

Offering Circular Supplement  
(To Offering Circular  
Dated August 1, 2014)

**\$812,150,000**  
(Approximate)



**Freddie Mac**  
**Structured Pass-Through Certificates (SPCs)**  
**Series K-PLB**

**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 2015-KPLB Mortgage Trust  
**Underlying Mortgage:** A single fixed-rate, multifamily balloon mortgage loan  
**Underlying Originator:** Holliday Fenoglio Fowler, L.P.  
**Underlying Seller:** Freddie Mac  
**Underlying Depositor:** Morgan Stanley Capital I Inc.  
**Underlying Master Servicer:** Freddie Mac  
**Underlying Special Servicer:** Berkeley Point Capital LLC  
**Underlying Operating Trust Advisor:** Freddie Mac  
**Underlying Trustee:** Citibank, N.A.  
**Underlying Certificate Administrator and Custodian:** Citibank, N.A.  
**Payment Dates:** Monthly beginning in July 2015  
**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 June 26, 2015

Class	Original Principal Balance or Notional Amount(1)	Approximate Initial Credit Support	Class Coupon	CUSIP Number	Final Payment Date
A	\$812,150,000	7.500%	2.7700%	3137BJQ71	May 25, 2025
X	878,000,000	N/A	(2)	3137BJQ89	May 25, 2025

(1) Approximate. May vary by up to 5%.  
(2) 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, our Giant and Other Pass-Through Certificates Offering Circular dated August 1, 2014, as supplemented by the Offering Circular Supplement dated May 1, 2015 (the “**Offering Circular**”) and the other 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. We have not engaged any rating agency to rate the SPCs.

*Co-Lead Managers and Joint Bookrunners*

**Morgan Stanley**

**Wells Fargo Securities**

*Co-Managers*

**Guggenheim Securities**

**Jefferies**

**June 19, 2015**

## 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 A at a premium over its principal balance, or if you buy X, and prepayments on the Underlying Mortgage are faster than you expect.
- You buy A at a discount to its principal balance and prepayments on the Underlying Mortgage are slower than you expect.

Rapid prepayments on the Underlying Mortgage would reduce the yield on X, which is an Interest Only Class, and could even result in the failure of investors in that Class to recover their investment.

**X is Subject to Basis Risk.** X bears interest at a rate based in part on the **Net Mortgage Pass-Through Rate**. As a result, X is subject to basis risk, which may reduce its yield.

**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 the Underlying Mortgage.

**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.

**The SPCs Will Not Be Rated.** The SPCs will not be rated by any **NRSRO** (unless an NRSRO issues an unsolicited rating), which may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the SPCs.

## TERMS SHEET

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

The Offering Circular 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**"), 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 letter designation. For example, "A" refers to the A 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. The Underlying Mortgage is a fixed-rate, multifamily balloon mortgage loan that provides for (1) no amortization prior to its stated maturity; and (2) a substantial payment of principal on its maturity date.

In addition to the Underlying Classes, the Underlying Trust is issuing two other classes of securities: the series 2015-KPLB **class B** and **class R certificates**.

### **Interest**

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

X will bear interest at a Class Coupon equal to the interest rate of its Underlying Class, which is equal to the weighted average of the **Class X Strip Rates**, as described in the Information Circular. Accordingly, the Class Coupon of X will vary from month to month. The initial Class Coupon of X is approximately 0.0690% per annum.

*See Payments — Interest in this Supplement and Description of the Underlying Mortgage Loan — Payment on the Underlying Mortgage Loan and Description of the Certificates — Distributions — Calculation of Pass-Through Rates in the Information Circular.*

### **Interest Only (Notional) Class**

X does not receive principal payments. To calculate interest payments, X has a notional amount equal to the sum of the then-current principal balance of Underlying Class A and the then-current principal balance of the series 2015-KPLB class B certificates.

### **Principal**

On each Payment Date, we pay principal on A in an amount equal to the principal, if any, required to be paid on that Payment Date on Underlying Class A.

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

### **Static Prepayment Premiums**

Any **Static Prepayment Premium** collected in respect of the Underlying Mortgage will be distributed as additional interest on Underlying Classes A and X, as described under *Description of the Certificates — Distributions — Distributions of Static Prepayment Premiums* in the Information Circular. Any such additional interest on Underlying Classes A and X will be passed through to the corresponding Classes of SPCs.

Our guarantee does not cover the payment of any Static Prepayment Premiums or any other prepayment premiums related to the Underlying Mortgage.

### **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 the weighted average lives and declining principal balances for Underlying Class A and the weighted average lives and pre-tax yields for Underlying Class X, in each case, based on the assumptions described in the Information Circular. 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 these assumptions. However, these assumptions are likely to differ from actual experience in many cases.

See *Yield and Maturity Considerations — Weighted Average Lives of the Offered Principal Balance Certificates, — Yield Sensitivity of the Class X Certificates* and Exhibits D and E in the Information Circular.

## AVAILABLE INFORMATION

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

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

This Supplement incorporates the Offering Circular, including 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 Offering Circular, including the Incorporated Documents, is 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 Offering Circular, including 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:

**Freddie Mac — Investor Inquiry**  
**1551 Park Run Drive, Mailstop D50**  
**McLean, Virginia 22102-3110**  
**Telephone: 1-800-336-3672**  
**((571) 382-4000 within the Washington, D.C. area)**  
**E-mail: [Investor\\_Inquiry@freddiemac.com](mailto:Investor_Inquiry@freddiemac.com)**

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

**Internet Website\*: [www.freddiemac.com](http://www.freddiemac.com)**

\* We are providing this internet address solely for the information of investors. We do not intend this internet address to be an active link and we are not using references to this address to incorporate additional information into this Supplement, except as specifically stated in this Supplement.

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

Morgan Stanley & Co. LLC  
c/o Broadridge Financial Solutions  
Prospectus Department  
1155 Long Island Avenue  
Edgewood, New York 11717  
(631) 254-7307

Wells Fargo Securities, LLC  
Customer Service  
MAC N9303-054  
608 2nd Avenue South, Suite 500  
Minneapolis, Minnesota 55479  
US Callers: (800) 645-3751, option 5  
International Callers: (612) 667-0900, option 5  
WFSCustomerService@wellsfargo.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 August 1, 2014 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, Holders and Payment Procedures* in the Offering Circular.

### Denominations of SPCs

A will be issued, and may be held and transferred, in minimum original principal amounts of \$1,000 and additional increments of \$1. X 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 Underlying Mortgage described under *Description of the Underlying Mortgage Loan* 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 two other classes, which are subordinate to Underlying Classes A and X to the extent described in the Information Circular. These additional classes will not be assets underlying the Classes of SPCs offered hereby. The trust and servicing agreement for the Underlying Trust (the “**Trust 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 *Appendix A — Transaction Summary* in this Supplement and *Description of Pass-Through Certificates — Structured Pass-Through Certificates* in the Offering Circular.

#### *Credit Enhancement Features of the Underlying Trust*

Underlying Classes A and X will have a payment priority over the series 2015-KPLB class B certificates 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 the Underlying Mortgage exceeds the amount of net proceeds recovered upon the liquidation of the Underlying Mortgage. In general, this is accomplished by allocating the Realized Losses among subordinated certificates as described in the Information Circular. See *Description of the Certificates — Distributions — Subordination* in the Information Circular.

#### *The Underlying Classes Will Not Be Rated*

None of the Underlying Classes will be rated by an NRSRO (unless an NRSRO issues an unsolicited rating). See *Risk Factors — Risks Related to the Offered Certificates — The Certificates Will Not Be Rated* in the Information Circular.

### **The Underlying Mortgage**

The Underlying Mortgage is a single fixed-rate mortgage loan, secured by one multifamily property. The Underlying Mortgage has an initial principal balance of approximately \$878,000,000 as of June 1, 2015. The Underlying Mortgage is a balloon mortgage loan with an original term to maturity of 120 months. The Underlying Mortgage does not provide for any amortization prior to its maturity date. The Underlying Mortgage permits the borrower to defease the Underlying Mortgage in whole or in part, if certain conditions are met. See *Description of the Underlying Mortgage Loan — Prepayment and Defeasance* in the Information Circular. Partial releases of certain portions of the multifamily property securing the Underlying Mortgage are permitted, as described under *Description of the Underlying Mortgage Loan — Permitted Partial Releases* in the Information Circular.

*Description of the Underlying Mortgage Loan, Description of the Mortgaged Real Property and Exhibits A-1 and A-2* in the Information Circular further describe the Underlying Mortgage.

## PAYMENTS

### Payment Dates; Record Dates

We make payments of principal and interest on the SPCs on each Payment Date, beginning in July 2015. 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 the 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 A to the extent principal is payable on Underlying Class A. 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 Certificates — Distributions — Priority of Distributions* and *— Principal Distributions* in the Information Circular.

### Static Prepayment Premiums

Any **Static Prepayment Premium** collected in respect of the Underlying Mortgage will be distributed as additional interest to Underlying Classes A and X, as described under *Description of the Certificates — Distributions — Distributions of Static Prepayment Premiums* in the Information Circular. Any such additional interest on Underlying Classes A and X will be passed through to the corresponding Classes of SPCs.

Our guarantee does not cover the payment of any Static Prepayment Premiums or any other prepayment premiums related to the Underlying Mortgage.

### 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, on or before the Payment Date immediately following the maturity date of the Underlying Mortgage (to the extent of principal on A that would have been payable from the Underlying 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 by its Final Payment Date. Our guarantee does not cover any loss of yield on X due to a reduction of X's notional amount due to a reduction of the principal balance of A or of the series 2015-KPLB class B certificates, nor does it cover the payment of Static Prepayment Premiums or any other prepayment premiums related to the Underlying Mortgage. See *Description of Pass-Through Certificates — Guarantees* in the Offering Circular and *Description of the Certificates — Distributions — Freddie Mac Guarantee* in the Information Circular.

### **Optional Termination; Redemption**

The holders of a majority interest of the **Controlling Class** for the Underlying Trust (excluding Freddie Mac (as defined in the Information Circular)), the Underlying Special Servicer and any **Third Party Master Servicer** each will have the option, in that order, to purchase the Underlying Mortgage and other trust property and terminate the Underlying Trust on any Payment Date on which the **Stated Principal Balance** of the Underlying Mortgage is less than 1% of its **Cut-off Date Principal Balance**. In addition, with the satisfaction of the conditions set forth in the proviso to the definition of "Sole Certificateholder" in the Information Circular and with the consent of any Third Party Master Servicer, the **Sole Certificateholder** for the Underlying Trust (excluding Freddie Mac (as defined in the Information Circular)) will have the right to exchange all of its certificates issued by the Underlying Trust (other than the series 2015-KPLB class R certificates) for the Underlying Mortgage and the **REO Property** remaining in the Underlying Trust, resulting in the liquidation of the Underlying Trust. See *The Trust and Servicing Agreement — Termination* in the Information Circular.

If a termination of the Underlying Trust occurs, A 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 remaining principal balance of A would be less than 1% of its 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 rate of principal payments, including prepayments, on the Underlying Mortgage. The Underlying Mortgage may not be voluntarily prepaid prior to the open prepayment period that commences three calendar months prior to its maturity date, other than in connection with a partial release as described under *Description of the Underlying Mortgage Loan — Permitted Partial Releases* in the Information Circular.

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 Loan* 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 Mortgage.
- Whether an optional termination of the Underlying Trust occurs or the SPCs are redeemed.
- The actual characteristics of the Underlying Mortgage.
- In the case of X, 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 date of the Underlying Mortgage and assume, among other things, no prepayments or defaults on the Underlying Mortgage. The actual retirement of each Class may occur earlier than its Final Payment Date.

## CERTAIN FEDERAL INCOME TAX CONSEQUENCES

### General

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 Trust 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**

Within a reasonable time after the end of each calendar year, we will furnish or make available to each Holder of each Class of SPCs such information as Freddie Mac deems necessary or desirable to assist beneficial owners in preparing their federal income tax returns, or to enable each Holder to make such information available to beneficial owners or financial intermediaries for which the Holder holds such 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.

**Appendix A**  
**Transaction Summary**

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## Transaction Summary

Freddie Mac Structured Pass-Through Certificates (SPCs),  
Series K-PLB, Class A and X Certificates

\$812,150,000

Offered SPCs

Class	Approximate Original Principal Balance or Notional Amount	Approximate Initial Credit Support	Initial Class Coupon	Expected WAL (years)	Assumed Principal Window (months)	Final Payment Date
A	\$812,150,000	7.500%	2.7700%	9.91	119 – 119	May 25, 2025
X	\$878,000,000	N/A	0.0690%*	9.91	N/A	May 25, 2025

\* Approximate

*The information contained in this Transaction Summary (the "Information") has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in the securities described herein. It is recommended that prospective purchasers review in full all of the offering documents relating to the SPCs ("Offering Documents") discussed in this communication. The Information does not include all of the information required to be included in the Offering Documents relating to the securities. As such, the Information may not reflect the impact of all structural characteristics of the securities and is qualified in its entirety by the information in the Offering Documents. Any investment decision with respect to the securities should be made by you based solely upon the information contained in the final Offering Documents relating to the securities. Offering Documents contain data that is current as of their publication dates and after publication may no longer be complete or current.*

*Final Offering Documents may be obtained from Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, the Co-Lead Managers and Joint Bookrunners, from Guggenheim Securities, LLC and Jefferies, LLC, the Co-Managers, or from our website at [freddiemac.com](http://freddiemac.com)*

## Transaction overview

The Class A and X Certificates (the “Offered SPCs”) will be part of a series of mortgage pass-through certificates designated as the Freddie Mac Structured Pass-Through Certificates (“SPCs”), Series K-PLB. Freddie Mac (as defined in the information circular for the Underlying Guaranteed Certificates (the “Information Circular”)) will form a single trust (the “SPC Trust”) to issue the SPCs. Each class of Offered SPCs will represent the entire interest in a separate pool included in the SPC Trust. Each pool will consist of the related class of underlying certificates (the “Underlying Guaranteed Certificates”). The Underlying Guaranteed Certificates will be issued by the underlying FREMF 2015-KPLB Mortgage Trust (the “REMIC Trust”) which will hold one multifamily mortgage loan secured by one mortgaged real property with an initial mortgage balance of \$878,000,000, as described on page S-A-7 herein. It is a condition of the issuance of the Underlying Guaranteed Certificates that they be purchased by Freddie Mac and that Freddie Mac guarantee payment of interest and principal due on the Underlying Guaranteed Certificates as further described in *The Underlying Certificates — Freddie Mac Guarantee* below. The REMIC Trust will also issue certain other classes consisting of the Class B and Class R Certificates (the “Underlying Unguaranteed Certificates” and together with the Underlying Guaranteed Certificates, the “Underlying Certificates”) as further described in *The Underlying Certificates — Underlying Certificates* below.

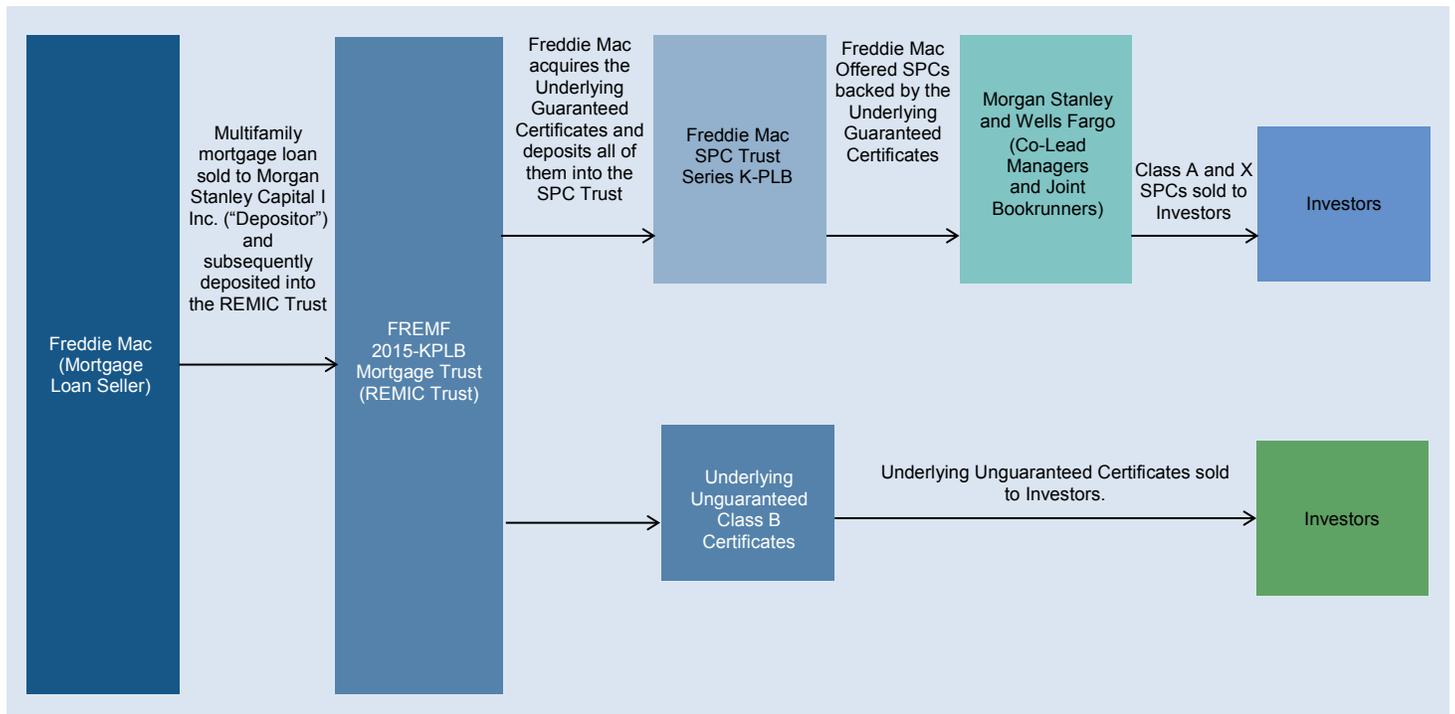
## Offered SPCs

Class	Approximate Original Principal Balance or Notional Amount	Approximate Initial Credit Support	Initial Class Coupon	Expected WAL (years) <sup>(1)</sup>	Assumed Principal Window (months) <sup>(1)</sup>	Final Payment Date <sup>(1)</sup>
A	\$812,150,000	7.500%	2.7700%	9.91	119 – 119	May 25, 2025
X	\$878,000,000	N/A	0.0690% <sup>(2)</sup>	9.91	N/A	May 25, 2025

(1) The expected weighted average lives, the assumed principal windows and final payment dates shown in this table have been calculated based on the Modeling Assumptions as defined in the Offering Documents, including the assumption that there are no voluntary or involuntary prepayments with respect to the underlying mortgage loan. Class X’s final payment date is calculated as the distribution date occurring in the month and year of the loan maturity date.

(2) Approximate.

## Transaction structure



## Relevant parties/entities

<b>Underlying mortgage loan seller</b>	Federal Home Loan Mortgage Corporation
<b>Underlying originator</b>	Holliday Fenoglio Fowler, L.P.
<b>Underlying master servicer</b>	Federal Home Loan Mortgage Corporation
<b>Underlying special servicer</b>	Berkeley Point Capital LLC
<b>Underlying operating trust advisor</b>	Federal Home Loan Mortgage Corporation
<b>Underlying trustee</b>	Citibank, N.A.
<b>Underlying certificate administrator and custodian</b>	Citibank, N.A.

## The Underlying Certificates

**Underlying Certificates** The REMIC Trust will issue four classes of Underlying Certificates. The Underlying Guaranteed Certificates will consist of the Class A and X Certificates issued by the REMIC Trust, which will be purchased and guaranteed by Freddie Mac and will be deposited into the SPC Trust to back the Offered SPCs. The REMIC Trust will also issue Underlying Unguaranteed Certificates consisting of the Class B and R Certificates, which will not be guaranteed by Freddie Mac and will not back any class of SPCs. The Underlying Unguaranteed Certificates are described to provide an understanding of the Offered SPCs and the classes of the Underlying Guaranteed Certificates that back the Offered SPCs.

<b>Class<sup>(1)</sup></b>	<b>Approximate Original Principal Balance or Notional Amount</b>	<b>Approximate Initial Credit Support</b>	<b>Initial Class Coupon</b>	<b>Expected WAL (years)<sup>(2)</sup></b>	<b>Assumed Principal Window (months)<sup>(2)</sup></b>	<b>Assumed Final Distribution Date<sup>(2)</sup></b>
<b><u>Guaranteed Certificates</u></b>						
A	\$812,150,000	7.500%	2.7700%	9.91	119 – 119	May 25, 2025
X	\$878,000,000	N/A	0.0690% <sup>(3)</sup>	9.91	N/A	May 25, 2025
<b><u>Unguaranteed Certificates</u></b>						
B	\$65,850,000	0.000%	2.5000%	9.91	119 – 119	May 25, 2025

- (1) The Class R Certificates are not represented in this table and are not being offered. The Class R Certificates will not have a principal balance, notional amount or class coupon.
- (2) The expected weighted average lives, the assumed principal windows and assumed final distribution dates shown in this table have been calculated based on the Modeling Assumptions as defined in the Offering Documents, including the assumption that there are no voluntary or involuntary prepayments with respect to the underlying mortgage loan.
- (3) Approximate.

## The Underlying Certificates (continued)

### Priority of distributions of Underlying Certificates

Distributions of interest will be made, first, to the Class A and X Certificates concurrently on a pro rata basis based on the interest accrued with respect to each such class, and second, to the Class B Certificates.

All principal payments collected will be allocated to the Class A and B Certificates, in that order of priority, until the total principal balance of each class of Certificates is reduced to zero. The Class X Certificates do not have principal balances and do not entitle the holders thereof to distributions of principal.

The Class B Certificates will not be entitled to any distribution of principal until the Class A Certificates have been paid all amounts due to such classes and Freddie Mac has been reimbursed for payments made under the Freddie Mac Guarantee with respect to the Class A and X Certificates, together with interest on such payments.

### Freddie Mac Guarantee

It is a condition to the issuance of the Underlying Guaranteed Certificates that the Underlying Guaranteed Certificates be purchased by Freddie Mac and that Freddie Mac guarantee certain payments on the Underlying Guaranteed Certificates (the "Freddie Mac Guarantee"), as more fully described in the Offering Documents, including (i) timely payment of interest, (ii) payment of related principal on the distribution date following the maturity date of the loan to the extent such principal would have been distributed to the Class A Certificates, (iii) reimbursement of any realized losses and additional trust fund expenses allocated to the Class A Certificates and (iv) ultimate payment of principal by the assumed final distribution date for the Class A Certificates. Any payment made by Freddie Mac under the Freddie Mac Guarantee in respect of principal to the Class A Certificates 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 X Certificates. The Freddie Mac Guarantee does not cover the payment of any static prepayment premiums or any other prepayment premiums related to the underlying mortgage loan, nor does it cover any loss of yield on the Class X Certificates resulting from a reduction of the principal balance of any related class of Underlying Certificates. Any guarantee payments made by Freddie Mac on the Underlying Guaranteed Certificates will be passed through to the holders of the corresponding Offered SPCs.

The Underlying Guaranteed Certificates, including interest thereon, are not guaranteed by the United States of America (the "United States") or any other governmental or private insurer 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 Underlying Guaranteed Certificates could be subject to losses. Freddie Mac will not guarantee any other class of Underlying Certificates other than the Underlying Guaranteed Certificates. The SPCs are not tax-exempt.

### No Ratings

None of the SPCs or the Underlying Certificates will be rated by any nationally recognized statistical rating organization.

### Subordination

Losses on the underlying mortgage loan will be allocated, first, to the Class B Certificates, until reduced to zero, and then to the Class A Certificates, provided that, as described under "Freddie Mac Guarantee" above, Freddie Mac will reimburse the holders of the Class A Certificates for any losses allocated to such class on the date such losses are allocated. The Class B Certificates will not be reimbursed by Freddie Mac for losses.

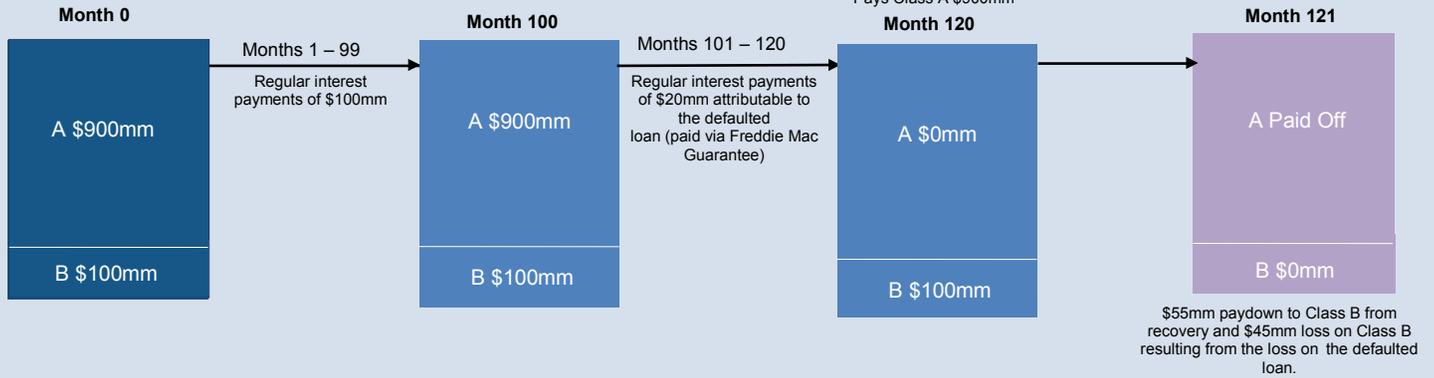
Loss scenario examples

Loss Scenarios

The loss scenarios below illustrate how the Underlying Certificates are affected by loan defaults and the Freddie Mac Guarantee assuming that the master servicer is no longer making principal and interest advances with respect to the defaulted loan, and the absence of trust fund expenses. These scenarios are for illustrative purposes only. Class balances, loan balances and other mortgage loan characteristics described in these scenarios do not reflect those of the actual Underlying Certificates or the underlying mortgage loan.

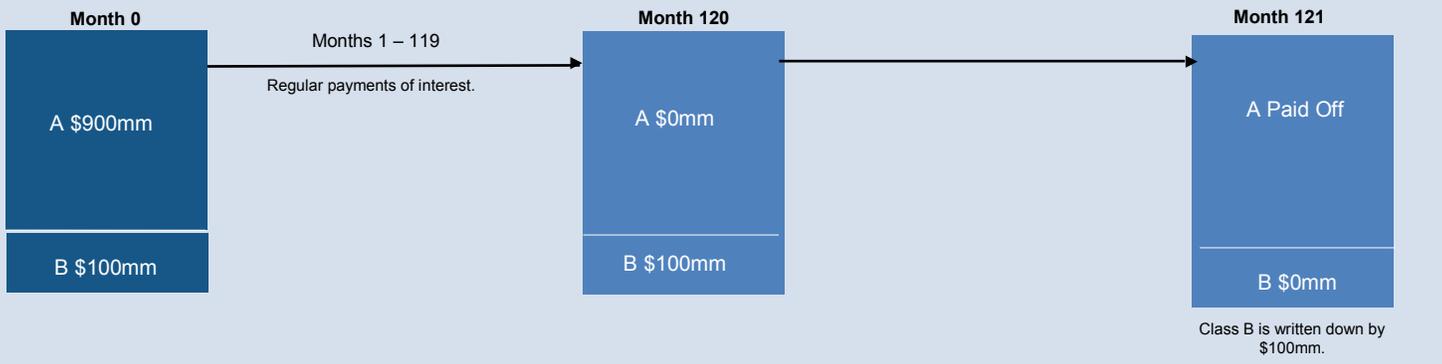
Assumptions

Loan Size: \$1.0bn  
Loan defaults in month 100 (prior to loan maturity)  
Loan sold for \$975mm in month 121, \$25mm loss



Assumptions

Loan Size: \$1.0bn  
Loan defaults in month 120 (at loan maturity)  
Loan sold for \$850mm in month 121, \$150mm loss



**Certificate yields under various constant default rate (CDR) scenarios<sup>(1)</sup>**

	<b>Class A<sup>(2)</sup></b>
<b>0 CDR (0.00% Cumulative Net Loss)</b>	
Yield	2.92%
WAL (Years)	9.91
<b>1 CDR (3.06% Cumulative Net Loss)</b>	
Yield	2.92%
WAL (Years)	9.72
<b>2 CDR (5.91% Cumulative Net Loss)</b>	
Yield	2.92%
WAL (Years)	9.53
<b>5 CDR (13.35% Cumulative Net Loss)</b>	
Yield	2.93%
WAL (Years)	8.88
<b>10 CDR (22.63% Cumulative Net Loss)</b>	
Yield	2.95%
WAL (Years)	7.75

(1) Table calculated using Modeling Assumptions as described in the Offering Documents, including the assumption that there are no voluntary prepayments with respect to the underlying mortgage loan, with the following exceptions: defaults start immediately, 24 months recovery lag, no defaults 24 months prior to the applicable maturity date for the mortgage loan, loss severity of 40% and servicer advances on principal and interest of 100%.

(2) Yields assume a price of 98.7060% and a fixed coupon of 2.7700%.

## Description of the Mortgage Loan

### 1. Park La Brea Apartments



Original Principal Balance:	\$878,000,000
Cut-off Date Principal Balance:	\$878,000,000
Maturity Date Principal Balance:	\$878,000,000
Loan Purpose:	Refinance
Interest Rate:	3.330%
First Payment Date:	June 1, 2015
Maturity Date:	May 1, 2025
Amortization:	Interest Only
Call Protection:	L(25) D(91) O(4)
Cash Management:	N/A
Cut-off Date Principal Balance/Unit:	\$206,832
Maturity Date Principal Balance/Unit:	\$206,832
Cut-off Date LTV:	52.4%
Maturity Date LTV:	52.4%
Underwritten DSCR:	2.27x
# of Units:	4,245
Collateral:	Fee Simple
Location:	Los Angeles, CA
Property Sub-type:	Garden and High Rise
Year Built / Renovated:	1944 – 1951 / 2015
Occupancy:	97.7% (3/17/2015) 96.8% (12/31/2014) 96.2% (12/31/2013) 95.3% (12/31/2012) 95.7% (12/31/2011)
Underwritten / Most Recent NCF:	\$67,222,000 / \$75,766,979
Avg. Effective Annual Rent/Unit:	\$24,201 (3/17/2015) \$23,465 (12/31/2014) \$22,386 (12/31/2013) \$21,476 (12/31/2012) \$20,731 (12/31/2011)



**The Property.** The Park La Brea Apartments underlying mortgage loan is secured by an approximately 144-acre property which includes 175 garden-style apartment buildings, and 18, 13-story high rise towers totaling 4,245 units (the “Park La Brea Apartments Mortgaged Property”) located in the Beverly Hills/West Hollywood/Park La Brea submarket of Los Angeles. The Park La Brea Apartments Mortgaged Property has 6,794 parking spaces (1.60 per unit). The Park La Brea Apartments Mortgaged Property was valued at \$1,675,000,000 (\$394,582 per unit) based on the appraisal dated September 30, 2014.

**Sponsorship.** The sponsor of the borrower is Prime/Park LaBrea Holdings, L.P., an affiliate of Prime Group. Prime Group is a real estate equity, debt, investment and operating platform. Prime Group employs over 400 professionals and manages over \$4.0 billion in real estate assets nationwide. Since 2005, Prime Group has invested approximately \$120.2 million in capital improvements at the Park La Brea Apartments Mortgaged Property.

**Property Management.** PLB Management, LLC, a borrower affiliate, is the property manager for the Park La Brea Apartments Mortgaged Property. See “Description of the Mortgaged Real Property—Description of the Management Agreement” in the Information Circular.

**Unit Mix.** Presented below is the unit mix at the Park La Brea Apartments Mortgaged Property as of March 17, 2015.

Park La Brea Apartments Mortgaged Property Unit Mix <sup>(1)</sup>			
Unit Type	No. of Units	Avg. SF	Avg. Monthly Rent/Unit <sup>(2)</sup>
Efficiency/Studio	18	580	\$1,459
One Bedroom	1,484	754	\$1,734
Two Bedroom	2,514	1,060	\$2,109
Three Bedroom	219	1,333	\$2,752
Four Bedroom	10	2,102	\$3,611
<b>Total / Average</b>	<b>4,245</b>	<b>968</b>	<b>\$2,012</b>

(1) Source: Appraisal.

(2) Based on the rent roll dated December 31, 2014.

**Competitive Conditions.** The Park La Brea Apartments Mortgaged Property is one of nine comparable properties located in the Beverly Hills/West Hollywood/Park La Brea submarket.

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**Appendix B**  
**Selling Restrictions**

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

THIS OFFERING CIRCULAR SUPPLEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF SECURITIES IN KOREA. NEITHER FREDDIE MAC NOR ANY OF ITS AGENTS MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS OFFERING CIRCULAR SUPPLEMENT TO ACQUIRE THE SPCs UNDER THE LAWS OF KOREA, INCLUDING, BUT WITHOUT LIMITATION, THE FOREIGN EXCHANGE TRANSACTION LAW AND REGULATIONS THEREUNDER (THE “FETL”). THE SPCs HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA FOR PUBLIC OFFERING IN KOREA, AND NONE OF THE SPCs MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND THE DECREES AND REGULATIONS THEREUNDER (THE “FSCMA”), THE FETL AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES IN KOREA.

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

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

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

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

## **JAPAN**

THE SPCs HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS EXCHANGE ACT OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED (THE “FIEL” )), AND EACH INITIAL PURCHASER HAS AGREED THAT IT WILL NOT OFFER OR

SELL ANY SPCs, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY JAPANESE PERSON, OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO ANY JAPANESE PERSON, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEL AND ANY OTHER APPLICABLE LAWS AND REGULATIONS. FOR THE PURPOSES OF THIS PARAGRAPH, “JAPANESE PERSON” SHALL MEAN ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS AND REGULATIONS OF JAPAN.

### **HONG KONG**

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

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**\$812,150,000**  
**(Approximate)**

**Multifamily Mortgage Pass-Through Certificates,  
Series 2015-KPLB**

**FREMF 2015-KPLB Mortgage Trust**  
issuing entity

**Morgan Stanley Capital I Inc.**  
depositor

**Federal Home Loan Mortgage Corporation**  
mortgage loan seller and guarantor

We, Morgan Stanley Capital I Inc., intend to establish a trust to act as an issuing entity, which we refer to in this information circular as the “issuing entity.” The primary asset of the issuing entity will consist of a single multifamily mortgage loan secured by a fee interest in a single multifamily mortgaged real property known as Park La Brea Apartments, located in Los Angeles, California, with the characteristics described in this information circular. The issuing entity will issue four classes of certificates (the “certificates”), two 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 July 2015. 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, 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 32 of this information circular.**

<u>Offered Classes</u>	<u>Total Initial Principal Balance or Notional Amount</u>	<u>Initial Pass- Through Rate</u>	<u>Assumed Final Distribution Date</u>
Class A	\$ 812,150,000	2.7700%	May 25, 2025
Class X	\$ 878,000,000	0.0690%*	May 25, 2025

\* Approximate.

Delivery of the offered certificates will be made on or about June 26, 2015. Credit enhancement will be provided by (i) the subordination of certain classes of 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 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 Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

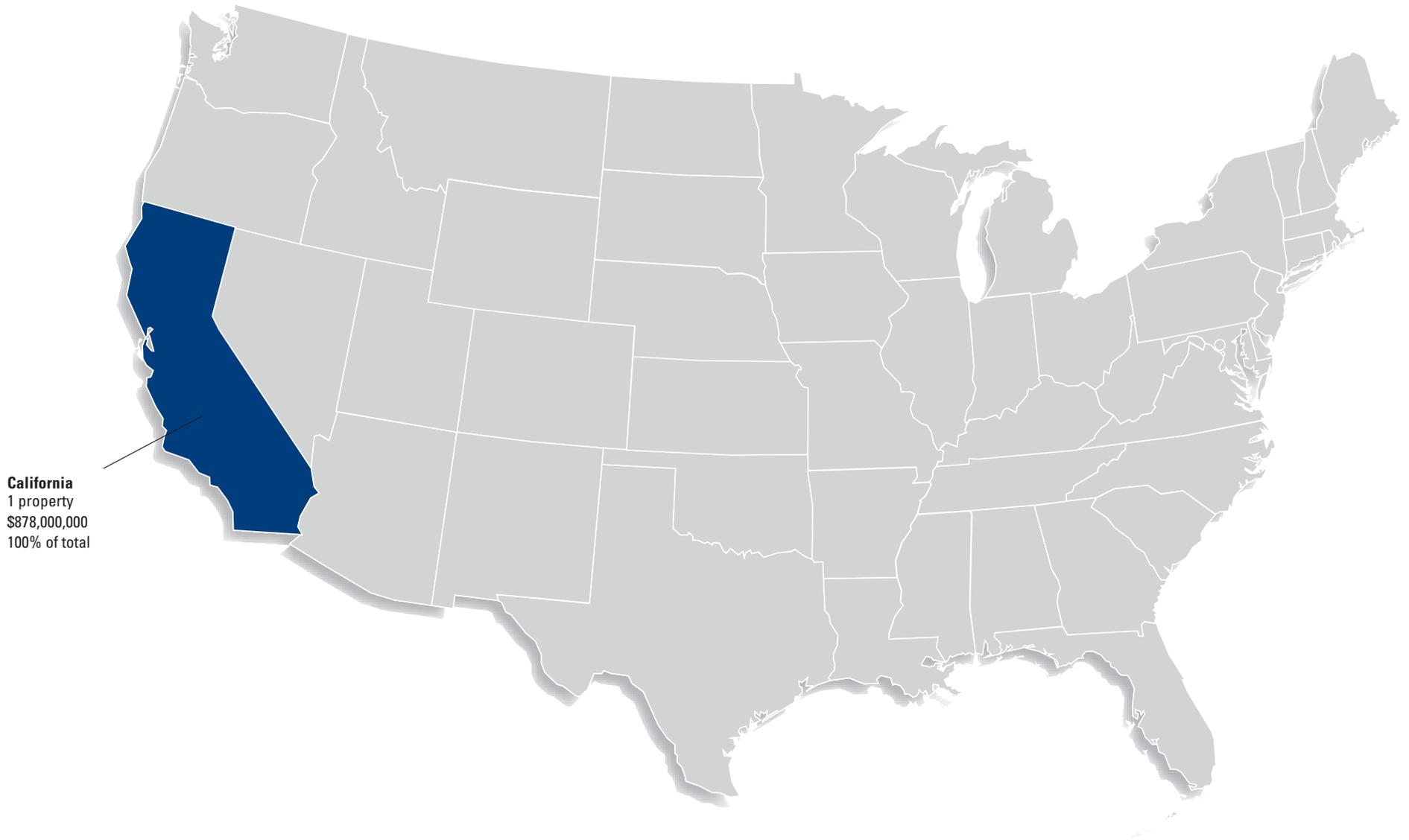
The issuing entity will be relying on an exclusion or exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) contained in Section 3(c)(5) of the Investment Company Act or Rule 3a-7 under the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. The issuing entity is being structured so as not to constitute a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined 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 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 June 19, 2015**

# FREMF 2015-KPLB Mortgage Trust

## Multifamily Mortgage Pass-Through Certificates Series 2015-KPLB



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### Exhibits to Information Circular

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EXHIBIT D	—	DECREMENT TABLE FOR THE OFFERED PRINCIPAL BALANCE CERTIFICATES
EXHIBIT E	—	PRICE/YIELD TABLE FOR CLASS X CERTIFICATES

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

## **IMPORTANT NOTICE REGARDING THE CERTIFICATES**

**NONE OF THE DEPOSITOR, THE DEPOSITOR'S AFFILIATES, FREDDIE MAC OR ANY OTHER PERSON INTENDS TO RETAIN A 5% NET ECONOMIC INTEREST WITH RESPECT TO THE CERTIFICATES IN ANY OF THE FORMS PRESCRIBED BY ARTICLE 405(1) OF EUROPEAN UNION REGULATION 575/2013 OR BY ANY OTHER EUROPEAN UNION LEGISLATION THAT REQUIRES THAT THERE BE SUCH A RETENTION AS A CONDITION TO AN INVESTMENT IN THE CERTIFICATES BY A EUROPEAN INVESTOR SUBJECT TO SUCH LEGISLATION. FOR ADDITIONAL INFORMATION IN THIS REGARD, SEE "RISK FACTORS—RISKS RELATED TO THE OFFERED CERTIFICATES—LEGAL AND REGULATORY PROVISIONS AFFECTING INVESTORS COULD ADVERSELY AFFECT THE LIQUIDITY OF YOUR INVESTMENT" IN THIS INFORMATION CIRCULAR.**

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

**THE PLACEMENT AGENTS DESCRIBED IN THIS INFORMATION CIRCULAR MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY COMPANY NAMED IN THIS INFORMATION CIRCULAR. THE PLACEMENT AGENTS AND/OR THEIR RESPECTIVE EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY SECURITY OR CONTRACT DISCUSSED IN THIS INFORMATION CIRCULAR.**

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

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 or other jurisdiction where the offer and sale is not permitted.

## 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 2015-KPLB Multifamily Mortgage Pass-Through Certificates. The certificates will consist of four classes. The table below identifies and specifies various characteristics for those classes other than the class R certificates.

Class <sup>(1)</sup>	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) <sup>(2)(3)</sup>	Assumed Principal Window <sup>(2)(4)</sup>	Assumed Final Distribution Date <sup>(2)(5)</sup>
<u>Offered Certificates:</u>								
A	\$812,150,000	92.500%	7.500%	Fixed	2.7700%	9.91	119-119	May 25, 2025
X	\$878,000,000	N/A	N/A	Variable IO	0.0690% <sup>(6)</sup>	9.91	N/A	May 25, 2025
<u>Non-Offered Certificates:</u>								
B	\$ 65,850,000	7.500%	0.000%	Fixed	2.5000%	9.91	119-119	May 25, 2025

- (1) The class R certificates are not represented in this table and are not being offered by this information circular. The class R certificates will not have a principal balance, notional amount or pass-through rate.
- (2) As to any given class of certificates shown in this table, the assumed weighted average life, the assumed principal window and the Assumed Final Distribution Date have been calculated based on the Modeling Assumptions, including, among other things, that—
  - (i) there are no voluntary or involuntary prepayments with respect to the underlying mortgage loan,
  - (ii) there are no delinquencies, modifications or losses with respect to the underlying mortgage loan,
  - (iii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service or balloon payments by the borrower on the underlying mortgage loan, 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 certificates shown in this table, other than the class X certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for the certificates and the payment of each dollar of principal on that class. As to the class X certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for that class of certificates and the application of each dollar to be applied in reduction of the total notional amounts of that class of certificates.
- (4) As to any given class of certificates shown in this table, other than the class X certificates, the assumed principal window is the period during which holders of that class are expected to receive distributions of principal.
- (5) As to any given class of certificates shown in this table, other than the class X certificates, the Assumed Final Distribution Date is the distribution date on which the last distribution of principal and interest (if any) is assumed to be made on that class. As to the class X certificates, the Assumed Final Distribution Date is the distribution date on which the last reduction to the notional amount occurs and the last distribution of interest is assumed to be made with respect to that class of certificates.
- (6) The initial pass-through rate with respect to the class X certificates is approximate.

In reviewing the foregoing table, please note that:

- Only the class A and X certificates are offered by this information circular.
- All of the classes of certificates in the table above, except the class X certificates, will have principal balances (collectively, the “Principal Balance Certificates”). All of the classes shown in that table will bear interest. The class X certificates constitute the “interest-only certificates.”

- The initial underlying mortgage loan balance refers to the principal balance of the underlying mortgage loan as of its due date in June 2015, after application of all payments of principal due with respect to the underlying mortgage loan on or before such due date, whether or not received.
- Each class of 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 12 months each consisting of 30 days (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.
- For purposes of calculating the accrual of interest as of any date of determination, the class X certificates will have a total notional amount that is equal to the then total outstanding principal balances of the class A and B certificates.
- The pass-through rate for the class X certificates for any Interest Accrual Period will equal the weighted average of the Class X Strip Rates (weighted based upon the relative sizes of their respective components). The “Class X Strip Rates” means, for the purposes of calculating the pass-through rate for the class X certificates, the rates *per annum* at which interest accrues from time to time on the two components of the total notional amount of the class X certificates outstanding immediately prior to the related distribution date. One component will be comprised of the outstanding principal balance of the class A certificates and one component will be comprised of the outstanding principal balance of the class B certificates. For purposes of calculating the pass-through rate for the class X certificates for each Interest Accrual Period, the applicable Class X Strip Rate with respect to each such component for each such Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) with respect to the component related to the class A certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the Guarantee Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class A certificates and (ii) with respect to the component related to the class B certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class B certificates. In no event may any Class X Strip Rate be less than zero.
- “Net Mortgage Pass Through Rate” means, with respect to the underlying mortgage loan, which accrues interest on an Actual/360 Basis, for any distribution date, a rate *per annum* equal to 12 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 for the underlying mortgage loan with respect to the due date for the underlying mortgage loan that occurs during the Collection Period related to such distribution date, multiplied by (ii) the Stated Principal Balance of the underlying mortgage loan immediately preceding that distribution date, multiplied by (iii) 1/360, multiplied by either (iv)(1) the Original Net Mortgage Interest Rate for the underlying mortgage loan or (2) if the mortgage interest rate for the underlying mortgage loan is increased in connection with a subsequent modification of the underlying mortgage loan after the Cut-off Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for the underlying mortgage loan, and (b) the denominator of which is the Stated Principal Balance of the underlying mortgage loan immediately preceding that distribution date.

However, 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, with respect to the underlying mortgage loan, which accrues interest on an Actual/360 Basis, 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 underlying mortgage loan that is transferred from the distribution account to the 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, with respect to the underlying mortgage loan, which accrues interest on an Actual/360 Basis, 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 underlying mortgage loan that are

transferred from the interest reserve account to the distribution account during that month for distribution on such distribution date.

- “Net Mortgage Interest Rate” means, with respect to the underlying mortgage loan, the mortgage interest rate then in effect reduced by the sum of the annual rates at which the surveillance fee (if any), the master servicing fee, the sub servicing fee, the operating trust advisor fee, the certificate administrator fee and the trustee fee are calculated.
- “Original Net Mortgage Interest Rate” means, with respect to the underlying mortgage loan, the Net Mortgage Interest Rate in effect for the underlying mortgage loan as of the Cut-off Date.

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

The document that will govern the issuance of the certificates, the creation of the related issuing entity and the servicing and administration of the underlying mortgage loan will be a trust and servicing agreement, to be dated as of June 1, 2015 (the “Trust and Servicing Agreement”), among us, as depositor, Freddie Mac, as master servicer, operating trust advisor and guarantor, Berkeley Point Capital LLC, as special servicer, and Citibank, N.A., as trustee, certificate administrator and custodian.

The certificates will evidence the entire beneficial ownership of the issuing entity that we intend to establish. The primary asset of that issuing entity will be a single multifamily mortgage loan. The underlying mortgage loan will provide for monthly debt service payments and will have a fixed mortgage interest rate in the absence of default. We will acquire the underlying mortgage loan, for deposit in the issuing entity, from the mortgage loan seller. As of June 1, 2015, which we refer to in this information circular as the “Cut-off Date,” the underlying mortgage loan will have the general characteristics discussed under the heading “—The Underlying Mortgage Loan” below.

**Relevant Parties/Entities**

**Issuing Entity** ..... FREMF 2015-KPLB Mortgage Trust, a New York common law trust, will be formed on the Closing Date pursuant to the Trust and Servicing Agreement. 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”), or any successor to it, will act as the mortgage loan seller. Freddie Mac will also act as the guarantor of the offered certificates, master servicer, operating trust advisor and servicing consultant with respect to the underlying mortgage loan. 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** ..... Morgan Stanley Capital I Inc., a Delaware corporation, will create the issuing entity and transfer the underlying mortgage loan to it. We are also an affiliate of Morgan Stanley & Co. LLC, which will be one of the initial purchasers of the class B certificates and is one of the placement agents for the SPCs. Our principal executive office is located at 1585 Broadway, New York, New York 10036. All references to “we,” “us” and “our” in this information circular are intended to mean Morgan Stanley Capital I Inc. See “Description of the Depositor” in this information circular.

**Originator** ..... The underlying mortgage loan was originated by Holliday Fenoglio Fowler, L.P. (“HFF LP”), and was acquired by the mortgage loan seller. See “Description of the Underlying Mortgage Loan—Originator” in this information circular.

**Master Servicer and Servicing Consultant** ..... Freddie Mac will act as master servicer and servicing consultant with respect to the underlying mortgage loan. Freddie Mac is also the mortgage loan seller, the operating trust advisor and the guarantor of the offered certificates. Freddie Mac maintains a servicing office at 8100 Jones Branch Drive, McLean, Virginia 22102. As of the Closing Date, the underlying mortgage loan will be sub-serviced by HFF LP pursuant to a sub-servicing agreement between the master servicer and HFF LP.

As consideration for servicing the underlying mortgage loan, the master servicer will receive a master servicing fee and sub-servicing fee with respect to the underlying mortgage loan. The master servicing fee is equal to 0.0200% *per annum* on the Stated Principal Balance of the underlying mortgage loan, including when the underlying mortgage loan is a Specially Serviced Mortgage Loan. The sub-servicing fee with respect to the underlying mortgage loan is 0.0200% *per annum* on the Stated Principal Balance of the underlying mortgage loan, including when the underlying mortgage loan is a Specially Serviced Mortgage Loan. The master servicing fee and the sub-servicing fee are components of the “Administration Fee Rate” set forth on Exhibit A-1. 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 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. See “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” and “—The Master Servicer” in this information circular. The Trust and Servicing Agreement provides that if Freddie Mac is no longer the master servicer, any Third Party Master Servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices on the underlying mortgage loan when it is a non-Specially Serviced Mortgage Loan.

“Third Party Master Servicer” means any entity other than Freddie Mac appointed as a successor master servicer under the Trust and Servicing Agreement or any successor to such successor entity.

**Special Servicer**.....

Berkeley Point Capital LLC, a Delaware limited liability company (“Berkeley Point”), will act as special servicer with respect to the underlying mortgage loan. The principal commercial mortgage special servicing offices of the special servicer are located at 4550 Montgomery Avenue, Suite 1100, Bethesda, Maryland 20814. The special servicer will, in general, be responsible for servicing and administering:

- the underlying mortgage loan if, in general, it is in default or default is reasonably foreseeable; and
- any real estate acquired by the issuing entity upon foreclosure of a Defaulted Loan.

“Defaulted Loan” means the underlying mortgage loan at any time that (a) it is at least 60 days delinquent in respect of its monthly payments, (b) it is delinquent in respect of its balloon payment, if any, in each case without giving effect to any grace period permitted by the mortgage, loan agreement or mortgage note or (c) any non-monetary event of default occurs that results in the underlying mortgage loan becoming a Specially Serviced Mortgage Loan, *provided, however*, that no monthly payment (other than a balloon payment) will be deemed delinquent if less than \$10 of all amounts due and payable on the underlying mortgage loan has not been received.

As consideration for servicing the underlying mortgage loan if it is a Specially Serviced Mortgage Loan or if the 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 0.2500% *per annum* on the Stated Principal Balance of the underlying mortgage loan or REO Loan, as applicable, subject to an annual cap of \$1,500,000 for any calendar year. In addition, the special servicer will receive a surveillance fee that will accrue at a rate of 0.0057% *per annum* on the Stated Principal Balance of the underlying mortgage loan at any time that it is a Surveillance Fee Mortgage Loan. The surveillance fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on the underlying mortgage loan and will generally be payable to the special servicer monthly from collections on the underlying mortgage loan.

“Surveillance Fee Mortgage Loan” means the underlying mortgage loan unless (i) it is a Specially Serviced Mortgage Loan or an REO Loan or (ii) it has been defeased; *provided* that if it has been defeased in part, the portion that has not been defeased will be a “Surveillance Fee Mortgage Loan”.

Additionally, the special servicer will, in general, be entitled to receive a workout fee with respect to the underlying mortgage loan if it becomes a Specially Serviced Mortgage Loan and has been returned to performing status. The workout fee will be payable out of, and will generally be calculated by application of a workout fee rate of 0.50% 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 the underlying mortgage loan if it becomes a Specially Serviced Mortgage Loan and the special servicer obtains a full, partial or discounted payoff or otherwise recovers Liquidation Proceeds. The liquidation fee will generally be payable from, and will be calculated by application of a liquidation fee rate of 0.50% to the related payment or proceeds, net of liquidation expenses, *provided, however*, that no liquidation fee is payable in connection with certain purchases by the directing certificateholder, the mortgage loan seller or the special servicer.

The special servicer may be terminated by the directing certificateholder, who may appoint a replacement special servicer meeting the Successor Servicer Requirements; *provided, however*, that any such decision to terminate and replace the special servicer will be subject to Freddie Mac’s consent and approval, which consent and approval may not be unreasonably withheld or delayed. In addition, upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, (a) Freddie Mac, in its sole discretion, may terminate the special servicer if Freddie Mac determines that the special servicer is not performing its obligations in accordance with the Servicing Standard, and may appoint a successor special servicer in consultation (on a nonbinding basis) with the directing certificateholder and (b) if the operating trust advisor is not Freddie Mac and the operating trust advisor determines that the special servicer is not performing its duties in accordance with the Servicing Standard, the operating trust advisor may recommend to Freddie Mac (on a non-binding basis) the replacement of the special servicer. See “The Trust and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—The Special Servicer” in this information circular.

The Trust and Servicing Agreement provides that in certain circumstances the directing party may, at its own expense, request that a person (which may be the special servicer) (in such capacity, the “Directing Party Servicing Consultant”) prepare and deliver a recommendation relating to a requested waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain modifications, waivers or amendments for the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan. In providing a recommendation in response to any such request, the Directing Party Servicing Consultant will be acting as a consultant to the directing party and any such recommendation provided will not be subject to the

Servicing Standard. The Directing Party Servicing Consultant will have no duty or liability to any other party or certificateholder other than the directing party in connection with any recommendation it provides the directing party or actions taken by any party as a result of such consultation services provided to the directing party as contemplated above. See “Risk Factors—Risks Related to the Underlying Mortgage Loan—The Master Servicer, the Special Servicer and any Sub-Servicer May Experience Conflicts of Interest,” “The Trust and Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” in this information circular.

**Operating Trust Advisor**.....

Freddie Mac will act as operating trust advisor on behalf of the certificateholders. It maintains an office at 8100 Jones Branch Drive, McLean, Virginia 22102. As consideration for acting as operating trust advisor, Freddie Mac will receive an operating trust advisor fee of 0.001% *per annum* on the Stated Principal Balance of the underlying mortgage loan. The operating trust advisor fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest accrues on the underlying mortgage loan and will be paid monthly to the operating trust advisor from collections on the underlying mortgage loan. The operating trust advisor will act as the directing party in place of the directing certificateholder with regard to certain matters relating to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan. See “The Trust and Servicing Agreement—The Operating Trust Advisor” in this information circular.

Subject to the conditions described in “The Trust and Servicing Agreement—Removal and Replacement of the Operating Trust Advisor,” the operating trust advisor may resign from its obligations and duties as operating trust advisor (including, if applicable, the directing party) under the Trust and Servicing Agreement (i) upon 30 days’ prior written notice to the depositor, the certificate administrator, the master servicer, the special servicer, Freddie Mac and the directing certificateholder and (ii) upon the appointment of, and the acceptance of such appointment by, a successor operating trust advisor to act as operating trust advisor (including, if applicable, the directing party) approved by Freddie Mac. In addition, if Freddie Mac is not then the operating trust advisor, upon the written direction of Freddie Mac stating that, in its reasonable determination, the operating trust advisor has violated the Operating Trust Advisor Standard, the trustee will be required to terminate the operating trust advisor (as both operating trust advisor and, if applicable, the directing party) upon five days written notice to the operating trust advisor. Freddie Mac may appoint a successor operating trust advisor in its sole and absolute discretion. So long as Freddie Mac is the operating trust advisor, no other party has a right to terminate Freddie Mac as operating trust advisor for any reason. See “The Trust and Servicing Agreement—Removal and Replacement of the Operating Trust Advisor” in this information circular.

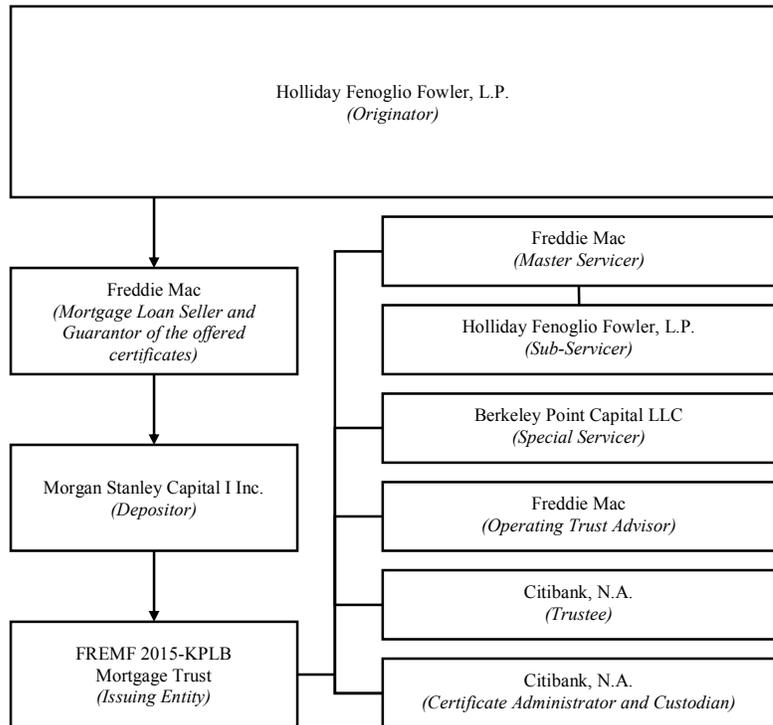
**Trustee, Certificate Administrator and Custodian**.....

Citibank, N.A., a national banking association (“Citibank”), will act as the trustee on behalf of the certificateholders. It maintains a trust office at 388 Greenwich Street, 14th Floor, New York, New York 10013. As

consideration for acting as trustee, Citibank will receive a trustee fee of 0.00068% *per annum* on the Stated Principal Balance of the underlying mortgage loan. The trustee fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on the underlying mortgage loan. See “The Trust and Servicing Agreement—The Trustee, Certificate Administrator and Custodian” in this information circular.

Citibank will also act as the certificate administrator, custodian and certificate registrar. The certificate administrator’s principal address is 388 Greenwich Street, 14th Floor, New York, New York 10013, and for certificate transfer purposes is 480 Washington Boulevard, 30th Floor, Jersey City, New Jersey 07310, Attention: Citibank Agency & Trust – FREMF 2015-KPLB. As consideration for acting as certificate administrator, custodian and certificate registrar, Citibank will receive a certificate administrator fee of 0.00132% *per annum* on the Stated Principal Balance of the underlying mortgage loan. The certificate administrator fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on the underlying mortgage loan. See “The Trust and Servicing Agreement—The Trustee, Certificate Administrator and Custodian” in this information circular.

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



**Directing Certificateholder** ..... The directing certificateholder will be a certificateholder or any designee selected by holders of certificates representing a majority interest in the Controlling Class. The “Controlling Class” will be, as of the closing date, the class B certificates, until the outstanding principal balance of such class is less than 25% of the initial principal balance of such class. Thereafter, the Controlling Class will be the class A certificates. However, if the class B certificates are the only class with an outstanding principal balance, the class B certificates will be the Controlling Class.

It is anticipated that Prime/Park LaBrea Security Investor, LLC, a Delaware limited liability company, and affiliate of the Property Manager, the borrower and the sponsor of the borrower, will serve as the initial directing certificateholder (the “Initial Directing Certificateholder”).

If the directing certificateholder is the directing party, as and to the extent described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular, the directing certificateholder may direct the master servicer or special servicer with respect to various servicing matters involving the underlying mortgage loan. However, the directing certificateholder will not have such direction rights so long as an Affiliated Borrower Loan Event exists (however the directing certificateholder will still be entitled to exercise its rights to replace the special servicer). As of the Closing Date, an Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder, and therefore the Initial Directing Certificateholder will not have such direction rights with respect to the underlying mortgage loan. See “—Directing Party” below and “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” and “—Realization Upon Mortgage Loan—Directing Certificateholder and Directing Party” in this information circular.

“Affiliated Borrower Loan Event” means an event that will exist with respect to the underlying mortgage loan if at any time the directing certificateholder, any of its managing members or any of its affiliates becomes or is the borrower (or any proposed replacement borrower) or becomes aware that the directing certificateholder, any of its managing members or any of its affiliates is an affiliate of the borrower (or any proposed replacement borrower).

For the purpose of determining whether the directing certificateholder is an affiliate of the borrower (or any proposed replacement borrower) with respect to the underlying mortgage loan, the “directing certificateholder” will include the directing certificateholder (and any affiliate of the directing certificateholder), any of its managing members or general partners and any party directing or controlling the directing certificateholder (or any such affiliate), including, for example, in connection with any re-securitization of the Controlling Class.

**Directing Party** ..... The directing party will have certain rights to direct the master servicer or the special servicer with respect to various servicing matters involving the underlying mortgage loan. Those rights are summarized under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular.

The directing party will be (i) when the class B certificates are the Controlling Class, (a) the directing certificateholder, if the underlying mortgage loan is an Unaffiliated Borrower Loan, or (b) the operating trust advisor, if the underlying mortgage loan is an Affiliated Borrower Loan; and (ii) when the class B certificates are not the Controlling Class, Freddie Mac as the directing certificateholder.

However, the directing certificateholder will always have the power to terminate the special servicer even if the directing certificateholder is not the directing party.

As of the Closing Date, the operating trust advisor will be the directing party because the class B certificates are the Controlling Class and the underlying mortgage loan is an Affiliated Borrower Loan.

The Trust and Servicing Agreement provides that in certain circumstances the directing party may, at its own expense, request that a Directing Party Servicing Consultant prepare and deliver recommendations relating to certain requests for consent to assumptions, modifications, waivers or amendments. See “The Trust and Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” in this information circular. The directing party will be entitled to certain borrower-paid fees in connection with such assumptions, modifications, waivers, amendments or consents. See “Risk Factors—Risks Related to the Underlying Mortgage Loan—The Master Servicer, the Special Servicer and any Sub-Servicer May Experience Conflicts of Interest” and “Description of the Certificates—Fees and Expenses” in this information circular.

“Affiliated Borrower Loan” means the underlying mortgage loan if the borrower is an Affiliated Borrower.

“Affiliated Borrower” means the borrower, unless it is an Unaffiliated Borrower.

“Unaffiliated Borrower Loan” means the underlying mortgage loan if the borrower is an Unaffiliated Borrower.

“Unaffiliated Borrower” means the borrower (a) if it has delivered a certificate to the depositor, the trustee, the certificate administrator, the master servicer, the special servicer, the operating trust advisor and Freddie Mac certifying that the borrower and any Control Affiliate of the borrower (i) has no direct or indirect ownership or financial interest in the Controlling Class and (ii) has not entered into any contractual agreements or side letters relating to the Controlling Class or any direct or indirect ownership or financial interest in the Controlling Class or with any person or persons having any direct or indirect ownership or financial interest in the Controlling Class or (b) if the directing certificateholder has delivered notice of the termination of any Affiliated Borrower Loan Event in accordance with the Trust and Servicing Agreement; *provided, however*, that the borrower shall be deemed to be an Unaffiliated Borrower if a Control Affiliate of the borrower owns less than 10% of an entity that has a direct or indirect interest in the Controlling Class and such Control Affiliate does not have any control rights with respect to such entity. Notwithstanding

anything to the contrary set forth in this information circular, the borrower will be deemed to be an Affiliated Borrower so long as the borrower has not delivered a certificate described in the preceding sentence pursuant to the Trust and Servicing Agreement or the directing certificateholder has not delivered notice of the termination of any Affiliated Borrower Loan Event in accordance with the Trust and Servicing Agreement.

“Control Affiliate” means, with respect to the borrower, (a) any affiliate of the borrower, (b) any other person owning, directly or indirectly, 10% or more of any interest in or portion of the beneficial interest in the borrower, or (c) any other person in which the borrower or any affiliate of the borrower owns, directly or indirectly, 10% or more of any interest or beneficial interest.

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

**Junior Loan Holder** ..... Although the underlying mortgage loan is secured by a first lien on the mortgaged real property, if the borrower exercises its option to obtain supplemental secured financing as described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular, Freddie Mac will be the initial holder of one or more junior loans secured by junior liens on the mortgaged real property (subject to intercreditor agreements). Freddie Mac may subsequently transfer the junior lien loans it holds in secondary market transactions, including securitizations.

**Significant Dates and Periods**

**Cut-off Date**..... The underlying mortgage loan will be considered an asset of the issuing entity as of June 1, 2015. All payments and collections received on the underlying mortgage loan after June 1, 2015, excluding any payments or collections that represent amounts due on or before such due date, will belong to the issuing entity. June 1, 2015 is considered the Cut-off Date for the issuing entity.

**Closing Date** ..... The date of initial issuance for the certificates will be on or about June 26, 2015.

**Due Dates**..... Monthly installments of principal and/or interest will be due on the first day of the month with respect to the underlying mortgage loan.

**Determination Date** ..... The monthly cut-off for collections on the underlying mortgage loan that are to be distributed, and information regarding the underlying mortgage loan that is to be reported, to the holders of the certificates on any distribution date will be the close of business on the determination date in the same month as that distribution date. The determination date will be the 11th calendar day of each month, commencing in July 2015,

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 certificates are scheduled to occur monthly, commencing in July 2015. 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 certificate will be the last business day of the prior calendar month. The registered holders of the certificates at the close of business on each record date will be entitled to receive any distribution on those certificates on the following distribution date, except that the final distribution 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 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 loan 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 on the Cut-off 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 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 applicable date set forth on the cover page.

### **The Offered Certificates**

**General** ..... The certificates offered by this information circular are the class A and X certificates. Each class of offered certificates will have the initial principal balance or notional amount and pass-through rate set forth or described in the table on page 5 or otherwise described above under “—Transaction Overview”. There are no other securities offered by this information circular.

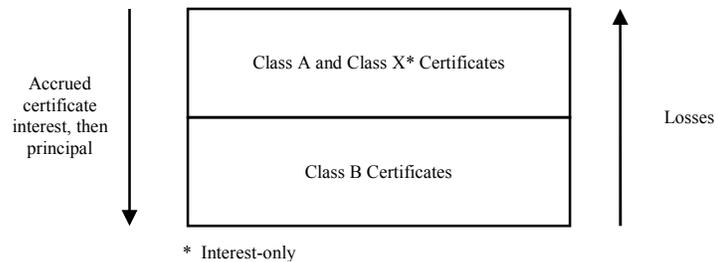
**Collections** ..... The master servicer or the special servicer, as applicable, will be required to make reasonable efforts in accordance with the Servicing Standard to collect all payments due under the terms and provisions of

the underlying mortgage loan. Such payments will be deposited in the collection account on a daily basis.

**Distributions** ..... Funds collected or advanced on the underlying mortgage loan will be distributed on each corresponding distribution date, net of (i) specified issuing entity expenses, including master servicing fees, special servicing fees, operating trust advisor fees, sub-servicing fees, surveillance fees, certificate administrator fees, trustee fees, Guarantee Fees, CREFC® Intellectual Property Royalty License Fees, certain expenses, related compensation and indemnities, (ii) amounts used to reimburse advances made by the master servicer 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 certificates:



The allocation of interest distributions among the class A and X 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 and class B certificates is described under “—Principal Distributions” below. The class X certificates do not have a principal balance and do not entitle holders to distributions of principal.

No form of credit enhancement will be available to you as a holder of offered certificates, other than (a) the subordination of the class B certificates to the class A and X certificates and (b) the Freddie Mac Guarantee, as described under “—Freddie Mac Guarantee” below and “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

**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 the class A certificates in respect of principal will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the corresponding component of the class X certificates. The Freddie

Mac Guarantee does not cover yield maintenance charges, Static Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loan. In addition, the Freddie Mac Guarantee does not cover any loss of yields on the class X certificates following a reduction in their notional amounts resulting from a reduction of the outstanding principal balance of any class of certificates. See “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

Freddie Mac is entitled to a Guarantee Fee as described under “Description of the 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 the Offered Certificates” and “Risk Factors—Risks Relating to the Mortgage Loan Seller, Guarantor, Initial Master Servicer and Initial Operating Trust Advisor” in this information circular. Freddie Mac will not guarantee any class of certificates other than the offered certificates.

**Interest Distributions** .....

Each class of offered certificates will bear interest that will accrue on a 30/360 Basis during each Interest Accrual Period based upon:

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

Although the loan documents require the payment of a full month’s interest on any voluntary prepayment not made on a due date, a whole or partial prepayment on the underlying mortgage loan may not be accompanied by the amount of a full month’s interest on the prepayment in some instances. To the extent that these shortfalls are not covered by the master servicer as described under “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, they will be allocated, as described under “Description of the 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 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 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 the outstanding principal balances described under “—Reductions of Certificate Principal Balances in Connection with Losses and Expenses” below,

the holders of the class A certificates (the “Offered Principal Balance Certificates”) will be entitled to receive a total amount of principal over time equal to the outstanding principal balance of that class.

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

- the amount of scheduled payments of principal due or, in some cases, deemed due, on the underlying mortgage loan 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 loan that are received during the related Collection Period.

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

If the borrower fails to pay the entire outstanding principal balance of the underlying mortgage loan on the Scheduled Maturity Date, the guarantor will be required, pursuant to the Freddie Mac Guarantee, to make a Balloon Guarantor Payment in an amount equal to the amount of principal that otherwise would have been paid on the Offered Principal Balance Certificates if the underlying mortgage loan had been paid in full on the Scheduled Maturity Date; *provided* that such payment may not exceed the outstanding principal balance of the Offered Principal Balance 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 the class of Offered Principal Balance Certificates will reduce the outstanding principal balance of such class by the corresponding amount and will also result in a corresponding reduction in the notional amount of the corresponding component of the class X certificates. See “Description of the 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 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 the underlying mortgage loan 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 Certificates—Distributions—Priority of Distributions” in this information circular.

The certificate administrator must make principal distributions on the Offered Principal Balance Certificates, 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 loan, that generally equal an amount (not to exceed the principal balance of the class A certificates outstanding immediately prior to the subject distribution date) equal to the principal distribution amount for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero.

So long as the Offered Principal Balance Certificates are outstanding, no portion of the Principal Distribution Amount for any distribution date will be allocated to any other class of Principal Balance Certificates.

The class X certificates do not have principal balances. They do not entitle holders to any distributions of principal.

See “Description of the Certificates—Distributions—Principal Distributions” and “—Distributions—Priority of Distributions” in this information circular.

**Distributions of Static Prepayment**

**Premiums** ..... Any Static Prepayment Premium collected in respect of the underlying mortgage loan will be distributed as additional interest to the holders of the class A and/or X certificates, in the proportions described under “Description of the Certificates—Distributions—Distributions of Static Prepayment Premiums” in this information circular.

**Reductions of Certificate Principal Balances in Connection with**

**Losses and Expenses** ..... As and to the extent described under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular, losses on, and default-related or other unanticipated issuing entity expenses attributable to, the underlying mortgage loan will, in general, be allocated on each distribution date, after making distributions on such distribution date, to reduce the

outstanding principal balances of the following classes of the Principal Balance Certificates, sequentially, in the following order:

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

Any reduction of the outstanding principal balance of the class A certificates will also result in a corresponding reduction in the notional amount of the corresponding component of the class X certificates. Any reduction of the outstanding principal balances of the class B certificates will result in a corresponding reduction in the notional amount of the corresponding components of the class X certificates.

However, 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 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 the balloon payment), of principal and/or interest due on the underlying mortgage loan. The master servicer will be required to make advances of assumed monthly payments for the underlying mortgage loan if it defaults on the maturity date 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 nonrecoverability determination. As described under “Description of the 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.

However, neither the master servicer nor the trustee will advance master servicing fees, surveillance fees or sub-servicing fees. Moreover, neither the master servicer nor the trustee will be required to make any advance that it or the special servicer determines will not be recoverable from proceeds of the underlying mortgage loan. In making such determination, the master servicer, the trustee or the special servicer may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance on the underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the underlying mortgage loan, (iii) the mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. In addition, the trustee may conclusively rely on any determination of nonrecoverability made by the master servicer, and the master servicer and the trustee will be required to conclusively rely on any determination of nonrecoverability made by the special servicer.

In addition, if any of the adverse events or circumstances that we refer to under “The Trust and Servicing Agreement—Required Appraisals” in this information circular occur or exist with respect to the underlying

mortgage loan or the mortgaged real property, the special servicer will generally be obligated to use reasonable efforts to obtain a new appraisal. If, based on that appraisal, it is determined that an Appraisal Reduction Amount exists with respect to the underlying mortgage loan, then the amount otherwise required to be advanced (subject to a nonrecoverability determination) with respect to interest on the underlying mortgage loan will be reduced. That reduction will generally be in the same proportion that the excess, sometimes referred to in this information circular as an Appraisal Reduction Amount, bears to the Stated Principal Balance of the underlying mortgage loan. Due to the distribution priorities, any such reduction in advances will first reduce the funds available to pay interest on the most subordinate interest-bearing class of certificates outstanding and then on the other certificates in reverse sequential order, as follows:

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

Any reduction of the funds available to pay interest on the class A and X 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 underlying mortgage loan 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 total outstanding principal balance of the class B certificates has been reduced to zero.

See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Trust and Servicing Agreement—Required Appraisals” in this information circular.

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

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

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

However, the trustee, the certificate administrator, the custodian, the master servicer, the special servicer, the operating trust advisor and any

sub-servicer may not provide to (i) the borrower or an affiliate of the borrower unless such person is the directing certificateholder, (a) any asset status report, inspection report, appraisal or internal valuation, (b) the CREFC<sup>®</sup> special servicer loan file or (c) certain supplemental reports in the CREFC Investor Reporting Package<sup>®</sup> or (ii) the directing certificateholder, any asset status report, inspection report, appraisal or internal valuation relating to the mortgage loan if it is an Affiliated Borrower Loan. However, such restrictions on providing information will not apply to the master servicer, the special servicer and any sub-servicer if the loan documents expressly require such disclosure to such person as the borrower under the underlying mortgage loan.

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

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

- BlackRock Financial Management, Inc., Bloomberg, L.P., Trepp, LLC, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator’s website initially located at [www.sf.citidirect.com](http://www.sf.citidirect.com); and
- the master servicer’s website initially located at [www.freddiemac.com](http://www.freddiemac.com).

**Sale of Defaulted Loan** ..... If the underlying mortgage loan becomes a Defaulted Loan, then (subject to the rights of Freddie Mac and the Junior Loan Holder, as described below) the directing certificateholder will have an assignable option to purchase the underlying mortgage loan from the issuing entity at the price and on the terms, including the restrictions applicable to the underlying mortgage loan if it is an Affiliated Borrower Loan and any applicable time limits, described in “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular. If the fair value price to be paid by the 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 (i) accrued and unpaid interest on such underlying mortgage loan through and including the end of the related mortgage interest accrual period in which such purchase is made (which would include accrued and unpaid surveillance fees, master servicing fees, operating trust advisor fees and sub-servicing fees), (ii) related special servicing fees and, if applicable, liquidation fees payable to the special servicer (to the extent accrued and unpaid or previously paid by the issuing entity), (iii) all related unreimbursed Servicing Advances, (iv) all related Servicing Advances that were previously reimbursed from general collections on the underlying mortgage loan, (v) all accrued and unpaid interest on related Servicing Advances and P&I Advances, (vi) all interest on related Servicing Advances and P&I Advances that was previously reimbursed from general collections on the underlying mortgage loan and (vii) solely if the underlying mortgage loan is being purchased by the borrower or an affiliate of the borrower, all default interest, late payment fees, extension fees and similar fees or charges incurred with

respect to the underlying mortgage loan and all out-of-pocket expenses reasonably incurred (whether paid or then owing) by the master servicer, the special servicer, the operating trust advisor, the depositor, the custodian, the certificate administrator and the trustee in respect of such purchase, including, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to the underlying mortgage loan) for the underlying mortgage loan, then Freddie Mac will also have the right to purchase the underlying mortgage loan. In addition, if the Junior Loan Holder is the holder of a subordinate lien on the underlying mortgage loan, such Junior Loan Holder will have the first option to purchase the underlying mortgage loan from the issuing entity. The directing certificateholder, Freddie Mac and any Junior Loan Holder may each assign their respective purchase options. See “The Trust and Servicing Agreement—Realization Upon the Mortgage Loan” in this information circular.

**Repurchase Obligation**..... If the mortgage loan seller has been notified of, or itself has discovered, a defect in the mortgage file or a breach of any of its representations and warranties that materially and adversely affects the value of the underlying mortgage loan (including any foreclosure property acquired in respect of the foreclosed mortgage loan) or any interests of the holders of any class of certificates, then the mortgage loan seller will be required to either cure such breach or defect or repurchase the underlying mortgage loan from the issuing entity. If the mortgage loan seller opts to repurchase the underlying mortgage loan, such repurchase would have the same effect on the certificates as a prepayment in full of the underlying mortgage loan (without payment of any prepayment premium or yield maintenance charge). See “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular.

**Optional Termination**..... The holders of a majority interest of the Controlling Class (excluding Freddie Mac), the special servicer, and any Third Party Master Servicer, in that order, will each in turn have the option to purchase the underlying mortgage loan and all other property remaining in the issuing entity on any distribution date on which the total principal balance of the underlying mortgage loan, based on collections and advances of principal on the underlying mortgage loan previously distributed, and losses on the underlying mortgage loan previously allocated, to the certificateholders, is less than 1.0% of the Cut-off Date Principal Balance of the underlying mortgage loan.

In the event that any party so entitled exercises this option, the issuing entity will terminate and all outstanding certificates will be retired, as described in more detail under “The Trust and Servicing Agreement—Termination” in this information circular.

In addition, with the satisfaction of the conditions set forth in the proviso to the definition of “Sole Certificateholder” in this information circular and with the consent of the master servicer, the Sole Certificateholder (excluding Freddie Mac) may exchange all of its certificates (other than the class R certificates) for the underlying mortgage loan or REO Property remaining in the issuing entity as described in more detail under “The Trust and Servicing Agreement—Termination” in this information circular.

In addition, at any time that the Initial Directing Certificateholder (or any Control Affiliate) is the holder of 100% of the then outstanding class B and X certificates, following the date on which the outstanding principal balance of the class A certificates is reduced to zero, the Initial Directing Certificateholder (or any Control Affiliate) will have the right, without the consent of the master servicer or any other certificateholder, to exchange all of its certificates (other than the class R certificates) for the underlying mortgage loan and any REO property remaining in the issuing entity, as described in more detail under “The Trust 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 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-PLB structured pass-through certificates (the “SPCs”).

**Legal and Investment Considerations**

**Federal Income Tax Consequences** ..... The certificate administrator 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 loan, and
  2. the REO Property, if applicable; 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 the 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 loan will affect the yield to maturity on each offered certificate.

If you purchase Offered Principal Balance Certificates at a premium, then a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loan could result in a lower than

anticipated yield to maturity with respect to those certificates. Conversely, if you purchase Offered Principal Balance Certificates at a discount, a slower than anticipated rate of payments and other collections of principal on the underlying mortgage loan 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 loan,
- a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loan 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 loan 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 loan 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 loan are to be applied to the total outstanding principal balances of the Principal Balance Certificates that make up those notional amounts.

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

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

### **The Underlying Mortgage Loan**

**General** .....

We intend to include in the issuing entity a single underlying mortgage loan, which we refer to in this information circular as the “underlying mortgage loan” and which is secured by the mortgaged real property identified on Exhibit A-1. In this section, “—The Underlying Mortgage Loan,” we provide summary information with respect to the underlying mortgage loan. For more detailed information regarding the underlying

mortgage loan, you should review the following sections in this information circular:

- “Description of the Underlying Mortgage Loan”;
- “Risk Factors—Risks Related to the Underlying Mortgage Loan”;
- Exhibit A-1—Certain Characteristics of the Underlying Mortgage Loan and the Mortgaged Real Property; and
- Exhibit A-2—Description of the Release Parcels;

When reviewing the information that we have included in this information circular with respect to the underlying mortgage loan, please note that—

- All numerical information provided with respect to the underlying mortgage loan is provided on an approximate basis.
- The Cut-off Date Principal Balance of the underlying mortgage loan is \$878,000,000.
- In calculating the Cut-off Date Principal Balance of the underlying mortgage loan, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loan on or before its due date in June 2015 are timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to the underlying mortgage loan during the period from its due date in May 2015 up to and including June 1, 2015.
- Whenever we refer to the Cut-off Date Principal Balance in this information circular, we are referring to the Cut-off Date Principal Balance of the underlying mortgage loan.

**Source of the Underlying**

**Mortgage Loan** .....

We did not originate the underlying mortgage loan. We will acquire the underlying mortgage loan from Freddie Mac, the mortgage loan seller, pursuant to a mortgage loan purchase agreement dated as of the Cut-off Date. The underlying mortgage loan was originated by HFF LP and was acquired by Freddie Mac.

For a description of the underwriting criteria utilized in connection with the origination and acquisition of the underlying mortgage loan, see “Description of the Underlying Mortgage Loan—Underwriting Matters” in this information circular.

**The Originator, the Borrower and the**

**Sponsor of the Borrower** .....

HFF LP, the originator, made the underlying mortgage loan on April 9, 2015, to Prime/Park LaBrea Titleholder, LLC, a Delaware limited liability company, the borrower. The sponsor of the borrower is Prime/Park LaBrea Holdings, L.P., a part of Prime Group. Prime Group is a real estate equity, debt, investment and operating platform

with over \$4.0 billion in real estate assets under management. The borrower and the sponsor of the borrower are affiliates of the Initial Directing Certificateholder. See “Description of the Underlying Mortgage Loan—The Borrower and the Sponsor of the Borrower” in this information circular.

**No Underlying Mortgage Loan**

**Guarantor** ..... There is no guarantor of the underlying mortgage loan.

**Security for the Underlying Mortgage**

**Loan**..... The underlying mortgage loan is evidenced by a promissory note in the amount of \$878,000,000 and is secured by, among other things, a mortgage encumbering the fee interest of the borrower in the mortgaged real property known as Park La Brea Apartments, located in Los Angeles, California. See “Description of the Underlying Mortgage Loan—Security” in this information circular.

**The Mortgaged Real Property**.....

The mortgaged real property securing the underlying mortgage loan is known as Park La Brea Apartments, a 4,245-unit apartment complex in Los Angeles, California, consisting of 175 garden-style apartment buildings, 18 13-story high-rise apartment towers and various non-residential buildings (including a leasing office/management center, fitness center, pool building and seven parking structures). See “Description of the Mortgaged Real Property—Overview of the Mortgaged Real Property” in this information circular. In addition, see “Risk Factors” in this information circular for a description of some of the risks relating to multifamily properties.

**Management Agreement**.....

The mortgaged real property is managed by PLB Management, LLC, a California limited liability company, pursuant to a management agreement dated as of April 9, 2015 (the “Management Agreement”). See “Description of the Mortgaged Real Property—Description of the Management Agreement” in this information circular.

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

The underlying mortgage loan is the obligation of the borrower to repay a specified sum with interest. The underlying mortgage loan accrues interest at a rate of 3.330% *per annum* in the absence of default.

Repayment of the underlying mortgage loan is secured by a mortgage lien on the fee interest of the borrower in the mortgaged real property. The mortgage lien is a first priority lien, except for certain limited permitted encumbrances that are described in this information circular. See “Risk Factors—Risks Related to the Underlying Mortgage Loan—Subordinate Financing Increases the Likelihood That the Borrower Will Default on the Underlying Mortgage Loan,” “Description of the Underlying Mortgage Loan—General” and “—Permitted Additional Debt” in this information circular.

Except with respect to certain standard nonrecourse carveouts, the underlying mortgage loan is nonrecourse to the borrower. See “Description of the Underlying Mortgage Loan—Nonrecourse Provisions and Exceptions.” There is no nonrecourse carveout guarantor of the underlying mortgage loan. Although the offered certificates will be guaranteed by Freddie Mac pursuant to the Freddie Mac Guarantee, the underlying mortgage loan is not insured or guaranteed by any governmental agency or instrumentality or by any private mortgage insurer.

The underlying mortgage loan has an initial term to maturity of 120 months and is scheduled to mature on May 1, 2025 (the “Scheduled Maturity Date”).

**Balloon Loan** ..... The underlying mortgage loan is a balloon loan that has no amortization prior the Scheduled Maturity Date, resulting in a substantial balloon payment of principal due on the Scheduled Maturity Date.

**Lockbox and Cash Management** ..... No lockbox is in place or required to be in place with respect to the underlying mortgage loan.

Pursuant to the Management Agreement, the Property Manager is required to collect when due all rent and other amounts payable to the borrower with respect to the use, enjoyment or possession of the mortgaged real property and to promptly deposit such rent and other amounts in an operating trust account maintained at a bank designated by the borrower. See “Description of the Underlying Mortgage Loan—Lockbox and Cash Management” in this information circular.

**Reserves** ..... The underlying mortgage loan does not require reserve deposits other than deposits into an imposition reserve and a replacement reserve, subject to certain conditions and the lender’s deferral of such requirements.

*Imposition Reserve.* No reserve was established for funds relating to the payment of insurance premiums and taxes, water and sewer charges and other assessments and charges that could become a lien on the mortgaged real property. Instead, the borrower is required to provide the lender with proof of payment of each such amount on or before the date such payment is due. However, the lender may require the borrower to make monthly deposits sufficient to enable the lender pay such amounts when due (a) if the borrower does not timely pay any such amount, (b) if the borrower fails to provide timely proof to the lender of such payment, (c) during the existence of an event of default or (d) upon placement of a subordinate mortgage loan in accordance with the loan agreement as described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular.

*Replacement Reserve.* The underlying mortgage loan requires the borrower to pay the lender \$70,750 on each monthly due date for deposit into a replacement reserve, but the lender has deferred its right to require such payments. However, commencing on the date that any subordinate mortgage loan is originated as described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular, and continuing until all subordinate mortgage loans are paid in full, the borrower will be required to make monthly deposits of \$70,750 into the replacement reserve. In addition, the lender has reserved the right to require at any time that the borrower begin making monthly deposits of \$70,750 into the replacement reserve upon the occurrence of a default under the loan documents. See “Description of the Underlying Mortgage Loan—Reserves” in this information circular.

**Prepayment Characteristics  
of the Mortgage Loan** .....

The underlying mortgage loan restricts voluntary prepayments by prohibiting any voluntary prepayments until but not including the 117th installment due date 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 prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

The purchase of the underlying mortgage loan by any party that has an option or is otherwise entitled to purchase the underlying mortgage loan from the issuing entity following default (or, with respect to the mortgage loan seller, is required to purchase the underlying mortgage 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 prepayment premium or yield maintenance charge).

**Defeasance** .....

The underlying mortgage loan permits the borrower (no earlier than the second anniversary of the Closing Date) to obtain the release of the mortgaged real property from the lien of the mortgage instrument upon the pledge to the trustee of certain securities that are (i) direct, non-callable and non-redeemable U.S. treasury obligations, (ii) non-callable bonds, debentures, notes and other similar debt obligations issued by Freddie Mac or Fannie Mae, and/or (iii) direct, non-callable and non-redeemable securities issued or fully insured as to payment by any Federal Home Loan Bank. The securities used in connection with a defeasance must provide for payments that equal or exceed scheduled interest and principal payments due under the mortgage note, including the balloon payment at the Scheduled Maturity Date.

See “Description of the Underlying Mortgage Loan—Prepayment and Defeasance” in this information circular.

**Delinquency Status** .....

The underlying mortgage loan was not 30 days or more delinquent with respect to any monthly debt service payment as of June 1, 2015.

**Encumbered Interests** .....

The underlying mortgage loan encumbers the fee interest of the borrower in the mortgaged real property.

As of the date of this information circular, the mortgaged real property was not encumbered by subordinate liens. However, under the loan documents, the borrower is permitted to incur certain additional subordinate debt. See “Risk Factors—Risks Related to the Underlying Mortgage Loan—Subordinate Financing Increases the Likelihood That the Borrower Will Default on the Underlying Mortgage Loan,” “—The Borrower’s Other Loans May Reduce the Cash Flow Available To Operate and Maintain the Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates,” “Description of the Underlying Mortgage Loan—General” and “—Permitted Additional Debt” in this information circular.

**Additional Statistical Information**

**General Characteristics**..... The underlying mortgage loan will have the following general characteristics as of June 1, 2015:

	<b>Underlying Mortgage Loan</b>
Cut-off Date Principal Balance.....	\$878,000,000
Number of buildings.....	203
Number of multifamily buildings.....	193
Number of parking garage buildings.....	7
Number of nonresidential buildings.....	3
Original mortgage interest rate.....	3.330%
Original term to maturity.....	120
Remaining term to maturity.....	119
Original amortization term.....	0
Remaining amortization term.....	0
Underwritten Debt Service Coverage Ratio.....	2.27x
Cut-off Date LTV.....	52.4%
Maturity LTV.....	52.4%

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

The underlying mortgage loan and the mortgaged real property are described in further detail under “Description of the Underlying Mortgage Loan” and “Description of the Mortgaged Real Property” and in Exhibit A-1.

## 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 loan is provided on an approximate basis.

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

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

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

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

### **Risks Related to the Underlying Mortgage Loan**

***The Underlying Mortgage Loan Is Nonrecourse.*** The underlying mortgage loan is a nonrecourse loan. This means that, in the event of a default, recourse will generally be limited to the mortgaged real property securing the Defaulted Loan and other assets that have been pledged to secure the underlying mortgage loan. Consequently, full and timely payment on the underlying mortgage loan will depend on one or more of the following:

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

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

The underlying mortgage loan will not be insured or guaranteed by any governmental entity or private mortgage insurer. Freddie Mac will act as guarantor of the class A and X certificates.

The loan agreement provides that the underlying mortgage loan will be fully recourse to the borrower for certain losses or damages suffered by the lender as a result of certain nonrecourse carveout events. For a description of the nonrecourse carve-outs, see “Description of the Underlying Mortgage Loan—Nonrecourse Provisions and Exceptions” in this information circular. However, there is no nonrecourse carveout guarantor of the underlying mortgage loan. If a nonrecourse carveout event occurs, recourse will be limited to the borrower, the mortgaged real property and any other assets that were pledged to secure repayment of the underlying mortgage loan, and not to any guarantor. It is unlikely that the borrower will have any material assets other than the mortgaged real property.

***Repayment of the Underlying Mortgage Loan Will Be Dependent on the Cash Flow Produced by the Mortgaged Real Property, Which Can Be Volatile and Insufficient To Allow Timely Distributions on the Offered Certificates, and on the Value of the 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 an underlying mortgage loan secured by an income-producing property is an important measure of the risk of default on the loan.

Payment on the underlying mortgage loan may also depend on:

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

In general, if a 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 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 mortgaged real property;
- increases in vacancy rates;
- changes or continued weakness in a specific industry segment that is important to the success of the mortgaged real property;
- increases in operating expenses at the mortgaged real property and in relation to competing properties;
- the nature of income from the 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 mortgaged real property;
- creditworthiness of tenants, a decline in the financial condition of tenants or tenant defaults;
- the number of tenants at the 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 mortgaged real property;
- capable management and adequate maintenance for the mortgaged real property;

- location of the 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 mortgaged real property;
- the age, construction, quality and design of the mortgaged real property; and
- whether the mortgaged real property is readily convertible to alternative uses.

***Lack of Asset Diversification.*** The issuing entity will not have any asset diversification insofar as the collateral of the issuing entity will be comprised primarily of a single underlying mortgage loan secured by a single mortgaged real property, which is a multifamily property. As a result of having no significant assets other than the underlying mortgage loan, the issuing entity will have a significantly greater exposure to each of the potential risks inherent in investing in multifamily mortgage loans, risks with respect to the borrower, the sponsor of the borrower and the Property Manager, risks with respect to the terms of the underlying mortgage loan and risks with respect to the geographic location and condition of the mortgaged real property, some of which are described in this information circular.

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

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

***The Borrower May Be Unable To Make The Balloon Payment.*** The underlying mortgage loan is a balloon loan that requires only payments of interest for all of its term and a balloon payment of principal on its maturity date. See “Description of the Underlying Mortgage Loan—Payment on the Underlying Mortgage Loan” in this information circular. An interest-only provision in an underlying mortgage loan will result in a higher amount of principal outstanding on the underlying mortgage loan at any particular time, including at the maturity date of the underlying mortgage loan, than would have otherwise been the case had the underlying mortgage loan had a shorter interest-only period or not included an interest-only period at all. That higher principal amount outstanding could both (i) make it more difficult for the borrower to make the required balloon payment at maturity and (ii) lead to increased losses for the issuing entity either during the loan term or at maturity if the underlying mortgage loan becomes a Defaulted Loan. The borrower under a mortgage loan of these types 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 mortgaged real property securing the loan. The ability of the borrower to refinance or sell the mortgaged real property will be affected by a number of factors, including—

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

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

Neither we nor any of our affiliates, the mortgage loan seller or the originator will be obligated to refinance the underlying mortgage loan.

The last credit crisis and economic downturn resulted in tightened lending standards and a substantial reduction in capital available to refinance commercial mortgage loans at maturity. These factors have increased the risk that refinancing may not be available for commercial 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” below. We cannot assure you that the borrower will have the ability to repay the principal balance of the underlying mortgage loan on the maturity date.

The master servicer or special servicer may, within prescribed limits, extend and modify the underlying mortgage loan if it is in default or if a payment default is reasonably foreseeable in order to maximize recoveries on the underlying mortgage loan. 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 underlying mortgage loan. There is a risk that the decision of the master servicer or special servicer to extend or modify the underlying mortgage loan may not in fact produce a greater recovery. See “—Modifications of the Underlying Mortgage Loan” below.

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

***Multifamily Lending Subjects Your Investment to Special Risks that Are Not Associated with Single-Family Residential Lending.*** The underlying mortgage loan is secured by a multifamily income-producing property.

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 the underlying mortgage loan will be dependent on the performance and/or value of the 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 mortgaged real property that secures the underlying mortgage loan. 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 the mortgaged real property that is required to ensure timely distributions on the offered certificates.

***The Source of Repayment on the Offered Certificates Will Be Limited to Payments and Other Collections on the Underlying Mortgage Loan.*** The offered certificates will represent interests solely in the issuing entity. The primary asset of the issuing entity will be a single multifamily mortgage loan. Accordingly, repayment of the offered certificates will be limited to payments and other collections on the underlying mortgage loan, subject to the Freddie Mac Guarantee.

However, the underlying mortgage loan will not be an obligation of, or be insured or guaranteed by:

- any governmental entity;
- any private mortgage insurer;
- the depositor;
- Freddie Mac;
- any Third Party Master Servicer;
- the special servicer;
- any sub-servicer of the master servicer or the special servicer;
- the trustee;
- the certificate administrator;
- the custodian;
- any Third Party Operating Trust Advisor; or
- any of their or our respective affiliates.

***The Underlying Mortgage Loan Is Secured by a Multifamily Rental Property, Thereby Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties.*** The mortgaged real property is 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 the mortgaged real property could potentially interfere with the foreclosure or execution of a deed-in-lieu of foreclosure of such property.

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.

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

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 a mortgage loan secured by such a property.

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.

The mortgaged real property is subject to the City of Los Angeles Rent Stabilization Ordinance. 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 mortgaged real 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 an underlying mortgage loan secured by the property or to meet operating costs.

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

***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;
- an increase in the capital expenditures needed to maintain the property or to make improvements; and
- an increase in operating expenses.

***The Success of an Income-Producing Property Depends on Reletting Vacant Spaces.*** The operations at or the value of an income-producing property will be adversely affected if the owner or property manager is unable to renew leases or relet space on comparable terms when existing leases expire and/or become defaulted. Even if vacated space is successfully relet, the costs associated with reletting can be substantial and could reduce cash flow from the income-producing properties. Moreover, if a tenant at an income-producing property defaults in its lease obligations, the landlord may incur substantial costs and experience significant delays associated with enforcing its rights and protecting its investment, including costs incurred in renovating and reletting the property. We cannot assure you that the foregoing circumstances will not adversely impact operations at or the value of the mortgaged real property. See “Description of the Underlying Mortgage Loan” 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 or the value of the mortgaged real property, thereby reducing the cash flow generated by the property. Similarly, if an income producing property has a number of short-term leases, re-leasing expenditures may be more frequent, thereby reducing the cash flow generated by such property.

***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 underlying mortgage loan.

The mortgaged real property was constructed between 1944 and 1951. We cannot assure you that the fact that the underlying mortgage loan is secured by an older mortgaged real property will not adversely impact cash flow at the mortgaged real property or that it will not adversely affect payments related to your investment.

The mortgaged real property is currently undergoing 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 underlying mortgage loan, which could affect the ability of the borrower to repay the underlying mortgage loan.

In the event the 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 underlying mortgage loan.

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

If the special servicer forecloses on behalf of the issuing entity on the mortgaged real property and the mortgaged real property 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 more than 10% of the costs of construction were incurred at the time the default on the underlying mortgage loan became imminent. As a result, the issuing entity may not realize as much proceeds upon disposition of the 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 the Underlying Mortgage Loan.*** Under Title 11 of the United States Code, as amended (the “Bankruptcy Code”), the filing of a petition in bankruptcy by or against a borrower, including a petition filed by or on behalf of a junior lienholder, will stay the sale of a real property owned by that borrower, as well as the commencement or continuation of a foreclosure action.

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

A bankruptcy court also may—

- grant a debtor a reasonable time to cure a payment default on 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 the borrower if the borrower is in bankruptcy proceedings may be significantly delayed, and the total amount ultimately collected may be substantially less than the amount owed.

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.

We cannot assure you that the foregoing circumstances will not have an adverse impact on the liquidity of the borrower or the sponsor and therefore will not adversely impact the borrower’s or the sponsor’s ability to maintain the 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 the present or future property manager with respect to the mortgaged real property. Furthermore, we cannot assure you that the Property Manager will be in a financial condition to fulfill its management responsibilities throughout the terms of the Management Agreement. In addition, the current Property Manager is an affiliate of the borrower. If the 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 the Underlying Mortgage Loan and the Mortgaged Real Property Depends in Part on Who Controls the Borrower and the Mortgaged Real Property.*** The operation and performance of the underlying mortgage loan will depend in part on the identity of the persons or entities that control the borrower and the mortgaged real property. The performance of the underlying mortgage loan may be adversely affected if control of the borrower changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in the borrower. See “Description of the Underlying Mortgage Loan—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” in this information circular.

The loan documents permit a one-time permitted transfer of any non-managing member interest, limited partnership interest or non-controlling interest in shares of stock in the borrower or certain related entities to a new preferred equity or mezzanine debt investor, *provided* that, among other things, (i) the lender determines in its discretion that the investor meets the lender’s eligibility, credit, management and other standards and that the investor’s organization, credit and experience in the management of similar properties are appropriate to the overall structure and documentation of the underlying mortgage loan, (ii) following such transfer, control and management of the day-to-day operations of the borrower continue to be held by the party exercising such control and management immediately prior to the transfer and (iii) the borrower delivers to the lender searches confirming that no transferee with an interest of 25% or more is on the list of Specially Designated Nationals or other blocked persons published by the U.S. Office of Foreign Assets Control or on the list of persons or entities prohibited from doing business with HUD.

***The Borrower’s Other Loans May Reduce the Cash Flow Available To Operate and Maintain the Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates.*** As described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular, the mortgaged real property may be encumbered in the future by other subordinate debt. In addition, subject to certain limitations relating to maximum amounts, the borrower 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 mortgaged real property.

The existence of other debt could:

- adversely affect the financial viability of the borrower by reducing the cash flow available to the borrower to operate and maintain the mortgaged real property;
- adversely affect the security interest of the lender in the equipment or other assets acquired through its financings;
- complicate workouts or bankruptcy proceedings; and
- delay foreclosure on the mortgaged real property.

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

***Geographic Location of the Mortgaged Real Property May Adversely Affect Distributions on the Offered Certificates.*** The mortgaged real property is located in Los Angeles, California, which will make the performance of the underlying mortgage loan more sensitive to the following factors in California:

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

For a discussion of certain legal aspects related to California, see “Description of the Underlying Mortgage Loan—Certain Legal Aspects of the Underlying Mortgage Loan” in this information circular.

***Subordinate Financing Increases the Likelihood That the Borrower Will Default on the Underlying Mortgage Loan.*** The underlying mortgage loan is not currently encumbered with any subordinate liens, except for limited permitted encumbrances that do not secure subordinate mortgage loans.

Moreover, other than with respect to future subordinate debt meeting specified criteria, as described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular, the underlying mortgage loan requires the consent of the holder of the underlying mortgage loan prior to so encumbering the mortgaged real property. However, a violation of this prohibition may not become evident until the underlying mortgage loan otherwise defaults, and a lender, such as the issuing entity, may not realistically be able to prevent the borrower from incurring subordinate debt.

The borrower is permitted to incur an additional limited amount of indebtedness secured by the mortgaged real property beginning 12 months after the origination date of the underlying mortgage loan. Under the related loan documents, it is a condition to the incurrence of any future secured subordinate indebtedness on the underlying mortgage loan 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 loan documents and (b) subordination agreements and intercreditor agreements be put in place between the issuing entity and the related lenders. In the event the borrower satisfies these conditions, the borrower is permitted to obtain secured subordinate debt from approved lenders who will make such subordinate financing exclusively for initial 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. Freddie Mac may subsequently transfer the junior lien loans it holds in secondary market transactions, including securitizations. Any such junior lien mortgages and related securities may be purchased by certificateholders in this transaction, including the directing certificateholder, in which case the directing certificateholder could experience conflicts of interest when exercising consent rights with respect to the underlying mortgage loan and any related junior lien mortgages or related securities.

The existence of any secured subordinated indebtedness increases the difficulty of making debt service payments or refinancing the underlying mortgage loan at the loan’s maturity. In addition, the 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.

***The Type of Borrower May Entail Risk.*** The borrower is a Delaware limited liability company. Mortgage loans made to limited liability companies 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.

The borrower's organizational documents or the terms of the underlying mortgage loan limit the borrower's activities to the ownership of only the mortgaged real property and, subject to exceptions, including relating to future subordinate debt secured by the mortgaged real property, generally limit the borrower's ability to incur additional future indebtedness other than trade payables and equipment financing relating to the mortgaged real property in the ordinary course of business. These provisions are designed to mitigate the possibility that the borrower's financial condition would be adversely impacted by factors unrelated to the mortgaged real property and the underlying mortgage loan. However, we cannot assure you that the borrower will comply with these requirements. Also, although the borrower is currently structured as a single-purpose entity, the borrower may have previously owned property other than the mortgaged real property and/or may not have observed all covenants and conditions which typically are required to view a borrower as a "single purpose entity" under standard NRSRO criteria. We cannot assure you that circumstances arising from the borrower's failure to observe the required covenants will not impact the borrower or the 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 the borrower will not file for bankruptcy protection or that creditors of the borrower or a corporation or individual general partner or managing member of the borrower will not initiate a bankruptcy or similar proceeding against the borrower or corporate or individual general partner or managing member.

The borrower and its owners do not have an independent director whose consent would be required to file a voluntary bankruptcy petition on behalf of the 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 underlying mortgage loan.

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 the sponsor of the borrower, the sponsor of the borrower would not seek approval of a similar debtor-in-possession loan, or that a bankruptcy court would not approve a debtor-in-possession loan that included such subsidiary guarantees and second liens on such subsidiaries' properties.

***Lack of Customary Provisions.*** The underlying mortgage loan lacks certain customary loan provisions. For example, there is no guarantor of the underlying mortgage loan. See "Description of the Underlying Mortgage Loan—No Underlying Mortgage Loan Guarantor" in this information circular. In addition, no lockbox is in place or required to be in place with respect to the underlying mortgage loan. See "Description of the Underlying Mortgage Loan—Lockbox and Cash Management" in this information circular. Additionally, the underlying mortgage loan does not require reserve deposits, other than deposits into an imposition reserve and a replacement reserve, subject to certain conditions and the lender's deferral of such requirements. See "Description of the Underlying Mortgage Loan—Reserves" in this information circular. We cannot assure you that the absence of these customary provisions from the loan documents will not adversely impact the value of the underlying mortgage loan.

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

California courts will enforce clauses providing for acceleration in the event of a material payment default. The equity courts of California, 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 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 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 the Underlying Mortgage Loan.*** The sponsor of the borrower reported five prior defaults and foreclosures in 2011 and 2012 with respect to real properties not related to Park La Brea Apartments. We cannot assure you that the foregoing circumstances will not have an adverse effect on the liquidity of the sponsor or the borrower or that such circumstances will not adversely affect the sponsor's or the borrower's ability to maintain the mortgaged real property, to pay amounts owed on the underlying mortgage loan or to refinance the underlying mortgage loan. See "—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on the Underlying Mortgage Loan" above.

***Lending on Income-Producing Real Properties Entails Environmental Risks.*** Under various federal and state laws, a current or previous owner or operator of real property may be liable for the costs of cleanup of environmental contamination on, under, at or emanating from, the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the contamination. The costs of any required cleanup and the owner's liability for these costs are generally not limited under these laws and could exceed the value of the property and/or the total assets of the owner. Contamination of a property may give rise to a lien on the property to assure the costs of cleanup. An environmental lien may have priority over the lien of an existing mortgage. In addition, the presence of hazardous or toxic substances, or the failure to properly clean up contamination on the property, may adversely affect the owner's or operator's future ability to refinance the property.

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

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

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

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

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

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

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

A Phase I environmental site assessment (“ESA”) was prepared in connection with the origination of the underlying mortgage loan.

The ESA concluded that there are no recognized environmental conditions at the mortgaged real property. However, the ESA noted that historically prior to redevelopment in the 1940s the mortgaged real property had been used for an oil-gas production field with at least 53 inactive wells that were plugged, and the historic activities create a potential for emission of methane and/or hydrogen sulfide gases. Additionally, due to the proximity of the offsite La Brea Tar Pits the mortgaged real property periodically removes accumulated tar for offsite disposal by permit. A Methane Gas and Tar Seep Control Operations and Maintenance Plan is implemented for the mortgaged real property, and the ESA reviewed that plan and annual gas monitoring inspection reports. The ESA did not recommend any further investigation or other action regarding the former oil-gas activities or tar. The ESA also noted that 18 underground storage tanks (“USTs”) and impacted soils previously were removed from garages at the mortgaged real property with post-removal confirmation testing, and three other USTs were removed at an earlier date. The ESA did not recommend any further investigation or other action regarding any of the USTs. The ESA also noted that although Operations and Maintenance Plans previously were documented for the mortgaged real property for potential lead-based paint and asbestos-containing materials, such plans were not available for review by the ESA. The ESA recommended that such plans either continue to be implemented or that replacement plans be implemented.

We cannot assure you that—

- any environmental testing identified any or all material adverse environmental conditions and circumstances at the mortgaged real property;
- the recommendation of the environmental consultant was, in the case of all identified issues, the appropriate action to take; or
- that any future excavation, redevelopment or other disturbance at the mortgaged real property will not result in a need to take appropriate further action in regard to historic activities or tar.

***Appraisals and Market Studies May Inaccurately Reflect the Value of the Mortgaged Real Property.*** In connection with the origination of the underlying mortgage loan, the mortgaged real property was appraised by an independent appraiser. The appraisal, performed by Cushman & Wakefield, concluded that the mortgaged real property had an appraised value of \$1,675,000,000 as of September 30, 2014. The appraisal reflects market conditions at the time the appraisal was conducted and may not reflect current values. We have not confirmed the value of the mortgaged real property in the appraisal.

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 the mortgaged real property under a distress or liquidation sale.

***The Property Manager and Borrower May Each Experience Conflicts of Interest in Managing Multiple Properties.*** The Property Manager and borrower may experience conflicts of interest in the management and/or ownership of the mortgaged real property because—

- the mortgaged real property is managed by a Property Manager affiliated with the borrower;
- the Property Manager also may manage additional properties, including properties that may compete with those mortgaged real property; and
- affiliates of the Property Manager and/or the borrower, or the Property Manager and/or the borrower themselves, also may own other properties, including properties that may compete with the mortgaged real property.

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

- be in the same market as the mortgaged real property; and/or
- have owners and/or a property manager in common with the mortgaged real property; and/or
- be sponsored by a party that also sponsors the mortgaged real property.

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

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

In addition, the Trust and Servicing Agreement provides that any Third Party Master Servicer, the Directing Party Servicing Consultant and any sub-servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices to any matters related to the underlying mortgage loan when it is a non-Specially Serviced Mortgage Loan. Any advice provided by Freddie

Mac (in its capacity as servicing consultant) in connection with any such consultation may conflict with the interests of one or more classes of certificateholders.

***If the Master Servicer, the Operating Trust Advisor, any Sub-Servicer or the Special Servicer Purchases Certificates or SPCs, a Conflict of Interest Could Arise Between Their Duties and Their Interests in the Certificates or SPCs.*** Freddie Mac, which is the initial master servicer and operating trust advisor, is expected to purchase the offered certificates and include the offering certificates in pass-through pools that it will form for the SPCs. The master servicer, the operating trust advisor, any sub-servicer and/or the special servicer or an affiliate of any of them may purchase or retain the class B certificates or any class of the SPCs. The ownership of any certificates or SPCs by the master servicer, the operating trust advisor, any sub-servicer and/or the special servicer could cause a conflict between its duties under the Trust and Servicing Agreement or the applicable sub-servicing agreement and its interest as a holder of a certificate or a SPC, especially to the extent that certain actions or events have a disproportionate effect on one or more classes of certificates. However, under the Trust and Servicing Agreement and any applicable sub-servicing agreement, the master servicer, the operating trust advisor, any sub-servicer and the special servicer are each required to service the underlying mortgage loan in accordance with the Servicing Standard or the Operating Trust Advisor Standard, as applicable.

***Potential Conflicts of Interest of the Sponsor of the Borrower.*** The sponsor of the borrower and its affiliates owns, leases and manages a number of properties other than the mortgaged real property 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 property for existing or potential tenants. We cannot assure you that the activities of the sponsor of the borrower and its affiliates with respect to such other multifamily properties will not adversely impact the performance of the mortgaged real property.

In addition, an affiliate of the sponsor of the borrower will be the initial investor in the class B certificates (the “B-Piece Buyer”). The B-Piece Buyer was and is acting solely for its own benefit. You are not entitled to, and should not, rely in any way on the B-Piece Buyer’s acceptance of the underlying mortgage loan. The inclusion of the underlying mortgage loan in the issuing entity is not an indication of the B-Piece Buyer’s analysis of the underlying mortgage loan nor can it be taken as any endorsement of the underlying mortgage loan by the B-Piece Buyer. In addition, a special servicer (whether the initial special servicer or a successor special servicer) may enter into one or more arrangements with the B-Piece Buyer, the directing certificateholder or any other person (or any affiliate or a third-party representative of any of them) to provide for a discount and/or revenue sharing with respect to certain of the special servicer compensation (other than the special servicing fee and surveillance fee) in consideration of, among other things, the appointment (or continuance) of such special servicer under the Trust and Servicing Agreement and the establishment of limitations on the right of such person to replace the special servicer, *provided*, that any such assignment or provision will not be binding on any successor special servicer or any other party to the Trust and Servicing Agreement and the special servicer may not assign any portion of the special servicer’s compensation to the directing certificateholder for so long as the underlying mortgage loan is an Affiliated Borrower Loan. Each of these relationships should be considered carefully by you before you invest in any certificates.

Because of the differing subordination levels and pass-through rates, and because only the offered certificates are guaranteed by Freddie Mac, the B-Piece Buyer’s interest may, in some circumstances, differ from those of purchasers of other classes of certificates, including the offered certificates. In addition, the B-Piece Buyer may enter into hedging or other transactions or otherwise have business objectives that could cause its interest with respect to the underlying mortgage loan to diverge from those of other purchasers of the certificates. Additionally, the B-Piece Buyer, an affiliate of the sponsor of the borrower, is expected to be the Initial Directing Certificateholder. Although it will not be the directing party with respect to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan, the B-Piece Buyer as the directing certificateholder will still have the right to terminate the special servicer for any reason, including if it disagrees with an action proposed to be taken by the special servicer with respect to the underlying mortgage loan, provided, however, that any such decision to terminate and replace the special servicer will be subject to Freddie Mac’s consent and approval, which consent and approval may not be unreasonably withheld or delayed. See “The Trust and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular. We cannot assure you that the exercise of such rights by the directing certificateholder will not adversely affect the performance of the

certificates. See “—Risks Related to the Offered Certificates—The Interests of the Directing Certificateholder, the Directing Party or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders” below.

See “Description of the Underlying Mortgage Loan—The Borrower and the Sponsor of the Borrower” 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 strongly 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 loan.

***The Master Servicer and the Special Servicer Will Be Required To Service the Underlying Mortgage Loan in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer To Make Certain Servicing Decisions.*** The master servicer and the special servicer will be required to service the underlying mortgage loan in accordance with (i) any and all applicable laws, (ii) the express terms of the Trust and Servicing Agreement, (iii) the express terms of the underlying mortgage loan and any applicable intercreditor, co-lender or similar agreements and (iv) to the extent consistent with the foregoing, the Servicing Standard, as further described in “The Trust and Servicing Agreement—Servicing Under the Trust and Servicing Agreement.” For so long as the underlying mortgage loan is not an REO Loan, REO Property or Specially Serviced Mortgage Loan, the Servicing Standard requires the master servicer to follow Freddie Mac Servicing Practices. Freddie Mac Servicing Practices require servicing and administering the underlying mortgage loan and/or REO Property in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by Freddie Mac. This includes servicing and administering in accordance with the Freddie Mac Multifamily Seller/Servicer Guide (or any successor to the Guide). The Guide comprises Freddie Mac’s servicing guidelines for its multifamily commercial mortgage loans and Freddie Mac may modify the Guide and any policies or procedures at any time. Freddie Mac Servicing Practices also includes servicing and administering in accordance with any written Freddie Mac policies, procedures or other written communications made available in writing by Freddie Mac to the master servicer, any sub-servicer or the Directing Party Servicing Consultant, as applicable, including written communications from Freddie Mac as servicing consultant pursuant to the Trust and Servicing Agreement. Any Third Party Master Servicer, the Directing Party Servicing Consultant and any sub-servicer are permitted to consult with Freddie Mac regarding the application of Freddie Mac Servicing Practices to any matters related to the underlying mortgage loan when it is not a Specially Serviced Mortgage Loan. The servicing consultant may contact the borrower to request any necessary documentation from the borrower in order to provide consultation to any Third Party Master Servicer, any sub-servicer or the Directing Party Servicing Consultant with respect to the proper application of Freddie Mac Servicing Practices. We cannot assure you that the requirement to follow Freddie Mac Servicing Practices in certain circumstances, or consultations between the master servicer or any sub-servicer and Freddie Mac regarding the application of Freddie Mac Servicing Practices will not limit the master servicer’s, Directing Party Servicing Consultant’s or any sub-servicer’s ability to make certain servicing decisions.

***The Mortgaged Real Property Is a Legal Nonconforming Use/Legal Nonconforming Structure.*** The mortgaged real property is a legal nonconforming use and structure, due to deficient front and rear setbacks, and deficient parking. This may impair the ability of the borrower to restore the improvements on the mortgaged real property to its current form or use following a major casualty. See “Description of the Underlying Mortgage Loan—Underwriting Matters—Zoning and Building Code Compliance” in this information circular.

***Changes in Zoning Laws May Affect Ability To Repair or Restore the Mortgaged Real Property.*** Due to changes in applicable building and zoning ordinances and codes that may affect the mortgaged real property, which changes may have occurred after the construction of the improvements on the mortgaged real property, the mortgaged real property 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 borrower to rebuild the premises “as is” in the event of a substantial casualty loss which may adversely affect the ability of the borrower to meet its mortgage loan obligations from cash flow. The mortgaged real property is a legal nonconforming use and structure, due to deficient front and rear setbacks, and deficient parking. The loan documents require that the borrower maintain ordinance and law insurance. Insurance proceeds may not be sufficient to pay off the underlying mortgage loan in full. In addition, if the mortgaged real property were to be repaired or restored in conformity with then current law, its value could be less than the remaining balance on the underlying mortgage loan and it may produce less revenue than before repair or restoration.

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

We cannot assure you that the foregoing circumstances will not adversely impact operations at or the value of the mortgaged real property. In addition, we cannot assure you that all conditions at the mortgaged real property requiring repair or replacement have been identified in the inspection, or that all building code and other legal compliance issues have been identified through inspection or otherwise, or, if identified, have been adequately addressed by escrows or otherwise. Furthermore, the condition of the mortgaged real property may have changed since the origination of the underlying mortgage loan.

***World Events and Natural Disasters Could Have an Adverse Impact on the Mortgaged Real Property Securing the Underlying Mortgage Loan 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 or other world events on consumer confidence and the performance of the underlying mortgage loan. Any adverse impact resulting from these events could ultimately be borne by the holders of one or more classes of the certificates.

In addition, natural disasters, including earthquakes, floods, droughts and hurricanes, also may adversely affect the mortgaged real property. The mortgaged real property is located in California. Real properties located in California may be more susceptible to certain hazards (such as earthquakes, droughts or widespread fires) than properties in other parts of the country and real properties located in coastal states generally may be more susceptible to hurricanes than properties in other parts of the country. Hurricanes and related windstorms, floods, tornadoes and oil spills have caused extensive and catastrophic physical damage in and to coastal and inland areas located in the eastern, mid-Atlantic and Gulf Coast regions of the United States and certain other parts of the eastern and southeastern United States. The underlying mortgage loan is not located in an area identified by the Federal Emergency Management Agency as a “Special Flood Hazard Area” and, therefore, the loan documents do not require the maintenance of flood insurance for the mortgaged real property. We cannot assure you that any damage caused by hurricanes, windstorms, floods, tornadoes or oil spills would be covered by insurance.

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

- war;
- nuclear, biological or chemical materials;

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

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

If the loan documents do not expressly require a particular type of insurance but permit the mortgagee to require such other insurance as is reasonable, the 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 borrower to maintain such insurance regardless of the terms of the loan documents.

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. Under the loan documents, the borrower is required to maintain a customary all risk property insurance policy with a carrier that has a general policyholder's rating of A.M. Best A- VIII or better, which policy has a deductible of no more than \$1,000,000. However, we cannot assure you that each casualty loss incurred with respect to the mortgaged real property 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 the mortgaged real property for the underlying mortgage loan, 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 loan. As a result of total limits under the blanket insurance policy, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to the mortgaged real property.

Earthquake insurance was not required with respect to the mortgaged real property because the probable maximum loss for the mortgaged real property is less than 20% of the amount of the replacement cost of the improvements. In addition, the loan documents provide that the borrower will not be required to purchase earthquake insurance except to the extent such insurance is required by applicable law.

***The Absence or Inadequacy of Terrorism Insurance Coverage on the Mortgaged Real Property May Adversely Affect Payments on the Certificates.*** Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested. In order to provide a market for such insurance, the Terrorism Risk Insurance Act of 2002 was enacted on November 26, 2002, which established the "Terrorism Insurance Program." Under the Terrorism Insurance Program, the federal government shares in the risk of loss associated with certain future terrorist acts.

On December 26, 2007, the Terrorism Insurance Program was extended and amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 through December 31, 2014 and was reauthorized and amended on January 12, 2015 until December 31, 2020 under the Terrorism Risk Insurance Program Reauthorization Act of 2015 (as amended, "TRIPRA").

The Terrorism Insurance Program is administered by the Secretary of the Treasury and provides 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 any act that is certified by the Secretary of the Treasury — in concurrence with the Secretary of State and the Attorney General of the United States — to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion. To facilitate the availability of coverage for acts of terrorism, the Terrorism Insurance Program voids exclusions in property and casualty insurance policies for acts of terrorism. However, it does not expressly void coverage exclusions in such policies, such as those for damage resulting from nuclear, biological, chemical and radiological attacks. See “Description of the Underlying Mortgage Loan—Insurance” in this information circular. 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.

In addition, no compensation is payable under the Terrorism Insurance Program unless the aggregate industry losses relating to such act of terrorism exceed a specified threshold, which is \$100 million in 2015, subject to annual \$20 million increases until the threshold is equal to \$200 million. As a result, unless the borrower obtains separate coverage for events that do not meet that threshold, such events would not be covered. We cannot assure you that the Terrorism Insurance Program will create any long term changes in the availability and cost of insuring terrorism risks. In addition, we cannot assure you that terrorism insurance or the Terrorism Insurance Program will be available or provide sufficient protection against risks of loss on the mortgaged real property resulting from acts of terrorism.

Under the Terrorism Insurance Program, the federal share of compensation will be equal to 85% in 2015, subject to annual decreases of 1% until equal to 80%, of the portion of insured losses that exceeds an applicable insurer deductible required to be paid during each program year (which insurer deductible is fixed by TRIPRA at 20% of an insurer’s direct earned premium for any program year). The federal government share in the aggregate in any program year may not exceed \$100 billion (with the insurers being liable for any amount that exceeds this cap).

The originator required the borrower to obtain terrorism insurance with respect to the underlying mortgage loan, the cost of which is subject to a maximum amount of 150% of the cost of such terrorism coverage as of the date of the loan agreement as described in “Description of the Underlying Mortgage Loan—Insurance” in this information circular. The master servicer will not be obligated to require the borrower to obtain or maintain terrorism insurance in excess of the amounts of coverage and deductibles required by the loan documents. The master servicer will not be required to declare a default under the underlying mortgage loan if the 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 certain conditions are met, as described under “Description of the Underlying Mortgage Loan—Insurance” in this information circular.

If the loan documents do not expressly require insurance against acts of terrorism, but permit the mortgagee to require such other insurance as is reasonable, the 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 loan documents.

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

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

Because the 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 mortgaged real property.

***The Absence or Inadequacy of Earthquake, Flood and Other Insurance May Adversely Affect Payments on the Certificates.*** The mortgaged real property may suffer casualty losses due to risks that are not covered by insurance or for which insurance coverage is inadequate. In addition, the mortgaged real property is located in California, which has historically been at greater risk regarding acts of nature (such as hurricanes, floods, droughts and earthquakes) than other regions. There is no assurance the borrower will be able to maintain adequate insurance. In addition, the loan documents provide that the borrower will not be required to purchase earthquake insurance except to the extent such insurance is required by applicable law. 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 the Borrower.*** 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 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 mortgaged real property and the financial resources of the borrower. To the extent the mortgaged real property does not comply with the Americans with Disabilities Act of 1990, the borrower may be required to incur costs to comply with this law. We cannot assure you that the 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.

***Litigation May Adversely Affect Property Performance.*** There may be pending or, from time to time, threatened legal proceedings against the borrower under the underlying mortgage loan, the Property Manager of the mortgaged real property and their respective affiliates, arising out of the ordinary business of the borrower, Property Manager and affiliates. The borrower is currently the defendant in five lawsuits which are common to the ordinary course of business and the sponsor of the borrower anticipates that all of the lawsuits will be covered either by general liability insurance or third party indemnity. We cannot assure you that litigation will not have a material adverse effect on your investment. See "—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on the Underlying Mortgage Loan" and "—Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on the Underlying Mortgage Loan" above.

***Master Servicer and Special Servicer May Be Directed To Take Actions.*** In connection with the servicing of the underlying mortgage loan by the special servicer when it is a Specially Serviced Mortgage Loan, and the servicing of the underlying mortgage loan when it is a non-Specially Serviced Mortgage Loan by the master servicer, the master servicer or the special servicer may, at the direction of the directing party, take actions with respect to the underlying mortgage loan that could adversely affect the holders of some or all of the classes of certificates. The directing party may have interests in conflict with those of certain certificateholders. As a result, it is possible that the directing party may direct the master servicer or the special servicer to take actions that conflict with the interests of certain classes of certificates. However, the master servicer and the special servicer are not permitted to take actions that are prohibited by law or violate the Servicing Standard or the terms of the loan documents.

In addition, the Trust and Servicing Agreement provides that in certain circumstances the directing party may, at its own expense, request that a Directing Party Servicing Consultant (which may be the special servicer) prepare and deliver a recommendation relating to a requested waiver of any "due-on-sale" or "due-on-encumbrance" clause or a requested consent to certain modifications, waivers or amendments for the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan. In providing a recommendation in response to any such request, the Directing Party Servicing Consultant will be acting as a consultant to the directing party and any such recommendation provided will not be subject to the Servicing Standard. The Directing Party Servicing Consultant will have no duty or liability to any other party or certificateholder other than the directing party in connection with any recommendation it gives the directing party or actions taken by any party as a result of such consultation services provided to the directing party as contemplated above. See "—The Master Servicer, the Special Servicer and any Sub-Servicer May Experience Conflicts of Interest" above.

***The Mortgage Loan Seller May Not Be Able To Make a Required Cure or Repurchase of the Underlying Mortgage Loan.*** The mortgage loan seller is the sole warranting party in respect of the underlying mortgage loan sold by it to us. Neither we nor any of our affiliates are obligated to cure or repurchase the 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 assure you that the mortgage loan seller will effect any such cure or repurchase. If the mortgage loan seller fails to fulfill such obligation, you could experience cash flow disruptions or losses on your certificates, subject to the Freddie Mac Guarantee. In addition, the mortgage loan seller may have various legal defenses available to it in connection with a cure or repurchase obligation. If the underlying mortgage loan is not cured or repurchased and is not a "qualified mortgage" for a REMIC, it 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, Guarantor, Initial Master Servicer and Initial Operating Trust Advisor" below and "Description of the Mortgage Loan Seller and Guarantor" and "Description of the Underlying Mortgage Loan—Cures and Repurchases" 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 Loan.*** In the event of the receivership of the mortgage loan seller, it is possible the issuing entity's right to payment resulting from ownership of the underlying mortgage loan could be challenged, and if such challenge were successful, delays or reductions in payments on the certificates could occur. See "—Risks Relating to the Mortgage Loan Seller, Guarantor, Initial Master Servicer and Initial Operating Trust Advisor" below and "Description of the Mortgage Loan Seller and Guarantor" in this information circular.

***One Action Rules May Limit Remedies.*** California has laws that prohibit more than one "judicial action" to enforce a mortgage obligation, and some courts have construed the term "judicial action" broadly. Accordingly, the special servicer is required to obtain advice of counsel prior to enforcing any of the issuing entity's legal rights under the underlying mortgage loan.

***Tax Considerations Related to Foreclosure.*** Under the Trust and Servicing Agreement, the special servicer, on behalf of the issuing entity, among others, may acquire the mortgaged real property pursuant to a foreclosure or deed-in-lieu of foreclosure. The special servicer will be permitted to perform or complete construction work on the foreclosed property only if such construction was more than 10% complete when default on the underlying mortgage loan became imminent. In addition, any net income from the operation and management of such property that is not qualifying "rents from real property," within the meaning of Code Section 856(d), 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 certificateholders.

In addition, if the special servicer, on behalf of the issuing entity, among others, were to acquire the mortgaged real property pursuant to a foreclosure or deed-in-lieu of foreclosure, upon acquisition of the mortgaged real property, it may be required to pay state or local transfer or excise taxes upon liquidation of such properties. Such state or local taxes may reduce net proceeds available for distribution to the certificateholders.

***Changes to REMIC Restrictions on Loan Modifications May Impact an Investment in the Certificates.*** The IRS has issued guidance 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 underlying 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 the underlying mortgage loan was at significant risk of default and permitted one or more modifications otherwise consistent with the terms of the Trust and Servicing Agreement, any such modification may impact the timing and ultimate recovery on the underlying mortgage loan, and likewise on one or more classes of certificates.

In addition, the IRS has issued final regulations under the REMIC Provisions 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. The IRS has also issued Revenue Procedure 2010-30, describing circumstances in which it will not challenge the treatment of mortgage loans as "qualified mortgages" on

the grounds that the underlying mortgage loan is not “principally secured by real property”, that is, has a real property loan-to-value ratio greater than 125% following a release of liens on some or all of the real property securing such underlying mortgage loan. The general rule is that a mortgage loan must continue to be “principally secured by real property” following any such lien release, unless the lien release is pursuant to a defeasance permitted under the original loan documents and occurs more than two years after the startup day of the REMIC, all in accordance with the REMIC Provisions. Revenue Procedure 2010-30 also allows lien releases in certain “grandfathered transactions” and transactions in which the release is part of a “qualified pay-down transaction” even if the underlying mortgage loan after the transaction might not otherwise be treated as principally secured by a lien on real property. If the value of the real property securing the underlying mortgage loan were to decline, the need to comply with the rules of Revenue Procedure 2010-30 could restrict the servicers’ actions in negotiating the terms of a workout or in allowing minor lien releases in circumstances in which, after giving effect to the release, the underlying mortgage loan would not have a real property loan-to-value ratio of 125% or less. This could impact the timing and ultimate recovery on the underlying 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 the Offered Certificates.*** The offered certificates do not represent obligations of any person or entity and do not represent a claim against any assets other than those of the issuing entity. Other than as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this 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 loan are insufficient. If the underlying mortgage loan is insufficient to make payments on the offered certificates, other than as described under “Description of the 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 underlying mortgage loan are intended solely to provide liquidity and not credit support. The party making those advances will have a right to reimbursement, with interest, which is senior to your right to receive payment on the offered certificates.

***Credit Support Is Limited and May Not Be Sufficient To Prevent Loss on the Offered Certificates.*** Any use of credit support will be subject to the conditions and limitations described in this 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 underlying mortgage loan 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 Offered Principal Balance Certificates, on or before the distribution date immediately following the maturity date of the underlying mortgage loan, (iii) reimbursement of Realized Losses and any Additional Issuing Entity Expenses allocated to the Offered Principal Balance Certificates and (iv) ultimate payment of principal by the Assumed Final Distribution Date to the holders of the Offered 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 “—Risks Relating to the Mortgage Loan Seller, Guarantor, Initial Master Servicer and Initial Operating Trust Advisor” below, the credit enhancement provided by the Freddie Mac Guarantee may be insufficient and the holders of offered certificates may suffer losses as a result of the various contingencies described in this “Risk Factors” section and elsewhere in this information circular. See “Description of the 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 certificates;
- the order in which the outstanding principal balances of the respective classes of the certificates with outstanding principal balances will be reduced in connection with losses and default-related shortfalls (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee); and
- the characteristics and quality of the underlying mortgage loan.

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

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

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

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

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

As described under “The Trust and Servicing Agreement—Certain Indemnities” in this information circular, under the Trust and Servicing Agreement, any Third Party Master Servicer or any Third Party Operating Trust Advisor may be indemnified by the issuing entity in certain circumstances, but such party’s indemnification is capped at the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap or Third Party Operating Trust Advisor Aggregate Annual Cap, as applicable, which limit the amounts of indemnification payments that can be made in a single year. However, Freddie Mac, acting as master servicer or operating trust advisor, is not subject to an aggregate annual cap. This could result in higher up-front indemnification payments to Freddie Mac, rather than capped indemnification payments spread out over multiple years. This could result in earlier losses on the certificates (subject to the Freddie Mac Guarantee).

If you purchase the Offered Principal Balance Certificates at a premium, and if payments and other collections of principal on the underlying mortgage loan 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 the Offered Principal Balance Certificates at a discount, and if payments and other collections of

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

- the repurchase of the underlying mortgage loan by the mortgage loan seller in connection with a material breach of a representation and warranty or a material document defect, as described under “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular;
- the purchase of a Defaulted Loan by the directing certificateholder pursuant to its purchase option under the Trust and Servicing Agreement;
- the purchase of a Defaulted 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 liquidation of the underlying mortgage loan; and
- the termination of the issuing entity, as described under “The Trust and Servicing Agreement—Termination” in this information circular.

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

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

Delinquencies on the underlying mortgage loan, 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 loan are not allocated to the Offered Principal Balance Certificates, the losses may affect the weighted average life and yield to maturity of the Offered Principal Balance Certificates. Losses on the underlying mortgage loan, even if not allocated to the Offered Principal Balance Certificates, may result in a higher percentage ownership interest evidenced by the Offered Principal Balance Certificates in the underlying mortgage loan than would otherwise have resulted absent the loss. The consequent effect on the weighted average lives and yield to maturity of the offered certificates will depend upon the characteristics of the underlying mortgage loan. If defaults are material and non-monetary, the special servicer may still accelerate the maturity of the underlying mortgage loan which could result in an acceleration of payments to the certificateholders.

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

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

See “Yield and Maturity Considerations” in this information circular.

***Optional Early Termination of the Issuing Entity May Result in an Adverse Impact on Your Yield or May Result in a Loss.*** The certificates will be subject to optional early termination by means of the purchase of the underlying mortgage loan or REO Property in the issuing entity at the time and for the price described in “The Trust and Servicing Agreement—Termination” in this information circular. We cannot assure you that the proceeds from a sale of the underlying mortgage loan or REO Property will be sufficient to distribute the outstanding certificate balance plus accrued interest and any undistributed shortfalls in interest accrued on the certificates that are subject to the termination. Accordingly, the holders of certificates affected by such a termination may suffer an adverse impact on the overall yield on their certificates, may experience repayment of their investment at an unpredictable and inopportune 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 Trust and Servicing Agreement—Termination” in this information circular.

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

***The Limited Nature of Ongoing Information May Make It Difficult for You To Resell the Certificates.*** The primary source of ongoing information regarding your certificates, including information regarding the status of the underlying mortgage loan, will be the periodic reports delivered by the certificate administrator described under the heading “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular. We cannot assure you that any additional ongoing information regarding your certificates will be available through any other source. In addition, the depositor is not aware of any source through which price information about the certificates will be generally available on an ongoing basis. The limited nature of the information regarding the certificates may adversely affect the liquidity of the offered certificates, even if a secondary market for the certificates is available. There will have been no secondary market for the certificates prior to this offering. We cannot assure you that a secondary market will develop or, if it does develop, that it will provide you with liquidity of investment or continue for the life of the offered certificates. The market value of the certificates will fluctuate with changes in prevailing rates of interest or other credit related market changes. Consequently, the sale of the certificates in any market that may develop may be at a discount from the related par value or purchase price. In addition, we have not engaged any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended, to rate any class of the certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

***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 the underlying mortgage loan, the underlying 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.

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

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

***Inability To Replace the Master Servicer Could Affect Collections and Recoveries on the Mortgage Loan.*** The structure of the servicing fee payable to the master servicer might affect the ability of the trustee to find a replacement master servicer. Although the trustee is required to replace the master servicer if the master servicer is terminated or resigns, if the trustee is unwilling (including, for example, because the 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 the underlying mortgage loan, it may be difficult to replace the servicer at a time when the balance of the underlying mortgage loan has been significantly reduced because the fee may be insufficient to cover the costs associated with servicing the underlying mortgage loan or REO Property. The performance of the underlying mortgage loan 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 Loan Will Affect Payments on the Offered Certificates.*** The underlying mortgage loan specifies the terms on which the borrower must repay the outstanding principal amount of the loan. The rate at which the underlying mortgage loan amortizes will directly affect the rate at which the principal balance or notional amount of the corresponding component of the offered certificates is paid down or otherwise reduced.

In addition, the underlying mortgage loan permits the 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 mortgaged real property or a lower or otherwise more advantageous interest rate through refinancing. Prepayment restrictions in the underlying mortgage loan may cause the likelihood of prepayment to decline. These restrictions may include an absolute prohibition against voluntary prepayments during some of the loan term, during which voluntary principal payments are prohibited. In certain instances, however, there will be no restriction associated with the application of certain insurance proceeds or condemnation proceeds as a prepayment of principal. See “Description of the Underlying Mortgage Loan—Casualty and Condemnation” in this information circular.

***The Terms of the Underlying Mortgage Loan Do Not Provide Absolute Certainty as Regards the Rate, Timing and Amount of Payments on the Offered Certificates.*** Notwithstanding the terms of the underlying mortgage loan, the amount, rate and timing of payments and other collections on the underlying mortgage loan will, to some degree, be unpredictable because of borrower defaults, borrower prepayments and because of casualties and condemnations with respect to the mortgaged real property.

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

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

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.

Pursuant to the loan documents, the borrower may obtain any number of releases of certain portions 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 that the release parcel has been legally subdivided and represents a separate tax lot, (ii) the payment by the borrower of any associated costs, taxes and expenses, (iii) the execution of an easement granting the mortgaged real property and its residents the right to use the number of parking spaces that are required under applicable zoning law and (iv) immediately after the partial release, either (a) the loan-to-value ratio of the mortgaged real property is equal to or less than 55% and the debt service coverage ratio is equal to or greater than 1.45x, (b) the principal balance of the underlying mortgage loan is paid down or defeased, as applicable by (1) if the value of the release parcel is equal to or less than 5% of the original balance of the underlying mortgage loan, an amount that would permit the remaining parcels to maintain a debt service coverage ratio equal to or greater than 1.50x or (2) if the value of the release parcel is greater than 5% of the original balance of the underlying mortgage loan, the greater of (i) an amount that would permit the remaining parcels to maintain its debt service coverage ratio (which debt service coverage ratio must be equal to or greater than 1.45x) and (ii) an amount allocated to the release parcel in the loan documents multiplied by a release price factor as set forth in the loan documents. In addition, such partial release will not be permitted unless either (a) the loan-to-value ratio (taking into account the related land and buildings and not any personal property or going concern value) of the mortgaged real property is equal to or less than 125%, (b) the principal balance of the underlying mortgage loan is paid down by (1) the net proceeds of an arm's length sale of the release parcel, (2) the fair market value of the release parcel at the time of release or (3) an amount such that the loan-to-value ratio of the mortgage loan (as determined by the lender) does not increase after the release or (c) the 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. See "Description of the Underlying Mortgage Loan—Permitted Partial Release" in this information circular.

***Prepayments on the Underlying Mortgage Loan Will Affect the Average Life of the Offered Certificates; and the Rate and Timing of Those Prepayments May Be Highly Unpredictable.*** Payments of principal and/or interest on the offered certificates will depend upon, among other things, the rate and timing of payments on the underlying mortgage loan. Prepayments on the underlying mortgage loan may result in a faster rate of principal payments on the Offered Principal Balance Certificates, thereby resulting in a shorter average life for the offered certificates than if those prepayments had not occurred. The rate and timing of principal prepayments on the underlying mortgage loan

is influenced by a variety of economic, demographic, geographic, social, tax and legal factors. Although the underlying mortgage loan provides for a prepayment lockout period that prohibits prepayments until three calendar months prior to the Scheduled Maturity Date, prepayments may still occur during such periods as a result of a casualty or condemnation event. In addition, prepayments may occur in connection with a permitted partial release of the mortgaged real property. See “Description of the Underlying Mortgage Loan—Prepayment and Defeasance” in this information circular.

In addition, any repurchase of the 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 the underlying mortgage loan. See “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular.

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

The extent to which prepayments on the underlying mortgage loan ultimately affect the average life of the offered certificates depends on the terms and provisions of the offered certificates. A class of offered certificates may entitle the holders to a *pro rata* share of any prepayments on the underlying mortgage loan, 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 loan, the offered certificates may be retired at an earlier date. If, however, you are only entitled to a small share of the prepayments on the underlying mortgage loan, the average life of the offered certificates may be extended. Your entitlement to receive payments, including prepayments, of principal of the underlying mortgage loan 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 loan.

***Potential Conflicts of Interest of the Mortgage Loan Seller, the Depositor and the Depositor’s Affiliates.*** The mortgage loan seller and certain of the depositor’s affiliates own, lease or manage a number of properties other than the mortgaged real property 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 property for existing and potential tenants. We cannot assure you that the activities of the mortgage loan seller or the depositor’s affiliates with respect to such other properties will not adversely impact the performance of the mortgaged real property. The mortgage loan seller may also have an ongoing relationship with the borrower under the underlying mortgage loan. If the underlying mortgage loan is refinanced, the mortgage loan seller may purchase the refinanced loan. The mortgage loan seller may be influenced by its desire to maintain a good ongoing relationship with the borrower.

The mortgage loan seller, the depositor and the depositor’s affiliates (including one of the placement agents of the SPCs and one of the initial purchasers of the class B certificates) may benefit from this offering in a number of ways, some of which may be inconsistent with the interests of purchasers of the certificates. The mortgage loan seller, the depositor and their affiliates may benefit from a completed offering of the certificates because the offering would establish a market precedent and a valuation data point for securities similar to the certificates, thus enhancing the ability of the mortgage loan seller, the depositor and their 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 loan 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 certificates.

***Potential Conflicts of Interest of the Operating Trust Advisor.*** In the normal course of conducting its business, Freddie Mac has rendered services to, performed surveillance of, and negotiated with, numerous parties engaged in activities related to structured finance and commercial mortgage securitization. These parties may have included the depositor, the sponsor of the borrower, the originator, the certificate administrator, the trustee, any replacement master servicer, the special servicer or the directing certificateholder or affiliates of any of those parties. These

relationships may continue in the future. Each of these relationships, to the extent they exist, may involve a conflict of interest with respect to Freddie Mac's duties as operating trust advisor. We cannot assure you that the existence of these relationships and other relationships in the future will not impact the manner in which Freddie Mac performs its duties under the Trust and Servicing Agreement.

Freddie Mac, the operating trust advisor, also serves as master servicer in this transaction and as master servicer and special servicer in other commercial mortgage securitization transactions and has advised us that it intends to continue to serve, or reserves the right to serve, as a master servicer or special servicer with respect to existing and new commercial and multifamily mortgage loans for itself and its affiliates and for third parties, including portfolios of mortgage loans similar to the mortgage loans included in the issuing entity. These other mortgage loans and the related mortgaged properties may be in the same market as, or have owners, obligors or property managers in common with, the underlying mortgage loan and the mortgaged real property. As a result of the activities described above, the interests of the operating trust advisor and its affiliates and their clients may differ from and compete with the interests of the issuing entity. Although the operating trust advisor is required to consider the Servicing Standard in connection with its activities under the Trust and Servicing Agreement, the operating trust advisor will not itself be bound by the Servicing Standard, provided that the operating trust advisor is required to act in accordance by the Operating Trust Advisor Standard.

In addition, the operating trust advisor is also the mortgage loan seller and guarantor with respect to the certificates and is expected to purchase the offered certificates and include the offered certificates in pass-through pools that it will form for the SPCs. Each of these relationships may also create a conflict of interest.

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

***Potential Conflicts of Interest of the Placement Agents and Their Affiliates.*** We expect that Freddie Mac will include the offered certificates in pass-through pools that it will form in connection with the issuance its 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 SPCs or certificates and any voting rights of those classes could be exercised by any such Placement Agent Entity in a manner that could adversely impact one or more classes of the SPCs or one or more classes of the certificates. If that were to occur, that Placement Agent Entity's interests may not be aligned with the interests of the holders of the SPCs or the certificates.

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

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

To the extent a Placement Agent Entity makes a market in the SPCs or 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 SPCs or certificates. The price at which a Placement Agent Entity may be willing to purchase SPCs or 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 SPCs or certificates and significantly lower than the price at which it may be willing to sell the SPCs or certificates.

In addition, the Placement Agent Entities will have no obligation to monitor the performance of the SPCs, the certificates or the actions of the master servicer, the special servicer, the operating trust advisor, the certificate administrator, the trustee, Freddie Mac, the directing certificateholder or the directing party, and will have no authority to advise the master servicer, the special servicer, the operating trust advisor, the certificate administrator, the trustee, Freddie Mac, the directing certificateholder or the directing party or to direct their actions. Furthermore, the Placement Agent Entities may have ongoing relationships with, render services to, and engage in transactions with the borrower, the sponsor of the borrower 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. Morgan Stanley & Co. LLC, one of the placement agents for the SPCs, will also be one of the initial purchasers of the class B certificates and is an affiliate of the depositor. Wells Fargo Securities, LLC, one of the placement agents for the SPCs, will also be one of the initial purchasers of the class B certificates. Each of the foregoing relationships should be considered carefully before making an investment in any class of SPCs or any class of certificates.

***Your Lack of Control Over the Issuing Entity Can Adversely Impact Your Investment.*** Except as described below, investors in the certificates do not have the right to make decisions with respect to the administration of the issuing entity. These decisions are generally made, subject to the express terms of the Trust and Servicing Agreement, by the master servicer, the special servicer, the certificate administrator, the trustee and the operating trust advisor. Any decision made by any of those parties in respect of the issuing entity in accordance with the terms of the Trust 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.

However, the directing party, the directing certificateholder and Freddie Mac or its designee have the right to exercise various rights and powers in respect of the issuing entity as described under "The Trust and Servicing Agreement—Realization Upon Mortgage Loan" and "The Trust and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" in this information circular.

In addition, in certain limited circumstances, certificateholders have the right to vote on matters affecting the issuing entity. In some cases, these votes are by certificateholders taken as a whole and in others the vote is by class. In all cases, voting is based on the outstanding certificate balance, which is reduced by Realized Losses. These limitations on voting could adversely affect your ability to protect your interests with respect to matters voted on by certificateholders. See "Description of the Certificates—Voting Rights" in this information circular.

***The Interests of the Directing Certificateholder, the Directing Party or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders.*** The B-Piece Buyer is expected to be the Initial Directing Certificateholder. The Initial Directing Certificateholder is an affiliate of the borrower of the underlying mortgage loan. Although it will not be the directing party with respect to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan, the B-Piece Buyer, as the directing certificateholder, will still have the right to terminate the special servicer for any reason (subject to Freddie Mac's consent, such consent not to be unreasonably withheld or delayed), including if it disagrees with an action proposed to be taken by the special servicer with respect to the underlying mortgage loan when it is an Affiliated Borrower Loan. See "The Trust and Servicing Agreement—

Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular. We cannot assure you that the exercise of such rights by the directing certificateholder will not adversely affect the performance of the certificates.

Any advice provided by Freddie Mac (in its capacity as servicing consultant or otherwise) may conflict with the interests of one or more classes of certificateholders. In addition, the directing certificateholder, the directing party and Freddie Mac or their respective designees (or any Junior Loan Holder that is a transferee of Freddie Mac) have the right to exercise the various rights and powers in respect of the underlying mortgage loan described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan” in this information circular. Any such junior lien mortgages and related securities may be purchased by certificateholders in this transaction, including the directing certificateholder, in which case the directing certificateholder could experience conflicts of interest when exercising consent rights with respect to the underlying mortgage loan and any related junior lien mortgages or related securities. You should expect that the directing certificateholder, the directing party and Freddie Mac or their respective designees will each exercise those rights and powers on behalf of itself, and they will not be liable to any certificateholders for doing so. However, certain matters relating to the underlying mortgage loan while it is an Affiliated Borrower Loan will require the operating trust advisor, as directing party, to act in place of the directing certificateholder. See “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular.

In certain instances, the directing party will be entitled under the Trust and Servicing Agreement to receive a portion of certain borrower-paid transfer fees and collateral substitution fees. The directing party may have an incentive to maximize the amount of fees it collects by approving borrower actions that will result in the payment of such fees. As a result, the directing party may have interests that conflict with those of other holders of certificates. See “Description of the Certificates—Fees and Expenses” in this information circular.

In addition, subject to the conditions described under “The Trust and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular, the directing certificateholder (even if it is not the directing party) may remove the special servicer, with or without cause (subject to Freddie Mac’s consent, such consent not to be unreasonably withheld or delayed), and appoint a successor special servicer chosen by it without the consent of the holders of any other certificates, the trustee, the certificate administrator or the master servicer, but with the approval of Freddie Mac, which approval may not be unreasonably withheld. In addition, upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, (a) Freddie Mac, in its sole discretion, may terminate the special servicer if Freddie Mac determines that the special servicer is not performing its obligations in accordance with the Servicing Standard, and may appoint a successor special servicer in consultation (on a nonbinding basis) with the directing certificateholder and (b) if the operating trust advisor is not Freddie Mac and the operating trust advisor determines that the special servicer is not performing its duties in accordance with the Servicing Standard, the operating trust advisor may recommend to Freddie Mac (on a non-binding basis) the replacement of the special servicer. In the absence of significant losses on the underlying mortgage loan, the directing certificateholder will be a holder of a non-offered class of certificates. The directing certificateholder is therefore likely to have interests that conflict with those of the holders of the offered certificates. See “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Directing Certificateholder and Directing Party” in this information circular.

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

***Terrorist Attacks and United States Military Action Could Adversely Affect the Value of the Revenues of the Mortgaged Real Property.*** 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. Subsequently a number of thwarted planned attacks in the United States have been reported. The possibility of such attacks could (i) lead to damage to the mortgaged real property if any such attacks occur, (ii) result in higher costs for insurance premiums, which could adversely affect the cash flow at the mortgaged real property, (iii) impact office leasing patterns which could adversely impact office property rent and (iv) impact shopping patterns which could adversely impact retail property traffic and percentage rent. As a result,

the ability of the mortgaged real property to generate cash flow may be adversely affected. It is impossible to predict whether, or the extent to which, future terrorist activities may occur in the United States.

It is uncertain what effects 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 real estate loans could increase; and, regardless of the performance of the underlying mortgage loan, 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 the general absence of investor demand for and purchases of commercial and multifamily mortgage-backed securities (“CMBS”) and other asset-backed securities and structured financial products. The United States economic recovery has been weak and may not be sustainable for any specific period of time, and the global or United States economy could slip into an even more significant recession. Downward price pressures and increasing 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 increased vacancies, decreased rents or other declines in income from, or the value of, commercial and multifamily real estate.

Additionally, decreases in the value of commercial and multifamily properties and the tightening by commercial and multifamily real estate lenders of underwriting standards have prevented many commercial and multifamily mortgage borrowers from refinancing their mortgages. A very substantial amount of United States mortgage loans, with balloon payment obligations in excess of their respective current property values, are maturing over the coming three years. These circumstances have increased delinquency and default rates of securitized commercial and multifamily mortgage loans, and may lead to widespread commercial and multifamily 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 and multifamily mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of CMBS. Even if the real estate market does recover, the mortgaged real property and, therefore, the offered certificates, may decline in value. Any further economic downturn may adversely affect the financial resources of the borrower under the underlying mortgage loan and may result in the inability of the borrower to make principal and interest payments on the underlying mortgage loan. In the event of default by the borrower under the underlying mortgage loan, the certificateholders would likely suffer a loss on their investment.

In addition, 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, domestic or international, may affect general economic conditions and financial markets, such as wars, revolts, insurrections, armed conflicts, energy supply or price disruptions, 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 loan 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 loan and adversely affect the amount of liquidation proceeds the issuing entity would realize in the event of foreclosure and liquidation;
- defaults on the underlying mortgage loan may occur in large concentrations over a period of time, which might result in rapid declines in the value of the certificates;
- even though the underlying mortgage loan was recently underwritten and originated, the value of the mortgaged real property may have declined since the underlying mortgage loan was originated and may decline following the issuance of the certificates and such declines may be substantial and occur in a relatively short period following the issuance of the certificates; and such declines may or may not occur for reasons largely unrelated to the circumstances of the mortgaged real property;
- if you determine to sell the certificates, you may be unable to do so or you may be able to do so only at a substantial discount from the price you paid; this may be the case for reasons unrelated to the then-current performance of the offered certificates or the underlying mortgage loan; and this may be the case within a relatively short period following the issuance of the certificates;
- if the underlying mortgage loan defaults, 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 the offered certificates; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which you earn interest on your investment; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay your receipt of principal and the interest on your investment may be insufficient to compensate you for that delay;
- even if liquidation proceeds received on a defaulted mortgage loan are sufficient to cover the principal and accrued interest on the underlying mortgage loan, 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 a defaulted mortgage loan may be long, and those periods may be further extended because of borrower bankruptcy and related litigation; this may be especially true in the case of a loan made to a borrower that has, 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 the offered certificates, and spreads on those indices may be affected by a variety of factors, and may or may not be affected for reasons involving the commercial and multifamily real estate markets and may be affected for reasons that are unknown and cannot be discerned; and
- even if you intend to hold the certificates, depending on your circumstances, you may be required to report declines in the value of the certificates, and/or record losses, on your financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging

arrangements or other financial transactions that you are entering into that are backed by or make reference to the certificates, in each case as if the certificates were to be sold immediately.

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 certificates for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the certificates for such purposes or under such restrictions. 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 certificates who are not subject to those provisions to resell their certificates in the secondary market. For example:

- Effective January 1, 2014, EU Regulation 575/2013 imposes on European Economic Area (“EEA”) credit institutions and investment firms investing in securitizations issued on or after January 1, 2011, or in securitizations issued prior to that date where new assets are added or substituted after December 31, 2014: (a) a requirement (the “Retention Requirement”) that the originator, securitization sponsor or original lender of such securitization has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5%; and (b) a requirement (the “Due Diligence Requirement”) that the investing credit institution or investment firm has undertaken certain due diligence in respect of the securitization and the underlying exposures and has established procedures for monitoring them on an ongoing basis.

National regulators in EEA member states impose penal risk weights on securitization investments in respect of which the Retention Requirement or the Due Diligence Requirement has not been satisfied in any material respect by reason of the negligence or omission of the investing credit institution or investment firm. If the Retention Requirement or the Due Diligence Requirement is not satisfied in respect of a securitization investment held by a non-EEA subsidiary of an EEA credit institution or investment firm then an additional risk weight may be applied to such securitization investment when taken into account on a consolidated basis at the level of the EEA credit institution or investment firm.

Requirements similar to the Retention Requirement and the Due Diligence Requirement (the “Similar Requirements”): (i) apply to investments in securitizations by investment funds managed by EEA investment managers subject to EU Directive 2011/61/EU; and (ii) subject to the adoption of certain secondary legislation, will apply to investments in securitizations by EEA insurance and reinsurance undertakings and by EEA undertakings for collective investment in transferable securities.

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

- Section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) enacted in the United States requires that federal banking agencies amend their regulations to remove references to or reliance upon credit ratings including but not limited to those found in the federal banking agencies’ risk-based capital guidelines. New capital regulations were issued by the banking regulators in July 2013 and began phasing in as early as January 1, 2014; these regulations implement the increased capital requirements established under the Basel Accord. These new capital regulations eliminate reliance on credit ratings and otherwise alter, and in most cases increase, the capital requirements imposed on

depository institutions and their holding companies, including with respect to ownership of asset-backed securities such as CMBS. As a result of these new regulations, investments in CMBS such as the certificates by depository institutions and their holding companies may result in greater capital charges to these financial institutions, and these new regulations may otherwise adversely affect the treatment of CMBS for their regulatory capital purposes.

- Section 619 of the Dodd-Frank Act added a provision, commonly referred to as the “Volcker Rule,” to federal banking laws to generally prohibit various covered banking entities from, among other things, engaging in proprietary trading in securities and derivatives, subject to certain exemptions. Section 619 became effective on July 21, 2012, and final regulations were issued on December 10, 2013. Conformance with the Volcker Rule's provisions is required by July 21, 2015, subject to the possibility of up to two one-year extensions granted by the Federal Reserve in its discretion. The Volcker Rule and those regulations restrict certain purchases or sales of securities generally and derivatives by banking entities if conducted on a proprietary trading basis. The Volcker Rule’s provisions may adversely affect the ability of banking entities to purchase and sell the certificates. See “Description of the Issuing Entity” in this information circular.
- The Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, or any future changes, may affect the accounting for entities such as the issuing entity, could under certain circumstances require an investor or its owner generally to consolidate the assets of the issuing entity in its financial statements and record third parties’ investments in the issuing entity as liabilities of that investor or owner or could otherwise adversely affect the manner in which the investor or its owner must report an investment in CMBS for financial reporting purposes.

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

***The Prospective Performance of the Mortgage Loan 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 underlying 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 mortgage loan originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage loan originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the underlying mortgage loan independently from the performance of mortgage loans underlying any other series of certificates.

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

The market value of the certificates will also be influenced by the supply of and demand for 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 the certificates, you may have to sell at a discount from the price you paid for reasons unrelated to the performance of the certificates or the underlying mortgage loan. Pricing information regarding the certificates may not be generally available on an ongoing basis.

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

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

#### **Risks Relating to the Mortgage Loan Seller, Guarantor, Initial Master Servicer and Initial Operating Trust Advisor**

***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 repurchase underlying mortgage loan in the event of material breaches 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 certificates would have to rely on that party for satisfaction of the repurchase obligation and would be exposed to credit risk of that party. Freddie Mac is also the master servicer and as such is obligated to service the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan. If the conservator were to transfer Freddie Mac's obligations as master servicer to another party, holders of the certificates would have to rely on that party to service the underlying mortgage loan. Freddie Mac is also the operating trust advisor and as such is obligated to, among other things, act as the directing party with regard to certain matters relating to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan and review the activities of the special servicer. If the conservator were to transfer Freddie Mac's obligations as operating trust advisor to another party, holders of the certificates would have to rely on that party to, among other things, act as the directing party with regard to certain matters relating to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan and review the activities of the special servicer.

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

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

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

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

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

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

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

that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver.

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

Moreover, if Freddie Mac's guarantee obligations were repudiated, payments of principal and/or interest to the holders of the offered certificates would be reduced in the event of the 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 Trust 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 Trust and Servicing Agreement, holders of the certificates could become unsecured creditors of Freddie Mac with respect to claims made under its guarantee or other contractual obligations.

#### **CAPITALIZED TERMS USED IN THIS 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 certificates will be FREMF 2015-KPLB 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 Trust and Servicing Agreement. The only activities that the issuing entity may perform are those set forth in the Trust and Servicing Agreement, which are generally limited to owning and administering the underlying mortgage loan and REO Property, disposing of the underlying mortgage loan if it is a Defaulted Loan or REO Property, issuing the certificates and making distributions and providing reports to certificateholders. Accordingly, the issuing entity may not issue securities other than the certificates, or invest in securities, other than investment of funds in certain accounts maintained under the Trust 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 underlying mortgage loan. Such advances are intended to be in the nature of a liquidity, rather than a credit facility. The Trust and Servicing Agreement may be amended as set forth under “The Trust and Servicing Agreement—Amendment” in this information circular. The issuing entity administers the underlying mortgage loan 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 Trust and Servicing Agreement” in this information circular.

The only assets of the issuing entity other than the underlying mortgage loan and, if applicable, REO Property are certain accounts maintained pursuant to the Trust 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 loan and, if applicable, REO Property, and indemnity obligations to the trustee, the custodian, the certificate administrator, the master servicer, the special servicer, the operating trust advisor and Freddie Mac (in its capacity as servicing consultant). The fiscal year of the issuing entity is the calendar year. The issuing entity has no executive officers or board of directors. It acts through the trustee, the custodian, the certificate administrator, the master servicer, the special servicer and the operating trust advisor.

The depositor is contributing the underlying mortgage loan to the issuing entity. The depositor is purchasing the underlying mortgage loan from the mortgage loan seller pursuant to a mortgage loan purchase agreement, as described in “Summary of Information Circular—The Underlying Mortgage Loan—Source of the Underlying Mortgage Loan” and “Description of the Underlying Mortgage Loan—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 loan 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 loan from the depositor to the issuing entity was a true sale rather than a pledge such that (i) the underlying mortgage loan, and payments under the underlying mortgage loan and identifiable proceeds from the underlying mortgage loan would not be property of the estate of the depositor under Section 541(a)(1) of the Bankruptcy Code and (ii) the automatic stay arising pursuant to Section 362(a) of the Bankruptcy Code upon the commencement of a bankruptcy case of the depositor is not applicable to payments on the underlying mortgage loan. 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.

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

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

## DESCRIPTION OF THE DEPOSITOR

The depositor is Morgan Stanley Capital I Inc., a Delaware corporation. The depositor is an affiliate of Morgan Stanley & Co. LLC, which will be one of the initial purchasers of the class B certificates and is one of the placement agents for the SPCs. The depositor maintains its principal office at 1585 Broadway, New York, New York 10036. Its telephone number is (212) 761-4000. 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 loan. The depositor's duties pursuant to the Trust and Servicing Agreement include, without limitation, the duty to appoint a successor trustee or certificate administrator in the event of the resignation or removal of the trustee or the certificate administrator, to provide information in its possession to the certificate administrator to the extent necessary to perform REMIC tax administration and to indemnify the trustee, the certificate administrator, the master servicer, the special servicer, the custodian, the operating trust advisor, Freddie Mac and the issuing entity for any liability, assessment or costs arising from its willful misconduct, bad faith, fraud or negligence 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 Trust and Servicing Agreement, the depositor and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the depositor as described in "The Trust 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 the underlying mortgage loan. Furthermore, no governmental agency or instrumentality will guarantee or insure the underlying mortgage loan.

## DESCRIPTION OF THE MORTGAGE LOAN SELLER AND GUARANTOR

### The Mortgage Loan Seller and Guarantor

The underlying mortgage loan was sold to us by Freddie Mac, the mortgage loan seller. The underlying mortgage loan was purchased by the mortgage loan seller from HFF LP, and was 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.

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

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

If Freddie Mac were to transition its multifamily operations to one or more stand-alone entities, such entities may be entitled to exercise the rights and perform the obligations of Freddie Mac under the Trust and Servicing Agreement, the mortgage loan purchase agreement and other transaction documents. However, Freddie Mac's obligations under the Freddie Mac Guarantee and as mortgage loan seller would continue to be the obligations of Freddie Mac in its capacity as guarantor of the Guaranteed Certificates and mortgage loan seller, respectively.

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

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

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

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

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

- the loan-to-value and debt service coverage ratios of the mortgage loan;
- the strength of the market in which the mortgaged real property is located;
- the strength of the mortgaged real property's operations;

- the physical condition of the mortgaged real property;
- the financial strength of the borrower and its principals;
- the management experience and ability of the borrower and its principals or the Property Manager, as applicable; and
- Freddie Mac's evaluation of and experience with the seller of the mortgage loan.

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

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

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

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

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

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

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

## DESCRIPTION OF THE MORTGAGED REAL PROPERTY

### General

The mortgaged real property securing the underlying mortgage loan is known as Park La Brea Apartments, a 4,245-unit apartment complex in Los Angeles, California, consisting of 175 garden-style apartment buildings, 18 13-story high-rise apartment towers and various non-residential buildings (including a leasing office/management center, fitness center, pool building and seven parking structures), which, along with other collateral securing the underlying mortgage loan, are referred to herein collectively as the “mortgaged real property.” Additional characteristics regarding the mortgaged real property are set forth on Exhibit A-1. This section “Description of the Mortgaged Real Property” includes certain physical and financial information about the mortgaged real property.

### Operating History of the Mortgaged Real Property

Set forth below with respect to the mortgaged real property securing the underlying mortgage loan is a summary of historical revenue and expenses provided by the borrower at the time of origination of the underlying mortgage loan:

	2013	2014	Trailing Twelve Months Ending 3/31/2015
Effective Gross Income .....	\$97,985,042	\$103,750,292	\$105,200,843
Total Operating Expenses .....	28,055,312	29,473,615	29,433,864
<b>Net Operating Income</b> .....	<b>69,929,730</b>	<b>74,276,676</b>	<b>75,766,979</b>
Replacement Reserves/Capital Expenditures .....	0	0	0
<b>Net Cash Flow</b> .....	<b>\$69,929,730</b>	<b>\$74,276,676</b>	<b>\$75,766,979</b>

### Overview of the Mortgaged Real Property

*General.* The underlying mortgage loan is secured by an approximately 144-acre property, which includes 175 garden-style apartment buildings, 18 13-story high-rise apartment towers and various non-residential buildings (including a leasing office/management center, fitness center, pool building and seven parking structures), totaling 4,245 units located in the Beverly Hills/West Hollywood/Park La Brea submarket of Los Angeles. The mortgaged real property has 6,794 parking spaces (1.60 per unit). The mortgaged real property was valued at \$1,675,000,000 (\$394,582 per unit) based on the appraisal dated September 30, 2014.

*Rent Stabilization Ordinance.* The mortgaged real property is subject to the City of Los Angeles Rent Stabilization Ordinance (the “RSO”). The RSO applies to properties built prior to 1978 and ties permitted rental increases to changes in the consumer price index (with a minimum increase of 3% and a maximum increase 8%). The RSO permits landlords to increase rental rates to market levels when a unit is vacated. According to the appraisal obtained in connection with the origination of the underlying mortgage loan, overall rental rates at the mortgaged real property are approximately 10% below market levels as a result of the RSO, while rental rates under leases dated prior to 1995 are approximately 13% to 25% below market levels. The sponsor of the borrower reported that approximately 333 of the units were stabilized as of the origination date.

*Access.* The mortgaged real property is subject to two reciprocal access easements pursuant to perpetual easement agreements. The mortgaged real property has multiple sources of access to public rights-of-way.

*Zoning.* The mortgaged real property is considered legal non-conforming due to deficiencies in setbacks and parking. The relating zoning code permits the restoration of a non-conforming structure that suffers a casualty if the total cost of restoration does not exceed 75% of the structure's replacement value. The borrower obtained building ordinance and law insurance covering the mortgaged real property. The loan documents require the borrower to pay the amount of losses resulting from a casualty because either (a) insurance proceeds are insufficient to repay in full the entire indebtedness secured by the underlying mortgage loan or (b) the borrower fails to commence and diligently pursue the completion of the restoration of the mortgaged real property within the timeframe required by the related zoning code and any permits issued pursuant to the zoning code that are necessary to allow the restoration of the mortgaged real property.

### **Description of the Management Agreement**

The mortgaged real property is managed by PLB Management, LLC, a California limited liability company (the "Property Manager"), pursuant to a property management agreement dated as of April 9, 2015 (the "Management Agreement"). The Property Manager is an affiliate of the borrower and the Initial Directing Certificateholder. Pursuant to the Management Agreement, the Property Manager is entitled to a fee (the "Management Fee") equal to 1.5% of all amounts actually collected by the Property Manager as rents or certain other charges for the use or occupancy of space or facilities in the mortgaged real property. The Property Manager is required to provide the borrower with the calculation used in determining the Management Fee.

The Management Agreement provides for a one-year term that began upon the borrower's acquisition of title to the mortgaged real property and for automatic one-year renewals. However, the Management Agreement will terminate (a) if the Property Manager elects to terminate the Management Agreement, with or without cause, upon 30 day's prior written notice to the borrower, (b) if the borrower elects to terminate without cause upon 30 days' prior written notice to the Property Manager or with cause upon written notice to the Property Manager or (c) upon the sale, conveyance, exchange or other transfer of all or substantially all of the mortgaged real property or the borrower's interest in the mortgaged real property, or upon any other termination of the borrower's interest in the mortgaged real property. The borrower may terminate the Management Agreement for cause for certain reasons, including (a) fraud or willful misconduct of the Property Manager or its employees or agents, (b) the Property Manager becoming insolvent or the subject of certain other bankruptcy events, (c) the mortgaged real property being materially damaged or destroyed or a material portion thereof being the subject of an eminent domain proceeding and (d) the Property Manager's breach in any material respect of any of the provisions of the Management Agreement.

The Management Agreement requires the Property Manager to perform all property management services necessary for the care, protection and maintenance of the mortgaged real property in a first-class manner. In particular, the Property Manager is required to prepare an operating budget, collect rent and certain related payments when due and deposit such sums into an operating account. In addition, the Property Manager is required to make or cause to be made all repairs, replacements, alterations, additions, improvements, decorations and maintenance on the mortgaged real property. The Property Manager is also required to contract and pay for all services required under the leases at the mortgaged real property which are customarily required for the full use and enjoyment of properties similar to the mortgaged real property. The Property Manager is also required to submit to the borrower monthly accountings of all financial transactions relating to the mortgaged real property and to maintain complete and accurate books and records of the mortgaged real property and the Property Manager's supervision, management and operation of the mortgaged real property. The borrower has authorized the Property Manager to make prudent expenditures of funds in the operating account maintained by the Property Manager in the performance of its property management services, subject to certain limitations contained in the Management Agreement.

The borrower has conditionally transferred and assigned to the lender its right, title and interest in and to the Management Agreement pursuant to an assignment of management agreement and subordination of management fees dated as of April 9, 2015 (the "Assignment of Management Agreement"). The lender has the option to render the borrower's conditional transfer and assignment present and unconditional upon the borrower's failure to cure an event of default under the loan documents within any applicable grace period. The Assignment of Management Agreement provides that the Management Fee is and will at all times be unconditionally subordinate to the lien and payment of the loan documents.

Pursuant to the Assignment of Management Agreement, the lender may direct the borrower to replace the Property Manager with a management company acceptable to the lender if the lender (i) delivers written notice to the borrower and the Property Manager specifying a determination (to be made in the lender's reasonable discretion) that the mortgaged real property is not being managed in accordance with generally accepted management practices for properties similar to the mortgaged real property and (ii) determines that the conditions specified in such notice are not remedied to its reasonable satisfaction, or that the borrower or the Property Manager has failed to diligently undertake correcting such conditions within 30 days from receipt of such notice.

## DESCRIPTION OF THE UNDERLYING MORTGAGE LOAN

### General

The assets of the issuing entity will consist primarily of a single fixed rate mortgage loan, secured by one multifamily property. We refer to this loan as the "underlying mortgage loan." The underlying mortgage loan was originated on April 9, 2015. The underlying mortgage loan will have an initial total principal balance of approximately \$878,000,000 (the "Cut-off Date Principal Balance") as of June 1, 2015 (which we refer to in this information circular as the "Cut-off Date").

The Cut-off Date Principal Balance of the 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 underlying mortgage loan on or before that date, whether or not those payments were received.

The underlying mortgage loan is an obligation of the borrower to repay a specified sum with interest. The underlying mortgage loan is evidenced by a promissory note and secured by a mortgage that creates a mortgage lien on the fee interest of the borrower in the mortgaged real property. That mortgage lien is a first priority lien subject to certain standard permitted encumbrances. The scheduled maturity date of the underlying mortgage loan is May 1, 2025 (which we refer to in this information circular as the "Scheduled Maturity Date").

Except for certain standard nonrecourse carveouts described below under "—Nonrecourse Provisions and Exemptions", the underlying mortgage loan is a nonrecourse obligation of the borrower. In the event of a payment default by the borrower, recourse will be limited to the mortgaged real property for satisfaction of the borrower's obligations. The underlying mortgage loan is not insured or guaranteed by any governmental entity or by any other person, and there is no nonrecourse carveout guarantor of the underlying mortgage loan.

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

- All numerical information provided with respect to the underlying mortgage loan is provided on an approximate basis.
- In calculating the Cut-off Date Principal Balance of the underlying mortgage loan, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loan on or before its due date on June 1, 2015, are timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to the underlying mortgage loan during the period from its due date in May 2015 up to and including June 1, 2015.

### Security

The underlying mortgage loan is secured by, among other things, (i) the first priority lien (subject to customary permitted exceptions) created by the mortgage that encumbers the fee simple interest of the borrower in the mortgaged real property, (ii) a first priority (subject to customary permitted exceptions) assignment of rents and leases of the borrower in the rents and leases with respect to the mortgaged real property (which assignment of rents and leases is contained in the mortgage) and (iii) assignments of certain collateral accounts described in this information circular related to the mortgaged real property and the underlying mortgage loan.

The borrower represented that it owns good and insurable title to the mortgaged real property in fee, and good title in the related personal property, in each case free and clear of all liens other than encumbrances described in the

title insurance policy issued upon the origination of the underlying mortgage loan and other encumbrances permitted under the loan documents. The title insurance policy relating to the mortgaged real property issued upon the origination of the underlying mortgage loan insures that the mortgage securing the underlying mortgage loan constitutes a first lien on the borrower's interest in the mortgaged real property, subject to certain customary exceptions and exclusions from coverage set forth in such policy, in an amount not less than the underlying mortgage loan.

### **The Borrower and the Sponsor of the Borrower**

The borrower for the underlying mortgage loan is Prime/Park La Brea Titleholder, LLC, a Delaware limited liability company. The borrower holds legal title to the mortgaged real property. The borrower is a recycled single purpose entity. The borrower has represented in the loan agreement that the borrower has never owned any real property other than the mortgaged real property and personal property necessary or incidental to its ownership or operation of the mortgaged real property, and has never engaged in any business other than the ownership and operation of the mortgaged real property. In order to diligence its preexisting actual or potential liabilities, the borrower delivered a current Phase I environmental site assessment covering the mortgaged real property. In addition, the borrower was required to make certain underwriting and separateness representations in the loan documents with regard to its activities prior to the date of the underlying mortgage loan. The borrower is an affiliate of the Property Manager and the Initial Directing Certificateholder.

The sponsor of the borrower is Prime/Park LaBrea Holdings, L.P., a part of Prime Group. Prime Group is a real estate equity, debt, investment and operating platform with two business groups – Prime Finance and Prime Residential. Prime Group employs over 400 professionals and manages over \$4.0 billion in real estate assets nationwide. Prime Residential, a division of the Prime Group, is one of the largest private owners of multifamily rental communities in the western United States. Prime Residential's portfolio is currently comprised of approximately 19,000 units throughout major west coast markets including: San Diego, Orange County, Los Angeles, San Francisco, Portland, Albuquerque, Tucson, Las Vegas and Reno. Prime Group's operations are based in principal offices in San Francisco, New York, Los Angeles and Chicago.

### **No Underlying Mortgage Loan Guarantor**

There is no guarantor of the underlying mortgage loan.

### **Nonrecourse Provisions and Exceptions**

Except as described in this section, the loan documents provide that recourse for (a) repayment of the indebtedness due under the underlying mortgage loan and (b) performance of, or compliance with, the borrower's other obligations under the loan documents, is limited solely to the borrower's interests in (i) the mortgaged real property, (ii) the rents, revenues and other income generated by the mortgaged real property (which have been assigned to the lender pursuant to an assignment of rents and leases contained in the mortgage) and (iii) any other collateral held by the lender as security for the indebtedness under the loan documents.

However, the borrower will be personally liable to the extent of any loss or damage suffered by the lender (specifically excluding any punitive or consequential damages) as a result of any of the following:

- (a) the borrower's failure to pay to the lender upon demand after an Underlying Mortgage Loan Event of Default all rents to which the lender is entitled under the mortgage and the amount of all security deposits collected by the borrower from tenants then in residence unless such failure occurs because of a valid order issued in a bankruptcy, receivership or similar judicial proceeding;
- (b) the borrower's failure to apply all insurance proceeds and condemnation proceeds as required by the loan agreement unless such failure occurs because of a valid order issued in a bankruptcy, receivership or similar judicial proceeding;
- (c) the borrower's failure to comply with certain covenants in the loan agreement to deliver certain statements, schedules and reports if the lender exercises its right to audit such statements, schedules and reports;

- (d) during the continuance of an Underlying Mortgage Loan Event of Default, the borrower's failure to comply with certain covenants in the loan agreement to deliver all books and records relating to the mortgaged real property or its operation;
- (e) the borrower's failure to pay when due in accordance with the loan documents impositions or other charges for which reserve requirements have been deferred;
- (f) the borrower's engagement in any willful act of material waste of the mortgaged real property;
- (g) the borrower's failure to comply with the special purpose entity provisions set forth in the loan documents (unless such failure results in full recourse, as described below);
- (h) the occurrence of any of the following Transfers (as defined in "—Permitted Transfers of an Interest in the Borrower" below):
  - (i) the creation of a mechanic's lien or other involuntary lien or encumbrance against the mortgaged real property by a party that is not an affiliate of the borrower, if the borrower has not complied with the provisions of the loan agreement;
  - (ii) the occurrence of a Transfer of property by devise, descent or operation of law upon the death of a natural person that does not meet the requirements set forth in the loan agreement;
  - (iii) the borrower's grant of an easement that does not meet the requirements set forth in the loan agreement; and
  - (iv) the borrower's execution of a lease that does not meet the requirements set forth in the loan agreement.
- (i) any of the borrower's underwriting or separateness representations with respect to its prior operations being false or misleading in any material respect;
- (j) the occurrence of a casualty affecting the mortgaged real property and resulting in loss or damage to the lender because either (i)(A) the mortgaged real property is legally non-conforming under the related zoning code, (B) the affected improvements cannot be rebuilt to their pre-casualty condition under the terms of the zoning code and (C) the hazard insurance proceeds available to the lender under the terms of the loan agreement are insufficient to repay the indebtedness in full or (ii) the borrower fails to commence and diligently pursue completion of any restoration within the time frame required by the applicable zoning code and any permits issued pursuant to the zoning code which are necessary to allow the restoration of the mortgaged real property to its pre-casualty condition in accordance with the mortgage note; or
- (k) the borrower's failure to complete certain property improvement alterations that have been commenced in accordance with the loan agreement.

In addition, the borrower will be personally liable to the lender for:

- (a) the performance of certain obligations relating to environmental matters;
- (b) all costs, loss or damage incurred or suffered by the lender as a result of the existence of galvanized steel piping/polybutylene piping at the mortgaged real property, including replacing all such piping and repairing any damage associated with the leaks in or other failure of any galvanized steel piping/polybutylene piping;
- (c) the costs of certain audits under the loan agreement; and
- (d) any costs and expenses incurred by the lender in connection with the collection of any amount for which the borrower is personally liable under the mortgage, including attorneys' fees and costs and the costs of conducting any independent audit of the borrower's books and records to determine the amount for which the borrower has personal liability.

In addition, the underlying mortgage loan will be fully recourse to the borrower in the event that, among other things:

- (a) the borrower engages in any business or activity other than the ownership, operation and maintenance of the mortgaged real property and activities incidental thereto;
- (b) the borrower acquires, owns, holds, leases, operates, manages, maintains, develops or improves any assets other than mortgaged real property and personalty necessary for its operation, or the borrower fails to conduct and operate its business as conducted and operated at the time of origination of the underlying mortgage loan;
- (c) the borrower fails to comply with the special purpose entity provisions set forth in the loan agreement and a court of competent jurisdiction determines such failure or combination of failures is the basis, in whole or in part, for the substantive consolidation of the borrower's assets and liabilities with those of a debtor pursuant to the Bankruptcy Code;
- (d) a Transfer (including, but not limited to, a lien or encumbrance) that is an Underlying Mortgage Loan Event of Default under the loan agreement occurs (other than Transfers for which the borrower is liable only to the extent of losses incurred by the lender as a result thereof, as described above under this sub-heading or Transfers resulting from the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company);
- (e) there was fraud or written material misrepresentation by the borrower or any of its officers, directors, partners, members or employees in connection with the application for or creation of the underlying mortgage loan or there is fraud in connection with any request for any action or consent by the lender;
- (f) the borrower voluntarily files for bankruptcy protection under the Bankruptcy Code;
- (g) the borrower voluntarily becomes subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights;
- (h) the mortgaged real property or any part thereof becomes an asset in a voluntary bankruptcy or becomes subject to any voluntary reorganization, receivership, insolvency proceeding or other similar voluntary proceeding pursuant to any other federal or state law affecting debtor and creditor rights;
- (i) an order of relief is entered against the borrower pursuant to the Bankruptcy Code or other federal or state law affecting debtor and creditor rights in any voluntary proceeding initiated or joined in by the borrower or certain related parties;
- (j) an involuntary bankruptcy or other involuntary proceeding is commenced against the borrower (by a party other than the lender), but only if the borrower has failed to use commercially reasonable efforts to dismiss such proceeding or has consented to such proceeding; or
- (k) the borrower or certain related parties have solicited creditors to initiate or participate in any proceeding referred to in clauses (f) through (i) above, regardless of whether any of the creditors solicited actually initiates or participates in the proceeding.

### **Payment on the Underlying Mortgage Loan**

The borrower is required to make payments of interest on the underlying mortgage loan on the first day of each calendar month, commencing on June 1, 2015. Interest will accrue on the outstanding principal balance of the note at a fixed *per annum* rate of 3.330%. Interest under the note will be computed, payable and allocated based on an Actual/360 Basis. The underlying mortgage loan is interest-only for its full term and the borrower is not required to make any monthly payments of principal on the underlying mortgage loan. If any monthly installment of interest or other amount payable under the note or any other loan document is not received in full by the lender within ten days after the installment or other amount is due, counting from and including the date such installment or other amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event

such longer period will be substituted), the borrower is required to pay to the lender, immediately and without demand by the lender, a late charge equal to 5% of such installment or other amount due (unless applicable law requires a lesser amount be charged, in which event such less amount will be substituted).

The principal balance of the underlying mortgage loan, to the extent not prepaid or amortized, will be payable on the Scheduled Maturity Date or such earlier date as may result from acceleration, together with all accrued and unpaid interest thereon through the applicable interest accrual period and all other amounts then due under the loan documents. So long as (i) any monthly installment under the note remains past due for 30 days or more or (ii) any other Underlying Mortgage Loan Event of Default has occurred and is continuing, then interest under the note will accrue on the unpaid principal balance from the due date of the first such unpaid monthly installment or the occurrence of such other Underlying Mortgage Loan Event of Default, as applicable. After the Scheduled Maturity Date, interest will accrue on the unpaid principal balance at 4% above the mortgage interest rate (*provided* that such rate may not exceed the rate which results in the maximum amount of interest allowed by applicable law) until the unpaid principal balance is paid in full.

### **Lockbox and Cash Management**

*Lockbox.* No lockbox is in place or required to be in place with respect to the underlying mortgage loan.

*Cash Management.* Pursuant to the Management Agreement entered into between the borrower and the Property Manager, the Property Manager is required to collect when due all rent and other amounts payable to the borrower with respect to the use, enjoyment or possession of the mortgaged real property and to promptly deposit such rent and other amounts in an operating trust account maintained at a bank designated by the borrower. Such rent and other amounts are deemed collateral for the underlying mortgage loan.

### **Prepayment and Defeasance**

*Prepayment.* The borrower may not voluntarily prepay all or any portion of the underlying mortgage loan prior to the open period that commences three calendar months prior to the Scheduled Maturity Date, other than in connection with a partial release described under “—Permitted Partial Releases” below. However, if any portion of the underlying mortgage loan is prepaid prior to such open period by the lender’s application of any proceeds of collateral or other security to any portion of the unpaid principal balance of the underlying mortgage loan or following a determination that the prohibition on voluntary prepayments prior to the open period is in contravention of applicable law, the borrower will be required to pay upon demand by the lender a prepayment premium equal to 5.0% of the amount of principal being prepaid. However, no prepayment premium will be payable with respect to any prepayment occurring as a result of the application of insurance or condemnation proceeds.

In order to voluntarily prepay the underlying mortgage loan, the borrower will be required to pay the lender, together with the amount of principal being prepaid, all accrued and unpaid interest due under the mortgage note and all other sums due to the lender at the time of such prepayment. Any prepayment received by the lender on a day other than a due date will be deemed to have been received on the immediately following due date, and the borrower will be required to pay to lender all interest that would have been due if the prepayment had actually been made on the due date immediately following such prepayment.

The borrower may not voluntarily prepay less than all of the unpaid principal balance of the underlying mortgage loan other than as described below under the sub-heading “—Permitted Partial Releases.” If the borrower defeases the underlying mortgage loan, the borrower will not have the right to voluntarily prepay any of the principal of the underlying mortgage loan at any time.

*Defeasance.* The loan documents permit the borrower to obtain the release of the entire mortgaged real property from the lien of the mortgage through defeasance at any time after the second anniversary of the Closing Date and before three calendar months prior to the Scheduled Maturity Date. In addition, the loan documents permit the borrower to obtain any number of releases of the Release Properties through a partial defeasance of the underlying mortgage loan at any time after the second anniversary of the Closing Date and before 12 calendar months prior to the Scheduled Maturity Date. In connection with a partial defeasance, the borrower is required to deliver to the lender all documents necessary to amend and restate the mortgage note with two substitute notes, one having a principal balance equal to the amount required to be defeased in connection with a partial release, as

described below under “—Permitted Partial Releases” (the “Defeased Note”), and one having a principal balance equal to the difference between the unpaid principal balance of the underlying mortgage loan and the amount of the Defeased Note (the “Undefeased Note”). The loan agreement permits the Undefeased Note to be the subject of a further defeasance in accordance with the terms of the loan agreement.

In connection with a defeasance in whole or a permitted partial defeasance, the borrower is required to deliver to the lender substitute collateral consisting of (i) non-callable bonds, debentures, notes or other similar debt obligations issued by Freddie Mac or Fannie Mae, (ii) direct, non-callable and non-redeemable securities issued, or fully insured as to payment, by the Federal Home Loan Bank and/or (iii) direct, non-callable and non-redeemable U.S. Treasury obligations, which collateral must provide for a series of payments that will be made prior, but as closely as possible, to all successive due dates under the mortgage note (or, with respect to a partial defeasance, the Defeased Note) and will be in an amount equal to or greater than the monthly debt service payment due on each due date (including the balloon payment due on the Scheduled Maturity Date). The borrower is also required to deliver a security agreement creating a first priority security interest in the applicable defeasance collateral in favor of the lender.

### **Permitted Partial Releases**

The borrower may obtain any number of releases of certain portions of the mortgaged real property set forth on Exhibit A-2 (any such portion, the “Release Property”) from the lien of the mortgage, provided that, among other things:

- (a) the partial release occurs after the 12<sup>th</sup> due date under the mortgage note or, if prepayment or defeasance is required, the second anniversary of the Closing Date, and at least 12 months prior to the Scheduled Maturity Date;
- (b) no Underlying Mortgage Loan Event of Default under the loan agreement has occurred and is continuing;
- (c) the borrower designates one of the following options (i) to (iv), and the conditions of such option are satisfied:
  - (i) after the partial release and without any prepayment of principal or defeasance of any portion of the underlying mortgage loan, the portion of the mortgaged real property remaining subject to the lien of the underlying mortgage loan (such portion, the “Retained Property”) will maintain a loan to value ratio equal to or less than 55% and an amortizing debt service coverage ratio equal to or greater than 1.45x;
  - (ii) after the partial release (and, at the borrower’s election, with a prepayment or defeasance of a portion of the underlying mortgage loan), the Retained Property maintains a debt service coverage ratio no less than 1.50x, *provided* that a partial release under this paragraph (ii) will not be permitted if such partial release would cause the cumulative sum of loan amounts allocated to the Release Property set forth on Exhibit A-2 (each, an “Allocated Release Parcel Loan Amount”) to exceed 5% of the original amount of the underlying mortgage loan;
  - (iii) after the partial release, the Retained Property will maintain an amortizing debt service coverage ratio equal to or greater than 1.45x, *provided* that the borrower prepays or defeases a portion of the underlying mortgage loan equal to the greater of (1) an amount that would permit the Retained Property to maintain its amortizing debt service coverage ratio (which amortizing debt service coverage ratio must be equal to or greater than 1.45x) or (2) an amount equal to the Allocated Release Parcel Loan Amount multiplied by (A) 100%, if 0% to 5% of the original principal balance of the underlying mortgage loan will have been prepaid or defeased after giving effect to the partial release and any prior partial releases, (B) 105%, if 5% to 10% of the original principal balance of the underlying mortgage loan will have been prepaid or defeased after giving effect to the partial release and any prior partial releases, (C) 110%, if 10% to 15% of the original principal balance of the underlying mortgage loan will have been prepaid or defeased after giving effect to the partial release and any prior partial releases, (D) 115%, if 15% to 20% of the original principal balance of the underlying mortgage loan will have been prepaid or defeased after giving effect to the partial release

and any prior partial releases and (E) 120%, if more than 20% of the original principal balance of the underlying mortgage loan will have been prepaid or defeased after giving effect to the partial release and any prior partial releases; or

- (iv) the Release Property is designated as a non-income producing parcel in accordance with the terms of the loan agreement (which portion, in either case, may not contain any residential dwelling units) and may be released without any requirement for prepayment or defeasance of any portion of the underlying mortgage loan, subject to the satisfaction of certain requirements, including but not limited to (1) confirmation that the partial release will not adversely affect the Retained Property as to zoning, parking or compliance with other codes or statutes in any material respect and (2) the creation of any easements, licenses and shared use agreements encumbering the Release Property and necessary to preserve any then-existing uses of Release Property by the Retained Property (e.g. parking);
- (d) the borrower delivers to lender confirmation that (i) the borrower has complied with all requirements of and obtained all approvals (if any) required under the leases, operating agreements and any other agreements applicable to the partial release and (ii) the partial release does not violate any of the provisions of the leases, operating agreements and any other agreements and that, to the extent necessary to comply with such agreements, the transferee has assumed all of the borrower's obligations, if any, relating to the release parcel under such agreements;
- (e) the borrower delivers to the lender certification that (i) the Release Property is not necessary for the operation or use of the Retained Property or, if necessary, will be subject to such easements, licenses, shared use agreements or other agreements as are reasonably necessary to provide the borrower with continuing rights to the Release Property, (ii) existing uses of the Release Property do not generate fee income from tenants of the Retained Property or, if so, the Release Property will be subject to such easements, licenses, shared use agreements or other agreements as are reasonably necessary to provide the borrower with continuing rights to such fee income, (iii) the Release Property may be subdivided from the mortgaged real property, (iv) the subdivision in connection with the partial release will not adversely affect the utility or operation of the Retained Property, (v) the Release Property and the Retained Property will comply with applicable laws, rules and regulations pertaining to zoning, land use, parking and building requirements and (vi) the leases, operating agreements and any other agreements allow the owner of the mortgaged real property to continue to use the Release Property to the extent that the Release Property is necessary for the uses of the mortgaged real property, including for access, driveways, parking, utilities, drainage flows or any other purpose; and
- (f) one of the following occurs: (i) immediately after the partial release, the loan-to-value ratio (taking into account only the related land and buildings and not any personal property or going concern value) of the mortgaged real property is less than or equal to 125%, (ii) at the time of the partial release, the borrower pays down the principal balance of the underlying mortgage loan by at least one of the following amounts: (1) if the Release Property is sold, the net proceeds of an arm's length sale of the Release Property to an unrelated party, (2) the fair market value of the Release Property at the time of the partial release or (3) an amount such that the loan-to-value ratio of the underlying mortgage loan (as determined by the lender) does not increase after the partial release) or (iii) the lender receives a REMIC opinion.

#### **Permitted Transfers of an Interest in the Borrower**

"Transfer" means:

- (a) a sale, assignment, transfer or other disposition or divestment of any interest in the borrower, certain related parties or the mortgaged real property (whether voluntary, involuntary or by operation of law);
- (b) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law);
- (c) the issuance of other creation of an ownership in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock;

- (d) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or
- (e) the merger, dissolution, liquidation or consolidation of a legal entity or the reconstitution of one type of legal entity into another type of legal entity.

For purposes of defining the term “Transfer,” the term “partnership” means a general partnership, a limited partnership, a joint venture, a limited liability partnership or a limited liability limited partnership, and the term “partner” means a general partner, a limited partner or a joint venturer.

“Transfer” does not include:

- (a) a conveyance of the mortgaged real property at a judicial or non-judicial foreclosure sale under the mortgage;
- (b) the mortgaged real property becoming part of a bankruptcy estate by operation of law under the Bankruptcy Code; or
- (c) the filing or recording of a lien against the mortgaged real property for local taxes and/or assessment then not due and payable.

The occurrence of any one of the following permitted Transfers will not constitute an Underlying Mortgage Loan Event of Default under the loan documents:

- (a) a Transfer to which the lender has consented;
- (b) a Transfer that is not otherwise identified as a prohibited Transfer under this sub-heading;
- (c) a Transfer that is conditionally permitted, as described under this sub-heading, upon the satisfaction of all applicable conditions;
- (d) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less (or longer if approved by the lender in writing) not containing an option to purchase;
- (e) entering into a new non-residential lease or modifying or terminating any non-residential lease existing as of the time of origination of the underlying mortgage loan, in each case, in compliance with the terms of the loan agreement;
- (f) a condemnation of the mortgaged real property with respect to which the borrower satisfies the applicable requirements set forth in the loan agreement;
- (g) a Transfer of obsolete or worn out personalty or fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the loan documents or consented to by the lender;
- (h) the creation of a mechanic’s, materialmen’s or judgment lien against the mortgaged real property, which is released of record, bonded or otherwise remedied to the lender’s satisfaction within 60 days of the date of creation (or, if the borrower is diligently prosecuting such release or other remedy and advises the lender that such release or remedy cannot be consummated within 60 days, an additional period of time not to exceed 120 days from the date of creation or such earlier time as may be required by applicable law in which the lienor must act to enforce the lien);
- (i) if the borrower is a housing cooperative corporation or association, the Transfer of the shares in the housing cooperative or the assignment of the occupancy agreements or leases relating thereto to tenant shareholders of the housing cooperative or association;
- (j) a subordinate mortgage or defeasance that complies with the terms of the loan agreement;

- (k) a Transfer of more than a 50% interest in the borrower or in certain related parties (which Transfer is referred to as a “preapproved Transfer”), *provided* that, among other things:
- (i) the Transfer is (1) a sale or transfer to one or more of the transferor’s immediate family members, (2) a sale or transfer to any trust having as its sole beneficiaries the transferor and/or one or more of the transferor’s immediate family members, (3) a sale or transfer from a trust to any one or more of its beneficiaries who are its settlor and/or the settlor’s immediate family members, (4) the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member of the trust’s settlor or (5) a sale or transfer from a natural person to an entity owned by and under the control of the transferor or the transferor’s immediate family members;
  - (ii) following the Transfer, control and management of the day-to-day operations of the borrower continue to be held by the party exercising such control and management immediately prior to the Transfer;
  - (iii) if one party acquires 25% or more of the aggregate of direct or indirect interests in the borrower or certain related parties as a result of the preapproved Transfer and such party was not already a principal of the borrower, (1) the borrower pays the lender a transfer processing fee, (2) each transferee with an interest of at least 25% certifies that such transferee has not been convicted of fraud or a crime involving moral turpitude and has not been involved in a bankruptcy or reorganization within the 10 years preceding the date of the preapproved Transfer, (3) the borrower delivers to the lender searches confirming that no transferee with an interest of 25% or more is on the list of Specially Designated Nationals or other blocked persons published by the U.S. Office of Foreign Assets Control or on the list of persons or entities prohibited from doing business with HUD and (4) certain other conditions are met; and
  - (iv) if a nonconsolidation opinion was delivered on the origination date, and if, after giving effect to the preapproved transfers described in clause (i) above and all prior Transfers, 50% or more in the aggregate of direct or indirect interests in the borrower are owned by any person and its affiliates that owned less than a 50% direct or indirect interest in the borrower as of the origination date, the borrower must deliver to the lender an opinion of counsel in form and substance satisfactory to the lender, with regard to nonconsolidation; provided, that an opinion is not required under this section if the transferee party was already a principal of the borrower or already owned 25% or more in the aggregate of direct or indirect interests in the borrower or certain borrower-related entities.

In addition, the occurrence of any of the following conditionally permitted Transfers will not constitute an Underlying Mortgage Loan Event of Default under the loan documents (*provided* such Transfer complies with all applicable provisions of the loan agreement):

- (a) a Transfer that occurs by devise, descent or 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, provided that, among other things:
  - (i) the Property Manager (or a replacement property manager approved by the lender) continues to be responsible for the management of the mortgaged real property and such Transfer will not result in a change in the day-to-day operations of the mortgaged real property;
  - (ii) the lender receives confirmation acceptable to the lender that the special purpose entity provisions in the loan agreement continue to be satisfied;
  - (iii) the borrower gives the lender notice of such Transfer together with copies of all documents effecting such Transfer not more than 30 calendar days after the date of such Transfer, and contemporaneously with such notice, (A) reaffirms the representations and warranties under Article V of the loan agreement and (B) satisfies the lender, in the lender’s discretion, that the transferee’s organization, credit and experience in the management of similar properties are appropriate to the overall structure and documentation of the existing financing;

- (iv) the lender receives such legal opinions as the lender deems necessary, including a nonconsolidation opinion, if delivered at closing and if required by the lender, and an opinion that the ratification of the loan documents have been duly authorized, executed and delivered and that the ratification documents are enforceable as the obligations of the borrower or transferee, as applicable; and
  - (v) the borrower pays a Transfer Processing Fee to the lender and pays or reimburses the lender, upon demand, for all costs and expenses incurred by the lender in connection with such Transfer (including all attorney's fees and costs).
- (b) the grant of an easement, restrictive covenant or other encumbrance, *provided* that, among other things, (i) the lender determines that the easement, restrictive covenant or other encumbrance will not materially affect the operation or value of the mortgaged real property or the lender's interest therein, (ii) the borrower pays or reimburses the lender, upon demand, for all costs and expenses incurred by the lender in connection with reviewing the borrower's request for the lender's review of such Transfer (including all attorney's fees and costs) and (iii) if required by the lender, delivery of a legal opinion in form and substance satisfactory to the lender confirming that (1) the grant of such easement has been effected in accordance with the requirements of Treasury Regulation Section 1.860G-2(a)(8) (as such regulation may be modified, amended or replaced from time to time), (2) the qualification and status of each Trust REMIC as a REMIC will not be adversely affected or impaired as a result of such grant and (3) no Trust REMIC will incur a tax under Section 860G(d) of the Code as a result of such grant;
- (c) with respect to certain borrower-related entities that are publicly-held funds or publicly-held real estate investment trusts, (i) the public issuance of common stock, convertible debt, equity or other similar securities and the subsequent Transfer of such securities or (ii) the acquisition by a single holder of such securities of an ownership percentage of 10% or more in the applicable borrower-related entity, if the borrower provides notice of such acquisition to the lender within 30 days of its occurrence;
- (d) a one-time Transfer of any non-managing member interest, limited partnership interest or non-controlling interest in shares of stock in the borrower or certain related entities to a new preferred equity or mezzanine debt investor, *provided* that, among other things, (i) the lender determines in its discretion that the investor meets the lender's eligibility, credit, management and other standards and that the investor's organization, credit and experience in the management of similar properties are appropriate to the overall structure and documentation of the underlying mortgage loan, (ii) following such Transfer, control and management of the day-to-day operations of the borrower continue to be held by the party exercising such control and management immediately prior to the Transfer and (iii) the borrower delivers to the lender searches confirming that no transferee with an interest of 25% or more is on the list of Specially Designated Nationals or other blocked persons published by the U.S. Office of Foreign Assets Control or on the list of persons or entities prohibited from doing business with HUD; or
- (e) a Transfer of membership or partnership interests in the borrower or certain related entities held by John C. Atwater ("Atwater") or Daniel H. James ("James") to Atwater or James or an entity owned and under the control of Atwater and/or James, *provided* that, among other things: (i) following such Transfer, control and management of the day-to-day operations of the borrower continue to be held directly or indirectly by Atwater and/or James, (ii) if any party other than Atwater, James or an entity owned and under the control of Atwater and/or James acquires 25% or more of the aggregate of direct or indirect membership interests in the borrower as a result of such Transfer and did not previously own 25% or more of such interests, (1) the borrower pays the lender a Transfer Processing Fee, (2) each transferee with an interest of at least 25% certifies that such transferee has not been convicted of fraud or a crime involving moral turpitude and has not been involved in a bankruptcy or reorganization within the ten years preceding the date of the preapproved Transfer, (3) the borrower delivers to the lender searches confirming that no transferee with an interest of 25% or more is on the list of Specially Designated Nationals or other blocked persons published by the U.S. Office of Foreign Assets Control or on the list of persons or entities prohibited from doing business with HUD, (4) if a nonconsolidation opinion was delivered on the origination date, and if, after giving effect to the transfer to Atwater or James or an entity owned and under the control of Atwater and/or James, 50% or more in the aggregate of direct or indirect interests in the borrower are owned by any person and its affiliates that owned less than a 50% direct or indirect interest in the borrower as of the origination

date, the borrower must deliver to the lender an opinion of counsel in form and substance satisfactory to the lender, with regard to nonconsolidation and (5) certain other conditions are met.

The occurrence of any of the following Transfers will constitute an Underlying Mortgage Loan Event of Default:

- (a) a Transfer of all or any part of the mortgaged real property or any interest therein, including the grant, creation or existence of any lien on the mortgaged real property, other than the lien of the mortgage or any other lien to which the lender has consented;
- (b) a Transfers or series of Transfers of any legal or equitable interest since the date of the origination of the underlying mortgage loan that result(s) in a change of more than 50% of the ownership interests in the borrower or in certain related entities;
- (c) a Transfer of any general partnership interest in a partnership, or any manager interest in a limited liability company, or a change in the trustee of a trust other than as permitted under the loan agreement, if such partnership, limited liability company or trust, as applicable, is the borrower or certain of its related entities;
- (d) if the borrower or certain of its related entities is a corporation whose outstanding voting stock is held by more than 100 or more shareholders, one or more Transfers by a single transferor within a 12-month period affecting an aggregate of 10% or more of that stock; or
- (e) the grant, creation or existence of any lien on any ownership interest in the borrower or certain of its related entities, if the foreclosure of such lien would constitute a Transfer prohibited under the Loan Agreement.

#### **Permitted Additional Debt**

*General.* The borrower is not permitted to incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (a) the indebtedness under the loan documents (and any further indebtedness with regard to subordinate mortgages as described in “—Permitted Subordinate Mortgage Debt” below) and (b) customary unsecured trade payables incurred in the ordinary course of owning and operating the mortgaged real property, *provided* that such trade payables are not evidenced by a promissory note, do not exceed in the aggregate at any time a maximum amount of 3% of the original principal amount of the underlying mortgage loan and are paid within 60 days of the date incurred.

*Permitted Subordinate Mortgage Debt.* The borrower is permitted to incur an additional limited amount of indebtedness secured by the mortgaged real property beginning on April 9, 2016. It is a condition to the incurrence of any future secured subordinate indebtedness that, among other things: (i) the total loan-to-value ratio of the loan be below 55%, and the debt service coverage ratio be above 1.45x, and (ii) subordination agreements and intercreditor agreements be put in place between the issuing entity and the lender. In the event the 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. A default under the subordinate loan documents will constitute a default under the senior mortgage loan. Freddie Mac may subsequently transfer the junior lien loan it holds in a secondary market transaction, including in a securitization.

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 loan and the issuing entity as the holder of the senior underlying mortgage loan. The following paragraphs describe certain provisions that will be included in the intercreditor agreement, 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 underlying mortgage loan is referred to in these paragraphs as the “Senior Loan Holder” and the underlying mortgage loan included in the issuing entity is referred to as the “Senior Loan”. The holder of the subordinate indebtedness is sometimes referred to as the “Junior Loan Holder” and the related subordinate loan is referred to as the “Junior Loan”.

Allocations of Payments. The right of the Junior Loan Holder to receive payments of interest, principal and other amounts will be subordinated to the rights of the Senior Loan Holder. Generally, as long as no event of default

has occurred under the Senior Loan or the Junior Loan, the borrower will make separate payments of principal and interest to the Junior Loan Holder and the Senior Loan Holder, respectively. If an event of default occurs with respect to the Senior Loan or the Junior Loan, or the 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 borrower or otherwise available for payment will be applied, 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. Any payments received by the Junior Loan Holder during this time are required to be forwarded to the Senior Loan Holder.

Modifications. The Senior Loan Holder 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 Loan Holder 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 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 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 borrower, (v) amend or modify the provisions limiting transfers of interests in the borrower or the 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 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 Static Prepayment Premium or increase the amount of any such Static Prepayment Premium. However, in no event will Senior Loan Holder be obligated to obtain Junior Loan Holder’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 Loan Holder will obtain Junior Loan Holder’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 Loan Holder 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 Loan Holder 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 the borrower under the 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 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 borrower, (v) amend or modify the provisions limiting transfers of interests in the borrower or the 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 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 Static Prepayment Premium or increase the amount of any such Static Prepayment Premium. However, in no event will Junior Loan Holder be obligated to obtain Senior Loan Holder’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 Loan Holder will be required to obtain Senior Loan Holder’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 Loan Holder under the loan documents to commence an enforcement action, the Junior Loan Holder will also have the right to receive notice from the Senior Loan Holder of the default and the right to cure that default after or prior to the expiration of the borrower’s

cure period or in some cases for a period extending beyond the borrower's cure period. The Junior Loan Holder 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 Loan Holder 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 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 Trust and Servicing Agreement), pursuant to the intercreditor agreement and the Trust and Servicing Agreement, (a) each of the Junior Loan Holder and, if the Defaulted Loan is not an Affiliated Borrower Loan, the directing certificateholder will have an option to purchase the Senior Loan at a purchase price equal to at least the Fair Value of such Senior Loan, in accordance with the bidding procedure described in "The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option" in this information circular and (b) the Junior Loan Holder will have the first right to purchase such Defaulted Loan at the Purchase Price. If the Defaulted Loan is an Affiliated Borrower Loan, the directing certificateholder will only be able to purchase such Senior Loan at a cash price equal to the Purchase Price. See "The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option" in this information circular.

## **Insurance**

The borrower is required to maintain insurance providing the following coverages in such amounts and with such maximum deductibles as may be required by applicable law or customarily by institutional lenders for similar commercial properties:

- (a) a customary "All Risk" property insurance policy with a deductible of no more than \$1,000,000 that includes: (i) insurance against loss or damage from fire, wind, hail, flood and other related perils (including acts of terrorism, subject to the conditions described below) within the scope of a "Special Causes of Loss" or "All Risk" policy in an amount not less than the estimated replacement cost of the improvements, fixtures and personalty at the mortgaged real property (excluding any deduction for depreciation and the cost to reconstruct foundations or site improvements), (ii) if the mortgaged real property constitutes a legal non-conforming use, "Ordinance and Law Coverage" with "Loss to the Undamaged Portion of the Building," "Demolition Cost," "Increased Cost of Construction" and "Increased Period of Restoration" endorsements (including coverage for acts of terrorism, subject to the conditions described below), (iii) if the improvements at the mortgaged real property are located in an area identified by the Federal Emergency Management Agency (any successor agency) as a "Special Flood Hazard Area," flood insurance in the amount required by the lender, (iv) if windstorm and/or related perils and/or "named storm" are excluded from the "Special Causes of Loss" policy described in the foregoing clause (i), then separate coverage for such risks (either through an endorsement or a separate policy) written in amount not less than the estimated replacement cost of the improvements, fixtures and personalty at the mortgaged real property (excluding any deduction for depreciation and the cost to reconstruct foundations or site improvements), (v) if the mortgaged real property contains a central heating, ventilation and cooling system where steam boilers and/or other pressurized systems are in operation and are regulated by jurisdiction in which the mortgaged real property is located, the insurance providing coverage in an amount of no less than \$20 million required by the lender for damage to such central heating, ventilation and cooling system or other portion of the mortgaged real property if the damage is the result of an explosion of steam boilers, pressure vessels or similar apparatuses installed at the mortgaged real property, (vi) during any period of construction or restoration of the mortgaged real property, builder's risk insurance (including fire and other perils within the scope of a policy known as "Causes of Loss—Special Form" or "All Risk" policy) in an amount not less than the sum of the related contractual arrangements and (vii) insurance for other physical perils applicable to the mortgaged real property as may reasonable be required by the lender to protect its interest in the mortgaged real property, in each case, only to the extent such insurance is available at commercially reasonable rates (but not including earthquake insurance except to the extent the borrower is required to carry such insurance pursuant to applicable law);

- (b) business income/rental value insurance for all relevant perils (including acts of terrorism, subject to the conditions described below) in an amount no less than the effective gross income attributable to the mortgaged real property for the preceding 12 months;
- (c) commercial general liability insurance against legal liability claims for personal and bodily injury, property damage and contractual liability in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the general aggregate and with a deductible of no more than \$1,000,000, plus excess and/or umbrella liability coverage with limits of no less than \$25,000,000.

However, if any time during the term of the underlying the mortgage loan the cost of the required terrorism coverage described in clause (a)(i) and (ii) above or the cost of any allocated portion of the terrorism coverage set forth in the borrower's blanket policy exceeds 150% of the cost of such terrorism coverage (or the cost of any such allocated portion of the terrorism coverage) as of the date of the loan agreement, the borrower will be required to maintain only the maximum amount of terrorism coverage that may be obtained at a cost of 150% of the cost of such terrorism coverage as of the date of the origination of the underlying mortgage loan. For purposes of determining the cost of such terrorism coverage, the borrower will be required to deliver to the lender any and all evidence the lender may require, in form and substance satisfactory to the lender, including quotes from at least three insurance carriers which meet the lender's requirements and are otherwise acceptable to the lender.

### **Casualty and Condemnation**

*Casualty.* If an insured loss occurs, the borrower will be required to give immediate written notice to the insurance carrier and the lender. The borrower has authorized and appointed the lender as attorney-in-fact for the borrower to make proof of loss, to adjust and compromise any claims under policies of hazard insurance, to appear in and prosecute any action arising from such policies of hazard insurance, to collect and receive the proceeds of hazard insurance, to hold the proceeds of such hazard insurance and to deduct from such proceeds the lender's expenses incurred in the collection of such proceeds. The loan agreement provides that this power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in the loan agreement will require the lender to incur any expense or take any action. The lender may, at its option, (a) require a "repair or replacement" settlement, in which case the proceeds are to be used to reimburse the borrower for the cost of restoring and repairing the mortgaged real property to the equivalent of its original condition or to a condition approved by the lender or (b) require an "actual cash value" settlement, in which case the proceeds may be applied to the payment of the indebtedness, whether or not then due. If the lender determines to require a repair or replacement settlement and to apply insurance proceeds to restoration of the mortgaged real property, the lender will be required to apply the proceeds in accordance with its then-current policies relating to the restoration of casualty damage on similar multifamily properties.

Subject to the lender's right to apply insurance proceeds described below: (a) if a casualty results in damage to the mortgaged real property for which the cost of repair will be less than \$10,000,000, the borrower will have the sole right to make proof of loss, adjust and compromise the claim and collect and receive any proceeds directly without the lender's approval or prior consent so long as the insurance proceeds are used solely for the restoration of the mortgaged real property; and (b) if a casualty results in damage to the mortgaged real property for which the cost of repair will be more than \$10,000,000 but less than \$20,000,000, the borrower will be authorized to make proof of loss and adjust and compromise the claim without the lender's prior consent, and the lender will be required to hold the applicable insurance proceeds to be used to reimburse the borrower for the cost of restoration of the mortgaged real property and will not be permitted to apply such proceeds to the payment of indebtedness due under the loan documents.

The lender will have the right to apply insurance proceeds to the payment of the underlying mortgage loan if the lender determines in its discretion that at least one of the following conditions is met:

- (a) an event of default (or an event, which, with the giving of notice or the passage of time, or both, would constitute an event of default) has occurred and is continuing;
- (b) there will not be sufficient funds from insurance proceeds, anticipated contributions of the borrower of its own funds or other sources acceptable to the lender to complete the restoration of the mortgaged real property;

- (c) the rental income from the mortgaged real property after completion of the restoration will not be sufficient to meet all operating costs and other expenses, deposits to reserve to reserve funds and underlying mortgage loan repayment obligations relating to the mortgaged real property;
- (d) the restoration of the mortgaged real property will be completed less than (i) six months prior to the Scheduled Maturity Date if re-leasing will be completed prior to the Scheduled Maturity Date or (ii) 12 months prior to the Scheduled Maturity Date if re-leasing will not be completed prior to the Scheduled Maturity Date;
- (e) the restoration of the mortgaged real property will not be completed within one year after the date of the loss or casualty;
- (f) the casualty involved an actual or constructive loss of more than 30% of the fair market value of the mortgaged real property, and rendered untenable more than 30% of the residential units of the mortgaged real property;
- (g) after completion of the restoration of the mortgaged real property the fair market value of the mortgaged real property is expected to be less than the fair market value of the mortgaged real property prior to the casualty (assuming the affected portion of the mortgaged real property is re-let within a reasonable period after the date of such casualty); or
- (h) leases covering less than 35% of the residential units of the mortgaged real property will remain in full force and effect during and after the completion of the restoration thereof.

*Condemnation.* The borrower is required to notify the lender in writing of any condemnation. The borrower is required to appear in and prosecute or defend any action or proceeding relating to any condemnation unless otherwise directed by the lender in writing. The borrower has authorized and appointed the lender as attorney-in-fact for the borrower to commence, appear in and prosecute or defend any action or proceeding relating to any condemnation and to settle or compromise any claim in connection with any condemnation, after consultation with the borrower and consistent with commercially reasonable standards of a prudent lender. The loan agreement provides that such power-of-attorney is coupled with an interest and therefore is irrevocable. However, none of the terms of the loan agreement described in this paragraph will require the lender to incur any expense or take any action. The borrower has transferred and assigned to the lender all of its right, title and interest in and to any award or payment with respect to (a) any condemnation, or any conveyance in lieu of condemnation and (b) any damage to the mortgaged real property caused by governmental action that does not result in a condemnation.

The lender is permitted to hold such awards or proceeds and apply such awards or proceeds, after deduction of the lender's expenses incurred in the collection of such amounts (including attorneys' fees and costs) at the lender's option, to the restoration or repair of the mortgaged real property or to the payment of the underlying mortgage loan, with the balance, if any, to the borrower. Unless the lender agrees otherwise in writing, any application of any awards or proceeds to the underlying mortgage loan will not be extend or postpone the due date of any monthly installments or change the amount of such installments. The borrower has agreed to execute such further evidence of assignment of any condemnation awards or proceeds as the lender may require.

If a partial condemnation of the mortgaged real property occurs resulting in proceeds or awards in the amount of less than \$2,000,000 (as long as no event of default, or any event which, with the giving of notice or the passage of time, or both, would constitute an event of default, has occurred and is continuing), then the borrower will have the sole right to make proof of loss, adjust and compromise the claim and collect and receive any proceeds directly without the lender's approval or prior consent so long as the proceeds or awards are used solely for the restoration of the mortgaged real property.

If a partial condemnation of the mortgaged real property occurs resulting in proceeds or awards in the amount of \$2,000,000 or more, the lender will have the right to exercise its option to apply condemnation proceeds to the payment of the underlying mortgage loan only if the lender, in its discretion, determines that at least one of the following conditions is met:

- (a) an event of default (or any event, which, with the giving of notice or the passage of time, or both, would constitute an event of default) has occurred and is continuing;
- (b) there will not be sufficient funds from condemnation proceeds, anticipated contributions of the borrower of its own funds or other sources acceptable to the lender to complete the restoration of the mortgaged real property;
- (c) the rental income from the mortgaged real property after completion of the restoration thereof will not be sufficient to meet all operating costs and other expenses, deposits to reserve funds and underlying mortgage loan repayment obligations relating to the mortgaged real property;
- (d) the restoration of the mortgaged real property will not be completed at least one year before the Scheduled Maturity Date (or six months before the Scheduled Maturity Date if re-leasing of the mortgaged real property will be completed within such six month period);
- (e) restoration of the mortgaged real property will not be completed within one year after the date of the condemnation;
- (f) the condemnation involved an actual or constructive loss of more than 15% of the fair market value of the mortgaged real property, and rendered untenable more than 25% of the residential units of the mortgaged real property;
- (g) after restoration the fair market value of the mortgaged real property is expected to be less than the fair market value of the mortgaged real property immediately prior to the condemnation (assuming the affected portion of the mortgaged real property is re-let within a reasonable period after the date of the condemnation); or
- (h) leases covering less than 35% of residential units of the mortgaged real property will remain in full force and effect during and after the completion of restoration.

If any portion of the mortgaged real property is released from the lien of the underlying mortgage loan in connection with a condemnation and if the ratio of (a) the unpaid principal balance of the underlying mortgage loan to (b) the value of the mortgaged real property (taking into account only the related land and buildings and not any personal property or going-concern value) is greater than 125% immediately after such condemnation and before any restoration or repair of the mortgaged real property (but taking into account any planned restoration or repair of the mortgaged real property as if such planned restoration or repair were completed), the lender will be required to apply any net proceeds or awards from such condemnation, in full, to the payment of the principal of the underlying mortgage loan whether or not then due and payable, unless the lender has received an opinion of counsel that a different application of such net proceeds or awards will not cause either Trust REMIC to fail to meet applicable federal income tax qualification requirements or subject either Trust REMIC to any tax. If neither the borrower nor the lender has the right to receive any or all net proceeds or awards as a result of the provisions of any agreement affecting the mortgaged real property (including any ground lease, condominium document, or reciprocal easement agreement) and, therefore cannot apply such net proceeds or awards to the payment of the principal of the underlying mortgage loan as set forth above, then the borrower will be required to prepay the underlying mortgage loan in the amount that would otherwise have been required to be paid had the lender received such proceeds as described in this paragraph (taking into account any opinion of counsel referred to herein).

## **Reserves**

The underlying mortgage loan does not require reserve deposits other than deposits into an imposition reserve and a replacement reserve, subject to certain conditions and the lender's deferral of such requirements.

*Imposition Reserve.* No reserve was established for funds relating to the payment of insurance premiums and taxes, water and sewer charges and other assessments and charges that could become a lien on the mortgaged real property (collectively, “Impositions”). Instead, the borrower is required to provide the lender with proof of payment of each such Imposition on or before the date such payment is due. However, the lender may require the borrower to make monthly deposits of amounts sufficient to enable the lender pay each Imposition when its payment is due (a) if the borrower does not timely pay any imposition, (b) if the borrower fails to provide timely proof to the lender of such payment, (c) during the existence of an Underlying Mortgage Loan Event of Default or (d) upon placement of a subordinate mortgage loan in accordance with the loan agreement as described under “—Permitted Additional Debt” above.

*Replacement Reserve.* A replacement reserve was established at the origination of the underlying mortgage loan. No initial deposit was made at origination. The borrower is required to pay the lender \$70,750 on each monthly due date for deposit into the replacement reserve. However, the lender has deferred its right to require such payments. Commencing on the date that any subordinate mortgage loan is originated as described under “—Permitted Additional Debt” above and continuing until all subordinate mortgage loans are paid in full, the borrower will be required to make monthly deposits of \$70,750 into the replacement reserve. In addition, the lender has reserved the right to require at any time that the borrower begin making monthly deposits of \$70,750 into the replacement reserve upon the occurrence of a default under the loan documents.

## **Financial Reporting**

The borrower is required to furnish to the lender each of the following, among other things:

- (a) within 35 days after each calendar quarter:
  - (i) a rent schedule dated no earlier than the date that is five days prior to the end of such quarter;
  - (ii) a statement of income and expenses for the borrower’s operation of the mortgaged real property that is either (1) for the 12 month period ending on the last day of such quarter or (2) if at the end of such quarter, the borrower or its affiliate has owned the mortgaged real property for less than 12 months, for the period commencing with the acquisition of the mortgaged real property by the borrower or its affiliate, and ending on the last day of such quarter; and
  - (iii) if required by the lender, a balance sheet showing all assets and liabilities of the borrower relating to the mortgaged real property as of the end of such fiscal quarter.
- (b) within 90 days after the end of each fiscal year of the borrower:
  - (i) an annual statement of income and expenses for the borrower’s operation of the mortgaged real property for that fiscal year;
  - (ii) a balance sheet showing all assets and liabilities of the borrower relating to the mortgaged real property as of the end of that fiscal year and a profit and loss statement for the borrower; and
  - (iii) an accounting of all security deposits held pursuant to all leases at the mortgaged real property, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for the lender to access information regarding such accounts.
- (c) within 30 days after the date of filing, copies of all tax returns filed by the borrower; and
- (d) certain additional financial statements, reports and information if requested by the lender.

## **SPE Covenants**

The borrower is required to maintain its status as a single purpose entity and to comply with the single purpose entity provisions contained in the loan documents until the underlying mortgage loan is paid in full.

Because the borrower is a recycled entity, certain separateness representations were included in the mortgage with respect to the borrower's prior operations.

## **Underlying Mortgage Loan Events of Default**

Events of default under the loan documents include (each of the following, collectively or individually, as the case may be, an "Underlying Mortgage Loan Event of Default"):

- (a) the borrower's failure to pay or deposit when due any amount required by the loan documents;
- (b) the borrower's failure to maintain the insurance coverage required by the loan agreement;
- (c) the borrower's failure to comply with the single purpose entity provisions contained in the loan documents or any of the assumptions contained in any nonconsolidation opinion delivered to the lender at any time being or becoming untrue in any material respect;
- (d) the commission of fraud or a material misrepresentation or material omission by the borrower (or any of its officers, directors, trustees, general partners or managers) in connection with: (i) the application for or creation of the underlying mortgage loan, (ii) any financial statement, rent schedule, or other report or information provided to the lender during the term of the underlying mortgage loan, or (iii) any request for the lender's consent to any proposed action, including a request for disbursement of funds under the loan agreement.
- (e) the borrower's failure to comply with the condemnation provisions contained in the loan agreement;
- (f) the occurrence of a Transfer that violates the terms of the loan agreement (whether or not any actual impairment of the lender's security results from such Transfer);
- (g) the commencement of a forfeiture action or proceeding, whether civil or criminal, which could result in a forfeiture of the mortgaged real property or otherwise materially impair the lien created by the mortgage or the lender's interest in the mortgaged real property;
- (h) the borrower's failure to perform any of its obligations under the loan agreement (other than those specified in clauses (a) through (g) above), as and when required, which failure continues for a period of 30 days after notice of such failure by the lender to the borrower; *provided, however*, if such failure is of the nature that it cannot be cured within the 30 day cure period after notice from the lender but reasonably could be cured within 90 days, then the borrower will have additional time as determined by the lender in its discretion, not to exceed an additional 60 days, in which to cure such default, but only if the borrower has diligently commenced to cure such default during the initial 30 day cure period and diligently pursues the cure of such default. Notwithstanding the foregoing, no such notice or cure periods will apply in the case of any such failure which could, in the lender's judgment, absent immediate exercise by the lender of a right or remedy under the loan agreement, result in harm to the lender, danger to tenants or third parties, or impairment of the mortgage note, the mortgage or the loan agreement or any other security given under any loan document;
- (i) the borrower's failure to perform any of its obligations as and when required under any loan document other than the loan agreement, which failure continues beyond the applicable cure period, if any, specified in that loan document;
- (j) the holder of any other debt instrument secured by a mortgage, deed of trust or deed to secure debt on the mortgaged real property exercises any right to declare all amounts due under that debt instrument immediately due and payable;

- (k) the borrower's commencement of any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors (i) seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debt, or (ii) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets;
- (l) the commencement by any party other than the lender of any case, proceeding, or other action of a nature referred to in clause (k) above against the borrower which (i) results in the entry of an order for relief or any such adjudication or appointment, or (ii) has not been dismissed, discharged or bonded for a period of 90 days;
- (m) the commencement of any case, proceeding or other action against the borrower seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order by a court of competent jurisdiction for any such relief which is not vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof;
- (n) the borrower taking any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in any of clauses (k), (l) or (m) above;
- (o) any representation or warranty by the borrower in the loan agreement being false or misleading in any material respect; and
- (p) the borrower's failure to perform any of its obligations under any covenant, condition, restriction, land use restriction agreement or other similar agreement to which the mortgaged real property is subject as and when required and the continuance of such failure beyond any applicable cure period.

### **Underwriting Matters**

*General.* The underlying mortgage loan was generally originated by the originator substantially in accordance with the standards in the Freddie Mac Act and the Guide, as described in "Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller" in this information circular. In connection with the origination or acquisition of the underlying mortgage loan, the originator of the underlying mortgage loan evaluated the mortgaged real property in a manner generally consistent with the standards described in this "—Underwriting Matters" section.

The information provided by us in this information circular regarding the condition of the mortgaged real property, any environmental conditions at the mortgaged real property, valuations of or market information relating to the mortgaged real property or legal compliance of the mortgaged real property is based on reports described below under "—Environmental Assessment," "—Property Condition Assessment," "—Appraisals and Market Studies" and "—Zoning and Building Code Compliance," provided by certain third-party independent contractors, which reports have not been independently verified by any of the parties to the Trust and Servicing Agreement, the mortgage loan seller or the affiliates of any of these parties.

*Environmental Assessment.* A Phase I ESA, dated October 9, 2014 (revised January 30, 2015), was prepared in connection with the origination of the underlying mortgage loan. The ESA, meeting criteria consistent with the Servicing Standard, was prepared pursuant to ASTM International standards. In addition to the Phase I standards, the environmental report included additional research, such as limited sampling for radon. The ESA concluded that there are no recognized environmental conditions at the mortgaged real property. However, the ESA noted that historically prior to redevelopment in the 1940s the mortgaged real property has been used for an oil-gas production field with at least 53 inactive wells that were plugged, and the historic activities create a potential for emission of methane and or/hydrogen sulfide gases. Additionally, due to the proximity of the offsite La Brea Tar Pits the mortgaged real property periodically removes accumulated tar for offsite disposal by permit. A Methane Gas and Tar Seep Control Operations and Maintenance Place is implemented for the mortgaged real property, and the ESA reviewed that plan and annual gas monitoring inspection reports. The ESA did not recommend any further investigation or other action regarding the former oil-gas activities or tar. The ESA also noted that 18 underground

storage tanks (“USTs”) and impacted soils previously were removed from garages at the mortgaged real property with post-removal confirmation testing, and three other USTs were removed at an earlier date. The ESA did not recommend any further investigation or other action regarding any of the USTs. The ESA also noted that although Operations and Maintenance Plans previously were documented for the mortgaged real property for potential lead-based paint and asbestos materials, such plans were not available for review by the ESA. The ESA recommended that such plans either continue to be implemented or that replacement plans be implemented.

The Trust and Servicing Agreement requires that the special servicer obtain an ESA of the 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 mortgage loan until a satisfactory ESA is obtained or until any required remedial action is taken. We cannot assure you that the requirements of the Trust and Servicing Agreement will effectively insulate the issuing entity from potential liability for a materially adverse environmental condition at the mortgaged real property.

*Property Condition Assessment.* 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 the mortgaged real property.

The inspection, dated October 9, 2014, identified various deferred maintenance items and necessary capital improvements at the mortgaged real property. The resulting inspection reports generally included an estimate of cost for any recommended repairs or replacements at the mortgaged real property. 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 inspection reports and the cost of corrective action.

*Appraisals and Market Studies.* Cushman & Wakefield conducted an appraisal dated January 13, 2015, in order to establish an appraised value with respect to the mortgaged real property. The appraisal concluded that the mortgaged real property had an appraised value of \$1,675,000,000 as of September 30, 2014. That appraisal is the basis for the Appraised Value for the mortgaged real property set forth on Exhibit A-1.

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 Value shown on Exhibit A-1, is the contemplation of a sale at a specific date and the passing of ownership from seller to buyer under the following conditions:

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

The appraisal of the 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 and the Income Approach.

The appraisal upon which is based the Appraised Value for the mortgaged real property shown on Exhibit A-1 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.

The borrower acquired the mortgaged real property at a price less than the Appraised Value on which the underlying mortgage loan was underwritten.

*Zoning and Building Code Compliance.* In connection with the origination of the underlying mortgage loan, the originator examined whether the use and operation of the 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 borrower. Where a material noncompliance was found or the property as currently operated is a legal non-conforming use and/or structure, an analysis was generally conducted as to—

- whether, in the case of material noncompliance, such noncompliance constitutes a legal non-conforming use and/or structure, and if not, whether an escrow or other requirement was appropriate to secure the taking of necessary steps to remediate any material noncompliance or constitute the condition as a legal non-conforming use or structure;
- the likelihood that a material casualty would occur that would prevent the property from being rebuilt in its current form; and
- whether existing replacement cost property damage insurance or, if necessary, supplemental law or ordinance coverage would, in the event of a material casualty, be sufficient—
  1. to satisfy the entire underlying mortgage loan; or
  2. taking into account the cost of repair, to pay down the underlying mortgage loan to a level that the remaining collateral would be adequate security for the remaining loan amount.

We cannot assure you that any such analysis in this regard is correct, or that the above determinations were made in each and every case.

### **Originator**

Holliday Fenoglio Fowler, L.P., a Texas limited partnership (“HFF LP”), originated the underlying mortgage loan and is anticipated to be the sub-servicer of the underlying mortgage loan. HFF LP is an affiliate of HFF, Inc. Since 2005, HFF LP has originated approximately \$14.2 billion in multifamily mortgage loans with Freddie Mac, of which approximately \$6.4 billion have been sold to Freddie Mac for securitization in transactions similar to this transaction. With respect to multifamily mortgage loans that HFF LP originates for resale to Freddie Mac, unless otherwise noted to Freddie Mac in any particular loan or loans, HFF LP originates such mortgage loans substantially in accordance with the standards in the Freddie Mac Act and the Guide as described in “Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller” in this information circular, including all waivers, and are approved and purchased by Freddie Mac prior to each securitization. HFF LP’s current Freddie Mac portfolio has a delinquency rate of 0%. The underwriting standards of HFF LP are consistent in all material respects with the standards and practices set forth in “—Underwriting Matters” in this information circular.

The information set forth in this section “—Originator” has been provided by HFF LP. Neither the depositor nor any other person other than HFF LP makes any representation or warranty as to the accuracy or completeness of such information.

### **Assignment of the Underlying Mortgage Loan**

On or before the Closing Date, the mortgage loan seller will transfer the underlying mortgage loan to us, and we will transfer the underlying mortgage loan to the trustee. The trustee will hold the underlying mortgage loan for the benefit of the certificateholders and Freddie Mac within the meaning of Section 1367(b)(19)(B) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended. In each case, the transferor will assign the underlying mortgage loan, without recourse, to the transferee.

In connection with these transfers, on the Closing Date or at such later date as is permitted under the Trust and Servicing Agreement, the mortgage loan seller will generally be required to deliver or cause the delivery of the mortgage file to the custodian with respect to the underlying mortgage loan, which mortgage file will consist of the following documents, among others:

- 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 original of the loan agreement;
- an executed original assignment of the 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 assumption agreements, modification agreements, written assurance agreements and substitution agreements, if any, in those instances where the terms or provisions of the mortgage instrument, loan agreement or promissory note have been modified or the underlying mortgage loan has been assumed;
- with respect to any other debt of the borrower permitted under the underlying 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 mortgage);
- original letters of credit, if any, relating to the underlying mortgage loan and all appropriate assignment or amendment documentation related to the assignment to the issuing entity of any letter of credit securing the underlying 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 of such originals 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 property required in connection with the origination of the underlying mortgage loan, if any;
- the original or copy of any (i) intercreditor agreements and any associated certificates, assignments, assumption agreements or other related documents, (ii) subordination agreement, standstill agreement or other intercreditor, co-lender or similar agreement related to any affiliate debt and (iii) indemnification agreement;
- an original or copy of the lender's title insurance policy or, if a title insurance policy has not yet been issued, 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 original or a counterpart of any guaranty of the obligations of the borrower under the underlying mortgage loan, if any;
- an original or counterpart UCC financing statement and an original or counterpart of any intervening assignments from the originator to the mortgage loan seller, in the form submitted for recording, or if

recorded, with evidence of recording indicated on such UCC financing statement or intervening assignment;

- original UCC financing statement assignments, sufficient to assign each UCC financing statement filed in connection with the underlying mortgage loan to the trustee; and
- the original or a copy of the related cash management agreement, if any.

The custodian is required to hold all of the documents delivered to it with respect to the underlying mortgage loan in trust for the benefit of the certificateholders under the terms of the Trust 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 the underlying mortgage loan. Neither the trustee or the custodian is under any duty or obligation to inspect, review or examine any of the documents in the mortgage file to determine whether the document is valid, effective, enforceable, in recordable form or otherwise appropriate for the represented purpose.

If—

- any of the above-described documents required to be delivered by the 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 underlying mortgage loan, or the interests of any class of certificateholders,

then the omission or defect will constitute a material document defect as to which the issuing entity will have the rights against the mortgage loan seller as described under “—Cures and Repurchases” below.

Within a specified period of time as set forth in the Trust 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 the underlying mortgage loan is newly originated, many of those assignments cannot be completed and recorded until the mortgage instrument, reflecting the necessary recording information, is returned from the applicable recording office.

## **Representations and Warranties**

As of the Closing Date (or as of the date otherwise indicated in on Exhibit C or in the mortgage loan purchase agreement), the mortgage loan seller will make, with respect to the underlying mortgage loan, representations and warranties that are expected to be generally in the form set forth on Exhibit C-1, subject to exceptions that are expected to be generally in the form set forth on Exhibit C-2. The final forms of those representations and warranties and those exceptions will be made in the mortgage loan purchase agreement between Freddie Mac and us, and will be assigned by us to the trustee under the Trust and Servicing Agreement. You should carefully consider both those representations and warranties and those exceptions.

If—

- there exists a breach of any of those representations and warranties made by the mortgage loan seller, and
- that breach materially and adversely affects the value of the underlying mortgage loan, or the interests of any class of certificateholders,

then that breach will be a material breach of the representation and warranty. The rights of the certificateholders against the mortgage loan seller with respect to any material breach are described under “—Cures and Repurchases” below.

## Cures and Repurchases

If the mortgage loan seller has been notified of, or itself has discovered, a defect in the mortgage file or a breach of any of its representations and warranties that, in either case, materially and adversely affects the value of the underlying mortgage loan (including REO Property acquired in respect of the underlying mortgage loan if it is foreclosed) or any interests of the holders of any class of 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 underlying mortgage loan at the Purchase Price; or
- for certain breaches, reimburse the issuing entity for certain costs.

The mortgage loan seller must generally complete the cure or repurchase described above within 90 days following its receipt of notice of the material breach or material document defect. However, unless the material breach or material document defect relates to the mortgage note (or lost note affidavit or indemnity with respect to such mortgage note), if the 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, the underlying mortgage 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 the mortgage loan seller will generally be entitled to as much as an additional 90 days to complete that cure or repurchase (unless such material breach or material document defect causes the underlying mortgage loan to not be a "qualified mortgage" within the meaning of the REMIC Provisions) if the underlying mortgage loan is required to be repurchased as contemplated above.

Any of the following document defects in the underlying mortgage loan will be conclusively presumed to materially and adversely affect the interests of a class of certificateholders:

- the absence from the mortgage file of the original signed mortgage note, unless the mortgage file contains a signed lost note affidavit, indemnity and endorsement;
- the absence from the mortgage file of the original signed mortgage, unless there is included in the mortgage file (i) a copy of the mortgage and the related recording information; or (ii) prior to the expiration of an applicable cure period, a certified copy of the mortgage in the form sent for recording, with a certificate stating that the original signed mortgage was sent for recordation;
- the absence from the mortgage file of the original 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 underlying mortgage loan;
- the absence from the mortgage file of any intervening assignments or endorsements required to create an effective assignment to the trustee on behalf of the issuing entity, unless there is included in the mortgage file a copy of the intervening assignment that will be or was sent for recordation; or
- the absence from the mortgage file of any required original letter of credit (unless such original has been delivered to the master servicer and a copy of such letter of credit is part of the mortgage file); *provided* that such defect may be cured by providing a substitute letter of credit or a cash reserve.

Any defect or any breach that, in either case, causes the underlying mortgage loan not to be a "qualified mortgage" within the meaning of the REMIC Provisions will be deemed a material breach or material document defect, requiring the mortgage loan seller to purchase the underlying mortgage loan from the issuing entity within 90 days from the discovery of the defect or breach at the applicable purchase price described above and in conformity with the mortgage loan purchase agreement.

The foregoing obligation to cure, repurchase, 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 loan.

We cannot assure you that the mortgage loan seller has or will have sufficient assets with which to fulfill any repurchase or cure obligations on its part that may arise.

### **Certain Legal Aspects of the Underlying Mortgage Loan**

The following discussion contains a summary of certain legal aspects related to the underlying mortgage loan. The summary is general in nature, does not purport to be complete and is qualified in its entirety by reference to the applicable federal and state laws governing the underlying mortgage loan.

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 loan is a limited recourse loan and is, therefore, generally not recourse to the borrower but limited to the mortgaged real property. Even if recourse is available pursuant to the terms of the underlying mortgage loan, certain states have adopted statutes which impose prohibitions against or limitations on such recourse. The limitations described below may restrict the ability of the master servicer or the special servicer, as applicable, to realize on the underlying mortgage loan and may adversely affect the amount and timing of receipts on the underlying mortgage loan.

*Certain Legal Aspects of Mortgaged Real Properties Located in California.* Mortgage loans in California are generally secured by deeds of trust on the related real estate. Foreclosure of a deed of trust in California may be accomplished by a non-judicial trustee's sale (so long as it is permitted under a specific provision in the deed of trust) or by judicial foreclosure, in each case subject to and accordance with the applicable procedures and requirements of California law. Public notice of either the trustee's sale or the judgment of foreclosure is given for a statutory period of time after which the mortgaged real estate may be sold by the trustee, if foreclosed pursuant to the trustee's power of sale, or by court appointed sheriff under a judicial foreclosure. Following a judicial foreclosure sale, the borrower or its successor-in-interest may, for a period of up to one year, redeem the property; however, there is no redemption following a trustee's power of sale. California's "security first" and "one action" rules require the lender to complete foreclosure of all real estate provided as security under the deed of trust in a single action in an attempt to satisfy the full debt before bringing a personal action (if otherwise permitted) against the borrower for recovery of the debt, except in certain cases involving environmentally impaired real property where foreclosure of the real property is not required before making a claim under the indemnity. This restriction may apply to property which is not located in California if a single promissory note is secured by property located in California and other jurisdictions. California case law has held that acts such as (but not limited to) an offset of an unpledged account constitute violations of such statutes. Violations of such statutes may result in the loss of some or all of the security under the mortgage loan and a loss of the ability to sue for the debt. A sale by the trustee under the deed of trust does not constitute an "action" for purposes of the "one action rule". Other statutory provisions in California limit any deficiency judgment (if otherwise permitted) against the borrower following a judicial foreclosure to the amount by which the indebtedness exceeds the fair value at the time of the public sale and in no event greater than the difference between the foreclosure sale price and the amount of the indebtedness. Further, under California law, once a property has been sold pursuant to a power of sale clause contained in a deed of trust (and in the case of certain types of purchase money acquisition financings, under all circumstances), the lender is precluded from seeking a deficiency judgment from the borrower or, under certain circumstances, guarantors.

On the other hand, under certain circumstances, California law permits separate and even contemporaneous actions against both the borrower (as to the enforcement of the interests in the collateral securing the loan) and any guarantors. California statutory provisions regarding assignments of rents and leases require that a lender whose loan is secured by such an assignment must exercise a remedy with respect to rents as authorized by statute in order to establish its right to receive the rents after an event of default. Among the remedies authorized by statute is the lender's right to have a receiver appointed under certain circumstances.

## DESCRIPTION OF THE CERTIFICATES

### General

The certificates will be issued on the Closing Date pursuant to the Trust and Servicing Agreement. They will represent the entire beneficial ownership interest of the issuing entity. The assets of the issuing entity will include:

- the underlying mortgage loan;
- any and all payments under and proceeds of the underlying mortgage loan received after its due date in June 2015, in each case exclusive of payments of principal, interest and other amounts due on or before that date and exclusive of any fees paid or payable to Freddie Mac in connection with (a) any pre-approved servicing request with respect to the underlying mortgage loan set forth in the Trust and Servicing Agreement and (b) the designation of an entity that has the right to form a successor borrower in connection with the defeasance of the underlying mortgage loan;
- the loan documents for the underlying mortgage loan;
- our rights under the mortgage loan purchase agreement;
- the REO Property acquired by the issuing entity with respect to the underlying mortgage loan following a default; and
- those funds or assets as from time to time are deposited in the collection account described under “The Trust and Servicing Agreement—Collection Account” in this information circular, the special servicer’s REO account described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—REO Property” in this information circular, the distribution account described under “—Distribution Account” below or the interest reserve account described under “—Interest Reserve Account” below.

The certificates will include the following classes:

- the class A and X certificates, which are the classes of certificates that are offered by this information circular and have the benefit of the Freddie Mac Guarantee; and
- the class B and R certificates, which are the classes of 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 and B certificates are the certificates that will have principal balances (collectively, the “Principal Balance Certificates”). The outstanding principal balance of any of these certificates will represent the total distributions of principal to which the holder of the certificate is entitled over time out of payments, or advances in lieu of payments, and other collections on the assets of the issuing entity or, with respect to the offered certificates, the Freddie Mac Guarantee. Accordingly, on each distribution date, the outstanding principal balance of each of these certificates will be permanently reduced by any principal distributions actually made with respect to the certificates on that distribution date, including any Balloon Guarantor Payment. See “—Distributions” below. On any particular distribution date, the outstanding principal balance of each of these certificates may also be permanently reduced, without any corresponding distribution, in connection with losses on the underlying mortgage loan and default-related and otherwise unanticipated issuing entity expenses. See “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

The class X and R certificates will not have principal balances, and the holders of those certificates will not be entitled to receive distributions of principal. However, the class X certificates will have a notional amount for

purposes of calculating the accrual of interest with respect to that certificate. The class X certificates are sometimes referred to in this information circular as the “interest-only certificates.”

For purposes of calculating the accrual of interest as of any date of determination, the class X certificates will have a total notional amount that is equal to the then total outstanding principal balances of the class A and B certificates.

In general, outstanding principal balances and notional amounts will be reported on a class-by-class basis. In order to determine the outstanding principal balance or notional amount of any of the offered certificates from time to time, you may multiply the original principal balance or notional amount of that certificate as of the Closing Date, as specified on the face of that certificate, by the then-applicable certificate factor for the relevant class. The certificate factor for any class of certificates, as of any date of determination, will equal a fraction, expressed as a percentage, the numerator of which will be the then-outstanding principal balance or notional amount of that class, and the denominator of which will be the original principal balance or notional amount of that class. Certificate factors will be reported monthly in the certificate administrator’s report.

### **Registration and Denominations**

The class A 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 X 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 certificate administrator must establish and maintain an account in which it will hold funds pending their distribution on the certificates and from which it will make those distributions. That distribution account must be maintained in a manner and with a depository institution that meets the requirements of the Trust and Servicing Agreement. Funds held in the distribution account may be held in cash or, at the certificate administrator’s risk, invested in Permitted Investments. Subject to the limitations in the Trust and Servicing Agreement, any interest or other income earned on funds in the distribution account will be paid to the certificate administrator as additional compensation.

*Deposits.* On the business day prior to each distribution date (the “Remittance Date”), the master servicer will be required to remit to the certificate administrator for deposit in the distribution account the following funds:

- All payments and other collections on the underlying mortgage loan or, if applicable, REO Property on deposit in the collection account as of close of business on the second business day prior to the Remittance Date, exclusive of any portion of those payments and other collections that represents one or more of the following:
  1. monthly debt service payments due on a due date subsequent to the end of the related Collection Period;
  2. payments and other collections received after the end of the related Collection Period;
  3. amounts that are payable or reimbursable from the collection account to any person other than the certificateholders, in accordance with the terms of the Trust and Servicing Agreement, including—
    - (a) amounts payable to the master servicer (or a sub-servicer), the special servicer, the directing party or the operating trust advisor as compensation, including master servicing fees, sub-servicing fees, special servicing fees, operating trust advisor fees, surveillance fees, workout fees, liquidation fees, assumption fees, assumption application fees, modification fees, extension fees, consent fees, waiver fees, earnout fees, Transfer Fees, Transfer Processing Fees, defeasance fees and similar charges and, to the extent not otherwise applied to cover interest on advances and/or other Additional Issuing Entity Expenses with respect to

the 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 any indemnified sub-servicer) 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 trustee and the certificate administrator/custodian (including interest on such amounts, if applicable, and subject to the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap and the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, as applicable);

4. net investment income on the funds in the collection account; and

5. amounts deposited in the collection account in error.

- Any advances of delinquent monthly debt service payments made by the master servicer with respect to that distribution date.
- Any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period.

See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Trust and Servicing Agreement—Collection Account” and “—Servicing and Other Compensation and Payment of Expenses” in this information circular.

With respect to each distribution date that occurs during March (or February, if the related distribution date is the final distribution date), the certificate administrator will be required to transfer from the interest reserve account, which we describe under “—Interest Reserve Account” below, to the distribution account the interest reserve amounts that are then being held in that interest reserve account with respect to the underlying mortgage loan, which accrues interest on an Actual/360 Basis.

The certificate administrator will be authorized, but will not be obligated, to invest or direct the investment of funds held in the 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 certificate administrator is not required to cover any losses caused by the insolvency of the depository institution or trust company holding such account so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Trust and Servicing Agreement at the time such investment was made and (b) is neither the certificate administrator nor an affiliate of the certificate administrator and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Trust and Servicing Agreement.

*Withdrawals.* The certificate administrator may from time to time make withdrawals from the distribution account for any of the following purposes without regard to the order below:

- without duplication, to pay (a) itself monthly certificate administrator fees, and to the trustee, monthly trustee fees, each as described under “The Trust and Servicing Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this information circular and (b) CREFC<sup>®</sup> any accrued and unpaid CREFC<sup>®</sup> Intellectual Property Royalty License Fee;

- 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;
- (A) to reimburse the guarantor for any unreimbursed Balloon Guarantor Payment, together with any related Timing Guarantor Interest, from collections on the underlying mortgage loan (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts) and (B) to reimburse the guarantor for any unreimbursed Guarantor Reimbursement Amounts from any liquidation fees, workout fees, servicing fees, special servicing fees or other fees or amounts collected in connection with the liquidation or other disposition of the underlying mortgage loan solely to the extent that the party entitled to any such amount has already been paid such amount from other collections on such underlying mortgage loan and the original payment of such amount resulted in a Deficiency Amount (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts);
- to pay the guarantor the Guarantee Fee;
- without duplication, to pay indemnity amounts to itself, the custodian, the trustee, the depositor, the master servicer (including on behalf of any indemnified sub-servicer), the special servicer, Freddie Mac (in its capacity as servicing consultant), the operating trust advisor and various related persons, subject to the relevant Aggregate Annual Caps, as described under “The Trust 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 Trust and Servicing Agreement, to the extent that the issuing entity is responsible for the cost of such opinions of counsel under the Trust and Servicing Agreement and, if applicable, to pay for the fees of the trustee for confirming the special servicer’s determination of Fair Value of the underlying mortgage loan if it is a Defaulted Loan;
- 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 Trust and Servicing Agreement—Realization Upon Mortgage Loan—REO Property” in this information circular;
- 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 the interest reserve account the interest reserve amounts required to be so transferred in that month with respect to the underlying mortgage loan, which accrues 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 distribution account, exclusive of any portion of those amounts that are to be withdrawn for the purposes contemplated in the prior paragraph, will be applied by the certificate administrator on each distribution date to make distributions on the certificates and to the guarantor (with respect to the Guarantor Reimbursement Amounts). Generally, for any distribution date, such amounts will be distributed to holders of the certificates in two separate components:

- those funds, referred to in this information circular as the Available Distribution Amount, which will be paid to the holders of all the certificates and the guarantor, who is entitled to the Guarantee Fee, as described under “—Distributions—Priority of Distributions” below; and
- the portion of those funds that represent Static Prepayment Premiums collected on the underlying mortgage loan during the related Collection Period, which will be paid as additional interest to the holders of the class A certificates while any of those certificates are outstanding, and thereafter to the holders of the class X certificates, as described under “—Distributions—Distributions of Static Prepayment Premiums” below.

The certificate administrator will be required to pay to CREFC<sup>®</sup> the CREFC<sup>®</sup> Intellectual Property Royalty License Fee on a monthly basis solely from funds on deposit in the distribution account, to the extent sufficient funds are on deposit in the distribution account. Upon receipt of a request from CREFC<sup>®</sup>, the certificate administrator will provide CREFC<sup>®</sup> with a report that shows the calculation of the CREFC<sup>®</sup> Intellectual Property Royalty License Fee for the period requested by CREFC<sup>®</sup>.

### **Interest Reserve Account**

The certificate administrator 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 loan, which accrues interest on an Actual/360 Basis. That interest reserve account must be maintained in a manner and with a depository that satisfies NRSRO standards for securitizations similar to the one involving the certificates.

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 certificate administrator will, on or before the distribution date in that month, withdraw from the distribution account and deposit in the interest reserve account the interest reserve amount with respect to the underlying mortgage loan, which accrues 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 the underlying mortgage loan will equal one day’s interest accrued at the related Net Mortgage Pass-Through Rate on the Stated Principal Balance of the underlying mortgage 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 certificate administrator will, on or before the distribution date in that month, withdraw from the interest reserve account and deposit in the distribution account any and all interest reserve amounts then on deposit in the interest reserve account with respect to the underlying mortgage loan, which accrues 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 interest reserve account may be held in cash or, at the certificate administrator’s risk, invested in Permitted Investments. Subject to the limitations in the Trust and Servicing Agreement, any interest or other income earned on funds in the interest reserve account may be withdrawn from the interest reserve account and paid to the certificate administrator as additional compensation.

The certificate administrator will be required to deposit in the interest reserve account the amount of any losses of principal arising from investments of funds held in the interest reserve account, but the certificate administrator 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 (i) such depository institution or trust company (a) satisfied the requirements set forth in the Trust and Servicing Agreement at the time such investment was made and (b) is neither the certificate administrator nor an affiliate of the certificate administrator and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Trust and Servicing Agreement, *provided, however*, that this exculpation will not be deemed to relieve the certificate administrator from any obligations that arise from it or an affiliate acting as the depository institution or trust company holding such accounts, including, without limitation, any obligation of the certificate administrator 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 certificate administrator, the custodian, the guarantor or the directing party, as applicable:

<u>Type/Recipient</u>	<u>Amount</u>	<u>Frequency</u>	<u>Source of Funds</u>
<u>Fees</u>			
Master Servicing Fee and Sub-Servicing Fee / Master Servicer	the Stated Principal Balance of the underlying mortgage loan multiplied by 0.0200% (calculated using the same interest accrual basis of such underlying mortgage loan) and the Stated Principal Balance of the underlying mortgage loan multiplied by the sub-servicing fee rate of 0.0200% (calculated using the same interest accrual basis of the underlying mortgage loan)	monthly	interest payments on the loan or, if the underlying mortgage loan is liquidated, liquidation proceeds
Additional Servicing Compensation / Master Servicer	<ul style="list-style-type: none"> <li>all late payment fees and default interest (unless the loan is a Specially Serviced Mortgage Loan) not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the underlying mortgage loan</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>60% of any Transfer Fees or collateral substitution fees collected on or with respect to the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan for transfers or substitutions that require the consent or review of the directing party and 100% of such fees for the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan for transfers or substitutions that do not require the consent or review of the directing party (a portion of which may be payable to a sub-servicer under the sub-servicing agreement)</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>all Transfer Processing Fees collected on or with respect to the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan (a portion of which may be payable to the sub-servicer under the sub-servicing agreement)</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of all defeasance fees required by the loan documents</li> </ul>	from time to time	the related fee

<b>Type/Recipient</b>	<b>Amount</b>	<b>Frequency</b>	<b>Source of Funds</b>
	<ul style="list-style-type: none"> <li>all investment income earned on amounts on deposit in the collection account and certain escrow and reserve accounts</li> </ul>	monthly	investment income
Special Servicing Fee / Special Servicer	the Stated Principal Balance of the underlying mortgage loan if it is a Specially Serviced Mortgage Loan or REO Loan multiplied by 0.2500% (calculated using the same interest accrual basis of the underlying mortgage loan), subject to an annual cap of \$1,500,000	monthly	general collections
Surveillance Fee / Special Servicer	the Stated Principal Balance of the underlying mortgage loan if it is a Surveillance Fee Mortgage Loan multiplied by 0.0057% (such fee is calculated using the same interest accrual basis of the underlying mortgage loan)	monthly	interest payments on the loan or if the underlying mortgage loan is liquidated, liquidation proceeds
Workout Fee / Special Servicer	0.50% of each collection of principal and interest on the underlying mortgage loan if it is a Corrected Mortgage Loan	monthly	collections of principal and interest
Liquidation Fee / Special Servicer	0.50% of each recovery of net Liquidation Proceeds, except as specified under “The Trust 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	<ul style="list-style-type: none"> <li>all late payment fees and net default interest on the underlying mortgage loan if it is a Specially Serviced Mortgage Loan not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the underlying mortgage loan</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of commercially reasonable fees actually paid by the borrower on modifications, extensions, earnouts, consents and other actions for the underlying mortgage loan if it is a Specially Serviced Mortgage Loan</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>100% of assumption application fees, assumption fees, substitution of collateral consent application fees and related fees on the underlying mortgage loan if it is a Specially Serviced Mortgage Loan, when received from the borrower for such purpose</li> </ul>	from time to time	the related fee

<b>Type/Recipient</b>	<b>Amount</b>	<b>Frequency</b>	<b>Source of Funds</b>
	<ul style="list-style-type: none"> <li>all investment income received on funds in any REO account</li> </ul>	from time to time	investment income
Fees / Directing Party	<ul style="list-style-type: none"> <li>40% of any Transfer Fees or collateral substitution fees collected on or with respect to the underlying mortgage loan if its is not a Specially Serviced Mortgage Loan for transfers or substitutions that require the consent or review of the directing party</li> </ul>	from time to time	the related fee
Trustee Fee / Trustee	0.00068% multiplied by the Stated Principal Balance of the underlying mortgage loan (calculated using the same interest accrual basis as the underlying mortgage loan)	monthly	general collections
Certificate Administrator Fee / Certificate Administrator	0.00132% multiplied by the Stated Principal Balance of the underlying mortgage loan (calculated using the same interest accrual basis as the underlying mortgage loan)	monthly	general collections
Guarantee Fee / Guarantor	0.5000% multiplied by the outstanding principal balance of the Offered Principal Balance Certificates (calculated on a 30/360 Basis)	monthly	general collections
Operating Trust Advisor Fee/Operating Trust Advisor	0.001% multiplied by the Stated Principal Balance of the underlying mortgage loan (calculated using the same interest accrual basis as the underlying mortgage loan)	monthly	general collections
CREFC <sup>®</sup> Intellectual Property Royalty License Fee / CREFC <sup>®</sup>	0.0005% multiplied by the aggregate outstanding principal balance of the class B certificates (calculated on a 30/360 Basis)	monthly	general collections
<b>Expenses</b>			
Servicing Advances / Master Servicer and Trustee	to the extent of funds available, the amount of any Servicing Advances	from time to time	collections on the underlying mortgage loan, or if not recoverable, from general collections
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	from time to time	collections on the underlying mortgage loan, or if not recoverable, from general collections

<b>Type/Recipient</b>	<b>Amount</b>	<b>Frequency</b>	<b>Source of Funds</b>
Interest on P&I Advances / Master Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from default interest/late payment fees, then from general collections
Indemnification Expenses / Depositor, Trustee, Certificate Administrator/Custodian, Master Servicer, Special Servicer, Operating Trust Advisor and Freddie Mac	amounts for which the depositor, the trustee, the certificate administrator/custodian, the master servicer (for itself or on behalf of any indemnified sub-servicer), Freddie Mac (in its capacity as the servicing consultant), the operating trust advisor and the special servicer are entitled to indemnification, in each case, up to the related Aggregate Annual Cap in each calendar year until paid in full	from time to time	general collections
Interest on Unreimbursed Indemnification Expenses / Depositor, Trustee, Custodian, Certificate Administrator, Third Party Master Servicer, Special Servicer, Third Party Operating Trust Advisor and Freddie Mac	at Prime Rate	when Unreimbursed Indemnification Expenses are reimbursed	general collections

## **Distributions**

*General.* On each distribution date, the certificate administrator will, subject to the applicable available funds and the exception described in the next sentence, make all distributions required to be made on the certificates on that date to the holders of record as of the record date, which will be the close of business on the last business day of the calendar month preceding the month in which those distributions are to be made. The final distribution 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 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 certificates will bear interest, except for the class R certificates.

With respect to each interest-bearing class of the certificates, that interest will accrue on a 30/360 Basis during each Interest Accrual Period based upon:

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

On each distribution date, subject to the Available Distribution Amount for that date and the distribution priorities described under “—Priority of Distributions” below and, in the case of the offered certificates, subject to the Freddie Mac Guarantee, the holders of each interest-bearing class of the 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 Prepayment Interest Shortfall for that distribution date that is allocable to that class of certificates.

If the holders of any interest-bearing class of the certificates do not receive all of the interest to which they are entitled on any distribution date, as described in the prior two paragraphs (including by means of a Guarantor Payment), then they will continue to be entitled to receive the unpaid portion of that interest on future distribution dates, subject to the Available Distribution Amount for those future distribution dates and the distribution priorities described below.

The portion of any 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 certificates will be allocated to the class A, X and B certificates based on the amount of interest to which such classes are entitled for such distribution date based on their respective pass-through rates.

However, such Prepayment Interest Shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee.

*Calculation of Pass-Through Rates.* The pass-through rate for each interest-bearing class of certificates for the initial Interest Accrual Period is identified in the table on page 5. However, the initial pass-through rate identified in the table on page 5 with respect to the class X certificates is approximate.

The pass-through rates for each of the class A and B certificates for each Interest Accrual Period will remain fixed at the initial pass-through rates for those classes shown on page 5.

The pass-through rate for the class X certificates for any Interest Accrual Period will equal the weighted average of the Class X Strip Rates (weighted based upon the relative sizes of their respective components). The “Class X Strip Rates” means, for the purposes of calculating the pass-through rate for the class X certificates, the rates *per annum* at which interest accrues from time to time on the two components of the total notional amount of the class X certificates outstanding immediately prior to the related distribution date. One component will be comprised of the outstanding principal balance of the class A certificates and one component will be comprised of the outstanding principal balance of the class B certificates. For purposes of calculating the pass-through rate for the class X certificates for each Interest Accrual Period, the applicable Class X Strip Rate with respect to each such component for each such Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) with respect to the component related to the class A certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the Guarantee Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class A certificates and (ii) with respect to the component related to the class B certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class B certificates. In no event may any Class X Strip Rate be less than zero.

The class R certificates will not be interest-bearing and, therefore, will not have a pass-through rate.

*Principal Distributions.* Subject to the Available Distribution Amount and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal payable with respect to the Principal Balance Certificates on each distribution date will equal the Principal Distribution Amount for that distribution date.

In general, subject to the Available Distribution Amount and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal to which the holders of the Offered Principal Balance Certificates will be entitled on each distribution date will, generally equal an amount (not to exceed the outstanding principal balance of the Offered Principal Balance Certificates immediately prior to the subject distribution date) equal to the Principal Distribution Amount for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero.

While any Offered Principal Balance Certificates are outstanding, no portion of the Principal Distribution Amount for any distribution date will be allocated to any other class of Principal Balance Certificates.

Following the payment in full of the total outstanding principal balances of the Offered Principal Balance Certificates, the Principal Distribution Amount for each distribution date will be allocated to the class B certificates (following reimbursement to Freddie Mac of guarantee payments with respect to the class A and X certificates, other than (a) Guarantor Reimbursement Interest Amounts with respect to such guarantee payments and (b) Guarantor

Timing Reimbursement Amounts) in an amount up to the lesser of the portion of that Principal Distribution Amount that remains unallocated and the outstanding principal balance of the subject class immediately prior to that distribution date.

In no event will the holders of the class B certificates be entitled to receive any distributions of principal until the total outstanding principal balances of the Offered Principal Balance Certificates are reduced to zero.

If the master servicer or the trustee is reimbursed for any Nonrecoverable Advance (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on the underlying mortgage loan (thereby reducing the Principal Distribution Amount on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on the underlying mortgage loan. See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

*Loss Reimbursement Amounts.* As discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below, the outstanding principal balance of any class of Principal Balance Certificates may be reduced without a corresponding distribution of principal. If that occurs, then, subject to the Freddie Mac Guarantee in the case of the 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 Principal Balance Certificates, for any distribution date, the total amount to which the holders of that class are entitled as reimbursement for all previously unreimbursed reductions, if any, made in the outstanding principal balance of that class on all prior distribution dates as discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

*Freddie Mac Guarantee.* On each distribution date following the receipt from the certificate administrator of a statement to certificateholders that indicates a Deficiency Amount for any class of guaranteed 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 guaranteed 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 the class of Offered Principal Balance 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 outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the corresponding component of the class X 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 certificate administrator, the trustee, any Third Party 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 guaranteed certificates. The Freddie Mac Guarantee does not cover any Static Prepayment Premiums or any other prepayment fees or charges related to the underlying mortgage loan. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X certificates following a reduction in their notional amounts resulting from a reduction of the outstanding principal balance of any class of Principal Balance Certificates. In addition, Freddie Mac will be entitled to a Guarantee Fee equal to 0.5000% *per annum* multiplied by the outstanding principal balance of the Offered Principal Balance Certificates (calculated on a 30/360 Basis). 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 certificate administrator will apply the Available Distribution Amount for that date to make the following distributions in the following order of priority, in each case to the extent of the remaining portion of the Available Distribution Amount:

<b>Order of Distribution</b>	<b>Recipient</b>	<b>Type and Amount of Distribution</b>
1 <sup>st</sup>	A and X	Interest up to the total interest distributable on those classes (including accrued and unpaid interest from prior Interest Accrual Periods), <i>pro rata</i> based on the respective entitlements of those classes to interest at their respective pass-through rates
2 <sup>nd</sup>	A	Principal up to the total principal distributable on the class A certificates, until the outstanding principal balance of such class has been reduced to zero
3 <sup>rd</sup>	A	Reimbursement up to the loss reimbursement amount, if any, for that class, based on the loss reimbursement amounts for that class
4 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Amounts (including any Guarantor Timing Reimbursement Amounts), and then Guarantor Reimbursement Interest Amounts, in each case, relating to the class A and X certificates, as applicable
5 <sup>th</sup>	B	Interest up to the total interest distributable on that class
6 <sup>th</sup>	B	Principal up to the total principal distributable on that class, until the outstanding principal balance of such class has been reduced to zero
7 <sup>th</sup>	B	Reimbursement up to the loss reimbursement amount for that class
8 <sup>th</sup>	R	Any remaining portion of the funds in the Lower-Tier REMIC or Upper-Tier REMIC

However, payments on the class A and X 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 the holders of the class B certificates to receive distributions of amounts collected or advanced on the underlying mortgage loan will be subordinated to the rights of holders of the class A and X certificates. This subordination is intended to enhance the likelihood of timely receipt by the holders of the class A and X 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 Principal Balance Certificates of principal in an amount equal to the outstanding principal balance of such certificates, which subordination will be accomplished by the application of the Available Distribution Amount on each distribution date in accordance with the order of priority described above under “—Priority of Distributions” and by the allocation of Realized Losses 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 Offered Principal Balance 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 total outstanding principal balance of that class 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 Offered Principal Balance Certificates, the percentage interest in the issuing entity evidenced by such class will be decreased, with a corresponding increase in the percentage interest in the issuing entity evidenced by the applicable Subordinate Certificates, thereby increasing, relative to their respective outstanding principal balances, the subordination afforded to the Offered Principal Balance Certificates by the applicable Subordinate Certificates.

*Distributions of Static Prepayment Premiums.* If any Static Prepayment Premium is collected during any particular Collection Period in connection with the prepayment of the underlying mortgage loan, the certificate administrator will be required to distribute that Static Prepayment Premium as additional interest, on the distribution date corresponding to that Collection Period, as follows:

- to the holders of any class A certificates that are then entitled to distributions of principal on that distribution date out of the total Principal Distribution Amount for that date, an amount equal to, in the case of each such class, the product of—
  - the amount of the subject Static Prepayment Premium, 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 for that class of 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 (*provided* that if the relevant discount rate is greater than or equal to the mortgage interest rate for the underlying mortgage loan, then the fraction will equal zero; *provided, further* that if such discount rate is greater than the mortgage interest rate for the underlying mortgage loan, but is less than the pass-through rate on the subject class, then the fraction will be one), 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 Principal Balance Certificates entitled to Static Prepayment Premiums on the subject distribution date from the total Principal Distribution Amount for that date, and the denominator of which is equal to the total amount distributed as principal to the class A and B certificates for the subject distribution date; and
- any portion of the subject Static Prepayment Premium that may remain after any distribution(s) contemplated by the prior bullets will be distributed to the holders of the class X certificates.

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 Premium Period instead of the remaining yield maintenance period).

As described under “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, if any Static Prepayment Premium is collected in connection with a liquidation of the underlying mortgage loan or REO Property, a liquidation fee may be payable on the amount collected. In such cases, the formulas described above for allocating any Static Prepayment Premiums to any particular class of 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 loan requiring the payment of any prepayment consideration; or
- the collectability of that prepayment consideration.

See “Description of the Underlying Mortgage Loan—Prepayment and Defeasance” in this information circular.

In no event will the holders of any offered certificates receive any Static Prepayment Premium or other prepayment consideration in connection with any repurchase of the underlying mortgage loan as described under “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular. In addition, the Freddie Mac Guarantee excludes the payment of any Static Prepayment Premium or other prepayment consideration.

## Treatment of REO Property

Although the mortgaged real property may be acquired by the issuing entity through foreclosure, deed-in-lieu of foreclosure or otherwise, the underlying mortgage loan will be treated as having remained outstanding, until the REO Property is liquidated, for purposes of determining—

- distributions on the certificates;
- allocations of Realized Losses and Additional Issuing Entity Expenses to the certificates; and
- the amount of all fees payable to the master servicer, the special servicer, the certificate administrator and the trustee under the Trust and Servicing Agreement.

In connection with these determinations, the underlying mortgage loan will be taken into account when determining the Net Mortgage Pass-Through Rate and the Principal Distribution Amount for each distribution date.

Operating revenues and other proceeds from the REO Property will be applied—

- *first*, to pay, or to reimburse the master servicer, the special servicer, the certificate administrator and/or the trustee for the payment of, any costs and expenses incurred in connection with the operation and disposition of the REO Property, and
- *thereafter*, as collections of principal, interest and other amounts due on the 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 the underlying mortgage loan if the 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 the application of principal collections on the underlying mortgage loan to pay Additional Issuing Entity Expenses, the total outstanding principal balance of the Principal Balance Certificates could exceed the Stated Principal Balance of the underlying mortgage loan. If this occurs following the distributions made to the certificateholders on any distribution date, then the respective outstanding principal balances of the following classes of the certificates are to be sequentially reduced in the following order, until the total outstanding principal balance of those classes of certificates equals the Stated Principal Balance of the underlying mortgage loan that will be outstanding immediately following the subject distribution date; *provided* that the Stated Principal Balance of the underlying mortgage loan 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 underlying mortgage loan previously used to reimburse nonrecoverable advances and certain advances related to the underlying mortgage loan if it has been rehabilitated, as described under “—Advances of Delinquent Monthly Debt Service Payments” below and “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, other than any such amounts previously used to reimburse advances with respect to the underlying mortgage loan if it has been liquidated, that will be outstanding immediately following that distribution date.

<u>Order of Allocation</u>	<u>Class</u>
1 <sup>st</sup>	B
2 <sup>nd</sup>	A

The above-described reductions in the outstanding principal balance of the respective classes of the Principal Balance Certificates will represent an allocation of the Realized Losses and/or Additional Issuing Entity Expenses that caused the particular mismatch in balances between the underlying mortgage loan and those classes of Principal Balance Certificates. However, Freddie Mac will be required under its guarantee to pay the holder of any Offered

Principal Balance Certificates an amount equal to any such loss allocated to its Offered Principal Balance Certificates as described under “—Distributions—Freddie Mac Guarantee” above.

The loss, if any, in connection with the liquidation of a Defaulted Loan, or related REO Property, will generally be an amount equal to the excess, if any, of:

- the outstanding principal balance of the underlying mortgage loan as of the date of liquidation, together with all accrued and unpaid interest on the underlying mortgage loan through and including the end of the related mortgage interest accrual period in which such liquidation occurred, exclusive, however, of any portion of that interest that represents Default Interest, and
- all related unreimbursed Servicing Advances (with interest) and unpaid liquidation expenses, over
- the total amount of liquidation proceeds, if any, recovered in connection with the liquidation that are available to pay interest (other than Default Interest) on and principal of the underlying mortgage loan.

If any portion of the debt due under the underlying mortgage loan 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 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 underlying mortgage loan (other than late payment charges and/or Default Interest collected on the underlying mortgage loan) in accordance with the terms of the Trust and Servicing Agreement, are some examples of Additional Issuing Entity Expenses:

- any special servicing fees, workout fees and liquidation fees paid to the special servicer;
- any interest paid to the master servicer, the special servicer and/or the trustee with respect to advances;
- the cost of various opinions of counsel required or permitted to be obtained in connection with the servicing of the underlying mortgage loan 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 the certificate administrator and various related persons and entities, as described under “The Trust and Servicing Agreement—Certain Indemnities” in this information circular,
  2. any reimbursements and indemnification to the master servicer, the special servicer, the operating trust advisor, the depositor, Freddie Mac (in its capacity as servicing consultant) and various related persons and entities, as described under “The Trust 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
- any amounts expended on behalf of the issuing entity to remediate an adverse environmental condition at the mortgaged real property securing the underlying mortgage loan if it is a Defaulted Loan, as described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan” in this information circular.

Late payment charges and Default Interest collected with respect to the underlying mortgage loan are to be applied to pay interest on any advances that have been or are being reimbursed with respect to that underlying mortgage loan. In addition, late payment charges and Default Interest collected with respect to the 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 the underlying mortgage loan. Late payment charges and

Default Interest collected with respect to the 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 the scheduled monthly debt service payment, other than the balloon payment, Default Interest, late payment charges or Static Prepayment Premiums and the assumed monthly debt service payment, in each case net of related surveillance fees (if any), master servicing fees and sub-servicing fees, that—

- were due or deemed due, as the case may be, during the related Collection Period with respect to the underlying mortgage loan, and
- were not paid by or on behalf of the borrower or otherwise collected as of the close of business on the last day of the related Collection Period.

However, if it is determined that an Appraisal Reduction Amount exists with respect to the underlying mortgage loan, 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 the underlying 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 the 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 giving effect to the Appraisal Reduction Amount, multiplied by
- a fraction—
  1. the numerator of which is equal to the Stated Principal Balance of the underlying mortgage loan, net of the Appraisal Reduction Amount, and
  2. the denominator of which is equal to the Stated Principal Balance of the underlying 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 total outstanding principal balances of the class B 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 Trust and Servicing Agreement, out of funds held in the collection account that are not required to be paid on the certificates on the related distribution date. Further, if a Ratings Trigger Event occurs with respect to any Third Party Master Servicer, the guarantor will have the right to require the Third Party Master Servicer to remit out of its own funds to the collection account, an amount equal to all monthly debt service advances previously made out of the collection account and not previously repaid from collections on the underlying mortgage loan, and thereafter, the Third Party 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. Neither the master servicer nor the trustee will be obligated to make any monthly debt service advance that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the trustee), would not ultimately be recoverable out of collections on the underlying mortgage loan. If the master servicer or the trustee makes any monthly debt service

advance with respect to the underlying mortgage loan, that it or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, or in accordance with good faith business judgment in the case of the trustee) will not be recoverable out of collections on the underlying 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 below, out of general collections on the underlying mortgage loan. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Trust and Servicing Agreement—Collection Account” in this information circular. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance on the underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the underlying mortgage loan, (iii) the mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable P&I Advance (including interest accrued on such amount) as described in the second preceding sentence will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loan (thereby reducing the amount of principal otherwise distributable on the certificates on the related distribution date) prior to the application of any other general collections on the underlying mortgage loan 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.

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.

A monthly debt service payment will be assumed to be due with respect to the underlying mortgage loan:

- if the underlying mortgage loan is delinquent with respect to its balloon payment beyond the end of the Collection Period in which the 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
- the mortgaged real property has become an REO Property.

The assumed monthly debt service payment deemed due on the underlying mortgage loan described in the prior sentence will equal, for the maturity date (if applicable) and for each successive due date following the relevant event that it or the 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 underlying mortgage loan on the relevant date if the balloon payment had not come due or the mortgaged real property had not become an REO Property, as the case may be, and the underlying mortgage loan had, instead, continued to amortize and accrue interest according to its terms in effect prior to that event, plus (b) one month’s interest on the Stated Principal Balance of the underlying mortgage loan at the mortgage interest rate (but not including Default Interest).

## **Reports to Certificateholders and Freddie Mac; Available Information**

*Certificate Administrator 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 Trust and Servicing Agreement, and in any event delivered to the certificate administrator, the certificate administrator will be required to prepare and make available electronically or, upon written request, provide by first class mail, (i) by 12:00 p.m. New York City time on the third business day prior to each distribution date to Freddie Mac and (ii) on each distribution date to each registered holder of a certificate, a statement to certificateholders substantially in the form of and containing the information substantially as required by Exhibit B. The certificate administrator’s statement to certificateholders will detail the distributions on the certificates on that distribution date and the

performance, both in total and individually to the extent available, of the underlying mortgage loan and the mortgaged real property. Recipients will be deemed to have agreed to keep the subject information confidential.

The master servicer will be required to provide the standard CREFC Investor Reporting Package<sup>®</sup> to the certificate administrator on a monthly basis for the underlying mortgage loan. The certificate administrator will not be obligated to deliver any such report until the reporting package is provided by the master servicer.

To the extent that any related permitted subordinate mortgage debt is being serviced by the master servicer or the master servicer receives the necessary information from the applicable servicer of such permitted subordinate mortgage debt, and if not prohibited by the terms of the related permitted subordinate mortgage debt loan documents or any servicing agreement with respect to the related permitted subordinate mortgage debt (i) the master servicer will include information on such permitted subordinate mortgage debt in each CREFC<sup>®</sup> operating statement analysis report and (ii) if applicable CREFC<sup>®</sup> guidelines are revised to require information on subordinate mortgage debt to be included in other report or files in the CREFC Investor Reporting Package<sup>®</sup> that the master servicer is required to prepare and if Freddie Mac so requests in writing, the master servicer will include information on such permitted subordinate mortgage debt in such additional report or files in the CREFC Investor Reporting Package<sup>®</sup> in accordance with such CREFC<sup>®</sup> guidelines as reasonably clarified by Freddie Mac. For the purposes of including information on permitted subordinate mortgage debt in reports or files as contemplated under the terms of the Trust and Servicing Agreement, the master servicer may conclusively rely (without investigation, inquiry, independent verification or any duty or obligation to recompute, verify or recalculate any of the amounts and other information contained in), absent manifest error, on information provided to it by the sub-servicer or other servicer of such permitted subordinate mortgage debt or by Freddie Mac.

*Information Available Electronically.* To the extent the “deal documents,” “periodic reports,” “additional documents” and “special notices” listed in the following bullet points are in the certificate administrator’s possession and prepared by it or delivered to it in an electronic format, the certificate administrator will be required to make available to any Privileged Person via the certificate administrator’s website in accordance with the terms and provisions of the Trust and Servicing Agreement:

- the following “deal documents”:
  - (a) this information circular;
  - (b) Freddie Mac’s Giant and Other Pass-Through Certificates Offering Circular Dated August 1, 2014;
  - (c) the Freddie Mac offering circular supplement related to the SPCs;
  - (d) the Trust and Servicing Agreement;
  - (e) the mortgage loan purchase agreement; and
  - (f) the CREFC<sup>®</sup> loan setup file received by the certificate administrator from the master servicer;
- the following “periodic reports”:
  - (a) certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package<sup>®</sup> (other than the CREFC<sup>®</sup> loan setup file); and
  - (b) statements to certificateholders;
- the following “additional documents”:
  - (a) inspection reports; and
  - (b) appraisals;
- the following “special notices”:

- (a) notice of any failure by the mortgage loan seller to repurchase the underlying mortgage loan that has an uncured material breach of a representation or warranty or a material document defect;
- (b) notice of final payment on the certificates;
- (c) notice of the resignation, termination, merger or consolidation of the master servicer, the special servicer, the certificate administrator or the trustee and any notice of the acceptance of appointment by any successor thereto;
- (d) notice of the occurrence of any event of default that has not been cured;
- (e) notice of any request by the directing certificateholder to terminate the special servicer;
- (f) any request by certificateholders to communicate with other certificateholders;
- (g) any amendment of the Trust and Servicing Agreement;
- (h) any notice of the occurrence of or termination of any Affiliated Borrower Loan Event
- (i) any officer's certificates supporting the determination that any advance was (or, if made, would be) a nonrecoverable advance; and
- (j) such other reports or information at the reasonable direction of the depositor or the guarantor;

*provided, however,* that the certificate administrator may not provide to (a) the borrower or an affiliate of the borrower unless such person is the directing certificateholder, (1) any asset status report, inspection report, appraisal or internal valuation, (2) the CREFC<sup>®</sup> special servicer loan file or (3) any supplemental reports in the CREFC Investor Reporting Package<sup>®</sup> or (b) the directing certificateholder, any asset status report, inspection report, appraisal or internal valuation relating to the underlying mortgage loan if it is an Affiliated Borrower Loan. The certificate administrator's website will initially be located at [www.sf.citidirect.com](http://www.sf.citidirect.com). Access will be provided by the certificate administrator to Privileged Persons upon receipt by the certificate administrator from such person of an investor certification in the form(s) described in the Trust and Servicing Agreement, which form(s) may also be located on and submitted electronically via the certificate administrator's website. The parties to the Trust and Servicing Agreement will be given access to the website without providing that certification. For assistance with the certificate administrator's website, certificateholders may call (800) 422-2066.

The certificate administrator will make no representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any report, document or other information made available by it for which it is not the original source. The certificate administrator will not be deemed to have obtained actual knowledge of any information posted on the certificate administrator's website to the extent such information was not produced by the certificate administrator.

The certificate administrator may require registration and the acceptance of a disclaimer, as well as an agreement to keep the subject information confidential, in connection with providing access to its website. The certificate administrator will not be liable for the dissemination of information made by it in accordance with the Trust and Servicing Agreement.

*Other Information.* The Trust and Servicing Agreement will obligate the certificate administrator (or in the case of the items listed in the sixth and eighth bullet points below, the custodian) to make available at its offices, during normal business hours, upon reasonable advance written notice, or electronically via its website, for review by, among others, any holder or beneficial owner of an offered certificate, or any person identified to the certificate administrator as a prospective transferee of an offered certificate or any interest in that offered 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 certificate administrator or the custodian, as applicable:

- any private placement memorandum or other disclosure document relating to the applicable class of certificates, in the form most recently provided to the certificate administrator;

- the Trust and Servicing Agreement, including exhibits, and any amendments to the Trust and Servicing Agreement;
- all monthly reports of the certificate administrator delivered, or otherwise electronically made available, to certificateholders since the Closing Date;
- all officer's certificates delivered to the certificate administrator by the master servicer and/or the special servicer since the Closing Date, as described under "The Trust and Servicing Agreement—Evidence as to Compliance" in this information circular;
- all accountant's reports delivered to the certificate administrator with respect to the master servicer and/or the special servicer since the Closing Date, as described under "The Trust and Servicing Agreement—Evidence as to Compliance" in this information circular;
- any and all modifications, waivers and amendments of the terms of the underlying mortgage loan entered into by the master servicer or the special servicer and delivered to the custodian pursuant to the Trust and Servicing Agreement;
- any and all officer's certificates delivered to the certificate administrator 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 directing certificateholder, the operating trust advisor and Freddie Mac only, any and all documents contained in the mortgage file;
- information provided to the certificate administrator regarding the occurrence of Servicing Transfer Events as to the underlying mortgage loan; and
- any and all sub-servicing agreements provided to the certificate administrator and any amendments to such sub-servicing agreements and modifications of such sub-servicing agreements.

Copies of any and all of the foregoing items will be required to be made available by the certificate administrator or the custodian, as applicable, upon written request. However, the certificate administrator and the custodian, as applicable, will be permitted to require payment of a sum sufficient to cover the reasonable costs and expenses of providing the copies.

In connection with providing access to or copies of information pursuant to the Trust and Servicing Agreement, including the items described above, the certificate administrator, the master servicer or the special servicer will require, in the case of a registered holder, beneficial owner or prospective purchaser of an offered certificate, a written confirmation executed by the requesting person or entity, in the form required by the Trust and Servicing Agreement, generally to the effect that, among other things, the person or entity (i) is a registered holder, beneficial owner or prospective purchaser of offered certificates, or an investment advisor representing such person, (ii) is requesting the information for use in evaluating such person's investment in, or possible investment in, the offered certificates, (iii) is or is not the borrower or an affiliate of the borrower, (iv) will keep the information confidential, and (v) will indemnify the certificate administrator, the trustee, the custodian, the operating trust advisor, 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. The certificate administrator, the custodian, the master servicer, the special servicer and any sub-servicer may not provide to (a) any person that is the borrower or an affiliate of the borrower unless such person is the directing certificateholder, (i) any asset status report, inspection report, appraisal or internal valuation, (ii) the CREFC<sup>®</sup> special servicer loan file or (iii) certain supplemental reports in the CREFC Investor Reporting Package<sup>®</sup> or (b) the directing certificateholder, any asset status report, inspection report, appraisal or internal valuation relating to the underlying mortgage loan if it is an Affiliated Borrower Loan. However, such restrictions on providing information will not apply to the master servicer, the special servicer and any sub-servicer if the loan documents expressly require such disclosure to such person as the borrower under the underlying mortgage loan.

*Reports to Freddie Mac.* On or before the third business day prior to each distribution date, the certificate administrator will be required, in accordance with the terms of the Trust and Servicing Agreement, to prepare and distribute to Freddie Mac certain supplemental reports related to the offered certificates.

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

- BlackRock Financial Management, Inc., Bloomberg, L.P., Trepp, LLC, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator's website initially located at [www.sf.citidirect.com](http://www.sf.citidirect.com); and
- the master servicer's website initially located at [www.freddiemac.com](http://www.freddiemac.com).

### **Voting Rights**

The voting rights for the certificates will be allocated as follows:

- 99% of the voting rights will be allocated to the class A and B certificates, in proportion to the respective outstanding principal balances of those classes;
- 1% of the voting rights will be allocated to the interest-only certificates (based on the respective class notional amount of each such class relative to the aggregate of the class notional amounts of such classes of interest-only certificates); and
- 0% of the voting rights will be allocated to the class R certificates.

Voting rights allocated to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class. However, solely for the purposes of giving any consent, approval or waiver pursuant to the Trust and Servicing Agreement with respect to the rights, obligations or liabilities of the trustee, the certificate administrator, the master servicer, the special servicer, the operating trust advisor or Freddie Mac, any certificate registered in the name of such trustee, certificate administrator, master servicer, special servicer, the operating trust advisor, Freddie Mac or any affiliate of any of them, as applicable, will be deemed not to be outstanding, and the voting rights to which it is entitled will not be taken into account in determining whether the requisite percentage of voting rights necessary to effect any such consent, approval or waiver has been obtained. Such restriction will not apply to (i) the selection of the Controlling Class or the directing certificateholder or the exercise of the special servicer's or its affiliates' rights as a member of the Controlling Class and (ii) except with respect to increases in compensation or material reductions in obligations, if the trustee, the certificate administrator, the master servicer, the special servicer, the operating trust advisor or Freddie Mac, as the case may be, and/or their affiliates, own the entire class of each certificates affected by the action, vote, consent or waiver.

## **YIELD AND MATURITY CONSIDERATIONS**

### **Yield Considerations**

*General.* The yield on the offered certificates will depend on, among other things—

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

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

- the pass-through rate for, and the other payment terms of, the offered certificates;

- the rate and timing of payments and other collections on the underlying mortgage loan;
- the rate and timing of defaults, and the severity of losses, if any, on the underlying mortgage loan;
- the rate, timing, severity and allocation of other shortfalls and expenses that reduce amounts available for distribution on the certificates (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee, as further described in this information circular);
- the collection and payment, or waiver, of Static Prepayment Premiums with respect to the underlying mortgage loan; and
- servicing decisions with respect to the underlying mortgage loan.

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

*Freddie Mac Guarantee.* Although the Freddie Mac Guarantee will mitigate the yield and maturity considerations with respect to the offered certificates discussed in this 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.

*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 outstanding principal balances of those certificates. In turn, the rate and timing of principal distributions that are paid or otherwise result in reduction of the outstanding principal balance of the Offered Principal Balance Certificates will be directly related to the rate and timing of principal payments on or with respect to the underlying mortgage loan. Finally, the rate and timing of principal payments on or with respect to the underlying mortgage loan will be affected by the rate and timing of principal prepayments and other unscheduled collections on the underlying mortgage loan, including for this purpose, collections made in connection with a liquidation of the underlying mortgage loan due to defaults, casualties or condemnations affecting the mortgaged real property, pay downs of the loan due to failure of the mortgaged real property to meet certain performance criteria or purchases or other removals of underlying mortgage loan 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 underlying mortgage loan could result in your failure to fully recoup your initial investment.

Prepayments and early liquidation of the underlying mortgage loan will result in distributions on the Offered Principal Balance Certificates of amounts that would otherwise be paid over the remaining terms of the underlying mortgage loan. This will tend to shorten the weighted average lives of the Offered Principal Balance Certificates and accelerate the rate at which the notional amount of the interest-only certificates is reduced. Defaults on the underlying mortgage loan, particularly at or near its maturity date, may result in significant delays in distributions of principal on the underlying mortgage loan and, accordingly, on the Offered Principal Balance Certificates, while a work-out is negotiated or foreclosures is completed, subject to the Freddie Mac Guarantee. These delays will tend to lengthen the weighted average lives of the Offered Principal Balance Certificates. See “The Trust and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular.

The extent to which the yield to maturity on any Offered Principal Balance Certificate may vary from the anticipated yield will depend upon the degree to which the Offered Principal Balance Certificate is purchased at a discount or premium and when, and to what degree payments of principal on the underlying mortgage loan are in turn paid in a reduction of the outstanding principal balance of the Offered Principal Balance Certificate. If you purchase 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 loan could result in an actual yield to you that is lower than your anticipated yield. If you purchase the 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 loan 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 loan 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 Underlying Mortgage Loan.* The rate and timing of delinquencies and defaults on the underlying mortgage loan will affect—

- the amount of distributions on the offered certificates;
- the yield to maturity of the offered certificates;
- the notional amount of the interest-only certificates;
- the rate of principal distributions on the Offered Principal Balance Certificates; and
- the weighted average lives of the offered certificates.

Delinquencies on the underlying mortgage loan may result in shortfalls in distributions of interest and/or principal on the offered certificates for the current month, although Freddie Mac will be required under its guarantee to pay the holder of any offered certificate an amount equal to any such shortfall allocated to its certificates as set forth in “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this 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 the offered certificates.

If—

- you calculate the anticipated yield to maturity for the offered certificates based on an assumed rate of default and amount of losses on the underlying mortgage loan that is lower than the default rate and amount of losses actually experienced, and
- the additional losses result in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates,

then your actual yield to maturity will be lower than you calculated and could, under some scenarios, be negative.

The timing of any loss on the underlying mortgage loan if it is liquidated that results in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates will also affect your actual yield to maturity, even if the rate of defaults and severity of losses are consistent with your expectations. In general, the earlier your loss occurs, the greater the effect on your yield to maturity.

Even if losses on the underlying mortgage loan do not result in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates, the losses may still affect the timing of distributions on, and the weighted average lives and yields to maturity of, the offered certificates.

In addition, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on the underlying mortgage loan (thereby reducing the Principal Distribution Amount on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on the underlying mortgage loan. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

*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 loan:

- prevailing interest rates;

- the terms of the underlying mortgage loan, including—
  1. provisions that impose prepayment lockout periods or require Static Prepayment Premiums;
  2. an amortization term that require a balloon payment;
  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 area in which the mortgaged real property is located;
- the general supply and demand for multifamily rental space or manufactured housing community properties of the type available at the mortgaged real property in the area in which those property is located;
- the quality of management of the mortgaged real property;
- the servicing of the underlying mortgage loan;
- changes in tax laws; and
- other opportunities for investment.

See “Risk Factors—Risks Related to the Underlying Mortgage Loan,” “Description of the Underlying Mortgage Loan” and “The Trust and Servicing Agreement” in this information circular.

The rate of prepayment on the underlying mortgage loan 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 the underlying mortgage loan accrues interest, the borrower may have an increased incentive to refinance the underlying mortgage loan. Conversely, to the extent prevailing market interest rates exceed the annual rate at which the underlying mortgage loan accrues interest, the borrower may be less likely to voluntarily prepay the underlying mortgage loan.

Depending on prevailing market interest rates, the outlook for market interest rates and economic conditions generally, the borrower may sell the mortgaged real property in order to realize its equity in the property, to meet cash flow needs or to make other investments. In addition, the borrower may be motivated by U.S. federal and state tax laws, which are subject to change, to sell the mortgaged real property.

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 loan;
- the relative importance of those factors;
- whether the underlying mortgage loan will be prepaid or whether a default will have occurred as of any particular date;
- whether the underlying mortgage loan, when it is in a prepayment lockout period, including any part of that period when defeasance or prepayment with a 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 loan.

*Delay in Distributions.* Because monthly distributions will not be made on the offered certificates until the distribution date following the due date for the underlying mortgage loan 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 Class A Certificates

For purposes of this information circular, the weighted average life of any Principal Balance Certificate refers to the average amount of time that will elapse from the assumed settlement date of June 26, 2015 until each dollar to be applied in reduction of the total outstanding principal balance of those certificates is paid to the investor. For purposes of this “Yield and Maturity Considerations” section, the weighted average life of such class of Principal Balance Certificate is determined by:

- multiplying the amount of each principal distribution on such class of Principal Balance Certificates by the number of years from the assumed settlement date to the related distribution date;
- summing the results; and
- dividing the sum by the total amount of the reductions in the outstanding principal balance of such class of Principal Balance Certificates.

Accordingly, the weighted average life of the Offered Principal Balance Certificate will be influenced by, among other things, the rate at which principal of the underlying mortgage loan is paid or otherwise collected or advanced and the extent to which those payments, collections and/or advances of principal are in turn applied in reduction of the outstanding principal balance of that certificate (including any reductions in outstanding 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, subject to the Available Distribution Amount and the distribution priorities described under “Description of the Certificates—Distributions—Priority of Distributions” in this information circular, *first* to make distributions of principal to the holders of the class A certificates until the total outstanding principal balance of that class is reduced to zero, and thereafter to make distributions of principal to holders of the class B certificates until the outstanding principal balance of that class is reduced to zero. As a result, the weighted average life of the class A certificates may be shorter, and the weighted average life of the class B 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 Principal Balance Certificates.

The table set forth in Exhibit D shows with respect to the class A certificates—

- the weighted average life of that class, and
- the percentage of the initial principal balance of that class that would be outstanding after each of the specified dates,

based upon each of the indicated levels of CPR and the Modeling Assumptions.

The actual characteristics and performance of the underlying mortgage loan will differ from the Modeling Assumptions used in calculating the table on Exhibit D. That table is hypothetical in nature and is provided only to give a general sense of how the principal cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the table on Exhibit D and the actual characteristics and performance of the underlying mortgage loan, or its actual prepayment or loss experience, will affect the percentages of initial principal balances outstanding over time and the weighted average life of the class A certificates.

We cannot assure you that—

- the underlying mortgage loan will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;
- the underlying mortgage loan will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loan will not experience losses; or

- the underlying mortgage loan, if in a prepayment lockout period, defeasance period or prepayable during any period with a Static Prepayment Premium will not prepay as a result of involuntary liquidations upon default or otherwise, whether voluntarily or involuntarily, during any such period.

You must make your own decisions as to the appropriate loss, prepayment and liquidation assumptions to be used in deciding to purchase any offered certificates.

### **Yield Sensitivity of the Class X Certificates**

The yields to investors on the class X certificates will be highly sensitive to the rate and timing of principal payments, including prepayments, on the underlying mortgage loan. 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 underlying mortgage loan could result in your failure to recoup fully your initial investment.

The tables set forth in Exhibit E show pre-tax corporate bond equivalent yields for the class X certificates based on the Modeling Assumptions, except that the optional termination is exercised, and further assuming the specified purchase prices and the indicated levels of CPR. Those assumed purchase prices are exclusive of accrued interest.

The yields set forth in the tables in Exhibit E were calculated by:

- determining the monthly discount rate that, when applied to the assumed stream of cash flows to be paid on the class X certificates, 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 X certificates, as applicable, plus
  2. accrued interest at the initial pass-through rate for the class X certificates, as applicable, from and including June 1, 2015 to but excluding the assumed settlement date of June 26, 2015, 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 X certificates may be able to reinvest funds received by them as payments on those certificates. Consequently, they do not purport to reflect the return on any investment on the class X certificates when reinvestment rates are considered.

In addition, the actual characteristics and performance of the underlying mortgage loan will differ from the Modeling Assumptions used in calculating the table on Exhibit E. That table is hypothetical in nature and is provided only to give a general sense of how the cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the tables on Exhibit E and the actual characteristics and performance of the underlying mortgage loan, or its actual prepayment or loss experience, will affect the yield on the class X certificates.

We cannot assure you that—

- the underlying mortgage loan will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;
- the underlying mortgage loan will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loan will not experience losses;
- the underlying mortgage loan, if in a prepayment lockout period or defeasance period, or prepayable during any period with a Static Prepayment Premium, will not prepay, whether voluntarily or involuntarily, during any such period; or
- the purchase prices of the class X certificates will be as assumed.

It is unlikely that the underlying mortgage loan will prepay as assumed at any of the specified CPR levels until maturity. Actual yields to maturity for investors in the class X certificates may be materially different than those indicated in the tables in Exhibit E. 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 X certificates.

## **THE TRUST AND SERVICING AGREEMENT**

### **General**

The certificates will be issued, the issuing entity will be created and the underlying mortgage loan will be serviced and administered under a trust and servicing agreement, to be dated as of June 1, 2015 (the “Trust and Servicing Agreement”), by and among the depositor, the special servicer, the trustee, the certificate administrator, the custodian and Freddie Mac. HFF LP will act as the subservicer of the underlying mortgage loan pursuant to a sub-servicing agreement between HFF LP and Freddie Mac.

The certificate administrator will provide a copy of the Trust 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 Trust and Servicing Agreement and, at the certificate administrator’s discretion, payment of a reasonable fee for any expenses. The Trust and Servicing Agreement will also be made available by the certificate administrator on its website, at the address set forth under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular.

### **The Master Servicer**

Freddie Mac, a corporate instrumentality of the United States created and existing under the Freddie Mac Act, will be appointed as the master servicer. Freddie Mac is also the mortgage loan seller, operating trust advisor and guarantor of the offered certificates. Freddie Mac’s principal servicing office is located at 8100 Jones Branch Drive, McLean, Virginia 22102. Freddie Mac’s Multifamily Division currently has approximately 500 employees in the McLean, Virginia headquarters and in regional offices located in New York, New York, Chicago, Illinois and Los Angeles, California.

Freddie Mac conducts business in the U.S. secondary mortgage market by working with a national network of experienced multifamily seller/servicers to finance apartment buildings and other multifamily dwellings around the country. Freddie Mac performs in-house underwriting and credit reviews of multifamily loans but does not directly originate loans or service non-securitized loans for third-party investors. Freddie Mac also has extensive experience processing distressed loans in asset resolution through extensions, forbearance, sale, modification, foreclosure and other loss mitigation activities.

Freddie Mac’s multifamily mortgage origination and servicing platform has been active for at least 20 years and has experienced significant growth since 1993. Freddie Mac’s master servicing operations consist of four separate teams that handle surveillance activities, borrower transactions, asset resolution and REO Properties. As part of its surveillance activities, Freddie Mac risk rates loans in its portfolio, performs comprehensive reviews of higher-risk loans (including review of quarterly financial statements, annual business plans and property inspections) and monitors loan performance on Freddie Mac multifamily securitizations. Freddie Mac has extensive experience with borrower transactions, including transfers of ownership, repair escrow extensions, property management changes, releases of collateral and rental achievement releases and modifications.

Freddie Mac’s senior long-term debt ratings are “AA+” by Standard & Poor’s, “Aaa” by Moody’s, and “AAA” by Fitch. Its short-term debt ratings are “A-1+” by Standard & Poor’s, “P-1” by Moody’s and “F1+” by Fitch. Freddie Mac is currently rated as a master servicer by Standard & Poor’s (Above Average) and by Fitch (CMS2).

Freddie Mac has developed detailed operating policies, procedures and controls across the various servicing functions to maintain compliance with the Guide and to manage the master servicing of the underlying mortgage loan. Freddie Mac's servicing policies and procedures, as reflected in the Guide, are updated periodically to keep pace with changes in Freddie Mac's underwriting and servicing parameters and with developments in the multifamily mortgage-backed securities industry. Such policies and procedures have been generally consistent for the last three years in all material respects.

Freddie Mac is, as the master servicer, generally responsible for the master servicing and primary servicing functions with respect to the underlying mortgage loan and, if applicable, REO Property. Freddie Mac, as the master servicer, will be permitted to appoint one or more sub-servicers to perform all or any portion of its primary servicing functions under the Trust and Servicing Agreement pursuant to one or more sub-servicing agreements. Additionally, Freddie Mac may from time to time perform some of its servicing obligations under the Trust and Servicing Agreement through one or more third-party vendors that provide servicing functions such as appraisals, environmental assessments, property condition assessments, property management, real estate brokerage services and other services necessary in the routine course of acquiring, managing and disposing of REO Property. Freddie Mac will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions, and Freddie Mac will remain liable for its servicing obligations under the Trust and Servicing Agreement as if Freddie Mac had not retained any such vendors.

The manner in which collections on the underlying mortgage loan are to be maintained is described in this information circular under "The Trust and Servicing Agreement—Collection Account." All amounts received by Freddie Mac on the underlying mortgage loan will be initially deposited into a segregated collection account. Similarly, Freddie Mac will transfer any amount that is to be disbursed to a segregated disbursement account on the day of the disbursement. Any collections received by Freddie Mac with respect to the underlying mortgage loan will not be co-mingled with collections from other commercial mortgage loans.

Freddie Mac will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loan. Freddie Mac may from time to time have custody of certain of such documents as necessary for enforcement actions involving the underlying mortgage loan or otherwise. To the extent that Freddie Mac has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the Servicing Standard.

No securitization transaction involving commercial or multifamily mortgage loans in which Freddie Mac was acting as master servicer, primary servicer or special servicer has experienced a servicer event of default as a result of any action or inaction of Freddie Mac as master servicer, primary servicer or special servicer, including as a result of Freddie Mac's failure to comply with the applicable servicing criteria in connection with any securitization transaction. Freddie Mac has made all advances required to be made by it under its servicing agreements for commercial and multifamily mortgage loans.

Freddie Mac continues to operate under the conservatorship of the FHFA that commenced on September 6, 2008. From time to time Freddie Mac is a party to various lawsuits and other legal proceedings arising in the ordinary course of business and is subject to regulatory actions that could materially adversely affect its operations and its ability to service loans pursuant to the Trust and Servicing Agreement. See "Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship" and "—Litigation Involving Mortgage Loan Seller and Guarantor."

The foregoing information set forth in this section "—The Master Servicer" has been provided by Freddie Mac. Neither the depositor nor any other person other than Freddie Mac makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of Freddie Mac as the master servicer and the provisions of the Trust and Servicing Agreement are described under "—Servicing Under the Trust and Servicing Agreement," "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses," "—Required Appraisals," and "—Inspections; Collection of Operating Information" below. The master servicer's ability to waive or modify any terms, fees, penalties or payments on the underlying mortgage loan and the effect of that ability on the potential cash flows from the underlying mortgage loan are described under "—Modifications, Waivers, Amendments and Consents" below.

Freddie Mac's obligations as the master servicer to make advances, and the interest or other fees charged for those advances and the terms of Freddie Mac's recovery of those advances, are described under "—Required Appraisals" and "—Servicing and Other Compensation and Payment of Expenses—Servicing Advances" below and "Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments" in this information circular.

Certain terms of the Trust and Servicing Agreement regarding Freddie Mac's removal, replacement, resignation or transfer as master servicer are described under "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" and "—Rights Upon Event of Default" below. Freddie Mac's rights and obligations as master servicer with respect to indemnification, and certain limitations on Freddie Mac's liability as master servicer under the Trust and Servicing Agreement, are described under "—Liability of the Servicers" and "—Certain Indemnities" below.

### **The Special Servicer**

Berkeley Point Capital LLC, a Delaware limited liability company ("Berkeley Point"), will be appointed as special servicer, and in such capacity, will be responsible for the servicing and administration of the underlying mortgage loan if it is a Specially Serviced Mortgage Loan or REO Property. The principal executive offices and principal special servicing office of Berkeley Point are located at 4550 Montgomery Avenue, Suite 1100, Bethesda, Maryland 20814 and its telephone number is (800) 229-6843.

Berkeley Point has a current special servicer rating of "CSS3+" from Fitch. Berkeley Point also serves as primary servicer in various transactions and has a primary servicer rating of "CPS2" from Fitch."

Berkeley Point is a commercial real estate finance company with a primary focus on multifamily and healthcare real estate loans. Berkeley Point, directly or through its affiliates, originates, brokers, sells, services and manages commercial real estate loans primarily for multifamily and healthcare properties across the United States through programs offered by Fannie Mae, Freddie Mac and the Federal Housing Administration ("FHA"). Berkeley Point is a Fannie Mae DUST™, Freddie Mac Program Plus® and MAP- and LEAN-approved FHA lender and servicer. Together with its predecessor entities, Berkeley Point has serviced commercial real estate loans originated under programs offered by Fannie Mae, Freddie Mac and FHA for approximately 25 years and has been the named special servicer on three Freddie Mac K-Series securitizations since 2009. As a part of its predecessor entities, Berkeley Point's special asset management group was formed in 2004 and has since facilitated workouts for loans totaling over \$605 million. Berkeley Point has offices located in Bethesda, Maryland, Boston, Massachusetts, Santa Monica, California, Irvine, California, Columbus, Ohio, Dallas, Texas, Nashville, Tennessee, Seattle, Washington and St. Louis, Missouri.

As of April 30, 2015, Berkeley Point's servicing portfolio was comprised of 2,378 loans originated by Berkeley Point, its predecessors, its affiliates and various third parties with an aggregate outstanding principal balance of approximately \$40.5 billion, of which Berkeley Point is the primary servicer through sub-servicing agreements with master servicers on Freddie Mac K-Series securitizations for 207 loans with an approximate aggregate outstanding principal balance of approximately \$4.9 billion. Berkeley Point services and manages the remainder of its servicing portfolio pursuant to seller/servicer contracts and licenses with Fannie Mae, Freddie Mac, FHA, affiliated companies and a variety of third parties with servicing and asset management for 146 of such loans handled by Berkeley Point's special servicing business unit as of April 30, 2015.

In addition to the servicing portfolio outlined above, Berkeley Point is the named special servicer on three Freddie Mac K-Series securitizations comprising 178 loans. The table below sets forth information about these pool of loans as of the dates indicated:

<b>CMBS Pools</b>	<b>As of 12/31/2012</b>	<b>As of 12/31/2013</b>	<b>As of 12/31/2014</b>	<b>As of 4/30/2015</b>
By Number .....	1 pool (46 loans)	2 pools (73 loans)	3 pools (178 loans)	3 pools (178 loans)
Named Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance <sup>(1)</sup> .....	\$1.0 billion	\$2.1 billion	\$3.4 billion	\$3.4 billion
Actively Specially Serviced Portfolio By Number of Loans <sup>(2)</sup> .....	0	0	0	0
Actively Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance <sup>(2)</sup> .....	\$0	\$0	\$0	\$0

(1) Includes all the loans in the CMBS pools for which Berkeley Point 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 CMBS pools that, as of the specified date, are specially-serviced loans.

As of April 30, 2015, Berkeley Point had 65 personnel involved in the servicing and asset management of commercial real estate loans and CMBS pools, of which 8 were dedicated to the special servicing business unit. Of Berkeley Point's servicing portfolio as of April 30, 2015, Berkeley Point's special servicing business unit services the CMBS pools and the 146 loans noted above.

The commercial real estate loans that Berkeley Point originates and for which Berkeley Point provides servicing include mortgage loans secured by the same types of income producing properties as those securing the underlying mortgage loan backing the certificates. Accordingly, the assets that Berkeley Point services as well as assets originated, brokered and/or owned by it or its affiliates may, depending upon the particular circumstances, including the nature and location of such assets, compete with the mortgaged real property securing the underlying mortgage loan for tenants, purchasers, financing and so forth.

Berkeley Point has developed policies and procedures for the performance of its special servicing obligations in compliance with applicable USAP servicing standards. Berkeley Point generally utilizes technology infrastructure to bolster and facilitate controls for compliance with pooling and servicing agreements, loan administration and procedures in workout/resolution and commercially appropriate standardization and automation to provide for improved accuracy, efficiency, transparency, monitoring and controls.

Berkeley Point may from time to time engage consultants to perform property inspections and to provide asset management and/or loan workout services on certain properties. Berkeley Point does not have any material primary advancing obligations with respect to the CMBS pools as to which it is named special servicer, and accordingly Berkeley Point does not believe that its financial condition will have any adverse effect on the performance of its duties under the Trust and Servicing Agreement nor any material impact on the underlying mortgage loan performance or the performance of the certificates.

Berkeley Point will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loan. On occasion, Berkeley Point may have custody of certain of such documents as necessary for enforcement actions involving the underlying mortgage loan or otherwise. To the extent that Berkeley Point has custody of any such documents, such documents will be maintained in a manner consistent with the Servicing Standard.

Berkeley Point is not an affiliate of the depositor, Freddie Mac, the borrower, the sponsor of the borrower, the issuing entity, the trustee, the certificate administrator or the originator. There are no specific relationships involving or relating to this transaction or the securitized mortgage loan between Berkeley Point or any of its

affiliates, on the one hand, and the depositor, Freddie Mac, the borrower, the sponsor of the borrower or the issuing entity, on the other hand, that currently exist or that existed during the past two years. In addition, there are no business relationships, agreements, arrangements, transactions or understandings that have been entered into outside the ordinary course of business or on terms other than would be obtained in an arm's length transaction with an unrelated third party apart from this securitization transaction between Berkeley Point or any of its affiliates, on the one hand, and the depositor, Freddie Mac, the borrower, the sponsor of the borrower or the issuing entity, on the other hand, that currently exist or that existed during the past two years and that are material to an investor's understanding of the offered certificates.

No securitization transaction involving commercial or multifamily mortgage loans in which Berkeley Point is acting as special servicer has experienced an event of default as a result of any action or inaction performed by Berkeley Point as special servicer. In addition, there has been no previous disclosure of material non-compliance with servicing criteria by Berkeley Point with respect to any other securitization transaction involving commercial or multifamily mortgage loans in which Berkeley Point was acting as special servicer.

From time to time, Berkeley Point and its affiliates are parties to lawsuits and other legal proceedings by governmental authorities or other entities arising in the ordinary course of business. Berkeley Point does not believe that any such current lawsuits or legal proceedings would, individually or in the aggregate, have a material adverse effect on its business or its ability to serve as special servicer or be material to a certificateholder.

Berkeley Point is not an affiliate of the B-Piece Buyer or the entity to be, or to be appointing, the Initial Directing Certificateholder.

The foregoing information set forth in this section "—The Special Servicer" has been provided by Berkeley Point. Neither the depositor nor any other person other than Berkeley Point makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of Berkeley Point as the special servicer and the provisions of the Trust and Servicing Agreement are described under "—Servicing Under the Trust and Servicing Agreement," "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses," "—Required Appraisals," and "—Inspections; Collection of Operating Information" below. The special servicer's ability to waive or modify any terms, fees, penalties or payments on the underlying mortgage loan and the effect of that ability on the potential cash flows from the underlying mortgage loan are described under "—Modifications, Waivers, Amendments and Consents" below.

Berkeley Point, as the special servicer will, among other things, oversee the resolution of the underlying mortgage loan during a special servicing period and the disposition of any REO Property. Certain of the special servicer's duties as the special servicer under the Trust and Servicing Agreement, including information regarding the processes for handling delinquencies, losses, bankruptcies and recoveries (such as through a liquidation of the underlying mortgage loan, the sale of the underlying mortgage loan or negotiations or workouts with the borrower under the underlying mortgage loan) are set forth under "—Realization Upon Mortgage Loan" below.

Certain terms of the Trust and Servicing Agreement regarding Berkeley Point's removal, replacement, resignation or transfer as special servicer are described under "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" and "—Rights Upon Event of Default" below.

### **Sub-Servicer**

It is anticipated that Holliday Fenoglio Fowler, L.P., a Texas limited partnership ("HFF LP"), the originator, will also be a sub-servicer of the underlying mortgage loan. HFF LP is headquartered in Houston, Texas and has an additional servicing office in Pittsburgh, Pennsylvania.

HFF LP (including its predecessor entities) has been engaged in the servicing of commercial mortgage loans since 1974 and commercial mortgage loans originated for securitization since 2002 as a non-cashiering primary servicer. The following table sets forth information about HFF LP’s servicing portfolio of commercial mortgage loans as of the dates indicated:

<b>Loans</b>	<b>12/31/2012</b>	<b>12/31/2013</b>	<b>12/31/2014</b>
By Approximate Number	2280	2269	2467
By Approximate Aggregate Principal Balance (in billions)	\$31	\$33	\$39

HFF LP’s servicing portfolio includes mortgage loans secured by multifamily, office, retail, industrial, hospitality and other types of income-producing properties that are located throughout the United States. HFF LP also services and/or sub-services newly-originated commercial mortgage loans and mortgage loans acquired in the secondary market for issuers of commercial and multifamily mortgage-backed securities, financial institutions and a variety of investors and other third parties.

HFF LP’s servicing system utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows HFF LP to process mortgage servicing activities including: (i) performing account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments, replacement reserve escrows, operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports.

To the extent of the sub-servicing activities provided by HFF LP in commercial mortgage backed securities transactions, HFF LP has developed policies, procedures and controls for the performance of its servicing obligations in material compliance with applicable servicing agreements, servicing standards and the servicing criteria set forth in Item 1122 of Regulation AB under the Securities Act of 1933, as amended.

HFF LP’s servicing policies and procedures for the servicing functions it will perform under the primary servicing agreement for assets of the same type included in the securitization transaction are updated periodically in an attempt to keep pace with the changes in the commercial mortgage-backed securities industry.

In this transaction, HFF LP is generally responsible for only limited servicing functions with respect to the underlying mortgage loan. HFF LP may from time to time perform some of its servicing obligations under the sub-servicing agreement through one or more third-party vendors that provide servicing functions such as property condition assessments and other services necessary in the routine course of providing the servicing functions required under the sub-servicing agreement. HFF LP will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions in all material respects.

HFF LP will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loan. HFF LP may from time to time have custody of certain of such documents as necessary for facilitating the servicing or the supervision of servicing the underlying mortgage loan. To the extent that HFF LP has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the servicing standard under the sub-servicing agreement.

No securitization transaction involving commercial or multifamily mortgage loans in which HFF LP was acting as a sub-servicer has experienced a servicer event of default as a result of any action or inaction of HFF LP as a sub-servicer including as a result of HFF LP’s failure to comply with the applicable servicing criteria in connection with any securitization transaction.

From time to time, HFF LP is a party to lawsuits and other legal proceedings as part of its duties as a loan servicer and/or arising in the ordinary course of its business. There are currently no legal proceedings pending and no legal proceedings known to be contemplated by government authorities against HFF LP of which any of its property is the subject that is material to certificate holders.

Certain duties and obligations of HFF LP as a sub-servicer, and the provisions of the sub-servicing agreement, are described under “—Summary of Sub-Servicing Agreement” below.

The sub-servicer is entitled to indemnification from the master servicer for losses and liabilities incurred in connection with its servicing functions under the sub-servicing agreement unless such losses and liabilities are caused by the sub-servicer's negligent misfeasance, negligence, fraud or bad faith as described under "—Summary of Sub-Servicing Agreement" below.

The foregoing information set forth in this section "Sub-Servicer" has been provided by HFF LP. Neither the depositor nor any other person other than HFF LP makes any representation or warranty as to the accuracy or completeness of such information.

Certain terms of the Trust and Servicing Agreement regarding HFF LP's removal are described under "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer" below. HFF LP's rights and obligations with respect to indemnification, and certain limitations on HFF LP's liability under the Trust and Servicing Agreement, are described in this information circular under "Liability of the Servicers" and "Certain Indemnities" below.

### **Summary of Sub-Servicing Agreement**

Pursuant to the terms of a sub-servicing agreement between HFF LP and the master servicer, HFF LP will perform certain limited servicing functions. Generally HFF LP will perform the following services in connection with the underlying mortgage loan: (i) collecting payments from borrower, depositing such payments in servicing, tax and escrow accounts, making tax, escrow, insurance and other reserve payments from reserve and escrow accounts, remitting such payments to the master servicer and processing certain borrower requests, (ii) conducting the inspections of the mortgaged real property as provided in the applicable section of the Trust and Servicing Agreement, and preparing and delivering to the master servicer a written report of the results of such inspection meeting the requirements of the report described in the Trust and Servicing Agreement; such inspections will be performed at such times and in such manner as are consistent with the Servicing Standard and at such intervals as required by the Trust and Servicing Agreement, (iii) using reasonable efforts consistent with the Servicing Standard to collect in accordance with and as required by the Trust and Servicing Agreement, the quarterly, annual and other periodic operating statements, budgets and rent rolls with respect to the mortgaged real property and delivering the same to the master servicer, (iv) for the mortgage loan (unless the underlying mortgage loan is a specially serviced mortgage loan) preparing in accordance with the Trust and Servicing Agreement (or, if previously prepared, updating) the CREFC<sup>®</sup> Financial File, CREFC<sup>®</sup> Property File, CREFC<sup>®</sup> Comparative Financial Status Report, CREFC<sup>®</sup> Loan Level Reserve/LOC Report, CREFC<sup>®</sup> Loan Periodic Update File, CREFC<sup>®</sup> Delinquent Loan Status Report, CREFC<sup>®</sup> Servicer Watch List, CREFC<sup>®</sup> Net Operating Income Adjustment Worksheet and the CREFC<sup>®</sup> Operating Statement Analysis Report and delivering the same to the master servicer within the time periods set forth in the subservicing agreement, and (v) certain functions with respect to assumptions, due-on-sale clause waivers and certain other borrower requests with respect to the underlying loan unless such loan is a specially serviced mortgage loan. With respect to any proposed assumption or due-on-sale waiver, (1) HFF LP will not permit or consent to any assumption, transfer or other similar action contemplated by the applicable sections of the Trust and Servicing Agreement without the prior written consent of the master servicer, (2) HFF LP will perform and forward to the master servicer any analysis, recommendation or other information required to be prepared and/or delivered by the master servicer under the Trust and Servicing Agreement, and (3) the master servicer, not HFF LP, will deal directly with the special servicer in connection with obtaining any necessary approval or consent from the special servicer

The master servicer and HFF LP each agrees in the sub-servicing agreement to indemnify and hold harmless the master servicer, in the case of the HFF LP, and HFF LP, in the case of the master servicer (including any of their partners, directors, officers, shareholders, members, managers, employees, agents, affiliates or controlling persons) from and against any and all liability, claim, loss, out-of-pocket cost (including reasonable attorneys' fees), penalty, expense or damage of the master servicer, in the case of HFF LP, and HFF LP, in the case of the master servicer (including any of their partners, directors, officers, shareholders, members, managers, employees, agents, affiliates or controlling persons) resulting from (i) any breach by the indemnitor of any representation, warranty, covenant or agreement made by it in the sub-servicing agreement or (ii) any negligent misfeasance, bad faith, fraud or negligence by the indemnitor in the performance of its obligations or duties under the sub-servicing agreement or by reason of negligent disregard of such obligations and duties.

HFF LP may be terminated under the sub-servicing agreement in certain limited cases, including upon an event of default and request of Freddie Mac.

The foregoing information set forth in this section “Summary of HFF LP Sub-Servicing Agreement” has been provided by HFF LP. Neither the depositor nor any other person other than HFF LP makes any representation or warranty as to the accuracy or completeness of such information.

### **Liability of the Servicers**

The master servicer (either in its own right or on behalf of an indemnified sub-servicer), the special servicer and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the master servicer or the special servicer, as applicable, as described under “—Certain Indemnities” below.

The underlying mortgage loan 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 Trust and Servicing Agreement or the certificateholders for any action taken, or not taken, in good faith pursuant to the Trust 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 Trust and Servicing Agreement or from any liability which would otherwise be imposed by reason of willful misconduct, bad faith, fraud or negligence in the performance of its duties or negligent disregard of obligations and duties under the Trust and Servicing Agreement.

The master servicer and the special servicer each will be required to maintain at their own expense, fidelity insurance, in the form of a financial institution bond, fidelity bond or its equivalent (“Fidelity Insurance”) consistent with the Servicing Standard and an errors and omissions insurance policy with an insurer that meets the qualifications set forth in the Trust and Servicing Agreement with coverage amounts consistent with the Servicing Standard. However, for so long as Freddie Mac is acting as master servicer, the master servicer may elect not to maintain errors and omissions insurance.

Solely in the event that Accepted Servicing Practices is the applicable Servicing Standard, each of the master servicer and the special servicer, will be required to maintain Fidelity Insurance and omissions insurance with an insurer that meets the qualifications set forth in the Trust and Servicing Agreement. Such policy must meet certain requirements as to coverage set forth in the Trust and Servicing Agreement. Coverage of the master servicer or the special servicer under a policy or bond obtained by an affiliate of the master servicer or special servicer, as applicable that meets the same requirements as a policy obtained directly by the master servicer or special servicer will be permitted under the Trust and Servicing Agreement. In lieu of obtaining such a policy or bond, the master servicer or the special servicer will be permitted to provide self-insurance with respect to Fidelity Insurance or errors and omissions insurance, subject to satisfaction of certain credit ratings requirements by the master servicer, the special servicer, or their respective immediate or remote parent companies.

### **Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties**

*Resignation of the Master Servicer or the Special Servicer.* The master servicer and the special servicer will only be permitted to resign from their respective obligations and duties under the Trust and Servicing Agreement upon (i) a determination that such party’s duties are no longer permissible under applicable law or (ii) the appointment of, and the acceptance of such appointment by, a successor to the resigning master servicer or special servicer, as applicable. Any such successor must satisfy the following conditions applicable to it (the “Successor Servicer Requirements”): (a) Freddie Mac has approved such successor, which approval will not be unreasonably withheld or delayed, (b) 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 Trust and Servicing Agreement and certain sub-servicing agreements that arise thereafter, (c) such successor (1) is then listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Master Servicer (in the case of a successor master servicer) or a U.S. Commercial Mortgage Special Servicer (in the case of a successor special servicer) and (2) is rated at least “CMS3” (in the case of a successor master servicer) or “CSS3” (in the case of a successor special servicer) by Fitch and (d) with respect to a successor special servicer, the trustee receives an opinion of counsel generally to the effect that the agreement pursuant to which such special servicer is replaced is

binding. Any determination permitting the resignation of the master servicer or special servicer because such party's duties are no longer permissible under applicable law must be evidenced by an opinion of counsel to such effect delivered to the trustee, the cost of which, together with any other expenses of such resignation, are required to be borne by the resigning party. No resignation by the master servicer or special servicer will become effective until the trustee or the successor to the master servicer or special servicer, as applicable, has assumed the resigning master servicer's or special servicer's, as applicable, responsibilities and obligations under the Trust and Servicing Agreement in accordance with this paragraph.

*Removal of the Master Servicer, the Special Servicer and any Sub-Servicer.* If an event of default described under “—Events of Default” below occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of the directing certificateholder or Freddie Mac, the trustee will be required, to terminate the defaulting party and appoint a successor, as described under “—Rights Upon Event of Default” below. The defaulting party is entitled to the payment of all compensation, indemnities, reimbursements and similar amounts accrued and unpaid to the date of termination.

In addition, the 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 30 business days' prior written notice to the parties to the Trust and Servicing Agreement; *provided, however*, that any such decision to terminate and replace the special servicer will be subject to Freddie Mac's consent and approval, which may not be unreasonably withheld or delayed. Any successor special servicer must satisfy the Successor Servicer Requirements. In addition, the trustee must receive an opinion of counsel to the effect that the removal of the special servicer is in compliance with the terms of the Trust and Servicing Agreement. If such removal is without cause, all costs of the issuing entity and the special servicer incurred in connection with transferring the subject special servicing responsibilities to a successor special servicer will be the responsibility of the directing certificateholder that effected the termination. Moreover, the terminated special servicer will be entitled to—

- payment out of the collection account for all accrued and unpaid special servicing fees, surveillance fees and additional special servicing compensation;
- continued rights to indemnification; and
- continued rights to some or all liquidation and workout fees earned by it as described below under “—Servicing and Other Compensation and Payment of Expenses.”

In addition, upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, (a) Freddie Mac, in its sole discretion, may terminate the special servicer if Freddie Mac determines that the special servicer is not performing its obligations in accordance with the Servicing Standard, and may appoint a successor special servicer in consultation (on a nonbinding basis) with the directing certificateholder and (b) if the operating trust advisor is not Freddie Mac and the operating trust advisor determines that the special servicer is not performing its duties in accordance with the Servicing Standard, the operating trust advisor may recommend to Freddie Mac (on a non-binding basis) the replacement of the special servicer.

In addition, (i) if Freddie Mac is then acting as master servicer, Freddie Mac as master servicer will be permitted to, and (ii) if Freddie Mac is not then acting as master servicer, Freddie Mac will be entitled to direct any Third Party Master Servicer to, remove any sub-servicer with respect to the underlying mortgage loan if (x) Freddie Mac determines, in accordance with the provisions of the Guide that any sub-servicer should not sub-service the underlying mortgage loan, (y) such sub-servicer becomes an affiliate of the trustee or (z) Freddie Mac determines, in its reasonable discretion, that a conflict of interest exists between the sub-servicer and the borrower such that the sub-servicer should not sub-service the underlying mortgage loan. Any sub-servicer that is terminated pursuant to clauses (x), (y) or (z) above will have the right to sell its sub-servicing to either any Third Party Master Servicer or another sub-servicer acceptable to Freddie Mac, which acceptance may not be unreasonably withheld or delayed. Any such removal of a sub-servicer will be at the expense of Freddie Mac, and none of the master servicer, the special 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.

*Transfer of Servicing Duties.* In connection with such appointment and assumption of a successor to the master servicer or the special servicer as described in this 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 loan 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 Trust and Servicing Agreement. The trustee, the master servicer, the special servicer and such successor are required to take such action, consistent with the Trust 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 of the special servicer by the directing certificateholder as described above under “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer”) under the Trust 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 master servicer or special servicer, as the case may be, is terminated pursuant to the terms of the Trust 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 Trust 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 Trust 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 loan or credited by the special servicer to an REO account, as the case may be, or which thereafter are received with respect to the underlying mortgage loan or any REO Property.

#### **The Trustee, Certificate Administrator and Custodian**

Citibank, N.A., a national banking association (“Citibank”), will act as trustee, certificate administrator, custodian and certificate registrar under the Trust and Servicing Agreement. The corporate trust office of Citibank responsible for administration of the issuing entity is located at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Citibank Agency & Trust – FREMF 2015-KPLB and the office for certificate transfer services is located at 480 Washington Boulevard, 30th Floor, Jersey City, New Jersey 07310, Attention: Citibank Agency & Trust – FREMF 2015-KPLB.

Citibank is a wholly owned subsidiary of Citigroup Inc., a Delaware corporation. Citibank performs as trustee, certificate administrator, custodian and certificate registrar 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, depository and escrow services. As of the first quarter of 2015, Citibank’s Agency and Trust group managed in excess of \$5.1 trillion in fixed income and equity investments on behalf of approximately 2,500 corporations worldwide. Since 1987, Citibank’s Agency and Trust group has provided trustee services 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 2015, Citibank acted as trustee, certificate administrator and/or paying agent for approximately 51 transactions backed by commercial mortgages with an aggregate principal balance of approximately \$49.3 billion. The depositor, the initial purchasers, the placement agents, Freddie Mac, the master servicer, the special servicer and the operating trust advisor may maintain banking and other commercial relationships with Citibank and its affiliates. 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.

Under the terms of the Trust and Servicing Agreement, Citibank is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. The analyst will be responsible for the timely delivery of reports to the administration unit for processing

all cashflow items. As certificate administrator, Citibank is also responsible for the preparation and filing of all REMIC tax returns on behalf of the issuing entity. In the past three years, Citibank has not made material changes to the policies and procedures of its securities administration services for commercial mortgage-backed securities.

There have been no material changes to Citibank's policies or procedures with respect to its commercial mortgage-backed trustee or securities administration function other than changes required by applicable laws. In the past three years, Citibank has not materially defaulted in its trustee or securities administration 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 or securities administrator with respect to commercial mortgage-backed securities.

Citibank is acting as trustee, certificate administrator and custodian of this CMBS transaction. In the ordinary course of business, Citibank is involved in a number of legal proceedings, including in connection with its role as trustee of certain residential mortgage-backed securities ("RMBS") transactions. One such proceeding was a civil action filed against Citibank in the Supreme Court of the State of New York on June 18, 2014 by a group of investors in 48 private-label RMBS trusts for which Citibank serves or did serve as trustee, asserting claims for alleged violations of the Trust Indenture Act of 1939, breach of contract, breach of fiduciary duty and negligence based on Citibank's alleged failure to perform its duties as trustee for the 48 RMBS trusts. On November 24, 2014, plaintiffs sought leave to withdraw this action. On the same day, a smaller subset of similar plaintiff investors in 27 private-label RMBS trusts for which Citibank serves or did serve as trustee filed a new civil action against Citibank in the Southern District of New York asserting similar claims as the prior action filed in state court. In January 2015, the court closed the plaintiff's original state court action. Citibank's motion to dismiss the federal complaint was fully briefed as of May 13, 2015.

There can be no assurances as to the outcome of litigation or the possible impact of litigation on the trustee or the RMBS trusts. However, Citibank denies liability and intends to vigorously defend against the litigation. Furthermore, neither the above-disclosed litigation nor any other pending legal proceeding involving Citibank will materially affect Citibank's ability to perform its duties as trustee, certificate administrator and custodian under the Trust and Servicing Agreement for this CMBS transaction.

Citibank is acting as custodian of the mortgage file pursuant to the Trust and Servicing Agreement. The custodian is responsible to hold and safeguard the mortgage note and other contents of the mortgage file with respect to the underlying mortgage loan on behalf of the trustee and the certificateholders. The mortgage file will be 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 10 years. Citibank, through its affiliates and third-party vendors, maintains its commercial document custody facilities in Chicago, Illinois and St. Paul, Minnesota. One such third-party vendor separately engaged by Citibank, N.A. in its capacity as custodian under the Trust and Servicing Agreement is U.S. Bank National Association which will hold and safeguard the mortgage note and other contents of the mortgage file with respect to the underlying mortgage loan.

The foregoing information set forth under this sub-heading "—The Trustee, Certificate Administrator 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 to assist us with the preparation of this information circular and, other than with respect to such information and the information contained under this sub-heading "—The Trustee, Certificate Administrator and Custodian," Citibank assumes no responsibility or liability for the contents of this information circular.

Each of the trustee, the certificate administrator, the custodian and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the trustee, the certificate administrator or the custodian, as applicable, as described in "—Certain Indemnities" below.

See also "—Rights Upon Event of Default," "—Matters Regarding the Trustee, the Certificate Administrator and the Custodian" and "—Certain Indemnities" below.

## **Resignation and Removal of the Trustee and the Certificate Administrator**

Each of the trustee and the certificate administrator will be permitted at any time to resign from its obligations and duties under the Trust and Servicing Agreement by giving written notice to the depositor, master servicer, special servicer, the operating trust advisor, Freddie Mac (if Freddie Mac is not then acting as master servicer), the trustee or the certificate administrator, as the case may be, and all certificateholders. In addition, compliance with the Investment Company Act may require the trustee to resign if (i) the borrower has defeased more than 20% of the underlying mortgage loan (by principal balance) and (ii) an affiliate of the trustee is servicing or sub-servicing the underlying mortgage loan. Upon receiving a notice of resignation, the depositor will be required to use its best efforts to promptly appoint a qualified successor trustee or certificate administrator acceptable to the master servicer and Freddie Mac (if Freddie Mac is not then acting as master servicer). If no successor trustee or certificate administrator has been so appointed and has accepted an appointment within 30 days after the giving of the notice of resignation, the resigning trustee or certificate administrator may petition any court of competent jurisdiction to appoint a successor trustee or certificate administrator, as applicable.

Each of the trustee and the certificate administrator must at all times be, and will be required to resign if it fails to be, (i) a corporation, national bank, trust company or national banking association, organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust powers and to accept the trust conferred under the Trust 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), (ii) an institution insured by the Federal Deposit Insurance Corporation and (iii) an institution whose long term senior unsecured debt (a) is rated “A” or higher by Fitch and “Aa3” or higher by Moody’s (or “A2” or higher by Moody’s if such institution’s short term unsecured debt obligations are rated “P-1” or higher by Moody’s) or (b) is otherwise acceptable to the directing certificateholder and Freddie Mac with respect to such trustee or certificate administrator.

If at any time the trustee or the certificate administrator ceases to be eligible to continue as the trustee or the certificate administrator under the Trust and Servicing Agreement, and fails to resign after written request by Freddie Mac, the depositor or any Third Party Master Servicer, or if at any time the trustee or the certificate administrator, as applicable, becomes incapable of acting, or if some events of, or proceedings in respect of, bankruptcy or insolvency occur with respect to the trustee or the certificate administrator, the depositor will be authorized to remove the trustee or the certificate administrator and appoint a successor trustee or certificate administrator, as applicable. In addition, holders of the certificates entitled to at least 51% of the voting rights may at any time, without cause, remove the trustee or certificate administrator under the Trust and Servicing Agreement and appoint a successor trustee or certificate administrator acceptable to Freddie Mac. Any successor trustee or certificate administrator must be an institution that meets the requirements of the immediately preceding paragraph. Further, if the ratings of the trustee or the certificate administrator fall below the ratings required by the immediately preceding paragraph, Freddie Mac will have the right to remove the trustee or certificate administrator, as applicable, and appoint a successor trustee or certificate administrator that meets the standards set forth in the Trust and Servicing Agreement and who is otherwise acceptable to Freddie Mac in its sole discretion.

Any resignation or removal of a trustee or a certificate administrator and appointment of a successor trustee or certificate administrator will not become effective until acceptance of appointment by the successor trustee or certificate administrator, as applicable.

In the event of any resignation or removal of a trustee or a certificate administrator (other than a resignation of a trustee that is required solely due to a change in law or a conflict of interest arising after the Closing Date that is not waived by all of the parties in conflict or is unwaivable), such resignation or removal will be effective with respect to each of such party’s other capacities under the Trust and Servicing Agreement, including, without limitation, such party’s capacities as trustee, custodian, certificate administrator and certificate registrar, as the case may be.

See “—Rights Upon Event of Default,” “—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” and “—Certain Indemnities” below.

## **Assignment of the Mortgage Loan**

On the Closing Date, we will sell, assign, transfer or otherwise convey all of our right, title and interest in and to the underlying mortgage loan acquired from the mortgage loan seller, without recourse, to the trustee for the benefit of the holders of the certificates. We will also assign to the trustee our rights under the mortgage loan purchase agreement pursuant to which we acquired the underlying mortgage loan from the mortgage loan seller, except for certain rights to receive notices regarding demands for the mortgage loan seller to repurchase the underlying mortgage loan.

## **Servicing Under the Trust and Servicing Agreement**

*General.* The master servicer and special servicer must diligently service and administer the underlying mortgage loan and, if applicable, REO Property for which it is responsible under the Trust and Servicing Agreement directly, through sub-servicers or through an affiliate as provided in the Trust and Servicing Agreement, in accordance with—

- any and all applicable laws,
- the express terms of the Trust and Servicing Agreement,
- the express terms of the underlying mortgage loan 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—

- the underlying mortgage loan if no Servicing Transfer Event has occurred, and
- the worked-out underlying mortgage loan if no new Servicing Transfer Event has occurred.

If a Servicing Transfer Event occurs with respect to the underlying mortgage loan, the underlying mortgage loan will not be considered to be “worked-out” until all applicable Servicing Transfer Events have ceased to exist.

In general, subject to specified requirements and certain consultations, consents and approvals of the directing party contained in the Trust and Servicing Agreement, the special servicer will be responsible for the servicing and administration of the underlying mortgage loan as to which a Servicing Transfer Event has occurred and is continuing. The special servicer will also be responsible for the administration of the REO Property in the issuing entity.

Despite the foregoing, the Trust 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 certificate administrator required with respect to any specially serviced assets; and
- otherwise, to render other incidental services with respect to any specially serviced assets.

The master servicer will transfer servicing of the underlying mortgage loan to the special servicer upon the occurrence of a Servicing Transfer Event with respect to the underlying mortgage loan. The special servicer will return the servicing of the underlying mortgage loan to the master servicer, and the underlying mortgage loan will be considered to have been worked-out, if and when all Servicing Transfer Events with respect to the underlying mortgage loan cease to exist and the underlying mortgage loan has become a Corrected Mortgage Loan.

The Trust and Servicing Agreement provides that in certain circumstances the directing party may, at its own expense, request that a Directing Party Servicing Consultant prepare and deliver a recommendation relating to a requested waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain

modifications, waivers or amendments for the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan. In providing a recommendation in response to any such request, the Directing Party Servicing Consultant will be acting as a consultant to the directing party and any such recommendation provided will not be subject to the Servicing Standard. The Directing Party Servicing Consultant will have no duty or liability to any other party or certificateholder other than the directing party in connection with any recommendation it gives the directing party or actions taken by any party as a result of such consultation services provided to the directing party as contemplated above. See “—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications, Waivers, Amendments and Consents” below.

Any Third Party Master Servicer, the Directing Party Servicing Consultant and any sub-servicer may consult with Freddie Mac with respect to the application of Freddie Mac Servicing Practices to any matters related to the underlying mortgage loan when it is a non-Specially Serviced Mortgage Loan. Freddie Mac will be acting as a “servicing consultant” in connection with such consultations. Any sub-servicer will be required to inform any Third Party Master Servicer of any such consultation with Freddie Mac. Freddie Mac (in its capacity as the servicing consultant) may contact the borrower to request any necessary documentation from the borrower in order to provide consultation to any Third Party Master Servicer, the Directing Party Servicing Consultant or any sub-servicer with respect to the proper application of Freddie Mac Servicing Practices (a copy of such documentation will also be provided by Freddie Mac to any Third Party Master Servicer, to the extent not already provided by the borrower).

### **The Operating Trust Advisor**

Freddie Mac, will act as operating trust advisor under the Trust and Servicing Agreement. Freddie Mac is also the mortgage loan seller, master servicer and guarantor of the offered certificates. Freddie Mac’s principal servicing office, and the office from which it will principally conduct its operating trust advisor activities, is located at 8100 Jones Branch Drive, McLean, Virginia 22102. Freddie Mac’s Multifamily Division currently has approximately 500 employees in the McLean, Virginia headquarters and in regional offices located in New York, New York, Chicago, Illinois and Los Angeles, California.

Freddie Mac conducts business in the U.S. secondary mortgage market by working with a national network of experienced multifamily seller/servicers to finance apartment buildings and other multifamily dwellings around the country. Freddie Mac performs in-house underwriting and credit reviews of multifamily loans but does not directly originate loans or service non-securitized loans for third-party investors. Freddie Mac is presently seeking to commence its operating trust advisor activities with respect to loans held in select Freddie Mac-sponsored multifamily securitizations, commencing with this transaction. Freddie Mac also has extensive experience processing distressed loans in asset resolution through extensions, forbearance, sale, modification, foreclosure and other loss mitigation activities.

Freddie Mac’s multifamily mortgage origination and servicing platform has been active for at least 20 years and has experienced significant growth since 1993. Freddie Mac’s master servicing operations consist of four separate teams that handle surveillance activities, borrower transactions, asset resolution and REO Properties. As part of its surveillance activities, Freddie Mac risk rates loans in its portfolio, performs comprehensive reviews of higher-risk loans (including review of quarterly financial statements, annual business plans and property inspections) and monitors loan performance on Freddie Mac multifamily securitizations. Freddie Mac has extensive experience with borrower transactions, including transfers of ownership, repair escrow extensions, property management changes, releases of collateral and rental achievement releases and modifications.

Freddie Mac’s senior long-term debt ratings are “AA+” by Standard & Poor’s, “Aaa” by Moody’s, and “AAA” by Fitch. Its short-term debt ratings are “A-1+” by Standard & Poor’s, “P-1” by Moody’s and “F1+” by Fitch.

No securitization transaction involving commercial or multifamily mortgage loans in which Freddie Mac was acting as primary servicer, special servicer or operating trust advisor has experienced a servicer event of default as a result of any action or inaction of Freddie Mac as primary servicer, special servicer or operating trust advisor, including as a result of Freddie Mac’s failure to comply with the applicable servicing criteria in connection with any securitization transaction. Freddie Mac has made all advances required to be made by it under its servicing agreements for commercial and multifamily mortgage loans.

Freddie Mac continues to operate under the conservatorship of the FHFA that commenced on September 6, 2008. From time to time Freddie Mac is a party to various lawsuits and other legal proceedings arising in the ordinary course of business and is subject to regulatory actions that could materially adversely affect its operations and its ability to service loans pursuant to the Trust and Servicing Agreement. See “Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship” and “—Litigation Involving Mortgage Loan Seller and Guarantor.”

The foregoing information set forth in this section “The Trust and Servicing Agreement—The Operating Trust Advisor” has been provided by Freddie Mac. Neither the depositor nor any other person other than Freddie Mac makes any representation or warranty as to the accuracy or completeness of such information.

The operating trust advisor and its 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 willful misconduct, bad faith, fraud or negligence in the performance of its duties under the Trust and Servicing Agreement or negligent disregard of its obligations under the Trust and Servicing Agreement as further described in “—Certain Indemnities” below.

See also “—Rights Upon Event of Default” in this information circular.

### **Rights and Obligations of the Operating Trust Advisor in Its Role as Operating Trust Advisor**

*The Operating Trust Advisor Fee.* An operating trust advisor fee will be payable to the operating trust advisor monthly from general collections at an operating trust advisor fee rate of 0.001% *per annum* on the Stated Principal Balance of the underlying mortgage loan, which fee will be calculated on the same basis as interest accrues on the underlying mortgage loan.

*Operating Trust Advisor Standard.* The operating trust advisor (in its role as operating trust advisor, and, as applicable, the directing party) will be required to perform each obligation of the operating trust advisor solely on behalf of the issuing entity and in the best interest of, and for the benefit of, the certificateholders (solely in their capacity as holders of the certificates) and as a collective whole as if such certificateholders constituted a single lender, and not for the benefit of any particular class of certificateholders, as determined by the operating trust advisor in the exercise of its good faith and reasonable judgment and without independent verification of information provided to it (the “Operating Trust Advisor Standard”).

*Review of Special Servicer.* Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, within 60 days after the end of each calendar year in which an Asset Status Report has been provided to the operating trust advisor in accordance with the Trust and Servicing Agreement, the operating trust advisor will be required to meet with representatives of the special servicer to (i) perform a review of the special servicer’s operational practices on a platform basis in light of the Servicing Standard and the requirements of the Trust and Servicing Agreement, and (ii) discuss the special servicer’s stated policies and procedures, operational controls and protocols, risk management systems, technological infrastructure (systems), intellectual resources, reasoning for believing it is in compliance with the Trust and Servicing Agreement and other pertinent information relating to the resolution or liquidation of the underlying mortgage loan if it was a Specially Serviced Mortgage Loan during such prior calendar year.

Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, and if an Asset Status Report has been provided to the operating trust advisor during the prior calendar year the operating trust advisor will be required to deliver to the trustee and the certificate administrator an annual report that identifies any material deviations from (i) the special servicer’s obligations to comply with the Servicing Standard and (ii) the special servicer’s obligations under the Trust and Servicing Agreement with respect to the resolution or liquidation of the underlying mortgage loan if it was a Specially Serviced Mortgage Loan. Each operating trust advisor annual report is also required to be delivered to the special servicer.

Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, if the operating trust advisor is not Freddie Mac and the operating trust advisor determines that the special servicer is not performing its duties under the Trust and Servicing Agreement in accordance with the Servicing Standard, the operating trust advisor may recommend to Freddie Mac (on a non-binding basis) the replacement of the special servicer. In such

event, the operating trust advisor will be required to deliver to the trustee, the certificate administrator, the master servicer, the guarantor, the directing certificateholder and the special servicer a written recommendation detailing the reasons supporting its position (along with the relevant information justifying its recommendation).

The operating trust advisor (in its role as operating trust advisor and not in its role as the directing party) will have no obligation to consult with the special servicer with respect to actions that the special servicer may perform under the Trust and Servicing Agreement to the extent such actions do not relate to the restructuring, resolution, sale or liquidation of the underlying mortgage loan when it is a specially serviced mortgage loan or REO Property, and the operating trust advisor will not be required in connection with any operating trust advisor annual report to consider the underlying mortgage loan if it is a specially serviced mortgage loan or REO Property if an Asset Status Report was not issued during the most recently ended calendar year.

*Review of Asset Status Reports and Appraisal Reduction Amounts.* Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the special servicer will be required to provide to the operating trust advisor each Asset Status Report prepared in connection with the resolution or liquidation of the underlying mortgage loan if it is a specially serviced mortgage loan. The operating trust advisor will be required to provide comments, if any, to the special servicer in respect of any such Asset Status Report within ten business days of receipt, and propose possible alternative courses of action to the extent it determines such alternatives to be in the best interest of the certificateholders as a collective whole as if such certificateholders constituted a single lender. The special servicer will be required to consider such written alternative courses of action and any other feedback provided by the operating trust advisor and to revise such Asset Status Report and its course of action as it deems necessary to take into account such input and/or comments, to the extent the special servicer determines that the operating trust advisor's input and/or recommendations are consistent with the Servicing Standard and in the best interest of the certificateholders, taking into account the interests of all of the certificateholders as a collective whole as if such certificateholders constituted a single lender.

Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, in addition, the special servicer will be required to provide to the operating trust advisor any Appraisal Reduction Amount calculations received from the master servicer and net present value calculations used in the special servicer's determination of what course of action to take in connection with the resolution or liquidation of the underlying mortgage loan if it is a specially serviced mortgage loan. After they have been finalized, the operating trust advisor may review such calculations in support of its operating trust advisor annual report, but may not opine on, or otherwise call into question (whether in the annual report or otherwise) such Appraisal Reduction Amount and/or net present value calculations.

The special servicer will not be required to take or refrain from taking any action because of an objection or comment by or recommendation of the operating trust advisor (except to the extent the operating trust advisor is acting as the directing party).

### **Liability of the Operating Trust Advisor**

The operating trust advisor and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the operating trust advisor as described in “—Certain Indemnities” below.

### **Removal and Replacement of the Operating Trust Advisor**

Freddie Mac cannot be removed as the operating trust advisor. If Freddie Mac is not then the Operating Trust Advisor, upon the written direction of Freddie Mac stating that the operating trust advisor has violated the Operating Trust Advisor Standard, the trustee will be required to terminate the operating trust advisor (as both operating trust advisor and, if applicable, the directing party) upon five days written notice to the operating trust advisor. On or after the receipt by the operating trust advisor of such written notice of termination, subject to the foregoing, all of its authority and power under the Trust and Servicing Agreement (as both operating trust advisor and, if applicable, the directing party) will be terminated and, without limitation, the terminated operating trust advisor will be required to execute any and all documents and other instruments, and do or accomplish all other acts or things reasonably necessary or appropriate to effect the purposes of such notice of termination.

As soon as practicable, but in no event later than five business days after the trustee delivers such written notice of termination to the operating trust advisor or, if the operating trust advisor resigns, Freddie Mac will be required to appoint a successor operating trust advisor (which may be Freddie Mac) to act as both operating trust advisor and, if applicable, the directing party. The trustee will be required to provide written notice of the appointment of an operating trust advisor to the master servicer, the special servicer, the certificate administrator, the directing certificateholder and Freddie Mac within five business days of its receipt of notice from Freddie Mac of such appointment. The appointment of the operating trust advisor will be in the absolute and sole discretion of Freddie Mac and will not be subject to the vote, consent or approval of the holder of any class of certificates. The operating trust advisor will not have any cause of action based upon or arising from any breach or alleged breach of such provisions.

The operating trust advisor may resign from its obligations and duties as operating trust advisor (including, if applicable, the directing party) under the Trust and Servicing Agreement (a) upon 30 days' prior written notice to the depositor, the certificate administrator, the master servicer, the special servicer, Freddie Mac and the directing certificateholder and (b) upon the appointment of, and the acceptance of such appointment by, a successor operating trust advisor to act as operating trust advisor (including, if applicable, the directing party) approved by Freddie Mac; *provided, however*, that the operating trust advisor may only resign from its obligations and duties imposed under the Trust and Servicing Agreement if (i) its duties are no longer permissible under applicable law, (ii) the successor operating trust advisor agrees to act in such capacity for the same operating trust advisor fee rate set forth in this information circular or (iii) the operating trust advisor (at its sole cost and expense) agrees to pay, during the term remaining, the excess, if any, of the compensation to be paid to any such successor operating trust advisor over the operating trust advisor fee. No resignation by the operating trust advisor will become effective until a replacement operating trust advisor has assumed the operating trust advisor's responsibilities and obligations to act as operating trust advisor (including, if applicable, the directing party). If the operating trust advisor resigns or is otherwise terminated for any reason it shall remain entitled to any accrued and unpaid fees, expenses and indemnification amounts and ongoing rights of indemnification, which shall be payable in accordance with the priorities and subject to the limitations set forth in the Trust and Servicing Agreement.

### **Operating Trust Advisor Acting as the Directing Party**

The operating trust advisor will be required to serve as the directing party under certain circumstances, pursuant to and in accordance with the terms of the Trust and Servicing Agreement, as further described in this information circular. For the avoidance of doubt, the operating trust advisor will act in two distinct capacities in connection with the Trust and Servicing Agreement, as the operating trust advisor and, at certain times in accordance with the terms of the Trust and Servicing Agreement, as the directing party. As the directing party, the operating trust advisor will have duties and responsibilities in addition to those of the operating trust advisor described under "—Rights and Obligations of the Operating Trust Advisor in Its Role as Operating Trust Advisor" above and, in connection with such party's rights and obligations as the directing party, will be required to act in accordance with the Operating Trust Advisor Standard.

### **The Guide**

In addition to the specific requirements of the Trust and Servicing Agreement as described above, and to the extent not inconsistent therewith, the master servicer and special servicer will be required to service the underlying mortgage loan unless it is an REO Loan, REO Property or Specially Serviced Mortgage Loan, in accordance with Freddie Mac Servicing Practices, an important component of which is the Guide. Freddie Mac may waive or modify its servicing policies and procedures, as reflected in the Guide at any time. The Guide can be accessed by subscribers at [www.allregs.com](http://www.allregs.com).

Generally, under the Guide, servicers are required to perform all services and duties customary to the servicing of multifamily mortgage loans. These include:

- collecting and posting payments on the underlying mortgage loan;
- investigating delinquencies and defaults;

- analyzing and recommending any 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 mortgage originators or government authorities; and
- collecting and administering insurance claims.

See “Risk Factors—Risks Related to the Underlying Mortgage Loan—The Master Servicer and the Special Servicer Will Be Required To Service the Underlying Mortgage Loan in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer to Make Certain Servicing Decisions” in this information circular.

### **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 the underlying mortgage loan including (without duplication)—
  1. if the underlying mortgage loan is a Specially Serviced Mortgage Loan,
  2. if the mortgaged real property becomes an REO Property, and
  3. if the underlying mortgage loan is defeased, and
- in the case of the underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as the underlying mortgage loan,
  2. accrue at a master servicing fee rate of 0.0200% *per annum*,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to the underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on the underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

A sub-servicing fee:

- will be earned with respect to the underlying mortgage loan, including (without duplication) when it is a Specially Serviced Mortgage Loan and when the mortgaged real property has become an REO Property, and
- in the case of the underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as the underlying mortgage loan,
  2. accrue at a sub-servicing fee rate of 0.0200% *per annum* on the Stated Principal Balance of the 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 the underlying mortgage loan, and
4. be payable monthly from amounts received with respect to interest on the underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

In the event that Freddie Mac resigns or is terminated as master servicer, Freddie Mac will 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 the underlying mortgage loan.

The right of the master servicer to receive the master servicing fee may not be transferred in whole or in part except in connection with the transfer of all of the master servicer's responsibilities and obligations under the Trust and Servicing Agreement.

*Prepayment Interest Shortfalls.* The Trust and Servicing Agreement provides that, although the loan documents require the payment of a full month's interest on any voluntary prepayment not made on a due date, if any Prepayment Interest Shortfall is incurred by reason of the master servicer's acceptance, other than at the request of the directing certificateholder, of any principal prepayment relating to the underlying mortgage loan during any Collection Period, then the master servicer must make a payment with respect to the related distribution date in an amount equal to such Prepayment Interest Shortfall for such Collection Period up to an amount not to exceed the master servicing fee for such Collection Period, with no right to reimbursement. This obligation to cover a Prepayment Interest Shortfall will not apply with respect to a principal prepayment accepted by the master servicer (i) with respect to the underlying mortgage loan if it is a Specially Serviced Mortgage Loan, (ii) subsequent to a default under the 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, (iv) in respect of a payment of insurance and condemnation proceeds or (v) pursuant to any term of the loan documents that allows such prepayment to be made without the payment of a full month's interest.

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, will be included in the Available Distribution Amount for that distribution date, as described under "Description of the Certificates—Distributions" in this information circular. If the Prepayment Interest Shortfall incurred with respect to the underlying mortgage loan during any Collection Period exceeds any payments made by the master servicer with respect to the related distribution date to cover the Prepayment Interest Shortfall, then the resulting Net Prepayment Interest Shortfall will be allocated among the respective interest-bearing classes of the certificates, in reduction of the interest distributable on those certificates, as and to the extent described under "Description of the Certificates—Distributions—Interest Distributions" in this 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 workout fees; and
- the corresponding liquidation fees.

Special Servicing Fee. A special servicing fee:

- will be earned with respect to—
  1. the underlying mortgage loan if it is a Specially Serviced Mortgage Loan, and
  2. the underlying mortgage loan if the mortgaged real property has become an REO Property;

- in the case of the underlying mortgage loan described in the foregoing bullet, will—
  1. be calculated on the same interest accrual basis as the underlying mortgage loan,
  2. accrue at a special servicing fee rate of 0.2500% *per annum*, and
  3. accrue on the Stated Principal Balance of the underlying mortgage loan outstanding from time to time; and
- will generally be payable to the special servicer monthly from general collections on the underlying mortgage loan; and
- will be subject to an annual cap of \$1,500,000.

Surveillance Fee. A surveillance fee:

- will be earned with respect to the underlying mortgage loan except—
  1. if it is a Specially Serviced Mortgage Loan or if it is an REO Loan, and
  2. if it has been defeased; *provided* that if it has been defeased in part, the surveillance fee will continue to be earned on the portion that has not been defeased, and
- in the case of the underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as the underlying mortgage loan,
  2. accrue at a surveillance fee rate of 0.0057% *per annum*,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to the underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on the underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

Workout Fee. The special servicer will, in general, be entitled to receive a workout fee with respect to the underlying mortgage loan if it was a Specially Serviced Mortgage Loan that has been worked out by it. The workout fee will be payable out of, and will generally be calculated by application of a workout fee rate of 0.50% to each payment of interest (other than Default Interest) and principal (including scheduled payments, prepayments, the balloon payment, payments at maturity and payments resulting from a partial condemnation) received on the underlying mortgage loan for so long as it remains a worked-out mortgage loan. The workout fee with respect to the worked-out mortgage loan will cease to be payable if a new Servicing Transfer Event occurs with respect to the underlying mortgage loan. However, a new workout fee would become payable if the underlying mortgage loan again became a worked-out underlying mortgage loan with respect to that new Servicing Transfer Event.

If the special servicer is terminated (other than for cause) or resigns, it will retain the right to receive any and all workout fees payable with respect to the underlying mortgage loan if it was (or was 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 workout fees.

Although workout fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any workout fee will reduce amounts payable to the certificateholders.

Liquidation Fee. The special servicer will be entitled to receive a liquidation fee with respect to the underlying mortgage loan if it is a Specially Serviced Mortgage Loan for which it obtains a full, partial or discounted payoff from the borrower. The special servicer will also be entitled to receive a liquidation fee with respect to the underlying mortgage loan if it is a Specially Serviced Mortgage Loan or REO Property as to which it receives any

liquidation proceeds, except as described in the next paragraph. A liquidation fee will also be payable in connection with the repurchase or replacement of the underlying mortgage loan if it is a worked-out mortgage loan for a material breach of a representation or warranty or a material document defect, as described under “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular, if the repurchase occurs after the end of the applicable cure period (and any applicable extension of the applicable cure period). The liquidation fee will generally be payable from, and will be calculated by application of a liquidation fee rate of 0.50% to, the related payment or proceeds, exclusive of liquidation expenses.

However, no liquidation fee will be payable based on, or out of, proceeds received in connection with—

- the purchase of the underlying mortgage loan when it is a Defaulted Loan if the purchaser is the directing certificateholder and it purchases the underlying mortgage loan within 90 days after the special servicer provides the initial Fair Value Notice described in “—Realization Upon Mortgage Loan—Purchase Option” below, or at any time if the purchaser is Freddie Mac or the related Junior Loan Holder as described under “—Realization Upon Mortgage Loan—Purchase Option” below;
- the repurchase of the 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 Loan—Cures and Repurchases” in this information circular, within the applicable cure period (and any applicable extension of the applicable cure period); or
- the purchase of the underlying mortgage loan or REO Property by the master servicer, the special servicer or holders of more than 50% of the percentage interests of the Controlling Class in connection with the termination of the issuing entity, as described under “—Termination” below.

Although liquidation fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any liquidation fee will reduce amounts payable to the certificateholders.

The right of the special servicer to receive the related special servicing fee and surveillance fee may not be transferred in whole or in part except in connection with the transfer of all of the special servicer’s responsibilities and obligations under the Trust and Servicing Agreement.

However, the special servicer may enter into one or more arrangements to assign to another person (including, without limitation, any certificateholder or an affiliate of any certificateholder), or to provide for the payment by the special servicer to such person, of all or a portion of the special servicer’s compensation (excluding the special servicing fee or the surveillance fee, as described above) under the Trust 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 Trust and Servicing Agreement and the special servicer may not assign any portion of the special servicer’s compensation to the directing certificateholder for so long as the underlying mortgage loan is an Affiliated Borrower Loan.

*Additional Servicing Compensation.* The master servicer may retain, as additional compensation, any Prepayment Interest Excesses received with respect to the underlying mortgage loan, all the Transfer Processing Fees collected on or with respect to the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan (a portion of which may be payable to a sub-servicer under a related sub-servicing agreement) and any defeasance fees.

Any late payment charges and Default Interest actually collected on the underlying mortgage loan and that are not otherwise applied as described in the last paragraph under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular, will be allocated between the master servicer and the special servicer as additional compensation in accordance with the Trust and Servicing Agreement.

Transfer Fees and collateral substitution fees collected on the underlying mortgage loan (other than when it is a Specially Serviced Mortgage Loan) will be allocated between the master servicer (a portion of which may be payable to a sub-servicer under a related sub-servicing agreement) and the directing party as shown under “Description of the Certificates—Fees and Expenses” in this information circular.

Any extension fees, modification fees, assumption fees, assumption application fees, earnout fees, consent/waiver fees and other comparable transaction fees and charges collected on the underlying mortgage loan when it is a Specially Serviced Mortgage Loan will be allocated to the special servicer, as shown under “Description of the Certificates—Fees and Expenses” in this information circular.

The master servicer will be authorized to invest or direct the investment of funds held in its collection account, or in any escrow and/or reserve account maintained by it, in Permitted Investments. See “—Collection Account” below. The master servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the master servicer’s benefit, but the master servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding such account so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Trust and Servicing Agreement at the time such investment was made and (b) is neither the master servicer nor an affiliate of the master servicer and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Trust and Servicing Agreement.

Notwithstanding anything to the contrary in the loan documents or the Servicing Standard and except with respect to Transfer Fees, Transfer Processing Fees, defeasance fees, collateral substitution fees, late payment charges, Default Interest, charges for beneficiary statements or demands and amounts collected for checks returned for insufficient funds, the master servicer may not as a condition to granting any request by the borrower for consent, modification, waiver or indulgence or any other matter or thing pursuant to the terms of the loan documents (including but not limited to any transaction, matter or request involving the full or partial condemnation of the mortgaged real property or any borrower request for consent to subject the mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, Permitted Transfers and/or permitted subordinate mortgage debt), require that the borrower pay to it, or otherwise accept, as additional servicing compensation or otherwise (i) any transfer, processing, transaction, review or similar fee, (ii) any fee for additional services performed in connection with such request, including expediting or similar fees or (iii) any related costs and expenses incurred by the master servicer, other than the attorneys’ fees and costs and the fees and expenses of any third-party service and/or title insurance providers.

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 Loan—REO Account” below. The special servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the special servicer’s benefit, but the special servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding the REO accounts so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Trust and Servicing Agreement at the time such investment was made and (b) is neither the special servicer nor an affiliate of the special servicer and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Trust and Servicing Agreement.

*Servicing Advances.* With respect to the 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 mortgaged real property; (ii) operating, leasing, managing and liquidation expenses for the mortgaged real property after it has become an REO Property; (iii) the cost of environmental inspections with respect to the mortgaged real property; (iv) real estate taxes, assessments and other items that are or may become a lien on the mortgaged real property; (v) the costs of any enforcement or judicial proceedings with respect to the underlying mortgage loan, including foreclosure and similar proceedings; (vi) the cost of appraisals with respect to the mortgaged real property and (vii) any other amount required to be paid as a servicing advance or deemed to be a servicing advance under the Trust and Servicing

Agreement (collectively “Servicing Advances”). The special servicer will have no obligation to make any Servicing Advances.

With respect to the underlying mortgage loan if it has a related subordinate loan and is subject to an intercreditor agreement that allows the lender for the underlying mortgage loan to cure defaults on the related subordinate loan, any advance made by the master servicer or the special servicer to exercise the issuing entity’s rights under such intercreditor agreement to cure any such default on the subordinate loan will be limited to the monthly debt service payments on the subordinate loan and will be deemed to be a Servicing Advance. This monthly debt service payment limitation does not apply to defaults under the related subordinate loan which are also defaults under the senior underlying mortgage loan and as to which the Servicing Advance is being made pursuant to the underlying mortgage loan documents and not solely to cure the default on the subordinate loan. In addition if the underlying mortgage loan has a related subordinate loan, any Servicing Advance that is made or proposed to be made in order to cure a default on such subordinate loan will be subject to the same application, reimbursements and nonrecoverability determinations as any other Servicing Advance under the Trust and Servicing Agreement. The master servicer will not be required to make any Servicing Advance that would, if made, constitute a Nonrecoverable Servicing Advance.

Any and all customary, reasonable and necessary out-of-pocket costs and expenses (including for the remediation of any adverse environmental circumstance or condition at the mortgaged real property) incurred by the master servicer or special servicer in connection with the servicing of the underlying mortgage loan if a default, delinquency or other unanticipated event has occurred or is reasonably foreseeable, or in connection with the administration of the 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 underlying mortgage loan or REO Property.

The special servicer will request the master servicer to make required Servicing Advances with respect to the underlying mortgage loan when it is a Specially Serviced Mortgage Loan or REO Property on a monthly basis (except for Servicing Advances required on an emergency basis). The special servicer must make the request not less than five business days prior to the date the subject advance is required to be made (except for Servicing Advances required on an emergency basis). The master servicer must make the requested Servicing Advance within a specified number of days following the master servicer’s receipt of the request. The special servicer will be required to provide the master servicer any information in its possession as the master servicer may reasonably request to enable the master servicer to determine whether a requested Servicing Advance would be recoverable from expected collections on the Specially Serviced Mortgage Loan or REO Property.

To the extent that the master servicer fails to make a Servicing Advance that it is required to make under the Trust 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 be required to make such Servicing Advance pursuant to the Trust 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, neither the trustee nor the master servicer will be obligated to make Servicing Advances that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the judgment of the trustee), would not be ultimately recoverable from expected collections on the underlying mortgage loan or REO Property. If the master servicer or the trustee makes a Servicing Advance with respect to the underlying mortgage loan or related REO Property, that it or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, as applicable, or in accordance with good faith business judgment in the case of the trustee) is not recoverable from expected collections on that underlying mortgage loan or REO Property (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 underlying mortgage loan. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance on the underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the underlying mortgage loan, (iii) the mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable Servicing Advance (including

interest accrued on such amount) as described in the preceding sentence will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loan (thereby reducing the amount of principal otherwise distributable on the certificates on the related distribution date) prior to the application of any other general collections on the underlying mortgage loan 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.

The master servicer is permitted (or is required, at the direction of the special servicer if the underlying mortgage loan is a Specially Serviced Mortgage Loan or REO Property) 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 underlying mortgage loan or REO Property. This is only to be done, however, when the master servicer, or the special servicer if the underlying mortgage loan is a Specially Serviced Mortgage Loan or REO Property, has determined in accordance with the Servicing Standard that making the payment is in the best interests of the certificateholders as a collective whole.

The master servicer and the trustee will be entitled to receive interest on Servicing Advances made by them. The interest will accrue on the amount of each Servicing Advance for so long as the Servicing Advance is outstanding, at a rate *per annum* equal to the Prime Rate. Interest accrued with respect to any Servicing Advance made with respect to the underlying mortgage loan or the 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 the 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 collection account.

#### **Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses**

The special servicer, with respect to the underlying mortgage loan if it is a Specially Serviced Mortgage Loan, and the master servicer, with respect to the underlying mortgage loan if it is a non-Specially Serviced Mortgage Loan, will be required to determine, in a manner consistent with the Servicing Standard, whether to exercise or waive any right the lender may have under either a due-on-sale or due-on-encumbrance clause to accelerate payment of the underlying mortgage loan. Generally, the master servicer or the special servicer (if the underlying mortgage loan is a Specially Serviced Mortgage Loan), will be required to enforce such due-on-sale or due-on-encumbrance clause, unless the master servicer or the special servicer, as applicable, determines, in accordance with the Servicing Standard, and subject to the applicable provisions of the Trust and Servicing Agreement, that (i) not declaring an event of default (as defined in the 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-sale or due-on-encumbrance clause unless the borrower or a third party, but in no event the issuing entity, pays all related expenses with respect to such waiver. Furthermore, neither the master servicer nor the special servicer may waive its rights or grant its consent under any due-on-sale or due-on-encumbrance clause, other than as expressly permitted pursuant to the Trust and Servicing Agreement, without the consent of the directing party, *provided* that the directing party provides such consent within the time period specified in the Trust and Servicing Agreement.

Before the master servicer or the special servicer may waive any rights under a “due-on-sale” or “due-on-encumbrance” clause, the master servicer or special servicer, as applicable, must have provided notice to the directing party and Freddie Mac in accordance with the Trust and Servicing Agreement, and provided the directing party with its written recommendation and analysis and any other information and documents reasonably requested

by the directing party. In addition, with respect to a requested transfer discussed under “Description of the Underlying Mortgage Loan—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses,” the master servicer or special servicer must have included along with its written recommendation and analysis (i) all material documents reviewed to reach such recommendation and analysis that such requested transfer is satisfactory, from a credit perspective, (taking into consideration, among other things, with respect to the existing borrower, any proposed replacement borrower, any proposed replacement designated entity for transfers under the loan documents, any proposed replacement guarantor or any proposed replacement property manager, past performance and management experience, balance sheet, equity at risk, net worth, ownership structure and any credit enhancers) and (ii) any additional information or documents that are reasonably requested by the directing party. The directing party’s approval must be obtained prior to any such waiver. However, the directing party’s approval will be deemed to have been obtained if it does not approve or disapprove the request within five business days of receipt of the documents and recommendation and analysis from the master servicer or the special servicer, as applicable. Such approval is not permitted to be unreasonably withheld in connection with a requested transfer.

Subject to the five business day period described above, the Trust and Servicing Agreement provides that the directing party may, at its own expense, request that the Directing Party Servicing Consultant prepare and deliver to it a recommendation relating to such waiver request. In providing a recommendation in response to any such request, the Directing Party Servicing Consultant will be acting as a consultant to the directing party and any such recommendation provided will not be subject to the Servicing Standard. The Directing Party Servicing Consultant will have no duty or liability to any other party or certificateholder other than the directing party in connection with any recommendation it gives the directing party or actions taken by any party as a result of such consultation services provided to the directing party as contemplated above. In no event will any expenses incurred by the Directing Party Servicing Consultant be an expense of the issuing entity.

With respect to any non-Specially Serviced Mortgage Loan and in connection with the master servicer’s review, consent and/or approval of any Transfer Processing Fee Transaction, the master servicer may as a condition to reviewing any such request by the borrower require that the borrower pay to it as additional servicing compensation, or otherwise, the Transfer Processing Fee. In addition, if the loan documents require lender consent to the borrower’s request for an assumption or waiver of a “due-on-sale” clause with respect to any loan, the master servicer may require that the borrower pay to it as additional servicing compensation, or otherwise, the Transfer Fee; provided that notwithstanding anything to the contrary in the loan documents, the master servicer may not require the borrower to pay a Transfer Fee in excess of \$250,000 in connection with any single transaction. The master servicer is not permitted to waive any Transfer Fee set forth in the loan documents without the consent of the directing party if the consent or review of the directing party is required with respect to the related Transfer and, at the commencement of the Transfer transaction, the underlying mortgage loan is an Unaffiliated Borrower Loan.

If the loan documents do not expressly permit an assumption of the underlying mortgage loan or the incurrence of subordinate debt, the master servicer or special servicer, as applicable, will be required to receive confirmation from the directing party (which confirmation must be provided within the time periods specified in the Trust 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 underlying mortgage loan have been met prior to (i) agreeing to a requested assumption of the underlying mortgage loan or (ii) agreeing to the incurrence of additional subordinate financing.

### **Modifications, Waivers, Amendments and Consents**

The Trust and Servicing Agreement will permit the master servicer or the special servicer, as applicable, to modify, waive or amend any term of the underlying mortgage loan if it determines in accordance with the Servicing Standard that it is appropriate to do so. However, no such modification, waiver or amendment of the underlying mortgage loan if it is a non-Specially Serviced Mortgage Loan may—

- affect the amount or timing of any scheduled payments of principal, interest or other amounts (including Static Prepayment Premiums) payable under the underlying mortgage loan, with limited exceptions generally involving the waiver of Default Interest and late payment charges;

- affect the obligation of the borrower to pay a Static Prepayment Premium or permit a principal prepayment during the lockout period;
- result in a release of the lien of the mortgage on any material portion of the mortgaged real property without a corresponding principal prepayment, except as expressly provided by the loan documents, in connection with a defeasance, a pending or threatened condemnation or in connection with a material adverse environmental condition at the mortgaged real property;
- in the judgment of the master servicer or the special servicer, as applicable, materially impair the security for the underlying mortgage loan or reduce the likelihood of timely payment of amounts due on the underlying mortgage loan; or
- violate the terms of any intercreditor agreement;

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 certificateholders; and either (i) the underlying mortgage 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 such modification, waiver or amendment the underlying mortgage loan does not fail to qualify as a “qualified mortgage” within the meaning of the REMIC Provisions subject to and in accordance with the requirements of applicable REMIC Provisions (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 the 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 such modification, waiver or amendment will not be a “significant modification” of the underlying 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. In order to meet the foregoing requirements, in the case of a release of real property collateral securing the underlying mortgage loan, the master servicer or the special servicer, as applicable, will be required to observe the REMIC requirements pertaining to a required payment of principal if the related loan-to-value ratio (as determined pursuant to the following paragraph) immediately after such release exceeds 125%.

In connection with (i) the release of any portion of the mortgaged real property securing the underlying mortgage loan from the lien of the related mortgage or (ii) the taking of any portion of the mortgaged real property securing the underlying mortgage loan by exercise of the power of eminent domain or condemnation, if the loan documents require the master servicer or the special servicer, as applicable, to calculate (or to approve the calculation of the borrower of) the loan-to-value ratio of the remaining mortgaged real property securing the underlying mortgage loan or the fair market value of the real property constituting the remaining mortgaged real property securing the underlying mortgage loan, for purposes of REMIC qualification of the underlying mortgage loan, then such calculation will be required to include only the value of the real property constituting the remaining mortgaged real property securing the underlying mortgage loan.

Despite the limitations on modifications, waivers and amendments described above, but subject to the limitations described below and the terms of any related intercreditor agreement, the special servicer may (or, in some cases, may consent to a request by the master servicer to), in accordance with the Servicing Standard—

- reduce the amounts owing under the underlying mortgage loan if it is a Specially Serviced Mortgage Loan by forgiving principal and/or, accrued interest and/or any Static Prepayment Premiums;
- reduce the amount of the monthly payment on the underlying mortgage loan if it is a 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 the mortgage note or mortgage if the underlying mortgage loan is a Specially Serviced Mortgage Loan;
- extend the maturity of the underlying mortgage loan if it is a Specially Serviced Mortgage Loan;

- permit the release or substitution of collateral for the underlying mortgage loan if it is a Specially Serviced Mortgage Loan; and/or
- accept a principal prepayment during any lockout period;

*provided* that the borrower is in default with respect to the Specially Serviced Mortgage Loan or such default is reasonably foreseeable (including, for this purpose, if the special servicer reasonably determines that a significant risk of default exists within the meaning of the REMIC Provisions), 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 underlying 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—

- (1) the master servicer or the special servicer be permitted to extend the maturity date of the underlying mortgage loan if the interest rate on the underlying 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; or
- (2) the master servicer be permitted to defer interest due on the underlying mortgage loan in excess of 5% of the Stated Principal Balance of the underlying mortgage loan.

Neither the master servicer nor the special servicer may permit or modify the underlying mortgage loan if it is not a Specially Serviced Mortgage Loan to permit a voluntary prepayment of the mortgage loan on any day other than its due date, unless: (i) the master servicer or the special servicer also collects interest on the underlying mortgage loan through the due date following the date of such prepayment; (ii) that prepayment is otherwise permitted under the 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 directing party, 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 Trust and Servicing Agreement, the master servicer or the special servicer, as applicable, may, consistent with the Servicing Standard, without the consent of any other party, including the directing party, (i) modify, waive or amend the terms of the underlying mortgage loan, in accordance with the Servicing Standard, in order to (A) cure any non-material ambiguity or mistake in the loan documents, (B) correct or supplement any non-material provisions in any loan documents which may be inconsistent with any other provisions in the loan documents or correct any non-material error or (C) waive minor covenant defaults or (ii) effect other non-material waivers, consents, modifications or amendments in the ordinary course of servicing the underlying mortgage loan.

The special servicer or the master servicer, as applicable, will notify the trustee and the certificate administrator among others, of any modification, waiver or amendment of any term of the underlying mortgage loan and must deliver to the custodian (with a copy to the master servicer) for deposit in the mortgage file an original counterpart of the agreement related to such modification, waiver or amendment, promptly following the execution of any such modification, waiver or amendment (and, in any event, within 30 business days). Copies of each agreement whereby any such modification, waiver or amendment of any term of the underlying mortgage loan is effected are to be available for review during normal business hours, upon prior request, at the offices of the master servicer or special servicer, as applicable. However, no such notice will be required with respect to any waiver of Default Interest or late payment charges and any such waiver need not be in writing.

In connection with the borrower’s request received by the master servicer for the master servicer to take a Consent Action with respect to the underlying mortgage loan, for so long as it is a non-Specially Serviced Mortgage Loan that is (A) on the most recent CREFC<sup>®</sup> servicer watchlist and has a debt service coverage ratio less than 1.10x (calculated in accordance with the terms of the Trust and Servicing Agreement) or (B) with respect to which an event of default has occurred in the last 12 months, the master servicer will be required to obtain the consent of the directing party prior to taking such Consent Actions and will be required to promptly forward its recommendation

and analysis (together with any additional documents and information that the directing party may reasonably request) to the directing party with a copy to the special servicer. The directing party will be deemed to have approved such recommendation, and the master servicer will be deemed to have obtained the directing party's consent, if not denied within five business days after the later of its receipt of the recommendation and analysis or receipt of all additional documents and information that it may reasonably request. Subject to the five business day period, the Trust and Servicing Agreement provides that the directing party may, at its own expense, request that the Directing Party Servicing Consultant prepare and deliver a recommendation relating to such request. In providing a recommendation in response to any such request, the Directing Party Servicing Consultant will be acting as a consultant to the directing party and any such recommendation provided will not be subject to the Servicing Standard. The Directing Party Servicing Consultant will have no duty or liability to any other party or certificateholder other than the directing party in connection with any recommendation it gives the directing party or actions taken by any party as a result of such consultation services provided to the directing party as contemplated by the preceding sentence. In no event will any expenses incurred by the Directing Party Servicing Consultant be an expense of the issuing entity.

Notwithstanding any requirement under the loan documents to obtain a confirmation from any rating agency, the master servicer or special servicer, as applicable, will be required to waive such requirement.

The ability of the master servicer or the special servicer to agree to modify, waive or amend any of the terms of the underlying mortgage loan will be subject to the discussions under “—Realization Upon Mortgage Loan—Directing Certificateholder and Directing Party” and “—Asset Status Report” below.

Notwithstanding anything to the contrary in the loan documents or the Servicing Standard and except with respect to Transfer Fees, Transfer Processing Fees, defeasance fees, collateral substitution fees, late payment charges, Default Interest, charges for beneficiary statements or demands and amounts collected for checks returned for insufficient funds, the master servicer may not as a condition to granting any request by the borrower for consent, modification, waiver or indulgence or any other matter or thing pursuant to the terms of the loan documents (including but not limited to any transaction, matter or request involving the full or partial condemnation of the mortgaged real property or the borrower request for consent to subject the mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, Permitted Transfers and/or permitted subordinate mortgage debt), require that the borrower pay to it, or otherwise accept, as additional servicing compensation or otherwise (i) any transfer, processing, transaction, review or similar fee, (ii) any fee for additional services performed in connection with such request, including expediting or similar fees or (iii) any related costs and expenses incurred by the master servicer, other than attorneys' fees and costs and the fees and expenses of any third-party service and/or title insurance providers.

The special servicer may, as a condition to granting any request by the borrower for consent, modification, waiver or indulgence or any other matter or thing the granting of which is within its discretion pursuant to the terms of the loan documents and is permitted by the terms of the Trust and Servicing Agreement, require that the borrower pay to it (i) as additional servicing compensation, a reasonable or customary fee for the additional services performed in connection with such request (provided that such fee does not constitute a “significant modification” of the underlying mortgage loan under Treasury Regulations Section 1.860G 2(b)) and (ii) any related costs and expenses incurred by it. In no event will the special servicer be entitled to payment of such fees or expenses unless such payment is collected from the borrower.

The Trust and Servicing Agreement provides that the directing party may, at its own expense, request that a Directing Party Servicing Consultant prepare and deliver recommendations relating to certain requests for consent to assumptions, modifications, waivers or amendments. The directing party will be entitled to certain borrower-paid fees in connection with such assumptions, modifications, waivers, amendments or consents. See “Description of the Certificates—Fees and Expenses” in this information circular.

### **Required Appraisals**

Within 60 days following the occurrence of any Appraisal Reduction Event with respect to the underlying mortgage loan, the special servicer must use reasonable efforts to obtain an MAI appraisal of the mortgaged real property from an independent appraiser meeting the qualifications imposed in the Trust and Servicing Agreement (*provided* that in all events such appraisal(s) are required to be obtained within 120 days or such other reasonable

longer time period as agreed to in writing by the directing party and Freddie Mac from the occurrence of the event that, with the passage of time, would become such Appraisal Reduction Event), unless—

- an appraisal had previously been obtained within the prior 12 months; and
- there has been no material change in the circumstances surrounding the 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.

As a result of any appraisal, the master servicer may determine that an Appraisal Reduction Amount exists with respect to the underlying mortgage loan. If such appraisal is not received within the time period specified above, the Appraisal Reduction Amount for the underlying mortgage loan will be 25% of the Stated Principal Balance of such underlying mortgage loan as of the date of the related Appraisal Reduction Event. An Appraisal Reduction Amount is relevant to the determination of the amount of any advances of delinquent interest required to be made with respect to the underlying mortgage loan. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

If an Appraisal Reduction Event occurs with respect to the underlying mortgage loan, then the special servicer will have an ongoing obligation to obtain or perform, as the case may be, within 30 days of each anniversary of the occurrence of that Appraisal Reduction Event, an update of the prior required appraisal. Based upon that update, the master servicer is to redetermine and report to the trustee, the certificate administrator, the guarantor and the special servicer the new Appraisal Reduction Amount, if any, with respect to the underlying mortgage loan. This ongoing obligation will cease if and when—

- the underlying mortgage loan has become a worked-out mortgage loan as contemplated under “—Servicing Under the Trust 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 underlying mortgage loan during the preceding three months.

The cost of each required appraisal, and any update of that appraisal, will be advanced by the master servicer, at the direction of the special servicer, and will be reimbursable to the master servicer as a Servicing Advance.

### **Collection Account**

*General.* The master servicer will be required to establish and maintain a collection account for purposes of holding payments and other collections that it receives with respect to the underlying mortgage loan. Each collection account must be maintained in a manner and with a depository institution that meets the requirements of the Trust and Servicing Agreement.

The funds held in the collection account may be held as cash or invested in Permitted Investments. Subject to the limitations in the Trust and Servicing Agreement, any interest or other income earned on funds in the 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 the borrower and other collections on the underlying mortgage loan, or as otherwise required under the Trust 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 loan for which it is responsible, subsequent to the Closing Date —

- all principal payments collected, including principal prepayments;
- all interest payments collected, including late payment charges and Default Interest (net of master servicing fees, sub-servicing fees, surveillance 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;
- any proceeds received under any property damage, flood, title or other insurance policy that provides coverage with respect to the mortgaged real property or the underlying mortgage loan, and all proceeds received in connection with the condemnation or the taking by right of eminent domain of the mortgaged real property, in each case to the extent not required to be applied to the restoration of the mortgaged real property or released to the borrower;
- any amounts received and retained in connection with the liquidation of the defaulted underlying mortgage loan by foreclosure, deed-in-lieu of foreclosure or as otherwise contemplated under “—Realization Upon Mortgage Loan” below, in each case to the extent not required to be returned to the borrower;
- any amounts paid by the mortgage loan seller in connection with the repurchase or the curing of any breach of a representation and warranty with respect to, the underlying mortgage loan by that party as described under “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular;
- any amounts paid to purchase or otherwise acquire the underlying mortgage loan or REO Property in connection with the termination of the issuing entity pursuant to the clean-up call as contemplated under “—Termination” below;
- any amounts required to be deposited by the master servicer in connection with losses incurred with respect to Permitted Investments of funds held in its collection account;
- all payments required to be paid by the master servicer or received from the special servicer with respect to any deductible clause in any blanket property damage insurance policy or master force placed property damage insurance policy, as described under “Description of the Underlying Mortgage Loan—Insurance” in this information circular; and
- any amount transferred by the special servicer from its REO account with respect to the REO Property.

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 the underlying mortgage loan when it is a Specially Serviced Mortgage Loan, the special servicer is required to remit those amounts within one business day to the master servicer for deposit in the collection account.

*Withdrawals.* The master servicer may make withdrawals from its collection account for any of the following purposes (to the extent that each of the following is to be paid from the collection account in accordance with the terms of the Trust and Servicing Agreement), which are not listed in any order of priority:

1. to remit to the certificate administrator for deposit in the distribution account, as described under “Description of the Certificates—Distribution Account” in this information circular, on the Remittance Date, all payments and other collections on the underlying mortgage loan or REO Property 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 certificateholders in accordance with any of clauses 2. through 21. below;
2. to reimburse itself or the trustee, as applicable, for any unreimbursed advances made by that party with respect to the underlying mortgage loan, as described under “—Servicing and Other Compensation and

Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, with that reimbursement to be made out of collections on the underlying mortgage loan or REO Property;

3. to pay (i) itself any accrued and unpaid master servicing fees or sub-servicing fees with respect to the underlying mortgage loan, (ii) to the operating trust advisor, accrued and unpaid operating trust advisor fees in respect of the underlying mortgage loan or REO Loan, and (iii) the special servicer accrued and unpaid surveillance fees, with the payments under clauses (i), (ii) or (iii) to be made out of collections on the underlying mortgage loan or REO Loan, as applicable, that represent payments of interest;
4. to pay itself, the operating trust advisor and the special servicer any master servicing fees, sub-servicing fees, operating trust advisor fees or surveillance fees with respect to the underlying mortgage loan or REO Loan, as applicable, that remain unpaid in accordance with clause 3. above following a final recovery determination made with respect to the underlying mortgage loan or the REO Property and the deposit into the collection account of all amounts received in connection with such final recovery determination;
5. to pay the special servicer, out of general collections, accrued and unpaid special servicing fees with respect to the underlying mortgage loan if it is either a Specially Serviced Mortgage Loan or an REO Loan;
6. to pay the special servicer accrued and unpaid workout fees and liquidation fees to which it is entitled, with that payment to be made from the sources described under “—Servicing and Other Compensation and Payment of Expenses” above;
7. to reimburse itself or the trustee, as applicable, out of general collections on the underlying mortgage loan, for any unreimbursed advance made by that party with respect to the underlying mortgage loan as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, which advance has been determined not to be ultimately recoverable under clause 2. above (or, if the 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 underlying mortgage loan or REO Property; *provided* that any such reimbursement is required to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, in the case of a P&I Advance;
8. to pay itself or the trustee, as applicable, unpaid interest accrued on any advance made by that party with respect to the underlying mortgage loan (generally at or about the time of reimbursement of that advance); *provided* that, in the case of any advance reimbursed as described in clause 7. above, the payment of any interest on such advance is to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of interest on any such advance that is a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, in the case of interest on any such advance that is a P&I Advance;
9. to pay itself, the special servicer, or the directing party, as applicable, any items of additional servicing compensation on deposit in the collection account as discussed under “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above;
10. to pay any unpaid liquidation expenses incurred with respect to the underlying mortgage loan if it is a liquidated mortgage loan or REO Property;
11. to pay any servicing expenses that would, if advanced, be nonrecoverable under clause 2. above;
12. to pay for costs and expenses incurred by the issuing entity due to actions taken pursuant to any environmental assessment, in accordance with the Trust and Servicing Agreement;

13. to pay Freddie Mac (in its capacity as servicing consultant), itself (and any indemnified sub-servicer), the special servicer, the trustee, the certificate administrator, the operating trust advisor, the depositor or any of their or our respective affiliates, directors, general or limited partners, members, managers, shareholders, officers, employees, controlling persons and agents, as the case may be, any of the reimbursements or indemnities to which we or any of those other persons or entities are entitled, subject to the relevant Aggregate Annual Cap, as described under “—Certain Indemnities” below;
14. to pay for (a) the costs of various opinions of counsel related to the servicing and administration of the underlying mortgage loan not paid by the borrower; (b) expenses properly incurred by the trustee or the certificate administrator in connection with providing tax-related advice to the special servicer and (c) the fees of the trustee for confirming a Fair Value determination by the special servicer of the underlying mortgage loan if it is a Defaulted Loan;
15. to reimburse itself, the special servicer, the depositor, the operating trust advisor, the custodian, the trustee or the certificate administrator, as the case may be, for any unreimbursed expenses reasonably incurred in respect of any material breach of a representation or warranty or a material document defect in respect of the 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;
16. to pay for—
  - (a) the cost of the opinions of counsel for purposes of REMIC administration or amending the Trust and Servicing Agreement; and
  - (b) the cost of obtaining an extension from the IRS for the sale of the REO Property;
17. 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;
18. to pay to the mortgage loan seller any amounts that represent monthly debt service payments due on the underlying mortgage loan on or prior to the Cut-off Date;
19. to withdraw amounts deposited in the collection account in error, including amounts received on the underlying mortgage loan or REO Property that has been purchased or otherwise removed from the issuing entity;
20. to pay any other items described in this information circular as being payable from a collection account; and
21. to clear and terminate the collection account upon the termination of the Trust and Servicing Agreement.

The master servicer will be required to keep and maintain separate accounting records for the purpose of justifying any withdrawal from the collection account.

### **Realization Upon Mortgage Loan**

*Purchase Option.* The Trust and Servicing Agreement grants the directing certificateholder (subject to the last paragraph of this section “—Purchase Option”) and Freddie Mac, and with respect to the underlying mortgage loan if it is a Defaulted Loan for which the related Junior Loan Holder holds a lower priority lien, the related Junior Loan Holder, an assignable option (a “Purchase Option”) to purchase the underlying mortgage loan if it is a Defaulted Loan from the issuing entity in the manner and at the price described below.

Each of the directing certificateholder, Freddie Mac and the related Junior Loan Holder may assign its option to any person.

Promptly after the determination that the underlying mortgage loan has become a Defaulted Loan, the master servicer (if the underlying mortgage loan is not a Specially Serviced Mortgage Loan) or the special servicer (if the underlying mortgage loan is a Specially Serviced Mortgage Loan) will be required to notify the trustee, the

certificate administrator, the master servicer or the special servicer, as applicable, the operating trust advisor, Freddie Mac (if Freddie Mac is not then acting as master servicer), the related Junior Loan Holder and the directing certificateholder of such determination. Subject to (a) the Junior Loan Holder's right with respect to a Defaulted First Lien Loan (as defined below), (b) Freddie Mac's right to offer an increased purchase price, as described below, and (c) the last paragraph of this section "Purchase Option" in the case of the underlying mortgage loan if it is an Affiliated Borrower Loan, the directing certificateholder will then have the right to exercise its Purchase Option at a cash price equal to the Option Price until such right automatically terminates (i) upon the Defaulted Loan becoming a Corrected Mortgage Loan or an REO Loan, (ii) 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 Freddie Mac pursuant to the Trust 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 Trust and Servicing Agreement and the related intercreditor agreement.

Subject to the next paragraph in the case of the underlying mortgage loan if it is a Defaulted Loan that is a Defaulted First Lien Loan (as defined below), and subject to the last paragraph of this section "Purchase Option" in the case of the underlying mortgage loan if it is an Affiliated Borrower Loan, within ten business days (the "Freddie Mac Increased Offer Notice Period") after receipt from the directing certificateholder of its notice (the "Fair Value Purchase Notice") that it will exercise its option to purchase the 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 the Defaulted Loan, Freddie Mac will have the right to purchase the Defaulted Loan by giving notice (the "Freddie Mac Increased Offer Notice") to the directing certificateholder, any Third Party Master Servicer, the special servicer, any Third Party Operating Trust Advisor, the certificate administrator and the trustee, specifying a purchase price at least 2.5% more than the Defaulted Loan Fair Value Purchase Price offered by the directing certificateholder in the Fair Value Purchase Notice. If the directing certificateholder is willing to purchase the Defaulted Loan after receipt of the Freddie Mac Increased Offer Notice, it will only be permitted to do so at a purchase price equal to the lesser of (i) at least 2.5% more than the purchase price specified by Freddie Mac (or its assignee) in the Freddie Mac Increased Offer Notice or (ii) 99% of the Purchase Price, by giving notice (the "Directing Certificateholder Increased Offer Notice") of the same to Freddie Mac, any Third Party Master Servicer, the special servicer, any Third Party Operating Trust Advisor, the certificate administrator and the trustee within ten business days of receiving the Freddie Mac Increased Offer Notice (the "Directing Certificateholder Increased Offer Notice Period"). Any person exercising the Purchase Option described in this paragraph will be required to consummate such purchase within 15 business days after the expiration of the Freddie Mac Increased Offer Notice Period or the Directing Certificateholder Increased Offer Notice Period, as applicable.

However, if the underlying mortgage loan is a Defaulted Loan for which the related Junior Loan Holder is the holder of a subordinate priority lien (a "Defaulted First Lien Loan"), the related Junior Loan Holder will have the first option to purchase the Defaulted Loan for the Purchase Price. However, upon the determination of Fair Value and receipt of the Fair Value Notice relating to a Defaulted First Lien Loan, each of the related Junior Loan Holder and the directing certificateholder (other than with respect to the underlying mortgage loan for so long as it is an Affiliated Borrower Loan) 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 certificate administrator, the operating trust advisor, the master servicer and the special servicer (the first party to give such notice, the "First Offeror"). Within ten 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 directing certificateholder, as the case may be, will have the right to purchase the Defaulted First Lien Loan by giving notice (the "Increased Offer Notice") to the First Offeror, the trustee, the operating trust advisor, the certificate administrator, 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 operating trust advisor, the certificate administrator, the master servicer and the special servicer within five business days after receiving the Increased Offer Notice. Any purchase will be required to be consummated no later than 15 business days after the expiration of the Increased Offer Notice period or Par Purchase Notice period, as applicable.

Within the later of 60 days after the underlying mortgage loan becomes a Defaulted Loan and 15 days after the special servicer receives an acceptable appraisal, the special servicer will be required to determine the Fair Value of the underlying mortgage loan in accordance with the Servicing Standard and consistent with the guidelines contained in the Trust and Servicing Agreement. The special servicer will be required to change from time to time thereafter (but before the entry into a binding agreement on behalf of the issuing entity for the consummation of any related purchase) its determination of the Fair Value of the Defaulted Loan if the special servicer obtains knowledge of changed circumstances, new information or otherwise, in accordance with the Servicing Standard. All reasonable costs and expenses of the special servicer in connection with the determination of the Fair Value of the 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 and any subsequent change to such determination of Fair Value to the trustee, the certificate administrator, the master servicer, the operating trust advisor, Freddie Mac (if Freddie Mac is not then acting as master servicer), the related Junior Loan Holder and the directing certificateholder. If, after receiving the Fair Value Notice, and subject to the last paragraph of this section “—Purchase Option,” the directing certificateholder or its assignee elects to purchase the Defaulted Loan from the issuing entity, such party must notify the special servicer, the trustee, the certificate administrator, the master servicer, the operating trust advisor and Freddie Mac of such election and specify the Defaulted Loan Fair Value Purchase Price.

If the related Junior Loan Holder or the directing certificateholder, or an assignee thereof (as identified to the certificate administrator) that proposes to purchase the Defaulted Loan or Defaulted First Lien Loan, as applicable, is an affiliate of the special servicer, the trustee will be required to determine whether the special servicer’s determination of Fair Value for the Defaulted Loan constitutes a fair price in its reasonable judgment. In doing so, the trustee may conclusively rely on an opinion of an appraiser or other independent expert in real estate matters, in each case, appointed with due care and obtained at the expense of such affiliate of the special servicer proposing to purchase the Defaulted Loan or Defaulted First Lien Loan, as applicable. The trustee, in making a Fair Value determination in accordance with the second preceding sentence, will be entitled to receive from the special servicer all information in the special servicer’s possession relevant to making such determination and will be further entitled to a \$1,500 fee payable by the issuing entity in connection with each such Fair Value determination. All reasonable costs and expenses of the trustee in connection with the determination of the Fair Value of the Defaulted Loan will be paid by the master servicer and be reimbursable as Servicing Advances.

Subject to the discussion above and the last paragraph of this section “—Purchase Option,” each holder of a Purchase Option may, at its option, purchase the 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 the 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 the Defaulted Loan is exercised, the special servicer will be required to pursue such other resolution strategies available under the Trust 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 the Defaulted Loan will automatically terminate upon—

- the cure by the borrower or a party with cure rights of all defaults that caused the underlying mortgage loan to be a Defaulted Loan;

- the acquisition on behalf of the issuing entity of title to the 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.

However, the directing certificateholder (or its assignee) will only be able to purchase the underlying mortgage loan if it is an Affiliated Borrower Loan from the issuing entity at a cash price equal to the Purchase Price. As of the Closing Date, an Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

*Foreclosure and Similar Proceedings.* Pursuant to the Trust and Servicing Agreement, if an event of default on the 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 mortgage or otherwise acquire title to the mortgaged real property. The special servicer may not, however, acquire title to the mortgaged real property or take any other action with respect to the mortgaged real property that would cause the trustee, for the benefit of the certificateholders or any other specified person to be considered to hold title to, to be a “mortgagee-in-possession” of or to be an “owner” or an “operator” of the 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 the mortgaged real property, than not taking such actions.

The borrower’s failure to make required mortgage loan payments may mean that operating income from the mortgaged real property is insufficient to service the mortgage debt, or may reflect the diversion of that income from the servicing of the mortgage debt. In addition, if the borrower is unable to make mortgage loan payments it may also be unable to make timely payments of taxes or otherwise to maintain and insure the mortgaged real property. In general, the special servicer will be required to monitor the underlying mortgage loan when it is a Specially Serviced Mortgage Loan serviced by it, evaluate whether the causes of the default can be corrected over a reasonable period without significant impairment of the value of the mortgaged real property, initiate corrective action in cooperation with the borrower if cure is likely, inspect the mortgaged real property and take such other actions as it deems necessary and appropriate. A significant period of time may elapse before the special servicer is able to assess the success of any such corrective action or the need for additional initiatives. The time within which the special servicer can make the initial determination of appropriate action, evaluate the success of corrective action, develop additional initiatives, institute foreclosure proceedings and actually foreclose, or accept a deed to the mortgaged real property in lieu of foreclosure, on behalf of the certificateholders may vary considerably depending on the particular circumstances with respect to the underlying mortgage loan, the mortgaged real property, the borrower, the presence of an acceptable party to assume the underlying mortgage loan and the laws of the jurisdiction in which the mortgaged real property is located. If the 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 mortgaged real property for a considerable period of time and may be required by the court to materially extend the term of the loan paid to the final maturity date, lower significantly the interest rate and/or reduce the principal balance of the loan.

*REO Property.* If title to the mortgaged real property is acquired by the special servicer on behalf of the issuing entity, the special servicer will be required to sell the 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 Trust 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 the 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. Such solicitation will be required to be made in a commercially reasonable manner. The special servicer will be required to accept the highest cash offer received from any entity for the REO Property in an amount at least equal to the Purchase Price for the REO Property. In the absence of any such offer, the special servicer will be required to accept the highest cash offer received from any entity that is determined by the special servicer to be a fair price for the REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer reasonably believes that it will be unable to realize a fair price for the REO Property within the time constraints imposed by the prior paragraph, then the special servicer will be required to dispose of the REO Property upon such terms and conditions as the special servicer deems necessary and desirable to maximize the recovery on the REO Property under the circumstances, and will be required to accept the highest outstanding cash offer from any entity that is determined by the special servicer to be a fair price for the REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer determines that the offers being made with respect to the REO Property are not in the best interests of the certificateholders, taken as a collective whole, and that the end of the period referred to in the prior paragraph with respect to the REO Property is approaching, the special servicer will be required to seek an extension of such period in the manner described in the prior paragraph.

Whether any cash offer constitutes a fair price for the REO Property will be determined by the special servicer, if the highest offeror is a person other than the special servicer or an affiliate of the special servicer, and by the trustee, if the highest offeror is the special servicer or an affiliate of the special servicer. In determining whether any offer received from the special servicer or an affiliate of the special servicer represents a fair price for the REO Property, the trustee will be required to obtain, and may conclusively rely on, the opinion of an appraiser (the fees and costs of which will be required to be covered by a servicing advance by the master servicer) retained by the trustee. In determining whether any offer constitutes a fair price for the REO Property, the trustee will be required to request that such appraiser take into account, as applicable, among other factors, the occupancy level and physical condition of the REO Property, the state of the local economy and the obligation to dispose of the REO Property within the time period specified in the second preceding paragraph. The Purchase Price for the REO Property will in all cases be deemed a fair price.

The special servicer, at the expense of the issuing entity, will be required to retain an independent contractor to operate and manage the REO Property within 90 days of its acquisition. The retention of an independent contractor will not relieve the special servicer of its obligations with respect to the REO Property.

In general, the special servicer or an independent contractor employed by the special servicer will be obligated to operate and manage the REO Property 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 Trust and Servicing Agreement, the special servicer will be permitted, with respect to the 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 the 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 the REO Property would be subject to a tax will depend on the specific facts and circumstances relating to the management and operation of the REO Property. Any tax imposed on the issuing entity's income from the REO Property would reduce the amount available for payment to the 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 collection account.

*REO Account.* The special servicer will be required to segregate and hold all funds collected and received in connection with the REO Property separate and apart from its own funds and general assets. If the 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 the REO Property. That REO account must be maintained in a manner and with a depository institution that meets the requirements of the Trust and Servicing Agreement. 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 the REO Property. The funds held in the 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 Trust and Servicing Agreement. See "—Servicing Compensation and Payment Expenses—Additional Servicing Compensation" above.

The special servicer will be permitted to withdraw from the REO account funds necessary for the proper operation, management, leasing, maintenance and disposition of the REO Property. Promptly following the end of each Collection Period, the special servicer will be required to withdraw from the REO account and deposit, or deliver to the master servicer for deposit, into the collection account the total of all amounts received in respect of the 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 Trust and Servicing Agreement, retain in the REO account in accordance with the Servicing Standard such portion of the proceeds and collections on the 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 the 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 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 the underlying mortgage loan are less than the sum of—

- the outstanding principal balance of the underlying mortgage loan,
- interest (other than Default Interest) accrued on the underlying mortgage loan,
- interest accrued on any monthly debt service advance made with respect to the underlying mortgage loan,

- the aggregate amount of outstanding reimbursable expenses (including any unreimbursed Servicing Advances and unpaid and accrued interest on such advances) incurred with respect to the underlying mortgage loan, and
- any and all servicing compensation and trustee fees, certificate administrator fees and operating trust advisor fees due and payable with respect to the underlying mortgage loan,

then the issuing entity will realize a loss in the amount of such shortfall (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee).

The trustee, the certificate administrator, the operating trust advisor, the master servicer and/or the special servicer will be entitled to reimbursement out of the liquidation proceeds recovered on the underlying mortgage loan, prior to the distribution of such liquidation proceeds to certificateholders, of any and all amounts that represent unpaid servicing compensation, certificate administrator fees, operating trust advisor fees or trustee fees in respect of the underlying mortgage loan, certain unreimbursed expenses incurred with respect to the underlying mortgage loan and any unreimbursed advances made with respect to the underlying mortgage loan. In addition, amounts otherwise distributable on the certificates will be further reduced by interest payable to the master servicer or the trustee, as applicable, on any such advances.

If the mortgaged real property suffers damage such that the proceeds, if any, of the property damage insurance policies or flood insurance are insufficient to restore fully the damaged property, the master servicer will not be required to make Servicing Advances to effect such restoration unless—

- the special servicer determines in its reasonable judgment in accordance with the Servicing Standard that such restoration will increase the proceeds to the certificateholders (as a collective whole) on liquidation of the underlying mortgage loan after reimbursement of the master servicer for its expenses and receives the consent of the Directing Party; and
- the master servicer determines that such expenses will be recoverable by it from related liquidation proceeds.

*Specially Serviced Mortgage Loan.* With respect to the underlying mortgage loan if 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 the underlying mortgage loan (including amounts collected by the special servicer), to make certain calculations with respect to the underlying mortgage loan and to make remittances and prepare and deliver certain reports to the certificate administrator with respect to the underlying mortgage loan.

The special servicer will continue to be responsible for the operation and management of the REO Property. The master servicer will have no responsibility for the performance by the special servicer of its duties under the Trust and Servicing Agreement.

The special servicer will return the full servicing of the Specially Serviced Mortgage Loan to the master servicer when all Servicing Transfer Events with respect to the underlying mortgage loan have ceased to exist and the underlying mortgage loan has become a Corrected Mortgage Loan.

*Directing Certificateholder and Directing Party.* The “directing certificateholder” will generally be a certificateholder or its designee selected by holders of certificates representing a majority interest in the 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 directing certificateholder. However, if the class B certificates are the only class with an outstanding principal balance, the directing certificateholder will be a certificateholder or any designee selected by holders of certificates representing a majority interest in the class B certificates. However, until a directing certificateholder is so selected or after receipt of a notice from the holders of certificates representing a majority interest in the applicable class that a directing certificateholder is no longer designated, the person or entity that beneficially owns the largest outstanding principal balance of the applicable class of certificates, or its designee, will be the directing certificateholder, or, in the event that no one holder owns the largest outstanding principal balance of the applicable class (e.g., because multiple holders each hold equal amounts of the outstanding principal balance of the Controlling Class), then there will be no directing

certificateholder until one is appointed in accordance with the terms of the Trust and Servicing Agreement. For the purpose of determining whether the directing certificateholder is an affiliate of the borrower (or any proposed replacement borrower) with respect to the underlying mortgage loan, the “directing certificateholder” will include the directing certificateholder (and any affiliate of the directing certificateholder), any of its managing members or general partners and any party directing or controlling the directing certificateholder (or any such affiliate), including, for example, in connection with any re-securitization of the Controlling Class.

By its acceptance of a certificate, each certificateholder confirms its understanding that (i) the directing certificateholder and the directing party may take actions, and the Directing Party Servicing Consultant may provide recommendations, that favor the interests of one or more classes of certificates over other classes of certificates, (ii) the directing certificateholder, the directing party and the Directing Party Servicing Consultant may have special relationships and interests that conflict with those of holders of some classes of certificates, (iii) the directing certificateholder, the directing party and the Directing Party Servicing Consultant will have no liability to any certificateholder for any action taken or not taken, or any recommendation provided, as applicable, and (iv) each certificateholder agrees to take no action against the directing certificateholder, the directing party or the Directing Party Servicing Consultant as a result of any such action or omission, recommendation or special relationship or conflict. See “Risk Factors—Risks Related to the Offered Certificates—The Interests of the Directing Certificateholder, the Directing Party or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders” in this information circular.

It is anticipated that Prime/Park LaBrea Security Investor, LLC, a Delaware limited liability company, and an affiliate of the Property Manager, the borrower and the sponsor of the borrower, will be designated to serve as the Initial Directing Certificateholder. As of the Closing Date, an Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

The “directing party” with respect to the underlying mortgage loan will be (i) when the class B certificates are the Controlling Class, (a) the directing certificateholder, if the underlying mortgage loan is an Unaffiliated Borrower Loan, or (b) the operating trust advisor, if the underlying mortgage loan is an Affiliated Borrower Loan; and (ii) when the class B certificates are not the Controlling Class, Freddie Mac as the directing certificateholder.

The operating trust advisor will serve as the initial directing party because the class B certificates are the Controlling Class and the underlying mortgage loan is an Affiliated Borrower Loan.

As and to the extent described under “—Asset Status Report” below, the directing party may direct the master servicer or special servicer with respect to various servicing matters involving the underlying mortgage loan.

*Asset Status Report.* The special servicer is required to prepare and deliver a report to the master servicer, the operating trust advisor (solely upon the occurrence and during the continuance of an Affiliated Borrower Loan Event), the directing party and Freddie Mac (the “Asset Status Report”) with respect to the underlying mortgage loan if it becomes a Specially Serviced Mortgage Loan within 60 days of the special servicer’s receipt of the information it reasonably requires after a Servicing Transfer Event.

Any Asset Status Report prepared by the special servicer will set forth the following information, to the extent reasonably determinable:

- a summary of the status of the Specially Serviced Mortgage Loan;
- a discussion of the legal and environmental considerations reasonably known to the special servicer, consistent with the Servicing Standard, that are applicable to the exercise of remedies and whether outside legal counsel has been retained;
- a current rent roll and income or operating statement available for the mortgaged real property;
- the appraised value of the mortgaged real property, together with the assumptions used in the calculation if the appraisal is less than 12 months old;

- a recommendation by the special servicer as to how the Specially Serviced Mortgage Loan might be returned to performing status, returned to the master servicer for regular servicing or otherwise realized upon;
- a summary of any proposed actions;
- a status report on any foreclosure actions or other proceedings undertaken with respect to the 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 the underlying mortgage loan; and
- such other information as the special servicer deems relevant in light of the Servicing Standard.

If, within ten business days following delivery of the Asset Status Report, the directing party 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 directing party disapproves in writing such Asset Status Report within such ten business days, the special servicer is required to revise and deliver a new Asset Status Report within 30 days after such disapproval. The special servicer must continue to revise that Asset Status Report until either (a) the directing party fails to disapprove the revised Asset Status Report within 10 business days of receipt, (b) the special servicer makes a determination as described below or (c) 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 operating trust advisor, the directing party, Freddie Mac (if Freddie Mac is not then acting as master servicer), the master servicer, the certificate administrator and the trustee. However, the special servicer (i) may, following the occurrence of an extraordinary event with respect to the mortgaged real property, take any action set forth in such Asset Status Report before the expiration of a ten-business day approval period if the special servicer has reasonably determined that failure to take such action would materially and adversely affect the interests of the certificateholders and it has made a reasonable effort to contact the directing party and (ii) in any case, must determine whether any affirmative disapproval by the directing party described in this paragraph is not in the best interest of all of the certificateholders pursuant to the Servicing Standard.

The special servicer in its capacity as special servicer (and not in its capacity as Directing Party Servicing Consultant, if selected to serve in such capacity) may not take any action inconsistent with an Asset Status Report, unless that action would be required in order to act in accordance with the Servicing Standard. The special servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement that report, *provided* that the revised report has been prepared, reviewed and not rejected pursuant to the terms described above.

In addition to the foregoing, the special servicer is required to, subject to the Servicing Standard and the terms of the Trust and Servicing Agreement, obtain the consent of the directing party and respond to any reasonable request for information from Freddie Mac prior to the taking by the special servicer of the following actions (the “Consent Actions”)—

- any proposed or actual foreclosure upon or comparable conversion of (which may include acquisitions of the REO Property) the ownership of the property securing the underlying mortgage loan when it is a Specially Serviced Mortgage Loan;
- 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 the underlying mortgage loan (other than any easement, right of way or similar agreement);
- any acceptance of a discounted payoff with respect to the underlying mortgage loan when it is a Specially Serviced Mortgage Loan;
- any proposed or actual sale of the REO Property for less than the outstanding principal balance of, and accrued interest (other than Default Interest) on, the underlying mortgage loan, except in connection with a termination of the issuing entity as described under “—Termination” below;

- any determination to bring the REO Property into compliance with applicable environmental laws or to otherwise address hazardous material located at the REO Property;
- any release of real property collateral for the underlying mortgage loan, other than in accordance with the specific terms of, or upon satisfaction of, the underlying mortgage loan; *provided, however* that the directing party'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 the underlying mortgage loan, other than in accordance with the specific terms of the underlying mortgage loan;
- any approval of releases of earn-out reserves or related letters of credit with respect to the mortgaged real property securing the underlying mortgage loan other than in accordance with the specific terms of the underlying mortgage loan;
- the release of any reserves in excess of the threshold set forth in the Trust and Servicing Agreement; and
- any approval of a replacement property manager (which consent may not be unreasonably withheld), other than in connection with any pre-approved servicing request with respect to the underlying mortgage loan set forth in the Trust and Servicing Agreement.

However, no direction of the directing party, and no failure to consent to any action requiring the consent of the directing party under the Trust and Servicing Agreement, may (i) require or cause the master servicer or the special servicer to violate the terms of the Specially Serviced Mortgage Loan, applicable law or any provision of the Trust and Servicing Agreement or any related intercreditor agreement; (ii) result in the imposition of a "prohibited transaction" or "prohibited contribution" tax under the REMIC Provisions; (iii) expose the master servicer, the special servicer, the operating trust advisor, the trustee, the certificate administrator, the custodian, the depositor, Freddie Mac, the issuing entity or any of various other parties to any claim, suit or liability or (iv) materially expand the scope of the special servicer's or the master servicer's responsibilities under the Trust and Servicing Agreement. The master servicer or the special servicer, as the case may be, will not (x) follow any such direction of the directing party, (y) initiate any such actions having any of the effects set out above, or (z) take or refrain from taking any action, based on its failure to obtain the consent of the directing party, if the failure to take such action, taking such action or refraining from taking such action would violate the Servicing Standard.

Upon the occurrence of an Affiliated Borrower Loan Event, the directing certificateholder will be required to provide written notice of same to the trustee, the certificate administrator, the master servicer, the special servicer and the operating trust advisor within two business days after the occurrence of such Affiliated Borrower Loan Event. In addition, the directing certificateholder will be required to provide written notice to the trustee, the certificate administrator, the operating trust advisor, the master servicer, the special servicer and Freddie Mac (if Freddie Mac is not then acting as master servicer) of the termination of any Affiliated Borrower Loan Event within two business days after the termination of such Affiliated Borrower Loan Event. Following its receipt of notice, if any, of the termination of any Affiliated Borrower Loan Event, prior to its receipt of any notice of the occurrence of another Affiliated Borrower Loan Event, the master servicer, the special servicer, the trustee, the operating trust advisor, the certificate administrator and Freddie Mac may conclusively assume that no Affiliated Borrower Loan Event exists, unless a responsible officer of the trustee or certificate administrator, as applicable, or a servicing officer of the master servicer or the special servicer, as applicable, has actual knowledge of any Affiliated Borrower Loan Event. The master servicer, the special servicer, the trustee, the operating trust advisor, the certificate administrator and Freddie Mac may rely on any such notice of the occurrence or the termination of an Affiliated Borrower Loan Event without making any independent investigation. Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the directing certificateholder will not have any approval, consent, consultation or other rights under the Trust and Servicing Agreement with respect to any matters related to the underlying mortgage loan when it is an Affiliated Borrower Loan, and the operating trust advisor upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event, and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event will be required to exercise any such rights (as the directing party) in its sole discretion and in accordance with the Operating Trust Advisor Standard, without seeking

the consent or consultation of any other party, except that the operating trust advisor (if Freddie Mac is no longer the operating trust advisor) may consult with Freddie Mac with respect to any matters related to the Affiliated Borrower Loan, but will not be bound by any such consultation with Freddie Mac. The operating trust advisor may consult with the Directing Party Servicing Consultant. Upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event, none of the trustee, the certificate administrator, the operating trust advisor, the master servicer or the special servicer will be permitted under the Trust and Servicing Agreement to seek, accept or take any action based on the approval, consent or consultation of the directing certificateholder with respect to any matters related to the Affiliated Borrower Loan (however, the directing certificateholder will still be entitled to exercise its rights to replace the special servicer). In addition, for so long as an Affiliated Borrower Loan Event exists with respect to the underlying mortgage loan, the certificate administrator may not provide to the directing certificateholder any asset status report, inspection report, appraisal or internal valuation related to the Affiliated Borrower Loan. In addition, for so long as an Affiliated Borrower Loan Event exists with respect to the underlying mortgage loan, the trustee, the certificate administrator, the operating trust advisor, the master servicer and the special servicer may withhold from the directing certificateholder any information with respect to the underlying mortgage loan that the trustee, the certificate administrator, the operating trust advisor, the master servicer or the special servicer, as applicable, determines, in its sole discretion, is related to the workout of the underlying mortgage loan.

As of the Closing Date, the operating trust advisor will be the directing party because the class B certificates are the Controlling Class and the underlying mortgage loan is an Affiliated Borrower 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 mortgaged real property as soon as practicable after the underlying mortgage loan becomes a Specially Serviced Mortgage Loan and annually thereafter for so long as the underlying mortgage loan remains a Specially Serviced Mortgage Loan. The master servicer will be required, at its own expense, to physically inspect or cause a physical inspection of the mortgaged real property at least once per 12 month period if the special servicer has not already done so in that period as contemplated by the preceding sentence. Such 12 month period will begin on such date as is consistent with the Guide. The master servicer and the special servicer will be required to prepare or cause the preparation of a written report of each inspection performed by it that generally describes the condition of the real property and, upon request, deliver such written report in electronic format to (i) the certificate administrator and (ii) the master servicer (if such written report was prepared by the special servicer).

The loan agreement obligates the borrower to deliver quarterly and 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 if the underlying mortgage loan is otherwise performing.

### **Servicer Reports**

As set forth in the Trust and Servicing Agreement, on a date preceding the applicable distribution date, the master servicer is required to deliver to the operating trust advisor, the certificate administrator, the directing certificateholder, the directing party and Freddie Mac a servicer remittance report setting forth the information necessary for the certificate administrator to make the distributions set forth under “Description of the Certificates—Distributions” in this information circular and containing the information to be included in the distribution report for that distribution date delivered by the certificate administrator as described under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular.

## Evidence as to Compliance

No later than the date specified below of each year, commencing in 2016, each of the master servicer and the special servicer must deliver or cause to be delivered, as applicable, to the depositor, the trustee, the certificate administrator, any Third Party Operating Trust Advisor and Freddie Mac, among others:

- by March 15th of each year, a statement of compliance signed by an officer of the master servicer or the special servicer, as the case may be, to the effect that, among other things, (i) a review of the activities of the master servicer or the special servicer, as the case may be, during the preceding calendar year—or, in the case of the first such certification, during the period from the Closing Date through December 31, 2015 inclusive—and of its performance under the Trust and Servicing Agreement, has been made under such officer's supervision, (ii) to the best of such officer's knowledge, based on such review, the master servicer or special servicer, as the case may be, has fulfilled its obligations under the Trust 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); (iii) that the master servicer or the special servicer, as the case may be, has maintained an effective internal control system over the servicing of mortgage loans; (iv) whether the master servicer or the special servicer has received any notice regarding qualification of or challenge to the REMIC status of either Trust REMIC from the IRS or any other governmental agency or body; and (v) in the case of the master servicer only, to the best of such officer's knowledge, each sub-servicer, if any, has fulfilled its obligations under its sub-servicing agreement in all material respects (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such failure and proposed actions with respect to the default); *provided, however*, that with respect to the master servicer only, the master servicer will be entitled to conclusively rely on a review of the activities of such sub-servicer conducted by Freddie Mac, so long as the master servicer does not have any actual knowledge of such sub-servicer's material non-fulfillment or material default (Freddie Mac will provide the master servicer access to the sub-servicer reviews described in this proviso by March 1 of each year beginning with March 1, 2016); 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 asserting party complied with the minimum servicing standards identified in (a) Item 1122 of Regulation AB under the Securities Act of 1933, as amended, or (b) the Uniform Single Attestation Program for Mortgage Bankers. For purposes of determining compliance with the minimum standards identified in clauses (a) or (b) above, the master servicer and its accountants will be entitled to rely on the sub-servicer reviews delivered by Freddie Mac pursuant to the preceding bullet point, subject to the limitations set forth in the preceding bullet point.

So long as Freddie Mac is acting as the master servicer, the master servicer will not be required to provide the certification and statement described above to Freddie Mac. As long as one party is performing the duties of both the master servicer and the special servicer, that party will be required to deliver only one report, certificate or statement satisfying the requirements listed immediately above. Copies of such statement will be provided to any certificateholder, upon written request of any certificateholder, by the certificate administrator.

## Events of Default

Each of the following events, circumstances and conditions will be considered events of default with respect to the master servicer or special servicer under the Trust 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 Trust and Servicing Agreement, which failure continues unremedied for two business days, or any required remittance to the certificate administrator for deposit in the distribution account by the time required under the Trust 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 Trust 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 for the mortgaged real property or the foreclosure of any tax lien on the mortgaged real property);

2. any failure by the special servicer to deposit into the REO account, or to remit to the master servicer for deposit in the collection account, any such deposit or remittance required to be made by the special servicer, when so required under the Trust 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 Trust and Servicing Agreement, which failure continues unremedied for 30 days (15 days in the case of a failure to pay the premium for any required insurance policy for the mortgaged real property) 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 Trust and Servicing Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by the holders of 25% of the percentage interests of any class of certificates; *provided, however*, if such failure (other than a failure to pay insurance policy premiums for the mortgaged real property) 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;
4. any breach by the master servicer or the special servicer of a representation or warranty contained in the Trust and Servicing Agreement that materially and adversely affects the interests of the certificateholders and continues unremedied for 30 days after the date on which notice of such breach is given to the master servicer or special servicer, as the case may be, by any other party to the Trust and Servicing Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by the holders of 25% of the percentage interests of any class of certificates; *provided, however*, if such breach is not capable of being cured within such 30-day period and the master servicer or 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, *provided* that the current appointment of the Federal Housing Finance Agency as Freddie Mac's conservator will not constitute an event of default with respect to Freddie Mac;
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, *provided* that the current appointment of the Federal Housing Finance Agency as Freddie Mac's conservator will not constitute an event of default with respect to Freddie Mac;
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 any Third Party Master Servicer or the special servicer; or
9. failure of any Third Party Master Servicer to provide the certificate administrator with certain periodic information pertaining to the underlying mortgage loan as required under the Trust and Servicing Agreement more than three times in a rolling 12-month period within one business day of the date on which the relevant report is due, unless such failure is due to force majeure or an act of God or such failure is waived by Freddie Mac; *provided* that Freddie Mac is not permitted to grant more than one waiver in

such rolling 12-month period without the consent of the directing certificateholder, which consent may not be unreasonably withheld or delayed; *provided further*, that a report will not be considered late unless Freddie Mac provides any Third Party Master Servicer with written notice, with a copy to the certificate administrator, that the report was late within five days after the related distribution date.

If any Third Party Master Servicer is terminated solely due to the events described in clause 8 above, the Third Party Master Servicer will have 45 days to solicit bids and complete the sale of the servicing rights with respect to the underlying mortgage loan to a servicer acceptable under the Trust and Servicing Agreement, during which time period the master servicer will continue to service the underlying mortgage loan.

### **Rights Upon Event of Default**

If an event of default described under “—Events of Default” above occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of the directing certificateholder or Freddie Mac, the trustee will be required, to terminate all of the obligations and all of the rights of the defaulting party pursuant to the Trust and Servicing Agreement in and to the underlying mortgage loan and proceeds of the underlying mortgage loan, other than any rights the defaulting party may have (i) as a certificateholder or (ii) in respect of compensation, indemnities and reimbursements accrued by or owing to such defaulting party on or prior to the date of termination or due to such defaulting party thereafter for services rendered and expenses incurred. Upon any such termination, the trustee must either:

- succeed to all of the responsibilities, duties and liabilities of the defaulting party under the Trust and Servicing Agreement; or
- appoint an established mortgage loan servicing institution to act as successor to the defaulting party under the Trust and Servicing Agreement that meets the Successor Servicer Requirements;

subject, in both cases, to (a) the right of the master servicer to sell its servicing rights with respect to the underlying mortgage loan as described in “—Events of Default” above, (b) the right of Freddie Mac or the directing certificateholder to appoint a successor special servicer as described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” above and (c) the right of certificateholders entitled to at least  $66\frac{2}{3}\%$  of the voting rights allocated to each class of certificates affected by any event of default to waive such event of default as described below.

If the trustee is unwilling or unable to act as the permanent successor master servicer or special servicer or does not satisfy the Successor Servicer Requirements, it may (or, at the written request of certificateholders entitled to not less than 25% of the voting rights will be required to), promptly appoint, or petition a court of competent jurisdiction to appoint as successor to the master servicer or the special servicer, as applicable, an established mortgage loan servicing institution, which satisfies the Successor Servicer Requirements.

In general, certificateholders entitled to at least  $66\frac{2}{3}\%$  of the voting rights allocated to each class of certificates affected by any event of default may waive the event of default. However, the events of default described in clauses 1 and 2 under “—Events of Default” above may only be waived by all of the holders of the affected classes of certificates, the trustee and Freddie Mac. Furthermore, if the certificate administrator or the trustee is required to spend any monies in connection with any event of default or any waiver of that event of default, then that event of default may not be waived unless and until the certificate administrator or the trustee has been reimbursed for such amounts by the party requesting the waiver. Upon any waiver of an event of default, the event of default will cease to exist and will be deemed to have been remedied for every purpose under the Trust and Servicing Agreement.

No certificateholder will have the right under the Trust and Servicing Agreement to institute any proceeding with respect to the Trust and Servicing Agreement or the certificates unless:

- that holder previously has given to the trustee written notice of default;
- except in the case of a default by the trustee, certificateholders representing at least 25% of a class have made written request upon the trustee to institute that proceeding in its own name as trustee under the Trust and Servicing Agreement and have offered to the trustee reasonable security or indemnity; and
- the trustee for 60 days has neglected or refused to institute any such proceeding.

Each certificateholder will be deemed under the Trust and Servicing Agreement to have expressly covenanted with every other certificateholder and the trustee, that no one or more certificateholders will have any right in any manner whatsoever by virtue of any provision of the Trust and Servicing Agreement or the certificates to affect, disturb or prejudice the rights of the holders of any other certificates, or to obtain or seek to obtain priority over or preference to any other certificateholder, or to enforce any right under the Trust and Servicing Agreement or the certificates, except in the manner provided in the Trust and Servicing Agreement or the certificates and for the equal, ratable and common benefit of all certificateholders.

Neither the trustee nor the certificate administrator, however, will be under any obligation to exercise any of the trusts or powers vested in it by the Trust and Servicing Agreement or the certificates or to make any investigation of matters arising thereunder or under the certificates or to institute, conduct or defend any litigation under or in relation to the Trust and Servicing Agreement or the certificates at the request, order or direction of any of the certificateholders, unless in the certificate administrator's or the trustee's opinion, as applicable, those certificateholders have offered to the certificate administrator or the trustee, as applicable, reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the certificate administrator or the trustee as a result.

### **Matters Regarding the Trustee, the Certificate Administrator and the Custodian**

Each of the trustee and the certificate administrator is at all times required to be a corporation, national bank, trust company or national banking association organized and doing business under the laws of the U.S. or any State of the U.S. or the District of Columbia. Furthermore, the trustee and the certificate administrator must at all times, among other things—

- be authorized under those laws to exercise corporate trust powers;
- have a combined capital and surplus of at least \$50,000,000; and
- be subject to supervision or examination by federal or state authority.

If the corporation, national bank, trust company or national banking association publishes reports of condition at least annually, in accordance with law or the requirements of the supervising or examining authority, then the combined capital and surplus of that corporation, national bank, trust company or national banking association will be deemed to be its combined capital and surplus as described in its most recent published report of condition.

We, the master servicer, the special servicer, the operating trust advisor, Freddie Mac and our and their respective affiliates, may from time to time enter into normal banking and trustee relationships with the trustee, the certificate administrator and their affiliates. The trustee, the certificate administrator and any of their respective affiliates may hold certificates in its own name. In addition, for purposes of meeting the legal requirements of some local jurisdictions, the trustee will have the power to appoint a co-trustee or separate trustee of all or any part of the assets of the issuing entity. All rights, powers, duties and obligations conferred or imposed upon the trustee will be conferred or imposed upon the trustee and the separate trustee or co-trustee jointly or, in any jurisdiction in which the trustee is incompetent or unqualified to perform some acts, singly upon the separate trustee or co-trustee, who may exercise and perform its rights, powers, duties and obligations solely at the direction of the trustee.

The trustee and the certificate administrator will be entitled to a monthly fee for their services as trustee, certificate administrator and custodian, as applicable. This fee will accrue with respect to each and every underlying mortgage loan. The trustee fee will accrue at 0.00068% *per annum* on the Stated Principal Balance of the underlying mortgage loan and will be calculated on the same basis as interest on the underlying mortgage loan. The certificate administrator fee will accrue at 0.00132% *per annum* on the Stated Principal Balance of the underlying mortgage loan and will be calculated on the same basis as interest on the underlying mortgage loan.

The certificate administrator will initially be the custodian of the mortgage files. The certificate administrator may appoint, at the certificate administrator's own expense, one or more custodians to hold all or a portion of the mortgage file on behalf of the trustee; however the certificate administrator will be required to inform the master servicer, the trustee and Freddie Mac (if Freddie Mac is not then acting as master servicer) of such appointment and the appointment of any custodian will require the approval of Freddie Mac. Each custodian will be required to (a)

be a depository institution supervised and regulated by a federal or state banking authority, (b) have combined capital and surplus of at least \$10,000,000, (c) be qualified to do business in the jurisdiction in which it holds the mortgage file, (d) not be the depositor, the mortgage loan seller or any affiliate of the depositor or the mortgage loan seller, and (e) have in place Fidelity Insurance and errors and omissions insurance, each in such form and amount as is customarily required of custodians acting on behalf of Freddie Mac or Fannie Mae. Each custodian will be subject to the same obligations, standard of care, protections and indemnities as would be imposed on, or would protect, the certificate administrator under the Trust and Servicing Agreement in connection with the retention of mortgage files directly by the certificate administrator. The appointment of one or more custodians will not relieve the certificate administrator from any of its obligations under the Trust and Servicing Agreement, and the certificate administrator will remain responsible for all acts and omissions of any custodian.

### **Certain Indemnities**

The depositor, the master servicer (either in its own right or on behalf of an indemnified sub-servicer), the servicing consultant, and the special servicer, the operating trust advisor (in its role as both operating trust advisor and directing party) and any officer, director, general or limited partner, shareholder, member, manager, employee, agent, affiliate or controlling person of the depositor, the master servicer, the special servicer, the operating trust advisor or the servicing consultant will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, the Trust and Servicing Agreement, the transactions contemplated by the Trust and Servicing Agreement or the certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that is specifically required to be borne by the party seeking indemnification, without right of reimbursement pursuant to the terms of the Trust and Servicing Agreement or (ii) incurred by reason of a breach of any representation or warranty by the depositor, the master servicer, the special servicer or the operating trust advisor, as applicable, under the Trust and Servicing Agreement, or by reason of the willful misconduct, bad faith, fraud or negligence of the depositor, the servicing consultant, the master servicer, the special servicer, the servicing consultant or the operating trust advisor, as applicable, in the performance of its respective duties under the Trust and Servicing Agreement or negligent disregard of its respective obligations or duties under the Trust and Servicing Agreement. For the avoidance of doubt, the indemnification provided by the issuing entity pursuant to the preceding sentence will not entitle the servicing consultant, the master servicer, the special servicer or the operating trust advisor, as applicable, to reimbursement for ordinary costs or expenses incurred by the servicing consultant, the master servicer, the special servicer or the operating trust advisor, as applicable, in connection with its usual and customary performance of its duties and obligations under the Trust and Servicing Agreement that are not expressly payable or reimbursable to the servicing consultant, the master servicer, the special servicer or the operating trust advisor, as applicable, under the Trust and Servicing Agreement. The master servicer, on behalf of an indemnified sub-servicer, will be entitled to pursue the issuing entity under the Trust 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 be required to promptly upon receipt and identification remit such indemnification amounts to the affected indemnified sub-servicer upon reimbursement of such amounts from the collection account or (upon receipt from the trustee) the distribution account, as applicable. If the master servicer determines that a claim for indemnification submitted by a sub-servicer should not be pursued under the terms of the related sub-servicing agreement or the Trust and Servicing Agreement, the master servicer will be required to promptly notify Freddie Mac in writing of the nature of such claim and a summary explanation of the master servicer's reason for denying such claim.

The trustee (in each of its capacities under the Trust and Servicing Agreement), the certificate administrator (in each of its capacities under the Trust and Servicing Agreement), the custodian and their respective officers, directors, general or limited partners, shareholders, members, managers, employees, agents, affiliates and controlling persons will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by or asserted against the trustee, the certificate administrator or the custodian, as applicable, in connection with, related to, or arising out of the Trust and Servicing Agreement, the transactions contemplated by the Trust and Servicing Agreement or the certificates other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that constitutes a specific liability of the trustee, the certificate administrator

or the custodian, as applicable, under the Trust and Servicing Agreement, (ii) incurred by reason of any breach of any representation or warranty by the trustee, the certificate administrator or the custodian, as applicable, under the Trust and Servicing Agreement or by reason of the willful misconduct, bad faith, fraud or negligence of the trustee, the certificate administrator or the custodian, as applicable, in the performance of its duties under the Trust and Servicing Agreement or negligent disregard of its obligations or duties under the Trust and Servicing Agreement or (iii) that would not constitute “unanticipated expenses incurred by the REMIC” within the meaning of Treasury Regulations Section 1.860G-1(b)(3)(iii).

However, subject to the last two sentences of this paragraph, in any calendar year, indemnification to us, the trustee, the certificate administrator, the custodian, any Third Party Master Servicer (for itself or any indemnified sub-servicer, as applicable), the special servicer, any Third Party Operating Trust Advisor and their respective general or limited partners, members, managers, shareholders, affiliates, directors, officers, employees, agents and controlling persons will not exceed an amount equal to the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and the certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and the certificate administrator/custodian), the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap, the Special Servicer Aggregate Annual Cap or the Third Party Operating Trust Advisor 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. Freddie Mac and the directing certificateholder will have the right, in their sole and absolute discretion, to waive (as evidenced by a waiver signed by both Freddie Mac and the directing certificateholder) the Depositor Aggregate Annual Cap, the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap, the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap, the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, the Third Party Operating Trust Advisor Aggregate Annual Cap or the Special Servicer Aggregate Annual Cap upon the written request (which request, in the case of any indemnified sub-servicer, is required to be accompanied by notice to any Third Party Master Servicer) of the depositor, the trustee, the certificate administrator, any Third Party Operating Trust Advisor, any Third Party Master Servicer, any indemnified sub-servicer or the special servicer, as applicable. At any time that Freddie Mac is acting as master servicer or operating trust advisor, there will be no aggregate annual cap for the master servicer or the operating trust advisor, as applicable.

## **Termination**

The obligations created by the Trust and Servicing Agreement will terminate following the earliest of—

1. the final payment or advance on, or other liquidation of, the underlying mortgage loan or REO Property;
2. the purchase of the underlying mortgage loan or REO Property by the holders of a majority interest of the Controlling Class (excluding Freddie Mac), any Third Party Master Servicer or the special servicer, in the order of preference discussed below,
3. with the satisfaction of the conditions set forth in the proviso to the definition of “Sole Certificateholder” in this information circular and with the consent of the master servicer, the exchange by the Sole Certificateholder (excluding Freddie Mac) of all its certificates (other than the class R certificates) for the underlying mortgage loan or REO Property remaining in the issuing entity, and
4. after the outstanding principal balance of the class A certificates have been reduced to zero, the exchange by the Initial Directing Certificateholder (or any Control Affiliate) for the underlying mortgage loan and any REO Property remaining in the issuing entity at any time that the Initial Directing Certificateholder (or any Control Affiliate) is the holder of 100% of the then outstanding class B and X certificates.

Written notice of termination of the Trust and Servicing Agreement will be given to each certificateholder and Freddie Mac. The final distribution with respect to each certificate will be made only upon surrender and

cancellation of that certificate at the office of the certificate registrar or at any other location specified in the notice of termination.

The following parties will each in turn, according to the order listed below, have the option to purchase the underlying mortgage loan and all other property remaining in the issuing entity on any distribution date on which the Stated Principal Balance of the underlying mortgage loan is less than 1.0% of the Cut-off Date Principal Balance of the underlying mortgage loan, upon written notice to the trustee and the other parties to the Trust and Servicing Agreement:

- the holders of a majority interest of the Controlling Class (excluding Freddie Mac);
- the special servicer; and
- any Third Party Master Servicer.

Any purchase by the holders of a majority interest of the Controlling Class (excluding Freddie Mac), any Third Party Master Servicer or a special servicer of the underlying mortgage loan or REO Property remaining in the issuing entity is required to be made at a price equal to:

- the sum of—
  1. the Purchase Price of the underlying mortgage loan then included in the issuing entity unless the mortgaged real property has become an REO Property;
  2. the appraised value of the REO Property, as determined by an appraiser mutually agreed upon by the master servicer and the special servicer;
  3. without duplication, any unreimbursed Additional Issuing Entity Expenses, and
  4. any Unreimbursed Indemnification Expenses; minus
- solely in the case of a purchase by any Third Party Master Servicer or the special servicer, the total of all amounts payable or reimbursable to the purchaser under the Trust and Servicing Agreement.

The purchase will result in early retirement of the then outstanding certificates. However, the right of the holders of a majority interest of the Controlling Class (excluding Freddie Mac), any Third Party Master Servicer or the special servicer to make the purchase is subject to the requirement that the Stated Principal Balance of the underlying mortgage loan be less than 1.0% of the Cut-off Date Principal Balance of the underlying mortgage loan. The termination price, exclusive of any portion of the termination price payable or reimbursable to any person other than the certificateholders, will constitute part of the Available Distribution Amount for the final distribution date. Any person or entity making the purchase will be responsible for reimbursing the parties to the Trust and Servicing Agreement for all reasonable out-of-pocket costs and expenses incurred by those parties in connection with the purchase.

If, with the consent of the master servicer and satisfaction of the conditions set forth in the proviso to the definition of “Sole Certificateholder” in this information circular, the Sole Certificateholder elects to exchange all of its certificates (other than the class R certificates) for the underlying mortgage loan or REO Property remaining in the issuing entity. In addition, at any time that the Initial Directing Certificateholder (or any Control Affiliate) is the holder of 100% of the then outstanding class B and X certificates, following the date on which the outstanding principal balance of the class A certificates has been reduced to zero, the Initial Directing Certificateholder (or such Control Affiliate) will have the right, without the consent of the master servicer or any other certificateholder, to exchange all of its certificates (other than the class R certificates) for the underlying mortgage loan and any REO Property remaining in the issuing entity. The Sole Certificateholder or the Initial Directing Certificateholder (or any Control Affiliate), as applicable, will be required to deposit in the collection account all amounts due and owing to the depositor, the master servicer, the special servicer, the operating trust advisor, the certificate administrator, the custodian and the trustee under the Trust 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. The Initial

Directing Certificateholder will also be required to remit accrued interest on the class X certificates. In addition, the master servicer will be required to remit to the certificate administrator 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 or the Initial Directing Certificateholder (or any Control Affiliate), as applicable, of all its 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 the Initial Directing Certificateholder (or any Control Affiliate), as applicable, or its respective designee, the mortgage file for the underlying mortgage loan and execute all assignments, endorsements and other instruments furnished to it by the Sole Certificateholder or the Initial Directing Certificateholder (or any Control Affiliate), as applicable, necessary to effectuate transfer of the underlying mortgage loan or REO Property to the Sole Certificateholder or the Initial Directing Certificateholder (or any Control Affiliate), as applicable, 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.

The directing certificateholder, with the consent of the holders of the Controlling Class, will be required to act on behalf of the holders of the Controlling Class in purchasing the assets of the issuing entity and terminating the issuing entity.

### **Amendment**

In general, the Trust and Servicing Agreement may be amended by mutual agreement of the parties to the Trust and Servicing Agreement without the consent of any of the holders of the certificates (except as set forth in item 8 below with respect to the consent of the directing certificateholder) for the following reasons—

1. to cure any ambiguity;
2. to correct, modify or supplement any provision in the Trust and Servicing Agreement which may be inconsistent with this information circular;
3. to correct, modify or supplement any provision in the Trust and Servicing Agreement which may be inconsistent with any other provision in that document or to correct any error;
4. to make any other provisions with respect to matters or questions arising under the Trust and Servicing Agreement that are not inconsistent with the existing provisions of that document;
5. to modify, supplement or make any other provision with regard to the resignation of the trustee in connection with the defeasance of the underlying mortgage loan where the trustee is an affiliate of the sub-servicer;
6. with an opinion of counsel delivered to the trustee, the certificate administrator, the operating trust advisor, the master servicer and the special servicer, to relax or eliminate (a) any requirement under the Trust and Servicing Agreement imposed by the REMIC Provisions or (b) any transfer restriction imposed on the certificates, in each case, if such laws are amended or clarified such that any such restriction may be relaxed or eliminated;
7. with an opinion of counsel delivered to the trustee, the certificate administrator, the operating trust advisor, 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;
8. with the consent of the directing certificateholder, to allow the mortgage loan seller and its affiliates to obtain accounting “sale” treatment for the underlying mortgage loan sold by the mortgage loan seller to the depositor under applicable accounting standards;
9. to modify the procedures in the Trust and Servicing Agreement relating to Rule 15Ga-1 under the Exchange Act; and

10. to modify, alter, amend, add to or rescind any of the provisions contained in the Trust and Servicing Agreement to comply with any rules or regulations promulgated by the SEC from time to time.

No amendment described in clauses (3), (4) or (8) may adversely affect in any material respect the interests of any certificateholder or any third party beneficiary to the Trust and Servicing Agreement or any provision of the Trust and Servicing Agreement, as evidenced by the receipt by the trustee and the certificate administrator of an opinion of counsel to that effect or, alternatively, in the case of any particular certificateholder or third party beneficiary, an acknowledgment to that effect from such person.

In addition, the Trust and Servicing Agreement may be amended by the parties to the Trust and Servicing Agreement with the consent of the holders of not less than 51% of the voting rights that are materially affected by the amendment, to (a) add to, change or eliminate any of the provisions of the Trust and Servicing Agreement or (b) modify the rights of the holders of the certificates. However, no such amendment may:

1. reduce the amount of, or delay the timing of, payments received or advanced on the underlying mortgage loan and/or REO Property which are required to be distributed on any certificate, without the consent of the holder of such certificate;
2. adversely affect in any material respect the interests of the holders of any class of certificates in a manner other than as described in clause (1) above, without the consent of the holders of all certificates of such class;
3. modify the amendment provisions of the Trust and Servicing Agreement or the definitions of “Accepted Servicing Practices,” “Freddie Mac Servicing Practices” or “Servicing Standard” without the consent of the holders of all certificates then outstanding;
4. modify the obligation of the guarantor to guarantee the Guaranteed Certificates;
5. significantly change the activities of the issuing entity, without the consent of holders of certificates entitled to not less than 66<sup>2</sup>/<sub>3</sub>% of the voting rights (not taking into account certificates held by the depositor or any of its affiliates or agents or Freddie Mac); or
6. adversely affect in any material respect the interests of any third party beneficiary to the Trust and Servicing Agreement without the consent of such third party beneficiary.

The Trust 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 Trust 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 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.

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 loan, the proceeds of the underlying mortgage loan, the related portion of the collection account, the related portion of the distribution account, and the portion of any property that secured the 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 Trust 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 Trust 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 loan, 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 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 loan. 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, 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 Treasury 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 loan 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 respect 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 certificate administrator 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 certificate administrator 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 loan provide for remedies in the event of default, it is anticipated, unless required otherwise by applicable Treasury regulations, that the certificate administrator will treat all payments of stated interest on the class A certificates as qualified stated interest.

It is anticipated that the certificate administrator will treat the class X certificates as having no qualified stated interest. Accordingly, the class X 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 loan will not be deductible currently. A Holder of the class X certificates may be entitled to a loss deduction, which may be a capital loss, 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 X 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 0.2500% 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 loan, *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. See “—Election To Treat All Interest Under the Constant Yield Method” below. Based on the foregoing, it is anticipated that the class A certificates will be issued with a *de minimis* amount of OID.

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 loan. Due to the unique nature of interest-only Regular Certificates, the preceding sentence may not apply in the case of the class X 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 Certificateholder, 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 0.2500% 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. Because the stated redemption price at maturity of the class X 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 acquired or market discount bonds acquired by the Holder on the first day of the taxable year of the election 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 irrevocable except with the approval of the IRS. Investors should consult their own 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 outstanding principal balance of any class of such Regular Certificates is reduced to reflect losses resulting from liquidation of the underlying mortgage loan to the extent the outstanding principal balance of such Regular Certificate is reduced below the Certificateholder's basis in such Regular Certificate. Notwithstanding the foregoing, Holders of class X certificates may not be entitled to a bad debt loss under Code Section 166. 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. 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**

A portion of certain Static Prepayment Premiums actually collected on the underlying mortgage loan (if any) will be paid to the offered certificates as and to the extent described in this information circular. It is not entirely clear under the Code when the amount of Static Prepayment Premiums should be taxed to the holder entitled to that amount. For federal income tax reporting purposes, the certificate administrator will report the applicable Static Prepayment Premiums 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 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 would be included prior to their actual receipt by holders of the offered certificates. If the projected Static Prepayment Premiums 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 had been projected to be received. Moreover, it appears that Static Prepayment Premiums 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.

### **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 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 than 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 certificate administrator, 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-E or IRS Form W-8BEN, if the non-U.S. Person is an entity (such as a corporation) or individual, respectively, 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-E 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 have elected to be treated as U.S. Persons).

### **FATCA**

Under the “Foreign Account Tax Compliance Act” (“FATCA”) provisions of the Hiring Incentives to Restore Employment Act, a 30% withholding tax is generally imposed on certain payments, including U.S.-source interest on or after July 1, 2014, and gross proceeds from the sale or other disposition of debt obligations that give rise to U.S.-source interest on or after January 1, 2017, to “foreign financial institutions” and certain other foreign financial

entities if those foreign entities fail to comply with the requirements of FATCA. The certificate administrator will be required to withhold amounts under FATCA on payments made to Certificateholders who are subject to the FATCA requirements and who fail to provide the certificate administrator with proof that they have complied with such requirements. Prospective investors should consult their tax advisors regarding the applicability of FATCA to their Regular Certificates.

### **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% 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 or IRS Form W-8BEN-E, as applicable, 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.

### **3.8% Medicare Tax on “Net Investment Income”**

Certain non-corporate U.S. Persons will be subject to an additional 3.8% tax on all or a portion of their “net investment income,” which may include the interest payments and any gain realized with respect to the Regular Certificates, to the extent of their net investment income that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. Persons should consult their tax advisors with respect to their consequences with respect to the 3.8% Medicare tax.

### **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 loan.

#### **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 SPCs.

#### **LEGAL MATTERS**

The validity of the offered certificates and certain federal income tax 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.

## 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.

“30/360 Basis” means the accrual of interest based on a 360-day year consisting of 12 months each consisting of 30 days.

“Accepted Servicing Practices” means servicing and administering the underlying mortgage loan or REO Property:

- (i) in the same manner in which, and with the same care, skill, prudence and diligence with which the master servicer or the special servicer, as the case may be, services and administers similar mortgage loans for other third party portfolios, giving due consideration to the customary and usual standards of practice of prudent institutional commercial and multifamily mortgage loan servicers servicing mortgage loans for third parties, which includes for purposes of this clause (i), Freddie Mac Servicing Practices and (ii) 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 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 underlying mortgage loan and, in the case of the special servicer, if the underlying mortgage loan comes into and continues in default and if, in the judgment of the special servicer, no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on the underlying mortgage loan to the certificateholders (as a collective whole), on a net present value basis; but
- without regard to—
  - (i) any relationship that the master servicer or the special servicer, as the case may be, or any of their affiliates may have with the borrower, the mortgage loan seller or any other party to the Trust and Servicing Agreement,
  - (ii) the ownership of any 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) any potential conflict of interest arising from the ownership, servicing or management for others of any other mortgage loans or mortgaged real properties by the master servicer or the special servicer, as the case may be, or any affiliate of the master servicer or special servicer, as applicable,
  - (vii) any obligation of the master servicer (in its capacity as a mortgage loan seller or, in the case of any Third Party Master Servicer, in its capacity as an originator, if applicable) to cure a breach of a representation or warranty or repurchase the underlying 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 any Third Party Master Servicer or the special servicer, as the case may be, to exercise any purchase option as described in “The Trust and Servicing Agreement—Termination” in this information circular.

Unless otherwise specified in the Trust and Servicing Agreement, all net present value calculations and determinations made pursuant to the Trust and Servicing Agreement with respect to the underlying mortgage loan or mortgaged real property or REO Property (including for purposes of the definition of “Accepted Servicing Practices”) will be made in accordance with the loan documents or, in the event the loan documents are silent, using a discount rate appropriate for the type of cash flows being discounted, namely (a) for principal and interest payments on the underlying mortgage loan or the sale of the underlying mortgage loan if it is a Defaulted Loan, the applicable mortgage interest rate and (b) for all other cash flows, including property cash flow, the “discount rate” set forth in the most recent appraisal (or update of such appraisal).

“Actual/360 Basis” means the accrual of interest based on the actual number of days elapsed during each one-month accrual period in a year assumed to consist of 360 days.

“Additional Issuing Entity Expense” means an expense (other than surveillance fees, master servicing fees, sub-servicing fees, Guarantee Fees, operating trust advisor fees, certificate administrator fees, trustee fees and CREFC<sup>®</sup> Intellectual Property Royalty License Fees) of the issuing entity that—

- arises out of a default on the underlying mortgage loan or an otherwise unanticipated event affecting the issuing entity, whether or not related to the underlying mortgage loan;
- is not covered by a Servicing Advance, a corresponding collection from the borrower or indemnification from another person; and
- is not covered by late payment charges or Default Interest collected on the underlying mortgage loan.

We provide some examples of Additional Issuing Entity Expenses under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular.

“Affiliated Borrower” means the borrower, unless it is an Unaffiliated Borrower.

“Affiliated Borrower Loan” means the underlying mortgage loan if the borrower is an Affiliated Borrower.

“Affiliated Borrower Loan Event” means an event that will exist with respect to the underlying mortgage loan if at any time the directing certificateholder, any of its managing members or any of its affiliates becomes or is the borrower (or any proposed replacement borrower) or becomes aware that the directing certificateholder, any of its managing members or any of its affiliates is an affiliate of the borrower (or any proposed replacement borrower). An Affiliated Borrower Loan Event will exist as of the Closing Date.

“Aggregate Annual Cap” means with respect to any Third Party Master Servicer and any indemnified sub-servicer, the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap; with respect to the special servicer, the Special Servicer Aggregate Annual Cap; with respect to any Third Party Operating Trust Advisor, the Third Party Operating Trust Advisor Aggregate Annual Cap; with respect to the trustee, the Trustee Aggregate Annual Cap; with respect to the certificate administrator and the custodian, the Certificate Administrator/Custodian Aggregate Annual Cap; and with respect to the depositor, the Depositor Aggregate Annual Cap; *provided*, that if the same person or entity is the trustee and the certificate administrator/custodian, Aggregate Annual Cap will refer to the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, and not the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap.

“Aggregate Annual Cap Termination Date” means the earlier to occur of (i) the determination date in June 2024 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), 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 underlying mortgage loan 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 the underlying mortgage loan if any Appraisal Reduction Event has occurred, subject to the discussion under “The Trust 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 underlying mortgage loan over (2) the excess, if any, of (a) the sum of (i) 90% of the appraised value of the mortgaged real property as determined by one or more independent MAI appraisals (the costs of which will be required to be paid by the master servicer as a Servicing Advance), as such appraisal 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 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 underlying 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 underlying mortgage loan at a *per annum* rate equal to its mortgage interest rate, (ii) all unreimbursed advances in respect of the underlying 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 underlying mortgage loan (which taxes, assessments, premiums, ground rents and other amounts have not been subject to an advance by the master servicer or the trustee and/or for which funds have not been escrowed).

“Appraisal Reduction Event” means 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 the underlying mortgage loan (except that with respect to a balloon payment delinquency, an Appraisal Reduction Event will not be deemed to occur until the underlying mortgage loan becomes a Specially Serviced Mortgage Loan);
- the date on which a reduction in the amount of monthly payments on the underlying mortgage loan, or a change in any other material economic term of the underlying 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 the underlying mortgage loan by the special servicer;
- 60 days after a receiver has been appointed for the borrower or immediately after a receiver has been appointed for the mortgaged real property;
- 30 days after the 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 the mortgaged real property becomes an REO Property;

*provided, however*, that there will be no reduction in any advance for delinquent monthly debt service payments if an Appraisal Reduction Event occurs at any time after the outstanding certificate balances of the class B certificates have been reduced to zero.

“Appraised Value” means for the mortgaged real property securing the underlying mortgage loan, 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 borrower;
- the estimate set forth in the property condition assessment conducted in connection with the origination of the underlying mortgage loan; or
- a combination of these estimates.

“Asset Status Report” means the report designated as such and described under, “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular.

“Assumed Final Distribution Date” means, with respect to any class of certificates, the date set forth for such class in the table on page 5 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 certificates on that date, generally equal to (a) the sum (without duplication) of (i) the aggregate amount received on or with respect to the underlying mortgage loan or REO Property on or prior to the related determination date, (ii) the aggregate amount of revenues and other proceeds derived from the REO Property (net of amounts necessary for the proper operation, management, leasing, maintenance and disposition of such REO Property) for such distribution date, (iii) the aggregate amount of any P&I Advances, which P&I Advances will not include any surveillance fees, 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 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 Trust and Servicing Agreement for the payment of certain expenses, fees and indemnities, (iii) all 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 certificate administrator will apply the Available Distribution Amount as described under “Description of the Certificates—Distributions” in this information circular to pay principal and accrued interest on the certificates on that date.

“B-Piece Buyer” means the anticipated initial investor in the class B certificates.

“Balloon Guarantor Payment” means, with respect to any distribution date and the class of Offered Principal Balance Certificates, the amount of additional principal that would have been distributed to such class if the Principal Distribution Amount had been increased by an amount equal to the amount of the Stated Principal Balance of the underlying mortgage loan if it reaches the Scheduled Maturity Date (without giving effect to any acceleration of principal of the underlying mortgage loan by reason of a default, any grace period permitted by the note or any modifications, waivers or amendments granted by the master servicer or the special servicer after the Closing Date) during the related Collection Period (and with respect to which no final recovery determination has been made prior to the Scheduled Maturity Date) but as to which the borrower failed to pay the entire outstanding principal balance of the underlying mortgage loan, including the balloon payment by the end of such Collection Period; such amount not to exceed the outstanding principal balance of the class of Offered Principal Balance Certificates, as reduced by the Principal Distribution Amount to be applied in reduction of the outstanding principal balance of the class on such distribution date.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“Berkeley Point” means Berkeley Point Capital LLC, a Delaware limited liability company, and its successors-in-interest.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

“Certificate Administrator/Custodian Aggregate Annual Cap” means \$300,000 *per annum* in the aggregate with respect to the certificate administrator and the custodian.

“Citibank” Citibank, N.A., a national banking association, and its successors-in-interest.

“Class X Strip Rates” means, for the purposes of calculating the pass-through rate for the class X certificates, the rates *per annum* at which interest accrues from time to time on the two components of the total notional amount of the class X certificates outstanding immediately prior to the related distribution date. One component will be comprised of the outstanding principal balance of the class A certificates and one component will be comprised of the outstanding principal balance of the class B certificates. For purposes of calculating the pass-through rate for the class X certificates for each Interest Accrual Period, the applicable Class X Strip Rate with respect to each such component for each such Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) with respect to the component related to the class A certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the Guarantee Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class A certificates and (ii) with respect to the component related to the class B certificates, (a) the Net Mortgage Pass-Through Rate for the related distribution date minus the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate, over (b) the pass-through rate in effect during such Interest Accrual Period for the class B certificates. In no event may any Class X 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 certificates, which will be on or about June 26, 2015.

“CMBS” means commercial and multifamily mortgage-backed securities.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collection Period” means, with respect to any distribution date for the certificates, the related period commencing immediately following the determination date in the calendar month preceding the month in which such distribution date occurs and ending on and including the determination date in the calendar month in which such distribution date occurs, or, with respect to the first distribution date for the certificates, the period commencing from the Cut-off Date and ending on and including the determination date in July 2015.

“Consent Actions” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular.

“Conservator” means the FHFA, in its role as Freddie Mac’s conservator.

“Control Affiliate” means, with respect to the borrower, (a) any affiliate of the borrower, (b) any other person owning, directly or indirectly, 10% or more of any interest in or portion of the beneficial interest in the borrower, or (c) any other person in which the borrower or any affiliate of the borrower owns, directly or indirectly, 10% or more of any interest or beneficial interest.

“Controlling Class” means, as of the Closing Date, the class B certificates, until the outstanding principal balance of such class is less than 25% of the initial principal balance of such class and thereafter the class A certificates. However, if the class B certificates are the only class with an outstanding principal balance, the class B certificates will be the Controlling Class.

“Corrected Mortgage Loan” means the underlying mortgage loan if it is a Specially Serviced Mortgage Loan that has become a performing mortgage loan, in accordance with its original term or as modified in accordance with the Trust 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 the underlying mortgage loan for the life of the underlying mortgage loan. The CPR model is the prepayment model that we use in this information circular.

“CREFC<sup>®</sup>” means the Commercial Real Estate Finance Council, an international trade organization for the commercial real estate capital markets.

“CREFC<sup>®</sup> Intellectual Property Royalty License Fee” means the monthly fee to be paid to CREFC<sup>®</sup> pursuant to the Trust and Servicing Agreement in an amount equal to the product of (i) the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate multiplied by (ii) the aggregate of the outstanding class principal balances of the class B certificates.

“CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate” means the rate equal to 0.0005% *per annum* computed on the same basis and in the same manner as interest is computed on the class B certificates.

“CREFC Investor Reporting Package<sup>®</sup>” means

- (a) the following seven electronic files: (i) CREFC<sup>®</sup> Loan Setup File, (ii) CREFC<sup>®</sup> Loan Periodic Update File, (iii) CREFC<sup>®</sup> Property File, (iv) CREFC<sup>®</sup> Bond Level File, (v) CREFC<sup>®</sup> Financial File, (vi) CREFC<sup>®</sup> Collateral Summary File and (vii) CREFC<sup>®</sup> Special Servicer Loan File;
- (b) the following eleven supplemental reports: (i) CREFC<sup>®</sup> Delinquent Loan Status Report, (ii) CREFC<sup>®</sup> Historical Loan Modification and Corrected Mortgage Loan Report, (iii) CREFC<sup>®</sup> Historical Liquidation Loss Report, (iv) CREFC<sup>®</sup> REO Status Report, (v) CREFC<sup>®</sup> Loan Level Reserve/LOC Report, (vi) CREFC<sup>®</sup> Comparative Financial Status Report, (vii) CREFC<sup>®</sup> Servicer Watchlist, (viii) CREFC<sup>®</sup> Operating Statement Analysis Report, (ix) CREFC<sup>®</sup> NOI Adjustment Worksheet, (x) CREFC<sup>®</sup> Reconciliation of Funds Report and (xi) the CREFC<sup>®</sup> Advance Recovery Report; and
- (c) such other reports as CREFC<sup>®</sup> may designate as part of the “CREFC Investor Reporting Package<sup>®</sup>” from time to time generally; or
- (d) in lieu of (a), (b) and (c), such new CREFC Investor Reporting Package<sup>®</sup> as published by the CREFC<sup>®</sup> and consented to by the directing certificateholder, Freddie Mac (if Freddie Mac is not then acting as master servicer) and the master servicer.

“CREFC<sup>®</sup> Website” means the website located at “www.crefc.org” or such other primary website as the CREFC<sup>®</sup> may establish for dissemination of its report forms.

“Cut-off Date” means June 1, 2015.

“Cut-off Date Balance/Unit” means, with respect to the underlying mortgage loan, the ratio of—

1. the Cut-off Date Principal Balance of the underlying mortgage loan, to
2. the Total Units at the mortgaged real property.

“Cut-off Date Loan-to-Value Ratio” or “Cut-off Date LTV” means, with respect to the underlying mortgage loan, the ratio of—

1. the Cut-off Date Principal Balance of the underlying mortgage loan, to
2. the most recent Appraised Value of the mortgaged real property.

“Cut-off Date Principal Balance” or “Cut-off Date Loan Amount” means the outstanding principal balance of the underlying mortgage loan as of the Cut-off Date, which will be \$878,000,000.

“Default Interest” means any interest that—

1. accrues on the underlying mortgage loan when it is defaulted solely by reason of the subject default; and
2. is in excess of all interest at the regular mortgage interest rate for the underlying mortgage loan.

“Defaulted Loan” means the underlying mortgage loan (a) if it is at least 60 days delinquent in respect of its monthly payments, (b) if it is delinquent in respect of its balloon payment, in each case without giving effect to any grace period permitted by the mortgage, loan agreement or mortgage note or (c) if any non-monetary event of default occurs that results in the underlying mortgage loan becoming a Specially Serviced Mortgage Loan, *provided, however*, that no monthly payment (other than the balloon payment) will be deemed delinquent if less than ten (\$10) dollars of all amounts due and payable on the underlying mortgage loan has not been received.

“Defaulted First Lien Loan” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Defaulted Loan Fair Value Purchase Price” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“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 the class of Offered Principal Balance Certificates; and
4. on the Assumed Final Distribution Date for the class of Offered Principal Balance Certificates, the outstanding principal balance of such class on such Assumed Final Distribution Date (after giving effect to all amounts distributable and allocable to principal on such class but prior to giving effect to any Guarantor Payment including any Balloon Guarantor Payment for such class on such final distribution date).

“Depositor Aggregate Annual Cap” means \$300,000 *per annum*.

“Directing Certificateholder Increased Offer Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Directing Certificateholder Increased Offer Notice Period” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Directing Party Servicing Consultant” has the meaning assigned to such term under “Summary of Information Circular—Relevant Parties/Entities—Special Servicer” in this information circular.

“Dodd-Frank Act” means The Dodd-Frank Wall Street Reform and Consumer Protection Act.

“EEA” means the European Economic Area.

“Estimated Annual Operating Expenses” means, for the mortgage real property, 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 the mortgaged real property:

- 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 that a management fee equal to approximately 1.5% 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, and
    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 the mortgaged real property is shown in the table titled “Engineering Reserves and Recurring Replacement Reserves” on Exhibit A-1. The underwritten recurring replacement reserve amounts shown on Exhibit A-1 are expressed as dollars per unit.

By way of example, Estimated Annual Operating Expenses generally include—

- 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 the 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 the 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 seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Operating Expenses for the mortgaged real property are lower, and may be materially lower, than the annual operating expenses for the mortgaged real property based on historical operating statements. In determining the Estimated Annual Operating Expenses for the mortgaged real property, the mortgage loan seller relied on generally unaudited financial information provided by the borrower. No assurance can be given with respect to the accuracy of the information provided by the borrower, 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 the mortgaged real property, 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 the mortgaged real property:

- 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 the 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 the 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, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Revenues for the mortgaged real property are higher, and may be materially higher, than the annual revenues for the mortgaged real property based on historical operating statements. In determining the Estimated Annual Revenues for the mortgaged real property, the mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the borrower. No assurance can be given with respect to the accuracy of the information provided by the borrower, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Revenues.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Value” means the amount that, in the special servicer’s judgment, exercised in accordance with the Servicing Standard, and taking into account the factors specified in the Trust and Servicing Agreement, is the fair value of the underlying mortgage loan if it becomes a Defaulted Loan.

“Fair Value Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Fair Value Purchase Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Fannie Mae” means the Federal National Mortgage Association.

“FHFA” means the Federal Housing Finance Agency.

“Fidelity Insurance” has the meaning assigned to such term under “The Trust and Servicing Agreement—Liability of the Servicers” in this information circular.

“First Offeror” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Fitch” means Fitch Ratings, Inc., and its successors-in-interest.

“Freddie Mac” means Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended, or any successor to it (“FHLMC”), and certain of its affiliates, if any, who assume certain obligations or are assigned certain rights under the Trust and Servicing Agreement, as described under “Description of the Mortgage Loan Seller and Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this information circular; provided, however, that “Freddie Mac” means FHLMC with respect to its obligations as:

- (i) mortgage loan seller pursuant to the mortgage loan purchase agreement;
- (ii) purchaser of the Guaranteed Certificates;
- (iii) guarantor of the Guaranteed Certificates pursuant to the Freddie Mac Guarantee; and
- (iv) issuer of certain securities, including the SPCs.

“Freddie Mac Act” means Title III of the Emergency Home Finance Act of 1970, as amended.

“Freddie Mac Guarantee” means obligations of the guarantor as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

“Freddie Mac Increased Offer Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Freddie Mac Increased Offer Notice Period” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Freddie Mac Servicing Practices” means, with regard to the servicing of the underlying mortgage loan and/or REO Property by the master servicer, any sub-servicer or the special servicer, and only to the extent such practices have been made available in writing or communicated in writing by Freddie Mac to the master servicer, such sub-servicer or the special servicer, as applicable, servicing and administering the underlying mortgage loan and/or REO Property in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by Freddie Mac, which will include, without limitation, servicing and administering the underlying mortgage loan and/or REO Property in accordance with the Guide and any Freddie Mac policies, procedures or other communications made available in writing by Freddie Mac to the master servicer, any sub-servicer or special servicer, as applicable, including written communications from Freddie Mac as servicing consultant, pursuant to the Trust and Servicing Agreement.

“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 total outstanding principal balance of the Offered Principal Balance Certificates immediately prior to such distribution date. The Guarantee Fee with respect to the Guaranteed Certificates will accrue on a 30/360 Basis.

“Guarantee Fee Rate” means a *per annum* rate equal to 0.5000%.

“Guaranteed Certificates” means the class A and X 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 the class of Guaranteed Certificates, the sum of all amounts paid by the guarantor in respect of Deficiency Amounts for such class on such distribution date and on all prior distribution dates, to the extent not previously reimbursed.

“Guarantor Reimbursement Interest Amount” means, with respect to any distribution date and any class of Guaranteed Certificates, interest on any Guarantor Reimbursement Amount (other than with respect to Guarantor Timing Reimbursement Amounts) for such class of Guaranteed Certificates at a *per annum* rate for each day (calculated on a daily basis) equal to the Prime Rate for such day plus 2.00%.

“Guarantor Timing Reimbursement Amount” means, with respect to any distribution date and the class of Offered Principal Balance Certificates, the portion of any Guarantor Reimbursement Amount related to any Timing Guarantor Payment for such class, together with any related Timing Guarantor Interest.

“Guide” means the Freddie Mac Multifamily Seller/Servicer Guide, as amended or supplemented from time to time. To the extent the Freddie Mac Multifamily Seller/Servicer Guide is no longer published by Freddie Mac, either directly or indirectly, “Guide” will refer to any successor guide as prescribed by Freddie Mac, which will be provided by Freddie Mac upon request if not otherwise reasonably accessible to the parties to the Trust and Servicing Agreement; *provided, however*, that in the event that no successor guide is prescribed by Freddie Mac within 90 days of the date on which the Guide is no longer published by Freddie Mac, all references to the “Guide” in the Trust and Servicing Agreement will be disregarded and the Guide will no longer be applicable. For purposes of the Trust and Servicing Agreement, the term “Guide” will not include any form referenced in the Freddie Mac Multifamily Seller/Servicer Guide. Such forms will be applicable at the option of the master servicer, the special servicer or any sub-servicer.

“HFF LP” means Holliday Fenoglio Fowler, L.P., a Texas limited partnership, and its successors-in-interest.

“Income Approach” means the determination of the value of the mortgaged real property by using the discounted cash flow method of valuation or by the direct capitalization method. The discounted cash flow analysis is used in order to measure the return on a real estate investment and to determine the present value of the future income stream expected to be generated by the mortgaged real property. The future income of the mortgaged real property, as projected over an anticipated holding period, and the resulting net operating incomes or cash flows are then discounted to present value using an appropriate discount rate. The direct capitalization method generally converts an estimate of a single year’s income expectancy, or, in some cases, a hypothetical stabilized single year’s income expectancy, into an indication of value by dividing the income estimate by an appropriate capitalization rate. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value. In utilizing the Income Approach, the appraiser’s method of determination of gross income, gross expense and net operating income for the subject property may vary from the method of determining Underwritten Net Operating Income for that property, resulting in variances in the related net operating income values.

“Increased Offer Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Initial Directing Certificateholder” means Prime/Park LaBrea Security Investor, LLC, a Delaware limited liability company, and an affiliate of the Property Manager, the borrower and the sponsor of the borrower, and its successors-in-interest.

“Initial Directing Certificateholder Exchange Date” means the date, if any, on which the Initial Directing Certificateholder (or any Control Affiliate) exchanges the class B and X certificates for the underlying mortgage loan or any REO Property remaining in the issuing entity.

“Interest Accrual Period” means, for any distribution date, the calendar month immediately preceding the month in which that distribution date occurs.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“IRS” means the Internal Revenue Service.

“Junior Loan” has the meaning assigned to such term under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular.

“Junior Loan Holder” means the holder of a lower priority lien on the underlying mortgage loan if the borrower exercises its option to obtain supplemental secured financing as described under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular.

“Lender Liability Act” means the Asset Conversation, Lender Liability, and Deposit Insurance Protection Act of 1996.

“Liquidation Proceeds” means cash amounts (other than income, rents and profits derived from the ownership, operation or leasing of an REO Property) actually received, net of expenses, in connection with: (i) the liquidation of the mortgaged real property or other collateral constituting security for the underlying 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 borrower; (ii) the realization upon any deficiency judgment obtained against the borrower; (iii) the purchase of the underlying mortgage loan when it is a Defaulted Loan by the directing certificateholder (or any assignee or affiliate), Freddie Mac (or any assignee) or the Junior Loan Holder in accordance with the Trust and Servicing Agreement; (iv) the repurchase of the underlying mortgage loan by or on behalf of the mortgage loan seller pursuant to defect in the mortgage file or a breach of any of its representations and warranties; or (v) the purchase of the underlying mortgage loan or REO Property by the holders of a majority interest (by initial principal balance) of the Controlling Class (excluding Freddie Mac), any Third Party Master Servicer or the special servicer pursuant to the terms of the Trust and Servicing Agreement.

“Lower-Tier REMIC” means the REMIC identified as such, and described under “Certain Federal Income Tax Consequences” in this information circular.

“Management Agreement” means the property management agreement, dated as of April 9, 2015, between the borrower and the Property Manager.

“Management Fees” has the meaning assigned to such term under “Description of the Mortgage Loan—Description of the Management Agreement” in this information circular.

“Maturity Balance” means, with respect to the underlying mortgage loan, the unpaid principal balance of the underlying mortgage loan immediately prior to its maturity, according to the payment schedule for the underlying mortgage loan and otherwise assuming no prepayments, defaults or extensions.

“Maturity Loan-to-Value Ratio” or “Maturity LTV” means, with respect to the underlying mortgage loan, the ratio of—

1. the Maturity Balance of the underlying mortgage loan, to
2. the most recent Appraised Value of the mortgaged real property.

“Modeling Assumptions” means, collectively, the following assumptions regarding the certificates and the underlying mortgage loan:

- the underlying mortgage loan has the characteristics set forth on Exhibit A-1 and the Cut-off Date Principal Balance of the underlying mortgage loan is approximately \$878,000,000;
- the initial principal balance or notional amount, as the case may be, of each class of certificates is as described in this information circular;
- the pass-through rate for each interest-bearing class of certificates is as described in this information circular;
- there are no delinquencies, modifications or losses with respect to the underlying mortgage loan;
- the underlying mortgage loan is not a Specially Serviced Mortgage Loan;
- there are no modifications, extensions, waivers or amendments affecting the monthly debt service or balloon payment by borrower;
- there are no Appraisal Reduction Amounts with respect to the underlying mortgage loan;
- there are no casualties or condemnations affecting the corresponding mortgaged real property;
- the underlying mortgage loan 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 loan 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 the underlying mortgage loan during the underlying mortgage loan’s prepayment lockout period, including any contemporaneous defeasance period or Static Prepayment Premium Period;
- except as otherwise assumed in the immediately preceding bullet, prepayments are made on the underlying mortgage loan at the indicated CPRs set forth in the subject tables or other relevant part of this information circular, without regard to any limitations in the underlying mortgage loan on partial voluntary principal prepayments;
- all prepayments on the underlying mortgage loan 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 Trust and Servicing Agreement exercises its right of optional termination as described under “The Trust and Servicing Agreement—Termination” in this information circular;
- the underlying mortgage loan is not required to be repurchased or replaced by the mortgage loan seller or any other person, as described under “Description of the Underlying Mortgage Loan—Cures and Repurchases” in this information circular;
- the only issuing entity expenses are trustee fee, the certificate administrator fee, the surveillance fee (if any), the master servicing fee, the sub-servicing fee (as set forth on Exhibit A-1), the operating trust advisor fee, the Guarantee Fee and the CREFC<sup>®</sup> Intellectual Property Royalty License Fee;
- there are no Additional Issuing Entity Expenses;

- payments on the offered certificates are made on the 25th day of each month, commencing in July 2015; and
- the offered certificates are settled on an assumed settlement date of June 26, 2015.

“Moody’s” means Moody’s Investors Service, Inc., and its successors-in-interest.

“Most Recent EGI” generally means, for the mortgaged real property, the revenues received (effective gross income), or annualized or estimated in some cases, in respect of the property for the 12-month period ended as of the Most Recent Financial End Date, based upon the latest available annual or, in some cases, partial-year operating statement and other information furnished by the 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 borrower similar to those used in calculating the Estimated Annual Revenues for that property.

Most Recent EGI for the mortgaged real property is calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for the 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, the certificate administrator or the trustee have control. In some cases, the Most Recent EGI for the mortgaged real property is higher, and may be materially higher, than the annual revenues for the mortgaged real property based on historical operating statements. In determining the Most Recent EGI for the mortgaged real property, the mortgage loan seller relied on rent rolls and/or generally unaudited financial information provided by the borrower. No assurance can be given with respect to the accuracy of the information provided by the borrower, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent EGI.

“Most Recent Expenses” means, for the mortgaged real property, 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 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 the mortgaged real property, the mortgage loan seller may have made adjustments to the financial information provided by the borrower similar to those used in calculating the Estimated Annual Operating Expenses for that property. Most Recent Expenses for the 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 the 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, the certificate administrator or the trustee have control. The Most Recent Expenses for the mortgaged real property may be lower, and may be materially lower, than the annual operating expenses for the mortgaged real property based on historical operating statements. In determining the Most Recent Expenses for the mortgaged real property, the mortgage loan seller in most cases relied on generally unaudited financial information provided by the borrower. No assurance can be given with respect to the accuracy of the information provided by the borrower, 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 the underlying mortgage loan, the date indicated on Exhibit A-1 as the Most Recent Financial End Date with respect to the 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 mortgaged real property.

“Most Recent NCF” or “Most Recent Net Cash Flow” means, with respect to the mortgaged real property, the Most Recent Net Operating Income, less the most recent replacement reserve amounts.

“Most Recent NOI” or “Most Recent Net Operating Income” means, with respect to the mortgaged real property, the total cash flow derived from the property that was available for annual debt service on the underlying mortgage loan, calculated as the Most Recent EGI less Most Recent Expenses for the mortgaged real property.

“Net Mortgage Interest Rate” means the mortgage interest rate then in effect reduced by the sum of the annual rates at which the surveillance fee (if any), the master servicing fee, sub-servicing fee, the operating trust advisor fee, the certificate administrator fee and the trustee fee are calculated.

“Net Mortgage Pass-Through Rate” means, with respect to the underlying mortgage loan, which accrues interest based on an Actual/360 Basis, 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 for the underlying mortgage loan with respect to the due date that occurs during the Collection Period related to such distribution date, multiplied by (ii) the Stated Principal Balance of the underlying mortgage loan immediately preceding that distribution date, multiplied by (iii) 1/360, multiplied by either (iv)(1) the Original Net Mortgage Interest Rate for the underlying mortgage loan or (2) if the mortgage interest rate for the underlying mortgage loan is increased in connection with a subsequent modification of the underlying mortgage loan after the Cut-off Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for the underlying mortgage loan, and (b) the denominator of which is the Stated Principal Balance of the underlying mortgage loan immediately preceding that distribution date.

However, 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, with respect to the underlying mortgage

loan, which accrues interest on an Actual/360 Basis, the Net Mortgage Pass-Through Rate will be decreased to reflect any interest reserve amount with respect to the underlying mortgage loan that is transferred from the distribution account to the 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, with respect to the underlying mortgage loan, which accrues interest on an Actual/360 Basis, the Net Mortgage Pass-Through Rate will be increased to reflect any interest reserve amount(s) with respect to the underlying mortgage loan that are transferred from the 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 Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“Nonrecoverable Servicing Advance” has the meaning assigned to that term under “The Trust 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 defined in Section 3(a)(62) of the Exchange Act.

“Occupancy %” means the percentage of units of the mortgaged real property that were occupied or leased as of the approximate date of the original underwriting of the underlying mortgage loan 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 and X certificates.

“Offered Principal Balance Certificates” means the class A certificates.

“Operating Trust Advisor Standard” has the meaning assigned to that term under “The Trust and Servicing Agreement—Rights and Obligations of the Operating Trust Advisor in Its Role as Operating Trust Advisor—Operating Trust Advisor Standard” in this information circular.

“Option Price” means the cash price at which the underlying mortgage loan, when it is a Defaulted Loan may be purchased under the related Purchase Option, as described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan” in this information circular.

“Original Net Mortgage Interest Rate” means, with respect to the underlying mortgage loan, the Net Mortgage Interest Rate in effect for the underlying mortgage loan as of the Cut-off Date.

“P&I Advance” has the meaning assigned to that term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“Par Purchase Notice” has the meaning assigned to such term under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Purchase Option” in this information circular.

“Permitted Encumbrances” means, with respect to the mortgaged real property, 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 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, and
- the rights of tenants, as tenants only, under leases, including subleases, pertaining to the mortgaged real property.

“Permitted Investments” means the U.S. government securities and other obligations specified in the Trust and Servicing Agreement.

“Permitted Transfer” means any Requested Transfer as to which the borrower satisfies (without modification or waiver) all the applicable requirements in the loan documents, provided that such satisfaction is determined without requiring the exercise of discretion by the master servicer or the special servicer.

“Placement Agent Entities” means the placement agents for the SPCs and their respective affiliates.

“Prepayment Assumption” means an assumption that there are no prepayments and no extensions of the underlying mortgage loan.

“Prepayment Interest Excess” means, with respect to any full or partial prepayment of the underlying mortgage loan made by the borrower or otherwise in connection with a casualty or condemnation during any Collection Period after the due date for the underlying mortgage loan, the amount of any interest collected on that prepayment for the period from and after that due date, less the amount of surveillance fees (if any), master servicing fees and sub-servicing fees payable from that interest collection, and exclusive of any Default Interest included in that interest collection.

“Prepayment Interest Shortfall” means, with respect to any full or partial prepayment of the underlying mortgage loan made by the 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 the underlying mortgage loan, the amount of any uncollected interest that would have accrued on that prepayment to, but not including, such due date, less the amount of surveillance fees (if any), master servicing fees and sub-servicing fees that would have been payable from that uncollected interest, and exclusive of any portion of that uncollected interest that would have been Default Interest.

“Prime Rate” means an annual rate equal to the “prime rate” as published in the “Money Rates” section of *The Wall Street Journal* (or, if such section or publication is no longer available, such other comparable publication as is determined by the certificate administrator in its sole discretion, in consultation with the master servicer) as may be in effect from time to time (or if the “Prime Rate” is not published on any calculation day, then the “Prime Rate” for such day will be the most recently published “Prime Rate” prior to such calculation date), or if the “Prime Rate” no longer exists, such other comparable rate (as determined by the certificate administrator, in its reasonable discretion, in consultation with the master servicer) as may be in effect from time to time. If the certificate administrator and the master servicer cannot agree on a comparable publication or comparable rate, the certificate administrator will have the sole right to determine such publication or rate; *provided, however*, that at any time that Freddie Mac is the master servicer, the master servicer will have the sole right to determine such publication or rate.

“Principal Balance Certificates” means the class A and B certificates.

“Principal Distribution Adjustment Amount” means, with respect to any distribution date, the sum of (i) the amount of any Nonrecoverable Advance (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 Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments,” as applicable), (ii) any 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 Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the 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 or other unreimbursed Guarantor Reimbursement Amounts pursuant to the terms of the Trust and Servicing Agreement 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 loan 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 underlying mortgage loan in June 2015 or on a due date for the 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 loan 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 the underlying mortgage loan or any related REO Property during the related Collection Period and that were identified and applied as recoveries of principal of the underlying mortgage loan or, in the case of an REO Property, of the 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 underlying mortgage loan in June 2015, and
  4. all advances of principal made with respect to the underlying mortgage loan for that distribution date; and
- for the final distribution date, an amount equal to the Stated Principal Balance of the underlying mortgage loan outstanding immediately prior to that final distribution date.

However, the Principal Distribution Amount will be reduced on any distribution date by an amount equal to the Principal Distribution Adjustment Amount calculated with respect to such distribution date. The Principal Distribution Amount will be increased on any distribution date by the amount of any recovery occurring during the related Collection Period of an amount that was previously advanced with respect to the 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 the 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 the 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 Trust and Servicing Agreement, each initial purchaser of the certificates and, upon receipt by the certificate administrator of an investor certification in the form required by the Trust and Servicing Agreement, each holder, beneficial owner or prospective purchaser of a certificate or a SPC and, upon receipt of a certification from an NRSRO, any NRSRO that has provided an on-going rating to a class of certificates or SPCs after the Closing Date and that is requesting access to such information solely for the purpose of assessing or reaffirming such on-going rating. Any Privileged Person that is the borrower or an affiliate of the borrower, as evidenced by the information set forth in the investor certification, will only be entitled to limited information as described in “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular.

“Property Manager” means PLB Management, LLC, a California limited liability company, and its successor-in-interest.

“Purchase Agreement” means the senior preferred stock purchase agreement between FHFA, as conservator of Freddie Mac, and Treasury.

“Purchase Option” means, with respect to the underlying mortgage loan when it is a Defaulted Loan, the purchase option described under “The Trust and Servicing Agreement—Realization Upon Mortgage Loan” in this information circular.

“Purchase Price” means, with respect to the underlying mortgage loan if it is to be purchased as contemplated under the Trust and Servicing Agreement, a price equal to the unpaid principal balance of the underlying mortgage loan, plus (i) accrued and unpaid interest on the underlying mortgage loan through and including the end of the related mortgage interest accrual period in which such purchase is made (which would include accrued and unpaid surveillance fees, master servicing fees and sub-servicing fees), (ii) related special servicing fees and, if applicable, liquidation fees payable to the special servicer (to the extent accrued and unpaid or previously paid by the issuing entity) and, without duplication of amounts listed in (iii), (iv), (v), (vi) or (viii) below reimbursable expenses of the master servicer or the special servicer that would otherwise be Servicing Advances but for not yet having been reimbursed from the issuing entity or, in the case of the special servicer, from the master servicer, (iii) all related unreimbursed Servicing Advances, (iv) all related Servicing Advances that were previously reimbursed from general collections on the underlying mortgage loan, (v) all accrued and unpaid interest on related Servicing Advances and P&I Advances, (vi) all interest on related Servicing Advances and P&I Advances that was previously reimbursed from general collections on the underlying mortgage loan, (vii) solely if such underlying mortgage loan is being purchased by the borrower or an affiliate of the borrower, all default interest, late payment fees, extension fees and similar fees or charges incurred with respect to the underlying mortgage loan and all out-of-pocket expenses reasonably incurred (whether paid or then owing) by the master servicer, the special servicer, the depositor, the custodian, the operating trust advisor, the certificate administrator and the trustee in respect of such purchase, including, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to the underlying mortgage loan, and (viii) solely if such underlying mortgage loan is being purchased by or on behalf of the mortgage loan seller pursuant to or as contemplated by Section 7 of the mortgage loan purchase agreement, all out-of-pocket expenses reasonably incurred (whether paid or then owing) by any Third Party Master Servicer, the special servicer, the depositor, the certificate administrator, any Third Party Operating Trust Advisor, the custodian and the trustee in respect of the breach or defect giving rise to the repurchase obligation, including any expenses arising out of the enforcement of the repurchase obligation, any expenses incurred by Freddie Mac in its capacity as master servicer or operating trust advisor for which Freddie Mac has already been reimbursed, and, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such underlying mortgage loan; provided that if a Fair Value determination has been made, the Purchase Price must at least equal the Fair Value.

“Ratings Trigger Event” means (a) with respect to any Third Party Master Servicer, (i) if on the date of appointment such party is listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Master Servicer, and at any time after the date of appointment such party loses its status on such list and such status is not restored within 60 days or (ii) if on the date of appointment such party has a rating by Fitch higher than or equal to “CMS3,” and at any time after the date of appointment such rating drops to a level lower than “CMS3,” and such party is not reinstated to at least “CMS3” within 60 days and (b) with respect to the special servicer, (i) if on the Closing Date (or in the case of any successor special servicer, the date of appointment) such party is listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Special Servicer, and at any time after the Closing Date (or in the case of any successor special servicer, the date of appointment) such party loses its status on such list and such status is not restored within 60 days or (ii) if on the Closing Date (or in the case of any successor special servicer, the date of appointment) such party has a rating by Fitch higher than or equal to “CSS3,” and at any time after the Closing Date (or in the case of any successor special servicer, the date of appointment) such rating drops to a level lower than “CSS3,” and such party is not reinstated to at least “CSS3” within 60 days.

“Realized Losses” means losses on or with respect to the underlying mortgage loan arising from the inability of the master servicer and/or the special servicer to collect all amounts due and owing under the underlying mortgage loan, including by reason of the fraud or bankruptcy of the borrower or, to the extent not covered by insurance, a casualty of any nature at the mortgaged real property. We discuss the calculation of Realized Losses under

“Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular.

“Reform Act” means the Federal Housing Finance Regulatory Reform Act.

“Regular Certificates” has the meaning assigned to that term under “Certain Federal Income Tax Consequences—General” in this information circular.

“REMIC” means a “real estate mortgage investment conduit” as defined in Code Section 860D.

“REMIC Provisions” means the provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of subchapter M of chapter 1 of subtitle A of the Code, and related provisions, and temporary and final regulations and, to the extent not inconsistent with such temporary and final regulations, proposed regulations, and published rulings, notices and announcements promulgated thereunder, as the foregoing may be in effect from time to time.

“Remittance Date” means, with respect to each distribution date, the business day prior to such distribution date.

“REO Loan” means the underlying mortgage loan deemed to be outstanding with respect to the REO Property.

“REO Property” means the mortgaged real property if acquired on behalf of and in the name of the trustee for the benefit of the certificateholders through foreclosure, deed-in-lieu of foreclosure or otherwise following a default on the underlying mortgage loan.

“Requested Transfer” means, with respect to the underlying mortgage loan, a request for the transfer of an interest in the mortgaged real property, the borrower or any designated entity for transfers, as permitted under the loan documents under certain conditions, but not including the creation of any additional lien or other encumbrance on the mortgaged real property or interests in the borrower or any designated entity for transfers.

“S&P” means Standard & Poor’s Ratings Services, and its successors-in-interest.

“Sales Comparison Approach” means a determination of the value of the 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 underlying mortgaged real property would sell if offered on the market.

“Scheduled Maturity Date” has the meaning assigned to such term under “Description of the Underlying Mortgage Loan—General” in this information circular.

“SEC” means the U.S. 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.

“Senior Loan” has the meaning assigned to such term under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular.

“Senior Loan Holder” has the meaning assigned to such term under “Description of the Underlying Mortgage Loan—Permitted Additional Debt” in this information circular.

“Servicing Advance” has the meaning assigned to that term under “The Trust and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

“Servicing Standard” means:

(a) with respect to the underlying mortgage loan other than when it is an REO Loan, REO Property or Specially Serviced Mortgage Loan, to the extent not inconsistent with applicable law, the terms of the Trust and Servicing Agreement or the terms of the underlying mortgage loan or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering the underlying mortgage loan in accordance with (i) Freddie Mac Servicing Practices or (ii) to the extent Freddie Mac Servicing Practices do not provide sufficient guidance or Freddie Mac Servicing Practices have not been made available in writing or communicated in writing by Freddie Mac to the master servicer, the special servicer or the related sub-servicer, as applicable, Accepted Servicing Practices; and

(b) with respect to the underlying mortgage loan when it is an REO Loan, REO Property or Specially Serviced Mortgage Loan, to the extent not inconsistent with applicable law, the terms of the Trust and Servicing Agreement or the terms of the underlying mortgage loan or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering the underlying mortgage loan in accordance with Accepted Servicing Practices; provided, however, that if the underlying mortgage loan is a Specially Serviced Mortgage Loan, to the extent consistent with applicable law, the terms of the Trust and Servicing Agreement and the terms of the respective underlying mortgage loan and any applicable intercreditor or co-lender and/or similar agreement(s), the special servicer or the master servicer may, in its sole discretion, require the borrower to maintain insurance consistent with either (i) Accepted Servicing Practices or (ii) Freddie Mac Servicing Practices.

To the extent of any conflict under clause (a) of this definition (1) between Freddie Mac Servicing Practices and Accepted Servicing Practices, the terms of Freddie Mac Servicing Practices will govern and be applicable and (2) between Freddie Mac Servicing Practices or Accepted Servicing Practices and the express written terms of the Trust and Servicing Agreement, the terms of the Trust and Servicing Agreement will govern and be applicable.

“Servicing Transfer Event” means, with respect to the underlying mortgage loan, any of the following events, among others:

- a payment default has occurred at the Scheduled 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 Scheduled Maturity Date a firm commitment to refinance acceptable to the special servicer, with the consent of the directing party, in which case a Servicing Transfer Event would not occur as to the underlying 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 directing party 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 directing party, if following any such direction of the directing party or refraining from taking such action based upon the lack of any such direction of the directing party would violate the Servicing Standard;
- any monthly principal and/or interest payment (other than the balloon payment) is 60 days or more delinquent;
- the 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 (with the approval of Freddie Mac if Freddie Mac is not acting as master servicer) or (ii) the special servicer (with the approval of Freddie Mac and the directing party, subject to the last paragraph of “The Trust and Servicing Agreement—Realization Upon Mortgage Loan—Asset Status Report” in this information circular), (a) a default under the underlying mortgage loan is reasonably foreseeable, (b) such default will materially impair the value of the mortgaged real property as security for the underlying mortgage loan or otherwise materially adversely affect the interests of 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 the underlying mortgage loan or, if no cure period is specified and the default is capable of being cured, for 30 days, *provided* that if Freddie Mac’s approval is sought by any Third Party Master Servicer and not provided (and/or during the period that the Third Party Master Servicer is waiting for Freddie Mac’s approval), the Third Party Master Servicer’s servicing obligations with respect to the underlying mortgage loan will be to service the underlying mortgage loan as a non-Specially Serviced Mortgage Loan ; 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 directing party, the special servicer, has materially and adversely affected the value of the underlying mortgage loan or otherwise materially and adversely affected the interests of the certificateholders and has continued unremedied for 30 days (irrespective of any grace period specified in the mortgage note) and, *provided* that failure of the 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 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 the 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 class B and X certificates having an outstanding class principal balance or notional amount, as applicable, greater than zero or an assignment of the voting rights in respect of such class of certificates; *provided, however*, that at the time of determination the class principal balance of the class A certificates has been reduced to zero.

“SPCs” means Freddie Mac’s series K-PLB structured pass-through certificates.

“Special Servicer Aggregate Annual Cap” means \$300,000 *per annum*.

“Specially Serviced Mortgage Loan” means the underlying mortgage loan if a Servicing Transfer Event has occurred and is continuing, including any REO Loan or Defaulted Loan.

“Stated Principal Balance” means, with respect to the underlying mortgage loan (except with respect to any REO Property), as of any date of determination, an amount equal to (i) the Cut-off Date Principal Balance of the underlying mortgage loan minus (ii) the sum of:

- (a) the principal portion of each monthly payment due on the underlying mortgage loan after the Cut-off Date, to the extent received from the borrower or advanced by the master servicer or the trustee, as applicable, and distributed to the certificateholders, on or before such date of determination;
- (b) all principal prepayments received with respect to the underlying mortgage loan after the Cut-off Date, to the extent distributed to the certificateholders, on or before such date of determination;

- (c) the principal portion of all insurance and condemnation proceeds and liquidation proceeds received with respect to the underlying mortgage loan after the Cut-off Date, to the extent distributed to the certificateholders, on or before such date of determination;
- (d) any reduction in the outstanding principal balance of the underlying mortgage loan resulting from a valuation of the mortgaged real property in an amount less than the then outstanding principal balance of the underlying 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 the underlying mortgage loan due to a modification by the special servicer pursuant to the Trust and Servicing Agreement, which reduction occurred prior to the determination date for the most recent distribution date.

However, the “Stated Principal Balance” of the underlying mortgage loan 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 the underlying mortgage loan or REO Property have been received.

With respect to the underlying mortgage loan if it is an REO Loan, as of any date of determination, “Stated Principal Balance” means an amount equal to (i) the Stated Principal Balance of the predecessor underlying mortgage loan (determined as set forth above), as of the date the REO Property is acquired by the issuing entity, minus (ii) the sum of:

- (a) the principal portion of any P&I Advance made with respect to the REO Loan on or after the date the REO Property is acquired by the issuing entity, to the extent distributed to certificateholders on or before such date of determination; and
- (b) the principal portion of all insurance and condemnation proceeds, liquidation proceeds and all income, rents and profits derived from the ownership, operation or leasing of the REO Property received with respect to the REO Loan, to the extent distributed to certificateholders, on or before such date of determination.

“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 the period during the loan term when voluntary principal prepayments may be made if accompanied by a Static Prepayment Premium.

“Subordinate Certificates” means the class B certificates. The class B certificates are not being offered hereby and do not have the benefit of the Freddie Mac Guarantee.

“Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap” means \$300,000 *per annum* with respect to any Third Party Master Servicer and any indemnified sub-servicer under the Trust and Servicing Agreement, collectively.

“Sub-Servicing Agreement” means each sub-servicing agreement between the master servicer and the related sub-servicer relating to servicing and administration of the underlying mortgage loan by such sub-servicer as provided in the Trust and Servicing Agreement.

“Successor Servicer Requirements” has the meaning assigned to that term under “The Trust and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” in this information circular.

“Surveillance Fee Mortgage Loan” means the underlying mortgage loan unless (i) it is a Specially Serviced Mortgage Loan or an REO Loan or (ii) it has been defeased; *provided* that if it has been defeased in part, the portion that has not been defeased will be a “Surveillance Fee Mortgage Loan”.

“Third Party Master Servicer” means any entity other than Freddie Mac appointed as a successor master servicer under the Trust and Servicing Agreement or any successor to such successor entity.

“Third Party Operating Trust Advisor” means any entity other than Freddie Mac appointed as a successor operating trust advisor under the Trust and Servicing Agreement or any successor to such successor entity.

“Third Party Operating Trust Advisor Aggregate Annual Cap” means \$300,000 *per annum*.

“Timing Guarantor Interest” means, with respect to any distribution date and the class of Offered Principal Balance Certificates, the sum of (a) an amount equal to interest at the Net Mortgage Pass-Through Rate for the related Interest Accrual Period on any unreimbursed Timing Guarantor Payment for such class and (b) any such amount set forth in clause (a) for prior distribution dates that remains unreimbursed.

“Timing Guarantor Payment” means, with respect to any distribution date and the class of Offered Principal Balance Certificates, any Balloon Guarantor Payment or Class Final Guarantor Payment.

“Total Units” means the estimated number of apartments at the mortgaged real 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.

“Transfer” generally means, with respect to the underlying mortgage loan, the sale, assignment, transfer or other disposition or divestment of any interest in, change of ownership of, or encumbrance of, the borrower or the mortgaged real property, as set forth in the loan documents.

“Transfer Fee” means, with respect to the underlying mortgage loan, a fee payable under the loan documents when a Transfer is completed.

“Transfer Processing Fee” means, with respect to the underlying mortgage loan and any Transfer Processing Fee Transaction, a fee equal to the lesser of (a) the fee required to be paid by the borrower under the terms of the loan documents for the review or processing of the Transfer Processing Fee Transaction (which may also be referred to in the loan documents as a “Transfer Review Fee”) and (b) \$15,000.

“Transfer Processing Fee Transaction” means, with respect to the underlying mortgage loan, any transaction or matter involving (i) the transfer of an interest in the mortgaged real property, the borrower, any person that controls the borrower or any person that executes a guaranty pursuant to the terms of the loan documents, which transfer requires the master servicer’s review, consent and/or approval, including, without limitation, a borrower request for an assumption or waiver of a “due-on-sale” clause with respect to the loan pursuant to the Trust and Servicing Agreement and/or (ii) a borrower request for a waiver of a “due-on-encumbrance” clause with respect to the underlying mortgage loan pursuant to the Trust and Servicing Agreement, *provided, however*, that any transaction or matter involving (i) defeasance of the underlying mortgage loan, (ii) the full or partial condemnation of the mortgaged real property or any borrower request for consent to subject the mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, (iii) Permitted Transfers and/or (iv) permitted subordinate mortgage debt, will not be a Transfer Processing Fee Transaction.

“Treasury” means the U.S. Department of the Treasury.

“TRIPRA” means the Terrorism Risk Insurance Program Reauthorization Act of 2015, as amended.

“Trust and Servicing Agreement” means the trust and servicing agreement, to be dated as of June 1, 2015, among Morgan Stanley Capital I Inc., as depositor, Freddie Mac, as master servicer, operating trust advisor and guarantor, Berkeley Point Capital LLC, as special servicer, and Citibank, N.A., as trustee, certificate administrator and custodian.

“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 Aggregate Annual Cap” means \$150,000 *per annum*.

“Trustee/Certificate Administrator/Custodian Aggregate Annual Cap” means if the same person or entity is acting as the trustee, the certificate administrator and the custodian, \$300,000 *per annum* with respect to such person or entity.

“U.S. Person” means a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States, any State in the United States or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

“Unaffiliated Borrower” means the borrower (a) if it has delivered a certificate to the depositor, the trustee, the certificate administrator, the master servicer, the special servicer, the operating trust advisor and Freddie Mac certifying that the borrower and any Control Affiliate of the borrower (i) has no direct or indirect ownership or financial interest in the Controlling Class and (ii) has not entered into any contractual agreements or side letters relating to the Controlling Class or any direct or indirect ownership or financial interest in the Controlling Class or with any person or persons having any direct or indirect ownership or financial interest in the Controlling Class or (b) if the directing certificateholder has delivered notice of the termination of any Affiliated Borrower Loan Event in accordance with the Trust and Servicing Agreement; *provided, however*, that the borrower shall be deemed to be an Unaffiliated Borrower if a Control Affiliate of the borrower owns less than 10% of an entity that has a direct or indirect interest in the Controlling Class and such Control Affiliate does not have any control rights with respect to such entity. The borrower will be deemed to be an Affiliated Borrower so long as the borrower has not delivered a certificate as described above or the directing certificateholder has not delivered notice of the termination of any Affiliated Borrower Loan Event in accordance with the Trust and Servicing Agreement.

“Unaffiliated Borrower Loan” means the underlying mortgage loan if the borrower is an Unaffiliated Borrower.

“Underlying Mortgage Loan Event of Default” has the meaning assigned to such term under “Description of the Underlying Mortgage Loan—Underlying Mortgage Loan Events of Default” in this information circular.

“Underwritten Debt Service Coverage Ratio” means, with respect to the underlying mortgage loan, the ratio of—

1. the Underwritten Net Cash Flow for the mortgaged real property, to
2. 12 times the monthly debt service payment for the underlying mortgage loan due on the related due date in June 2015;

*provided* that, if the underlying mortgage loan is currently in an interest-only period, then the amount in clause 2 of this definition with respect to the underlying mortgage loan will be either (a) if that interest-only period extends to maturity, the aggregate of the first 12 monthly debt service payments to be due on the underlying mortgage loan or (b) if that interest-only period ends prior to maturity, 12 times the monthly debt service payment to be due on the underlying mortgage loan on the first due date after amortization begins.

“Underwritten Debt Service Coverage Ratio (IO)” means, with respect to the underlying mortgage loan when it is in an interest-only period, the ratio of—

1. the Underwritten Net Cash Flow for the mortgaged real property, to
2. an amount equal to the aggregate of the first 12 monthly debt service payments due on the underlying mortgage loan.

“Underwritten Net Cash Flow” means, with respect to the mortgaged real property, the estimated total cash flow from the mortgaged real property expected to be available for annual debt service on the underlying mortgage loan. In general, that estimate:

- was made at the time of origination of the 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 may differ from actual Management Fees and reserves actually required under the loan documents for the underlying mortgage loan. In addition, actual conditions at the mortgaged real property will differ, and may differ substantially, from the conditions assumed in calculating Underwritten Net Cash Flow. Furthermore, the Underwritten Net Cash Flow for the mortgaged real property does not reflect the effects of future competition or economic cycles. Accordingly, we cannot assure you that the Underwritten Net Cash Flow for the mortgaged real property shown on Exhibit A-1 will be representative of the actual future net cash flow for the mortgaged real property.

Underwritten Net Cash Flow and the revenues and expenditures used to determine Underwritten Net Cash Flow for the mortgaged real property is derived from generally unaudited information furnished by the borrower. However, in some cases, an accounting firm performed agreed upon procedures, or employees of the originator performed cash flow verification procedures, that were intended to identify any errors in the information provided by the borrower. Audits of information furnished by the borrower could result in changes to the information. These changes could, in turn, result in the Underwritten Net Cash Flow shown on Exhibit A-1 being overstated. Net income for the mortgaged real property as determined under GAAP would not be the same as the Underwritten Net Cash Flow for the property shown on Exhibit A-1. In addition, Underwritten Net Cash Flow is not a substitute for or comparable to operating income as determined in accordance with GAAP as a measure of the results of the property’s operations nor a substitute for cash flows from operating activities determined in accordance with GAAP as a measure of liquidity.

“Underwritten Net Operating Income” means, with respect to the mortgaged real property, 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, any Third Party Master Servicer, special servicer, the operating trust advisor, the custodian, the certificate administrator or trustee in excess of the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and certificate administrator/custodian), the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap, the Third Party Operating Trust Advisor 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.

“UST” means an underground storage tank.

“Year Built” means, with respect to the mortgaged real property, 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 or the engineering report.

“Year Renovated” means, with respect to the mortgaged real property, 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.

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**EXHIBIT A-1**

**CERTAIN CHARACTERISTICS OF THE UNDERLYING  
MORTGAGE LOAN AND THE MORTGAGED REAL PROPERTY**

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<b>Loan No. / Property No.</b>	<b>Footnotes</b>	<b>Number of Properties</b>	<b>Property Name</b>	<b>Originator</b>	<b>Street Address</b>	<b>Property City</b>	<b>Property State</b>	<b>Zip Code</b>	<b>County</b>	<b>Property Type</b>	<b>Property Subtype</b>	<b>Year Built</b>
1		1	Park La Brea Apartments	Holliday Fenoglio Fowler, L.P.	6200 West Third Street	Los Angeles	CA	90036	Los Angeles	Multifamily	Garden and High Rise	1944 - 1951

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Year Renovated	Total Units	Cut-Off Date Balance/Unit	Unit of Measure	Occupancy %	Occupancy As of Date	Loan Purpose (Acquisition, Refinance)
1		1	Park La Brea Apartments	2015	4,245	206,832	Units	97.7%	3/17/2015	Refinance

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Single Purpose Borrowing Entity / Single Asset Borrowing Entity	Crossed Loans	Related Borrower Loans <sup>(1)</sup>	Payment Date	Late Charge Grace Period	Note Date	First Payment Date
1		1	Park La Brea Apartments	SPE	N/A	N/A	1	10	4/9/2015	6/1/2015

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Maturity Date	Original Loan Amount	Cut-Off Date Loan Amount	% of Cut-Off Date Pool Balance	Maturity Balance	Gross Interest Rate	Administration Fee Rate <sup>(2)</sup>
1		1	Park La Brea Apartments	5/1/2025	878,000,000	878,000,000	100.0%	878,000,000	3.33000%	0.04870%

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Net Mortgage Interest Rate	Accrual Basis	Loan Amortization Type	Monthly Debt Service Amount (Amortizing) <sup>(5)</sup>	Amortization Term (Original)	Amortization Term (Remaining)	Loan Term (Original)	Loan Term (Remaining)
1		1	Park La Brea Apartments	3.28130%	Actual/360	Interest Only	2,470,289.58	0	0	120	119

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	IO Period	Seasoning	Prepayment Provision <sup>(4)</sup>	Appraisal Valuation Date	Appraised Value	Cut-Off Date LTV	Maturity LTV	UW NCF DSCR
1		1	Park La Brea Apartments	120	1	L(25) D(91) O(4)	9/30/2014	1,675,000,000	52.4%	52.4%	2.27x

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	UW NCF DSCR (IO)	UW EGI	UW Expenses	UW NOI	UW NCF	Most Recent Financial End Date	Most Recent EGI	Most Recent Expenses	Most Recent NOI
1		1	Park La Brea Apartments	2.27x	105,197,374	37,126,374	68,071,000	67,222,000	3/31/2015	105,200,843	29,433,864	75,766,979

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Most Recent NCF	2nd Most Recent Financial End Date	2nd Most Recent EGI	2nd Most Recent Expenses	2nd Most Recent NOI	2nd Most Recent NCF	3rd Most Recent Financial End Date	3rd Most Recent EGI
1		1	Park La Brea Apartments	75,766,979	12/31/2014	103,750,292	29,473,615	74,276,676	74,276,676	12/31/2013	97,985,042

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	3rd Most Recent Expenses	3rd Most Recent NOI	3rd Most Recent NCF	Lien Position	Title Vesting (Fee/Leasehold/Both)	Ground Lease Maturity Date	Cash Management (Description or N/A)	Engineering Escrow/Deferred Maintenance <sup>(6)</sup>
1		1	Park La Brea Apartments	28,055,312	69,929,730	69,929,730	First Mortgage	Fee Simple	N/A	N/A	N/A

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Tax Escrow (Initial) <sup>(5)</sup>	Tax Escrow (Monthly) <sup>(6)</sup>	Insurance Escrow (Initial) <sup>(5)</sup>	Insurance Escrow (Monthly) <sup>(6)</sup>	Replacement Reserve (Initial) <sup>(5)</sup>	Replacement Reserve (Monthly) <sup>(7)</sup>	Replacement Reserve - Contractual - Cap (\$ or N/A)	Environmental Escrow <sup>(5)</sup>
1		1	Park La Brea Apartments	N/A	Springing	N/A	Springing	N/A	Springing	N/A	N/A

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Other Escrow (Initial) <sup>(5)</sup>	Other Escrow (Monthly)	Other Escrow Reserve Description	Springing Reserve Type <sup>(6)(7)</sup>	Springing Reserve Amount	Seismic Insurance if PML >= 20% (Y/N)	Monthly Rent Per Unit
1		1	Park La Brea Apartments	N/A	N/A	N/A	Tax, Insurance and Replacement Reserve	Replacement Reserve (70,750)	No	2,017

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Additional Financing In Place (existing) (Y/N)	Additional Financing Amount (existing)	Additional Financing Description (existing)	Future Supplemental Financing (Y/N)	Future Supplemental Financing Description <sup>(9)</sup>
1		1	Park La Brea Apartments	No	N/A	N/A	Yes	(i) Max combined LTV of 55.0% (ii) Min combined DSCR of 1.45x

## Footnotes to Exhibit A-1

- (1) Related Borrower Loans refers to related groups of underlying mortgage loans made to separate borrowers under common ownership.
- (2) The Administration Fee Rate includes the master servicing fee rate, sub-servicing fee rate, surveillance fee rate, trustee fee rate, the certificate administrator fee rate and the operating trust advisor fee rate applicable to the underlying mortgage loan.
- (3) Monthly Debt Service Amount (Amortizing) shown for full-term interest-only underlying mortgage loans is based on the monthly interest-only payment amount.
- (4) Prepayment provision is shown from the underlying mortgage loan origination date.
- (5) Initial Escrow Balances are as of the underlying mortgage loan origination date, not as of the Cut-off Date.
- (6) With respect to Tax and Insurance Escrow (Monthly), springing Tax and Insurance Escrow (Monthly) commence upon, (i) event of default, (ii) non-payment of imposition deposit on time, (iii) failure to provide proof of payment of imposition deposit or (iv) origination of supplemental mortgage.
- (7) With respect to Replacement Reserve (Monthly), springing Replacement Reserve (Monthly) commences upon (i) event of default, (ii) origination of supplemental mortgage, (iii) 120 months after the First Payment Date, and (iv) certain other conditions of the underlying mortgage loan agreement, where applicable.
- (8) With respect to Future Supplemental Financing Description, other than the required maximum combined LTV and minimum combined DSCR, the underlying mortgage loan documents also require (i) Freddie Mac approval, (ii) at least 12 months after first mortgage and (iii) certain other conditions of the underlying mortgage loan agreement, where applicable.

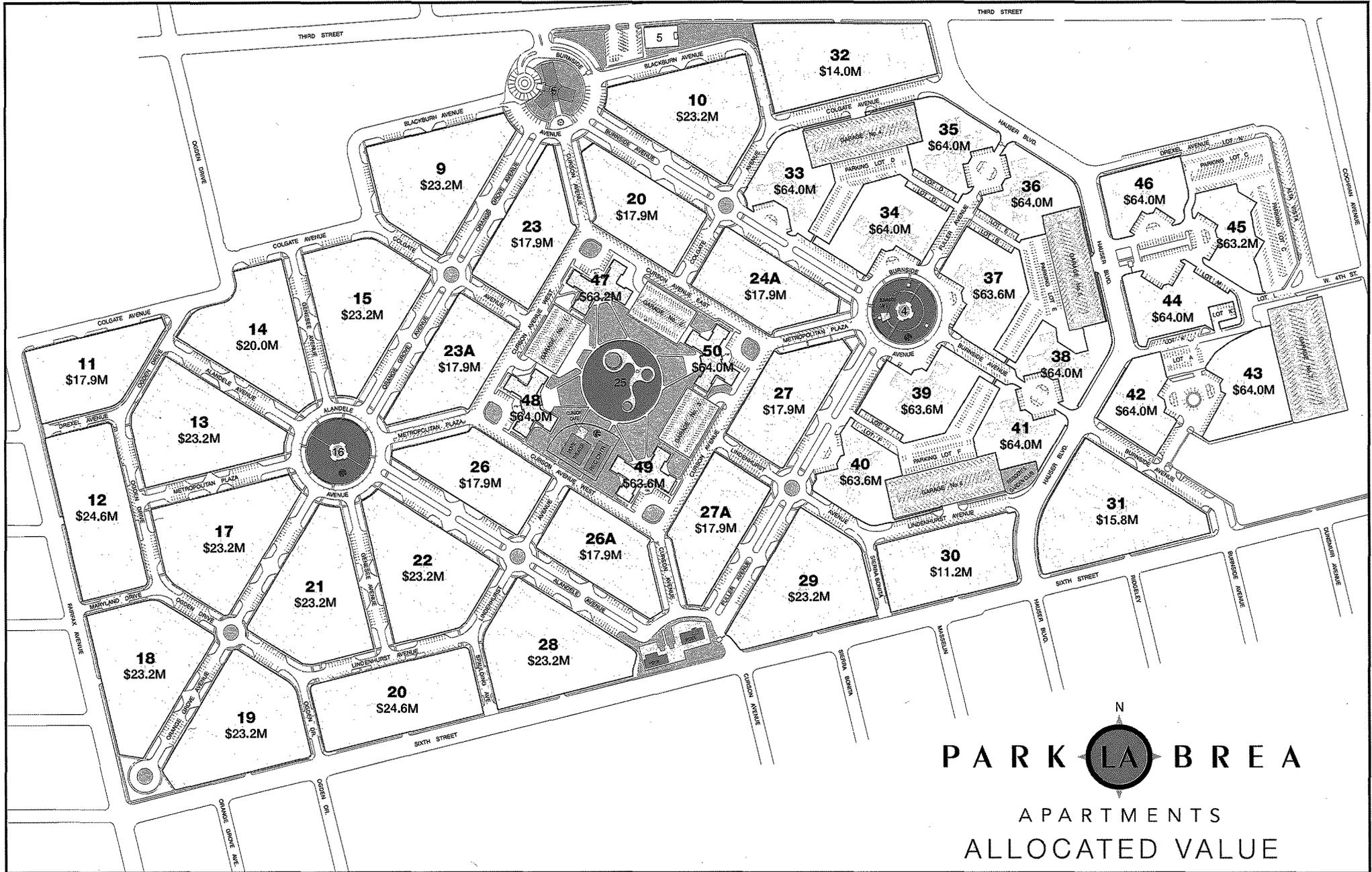
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**EXHIBIT A-2**

**DESCRIPTION OF RELEASE PARCELS**

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EXHIBIT J  
DESCRIPTION OF RELEASE PARCEL



  
**PARK LA BREA**  
 APARTMENTS  
 ALLOCATED VALUE

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**EXHIBIT B**

**FORM OF CERTIFICATE ADMINISTRATOR'S STATEMENT TO CERTIFICATEHOLDERS**

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Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



<b>CONTACT INFORMATION</b>		<b>CONTENTS</b>	
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Master Servicer / Operating Trust Advisor	Federal Home Loan Mortgage Corporation	Distribution Summary (Factors)	3
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<b>Deal Contact:</b>	<b>Karen Schluter</b> karen.schluter@citi.com Tel: (212) 816-5827 Fax: (212) 816-5527	<b>Citibank, N.A.</b> <b>Agency and Trust</b> 388 Greenwich Street, 14th Floor New York, NY 10013
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Distribution Date:  
 Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
*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)	PPP and YM Distributed (9)	Total Distributed (10)=(7+8+9)	Deferred Interest (11)	Realized Loss (12)	Current Principal Balance (13)=(3-8+11-12)
A												
B												
Totals												

**Notional Classes**

X												
Totals												

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



*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	PPP and YM Distributed (9)/(2) x 1000	Total Distributed (10)/(2) x 1000	Deferred Interest (11)/(2) x 1000	Realized Loss (12)/(2) x 1000	Current Principal Balance (14)/(2) x 1000
A										
B										
X										

Distribution Date:  
 Determination Date:



**FREMF 2015-KPLB Mortgage Trust  
 Multifamily Mortgage Pass-Through Certificates  
 Series 2015-KPLB**

*Interest Distribution Detail*

**DISTRIBUTION IN DOLLARS**

Class (1)	Prior Principal Balance (2)	Pass- Through Rate (3)	Accrual Day Count Fraction	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											
B											
Totals											

**Notional Classes**

X											
Totals											

Distribution Date:  
 Determination Date:



**FREMF 2015-KPLB Mortgage Trust  
 Multifamily Mortgage Pass-Through Certificates  
 Series 2015-KPLB**

*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													
B													
Totals													

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust  
Multifamily Mortgage Pass-Through Certificates,  
Series 2015-KPLB**



*Class Rating Detail*

Class	Original	Current	Date	Original	Current	Date	Original	Current	Date
A									
B									
X									

Distribution Date:  
 Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
*Reconciliation Detail*

SOURCE OF FUNDS	ALLOCATION OF FUNDS
<p>Interest Funds Available</p> <p style="padding-left: 20px;">Scheduled Interest</p> <p style="padding-left: 20px;">Prepayment Interest Excess</p> <p style="padding-left: 20px;">Prepayment Interest Shortfall</p> <p style="padding-left: 20px;">Interest Adjustments</p> <p style="padding-left: 40px;">Total Interest Funds Available: _____</p> <p>Principal Funds Available</p> <p style="padding-left: 20px;">Scheduled Principal</p> <p style="padding-left: 20px;">Curtailments</p> <p style="padding-left: 20px;">Principal Prepayments</p> <p style="padding-left: 20px;">Net Liquidation Proceeds</p> <p style="padding-left: 20px;">Repurchased Principal</p> <p style="padding-left: 20px;">Nonrecoverable Principal Advances</p> <p style="padding-left: 20px;">Substitution Principal</p> <p style="padding-left: 20px;">Other Principal</p> <p style="padding-left: 40px;">Total Principal Funds Available: _____</p> <p>Other Funds Available</p> <p style="padding-left: 20px;">Static Prepayment Premiums / Yield Maintenance Charge</p> <p style="padding-left: 20px;">Withdrawal of Withheld Amounts from the Interest Reserve Account</p> <p style="padding-left: 20px;">Deposit of Withheld Amounts to the Interest Reserve Account</p> <p style="padding-left: 20px;">Other Charges</p> <p style="padding-left: 40px;">Total Other Funds Available: _____</p> <p style="padding-left: 20px;">Total Funds Available _____            _____            _____</p>	<p>Scheduled Fees</p> <p style="padding-left: 20px;">Master Servicing Fee</p> <p style="padding-left: 20px;">Sub-Servicing Fee</p> <p style="padding-left: 20px;">Guarantee Fee</p> <p style="padding-left: 20px;">Trustee Fee</p> <p style="padding-left: 20px;">CREFC® Intellectual Property Royalty License Fee</p> <p style="padding-left: 20px;">Certificate Administrator Fee</p> <p style="padding-left: 20px;">Operating Trust Advisor Fee</p> <p style="padding-left: 40px;">Total Scheduled Fees: _____</p> <p>Additional Fees, Expenses, etc.</p> <p style="padding-left: 20px;">Special Servicing Fee</p> <p style="padding-left: 20px;">Workout Fee</p> <p style="padding-left: 20px;">Liquidation Fee</p> <p style="padding-left: 20px;">Additional Trust Fund Expenses</p> <p style="padding-left: 20px;">Reimbursement for Interest on Advances</p> <p style="padding-left: 20px;">Surveillance Fee</p> <p style="padding-left: 40px;">Total Additional Fees, Expenses, etc.: _____</p> <p>Distribution to Certificateholders</p> <p style="padding-left: 20px;">Interest Distribution</p> <p style="padding-left: 20px;">Principal Distribution</p> <p style="padding-left: 20px;">Yield Maintenance Charge / Static Prepayment Premiums Distribution _____</p> <p style="padding-left: 40px;">Total Distribution to Certificateholders: _____            _____</p> <p>Total Funds Allocated _____</p>

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
*Other Information*



Distribution Date:  
 Determination Date:



**FREMF 2015-KPLB Mortgage Trust  
 Multifamily Mortgage Pass-Through Certificates  
 Series 2015-KPLB**

*Mortgage Loan Detail*

Loan	OMCR	Prop Type (1)	City	State	Interest Payment	Principal Payment	Gross Coupon	Maturity Date	Neg Am Flag	Beginning Scheduled Balance	Ending Scheduled Balance	Paid Through Date	Appraisal Reduction Date	Appraisal Reduction Amount	Payment Status (2)	Workout Strategy (3)	Mod Type (4)
Totals																	

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



***NOI Detail***

Loan Number	OMCR	Property Type (1)	City	State	Ending Scheduled Balance	Preceding Fiscal Year NOI	Most Recent NOI	Most Recent Financial As of Start Date	Most Recent Financial As of End Date
Totals									

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



***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 Interest Advances	Other Expense Advances Outstanding	Payment Status (2)	Workout Strategy (3)	Most Recent Special Serv Transfer Date	Foreclosure Date	Bankruptcy Date	REO Date
<b><i>There is no delinquency loan activity for the current distribution period.</i></b>														

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



*Historical Delinquency Information*

Distribution Date	Less Than 1 Month		1 Month		2 Months		3+ Months		Bankruptcy		Foreclosure		REO	
	End Sched Bal	#	End Sched Bal	#	End Sched Bal	#	End Sched Bal	#	End Sched Bal	#	End Sched Bal	#	End Sched Bal	#

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



*Appraisal Reduction Detail*

Loan Number	OMCR	Property Name	Appraisal Reduction Amount	Appraisal Reduction Date	Most Recent ASER Amount	Cumulative ASER Amount
<b><i>There is no appraisal reduction activity for the current distribution period.</i></b>						
Totals						

Distribution Date:  
Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**

*Historical Appraisal Reduction Detail*

Distribution Date	Loan Number	OMCR	Property Name	Appraisal Reduction Amount	Appraisal Reduction Date	Most Recent ASER Amount	Cumulative ASER Amount
<i>There is no historical appraisal reduction activity.</i>							

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
*Loan Modification Detail*



Loan Number	OMCR	Property Name	Modification Date	Modification Type (4)	Modification Description
<i>There is no loan modification activity for the current distribution period.</i>					
Totals					

Distribution Date:  
Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**

*Historical Loan Modification Detail*

Distribution Date	Loan Number	OMCR	Property Name	Modification Date	Modification Type (4)	Modification Description
<i>There is no historical loan modification activity.</i>						

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



***Specially Serviced Loan Detail***

Loan Number	OMCR	Workout Strategy (3)	Most Recent Inspection Date	Most Recent Specially Serviced Transfer Date	Most Recent Valuation Date	Most Recent Value	Other REO Property Value	Comment from Special Servicer
<b><i>There is no specially serviced loan activity for the current distribution period.</i></b>								
Totals								

Distribution Date:  
Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**

*Historical Specially Serviced Loan Detail*

Distribution Date	Loan Number	OMCR	Special Serviced Trans Date	Workout Strategy (3)	Special Serviced Loan to MS	Scheduled Balance	Actual Balance	Property Type (1)	State	Interest Rate	Note Date	Net Operating Income (NOI)	DSCR	Maturity Date	WART
<i>There is no historic specially serviced loan activity.</i>															

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust  
Multifamily Mortgage Pass-Through Certificates  
Series 2015-KPLB**



***Unscheduled Principal Detail***

Loan Number	OMCR	Liquidation / Prepayment Date	Liquid / Prepay Type (5)	Unscheduled Principal Collections	Unscheduled Principal Adjustments	Other Interest Adjustments	Prepayment Interest Excess / (Shortfall)	Prepayment Penalties	Yield Maintenance Penalties
<b><i>There is no unscheduled principal activity for the current distribution period.</i></b>									
Totals									

Distribution Date:  
Determination Date:



**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**

***Historical Unscheduled Principal Detail***

Distribution Date	Loan Number	OMCR	Liquidation / Prepayment Date	Liquid / Prepay Type (5)	Unscheduled Principal Collections	Unscheduled Principal Adjustments	Other Interest Adjustments	Prepayment Interest Excess / (Shortfall)	Prepayment Penalties	Yield Maintenance Penalties
<b><i>There is no historical unscheduled principal activity.</i></b>										

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
**Liquidated Loan Detail**



Loan Number	OMCR	Final Recovery Determ Date	Most Recent Appraisal Date	Most Recent Appraisal Value	Actual Balance	Gross Proceeds	Proceeds as % of Act Bal	Liquidation Expenses	Net Liquidation Proceeds	Net Proceeds as a % of Act Bal	Realized Losses	Repurchased by Seller (Y/N)
<i><b>There is no liquidated loan activity for the current distribution period.</b></i>												
Totals												

Distribution Date:  
Determination Date:

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**  
*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 % of Act Bal	Liquidation Expenses	Net Liquidation Proceeds	Net Proceeds as a % of Act Bal	Realized Loss	Repurchased by Seller (Y/N)
<b><i>There is no historical liquidated loan activity.</i></b>													

**FREMF 2015-KPLB Mortgage Trust**  
**Multifamily Mortgage Pass-Through Certificates**  
**Series 2015-KPLB**



**CREFC® Legends**

**(1) Property Type**

---

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  
N/A = Not Available

**(2) Payment Status**

---

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  
98. Not Provided By Servicer

**(3) Workout Strategy**

---

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

**(4) Modification Type**

---

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

**(5) Liquidation / Prepayment Type**

---

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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## EXHIBIT C-1

### MORTGAGE LOAN SELLER'S REPRESENTATIONS AND WARRANTIES

As of the Closing Date, the mortgage loan seller will make, with respect to the underlying mortgage loan sold by it that we include in the issuing entity, representations and warranties that are expected to be generally in the form set forth below. The exceptions to those representations and warranties are expected to be generally in the form set forth on Exhibit C-2. Capitalized terms used but not otherwise defined in this Exhibit C-1 will have the meanings set forth in this information circular or, if not defined in this information circular, in the mortgage loan purchase agreement.

The mortgage loan purchase agreement, together with the representations and warranties, serves to contractually allocate risk between the mortgage loan seller, on the one hand, and the issuing entity, on the other. We present the representations and warranties set forth below for the sole purpose of describing some of the expected terms and conditions of that risk allocation. The presentation of representations and warranties below is not intended as statements regarding the actual characteristics of the underlying mortgage loan, the mortgaged real property or other matters. We cannot assure you that the underlying mortgage loan actually conform to the statements made in the representations and warranties that we present below.

For purposes of these representations and warranties, the phrase “to the knowledge of the mortgage loan seller” or “to the mortgage loan seller’s knowledge” will mean, except where otherwise expressly set forth below, the actual state of knowledge of the mortgage loan seller or any servicer acting on its behalf regarding the matters referred to, (a) after the mortgage loan seller’s having conducted such inquiry and due diligence into such matters as would be customarily required by the mortgage loan seller’s underwriting standards represented in the Multifamily Seller/Servicer Guide (the “Guide”) and the mortgage loan seller’s credit policies and procedures, at the time of the mortgage loan seller’s acquisition of the underlying mortgage loan; and (b) subsequent to such acquisition, utilizing the monitoring practices customarily utilized by the mortgage loan seller and its servicer pursuant to the Guide. All information contained in documents which are part of or required to be part of a mortgage file will be deemed to be within the knowledge of the mortgage loan seller. Wherever there is a reference to receipt by, or possession of, the mortgage loan seller of any information or documents, or to any action taken by the mortgage loan seller or not taken by the mortgage loan seller, such reference will include the receipt or possession of such information or documents by, or the taking of such action or the not taking of such action by, either the mortgage loan seller or any servicer acting on its behalf.

The mortgage loan seller represents and warrants, subject to the exceptions set forth in Exhibit C-2, with respect to the underlying mortgage loan, that as of the date specified below or, if no date is specified, as of the Closing Date, the following representations and warranties are true and correct in all material respects:

(1) Ownership.

(a) Immediately prior to the transfer to the depositor of the underlying mortgage loan, the mortgage loan seller had good title to, and was the sole owner of, the underlying mortgage loan.

(b) The mortgage loan seller has full right, power and authority to transfer and assign the underlying mortgage loan to the depositor and has validly and effectively conveyed (or caused to be conveyed) to the depositor or its designee all of the mortgage loan seller’s legal and beneficial interest in and to the underlying mortgage loan free and clear of any and all liens, pledges, charges, security interests and/or other encumbrances of any kind.

(2) Loan Status; Waivers and Modifications.

Since the origination date and except pursuant to written instruments set forth in the mortgage file or as described in the Trust and Servicing Agreement as a Freddie Mac pre-approved servicing request, all of the following are true and correct:

(a) the material terms of the mortgage, note and related loan documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect,

(b) neither the mortgaged real property, nor any portion thereof, has been released from the lien of the mortgage in any manner which materially interferes with the security intended to be provided by the mortgage or the use, value or operation of such mortgaged real property, and

(c) borrower has not been released from its obligations under the underlying mortgage loan.

(3) Whole Loan.

The underlying mortgage loan is a whole loan and is not a participation interest in the underlying mortgage loan.

(4) Defaults.

(a) There exists no monetary default (other than payments due but not yet more than 30 days past due) or, to mortgage loan seller's knowledge, material non-monetary default, breach, violation or event of acceleration under the underlying mortgage loan.

(b) To mortgage loan seller's knowledge, there exists no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the underlying mortgage loan; provided, however, that the representations and warranties set forth in this paragraph 4 do not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered by any other representation or warranty made by the mortgage loan seller in this Exhibit C-1; and, *provided, further*, that a breach by the borrower of any representation or warranty contained in any loan document (each, a "Borrower Representation") will not constitute a material non-monetary default, breach, violation or event of acceleration for purposes of this paragraph 4 if the subject matter of such Borrower Representation is covered by any exception to any representation or warranty made by the mortgage loan seller in this Exhibit C-1.

(c) Since the origination date, except as set forth in the mortgage file, neither the mortgage loan seller nor any servicer of the underlying mortgage loan has waived any material default, breach, violation or event of acceleration under any of the loan documents. Pursuant to the terms of the loan documents, no person or party other than the holder of the mortgage note and mortgage may declare an event of default or accelerate the related indebtedness under such loan documents.

(5) Releases of Mortgaged Property.

(a) The underlying mortgage loan does not require the lender to release all or any portion of the mortgaged real property from the lien of the mortgage, except as in compliance with the REMIC Provisions and one of the following:

(i) upon payment in full of all amounts due under the underlying mortgage loan,

(ii) in connection with a full or partial defeasance pursuant to provisions in the loan documents,

(iii) unless such portion of the mortgaged real property was not considered material for purposes of underwriting the underlying mortgage loan, was not included in the appraisal for the mortgaged real property or does not generate income, or

(iv) upon the payment of a release price at least equal to the allocated loan amount or, if none, the appraised value of the released parcel and any related prepayment.

(b) With respect to clauses (iii) and (iv) above, if the fair market value of the real property constituting the remaining mortgaged real property immediately after the release of such portion of the

mortgaged real property from the lien of the related mortgage is not equal to at least 80% of the remaining principal amount of the underlying mortgage loan, the borrower is required to prepay the underlying mortgage loan in an amount equal to or greater than the amount required by the REMIC Provisions.

(6) Qualified Loan.

The underlying mortgage loan constitutes a “qualified mortgage” within the meaning of Code Section 860G(a)(3) (but without regard to the rule in Treasury Regulation Section 1.860G-2(f)(2) that treats a defective obligation as a “qualified mortgage” or any substantially similar successor provision). Any prepayment premiums and yield maintenance charges payable upon a voluntary prepayment under the terms of the underlying mortgage loan constitute “customary prepayment penalties” within the meaning of Treasury Regulation Section 1.860G-1(b)(2).

(7) Prepayment Upon Condemnation.

In the event of a taking of any portion of the mortgaged real property by a State or any political subdivision or authority thereof, whether by legal proceeding or by agreement, if the fair market value of the real property constituting the remaining mortgaged real property immediately after the release of such portion of the mortgaged real property from the lien of the mortgage (but taking into account any planned restoration) is not equal to at least 80% of the remaining principal amount of the underlying mortgage loan, the borrower can be required to apply the award with respect to such taking to prepay the underlying mortgage loan or to prepay the underlying mortgage loan in the amount required by the REMIC Provisions and such amount may not, to such extent, be used to restore the mortgaged real property or be released to the borrower.

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**EXHIBIT C-2**

**EXCEPTIONS TO MORTGAGE LOAN SELLER'S REPRESENTATIONS AND WARRANTIES**

None.

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**EXHIBIT D**

**DECREMENT TABLE FOR THE OFFERED PRINCIPAL BALANCE CERTIFICATES**

**Percentage of Initial Total Principal Balance Outstanding For:**

**Class A Certificates**

0% CPR During Lockout and Defeasance Periods  
— Otherwise at Indicated CPR

**Prepayments**

<b><u>Following the Distribution Date in—</u></b>	<b><u>0% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>50% CPR</u></b>	<b><u>75% CPR</u></b>	<b><u>100% CPR</u></b>
Closing Date.....	100%	100%	100%	100%	100%
June 2016 .....	100%	100%	100%	100%	100%
June 2017 .....	100%	100%	100%	100%	100%
June 2018 .....	100%	100%	100%	100%	100%
June 2019 .....	100%	100%	100%	100%	100%
June 2020 .....	100%	100%	100%	100%	100%
June 2021 .....	100%	100%	100%	100%	100%
June 2022 .....	100%	100%	100%	100%	100%
June 2023 .....	100%	100%	100%	100%	100%
June 2024 .....	100%	100%	100%	100%	100%
June 2025 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years).....</b>	<b>9.91</b>	<b>9.90</b>	<b>9.88</b>	<b>9.86</b>	<b>9.66</b>

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**Exhibit E**

**PRICE/YIELD TABLE FOR CLASS X CERTIFICATES**

**Corporate Bond Equivalent (CBE) Yield of the Class X Certificates at Various CPRs\***  
**0.0690%\*\* Per Annum Initial Pass-Through Rate**  
**\$878,000,000 Total Initial Notional Amount**

0% CPR During Lockout and Defeasance Periods  
 — Otherwise at Indicated CPR

<b>Price (%)***</b>	<b>0% CPR CBE Yield (%)</b>	<b>25% CPR CBE Yield (%)</b>	<b>50% CPR CBE Yield (%)</b>	<b>75% CPR CBE Yield (%)</b>	<b>100% CPR CBE Yield (%)</b>
0.35799	33.09	33.09	33.09	33.09	33.05
0.45799	23.84	23.83	23.83	23.83	23.77
0.55799	17.57	17.57	17.57	17.56	17.49
0.65799	12.93	12.93	12.93	12.93	12.84
0.75799	9.31	9.31	9.31	9.30	9.20
0.85799	6.36	6.36	6.36	6.35	6.24
0.95799	3.89	3.88	3.88	3.88	3.76
1.05799	1.77	1.77	1.76	1.76	1.63
1.15799	(0.08)	(0.08)	(0.08)	(0.09)	(0.22)
1.25799	(1.71)	(1.71)	(1.71)	(1.72)	(1.86)
1.35799	(3.17)	(3.17)	(3.17)	(3.18)	(3.32)
Weighted Average Life (in years)	9.91	9.90	9.89	9.86	9.66

\* Assumes the exercise of the right to purchase the underlying mortgage loan in the event the Stated Principal Balance of the underlying mortgage loan is less than 1.0% of the Cut-off Date Principal Balance of the underlying mortgage loan, as described under “The Trust and Servicing Agreement—Termination” in this information circular.

\*\* Approximate.

\*\*\* Exclusive of accrued interest.

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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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**\$812,150,000**  
**(Approximate)**

# Freddie Mac

**Structured Pass-Through Certificates (SPCs)**  
**Series K-PLB**



*Co-Lead Managers and Joint Bookrunners*

**Morgan Stanley**

**Wells Fargo Securities**

*Co-Managers*

**Guggenheim Securities**  
**Jefferies**

**June 19, 2015**