provided in the series 2011-K12 pooling and servicing agreement, in accordance with—

- any and all applicable laws,
- the express terms of the series 2011-K12 pooling and servicing agreement,

- the express terms of the respective 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 mortgage loans in the issuing entity as to which no Servicing Transfer Event has occurred, and

- all worked-out mortgage loans in the issuing entity as to which no new Servicing Transfer Event has occurred.

In the event that a Servicing Transfer Event occurs with respect to any mortgage loan in the issuing entity, that 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 series 2011-K12 directing certificateholder contained in the series 2011-K12 pooling and servicing agreement, the special servicer will be responsible for the servicing and administration of each mortgage loan in the issuing entity as to which a Servicing Transfer Event has occurred and is continuing. They will also be responsible for the administration of each REO Property in the issuing entity.

Despite the foregoing, the series 2011-K12 pooling and servicing agreement will require the master servicer:

- to continue to receive payments and, subject to the master servicer's timely receipt of information from the special servicer, prepare and deliver all reports to the trustee 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 mortgage loan in the issuing entity to the special servicer upon the occurrence of a Servicing Transfer Event with respect to that mortgage loan. The special servicer will return the servicing of that mortgage loan to the master servicer, and that mortgage loan will be considered to have been worked-out, if and when all Servicing Transfer Events with respect to that mortgage loan cease to exist and that mortgage loan has become a Corrected Mortgage Loan.

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 and a sub-servicing fee.

A master servicing fee:

- will be earned with respect to each and every underlying mortgage loan including (without duplication)—

    1. each specially serviced mortgage loan, if any,

    2. each mortgage loan, if any, as to which the corresponding mortgaged real property has become an REO Property,

- in the case of each underlying mortgage loan will—

    1. be calculated on the same interest accrual basis as that mortgage loan,

    2. accrue at a master servicing fee rate of 0.01% per annum,

    3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that mortgage loan, and

4. be payable monthly from amounts received with respect to interest on that mortgage loan (or if not so paid, will accrue and remain outstanding).

A sub-servicing fee:

- will be earned with respect to each and every underlying mortgage loan, including (without duplication) specially serviced mortgage loans and each mortgage loan, if any, as to which the corresponding 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 mortgage loan,

  2. accrue at a sub-servicing fee rate ranging from 0.05% per annum to 0.16% per annum on the Stated Principal Balance of the related underlying mortgage loan,

  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that mortgage loan, and

  4. be payable monthly from amounts received with respect to interest on that mortgage loan (or if not so paid, will accrue and remain outstanding).

In the event that Midland resigns or is terminated as master servicer, Midland (or its assignee) will continue to be entitled to receive the Excess Servicing Strip and will be paid that Excess Servicing Strip (except to the extent that any portion of that Excess Servicing Strip is needed to compensate any successor master servicer for assuming its duties as a master servicer under the series 2011-K12 pooling and servicing agreement). See "—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" above. Subject to certain conditions, Midland is entitled, under the series 2011-K12 pooling and servicing agreement, to assign or pledge to any qualified institutional buyer or institutional accredited investor, the Excess Servicing Strip. We make no representation or warranty regarding following any resignation or termination of Midland as master servicer, (a) whether any holder of the Excess Servicing Strip would dispute the trustee's determination that any portion of the Excess Servicing Strip was necessary to compensate a successor master servicer or (b) the ability of the trustee to successfully recapture the Excess Servicing Strip or any portion of that strip from any holder of the Excess Servicing Strip, in particular if that holder were the subject of a bankruptcy or insolvency proceeding.

Midland will also be entitled to retain any sub-servicing fee payable to it in its capacity as primary servicer so long as it continues to act in that capacity for any underlying mortgage loan.

Prepayment Interest Shortfalls. The series 2011-K12 pooling and servicing agreement provides that, although the loan documents require the payment of a full month's interest on any voluntary prepayment, if any Prepayment Interest Shortfall is incurred with respect to the mortgage pool by reason of the master servicer's acceptance, other than at the request of the series 2011-K12 directing certificateholder, of any principal prepayment by the related borrower of any underlying mortgage loan during any Collection Period, then the master servicer must make a non-reimbursable payment with respect to the related distribution date in an amount equal to such Prepayment Interest Shortfall up to an amount not to exceed the portion of the master servicing fee for such Collection Period accrued at a rate equal to 0.005% (0.5 basis point) *per annum*, 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 loan documents (*provided* that the master servicer or special servicer reasonably believes that acceptance of such prepayment is consistent with the Servicing Standard), (iii) pursuant to applicable law or a court order; or (iv) pursuant to any term of the related loan documents that allows such prepayment to be made without the payment of a full month's interest.

In addition, if a Prepayment Interest Shortfall is 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 Shortfall as contemplated by the prior paragraph is less than the entire Prepayment Interest Shortfall, then the master servicer (i) must apply any Prepayment Interest Excesses received during that Collection

Period with respect to other underlying mortgage loans to offset such Prepayment Interest Shortfall 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 Series 2011-K12 Certificates—Distributions" in this information circular. If the amount of Prepayment Interest Shortfalls incurred with respect to the mortgage pool 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 the series 2011-K12 certificates, in reduction of the interest distributable on those certificates, as and to the extent described under "Description of the Series 2011-K12 Certificates—Distributions—Interest Distributions" in this information circular.

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 work-out fees; and
- the corresponding liquidation fees.

Special Servicing Fee. A special servicing fee:

- will be earned with respect to—
    1. each underlying mortgage loan, if any, that is being specially serviced, and
    2. each underlying mortgage loan, if any, as to which the corresponding mortgaged real property has become an REO Property;
- in the case of each underlying mortgage loan described in the foregoing bullet, will—
    1. be calculated on the same interest accrual basis as that mortgage loan,
    2. accrue at a special servicing fee rate of 0.25% per annum, and
    3. accrue on the Stated Principal Balance of that mortgage loan outstanding from time to time; and
- will generally be payable to the special servicer monthly from general collections on the mortgage pool.

Work-out Fee. The special servicer will, in general, be entitled to receive a work-out fee with respect to each specially serviced mortgage loan in the issuing entity that has been worked out by it. The work-out fee will be payable out of, and will generally be calculated by application of a work-out fee rate of 1.0% 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 mortgage loan for so long as it remains a worked-out mortgage loan. The work-out fee with respect to any worked-out mortgage loan will

cease to be payable if a new Servicing Transfer Event occurs with respect to that mortgage loan. However, a new work-out fee would become payable if the mortgage loan again became a worked-out 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 work-out fees payable with respect to underlying mortgage loans that were (or were close to being) worked out by it during the period that it acted as the special servicer and as to which no new Servicing Transfer Event had occurred as of the time of that termination. The successor special servicer will not be entitled to any portion of those work-out fees.

Although work-out fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any work-out fee will reduce amounts payable to the series 2011-K12 certificateholders.

Liquidation Fee. The special servicer will be entitled to receive a liquidation fee with respect to each specially serviced mortgage loan in the issuing entity for which it obtains a full, partial or discounted payoff from the related borrower. The special servicer will also be entitled to receive a liquidation fee with respect to any specially serviced mortgage loan or REO Property in the issuing entity 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 mortgage loan in the issuing entity for a material breach of a representation or warranty or a material document defect, as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular, 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 in the issuing entity, the liquidation fee will generally be payable from, and will be calculated by application of a liquidation fee rate of 1.0% to, the related payment or proceeds, exclusive of liquidation expenses.

Despite anything to the contrary described in the prior paragraph, no liquidation fee will be payable based on, or out of, proceeds received in connection with—

- the purchase of a Defaulted Loan if the purchaser is the series 2011-K12 directing certificateholder and it purchases such mortgage loan within ninety (90) days after the special servicer provides the Fair Value Notice described in "—Realization Upon Mortgage Loans—Purchase Option" below, or at any time if the purchaser is the guarantor or the related Junior Loan Holder as described under "—Realization Upon Mortgage Loans—Purchase Option" below;

- the repurchase or replacement of any underlying mortgage loan for a material breach of a representation or warranty or a material document defect as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular, within the applicable cure period (and any applicable extension of the applicable cure period); or

- the purchase of all of the mortgage loans and REO Properties in the issuing entity by the master servicer, the special servicer or holders of more than 50% of the Percentage Interests of the class C certificates 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 series 2011-K12 certificateholders.

Notwithstanding anything to the contrary, with the consent of the series 2011-K12 directing certificateholder, the special servicer may enter into one or more arrangements to assign to another party, or to provide for the payment by the special servicer to such party, of all or a portion of the special servicer's compensation under the series 2011-K12 pooling and servicing agreement; *provided*, that any such assignment or provision will not be binding on any successor special servicer or any other party to the series 2011-K12 pooling and servicing agreement.

Additional Servicing Compensation. The master servicer may retain, as additional compensation, any Prepayment Interest Excesses received with respect to the underlying mortgage loans, 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.

In addition, the following items collected on the mortgage loans in the issuing entity will be allocated between the master servicer and the special servicer as additional compensation in accordance with the series 2011-K12 pooling and servicing agreement:

- any late payment charges and Default Interest actually collected on an underlying mortgage loan and that are not otherwise applied—

    1. to pay the master servicer or the trustee, as applicable, any unpaid interest on advances made by that party with respect to that mortgage loan or the related mortgaged real property,

    2. to reimburse the issuing entity for any unreimbursed interest on advances that were made with respect to that mortgage loan or the related mortgaged real property, which interest was paid to the master servicer or the trustee, as applicable, from collections on the mortgage pool other than late payment charges and Default Interest collected on that mortgage loan, or

    3. to reimburse the issuing entity for any other Additional Issuing Entity Expenses (including any special servicing fees, workout fees and liquidation fees) related to that mortgage loan, and

- any extension fees, modification fees, assumption fees, assumption application fees, earnout fees, defeasance fees, consent/waiver fees and other comparable transaction fees and charges.

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 Accounts" 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 such depository institution or trust company (i) satisfied the requirements set forth in the series 2011-K12 pooling and servicing agreement (a) at the time such investment was made and (b) as of the date that is thirty (30) days prior to such insolvency and (ii) is neither the master servicer nor an affiliate of the master servicer.

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 such depository institution or trust company (i) satisfied the requirements set forth in the series 2011-K12 pooling and servicing agreement (a) at the time such investment was made and (b) as of the date that is thirty (30) days prior to such insolvency and (ii) is neither the special servicer nor an affiliate of the special servicer.

Servicing Advances. With respect to each 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 related mortgaged real property after it has become an REO Property; (iii) the cost of environmental inspections with respect to the related mortgaged real property; (iv) real estate taxes, assessments and other items that are or may become a lien on the related mortgaged real

property; (v) the costs of any enforcement or judicial proceedings with respect to that mortgage loan, including foreclosure and similar proceedings; and (vi) any other amount required to be paid as a servicing advance under the series 2011-K12 pooling and servicing agreement (collectively "Servicing Advances").

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 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 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 (5) 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 related 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 series 2011-K12 pooling and servicing agreement and a responsible officer of the trustee has received written notice or has actual knowledge of such failure by the master servicer, the trustee will make such Servicing Advance pursuant to the series 2011-K12 pooling and servicing 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.

Despite the foregoing discussion or anything else to the contrary in this information circular, neither the trustee nor the master servicer will be obligated to make Servicing Advances that, in its judgment, would not be ultimately recoverable from expected collections on the related mortgage loan or REO Property. If the master servicer or the trustee makes a Servicing Advance with respect to any mortgage loan or related REO Property or has made a Servicing Advance that is also a workout-delayed reimbursement amount that it or the special servicer subsequently determines is not recoverable from expected collections on that mortgage loan or REO Property or, with respect to any Servicing Advance that is a workout-delayed reimbursement amount, determines is not ultimately recoverable out of payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for nonrecoverable debt service advances and/or Servicing Advances (any such Servicing Advance, a "Nonrecoverable Servicing Advance"), it may obtain reimbursement for that advance, together with interest on that advance, out of general collections on the mortgage pool. Any reimbursement of a Nonrecoverable Servicing Advance (including interest accrued on such amount) as described in the preceding sentence will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loans (thereby reducing the amount of principal otherwise distributable on the series 2011-K12 certificates on the related distribution date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The trustee will be entitled to conclusively rely on the master servicer's determination that a Servicing Advance is nonrecoverable. The master servicer and the trustee will be required to conclusively rely on and be bound by the special servicer's determination that a Servicing Advance is a Nonrecoverable Servicing Advance, *provided* that in the absence of such 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 in no event will a determination by the special servicer that a previously made or proposed Servicing Advance would be recoverable be binding on the master servicer or the trustee.

Notwithstanding the foregoing, 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 series 2011-K12 directing certificateholder or 12 months in any event), with interest on such amount

at the prime rate described below. 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 series 2011-K12 pooling and servicing 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 series 2011-K12 certificateholders to the detriment of other classes of series 2011-K12 certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the series 2011-K12 pooling and servicing agreement by any party to the series 2011-K12 pooling and servicing agreement, or a violation of any duty owed by any party to the series 2011-K12 pooling and servicing agreement, to the series 2011-K12 certificateholder.

In addition, in the event that any Servicing Advance (including interest accrued on such amount) with respect to a defaulted underlying mortgage loan remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status, the master servicer or the trustee, as applicable, will be entitled to reimbursement for 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 underlying mortgage loans 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 series 2011-K12 certificates. If any such advance is not reimbursed in whole on any distribution date 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 on the following distribution date (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 series 2011-K12 pooling and servicing agreement will permit the master servicer, at the direction of the special servicer if a specially serviced asset 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 mortgage loan or REO Property. This is only to be done, however, when the master servicer, or the special servicer if a specially serviced asset is involved, has determined in accordance with the Servicing Standard that making the payment is in the best interests of the series 2011-K12 certificateholders as a collective whole.

The master 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 as published in *The Wall Street Journal*, as that prime rate may change from time to time. 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 advance has been reimbursed, if and to the extent that the Default Interest and late payment charges referred to in the prior bullet are insufficient to cover the advance interest, out of any amounts on deposit in the master servicer's collection account.

Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses

The special servicer, with respect to the specially serviced mortgage loans in the issuing entity, and the master servicer, with respect to the other 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-encumbrance or due-on-sale clause to accelerate payment of that mortgage loan. Generally, the master

servicer or the special servicer (in the case of any specially serviced mortgage loan), will be required to enforce such due-on-sale 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 series 2011-K12 pooling and servicing 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. In addition, the master servicer or special servicer, as applicable, may not waive its rights under a due-on-encumbrance or due-on-sale clause unless the related borrower pays all related expenses with respect to such waiver. Furthermore, the master servicer may not waive its rights or grant its consent under any due-on-encumbrance or due-on-sale clause, other than as expressly permitted pursuant to the series 2011-K12 pooling and servicing agreement, without the consent of the special servicer and the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular), *provided* that the special servicer and series 2011-K12 directing certificateholder provide such consent within the time periods specified in the series 2011-K12 pooling and servicing agreement.

Notwithstanding the foregoing, if the master servicer or special servicer, as applicable, determines, in accordance with the Servicing Standard, that a proposed replacement borrower (whether a related party or otherwise) in connection with a requested assignment of a mortgage loan is satisfactory from a credit perspective (taking into consideration, with respect to the proposed replacement borrower, the existing borrower, any proposed controlling entity, 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), the master servicer or special servicer, as applicable, may approve such assumption of the mortgage loan if permitted by the loan documents (subject to the special servicer obtaining the consent of the series 2011-K12 directing certificateholder, such consent not to be unreasonably withheld). The master servicer or special servicer, as applicable, is required to give notice to the Rating Agencies upon the completion of any such assumption for significant loans.

If the loan documents do not expressly permit an assumption of the related mortgage loan or the incurrence of subordinate debt, the master servicer or special servicer, as applicable, will be required to receive confirmation from the series 2011-K12 directing certificateholder (which confirmation must be provided within the time periods specified in the series 2011-K12 pooling and servicing 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 mortgage loan have been met prior to (i) agreeing to a requested assumption of a mortgage loan or (ii) agreeing to the incurrence of additional subordinate financing (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular).

Modifications, Waivers, Amendments and Consents

The series 2011-K12 pooling and servicing agreement will permit the master servicer or the special servicer, as applicable, to modify, waive or amend any term of any mortgage loan in the issuing entity 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 mortgage loan, with limited exceptions generally involving the waiver of Default Interest and late payment charges;

- affect the obligation of the related 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 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; or

- in the judgment of the master servicer or the special servicer, as applicable, materially impair the security for the mortgage loan or reduce the likelihood of timely payment of amounts due on such mortgage loan;

unless in the reasonable judgment of the master servicer or special servicer, as applicable, such modification, waiver or amendment is reasonably likely to produce a greater (or equal) recovery to the series 2011-K12 certificateholders; and either (i) the loan is in default, default is reasonably foreseeable or the master servicer or special servicer, as applicable, reasonably determines that a significant risk of default exists, and after the modification the loan does not fail to qualify as a "qualified mortgage" within the meaning of the REMIC provisions of the Code subject to and in accordance with the requirements of applicable REMIC provisions of the Code (and such servicer may rely on an opinion of counsel in making such determination); *provided* that a release of the lien on any portion of a mortgaged real property (whether prior to or following a default) must satisfy the requirements of the following clause (as determined by the master servicer or the special servicer, as applicable) or (ii) the master servicer or the special servicer, as the case may be, has determined (and may rely on an opinion of counsel in making such determination) that the modification, waiver or amendment will not be a "significant modification" of the subject mortgage loan within the meaning of Treasury regulations section 1.860G-2(b) and will not cause the applicable Trust REMIC to fail to qualify as a REMIC or subject such Trust REMIC to any tax.

Notwithstanding the limitations on modifications, waivers and amendments described in the preceding paragraph, but subject to the limitations described below, 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;

provided that the related borrower is in default with respect to the specially serviced mortgage loan or, in the judgment of such special servicer, such default is reasonably foreseeable, and the special servicer has determined (and may rely on an opinion of counsel in making such determination) that the modification, waiver or amendment will not be a "significant modification" of the subject mortgage loan within the meaning of Treasury regulations section 1.860G-2(b) and will not cause the applicable Trust REMIC to fail to qualify as a REMIC or subject such Trust REMIC to any tax.

However, in no event will the special servicer or master servicer, as applicable, be permitted to—

(1) extend the maturity date of any mortgage loan if the interest rate on such mortgage loan is less than the lower of (a) the interest rate in effect prior to such extension or (b) the then prevailing interest rate for comparable mortgage loans;

(2) defer interest due on any mortgage loan in excess of 5% of the Stated Principal Balance of such mortgage loan; or

(3) extend the maturity date of any mortgage loan beyond a date that is five years prior to the Rated Final Distribution Date.

Neither the master servicer nor the special servicer may permit or modify a mortgage loan to permit a voluntary prepayment of a mortgage loan (other than a specially serviced mortgage loan) on any day other than its due date, unless: (i) the master servicer or the special servicer also collects interest on such mortgage loan through the due

date following the date of such prepayment; (ii) it 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 series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular), 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 series 2011-K12 pooling and servicing agreement, the master servicer or the special servicer, as applicable, may, without the consent of any other party, including the series 2011-K12 directing certificateholder, modify or amend the terms of any mortgage loan, in accordance with the Servicing Standard, in order to (i) cure any non-material ambiguity or mistake in the related loan documents, (ii) 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, (iii) waive minor covenant defaults or (iv) effect other non-material waivers, consents, modifications or amendments in the ordinary course of servicing a loan.

The special servicer or the master servicer, as applicable, will notify the trustee among others, of any modification, waiver or amendment of any term of 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). The master servicer or special servicer, as applicable, is required to promptly notify the Rating Agencies of any modification, waiver or amendment of any term of any significant loan. Copies of each agreement whereby any such modification, waiver or amendment of any term of any mortgage loan is effected are to be available for review during normal business hours, upon prior request, at the offices of the special servicer. Notwithstanding the foregoing, 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. Neither the master servicer nor the special servicer will have any liability with regard to the trustee's failure to post information provided by the master servicer or the special servicer in accordance with the terms of the series 2011-K12 pooling and servicing agreement or for any malfunction or disabling of the 17g-5 information provider's website.

To the extent confirmation from any rating agency is required with respect to any matter other than defeasance pursuant to the terms of any loan document, the master servicer or the special servicer, as applicable, will be required to waive such requirement unless Rating Agency Confirmation is also required with respect to such matter pursuant to the terms of the series 2011-K12 pooling and servicing agreement. If confirmation from any rating agency is required with respect to defeasance pursuant to the terms of any loan document, the master servicer or the special servicer, as applicable, will be required to obtain a Rating Agency Confirmation, which requirement may be deemed to be satisfied under certain circumstances as described in the definition of "Rating Agency Confirmation" in this information circular. Notwithstanding anything to the contrary in this paragraph, at any time during which the class B and X2 certificates are no longer rated by a Rating Agency, no confirmation from that Rating Agency pursuant to the loan documents will be required under the series 2011-K12 pooling and servicing agreement.

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—Series 2011-K12 Directing Certificateholder" below in this information circular.

Required Appraisals

Within 60 days following the occurrence of any Appraisal Reduction Event with respect to any of the mortgage loans in the issuing entity, the special servicer must perform an internal valuation pursuant to the following paragraph or obtain an MAI appraisal of the related mortgaged real property from an independent appraiser meeting the qualifications imposed in the series 2011-K12 pooling and servicing agreement (*provided* that in no event may the period to receive such appraisal exceed 120 days or such longer time period as agreed to by the directing certificateholder and the guarantor 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.

Notwithstanding the foregoing, if the unpaid 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 underlying mortgage loan. If such appraisal is not received or an internal valuation is not completed, as applicable, by such date, the Appraisal Reduction Amount for the related underlying mortgage loan will be 25% of the Stated Principal Balance of such 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 underlying mortgage loan. See "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular.

If an Appraisal Reduction Event occurs with respect to any mortgage loan in the issuing entity, 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 other valuation. Based upon that update, the master servicer is to redetermine and report to the trustee, the guarantor and the special servicer the new Appraisal Reduction Amount, if any, with respect to the subject underlying mortgage loan. This ongoing obligation will cease if and when—

- the subject underlying mortgage loan has become a worked-out mortgage loan as contemplated under "—Servicing Under the Series 2011-K12 Pooling and Servicing Agreement" above and has remained current for 12 consecutive monthly payments under the terms of the work-out; and

- no other Servicing Transfer Event or Appraisal Reduction Event has occurred with respect to the subject 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 Accounts

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 mortgage loans. Each collection account must be maintained in a manner and with a depository institution that satisfies rating agency standards for securitizations similar to the one involving the offered certificates.

The funds held in the master servicer's collection account may be held as cash or invested in Permitted Investments. Subject to the limitations in the series 2011-K12 pooling and servicing agreement, any interest or other income earned on funds in the master servicer's collection account will be paid to the master servicer as additional compensation.

Deposits. The master servicer must deposit or cause to be deposited in its collection account on a daily basis in the case of payments from borrowers and other collections on the mortgage loans, or as otherwise required under the series 2011-K12 pooling and servicing agreement, the following payments and collections received or made by or on behalf of the master servicer with respect to the underlying mortgage loans for which it is responsible, subsequent to the date of initial issuance of the offered certificates—

- 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, special servicing 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 hazard, flood, title or other insurance policy that provides coverage with respect to a mortgaged real property or the related 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 borrower;

- any amounts received and retained in connection with the liquidation of defaulted mortgage loans 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 borrower;

- any amounts paid by the mortgage loan seller in connection with the repurchase or replacement of, or the curing of any breach of a representation and warranty with respect to, a mortgage loan by that party as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular;

- any amounts paid to purchase or otherwise acquire all the mortgage loans 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 hazard insurance policy or master force placed hazard insurance policy, as described under "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Hazard, Liability and Other Insurance" in this information circular; and

- any amount transferred by the special servicer from its REO account with respect to the REO Properties.

Upon its receipt 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 in the issuing entity, the special servicer is required to remit those amounts within one business day to the master servicer for deposit in the master servicer's 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 series 2011-K12 pooling and servicing agreement), which are not listed in any order of priority:

1. to remit to the trustee for deposit in the trustee's distribution account, as described under "Description of the Series 2011-K12 Certificates—Distribution Account" in this information circular, on the Remittance Date, all payments and other collections on the mortgage loans and any REO Properties in the issuing entity 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—

   (a) monthly debt service payments due on a due date subsequent to the end of the related Collection Period;

   (b) payments and other collections received by or on behalf of the issuing entity after the end of the related Collection Period; and

   (c) amounts that are payable or reimbursable from the collection account to any person other than the series 2011-K12 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 Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular, 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 (a) itself (and/or the entity entitled to receive the Excess Servicing Strip, if different from the master servicer) any earned and unpaid master servicing fees or sub-servicing fees with respect to each mortgage loan in the issuing entity, with that payment to be made out of collections on that mortgage loan that represent payments of interest and (b) itself (and/or the entity entitled to receive the Excess Servicing Strip, if different from the master servicer) unpaid master servicing fees or sub-servicing fees with respect to each mortgage loan in the issuing entity or REO Loan that remains unpaid in accordance with clause (a) following a final recovery determination made with respect to such 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;

4. to pay the special servicer, out of general collections, earned and unpaid special servicing fees with respect to each mortgage loan in the issuing entity that is either—

   (a) a specially serviced mortgage loan; or

   (b) a mortgage loan as to which the related mortgaged real property has become an REO Property;

5. to pay the special servicer earned and unpaid work-out 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;

6. 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 Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular, 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 Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular, in the case of a P&I Advance;

7. 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 6. 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 Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular, in the case of interest on any such advance that is a P&I Advance;

8. to pay itself or the special servicer, 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;

9. to pay any unpaid liquidation expenses incurred with respect to any liquidated mortgage loan or REO Property in the issuing entity;

10. to pay, out of general collections on the mortgage pool, any servicing expenses that would, if advanced, be nonrecoverable under clause 2. above;

11. 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 series 2011-K12 pooling and servicing agreement;

12. to pay the guarantor, itself (and certain indemnified sub-servicers), the special servicer, the trustee, us or any of their or our respective affiliates, directors, 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;

13. to pay, out of general collections on the mortgage pool, for (a) the costs of various opinions of counsel related to the servicing and administration of mortgage loans not paid by the related borrower; (b) expenses properly incurred by the trustee in connection with providing tax-related advice to the special servicer and (c) the fees of the master servicer or the trustee for confirming a Fair Value determination by the special servicer of a Defaulted Loan;

14. to reimburse itself, the special servicer, us or the trustee, 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 an underlying mortgage loan giving rise to a repurchase obligation of the mortgage loan seller or other party, or the enforcement of such obligation, under the mortgage loan purchase agreement;

15. to pay for—

    (a) the cost of the opinions of counsel for purposes of REMIC administration or amending the series 2011-K12 pooling and servicing agreement; and

    (b) the cost of obtaining an extension from the IRS for the sale of any REO Property;

16. to pay, out of general collections for any and all U.S. federal, state and local taxes imposed on either of the Trust REMICs or their assets or transactions together with incidental expenses;

17. to pay to the mortgage loan seller any amounts that represent monthly debt service payments due on the mortgage loans on or prior to the Cut-off Date or, in the case of a replacement mortgage loan, during or before the month in which that loan 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 any other items described in this information circular as being payable from a collection account; and

20. to clear and terminate the collection account upon the termination of the series 2011-K12 pooling and servicing agreement.

Realization Upon Mortgage Loans

Purchase Option. The series 2011-K12 pooling and servicing agreement grants the series 2011-K12 directing certificateholder (subject to the last paragraph of this section "—Purchase Option") and the guarantor, and with respect to Defaulted Loans for which the related Junior Loan Holder holds a second priority lien, the related Junior Loan Holder, an assignable option (a "Purchase Option") to purchase Defaulted Loans from the issuing entity in the manner and at the price described below.

Promptly after the determination that a mortgage loan in the issuing entity has become a Defaulted Loan, the master servicer (if the mortgage loan is not a Specially Serviced Loan) or the special servicer (if the mortgage loan is a Specially Serviced Loan) will be required to notify the trustee, the master servicer or special servicer, as applicable, the guarantor, the related Junior Loan Holder and the series 2011-K12 directing certificateholder of such

determination. Subject to the Junior Loan Holder's right with respect to a Defaulted First Lien Loan (as defined below) and the last paragraph of this section, in the case of the MetroPlace Mortgage Loan, the series 2011-K12 directing certificateholder or its assignee will then have the right to exercise its Purchase Option until the Defaulted Loan becomes (i) a Corrected Mortgage Loan, (ii) an REO Loan or upon the modification, waiver or pay-off (full or discounted) of the Defaulted Loan in connection with a workout, (iii) upon purchase of the Defaulted Loan by the guarantor pursuant to the series 2011-K12 pooling and servicing agreement or (iv) with respect to a Defaulted First Lien Loan, upon purchase of such Defaulted First Lien Loan by the Junior Loan Holder pursuant to the series 2011-K12 pooling and servicing agreement and the related intercreditor agreement.

Notwithstanding the previous paragraph but subject to the next paragraph, in the case of a Defaulted Loan that is not a Defaulted First Lien Loan (as defined below), and subject to the last paragraph of this section "—Purchase Option," within ten (10) business days (the "Guarantor Increased Offer Notice Period") after receipt from the series 2011-K12 directing certificateholder of notice that it will exercise its option to purchase a Defaulted Loan and which specifies a purchase price that equals at least the Fair Value of the Defaulted Loan (the "Defaulted Loan Fair Value Purchase Price"), but is less than 99% of the Purchase Price of such Defaulted Loan, the guarantor (or its assignee) will have the right to purchase such Defaulted Loan by giving notice (the "Guarantor Increased Offer Notice") to the series 2011-K12 directing certificateholder, the master servicer, the special servicer and the trustee, specifying a purchase price at least 2.5% more than the Defaulted Loan Fair Value Purchase Price offered by the series 2011-K12 directing certificateholder. If the series 2011-K12 directing certificateholder or its assignee is willing to purchase the Defaulted Loan after receipt of the Guarantor 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 the guarantor in the Guarantor Increased Offer Notice or (ii) 99% of the Purchase Price, by giving notice (the "Directing Certificateholder Increased Offer Notice") of the same to the guarantor, the master servicer, the special servicer and the trustee within ten (10) business days of receiving the Guarantor Increased Offer Notice (the "Directing Certificateholder Increased Offer Notice Period"). Any person exercising the purchase option pursuant to this paragraph will be required to consummate such purchase within fifteen (15) business days after the expiration of the Guarantor Increased Offer Notice Period or the Directing Certificateholder Increased Offer Period, as applicable.

Notwithstanding the previous paragraph, for any Defaulted Loan for which the related Junior Loan Holder is the holder of a second priority lien (a "Defaulted First Lien Loan"), the related Junior Loan Holder will have the first option to purchase that Defaulted Loan for a price equal to the unpaid principal balance of that Defaulted Loan, plus accrued and unpaid interest on such balance, all related unreimbursed Servicing Advances together with any unpaid interest on any advance owing to the party or parties that made them and all accrued servicing fees allocable to that Defaulted First Lien Loan (the "Purchase Price"). Upon the determination of Fair Value and receipt of the Fair Value Notice relating to any Defaulted First Lien Loan, each of the series 2011-K12 directing certificateholder (other than with respect to the MetroPlace Mortgage Loan upon the occurrence and during the continuance of any MetroPlace Event) and the related Junior Loan Holder will have the right to purchase such Defaulted First Lien Loan at the Defaulted Loan Fair Value Purchase Price by giving notice to the other party, the trustee, the master servicer and the special servicer (the first party to give such notice, the "First Offeror"). Within ten (10) business days after receipt from the First Offeror of notice of its intent to exercise the Purchase Option, the related Junior Loan Holder or the series 2011-K12 directing certificateholder, as the case may be, will have the right to purchase such Defaulted First Lien Loan by giving notice (the "Increased Offer Notice") to the First Offeror, the trustee, the master servicer and special servicer, specifying a purchase price of at least 2.5% more than the purchase price specified by the First Offeror in the initial purchase option notice. If the First Offeror is willing to purchase the Defaulted First Lien Loan after receipt of the Increased Offer Notice, it will only be permitted to do so at the Purchase Price by giving notice of the same (the "Par Purchase Notice") to the other party, the trustee, the master servicer and the special servicer within five (5) business days after receiving the Increased Offer Notice. Any purchase will be required to be consummated no later than fifteen (15) business days after the expiration of the Increased Offer Notice period or Par Purchase Notice period, as applicable.

Within the later of sixty (60) days after a mortgage loan becomes a Defaulted Loan and fifteen (15) days after the special servicer receives an acceptable appraisal, the special servicer will be required to determine the Fair Value of such mortgage loan in accordance with the Servicing Standard and consistent with the guidelines contained in the series 2011-K12 pooling and servicing agreement. The special servicer will be permitted to change from time to time thereafter its determination of the Fair Value of a Defaulted Loan based upon 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 Loan 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 to the trustee, the master servicer, the guarantor or its designee and the series 2011-K12 directing certificateholder. Within five (5) business days after its receipt of the Fair Value Notice with respect to a Defaulted Loan, and subject to the last paragraph of this section "—Purchase Option," the series 2011-K12 directing certificateholder, or its assignee, must notify the special servicer, the trustee, the master servicer and the guarantor of its intention to purchase such defaulted loan from the issuing entity and specify the Defaulted Loan Fair Value Purchase Price (the "Fair Value Purchase Notice").

Subject to the discussion above and the last paragraph of this section "—Purchase Option" each holder of a Purchase Option may, at its option, purchase the subject Defaulted Loan 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 Loan, the Purchase Price; or
- if the special servicer has made such Fair Value determination, the Defaulted Loan 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 Loan may be purchased will be modified accordingly.

Unless and until the Purchase Option with respect to a Defaulted Loan is exercised, the special servicer will be required to pursue such other resolution strategies available under the series 2011-K12 pooling and servicing agreement, including work-out and foreclosure, consistent with the Servicing Standard, but it will not be permitted to sell the Defaulted Loan 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 Loan will automatically terminate upon—

- the cure by the related borrower or a party with cure rights of all defaults that caused the subject underlying mortgage loan to be a Defaulted Loan;
- 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 pay-off (full or discounted) of the Defaulted Loan in connection with a work-out.

Notwithstanding the foregoing, upon the occurrence of and during the continuance of a MetroPlace Event, the series 2011-K12 directing certificateholder (or its assignee) will only be able to purchase the MetroPlace Mortgage Loan from the issuing entity at a cash price equal to the Purchase Price.

Foreclosure and Similar Proceedings. Pursuant to the series 2011-K12 pooling and servicing 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 series 2011-K12 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, is reasonably likely to increase the net proceeds of the liquidation of such mortgaged real property, than not taking such actions.

A borrower's failure to make required mortgage loan payments may mean that operating income from the related 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, a 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 related 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 related mortgaged real property, initiate corrective action in cooperation with the borrower if cure is likely, inspect the related 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 holders of the series 2011-K12 certificates may vary considerably depending on the particular underlying mortgage loan, the related mortgaged real property, the borrower, the presence of an acceptable party to assume the subject mortgage loan and the laws of the jurisdiction in which the related mortgaged real property is located. If a borrower files a bankruptcy petition, the special servicer may not be permitted to accelerate the maturity of the Defaulted Loan or to foreclose on the related 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. If title to any mortgaged real property is acquired by the special servicer on behalf of the issuing entity, the special servicer will be required to sell that property as soon as practicable, but not later than the end of the third calendar year following the year of acquisition, unless—

- the IRS grants an extension of time to sell the property;

- an extension of time to sell the property has been timely requested from the IRS and (i) the IRS has not denied such request (in which event the property is required to be sold by the end of the extended time period requested, but not more than three additional years), or (ii) if the IRS denies such request (in which event, the property is required to be sold within 30 days after the date of such denial); or

- the special servicer obtains an opinion of independent counsel generally to the effect that the holding of the property subsequent to the end of the third calendar year following the year in which the acquisition occurred will not result in the imposition of a tax on the assets of the issuing entity or cause either Trust REMIC created under the series 2011-K12 pooling and servicing agreement to fail to qualify as a REMIC under the Code.

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 within the time periods contemplated by the prior paragraph. The special servicer may, at the expense of the issuing entity, retain an independent contractor to operate and manage any REO Property. The retention of an independent contractor will not relieve the special servicer of its obligations with respect to any REO Property. Regardless of whether the special servicer applies for or is granted an extension of time to sell any REO Property, the special servicer will be required to act in accordance with the Servicing Standard to liquidate that REO Property on a timely basis. If an extension is granted or opinion given, the special servicer must sell the subject REO Property within the period specified in the extension or opinion.

In general, the special servicer or an independent contractor employed by the special servicer at the expense of the issuing entity will be obligated to operate and manage any REO Property held by the issuing entity solely for the purpose of its prompt disposition and sale, in a manner that maintains its status as "foreclosure property" within the meaning of Code Section 860G(a)(8).

Subject to the Servicing Standard and any other limitations imposed by the series 2011-K12 pooling and servicing agreement, the special servicer will be permitted, with respect to any REO Property, to incur a tax on net income from foreclosure property, within the meaning of Code Section 857(b)(4)(B).

To the extent that income the issuing entity receives from an REO Property is subject to a tax on net income from foreclosure property, that income would be subject to U.S. federal tax at the highest marginal corporate tax rate, which is currently 35%.

The determination as to whether income from an REO Property held by the issuing entity would be subject to a tax will depend on the specific facts and circumstances relating to the management and operation of each REO Property. Any tax imposed on the issuing entity's income from an REO Property would reduce the amount available for payment to the series 2011-K12 certificateholders. See "Certain Federal Income Tax Consequences" in this information circular. The reasonable out-of-pocket costs and expenses of obtaining professional tax advice in connection with the foregoing will be payable out of the master servicer's collection account.

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 satisfies rating agency standards for securitizations similar to the one involving the offered certificates. The special servicer will be required to deposit, or cause to be deposited, in its REO account, within one business day following receipt, 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 series 2011-K12 pooling and servicing agreement.

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 master servicer's 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 series 2011-K12 pooling and servicing agreement, retain in its REO account 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 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 mortgage loan,

- interest (other than Default Interest) accrued on that mortgage loan,
- interest accrued on any monthly debt service advance made with respect to that 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 mortgage loan, and
- any and all servicing compensation and trustee fees due and payable with respect to that 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 master servicer and/or the special servicer 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 series 2011-K12 certificateholders, of any and all amounts that represent unpaid servicing compensation or trustee fees in respect of that mortgage loan, certain unreimbursed expenses incurred with respect to that mortgage loan and any unreimbursed advances made with respect to that mortgage loan. In addition, amounts otherwise distributable on the series 2011-K12 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 hazard 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 series 2011-K12 certificateholders (as a collective whole) on liquidation of the mortgage loan after reimbursement of the master servicer for its expenses; 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 mortgage loan in the issuing entity 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 mortgage loan (including amounts collected by the special servicer), to make certain calculations with respect to such mortgage loan and to make remittances and prepare and deliver certain reports to the trustee with respect to such mortgage loan.

The special servicer will continue to be responsible for the operation and management of an REO Property. The master servicer will have no responsibility for the performance by the special servicer of its duties under the series 2011-K12 pooling and servicing 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 mortgage loan have ceased to exist and that mortgage loan has become a Corrected Mortgage Loan.

Series 2011-K12 Directing Certificateholder. The "series 2011-K12 directing certificateholder" will generally be a certificateholder or its designee selected by holders of series 2011-K12 certificates representing a majority interest in the class C certificates, until the total principal balance of such class of certificates is less than 25% of the total initial principal balance of such class. Thereafter, the series 2011-K12 directing certificateholder will be a certificateholder or its designee selected by holders of series 2011-K12 certificates representing a majority interest in the series 2011-K12 class B certificates, until the total principal balance of such class of certificates is less than 25% of the total initial principal balance of such class. Thereafter, Freddie Mac will act as the series 2011-K12 directing certificateholder. However, until a series 2011-K12 directing certificateholder is so selected or after receipt of a notice from the holders of series 2011-K12 certificates representing a majority interest in the applicable class that a series 2011-K12 directing certificateholder is no longer designated, the person or entity that beneficially owns the largest principal balance of the applicable class of certificates will be the series 2011-K12 directing certificateholder.

It is anticipated that BVF-II K12 L.L.C., a Delaware limited liability company, will serve as the initial series 2011-K12 directing certificateholder.

As and to the extent described under "—Asset Status Report" below, the series 2011-K12 directing certificateholder may direct the master servicer or special servicer with respect to various servicing matters involving each of the underlying mortgage loans.

Asset Status Report. Pursuant to the series 2011-K12 pooling and servicing agreement, the special servicer is required to prepare and deliver a report to the master servicer, the series 2011-K12 directing certificateholder and the guarantor (the "Asset Status Report") with respect to any underlying mortgage loan that becomes a specially serviced mortgage loan within 30 days of any such mortgage loan becoming specially serviced.

Any Asset Status Report prepared by the special servicer will set forth the following information, to the extent reasonably determined:

- 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;
- 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;
- 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 mortgage loan; and
- such other information as the special servicer deems relevant in light of the Servicing Standard.

If, within 10 business days following delivery of the Asset Status Report, the series 2011-K12 directing certificateholder 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 is required to implement the recommended action as outlined in such Asset Status Report. If the series 2011-K12 directing certificateholder disapproves in writing such Asset Status Report within such 10 business days, the special servicer is required to revise and deliver a new Asset Status Report within 30 days after the series 2011-K12 directing certificateholder's disapproval. The special servicer must continue to revise that Asset Status Report until either (a) the series 2011-K12 directing certificateholder fails to disapprove the revised Asset Status Report within 10 business days of receipt or (b) 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 series 2011-K12 directing certificateholder, the guarantor, the master servicer and the trustee. However, the special servicer (i) 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 10-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 series 2011-K12 certificateholders and it has made a reasonable effort to contact the series 2011-K12 directing certificateholder and (ii) in any case, must determine whether any affirmative disapproval by the series 2011-K12 directing certificateholder described in this paragraph would violate the Servicing Standard.

The special servicer 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.

In addition to the foregoing, the special servicer is required to, subject to the Servicing Standard and the terms of the series 2011-K12 pooling and servicing agreement, obtain the consent of the series 2011-K12 directing certificateholder and respond to any reasonable request for information from the guarantor prior to the taking by the special servicer of (or prior to consenting to the master servicer taking) the following 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 in the issuing entity 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 a mortgage loan in the issuing entity (other than any easement, right-of-way or similar agreement);

- any acceptance of a discounted payoff with respect to a specially serviced mortgage loan in the issuing entity;

- 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 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 a mortgage loan in the issuing entity, other than in accordance with the specific terms of, or upon satisfaction of, that mortgage loan; *provided*, *however* that the directing certificateholder's consent to any release of non-material parcels of the mortgaged real property must not be unreasonably withheld;

- any acceptance of substitute or additional real property collateral for a mortgage loan in the issuing entity, other than in accordance with the specific terms of that mortgage loan;

- any approval of releases of earn-out reserves or related letters of credit with respect to a mortgaged real property securing a mortgage loan in the issuing entity other than in accordance with the specific terms of that mortgage loan;

- the release of any reserves in excess of the threshold set forth in the series 2011-K12 pooling and servicing agreement; and

- any approval of a replacement property manager for mortgage loans with a Stated Principal Balance in excess of $10,000,000 (which consent may not be unreasonably withheld).

Notwithstanding the foregoing, no direction of the series 2011-K12 directing certificateholder, and no failure to consent to any action requiring the consent of the 2011-K12 directing certificateholder under the series 2011-K12 pooling and servicing 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 series 2011-K12 pooling and servicing agreement; (ii) result in the imposition of a "prohibited transaction" or "prohibited contribution" tax under the REMIC provisions of the Code; (iii) expose the master servicer, the special servicer, the trustee, us, the issuing entity or any of various other parties to any claim, suit or liability or (iv) materially expand the scope of the special servicer's or the master servicer's responsibilities under the series 2011-K12 pooling and servicing agreement. The master servicer or the special servicer, as the case may be, will not (x) follow any such direction of the series 2011-K12 directing certificateholder, (y) initiate any such actions having any of the effects set out above, or (z) refrain from taking any action, based on its failure to obtain the consent of the series 2011-K12 directing certificateholder, if the failure to take such action would violate the Servicing Standard.

Upon the occurrence of a MetroPlace Event, the series 2011-K12 directing certificateholder will be required to provide written notice to the trustee, the master servicer, the special servicer and the guarantor within two (2)

business days after the occurrence of such MetroPlace Event. In addition, the series 2011-K12 directing certificateholder will be required to provide written notice to the trustee, the master servicer, the special servicer and the guarantor of the termination of any MetroPlace Event within two (2) business days after the termination of such MetroPlace Event. Notwithstanding anything to the contrary in the series 2011-K12 pooling and servicing agreement, upon the occurrence and during the continuance of a MetroPlace Event, the series 2011-K12 directing certificateholder will not have any approval, consent, consultation or other rights under the series 2011-K12 pooling and servicing agreement with respect to any matters related to the MetroPlace Mortgage Loan, and the special servicer (upon receipt of written notice from the series 2011-K12 directing certificateholder, or any party on its behalf, of the occurrence of any MetroPlace Event and prior to receipt of written notice from the series 2011-K12 directing certificateholder, or any party on its behalf, of the termination of such MetroPlace Event) will be required to exercise any such rights in its sole discretion and in accordance with the Servicing Standard without seeking the consent or consultation of any other party, except that the special servicer may consult with the guarantor with respect to any matters related to the MetroPlace Mortgage Loan but will not be bound by any such consultation with the guarantor. Upon receipt of written notice from the series 2011-K12 directing certificateholder, or any party on its behalf, of the occurrence of any MetroPlace Event and prior to receipt of written notice from the series 2011-K12 directing certificateholder, or any party on its behalf, of the termination of such MetroPlace Event, none of the trustee, the master servicer or the special servicer will be permitted under the series 2011-K12 pooling and servicing agreement to seek, accept or take any action based on the approval, consent or consultation of the series 2011-K12 directing certificateholder with respect to any matters related to the MetroPlace 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 corresponding mortgaged real property as soon as practicable after any mortgage loan in the issuing entity becomes a specially serviced mortgage loan and annually thereafter for so long as that mortgage loan remains a specially serviced mortgage loan. Beginning in January 2012, 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 calendar year or, in the case of each underlying mortgage loan with an unpaid principal balance (or allocated loan amount) of under $2,000,000, once every two (2) years (or at such lesser frequency as confirmed by Rating Agency Confirmation), if the special servicer has not already done so in that period as contemplated by the preceding sentence. 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 real property and, upon request, deliver such written report in electronic format to the trustee.

Most of the mortgages obligate the related borrower to deliver quarterly, and substantially all mortgages 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 series 2011-K12 pooling and servicing agreement, on a date preceding the applicable distribution date, the master servicer is required to deliver to the trustee, the series 2011-K12 directing certificateholder and the guarantor a servicer remittance report setting forth the information necessary for the trustee to make the distributions set forth under “Description of the Series 2011-K12 Certificates—Distributions” in this information circular and containing the information to be included in the distribution report for that distribution date delivered by the trustee as described under “Description of the Series 2011-K12 Certificates—Reports to Certificateholders and Guarantor; Available Information” in this information circular.

Evidence as to Compliance

No later than the date specified below of each year, commencing in 2012, each of the master servicer and the special servicer must deliver or cause to be delivered, as applicable, to the depositor, the trustee and the guarantor, 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 (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, 2011, inclusive—and of its performance under the series 2011-K12 pooling and servicing agreement, has been made under such officer's supervision, and (ii) to the best of such officer's knowledge, based on such review, the master servicer or special servicer, as the case may be, has fulfilled its obligations under the series 2011-K12 pooling and servicing 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); 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, by April 15th of each year, an accountant's statement from a registered public accounting firm to the effect that the assessment made by the asserting party in such statement of compliance is fairly stated and that the asserting party complied with the minimum servicing standards identified in the Uniform Single Attestation Program for Mortgage Bankers.

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 trustee.

Events of Default

Each of the following events, circumstances and conditions will be considered events of default with respect to the master servicer or special servicer under the series 2011-K12 pooling and servicing agreement:

1. any failure by the master servicer to make (a) any required deposit into its collection account or any other account created under the series 2011-K12 pooling and servicing agreement, which failure continues unremedied for two business days, or any required remittance to the trustee for deposit in the trustee's distribution account by the time required under the series 2011-K12 pooling and servicing 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 (b) any required Servicing Advance within the time specified in the series 2011-K12 pooling and servicing agreement, which failure remains uncured for 15 days (or such shorter time as is necessary to avoid the lapse of any required insurance policy 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 master servicer's collection account, any such deposit or remittance required to be made by the special servicer, when so required under the series 2011-K12 pooling and servicing 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 series 2011-K12 pooling and servicing agreement, which failure continues unremedied for 30 days (or 60 days so long as the master servicer or special servicer, as applicable, is diligently pursuing such cure) after written notice of such failure has been given to the master servicer or special servicer, as the case may be, by any other party to the series 2011-K12 pooling and servicing agreement;

4. any breach by the master servicer or the special servicer of a representation or warranty contained in the series 2011-K12 pooling and servicing agreement that materially and adversely affects the interests of the series 2011-K12 certificateholders and continues unremedied for 30 days after the date on which notice of such breach is given to the master servicer or special servicer, as the case may be, by any other party to the series 2011-K12 pooling and servicing agreement; *provided*, *however*, if such breach is not capable of being cured within such 30-day period and the master servicer or 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 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. 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. admittance 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, or the voluntary suspension of payment of its obligations or take any corporate action in furtherance of the foregoing;

8. a Ratings Trigger Event occurs with respect to the master servicer or the special servicer;

9. failure of the master servicer to provide the trustee with certain periodic information pertaining to the underlying mortgage loans as required under the series 2011-K12 pooling and servicing agreement more than three (3) times in a rolling 12-month period within one (1) 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 the guarantor; *provided* that the guarantor shall not grant more than one (1) waiver in such rolling 12-month period without the consent of the series 2011-K12 directing certificateholder, which consent may not be unreasonably withheld or delayed; *provided*, *further*, that a report shall not be considered late unless the guarantor provides the master servicer with written notice that the report was late within five (5) days after the related distribution date; or

10. a Rating Agency places the ratings of the class B or X2 certificates on "Watchlist" status in contemplation of a ratings downgrade or withdrawal (or a Rating Agency has downgraded or withdrawn its ratings for the class B or X2 certificates) citing servicing concerns with respect to the master servicer or the special servicer, as applicable, as the sole or material factor in such rating action and such "Watchlist" status, downgrade or withdrawal is not withdrawn, reversed or revoked, as applicable, by such Rating Agency within 60 days.

If the master servicer is terminated solely due to the events described in clauses 8. or 10. above, the master servicer will have 45 days to solicit bids and complete the sale of the servicing rights with respect to the underlying mortgage loans to a servicer acceptable under the series 2011-K12 pooling and servicing agreement, during which time period the master servicer will continue to service the underlying mortgage loans.

Rights Upon Event of Default

If an event of default described above 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 series 2011-K12 directing certificateholder or the guarantor, the trustee will be required, to terminate all of the obligations and, with limited exception, all of the rights of the defaulting party under the series 2011-K12 pooling and servicing agreement in and to the assets of the issuing entity, other than any rights the defaulting party may have (i) as a series 2011-K12 certificateholder; or (ii) in respect of any unpaid servicing compensation (including the Excess Servicing Strip), unreimbursed advances and interest on such amount or rights to indemnification. Upon any

such termination, subject to the discussion in the next two paragraphs and under "—Removal, Resignation and Replacement of Servicers; Transfer of Servicing Duties" above, the trustee must either:

- subject to the right of the series 2011-K12 directing certificateholder to appoint a successor special servicer, succeed to all of the responsibilities, duties and liabilities of the defaulting party under the series 2011-K12 pooling and servicing agreement; or

- subject to the right of the series 2011-K12 directing certificateholder to appoint a successor special servicer, appoint an established mortgage loan servicing institution to act as successor to the defaulting party under the series 2011-K12 pooling and servicing agreement if the defaulting party has not appointed such successor.

Series 2011-K12 certificateholders entitled to not less than 51% of the series 2011-K12 voting rights may require the trustee to appoint an established mortgage loan servicing institution, or other entity to act as successor to the defaulting party rather than have the trustee act as that successor. Any such successor must satisfy the following three conditions: (i) the guarantor has approved such successor, which approval will not be unreasonably withheld or delayed, (ii) the successor to the master servicer or special servicer, as the case may be, agrees in writing to assume all of the responsibilities, duties and liabilities of the master servicer or special servicer, as the case may be, under the series 2011-K12 pooling and servicing agreement and certain sub-servicing agreements that arise thereafter and (iii)(a)(1) such successor 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) or 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 (2) with respect to Realpoint, if the applicable successor is currently acting as a master servicer or special servicer, as applicable, on a deal- or transaction-level basis for all or a significant portion of the mortgage loans in any other CMBS transaction, a responsible officer of the trustee does not have actual knowledge that Realpoint has, and such applicable successor certifies that Realpoint has not, with respect to any such other CMBS transaction, qualified, downgraded or withdrawn its rating or ratings of one or more classes of such CMBS and cited servicing concerns with the replacement master servicer or special servicer, as the case may be, as the sole or material factor in such rating action or (b) subject to clause (i) above, is otherwise acceptable to each Rating Agency as evidenced by receipt of Rating Agency Confirmation.

In general, series 2011-K12 certificateholders entitled to at least $66^{2}/_{3}$% of the voting rights allocated to each class of series 2011-K12 certificates affected by any event of default may waive the event of default. However, the events of default described in the first and second bullets under "—Events of Default" above may only be waived by all of the holders of the affected classes of series 2011-K12 certificates, the trustee and the guarantor. Furthermore, if the trustee is required to spend any monies in connection with any event of default, then that event of default may not be waived unless and until the trustee has been reimbursed, with interest, 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 series 2011-K12 pooling and servicing agreement.

No series 2011-K12 certificateholder will have the right under the series 2011-K12 pooling and servicing agreement to institute any proceeding with respect to the series 2011-K12 pooling and servicing agreement unless:

- that holder previously has given to the trustee written notice of default;

- except in the case of a default by the trustee, series 2011-K12 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 series 2011-K12 pooling and servicing agreement and have offered to the trustee reasonable indemnity; and

- the trustee for 60 days has neglected or refused to institute any such proceeding.

The trustee, however, will not be under any obligation to exercise any of the trusts or powers vested in it by the series 2011-K12 pooling and servicing agreement or to make any investigation of matters arising thereunder or to institute, conduct or defend any litigation under or in relation to the series 2011-K12 pooling and servicing agreement at the request, order or direction of any of the series 2011-K12 certificateholders, unless in the trustee's

opinion, those series 2011-K12 certificateholders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the trustee as a result.

Matters Regarding the Trustee

The trustee 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 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.

We, the master servicer, the special servicer, the guarantor and our and their respective affiliates, may from time to time enter into normal banking and trustee relationships with the trustee and its affiliates. The trustee and any of its affiliates may hold series 2011-K12 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 will be entitled to a monthly fee for its services as trustee and custodian, as applicable. This fee will accrue with respect to each and every mortgage loan in the mortgage pool. The trustee fee will accrue at 0.0008% per annum on the Stated Principal Balance of the subject mortgage loan outstanding from time to time and will be calculated on the same basis as interest on the subject mortgage loan. The trustee fee is payable out of general collections on the mortgage pool in the issuing entity.

Certain Indemnities

We, the trustee, the custodian and each of our and their respective officers, directors, shareholders, members, managers, employees, agents, affiliates and controlling persons will be entitled to indemnification from 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) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, the series 2011-K12 pooling and servicing agreement, the transactions contemplated by the series 2011-K12 pooling and servicing agreement or the series 2011-K12 certificates other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) incurred by reason of any breach of any representation or warranty under the series 2011-K12 pooling and servicing agreement or by reason of the depositor's, the trustee's or the custodian's misfeasance, bad faith, fraud or negligence in the performance of its respective obligations or duties or negligent disregard of its respective obligations or duties under the series 2011-K12 pooling and servicing agreement. The master servicer, the special servicer and each of their respective officers, directors, shareholders, members, managers, employees, agents and controlling persons are entitled to indemnification from the issuing entity as described in "—Liability of the Servicers" above.

However, subject to the last sentence of this paragraph, in any calendar year, indemnification to us, the trustee, the custodian, the master servicer (for itself or certain indemnified sub-servicers, as applicable), the special servicer and their respective 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/Custodian

Aggregate Annual Cap, the Master 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 year or years (subject to the relevant Aggregate Annual Cap in each 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. The guarantor and the series 2011-K12 directing certificateholder will have the right, in their sole and absolute discretion, to waive (as evidenced by a waiver signed by both the guarantor and the series 2011-K12 directing certificateholder) the Depositor Aggregate Annual Cap, the Master Servicer Aggregate Annual Cap, the Trustee/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 master servicer, certain indemnified sub-servicers or special servicer, as applicable.

Termination

The obligations created by the series 2011-K12 pooling and servicing agreement will terminate following the earliest of—

1. the final payment or advance on, or other liquidation of, the last mortgage loan or related REO Property remaining in the issuing entity;

2. the purchase of all of the mortgage loans and REO Properties remaining in the issuing entity by the holders of a majority of the percentage interest of the controlling class (excluding Freddie Mac) or the series 2011-K12 directing certificateholder, the master servicer or the special servicer, in the order of preference discussed below.

3. after the principal balances of the class A-1, A-2 and B certificates have been reduced to zero, the exchange by the Sole Certificateholder (excluding Freddie Mac), with the consent of the master servicer, of all its series 2011-K12 certificates (other than the class R certificates) for all of the underlying mortgage loans and each REO Property remaining in the issuing entity.

Written notice of termination of the series 2011-K12 pooling and servicing agreement will be given to each series 2011-K12 certificateholder and the guarantor. The final distribution with respect to each series 2011-K12 certificate will be made only upon surrender and cancellation of that certificate at the office of the series 2011-K12 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 mortgage loans 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 1.0% of the initial mortgage pool balance, upon written notice to the guarantor:

- the series 2011-K12 directing certificateholder;

- the special servicer; and

- the master servicer.

Any purchase by the holder of a majority of the percentage interest of the controlling class (excluding Freddie Mac), a master servicer or a special servicer of all the mortgage loans and REO Properties remaining in the issuing entity is required to be made at a price equal to:

- the sum of—

    1. the total Stated Principal Balance of all the mortgage loans then included in the issuing entity, other than any mortgage loans as to which the mortgaged real properties have become REO Properties, together with—

        - all unpaid and unadvanced interest, other than Default Interest, on those mortgage loans through their respective due dates in the related Collection Period, and

        - all unreimbursed advances for those mortgage loans, together with any interest on those advances owing to the parties that made them,

        - without duplication, any unreimbursed Additional Issuing Entity Expenses,

        - any Unreimbursed Indemnification Expenses, and

    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, the special servicer and the trustee; minus

- solely in the case of a purchase by the master servicer or the special servicer, the total of all amounts payable or reimbursable to the purchaser under the series 2011-K12 pooling and servicing agreement.

The purchase will result in early retirement of the then outstanding series 2011-K12 certificates. However, the right of the holder of a majority of the percentage interest of the controlling class (excluding Freddie Mac), of the master servicer or the special 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 mortgage pool balance. The termination price, exclusive of any portion of the termination price payable or reimbursable to any person other than the series 2011-K12 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 series 2011-K12 pooling and servicing agreement for all reasonable out-of-pocket costs and expenses incurred by those parties in connection with the purchase.

If after the principal balances of the class A-1, A-2 and B certificates have been reduced to zero, the Sole Certificateholder elects to exchange all of its series 2011-K12 certificates (other than the class R certificates) for all of the underlying mortgage loans and each REO Property remaining in the issuing entity, the Sole Certificateholder will be required to deposit in the collection account all amounts due and owing to the depositor, the master servicer, the special servicer, the custodian and the trustee under the series 2011-K12 pooling and servicing agreement through the date of the liquidation of the issuing entity, but only to the extent that such amounts are not already on deposit in the collection account. In addition, the master servicer will be required to remit to the trustee for deposit into the distribution account all amounts required to be transferred to the distribution account on such Remittance Date from the collection account. Upon confirmation that such final deposits have been made and following the surrender by the Sole Certificateholder of all its series 2011-K12 certificates (other than the class R certificates) on the first distribution date thereafter, the trustee will be required to release or cause to be released to the Sole Certificateholder or its designee the mortgage files for the underlying mortgage loans and execute all assignments, endorsements and other instruments furnished to it by the Sole Certificateholder necessary to effectuate transfer of the underlying mortgage loans and REO Properties remaining in the issuing entity to the Sole Certificateholder, and the issuing entity will be liquidated. In connection with any such exchange and liquidation of the issuing entity, the holders of the class R certificates will be required to surrender their class R certificates.

Amendment

In general, the series 2011-K12 pooling and servicing agreement may be amended without the consent of any of the holders of the series 2011-K12 certificates for the following reasons—

1. to cure any ambiguity;

2. to correct, modify or supplement any provision in the series 2011-K12 pooling and servicing agreement which may be inconsistent with any other provision in that document, this information circular or to correct any error;

3. to make any other provisions with respect to matters or questions arising under the series 2011-K12 pooling and servicing agreement that are not inconsistent with the existing provisions of that document;

4. to modify, supplement or make any other provision with regard to the resignation of the trustee;

5. with an opinion of counsel delivered to the trustee, the master servicer and the special servicer, to relax or eliminate (a) any requirement under the 2011-K12 pooling and servicing agreement imposed by the REMIC provisions of the Code or (b) any transfer restriction imposed on the series 2011-K12 certificates, in each case, if such laws are amended or clarified such that any such restriction may be relaxed or eliminated;

6. with an opinion of counsel delivered to the trustee, the master servicer and the special servicer, to comply with the Code, avoid the occurrence of a prohibited transaction or reduce any tax that would arise from any actions taken with respect to the operation of either Trust REMIC;

7. if necessary to maintain a rating assigned by any Rating Agency to the class B or X2 certificates;

8. with the consent of the series 2011-K12 directing certificateholder, to allow the mortgage loan seller and its affiliates to obtain accounting "sale" treatment for the underlying mortgage loans sold by the mortgage loan seller to the depositor under applicable accounting standards;

9. to modify the procedures in the series 2011-K12 pooling and servicing agreement relating to Rule 17g-5 under the Securities Exchange Act of 1934, as amended (*provided*, that such modification does not materially increase the obligations of the trustee, the guarantor, the master servicer or the special servicer); and

10. with prior written notice to the Rating Agencies of any material amendment, to modify, alter, amend, add to or rescind any of the provisions contained in the series 2011-K12 pooling and servicing agreement to comply with any rules or regulations promulgated by the Securities and Exchange Commission from time to time.

No amendment described in clauses (2), (3), (7) or (8) may adversely affect in any material respect the interests of any certificateholder or any third party beneficiary to the series 2011-K12 pooling and servicing agreement or any provision of the series 2011-K12 pooling and servicing agreement, as evidenced by the receipt by the trustee 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 or, alternatively, in the case of the class B and X2 certificates, receipt of Rating Agency Confirmation.

In addition, the series 2011-K12 pooling and servicing agreement may be amended by the parties to the series 2011-K12 pooling and servicing agreement with the consent of the holders of not less than 51% of the series 2011-K12 voting rights that are materially affected by the amendment, to (a) add to, change or eliminate any of the provisions of the series 2011-K12 pooling and servicing agreement or (b) modify the rights of the holders of the series 2011-K12 certificates. However, no such amendment may:

1. reduce the amount of, or delay the timing of, payments received or advanced on the underlying mortgage loans and/or REO Properties which are required to be distributed on any series 2011-K12 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 series 2011-K12 certificates in a manner other than as described in clause (1) above, without the consent of the holders of all series 2011-K12 certificates of such class;

3. modify the amendment provisions of the series 2011-K12 pooling and servicing agreement or the definition of "Servicing Standard," without the consent of the holders of all series 2011-K12 certificates then outstanding;

4. modify the obligation of the guarantor to guarantee the Guaranteed Certificates;

5. significantly change the activities of the issuing entity, without the consent of holders of series 2011-K12 certificates entitled to not less than $66^{2}/_{3}$% of the series 2011-K12 voting rights (not taking into account series 2011-K12 certificates held by the depositor or any of its affiliates or agents or the guarantor); or

6. adversely affect in any material respect the interests of any third party beneficiary to the series 2011-K12 pooling and servicing agreement without the consent of such third party beneficiary.

The series 2011-K12 pooling and servicing 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 REMIC status of either Trust REMIC created under the terms of the series 2011-K12 pooling and servicing agreement.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

The following is a general discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the offered certificates. The discussion below does not purport to address all federal income tax consequences that may be applicable to particular categories of investors, some of which (such as banks, insurance companies and foreign investors) may be subject to special rules. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. This discussion reflects the applicable provisions of the Code, as well as regulations (the "REMIC Regulations") promulgated by the U.S. Department of the Treasury. Investors should consult their own tax advisors in determining the federal, state, local or any other tax consequences to them of the purchase, ownership and disposition of certificates.

The following summary is not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. The following summary is written and provided by the depositor in connection with the promotion or marketing of the transactions or matters addressed in this information circular by the depositor. Investors should seek advice based on their particular circumstances from an independent tax advisor.

Elections will be made to treat applicable portions of the issuing entity as two separate REMICs within the meaning of Code Section 860D (the "Lower-Tier REMIC" and the "Upper-Tier REMIC", and collectively, the "Trust REMICs"). The Lower-Tier REMIC will hold the underlying mortgage loans, the proceeds of the related underlying mortgage loans, the related portion of the collection account, the related portion of the distribution account, and the portion of any property that secured a related underlying mortgage loan that was acquired by foreclosure or deed-in-lieu of foreclosure, and will issue certain uncertificated classes of "regular interests" (the "Lower-Tier REMIC Regular Interests") as classes of "regular interests" in the Lower-Tier REMIC and the sole class of "residual interests" in the Lower-Tier REMIC, represented by the class R certificates. The Upper-Tier REMIC will hold the Lower-Tier REMIC Regular Interests and the related portion of the distribution account and will issue the offered certificates and the non-offered certificates other than the class R certificates (the "Regular Certificates") as "regular interests" in the Upper-Tier REMIC and the sole class of "residual interests" in the Upper-Tier REMIC, represented by the class R certificates. Qualification as a REMIC requires ongoing compliance with certain conditions. Assuming (i) the making of appropriate elections, (ii) compliance with the series 2011-K12 pooling and servicing agreement, and (iii) compliance with any changes in the law, including any amendments to the Code or applicable Treasury regulations thereunder, in the opinion of Cadwalader, Wickersham & Taft LLP, counsel to the depositor, each of the Trust REMICs will qualify as a REMIC on the Closing Date and thereafter.

References in this information circular to "REMIC" refer to either the Lower-Tier REMIC or the Upper-Tier REMIC, as appropriate. References to "Holder" or "Certificateholder" in this discussion are to the beneficial owner of a certificate as specified in this information circular.

Qualification as a REMIC

In order for each of the Trust REMICs to qualify as a REMIC, there must be ongoing compliance on the part of each REMIC with the requirements set forth in the Code. Each of the Trust REMICs must fulfill an asset test, which requires that no more than a *de minimis* portion of the assets of each REMIC, as of the close of the third calendar month beginning after the "Startup Day" (which for purposes of this discussion is the Closing Date) and at all times thereafter, may consist of assets other than "qualified mortgages" and "permitted investments." The REMIC Regulations provide a safe harbor pursuant to which the *de minimis* requirements will be met if at all times the aggregate adjusted basis of the nonqualified assets is less than 1% of the aggregate adjusted basis of all the REMIC's assets. Each REMIC also must provide "reasonable arrangements" to prevent its residual interests from being held by "disqualified organizations" or their agents and must furnish applicable tax information to transferors or agents that violate this requirement. The series 2011-K12 pooling and servicing agreement will provide that no legal or beneficial interest in the class R certificates may be transferred or registered unless certain conditions, designed to prevent violation of this requirement, are met.

A qualified mortgage is any obligation that is principally secured by interest in real property and that is either transferred to the REMIC on the Startup Day or is either purchased by the REMIC within a three-month period thereafter or represents an increase in the loan advanced to the obligor under its original terms, in either case, pursuant to a fixed price contract in effect on the Startup Day. Qualified mortgages include whole mortgage loans or participation interests in whole mortgage loans, such as the underlying mortgage loans, and regular interests in another REMIC, such as the Lower-Tier REMIC Regular Interests that are held by the Upper-Tier REMIC, *provided*, in general, (i) the fair market value of the real property security (including buildings and structural components of the buildings) is at least 80% of the principal balance of the related underlying mortgage loan either at origination or as of the Startup Day (a loan-to-value ratio of not more than 125% with respect to the real property security) or (ii) substantially all the proceeds of an underlying mortgage loan were used to acquire, improve or protect an interest in real property that, at the origination date, was the only security for the underlying mortgage loans. If an underlying mortgage loan was not in fact principally secured by real property or is otherwise not a qualified mortgage, it must be disposed of within 90 days of discovery of such defect, or otherwise ceases to be a qualified mortgage after such 90-day period.

Permitted investments include cash flow investments, qualified reserve assets and foreclosure property. A cash flow investment is an investment, earning a return in the nature of interest, of amounts received on or with respect to qualified mortgages for a temporary period, not exceeding 13 months, until the next scheduled distribution to Holders of interests in the REMIC. A qualified reserve asset includes any intangible property held for investment that is part of any reasonably required reserve maintained by the REMIC to provide for payments of expenses of the REMIC or amounts due on the regular or residual interests in the event of defaults (including delinquencies) on the qualified mortgages, lower than expected reinvestment returns, prepayment interest shortfalls and certain other contingencies. The Trust REMICs will not hold any reserve funds. Foreclosure property is real property acquired by a REMIC in connection with the default or imminent default of a qualified mortgage and maintained by the REMIC in compliance with applicable rules, *provided* the depositor had no knowledge or reason to know as of the Startup Day that such a default had occurred or would occur. Foreclosure property may generally not be held after the close of the third calendar year beginning after the date the REMIC acquires such property, with one extension that may be granted by the IRS.

In addition to the foregoing requirements, the various interests in a REMIC also must meet certain requirements. All of the interests in a REMIC must be either of the following: (i) one or more classes of regular interests or (ii) a single class of residual interests on which distributions, if any, are made *pro rata*. A regular interest is an interest in a REMIC that is issued on the Startup Day with fixed terms, is designated as a regular interest, and unconditionally entitles the Holder to receive a specified principal amount, and provides that interest payments, if any, at or before maturity either are payable based on a fixed rate or a qualified variable rate, or consist of a specified, nonvarying portion of the interest payments on the qualified mortgages. The rate on the specified portion may be a fixed rate, a variable rate, or the difference between one fixed or qualified variable rate and another fixed

or qualified variable rate. The specified principal amount of a regular interest that provides for interest payments consisting of a specified, nonvarying portion of interest payments on qualified mortgages may be zero. An interest in a REMIC may be treated as a regular interest even if payments of principal with respect to such interest are subordinated to payments on other regular interests or the residual interest in the REMIC, and are dependent on the absence of defaults or delinquencies on qualified mortgages or permitted investments, lower than reasonably expected returns on permitted investments, expenses incurred by REMIC or Prepayment Interest Shortfalls. A residual interest is an interest in a REMIC other than a regular interest that is issued on the Startup Day that is designated as a residual interest. Accordingly, the Regular Certificates will constitute classes of regular interests in the Upper-Tier REMIC; the Lower-Tier REMIC Regular Interests will constitute classes of regular interests in the Lower-Tier REMIC; and the class R certificates will represent the sole classes of residual interest in the Lower-Tier REMIC and the Upper-Tier REMIC, respectively.

If an entity fails to comply with one or more of the ongoing requirements of the Code for status as one or more REMICs during any taxable year, the Code provides that the entity or applicable portion of that entity will not be treated as a REMIC for such year and thereafter. In this event, any entity with debt obligations with two or more maturities, such as the issuing entity, may be treated as a separate association taxable as a corporation under Treasury regulations, and the certificates may be treated as equity interests in the issuing entity. The Code, however, authorizes the Treasury Department to issue regulations that address situations where failure to meet one or more of the requirements for REMIC status occurs inadvertently and in good faith. Investors should be aware, however, that the Conference Committee Report to the Tax Reform Act of 1986 (the "1986 Act") indicates that the relief may be accompanied by sanctions, such as the imposition of a corporate tax on all or a portion of the REMIC's income for the period of time in which the requirements for REMIC status are not satisfied.

Status of Regular Certificates

Regular Certificates held by a real estate investment trust will constitute "real estate assets" within the meaning of Code Section 856(c)(5)(B) and interest on the Regular Certificates will be considered "interest on obligations secured by mortgages on real property or on interests in real property" within the meaning of Code Section 856(c)(3)(B) in the same proportion that, for both purposes, the assets of the issuing entity would be so treated. For purposes of Code Section 856(c)(5)(B), payments of principal and interest on the underlying mortgage loans that are reinvested pending distribution to Holders of Regular Certificates qualify for such treatment. Regular Certificates held by a domestic building and loan association will be treated as "loans...secured by an interest in real property which is...residential real property" within the meaning of Code Section 7701(a)(19)(C)(v). For purposes of the foregoing tests, the Trust REMICs are treated as a single REMIC. If at all times 95% or more of the assets of the issuing entity qualify for each of the foregoing treatments, the Regular Certificates will qualify for the corresponding status in their entirety.

Taxation of Regular Certificates

General. In general, interest, original issue discount ("OID") and market discount on a Regular Certificate will be treated as ordinary income to a Certificateholder, and principal payments on a Regular Certificate will be treated as a return of capital to the extent of the Certificateholder's basis allocable to its Regular Certificate (other than accrued market discount, if any, not yet reported as income). Certificateholders must use the accrual method of accounting with regard to the Regular Certificates, regardless of the method of accounting otherwise used by such Certificateholders.

Original Issue Discount. Holders of Regular Certificates issued with OID generally must include OID in ordinary income for federal income tax purposes as it accrues in accordance with the constant yield method, which takes into account the compounding of interest, in advance of receipt of the cash attributable to such income. The following discussion is based in part on temporary and final Treasury regulations (the "OID Regulations") under Code Sections 1271 through 1273 and 1275 and in part on the provisions of the 1986 Act. Certificateholders should be aware, however, that the OID Regulations do not adequately address certain issues relevant to prepayable securities, such as the Regular Certificates. To the extent such issues are not addressed in the OID Regulations, it is anticipated that the trustee will apply the methodology described in the Conference Committee Report to the 1986 Act. No assurance can be provided that the IRS will not take a different position as to those matters not currently addressed by the OID Regulations. Moreover, the OID Regulations include an anti-abuse rule allowing the IRS to

apply or depart from the OID Regulations where necessary or appropriate to ensure a reasonable tax result in light of the applicable statutory provisions. A tax result will not be considered unreasonable under the anti-abuse rule in the absence of a substantial effect on the present value of a taxpayer's tax liability. Investors are advised to consult their own tax advisors as to the discussion in this information circular and the appropriate method for reporting interest and OID with respect to the Regular Certificates.

Each Regular Certificate will be treated as a single installment obligation for purposes of determining the OID includible in a Certificateholder's income. The total amount of OID on a Regular Certificate is the excess of the "stated redemption price at maturity" of the Regular Certificate over its "issue price." The issue price of a class of Regular Certificates is the first price at which a substantial amount of Regular Certificates of such class are sold to investors (excluding bond houses, brokers and underwriters). Although unclear under the OID Regulations, it is anticipated that the trustee will treat the issue price of a class of Regular Certificates as to which there is no substantial sale as of the Closing Date as the fair market value of such Class as of the Closing Date. The issue price of a class of Regular Certificates also includes the amount paid by an initial Certificateholder of such class for accrued interest that relates to a period prior to the Closing Date of such class of Regular Certificates. The stated redemption price at maturity of a Regular Certificate is the sum of all payments of the Regular Certificate other than any qualified stated interest payments. Under the OID Regulations, qualified stated interest generally means interest payable at a single fixed rate or a qualified variable rate, *provided* that such interest payments are unconditionally payable at intervals of one year or less during the entire term of the obligation. Because there is no penalty or default remedy in the case of nonpayment of interest with respect to a Regular Certificate, it is possible that no interest on any class of Regular Certificates will be treated as qualified stated interest. However, because the underlying mortgage loans provide for remedies in the event of default, it is anticipated, unless required otherwise by applicable Treasury regulations, that the trustee will treat all payments of stated interest on the class A-1 and A-2 certificates as qualified stated interest. Based on the foregoing, it is anticipated that the class A-1 and A-2 certificates will not be issued with OID.

It is anticipated that the trustee will treat the class X1 and X3 certificates as having no qualified stated interest. Accordingly, the class X1 and X3 certificates will be considered to be issued with OID in amounts equal to the excess of all distributions of interest expected to be received on such certificates over their issue price (including accrued interest). Any "negative" amounts of OID on such classes attributable to rapid prepayments with respect to the underlying mortgage loans will not be deductible currently. A Holder of the class X1 or X3 certificates may be entitled to a loss deduction to the extent it becomes certain that such Holder will not recover a portion of its basis in such Certificate, assuming no further prepayments. In the alternative, it is possible that rules similar to the "noncontingent bond method" of the contingent interest rules of the OID Regulations may be promulgated with respect to the class X1 or X3 certificates. Unless and until required otherwise by applicable authority, it is not anticipated that the contingent interest rules will apply.

Under a *de minimis* rule, OID on a Regular Certificate will be considered to be zero if such OID is less than 0.25% of the stated redemption price at maturity of the Regular Certificate multiplied by the weighted average maturity of the Regular Certificate. For this purpose, the weighted average maturity is computed as the sum of the amounts determined by multiplying the number of full years (*i.e.*, rounding down partial years) from the Closing Date until each distribution scheduled to be made by a fraction, the numerator of which is the amount of each distribution included in the stated redemption price at maturity of the Regular Certificate and the denominator of which is the stated redemption price at maturity of the Regular Certificate. The Conference Committee Report to the 1986 Act provides that the schedule of such distributions should be determined in accordance with the assumed rate of prepayment of the underlying mortgage loans, *i.e.*, no prepayments and no extensions (the "Prepayment Assumption"). Holders generally must report *de minimis* OID *pro rata* as principal payments are received, and such income will be capital gain if the Regular Certificate is held as a capital asset. However, under the OID Regulations, Certificateholders may elect to accrue all *de minimis* OID as well as market discount and premium under the constant yield method. Based on the foregoing, it is anticipated that the class A-2 certificates will be issued with *de minimis* OID. See "—Election to Treat All Interest Under the Constant Yield Method" below.

The holder of a Regular Certificate issued with OID generally must include in gross income for any taxable year the sum of the "daily portions," as defined below, of the OID on the Regular Certificate accrued during an accrual period for each day on which it holds the Regular Certificate, including the date of purchase but excluding the date of disposition. With respect to each such Regular Certificate, a calculation will be made of the OID that accrues

during each successive full accrual period that ends on the day prior to each Distribution Date with respect to the Regular Certificate. The OID accruing in a full accrual period will be the excess, if any, of (i) the sum of (a) the present value of all of the remaining distributions to be made on the Regular Certificate as of the end of that accrual period based on the Prepayment Assumption and (b) the distributions made on the Regular Certificate during the accrual period that are included in the Regular Certificate's stated redemption price at maturity, over (ii) the adjusted issue price of the Regular Certificate at the beginning of the accrual period. The present value of the remaining distributions referred to in the preceding sentence is calculated based on (i) the yield to maturity of the Regular Certificate as of the Startup Day and (ii) events (including actual prepayments) that have occurred prior to the end of the accrual period. For these purposes, the adjusted issue price of a Regular Certificate at the beginning of any accrual period equals the issue price of the Regular Certificate, increased by the aggregate amount of OID with respect to the Regular Certificate that accrued in all prior accrual periods and reduced by the amount of distributions included in the Regular Certificate's stated redemption price at maturity that were made on the Regular Certificate that were attributable to such prior periods. The OID accruing during any accrual period (as determined in this paragraph) will then be divided by the number of days in the period to determine the daily portion of OID for each day in the period. The OID allocable to the short first accrual period will be computed based on the exact method.

Under the method described above, the daily portions of OID required to be included as ordinary income by a Certificateholder generally will increase to take into account prepayments on the related Regular Certificate as a result of prepayments on the underlying mortgage loans. Due to the unique nature of interest-only REMIC Regular Certificates, the preceding sentence may not apply in the case of the class X1 or X3 certificates.

Acquisition Premium. A purchaser of a Regular Certificate at a price greater than its adjusted issue price and less than its remaining stated redemption price at maturity will be required to include in gross income the daily portions of the OID on the Regular Certificate reduced *pro rata* by a fraction, the numerator of which is the excess of its purchase price over such adjusted issue price and the denominator of which is the excess of the remaining stated redemption price at maturity over the adjusted issue price. Alternatively, such a purchaser may elect to treat all such acquisition premium under the constant yield method, as described below under the heading "—Election to Treat All Interest Under the Constant Yield Method" below.

Market Discount. A purchaser of a Regular Certificate also may be subject to the market discount rules of Code Sections 1276 through 1278. Under these Code sections and the principles applied by the OID Regulations in the context of OID, "market discount" is the amount by which the purchaser's original basis in the Regular Certificate (i) is exceeded by the remaining outstanding principal payments and non-qualified stated interest payments due on a Regular Certificate, or (ii) in the case of a Regular Certificate having OID, is exceeded by the adjusted issue price of such Regular Certificate at the time of purchase. Such purchaser generally will be required to recognize ordinary income to the extent of accrued market discount on such Regular Certificate as distributions includible in the stated redemption price at maturity of such Regular Certificate are received, in an amount not exceeding any such distribution. Such market discount would accrue in a manner to be provided in Treasury regulations and should take into account the Prepayment Assumption. The Conference Committee Report to the 1986 Act provides that until such regulations are issued, such market discount would accrue, at the election of the Holder, either (i) on the basis of a constant interest rate or (ii) in the ratio of interest accrued for the relevant period to the sum of the interest accrued for such period plus the remaining interest after the end of such period, or, in the case of classes issued with OID, in the ratio of OID accrued for the relevant period to the sum of the OID accrued for such period plus the remaining OID after the end of such period. Such purchaser also generally will be required to treat a portion of any gain on a sale or exchange of the Regular Certificate as ordinary income to the extent of the market discount accrued to the date of disposition under one of the foregoing methods, less any accrued market discount previously reported as ordinary income as partial distributions in reduction of the stated redemption price at maturity were received. Such purchaser will be required to defer deduction of a portion of the excess of the interest paid or accrued on indebtedness incurred to purchase or carry the Regular Certificate over the interest (including OID) distributable on such Regular Certificate. The deferred portion of such interest expense in any taxable year generally will not exceed the accrued market discount on the Regular Certificate for such year. Any such deferred interest expense is, in general, allowed as a deduction not later than the year in which the related market discount income is recognized or the Regular Certificate is disposed of. As an alternative to the inclusion of market discount in income on the foregoing basis, the Certificateholder may elect to include market discount in income currently as it accrues on all market discount instruments acquired by such Certificateholder in that taxable year or thereafter, in which case the

interest deferral rule will not apply. See "—Election to Treat All Interest Under the Constant Yield Method" below regarding an alternative manner in which such election may be deemed to be made.

Market discount with respect to a Regular Certificate will be considered to be zero if such market discount is less than 0.25% of the remaining stated redemption price at maturity of such Regular Certificate multiplied by the weighted average maturity of the Regular Certificate remaining after the date of purchase. For this purpose, the weighted average maturity is determined by multiplying the number of full years (*i.e.*, rounding down partial years) from the Closing Date until each distribution in reduction of stated redemption price at maturity is scheduled to be made by a fraction, the numerator of which is the amount of each such distribution included in the stated redemption price at maturity of the Regular Certificate and the denominator of which is the total stated redemption price at maturity of the Regular Certificate. It appears that *de minimis* market discount would be reported *pro rata* as principal payments are received. Treasury regulations implementing the market discount rules have not yet been issued, and investors should therefore consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect to any market discount. Investors should also consult Revenue Procedure 92-67 concerning the elections to include market discount in income currently and to accrue market discount on the basis of the constant yield method.

Premium. A Regular Certificate purchased upon initial issuance or in the secondary market at a cost greater than its remaining stated redemption price at maturity generally is considered to be purchased at a premium. If the Certificateholder holds such Regular Certificate as a "capital asset" within the meaning of Code Section 1221, the Certificateholder may elect under Code Section 171 to amortize such premium under the constant yield method. Final Treasury regulations under Code Section 171 do not, by their terms, apply to prepayable obligations such as the Regular Certificates. However, the Conference Committee Report to the 1986 Act indicates a Congressional intent that the same rules that will apply to the accrual of market discount on installment obligations will also apply to amortizing bond premium under Code Section 171 on installment obligations such as the Regular Certificates, although it is unclear whether the alternatives to the constant interest method described above under "—Market Discount" are available. Amortizable bond premium will be treated as an offset to interest income on a Regular Certificate rather than as a separate deduction item. See "—Election to Treat All Interest Under the Constant Yield Method" below regarding an alternative manner in which the Code Section 171 election may be deemed to be made. Based on the foregoing, it is anticipated that the class A-1 certificates will be issued at a premium. Because the stated redemption price at maturity of the class X1 and X3 certificates will include all anticipated distributions of interest on such class, it is unlikely that such classes could be purchased at a premium.

Election to Treat All Interest Under the Constant Yield Method. A Holder of a debt instrument such as a Regular Certificate may elect to treat all interest that accrues on the instrument using the constant yield method, with none of the interest being treated as qualified stated interest. For purposes of applying the constant yield method to a debt instrument subject to such an election, (i) "interest" includes stated interest, OID, *de minimis* OID, market discount and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium and (ii) the debt instrument is treated as if the instrument were issued on the Holder's acquisition date in the amount of the Holder's adjusted basis immediately after acquisition. A Holder generally may make such an election on an instrument-by-instrument basis or for a class or group of debt instruments. However, if the Holder makes such an election with respect to a debt instrument with amortizable bond premium or with market discount, the Holder is deemed to have made elections to amortize bond premium or to report market discount income currently as it accrues under the constant yield method, respectively, for all premium bonds held or market discount bonds acquired by the Holder in the same taxable year or thereafter. The election is made on the Holder's federal income tax return for the year in which the debt instrument is acquired and is at irrevocable except with the approval of the IRS. Investors should consult their own at tax advisors regarding the advisability of making such an election.

Treatment of Losses. Holders of the Regular Certificates will be required to report income with respect to them on the accrual method of accounting, without giving effect to delays or reductions in distributions attributable to a default or delinquency on the underlying mortgage loan, except to the extent it can be established that such losses are uncollectible. Accordingly, the Holder of a Regular Certificate may have income, or may incur a diminution in cash flow as a result of a default or delinquency, but may not be able to take a deduction (subject to the discussion below) for the corresponding loss until a subsequent taxable year. In this regard, investors are cautioned that while they generally may cease to accrue interest income if it reasonably appears that the interest will be uncollectible, the IRS may take the position that OID must continue to be accrued in spite of its uncollectibility until the debt

instrument is disposed of in a taxable transaction or becomes worthless in accordance with the rules of Code Section 166. Under Code Section 166, Certificateholders that are corporations or that otherwise hold the Regular Certificates in connection with a trade or business should in general be allowed to deduct as an ordinary loss any such loss sustained during the taxable year on account of any such Regular Certificates becoming wholly or partially worthless, and, in general, Certificateholders that are not corporations and do not hold the Regular Certificates in connection with a trade or business will be allowed to deduct as a short-term capital loss any loss with respect to principal sustained during the taxable year on account of a portion of any class of such Regular Certificates becoming wholly worthless. Although the matter is not free from doubt, such non-corporate Certificateholders should be allowed a bad debt deduction at such time as the principal balance of any class of such Regular Certificates is reduced to reflect losses resulting from liquidation of the related underlying mortgage loan. The IRS could also assert that losses on a class of Regular Certificates are deductible based on some other method, such as reducing future cash flow for purposes of computing OID. This may have the effect of creating "negative" OID which, with the possible exception of the method discussed in the following sentence, would be deductible only against future positive OID or otherwise upon termination of the applicable class. Although not free from doubt, a Certificateholder with negative OID may be entitled to deduct a loss to the extent that its remaining basis would exceed the maximum amount of future payments to which such Holder was entitled, assuming no further prepayments. Certificateholders are urged to consult their own tax advisors regarding the appropriate timing, amount and character of any loss sustained with respect to such Regular Certificates. Losses attributable to interest previously reported as income should be deductible as ordinary losses by both corporate and non-corporate Holders. Special loss rules are applicable to banks and thrift institutions, including rules regarding reserves for bad debts. Such taxpayers are advised to consult their tax advisors regarding the treatment of losses on the Regular Certificates.

Sale or Exchange of Regular Certificates. If a Certificateholder sells or exchanges a Regular Certificate, the Certificateholder will recognize gain or loss equal to the difference, if any, between the amount received and its adjusted basis in the Regular Certificate. The adjusted basis of a Regular Certificate generally will equal the cost of the Regular Certificate to the seller, increased by any OID or market discount previously included in the seller's gross income with respect to the Regular Certificate and reduced by amounts included in the stated redemption price at maturity of the Regular Certificate that were previously received by the seller, by any amortized premium, and by any deductible losses on such Regular Certificate.

Except as described above with respect to market discount, and except as provided in this paragraph, any gain or loss on the sale or exchange of a Regular Certificate realized by an investor who holds the Regular Certificate as a capital asset will be capital gain or loss and will be long-term or short-term depending on whether the Regular Certificate has been held for the long-term capital gain holding period (currently more than one year). Such gain will be treated as ordinary income (i) if the Regular Certificate is held as part of a "conversion transaction" as defined in Code Section 1258(c), up to the amount of interest that would have accrued on the Certificateholder's net investment in the conversion transaction at 120% of the appropriate applicable Federal rate under Code Section 1274(d) in effect at the time the taxpayer entered into the transaction minus any amount previously treated as ordinary income with respect to any prior disposition of property that was held as part of such transaction, (ii) in the case of a noncorporate taxpayer, to the extent such taxpayer has made an election under Code Section 163(d)(4) to have net capital gains taxed as investment income at ordinary income rates, or (iii) to the extent that such gain does not exceed the excess, if any, of (a) the amount that would have been includible in the gross income of the Holder if his yield on such Regular Certificate were 110% of the applicable federal rate as of the date of purchase, over (b) the amount of income actually includible in the gross income of such Holder with respect to the Regular Certificate. In addition, gain or loss recognized from the sale of a Regular Certificate by certain banks or thrift institutions will be treated as ordinary income or loss pursuant to Code Section 582(c). Long-term capital gains of individuals are taxed at a lower rate than ordinary income and short-term capital gains. Tax rates of corporations are the same for capital gains and ordinary income, but their capital losses may be offset only against capital gains.

Taxation of Static Prepayment Premiums and Yield Maintenance Charges

A portion of certain Static Prepayment Premiums and Yield Maintenance Charges actually collected on the underlying mortgage loans will be paid to the offered certificates as and to the extent described in this information circular. It is not entirely clear under the Internal Revenue Code when the amount of Static Prepayment Premiums or Yield Maintenance Charges should be taxed to the holder entitled to that amount. For federal income tax reporting purposes, the trustee will report the applicable Static Prepayment Premiums or Yield Maintenance Charges

as income to the holders of the offered certificates entitled to such amounts only after the master servicer's actual receipt of those amounts. The IRS may nevertheless seek to require that an assumed amount of such Static Prepayment Premiums or Yield Maintenance Charges be included in payments projected to be made on the offered certificates and that the taxable income be reported based on a projected constant yield to maturity. Therefore, the projected Static Prepayment Premiums or Yield Maintenance Charges would be included prior to their actual receipt by holders of the offered certificates. If the projected Static Prepayment Premiums or Yield Maintenance Charges were not actually received, presumably the holder of an offered certificate would be allowed to claim a deduction or reduction in gross income at the time the unpaid Static Prepayment Premiums or Yield Maintenance Charges had been projected to be received. Moreover, it appears that Static Prepayment Premiums and Yield Maintenance Charges are to be treated as ordinary income rather than capital gain. However, the correct characterization of the income is not entirely clear. We recommend that holders of offered certificates consult their own tax advisors concerning the treatment of Static Prepayment Premiums and Yield Maintenance Charges.

Taxes That May Be Imposed on a REMIC

Prohibited Transactions. Income from certain transactions by a REMIC, called "prohibited transactions," will not be part of the calculation of income or loss includible in the federal income tax, but rather will be taxed directly to the REMIC at a 100% rate. Prohibited transactions generally include (i) the disposition of a qualified mortgage other than for (a) substitution within two years of the Startup Day for a defective (including a defaulted) obligation (or repurchase in lieu of substitution of a defective (including a defaulted) obligation at any time) or for any qualified mortgage within three months of the Startup Day, (b) foreclosure, default, or imminent default of a qualified mortgage, (c) bankruptcy or insolvency of the REMIC, or (d) a qualified (complete) liquidation, (ii) the receipt of income from assets that are not the type of mortgages or investments that the REMIC is permitted to hold, (iii) the receipt of compensation for services, or (iv) the receipt of gain from disposition of cash flow investments other than pursuant to a qualified liquidation. Notwithstanding (i) and (iv), it is not a prohibited transaction to sell REMIC property to prevent a default on regular interests as a result of a default on qualified mortgages or to facilitate a qualified liquidation or a clean-up call. The REMIC Regulations indicate that the modification of a mortgage loan generally will not be treated as a disposition if it is occasioned by a default or reasonably foreseeable default, an assumption of a mortgage loan, or the waiver of a due-on-sale or due-on encumbrance clause. It is not anticipated that either of the Trust REMICs will engage in any prohibited transactions.

Contributions to a REMIC After the Startup Day. In general, a REMIC will be subject to a tax at a 100% rate on the value of any property contributed to the REMIC after the Startup Day. Exceptions are provided for cash contributions to the REMIC (i) during the three months following the Startup Day, (ii) made to a qualified reserve fund by a holder of a residual interest, (iii) in the nature of a guarantee, (iv) made to facilitate a qualified liquidation or clean-up call, and (v) as otherwise permitted in Treasury regulations yet to be issued. It is not anticipated that there will be any taxable contributions to either of the Trust REMICs.

Net Income from Foreclosure Property. The Lower-Tier REMIC will be subject to federal income tax at the highest corporate rate on "net income from foreclosure property," determined by reference to the rules applicable to real estate investment trusts. Generally, property acquired by foreclosure or deed-in-lieu of foreclosure would be treated as "foreclosure property" until the close of the third calendar year beginning after the Lower-Tier REMIC's acquisition of a mortgaged real property, with a possible extension. Net income from foreclosure property generally means gain from the sale of a foreclosure property that is inventory property and gross income from foreclosure property other than qualifying rents and other qualifying income for a real estate investment trust.

In order for a mortgaged real property to qualify as foreclosure property, any operation of the mortgaged real property by the Lower-Tier REMIC generally must be conducted through an independent contractor. Further, such operation, even if conducted through an independent contractor, may give rise to "net any income from foreclosure property," taxable at the highest corporate rate. Payment of such tax by the Lower-Tier REMIC would reduce amounts available for distribution to Certificateholders.

The special servicer is required to determine generally that the operation of foreclosure property in a manner that would subject the Lower-Tier REMIC to such tax would be expected to result in higher after-tax proceeds then an alternative method of operating such property that would not subject the Lower-Tier REMIC to such tax.

Taxation of Certain Foreign Investors

General. Interest, including OID, distributable to beneficial owners of Regular Certificates who are nonresident aliens, foreign corporations, or other non-U.S. Persons (*i.e.*, any person who is not a "U.S. Person," as defined in the next paragraph), will be considered "portfolio interest" and, therefore, generally will not be subject to 30% United States withholding tax, *provided* that such non-U.S. Person (i) is not a "10-percent shareholder" within the meaning of Code Section 871(h)(3)(B), or a controlled foreign corporation described in Code Section 881(c)(3)(C) related to, a REMIC (or possibly one or more borrowers) and (ii) provides the trustee, or the person who would otherwise be required to withhold tax from such distributions under Code Section 1441 or 1442, with an appropriate statement, signed under penalties of perjury, identifying the beneficial owner and stating, among other things, that the beneficial owner of the Regular Certificate is a non-U.S. Person. The appropriate documentation includes IRS Form W-8BEN, if the non-U.S. Person is a corporation or individual eligible for the benefits of the portfolio interest exemption or an exemption based on a treaty; IRS Form W-8ECI if the non-U.S. Person is eligible for an exemption on the basis of its income from the Regular Certificate being effectively connected to a United States trade or business; IRS Form W-8BEN or IRS Form W-8IMY if the non-U.S. Person is a trust, depending on whether such trust is classified as the beneficial owner of the Regular Certificate; and IRS Form W-8IMY, with supporting documentation as is specified in the Treasury Regulations, required to substantiate exemptions from withholding on behalf of its partners, if the non-U.S. Person is a partnership. An intermediary (other than a partnership) must provide IRS Form W-8IMY, revealing all required information, including its name, address, taxpayer identification number, the country under the laws of which it is created, and certification that it is not acting for its own account. A "qualified intermediary" must certify that it has provided, or will provide, a withholding statement as required under Treasury Regulations Section 1.1441-1(e)(5)(v), but need not disclose the identity of its account holders on its IRS Form W-8IMY, and may certify its account holders' status without including each beneficial owner's certification. A "non-qualified intermediary" must additionally certify that it has provided, or will provide, a withholding statement that is associated with the appropriate IRS Forms W-8 and W-9 required to substantiate exemptions from withholding on behalf of its beneficial owners. The term "intermediary" means a person acting as a custodian, a broker, nominee or otherwise as an agent for the beneficial owner of a Regular Certificate. A "qualified intermediary" is generally a foreign financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the IRS.

If such statement, or any other required statement, is not provided, 30% withholding will apply unless interest on the Regular Certificate is effectively connected with the conduct of a trade or business within the United States by such non-U.S. Person. In that case, such non-U.S. Person will be subject to United States federal income tax at regular rates. The term "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 are eligible to elect to be treated as U.S. Persons).

Backup Withholding

Distributions made on the Regular Certificates, and proceeds from the sale of the Regular Certificates to or through certain brokers may be subject to a "backup" withholding tax under Code Section 3406 at the current rate of 28% (under current law, increasing to 31% after 2012) on "reportable payments" (including interest distributions, OID, and, under certain circumstances, principal distributions) unless the Certificateholder is a U.S. Person and provides IRS Form W-9 with the correct taxpayer identification number; is a non-U.S. Person and provides IRS Form W-8BEN identifying the non-U.S. Person and stating that the beneficial owner is not a U.S. Person; or can be treated as an exempt recipient within the meaning of Treasury Regulations Section 1.6049-4(c)(1)(ii). Any amounts withheld from distribution on the Regular Certificates would be refunded by the IRS or allowed as a credit against the Certificateholder's federal income tax liability. Information reporting requirements may also apply regardless of whether withholding is required. Investors are urged to contact their own tax advisors regarding the application to them of backup withholding and information reporting.

Reporting and Administrative Requirements

Reports of accrued interest, OID, if any, and information necessary to compute the accrual of any market discount on the Regular Certificates will be made annually to the IRS and to individuals, estates, non-exempt and non-charitable trusts, and partnerships who are either Holders of record of Regular Certificates or beneficial owners who own Regular Certificates through a broker or middleman as nominee. All brokers, nominees and all other non-exempt Holders of record of Regular Certificates (including corporations, non-calendar year taxpayers, securities or commodities dealers, real estate investment trusts, investment companies, common trust funds, thrift institutions and charitable trusts) may request such information for any calendar quarter by telephone or in writing by contacting the person designated in IRS Publication 938 with respect to the related REMIC. Holders through nominees must request such information from the nominee.

Treasury regulations require that information be furnished annually to Holders of Regular Certificates and filed annually with the IRS concerning the percentage of each Trust REMIC's assets meeting the qualified asset tests described above under "—Status of Regular 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.

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 underlying mortgage loans.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of a certificate purchase agreement, we have agreed to sell to Freddie Mac the offered certificates and Freddie Mac has agreed to purchase the offered certificates from us. Freddie Mac intends to include the offered certificates in pass-through pools that it will form for its Series K-012 SPCs.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Cadwalader, Wickersham & Taft LLP, New York, New York. Cadwalader, Wickersham & Taft LLP also regularly provides legal representation to Freddie Mac.

RATINGS

It is a condition to the issuance of the series 2011-K12 certificates that the class A-1, A-2, X1, X2 and B certificates (referred to in this information circular as the "rated certificates") receive the following credit ratings from the Rating Agencies.

Class of Certificates	Ratings (Moody's*/Realpoint)
Class A-1	Aaa(sf)** / AAA**
Class A-2	Aaa(sf)** / AAA**
Class X1	Aaa(sf)** / AAA**
Class X2	Aaa(sf) / AAA
Class B	A3(sf) / A+

* Moody's has informed us that the "sf" designation in the ratings represents an identifier of structured finance product ratings and was implemented by Moody's for ratings of structured finance products as of August 2010. For additional information about this identifier, prospective investors can go to www.moodys.com.

** With respect to the class A-1, A-2 and X1 certificates, the Rating Agencies' ratings will be determined only as of the date of issuance of such certificates and at no other time. The ratings assigned to the class A-1, A-2 and X1 certificates will not be subject to on-going monitoring, upgrades, downgrades, withdrawals, surveillance or any further assessment by the Rating Agencies after the date of issuance of such certificates.

The ratings address the likelihood of the timely receipt of distributions of interest to which the holders of the rated certificates are entitled by such holders and, with respect to the classes of rated certificates entitled to principal distributions, the ultimate distribution of principal by the rated final distribution date, which is the distribution date occurring in January 2046. The ratings of the rated certificates should be evaluated independently from similar ratings on other types of securities. The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies.

In addition, these ratings do not address: (i) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and its impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (ii) the possibility that a certificateholder might suffer a lower than anticipated yield, (iii) the likelihood of receipt of prepayment charges, assumption fees, prepayment premiums, yield maintenance charges, prepayment fees or penalties, default interest or post-anticipated repayment date additional interest, (iv) the likelihood of experiencing prepayment interest shortfalls, an assessment of whether or to what extent the interest payable on any class of rated certificates may be reduced in connection with any prepayment interest shortfalls, or of receiving compensating interest payments, (v) the tax treatment of the rated certificates or effect of taxes on the payments received, (vi) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or the likelihood or willingness of any party or court to enforce, or hold enforceable, the documents in whole or in part, (vii) an assessment of the yield to maturity that investors may experience, (viii) the likelihood, timing or receipt of any payments of interest to the holders of the rated certificates resulting from an increase in the interest rate on any underlying mortgage loan in connection with a mortgage loan modification, waiver or amendment or (ix) other non-credit risks, including, without limitation, market risks or liquidity.

The ratings take into consideration certain credit risks and the extent to which the payment stream of the collateral is adequate to make payments required under the rated certificates. However as noted above, the ratings do not represent an assessment of the likelihood, timing or frequency of principal prepayments (both voluntary and involuntary) by mortgagors, or the degree to which such prepayments might differ from those originally anticipated. In general, the ratings address credit risk and not prepayment risk. In addition, the ratings do not represent an assessment of the yield to maturity that investors may experience or the possibility that the certificateholders of the class X1 or X2 certificates might not fully recover their initial investment in the event of delinquencies or defaults or rapid prepayments on the mortgage assets (including both voluntary and involuntary prepayments) or the application of any realized losses. In the event that holders of class X1 or X2 certificates do not fully recover their investment as

a result of rapid principal prepayments on the underlying mortgage loans, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings assigned to such certificates.

As indicated in this information circular, the class X1 and X2 certificates are interest-only certificates. If the underlying mortgage loans were to prepay in the initial month following the Closing Date, with the result that the holders of the class X1 or X2 certificates receive only a single month's interest and therefore, suffer a nearly complete loss of their investment, all amounts "due" to such holders will nevertheless have been paid, and such result is consistent with the ratings received on the class X1 and X2 certificates. The notional amounts of the class X1 and X2 certificates on which interest is calculated will be reduced by the allocation of realized losses and prepayments, whether voluntary or involuntary, to the classes of series 2011-K12 principal balance certificates from which their respective notional amounts are derived. The ratings do not address the timing or magnitude of reductions of such notional amount, but only the obligation to pay interest timely on the notional amount as so reduced from time to time. Therefore, the ratings of the class X1 and X2 certificates should be evaluated independently from similar ratings on other types of securities.

While Realpoint may issue ratings solely on asset-backed securities, Realpoint does not (i) issue short-term ratings, or (ii) rate, assess or review corporate entities, credit support providers, seller(s), guarantors, servicers, trustees, certain accounts or investments, insurers, liquidity providers, hedge providers or other similar entities or items. Therefore, Realpoint's ratings and analysis do not take into consideration such characteristics of the transaction referenced in clauses (i) and (ii) of the preceding sentence. In addition, Realpoint's ratings and analysis do not take into consideration (a) the Freddie Mac Guarantee, (b) any amounts (including any interest that accrues on such amounts) payable or reimbursable under the Freddie Mac Guarantee and/or (c) whether any certificateholder will receive any payments under the Freddie Mac Guarantee or whether such guarantee will exist. In addition, Realpoint's ratings and analysis do not take into consideration (I) any potential or actual risk of repudiation, receivership or other ramifications related to FDIC administration and/or enforcement of FDIC rights and remedies with respect to any entity involved in the transaction including a bank or subsidiary of a bank or (II) any FHFA administration and/or enforcement of FHFA rights and remedies with respect to any entity involved in the transaction. In addition, Realpoint's ratings do not take into consideration an assessment of the arranger(s), originator(s) and/or prior holder(s) of the underlying mortgage loans. Additionally, for the avoidance of doubt, Realpoint does not rate obligors, managers or issuers. Further, the ratings do not assess whether any exchange of certificates by the Sole Certificateholder may occur or any delays or disruptions in payment due to such exchange.

Other NRSROs that we have not engaged to rate the certificates may issue unsolicited credit ratings on one or more classes of certificates relying on information they receive pursuant to Rule 17g-5 under the Securities Exchange Act of 1934, as amended. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from those ratings assigned by the Rating Agencies. Furthermore, the Securities and Exchange Commission may determine that Moody's or Realpoint no longer qualifies as an NRSRO for purposes of the federal securities laws and that determination may have an adverse effect on the market price of the certificates.

The class C and X3 certificates will not be rated by the Rating Agencies.

GLOSSARY

The following capitalized terms will have the respective meanings assigned to them in this "Glossary" section whenever they are used in this information circular, including in any of the exhibits to this information circular or on the accompanying CD-ROM.

"0.0%/y" means, with respect to any of the underlying mortgage loans, a duration of y payments for the open period during which the loan is freely payable.

"30/360 Basis" means the accrual of interest based on a 360-day year consisting of twelve 30-day months.

"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.

"Additional Issuing Entity Expense" means an expense (other than, master servicing fees, sub-servicing fees and trustee fees) of the issuing entity that—

- arises out of a default on an underlying mortgage loan or an otherwise unanticipated event;
- is not covered by a Servicing Advance or a corresponding collection from the related borrower; and
- to the extent that it is allocable to a particular underlying mortgage loan, is not covered by late payment charges or Default Interest collected on that mortgage loan.

We provide some examples of Additional Issuing Entity Expenses under "Description of the Series 2011-K12 Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" in this information circular.

"Aggregate Annual Cap" means the Depositor Aggregate Annual Cap, the Trustee/Custodian Aggregate Annual Cap, the Master Servicer Aggregate Annual Cap and/or the Special Servicer Aggregate Annual Cap, as applicable.

"Aggregate Annual Cap Termination Date" means the earlier to occur of (i) the determination date in April 2020 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), debt service 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 mortgage loan as to which any Appraisal Reduction Event has occurred, subject to the discussion under "The Series 2011-K12 Pooling and Servicing Agreement—Required Appraisals" in this information circular, an amount equal to the excess, if any, of (1) the Stated Principal Balance of the subject mortgage loan over (2) the excess, if any, of (a) the sum of (i) 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 mortgage loan with an outstanding principal balance equal to or in excess of $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 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 upon the special servicer's review of such appraisal, internal valuation or such other information as the special servicer deems relevant, plus (ii) any letter of credit, reserve, escrow or similar amount held by the master servicer which may be applied to payments on the subject mortgage loan over (b) the sum of (i) to the extent not previously advanced by the master servicer or the trustee, all unpaid interest on the subject mortgage loan at a per annum rate equal to its mortgage interest rate, (ii) all unreimbursed advances in respect of the subject mortgage loan and interest on such amounts at

the Prime Rate and (iii) 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 subject 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 mortgage loan in the issuing entity, the earliest of any of the following events—

- 120 days after an uncured delinquency (without regard to the application of any grace period) occurs in respect of a mortgage loan;
- the date on which a reduction in the amount of monthly payments on a mortgage loan, or a change in any other material economic term of the mortgage loan (other than an extension of its maturity for a period of six months or less), becomes effective as a result of a modification of such mortgage loan by the special servicer;
- 60 days after a receiver has been appointed for the related borrower or immediately after a receiver has been appointed for the related mortgaged real property;
- 30 days after a borrower declares bankruptcy;
- 60 days after the borrower becomes the subject of an undischarged and unstayed decree or order for a bankruptcy proceeding; and
- 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 certificate balances of the class B and C certificates have been reduced to zero.

"Appraised Value" means for any mortgaged real property securing an underlying mortgage loan in the issuing entity, the "as is" value estimate reflected in the most recent appraisal obtained by or otherwise in the possession of the mortgage loan seller.

In general, the amount of costs assumed by the appraiser for these purposes is based on—

- an estimate by the individual appraiser;
- an estimate by the related borrower;
- the estimate set forth in the property condition assessment conducted in connection with the origination of the related mortgage loan; or
- a combination of these estimates.

"Asset Status Report" means the report designated as such and described under, "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular.

"Assumed Final Distribution Date" means, with respect to any class of Guaranteed Certificates, the date set forth for such class on the cover of this information circular.

"Available Distribution Amount" means, with respect to any distribution date, amounts on deposit in the distribution account available to make distributions on the series 2011-K12 certificates on that date, generally equal to (a) the sum of (i) the aggregate amount received on or with respect to the underlying mortgage loans and any related REO Properties on or prior to the related determination date, (ii) 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, (iii) the aggregate amount of any

P&I Advances, which P&I Advances will not include any master servicing fees and sub-servicing fees, made by the master servicer and/or the trustee, as applicable, for such distribution date, (iv) all funds released from the interest reserve account for distribution on such distribution date, (v) any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period, and (vi) 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 series 2011-K12 certificateholders on such distribution date), minus (b)(i) all collected monthly payments due after the end of the related Collection Period, (ii) all amounts payable or reimbursable from the collection account and the distribution account pursuant to the terms of the series 2011-K12 pooling and servicing agreement for the payment of certain expenses, fees and indemnities, (iii) all Yield Maintenance Charges and Static Prepayment Premiums, (iv) all amounts deposited in the collection account in error, (v) any net interest or net investment income on funds in the collection account, any REO account or Permitted Investments, (vi) any withheld amounts deposited in the interest reserve account held for future distribution, and (vii) excess liquidation proceeds.

The trustee will apply the Available Distribution Amount as described under "Description of the Series 2011-K12 Certificates—Distributions" in this information circular to pay principal and accrued interest on the series 2011-K12 certificates on that date.

"Balloon Guarantor Payment" means, with respect to any Distribution Date and any class of Guaranteed Principal Balance Certificates, the amount of additional principal that would have been distributed to such class of Guaranteed Principal Balance Certificates if the Principal Distribution Amount had been increased by an amount equal to the aggregate amount of the Stated Principal Balance of each mortgage loan that reached its maturity date (without giving effect to any modifications or extensions granted by the master servicer or the special servicer after the Closing Date) during the related Collection Period (and with respect to which no final recovery determination has been made prior to its maturity date) but as to which the related borrower failed to pay the entire outstanding principal balance of the mortgage loan, including the balloon payment by the end of such Collection Period; such aggregate amount not to exceed the aggregate outstanding principal balance of the Guaranteed Principal Balance Certificates, as reduced by the Principal Distribution Amount to be applied in reduction of the outstanding principal balance of any class of Guaranteed Principal Balance Certificates on such Distribution Date.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Citibank" means Citibank, N.A., a national banking association, and its successors in interest.

"Class X1 Strip Rates" means, for the purposes of calculating the pass-through rate of the class X1 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X1 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class A-1 certificates and the other component will be comprised of the total principal balance of the class A-2 certificates. For purposes of calculating the pass-through rate of the class X1 certificates for each interest accrual period, the applicable Class X1 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate and minus the Guarantee Fee Rate, over (ii) the pass-through rate in effect during such interest accrual period for the class A-1 or A-2 certificates, as applicable (*provided*, that in no event may any Class X1 Strip Rate be less than zero).

"Class X2 Strip Rate" means a per annum rate equal to 0.100%.

"Class X3 Strip Rates" means, for the purposes of calculating the pass-through rate of the class X3 certificates, interest rates at which interest accrues from time to time on the two components of the total notional amount of the class X3 certificates outstanding immediately prior to the related distribution date. One component will be comprised of the total principal balance of the class B certificates and the other component will be comprised of the total principal balance of the class C certificates. For purposes of calculating the pass-through rate of the class X3 certificates for each interest accrual period, the applicable Class X3 Strip Rate with respect to each such component for each such interest accrual period will equal the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for the related distribution date minus the Class X2 Strip Rate, over (ii)(a) with respect to the component related to the class B certificates, the pass-through rate in effect during such interest accrual period for

the class B certificates and (b) with respect to the component related to the class C certificates, 0.000% (*provided*, that in no event may any Class X3 Strip Rate be less than zero).

"Class Final Guarantor Payment" means any payment made by the guarantor in respect of clause 4 of the definition of Deficiency Amount.

"Closing Date" means the date of initial issuance for the series 2011-K12 certificates, which will be on or about April 27, 2011.

"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 series 2011-K12 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 series 2011-K12 certificates, the period commencing from the issue date of the series 2011-K12 certificates and ending on and including the determination date in May 2011.

"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 series 2011-K12 pooling and servicing agreement, for three consecutive monthly payments 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.

"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 prepayment 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 information circular.

"Creekview and Pear Ridge Crossed Portfolio" means the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Creekview Apartments" and "Pear Ridge Apartments."

"CREFC" means the Commercial Real Estate Finance Council, an international trade organization for the commercial real estate capital markets.

"Cut-off Date" means, with respect to each underlying mortgage loan, the applicable due date in April 2011 (which will be April 1, 2011, subject, in some cases, to a next succeeding business day convention). April 1, 2011 is considered the Cut-off Date for the issuing entity.

"Cut-off Date Balance/Unit" means:

- with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in the next bullet, the ratio of—

    1. the Cut-off Date Principal Balance of the subject mortgage loan, to

    2. the Total Units at the related mortgaged real property; and

- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple real properties, the ratio of—

1. the aggregate Cut-off Date Principal Balance of the mortgage loan and all other mortgage loans with which it is cross-collateralized, to

2. 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, the ratio of—

  1. the Cut-off Date Principal Balance of the subject mortgage loan, to

  2. the most recent Appraised Value of the related mortgaged real property; and

- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple real properties, the ratio of—

  1. the aggregate Cut-off Date Principal Balance of the mortgage loan and all other mortgage loans with which it is cross-collateralized, to

  2. the sum of the most recent Appraised Values of all related mortgaged real properties.

"Cut-off Date Principal Balance" or "Cut-off Date Loan Amount" means, with respect to any underlying mortgage loan, the outstanding principal balance of such mortgage loan as of the Cut-off Date.

"Default Interest" means any interest that—

- accrues on a defaulted underlying mortgage loan solely by reason of the subject default; and

- is in excess of all interest at the regular mortgage interest rate for the subject mortgage loan.

"Defaulted Loan" means any underlying mortgage loan that is at least 60 days delinquent in respect of its monthly payments or delinquent in respect of its balloon payment, if any, in each case without giving effect to any grace period permitted by the related mortgage or mortgage note or if any non-monetary event of default occurs that results in the mortgage loan becoming a specially serviced mortgage loan.

"Deficiency Amount" means with respect to any Distribution Date and any class of Guaranteed Certificates, the sum of:

1. the amount, if any, by which the interest payable on such class of Guaranteed Certificates exceeds the amount of interest actually distributed to the holders of such Guaranteed Certificates on such Distribution Date;

2. any Balloon Guarantor Payment for such class of Guaranteed Certificates;

3. the amount, if any, of Realized Losses and Additional Issuing Entity Expenses allocated to such class of Guaranteed Principal Balance Certificates; and

4. on the Assumed Final Distribution Date for any class of Guaranteed Principal Balance Certificates, the class 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.

"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:

- the "historical annual operating expenses" for that property normally consist of historical expenses that were generally obtained/estimated—

    1. from operating statements relating to a complete fiscal year of the borrower for the prior three calendar years or a trailing 12-month period ended in one such year,

    2. 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,

    3. 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

    4. if the property was recently constructed, by calculating an estimate of operating expenses based upon the appraisal of the property or market data; and

- the "expense modifications" made to the historical annual operating expenses for that property often include—

    1. 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,

    2. adjusting historical expense items upwards or downwards to reflect inflation and/or industry norms for the particular type of property,

    3. the underwritten recurring replacement reserve amounts,

    4. 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 to this information circular. The underwritten recurring replacement reserve amounts shown on Exhibit A-1 to this information circular are expressed as dollars per unit.

By way of example, Estimated Annual Operating Expenses generally include—

- salaries and wages;

- the costs or fees of—

    1. utilities,

    2. repairs and maintenance,

    3. replacement reserves,

    4. marketing,

    5. insurance,

    6. management,

7. landscaping,

8. security, if provided at the property, and

- 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 information circular. 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 depositor, the mortgage loan sellers, the master servicer, the special servicer 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 mortgage loan seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller 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:

- the "base estimated annual revenues" for that property were generally assumed to equal the annualized amounts of gross potential rents; and

- the "revenue modifications" made to the base estimated annual revenues for that property often include—

1. 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,

2. adjusting the revenues upwards to reflect, in the case of some tenants, increases in base rents scheduled to occur during the following 12 months,

3. 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

4. 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 information circular. 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 depositor, the mortgage loan seller, the master servicer, the

special servicer 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 mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Revenues.

"Excess Servicing Strip" means a portion of the master servicing fee payable to Midland that accrues at a *per annum* rate initially equal to the master servicing fee rate minus 0.005% (0.5 basis point), but which may be reduced following any resignation of the master servicer (if no successor master servicer is appointed) or any termination of the master servicer due to an event of default of the master servicer described in "The Series 2011-K12 Pooling and Servicing Agreement—Events of Default" in this information circular, to the extent reasonably necessary (as determined by the trustee) for the trustee to appoint a qualified successor master servicer (which successor may include the trustee) that meets the requirements described in "The Series 2011-K12 Pooling and Servicing Agreement—Rights Upon Event of Default" in this information circular and who requires market rate master servicing compensation (exclusive of any related primary servicing fee payable to Midland in its capacity as primary servicer) that accrues at a per annum rate in excess of 0.005% (0.5 basis point) for the master servicer.

"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 series 2011-K12 pooling and servicing agreement, is the fair value of a Defaulted Loan.

"Fannie Mae" means the Federal National Mortgage Association.

"FDIC" means Federal Deposit Insurance Corporation.

"FHFA" means the Federal Housing Finance Agency.

"Fitch" means Fitch, Inc., or its successor in interest.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation.

"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 Series 2011-K12 Certificates—Distributions—Freddie Mac Guarantee" in this information circular.

"GAAP" means generally accepted accounting principles.

"Guarantee Fee" means, for any distribution date and with respect to the Guaranteed 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 aggregate class principal balance of the Guaranteed Principal Balance Certificates immediately prior to such distribution date. The Guarantee Fee with respect to the Guaranteed Certificates will accrue on the basis of a 360-day year and twelve 30-day months.

"Guarantee Fee Rate" means a per annum rate equal to 0.16%.

"Guaranteed Certificates" means the class A-1, A-2, X1 and X3 certificates.

"Guaranteed Principal Balance Certificates" means the class A-1 and A-2 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 Guaranteed Certificate, the sum of all amounts paid by the guarantor in respect of Deficiency Amounts for such Class of Guaranteed Certificate 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 Guaranteed Certificate, interest on any Guarantor Reimbursement Amount (other than with respect to Guarantor Timing Reimbursement Amounts) for such class of Guaranteed Certificate at a per annum rate for each day equal to the prime rate for United States money center commercial banks as published in *The Wall Street Journal* for such day plus 2.00%.

"Guarantor Timing Reimbursement Amount" means, with respect to any Distribution Date and any class of Guaranteed Principal Balance Certificate, the portion of any Guarantor Reimbursement Amount related to any Timing Guarantor Payment for such class of Guaranteed Principal Balance Certificate, together with interest on such amount that accrued on any unreimbursed Guarantor Timing Reimbursement Amount during the related Interest Accrual Period and any such interest remaining unpaid from prior Interest Accrual Periods, in each case, at the Timing Guarantor Interest Rate.

"Guide" means the Freddie Mac Multifamily Seller/Servicer Guide, as it may be amended from time to time.

"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.

"IRS" means the Internal Revenue Service.

"Junior Loan Holder" means the holder of a second priority lien on certain of the underlying mortgage loans if the related borrower exercises its option to obtain secondary secured financing as described under "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt" in this information circular.

"Liquidation Proceeds" means cash amounts (other than income, rents and profits derived from the ownership, operation or leasing of a 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 mortgage loan, through trustee's sale, foreclosure sale, REO disposition or otherwise, exclusive of any portion of cash amounts required to be released to the related borrower; (ii) the realization upon any deficiency judgment obtained against a borrower; (iii) the purchase of a Defaulted Loan by the series 2011-K12 directing certificateholder (or any assignee or affiliate), the guarantor (or any assignee) or the Junior Loan Holder in accordance with the series 2011-K12 pooling and servicing agreement; (iv) the repurchase or replacement of a mortgage loan by or on behalf of the mortgage loan seller pursuant to defect in any mortgage file or a breach of any of its representations and warranties; or (v) the purchase of all of the mortgage loans and REO Properties remaining in the issuing entity by the holders of a majority of the percentage interest of the controlling class (excluding Freddie Mac) or the series 2011-K12 directing certificateholder, the master servicer or the special servicer pursuant to the terms of the series 2011-K12 pooling and servicing agreement.

"Lower-Tier REMIC" means the REMIC identified as such, and described under "Certain Federal Income Tax Consequences" in this information circular.

"Master Servicer Aggregate Annual Cap" means $300,000 with respect to the master servicer and certain indemnified sub-servicers under the 2011-K12 pooling and servicing agreement, collectively.

"Maturity Balance" means, with respect to any underlying mortgage loan, the unpaid principal balance of the subject mortgage loan immediately prior to its maturity, according to the payment schedule for the subject 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 next bullet, the ratio of—

    1. the Maturity Balance of the subject mortgage loan, to

    2. the most recent Appraised Value of the related mortgaged real property; and

- with respect to any underlying mortgage loan that is secured, including through cross-collateralization with other mortgage loans, by multiple real properties, the ratio of—

    1. the aggregate Maturity Balance of the mortgage loan and all other mortgage loans with which it is cross-collateralized, to

    2. the sum of the most recent Appraised Values of all related mortgaged real properties.

"MetroPlace Event" means an event that will exist with respect to the MetroPlace Mortgage Loan if at any time the series 2011-K12 directing certificateholder becomes or is an affiliate of the related borrower, whether as a result of the related mezzanine lender's foreclosure upon any related interest in such borrower or otherwise.

"MetroPlace Mortgage Loan" means the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 to this information circular as "MetroPlace At Towncenter."

"Mid-America Crossed Portfolio" means the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 to this information circular as "Park Crest At Innisbrook," "Verandas At Sam Ridley," "Avondale At Kennesaw Farms" and "535 Brookwood."

"Midland" means Midland Loan Services, a Division of PNC Bank, National Association.

"Modeling Assumptions" means, collectively, the following assumptions regarding the series 2011-K12 certificates and the underlying mortgage loans:

- the underlying mortgage loans have the characteristics set forth on Exhibit A-1 to this information circular and the initial mortgage pool balance is approximately $1,210,571,710;

- the total initial principal balance or notional amount, as the case may be, of each class of series 2011-K12 certificates is as described in this information circular;

- the pass-through rate for each interest-bearing class of series 2011-K12 certificates is as described in this information circular;

- there are no delinquencies, modifications or losses with respect to the underlying mortgage loans;

- there are no modifications, extensions, waivers or amendments affecting the monthly debt service payments by borrowers on the underlying mortgage loans;

- there are no Appraisal Reduction Amounts with respect to the underlying mortgage loans;

- there are no casualties or condemnations affecting the corresponding mortgaged real properties;

- each of the underlying mortgage loans 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;

- monthly debt service payments on the underlying mortgage loans are timely received on their respective due dates in each month, regardless of whether the subject date is a business day or not;

- no voluntary or involuntary prepayments are received as to any underlying mortgage loan during that mortgage loan's prepayment lock-out period, including any contemporaneous defeasance period, Yield Maintenance Period or Static Prepayment Premium Period;

- except as otherwise assumed in the immediately preceding bullet, prepayments are made on each of the underlying mortgage loans at the indicated CPRs set forth in the subject tables or other relevant part of this information circular, without regard to any limitations in those mortgage loans on partial voluntary principal prepayments;

- all prepayments on the underlying mortgage loans are assumed to be—

    1. accompanied by a full month's interest, and

    2. received on the applicable due date of the relevant month;

- no person or entity entitled under the series 2011-K12 pooling and servicing agreement exercises its right of optional termination as described under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular;

- none of the underlying mortgage loans is required to be repurchased or replaced by the mortgage loan seller or any other person, as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular;

- the only issuing entity expenses are the trustee fee, the master servicing fee, the sub-servicing fee and the Guarantee Fee;

- there are no Additional Issuing Entity Expenses;

- funds released from the interest reserve account for any underlying mortgage loan that has paid in full will be included in the calculation of net weighted average coupon of the remaining underlying mortgage loans;

- payments on the offered certificates are made on the 25th day of each month, commencing in May 2011; and

- the offered certificates are settled on an assumed settlement date of April 27, 2011.

"Moody's" means Moody's Investors Service, Inc., or its successor in interest.

"Most Recent EGI" generally means, for any mortgaged real property that secures an underlying mortgage loan, the revenues received, 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 upon the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related 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 mortgage loan seller may have made adjustments to the financial information provided by the related 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 information circular. 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 depositor, the mortgage loan seller, the master servicer, the special servicer 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 mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller 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 upon the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related borrower.

Expenses generally consist of all expenses incurred for the property, including—

- salaries and wages,
- the costs or fees of—
    1. utilities,
    2. repairs and maintenance,
    3. marketing,
    4. insurance,
    5. management,
    6. landscaping,
    7. security, if provided at the property, and
- the amount of—
    1. real estate taxes,
    2. general and administrative expenses, and
    3. 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 mortgage loan seller may have made adjustments to the financial information provided by the related 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 information circular. 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 depositor, the mortgage loan seller, the master servicer, the special servicer 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 mortgage loan

seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent Expenses.

"Most Recent Financial End Date" means, with respect to each of the underlying mortgage loans, 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 in the issuing entity, the Most Recent Net Operating Income, less underwritten 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:

- the total Prepayment Interest Shortfalls incurred with respect to the mortgage pool during the related Collection Period, over

- the sum of—

    1. the total payments made by the master servicer to cover any Prepayment Interest Shortfalls incurred during the related Collection Period; and

    2. 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 underlying mortgage loans to offset, Prepayment Interest Shortfalls incurred with respect to the underlying mortgage loans.

"Net Mortgage Interest Rate" means with respect to any mortgage loan in the issuing entity, the related mortgage interest rate then in effect reduced by the sum of the annual rates at which the master servicing fee, sub-servicing fee and the trustee fee are calculated.

"Net Mortgage Pass-Through Rate" means,

- with respect to any underlying mortgage loan that accrues interest on a 30/360 Basis, for any distribution date, a rate per annum equal to either (i) the Original Net Mortgage Interest Rate for such underlying mortgage loan or (ii) if the mortgage interest rate for such underlying mortgage loan is increased in connection with a subsequent modification of such underlying mortgage loan after the Closing Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for such underlying mortgage loan; and

- with respect to any underlying mortgage loan that accrues interest on an Actual/360 Basis for any distribution date, a rate per annum equal to twelve times a fraction, expressed as a percentage (a) the numerator of which fraction is, subject to adjustment as described below in this definition, an amount of interest equal to the product of (i) the number of days in the related interest accrual period, multiplied by (ii) the Stated Principal Balance of that mortgage loan immediately preceding that distribution date, multiplied by (iii) 1/360, multiplied by either (iv)(1) the Original Net Mortgage Interest Rate for such underlying mortgage loan or (2) if the mortgage interest rate for such underlying mortgage loan is increased in connection with a subsequent modification of such underlying mortgage loan after the Closing Date (but,

for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for such underlying mortgage loan, and (b) the denominator of which is the Stated Principal Balance of that mortgage loan immediately preceding that distribution date.

Notwithstanding the foregoing, if the subject distribution date occurs during January, except during a leap year, or February (unless in either case, such distribution date is the final distribution date), then, in the case of any underlying mortgage loan, the Net Mortgage Pass-Through Rate determined pursuant to the immediately preceding bullet point above will be decreased to reflect any interest reserve amount with respect to the subject mortgage loan that is transferred from the trustee's distribution account to the trustee's interest reserve account during that month. Furthermore, if the subject distribution date occurs during March (or February, if the final distribution date occurs in such month), then in the case of any underlying mortgage loan, the Net Mortgage Pass-Through Rate determined pursuant to the immediately preceding bullet point above will be increased to reflect any interest reserve amount(s) with respect to the subject mortgage loan that are transferred from the trustee's interest reserve account to the distribution account during that month for distribution on such distribution date.

"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 that term under "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular.

"Nonrecoverable Servicing Advance" has the meaning assigned to that term under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and other Compensation and Payment of Expenses—Servicing Advances" in this information circular.

"NRSRO" means a nationally recognized statistical rating organization as the term is used in federal securities laws.

"Occupancy %" means the percentage of units of the subject property that were occupied or leased as of the approximate date of the original underwriting of the related mortgage loan in the issuing entity or any later date as the mortgage loan seller considered appropriate, in any event as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value of the property is based.

"Offered Certificates" means the class A-1, A-2, X1 and X3 series 2011-K12 certificates.

"Option Price" means the cash price at which any Defaulted Loan may be purchased under the related Purchase Option, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular.

"Original Net Mortgage Interest Rate" means, with respect to any underlying mortgage loan, the Net Mortgage Interest Rate in effect for such underlying mortgage loan as of the Closing Date (or, in the case of any underlying mortgage loan substituted in replacement of another underlying mortgage loan pursuant to or as contemplated by the mortgage loan purchase agreement, as of the date of substitution).

"P&I Advance" has the meaning assigned to that term under "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular.

"Permitted Encumbrances" means, with respect to any mortgaged real property securing a mortgage loan in the issuing entity, any and all of the following—

- the lien of current real property taxes, water charges, sewer rents and assessments not yet delinquent or accruing interest or penalties,

- covenants, conditions and restrictions, rights of way, easements and other matters that are of public record,

- 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,

- other matters to which like properties are commonly subject,

- the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related mortgaged real property, and

- 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 series 2011-K12 pooling and servicing agreement.

"Placement Agent Entities" means the placement agents for the Series K-012 SPCs and their respective affiliates.

"PNC Real Estate Multifamily" means PNC Bank, National Association d/b/a PNC Real Estate Multifamily.

"Prepayment Interest Excess" means, with respect to any full or partial prepayment of an underlying mortgage loan made by the related borrower or otherwise in connection with a casualty or condemnation during any Collection Period after the due date for that loan, the amount of any interest collected on that prepayment for the period from and after that due date, less the amount of 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 an underlying mortgage loan made by the related 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 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 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 Wall Street Journal*, as that prime rate may change from time to time.

"Principal Distribution Adjustment Amount" means, with respect to any distribution date, the sum of (i) the amount of any Nonrecoverable Advance (and interest on such amount) that was reimbursed to the master servicer or the trustee that was deemed to have been so reimbursed out of payments and other collections of principal (as described in this information circular under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" or "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments," as applicable), (ii) any advance that remained unreimbursed following the time that a defaulted mortgage loan is modified and returned to performing status, that (although not considered a Nonrecoverable Advance) was reimbursed to the master servicer or the trustee, with interest on such advance, and that was deemed to have been so reimbursed out of payments and other collections of principal (as described in this information circular under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" or "Description of the Series 2011-K12 Certificates—Advances of Delinquent Monthly Debt Service Payments," as applicable), in each case, during the period since the preceding Distribution Date and (iii) any principal collections used to reimburse Balloon Guarantor Payments during the related Collection Period.

"Principal Distribution Amount" means:

- for any distribution date prior to the final distribution date, an amount equal to the total, without duplication, of the following—

    1. all payments of principal, including voluntary principal prepayments, received by or on behalf of the issuing entity with respect to the underlying mortgage loans 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 due date for the related underlying mortgage loan in April 2011 or on a due date for the related underlying mortgage loan subsequent to the end of the related Collection Period,

    2. all monthly payments of principal received by or on behalf of the issuing entity with respect to the underlying mortgage loans prior to, but that are due during, the related Collection Period,

    3. all other collections, including liquidation proceeds, condemnation proceeds, insurance proceeds and repurchase proceeds, that were received by or on behalf of the issuing entity with respect to any of the underlying mortgage loans or any related REO Properties during the related Collection Period and that were identified and applied as recoveries of principal of the subject 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 due date for the related mortgage loan in April 2011, and

    4. all advances of principal made with respect to the underlying mortgage loans for that distribution date; and

- 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.

Notwithstanding the foregoing, 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 series 2011-K12 pooling and servicing agreement, each initial purchaser of the series 2011-K12 certificates and, upon receipt by the trustee of an investor certification in the form required by the series 2011-K12 pooling and servicing agreement, each holder, beneficial owner or prospective purchaser of a series 2011-K12 certificate or a Series K-012 SPC.

"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 Loan, the purchase option described under "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans" in this information circular.

"Qualified Substitute Mortgage Loan" means a mortgage loan which 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, whether or not received, not in excess of the Stated Principal Balance of the

deleted mortgage loan 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 mortgage loan; (iii) have the same due date as the deleted mortgage loan; (iv) accrue interest on the same basis as the deleted mortgage loan (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 mortgage loan; (vi) have an original loan-to-value ratio not higher than that of the deleted mortgage loan and a current loan-to-value ratio not higher than the then current loan-to-value ratio of the deleted mortgage loan; (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; (ix) have an original debt service coverage ratio not less than the original debt service coverage ratio of the deleted mortgage loan and a current debt service coverage ratio not less than the current debt service coverage ratio of the deleted mortgage loan; (x) be determined by an opinion of counsel to be a "qualified replacement mortgage" within the meaning of Code Section 860G(a)(4); (xi) have been approved by the series 2011-K12 directing certificateholder in its sole discretion; (xii) prohibit defeasance within two years of the date of initial issuance of the series 2011-K12 certificates; (xiii) not be substituted for a deleted mortgage loan if it would result in the termination of the REMIC status of either Trust REMIC created under the series 2011-K12 pooling and servicing agreement or the imposition of tax on either Trust REMIC created under the series 2011-K12 pooling and servicing agreement other than a tax on income expressly permitted or contemplated to be received by the terms of the series 2011-K12 pooling and servicing agreement; and (xiv) not be substituted for a deleted mortgage loan unless the trustee has received prior Rating Agency Confirmation. In the event that one or more mortgage loans are substituted for one or more deleted mortgage loans simultaneously, then the amounts described in clause (i) are required to be determined on the basis of aggregate principal balances and the rates described in clause (ii) above and the remaining term to stated maturity referred to in clause (v) above are required to be determined on a weighted average basis. When a Qualified Substitute Mortgage Loan is substituted for a deleted mortgage loan, the mortgage loan seller will be required to certify that the mortgage loan meets all of the requirements of the above definition and send the certification to the trustee.

"Rated Final Distribution Date" means the distribution date occurring in January 2046.

"Rating Agency" means each of Moody's and Realpoint, or their successors in interest.

"Rating Agency Confirmation" means with respect to any matter and only for so long as the class B or X2 certificates are then rated by any Rating Agency (i) confirmation in writing by each applicable Rating Agency that a proposed action, failure to act or other event specified in the series 2011-K12 pooling and servicing agreement will not in and of itself result in the downgrade, withdrawal or qualification of the then-current ratings assigned to the class B and X2 certificates (if then rated by such Rating Agency) or (ii) a written waiver or other acknowledgment from each applicable Rating Agency indicating its decision not to review the matter for which such confirmation is sought. For the purposes of this definition, any confirmation, waiver, request, acknowledgment or approval which is required to be in writing may be in the form of e-mail or facsimile. If a request for a Rating Agency Confirmation has been made to any Rating Agency in accordance with the provisions of the series 2011-K12 pooling and servicing agreement and, within ten (10) business days of such request being sent to such Rating Agency, such Rating Agency has not replied to such request, then the person requesting such Rating Agency Confirmation will be required to (a) confirm that such Rating Agency has received the request for Rating Agency Confirmation, and, if such Rating Agency has received such request, will be required to promptly request the Rating Agency Confirmation again and (b) if there is no response to either such Rating Agency Confirmation request within five (5) business days of the request made in clause (a) above, the requirement to obtain a Rating Agency Confirmation with respect to such Rating Agency will be deemed to have been satisfied for purposes of the provisions of the series 2011-K12 pooling and servicing agreement. If a request for a Rating Agency Confirmation has been made to a Rating Agency in accordance with the provisions of the series 2011-K12 pooling and servicing agreement and such Rating Agency has responded in a manner that indicates that such Rating Agency is not waiving the requirement for Rating Agency Confirmation, but is also not reviewing such request, then the requirement to obtain Rating Agency Confirmation with respect to such Rating Agency will be deemed to have been satisfied for purposes of the provisions of the series 2011-K12 pooling and servicing agreement. Notwithstanding anything to the contrary set forth in this information circular, at any time during which neither the class B nor X2 certificates is rated by a Rating

Agency, no Rating Agency Confirmation will be required from that Rating Agency under the series 2011-K12 pooling and servicing agreement. Each series 2011-K12 certificateholder, by its acceptance of the series 2011-K12 certificates, acknowledges and agrees to the foregoing.

"Ratings Trigger Event" means with respect to the master servicer, any cashiering sub-servicer or the special servicer, as applicable, (a) if on the Closing Date (or (i) in the case of any successor master servicer or special servicer, the date of appointment or (ii) in the case of any cashiering sub-servicer engaged after the Closing Date, the date of engagement), 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), a U.S. Commercial Mortgage Servicer (in the case of a cashiering sub-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 (i) in the case of any successor master servicer or special servicer, the date of appointment or (ii) in the case of any cashiering sub-servicer engaged after the Closing Date, the date of engagement) such party loses its status on such list and such status is not restored within sixty (60) days, or (b) if on the Closing Date (or (i) in the case of any successor master servicer or special servicer, the date of appointment or (ii) in the case of any cashiering sub-servicer engaged after the Closing Date, the date of engagement) such party has a rating by Fitch higher than or equal to "CMS3," "CPS3" or "CSS3," as applicable, and at any time after the Closing Date (or (i) in the case of any successor master servicer or special servicer, the date of appointment or (ii) in the case of any cashiering sub-servicer engaged after the Closing Date, the date of engagement) such rating drops to a level lower than "CMS3," "CPS3" or "CSS3," as applicable, and such party is not reinstated to at least "CMS3," "CPS3" or "CSS3," as applicable, within sixty (60) days.

"Realized Losses" means losses on or with respect to the underlying mortgage loans arising from the inability of the master servicer and/or the special servicer to collect all amounts due and owing under those mortgage loans, including by reason of the fraud or bankruptcy of a borrower or, to the extent not covered by insurance, a casualty of any nature at a mortgaged real property. We discuss the calculation of Realized Losses under "Description of the Series 2011-K12 Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" in this information circular.

"Realpoint" means Realpoint LLC, or its successor in interest.

"Reform Act" means the Federal Housing Finance Regulatory Reform Act.

"REMIC" means a "real estate mortgage investment conduit" as defined in Code Section 860D.

"Remittance Date" means, with respect to each distribution date, the business day prior to such distribution date.

"REO Loan" means a loan deemed to be outstanding with respect to a REO Property.

"REO Property" means any mortgaged real property that is acquired by the special servicer for the benefit of the series 2011-K12 certificateholders through foreclosure, deed-in-lieu of foreclosure or otherwise following a default on the corresponding mortgage loan in the issuing entity.

"S&P" means Standard & Poor's Ratings Services.

"Sales Comparison Approach" means a determination of the value of a mortgaged real property based upon 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 Securities and Exchange Commission.

"Section 8" means the Section 8 Tenant-Based Assistance Rental Certificate Program of the United States Department of Housing and Urban Development.

"Series K-012 SPCs" means Freddie Mac's series K-012 structured pass-through certificates.

"Servicing Advance" has the meaning assigned to that term under "The Series 2011-K12 Pooling and Servicing Agreement—Servicing and other Compensation and Payment of Expenses—Servicing Advances" in this information circular.

"Servicing Standard" means the standard by which the master servicer and the special servicer will service and administer the mortgage loans and/or REO Properties on behalf of the trustee and in the best interests of and for the benefit of the series 2011-K12 certificateholders (as a collective whole), which standard will be to perform such servicing and administration in accordance with applicable law, the terms of the series 2011-K12 pooling and servicing agreement and the terms of the respective subject mortgage loans and any applicable intercreditor or co-lender and/or similar agreement(s) and, to the extent not inconsistent with the foregoing, further as follows—

- (i) the same manner in which, and with the same care, skill, prudence and diligence with which the master servicer or 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, and (ii) the same care, skill, prudence and diligence with which the master servicer or special servicer, as the case may be, services and administers commercial and multifamily mortgage loans owned by it, whichever is higher;

- with a view to the timely collection of all scheduled payments of principal and interest under the serviced mortgage loans and, in the case of the special servicer, if a serviced 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 mortgage loan to the series 2011-K12 certificateholders (as a collective whole), on a net present value basis; but

- without regard to—

  (i) any relationship that the master servicer or special servicer, as the case may be, or any of their affiliates may have with the related borrower, the mortgage loan seller or any other party to the series 2011-K12 pooling and servicing agreement,

  (ii) the ownership of any series 2011-K12 certificate or any subordinate debt by the master servicer or special servicer, as the case may be, or by any of their affiliates,

  (iii) the master servicer's obligation to make advances,

  (iv) the special servicer's obligation to request that the master servicer make Servicing Advances,

  (v) 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,

  (vi) the ownership, servicing or management for others of any other mortgage loans or mortgaged real properties by the master servicer or special servicer, as the case may be, or any affiliate of the master servicer or special servicer, as applicable,

  (vii) any obligation of the master servicer (in its capacity as a mortgage loan originator, if applicable) to cure a breach of a representation or warranty or repurchase the mortgage loan,

  (viii) any debt extended to the borrower or any of its affiliates by the master servicer or special servicer, as the case may be, or any of their affiliates, or

  (ix) the right of the master servicer or the special servicer, as the case may be, to exercise any purchase option as described in "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.

"Servicing Transfer Event" means, with respect to any mortgage loan in the issuing entity, any of the following events, among others:

- a payment default has occurred at its maturity date (except, if the borrower is making its normal monthly payment and is diligently pursuing a refinancing and in connection therewith delivers within 45 days of the maturity date a firm commitment to refinance acceptable to the special servicer (with notice to the guarantor), with the consent of the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular), in which case a Servicing Transfer Event would not occur as to such mortgage loan until the earlier of (i) 60 days after such payment default, which may be extended to 120 days at the special servicer's discretion, with the consent of the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular) or (ii) the expiration of such commitment); *provided*, that the special servicer will not follow any such direction, or refrain from acting based upon the lack of any such direction, of the series 2011-K12 directing certificateholder, if following any such direction of the series 2011-K12 directing certificateholder or refraining from taking such action based upon the lack of any such direction of the series 2011-K12 directing certificateholder would violate the Servicing Standard;

- any monthly payment (other than a balloon payment) is more than 60 or more days delinquent;

- the related borrower has—

  (i) filed for, or consented to, bankruptcy, appointment of a receiver or conservator or a similar insolvency proceeding;

  (ii) become the subject of a decree or order for such a proceeding which is not stayed or discharged within 60 days; or

  (iii) has admitted in writing its inability to pay its debts generally as they become due;

- the master servicer or special servicer has received notice of the foreclosure or proposed foreclosure of any other lien on the mortgaged real property;

- in the judgment of (i) the master servicer, or (ii) with the approval of the guarantor and the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular), the special servicer, (a) a default under any underlying mortgage loan is reasonably foreseeable, (b) 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 series 2011-K12 certificateholders, and (c) 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 thirty (30) days; or

- any other default has occurred under the loan documents that, in the reasonable judgment of (i) the master servicer, or (ii) with the approval of the series 2011-K12 directing certificateholder (subject to the last paragraph of "The Series 2011-K12 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report" in this information circular), the special servicer, has materially and adversely affected the value of the related mortgage loan or otherwise materially and adversely affected the interests of the series 2011-K12 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 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 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 will cease to exist, if and when a specially serviced mortgage loan becomes a Corrected Mortgage Loan.

"Sole Certificateholder" means the holder (or holders provided they act in unanimity) of, collectively, 100% of the then outstanding class X2, X3 and C certificates or an assignment of the series 2011-K12 voting rights in respect of such classes of certificates; *provided, however*, that at the time of determination the class principal balances of the class A-1, A-2 and B certificates have been reduced to zero.

"Special Servicer Aggregate Annual Cap" means $300,000.

"Stated Principal Balance" means, with respect to any mortgage loan in the issuing entity, as of any date of determination, an amount equal to (i) the Cut-off Date Principal Balance of such mortgage loan or with respect to a Qualified Substitute Mortgage Loan, the outstanding principal balance of such Qualified Substitute Mortgage Loan 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 mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent received from the related borrower or advanced by the master servicer or the trustee, as applicable, and distributed to the series 2011-K12 certificateholders, on or before such date of determination;

(b) all principal prepayments received with respect to such mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent distributed to the series 2011-K12 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 mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent distributed to the series 2011-K12 certificateholders, on or before such date of determination;

(d) any reduction in the outstanding principal balance of such mortgage loan resulting from a valuation of the related mortgaged real property in an amount less than the then outstanding principal balance of such mortgage loan 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 mortgage loan due to a modification by the special servicer pursuant to the series 2011-K12 pooling and servicing agreement, which reduction occurred prior to the determination date for the most recent distribution date.

However, the "Stated Principal Balance" of any mortgage loan in the issuing entity 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 mortgage loan or any related REO Property have been received.

"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 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.

"Subordinate Certificates" means the class B, C and X3 certificates. The class B and C certificates are not being offered hereby and do not have the benefit of the Freddie Mac Guarantee.

"Sub-Servicing Agreement" means each sub-servicing agreement between the master servicer and the related sub-servicer relating to servicing and administration of underlying mortgage loans by such sub-servicer as provided in the series 2011-K12 pooling and servicing agreement.

"Timing Guarantor Interest Rate" means with respect to any interest accrual period and any class of Guaranteed Principal Balance Certificates, the Weighted Average Net Mortgage Pass-Through Rate on a portion of any unreimbursed Guarantor Timing Reimbursement Amounts for such class of Guaranteed Principal Balance Certificates up to an amount equal to the excess of (i) the total Stated Principal Balance of the mortgage pool over (ii) the outstanding aggregate certificate balances of such class of Certificates on which interest accrues during such interest accrual period.

"Timing Guarantor Payment" means with respect to any distribution date any class of Guaranteed Principal Balance Certificates, any Balloon Guarantor Payment or Class Final Guarantor Payment.

"Total Units" means, except as described in the next sentence, the estimated number of apartments at the particular property, regardless of the number or size of rooms in the apartments as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value is based. In the case of the mortgaged real properties identified on Exhibit A-1 to this information circular as "Stadium Suites" and "University Courtyard Apartments," Total Units refers to the number of beds at the particular property instead of the number of apartments, as these properties are rented by the bed.

"Treasury" means the U.S. Department of the Treasury.

"Trust REMIC" means either one of two separate REMICs referred to in this information circular as the "Lower Tier REMIC" and the "Upper Tier REMIC."

"Trustee/Custodian Aggregate Annual Cap" means $300,000 in the aggregate with respect to the trustee and the custodian.

"UW NCF DSCR" or "Underwritten Debt Service Coverage Ratio" means:

- with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in the next bullet, the ratio of—

    1. the Underwritten Net Cash Flow for the related mortgaged real property, to

    2. twelve times the monthly debt service payment for that mortgage loan due on the related due date in April 2011;

- with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple mortgaged real properties, the ratio of—

    1. the total Underwritten Net Cash Flow for those properties, to

    2. twelve times the monthly debt service payment(s) for that mortgage loan, and all other underlying mortgage loans with which it is cross-collateralized, due on the related due date in April 2011; and

provided that, if the subject mortgage loan or group of mortgage loans is currently in an interest-only period, then the amount in clause 2. of any of the foregoing bullets of this definition will be either (a) if that interest-only period extends to maturity, the aggregate of the first twelve monthly debt service payments to be due on such mortgage loan or (b) if that interest-only period ends prior to maturity, twelve times the monthly debt service payment to be due on such mortgage loan on the first due date after amortization begins.

"UW NCF DSCR (IO)" or "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 next bullet, the ratio of—

    1. the Underwritten Net Cash Flow for the related mortgaged real property, to

    2. an amount equal to the aggregate of the first twelve monthly debt service payments due on such 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 ratio of—

    1. the total Underwritten Net Cash Flow for those properties, to

    2. an amount equal to the aggregate of the first twelve monthly debt service payments due on such underlying mortgage loan, and all other mortgage loans with which it is cross-collateralized.

"UW EGI" or "Underwritten Effective Gross Income" means, with respect to any mortgaged real property securing an underlying mortgage loan, the Estimated Annual Revenues for that property.

"UW NCF" or "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:

- was made at the time of origination of the related underlying mortgage loan or in connection with the transactions described in this information circular; and

- is equal to the excess of—

    1. the Estimated Annual Revenues for the property, over

    2. the Estimated Annual Operating Expenses for the 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 underlying mortgage loans. 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 to this information circular will be representative of the actual future net cash flow for the particular 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 borrower. However, in some cases, an accounting firm performed agreed upon procedures, or employees of the related originator performed cash flow verification procedures, that were intended to identify any errors in the information provided by the related borrower. Audits of information furnished by 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 to this information circular being overstated. Net income for any of the underlying 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 to this information circular. 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" or "UW NOI" means, with respect to each of the mortgaged real properties securing an underlying mortgage loan in the issuing entity, 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:

- underwritten recurring replacement reserve amounts; and
- 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, master servicer, special servicer, custodian or trustee in excess of the Depositor Aggregate Annual Cap, the Trustee/Custodian Aggregate Annual Cap, the Master Servicer Aggregate Annual Cap and the Special Servicer Aggregate Annual Cap, as the case may be, which have not been previously reimbursed.

"Upper-Tier REMIC" means the REMIC identified as such, and described under, "Certain Federal Income Tax Consequences" in this information circular.

"WAC Cap" has the meaning assigned to that term under "Summary of Information Circular—Transaction Overview" in this information circular.

"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 underlying mortgage loans for that distribution date, weighted on the basis of their respective Stated Principal Balances immediately prior to that distribution date.

"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 borrower or in the appraisal on which the most recent Appraised Value of the property is based.

"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 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 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.

"YMx/y" means, with respect to any of the underlying mortgage loans, a duration of y payments for the Yield Maintenance Period during which the loan may be prepaid with a Yield Maintenance Charge that will be no less than x% of the amount prepaid.

EXHIBIT A-1

CERTAIN CHARACTERISTICS OF THE UNDERLYING MORTGAGE LOANS AND THE RELATED MORTGAGED REAL PROPERTIES

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Originator	Street Address	Property City	Property State	Zip Code	County
1		1	200 Water Street	Wells Fargo Bank, National Association	200 Water Street	New York	NY	10038	New York
2	(10)	1	Park Crest At Innisbrook	Financial Federal Savings Bank	2400 Clubside Court	Palm Harbor	FL	34683	Pinellas
3	(10)	1	Verandas At Sam Ridley	Financial Federal Savings Bank	1000 Colonnade Drive	Smyrna	TN	37167	Rutherford
4	(10)	1	Avondale At Kennesaw Farms	Financial Federal Savings Bank	1060 Kennesaw Boulevard	Gallatin	TN	37066	Sumner
5	(10)	1	535 Brookwood	Financial Federal Savings Bank	535 Brookwood Point Place	Simpsonville	SC	29681	Greenville
6		1	Summer House Apartments	Deutsche Bank Berkshire Mortgage, Inc.	433 & 501 Buena Vista Avenue	Alameda	CA	94501	Alameda
7		1	Cool Springs At Frisco Bridges	CBRE Capital Markets, Inc.	3198 Parkwood Boulevard	Frisco	TX	75034	Collin
8	(11)	1	MetroPlace At Towncenter	M&T Realty Capital Corporation	4300 Telfair Boulevard	Camp Springs	MD	20746	Prince George's
9		1	Waterford Lakes	Holliday Fenoglio Fowler, L.P.	7600-8016 Waterford Lakes Drive	Charlotte	NC	28210	Mecklenburg
10		1	Villas At Centerview	CWCapital LLC	5501 Centerview Drive	Raleigh	NC	27606	Wake
11		1	The Heights At Perimeter Center	CBRE Capital Markets, Inc.	100 Perimeter Trace	Atlanta	GA	30346	DeKalb
12		1	Post Oak Park I & II	Holliday Fenoglio Fowler, L.P.	1901 and 1919 Post Oak Park Drive	Houston	TX	77027	Harris
13		1	The Landings At Beckett Ridge	Bellwether Real Estate Capital, LLC	8251 Landings Drive	West Chester	OH	45069	Butler
14		1	The Lofts Perimeter Center	CBRE Capital Markets, Inc.	100 Perimeter Lofts Circle	Atlanta	GA	30346	DeKalb
15		1	Park Place By The Bay	Walker & Dunlop, LLC	915 Northwest 1st Avenue	Miami	FL	33136	Miami-Dade
16		1	Stonebridge Ranch Apartments	NorthMarq Capital, LLC	575 West Pecos Road	Chandler	AZ	85225	Maricopa
17		1	Stadium Suites	CBRE Capital Markets, Inc.	112 Silo Court	Columbia	SC	29201	Richland
18		1	Hidden Oaks Estates	Grandbridge Real Estate Capital LLC	8600 82nd Street	Pleasant Prairie	WI	53158	Kenosha
19		1	The Drexel	CBRE Capital Markets, Inc.	100 Drexel Point	Atlanta	GA	30346	DeKalb
20		1	City View At Southside	Grandbridge Real Estate Capital LLC	311 King Street	Greensboro	NC	27406	Guilford
21		1	Greenbriar Village Apartments	NorthMarq Capital, LLC	222 Randolph Drive	Madison	WI	53717	Dane
22		1	Villages At Turtle Rock	Holliday Fenoglio Fowler, L.P.	12800 Turtle Rock Road	Austin	TX	78729	Williamson
23		1	Mont Clare At Harlem Avenue	Holliday Fenoglio Fowler, L.P.	7171 West Gunnison Street	Harwood Heights	IL	60706	Cook
24		1	Claridge House	Walker & Dunlop, LLC	1500 South Fern Street	Arlington	VA	22202	Arlington
25		1	Legacy Heights	Holliday Fenoglio Fowler, L.P.	1320 Austin Highway	San Antonio	TX	78209	Bexar
26		1	River Oaks	NorthMarq Capital, LLC	3891 San Ramon Drive	Oceanside	CA	92057	San Diego
27		1	Villa Oceana	Holliday Fenoglio Fowler, L.P.	2519 North Ocean Boulevard	Boca Raton	FL	33431	Palm Beach
28		1	The Galleria Apartments	CBRE Capital Markets, Inc.	10500 Meridian Avenue North	Seattle	WA	98133	King
29		1	Summit Manor	Holliday Fenoglio Fowler, L.P.	22-72 Berkshire Place and 441-463 Beach Street	Hackensack	NJ	07601	Bergen
30		1	Paces Commons	CBRE Capital Markets, Inc.	2580 North Berkeley Lake Road	Duluth	GA	30096	Gwinnett
31		1	Sterling Lakes Apartments	Bellwether Real Estate Capital, LLC	7520 Placid Lake Drive	Mason	OH	45040	Warren
32		1	Bay Park	Holliday Fenoglio Fowler, L.P.	101 South Old Coachman Road	Clearwater	FL	33765	Pinellas
33		1	Shadow Ridge Apartments	Bellwether Real Estate Capital, LLC	10400 Shadow Ridge Lane	Louisville	KY	40241	Jefferson
34		1	Stoneleigh On May	Berkadia Commercial Mortgage LLC	14300 North May Avenue	Oklahoma City	OK	73134	Oklahoma
35	(12)	1	Creekview Apartments	NorthMarq Capital, LLC	14255 Preston Road	Dallas	TX	75254	Dallas
36	(12)	1	Pear Ridge Apartments	NorthMarq Capital, LLC	4753 Old Bent Tree Lane	Dallas	TX	75287	Collin
37		1	Sheridan Ridge	NorthMarq Capital, LLC	8342 Carter Street	Overland Park	KS	66212	Johnson
38		1	Carriage Club At Mount Arlington	Berkadia Commercial Mortgage LLC	1 Hillside Drive	Mount Arlington	NJ	07856	Morris
39		1	Waterford On The Meadow	CBRE Capital Markets, Inc.	1414 Shiloh Road	Plano	TX	75074	Collin
40		1	The Reserve At Maryville	CBRE Capital Markets, Inc.	100 Enterprise Way	Maryville	TN	37801	Blount
41		1	Rosemead Gardens	CBRE Capital Markets, Inc.	7711 Rosemead Boulevard	Pico Rivera	CA	90660	Los Angeles
42		1	Hunters Mill Apartments	Wells Fargo Bank, National Association	397 Brixton Drive	Virginia Beach	VA	23462	Virginia Beach City
43		1	Green Valley Apartments	Berkadia Commercial Mortgage LLC	4200 Greenleaf Court	Park City	IL	60085	Lake
44		1	Lodge At Trails Edge	NorthMarq Capital, LLC	9535 Benchmark Drive	Indianapolis	IN	46240	Marion
45		1	Eagles Apartments	Berkadia Commercial Mortgage LLC	480 Eagle Drive	Elk Grove Village	IL	60007	Cook
46		1	Cobblestone Fayette	CBRE Capital Markets, Inc.	2400 Cobblestone Boulevard	Fayetteville	GA	30214	Fayette
47		1	Grande Reserve At Geist	Wells Fargo Bank, National Association	11345 Arborview Drive	Indianapolis	IN	46236	Marion
48	(13)	1	Cypress Village Apartments	PNC Multifamily Mortgage LLC	6343 Lincoln Avenue	Buena Park	CA	90620	Orange
49		1	Hamilton Village Apartments	CWCapital LLC	1731-1753 South Olden Avenue	Hamilton	NJ	08610	Mercer
50		1	Arbor Ridge Apartments	M&I Marshall & Ilsley Bank	7900-7992 North 107th Street	Milwaukee	WI	53224	Milwaukee
51		1	Terry Denny Building	Walker & Dunlop, LLC	111 First Avenue South	Seattle	WA	98104	King
52		1	Huguenot Apartments	Grandbridge Real Estate Capital LLC	11406 Briarmont Road	Richmond	VA	23235	Chesterfield
53		1	Riverwoods Apartments	CBRE Capital Markets, Inc.	7816 Six Forks Road	Raleigh	NC	27615	Wake
54		1	Pebble Creek Apartments	Holliday Fenoglio Fowler, L.P.	2170 Pebble Creek Drive	Twinsburg	OH	44087	Summit
55		1	The Verandas	CWCapital LLC	3509 South Orchard Street	Tacoma	WA	98466	Pierce
56		1	Advenir Station At Springdale	CBRE Capital Markets, Inc.	2500 Springdale Boulevard	Palm Springs	FL	33461	Palm Beach
57		1	Washington Heights Apartments	NorthMarq Capital, LLC	127-135 Washington Street	Brighton	MA	02135	Suffolk
58		1	Galleria Courtyards	CBRE Capital Markets, Inc.	1400 Galleria Lane	Smyrna	GA	30080	Cobb
59		1	Highland Oaks	CBRE Capital Markets, Inc.	4793 North Pine Hills Road	Orlando	FL	32808	Orange
60		1	Garden Pointe	Berkadia Commercial Mortgage LLC	130 Southwest 112th Street	Burien	WA	98146	King
61		1	Glenwood Pointe Apartments	Holliday Fenoglio Fowler, L.P.	3255-3275 Glenbrook Drive	Reminderville	OH	44087	Summit
62		1	University Courtyard Apartments	Walker & Dunlop, LLC	3025 South Adams Street	Tallahassee	FL	32301	Leon
63		1	Little Creek Garden Apartments	KeyCorp Real Estate Capital Markets, Inc.	173 Bending Creek Road	Town of Gates	NY	14624	Monroe
64		1	Arbors Of Carrollton	CBRE Capital Markets, Inc.	2240 East Trinity Mills Road	Carrollton	TX	75006	Dallas
65		1	Spruce Village II Apartments	NorthMarq Capital, LLC	1040-1054 Spruce Street	Riverside	CA	92507	Riverside
66		1	Carlyle Apartments	Berkadia Commercial Mortgage LLC	14859 Moorpark Street	Sherman Oaks	CA	91403	Los Angeles
67		1	Turnbridge I & II	Grandbridge Real Estate Capital LLC	5003 Turnbridge Circle	Browns Summit	NC	27214	Guilford
68		1	Thomasville Apartments	NorthMarq Capital, LLC	1692-1740 4th Street	White Bear Lake	MN	55110	Ramsey
69		1	Bel Air And Village West Apartments	NorthMarq Capital, LLC	636 Northwest 26th Avenue and 800 Northwest 18th Avenue	Gainesville	FL	32609	Alachua

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Property Type	Property Subtype	Year Built	Year Renovated	Total Units	Cut-Off Date Balance/Unit	Unit of Measure	Occupancy %	Occupancy As of Date	Loan Purpose (Acquisition, Refinance)	SPE (Y/N)	Crossed Loans
1		1	200 Water Street	Multifamily	High Rise	1973	2009	576	189,968	Units	99.0%	3/18/2011	Refinance	Yes	No
2	(10)	1	Park Crest At Innisbrook	Multifamily	Garden	2000	N/A	432	67,191	Units	96.1%	1/25/2011	Refinance	Yes	Group 1
3	(10)	1	Verandas At Sam Ridley	Multifamily	Garden	2009	N/A	336	67,191	Units	94.3%	1/25/2011	Refinance	Yes	Group 1
4	(10)	1	Avondale At Kennesaw Farms	Multifamily	Garden	2008	N/A	288	67,191	Units	93.4%	1/25/2011	Refinance	Yes	Group 1
5	(10)	1	535 Brookwood	Multifamily	Garden	2008	N/A	256	67,191	Units	90.2%	1/25/2011	Refinance	Yes	Group 1
6		1	Summer House Apartments	Multifamily	Garden	1965	2008	615	115,114	Units	95.9%	2/17/2011	Acquisition	Yes	No
7		1	Cool Springs At Frisco Bridges	Multifamily	Garden	2009	N/A	655	74,055	Units	95.4%	2/21/2011	Refinance	Yes	No
8	(11)	1	MetroPlace At Towncenter	Multifamily	Garden	2007	N/A	397	117,563	Units	91.2%	12/31/2010	Refinance	Yes	No
9		1	Waterford Lakes	Multifamily	Garden	1991	2007	694	44,079	Units	96.4%	1/31/2011	Refinance	Yes	No
10		1	Villas At Centerview	Multifamily	Garden	2008	N/A	374	77,807	Units	89.3%	2/23/2011	Refinance	Yes	No
11		1	The Heights At Perimeter Center	Multifamily	Garden	2008	N/A	265	96,611	Units	92.8%	12/31/2010	Refinance	Yes	No
12		1	Post Oak Park I & II	Multifamily	Garden	1995	N/A	365	68,493	Units	91.5%	2/28/2011	Refinance	Yes	No
13		1	The Landings At Beckett Ridge	Multifamily	Garden	2000	N/A	340	69,862	Units	97.6%	2/28/2011	Refinance	Yes	No
14		1	The Lofts Perimeter Center	Multifamily	Garden	2009	N/A	269	88,078	Units	95.2%	12/31/2010	Refinance	Yes	No
15		1	Park Place By The Bay	Multifamily	High Rise	1990	2002	471	49,459	Units	94.7%	2/11/2011	Refinance	Yes	No
16		1	Stonebridge Ranch Apartments	Multifamily	Garden	2002	N/A	392	58,281	Units	94.4%	12/23/2010	Refinance	Yes	No
17		1	Stadium Suites	Multifamily	Student	2004	N/A	924	23,797	Beds	97.3%	12/31/2010	Acquisition	Yes	No
18		1	Hidden Oaks Estates	Multifamily	Garden	2001	N/A	324	67,448	Units	93.2%	2/9/2011	Refinance	Yes	No
19		1	The Drexel	Multifamily	Mid Rise	2008	N/A	157	138,834	Units	93.6%	12/31/2010	Refinance	Yes	No
20		1	City View At Southside	Multifamily	Garden	2008	N/A	276	76,612	Units	93.5%	12/31/2010	Refinance	Yes	No
21		1	Greenbriar Village Apartments	Multifamily	Garden	1971	1999	537	39,086	Units	94.4%	1/1/2011	Refinance	Yes	No
22		1	Villages At Turtle Rock	Multifamily	Garden	2009	N/A	356	58,683	Units	96.1%	1/20/2011	Refinance	Yes	No
23		1	Mont Clare At Harlem Avenue	Multifamily	High Rise	1967	2008	281	73,144	Units	95.7%	2/28/2011	Refinance	Yes	No
24		1	Claridge House	Multifamily	Senior	1979	N/A	302	67,845	Units	98.0%	1/31/2011	Refinance	Yes	No
25		1	Legacy Heights	Multifamily	Garden	2008	N/A	306	66,114	Units	92.5%	12/30/2010	Acquisition	Yes	No
26		1	River Oaks	Multifamily	Garden	1986	2009	252	79,951	Units	91.3%	1/1/2011	Acquisition	Yes	No
27		1	Villa Oceana	Multifamily	Mid Rise	1967	2010	160	121,067	Units	91.9%	1/31/2011	Refinance	Yes	No
28		1	The Galleria Apartments	Multifamily	Mid Rise	1968	2008	208	91,827	Units	96.6%	3/2/2011	Acquisition	Yes	No
29		1	Summit Manor	Multifamily	Garden	1963	2010	184	101,617	Units	92.4%	1/10/2011	Refinance	Yes	No
30		1	Paces Commons	Multifamily	Garden	2002	N/A	323	55,882	Units	92.3%	3/15/2011	Refinance	Yes	No
31		1	Sterling Lakes Apartments	Multifamily	Garden	1999	N/A	284	60,242	Units	96.1%	2/28/2011	Refinance	Yes	No
32		1	Bay Park	Multifamily	Garden	1989	2008	228	73,184	Units	91.7%	1/31/2011	Refinance	Yes	No
33		1	Shadow Ridge Apartments	Multifamily	Garden	2000	N/A	252	64,024	Units	97.2%	2/28/2011	Refinance	Yes	No
34		1	Stoneleigh On May	Multifamily	Garden	2001	N/A	244	64,590	Units	89.8%	3/7/2011	Acquisition	Yes	No
35	(12)	1	Creekview Apartments	Multifamily	Garden	1986	N/A	241	36,098	Units	95.0%	12/31/2010	Refinance	Yes	Group 2
36	(12)	1	Pear Ridge Apartments	Multifamily	Garden	1986	N/A	169	36,098	Units	96.4%	12/31/2010	Refinance	Yes	Group 2
37		1	Sheridan Ridge	Multifamily	Garden	1971	N/A	248	58,552	Units	92.7%	12/31/2010	Refinance	Yes	No
38		1	Carriage Club At Mount Arlington	Multifamily	Senior	2003	N/A	105	134,992	Units	97.1%	2/11/2011	Refinance	Yes	No
39		1	Waterford On The Meadow	Multifamily	Garden	1985	2009	350	40,043	Units	94.9%	12/31/2010	Acquisition	Yes	No
40		1	The Reserve At Maryville	Multifamily	Garden	2008	N/A	192	71,250	Units	96.4%	12/20/2010	Refinance	Yes	No
41		1	Rosemead Gardens	Multifamily	Garden	1973	2006	131	95,588	Units	95.4%	12/7/2010	Refinance	Yes	No
42		1	Hunters Mill Apartments	Multifamily	Garden	1987	N/A	180	64,170	Units	95.0%	12/31/2010	Refinance	Yes	No
43		1	Green Valley Apartments	Multifamily	Garden	1989	N/A	288	39,564	Units	95.8%	1/31/2011	Refinance	Yes	No
44		1	Lodge At Trails Edge	Multifamily	Garden	1981	2002	268	42,378	Units	94.0%	12/31/2010	Refinance	Yes	No
45		1	Eagles Apartments	Multifamily	Mid Rise	1971	N/A	192	58,893	Units	93.2%	3/15/2011	Refinance	Yes	No
46		1	Cobblestone Fayette	Multifamily	Garden	1991	2002	248	45,161	Units	90.7%	3/15/2011	Acquisition	Yes	No
47		1	Grande Reserve At Geist	Multifamily	Garden	1996	N/A	146	70,205	Units	85.6%	12/20/2010	Acquisition	Yes	No
48	(13)	1	Cypress Village Apartments	Multifamily	Garden	1963	N/A	88	113,636	Units	93.2%	2/28/2011	Acquisition	Yes	No
49		1	Hamilton Village Apartments	Multifamily	Garden	1965	2006	160	61,031	Units	97.5%	3/16/2011	Refinance	Yes	No
50		1	Arbor Ridge Apartments	Multifamily	Garden	1999	N/A	138	59,710	Units	99.3%	1/26/2011	Refinance	Yes	No
51		1	Terry Denny Building	Multifamily	Mid Rise	1900	2000	48	167,032	Units	95.8%	3/7/2011	Refinance	Yes	No
52		1	Huguenot Apartments	Multifamily	Garden	1975	N/A	296	27,027	Units	95.6%	12/31/2010	Refinance	Yes	No
53		1	Riverwoods Apartments	Multifamily	Garden	1985	N/A	174	44,011	Units	94.8%	2/28/2011	Acquisition	Yes	No
54		1	Pebble Creek Apartments	Multifamily	Garden	1994	N/A	148	51,433	Units	93.9%	3/10/2011	Acquisition	Yes	No
55		1	The Verandas	Multifamily	Garden	1980	N/A	120	61,875	Units	95.0%	1/20/2011	Refinance	Yes	No
56		1	Advenir Station At Springdale	Multifamily	Garden	1985	N/A	151	48,072	Units	92.1%	12/31/2010	Refinance	Yes	No
57		1	Washington Heights Apartments	Multifamily	Mid Rise	1910	N/A	101	69,307	Units	98.0%	2/11/2011	Refinance	Yes	No
58		1	Galleria Courtyards	Multifamily	Garden	1966	N/A	240	28,092	Units	88.8%	2/22/2011	Acquisition	Yes	No
59		1	Highland Oaks	Multifamily	Garden	1992	N/A	216	29,177	Units	94.0%	3/22/2011	Acquisition	Yes	No
60		1	Garden Pointe	Multifamily	Garden	1990	N/A	124	50,209	Units	96.8%	12/23/2010	Refinance	Yes	No
61		1	Glenwood Pointe Apartments	Multifamily	Garden	1997	N/A	128	46,643	Units	89.8%	3/10/2011	Acquisition	Yes	No
62		1	University Courtyard Apartments	Multifamily	Student	2000	N/A	384	14,837	Beds	97.4%	1/27/2011	Acquisition	Yes	No
63		1	Little Creek Garden Apartments	Multifamily	Garden	1973	N/A	197	28,759	Units	93.9%	2/22/2011	Refinance	Yes	No
64		1	Arbors Of Carrollton	Multifamily	Garden	1984	2005	131	40,458	Units	95.4%	12/31/2010	Acquisition	Yes	No
65		1	Spruce Village II Apartments	Multifamily	Garden	2000	N/A	104	49,265	Units	93.3%	1/31/2011	Refinance	Yes	No
66		1	Carlyle Apartments	Multifamily	Garden	1990	N/A	36	126,971	Units	94.4%	3/11/2011	Refinance	No	No
67		1	Turnbridge I & II	Multifamily	Garden	1995	1999	180	23,079	Units	88.9%	12/31/2010	Acquisition	Yes	No
68		1	Thomasville Apartments	Multifamily	Garden	1968	2008	84	33,128	Units	97.6%	1/28/2011	Refinance	No	No
69		1	Bel Air And Village West Apartments	Multifamily	Garden	1973	N/A	72	25,918	Units	98.6%	3/7/2011	Refinance	No	No

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Related Borrower Loans [1]	Payment Date	Grace Period	Note Date	First Payment Date	Maturity Date	Original Loan Amount	Cut-Off Date Loan Amount	% of Cut-Off Date Pool Balance	Maturity Balance	Gross Interest Rate
1		1	200 Water Street	N/A	1	10	11/16/2010	1/1/2011	12/1/2020	110,000,000	109,421,417	9.0%	88,663,661	4.4100%
2	(10)	1	Park Crest At Innisbrook	Group 1	1	10	9/30/2010	11/1/2010	10/1/2020	31,200,000	30,955,801	2.6%	25,166,035	4.4300%
3	(10)	1	Verandas At Sam Ridley	Group 1	1	10	9/30/2010	11/1/2010	10/1/2020	24,000,000	23,812,155	2.0%	19,358,488	4.4300%
4	(10)	1	Avondale At Kennesaw Farms	Group 1	1	10	9/30/2010	11/1/2010	10/1/2020	19,500,000	19,347,376	1.6%	15,728,772	4.4300%
5	(10)	1	535 Brookwood	Group 1	1	10	9/30/2010	11/1/2010	10/1/2020	14,150,000	14,039,250	1.2%	11,413,442	4.4300%
6		1	Summer House Apartments	N/A	1	10	10/19/2010	12/1/2010	11/1/2020	70,795,000	70,795,000	5.8%	60,149,842	4.3100%
7		1	Cool Springs At Frisco Bridges	N/A	1	10	11/15/2010	1/1/2011	12/1/2020	48,750,000	48,505,983	4.0%	39,645,696	4.6700%
8	(11)	1	MetroPlace At Towncenter	N/A	1	10	12/14/2010	2/1/2011	1/1/2021	46,846,000	46,672,650	3.9%	38,362,927	4.8800%
9		1	Waterford Lakes	Group 2	1	10	10/29/2010	12/1/2010	11/1/2020	30,800,000	30,591,156	2.5%	24,712,128	4.2800%
10		1	Villas At Centerview	N/A	1	10	11/15/2010	1/1/2011	12/1/2020	29,100,000	29,100,000	2.4%	25,003,955	4.7300%
11		1	The Heights At Perimeter Center	Group 3	1	10	11/10/2010	1/1/2011	12/1/2020	25,602,000	25,602,000	2.1%	21,894,263	4.5500%
12		1	Post Oak Park I & II	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	25,000,000	25,000,000	2.1%	22,756,095	4.1700%
13		1	The Landings At Beckett Ridge	Group 4	1	10	11/15/2010	1/1/2011	12/1/2020	23,880,000	23,752,962	2.0%	19,207,908	4.3500%
14		1	The Lofts Perimeter Center	Group 3	1	10	11/10/2010	1/1/2011	12/1/2020	23,693,000	23,693,000	2.0%	20,261,728	4.5500%
15		1	Park Place By The Bay	N/A	1	10	11/2/2010	1/1/2011	12/1/2020	23,295,000	23,295,000	1.9%	20,000,371	4.7000%
16		1	Stonebridge Ranch Apartments	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	23,000,000	22,846,064	1.9%	18,499,164	4.3500%
17		1	Stadium Suites	N/A	1	10	11/15/2010	1/1/2011	12/1/2020	22,100,000	21,988,741	1.8%	17,954,467	4.6400%
18		1	Hidden Oaks Estates	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	22,000,000	21,853,305	1.8%	17,707,197	4.3700%
19		1	The Drexel	Group 3	1	10	11/10/2010	1/1/2011	12/1/2020	21,797,000	21,797,000	1.8%	18,645,268	4.5600%
20		1	City View At Southside	N/A	1	10	10/28/2010	12/1/2010	11/1/2020	21,145,000	21,145,000	1.7%	18,125,161	4.6400%
21		1	Greenbriar Village Apartments	N/A	1	10	11/17/2010	1/1/2011	12/1/2020	21,100,000	20,989,437	1.7%	17,019,101	4.4300%
22		1	Villages At Turtle Rock	N/A	1	10	11/16/2010	1/1/2011	12/1/2020	21,000,000	20,891,208	1.7%	16,973,579	4.4900%
23		1	Mont Clare At Harlem Avenue	Group 2	1	10	10/29/2010	12/1/2010	11/1/2020	20,692,000	20,553,511	1.7%	16,642,813	4.3500%
24		1	Claridge House	N/A	1	10	11/10/2010	1/1/2011	12/1/2020	20,600,000	20,489,164	1.7%	16,534,849	4.2900%
25		1	Legacy Heights	N/A	1	10	11/12/2010	1/1/2011	12/1/2020	20,231,000	20,231,000	1.7%	17,333,228	4.6200%
26		1	River Oaks	N/A	1	10	11/3/2010	1/1/2011	12/1/2020	20,250,000	20,147,663	1.7%	16,440,325	4.6200%
27		1	Villa Oceana	Group 2	1	10	10/29/2010	12/1/2010	11/1/2020	19,500,000	19,370,701	1.6%	15,711,401	4.4000%
28		1	The Galleria Apartments	N/A	1	10	11/18/2010	1/1/2011	12/1/2020	19,100,000	19,100,000	1.6%	17,530,651	4.6800%
29		1	Summit Manor	N/A	1	10	11/3/2010	1/1/2011	12/1/2020	18,796,000	18,697,510	1.5%	15,160,712	4.4300%
30		1	Paces Commons	N/A	1	10	12/2/2010	2/1/2011	1/1/2021	18,050,000	18,050,000	1.5%	15,632,190	5.0400%
31		1	Sterling Lakes Apartments	Group 4	1	10	11/15/2010	1/1/2011	12/1/2020	17,200,000	17,108,671	1.4%	13,839,671	4.3600%
32		1	Bay Park	Group 2	1	10	10/29/2010	12/1/2010	11/1/2020	16,800,000	16,685,873	1.4%	13,474,603	4.2700%
33		1	Shadow Ridge Apartments	Group 4	1	10	11/15/2010	1/1/2011	12/1/2020	16,220,000	16,134,037	1.3%	13,055,683	4.3700%
34		1	Stoneleigh On May	N/A	1	10	11/23/2010	1/1/2011	12/1/2020	15,760,000	15,760,000	1.3%	13,611,710	4.9300%
35	(12)	1	Creekview Apartments	Group 5	1	10	11/9/2010	1/1/2011	12/1/2020	10,100,000	10,100,000	0.8%	8,597,959	4.3800%
36	(12)	1	Pear Ridge Apartments	Group 5	1	10	11/9/2010	1/1/2011	12/1/2020	4,700,000	4,700,000	0.4%	4,001,030	4.3800%
37		1	Sheridan Ridge	Group 5	1	10	11/12/2010	1/1/2011	12/1/2020	14,600,000	14,520,853	1.2%	11,702,383	4.2500%
38		1	Carriage Club At Mount Arlington	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	14,267,000	14,174,156	1.2%	11,534,893	4.5000%
39		1	Waterford On The Meadow	Group 6	1	10	11/9/2010	1/1/2011	12/1/2020	14,015,000	14,015,000	1.2%	12,032,848	4.7000%
40		1	The Reserve At Maryville	N/A	1	10	10/22/2010	12/1/2010	11/1/2020	13,680,000	13,680,000	1.1%	11,701,499	4.5600%
41		1	Rosemead Gardens	N/A	1	10	12/8/2010	2/1/2011	1/1/2021	12,522,000	12,522,000	1.0%	10,890,759	5.2100%
42		1	Hunters Mill Apartments	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	11,625,000	11,550,619	1.0%	9,427,825	4.5900%
43		1	Green Valley Apartments	N/A	1	10	11/2/2010	1/1/2011	12/1/2020	11,450,000	11,394,320	0.9%	9,358,639	4.8200%
44		1	Lodge At Trails Edge	N/A	1	10	10/8/2010	12/1/2010	11/1/2020	11,432,000	11,357,185	0.9%	9,233,249	4.4700%
45		1	Eagles Apartments	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	11,379,000	11,307,421	0.9%	9,256,528	4.6800%
46		1	Cobblestone Fayette	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	11,200,000	11,200,000	0.9%	9,534,031	4.3800%
47		1	Grande Reserve At Geist	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	10,250,000	10,250,000	0.8%	8,619,121	4.8600%
48	(13)	1	Cypress Village Apartments	N/A	1	10	10/15/2010	12/1/2010	11/1/2020	10,000,000	10,000,000	0.8%	8,454,294	4.1300%
49		1	Hamilton Village Apartments	N/A	1	10	11/5/2010	1/1/2011	12/1/2020	9,765,000	9,765,000	0.8%	8,390,503	4.7300%
50		1	Arbor Ridge Apartments	N/A	1	10	11/15/2010	1/1/2011	12/1/2020	8,240,000	8,240,000	0.7%	7,078,310	4.7200%
51		1	Terry Denny Building	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	8,066,000	8,017,530	0.7%	6,614,209	4.9200%
52		1	Huguenot Apartments	N/A	1	10	11/5/2010	1/1/2011	12/1/2020	8,000,000	8,000,000	0.7%	8,000,000	4.8800%
53		1	Riverwoods Apartments	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	7,658,000	7,658,000	0.6%	6,608,766	4.9000%
54		1	Pebble Creek Apartments	Group 7	1	10	11/4/2010	1/1/2011	12/1/2020	7,650,000	7,612,147	0.6%	6,233,919	4.7300%
55		1	The Verandas	N/A	1	10	10/28/2010	12/1/2010	11/1/2020	7,425,000	7,425,000	0.6%	6,367,942	4.6600%
56		1	Advenir Station At Springdale	N/A	1	10	10/29/2010	12/1/2010	11/1/2020	7,305,000	7,258,874	0.6%	5,938,418	4.6600%
57		1	Washington Heights Apartments	N/A	1	10	11/8/2010	1/1/2011	12/1/2020	7,000,000	7,000,000	0.6%	6,398,164	4.4200%
58		1	Galleria Courtyards	N/A	1	10	10/28/2010	12/1/2010	11/1/2020	6,742,000	6,742,000	0.6%	5,766,923	4.5600%
59		1	Highland Oaks	N/A	1	10	11/1/2010	12/1/2010	11/1/2020	6,340,000	6,302,193	0.5%	5,205,710	4.9600%
60		1	Garden Pointe	N/A	1	10	12/8/2010	2/1/2011	1/1/2021	6,250,000	6,225,968	0.5%	5,082,423	4.6700%
61		1	Glenwood Pointe Apartments	Group 7	1	10	11/4/2010	1/1/2011	12/1/2020	6,000,000	5,970,312	0.5%	4,889,349	4.7300%
62		1	University Courtyard Apartments	N/A	1	10	11/16/2010	1/1/2011	12/1/2020	5,725,000	5,697,375	0.5%	4,685,543	4.8600%
63		1	Little Creek Garden Apartments	N/A	1	10	10/26/2010	12/1/2010	11/1/2020	5,700,000	5,665,484	0.5%	4,667,896	4.8800%
64		1	Arbors Of Carrollton	Group 6	1	10	11/9/2010	1/1/2011	12/1/2020	5,300,000	5,300,000	0.4%	4,565,813	4.8300%
65		1	Spruce Village II Apartments	N/A	1	10	11/8/2010	1/1/2011	12/1/2020	5,150,000	5,123,573	0.4%	4,169,722	4.5400%
66		1	Carlyle Apartments	N/A	1	10	10/28/2010	12/1/2010	11/1/2020	4,600,000	4,570,954	0.4%	3,739,455	4.6600%
67		1	Turnbridge I & II	N/A	1	10	10/14/2010	12/1/2010	11/1/2020	4,180,000	4,154,250	0.3%	3,412,903	4.7900%
68		1	Thomasville Apartments	N/A	1	10	10/26/2010	12/1/2010	11/1/2020	2,800,000	2,782,751	0.2%	2,286,155	4.7900%
69		1	Bel Air And Village West Apartments	N/A	1	10	11/3/2010	1/1/2011	12/1/2020	1,875,000	1,866,109	0.2%	1,539,132	4.9500%

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Administration Fee[2]	Net Mortgage Interest Rate	Accrual Basis	Loan Amortization Type	Monthly Debt Service Amount (Amortizing)[3]	Amortization Term (Original)	Amortization Term (Remaining)	Loan Term (Original)	Loan Term (Remaining)	IO Period
1		1	200 Water Street	0.0608%	4.3492%	Actual/360	Balloon	551,486.96	360	356	120	116	0
2	(10)	1	Park Crest At Innisbrook	0.0608%	4.3692%	Actual/360	Balloon	156,790.79	360	354	120	114	0
3	(10)	1	Verandas At Sam Ridley	0.0608%	4.3692%	Actual/360	Balloon	120,608.30	360	354	120	114	0
4	(10)	1	Avondale At Kennesaw Farms	0.0608%	4.3692%	Actual/360	Balloon	97,994.24	360	354	120	114	0
5	(10)	1	535 Brookwood	0.0608%	4.3692%	Actual/360	Balloon	71,108.64	360	354	120	114	0
6		1	Summer House Apartments	0.0708%	4.2392%	Actual/360	Partial IO	350,760.06	360	360	120	115	24
7		1	Cool Springs At Frisco Bridges	0.0708%	4.5992%	Actual/360	Balloon	251,957.64	360	356	120	116	0
8	(11)	1	MetroPlace At Towncenter	0.0708%	4.8092%	Actual/360	Balloon	248,055.08	360	357	120	117	0
9		1	Waterford Lakes	0.0808%	4.1992%	Actual/360	Balloon	152,058.91	360	355	120	115	0
10		1	Villas At Centerview	0.0808%	4.6492%	Actual/360	Partial IO	151,448.77	360	360	120	116	24
11		1	The Heights At Perimeter Center	0.0808%	4.4692%	Actual/360	Partial IO	130,483.29	360	360	120	116	24
12		1	Post Oak Park I & II	0.0808%	4.0892%	Actual/360	Partial IO	121,816.95	360	360	120	115	60
13		1	The Landings At Beckett Ridge	0.0808%	4.2692%	Actual/360	Balloon	118,877.46	360	356	120	116	0
14		1	The Lofts Perimeter Center	0.0808%	4.4692%	Actual/360	Partial IO	120,753.87	360	360	120	116	24
15		1	Park Place By The Bay	0.0608%	4.6392%	Actual/360	Partial IO	120,816.68	360	360	120	116	24
16		1	Stonebridge Ranch Apartments	0.0908%	4.2592%	Actual/360	Balloon	114,496.71	360	355	120	115	0
17		1	Stadium Suites	0.0908%	4.5492%	Actual/360	Balloon	113,823.32	360	356	120	116	0
18		1	Hidden Oaks Estates	0.0908%	4.2792%	Actual/360	Balloon	109,777.89	360	355	120	115	0
19		1	The Drexel	0.0908%	4.4692%	Actual/360	Partial IO	111,220.63	360	360	120	116	24
20		1	City View At Southside	0.0908%	4.5492%	Actual/360	Partial IO	108,904.71	360	360	120	115	24
21		1	Greenbriar Village Apartments	0.0908%	4.3392%	Actual/360	Balloon	106,034.80	360	356	120	116	0
22		1	Villages At Turtle Rock	0.0908%	4.3992%	Actual/360	Balloon	106,279.17	360	356	120	116	0
23		1	Mont Clare At Harlem Avenue	0.0908%	4.2592%	Actual/360	Balloon	103,007.22	360	355	120	115	0
24		1	Claridge House	0.0708%	4.2192%	Actual/360	Balloon	101,822.59	360	356	120	116	0
25		1	Legacy Heights	0.0908%	4.5292%	Actual/360	Partial IO	103,955.03	360	360	120	116	24
26		1	River Oaks	0.1108%	4.5092%	Actual/360	Balloon	104,052.66	360	356	120	116	0
27		1	Villa Oceana	0.0908%	4.3092%	Actual/360	Balloon	97,648.38	360	355	120	115	0
28		1	The Galleria Apartments	0.0908%	4.5892%	Actual/360	Partial IO	98,830.35	360	360	120	116	60
29		1	Summit Manor	0.0908%	4.3392%	Actual/360	Balloon	94,456.40	360	356	120	116	0
30		1	Paces Commons	0.0908%	4.9492%	Actual/360	Partial IO	97,338.04	360	360	120	117	24
31		1	Sterling Lakes Apartments	0.0908%	4.2692%	Actual/360	Balloon	85,724.96	360	356	120	116	0
32		1	Bay Park	0.1008%	4.1692%	Actual/360	Balloon	82,842.72	360	355	120	115	0
33		1	Shadow Ridge Apartments	0.1008%	4.2692%	Actual/360	Balloon	80,936.24	360	356	120	116	0
34		1	Stoneleigh On May	0.1008%	4.8292%	Actual/360	Partial IO	83,930.14	360	360	120	116	24
35	(12)	1	Creekview Apartments	0.0808%	4.2992%	Actual/360	Partial IO	50,457.60	360	360	120	116	24
36	(12)	1	Pear Ridge Apartments	0.0808%	4.2992%	Actual/360	Partial IO	23,480.27	360	360	120	116	24
37		1	Sheridan Ridge	0.1008%	4.1492%	Actual/360	Balloon	71,823.22	360	356	120	116	0
38		1	Carriage Club At Mount Arlington	0.1008%	4.3992%	Actual/360	Balloon	72,288.79	360	355	120	115	0
39		1	Waterford On The Meadow	0.1008%	4.5992%	Actual/360	Partial IO	72,687.09	360	360	120	116	24
40		1	The Reserve At Maryville	0.1008%	4.4592%	Actual/360	Partial IO	69,803.10	360	360	120	115	24
41		1	Rosemead Gardens	0.1108%	5.0992%	Actual/360	Partial IO	68,837.04	360	360	120	117	24
42		1	Hunters Mill Apartments	0.1108%	4.4792%	Actual/360	Balloon	59,525.45	360	355	120	115	0
43		1	Green Valley Apartments	0.1108%	4.7092%	Actual/360	Balloon	60,212.68	360	356	120	116	0
44		1	Lodge At Trails Edge	0.1108%	4.3592%	Actual/360	Balloon	57,720.66	360	355	120	115	0
45		1	Eagles Apartments	0.1108%	4.5692%	Actual/360	Balloon	58,879.09	360	355	120	115	0
46		1	Cobblestone Fayette	0.1108%	4.2692%	Actual/360	Partial IO	55,952.98	360	360	120	115	24
47		1	Grande Reserve At Geist	0.1208%	4.7392%	Actual/360	Partial IO	54,150.56	360	360	120	115	12
48	(13)	1	Cypress Village Apartments	0.0708%	4.0592%	Actual/360	Partial IO	48,494.03	360	360	120	115	24
49		1	Hamilton Village Apartments	0.1208%	4.6092%	Actual/360	Partial IO	50,821.21	360	360	120	116	24
50		1	Arbor Ridge Apartments	0.1308%	4.5892%	Actual/360	Partial IO	42,834.87	360	360	120	116	24
51		1	Terry Denny Building	0.1308%	4.7892%	Actual/360	Balloon	42,906.52	360	355	120	115	0
52		1	Huguenot Apartments	0.1308%	4.7492%	Actual/360	Interest Only	32,985.19	0	0	120	116	120
53		1	Riverwoods Apartments	0.1308%	4.7692%	Actual/360	Partial IO	40,643.05	360	360	120	115	24
54		1	Pebble Creek Apartments	0.1308%	4.5992%	Actual/360	Balloon	39,813.85	360	356	120	116	0
55		1	The Verandas	0.1608%	4.4992%	Actual/360	Partial IO	38,330.55	360	360	120	115	24
56		1	Advenir Station At Springdale	0.1408%	4.5192%	Actual/360	Balloon	37,711.06	360	355	120	115	0
57		1	Washington Heights Apartments	0.1408%	4.2792%	Actual/360	Partial IO	35,136.01	360	360	120	116	60
58		1	Galleria Courtyards	0.1408%	4.4192%	Actual/360	Partial IO	34,401.50	360	360	120	115	24
59		1	Highland Oaks	0.1408%	4.8192%	Actual/360	Balloon	33,879.67	360	355	120	115	0
60		1	Garden Pointe	0.1108%	4.5592%	Actual/360	Balloon	32,302.26	360	357	120	117	0
61		1	Glenwood Pointe Apartments	0.1308%	4.5992%	Actual/360	Balloon	31,226.55	360	356	120	116	0
62		1	University Courtyard Apartments	0.1308%	4.7292%	Actual/360	Balloon	30,245.07	360	356	120	116	0
63		1	Little Creek Garden Apartments	0.1408%	4.7392%	Actual/360	Balloon	30,182.17	360	355	120	115	0
64		1	Arbors Of Carrollton	0.1508%	4.6792%	Actual/360	Partial IO	27,903.45	360	360	120	116	24
65		1	Spruce Village II Apartments	0.1408%	4.3992%	Actual/360	Balloon	26,216.84	360	356	120	116	0
66		1	Carlyle Apartments	0.1108%	4.5492%	Actual/360	Balloon	23,746.87	360	355	120	115	0
67		1	Turnbridge I & II	0.1608%	4.6292%	Actual/360	Balloon	21,905.75	360	355	120	115	0
68		1	Thomasville Apartments	0.1708%	4.6192%	Actual/360	Balloon	14,673.71	360	355	120	115	0
69		1	Bel Air And Village West Apartments	0.1708%	4.7792%	Actual/360	Balloon	10,008.19	360	356	120	116	0

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Seasoning	Prepayment Provision[4]	Appraisal Valuation Date	Appraised Value	Cut-Off Date LTV	Maturity LTV	UW NCF DSCR	UW NCF DSCR (IO)	UW EGI	UW Expenses	UW NOI	UW NCF
1		1	200 Water Street	4	L(28) D(88) O(4)	8/8/2010	221,900,000	49.3%	40.0%	1.44x	N/A	19,111,763	9,388,781	9,722,982	9,508,779
2	(10)	1	Park Crest At Innisbrook	6	L(30) D(86) O(4)	9/1/2010	42,000,000	73.0%	59.3%	1.34x	N/A	4,869,121	2,282,438	2,586,683	2,499,851
3	(10)	1	Verandas At Sam Ridley	6	L(30) D(86) O(4)	9/2/2010	32,000,000	73.0%	59.3%	1.34x	N/A	3,410,218	1,413,373	1,996,845	1,933,341
4	(10)	1	Avondale At Kennesaw Farms	6	L(30) D(86) O(4)	9/2/2010	26,575,000	73.0%	59.3%	1.34x	N/A	2,816,661	1,157,547	1,659,114	1,607,274
5	(10)	1	535 Brookwood	6	L(30) D(86) O(4)	8/30/2010	20,200,000	73.0%	59.3%	1.34x	N/A	2,232,450	1,031,025	1,201,425	1,156,625
6		1	Summer House Apartments	5	L(29) D(87) O(4)	8/17/2010	93,290,000	75.9%	64.5%	1.31x	1.78x	9,496,233	3,835,879	5,660,354	5,499,839
7		1	Cool Springs At Frisco Bridges	4	YM1%(113) 1%(3) O(4)	9/29/2010	65,800,000	73.7%	60.3%	1.27x	N/A	6,504,883	2,559,960	3,944,923	3,830,298
8	(11)	1	MetroPlace At Towncenter	3	L(27) D(89) O(4)	8/12/2010	66,400,000	70.3%	57.8%	1.25x	N/A	6,411,303	2,564,566	3,846,737	3,720,888
9		1	Waterford Lakes	5	L(29) D(87) O(4)	8/24/2010	38,500,000	79.5%	64.2%	1.26x	N/A	5,204,213	2,707,902	2,496,311	2,305,461
10		1	Villas At Centerview	4	L(28) D(88) O(4)	8/3/2010	40,650,000	71.6%	61.5%	1.26x	1.64x	3,822,838	1,462,542	2,360,296	2,283,252
11		1	The Heights At Perimeter Center	4	L(28) D(88) O(4)	8/26/2010	37,300,000	68.6%	58.7%	1.27x	1.69x	3,561,912	1,517,144	2,044,768	1,991,768
12		1	Post Oak Park I & II	5	L(29) D(87) O(4)	8/6/2010	43,500,000	57.5%	52.3%	1.69x	2.34x	4,920,898	2,345,850	2,575,048	2,476,863
13		1	The Landings At Beckett Ridge	4	L(28) D(88) O(4)	8/24/2010	33,535,000	70.8%	57.3%	1.64x	N/A	3,866,497	1,440,477	2,426,020	2,341,020
14		1	The Lofts Perimeter Center	4	L(28) D(88) O(4)	8/26/2010	38,900,000	60.9%	52.1%	1.27x	1.69x	3,743,955	1,846,928	1,897,027	1,843,227
15		1	Park Place By The Bay	4	L(28) D(88) O(4)	8/25/2010	32,600,000	71.5%	61.4%	1.25x	1.63x	5,774,507	3,842,318	1,932,189	1,813,198
16		1	Stonebridge Ranch Apartments	5	L(29) D(87) O(4)	9/14/2010	40,430,000	56.5%	45.8%	1.38x	N/A	3,583,881	1,556,983	2,026,898	1,895,970
17		1	Stadium Suites	4	L(28) D(88) O(4)	8/27/2010	32,150,000	68.4%	55.8%	1.46x	N/A	5,081,183	2,954,492	2,126,691	1,988,091
18		1	Hidden Oaks Estates	5	L(29) D(87) O(4)	7/12/2010	29,000,000	75.4%	61.1%	1.39x	N/A	3,390,148	1,471,340	1,918,808	1,827,116
19		1	The Drexel	4	L(28) D(88) O(4)	8/26/2010	31,500,000	69.2%	59.2%	1.27x	1.68x	2,891,908	1,162,776	1,729,132	1,697,732
20		1	City View At Southside	5	L(29) D(87) O(4)	9/8/2010	30,900,000	68.4%	58.7%	1.25x	1.65x	2,945,389	1,252,404	1,692,985	1,637,785
21		1	Greenbriar Village Apartments	4	L(28) D(88) O(4)	9/28/2010	30,200,000	69.5%	56.4%	1.44x	N/A	4,617,045	2,624,010	1,993,035	1,827,102
22		1	Villages At Turtle Rock	4	L(28) D(88) O(4)	9/27/2010	35,800,000	58.4%	47.4%	1.44x	N/A	3,600,312	1,690,457	1,909,855	1,838,655
23		1	Mont Clare At Harlem Avenue	5	L(29) D(87) O(4)	8/18/2010	25,865,000	79.5%	64.3%	1.31x	N/A	3,372,152	1,677,011	1,695,141	1,624,891
24		1	Claridge House	4	L(28) D(88) O(4)	8/14/2010	37,900,000	54.1%	43.6%	1.68x	N/A	4,404,954	2,282,636	2,122,318	2,046,818
25		1	Legacy Heights	4	L(28) D(88) O(4)	9/14/2010	31,150,000	64.9%	55.6%	1.40x	1.84x	3,452,534	1,638,840	1,813,694	1,747,904
26		1	River Oaks	4	L(28) D(88) O(4)	9/1/2010	35,000,000	57.6%	47.0%	1.37x	N/A	3,775,851	1,842,888	1,932,963	1,705,659
27		1	Villa Oceana	5	L(29) D(87) O(4)	8/19/2010	32,000,000	60.5%	49.1%	1.27x	N/A	3,185,817	1,653,879	1,531,938	1,488,738
28		1	The Galleria Apartments	4	L(28) D(88) O(4)	10/5/2010	26,250,000	72.8%	66.8%	1.31x	1.71x	2,508,852	901,105	1,607,747	1,549,923
29		1	Summit Manor	4	L(28) D(88) O(4)	8/12/2010	26,400,000	70.8%	57.4%	1.40x	N/A	2,938,496	1,292,637	1,645,859	1,588,083
30		1	Paces Commons	3	L(27) D(89) O(4)	10/14/2010	25,000,000	72.2%	62.5%	1.31x	1.66x	3,112,264	1,496,297	1,615,967	1,535,217
31		1	Sterling Lakes Apartments	4	L(28) D(88) O(4)	8/27/2010	24,000,000	71.3%	57.7%	1.61x	N/A	3,011,734	1,284,116	1,727,618	1,656,618
32		1	Bay Park	5	L(29) D(87) O(4)	8/19/2010	21,000,000	79.5%	64.2%	1.27x	N/A	2,858,446	1,535,001	1,323,445	1,260,745
33		1	Shadow Ridge Apartments	4	L(28) D(88) O(4)	8/30/2010	22,635,000	71.3%	57.7%	1.69x	N/A	2,660,655	956,791	1,703,864	1,640,864
34		1	Stoneleigh On May	4	L(28) D(88) O(4)	10/4/2010	20,300,000	77.6%	67.1%	1.27x	1.62x	2,391,881	1,049,672	1,342,209	1,277,061
35	(12)	1	Creekview Apartments	4	L(28) D(88) O(4)	8/31/2010	12,650,000	78.1%	66.5%	1.30x	1.76x	1,862,389	987,801	874,588	814,108
36	(12)	1	Pear Ridge Apartments	4	L(28) D(88) O(4)	8/31/2010	6,300,000	78.1%	66.5%	1.30x	1.76x	1,124,419	741,410	383,009	340,673
37		1	Sheridan Ridge	4	L(28) D(88) O(4)	8/31/2010	18,645,920	77.9%	62.8%	1.62x	N/A	2,622,481	1,149,544	1,472,938	1,396,554
38		1	Carriage Club At Mount Arlington	5	L(29) D(87) O(4)	9/2/2010	18,400,000	77.0%	62.7%	1.24x	N/A	1,911,882	808,067	1,103,815	1,076,255
39		1	Waterford On The Meadow	4	L(28) D(88) O(4)	9/10/2010	17,700,000	79.2%	68.0%	1.43x	1.86x	2,902,304	1,561,674	1,340,630	1,242,980
40		1	The Reserve At Maryville	5	L(29) D(87) O(4)	9/29/2010	18,150,000	75.4%	64.5%	1.27x	1.68x	1,894,841	792,879	1,101,962	1,063,562
41		1	Rosemead Gardens	3	L(27) D(89) O(4)	10/6/2010	17,000,000	73.7%	64.1%	1.25x	1.56x	1,686,026	612,447	1,073,579	1,032,576
42		1	Hunters Mill Apartments	5	L(29) D(87) O(4)	7/7/2010	15,500,000	74.5%	60.8%	1.50x	N/A	2,050,228	916,625	1,133,603	1,072,403
43		1	Green Valley Apartments	4	L(28) D(88) O(4)	6/23/2010	16,615,000	68.6%	56.3%	1.59x	N/A	2,372,362	1,147,875	1,224,487	1,150,183
44		1	Lodge At Trails Edge	5	L(29) D(87) O(4)	8/11/2010	14,500,000	78.3%	63.7%	1.44x	N/A	2,017,778	951,957	1,065,822	998,822
45		1	Eagles Apartments	5	L(29) D(87) O(4)	9/15/2010	15,330,000	73.8%	60.4%	1.50x	N/A	2,340,554	1,218,263	1,122,291	1,059,891
46		1	Cobblestone Fayette	5	L(29) D(87) O(4)	8/25/2010	15,900,000	70.4%	60.0%	1.39x	1.88x	2,070,223	1,062,240	1,007,983	934,575
47		1	Grande Reserve At Geist	5	L(29) D(87) O(4)	8/11/2010	13,350,000	76.8%	64.6%	1.37x	1.76x	1,727,221	794,696	932,525	888,725
48	(13)	1	Cypress Village Apartments	5	L(29) D(87) O(4)	8/27/2010	15,000,000	66.7%	56.4%	1.47x	2.05x	1,435,952	541,470	894,482	857,874
49		1	Hamilton Village Apartments	4	L(28) D(88) O(4)	10/5/2010	13,100,000	74.5%	64.0%	1.32x	1.72x	1,612,067	747,372	864,696	807,096
50		1	Arbor Ridge Apartments	4	L(28) D(88) O(4)	8/11/2010	10,300,000	80.0%	68.7%	1.42x	1.86x	1,674,647	908,294	766,353	731,853
51		1	Terry Denny Building	5	L(29) D(87) O(4)	9/7/2010	11,800,000	67.9%	56.1%	1.25x	N/A	1,052,030	398,788	653,242	643,642
52		1	Huguenot Apartments	4	L(28) D(88) O(4)	8/4/2010	15,900,000	50.3%	50.3%	2.27x	2.27x	2,490,340	1,474,494	1,015,846	898,630
53		1	Riverwoods Apartments	5	L(29) D(87) O(4)	8/6/2010	10,225,000	74.9%	64.6%	1.25x	1.60x	1,290,379	632,674	657,705	609,681
54		1	Pebble Creek Apartments	4	L(28) D(88) O(4)	9/17/2010	10,220,000	74.5%	61.0%	1.48x	N/A	1,418,212	658,009	760,203	707,811
55		1	The Verandas	5	L(29) D(87) O(4)	8/31/2010	9,900,000	75.0%	64.3%	1.40x	1.83x	1,261,541	580,562	680,979	643,179
56		1	Advenir Station At Springdale	5	L(29) D(87) O(4)	6/8/2010	9,500,000	76.4%	62.5%	1.26x	N/A	1,414,331	791,698	622,633	570,991
57		1	Washington Heights Apartments	4	L(28) D(88) O(4)	9/15/2010	11,500,000	60.9%	55.6%	1.52x	2.04x	1,339,197	674,779	664,418	639,168
58		1	Galleria Courtyards	5	L(29) D(87) O(4)	9/16/2010	9,000,000	74.9%	64.1%	1.60x	2.12x	1,788,394	1,053,714	734,680	661,480
59		1	Highland Oaks	5	YM1%(113) 1%(3) O(4)	9/24/2010	8,000,000	78.8%	65.1%	1.41x	N/A	1,651,036	1,012,710	638,326	573,310
60		1	Garden Pointe	3	L(27) D(89) O(4)	10/4/2010	10,300,000	60.4%	49.3%	1.62x	N/A	1,244,175	580,731	663,444	626,988
61		1	Glenwood Pointe Apartments	4	L(28) D(88) O(4)	9/17/2010	8,070,000	74.0%	60.6%	1.45x	N/A	1,207,353	619,988	587,365	544,101
62		1	University Courtyard Apartments	4	L(28) D(88) O(4)	9/21/2010	8,000,000	71.2%	58.6%	1.69x	N/A	1,843,029	1,173,642	669,387	611,787
63		1	Little Creek Garden Apartments	5	L(29) D(87) O(4)	8/9/2010	7,600,000	74.5%	61.4%	1.32x	N/A	1,571,093	1,036,764	534,329	478,184
64		1	Arbors Of Carrollton	4	L(28) D(88) O(4)	9/10/2010	6,650,000	79.7%	68.7%	1.30x	1.68x	1,082,824	610,788	472,036	435,618
65		1	Spruce Village II Apartments	4	L(28) D(88) O(4)	7/14/2010	10,640,000	48.2%	39.2%	1.81x	N/A	1,069,796	469,076	600,720	569,520
66		1	Carlyle Apartments	5	L(29) D(87) O(4)	7/15/2010	8,100,000	56.4%	46.2%	1.61x	N/A	737,778	265,446	472,332	458,210
67		1	Turnbridge I & II	5	L(29) D(87) O(4)	7/14/2010	5,460,000	76.1%	62.5%	1.26x	N/A	1,133,719	761,550	372,169	330,949
68		1	Thomasville Apartments	5	L(29) D(87) O(4)	8/10/2010	5,140,000	54.1%	44.5%	1.55x	N/A	710,384	411,736	298,648	272,188
69		1	Bel Air And Village West Apartments	4	L(28) D(88) O(4)	8/16/2010	2,600,000	71.8%	59.2%	1.49x	N/A	434,581	236,626	197,955	179,019

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	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
1		1	200 Water Street	12/31/2010	17,443,308	10,263,080	7,180,228	7,180,228	N/A	N/A	N/A
2	(10)	1	Park Crest At Innisbrook	12/31/2010	4,918,391	1,898,905	3,019,486	3,019,486	12/31/2009	4,394,540	1,887,596
3	(10)	1	Verandas At Sam Ridley	12/31/2010	5,299,840	2,067,740	3,232,100	3,232,100	N/A	N/A	N/A
4	(10)	1	Avondale At Kennesaw Farms	12/31/2010	4,254,794	1,607,530	2,647,265	2,647,265	N/A	N/A	N/A
5	(10)	1	535 Brookwood	12/31/2010	2,592,142	1,082,397	1,509,745	1,507,054	N/A	N/A	N/A
6		1	Summer House Apartments	1/31/2011	9,897,537	3,943,221	5,954,316	5,954,316	12/31/2009	10,157,221	4,632,916
7		1	Cool Springs At Frisco Bridges	9/30/2010	6,478,722	2,273,738	4,204,984	4,204,984	N/A	N/A	N/A
8	(11)	1	MetroPlace At Towncenter	12/31/2010	6,405,487	2,489,586	3,915,901	3,915,901	12/31/2009	5,932,895	2,331,103
9		1	Waterford Lakes	12/31/2010	5,330,406	2,695,201	2,635,205	2,635,205	12/31/2009	5,426,198	2,649,161
10		1	Villas At Centerview	12/31/2010	3,747,259	1,412,376	2,334,883	2,334,883	12/31/2009	3,092,685	1,292,307
11		1	The Heights At Perimeter Center	8/31/2010	3,578,415	1,584,914	1,993,501	1,993,501	12/31/2009	3,657,688	1,520,234
12		1	Post Oak Park I & II	2/28/2011	4,923,417	2,102,271	2,821,146	2,821,146	12/31/2009	5,019,341	2,429,080
13		1	The Landings At Beckett Ridge	12/31/2010	3,927,774	1,440,710	2,487,064	2,487,064	12/31/2009	3,886,670	1,431,907
14		1	The Lofts Perimeter Center	8/31/2010	3,453,585	1,766,108	1,687,477	1,687,477	12/31/2009	1,915,920	1,654,322
15		1	Park Place By The Bay	12/31/2010	5,756,746	3,664,185	2,092,561	1,976,811	12/31/2009	5,348,344	3,544,371
16		1	Stonebridge Ranch Apartments	12/31/2010	3,657,778	1,666,700	1,991,078	1,991,078	12/31/2009	3,629,123	1,574,587
17		1	Stadium Suites	8/31/2010	4,042,237	3,346,352	695,885	695,885	12/31/2009	4,497,365	3,028,361
18		1	Hidden Oaks Estates	12/31/2010	3,497,950	1,560,189	1,937,761	1,937,761	12/31/2009	3,433,874	1,443,035
19		1	The Drexel	8/31/2010	2,916,692	1,190,056	1,726,636	1,726,636	12/31/2009	2,787,499	1,209,734
20		1	City View At Southside	12/31/2010	2,959,238	1,177,637	1,781,601	1,781,601	12/31/2009	2,469,371	1,034,547
21		1	Greenbriar Village Apartments	12/31/2010	4,804,375	2,720,414	2,083,961	2,083,961	12/31/2009	4,804,377	2,782,970
22		1	Villages At Turtle Rock	12/31/2010	2,773,704	1,513,750	1,259,955	1,259,955	N/A	N/A	N/A
23		1	Mont Clare At Harlem Avenue	12/31/2010	3,488,122	1,715,530	1,772,592	1,772,592	12/31/2009	3,457,593	1,767,501
24		1	Claridge House	12/31/2010	4,588,887	2,188,673	2,400,214	2,255,665	12/31/2009	4,240,556	2,116,172
25		1	Legacy Heights	12/31/2010	3,539,372	1,522,381	2,016,991	2,016,991	12/31/2009	2,360,646	1,557,691
26		1	River Oaks	12/31/2010	3,714,847	1,982,185	1,732,662	1,732,662	N/A	N/A	N/A
27		1	Villa Oceana	2/28/2011	3,159,730	1,363,782	1,795,948	1,795,948	12/31/2009	1,745,773	1,557,585
28		1	The Galleria Apartments	9/30/2010	2,517,911	871,276	1,646,635	1,646,635	12/31/2009	2,449,263	903,375
29		1	Summit Manor	8/31/2010	2,928,597	1,316,095	1,612,502	1,612,502	12/31/2009	2,760,970	1,314,197
30		1	Paces Commons	9/30/2010	3,050,821	1,748,062	1,302,759	1,302,759	12/31/2009	2,999,741	1,536,845
31		1	Sterling Lakes Apartments	12/31/2010	3,030,338	1,268,206	1,762,132	1,762,132	12/31/2009	3,013,993	1,206,425
32		1	Bay Park	12/31/2010	2,957,363	1,456,532	1,500,832	1,451,785	12/31/2009	3,068,640	1,588,170
33		1	Shadow Ridge Apartments	12/31/2010	2,697,819	949,446	1,748,373	1,748,373	12/31/2009	2,599,877	933,452
34		1	Stoneleigh On May	9/30/2010	2,309,661	951,741	1,357,920	1,357,920	12/31/2009	2,239,833	1,003,099
35	(12)	1	Creekview Apartments	12/31/2010	1,846,348	972,709	873,639	873,639	12/31/2009	1,885,917	967,539
36	(12)	1	Pear Ridge Apartments	8/31/2010	1,077,837	752,568	325,269	325,269	12/31/2009	1,195,845	729,763
37		1	Sheridan Ridge	12/31/2010	2,646,392	1,077,041	1,569,351	1,569,351	12/31/2009	2,696,287	1,091,439
38		1	Carriage Club At Mount Arlington	12/31/2010	1,904,687	862,920	1,041,767	1,041,767	12/31/2009	1,734,232	835,966
39		1	Waterford On The Meadow	8/31/2010	2,916,788	836,457	2,080,331	1,295,163	12/31/2009	2,958,583	1,524,626
40		1	The Reserve At Maryville	8/31/2010	1,833,931	724,129	1,109,802	1,109,802	12/31/2009	1,060,079	728,514
41		1	Rosemead Gardens	10/31/2010	1,692,441	620,933	1,071,508	1,071,508	12/31/2009	1,715,560	679,225
42		1	Hunters Mill Apartments	12/31/2010	2,080,988	918,883	1,162,105	1,162,105	12/31/2009	2,074,761	858,204
43		1	Green Valley Apartments	12/31/2010	2,434,136	995,799	1,438,337	1,309,122	12/31/2009	2,389,085	951,125
44		1	Lodge At Trails Edge	12/31/2010	2,058,056	934,876	1,123,180	1,123,180	12/31/2009	1,969,602	940,419
45		1	Eagles Apartments	8/31/2010	2,334,085	1,101,210	1,232,875	1,232,875	12/31/2009	2,314,051	1,104,942
46		1	Cobblestone Fayette	8/31/2010	2,164,522	1,061,512	1,103,010	1,103,010	12/31/2009	1,952,552	1,069,896
47		1	Grande Reserve At Geist	12/31/2010	1,715,141	801,868	913,274	913,274	12/31/2009	1,649,986	762,406
48	(13)	1	Cypress Village Apartments	2/28/2011	1,444,069	581,806	862,262	862,262	12/31/2009	1,464,293	566,674
49		1	Hamilton Village Apartments	2/28/2011	1,537,749	765,715	772,034	772,034	12/31/2009	1,567,487	644,717
50		1	Arbor Ridge Apartments	12/31/2010	1,767,222	910,665	856,557	856,557	12/31/2009	1,671,714	889,943
51		1	Terry Denny Building	8/31/2010	1,028,220	296,684	731,536	718,477	12/31/2009	998,230	297,557
52		1	Huguenot Apartments	12/31/2010	2,551,834	1,481,291	1,070,543	1,070,543	12/31/2009	2,232,555	1,475,970
53		1	Riverwoods Apartments	8/31/2010	1,300,453	638,578	661,875	661,875	12/31/2009	1,199,632	671,749
54		1	Pebble Creek Apartments	2/28/2011	1,522,606	619,920	902,686	902,686	12/31/2009	1,411,142	612,464
55		1	The Verandas	12/31/2010	1,298,968	563,110	735,858	735,858	12/31/2009	1,268,316	516,811
56		1	Advenir Station At Springdale	7/31/2010	1,403,709	760,793	642,916	642,916	12/31/2009	1,377,765	763,940
57		1	Washington Heights Apartments	9/30/2010	1,382,348	637,544	744,804	742,511	12/31/2009	1,403,976	663,392
58		1	Galleria Courtyards	8/31/2010	1,813,588	967,898	845,690	845,690	12/31/2009	1,838,768	1,043,051
59		1	Highland Oaks	12/31/2010	1,660,053	874,325	785,728	785,728	N/A	N/A	N/A
60		1	Garden Pointe	12/31/2010	1,289,943	571,088	718,855	662,636	12/31/2009	1,300,188	530,360
61		1	Glenwood Pointe Apartments	1/31/2011	1,252,777	573,775	679,002	679,002	12/31/2009	1,195,000	550,433
62		1	University Courtyard Apartments	9/30/2010	1,842,638	1,115,693	726,945	707,565	12/31/2009	1,298,653	852,380
63		1	Little Creek Garden Apartments	8/31/2010	1,430,674	918,433	512,241	512,241	12/31/2009	1,419,057	891,707
64		1	Arbors Of Carrollton	8/31/2010	1,114,971	597,334	517,637	517,637	12/31/2009	1,158,026	610,737
65		1	Spruce Village II Apartments	12/31/2010	1,142,454	382,932	759,522	759,522	12/31/2009	1,077,075	384,266
66		1	Carlyle Apartments	12/31/2010	798,708	332,612	466,096	466,096	12/31/2009	721,394	232,843
67		1	Turnbridge I & II	8/31/2010	1,129,425	738,573	390,852	390,852	12/31/2009	1,180,535	721,849
68		1	Thomasville Apartments	8/31/2010	710,384	402,109	308,275	308,275	12/31/2009	699,842	385,200
69		1	Bel Air And Village West Apartments	12/31/2010	444,694	229,323	215,371	215,371	12/31/2009	429,285	213,571

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	2nd Most Recent NOI	2nd Most Recent NCF	3rd Most Recent Financial End Date	3rd Most Recent EGI	3rd Most Recent Expenses	3rd Most Recent NOI	3rd Most Recent NCF	Lien Position
1		1	200 Water Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
2	(10)	1	Park Crest At Innisbrook	2,506,944	2,506,944	N/A	N/A	N/A	N/A	N/A	First Mortgage
3	(10)	1	Verandas At Sam Ridley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
4	(10)	1	Avondale At Kennesaw Farms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
5	(10)	1	535 Brookwood	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
6		1	Summer House Apartments	5,524,305	5,524,305	12/31/2008	8,519,212	4,268,435	4,250,777	4,250,777	First Mortgage
7		1	Cool Springs At Frisco Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
8	(11)	1	MetroPlace At Towncenter	3,601,792	3,601,792	12/31/2008	4,536,140	2,335,780	2,200,360	2,071,768	First Mortgage
9		1	Waterford Lakes	2,777,037	2,777,037	12/31/2008	5,567,249	2,660,094	2,907,155	2,907,155	First Mortgage
10		1	Villas At Centerview	1,800,378	1,800,378	N/A	N/A	N/A	N/A	N/A	First Mortgage
11		1	The Heights At Perimeter Center	2,137,454	2,137,454	N/A	N/A	N/A	N/A	N/A	First Mortgage
12		1	Post Oak Park I & II	2,590,261	2,590,261	12/31/2008	5,120,532	2,202,666	2,917,866	2,917,866	First Mortgage
13		1	The Landings At Beckett Ridge	2,454,763	2,454,763	12/31/2008	3,968,696	1,422,916	2,545,780	2,545,780	First Mortgage
14		1	The Lofts Perimeter Center	261,598	261,598	N/A	N/A	N/A	N/A	N/A	First Mortgage
15		1	Park Place By The Bay	1,803,973	1,688,223	12/31/2008	6,123,106	3,777,161	2,345,945	2,230,195	First Mortgage
16		1	Stonebridge Ranch Apartments	2,054,536	1,966,516	12/31/2008	3,976,147	1,508,893	2,467,254	2,403,419	First Mortgage
17		1	Stadium Suites	1,469,004	1,469,004	N/A	N/A	N/A	N/A	N/A	First Mortgage
18		1	Hidden Oaks Estates	1,990,839	1,990,839	12/31/2008	3,548,153	1,452,224	2,095,929	2,095,929	First Mortgage
19		1	The Drexel	1,577,765	1,577,765	N/A	N/A	N/A	N/A	N/A	First Mortgage
20		1	City View At Southside	1,434,824	1,434,824	12/31/2008	1,416,143	896,996	519,147	519,147	First Mortgage
21		1	Greenbriar Village Apartments	2,021,407	2,021,407	12/31/2008	4,954,271	2,944,685	2,009,586	2,009,586	First Mortgage
22		1	Villages At Turtle Rock	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
23		1	Mont Clare At Harlem Avenue	1,690,092	1,690,092	12/31/2008	3,275,445	1,822,158	1,453,287	1,453,287	First Mortgage
24		1	Claridge House	2,124,384	1,881,420	12/31/2008	4,161,819	2,342,733	1,819,086	1,500,702	First Mortgage
25		1	Legacy Heights	802,955	802,955	N/A	N/A	N/A	N/A	N/A	First Mortgage
26		1	River Oaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
27		1	Villa Oceana	188,188	188,188	N/A	N/A	N/A	N/A	N/A	First Mortgage
28		1	The Galleria Apartments	1,545,888	1,545,888	12/31/2008	2,414,429	922,826	1,491,603	1,491,603	First Mortgage
29		1	Summit Manor	1,446,773	1,446,773	12/31/2008	2,864,032	1,267,304	1,596,728	1,596,728	First Mortgage
30		1	Paces Commons	1,462,896	1,462,896	12/31/2008	3,187,300	1,456,655	1,730,645	1,730,645	First Mortgage
31		1	Sterling Lakes Apartments	1,807,568	1,807,568	12/31/2008	2,954,054	1,210,337	1,743,717	1,743,717	First Mortgage
32		1	Bay Park	1,480,470	1,480,470	12/31/2008	2,345,367	1,604,459	740,908	740,908	First Mortgage
33		1	Shadow Ridge Apartments	1,666,425	1,666,425	12/31/2008	2,541,981	896,803	1,645,178	1,645,178	First Mortgage
34		1	Stoneleigh On May	1,236,734	1,236,734	12/31/2008	2,301,012	934,286	1,366,726	1,366,726	First Mortgage
35	(12)	1	Creekview Apartments	918,378	918,378	12/31/2008	1,920,213	975,413	944,800	944,800	First Mortgage
36	(12)	1	Pear Ridge Apartments	466,082	466,082	12/31/2008	1,276,654	750,108	526,546	526,546	First Mortgage
37		1	Sheridan Ridge	1,604,848	1,604,848	12/31/2008	2,736,606	1,104,552	1,632,055	1,632,055	First Mortgage
38		1	Carriage Club At Mount Arlington	898,266	898,266	12/31/2008	1,740,670	800,415	940,255	940,255	First Mortgage
39		1	Waterford On The Meadow	1,433,957	1,433,957	12/31/2008	3,026,501	1,540,737	1,485,764	1,485,764	First Mortgage
40		1	The Reserve At Maryville	331,565	331,565	N/A	N/A	N/A	N/A	N/A	First Mortgage
41		1	Rosemead Gardens	1,036,335	1,036,335	12/31/2008	1,708,396	765,622	942,774	942,774	First Mortgage
42		1	Hunters Mill Apartments	1,216,557	1,146,193	12/31/2008	2,081,217	853,393	1,227,824	1,152,309	First Mortgage
43		1	Green Valley Apartments	1,437,960	1,340,945	12/31/2008	2,372,117	1,013,737	1,358,380	1,298,061	First Mortgage
44		1	Lodge At Trails Edge	1,029,183	1,029,183	12/31/2008	1,746,647	980,332	766,316	766,316	First Mortgage
45		1	Eagles Apartments	1,209,109	956,222	12/31/2008	2,254,968	1,231,875	1,023,093	818,117	First Mortgage
46		1	Cobblestone Fayette	882,656	882,656	9/30/2008	2,199,855	960,944	1,238,911	1,238,911	First Mortgage
47		1	Grande Reserve At Geist	887,580	887,580	12/31/2008	1,564,726	725,689	839,037	839,037	First Mortgage
48	(13)	1	Cypress Village Apartments	897,619	897,619	12/31/2008	1,437,481	405,214	1,032,267	1,032,267	First Mortgage
49		1	Hamilton Village Apartments	922,770	922,770	12/31/2008	1,506,997	738,322	768,675	768,675	First Mortgage
50		1	Arbor Ridge Apartments	781,771	781,771	N/A	N/A	N/A	N/A	N/A	First Mortgage
51		1	Terry Denny Building	700,673	687,614	12/31/2008	1,076,688	282,808	793,880	720,334	First Mortgage
52		1	Huguenot Apartments	756,585	646,830	12/31/2008	2,442,555	1,310,603	1,131,952	1,131,952	First Mortgage
53		1	Riverwoods Apartments	527,883	527,883	12/31/2008	1,245,056	645,327	599,729	599,729	First Mortgage
54		1	Pebble Creek Apartments	798,678	798,678	12/31/2008	1,398,078	609,574	788,504	788,504	First Mortgage
55		1	The Verandas	751,505	751,505	12/31/2008	1,193,653	533,898	659,755	659,755	First Mortgage
56		1	Advenir Station At Springdale	613,825	613,825	12/31/2008	1,430,691	779,606	651,085	651,085	First Mortgage
57		1	Washington Heights Apartments	740,584	736,758	12/31/2008	1,357,540	748,186	609,354	604,336	First Mortgage
58		1	Galleria Courtyards	795,717	795,717	N/A	N/A	N/A	N/A	N/A	First Mortgage
59		1	Highland Oaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage
60		1	Garden Pointe	769,828	718,296	12/31/2008	1,277,507	533,460	744,047	695,384	First Mortgage
61		1	Glenwood Pointe Apartments	644,567	644,567	12/31/2008	1,314,559	658,885	655,674	655,674	First Mortgage
62		1	University Courtyard Apartments	446,273	446,273	12/31/2008	1,526,365	1,085,964	440,401	440,401	First Mortgage
63		1	Little Creek Garden Apartments	527,350	527,350	12/31/2008	1,485,482	952,658	532,824	532,824	First Mortgage
64		1	Arbors Of Carrollton	547,289	547,289	12/31/2008	1,202,989	628,148	574,841	574,841	First Mortgage
65		1	Spruce Village II Apartments	692,809	692,809	12/31/2008	1,234,277	390,673	843,604	843,604	First Mortgage
66		1	Carlyle Apartments	488,551	488,551	12/31/2008	776,007	241,629	534,378	534,378	First Mortgage
67		1	Turnbridge I & II	458,686	458,686	12/31/2008	1,147,897	750,594	397,303	397,303	First Mortgage
68		1	Thomasville Apartments	314,642	314,642	12/31/2008	645,791	381,723	264,068	264,068	First Mortgage
69		1	Bel Air And Village West Apartments	215,714	215,714	12/31/2008	484,353	192,730	291,623	291,623	First Mortgage

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Title Vesting (Fee/Leasehold/Both)	Ground Lease Maturity Date	Lockbox Type[5][6]	Engineering Escrow/Deferred Maintenance	Tax Escrow (Initial)	Tax Escrow (Monthly)	Insurance Escrow (Initial)	Insurance Escrow (Monthly)[7]
1		1	200 Water Street	Fee Simple	N/A	In-Place Soft, Springing Hard	N/A	344,166	344,166	N/A	11,361
2	(10)	1	Park Crest At Innisbrook	Fee Simple	N/A	N/A	N/A	533,437	41,034	31,793	5,299
3	(10)	1	Verandas At Sam Ridley	Fee Simple	N/A	N/A	N/A	277,185	30,798	23,091	3,849
4	(10)	1	Avondale At Kennesaw Farms	Fee Simple	N/A	N/A	N/A	183,132	20,348	18,102	3,017
5	(10)	1	535 Brookwood	Fee Simple	N/A	N/A	N/A	266,250	22,179	16,270	2,712
6		1	Summer House Apartments	Fee Simple	N/A	In-Place Soft, Springing Hard	2,500,000	907,960	113,495	87,968	10,996
7		1	Cool Springs At Frisco Bridges	Fee Simple	N/A	N/A	N/A	968,813	91,499	N/A	Springing
8	(11)	1	MetroPlace At Towncenter	Fee Simple	N/A	In-Place Hard	16,250	281,617	70,407	33,786	8,448
9		1	Waterford Lakes	Fee Simple	N/A	N/A	N/A	N/A	41,402	N/A	Springing
10		1	Villas At Centerview	Fee Simple	N/A	N/A	N/A	27,106	27,106	63,545	6,355
11		1	The Heights At Perimeter Center	Fee Simple	N/A	N/A	N/A	N/A	51,917	N/A	Springing
12		1	Post Oak Park I & II	Fee Simple	N/A	N/A	N/A	681,693	74,550	N/A	Springing
13		1	The Landings At Beckett Ridge	Fee Simple	N/A	N/A	N/A	102,717	40,068	39,449	5,636
14		1	The Lofts Perimeter Center	Fee Simple	N/A	N/A	N/A	114,836	76,028	N/A	Springing
15		1	Park Place By The Bay	Fee Simple	N/A	N/A	31,250	114,646	57,323	566,495	43,577
16		1	Stonebridge Ranch Apartments	Fee Simple	N/A	N/A	N/A	51,080	25,540	N/A	Springing
17		1	Stadium Suites	Fee Simple	N/A	N/A	154,941	N/A	59,768	N/A	6,701
18		1	Hidden Oaks Estates	Fee Simple	N/A	N/A	N/A	169,586	33,917	2,849	3,631
19		1	The Drexel	Fee Simple	N/A	N/A	N/A	N/A	35,251	N/A	Springing
20		1	City View At Southside	Fee Simple	N/A	N/A	N/A	15,493	14,783	25,383	2,265
21		1	Greenbriar Village Apartments	Fee Simple	N/A	N/A	328,337	253,705	48,234	106,186	7,682
22		1	Villages At Turtle Rock	Fee Simple	N/A	N/A	N/A	28,564	28,564	N/A	Springing
23		1	Mont Clare At Harlem Avenue	Fee Simple	N/A	N/A	N/A	407,838	40,784	N/A	Springing
24		1	Claridge House	Fee Simple	N/A	N/A	N/A	91,084	22,771	7,558	3,779
25		1	Legacy Heights	Fee Simple	N/A	N/A	65,000	112,839	56,419	N/A	Springing
26		1	River Oaks	Fee Simple	N/A	N/A	34,531	126,078	27,293	56,020	5,380
27		1	Villa Oceana	Fee Simple	N/A	N/A	N/A	422,410	32,493	N/A	Springing
28		1	The Galleria Apartments	Fee Simple	N/A	N/A	36,188	31,890	15,945	9,181	4,591
29		1	Summit Manor	Fee Simple	N/A	N/A	58,705	135,635	45,212	14,216	4,739
30		1	Paces Commons	Fee Simple	N/A	N/A	N/A	91,486	30,495	N/A	Springing
31		1	Sterling Lakes Apartments	Fee Simple	N/A	N/A	N/A	60,059	31,828	32,799	4,686
32		1	Bay Park	Fee Simple	N/A	N/A	N/A	353,185	27,168	N/A	Springing
33		1	Shadow Ridge Apartments	Fee Simple	N/A	N/A	N/A	26,475	13,238	30,547	4,364
34		1	Stoneleigh On May	Fee Simple	N/A	N/A	N/A	N/A	32,339	59,386	14,250
35	(12)	1	Creekview Apartments	Fee Simple	N/A	N/A	27,844	N/A	18,829	11,166	2,791
36	(12)	1	Pear Ridge Apartments	Fee Simple	N/A	N/A	N/A	N/A	11,940	9,921	2,480
37		1	Sheridan Ridge	Fee Simple	N/A	N/A	480,100	122,076	14,213	14,793	3,698
38		1	Carriage Club At Mount Arlington	Fee Simple	N/A	N/A	N/A	18,530	18,530	33,141	4,143
39		1	Waterford On The Meadow	Fee Simple	N/A	N/A	395,813	N/A	22,577	N/A	6,072
40		1	The Reserve At Maryville	Fee Simple	N/A	N/A	N/A	19,107	9,553	N/A	Springing
41		1	Rosemead Gardens	Fee Simple	N/A	N/A	54,075	53,200	16,109	6,885	2,085
42		1	Hunters Mill Apartments	Fee Simple	N/A	N/A	N/A	N/A	11,804	23,707	3,280
43		1	Green Valley Apartments	Fee Simple	N/A	N/A	187,163	126,004	31,501	20,005	2,223
44		1	Lodge At Trails Edge	Fee Simple	N/A	N/A	18,300	31,494	15,747	12,843	4,281
45		1	Eagles Apartments	Fee Simple	N/A	N/A	48,750	242,352	26,928	32,069	3,563
46		1	Cobblestone Fayette	Fee Simple	N/A	N/A	122,299	11,257	11,257	N/A	Springing
47		1	Grande Reserve At Geist	Fee Simple	N/A	N/A	15,570	38,582	23,531	34,276	2,067
48	(13)	1	Cypress Village Apartments	Fee Simple	N/A	N/A	64,125	45,211	15,070	N/A	Springing
49		1	Hamilton Village Apartments	Fee Simple	N/A	N/A	175,259	53,771	17,924	12,312	4,104
50		1	Arbor Ridge Apartments	Fee Simple	N/A	N/A	N/A	121,020	20,170	27,836	2,141
51		1	Terry Denny Building	Fee Simple	N/A	N/A	N/A	4,964	1,655	19,964	3,327
52		1	Huguenot Apartments	Fee Simple	N/A	N/A	307,182	9,922	9,922	9,429	3,143
53		1	Riverwoods Apartments	Fee Simple	N/A	N/A	212,293	N/A	7,770	N/A	1,127
54		1	Pebble Creek Apartments	Fee Simple	N/A	N/A	N/A	78,650	13,108	N/A	Springing
55		1	The Verandas	Fee Simple	N/A	N/A	N/A	16,928	8,464	N/A	Springing
56		1	Advenir Station At Springdale	Fee Simple	N/A	N/A	174,000	201,863	14,781	N/A	Springing
57		1	Washington Heights Apartments	Fee Simple	N/A	N/A	N/A	16,438	20,724	N/A	Springing
58		1	Galleria Courtyards	Fee Simple	N/A	N/A	262,156	18,245	9,122	N/A	Springing
59		1	Highland Oaks	Fee Simple	N/A	N/A	550,534	7,777	7,777	7,088	7,088
60		1	Garden Pointe	Fee Simple	N/A	N/A	46,625	43,475	10,869	8,571	1,429
61		1	Glenwood Pointe Apartments	Fee Simple	N/A	N/A	N/A	62,350	10,392	N/A	Springing
62		1	University Courtyard Apartments	Fee Simple	N/A	N/A	49,500	19,716	9,858	12,693	4,231
63		1	Little Creek Garden Apartments	Fee Simple	N/A	N/A	N/A	81,289	22,196	N/A	Springing
64		1	Arbors Of Carrollton	Fee Simple	N/A	N/A	131,000	N/A	11,439	N/A	2,200
65		1	Spruce Village II Apartments	Fee Simple	N/A	N/A	N/A	67,295	8,412	13,194	1,071
66		1	Carlyle Apartments	Fee Simple	N/A	N/A	N/A	13,649	6,824	10,576	1,175
67		1	Turnbridge I & II	Fee Simple	N/A	N/A	62,144	8,969	8,969	6,846	3,423
68		1	Thomasville Apartments	Fee Simple	N/A	N/A	N/A	11,038	5,519	23,594	1,966
69		1	Bel Air And Village West Apartments	Fee Simple	N/A	N/A	7,500	6,621	3,309	8,959	1,213

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Replacement Reserve (Initial)	Replacement Reserve (Monthly)[8]	Replacement Reserve - Contractual - Cap ($ or N/A)	Environmental Escrow	Other Escrow (Initial)	Other Escrow (Monthly)	Other Escrow Reserve Description
1		1	200 Water Street	N/A	17,850	N/A	N/A	N/A	N/A	N/A
2	(10)	1	Park Crest At Innisbrook	N/A	Springing	N/A	N/A	N/A	N/A	N/A
3	(10)	1	Verandas At Sam Ridley	N/A	Springing	N/A	N/A	N/A	N/A	N/A
4	(10)	1	Avondale At Kennesaw Farms	N/A	Springing	N/A	N/A	N/A	N/A	N/A
5	(10)	1	535 Brookwood	N/A	Springing	N/A	N/A	N/A	N/A	N/A
6		1	Summer House Apartments	N/A	13,376	N/A	N/A	N/A	N/A	N/A
7		1	Cool Springs At Frisco Bridges	N/A	Springing	N/A	N/A	N/A	N/A	N/A
8	(11)	1	MetroPlace At Towncenter	N/A	10,487	N/A	N/A	185,000	N/A	Litigation Escrow
9		1	Waterford Lakes	N/A	15,904	N/A	N/A	N/A	N/A	N/A
10		1	Villas At Centerview	N/A	6,420	N/A	N/A	N/A	N/A	N/A
11		1	The Heights At Perimeter Center	N/A	Springing	N/A	N/A	N/A	N/A	N/A
12		1	Post Oak Park I & II	N/A	8,182	N/A	N/A	N/A	N/A	N/A
13		1	The Landings At Beckett Ridge	N/A	7,083	169,992	N/A	N/A	N/A	N/A
14		1	The Lofts Perimeter Center	N/A	Springing	N/A	N/A	N/A	N/A	N/A
15		1	Park Place By The Bay	N/A	9,916	N/A	N/A	N/A	N/A	N/A
16		1	Stonebridge Ranch Apartments	N/A	10,911	N/A	N/A	N/A	N/A	N/A
17		1	Stadium Suites	N/A	11,500	N/A	N/A	N/A	N/A	N/A
18		1	Hidden Oaks Estates	N/A	7,641	183,384	N/A	N/A	N/A	N/A
19		1	The Drexel	N/A	Springing	N/A	N/A	N/A	N/A	N/A
20		1	City View At Southside	N/A	Springing	N/A	N/A	N/A	N/A	N/A
21		1	Greenbriar Village Apartments	331,866	Springing	331,866	N/A	N/A	N/A	N/A
22		1	Villages At Turtle Rock	N/A	Springing	N/A	N/A	N/A	N/A	N/A
23		1	Mont Clare At Harlem Avenue	N/A	5,854	N/A	N/A	N/A	N/A	N/A
24		1	Claridge House	N/A	6,292	N/A	N/A	N/A	N/A	N/A
25		1	Legacy Heights	N/A	Springing	N/A	N/A	N/A	N/A	N/A
26		1	River Oaks	N/A	3,906	N/A	N/A	N/A	N/A	N/A
27		1	Villa Oceana	N/A	3,600	N/A	N/A	N/A	N/A	N/A
28		1	The Galleria Apartments	N/A	4,819	N/A	N/A	N/A	N/A	N/A
29		1	Summit Manor	N/A	4,815	N/A	N/A	N/A	N/A	N/A
30		1	Paces Commons	N/A	6,729	N/A	N/A	N/A	N/A	N/A
31		1	Sterling Lakes Apartments	N/A	5,917	142,008	N/A	N/A	N/A	N/A
32		1	Bay Park	N/A	5,225	N/A	N/A	N/A	N/A	N/A
33		1	Shadow Ridge Apartments	N/A	5,250	126,000	N/A	N/A	N/A	N/A
34		1	Stoneleigh On May	N/A	5,429	N/A	N/A	N/A	N/A	N/A
35	(12)	1	Creekview Apartments	N/A	5,040	N/A	N/A	N/A	N/A	N/A
36	(12)	1	Pear Ridge Apartments	N/A	3,528	N/A	N/A	N/A	N/A	N/A
37		1	Sheridan Ridge	N/A	6,365	N/A	N/A	N/A	N/A	N/A
38		1	Carriage Club At Mount Arlington	N/A	2,297	N/A	N/A	N/A	N/A	N/A
39		1	Waterford On The Meadow	N/A	8,138	N/A	N/A	N/A	N/A	N/A
40		1	The Reserve At Maryville	N/A	Springing	N/A	N/A	N/A	N/A	N/A
41		1	Rosemead Gardens	N/A	3,417	N/A	N/A	N/A	N/A	N/A
42		1	Hunters Mill Apartments	N/A	5,100	N/A	N/A	N/A	N/A	N/A
43		1	Green Valley Apartments	N/A	Springing	N/A	N/A	N/A	N/A	N/A
44		1	Lodge At Trails Edge	N/A	5,583	N/A	N/A	N/A	N/A	N/A
45		1	Eagles Apartments	1,200,000	5,200	N/A	N/A	N/A	N/A	N/A
46		1	Cobblestone Fayette	N/A	6,117	N/A	9,000	258,000	N/A	Roof Repairs
47		1	Grande Reserve At Geist	N/A	3,650	N/A	N/A	N/A	N/A	N/A
48	(13)	1	Cypress Village Apartments	N/A	3,051	N/A	N/A	N/A	N/A	N/A
49		1	Hamilton Village Apartments	N/A	4,800	N/A	N/A	N/A	N/A	N/A
50		1	Arbor Ridge Apartments	N/A	2,875	138,000	N/A	N/A	N/A	N/A
51		1	Terry Denny Building	N/A	800	N/A	N/A	N/A	N/A	N/A
52		1	Huguenot Apartments	N/A	9,768	N/A	N/A	N/A	N/A	N/A
53		1	Riverwoods Apartments	400,000	4,002	N/A	N/A	N/A	N/A	N/A
54		1	Pebble Creek Apartments	N/A	4,366	N/A	N/A	N/A	N/A	N/A
55		1	The Verandas	N/A	3,150	N/A	N/A	N/A	N/A	N/A
56		1	Advenir Station At Springdale	N/A	4,304	N/A	N/A	N/A	N/A	N/A
57		1	Washington Heights Apartments	N/A	Springing	N/A	N/A	N/A	N/A	N/A
58		1	Galleria Courtyards	N/A	6,100	N/A	N/A	N/A	N/A	N/A
59		1	Highland Oaks	N/A	5,418	N/A	N/A	N/A	N/A	N/A
60		1	Garden Pointe	N/A	3,038	N/A	N/A	N/A	N/A	N/A
61		1	Glenwood Pointe Apartments	N/A	3,605	N/A	N/A	N/A	N/A	N/A
62		1	University Courtyard Apartments	N/A	4,800	N/A	N/A	N/A	N/A	N/A
63		1	Little Creek Garden Apartments	N/A	4,679	N/A	N/A	N/A	N/A	N/A
64		1	Arbors Of Carrollton	N/A	3,035	N/A	N/A	N/A	N/A	N/A
65		1	Spruce Village II Apartments	N/A	Springing	N/A	N/A	N/A	N/A	N/A
66		1	Carlyle Apartments	N/A	1,176	N/A	N/A	N/A	N/A	N/A
67		1	Turnbridge I & II	225,000	3,435	N/A	N/A	N/A	N/A	N/A
68		1	Thomasville Apartments	N/A	2,205	N/A	N/A	N/A	N/A	N/A
69		1	Bel Air And Village West Apartments	N/A	1,578	N/A	N/A	N/A	N/A	N/A

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Springing Reserve Type[7][8]	Springing Reserve Amount	Seismic Insurance if PML >= 20% (Y/N)	Monthly Rent Per Unit	Secondary Financing In Place (existing) (Y/N)	Secondary Financing Amount (existing)
1		1	200 Water Street	N/A	N/A	No	3,076	No	N/A
2	(10)	1	Park Crest At Innisbrook	Replacement Reserve	7,236	No	867	No	N/A
3	(10)	1	Verandas At Sam Ridley	Replacement Reserve	5,292	No	801	No	N/A
4	(10)	1	Avondale At Kennesaw Farms	Replacement Reserve	4,320	No	799	No	N/A
5	(10)	1	535 Brookwood	Replacement Reserve	3,733	No	783	No	N/A
6		1	Summer House Apartments	N/A	N/A	No	1,346	No	N/A
7		1	Cool Springs At Frisco Bridges	Insurance Reserve and Replacement Reserve	9,552	No	813	No	N/A
8	(11)	1	MetroPlace At Towncenter	N/A	N/A	No	1,623	Yes	6,750,000
9		1	Waterford Lakes	Insurance Reserve	N/A	No	611	No	N/A
10		1	Villas At Centerview	N/A	N/A	No	1,035	No	N/A
11		1	The Heights At Perimeter Center	Insurance Reserve and Replacement Reserve	4,417	No	1,395	No	N/A
12		1	Post Oak Park I & II	Insurance Reserve	N/A	No	1,246	No	N/A
13		1	The Landings At Beckett Ridge	N/A	N/A	No	1,015	No	N/A
14		1	The Lofts Perimeter Center	Insurance Reserve and Replacement Reserve	4,483	No	1,454	No	N/A
15		1	Park Place By The Bay	N/A	N/A	No	1,238	No	N/A
16		1	Stonebridge Ranch Apartments	Insurance Reserve	N/A	No	883	No	N/A
17		1	Stadium Suites	N/A	N/A	No	468	No	N/A
18		1	Hidden Oaks Estates	N/A	N/A	No	998	No	N/A
19		1	The Drexel	Insurance Reserve and Replacement Reserve	2,617	No	1,851	No	N/A
20		1	City View At Southside	Replacement Reserve	4,600	No	932	No	N/A
21		1	Greenbriar Village Apartments	Replacement Reserve	13,828	No	794	No	N/A
22		1	Villages At Turtle Rock	Insurance Reserve and Replacement Reserve	5,933	No	1,045	No	N/A
23		1	Mont Clare At Harlem Avenue	Insurance Reserve	N/A	No	832	No	N/A
24		1	Claridge House	N/A	N/A	No	1,259	No	N/A
25		1	Legacy Heights	Insurance Reserve and Replacement Reserve	5,483	No	1,006	No	N/A
26		1	River Oaks	N/A	N/A	No	1,348	No	N/A
27		1	Villa Oceana	Insurance Reserve	N/A	No	1,637	No	N/A
28		1	The Galleria Apartments	N/A	N/A	No	957	No	N/A
29		1	Summit Manor	N/A	N/A	No	1,407	No	N/A
30		1	Paces Commons	Insurance Reserve	N/A	No	1,052	No	N/A
31		1	Sterling Lakes Apartments	N/A	N/A	No	961	No	N/A
32		1	Bay Park	Insurance Reserve	N/A	No	996	No	N/A
33		1	Shadow Ridge Apartments	N/A	N/A	No	911	No	N/A
34		1	Stoneleigh On May	N/A	N/A	No	820	No	N/A
35	(12)	1	Creekview Apartments	N/A	N/A	No	658	No	N/A
36	(12)	1	Pear Ridge Apartments	N/A	N/A	No	593	No	N/A
37		1	Sheridan Ridge	N/A	N/A	No	871	No	N/A
38		1	Carriage Club At Mount Arlington	N/A	N/A	No	1,584	No	N/A
39		1	Waterford On The Meadow	N/A	N/A	No	697	No	N/A
40		1	The Reserve At Maryville	Insurance Reserve and Replacement Reserve	3,200	No	825	No	N/A
41		1	Rosemead Gardens	N/A	N/A	No	1,131	No	N/A
42		1	Hunters Mill Apartments	N/A	N/A	No	885	No	N/A
43		1	Green Valley Apartments	Replacement Reserve	6,192	No	704	No	N/A
44		1	Lodge At Trails Edge	N/A	N/A	No	666	No	N/A
45		1	Eagles Apartments	N/A	N/A	No	1,075	No	N/A
46		1	Cobblestone Fayette	Insurance Reserve	N/A	No	752	No	N/A
47		1	Grande Reserve At Geist	N/A	N/A	No	921	No	N/A
48	(13)	1	Cypress Village Apartments	Insurance Reserve	N/A	No	1,414	No	N/A
49		1	Hamilton Village Apartments	N/A	N/A	No	870	No	N/A
50		1	Arbor Ridge Apartments	N/A	N/A	No	1,028	No	N/A
51		1	Terry Denny Building	N/A	N/A	No	1,632	No	N/A
52		1	Huguenot Apartments	N/A	N/A	No	803	No	N/A
53		1	Riverwoods Apartments	N/A	N/A	No	743	No	N/A
54		1	Pebble Creek Apartments	Insurance Reserve	N/A	No	830	No	N/A
55		1	The Verandas	Insurance Reserve	N/A	No	817	No	N/A
56		1	Advenir Station At Springdale	Insurance Reserve	N/A	No	897	No	N/A
57		1	Washington Heights Apartments	Insurance Reserve and Replacement Reserve	2,104	No	1,006	No	N/A
58		1	Galleria Courtyards	Insurance Reserve	N/A	No	616	No	N/A
59		1	Highland Oaks	N/A	N/A	No	672	No	N/A
60		1	Garden Pointe	N/A	N/A	No	894	No	N/A
61		1	Glenwood Pointe Apartments	Insurance Reserve	N/A	No	837	No	N/A
62		1	University Courtyard Apartments	N/A	N/A	No	317	No	N/A
63		1	Little Creek Garden Apartments	Insurance Reserve	N/A	No	742	No	N/A
64		1	Arbors Of Carrollton	N/A	N/A	No	715	No	N/A
65		1	Spruce Village II Apartments	Replacement Reserve	2,600	No	1,038	No	N/A
66		1	Carlyle Apartments	N/A	N/A	No	1,881	No	N/A
67		1	Turnbridge I & II	N/A	N/A	No	638	No	N/A
68		1	Thomasville Apartments	N/A	N/A	No	805	No	N/A
69		1	Bel Air And Village West Apartments	N/A	N/A	No	528	No	N/A

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Secondary Financing Description (existing)	Future Supplemental Financing (Y/N)
1		1	200 Water Street	N/A	Yes
2	(10)	1	Park Crest At Innisbrook	N/A	Yes
3	(10)	1	Verandas At Sam Ridley	N/A	Yes
4	(10)	1	Avondale At Kennesaw Farms	N/A	Yes
5	(10)	1	535 Brookwood	N/A	Yes
6		1	Summer House Apartments	N/A	Yes
7		1	Cool Springs At Frisco Bridges	N/A	Yes
8	(11)	1	MetroPlace At Towncenter	Mezzanine loan secured by first lien on the equity interests of the borrower	Yes
9		1	Waterford Lakes	N/A	Yes
10		1	Villas At Centerview	N/A	Yes
11		1	The Heights At Perimeter Center	N/A	Yes
12		1	Post Oak Park I & II	N/A	Yes
13		1	The Landings At Beckett Ridge	N/A	Yes
14		1	The Lofts Perimeter Center	N/A	Yes
15		1	Park Place By The Bay	N/A	Yes
16		1	Stonebridge Ranch Apartments	N/A	Yes
17		1	Stadium Suites	N/A	Yes
18		1	Hidden Oaks Estates	N/A	Yes
19		1	The Drexel	N/A	Yes
20		1	City View At Southside	N/A	Yes
21		1	Greenbriar Village Apartments	N/A	Yes
22		1	Villages At Turtle Rock	N/A	Yes
23		1	Mont Clare At Harlem Avenue	N/A	Yes
24		1	Claridge House	N/A	Yes
25		1	Legacy Heights	N/A	Yes
26		1	River Oaks	N/A	Yes
27		1	Villa Oceana	N/A	Yes
28		1	The Galleria Apartments	N/A	Yes
29		1	Summit Manor	N/A	Yes
30		1	Paces Commons	N/A	Yes
31		1	Sterling Lakes Apartments	N/A	Yes
32		1	Bay Park	N/A	Yes
33		1	Shadow Ridge Apartments	N/A	Yes
34		1	Stoneleigh On May	N/A	Yes
35	(12)	1	Creekview Apartments	N/A	Yes
36	(12)	1	Pear Ridge Apartments	N/A	Yes
37		1	Sheridan Ridge	N/A	Yes
38		1	Carriage Club At Mount Arlington	N/A	Yes
39		1	Waterford On The Meadow	N/A	Yes
40		1	The Reserve At Maryville	N/A	Yes
41		1	Rosemead Gardens	N/A	Yes
42		1	Hunters Mill Apartments	N/A	Yes
43		1	Green Valley Apartments	N/A	Yes
44		1	Lodge At Trails Edge	N/A	Yes
45		1	Eagles Apartments	N/A	Yes
46		1	Cobblestone Fayette	N/A	Yes
47		1	Grande Reserve At Geist	N/A	Yes
48	(13)	1	Cypress Village Apartments	N/A	Yes
49		1	Hamilton Village Apartments	N/A	Yes
50		1	Arbor Ridge Apartments	N/A	Yes
51		1	Terry Denny Building	N/A	Yes
52		1	Huguenot Apartments	N/A	Yes
53		1	Riverwoods Apartments	N/A	Yes
54		1	Pebble Creek Apartments	N/A	Yes
55		1	The Verandas	N/A	Yes
56		1	Advenir Station At Springdale	N/A	Yes
57		1	Washington Heights Apartments	N/A	Yes
58		1	Galleria Courtyards	N/A	Yes
59		1	Highland Oaks	N/A	Yes
60		1	Garden Pointe	N/A	Yes
61		1	Glenwood Pointe Apartments	N/A	Yes
62		1	University Courtyard Apartments	N/A	Yes
63		1	Little Creek Garden Apartments	N/A	Yes
64		1	Arbors Of Carrollton	N/A	Yes
65		1	Spruce Village II Apartments	N/A	Yes
66		1	Carlyle Apartments	N/A	Yes
67		1	Turnbridge I & II	N/A	Yes
68		1	Thomasville Apartments	N/A	Yes
69		1	Bel Air And Village West Apartments	N/A	Yes

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Future Supplemental Financing Description[9]
1		1	200 Water Street	(i) Max combined LTV of 65.0% (ii) Min combined DSCR of 1.25x
2	(10)	1	Park Crest At Innisbrook	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
3	(10)	1	Verandas At Sam Ridley	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
4	(10)	1	Avondale At Kennesaw Farms	(i) Max combined LTV of 74.0% (ii) Min combined DSCR of 1.25x
5	(10)	1	535 Brookwood	(i) Max combined LTV of 71.0% (ii) Min combined DSCR of 1.25x
6		1	Summer House Apartments	(i) Max combined LTV of 76.0% (ii) Min combined DSCR of 1.25x
7		1	Cool Springs At Frisco Bridges	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
8	(11)	1	MetroPlace At Towncenter	(i) Max combined LTV of 73.0% (ii) Min combined DSCR of 1.25x
9		1	Waterford Lakes	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
10		1	Villas At Centerview	(i) Max combined LTV of 72.0% (ii) Min combined DSCR of 1.25x
11		1	The Heights At Perimeter Center	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
12		1	Post Oak Park I & II	(i) Max combined LTV of 58.0% (ii) Min combined DSCR of 1.25x
13		1	The Landings At Beckett Ridge	(i) Max combined LTV of 73.0% (ii) Min combined DSCR of 1.25x
14		1	The Lofts Perimeter Center	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
15		1	Park Place By The Bay	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
16		1	Stonebridge Ranch Apartments	(i) Max combined LTV of 57.0% (ii) Min combined DSCR of 1.25x
17		1	Stadium Suites	(i) Max combined LTV of 69.0% (ii) Min combined DSCR of 1.25x
18		1	Hidden Oaks Estates	(i) Max combined LTV of 76.0% (ii) Min combined DSCR of 1.25x
19		1	The Drexel	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
20		1	City View At Southside	(i) Max combined LTV of 69.0% (ii) Min combined DSCR of 1.25x
21		1	Greenbriar Village Apartments	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
22		1	Villages At Turtle Rock	(i) Max combined LTV of 59.0% (ii) Min combined DSCR of 1.25x
23		1	Mont Clare At Harlem Avenue	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
24		1	Claridge House	(i) Max combined LTV of 55.0% (ii) Min combined DSCR of 1.25x
25		1	Legacy Heights	(i) Max combined LTV of 65.0% (ii) Min combined DSCR of 1.25x
26		1	River Oaks	(i) Max combined LTV of 65.0% (ii) Min combined DSCR of 1.25x
27		1	Villa Oceana	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
28		1	The Galleria Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
29		1	Summit Manor	(i) Max combined LTV of 72.0% (ii) Min combined DSCR of 1.25x
30		1	Paces Commons	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
31		1	Sterling Lakes Apartments	(i) Max combined LTV of 72.0% (ii) Min combined DSCR of 1.25x
32		1	Bay Park	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
33		1	Shadow Ridge Apartments	(i) Max combined LTV of 72.0% (ii) Min combined DSCR of 1.25x
34		1	Stoneleigh On May	(i) Max combined LTV of 78.0% (ii) Min combined DSCR of 1.25x
35	(12)	1	Creekview Apartments	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.30x
36	(12)	1	Pear Ridge Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.30x
37		1	Sheridan Ridge	(i) Max combined LTV of 79.0% (ii) Min combined DSCR of 1.25x
38		1	Carriage Club At Mount Arlington	(i) Max combined LTV of 78.0% (ii) Min combined DSCR of 1.25x
39		1	Waterford On The Meadow	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
40		1	The Reserve At Maryville	(i) Max combined LTV of 76.0% (ii) Min combined DSCR of 1.25x
41		1	Rosemead Gardens	(i) Max combined LTV of 74.0% (ii) Min combined DSCR of 1.25x
42		1	Hunters Mill Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
43		1	Green Valley Apartments	(i) Max combined LTV of 69.0% (ii) Min combined DSCR of 1.25x
44		1	Lodge At Trails Edge	(i) Max combined LTV of 79.0% (ii) Min combined DSCR of 1.25x
45		1	Eagles Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
46		1	Cobblestone Fayette	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
47		1	Grande Reserve At Geist	(i) Max combined LTV of 77.0% (ii) Min combined DSCR of 1.25x
48	(13)	1	Cypress Village Apartments	(i) Max combined LTV of 67.0% (ii) Min combined DSCR of 1.25x
49		1	Hamilton Village Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
50		1	Arbor Ridge Apartments	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
51		1	Terry Denny Building	(i) Max combined LTV of 69.0% (ii) Min combined DSCR of 1.25x
52		1	Huguenot Apartments	(i) Max combined LTV of 51.0% (ii) Min combined DSCR of 1.25x
53		1	Riverwoods Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
54		1	Pebble Creek Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
55		1	The Verandas	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
56		1	Advenir Station At Springdale	(i) Max combined LTV of 77.0% (ii) Min combined DSCR of 1.25x
57		1	Washington Heights Apartments	(i) Max combined LTV of 61.0% (ii) Min combined DSCR of 1.25x
58		1	Galleria Courtyards	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
59		1	Highland Oaks	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
60		1	Garden Pointe	(i) Max combined LTV of 61.0% (ii) Min combined DSCR of 1.25x
61		1	Glenwood Pointe Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
62		1	University Courtyard Apartments	(i) Max combined LTV of 72.0% (ii) Min combined DSCR of 1.25x
63		1	Little Creek Garden Apartments	(i) Max combined LTV of 75.0% (ii) Min combined DSCR of 1.25x
64		1	Arbors Of Carrollton	(i) Max combined LTV of 80.0% (ii) Min combined DSCR of 1.25x
65		1	Spruce Village II Apartments	(i) Max combined LTV of 54.0% (ii) Min combined DSCR of 1.25x
66		1	Carlyle Apartments	(i) Max combined LTV of 57.0%, (ii) Min combined DSCR of 1.25x (iii) Permitted unsecured debt
67		1	Turnbridge I & II	(i) Max combined LTV of 77.0%, (ii) Min combined DSCR of 1.25x
68		1	Thomasville Apartments	(i) Max combined LTV of 55.0%, (ii) Min combined DSCR of 1.25x (iii) Permitted unsecured debt
69		1	Bel Air And Village West Apartments	(i) Max combined LTV of 72.0%, (ii) Min combined DSCR of 1.25x (iii) Permitted unsecured debt

Footnotes to Exhibit A-1

(1) The related groups of underlying mortgage loans 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 Underlying Mortgage Loans"* in this Information Circular.

(2) The Administration Fee includes the sub-servicing fee, master servicing fee and trustee fee applicable to each underlying mortgage loan.

(3) Monthly Debt Service Amount (Amortizing) shown for underlying mortgage loans with partial interest-only periods reflect such amount payable after expiration of the interest-only period with the exception of the full term interest-only loan which is based on the monthly interest-only payment amount.

(4) Prepayment lockout is shown from the respective loan origination date.

(5) In-Place Soft, Springing Hard lockbox accounts are in the form of a cash management arrangement pursuant to which funds are swept to a borrower-controlled account prior to an event of default with respect to the underlying mortgage loan and are swept to a lender-controlled account after an event of default with respect to the underlying mortgage loan.

(6) In-Place Hard lockbox accounts are in the form of a cash management arrangement pursuant to which funds are kept in a lender-controlled account with respect to the underlying mortgage loan.

(7) With respect to Insurance Escrow (Monthly), springing Insurance Escrow (Monthly) commences upon (i) Event of Default, (ii) non-payment of imposition deposit on time, (iii) failure to provide proof of payment, or (iv) the event of transfer prohibited by or requiring the Lender's approval under section 21 of the Security Instrument.

(8) With respect to Replacement Reserve (Monthly), springing Replacement Reserve (Monthly) commences upon (i) Event of Default, origination of supplemental mortgage, 120 months after 1st payment, (ii) Occurrence of Transfer when prohibited, or (iii) failure to maintain the Property.

(9) With respect to Future Supplemental Financing Description, other than the required maximum combined LTV and minimum combined DSCR, the loan documents also require (i) FRE approval, (ii) at least 12 months after first mortgage and (iii) certain other conditions of the Security Agreement.

(10) For Park Crest At Innisbrook, Verandas At Sam Ridley, Avondale At Kennesaw Farms and 535 Brookwood, the mortgage loans are cross-collateralized and cross-defaulted with each other. All Cut-Off Date Balance/Unit, Cut-Off Date LTV, Maturity LTV and UW NCF DSCR calculations presented are based on the aggregate indebtedness of the mortgage loans and the aggregate Cut-Off Date Loan Amount, Maturity Balance, Total Units, Appraised Value, Monthly Debt Service Amount (Amortizing) and UW NCF of all mortgaged properties securing the mortgage loans.

(11) For MetroPlace At Towncenter, the equity interests in the related borrower have been pledged to secure mezzanine indebtedness. The combined UW NCF DSCR based on the mortgage loan and the mezzanine loan is 1.05x at the current interest rate and 0.96x at the aggregate of the current interest rate and deferred interest rate, and the combined Cut-Off Date LTV is 80.5%.

(12) For Creekview Apartments and Pear Ridge Apartments, the mortgage loans are cross-collateralized and cross-defaulted with each other. All Cut-Off Date Balance/Unit, Cut-Off Date LTV, Maturity LTV, UW NCF DSCR and UW NCF DSCR (IO) calculations presented are based on the aggregate indebtedness of the mortgage loans and the aggregate Cut-Off Date Loan Amount, Maturity Balance, Total Units, Appraised Value, Monthly Debt Service Amount (Amortizing), monthly interest only amount and UW NCF of all mortgaged properties securing the mortgage loans.

(13) With respect to Originator, PNC Bank, National Association is the successor by merger to PNC Multifamily Mortgage LLC.

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EXHIBIT A-2

CERTAIN MORTGAGE POOL INFORMATION

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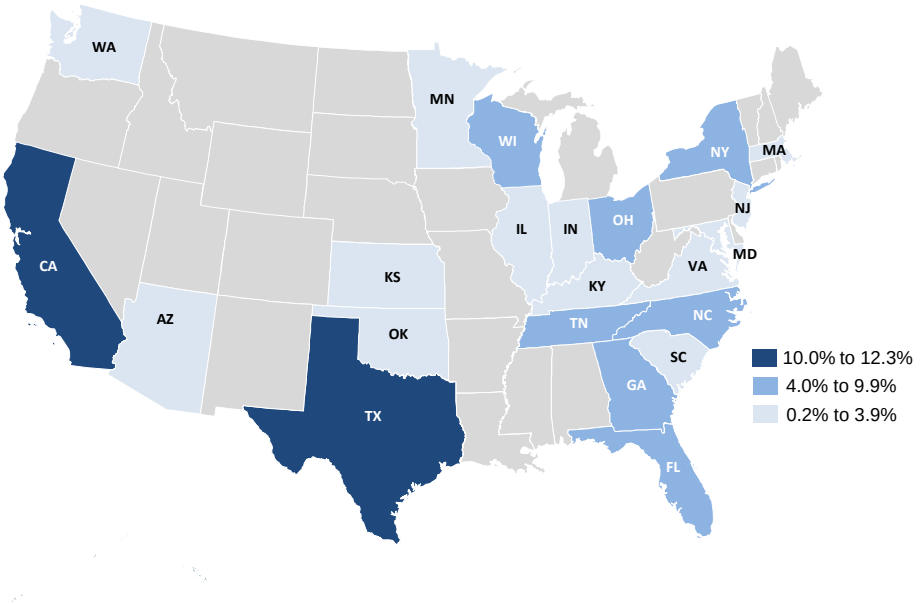
Freddie Mac

Mortgage Pool Cut-off Date Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
$1,866,109 - $4,999,999	5	$18,074,064	1.5%	1.43x	67.8%	4.667%
$5,000,000 - $9,999,999	17	118,003,455	9.7	1.49x	70.6%	4.745%
$10,000,000 - $14,999,999	14	170,110,804	14.1	1.41x	74.7%	4.569%
$15,000,000 - $19,999,999	9	160,254,169	13.2	1.38x	71.9%	4.544%
$20,000,000 - $24,999,999	15	327,485,209	27.1	1.39x	66.6%	4.492%
$25,000,000 - $34,999,999	5	141,248,957	11.7	1.36x	70.6%	4.435%
$35,000,000 - $109,421,417	4	275,395,051	22.7	1.34x	64.0%	4.510%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Texas	8	$148,743,191	12.3%	1.40x	68.8%	4.534%
California	6	123,159,190	10.2	1.36x	70.0%	4.460%
New York	2	115,086,901	9.5	1.43x	50.6%	4.433%
Florida	8	111,431,927	9.2	1.32x	71.9%	4.533%
Georgia	6	107,084,000	8.8	1.31x	68.2%	4.617%
North Carolina	5	92,648,406	7.7	1.26x	73.9%	4.578%
Tennessee	3	56,839,531	4.7	1.33x	73.6%	4.461%
Ohio	4	54,444,091	4.5	1.59x	71.8%	4.448%
Wisconsin	3	51,082,742	4.2	1.41x	73.7%	4.451%
Maryland	1	46,672,650	3.9	1.25x	70.3%	4.880%
Illinois	3	43,255,252	3.6	1.44x	75.1%	4.560%
New Jersey	3	42,636,666	3.5	1.33x	73.7%	4.522%
Washington	4	40,768,498	3.4	1.36x	70.3%	4.722%
Virginia	3	40,039,784	3.3	1.74x	59.2%	4.494%
South Carolina	2	36,027,990	3.0	1.41x	70.2%	4.558%
Arizona	1	22,846,064	1.9	1.38x	56.5%	4.350%
Indiana	2	21,607,185	1.8	1.41x	77.6%	4.655%
Kentucky	1	16,134,037	1.3	1.69x	71.3%	4.370%
Oklahoma	1	15,760,000	1.3	1.27x	77.6%	4.930%
Kansas	1	14,520,853	1.2	1.62x	77.9%	4.250%
Massachusetts	1	7,000,000	0.6	1.52x	60.9%	4.420%
Minnesota	1	2,782,751	0.2	1.55x	54.1%	4.790%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**



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Ten Largest Loans or Groups of Cross-Collateralized Loans

Loan Name	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
200 Water Street	1	$109,421,417	9.0%	1.44x	49.3%	4.410%
Mid-America Crossed Portfolio (1)	4	88,154,581	7.3	1.34x	73.0%	4.430%
Summer House Apartments	1	70,795,000	5.8	1.31x	75.9%	4.310%
Cool Springs At Frisco Bridges	1	48,505,983	4.0	1.27x	73.7%	4.670%
MetroPlace At Towncenter	1	46,672,650	3.9	1.25x	70.3%	4.880%
Waterford Lakes	1	30,591,156	2.5	1.26x	79.5%	4.280%
Villas At Centerview	1	29,100,000	2.4	1.26x	71.6%	4.730%
The Heights At Perimeter Center	1	25,602,000	2.1	1.27x	68.6%	4.550%
Post Oak Park I & II	1	25,000,000	2.1	1.69x	57.5%	4.170%
The Landings At Beckett Ridge	1	23,752,962	2.0	1.64x	70.8%	4.350%
Top 10 - Total / Wtd. Average	**13**	**$497,595,750**	**41.1%**	**1.36x**	**67.2%**	**4.472%**

(1) Consists of four underlying mortgage loans that are cross-collateralized and cross-defaulted with each other.

Mortgage Pool Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
1.24x - 1.29x	19	$389,683,174	32.2%	1.26x	71.7%	4.646%
1.30x - 1.39x	19	345,905,609	28.6	1.34x	72.5%	4.484%
1.40x - 1.49x	14	277,582,258	22.9	1.44x	61.9%	4.500%
1.50x - 1.74x	15	184,277,097	15.2	1.62x	66.9%	4.429%
1.75x - 1.99x	1	5,123,573	0.4	1.81x	48.2%	4.540%
2.00x - 2.27x	1	8,000,000	0.7	2.27x	50.3%	4.880%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
48.2% - 49.9%	2	$114,544,990	9.5%	1.45x	49.3%	4.416%
50.0% - 54.9%	3	31,271,915	2.6	1.82x	53.1%	4.485%
55.0% - 59.9%	5	93,455,889	7.7	1.49x	57.4%	4.407%
60.0% - 64.9%	5	76,520,670	6.3	1.36x	61.8%	4.528%
65.0% - 69.9%	8	140,934,027	11.6	1.36x	68.6%	4.574%
70.0% - 74.9%	26	446,127,862	36.9	1.37x	72.4%	4.633%
75.0% - 79.9%	19	299,476,356	24.7	1.33x	77.4%	4.455%
80.0%	1	8,240,000	0.7	1.42x	80.0%	4.720%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Mortgage Rate
39.2% - 39.9%	2	$114,544,990	9.5%	1.45x	39.9%	4.416%
40.0% - 44.9%	2	23,271,915	1.9	1.66x	43.7%	4.350%
45.0% - 49.9%	6	94,052,559	7.8	1.39x	47.3%	4.485%
50.0% - 54.9%	3	56,693,000	4.7	1.60x	51.9%	4.429%
55.0% - 59.9%	22	397,448,923	32.8	1.40x	57.9%	4.540%
60.0% - 64.9%	26	441,043,131	36.4	1.33x	62.8%	4.560%
65.0% - 68.7%	8	83,517,193	6.9	1.34x	67.2%	4.712%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**57.2%**	**4.534%**

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Mortgage Pool Mortgage Rates

Range of Mortgage Rates	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
4.130% - 4.249%	2	$35,000,000	2.9%	1.63x	60.1%	4.159%
4.250% - 4.499%	25	597,212,636	49.3	1.41x	67.4%	4.376%
4.500% - 4.749%	26	408,266,412	33.7	1.34x	70.2%	4.638%
4.750% - 4.999%	14	139,520,662	11.5	1.39x	71.3%	4.880%
5.000% - 5.210%	2	30,572,000	2.5	1.29x	72.8%	5.110%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Original Term to Maturity

Range of Original Terms to Maturity (months)	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
120	69	$1,210,571,710	100.0%	1.39x	68.7%	4.534%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Remaining Term to Maturity

Range of Remaining Terms to Maturity (months)	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
114 - 117	69	$1,210,571,710	100.0%	1.39x	68.7%	4.534%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Original Amortization Terms

Original Amortization Terms (months)	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Interest-Only	1	$8,000,000	0.7%	2.27x	50.3%	4.880%
360	68	1,202,571,710	99.3	1.38x	68.8%	4.532%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Remaining Amortization Terms

Remaining Amortization Terms (months)	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Interest-Only	1	$8,000,000	0.7%	2.27x	50.3%	4.880%
354 - 360	68	1,202,571,710	99.3	1.38x	68.8%	4.532%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
3	4	$83,470,619	6.9%	1.29x	70.5%	4.948%
4	34	636,009,481	52.5	1.42x	65.7%	4.550%
5	27	402,937,028	33.3	1.36x	72.2%	4.447%
6	4	88,154,581	7.3	1.34x	73.0%	4.430%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

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Mortgage Pool Amortization Type

Amortization Type	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Balloon	41	$750,406,710	62.0%	1.41x	67.3%	4.501%
Partial IO	27	452,165,000	37.4	1.34x	71.4%	4.584%
Interest-Only	1	8,000,000	0.7	2.27x	50.3%	4.880%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Year Built / Renovated

Most Recent Date Built / Renovated	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
1910 - 1970	3	$23,742,000	2.0%	1.52x	67.3%	4.338%
1971 - 1980	7	69,274,032	5.7	1.64x	66.2%	4.519%
1981 - 1990	8	63,458,736	5.2	1.43x	71.9%	4.641%
1991 - 2000	15	195,308,287	16.1	1.52x	70.0%	4.492%
2001 - 2005	10	165,824,450	13.7	1.35x	71.3%	4.609%
2006 - 2010	26	692,964,204	57.2	1.33x	67.8%	4.527%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
85.6% - 85.9%	1	$10,250,000	0.8%	1.37x	76.8%	4.860%
86.0% - 90.9%	7	86,965,811	7.2	1.33x	73.4%	4.662%
91.0% - 95.9%	41	728,791,383	60.2	1.36x	70.4%	4.555%
96.0% - 99.3%	20	384,564,516	31.8	1.45x	64.3%	4.458%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Balance	% of Initial Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Refinance	51	$947,648,030	78.3%	1.39x	67.7%	4.522%
Acquisition	18	262,923,680	21.7	1.37x	72.4%	4.578%
Total / Wtd. Average	**69**	**$1,210,571,710**	**100.0%**	**1.39x**	**68.7%**	**4.534%**

EXHIBIT A-3

DESCRIPTION OF THE TOP TEN MORTGAGE LOANS
OR GROUP OF CROSS-COLLATERALIZED MORTGAGE LOANS

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Description of the Top Ten Mortgage Loans or Group of Crossed-Collateralized Mortgage Loans

1. 200 Water Street

Original Balance:	$110,000,000
Cut-off Balance:	$109,421,417
Maturity Balance:	$88,663,661
Loan Purpose:	Refinance
Interest Rate:	4.410%
First Payment Date:	January 1, 2011
Maturity Date:	December 1, 2020
Amortization:	30-year schedule
Call Protection:	L(28) D(88) O(4)
Lockbox[(1)]:	In-Place Soft, Springing Hard
Cut-off Balance / Unit:	$189,968
Maturity Balance / Unit:	$153,930
Cut-off Date LTV:	49.3%
Maturity LTV:	40.0%
Underwritten DSCR:	1.44x
# of Units:	576
Collateral:	Fee Simple
Location:	New York, NY
Year Built / Renovated:	1973 / 2009
Occupancy:	99.0% (03/18/2011)
Underwritten NCF:	$9,508,779

(1) Such accounts are in the form of a cash management arrangement pursuant to which funds are swept to a borrower-controlled account prior to an event of default with respect to the underlying mortgage loan and are swept to a lender-controlled account after an event of default with respect to the underlying mortgage loan.

2. Mid-America Crossed Portfolio[(1)]

Original Balance:	$88,850,000
Cut-off Balance:	$88,154,581
Maturity Balance:	$71,666,737
Loan Purpose:	Refinance
Interest Rate:	4.430%
First Payment Date:	November 1, 2010
Maturity Date:	October 1, 2020
Amortization:	30-year schedule
Call Protection:	L(30) D(86) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$67,191
Maturity Balance / Unit:	$54,624
Cut-off Date LTV:	73.0%
Maturity LTV:	59.3%
Underwritten DSCR:	1.34x
# of Units:	1,312
Collateral:	Fee Simple
Location:	Various
Year Built / Renovated:	Various / N/A
Wtd. Average Occupancy:	94.1% (01/25/2011)
Underwritten NCF:	$7,197,091

(1) Consists of four underlying mortgage loans that are cross-collateralized and cross-defaulted with each other.

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3. Summer House Apartments

Original Balance:	$70,795,000
Cut-off Balance:	$70,795,000
Maturity Balance:	$60,149,842
Loan Purpose:	Acquisition
Interest Rate:	4.310%
First Payment Date:	December 1, 2010
Maturity Date:	November 1, 2020
Amortization:	IO (24), then amortizing 30-year schedule
Call Protection:	L(29) D(87) O(4)
Lockbox[(1)]:	In-Place Soft, Springing Hard
Cut-off Balance / Unit:	$115,114
Maturity Balance / Unit:	$97,805
Cut-off Date LTV:	75.9%
Maturity LTV:	64.5%
Underwritten DSCR:	1.31x
# of Units:	615
Collateral:	Fee Simple
Location:	Alameda, CA
Year Built / Renovated:	1965 / 2008
Occupancy:	95.9% (02/17/2011)
Underwritten NCF:	$5,499,839

(1) Such accounts are in the form of a cash management arrangement pursuant to which funds are swept to a borrower-controlled account prior to an event of default with respect to the underlying mortgage loan and are swept to a lender-controlled account after an event of default with respect to the underlying mortgage loan.

4. Cool Springs At Frisco Bridges

Original Balance:	$48,750,000
Cut-off Balance:	$48,505,983
Maturity Balance:	$39,645,696
Loan Purpose:	Refinance
Interest Rate:	4.670%
First Payment Date:	January 1, 2011
Maturity Date:	December 1, 2020
Amortization:	30-year schedule
Call Protection:	YM1%(113) 1%(3) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$74,055
Maturity Balance / Unit:	$60,528
Cut-off Date LTV:	73.7%
Maturity LTV:	60.3%
Underwritten DSCR:	1.27x
# of Units:	655
Collateral:	Fee Simple
Location:	Frisco, TX
Year Built / Renovated:	2009 / N/A
Occupancy:	95.4% (02/21/2011)
Underwritten NCF:	$3,830,298

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5. MetroPlace At Towncenter[(1)]

Original Balance:	$46,846,000
Cut-off Balance:	$46,672,650
Maturity Balance:	$38,362,927
Loan Purpose:	Refinance
Interest Rate:	4.880%
First Payment Date:	February 1, 2011
Maturity Date:	January 1, 2021
Amortization:	30-year schedule
Call Protection:	L(27) D(89) O(4)
Lockbox[(2)]:	In-Place Hard
Cut-off Balance / Unit:	$117,563
Maturity Balance / Unit:	$96,632
Cut-off Date LTV:	70.3%
Maturity LTV:	57.8%
Underwritten DSCR:	1.25x
# of Units:	397
Collateral:	Fee Simple
Location:	Camp Springs, MD
Year Built / Renovated:	2007 / N/A
Occupancy:	91.2% (12/31/2010)
Underwritten NCF:	$3,720,888

(1) The equity interests in the related borrower have been pledged to secure mezzanine indebtedness in the amount of $6,750,000. The combined UW NCF DSCR based on the mortgage loan and the mezzanine loan is 1.05x at the current interest rate and 0.96x at the aggregate of the current interest rate and the deferred interest rate, and the combined Cut-off Date LTV is 80.5%.
(2) Such account is in the form of a cash management arrangement pursuant to which funds are kept in a lender-controlled account with respect to the underlying mortgage loan.

6. Waterford Lakes

Original Balance:	$30,800,000
Cut-off Balance:	$30,591,156
Maturity Balance:	$24,712,128
Loan Purpose:	Refinance
Interest Rate:	4.280%
First Payment Date:	December 1, 2010
Maturity Date:	November 1, 2020
Amortization:	30-year schedule
Call Protection:	L(29) D(87) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$44,079
Maturity Balance / Unit:	$35,608
Cut-off Date LTV:	79.5%
Maturity LTV:	64.2%
Underwritten DSCR:	1.26x
# of Units:	694
Collateral:	Fee Simple
Location:	Charlotte, NC
Year Built / Renovated:	1991 / 2007
Occupancy:	96.4% (01/31/2011)
Underwritten NCF:	$2,305,461

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7. Villas At Centerview

Original Balance:	$29,100,000
Cut-off Balance:	$29,100,000
Maturity Balance:	$25,003,955
Loan Purpose:	Refinance
Interest Rate:	4.730%
First Payment Date:	January 1, 2011
Maturity Date:	December 1, 2020
Amortization:	IO (24), then amortizing 30-year schedule
Call Protection:	L(28) D(88) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$77,807
Maturity Balance / Unit:	$66,855
Cut-off Date LTV:	71.6%
Maturity LTV:	61.5%
Underwritten DSCR:	1.26x
# of Units:	374
Collateral:	Fee Simple
Location:	Raleigh, NC
Year Built / Renovated:	2008 / N/A
Occupancy:	89.3% (02/23/2011)
Underwritten NCF:	$2,283,252

8. The Heights At Perimeter Center

Original Balance:	$25,602,000
Cut-off Balance:	$25,602,000
Maturity Balance:	$21,894,263
Loan Purpose:	Refinance
Interest Rate:	4.550%
First Payment Date:	January 1, 2011
Maturity Date:	December 1, 2020
Amortization:	IO (24), then amortizing 30-year schedule
Call Protection:	L(28) D(88) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$96,611
Maturity Balance / Unit:	$82,620
Cut-off Date LTV:	68.6%
Maturity LTV:	58.7%
Underwritten DSCR:	1.27x
# of Units:	265
Collateral:	Fee Simple
Location:	Atlanta, GA
Year Built / Renovated:	2008 / N/A
Occupancy:	92.8% (12/31/2010)
Underwritten NCF:	$1,991,768

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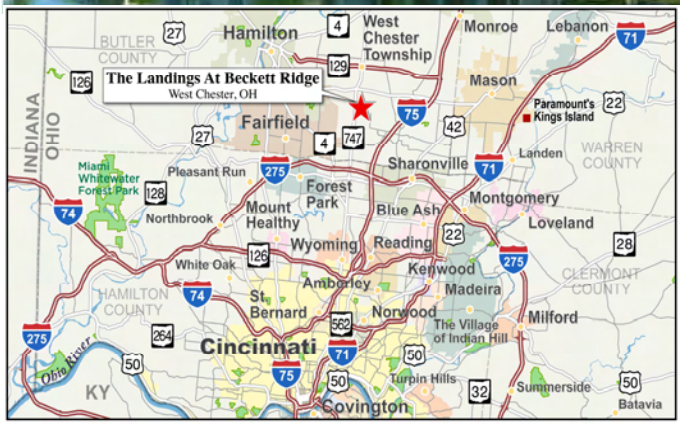
9. Post Oak Park I & II

Original Balance:	$25,000,000
Cut-off Balance:	$25,000,000
Maturity Balance:	$22,756,095
Loan Purpose:	Refinance
Interest Rate:	4.170%
First Payment Date:	December 1, 2010
Maturity Date:	November 1, 2020
Amortization:	IO (60), then amortizing 30-year schedule
Call Protection:	L(29) D(87) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$68,493
Maturity Balance / Unit:	$62,345
Cut-off Date LTV:	57.5%
Maturity LTV:	52.3%
Underwritten DSCR:	1.69x
# of Units:	365
Collateral:	Fee Simple
Location:	Houston, TX
Year Built / Renovated:	1995 / N/A
Occupancy:	91.5% (02/28/2011)
Underwritten NCF:	$2,476,863

10. The Landings At Beckett Ridge



Original Balance:	$23,880,000
Cut-off Balance:	$23,752,962
Maturity Balance:	$19,207,908
Loan Purpose:	Refinance
Interest Rate:	4.350%
First Payment Date:	January 1, 2011
Maturity Date:	December 1, 2020
Amortization:	30-year schedule
Call Protection:	L(28) D(88) O(4)
Lockbox:	N/A
Cut-off Balance / Unit:	$69,862
Maturity Balance / Unit:	$56,494
Cut-off Date LTV:	70.8%
Maturity LTV:	57.3%
Underwritten DSCR:	1.64x
# of Units:	340
Collateral:	Fee Simple
Location:	West Chester, OH
Year Built / Renovated:	2000 / N/A
Occupancy:	97.6% (02/28/2011)
Underwritten NCF:	$2,341,020

WELLS FARGO SECURITIES

Goldman Sachs

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EXHIBIT B

FORM OF TRUSTEE'S STATEMENT TO CERTIFICATEHOLDERS

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Distribution Date:
Determination Date:

FREMF 2011-K12 Mortgage Trust
Multifamily Mortgage Pass-Through Certificates
Series 2011-K12

CONTACT INFORMATION

Depositor	Wells Fargo Commercial Mortgage Securities, Inc. 123 N. Wacker, 24th Floor Chicago, IL 60606
Master Servicer	Midland Loan Services, a Division of PNC Bank, National Association 10851 Mastin Street, Building 82, 7th Floor Overland Park, KS 66210
Special Servicer	Wells Fargo Bank, National Association Commercial Mortgage Special Servicing 550 South Tryon Street, 7th Floor Charlotte, NC 28202
Trustee	Citibank, N.A. 388 Greenwich Street, 14th Floor New York City, NY 10013

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Deal Contact:

Karen Schluter
karen.schluter@citi.com
Tel: (212) 816-5827
Fax: (212) 816-5527

Citibank, N.A.
Agency and Trust
388 Greenwich Street, 14th Floor
New York, NY 10013

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Distribution Summary

DISTRIBUTION IN DOLLARS

Class (1)	Original Balance (2)	Prior Principal Balance (3)	Pass-Through Rate (4)	Accrual Day Count Fraction (5)	Accrual Dates (6)	Interest Distributed (7)	Principal Distributed (8)	Yield Maint. Charges Distributed (9)	Static Prepay. Premiums Distributed (10)	Total Distributed (11)=(7+8+9+10)	Deferred Interest (12)	Realized Loss (13)	Current Principal Balance (14)=(3-8+12-13)
A-1													
A-2													
B													
C													

Notional Classes

X-1													
X-2													
X-3													

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Distribution Summary (Factors)

PER $1,000 OF ORIGINAL BALANCE

Class	CUSIP	Record Date	Prior Principal Balance (3/2 x 1000)	Interest Distributed (7/2 x 1000)	Principal Distributed (8/2 x 1000)	Yield Maint. Charges Distributed (9)/(2) x 1000	Static Prepay. Premiums Distributed (10)/(2) x 1000	Total Distributed (11/2 x 1000)	Deferred Interest (12/2 x 1000)	Realized Loss (13/2 x 1000)	Current Principal Balance (14/2 x 1000)
A-1											
A-2											
B											
C											
X-1											
X-2											
X-3											

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Determination Date:

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Interest Distribution Detail

DISTRIBUTION IN DOLLARS

Class (1)	Prior Principal Balance (2)	Pass-Through Rate (3)	Next Pass-Through Rate (4)	Accrual Day Count Fraction (5)	Optimal Accrued Interest (6)	Prior Unpaid Interest (7)	Interest on Prior Unpaid Interest (8)	Non-Recov. Interest Shortfall (9)	Interest Due (10)=(6)+(7)+(8)-(9)	Deferred Interest (11)	Interest Distributed (12)	Current Unpaid Interest (13)=(10)-(11)-(12)
A-1												
A-2												
B												
C												

Notional Classes

X-1												
X-2												
X-3												

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Principal Distribution Detail

DISTRIBUTION IN DOLLARS

Class (1)	Original Balance (2)	Prior Principal Balance (3)	Scheduled Principal Distribution (4)	Unscheduled Principal Distribution (5)	Accreted Principal (6)	Current Realized Loss (7)	Current Principal Recoveries (8)	Current Principal Balance (9)=(3)-(4)-(5)+(6)-(7)+(8)	Cumulative Realized Loss (10)	Original Class (%) (11)	Current Class (%) (12)	Original Credit Support (13)	Current Credit Support (14)
A-1													
A-2													
B													
C													

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Reconciliation Detail

SOURCE OF FUNDS		*ALLOCATION OF FUNDS*	
Interest Funds Available		Scheduled Fees	
Scheduled Interest		Sub-Servicing Fee	
Prepayment Interest Shortfall		Master Servicing Fee	
Interest Adjustments		Trustee Fee	
Realized Loss in Excess of Principal Balance		Guarantee Fee	
Total Interest Funds Available:		Total Scheduled Fees:	
Principal Funds Available		Additional Fees, Expenses, etc.	
Scheduled Principal		Special Servicing Fee	
Curtailments		Workout Fee	
Principal Prepayments		Liquidation Fee	
Net Liquidation Proceeds		Additional Trust Fund Expenses	
Repurchased Principal		Reimbursement for Interest on Advances	
Substitution Principal		Other Expenses	
Other Principal		Total Additional Fees, Expenses, etc.:	
Total Principal Funds Available:		Distribution to Certificateholders	
Other Funds Available		Interest Distribution	
Yield Maintenance Charges		Principal Distribution	
Static Prepayment Premiums		Yield Maintenance Charges Distribution	
Other Charges		Static Prepayment Premiums Distribution	
Total Other Funds Available:		Total Distribution to Certificateholders:	
Total Funds Available		Total Funds Allocated	

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Other Information

Interest Deficiency Amount Paid by Freddie Mac
Principal Deficiency Amount Paid by Freddie Mac

Unreimbursed Indemnification Expenses

Prior Expenses Due Master Servicer
Additional Expenses Due Master Servicer
Expenses Reimbursed to Master Servicer
Current Unreimbursed Expenses Due Master Servicer

Prior Expenses Due Special Servicer
Additional Expenses Due Special Servicer
Expenses Reimbursed to Special Servicer
Current Unreimbursed Expenses Due Special Servicer

Prior Expenses Due Custodian
Additional Expenses Due Custodian
Expenses Reimbursed to Custodian
Current Unreimbursed Expenses Due Custodian

Prior Expenses Due Trustee
Additional Expenses Due Trustee
Expenses Reimbursed to Trustee
Current Unreimbursed Expenses Due Trustee

Prior Expenses Due Depositor
Additional Expenses Due Depositor
Expenses Reimbursed to Depositor
Current Unreimbursed Expenses Due Depositor

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Series 2011-K12

Mortgage Loan Detail

Loan Number	OMCR	Property Type	City	State	Interest Payment	Principal Payment	Gross Coupon	Maturity Date	Neg Am Flag	Beginning Scheduled Balance	Ending Scheduled Balance	Paid Through Date	Apprasial Reduction Date	Apprasial Reduction Amount	Payment Status of Loan (1)	Workout Strategy (2)	Mod. Code (3)

Payment Status of Loan (1)

A. In Grace Period
B. Late, but less than 30 Days
0. Current
1. 30-59 Days Delinquent
2. 60-89 Days Delinquent
3. 90+ Days Delinquent
4. Performing Matured Balloon
5. Non Performing Matured Balloon
7. Foreclosure
9. REO

Workout Strategy (2)

1. Modification
2. Foreclosure
3. Bankruptcy
4. Extension
5. Note Sale
6. DPO
7. REO
8. Resolved
9. Pending Return to Master Servicer
10. Deed In Lieu of Foreclosure
11. Full Payoff
12. Reps and Warranties
13. Other or TBD
98. Not Provided By Servicer

Mod. Code (3)

1. Maturity Date Extension
2. Amortization Change
3. Principal Write-Off
4. Blank (formerly Combination)
5. Temporary Rate Reduction
6. Capitalization of Interest
7. Capitalization of Taxes
8. Other
9. Combination

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NOI Detail

Loan Number	OMCR	Property Type	City	State	Ending Scheduled Balance	Most Recent Fiscal NOI	Most Recent NOI	Most Recent NOI Start Date	Most Recent NOI End Date

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Delinquency Loan Detail

Loan Number	OMCR	# of Months Delinq	Actual Principal Balance	Paid Through Date	Current P & I Advances (Net of ASER)	Total P & I Advances Outstanding	Cumulative Accrued Unpaid Advance Interest	Other Expense Advance Outstanding	Payment Status of Loan (1)	Workout Strategy (2)	Most Recent Special Serv Transfer Date	Foreclosure Date	Bankruptcy Date	REO Date
There is no Delinquency Loan Detail for the current distribution period.														
Totals														

Payment Status of Loan (1)

A. In Grace Period
B. Late, but less than 30 Days
0. Current
1. 30-59 Days Delinquent
2. 60-89 Days Delinquent
3. 90+ Days Delinquent
4. Performing Matured Balloon
5. Non Performing Matured Balloon
7. Foreclosure
9. REO

Workout Strategy (2)

1. Modification
2. Foreclosure
3. Bankruptcy
4. Extension
5. Note Sale
6. DPO
7. REO
8. Resolved
9. Pending Return to Master Servicer
10. Deed In Lieu of Foreclosure
11. Full Payoff
12. Reps and Warranties
13. Other or TBD
98. Not Provided By Servicer

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Historical Delinquency Information

Distribution Date	Less Than 1 Month		1 Month		2 Month		3+ Month		Bankruptcy		Foreclosure		REO	
	Balance	Cnt	Balance	Cnt	Balance	Cnt	Balance	Cnt	Balance	Cnt	Balance	Cnt	Balance	Cnt

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Appraisal Reduction Detail

Loan Number	OMCR	Property Name	Appraisal Reduction Amount	Appraisal Reduction Date	Most Recent ASER Amount	Cumulative ASER Amount
There is no Appraisal Reduction activity for the current distribution period.						
Totals						

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Historical Appraisal Reduction Detail

Distribution Date	Loan Number	OMCR	Property Name	Appraisal Reduction Amount	Appraisal Reduction Date	Most Recent ASER Amount	Cumulative ASER Amount
There is no historical Appraisal Reduction activity.							
Totals							

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Loan Modification Detail

Loan Number	OMCR	Property Name	Modification Date	Modification Code (1)	Modification Description
There is no Loan Modification activity for the current distribution period.					
Totals					

Modification Code (1)

1. Maturity Date Extension
2. Amortization Change
3. Principal Write-Off
4. Blank (formerly Combination)
5. Temporary Rate Reduction
6. Capitalization of Interest
7. Capitalization of Taxes
8. Other
9. Combination

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Historical Loan Modification Detail

Distribution Date	Loan	OMCR	Property Name	Modification Date	Modification Code (1)	Modification Description
There is no historical Loan Modification activity.						
Totals						

Modification Code (1)

1. Maturity Date Extension
2. Amortization Change
3. Principal Write-Off
4. Blank (formerly Combination)
5. Temporary Rate Reduction
6. Capitalization of Interest
7. Capitalization of Taxes
8. Other
9. Combination

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Specially Serviced Loan Detail

Loan	OMCR	Workout Strategy (1)	Most Recent Inspection Date	Most Recent Specially Serviced Transfer Date	Most Recent Appraisal Date	Most Recent Appraisal Value	Other REO Property Value	Comment from Special Servicer
There is no Specially Serviced Loan activity for the current distribution period.								
Totals								

Workout Strategy (1)

1. Modification
2. Foreclosure
3. Bankruptcy
4. Extension
5. Note Sale
6. DPO
7. REO
8. Resolved
9. Pending Return to Master Servicer
10. Deed In Lieu of Foreclosure
11. Full Payoff
12. Reps and Warranties
13. Other or TBD
98. Not Provided By Servicer

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Historical Specially Serviced Loan Detail

Distribution Date	Loan Number	OMCR	Spec. Serviced Transfer Date	Workout Strategy (1)	Spec. Serviced Loan to MS	Scheduled Balance	Actual Balance	Property Type (2)	State	Interest Rate	Note Date	Net Operating Income	Net Operating Income Date	DSC Ratio	DSC Date	Maturity Date	WART
There is no historical Specially Serviced Loan activity.																	
Totals																	

Workout Strategy (1)

1. Modification
2. Foreclosure
3. Bankruptcy
4. Extension
5. Note Sale
6. DPO
7. REO
8. Resolved
9. Pending Return to Master Servicer
10. Deed In Lieu of Foreclosure
11. Full Payoff
12. Reps and Warranties
13. Other or TBD
98. Not Provided By Servicer

Property Type (2)

MF: Multifamily
RT: Retail
HC: HealthCare
IN: Industrial
WH:. Warehouse
MH: Mobile Home Park
OF: Office
MU: Mixed Use
LO: Lodging
SS: Self Storage
OT: Other
SE: Securities
CH: Cooperative Housing

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Unscheduled Principal Detail

Loan Number	OMCR	Liquidation / Prepayment Date	Liquidation / Prepayment Code	Unscheduled Principal Collections	Unscheduled Principal Adjustments	Other Interest Adjustment	Prepayment Interest Excess (Shortfall)	Prepayment Penalties	Yield Maintenance Charges
There is no Unscheduled Principal activity for the current distribution period.									
Totals									

Liquidation / Prepayment Code (1)

1. Partial Liquidation (Curtailment)
2. Payoff Prior To Maturity
3. Disposition / Liquidation
4. Repurchase / Substitution
5. Full Payoff At Maturity
6. DPO
7. Not Used
8. Payoff With Penalty
9. Payoff With Yield Maintenance
10. Curtailment With Penalty
11. Curtailment With Yield Maintenance

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Historical Unscheduled Principal Detail

Distribution Date	Loan Number	OMCR	Liquidation / Prepayment Date	Liquidation / Prepayment Code	Unscheduled Principal Collections	Unscheduled Principal Adjustments	Other Interest Adjustment	Prepayment Interest Excess (Shortfall)	Prepayment Penality	Yield Maintenance Premium
There is no historical Unscheduled Principal activity.										
Totals										

Liquidation / Prepayment Code (1)

1. Partial Liquidation (Curtailment)
2. Payoff Prior To Maturity
3. Disposition / Liquidation
4. Repurchase / Substitution
5. Full Payoff At Maturity
6. DPO
7. Not Used
8. Payoff With Penalty
9. Payoff With Yield Maintenance
10. Curtailment With Penalty
11. Curtailment With Yield Maintenance

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Liquidated Loan Detail

Loan Number	OMCR	Final Recovery Determ Date	Most Recent Appraisal Date	Most Recent Appraisal Value	Actual Balance	Gross Proceeds	Proceeds as a % of Act Bal	Liquidation Expenses	Net Liquidation Proceeds	Net Proceeds as a % of Act Bal	Realized Loss	Repurchased by Seller (Y/N)
There is no Liquidated Loan activity for the current distribution period.												
Totals												

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Historical Liquidated Loan Detail

Distribution Date	Loan Number	OMCR	Final Recovery Determ Date	Most Recent Appraisal Date	Most Recent Appraisal Value	Actual Balance	Gross Proceeds	Gross Proceeds as a % of Act Bal	Liquidation Expenses	Net Liquidation Proceeds	Net Proceeds as a % of Act Bal	Realized Loss	Repurchased by Seller (Y/N)
There is no historical Liquidated Loan activity.													
Totals													

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EXHIBIT C

DECREMENT TABLES FOR THE OFFERED PRINCIPAL BALANCE CERTIFICATES

Percentage of Initial Total Principal Balance Outstanding For:

Class A-1 Certificates

0% CPR During Lockout, Defeasance, Yield Maintenance and Prepayment Penalty Periods
— Otherwise at Indicated CPR

Prepayments

Following the Distribution Date in—	0% CPR	25% CPR	50% CPR	75% CPR	100% CPR
Closing Date	100%	100%	100%	100%	100%
April 2012	94%	94%	94%	94%	94%
April 2013	86%	86%	86%	86%	86%
April 2014	77%	77%	77%	77%	77%
April 2015	66%	66%	66%	66%	66%
April 2016	56%	56%	56%	56%	56%
April 2017	44%	44%	44%	44%	44%
April 2018	32%	32%	32%	32%	32%
April 2019	19%	19%	19%	19%	19%
April 2020	6%	6%	6%	6%	6%
April 2021 and thereafter	0%	0%	0%	0%	0%
Weighted average life (in years)	**5.32**	**5.32**	**5.32**	**5.32**	**5.32**

Class A-2 Certificates

0% CPR During Lockout, Defeasance, Yield Maintenance and Prepayment Penalty Periods
— Otherwise at Indicated CPR

Prepayments

Following the Distribution Date in—	0% CPR	25% CPR	50% CPR	75% CPR	100% CPR
Closing Date	100%	100%	100%	100%	100%
April 2012	100%	100%	100%	100%	100%
April 2013	100%	100%	100%	100%	100%
April 2014	100%	100%	100%	100%	100%
April 2015	100%	100%	100%	100%	100%
April 2016	100%	100%	100%	100%	100%
April 2017	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%
April 2019	100%	100%	100%	100%	100%
April 2020	100%	100%	100%	100%	100%
April 2021 and thereafter	0%	0%	0%	0%	0%
Weighted average life (in years)	**9.61**	**9.60**	**9.58**	**9.55**	**9.36**

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Exhibit D

PRICE/YIELD TABLES FOR CLASS X1 AND X3 CERTIFICATES

Corporate Bond Equivalent (CBE) Yield of the Class X1 Certificates at Various CPRs*
0.143% Per Annum Initial Pass-Through Rate
$1,038,065,000 Total Initial Notional Amount

0% CPR During Lockout, Defeasance, Yield Maintenance and Prepayment Penalty Periods
— Otherwise at Indicated CPR

Price (%)**	0% CPR CBE Yield (%)	25% CPR CBE Yield (%)	50% CPR CBE Yield (%)	75% CPR CBE Yield (%)	100% CPR CBE Yield (%)
0.33600	61.86	61.86	61.86	61.85	61.84
0.46100	40.45	40.45	40.45	40.44	40.40
0.58600	28.19	28.19	28.18	28.17	28.09
0.71100	20.06	20.05	20.04	20.03	19.92
0.83600	14.15	14.14	14.13	14.11	13.98
0.96100	9.61	9.59	9.58	9.56	9.40
1.08600	5.96	5.94	5.93	5.91	5.72
1.21100	2.94	2.92	2.90	2.88	2.67
1.33600	0.38	0.36	0.34	0.31	0.09
1.46100	(1.83)	(1.85)	(1.87)	(1.90)	(2.15)
1.58600	(3.77)	(3.79)	(3.81)	(3.84)	(4.11)
Weighted Average Life (in years)	8.80	8.79	8.78	8.75	8.60

* Assumes the exercise of the right to purchase the mortgage loans in the event the total Stated Principal Balance of the mortgage pool is less than 1.0% of the initial mortgage pool balance, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.
** Exclusive of accrued interest.

Corporate Bond Equivalent (CBE) Yield of the Class X3 Certificates at Various CPRs*
2.287% Per Annum Initial Pass-Through Rate
$172,506,709 Total Initial Notional Amount

0% CPR During Lockout, Defeasance, Yield Maintenance and Prepayment Penalty Periods
— Otherwise at Indicated CPR

Price (%)**	0% CPR CBE Yield (%)	25% CPR CBE Yield (%)	50% CPR CBE Yield (%)	75% CPR CBE Yield (%)	100% CPR CBE Yield (%)
13.61130	11.41	11.40	11.39	11.38	11.02
13.73630	11.17	11.17	11.16	11.14	10.78
13.86130	10.94	10.93	10.92	10.91	10.55
13.98630	10.71	10.70	10.70	10.68	10.32
14.11130	10.49	10.48	10.47	10.45	10.09
14.23630	10.26	10.26	10.25	10.23	9.86
14.36130	10.04	10.04	10.03	10.01	9.64
14.48630	9.83	9.82	9.81	9.80	9.42
14.61130	9.61	9.61	9.60	9.58	9.20
14.73630	9.40	9.39	9.38	9.37	8.99
14.86130	9.19	9.19	9.18	9.16	8.78
Weighted Average Life (in years)	9.69	9.69	9.69	9.69	9.45

* Assumes the exercise of the right to purchase the mortgage loans in the event the total Stated Principal Balance of the mortgage pool is less than 1.0% of the initial mortgage pool balance, as described under "The Series 2011-K12 Pooling and Servicing Agreement—Termination" in this information circular.
** Exclusive of accrued interest.

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The attached CD-ROM contains a spreadsheet file that can be put on a user-specified hard drive or network drive. This spreadsheet file is "Exhibit A-1 FREMF 2011-K12.xls." The spreadsheet file is a Microsoft Excel[(1)], Version 5.0 spreadsheet. The spreadsheet file provides, in electronic format, statistical information that is used to present the information presented in and on Exhibit A-1 to this information circular. Defined terms used, but not otherwise defined, in the spreadsheet file will have the respective meanings assigned to them in the glossary to this information circular. All the information contained in the spreadsheet file is subject to the same limitations and qualifications contained in this information circular. Prospective investors are strongly urged to read this information circular in its entirety prior to accessing the spreadsheet file.

(1) Microsoft Excel is a registered trademark of Microsoft Corporation.

If you intend to purchase SPCs, you should rely only on the information in this Supplement, the Offering Circular and the Information Circular, including the information in the Incorporated Documents. We have not authorized anyone to provide you with different information.

This Supplement, the Offering Circular, the Information Circular and the Incorporated Documents may not be correct after their dates.

We are not offering the SPCs in any jurisdiction that prohibits their offer.

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$1,038,065,000
(Approximate)

Freddie Mac

Structured Pass-Through Certificates (SPCs), Series K-012

Co-Lead Managers and Joint Bookrunners

Wells Fargo Securities
Goldman, Sachs & Co.

Co-Managers

Credit Suisse
Deutsche Bank Securities
Jefferies & Company, Inc.
J.P. Morgan

April 12, 2011