

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

**\$91,822,000**  
(Approximate)



**Freddie Mac**  
**Structured Pass-Through Certificates (SPCs)**  
**Series SB-008**

**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:** FRESB 2015-SB8 Mortgage Trust  
**Mortgages:** Fully amortizing multifamily mortgages  
**Underlying Originator:** First Foundation Bank  
**Underlying Seller:** First Foundation Bank  
**Underlying Depositor:** Banc of America Merrill Lynch Commercial Mortgage Inc.  
**Underlying Master Servicer:** Freddie Mac  
**Underlying Special Servicer:** Situs Holdings, LLC  
**Underlying Trustee, Custodian and Certificate Administrator:** Deutsche Bank Trust Company Americas  
**Payment Dates:** Monthly beginning in December 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, and in accordance with the selling restrictions set forth in *Appendix B*  
**Closing Date:** On or about November 24, 2015

Class	Original Principal Balance or Notional Amount(1)	Class Coupon	CUSIP Number	Final Payment Date(2)
A-5 . . . . .	\$ 65,972,000	(3)	3137BLWP9	June 25, 2044
A-7 . . . . .	15,438,000	(3)	3137BLWQ7	November 25, 2043
A-10 . . . . .	10,412,000	(3)	3137BLWN4	June 25, 2044
X1 . . . . .	102,026,095	(3)	3137BLWR5	August 25, 2045

(1) Approximate. May vary by up to 5%.  
(2) See *Final Payment Dates*.  
(3) See *Terms Sheet — Interest*.

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

You should purchase SPCs only if you have read and understood this Supplement, 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.

*Sole Lead Manager and Bookrunner*

**BofA Merrill Lynch**

*Co-Manager*

**Wells Fargo Securities**

**November 13, 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-5, A-7 or A-10 at a premium over its principal balance, or if you buy X1, and prepayments on the underlying Mortgages are faster than you expect.
- You buy A-5, A-7 or A-10 at a discount to its principal balance and prepayments on the underlying Mortgages are slower than you expect.

Rapid prepayments on the Mortgages, especially those with relatively high interest rates or relatively high interest rate margins over the applicable **Index**, would reduce the yields on the SPCs, and because X1 is an Interest Only Class, could even result in the failure of investors in that Class to recover their investments.

If the holders of a majority interest in X1 (initially expected to be First Foundation Bank) direct waivers of the borrowers' obligations to pay **Prepayment Premiums** in connection with prepayments of Mortgages, the borrowers would have an incentive to prepay their Mortgages, which could result in the Mortgages experiencing a higher than expected rate of prepayments. See *Payments — Prepayment Premiums* in this Supplement and *Risk Factors — Risks Related to the Offered Certificates — The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X1 Certificates to Cause the Waiver of Prepayment Premiums and Due to Limited Prepayment Protection* in the Information Circular.

**One-Month LIBOR and Index Levels Can Reduce Your Yield.** Your yield could be lower than you expect if **One-Month LIBOR** or the applicable **Index** levels are lower than you expect.

**The SPCs Are Subject to Basis Risk.** The Class Coupons of A-5, A-7 and A-10 each are subject to a cap based on, until the series 2015-SB8 class B certificates are reduced to zero, the **Weighted Average Net Mortgage Pass-Through Rate** for the related **Loan Group**, and after the series 2015-SB8 class B certificates are reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate. The Class Coupon of X1 is based on the Weighted Average Net Mortgage Pass-Through Rate. As a result, the SPCs will be subject to basis risk, which may reduce their yields.

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

**The SPCs are Subject to Market Risks.** You will bear all of the market risks of your investment. The market value of your SPCs will vary over time, primarily in response to changes in prevailing interest rates and prevailing interest rate margins over One-Month LIBOR on or after the applicable **Class A Rate Change Date**. 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.

**Payments of Additional Interest Distribution Amounts will Reduce the Yield of X1.** The yield of X1 will be reduced to the extent that **Additional Interest Distribution Amounts** are required to be paid to the series 2015-SB8 class B certificates from amounts otherwise payable to Underlying Class X1. See *Description of the Certificates — Distributions — Interest Distributions* in the Information Circular.

## 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 number and letter designations. For example, "A-5" refers to the A-5 Class of this Series.*

### General

Each Class of SPCs represents the entire undivided interest in a separate pass-through pool. Each pass-through pool consists of a class of securities (each, an "**Underlying Class**") issued by the Underlying Trust. Each Underlying Class has the same designation as its corresponding Class of SPCs. Each Mortgage is a multifamily fully amortizing mortgage loan. Each Mortgage is a **Hybrid ARM** that has a mortgage interest rate that is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such Mortgage, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such Mortgage.

In addition to the Underlying Classes, the Underlying Trust is issuing three other classes of securities: the series 2015-SB8 class B, class X2 and class R certificates.

### Interest

A-5 will bear interest at its Class Coupon equal to:

- for each Payment Date occurring prior to the Payment Date in August 2020 (the "**Class A-5 Rate Change Date**"), a *per annum* rate equal to the lesser of (i) 2.4200% and (ii) the **Class A-5 Capped Rate**; and
- for each Payment Date occurring on and after the Class A-5 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-5 Capped Rate;

*provided*, that in no event may such Class Coupon be less than zero.

A-7 will bear interest at its Class Coupon equal to:

- for each Payment Date occurring prior to the Payment Date in April 2022 (the "**Class A-7 Rate Change Date**"), a *per annum* rate equal to the lesser of (i) 2.7000% and (ii) the **Class A-7 Capped Rate**; and
- for each Payment Date occurring on and after the Class A-7 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-7 Capped Rate;

*provided*, that in no event may such Class Coupon be less than zero.

A-10 will bear interest at its Class Coupon equal to:

- for each Payment Date occurring prior to the Payment Date in September 2025 (the “**Class A-10 Rate Change Date**”), a *per annum* rate equal to the lesser of (i) 3.2900% and (ii) the **Class A-10 Capped Rate**; and
- for each Payment Date occurring on and after the Class A-10 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-10 Capped Rate;

*provided*, that in no event may such Class Coupon be less than zero.

X1 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 X1 Strip Rates** as described in the Information Circular. The interest payable to X1 on any Payment Date will be reduced by the amount of any Additional Interest Distribution Amounts distributed to the series 2015-SB8 class B certificates on the related Payment Date and by the amount of any Outstanding Guarantor Reimbursement Amounts paid to Freddie Mac, as guarantor, on the related Payment Date, as described under *Description of the Certificates — Distributions — Interest Distributions* and *— Priority of Distributions* in the Information Circular. Accordingly, the Class Coupon of X1 may vary from month to month. The initial Class Coupon of X1 is approximately 0.4128% per annum after giving effect to payments of Additional Interest Distribution Amounts.

See *Payments — Interest* in this Supplement and *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Mortgage Interest Rates; Calculations of Interest* and *Description of the Certificates — Distributions — Calculation of Pass-Through Rates* in the Information Circular.

### **Interest Only (Notional) Classes**

X1 does not receive principal payments. To calculate interest payments, X1 has a notional amount equal to the sum of the then-current principal balances of Underlying Classes A-5, A-7 and A-10 and the series 2015-SB8 class B certificates.

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

### **Principal**

On each Payment Date, we pay principal on each of A-5, A-7 and A-10 in an amount equal to the principal, if any, required to be paid on that Payment Date on its corresponding Underlying Class.

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

### **Prepayment Premiums**

Any Prepayment Premiums collected in respect of any of the Mortgages will be distributed to Underlying Class X1, as described under *Description of the Certificates — Distributions — Distributions of Prepayment Premiums* in the Information Circular. Any Prepayment Premiums distributed to Underlying Class X1 will be passed through to X1.

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

Holders representing a majority interest in X1 will have the right, in their sole discretion, to direct the Underlying Master Servicer or the Underlying Special Servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment of a Mortgage. First Foundation Bank is expected to be the initial holder of all of X1. First Foundation Bank may be more likely to direct a waiver of a Prepayment Premium for a Mortgage in certain circumstances, such as if the prepayment will be made in connection with a refinancing of such Mortgage that meets certain conditions. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Prepayment Provisions* in the Information Circular.

### **Federal Income Taxes**

If you own a Class of SPCs, you will be treated for federal income tax purposes as owning an undivided interest in the related Underlying Class. Each of Underlying Classes A-5, A-7 and A-10 represents ownership in a REMIC “regular interest.” Underlying Class X1 represents ownership in a REMIC “regular interest” and the obligation to pay Additional Interest Distribution Amounts.

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 Classes A-5, A-7 and A-10 and pre-tax yields for Underlying Class X1, 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 Life of the Class A Certificates — Yield Sensitivity of the Class X1 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)\***

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\* 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 Agent named below at:

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Attn: CMBS Prospectus Department  
One Bryant Park, NY-100-11-07  
New York, New York 10036  
(646) 855-2457

**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-5, A-7 and A-10 will be issued, and may be held and transferred, in minimum original principal amounts of \$1,000 and additional increments of \$1. X1 will be issued, and may be held and transferred, in minimum original notional principal amounts of \$100,000 and additional increments of \$1.

### Structure of Transaction

#### *General*

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

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

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

See *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*

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

Upon the occurrence and continuation of a **Waterfall Trigger Event**, Underlying Classes A-5, A-7 and A-10 (subject to the allocation among such Underlying Classes as described in the Information Circular) will receive all of the principal payments on the Mortgages until they are retired. Underlying Classes A-5, A-7 and A-10 (subject to the allocation among such Underlying Classes as described in the Information Circular) will also always receive the principal payments on certain **Specially Serviced Mortgage Loans** until they are retired. Thereafter, the series 2015-SB8 class B certificates will be entitled to such principal payments. Because of losses on the Mortgages and/or default-related or other unanticipated expenses of the Underlying Trust, the total principal balance of the series 2015-SB8 class B certificates could be reduced to zero at a time when Underlying Classes A-5, A-7 and A-10 remain outstanding. See *Description of the Certificates — Distributions — Principal Distributions* and — *Priority of Distributions* 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 Relating to the Certificates — The Certificates Will Not Be Rated* in the Information Circular.

### **The Mortgages**

The Mortgages consist of 51 Hybrid ARM, fully amortizing mortgage loans secured by 51 multifamily properties. The Mortgages have an initial mortgage pool balance of approximately \$102,026,095. The Mortgages each have an interest rate that is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such Mortgage, and thereafter is adjustable on semi-annual reset dates during the remaining term of such Mortgage.



The pool of Mortgages will be deemed to consist of three loan groups (“**Loan Group 5YR**”, “**Loan Group 7YR**” and “**Loan Group 10YR**”) for the purpose of calculating principal and interest distributions on Underlying Classes A-5, A-7 and A-10. Loan Group 5YR will consist of 33 Mortgages with an initial mortgage pool balance of approximately \$73,303,733, representing approximately 71.8% of the initial mortgage pool balance, Loan Group 7YR will consist of 12 Mortgages with an initial mortgage pool balance of approximately \$17,154,292, representing approximately 16.8% of the initial mortgage pool balance and Loan Group 10YR will consist of 6 Mortgages with an initial mortgage pool balance of approximately \$11,568,070, representing approximately 11.3% of the initial mortgage pool balance. Loan Group 5YR consists of Hybrid ARM Mortgages with an initial 5-year fixed rate period. Loan Group 7YR consists of Hybrid ARM Mortgages with an initial 7-year fixed rate period. Loan Group 10YR consists of Hybrid ARM Mortgages with an initial 10-year fixed rate period.

See *Appendix A — Transaction Summary* in this Supplement and *Description of the Underlying Mortgage Loans* and *Exhibits A-1* and *A-2* in the Information Circular further describe the Mortgages.

## PAYMENTS

### Payment Dates; Record Dates

We make payments of principal and interest on the SPCs on each Payment Date, beginning in December 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 each Class of SPCs. The Classes bear interest as described under *Terms Sheet — Interest* in this Supplement.

#### *Accrual Period*

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

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

### Principal

We pay principal on each Payment Date on each of A-5, A-7 and A-10 to the extent principal is payable on its corresponding Underlying Class. Investors receive principal payments on a *pro rata* basis among the SPCs of their Class.

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

## Prepayment Premiums

Any Prepayment Premium collected in respect of any of the Mortgages will be distributed to Underlying Class X1, as described under *Description of the Certificates — Distributions — Distributions of Prepayment Premiums* in the Information Circular. Any Prepayment Premium distributed to Underlying Class X1 will be passed through to X1.

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

Holders representing a majority interest in X1 will have the right, in their sole discretion, to direct the Underlying Master Servicer or the Underlying Special Servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment of a Mortgage. First Foundation Bank is expected to be the initial holder of all of X1. First Foundation Bank may be more likely to direct a waiver of a Prepayment Premium for a Mortgage in certain circumstances, such as if the prepayment will be made in connection with a refinancing of such Mortgage that meets certain conditions. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Prepayment Provisions* in the Information Circular.

## Class Factors

### *General*

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

### *Use of Factors*

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

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

## Guarantees

We guarantee to each Holder of each Class of SPCs (a) the timely payment of interest at its Class Coupon; (b) the reimbursement of any Realized Losses and any **Additional Issuing Entity Expenses** allocated to each Class of SPCs; and (c) the ultimate payment of principal on A-5, A-7 and A-10 by the Final Payment Date of such Class. Our guarantee does not cover any loss of yield on X1 due to payment of Additional Interest Distribution Amounts to the series 2015-SB8 class B certificates or **Outstanding Guarantor Reimbursement Amounts** to us or due to the reduction of X1's notional amount due to a reduction of the principal balance of any Underlying Classes, nor does it cover the payment of any Prepayment Premiums or any other prepayment premiums related to the Mortgages or the payment of Additional Interest Distribution Amounts to the series 2015-SB8 class B certificates. 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 the Underlying Master Servicer each will have the option, in a prescribed order, to purchase the Mortgages and other trust property and terminate the Underlying Trust on any Payment Date on which the total **Stated Principal Balance** of the Mortgages is less than 5% of the initial mortgage pool 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 the Underlying 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-SB8 class R certificates) for all of the Mortgages and each **REO Property** remaining in the Underlying Trust, resulting in the liquidation of the Underlying Trust. See *The Pooling and Servicing Agreement — Termination* in the Information Circular.

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

In addition, we will have the right to redeem the outstanding SPCs on any Payment Date when the aggregate remaining principal balance of A-5, A-7 and A-10 would be less than 1% of their aggregate original principal balance. We will give notice of any exercise of this right to Holders 30 to 60 days before the redemption date. We will pay a redemption price equal to the unpaid principal balance, if any, of each Class redeemed plus interest for the related Accrual Period.

## **PREPAYMENT AND YIELD ANALYSIS**

### **Mortgage Prepayments**

The rates of principal payments on the Classes will depend primarily on the rates of principal payments, including prepayments, on the related Mortgages. Each Mortgage may be prepaid, subject to a prepayment consideration period during which voluntary principal prepayments must be accompanied by a Prepayment Premium, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration. In addition, one Mortgage permits a partial principal prepayment of up to 10% of the unpaid principal balance of the Mortgage in any given 12-month period without the payment of a Prepayment Premium.

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

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

## **Yield**

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

- Your purchase price.
- The rate of principal payments on the underlying Mortgages.
- Whether an optional termination of the Underlying Trust occurs or the SPCs are redeemed.
- The actual characteristics of the underlying Mortgages.
- The level of One-Month LIBOR and each Index.
- The extent to which the Class Coupon formula of your Class of SPCs results in reductions or increases in its Class Coupon.
- Whether a Waterfall Trigger Event, or any other event that results in principal being distributed sequentially, occurs and is continuing.
- Whether Additional Interest Distribution Amounts are distributed to the series 2015-SB8 class B certificates from amounts otherwise payable to Underlying Class X1.
- Collection and payment of, or waiver of, Prepayment Premiums.
- 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 (other than X1) is the latest date by which it will be paid in full and will retire. The Final Payment Dates generally reflect the maturity dates of the Mortgages and assume, among other things, no prepayments or defaults on the Mortgages. However, the latest date by which X1 will receive its final payment may be the Payment Date following the latest date to which the maturity date of a Mortgage may be modified under the terms of the Pooling Agreement. 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 Pooling Agreement and certain other documents:

- Specified portions of the assets of the Underlying Trust will qualify as multiple REMICs under the Code.
- Each of Underlying Classes A-5, A-7 and A-10 will represent ownership of a “regular interest” in one of those REMICs.
- Underlying Class X1 (exclusive of its obligation to pay Additional Interest Distribution Amounts) will represent ownership of a “regular interest” in one of those REMICs.

Accordingly, an investor in A-5, A-7 or A-10 will be treated as owning a regular interest in a REMIC. An investor in X1 will be treated as owning a regular interest in a REMIC and will be treated as having an obligation to pay Additional Interest Distribution Amounts.

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

### **Foreign Account Tax Compliance Act**

Investors should be aware that FATCA-related administrative guidance announced on September 18, 2015 delays withholding of U.S. federal income tax at a rate of 30% with respect to payments of gross proceeds from the sale or disposition of an SPC or an underlying Mortgage received by a non-U.S. entity until after December 31, 2018. Investors should consult their tax advisors regarding the potential application and impact of the FATCA withholding rules based on their particular circumstances.

## **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 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 SB-008, Class A-5, A-7, A-10 and X1 Certificates

\$91,822,000

### 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>	Assumed Final Distribution Date <sup>(1)</sup>	Assumed Final Distribution Date – No Prepayments <sup>(2)</sup>
A-5	\$65,972,000	10.000%	2.4200% <sup>(3)</sup>	2.83	1 – 56	July 25, 2020	June 25, 2044
A-7	\$15,438,000	10.000%	2.7000% <sup>(3)</sup>	3.84	1 – 76	March 25, 2022	November 25, 2043
A-10	\$10,412,000	10.000%	3.2900% <sup>(3)</sup>	6.03	1 – 107	October 25, 2024	June 25, 2044
X1	\$102,026,095	NAP	0.4128% <sup>(4)</sup>	3.40	NAP	August 25, 2025	August 25, 2045

(1) The expected weighted average lives, the assumed principal windows and assumed final distribution dates are based on, among other Modeling Assumptions as defined in the Offering Documents, a 5% CPR prepayment speed until each underlying loan's first interest rate reset date, at which time the loan is assumed to pay off in full.

(2) Assumes no voluntary or involuntary prepayments occur with respect to any of the underlying mortgage loans.

(3) Converts to floating rate as described under *The Underlying Certificates – Pass-Through Rates*.

(4) 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill Lynch"), the Sole Lead Manager and Bookrunner, from Wells Fargo Securities, LLC, the Co-Manager, or from our website at [freddiemac.com](http://freddiemac.com).*

## Transaction overview

The Class A-5, A-7, A-10 and X1 Certificates (the “Offered SPCs”) will be part of a series of multifamily mortgage pass-through certificates designated as the Freddie Mac Structured Pass-Through Certificates (“SPCs”), Series SB-008. 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 FRESB 2015-SB8 Mortgage Trust (the “REMIC Trust”) to be established by Banc of America Merrill Lynch Commercial Mortgage Inc. (the “Depositor”). The primary assets of the REMIC Trust will consist of 51 small balance multifamily mortgage loans secured by 51 mortgaged real properties with an initial mortgage pool balance of \$102,026,095. The mortgage loans each have a mortgage interest rate that is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such mortgage loan, and thereafter is adjustable on semi-annual reset dates during the remaining term of such mortgage loan (a “Hybrid ARM” mortgage loan).

The pool of mortgage loans will be deemed to consist of three loan groups (“Loan Group 5YR”, “Loan Group 7YR” and “Loan Group 10YR”) for the purpose of calculating principal and interest distributions on the Class A-5, A-7 and A-10 Certificates (referred to collectively as the “Class A Certificates”) as further described in *The Underlying Certificates* section below. Loan Group 5YR will consist of 33 mortgage loans, representing approximately 71.8% of the initial mortgage pool balance, Loan Group 7YR will consist of 12 mortgage loans, representing approximately 16.8% of the initial mortgage pool balance and Loan Group 10YR will consist of 6 mortgage loans, representing approximately 11.3% of the initial mortgage pool balance. Exhibit A-1 to the Information Circular sets forth the Loan Group designation with respect to each mortgage loan. Loan Group 5YR consists of Hybrid ARM mortgage loans with an initial 5-year fixed rate period. Loan Group 7YR consists of Hybrid ARM mortgage loans with an initial 7-year fixed rate period. Loan Group 10YR consists of Hybrid ARM mortgage loans with an initial 10-year fixed rate period. The mortgage loans are further described on pages S-A-12 through S-A-30 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 (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>	Assumed Final Distribution Date <sup>(1)</sup>	Assumed Final Distribution Date – No Prepayments <sup>(2)</sup>
A-5	\$65,972,000	10.000%	2.4200% <sup>(3)</sup>	2.83	1 – 56	July 25, 2020	June 25, 2044
A-7	\$15,438,000	10.000%	2.7000% <sup>(3)</sup>	3.84	1 – 76	March 25, 2022	November 25, 2043
A-10	\$10,412,000	10.000%	3.2900% <sup>(3)</sup>	6.03	1 – 107	October 25, 2024	June 25, 2044
X1	\$102,026,095	NAP	0.4128% <sup>(4)</sup>	3.40	NAP	August 25, 2025	August 25, 2045

(1) The expected weighted average lives, the assumed principal windows and assumed final distribution dates are based on, among other Modeling Assumptions as defined in the Offering Documents, a 5% CPR prepayment speed until each underlying loan’s first interest rate reset date, at which time the loan is assumed to pay off in full.

(2) Assumes no voluntary or involuntary prepayments occur with respect to any of the underlying mortgage loans.

(3) Converts to floating rate as described under *The Certificates – Pass-Through Rates*.

(4) Approximate.

## Relevant parties/entities

<b>Underlying Mortgage Loan Seller</b>	First Foundation Bank
<b>Underlying Depositor</b>	Banc of America Merrill Lynch Commercial Mortgage Inc.
<b>Underlying Originator</b>	First Foundation Bank
<b>Underlying Master Servicer</b>	Federal Home Loan Mortgage Corporation
<b>Underlying Special Servicer</b>	Situs Holdings, LLC
<b>Underlying Trustee</b>	Deutsche Bank Trust Company Americas
<b>Underlying Certificate Administrator and Custodian</b>	Deutsche Bank Trust Company Americas

## The Underlying Certificates

**Underlying Certificates** The REMIC Trust will issue seven classes of Underlying Certificates. The Underlying Guaranteed Certificates will consist of the Class A-5, A-7, A-10 and X1 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, X2 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 Underlying Guaranteed Certificates and 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>Assumed Final Distribution Date – No Prepayments<sup>(3)</sup></b>
<b>Guaranteed Certificates</b>							
A-5	\$65,972,000	10.000%	2.4200% <sup>(4)</sup>	2.83	1 – 56	July 25, 2020	June 25, 2044
A-7	\$15,438,000	10.000%	2.7000% <sup>(4)</sup>	3.84	1 – 76	March 25, 2022	November 25, 2043
A-10	\$10,412,000	10.000%	3.2900% <sup>(4)</sup>	6.03	1 – 107	October 25, 2024	June 25, 2044
X1	\$102,026,095	NAP	0.4128% <sup>(5)</sup>	3.40	NAP	August 25, 2025	August 25, 2045
<b>Unguaranteed Certificates</b>							
X2	\$102,026,095	NAP	0.2500%	3.40	NAP	August 25, 2025	August 25, 2045
B	\$10,204,095	0.000%	3.2739% <sup>(4)(5)</sup>	3.80	1 – 117	August 25, 2025	August 25, 2045

- (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 are based on, among other Modeling Assumptions as defined in the Offering Documents, a 5% CPR prepayment speed until each underlying loan's first interest rate reset date, at which time the loan is assumed to pay off in full.
- (3) Assumes no voluntary or involuntary prepayments occur with respect to any of the underlying mortgage loans.
- (4) Converts to floating rate as described under *The Underlying Certificates – Pass-Through Rates*.
- (5) Approximate.

## The Underlying Certificates (continued)

### Pass-Through Rates

Each Class of Certificates shown on the table on page S-A-3 will bear interest on a “30/360 Basis”.

The pass-through rate for the Class A-5 Certificates will be equal to:

- (a) for each distribution date occurring prior to the distribution date in August 2020, a per annum rate equal to the lesser of (i) 2.4200% and (ii) the Class A-5 Capped Rate and
- (b) for each distribution date on or after August 2020, a per annum rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-5 Capped Rate;

provided, that in no event may such pass-through rate be less than zero.

The “Class A-5 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for each distribution date on or prior to the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such distribution date; or
- (b) for each distribution date after the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such distribution date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

provided, that in no event may the Class A-5 Capped Rate be less than zero.

The pass-through rate for the Class A-7 Certificates will be equal to:

- (a) for each distribution date occurring prior to the distribution date in April 2022, a per annum rate equal to the lesser of (i) 2.7000% and (ii) the Class A-7 Capped Rate and
- (b) for each distribution date on or after April 2022, a per annum rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-7 Capped Rate;

provided, that in no event may such pass-through rate be less than zero.

The “Class A-7 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for each distribution date on or prior to the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such distribution date; or
- (b) for each distribution date after the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such distribution date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

provided, that in no event may the Class A-7 Capped Rate be less than zero.

The pass-through rate for the Class A-10 Certificates will be equal to:

- (a) for each distribution date occurring prior to the distribution date in September 2025, a per annum rate equal to the lesser of (i) 3.2900% and (ii) the Class A-10 Capped Rate and
- (b) for each distribution date on or after September 2025, a per annum rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-10 Capped Rate;

provided, that in no event may such pass-through rate be less than zero.

The “Class A-10 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for each distribution date on or prior to the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such distribution date; or
- (b) for each distribution date after the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such distribution date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

provided, that in no event may the Class A-10 Capped Rate be less than zero.



## The Underlying Certificates (continued)

### Pass-Through Rates (continued)

The “Class B Pass-Through Rate” will be equal to:

- (a) for each distribution date occurring prior to December 2019 (the “Class B First Rate Change Date”), a per annum rate equal to the Class B Capped Rate for such distribution date;
- (b) for each distribution date occurring on and after the Class B First Rate Change Date but prior to the distribution date occurring in December 2024 (the “Class B Second Rate Change Date”), a per annum rate equal to the lesser of (i) Six-Month LIBOR plus 7.5000% and (ii) the Class B Capped Rate for such distribution date;
- (c) for each distribution date occurring on and after the Class B Second Rate Change Date but prior to the distribution date occurring in December 2029 (the “Class B Third Rate Change Date”), a per annum rate equal to the lesser of (i) Six-Month LIBOR plus 9.5000% and (ii) the Class B Capped Rate for such distribution date; and
- (d) for each distribution date occurring on and after the Class B Third Rate Change Date, a per annum rate equal to the lesser of (i) Six-Month LIBOR plus 11.5000% and (ii) the Class B Capped Rate for such distribution date;

provided, that in no event may such pass-through rate be less than zero.

The “Class B Capped Rate” for any distribution date will be a per annum rate equal to the excess, if any, of:

- (a) (1) the sum of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such distribution date multiplied by the Class B Component 5 Balance, (ii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such distribution date multiplied by the Class B Component 7 Balance, and (iii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such distribution date multiplied by the Class B Component 10 Balance, divided by (2) the outstanding principal balance of the Class B Certificates immediately prior to such distribution date; minus
- (b) the sum of (1) the Class X2 Pass-Through Rate and (2) the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate;

provided, that in no event may the Class B Capped Rate be less than zero.

For purposes of calculating the Class B Capped Rate, the Class B Certificates will be comprised of 3 components, and each component will correspond to a loan group and carry a component balance calculated as follows:

The “Class B Component 5 Balance” for any distribution date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 5YR immediately prior to such distribution date minus the outstanding principal balance of the Class A-5 Certificates immediately prior to such distribution date. For avoidance of doubt, the Class B Component 5 Balance may be a negative number.

The “Class B Component 7 Balance” for any distribution date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 7YR immediately prior to such distribution date minus the outstanding principal balance of the Class A-7 Certificates immediately prior to such distribution date. For avoidance of doubt, the Class B Component 7 Balance may be a negative number.

The “Class B Component 10 Balance” for any distribution date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 10YR immediately prior to such distribution date minus the outstanding principal balance of the Class A-10 Certificates immediately prior to such distribution date. For avoidance of doubt, the Class B Component 10 Balance may be a negative number.

To the extent that the Class B Pass-Through Rate for any distribution date on or after the Class B First Rate Change Date is capped at the Class B Capped Rate, the holders of the Class B Certificates will be entitled to any additional interest payment calculated at a per annum rate equal to the excess, if any, of (i) the interest rate described in clauses (b)(i), (c)(i) or (d)(i), as applicable, of the definition of Class B Pass-Through Rate over (ii) the Class B Capped Rate, to the extent of funds available for such payment from interest otherwise distributable on the Class X1 Certificates, as described in the Offering Documents (such additional interest, “Additional Interest Distribution Amounts”).

For purposes of calculating the accrual of interest as of any date of determination, the Class X1 and Class X2 Certificates will each have a total notional amount that is equal to the then total outstanding principal balances of the Class A Certificates and the Class B Certificates.

## The Underlying Certificates (continued)

### Pass-Through Rates (continued)

The pass-through rate for the Class X1 Certificates for any Interest Accrual Period will equal the weighted average of the Class X1 Strip Rates (weighted based upon the relative sizes of their respective components). The “Class X1 Strip Rates” means, for the purposes of calculating the pass-through rate for the Class X1 Certificates, the rates per annum at which interest accrues from time to time on the four components of the total notional amount of the Class X1 Certificates outstanding immediately prior to the related distribution date. One component will be comprised of the outstanding principal balance of the Class A-5 Certificates, one component will be comprised of the outstanding principal balance of the Class A-7 Certificates, one component will be comprised of the outstanding principal balance of the Class A-10 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 X1 Certificates for each Interest Accrual Period, the applicable Class X1 Strip Rate for each such Interest Accrual Period will be a rate per annum equal to (1) in the case of each component related to a Class of Class A Certificates, (a) the excess, if any, of (i) (I) for each distribution date on or prior to the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the Loan Group related to such Class of Class A Certificates for the related distribution date or (II) for each distribution date after the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for the related distribution date, over, in the case of both clause (I) and clause (II), (ii) the pass-through rate for such Class of Class A Certificates for such distribution date, minus (b) the sum of the Class X2 Pass-Through Rate and the Guarantee Fee Rate, and (2) in the case of the component related to the Class B Certificates, (a) the excess, if any, of (i) the Class B Capped Rate for the related distribution date over (ii) the Class B Pass-Through Rate for such distribution date; provided, that in no event may any Class X1 Strip Rate be less than zero.

The pass-through rate for the Class X2 Certificates (the “Class X2 Pass-Through Rate”) for any Interest Accrual Period will equal a per annum rate equal to 0.2500%.

### Additional Interest Accrual Amounts

If, for any distribution date on or after the Class B First Rate Change Date, the Class B Capped Rate is less than Six-Month LIBOR plus the applicable specified margin for such Class of Certificates for such distribution date, the Class B Certificates will be entitled to the Additional Interest Accrual Amount for such Class and such Interest Accrual Period, to the extent funds are available for payment of such amount from the amount of interest otherwise payable to the Class X1 Certificates on the related distribution date.

The “Additional Interest Accrual Amount” with respect to any distribution date on or after the Class B First Rate Change Date is the amount, if any, by which interest on the outstanding principal balance of the Class B Certificates for the related Interest Accrual Period calculated at a rate of Six-Month LIBOR plus the applicable margin for such Class exceeds the amount of interest accrued on the outstanding principal balance of such Class at the Class B Capped Rate.

### Distribution of Additional Interest Distribution Amounts

On each distribution date on which the Class B Certificates are entitled to distributions of the Additional Interest Accrual Amount, the Additional Interest Distribution Amount for such distribution date is required to be distributed as described in the Offering Documents.

The “Additional Interest Distribution Amount” with respect to any distribution date and the Class B Certificates is the lesser of (x) the Additional Interest Accrual Amount, if any, with respect to the Class B Certificates and (y) the amount, not less than zero, of interest distributable in respect of the Class X1 Interest Accrual Amount for such distribution date minus the Class X1 Interest Distribution Amount.

To the extent that funds are not available to pay any Additional Interest Accrual Amount on any distribution date on the Class B Certificates, such Additional Interest Accrual Amount will be distributable on future distribution dates as an Additional Interest Shortfall Amount with respect to such Class.

As described in the Offering Documents, the Additional Interest Accrual Amount distributed to the Class B Certificates, for any distribution date, may not exceed the Class X1 Interest Accrual Amount for the related Interest Accrual Period.

The amount of interest payable to the Class X1 Certificates on any distribution date will be the Class X1 Interest Distribution Amount. The “Class X1 Interest Distribution Amount” means, for each distribution date, an amount equal to the excess, if any, of (1) the sum of (a) the excess, if any, of the Class X1 Interest Accrual Amount for such distribution date over the Additional Interest Accrual Amount, if any, for the Class B Certificates with respect to such distribution date, and (b) the amount described in clause (a) above for all prior distribution dates that remains unpaid on such distribution date, over (2) the Additional Interest Shortfall Amount for such distribution date.

## The Underlying Certificates (continued)

### Distribution of Additional Interest Distribution Amounts (continued)

The “Class X1 Interest Accrual Amount” means, for each distribution date, an amount equal to interest accrued during the related Interest Accrual Period on the notional amount of the Class X1 Certificates immediately prior to such distribution date at the Class X1 pass-through rate, minus any Net Aggregate Prepayment Interest Shortfalls (as defined in the Offering Documents) allocated to the Class X1 Certificates. The Class X1 Interest Accrual Amount will be calculated on a 30/360 Basis.

“Additional Interest Shortfall Amount” with respect to any distribution date and the Class B Certificates is an amount equal to the aggregate amount of any Additional Interest Distribution Amounts for all prior distribution dates that was not distributed on such Class on such prior distribution dates and remain unpaid immediately prior to the current distribution date.

### Waterfall Trigger Event

A “Waterfall Trigger Event” means, with respect to any distribution date, the existence of any of the following: (a) the aggregate Stated Principal Balances (as defined in the Offering Documents) of the underlying mortgage loans (other than Specially Serviced Mortgage Loans) as of the related Determination Date (as defined in the Offering Documents) is less than or equal to 15% of the aggregate Cut-Off Date Principal Balance of all underlying mortgage loans held by the Issuing Entity as of the Closing Date, (b) as of the related Determination Date, the aggregate Stated Principal Balances of Waterfall Trigger Loans is greater than 3.0% of the aggregate Stated Principal Balance of all underlying mortgage loans held by the Issuing Entity or (c) the Class B Percentage on such distribution date is less than 7.5%, provided that with respect to this clause (c) such Waterfall Trigger Event will continue to exist until such time as the Class B Percentage is equal to or greater than 10.0% immediately prior to such distribution date. No previously existing Waterfall Trigger Event will continue to exist on future distribution dates unless a condition described in one of clauses (a), (b) or (c) of this definition of Waterfall Trigger Event continues to exist with respect to such future distribution dates.

A “Waterfall Trigger Loan” means an underlying mortgage loan that is at least 60 days delinquent in respect of any monthly payments following the applicable due date, without giving effect to any grace period permitted by the related loan documents.

The “Class B Percentage” means a fraction, the numerator of which is the Class principal balance of the Class B Certificates immediately prior to such distribution date and the denominator of which is the aggregate of the Class principal balances of the Class A Certificates and the Class B Certificates immediately prior to such distribution date.

### Priority of Distributions of Underlying Certificates - Interest

Distributions of interest will be made, first, to the Class A and X1 Certificates concurrently on a pro rata basis based on the interest accrued with respect to each such Class, provided that if the amount available for distribution on any distribution date is insufficient to pay in full such respective interest entitlements, then the amount available for distribution will be allocated to those Classes on a pari passu basis in an amount equal to (a) in the case of each Class of Class A Certificates, the lesser of (i) such amount available for distribution multiplied by a fraction whose numerator is that Class’s entitlement to interest as described above for such distribution date and whose denominator is the sum of the Class A Certificates’ entitlement to interest as described above for such distribution date and the Class X1 Interest Distribution Amount for such distribution date and (ii) that Class’s entitlement to interest as described above for such distribution date or (b) in the case of the Class X1 Certificates, the balance of such amount to be distributed, subject to the payment of Additional Interest Distribution Amounts, second, to the Class X2 Certificates, and then to the Class B Certificates.

### Priority of Distributions of Underlying Certificates – Principal

So long as no Waterfall Trigger Event has occurred and is continuing, principal collections on or with respect to the underlying mortgage loans (including principal advances) will be allocated pro rata between (a) the Class A Certificates (subject to the allocation among the Classes of Class A Certificates described below) and (b) the Class B Certificates, based on their respective outstanding principal balances immediately prior to the applicable distribution date, that generally equal an amount (in any event, not to exceed such outstanding principal balances) equal to the Performing Loan Principal Distribution Amount for such distribution date; *provided* that distributions to the Class B Certificates will follow reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates. However, if a Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the Classes of Class A Certificates described below) will be entitled to the entire Performing Loan Principal Distribution Amount for each distribution date until the outstanding principal balance of each Class of Class A Certificates has been reduced to zero. Thereafter, following reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates, any remaining portion of the Performing Loan Principal Distribution Amount on the applicable distribution date will be allocated to the Class B Certificates until its outstanding principal balance has been reduced to zero.

## The Underlying Certificates (continued)

### Priority of Distributions of Underlying Certificates – Principal (continued)

Further, the Class A Certificates (subject to the allocation among the Classes of Class A Certificates described below) will always be entitled to the entire portion of the Specially Serviced Loan Principal Distribution Amount for each distribution date until the outstanding principal balance of each Class of Class A Certificates has been reduced to zero, at which time, following reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates, the Class B Certificates will be entitled to receive any remaining portion of the Specially Serviced Loan Principal Distribution Amount until its outstanding principal balance has been reduced to zero.

For any distribution date, the portion of the Principal Distribution Amount for such distribution date allocated to the Class A Certificates will be allocated to each Class of Class A Certificates, based on the Loan Group Principal Attribution Percentage for such Class, provided that for each distribution date on or after the distribution date on which the outstanding principal balance of a Class of Class A Certificates has been reduced to zero, any further allocations of the Principal Distribution Amount to such Class will instead be allocated to the other outstanding Classes of Class A Certificates *pro rata*, based on their respective outstanding principal balances after giving effect to all prior payments of principal; and provided, further, for each distribution date after the distribution date on which the outstanding principal balance of the Class B Certificates has been reduced to zero, the Principal Distribution Amount for such distribution date will be allocated to each Class of Class A Certificates *pro rata*, based on the outstanding principal balance for each such Class immediately prior to such Distribution Date.

“Loan Group Principal Attribution Percentage” means, with respect to each Class of Class A Certificates and each Loan Group, as applicable, and on any Distribution Date, a percentage equal to (i) the portion of the Principal Distribution Amount attributable to the Loan Group related to such Class, divided by (ii) the Principal Distribution Amount.

The “Performing Loan Principal Distribution Amount” means, with respect to any distribution date, the excess, if any, of the Principal Distribution Amount for such distribution date over the Specially Serviced Loan Principal Distribution Amount, if any, for such distribution date.

The “Specially Serviced Loan Principal Distribution Amount” means, with respect to any distribution date, any portion of the Principal Distribution Amount that was collected or advanced with respect to any Specially Serviced Mortgage Loan (as defined in the Offering Documents) other than an Excluded Specially Serviced Mortgage Loan. For the avoidance of doubt, the Specially Serviced Loan Principal Distribution Amount will be reduced by the Principal Distribution Adjustment Amount applicable to such Specially Serviced Mortgage Loan.

“Excluded Specially Serviced Mortgage Loan” means any Specially Serviced Mortgage Loan for which all of the following conditions are satisfied:

- (a) it has not been a Specially Serviced Mortgage Loan for more than one distribution date;
- (b) it is a Specially Serviced Mortgage Loan solely due to the occurrence of an event described in the fifth or sixth bullet of the definition of “Servicing Transfer Event” in the Glossary of the Offering Documents; and
- (c) the borrower under the Specially Serviced Mortgage Loan has not failed to make any monthly payment in full since the underlying mortgage loan became a Specially Serviced Mortgage Loan.

For the avoidance of doubt, a Specially Serviced Loan will cease to be an Excluded Specially Serviced Mortgage Loan no later than the day immediately following the first distribution date to occur after such loan becomes an Excluded Specially Serviced Mortgage Loan.

### Distributions of Prepayment Premiums

Any Prepayment Premium (as defined in the Offering Documents) collected in respect of any of the underlying mortgage loans will be distributed to the holders of the Class X1 Certificates, as described in the Offering Documents. Certificateholders representing a majority, by outstanding notional amount, of the Class X1 Certificates will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment of any underlying mortgage loan.

## The Underlying Certificates (continued)

### 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) reimbursement of any realized losses and additional trust fund expenses allocated to any Class of the Class A Certificates and (iii) ultimate payment of principal by the Assumed Final Distribution Date – No Prepayments for any Class of the Class A Certificates. Any Guarantor Payment made to any Class of 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 X1 Certificates and a corresponding reduction in the notional amount of the Class X2 Certificates. The Freddie Mac Guarantee does not cover Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the Class X1 Certificates due to the payment of Additional Interest Distribution Amounts to the Class B Certificates or Outstanding Guarantor Reimbursement Amounts to the guarantor. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the Class X1 Certificates following a reduction in its notional Class amount resulting from a reduction of the outstanding 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 and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to pay under the Freddie Mac Guarantee, the Offered Certificates could be subject to losses. Freddie Mac will not guarantee any other class of Underlying Certificates other than the Underlying Guaranteed Certificates. The SPCs are not tax-exempt.

### No Ratings

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

### Subordination

Losses on the underlying mortgage loans will be allocated, first, to the Class B Certificates, until reduced to zero, and then to the Class A Certificates. Any losses allocated to the Class A Certificates will be allocated to each Class of the Class A Certificates pro rata, based on their respective outstanding principal balances. 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

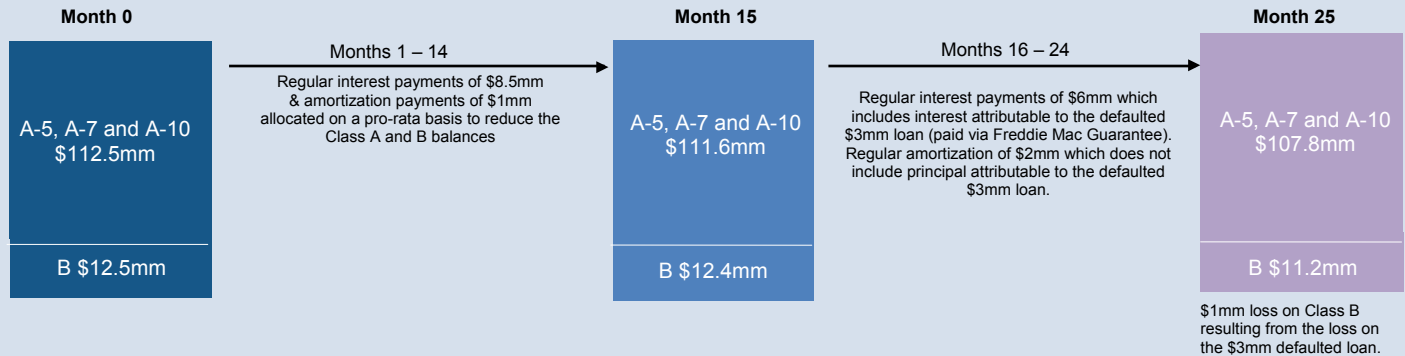
### Loss Scenarios

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 loans and the absence of trust fund expenses. These scenarios are for illustrative purposes only. Class balances, loan balances and other mortgage pool characteristics described in these scenarios do not reflect those of the actual Certificates or the underlying mortgage pool. Additionally, the Class A-5, A-7, and A-10 Certificates are also referred to collectively as “Class A”.

#### Assumptions

Pool Size: \$125mm  
 \$3mm loan defaults in month 15 (prior to loan maturity)  
 Loan sold for \$2mm in month 25, \$1mm loss

\$2mm paydown to Class A resulting from recovery on the \$3mm defaulted loan.

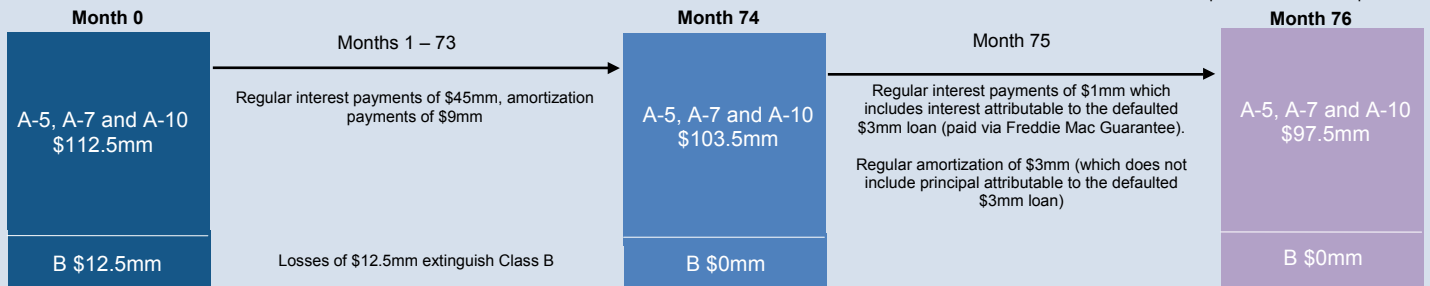


#### Assumptions

Pool Size: \$125mm  
 Losses occur in month 1 resulting in Class B being written down to zero  
 \$3mm loan defaults in month 74 (prior to loan maturity)  
 Loan sold for \$2mm in month 76, \$1mm loss

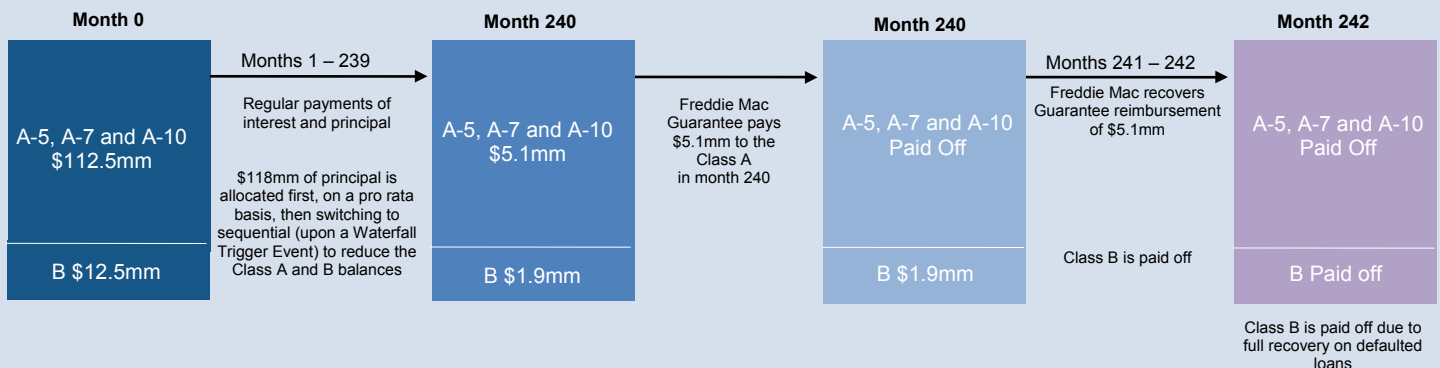
\$2mm paydown to Class A resulting from recovery on the \$3mm defaulted loan.

In addition, with no Class B to absorb losses, Freddie Mac Guarantee pays Class A \$1mm upon defaulted loan liquidation.



#### Assumptions

Pool Size: \$125mm  
 All loans (with the exception of three) have paid off or prepaid by month 240  
 The remaining three loans (total unpaid balance of \$7mm) default at maturity in month 240  
 Resolution of the defaulted loans in month 242 results in \$0 loss after reimbursement to Freddie Mac





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

	<b>Class A-5<sup>(2)(3)</sup></b>	<b>Class A-7<sup>(2)(3)</sup></b>	<b>Class A-10<sup>(2)(3)</sup></b>
<b>0 CDR</b>			
Cumulative Net Loss	0.00%	0.00%	0.00%
Yield	2.38%	2.67%	3.27%
WAL (Years)	2.83	3.84	6.03
<b>1 CDR</b>			
Cumulative Net Loss	1.34%	1.34%	1.34%
Yield	2.38%	2.66%	3.26%
WAL (Years)	2.65	3.52	4.11
<b>2 CDR</b>			
Cumulative Net Loss	2.63%	2.63%	2.63%
Yield	2.38%	2.66%	3.26%
WAL (Years)	2.66	3.54	4.17
<b>5 CDR</b>			
Cumulative Net Loss	6.23%	6.23%	6.23%
Yield	2.38%	2.66%	3.26%
WAL (Years)	2.70	3.63	4.52
<b>10 CDR</b>			
Cumulative Net Loss	11.46%	11.46%	11.46%
Yield	2.36%	2.62%	3.26%
WAL (Years)	2.80	3.89	5.30

(1) Table calculated using Modeling Assumptions as described in the Offering Documents, including the assumptions outlined in footnote (3), with the following exceptions: defaults start immediately, 24 months recovery lag, no losses 24 months prior to the applicable maturity date for all underlying mortgage loans, loss severity of 40% and servicer advances on principal and interest of 100%.

(2) Yields assume a price of 99.9760%, 99.9981% and 99.9950% and an initial fixed coupon of 2.4200%, 2.7000% and 3.2900% for the Class A-5, A-7 and A-10 Certificates, respectively.

(3) Assumes a 5% CPR prepayment speed, until each underlying loan's first interest rate reset date, at which time the loan is assumed to pay off in full.

## The underlying mortgage loans

Initial mortgage pool balance	\$102,026,095
Number of underlying mortgage loans / mortgaged real properties	51 / 51
Range of mortgage loan cut-off date principal balances	\$1,042,668 - \$4,445,713
Average mortgage loan cut-off date principal balance	\$2,000,512
Ten largest underlying mortgage loans as a % of pool	33.6%
Range of gross mortgage interest rates <sup>(1)</sup>	3.250% - 5.250%
Weighted average gross mortgage interest rate <sup>(1)</sup>	3.848%
Range of lifetime rate caps <sup>(1)</sup>	9.500% - 10.250%
Weighted average lifetime rate cap <sup>(1)</sup>	9.986%
Weighted average original term to maturity (months)	360
Range of remaining terms to maturity (months)	306 - 357
Weighted average remaining term to maturity (months)	338
Range of underwritten debt service coverage ratios, based on underwritten net cash flow <sup>(2)</sup>	1.11x - 3.14x
Weighted average underwritten debt service coverage ratio, based on underwritten net cash flow <sup>(2)</sup>	1.50x
Range of underwritten debt service coverage ratios at lifetime rate cap, based on underwritten net cash flow <sup>(1)(2)(3)</sup>	0.61x - 2.10x
Weighted average underwritten debt service coverage ratio at lifetime rate cap, based on underwritten net cash flow <sup>(1)(2)(3)</sup>	0.87x
Range of cut-off date loan-to-value ratios	35.3% - 76.1%
Weighted average cut-off date loan-to-value ratio	58.9%

- (1) With respect to the underlying Hybrid ARM mortgage loans, the gross mortgage rate is the fixed rate for an initial period that expires 5, 7 or 10 years following the closing date of such mortgage loan, and thereafter is adjustable on semi-annual reset dates during the remaining term of such mortgage loan. The maximum interest rate for each loan during the adjustable rate period is equal to the gross mortgage interest rate plus a range from 5.000% to 6.750%.
- (2) All DSCR calculations are based on the gross mortgage interest rate and amortizing debt service payments.
- (3) The DSCR at rate cap calculations are based on the maximum interest rate for each loan during the adjustable rate period which is equal to the gross mortgage interest rate plus a range from 5.000% to 6.750% (in each case, as further described in footnote (1)).

The information contained in footnotes (1) and (2) above relates to the information included in the tables on pages S-A-14 to S-A-18 herein, where applicable.

## Loan Group 5YR<sup>(1)</sup>

Initial loan group balance	\$73,303,733
Number of underlying mortgage loans / mortgaged real properties	33 / 33
Range of mortgage loan cut-off date principal balances	\$1,167,285 - \$4,445,713
Average mortgage loan cut-off date principal balance	\$2,221,325
Ten largest underlying mortgage loans as a % of loan group	46.2%
Range of gross mortgage interest rates <sup>(2)</sup>	3.250% - 4.500%
Weighted average gross mortgage interest rate <sup>(2)</sup>	3.644%
Range of lifetime rate caps <sup>(2)</sup>	9.500% - 10.000%
Weighted average lifetime rate cap <sup>(2)</sup>	9.983%
Weighted average original term to maturity (months)	360
Range of remaining terms to maturity (months)	309 - 356
Weighted average remaining term to maturity (months)	338
Range of underwritten debt service coverage ratios, based on underwritten net cash flow <sup>(3)</sup>	1.11x - 2.36x
Weighted average underwritten debt service coverage ratio, based on underwritten net cash flow <sup>(3)</sup>	1.44x
Range of underwritten debt service coverage ratios at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	0.61x - 1.26x
Weighted average underwritten debt service coverage ratio at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	0.81x
Range of cut-off date loan-to-value ratios	41.7% - 74.1%
Weighted average cut-off date loan-to-value ratio	60.8%

- (1) Loan Group 5YR consists of Hybrid ARM mortgage loans with an initial 5-year fixed rate period.
- (2) With respect to the underlying Hybrid ARM mortgage loans, the gross mortgage rate is the fixed rate for an initial period that expires 5 years following the closing date of such mortgage loan, and thereafter is adjustable on semi-annual reset dates during the remaining term of such mortgage loan. The maximum interest rate for each loan during the adjustable rate period is equal to the gross mortgage interest rate plus a range from 5.500% to 6.750%.
- (3) All DSCR calculations are based on the gross mortgage interest rate and amortizing debt service payments.
- (4) The DSCR at rate cap calculations are based on the maximum interest rate for each loan during the adjustable rate period which is equal to the gross mortgage interest rate plus a range from 5.500% to 6.750% (in each case, as further described in footnote (2)).

The information contained in footnotes (1), (2) and (3) above relates to the information included in the tables on pages S-A-19 to S-A-22 herein, where applicable.

### Loan Group 7YR<sup>(1)</sup>

Initial loan group balance	\$17,154,292
Number of underlying mortgage loans / mortgaged real properties	12 / 12
Range of mortgage loan cut-off date principal balances	\$1,042,668 - \$2,832,705
Average mortgage loan cut-off date principal balance	\$1,429,524
Ten largest underlying mortgage loans as a % of loan group	87.6%
Range of gross mortgage interest rates <sup>(2)</sup>	3.625% - 5.250%
Weighted average gross mortgage interest rate <sup>(2)</sup>	4.249%
Range of lifetime rate caps <sup>(2)</sup>	9.500% - 10.250%
Weighted average lifetime rate cap <sup>(2)</sup>	9.988%
Weighted average original term to maturity (months)	360
Range of remaining terms to maturity (months)	306 - 352
Weighted average remaining term to maturity (months)	331
Range of underwritten debt service coverage ratios, based on underwritten net cash flow <sup>(3)</sup>	1.20x - 1.90x
Weighted average underwritten debt service coverage ratio, based on underwritten net cash flow <sup>(3)</sup>	1.54x
Range of underwritten debt service coverage ratios at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	0.72x - 1.16x
Weighted average underwritten debt service coverage ratio at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	0.95x
Range of cut-off date loan-to-value ratios	39.1% - 69.9%
Weighted average cut-off date loan-to-value ratio	56.6%

- (1) Loan Group 7YR consists of Hybrid ARM mortgage loans with an initial 7-year fixed rate period.  
(2) With respect to the underlying Hybrid ARM mortgage loans, the gross mortgage rate is the fixed rate for an initial period that expires 7 years following the closing date of such mortgage loan, and thereafter is adjustable on semi-annual reset dates during the remaining term of such mortgage loan. The maximum interest rate for each loan during the adjustable rate period is equal to the gross mortgage interest rate plus a range from 5.000% to 6.000%.  
(3) All DSCR calculations are based on the gross mortgage interest rate and amortizing debt service payments.  
(4) The DSCR at rate cap calculations are based on the maximum interest rate for each loan during the adjustable rate period which is equal to the gross mortgage interest rate plus a range from 5.000% to 6.000% (in each case, as further described in footnote (2)).

The information contained in footnotes (1), (2) and (3) above relates to the information included in the tables on pages S-A-23 to S-A-26 herein, where applicable.

### Loan Group 10YR<sup>(1)</sup>

Initial loan group balance	\$11,568,070
Number of underlying mortgage loans / mortgaged real properties	6 / 6
Range of mortgage loan cut-off date principal balances	\$1,179,447 - \$3,241,421
Average mortgage loan cut-off date principal balance	\$1,928,012
Ten largest underlying mortgage loans as a % of loan group	100.0%
Range of gross mortgage interest rates <sup>(2)</sup>	4.420% - 4.750%
Weighted average gross mortgage interest rate <sup>(2)</sup>	4.551%
Range of lifetime rate caps <sup>(2)</sup>	10.000% - 10.000%
Weighted average lifetime rate cap <sup>(2)</sup>	10.000%
Weighted average original term to maturity (months)	360
Range of remaining terms to maturity (months)	313 - 357
Weighted average remaining term to maturity (months)	342
Range of underwritten debt service coverage ratios, based on underwritten net cash flow <sup>(3)</sup>	1.23x - 3.14x
Weighted average underwritten debt service coverage ratio, based on underwritten net cash flow <sup>(3)</sup>	1.80x
Range of underwritten debt service coverage ratios at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	0.81x - 2.10x
Weighted average underwritten debt service coverage ratio at lifetime rate cap, based on underwritten net cash flow <sup>(2)(3)(4)</sup>	1.19x
Range of cut-off date loan-to-value ratios	35.3% - 76.1%
Weighted average cut-off date loan-to-value ratio	50.1%

- (1) Loan Group 10YR consists of Hybrid ARM mortgage loans with an initial 10-year fixed rate period.  
(2) With respect to the underlying Hybrid ARM mortgage loans, the gross mortgage rate is the fixed rate for an initial period that expires 10 years following the closing date of such mortgage loan, and thereafter is adjustable on semi-annual reset dates during the remaining term of such mortgage loan. The maximum interest rate for each loan during the adjustable rate period is equal to the gross mortgage interest rate plus a range from 5.250% to 5.580%.  
(3) All DSCR calculations are based on the gross mortgage interest rate and amortizing debt service payments.  
(4) The DSCR at rate cap calculations are based on the maximum interest rate for each loan during the adjustable rate period which is equal to the gross mortgage interest rate plus a range from 5.250% to 5.580% (in each case, as further described in footnote (2)).

The information contained in footnotes (1), (2) and (3) above relates to the information included in the tables on pages S-A-27 to S-A-30 herein, where applicable.

### Representations and warranties

As described in the Offering Documents, as of the date of initial issuance of the Certificates (or as of the date otherwise indicated), First Foundation Bank as the mortgage loan seller will make, subject to certain stated qualifications or exceptions, specific representations and warranties with respect to each underlying mortgage loan that it is selling for inclusion in the Issuing Entity.

## Stratifications of the Underlying Mortgage Loans

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Mortgage Pool Rate Type	% of Initial Mortgage Pool Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
Solana Pointe Apartments	1	Garden	Solana Beach, CA	\$4,445,713	Hybrid ARM	4.4%	1.20x	60.1%	4.500%
1020 Pine Street	1	Mid Rise	San Francisco, CA	3,651,608	Hybrid ARM	3.6	1.40x	59.9%	3.750%
14724 Inglewood Avenue	1	Garden	Lawndale, CA	3,530,964	Hybrid ARM	3.5	1.43x	66.6%	3.500%
645 East Claraday Street	1	Garden	Glendora, CA	3,447,171	Hybrid ARM	3.4	1.42x	68.9%	3.750%
644-660 East Claraday Street	1	Garden	Glendora, CA	3,399,950	Hybrid ARM	3.3	1.37x	68.0%	3.750%
1401 Palisades Beach Road	1	Garden	Santa Monica, CA	3,356,381	Hybrid ARM	3.3	1.11x	63.3%	3.500%
Woodpark Apartments	1	Garden	Sherman Oaks, CA	3,263,961	Hybrid ARM	3.2	1.58x	65.3%	3.750%
6202 South Pacific Coast Highway	1	Garden	Redondo Beach, CA	3,241,421	Hybrid ARM	3.2	1.27x	51.2%	4.420%
1920 Hillcrest Road	1	Garden	Los Angeles, CA	3,132,038	Hybrid ARM	3.1	1.22x	55.4%	3.250%
10529 Floralita Avenue	1	Garden	Sunland, CA	2,832,705	Hybrid ARM	2.8	1.61x	53.7%	4.125%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$34,301,911</b>		<b>33.6%</b>	<b>1.35x</b>	<b>61.4%</b>	<b>3.846%</b>

### Mortgage Pool Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,042,668 - \$1,999,999	30	\$41,496,728	40.7%	1.55x	58.0%	3.878%
\$2,000,000 - \$2,999,999	12	29,060,161	28.5	1.61x	56.7%	3.837%
\$3,000,000 - \$3,999,999	8	27,023,493	26.5	1.35x	62.5%	3.709%
\$4,000,000 - \$4,445,713	1	4,445,713	4.4	1.20x	60.1%	4.500%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.11x - 1.19x	1	\$3,356,381	3.3%	1.11x	63.3%	3.500%
1.20x - 1.29x	11	21,945,010	21.5	1.23x	58.0%	3.935%
1.30x - 1.39x	8	17,492,216	17.1	1.34x	64.1%	3.614%
1.40x - 1.49x	14	30,317,521	29.7	1.43x	62.8%	3.863%
1.50x - 1.74x	7	12,938,777	12.7	1.62x	56.7%	4.033%
1.75x - 1.99x	5	7,977,343	7.8	1.81x	55.1%	3.884%
2.00x - 3.14x	5	7,998,848	7.8	2.51x	41.0%	3.881%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
Southern California	47	93,206,736	91.4	1.51x	58.8%	3.808%
Northern California	4	8,819,359	8.6	1.36x	60.2%	4.275%
<b>Total/Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Collateral Locations



### Mortgage Pool Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
35.3% - 59.9%	25	\$47,877,194	46.9%	1.65x	50.8%	3.882%
60.0% - 64.9%	9	18,795,246	18.4	1.31x	62.0%	4.113%
65.0% - 69.9%	13	28,079,927	27.5	1.41x	67.0%	3.667%
70.0% - 74.9%	3	5,809,556	5.7	1.37x	71.9%	3.433%
75.0% - 76.1%	1	1,464,172	1.4	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	51	\$102,026,095	100.0%	1.50x	0.0%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>0.0%</b>	<b>3.848%</b>

### Mortgage Pool Mortgage Rates

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.250% - 3.499%	12	\$22,147,836	21.7%	1.45x	56.0%	3.285%
3.500% - 3.749%	8	18,331,173	18.0	1.50x	61.5%	3.531%
3.750% - 3.999%	8	20,109,295	19.7	1.40x	66.0%	3.750%
4.000% - 4.249%	7	13,166,311	12.9	1.59x	57.9%	4.064%
4.250% - 4.499%	9	13,996,177	13.7	1.43x	55.3%	4.289%
4.500% - 4.749%	5	10,714,941	10.5	1.46x	56.8%	4.531%
4.750% - 5.250%	2	3,560,363	3.5	2.43x	47.6%	4.961%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3%, 2%, then 1% penalty	33	\$73,303,733	71.8%	1.44x	60.8%	3.644%
5%, 4%, 3%, 2%, then 1% penalty	18	28,722,362	28.2	1.65x	54.0%	4.371%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>



### Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	48	\$98,284,133	96.3%	1.50x	58.8%	3.852%
Acquisition	3	3,741,963	3.7	1.59x	62.0%	3.766%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total/Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	10	\$20,048,332	19.7%	1.62x	58.3%	4.215%
324 - 336	11	23,502,297	23.0	1.51x	62.5%	3.948%
337 - 349	14	30,869,429	30.3	1.43x	59.1%	3.943%
350 - 357	16	27,606,037	27.1	1.49x	56.1%	3.392%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	10	\$20,048,332	19.7%	1.62x	58.3%	4.215%
324 - 336	11	23,502,297	23.0	1.51x	62.5%	3.948%
337 - 349	14	30,869,429	30.3	1.43x	59.1%	3.943%
350 - 357	16	27,606,037	27.1	1.49x	56.1%	3.392%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3 - 4	3	\$4,594,008	4.5%	1.52x	59.9%	3.770%
5 - 11	13	23,012,029	22.6	1.48x	55.3%	3.317%
12 - 17	11	25,785,019	25.3	1.40x	61.6%	3.861%
18 - 23	3	5,084,410	5.0	1.62x	46.6%	4.358%
24 - 35	11	23,502,297	23.0	1.51x	62.5%	3.948%
36 - 54	10	20,048,332	19.7	1.62x	58.3%	4.215%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	47	\$92,086,085	90.3%	1.51x	58.9%	3.823%
Mid Rise	4	9,940,010	9.7	1.36x	58.8%	4.088%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1904 - 1950	8	\$14,304,779	14.0%	1.38x	59.6%	3.901%
1951 - 1970	20	39,692,328	38.9	1.51x	61.9%	3.793%
1971 - 1980	2	6,533,134	6.4	1.49x	54.2%	4.101%
1981 - 1990	2	2,493,985	2.4	1.82x	54.4%	3.250%
1991 - 2000	1	1,179,447	1.2	2.59x	44.0%	4.625%
2001 - 2010	4	10,377,741	10.2	1.58x	56.3%	3.839%
2011 - 2015	14	27,444,682	26.9	1.45x	57.3%	3.865%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
81.8% - 89.9%	1	\$1,212,329	1.2%	1.23x	67.4%	3.750%
90.0% - 94.9%	9	17,389,860	17.0	1.44x	60.4%	4.009%
95.0% - 99.9%	4	10,130,393	9.9	1.35x	68.5%	3.719%
100.0%	37	73,293,514	71.8	1.54x	57.1%	3.830%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

## Loan Group 5YR

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
Solana Pointe Apartments	1	Garden	Solana Beach, CA	\$4,445,713	Hybrid ARM	6.1%	1.20x	60.1%	4.500%
1020 Pine Street	1	Mid Rise	San Francisco, CA	3,651,608	Hybrid ARM	5.0	1.40x	59.9%	3.750%
14724 Inglewood Avenue	1	Garden	Lawndale, CA	3,530,964	Hybrid ARM	4.8	1.43x	66.6%	3.500%
645 East Claraday Street	1	Garden	Glendora, CA	3,447,171	Hybrid ARM	4.7	1.42x	68.9%	3.750%
644-660 East Claraday Street	1	Garden	Glendora, CA	3,399,950	Hybrid ARM	4.6	1.37x	68.0%	3.750%
1401 Palisades Beach Road	1	Garden	Santa Monica, CA	3,356,381	Hybrid ARM	4.6	1.11x	63.3%	3.500%
Woodpark Apartments	1	Garden	Sherman Oaks, CA	3,263,961	Hybrid ARM	4.5	1.58x	65.3%	3.750%
1920 Hillcrest Road	1	Garden	Los Angeles, CA	3,132,038	Hybrid ARM	4.3	1.22x	55.4%	3.250%
250 Cliff Drive	1	Garden	Laguna Beach, CA	2,820,942	Hybrid ARM	3.8	1.80x	58.8%	3.500%
5255 Blakeslee Avenue	1	Garden	Los Angeles, CA	2,820,074	Hybrid ARM	3.8	1.31x	65.6%	3.250%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$33,868,802</b>		<b>46.2%</b>	<b>1.37x</b>	<b>63.2%</b>	<b>3.689%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,167,285 - \$1,999,999	17	\$25,406,118	34.7%	1.50x	59.3%	3.575%
\$2,000,000 - \$2,999,999	8	19,669,830	26.8	1.51x	59.3%	3.578%
\$3,000,000 - \$3,999,999	7	23,782,072	32.4	1.36x	64.0%	3.612%
\$4,000,000 - \$4,445,713	1	4,445,713	6.1	1.20x	60.1%	4.500%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.11x - 1.29x	8	\$17,664,659	24.1%	1.21x	61.1%	3.695%
1.30x - 1.39x	8	17,492,216	23.9	1.34x	64.1%	3.614%
1.40x - 1.49x	9	22,581,881	30.8	1.43x	62.6%	3.648%
1.50x - 1.59x	1	3,263,961	4.5	1.58x	65.3%	3.750%
1.60x - 1.79x	3	4,718,095	6.4	1.69x	56.1%	3.882%
1.80x - 2.36x	4	7,582,921	10.3	2.06x	48.7%	3.387%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<i>Southern California</i>	31	68,148,816	93.0	1.45x	60.9%	3.625%
<i>Northern California</i>	2	5,154,917	7.0	1.38x	60.1%	3.896%
<b>Total/Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
41.7% - 59.9%	13	\$26,706,065	36.4%	1.60x	52.0%	3.519%
60.0% - 64.9%	6	14,862,482	20.3	1.27x	61.8%	3.975%
65.0% - 69.9%	11	25,925,630	35.4	1.39x	66.9%	3.630%
70.0% - 74.1%	3	5,809,556	7.9	1.37x	71.9%	3.433%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	33	\$73,303,733	100.0%	1.44x	0.0%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>0.0%</b>	<b>3.644%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.250% - 3.499%	12	\$22,147,836	30.2%	1.45x	56.0%	3.285%
3.500% - 3.749%	7	17,175,728	23.4	1.52x	62.3%	3.525%
3.750% - 3.999%	8	20,109,295	27.4	1.40x	66.0%	3.750%
4.000% - 4.249%	4	7,921,852	10.8	1.52x	58.5%	4.041%
4.250% - 4.500%	2	5,949,023	8.1	1.23x	60.3%	4.437%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3%, 2%, then 1% penalty	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	31	\$70,673,399	96.4%	1.44x	60.9%	3.643%
Acquisition	2	2,630,334	3.6	1.51x	58.7%	3.667%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total/Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
309 - 323	5	\$13,246,254	18.1%	1.44x	61.8%	4.005%
324 - 336	7	17,215,170	23.5	1.44x	63.8%	3.884%
337 - 349	7	17,855,889	24.4	1.35x	65.2%	3.602%
350 - 356	14	24,986,420	34.1	1.51x	55.2%	3.317%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
309 - 323	5	\$13,246,254	18.1%	1.44x	61.8%	4.005%
324 - 336	7	17,215,170	23.5	1.44x	63.8%	3.884%
337 - 349	7	17,855,889	24.4	1.35x	65.2%	3.602%
350 - 356	14	24,986,420	34.1	1.51x	55.2%	3.317%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
4 - 7	9	\$14,023,676	19.1%	1.69x	52.9%	3.369%
8 - 11	5	10,962,744	15.0	1.27x	58.1%	3.250%
12 - 23	7	17,855,889	24.4	1.35x	65.2%	3.602%
24 - 35	7	17,215,170	23.5	1.44x	63.8%	3.884%
36 - 51	5	13,246,254	18.1	1.44x	61.8%	4.005%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	30	\$65,525,223	89.4%	1.45x	61.1%	3.605%
Mid Rise	3	7,778,510	10.6	1.40x	59.1%	3.973%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1904 - 1950	5	\$9,753,848	13.3%	1.38x	59.0%	3.683%
1951 - 1960	5	8,750,457	11.9	1.34x	67.7%	3.389%
1961 - 1980	9	25,080,458	34.2	1.42x	61.7%	3.698%
1981 - 1990	2	2,493,985	3.4	1.82x	54.4%	3.250%
1991 - 2010	3	9,096,143	12.4	1.54x	58.7%	3.781%
2011 - 2012	5	10,456,424	14.3	1.47x	63.8%	3.834%
2013 - 2014	4	7,672,419	10.5	1.45x	53.1%	3.415%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
81.8% - 92.4%	5	\$10,050,505	13.7%	1.23x	62.5%	4.013%
92.5% - 94.9%	2	5,213,582	7.1	1.54x	65.2%	3.703%
95.0% - 99.9%	3	8,666,221	11.8	1.34x	67.2%	3.587%
100.0%	23	49,373,425	67.4	1.49x	58.9%	3.572%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 7YR

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
10529 Floralita Avenue	1	Garden	Sunland, CA	\$2,832,705	Hybrid ARM	16.5%	1.61x	53.7%	4.125%
145 East 18th Street	1	Garden	Costa Mesa, CA	2,338,704	Hybrid ARM	13.6	1.41x	57.0%	4.250%
3565 Dimond Avenue	1	Garden	Oakland, CA	1,502,942	Hybrid ARM	8.8	1.46x	64.4%	5.250%
The Toledo Apartments	1	Garden	Long Beach, CA	1,346,763	Hybrid ARM	7.9	1.46x	61.4%	4.250%
940-942 South Flower Street	1	Garden	Inglewood, CA	1,300,126	Hybrid ARM	7.6	1.84x	53.4%	4.125%
707-723 Colina Lane	1	Garden	Santa Barbara, CA	1,281,598	Hybrid ARM	7.5	1.90x	39.1%	4.250%
1245 Brockton Avenue	1	Garden	Los Angeles, CA	1,155,445	Hybrid ARM	6.7	1.20x	50.2%	3.625%
4061-4067 Van Dyke Avenue	1	Garden	San Diego, CA	1,111,628	Hybrid ARM	6.5	1.79x	69.9%	4.000%
3719 South Canfield Avenue	1	Garden	Los Angeles, CA	1,083,060	Hybrid ARM	6.3	1.42x	61.9%	4.250%
2510 South Anchovy Avenue	1	Garden	Los Angeles, CA	1,080,289	Hybrid ARM	6.3	1.65x	52.7%	4.250%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$15,033,259</b>		<b>87.6%</b>	<b>1.57x</b>	<b>56.2%</b>	<b>4.249%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgaged Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,042,668 - \$1,999,999	10	\$11,982,883	69.9%	1.55x	57.2%	4.278%
\$2,000,000 - \$2,832,705	2	5,171,409	30.1	1.52x	55.2%	4.182%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgaged Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.20x - 1.24x	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
1.25x - 1.39x	1	1,078,365	6.3	1.25x	52.3%	4.250%
1.40x - 1.49x	4	6,271,468	36.6	1.43x	60.6%	4.490%
1.50x - 1.90x	6	8,649,014	50.4	1.70x	55.1%	4.158%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<i>Southern California</i>	11	15,651,351	91.2	1.55x	55.8%	4.153%
<i>Northern California</i>	1	1,502,942	8.8	1.46x	64.4%	5.250%
<b>Total/Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 7YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
39.1% - 54.9%	6	\$8,728,528	50.9%	1.59x	50.8%	4.108%
55.0% - 64.9%	4	6,271,468	36.6%	1.43x	60.6%	4.490%
65.0% - 69.9%	2	2,154,297	12.6%	1.66x	68.6%	4.121%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	12	\$17,154,292	100.0%	1.54x	0.0%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>0.0%</b>	<b>4.249%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.625% - 3.999%	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
4.000% - 4.249%	3	5,244,459	30.6%	1.71x	57.1%	4.099%
4.250% - 4.499%	7	9,251,447	53.9%	1.51x	55.8%	4.250%
4.500% - 5.250%	1	1,502,942	8.8%	1.46x	64.4%	5.250%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
5%, 4%, 3%, 2%, then 1% penalty	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>



## Loan Group 7YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	11	\$16,042,664	93.5%	1.53x	55.7%	4.266%
Acquisition	1	1,111,628	6.5	1.79x	69.9%	4.000%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total/Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	4	\$4,744,656	27.7%	1.45x	58.4%	4.567%
324 - 336	4	6,287,127	36.7	1.67x	58.8%	4.124%
337 - 352	4	6,122,509	35.7	1.48x	52.9%	4.132%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	4	\$4,744,656	27.7%	1.45x	58.4%	4.567%
324 - 336	4	6,287,127	36.7	1.67x	58.8%	4.124%
337 - 352	4	6,122,509	35.7	1.48x	52.9%	4.132%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
8 - 11	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
12 - 23	3	4,967,065	29.0	1.55x	53.6%	4.250%
24 - 35	4	6,287,127	36.7	1.67x	58.8%	4.124%
36 - 54	4	4,744,656	27.7	1.45x	58.4%	4.567%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 7YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1924 - 1980	7	\$9,798,275	57.1%	1.51x	60.0%	4.285%
1981 - 2010	1	1,281,598	7.5	1.90x	39.1%	4.250%
2011 - 2013	4	6,074,419	35.4	1.52x	54.7%	4.192%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
91.7% - 99.9%	2	\$2,158,654	12.6%	1.45x	52.5%	4.250%
100.0%	10	14,995,638	87.4	1.56x	57.2%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 10YR

### The Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
6202 South Pacific Coast Highway	1	Garden	Redondo Beach, CA	\$3,241,421	Hybrid ARM	28.0%	1.27x	51.2%	4.420%
2881-2885 Bush Street	1	Mid Rise	San Francisco, CA	2,161,501	Hybrid ARM	18.7	1.23x	57.6%	4.500%
Potomac Square Apartments	1	Garden	San Diego, CA	2,057,422	Hybrid ARM	17.8	3.14x	35.3%	4.750%
3141-3143 Wabash Avenue	1	Garden	Los Angeles, CA	1,464,172	Hybrid ARM	12.7	1.40x	76.1%	4.500%
1831 Camden Avenue	1	Garden	Los Angeles, CA	1,464,108	Hybrid ARM	12.7	1.72x	36.4%	4.625%
Barbara Worth Villas	1	Garden	El Centro, CA	1,179,447	Hybrid ARM	10.2	2.59x	44.0%	4.625%
<b>Total/Wtd. Average</b>	<b>6</b>			<b>\$11,568,070</b>		<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgaged Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,179,447 - \$1,999,999	3	\$4,107,727	35.5%	1.86x	52.7%	4.580%
\$2,000,000 - \$2,999,999	2	4,218,922	36.5	2.16x	46.7%	4.622%
\$3,000,000 - \$3,241,421	1	3,241,421	28.0	1.27x	51.2%	4.420%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgaged Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.23x - 1.24x	1	\$2,161,501	18.7%	1.23x	57.6%	4.500%
1.25x - 1.34x	1	3,241,421	28.0	1.27x	51.2%	4.420%
1.35x - 1.49x	1	1,464,172	12.7	1.40x	76.1%	4.500%
1.50x - 3.14x	3	4,700,976	40.6	2.56x	37.8%	4.680%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<i>Southern California</i>	5	9,406,569	81.3	1.93x	48.4%	4.562%
<i>Northern California</i>	1	2,161,501	18.7	1.23x	57.6%	4.500%
<b>Total/Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
35.3% - 49.9%	3	\$4,700,976	40.6%	2.56x	37.8%	4.680%
50.0% - 59.9%	2	5,402,921	46.7	1.25x	53.8%	4.452%
60.0% - 76.1%	1	1,464,172	12.7	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	6	\$11,568,070	100.0%	1.80x	0.0%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>0.0%</b>	<b>4.551%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
4.420% - 4.499%	1	\$3,241,421	28.0%	1.27x	51.2%	4.420%
4.500% - 4.750%	5	8,326,649	72.0	2.01x	49.7%	4.601%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
5%, 4%, 3%, 2%, then 1% penalty	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total/Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
313 - 323	1	\$2,057,422	17.8%	3.14x	35.3%	4.750%
324 - 347	4	8,046,476	69.6%	1.53x	49.2%	4.509%
348 - 357	1	1,464,172	12.7%	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
313 - 323	1	\$2,057,422	17.8%	3.14x	35.3%	4.750%
324 - 347	4	8,046,476	69.6%	1.53x	49.2%	4.509%
348 - 357	1	1,464,172	12.7%	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3	1	\$1,464,172	12.7%	1.40x	76.1%	4.500%
13	3	6,582,368	56.9%	1.49x	52.0%	4.483%
18	1	1,464,108	12.7%	1.72x	36.4%	4.625%
47	1	2,057,422	17.8%	3.14x	35.3%	4.750%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	5	\$9,406,569	81.3%	1.93x	48.4%	4.562%
Mid Rise	1	2,161,501	18.7	1.23x	57.6%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1909 - 1950	1	\$2,161,501	18.7%	1.23x	57.6%	4.500%
1951 - 1970	3	4,985,702	43.1	2.21x	47.6%	4.640%
1971 - 2000	1	1,179,447	10.2	2.59x	44.0%	4.625%
2014	1	3,241,421	28.0	1.27x	51.2%	4.420%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
90.9% - 94.9%	1	\$1,179,447	10.2%	2.59x	44.0%	4.625%
95.0% - 99.9%	1	1,464,172	12.7	1.40x	76.1%	4.500%
100.0%	4	8,924,451	77.1	1.77x	46.7%	4.549%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

**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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**\$91,822,000**  
(Approximate)

**Multifamily Mortgage Pass-Through Certificates,  
Series 2015-SB8**

**FRESB 2015-SB8 Mortgage Trust**  
issuing entity

**Banc of America Merrill Lynch Commercial Mortgage Inc.**  
depositor

**First Foundation Bank**  
mortgage loan seller

**Federal Home Loan Mortgage Corporation**  
guarantor

We, Banc of America Merrill Lynch Commercial Mortgage 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 assets of the issuing entity will consist of 51 multifamily mortgage loans (comprising three loan groups) secured by 51 mortgaged real properties with the characteristics described in this information circular. The issuing entity will issue seven classes of certificates (the “certificates”), four 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 December 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 38 of this information circular.**

Offered Classes	Total Initial Principal Balance or Notional Amount	Approximate % of Total Initial Principal Balance	Initial Pass-Through Rate <sup>(1)</sup>	Assumed Weighted Average Life (Years) <sup>(2)</sup>	Assumed Principal Window <sup>(2)</sup>	Assumed Final Distribution Date <sup>(2)</sup>	Assumed Final Distribution Date – No Prepayments <sup>(3)</sup>
Class A-5	\$65,972,000	64.662%	2.4200%	2.83	1-56	July 25, 2020	June 25, 2044
Class A-7	\$15,438,000	15.131%	2.7000%	3.84	1-76	March 25, 2022	November 25, 2043
Class A-10	\$10,412,000	10.205%	3.2900%	6.03	1-107	October 25, 2024	June 25, 2044
Class X1	\$102,026,095	N/A	0.4128%	3.40	N/A	August 25, 2025	August 25, 2045

- (1) Initial rate is approximate with respect to the class X1 certificates. Variable rate is described under “Description of The Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.
- (2) The assumed weighted average lives, assumed principal windows and assumed final distribution dates have been calculated based on a 5% CPR prepayment speed as described in the footnotes to the table under “Summary of Information Circular—Transaction Overview” in this information circular.
- (3) Calculated based on a 0% CPR prepayment speed as described in the footnotes to the table under “Summary of Information Circular—Transaction Overview” in this information circular.

Delivery of the offered certificates will be made on or about November 24, 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—Priority of Distributions and Subordination” 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.

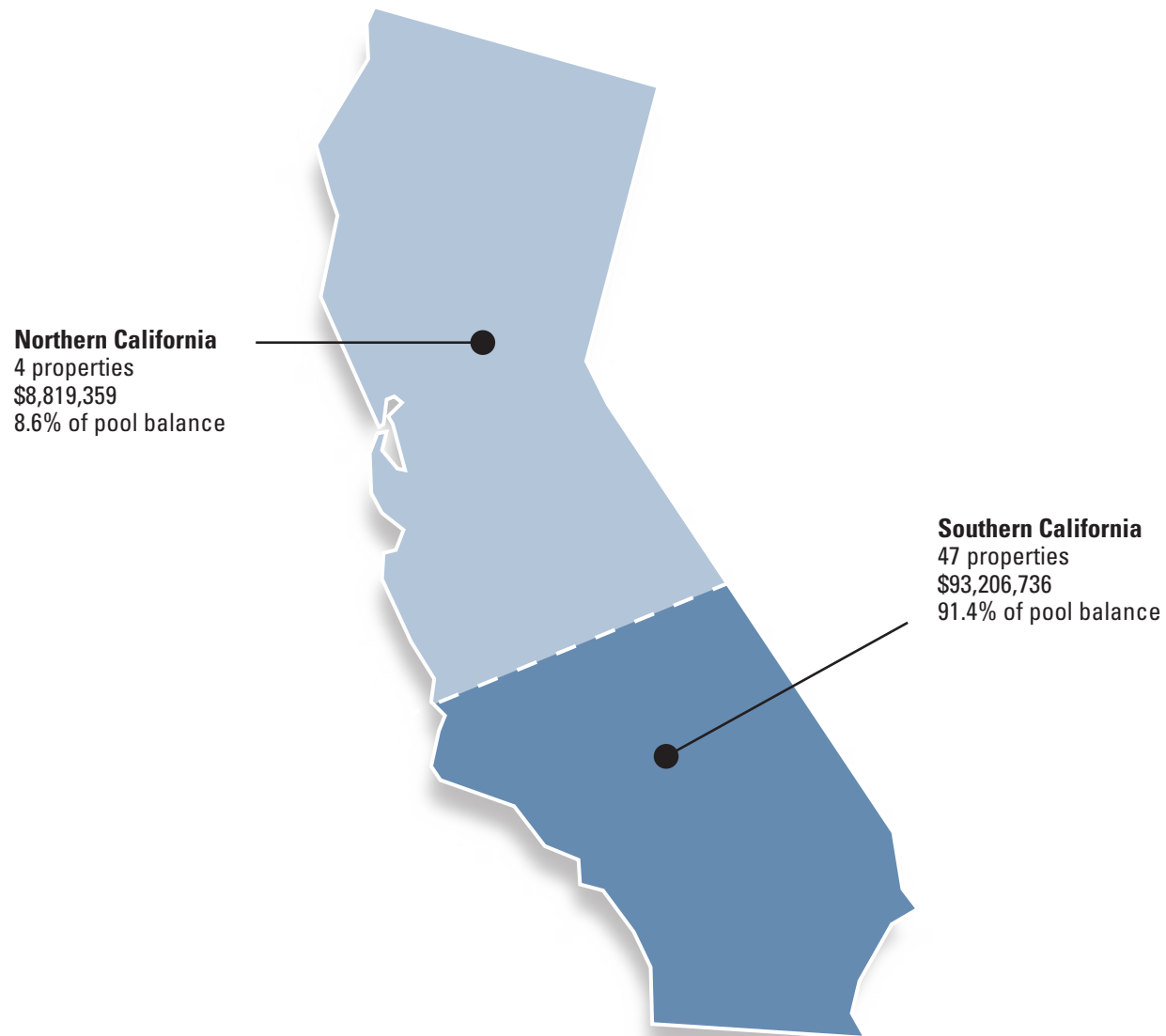
The issuing entity will be relying on an exclusion from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) contained in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available 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 November 13, 2015**

# FREMF 2015-SB8 Mortgage Trust

## Multifamily Mortgage Pass-Through Certificates Series 2015-SB8



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

## **IMPORTANT NOTICE REGARDING THE CERTIFICATES**

**NONE OF THE DEPOSITOR, THE DEPOSITOR'S AFFILIATES OR 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 Guarantor—Freddie Mac Conservatorship" and "—Litigation Involving 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.

## **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.

## 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-SB8 Multifamily Mortgage Pass-Through Certificates. The certificates will consist of seven 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)(5)</sup>	Assumed Principal Window <sup>(2)(4)</sup>	Assumed Final Distribution Date <sup>(2)(5)</sup>	Assumed Final Distribution Date - No Prepayments <sup>(6)</sup>
<b>Offered Certificates:</b>									
A-5	\$65,972,000	64.662%	10.000%	Variable	2.4200% <sup>(7)</sup>	2.83	1-56	July 25, 2020	June 25, 2044
A-7	\$15,438,000	15.131%	10.000%	Variable	2.7000% <sup>(7)</sup>	3.84	1-76	March 25, 2022	November 25, 2043
A-10	\$10,412,000	10.205%	10.000%	Variable	3.2900% <sup>(7)</sup>	6.03	1-107	October 25, 2024	June 25, 2044
X1	\$102,026,095	N/A	N/A	Variable IO	0.4128% <sup>(7)</sup>	3.40	N/A	August 25, 2025	August 25, 2045
<b>Non-Offered Certificates:</b>									
X2	\$102,026,095	N/A	N/A	Fixed IO	0.2500%	3.40	N/A	August 25, 2025	August 25, 2045
B	\$10,204,095	10.000%	0.000%	Variable	3.2739% <sup>(7)</sup>	3.80	1-117	August 25, 2025	August 25, 2045

- (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 a 5% CPR prepayment speed until each underlying mortgage loan's initial loan reset date, at which time the underlying mortgage loan is assumed to pay off in full, and otherwise based on the Modeling Assumptions, including, among other things, that—
  - (i) there are no delinquencies, modifications or losses with respect to the underlying mortgage loans,
  - (ii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service by borrowers on the underlying mortgage loans, and
  - (iii) 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 X1 and X2 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 X1 and X2 certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for those classes of certificates and the application of each dollar to be applied in reduction of the total notional amounts of those classes of certificates.
- (4) As to any given class of certificates shown in this table, other than the class X1 and X2 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 X1 and X2 certificates, the Assumed Final Distribution Date is the Distribution Date on which the last distribution of principal and interest is assumed to be made on that class. As to the class X1 and X2 certificates, the Assumed Final Distribution Date is the Distribution Date on which the last reduction to the notional amount occurs with respect to those classes of certificates.
- (6) Calculated based on a 0% CPR prepayment speed. As to any given class of certificates shown in this table, other than the class X1 and X2 certificates, the Assumed Final Distribution Date – No Prepayments is the Distribution Date on which the last distribution of principal and interest is assumed to be made on that class. As to the class X1 and X2 certificates, the Assumed Final Distribution Date – No Prepayments is the Distribution Date on which the last reduction to the notional amount occurs with respect to those classes of certificates.
- (7) The initial pass-through rates with respect to the class X1 and class B certificates are approximate. The pass-through rates are variable and based, at certain periods as described below, on One-Month LIBOR or Six-Month LIBOR, as described under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular. The pass-through rates for the class A-5, class A-7, class A-10 and class B certificates will be subject to pass-through rate caps as described below.

In reviewing the foregoing table, please note that:

- Only the class A-5, class A-7 and class A-10 certificates (collectively, the “Class A Certificates”) and the class X1 certificates are offered by this information circular.
- Principal distributions on the Class A Certificates will be based on collections from the related Loan Group, as described in this information circular.
- All of the classes of certificates in the table on page 6, except the class X1 and X2 certificates, will have principal balances (collectively, the “Principal Balance Certificates”). All of the classes shown in that table will bear interest. The class X1 and X2 certificates constitute the “interest-only certificates.”
- The initial principal balance or notional amount of any class shown in the table on page 6 may be larger or smaller depending on, among other things, the actual initial mortgage pool balance. The initial mortgage pool balance may be up to 5% more or less than the amount shown in the table on page 34 of this information circular. The initial mortgage pool balance refers to the aggregate outstanding principal balance of the underlying mortgage loans as of their respective Due Dates in November 2015, after application of all payments of principal due with respect to the underlying mortgage loans on or before those Due Dates, whether or not received.
- Each class of certificates shown on the table on page 6 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”).
- The pass-through rate for the class X2 certificates for each Interest Accrual Period will remain fixed at the initial pass-through rate for such class shown on page 6.
- The pass-through rate for the class A-5 certificates will be equal to:
  - (a) for each Distribution Date occurring prior to the Distribution Date in August 2020 (the “Class A-5 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 2.4200% and (ii) the Class A-5 Capped Rate; and
  - (b) for each Distribution Date occurring on and after the Class A-5 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-5 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.
- The “Class A-5 Capped Rate” will be a *per annum* rate equal to the excess, if any, of:
  - (a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such Distribution Date; or
  - (b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over
  - (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-5 Capped Rate be less than zero.
- The pass-through rate for the class A-7 certificates will be equal to:
  - (a) for each Distribution Date occurring prior to the Distribution Date in April 2022 (the “Class A-7 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 2.7000% and (ii) the Class A-7 Capped Rate; and

(b) for each Distribution Date occurring on and after the Class A-7 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-7 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.

- The “Class A-7 Capped Rate” will be a *per annum* rate equal to the excess, if any, of:

(a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such Distribution Date; or

(b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over

(c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-7 Capped Rate be less than zero.

- The pass-through rate for the class A-10 certificates will be equal to:

(a) for each Distribution Date occurring prior to the Distribution Date in September 2025 (the “Class A-10 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 3.2900% and (ii) the Class A-10 Capped Rate; and

(b) for each Distribution Date occurring on and after the Class A-10 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-10 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.

- The “Class A-10 Capped Rate” will be a *per annum* rate equal to the excess, if any, of:

(a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such Distribution Date; or

(b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over

(c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-10 Capped Rate be less than zero.

- The pass-through rate for the class B certificates (the “Class B Pass-Through Rate”) will be equal to:

(a) for each Distribution Date occurring prior to December 2019 (the “Class B First Rate Change Date”), a *per annum* rate equal to the Class B Capped Rate for such Distribution Date;

(b) for each Distribution Date occurring on and after the Class B First Rate Change Date but prior to the Distribution Date occurring in December 2024 (the “Class B Second Rate Change Date”), a *per annum* rate equal to the lesser of (i) Six-Month LIBOR plus 7.5000% and (ii) the Class B Capped Rate for such Distribution Date;

(c) for each Distribution Date occurring on and after the Class B Second Rate Change Date but prior to the Distribution Date occurring in December 2029 (the “Class B Third Rate Change Date”), a *per annum*

rate equal to the lesser of (i) Six-Month LIBOR plus 9.5000% and (ii) the Class B Capped Rate for such Distribution Date; and

- (d) for each Distribution Date occurring on and after the Class B Third Rate Change Date, a *per annum* rate equal to the lesser of (i) Six-Month LIBOR plus 11.5000% and (ii) the Class B Capped Rate for such Distribution Date;

*provided*, that in no event may such pass-through rate be less than zero.

- The “Class B Capped Rate” for any Distribution Date will be a *per annum* rate equal to the excess, if any, of:

- (a) (1) the sum of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such Distribution Date multiplied by the Class B Component 5 Balance, (ii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such Distribution Date multiplied by the Class B Component 7 Balance, and (iii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such Distribution Date multiplied by the Class B Component 10 Balance, divided by (2) the outstanding principal balance of the class B certificates immediately prior to such Distribution Date; over

- (b) the sum of (1) the Class X2 Pass-Through Rate and (2) the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate;

*provided*, that in no event may the Class B Capped Rate be less than zero.

- For purposes of calculating the Class B Capped Rate, the class B certificates will be comprised of three components, and each component will correspond to a Loan Group and will have a component balance calculated as follows:

- The “Class B Component 5 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 5YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-5 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 5 Balance may be a negative number.

- The “Class B Component 7 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 7YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-7 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 7 Balance may be a negative number.

- The “Class B Component 10 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 10YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-10 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 10 Balance may be a negative number.

- To the extent that the Class B Pass-Through Rate for any Distribution Date on or after the Class B First Rate Change Date is capped at the Class B Capped Rate, the holders of such certificates will be entitled to any additional interest payment calculated at a *per annum* rate equal to the excess, if any, of (i) the interest rate described in clauses (b)(i), (c)(i) or (d)(i), as applicable, of the definition of Class B Pass-Through Rate over (ii) the Class B Capped Rate, to the extent of funds available for such payment from interest otherwise distributable on the class X1 certificates, as described in this information circular. We cannot assure you that any such Additional Interest Distribution Amounts (as defined under “—The Offered Certificates—Interest Distributions” below) will ever be payable. See “Description of the Certificates—Distributions” in this information circular.

- For purposes of calculating the accrual of interest as of any date of determination, the total notional amount for the class X1 certificates and the total notional amount for the class X2 certificates will be equal to the then total outstanding principal balances of the Principal Balance Certificates.
- The pass-through rate for the class X1 certificates for any Interest Accrual Period will equal the weighted average of the Class X1 Strip Rates (weighted based upon the relative sizes of their respective components). The “Class X1 Strip Rates” means, for the purposes of calculating the pass-through rate for the class X1 certificates, the rates *per annum* at which interest accrues from time to time on the four components of the total notional amount of the class X1 certificates outstanding immediately prior to the related Distribution Date. One component will be comprised of the outstanding principal balance of the class A-5 certificates, one component will be comprised of the outstanding principal balance of the class A-7 certificates, one component will be comprised of the outstanding principal balance of the class A-10 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 X1 certificates for each Interest Accrual Period, the applicable Class X1 Strip Rate for each such Interest Accrual Period will be a rate *per annum* equal to (1) in the case of each component related to a class of Class A Certificates, (a) the excess, if any, of (i)(I) for each Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the Loan Group related to such class of Class A Certificates for the related Distribution Date or (II) for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for the related Distribution Date, over, in the case of both clause (I) and clause (II), (ii) the pass-through rate for such class of Class A Certificates for such Distribution Date, minus (b) the sum of the Class X2 Pass-Through Rate and the Guarantee Fee Rate, and (2) in the case of the component related to the class B certificates, the excess, if any, of (i) the Class B Capped Rate for the related Distribution Date over (ii) the Class B Pass-Through Rate for such Distribution Date; *provided*, that in no event may any Class X1 Strip Rate be less than zero.
- The pass-through rate for the class X2 certificates (the “Class X2 Pass-Through Rate”) for any Interest Accrual Period will equal a *per annum* rate equal to 0.2500%.
- The “Weighted Average Net Mortgage Pass-Through Rate” means, for any Loan Group or for the mortgage pool, as applicable, and any Distribution Date, the weighted average of the respective Net Mortgage Pass-Through Rates with respect to all of the underlying mortgage loans (including any related REO Loans) in that Loan Group or in the mortgage pool, as applicable, for that Distribution Date, weighted on the basis of their respective Stated Principal Balances immediately prior to that Distribution Date.
- “Net Mortgage Pass-Through Rate” means, with respect to any underlying mortgage loan (including any successor REO Loan) for any Distribution Date, a rate *per annum* equal to the Net Mortgage Interest Rate for such underlying mortgage loan; *provided*, that if the mortgage interest rate for such underlying mortgage loan is decreased in connection with a subsequent modification of such underlying mortgage loan after the Cut-off Date, the Net Mortgage Interest Rate for such underlying mortgage loan will not give effect to any such decrease.
- “Net Mortgage Interest Rate” means, with respect to any underlying mortgage loan or REO Loan, as of any date of determination, the related mortgage interest rate then in effect reduced by the sum of the annual rates at which the master servicing fee, the sub-servicing fee, the certificate administrator fee and the trustee fee are calculated.

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 loans will be a Pooling and Servicing Agreement to be dated as of November 1, 2015 (the “Pooling and Servicing Agreement”), among us, as depositor, Freddie Mac, as master servicer, Situs Holdings, LLC, as special servicer, Deutsche Bank Trust Company Americas, as trustee, certificate administrator and custodian, and Freddie Mac.

The certificates will evidence the entire beneficial ownership of the issuing entity that we intend to establish. The primary assets of that issuing entity will be a segregated pool of multifamily mortgage loans comprised of three Loan Groups. The underlying mortgage loans will provide for monthly debt service payments and, except as described under “—The Underlying Mortgage Loans” below, will each have a mortgage interest rate in the absence of default that is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan). We will acquire those underlying mortgage loans, for deposit in the issuing entity, from the mortgage loan seller. As of the applicable Due Dates in November 2015 (which will be November 1, 2015, subject, in some cases, to a next succeeding business day convention), which we refer to in this information circular as the “Cut-off Date,” the underlying mortgage loans will have the general characteristics discussed under the heading “—The Underlying Mortgage Loans” below.



**Relevant Parties/Entities**

<b>Issuing Entity</b> .....	FRESB 2015-SB8 Mortgage Trust, a New York common law trust, will be formed on the Closing Date pursuant to the Pooling and Servicing Agreement. See “Description of the Issuing Entity” in this information circular.
<b>Mortgage Loan Seller</b> .....	First Foundation Bank, a California state-chartered bank (“ <u>First Foundation</u> ”), will act as the mortgage loan seller. First Foundation’s principal address is 18101 Von Karman Avenue, Suite 750, Irvine, California 92612. See “Description of the Mortgage Loan Seller” in this information circular.
<b>Depositor</b> .....	Banc of America Merrill Lynch Commercial Mortgage Inc., a Delaware corporation, will create the issuing entity and transfer the underlying mortgage loans to it. We are also an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which will be the initial purchaser of the class B and X2 certificates (collectively, the “ <u>Non-Guaranteed Certificates</u> ”) and is one of the placement agents for the SPCs. Our principal executive office is located at One Bryant Park, New York, New York 10036. All references to “we,” “us” and “our” in this information circular are intended to mean Banc of America Merrill Lynch Commercial Mortgage Inc. See “Description of the Depositor” in this information circular.
<b>Originator</b> .....	We did not originate the underlying mortgage loans. Each underlying mortgage loan was originated by First Foundation (in such capacity, the “ <u>Originator</u> ”). First Foundation will, as of the Closing Date, become the sub-servicer to the master servicer with respect to the underlying mortgage loans pursuant to a sub-servicing agreement between the master servicer and First Foundation.
<b>Master Servicer</b> .....	Freddie Mac, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended (the “ <u>Freddie Mac Act</u> ”), or any successor to it, will act as master servicer with respect to the underlying mortgage loans. Freddie Mac will also act as the guarantor of the offered certificates and servicing consultant with respect to the underlying mortgage loans. Freddie Mac maintains an office at 8200 Jones Branch Drive, McLean, Virginia 22102. See “Description of the Guarantor” in this information circular.

As consideration for servicing the underlying mortgage loans, the master servicer will receive a master servicing fee and sub-servicing fee with respect to the underlying mortgage loan, as described under “Description of the Certificates—Fees and Expenses” in this information circular. 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 Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” and “—The Master Servicer” in this information circular. The Pooling 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 non-Specially Serviced Mortgage Loans.

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

**Special Servicer**.....

Situs Holdings, LLC, a Delaware limited liability company (“Situs Holdings”), will act as the initial special servicer with respect to the underlying mortgage loans. Situs Holdings will also act as the Affiliated Borrower Loan Directing Certificateholder and may, if requested, act as the Directing Certificateholder Servicing Consultant. The principal executive office of the special servicer is located at 5065 Westheimer, Suite 700E, Houston, Texas 77056, and its telephone number is (713) 328-4400. The special servicer maintains its principal special servicing office at 2 Embarcadero Center, Suite 1300, San Francisco, California 94111.

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

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

As consideration for servicing each Specially Serviced Mortgage Loan and REO Loan, the special servicer will receive a special servicing fee as described under “Description of the Certificates—Fees and Expenses”. Additionally, the special servicer will, in general, be entitled to receive a workout fee with respect to each Specially Serviced Mortgage Loan in the issuing entity that has been returned to performing status, as described under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Workout Fee” in this information circular. The special servicer will also be entitled to receive a liquidation fee with respect to each Specially Serviced Mortgage Loan in the issuing entity for which it obtains a full, partial or discounted payoff or otherwise recovers Liquidation Proceeds, as described under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Liquidation Fee” in this information circular.

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

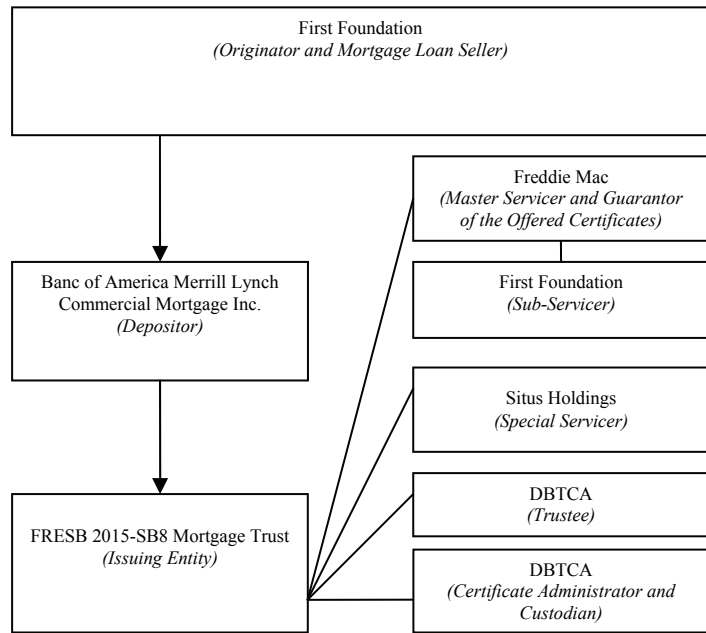
**Trustee, Certificate Administrator and Custodian**.....

Deutsche Bank Trust Company Americas, a New York banking corporation (“DBTCA”), will act as the trustee on behalf of the certificateholders. The trustee’s principal address is 1761 East St. Andrew Place, Santa Ana, California 92705. As consideration for acting as trustee, DBTCA will receive a trustee fee as described under “Description of the Certificates Fees and Expenses” in this information circular. See “The Pooling and Servicing Agreement—The Trustee, Certificate Administrator and Custodian” in this information circular.

DBTCA will also act as the certificate administrator, custodian and certificate registrar. The certificate administrator’s principal address is 1761 East St. Andrew Place, Santa Ana, California 92705. As consideration for acting as certificate administrator, custodian and certificate registrar, DBTCA will receive a certificate administrator fee as described under “Description of the Certificates Fees and Expenses” in this information circular. See “The Pooling 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 initially will be a certificateholder or any designee selected by holders of certificates representing a majority interest in the class B certificates, until the outstanding principal balance of such class is less than 3.0% of the aggregate of the outstanding principal balances of the Principal Balance Certificates. 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.

As and to the extent described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—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 each of the underlying mortgage loans. However, upon the occurrence and during the continuance of any Affiliated Borrower Loan Event with respect to any underlying mortgage loan, the directing certificateholder’s (i) right to approve and consent to

certain actions with respect to such underlying mortgage loan, (ii) right to purchase any such Defaulted Loan from the issuing entity and (iii) access to certain information and reports regarding such underlying mortgage loan will be restricted as described in “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” and “—Purchase Option,” as applicable, in this information circular. Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the special servicer, as the Affiliated Borrower Loan Directing Certificateholder, will be required to exercise any approval, consent, consultation or other rights with respect to any matters related to an Affiliated Borrower Loan as described in “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

For the purpose of determining whether the directing certificateholder is an affiliate of the borrower (or any proposed replacement borrower) with respect to any 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.

The holder of certificates representing a majority interest in the class B certificates may waive its right to act as or appoint a directing certificateholder and to exercise any of the rights of the directing certificateholder or cause the exercise of any of the rights of the directing certificateholder set forth in the Pooling and Servicing Agreement, as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Directing Certificateholder.”

It is anticipated that First Foundation, or its affiliate will be designated to serve as the initial directing certificateholder (the “Initial Directing Certificateholder”). As of the Closing Date, no Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

**Directing Certificateholder Servicing**

**Consultant**.....

The Pooling and Servicing Agreement provides that in certain circumstances the directing certificateholder may, at its own expense, request that a person (which may be the special servicer) (in such capacity, the “Directing Certificateholder Servicing Consultant”) prepare and deliver a recommendation relating to a requested waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain modifications, waivers or amendments for certain non-Specially Serviced Mortgage Loans. The directing certificateholder 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 Loans—The Master Servicer, the Special Servicer and the Sub-Servicer May Experience Conflicts of Interest,” “The Pooling and Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Modifications,

Waivers, Amendments and Consents,” “—Servicing Under the Pooling and Servicing Agreement” and “Description of the Certificates—Fees and Expenses” in this information circular.

**Guarantor**..... Freddie Mac will act as guarantor of the offered certificates. For a discussion of the Freddie Mac Guarantee, see “—The Offered Certificates—Freddie Mac Guarantee” and “Description of the Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this information circular.

**Significant Dates and Periods**

**Cut-off Date**..... The underlying mortgage loans will be considered assets of the issuing entity as of November 1, 2015. All payments and collections received on each of the underlying mortgage loans after their applicable Due Dates in November 2015 (which will be November 1, 2015, subject, in some cases, to a next succeeding business day convention), excluding any payments or collections that represent amounts due on or before such Due Dates, will belong to the issuing entity. November 1, 2015 is considered the Cut-off Date for the issuing entity.

**Closing Date** ..... The date of initial issuance for the certificates is expected to be on or about November 24, 2015.

**Due Dates**..... Subject, in some cases, to a next succeeding business day convention, monthly installments of principal and/or interest will be due on the first day of the month with respect to each of the underlying mortgage loans (the “Due Dates”).

**Determination Date** ..... The monthly cut-off for collections on the underlying mortgage loans that are to be distributed, and information regarding the underlying mortgage loans that is to be reported, to the holders of the 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 December 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 December 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 Distribution Date 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 loans during the related “Collection Period”. Each Collection Period—

- will relate to a particular Distribution Date;
- will begin when the prior Collection Period ends or, in the case of the first Collection Period, will begin 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 and Assumed Final Distribution Date – No Prepayments** ..... For each class of offered certificates, the “Assumed Final Distribution Date” and the “Assumed Final Distribution Date – No Prepayments” will be the applicable dates set forth in the table on the cover page of this information circular.

### **The Offered Certificates**

**General** ..... The certificates offered by this information circular are the Class A Certificates and the class X1 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 6 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 loans. Such payments will generally be deposited in the collection account on a daily basis.

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

**Priority of Distributions and Subordination** ..... In general, if no Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below under “—Principal Distributions”) and the class B certificates will be entitled to receive principal collected or advanced in respect of performing underlying

mortgage loans on a *pro rata* basis, based on their respective outstanding principal balances relative to the total outstanding principal balances of all of the Principal Balance Certificates. However, if a Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below under “—Principal Distributions”) and the class B certificates will be entitled, in that sequential order, to principal collected or advanced with respect to performing underlying mortgage loans, in each case until their respective outstanding principal balances have been reduced to zero. Whether or not a Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below under “—Principal Distributions”) and the class B certificates will be generally entitled to receive, in that sequential order, principal collected or advanced in respect of certain Specially Serviced Mortgage Loans, in each case until their respective outstanding principal balances have been reduced to zero. Distributions of principal to the class B certificates in all cases will follow reimbursement to Freddie Mac of guarantee payments with respect to the offered certificates.

A “Waterfall Trigger Event” means, with respect to any Distribution Date, the existence of any of the following: (a) the aggregate Stated Principal Balances of the underlying mortgage loans (other than Specially Serviced Mortgage Loans) as of the related Determination Date is less than or equal to 15.0% of the aggregate Cut-Off Date Principal Balance of all underlying mortgage loans held by the issuing entity as of the Closing Date, (b) as of the related Determination Date, the aggregate Stated Principal Balances of Waterfall Trigger Loans is greater than 3.0% of the aggregate Stated Principal Balance of all underlying mortgage loans held by the issuing entity or (c) the Class B Percentage on such Distribution Date is less than 7.5%, *provided* that with respect to this clause (c) such Waterfall Trigger Event will continue to exist until such time as the Class B Percentage is equal to or greater than 10.0% immediately prior to such Distribution Date. No previously existing Waterfall Trigger Event will continue to exist on future Distribution Dates unless a condition described in one of clauses (a), (b) or (c) of this definition of Waterfall Trigger Event continues to exist with respect to such future Distribution Dates.

A “Waterfall Trigger Loan” means an underlying mortgage loan that is at least 60 days delinquent in respect of any monthly payments following the applicable Due Date, without giving effect to any grace period permitted by the related loan documents.

The “Class B Percentage” means, as of any Distribution Date, a fraction, the numerator of which is the class principal balance of the class B certificates immediately prior to such Distribution Date and the denominator of which is the aggregate of the class principal balances of the Principal Balance Certificates immediately prior to such Distribution Date.

In general, the allocation of interest distributions among the classes of Class A Certificates and the class X1 certificates is to be made concurrently on a *pro rata* basis based on the interest accrued with respect to each such class, subject, in the case of the class X1 certificates, to the payment of Additional Interest Distribution Amounts

from amounts otherwise payable to the class X1 certificates. Any Unpaid Interest Shortfalls payable on the class X2 and B certificates will be payable to such classes in that sequential order prior to payment of any Additional Interest Distribution Amounts to the class B certificates. The interest distributions on the class X2 and B certificates will be made in that sequential order following interest distributions on the Class A Certificates and the class X1 certificates to which such classes are entitled on the applicable Distribution Date and following reimbursement to Freddie Mac of guarantee payments with respect to the offered certificates. See “Description of the Certificates—Distributions—Priority of Distributions” in this information circular.

The class X1 and X2 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 offered 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 any class of 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 X1 certificates and a corresponding reduction in the notional amount of the class X2 certificates. The Freddie Mac Guarantee does not cover Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X1 certificates due to the payment of Additional Interest Distribution Amounts to the class B certificates or Outstanding Guarantor Reimbursement Amounts to the guarantor. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X1 certificates following a reduction in its class notional amount 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



Guarantor” 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 borrower to pay a full month’s interest on any voluntary prepayment not made on a Due Date, in some instances a whole or partial prepayment on an underlying mortgage loan may not be accompanied by the amount of a full month’s interest on the prepayment. To the extent that these shortfalls are not covered by the master servicer as described under “The Pooling 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.

If, for any Distribution Date on or after the Class B First Rate Change Date, the Class B Capped Rate is less than Six-Month LIBOR plus the applicable specified margin for such class of certificates, the class B certificates will be entitled to the Additional Interest Accrual Amount for such class and such Interest Accrual Period, to the extent funds are available for payment of such amount from the amount of interest otherwise payable to the class X1 certificates on the related Distribution Date.

As described in this information circular, the Additional Interest Accrual Amount distributed on the class B certificates for any Distribution Date may not exceed the Class X1 Interest Accrual Amount for the related Interest Accrual Period.

On each Distribution Date on which the class B certificates are entitled to distributions of Additional Interest Accrual Amounts, the Additional Interest Distribution Amount for such Distribution Date will be distributed as described in “Description of the Certificates—Distributions—Priority of Distributions” in this information circular.

The “Additional Interest Distribution Amount” with respect to any Distribution Date is the lesser of (x) the Additional Interest Accrual Amount, if any, with respect to the class B certificates and (y) the amount, not less than zero, of interest distributable in respect of the Class X1 Interest Accrual Amount for such Distribution Date minus the Class X1 Interest Distribution Amount.

The “Additional Interest Accrual Amount” with respect to any Distribution Date on or after the Class B First Rate Change Date is the

amount, if any, by which interest on the outstanding principal balance of such class for the related Interest Accrual Period calculated at the rate described in clauses (b)(i), (c)(i) or (d)(i), as applicable, of the definition of Class B Pass-Through Rate exceeds the amount of interest accrued on the outstanding principal balance of such class at the Class B Capped Rate.

The “Additional Interest Shortfall Amount” with respect to any Distribution Date and the class B certificates is an amount equal to the aggregate amount of any Additional Interest Distribution Amounts for all prior Distribution Dates that was not distributed on the class B certificates on such prior Distribution Dates and remains unpaid immediately prior to the current Distribution Date.

The amount of interest payable to the class X1 certificates on any Distribution Date will be the Class X1 Interest Distribution Amount. The “Class X1 Interest Distribution Amount” means, for each Distribution Date, an amount equal to the excess, if any, of (1) the sum of (a) the excess, if any, of the Class X1 Interest Accrual Amount for such Distribution Date over the Additional Interest Accrual Amount, if any, for the class B certificates with respect to such Distribution Date, and (b) the amount described in clause (a) above for all prior Distribution Dates that remains unpaid on such Distribution Date, over (2) the Additional Interest Shortfall Amount for such Distribution Date.

The “Class X1 Interest Accrual Amount” means, for each Distribution Date, an amount equal to interest accrued during the related Interest Accrual Period on the notional amount of the class X1 certificates immediately prior to such Distribution Date at the class X1 pass-through rate, minus any Net Aggregate Prepayment Interest Shortfalls allocated to the class X1 certificates. The Class X1 Interest Accrual Amount will be calculated on a 30/360 Basis.

On each Distribution Date, subject to available funds and the distribution priorities described under “—Priority of Distributions and Subordination” 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 and Subordination” 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 each class of Class A Certificates will be entitled to receive a total amount of principal over time equal to the outstanding principal balance of such class.

The total distributions of principal to be made on any Distribution Date will, in general, be a function of—

- the amount of scheduled payments of principal due or, in some cases, deemed due, on the underlying mortgage loans in the related Loan Group or Loan Groups 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, and
- the amount of any prepayments and other unscheduled collections of previously unadvanced principal with respect to the underlying mortgage loans in the related Loan Group or Loan Groups that are received during the related Collection Period.

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

So long as no Waterfall Trigger Event has occurred and is continuing, principal collections on or with respect to the underlying mortgage loans (including principal advances) will be allocated *pro rata* between the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) and the class B certificates, based on their respective outstanding principal balances immediately prior to the applicable Distribution Date, that generally equal an amount (in any event, not to exceed such outstanding principal balances) equal to the Performing Loan Principal Distribution Amount for such Distribution Date; *provided* that distributions to the class B certificates will follow reimbursement to Freddie Mac of guarantee payments with respect to the offered certificates. However, if a Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) will be entitled to the entire Performing Loan Principal Distribution Amount for each Distribution Date until the outstanding principal balance of each class of Class A Certificates has been reduced to zero. Thereafter, following reimbursement to Freddie Mac of guarantee payments with respect to the offered certificates, any remaining portion of the Performing Loan Principal Distribution Amount on the applicable Distribution Date will be allocated to the class B certificates until its outstanding principal balance has been reduced to zero.

Further, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) will always be entitled to the entire portion of the Specially Serviced Loan Principal

Distribution Amount for each Distribution Date until the outstanding principal balance of each class of Class A Certificates has been reduced to zero, at which time, following reimbursement to Freddie Mac of guarantee payments with respect to the offered certificates, the class B certificates will be entitled to receive any remaining portion of the Specially Serviced Loan Principal Distribution Amount until its outstanding principal balance has been reduced to zero.

For any Distribution Date, the portion of the Principal Distribution Amount for such Distribution Date allocated to the Class A Certificates will be allocated to each class of Class A Certificates based on the Loan Group Principal Attribution Percentage for such class; *provided* that for each Distribution Date on or after the Distribution Date on which the outstanding principal balance of a class of Class A Certificates has been reduced to zero, any further allocations of the Principal Distribution Amount to such class will instead be allocated to the other outstanding classes of Class A Certificates *pro rata*, based on their respective outstanding principal balances after giving effect to all prior payments of principal; and *provided, further*, that for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Principal Distribution Amount for such Distribution Date will be allocated to each class of Class A Certificates *pro rata*, based on the outstanding principal balance for each such class immediately prior to such Distribution Date.

“Loan Group Principal Attribution Percentage” means, with respect to each class of Class A Certificates and each Loan Group, as applicable, and any Distribution Date, a percentage equal to (i) the portion of the Principal Distribution Amount attributable to the Loan Group related to such class, divided by (ii) the Principal Distribution Amount.

The “Performing Loan Principal Distribution Amount” means, with respect to any Distribution Date, the excess, if any, of the Principal Distribution Amount for such Distribution Date over the Specially Serviced Loan Principal Distribution Amount, if any, for such Distribution Date.

The “Specially Serviced Loan Principal Distribution Amount” means, with respect to any Distribution Date, any portion of the Principal Distribution Amount that was collected or advanced with respect to any Specially Serviced Mortgage Loan other than an Excluded Specially Serviced Mortgage Loan. For the avoidance of doubt, the Specially Serviced Loan Principal Distribution Amount will be reduced by the Principal Distribution Adjustment Amount applicable to such Specially Serviced Mortgage Loan.

The “Excluded Specially Serviced Mortgage Loan” means any Specially Serviced Mortgage Loan for which all of the following conditions are satisfied:

- it has not been a Specially Serviced Mortgage Loan for more than one Distribution Date;
- it is a Specially Serviced Mortgage Loan solely due to the occurrence of an event described in the fifth or sixth bullet of the definition of “Servicing Transfer Event” below; and

- the borrower under the Specially Serviced Mortgage Loan has not failed to make any monthly payment in full since the underlying mortgage loan became a Specially Serviced Mortgage Loan.

For the avoidance of doubt, a Specially Serviced Mortgage Loan will cease to be an Excluded Specially Serviced Mortgage Loan no later than the day immediately following the first Distribution Date to occur after such loan became an Excluded Specially Serviced Mortgage Loan.

The class X1 and X2 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 Prepayment**

**Premiums** .....

Any Prepayment Premium collected in respect of any of the underlying mortgage loans will be distributed to the holders of the class X1 certificates. See “Description of the Certificates—Distributions—Distributions of Prepayment Premiums” in this information circular. Certificateholders representing a majority, by outstanding notional amount, of the class X1 certificates will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment of any underlying mortgage loan. See “Risk Factors—Risks Related to the Offered Certificates—The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X1 Certificates To Cause the Waiver of Prepayment Premiums and Due to Limited Prepayment Protection” 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 loans 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 Realized Losses allocated to the Class A Certificates will be allocated to each class of Class A Certificates *pro rata*, based on its respective outstanding principal balance.

Any reduction of the outstanding principal balances of any class of Principal Balance Certificates will also result in a corresponding

reduction in the notional amount of the corresponding components of the class X1 certificates and the notional amount of the class X2 certificates.

However, Freddie Mac will be required under its guarantee to pay the holder of any class of Class A Certificates an amount equal to any such loss allocated to its Class A 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, of principal and/or interest due on the underlying mortgage loans. The master servicer will be required to make advances of assumed monthly payments for those underlying mortgage loans that become defaulted upon their maturity dates on the same amortization schedule as if the maturity date had not occurred. In addition, the trustee must make any of those advances that the master servicer fails to make, in each case subject to a 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, 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 related 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 or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the related underlying mortgage loan as it may have been modified, (iii) the related 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.

If an Appraisal Reduction Event occurs and it is determined that an Appraisal Reduction Amount exists with respect to the subject underlying mortgage loan, then the amount otherwise required to be advanced (subject to a nonrecoverability determination) with respect to interest on the subject underlying mortgage loan will be reduced. That reduction will generally be in the same proportion that the excess, sometimes referred to in this information circular as an Appraisal Reduction Amount, bears to the Stated Principal Balance of the subject 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:

Reduction Order	Class
1 <sup>st</sup>	Class B certificates
2 <sup>nd</sup>	Class X2 certificates
3 <sup>rd</sup>	Class A Certificates and Class X1 certificates

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

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

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

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

On each Distribution Date, the certificate administrator will be required to prepare and 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 loans and the mortgaged real properties. The certificate administrator will also be required to make available to any Privileged Person via its website initially located at <https://tss.sfs.db.com/investpublic>, certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package<sup>®</sup> in accordance with the Pooling and Servicing Agreement.

However, the trustee, the certificate administrator, the custodian, the master servicer, the special servicer and the sub-servicer may not provide to (i) any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan unless such person is the directing certificateholder, (a) any asset status report, inspection report or appraisal, (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 or appraisal relating to any Affiliated Borrower Loan. However, such restrictions on providing information will not apply to the master servicer, the special servicer and the sub-servicer if the applicable loan documents expressly require such disclosure to such person as a borrower under an underlying mortgage loan.

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 loans and the mortgaged real properties. 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.

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 loans 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 <https://tss.sfs.db.com/investpublic>; and
- the master servicer’s website initially located at [www.freddiemac.com](http://www.freddiemac.com), as applicable.

**Sale of Defaulted Loans**.....

If any underlying mortgage loan becomes a Defaulted Loan, then (subject to the rights of any related Junior Loan Holder, as described below) the directing certificateholder will have an assignable option to purchase that Defaulted Loan from the issuing entity at the price and on the terms, including the restrictions applicable to Affiliated Borrower Loans and any applicable time limits, described in “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular. In addition, if the Junior Loan Holder is the holder of a subordinate lien on an underlying mortgage loan, such Junior Loan Holder will have the first option to purchase such underlying mortgage loan from the issuing entity. If neither the Junior Loan Holder nor the directing certificateholder purchases the underlying mortgage loan, Freddie Mac will have an option to purchase such underlying mortgage loan. The directing certificateholder, Freddie Mac and any Junior Loan Holder may each assign their respective purchase options. See “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

**Repurchase Obligation**.....

If the mortgage loan seller has been notified of, or itself has discovered, a defect in any mortgage file or a breach of any of its representations and warranties that materially and adversely affects the value of any underlying mortgage loan (including any foreclosure property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of certificates, then the mortgage loan seller will be required to either cure such breach or defect, repurchase the affected underlying mortgage loan from the issuing entity or, within two years of the Closing Date, substitute the affected underlying mortgage loan with another mortgage loan. If the mortgage loan seller opts to repurchase any affected underlying mortgage loan, such repurchase would have the same effect on the certificates as a prepayment in full of such underlying mortgage loan (without payment of any Prepayment Premium). See “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular.

**Optional Termination**.....

The holders of a majority interest of the Controlling Class (but excluding Freddie Mac), the special servicer, and any Third Party Master Servicer, in that order of preference, will each in turn have the



option to purchase all of the underlying mortgage loans and all other property remaining in the issuing entity on any Distribution Date on which the total outstanding principal balance of the underlying mortgage loans, based on collections and advances of principal on those underlying mortgage loans previously distributed, and losses on those underlying mortgage loans previously allocated, to the certificateholders, is less than 5.0% of the initial mortgage pool balance. If such option is exercised, the issuing entity will terminate and all outstanding certificates will be retired, as described in more detail under “The Pooling 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 all of the underlying mortgage loans and each REO Property remaining in the issuing entity as described in more detail under “The Pooling and Servicing Agreement—Termination” in this information circular.

**Denominations** ..... The offered certificates will be issuable in registered form, in the denominations set forth under “Description of the 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 SB-008 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 three separate real estate mortgage investment conduits under sections 860A through 860G of the Internal Revenue Code of 1986 (the “Code”). There will be the following REMICs:

- the Lower-Tier REMIC, which will consist of, among other things—
  1. the underlying mortgage loans, and
  2. any REO Properties;
- the Middle-Tier REMIC, which will hold the regular interests in the Lower-Tier REMIC; and
- the Upper-Tier REMIC, which will hold the regular interests in the Middle-Tier REMIC.

The offered certificates will represent (i) beneficial ownership of regular interests in the Upper-Tier REMIC and (ii) in the case of the class X1 certificates, the obligation to pay Additional Interest Distribution Amounts, which will be treated as a notional principal contract between the class X1 certificates and the class B certificates. See “Certain Federal Income Tax Consequences” in this information

circular. The regular interests in the Upper-Tier REMIC and the notional principal contract with respect to the class B and X1 certificates will be held in a portion of the trust comprising the Grantor Trust.

The REMIC regular interests beneficially owned by the holders of the offered certificates will be treated as newly issued debt instruments for federal income tax purposes. You will have to report income on the REMIC regular interests represented by 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 loans will affect the yield to maturity on the offered certificates.

The yield to maturity on the Class A Certificates will depend on a variety of factors including, but not limited to:

- whether the Class A Certificates are purchased at a premium or discount;
- variances in the anticipated rate of payments and other collections of principal on the underlying mortgage loans in the Loan Group related to each class of Class A Certificates;
- reductions to the Net Mortgage Interest Rate of the underlying mortgage loans in the Loan Group related to each class of Class A Certificates caused by prepayments on the underlying mortgage loans;
- changes in the level of the Index after the loan reset dates on the underlying mortgage loans to the extent the pass-through rates on the Class A Certificates are subject to caps based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group or, after the outstanding principal balance of the class B certificates has been reduced to zero, for the mortgage pool; and
- changes in the level of One-Month LIBOR on or after the applicable Class A Rate Change Date.

See “Yield and Maturity Considerations—Yield Considerations—General”, “—Pass-Through Rates” and “—Rate and Timing of Principal Payments”.

If you are contemplating an investment in the class X1 certificates, it is important to consider that the yield to maturity of the class X1 certificates will be affected by similar yield sensitivities as Class A Certificates that are purchased at a premium, except that the yield to maturity of the class X1 certificates will be sensitive to factors relating

to the entire pool of underlying mortgage loans, rather than a single Loan Group. You should further consider:

- the risk that an extremely rapid rate of payments and other collections of principal on the underlying mortgage loans could result in your failure to fully recoup your initial investment;
- what the notional amounts of the class X1 certificates are and how payments and other collections of principal on the underlying mortgage loans will affect those notional amounts;
- how changes in the composition of the mortgage pool could adversely affect the Weighted Average Net Mortgage Pass-Through Rates for each of the Loan Groups or, after the outstanding principal balance of the class B certificates has been reduced to zero, for the mortgage pool; and
- that the yield to maturity on the class X1 certificates will be adversely affected by the payment of Additional Interest Distribution Amounts to the class B certificates or Outstanding Guarantor Reimbursement Amounts to the guarantor from amounts that would otherwise be payable to the class X1 certificates.

See “Yield to Maturity Considerations—Yield Considerations—Pass-Through Rates”, “—Rate and Timing of Principal Payments”, “—Additional Interest Accrual Amounts” and “Yield to Maturity Considerations—Yield Sensitivity of the Class X1 Certificates” in this information circular.

### **The Underlying Mortgage Loans**

**General** ..... We intend to include in the issuing entity 51 mortgage loans, which we refer to in this information circular as the “underlying mortgage loans” and which are secured by the 51 mortgaged real properties identified on Exhibit A-1. The pool of underlying mortgage loans will consist of three loan groups, Loan Group 5YR, Loan Group 7YR and Loan Group 10YR, for the purpose of calculating principal and interest distributions on the Class A Certificates. Loan Group 5YR will consist of 33 underlying mortgage loans, collectively representing approximately 71.8% of the initial mortgage pool balance. Loan Group 7YR will consist of 12 mortgage loans, collectively representing approximately 16.8% of the initial mortgage pool balance. Loan Group 10YR will consist of 6 mortgage loans, collectively representing approximately 11.3% of the initial mortgage pool balance. Exhibit A-1 sets forth the underlying mortgage loans in each Loan Group. All of the mortgaged real properties are multifamily properties. See “Risk Factors” in this information circular for a description of some of the risks relating to multifamily properties.

In this section, “—The Underlying Mortgage Loans,” we provide summary information with respect to those underlying mortgage loans. For more detailed information regarding those underlying mortgage loans, including information regarding the underlying mortgage loans in each Loan Group, you should review the following sections in or exhibits to this information circular:

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

**Payment and Other Terms** ..... Each of the underlying mortgage loans is the obligation of a borrower to repay a specified sum with interest.

Repayment of each of the underlying mortgage loans is secured by a mortgage lien on the fee interest of the related borrower in the mortgaged real property.

You should assume that each of the underlying mortgage loans is recourse only to the related borrower or mortgaged real property.

Each underlying mortgage loan currently accrues interest on a 30/360 Basis at the annual rate specified with respect to that underlying mortgage loan on Exhibit A-1. Each underlying mortgage loan has a mortgage interest rate in the absence of default that is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan).

With respect to each underlying mortgage loan, beginning with the first loan reset date, the mortgage interest rate will reset based on an index (each, an “Index”) that is either (i) Six-Month LIBOR or (ii) Twelve-Month Treasury Average, in each case, with the sum rounded to the nearest 0.125%. If the Index is no longer available, the lender will be required to choose a new index based upon comparable information. Before each loan reset date, the lender will be required to calculate the new mortgage interest rate by adding a margin that is set forth on Exhibit A-1 and ranges on a loan-by-loan basis from 2.250% to 2.750% to the Index, which amount will be the mortgage interest rate until the next loan reset date; *provided, however*, that such mortgage interest rate may not be (a) less than the initial mortgage interest rate or (b) except for a change on the first loan reset date increased or decreased by more than 1.000% from the mortgage interest rate from the preceding loan reset date; *provided further* that, in the absence of default, the mortgage interest rate for each underlying mortgage loan is subject to a cap, as set forth on Exhibit A-1 and ranging from 9.500% to 10.250%. With respect to each underlying mortgage loan, each loan reset after the first loan reset date will occur at six month intervals.

All of the underlying mortgage loans have initial terms to maturity of 30 years.

The table below presents the number of underlying mortgage loans that have the following initial loan reset dates:

<b>Initial Loan Reset Date</b>	<b>Number of Underlying Mortgage Loans</b>	<b>% of Initial Mortgage Pool Balance</b>
5-years .....	33	71.8%
7-years .....	12	16.8
10-years .....	6	11.3
<b>Total .....</b>	<b>51</b>	<b>100.0%</b>

All of the underlying mortgage loans in Loan Group 5YR have initial loan reset dates that are five years after their respective origination dates.

All of the underlying mortgage loans in Loan Group 7YR have initial loan reset dates that are seven years after their respective origination dates.

All of the underlying mortgage loans in Loan Group 10YR have initial loan reset dates that are ten years after their respective origination dates.

**No Balloon Loans** ..... All of underlying mortgage loans fully amortize over their terms and do not have any balloon payments of principal on their respective maturity dates.

**Mortgage Loans with Interest-Only Periods** ..... None of the underlying mortgage loans provide for an interest-only period prior to its maturity date.

**Related Borrower Loans** ..... The issuing entity will include six groups of underlying mortgage loans that are made to related borrowers. The table below sets forth the number of underlying mortgage loans in each such group and the related Loan Group of each such group.

<b>Related Borrower Group #</b>	<b>Loan Group</b>	<b>Number of Underlying Mortgage Loans<sup>(1)</sup></b>	<b>% of Initial Mortgage Pool Balance<sup>(2)</sup></b>
1	5YR	5	11.9%
2	5YR	2	4.4
3	5YR	2	3.5
4	5YR	2	3.1
5	5YR	2	2.8
6	7YR	2	2.3
<b>Total</b>			<b>28.0%</b>

(1) See Exhibit A-1.

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

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Mortgage Loans to Related Borrowers May Result in More Severe Losses on the Offered Certificates” and “Description of the Underlying Mortgage Loans—Mortgage Loans with Affiliated Borrowers” in this information circular.

**Prepayment Characteristics  
of the Mortgage Loans** .....

All of the underlying mortgage loans restrict prepayments by requiring that any voluntary principal prepayment made during a specified period of time be accompanied by a Prepayment Premium, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

One of the underlying mortgage loans, representing 2.0% of the initial mortgage pool balance, permits partial prepayment of up to 10% of the unpaid principal balance of the underlying mortgage loan in any given 12- month period without the payment of a prepayment premium.

The purchase of any underlying mortgage loan by any party that has an option or is otherwise entitled to purchase such loan from the issuing entity following default (or, with respect to the mortgage loan seller, is required to purchase such loan as a result of an uncured material breach of a representation and warranty or a material document defect) generally would have the same effect on the offered certificates as a prepayment (without payment of any Prepayment Premium).

**Delinquency Status** .....

None of the underlying mortgage loans was 30 days or more delinquent with respect to any monthly debt service payment as of November 1, 2015.

**Geographic Concentration** .....

All of the mortgaged real properties that secure underlying mortgage loans are located in California.

Forty-seven of the mortgaged real properties, securing underlying mortgage loans collectively representing 91.4% of the initial mortgage pool balance, are located in southern California (i.e., addresses with zip codes of 93600 or below). Four of the mortgaged real properties, securing underlying mortgage loans collectively representing 8.6% of the initial mortgage pool balance, are located in northern California (i.e., addresses with zip codes above 93600).

Thirty-one of the mortgaged real properties in Loan Group 5YR, securing underlying mortgage loans collectively representing 93.0% of the initial loan group balance, are located in southern California (i.e., addresses with zip codes of 93600 or below). Two of the mortgaged real properties in Loan Group 5YR, securing underlying mortgage loans collectively representing 7.0% of the initial loan group balance, are located in northern California (i.e., addresses with zip codes above 93600).

Eleven of the mortgaged real properties in Loan Group 7YR, securing underlying mortgage loans collectively representing 91.2% of the initial loan group balance, are located in southern California (i.e., addresses with zip codes of 93600 or below). One of the mortgaged real properties in Loan Group 7YR, securing an underlying mortgage loan representing 8.8% of the initial loan group balance, are located in northern California (i.e., addresses with zip codes above 93600).

Five of the mortgaged real properties in Loan Group 10YR, securing underlying mortgage loans collectively representing 81.3% of the initial loan group balance, are located in southern California (i.e., addresses with zip codes of 93600 or below). One of the mortgaged real

properties in Loan Group 10YR, securing an underlying mortgage loan representing 18.7% of the initial loan group balance, are located in northern California (i.e., addresses with zip codes above 93600).

**Subordinate Debt** ..... As of the date of this information circular, except with respect to one of the underlying mortgage loans, representing 2.6% of the initial mortgage pool balance, no mortgaged real properties are encumbered by subordinate liens except for certain limited permitted encumbrances that are described in this information circular. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan,” “Description of the Underlying Mortgage Loans—General” and “—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular.

### Additional Statistical Information

**General Characteristics** ..... The underlying mortgage loans that we intend to include in the issuing entity will have the following general characteristics as of November 1, 2015:

	<b>Mortgage Pool</b>
Initial mortgage pool balance .....	\$102,026,095
Number of underlying mortgage loans .....	51
Number of mortgaged real properties .....	51
Largest Cut-off Date Principal Balance .....	\$4,445,713
Smallest Cut-off Date Principal Balance .....	\$1,042,668
Average Cut-off Date Principal Balance .....	\$2,000,512
Highest initial fixed annual mortgage interest rate .....	5.250%
Lowest initial fixed annual mortgage interest rate .....	3.250%
Weighted average initial fixed annual mortgage interest rate .....	3.848%
Longest original term to maturity .....	360
Shortest original term to maturity .....	360
Weighted average original term to maturity .....	360
Longest remaining term to maturity .....	357
Shortest remaining term to maturity .....	306
Weighted average remaining term to maturity .....	338
Highest Underwritten Debt Service Coverage Ratio .....	3.14x
Lowest Underwritten Debt Service Coverage Ratio .....	1.11x
Weighted average Underwritten Debt Service Coverage Ratio .....	1.50x
Highest Cut-off Date LTV .....	76.1%
Lowest Cut-off Date LTV .....	35.3%
Weighted average Cut-off Date LTV .....	58.9%
Range of initial fixed mortgage interest rates .....	3.250% -5.250%
Weighted average initial fixed mortgage interest rate .....	3.848%
Margin .....	2.250% -2.750%
Weighted average margin .....	2.546%
Index .....	6-Month LIBOR or 12-Month Treasury Average
Periodic rate adjustment limit .....	+/-1.000%
Range of lifetime maximum mortgage interest rates .....	9.500% - 10.250%
Weighted average lifetime maximum mortgage interest rate .....	9.986%
Range of months to initial loan reset date .....	60-120
Weighted average months to next interest rate reset date ..	71

The underlying mortgage loans that we intend to include in the Loan Group 5YR will have the following general characteristics as of November 1, 2015:

	<b>Loan Group 5YR</b>
Initial loan group balance .....	\$73,303,733
Number of underlying mortgage loans .....	33
Number of mortgaged real properties .....	33
Largest Cut-off Date Principal Balance .....	\$4,445,713
Smallest Cut-off Date Principal Balance .....	\$1,167,285
Average Cut-off Date Principal Balance .....	\$2,221,325
Highest initial fixed annual mortgage interest rate .....	4.500%
Lowest initial fixed annual mortgage interest rate .....	3.250%
Weighted average initial fixed annual mortgage interest rate .....	3.644%
Longest original term to maturity .....	360
Shortest original term to maturity .....	360
Weighted average original term to maturity .....	360
Longest remaining term to maturity .....	356
Shortest remaining term to maturity .....	309
Weighted average remaining term to maturity .....	338
Highest Underwritten Debt Service Coverage Ratio .....	2.36x
Lowest Underwritten Debt Service Coverage Ratio .....	1.11x
Weighted average Underwritten Debt Service Coverage Ratio .....	1.44x
Highest Cut-off Date LTV .....	74.1%
Lowest Cut-off Date LTV .....	41.7%
Weighted average Cut-off Date LTV .....	60.8%
Range of initial fixed mortgage interest rates .....	3.250% -4.500%
Weighted average initial fixed mortgage interest rate .....	3.644%
Margin .....	2.500% -2.750%
Weighted average margin .....	2.543%
Index .....	6-Month LIBOR or 12-Month Treasury Average
Periodic rate adjustment limit .....	+/-1.000%
Range of lifetime maximum mortgage interest rates .....	9.500% - 10.000%
Weighted average lifetime maximum mortgage interest rate .....	9.983%
Range of months to initial loan reset date .....	60-60
Weighted average months to next interest rate reset date .....	60



The underlying mortgage loans that we intend to include in the Loan Group 7YR will have the following general characteristics as of November 1, 2015:

	<b>Loan Group 7YR</b>
Initial loan group balance .....	\$17,154,292
Number of underlying mortgage loans .....	12
Number of mortgaged real properties .....	12
Largest Cut-off Date Principal Balance .....	\$2,832,705
Smallest Cut-off Date Principal Balance .....	\$1,042,668
Average Cut-off Date Principal Balance .....	\$1,429,524
Highest initial fixed annual mortgage interest rate .....	5.250%
Lowest initial fixed annual mortgage interest rate .....	3.625%
Weighted average initial fixed annual mortgage interest rate .....	4.249%
Longest original term to maturity .....	360
Shortest original term to maturity .....	360
Weighted average original term to maturity .....	360
Longest remaining term to maturity .....	352
Shortest remaining term to maturity .....	306
Weighted average remaining term to maturity .....	331
Highest Underwritten Debt Service Coverage Ratio .....	1.90x
Lowest Underwritten Debt Service Coverage Ratio .....	1.20x
Weighted average Underwritten Debt Service Coverage Ratio .....	1.54x
Highest Cut-off Date LTV .....	69.9%
Lowest Cut-off Date LTV .....	39.1%
Weighted average Cut-off Date LTV .....	56.6%
Range of initial fixed mortgage interest rates .....	3.625% -5.250%
Weighted average initial fixed mortgage interest rate .....	4.249%
Margin .....	2.250% -2.750%
Weighted average margin .....	2.531%
Index .....	6-Month LIBOR or 12-Month Treasury Average
Periodic rate adjustment limit .....	+/-1.000%
Range of lifetime maximum mortgage interest rates .....	9.500% - 10.250%
Weighted average lifetime maximum mortgage interest rate .....	9.988%
Range of months to initial loan reset date .....	84-84
Weighted average months to next interest rate reset date .....	84

The underlying mortgage loans that we intend to include in the Loan Group 10YR will have the following general characteristics as of November 1, 2015:

	<b>Loan Group 10YR</b>
Initial loan group balance .....	\$11,568,070
Number of underlying mortgage loans .....	6
Number of mortgaged real properties .....	6
Largest Cut-off Date Principal Balance .....	\$3,241,421
Smallest Cut-off Date Principal Balance .....	\$1,179,447
Average Cut-off Date Principal Balance .....	\$1,928,012
Highest initial fixed annual mortgage interest rate .....	4.750%
Lowest initial fixed annual mortgage interest rate .....	4.420%
Weighted average initial fixed annual mortgage interest rate .....	4.551%
Longest original term to maturity .....	360
Shortest original term to maturity .....	360
Weighted average original term to maturity .....	360
Longest remaining term to maturity .....	357
Shortest remaining term to maturity .....	313
Weighted average remaining term to maturity .....	342
Highest Underwritten Debt Service Coverage Ratio .....	3.14x
Lowest Underwritten Debt Service Coverage Ratio .....	1.23x
Weighted average Underwritten Debt Service Coverage Ratio .....	1.80x
Highest Cut-off Date LTV .....	76.1%
Lowest Cut-off Date LTV .....	35.3%
Weighted average Cut-off Date LTV .....	50.1%
Range of initial fixed mortgage interest rates .....	4.420% -4.750%
Weighted average initial fixed mortgage interest rate .....	4.551%
Margin .....	2.550% -2.750%
Weighted average margin .....	2.586%
Index .....	6-Month LIBOR or 12-Month Treasury Average
Periodic rate adjustment limit .....	+/-1.000%
Range of lifetime maximum mortgage interest rates .....	10.000% -10.000%
Weighted average lifetime maximum mortgage interest rate .....	10.000%
Range of months to initial loan reset date .....	120-120
Weighted average months to next interest rate reset date .....	120

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

## RISK FACTORS

The risks and uncertainties described below summarize the material risks in connection with the purchase of the offered certificates and underlying mortgage loans. Investors in any class of Class A Certificates should also consider these risks and uncertainties as applying to the underlying mortgage loans in the related Loan Group and evaluate such risks using the information for the related Loan Group set forth on Exhibit A-1. All numerical information concerning the underlying mortgage loans is provided on an approximate basis.

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

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

***The Underlying Mortgage Loans Are Assumed To Be Recourse Only to the Related Borrower or Mortgaged Real Property.*** Except with respect to certain of the underlying mortgage loans where the recourse to the borrower is limited, the underlying mortgage loans include full recourse to the borrower, and may include payment guarantees from a sponsor of the borrower. However, even if a payment guarantee was provided at the time of origination, we cannot assure you that the guarantor remains in existence as a viable legal entity or would be able to satisfy its payment obligations. Therefore, for purposes of this information circular, you should assume that each of the underlying mortgage loans is recourse to the related borrower or the related mortgaged real property only. This means that, in the event of a default, recourse will generally be limited to the related real property or properties securing the Defaulted Loan and other assets that have been pledged to secure that underlying mortgage loan. Consequently, full and timely payment on each underlying mortgage loan will depend on one or more of the following:

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

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

None of the underlying mortgage loans will be insured or guaranteed by any governmental entity or private mortgage insurer. Freddie Mac will act as guarantor of the offered certificates.

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

Payment on each underlying mortgage loan may also depend on:

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

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

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

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

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

- national, regional and local economic conditions, including plant closings, military base closings, economic and industry slowdowns and unemployment rates;
- local real estate conditions, such as an oversupply of units similar to the units at the related mortgaged real property;
- increases in vacancy rates;
- changes or continued weakness in a specific industry segment that is important to the success of the related mortgaged real property;
- increases in operating expenses at the mortgaged real property and in relation to competing properties;
- the nature of income from the related mortgaged real property, such as whether rents are subject to rent control or rent stabilization laws;
- a decline in rental rates as leases are renewed or entered into with new tenants;
- the level of required capital expenditures for proper maintenance, renovations and improvements demanded by tenants or required by law at the related mortgaged real property;
- creditworthiness of tenants, a decline in the financial condition of tenants or tenant defaults;
- the number of tenants at the related mortgaged real property and the duration of their respective leases;
- dependence upon a concentration of tenants working for a particular business or industry;

- demographic factors;
- retroactive changes in building or similar codes that require modifications to the related mortgaged real property;
- capable management and adequate maintenance for the related mortgaged real property;
- location of the related mortgaged real property;
- proximity and attractiveness of competing properties;
- whether the mortgaged real property has uses subject to significant regulation;
- the rate at which new rentals occur;
- perceptions by prospective tenants of the safety, convenience, services and attractiveness of the related mortgaged real property;
- the age, construction, quality and design of the related mortgaged real property; and
- whether the related mortgaged real property is readily convertible to alternative uses.

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

***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.

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

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

Multifamily lending is generally thought to be riskier than single-family residential lending because, among other things, larger loans are made to single borrowers or groups of related borrowers.

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

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

***Condominium Ownership May Limit Use of the Mortgaged Real Property and Decision Making Related to the Mortgaged Real Property.*** In the case of condominiums, as may be identified on Exhibit A-1, a board of managers generally has discretion to make decisions affecting the condominium and there is no assurance that the related borrower will have any control over decisions made by the related board of managers. Decisions made by that board of managers, including decisions regarding assessments to be paid by the unit owners, insurance to be maintained on the condominium and many other decisions affecting the maintenance of the condominium, may have an adverse impact on any underlying mortgage loans that are secured by condominium interests. We cannot assure you that the related board of managers will always act in the best interests of the borrower under those underlying mortgage loans. Further, due to the nature of condominiums, a default on the part of the borrower will not allow the applicable special servicer the same flexibility in realizing on the collateral as is generally available with respect to properties that are not condominiums. The rights of other unit owners, the documents governing the management of the condominium units and the state and local laws applicable to condominium units must be considered. In addition, in the event of a casualty with respect to a mortgaged real property which consists of a condominium interest, due to the possible existence of multiple loss payees on any insurance policy covering the mortgaged real property, there could be a delay in the allocation of related insurance proceeds, if any. Consequently, servicing and realizing upon a condominium property could subject you to a greater delay, expense and risk than with respect to an underlying mortgage loan secured by a property that is not a condominium.

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

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

- any governmental entity;
- any private mortgage insurer;
- the depositor;
- Freddie Mac;
- the mortgage loan seller;

- any Third Party Master Servicer;
- the special servicer;
- the sub-servicer
- the trustee;
- the certificate administrator;
- the custodian; or
- any of their or our respective affiliates.

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

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

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

Certain of the underlying mortgage loans may be secured by the mortgaged real properties that, at the time such underlying mortgage loans were underwritten had a significant number of units leased to military tenants. Base closings and the transient nature of military service may adversely affect the income stream at the mortgaged real properties.

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

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

- an increase in interest rates, real estate taxes and other operating expenses;
- other factors set forth under “—The Successful Operation of a Multifamily Property Depends on Tenants” below; and
- natural disasters and civil disturbances such as earthquakes, hurricanes, floods, droughts, eruptions or riots.

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

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

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

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

- require written leases;
- require good cause for eviction;
- require disclosure of fees;
- prohibit unreasonable rules;
- prohibit retaliatory evictions;
- prohibit restrictions on a resident’s choice of unit vendors;



- limit the bases on which a landlord may increase rent; or
- prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner’s building.

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

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

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

Many of the underlying mortgage loans are subject to rent control or stabilization laws or regulations or other similar statutory programs. For example, a number of the mortgaged real properties located in the Los Angeles area are subject to rent control ordinances that may limit the maximum annual rent increase to less than 2% in some instances. 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 any 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.

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

Some of the multifamily rental properties that secure the underlying mortgage loans may be subject to land use restrictive covenants or contractual covenants in favor of federal or state housing agencies. The obligations of the related borrowers to comply with such restrictive covenants and contractual covenants, in most cases, constitute encumbrances on the related mortgaged real property that are superior to the lien of the related underlying mortgage loan. In circumstances where the mortgaged real property is encumbered by a regulatory agreement in favor of a federal or state housing agency, the borrower is generally required by the loan documents to comply with any such regulatory agreement. The covenants in a regulatory agreement may require, among other things, that a minimum number or percentage of units be rented to tenants who have incomes that are substantially lower than median

incomes in the applicable area or region or impose restrictions on the type of tenants who may rent units, such as imposing minimum age restrictions. These covenants may limit the potential rental rates that may govern rentals at any of those properties, the potential tenant base for any of those properties or both. An owner may subject a multifamily rental property to these covenants in exchange for tax credits or rent subsidies. When the credits or subsidies cease, net operating income will decline. We cannot assure you that the foregoing requirements will not cause a reduction in rental income. If rents are reduced, we cannot assure you that the related property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses.

In addition, restrictive covenants and contractual covenants contained in regulatory agreements may require a borrower, among other conditions, (i) to submit periodic compliance reports and/or permit regulatory authorities to conduct periodic inspections of the related mortgaged real property, (ii) to meet certain requirements as to the condition of affordable units or (iii) to seek the consent of a regulatory authority in connection with the transfer or sale of the mortgaged real property or in connection with a change in the property management. In some cases, regulatory agreements may provide for remedies other than specific performance of restrictive covenants. Such other remedies may include, but are not limited to, providing for the ability of a regulatory authority to replace the property manager. In addition, in some cases, regulatory agreements may impose restrictions on transfers of the mortgaged real property in connection with a foreclosure, including, but not limited to, requiring regulatory authority consent and limiting the type of entities that are permissible transferees of the mortgaged real property. We cannot assure you that the foregoing circumstances will not adversely impact operations at or the value of the mortgaged real property, that such consent will be obtained in the event a federal or state housing agency has the right to consent to any change in the property management or ownership of the mortgaged real property or that the failure to obtain such consent will not adversely impact the lender's ability to exercise its remedies upon default of an underlying mortgage loan.

Some of the mortgaged real properties may have tenants that rely on rent subsidies under various government funded programs, including Section 8. In addition, with respect to certain of the underlying mortgage loans, the borrower may receive subsidies or other assistance from government programs. Generally, a mortgaged real property receiving such subsidy or assistance must satisfy certain requirements, the borrower must observe certain leasing practices and/or the tenant(s) must regularly meet certain income requirements. For example, certain of the mortgaged real properties may be subject to a project-based Section 8 Housing Assistance Payments (“HAP”) contract. A HAP contract cannot be assigned by the lender without the consent of the United States Department of Housing and Urban Development (“HUD”) or a state or local housing agency and will not be assigned to the issuing entity. We cannot assure you that such programs will continue in their present form or that the borrowers will continue to comply with the requirements of the programs to enable the borrowers to receive the subsidies in the future or that the level of assistance provided will be sufficient to generate enough revenues for the borrowers to meet their obligations under the underlying mortgage loans, nor can we assure you that any transferee of the mortgaged real property, whether through foreclosure or otherwise, will obtain the consent of HUD or any state or local housing agency.

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

Code Section 42 provides a tax credit for owners of multifamily rental properties meeting the definition of low income housing who have received a tax credit allocation from a state or local allocating agency. The total amount of tax credits to which a property owner is entitled is based upon the percentage of total units made available to qualified tenants.

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

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

to keep the related multifamily rental property in compliance with such tax credit restrictions and limit the income derived from the related property.

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

With respect to such mortgaged real properties that entitle their owners to receive tax exemptions, the related Cut-off Date LTVs are often calculated using Appraised Values that assume that the owners of such mortgaged real properties receive such property tax exemptions. Such property tax exemptions often require the property owners to be formed and operated for qualifying charitable purposes and to use the property for those qualifying charitable purposes. Claims for such property tax exemptions must often be re-filed annually by the property owners. Although the loan documents generally require the borrower to submit an annual claim and to take actions necessary for the borrower and the mortgaged real property to continue to qualify for a property tax exemption, if the borrower fails to do so, property taxes payable by the borrower on the mortgaged real property could increase, which could adversely impact the cash flow at or the value of the mortgaged real property. In addition, if the issuing entity forecloses on any such mortgaged real property, the issuing entity may be unable to qualify for a property tax exemption. Finally, if the issuing entity sells any such mortgaged real property in connection with a default on the underlying mortgage loan, prospective purchasers may be unwilling to bid on the mortgaged real property if they are unable to satisfy the requirements of a property tax exemption. This could limit the pool of prospective purchasers for any such mortgaged real property.

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

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

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

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

- an increase in vacancy rates, which may result from tenants deciding not to renew an existing lease;
- an increase in tenant payment defaults;
- a decline in rental rates as leases are entered into, renewed or extended at lower rates;
- 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.

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 related 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(s) that may encumber that property.

The proportion of older mortgaged real properties may adversely impact payments on the underlying mortgage loans on a collective basis. We cannot assure you that a greater proportion of underlying mortgage loans secured by older mortgaged real properties will not adversely impact cash flow at the mortgaged real properties on a collective basis or that it will not adversely affect payments related to your investment.

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

Compared with borrowers of larger mortgage loans, borrowers of small balance mortgage loans generally have less liquidity to maintain, renovate or refurbish a multifamily property. In the event the related borrower (or a tenant, if applicable) fails to pay the costs of work completed or material delivered in connection with ongoing redevelopment or renovation, the portion of the mortgaged real property on which there is construction may be subject to mechanic's or materialmen's liens that may be senior to the lien of the related underlying mortgage loan.

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

If the special servicer forecloses on behalf of the issuing entity on a mortgaged real property that is being redeveloped or renovated, pursuant to the REMIC Provisions, the special servicer will only be permitted to arrange for completion of the redevelopment or renovation if more than 10% of the costs of construction were incurred at the time the default on the related underlying mortgage loan became imminent. As a result, the issuing entity may not

realize as much proceeds upon disposition of a foreclosure property as it would if it were permitted to complete construction.

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

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

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

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

Costs of renovating, refurbishing or expanding an income-producing property in order to remain competitive can be substantial.

***Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan.*** Under Title 11 of the United States Code, as amended (the “Bankruptcy Code”), the filing of a petition in bankruptcy by or against a borrower, including a petition filed by or on behalf of a junior lienholder, will stay the sale of a 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 outstanding principal balance of the underlying mortgage loan it secures, the bankruptcy court may reduce the amount of secured indebtedness to the then-value of the property. This would make the lender a general unsecured creditor for the difference between the then-value of the property and the amount of its outstanding mortgage indebtedness.

A bankruptcy court also may—

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

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

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

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

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

In connection with the origination of the underlying mortgage loans, non-consolidation opinions with respect to the related borrower entities were generally not obtained at origination.

The related sponsors of the borrowers with respect to certain of the underlying mortgage loans may have reported at least one prior foreclosure or deed-in-lieu of foreclosure with respect to the other properties of such sponsor.

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

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

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

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

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

We do not make any representation or warranty as to the skills of any present or future property managers with respect to the mortgaged real properties that will secure the underlying mortgage loans. Furthermore, we cannot assure you that any property managers will be in a financial condition to fulfill their management responsibilities throughout the terms of their respective management agreements. In addition, property managers for small multifamily properties may have less financial resources and experience than property managers at larger multifamily properties. Many of the mortgaged real properties are self-managed by the applicable borrower and certain of the mortgaged real properties are managed by affiliates of the applicable borrower. If an underlying mortgage loan is in default or undergoing special servicing, this could disrupt the management of the mortgaged real property and may adversely affect cash flow.

***The Performance of an Underlying Mortgage Loan and the Related Mortgaged Real Property Depends in Part on Who Controls the Borrower and the Related Mortgaged Real Property.*** The operation and performance of an underlying mortgage loan will depend in part on the identity of the persons or entities that control the related borrower and the related mortgaged real property. The performance of 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 such borrower. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Due-on-Sale and Due-on-Encumbrance Provisions” in this information circular.

***Mortgage Loans to Related Borrowers May Result in More Severe Losses on the Offered Certificates.*** Certain groups of the underlying mortgage loans were made to the same borrower or to borrowers under common ownership. Mortgage loans with the same borrower or related borrowers pose additional risks. Among other things:

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

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

See “Description of the Underlying Mortgage Loans—Mortgage Loans with Affiliated Borrowers” in this information circular.

None of the underlying mortgage loans is cross-collateralized or cross-defaulted with any other underlying mortgage loan.

***A Borrower’s Other Loans May Reduce the Cash Flow Available To Operate and Maintain the Related Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Related Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates.*** Although the loan agreements prohibit the borrowers from mortgaging the related mortgaged real properties or assuming new indebtedness, it is possible that the master servicer could waive this prohibition (see “The Pooling Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” in this information circular), or a borrower could encumber its mortgaged real property in the future with subordinate debt in violation of such prohibition. In addition, subject, in some cases, to certain limitations relating to maximum amounts, the borrowers generally may incur trade and operational debt or other unsecured debt and enter into equipment and other personal property and fixture financing and leasing arrangements, in connection with the ordinary operation and maintenance of the related mortgaged real property.

The existence of other debt could:

- adversely affect the financial viability of a borrower by reducing the cash flow available to the borrower to operate and maintain the 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 related mortgaged real property.

See “—Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan” below and “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular.

***Changes in Mortgage Pool Composition Can Change the Nature of Your Investment.*** The underlying mortgage loans in each Loan Group will amortize at different rates and mature on different dates. In addition, some of those mortgage loans may be prepaid or liquidated. As a result, the relative composition of each Loan Group and of the mortgage pool as a whole will change over time.

If you purchase certificates with a pass-through rate that is equal to or calculated based upon a weighted average of interest rates on the underlying mortgage loans in a Loan Group, your pass-through rate will be affected, and may decline, as the relative composition of the mortgage pool changes that affect such Loan Group.

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

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

***Geographic Location of the Mortgaged Real Properties May Adversely Affect Distributions on the Offered Certificates.*** The concentration and location of the mortgaged real properties in California will make the performance of the underlying mortgage loans, as a whole, more sensitive to the following factors:

- 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 borrowers.

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

***Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan.*** Most of the underlying mortgage loans included in the issuing entity are not currently encumbered with a subordinate lien, except for limited permitted encumbrances.

The loan agreements prohibit the borrowers from mortgaging the related properties or assuming new indebtedness, unless incurred in the ordinary course of business. However, a violation of this prohibition may not become evident until the affected underlying mortgage loan otherwise defaults, and a lender, such as the issuing entity, may not realistically be able to prevent a borrower from incurring subordinate debt. In addition, the master servicer could waive this prohibition. See “The Pooling Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” in this information circular.

The existence of any secured subordinated indebtedness increases the difficulty of making debt service payments or refinancing an underlying mortgage loan at the loan’s maturity. In addition, the related borrower may have difficulty repaying multiple loans. Moreover, the filing of a petition in bankruptcy by, or on behalf of, a junior lienholder may stay the senior lienholder from taking action to foreclose out the junior lien.

***The Type of Borrower May Entail Risk.*** With respect to certain of the underlying mortgage loans, the related borrowers are legal entities, as identified on Exhibit A-1. Mortgage loans made to partnerships, corporations or other entities may entail risks of loss from delinquency and foreclosure that are greater than those of mortgage loans made to individuals. The borrower’s sophistication and form of organization may increase the likelihood of protracted litigation or bankruptcy in default situations.



Some of the borrowers may be partnerships, as identified on Exhibit A-1. The bankruptcy of the general partner in a partnership may result in the dissolution of the partnership. The dissolution of a borrower that is a partnership, the winding up of its affairs and the distribution of its assets could result in an acceleration of its payment obligations under the related underlying mortgage loan.

With respect to certain of the underlying mortgage loans with borrowers that are legal entities, the borrowers' organizational documents generally limit the borrowers' activities to the ownership of only the related mortgaged real properties and, subject to exceptions, generally limit the borrowers' ability to incur additional future indebtedness other than trade payables and equipment financing relating to the mortgaged real properties in the ordinary course of business. See Exhibit A-1. These provisions are designed to mitigate the possibility that the borrowers' financial condition would be adversely impacted by factors unrelated to the mortgaged real property and the underlying mortgage loan. However, we cannot assure you that the borrowers will comply with these requirements. Also, although a borrower may currently be structured as a single-purpose entity, such borrower may have previously owned property other than the 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 a 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 any borrower will not file for bankruptcy protection or that creditors of a borrower or a corporation or individual general partner or managing member of a borrower will not initiate a bankruptcy or similar proceeding against the borrower or corporate or individual general partner or managing member. In any event, the underlying mortgage loan documents for the underlying mortgage loans do not require the related borrower to be a single purpose entity or a single asset entity.

You should assume that borrowers that are legal entities and their owners do not have an independent director whose consent would be required to file a voluntary bankruptcy petition on behalf of such borrower. One of the purposes of an independent director of the borrower (or of a single purpose entity having an interest in the borrower) is to avoid a bankruptcy petition filing which is intended solely to benefit an affiliate and is not justified by the borrower's own economic circumstances. Borrowers (and any single purpose entity having an interest in any such borrowers) that do not have an independent director may be more likely to file a voluntary bankruptcy petition and therefore less likely to repay the related mortgage loan. Even in the case of borrowers with independent directors, we cannot assure you that a borrower will not file for bankruptcy protection, that creditors of a borrower will not initiate a bankruptcy or similar proceeding against such borrower, or that, if initiated, a bankruptcy case of the borrower could be dismissed.

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

Pursuant to Section 364 of the Bankruptcy Code, a bankruptcy court may, under certain circumstances, authorize a debtor to obtain credit after the commencement of a bankruptcy case, secured among other things, by senior, equal or junior liens on property that is already subject to a lien. In the recent bankruptcy case of General Growth Properties, the debtors initially sought approval of a debtor-in-possession loan to the corporate parent entities guaranteed by the property-level single purpose entities and secured by second liens on their properties. Although the debtor-in-possession loan ultimately did not include these subsidiary guarantees and second liens, we cannot assure you that, in the event of a bankruptcy of a sponsor of a 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.

With respect to certain of the underlying mortgage loans with borrowers that are legal entities, the related borrowers may be single asset entities whose only assets are the related mortgaged real properties. However, additional debt may be undertaken by such borrowers which may increase the possibility that the borrower may become bankrupt or insolvent. Each such borrower is not permitted to (i) own any real or personal property other than the mortgaged real property and personal property related to the operation and maintenance of the mortgaged real property, (ii) operate any business other than the management and operation of the mortgaged real property or (iii) maintain its assets in a way that is difficult to segregate and identify. We cannot assure you that the foregoing circumstances will not adversely impact operations at or the value of the mortgaged real property.

***Some of the Underlying Mortgage Loans Are Seasoned Loans.*** Some of the underlying mortgage loans are not newly-originated. See Exhibit A-1 for the origination dates of the underlying mortgage loans.

Environmental assessments with respect to each underlying mortgage loan were generally performed in connection with the origination of the related underlying mortgage loan, but neither we nor the mortgage loan seller obtained updated environmental assessments in connection with this securitization. We cannot assure you that the information in such environmental assessments reports obtained in connection with the origination of the underlying mortgage loan reflects the current condition of, or a reliable estimate of the current condition of, the mortgaged real properties. Most of the mortgaged real properties were inspected by Freddie Mac prior to the Closing Date. However, we cannot assure you that a more detailed inspection or a physical risk report by a third-party engineering firm would not have discovered maintenance problems or risks, or arrived at different, and perhaps significantly different, judgments regarding the problems and risks associated with the physical condition of the mortgaged real properties than the mortgage loan seller did.

***Tenants-in-Common Borrowers Create Special Risks.*** With respect to certain of the underlying mortgage loans, the related borrowers may own the mortgaged real properties as tenants-in-common, as may be identified on Exhibit A-1.

Generally, in tenant-in-common ownership structures, each tenant-in-common owns an undivided share in the subject real property. If a tenant-in-common desires to sell its interest in the subject real property and is unable to find a buyer or otherwise desires to force a partition, the tenant-in-common has the ability to request that a court order a sale of the subject real property and distribute the proceeds to each tenant-in-common owner proportionally. To reduce the likelihood of a partition action, each tenant-in-common borrower under most of the underlying mortgage loans referred to above has waived its partition right. However, we cannot assure you that, if challenged, this waiver would be enforceable or that it would be enforced in a bankruptcy proceeding.

The enforcement of remedies against tenant-in-common borrowers may be prolonged because each time a tenant-in-common borrower files for bankruptcy, the bankruptcy court stay is reinstated. While a lender may seek to mitigate this risk after the commencement of the first bankruptcy of a tenant-in-common by commencing an involuntary proceeding against the other tenant-in-common borrowers and moving to consolidate all those cases, we cannot assure you that a bankruptcy court would consolidate those separate cases.

The bankruptcy, dissolution or action for partition by one or more of the tenants-in-common could result in an early repayment of the related underlying mortgage loan, a significant delay in recovery against the tenant-in-common borrowers, a material impairment in property management and a substantial decrease in the amount recoverable upon the underlying mortgage loan.

***Certain of the Underlying Mortgage Loans Lack Customary Provisions.*** A number of the underlying mortgage loans lack one or more features that are customary in mortgage loans intended for securitization. Among other things, the underlying mortgage loans do not require the borrower to have independent directors or to make payments to lockboxes and may not require the borrower to maintain reserves for certain expenses, such as taxes, insurance premiums, capital expenditures, tenant improvements and leasing commissions or the requirements to make such payments may be suspended if the related borrower complies with the terms of the related loan documents, or the lenders under such underlying mortgage loans may not have the right to terminate the related property manager upon the occurrence of certain events or require lender approval of a replacement property manager. In addition, although mortgage loans intended to be securitized often have a guarantor with respect to certain bad acts such as fraud, guarantors may not be required with respect to certain of the underlying mortgage loans, as identified on Exhibit A-1.

***Some Remedies May Not Be Available Following a Mortgage Loan Default.*** The underlying mortgage loans contain, subject to certain exceptions, “due-on-sale” and “due-on-encumbrance” clauses. These clauses permit the holder of an underlying mortgage loan to accelerate the maturity of the underlying mortgage loan if the related borrower sells or otherwise transfers or encumbers the related mortgaged real property or its interest in the mortgaged real property in violation of the terms of the mortgage. All of the underlying mortgage loans also include a debt-acceleration clause that permits the related lender to accelerate the debt upon specified monetary or non-monetary defaults of the 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 related borrower generally may collect rents for so long as there is no default. As a result, the issuing entity’s rights to these rents will be limited because:

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

***Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan.*** Borrowers, sponsors of the related borrowers under certain of the underlying mortgage loans and/or their affiliates may be subject to defaults with respect to unrelated mortgage loans or, in some cases, with respect to prior mortgage loans that had been secured by real properties currently securing underlying mortgage loans that are assets of the issuing entity. We cannot assure you that the foregoing circumstances will not have an adverse effect on the liquidity of the sponsors or the borrowers or that such circumstances will not adversely affect the sponsors’ or the borrowers’ ability to maintain each related mortgaged real property, to pay amounts owed on each underlying mortgage loan or to refinance each underlying mortgage loan. See “—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan” above.

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

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

Pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (“CERCLA”) as well as some other federal and state laws, a secured lender, such as the issuing entity,

may be liable as an “owner” or “operator” of the real property, regardless of whether the borrower or a previous owner caused the environmental damage, if—

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

Although the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996 attempted to clarify the activities in which a lender may engage without becoming subject to liability under CERCLA or under the underground storage tank provisions of the federal Resource Conservation and Recovery Act (“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.

Physical risk reports were prepared pursuant to the requirements, duties and responsibilities of a physical risk consultant set forth in the Guide in connection with the origination of all of the underlying mortgage loans.

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

- an environmental consultant investigated those conditions and recommended no further investigations or remediation;
- an operation and maintenance plan or other remediation was required and/or an escrow reserve was established to cover the estimated costs of obtaining that plan and/or effecting that remediation;
- those conditions were remediated or abated prior to the Closing Date;
- a letter was obtained from the applicable regulatory authority stating that no further action was required;
- another responsible party has agreed to indemnify the holder of the underlying mortgage loan from any losses that such party suffers as a result of such environmental conditions;
- an environmental insurance policy was obtained with respect to the mortgaged real property;
- in those cases in which it was known that an offsite property is the location of a leaking underground storage tank (“UST”) or groundwater contamination, a responsible party other than the related borrower has been identified under applicable law, and generally one or more of the following are true—

1. that condition is not known to have affected the mortgaged real property; or

2. the responsible party has either received a letter from the applicable regulatory agency stating no further action is required, established a remediation fund, engaged in responsive remediation, or provided an indemnity or guaranty to the borrower or the mortgagee/lender; and/or
- in those cases involving mortgage loans with an original principal balance of less than \$1,000,000, the borrower expressly agreed to comply with all federal, state and local statutes or regulations respecting the identified adverse environmental conditions.

Some borrowers under the underlying mortgage loans may not have satisfied all post-closing obligations required by the related loan documents with respect to environmental matters. We cannot assure you that such post-closing obligations have been satisfied or will be satisfied or that any of the recommended operations and maintenance plans have been or will continue to be implemented.

Furthermore, any particular environmental testing may not have covered all potential adverse conditions. For example, testing for asbestos-containing materials, lead in water and radon was not done. In general, testing was done for lead-based paint only in the case of a multifamily property built prior to 1978 and only if deemed necessary to overcome the presumption of lead-based paint being present at the mortgaged real property.

We cannot assure you that—

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

***Risks Relating to Hybrid ARM Underlying Mortgage Loans.*** As described in “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans” in this information circular, all of the underlying mortgage loans are Hybrid ARM underlying mortgage loans. Hybrid ARM underlying mortgage loans have interest rates that are fixed for an initial period that expires 5, 7 or 10 years following the origination date of such underlying mortgage loan, and thereafter are adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loans based on the Index, subject to a mortgage capped interest rate. Accordingly, after the initial loan reset date, debt service for each Hybrid ARM underlying mortgage loan will generally increase as interest rates rise, until the related mortgage capped interest rate is reached, and none of the Hybrid ARM underlying mortgage loans have the benefit of any interest rate cap agreement. In contrast, rental income and other income from the mortgaged real properties may not rise as significantly as interest rates rise. Accordingly, the debt service coverage ratios of the Hybrid ARM underlying mortgage loans will generally be adversely affected by rising interest rates, and the borrower’s ability to make all payments due on the Hybrid ARM underlying mortgage loans may be adversely affected before the mortgage interest rate reaches the related mortgage capped interest rate. Certain of the Hybrid ARM underlying mortgage loans would have debt service coverage ratios below 1.00x if their interest rates were at their mortgage capped interest rates. See Exhibit A-1. We cannot assure you that borrowers will be able to make all payments due on the Hybrid ARM underlying mortgage loans if the mortgage interest rates were to hit their applicable caps. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular and Exhibit A-1.

***Ongoing Investigations Concerning LIBOR Could Adversely Affect Your Investment in the Offered Certificates.*** Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have been conducting civil and criminal investigations into whether the banks that contributed to the British Bankers’ Association (the “BBA”) in connection with the calculation of daily LIBOR may have underreported or otherwise manipulated or attempted to manipulate LIBOR. Investigations remain ongoing and we cannot assure you that there will not be findings of rate setting manipulation or that improper manipulation of LIBOR or other similar inter-bank lending rates will not occur in the future.

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

We cannot predict the changes that will ultimately be made to LIBOR, the effect of any such changes or any other reforms to LIBOR that may occur, or the effect of the ongoing LIBOR investigations referred to above. These matters may result in a sudden or prolonged increase or decrease in reported LIBOR rates, LIBOR being more volatile than they have been in the past and/or fewer loans utilizing LIBOR as an index for interest payments. In addition, questions surrounding the integrity in the process for determining LIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans. Any uncertainty in the value of LIBOR or the development of a market view that LIBOR was manipulated or may be manipulated may adversely affect the liquidity of the offered certificates in the secondary market and their market value.

***Appraisals and Market Studies May Inaccurately Reflect the Value of the Mortgaged Real Properties.*** In connection with the origination of each of the underlying mortgage loans, the related mortgaged real property was appraised by an independent appraiser. The appraisals were performed on the dates set forth on Exhibit A-1. The appraisals reflect market conditions at the time the appraisals were conducted and may not reflect current values. We have not confirmed the values of the respective mortgaged real properties in the appraisals.

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

- they represent the analysis and opinion of the appraiser at the time the appraisal is conducted and the value of the mortgaged real property may have fluctuated since the appraisal was performed;
- we cannot assure you that another appraiser would not have arrived at a different valuation, even if the appraiser used the same general approach to, and the same method of, appraising the mortgaged real property; and
- appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and therefore, could be significantly higher than the amount obtained from the sale of a mortgaged real property under a distress or liquidation sale.

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

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

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

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

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

The Pooling and Servicing Agreement provides that in certain circumstances the directing certificateholder may, at its own expense, request that a Directing Certificateholder Servicing Consultant (which may be the special servicer) prepare and deliver certain recommendations. See “—Master Servicer and Special Servicer May Be Directed to Take Actions” in this information circular.

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

In addition, the Pooling and Servicing Agreement provides that any Third Party Master Servicer, the Directing Certificateholder Servicing Consultant and any sub-servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans. 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 the certificateholders.

***If the Master Servicer, the 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.*** The master servicer, the sub-servicer and/or the special servicer, or an affiliate of any of them may purchase or retain any class of the certificates or any class of the SPCs. Freddie Mac will purchase all of the offered certificates. First Foundation is expected to purchase all of the class B and X2 certificates and all of the class X1 SPCs. The ownership of any certificates or SPCs by the master servicer, the sub-servicer and/or the special servicer or their affiliates could cause a conflict between its duties under the Pooling and Servicing Agreement or the 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 Pooling and Servicing Agreement and the sub-servicing agreement, the master servicer, the sub-servicer and the special servicer are each required to service the underlying mortgage loans in accordance with the Servicing Standard without regard to any interests it or its affiliates may have in any certificates.

***Potential Conflicts of Interest in the Selection and Servicing of the Underlying Mortgage Loans.*** Each of the anticipated initial investors in the class B certificates (a “B-Piece Buyer”) is acting solely for its own benefit with regard to its due diligence and has no obligation or liability to any other party. You are not entitled to, and should not, rely in any way on any B-Piece Buyer’s purchase of the class B certificates. The inclusion of any underlying mortgage loan in the issuing entity is not an indication of any B-Piece Buyer’s analysis of that underlying mortgage loan nor can it be taken as any endorsement of the underlying mortgage loan by any 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 a 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) in consideration of, among other things, the appointment (or continuance) of such special servicer under the Pooling and Servicing Agreement and the establishment of limitations on the right of such person to replace the special servicer. Each of these relationships should be considered carefully by you before you invest in any certificates.

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

Because the incentives and actions of a 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 loans.

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

***Some of the Mortgaged Real Properties Are Legal Nonconforming Uses or Legal Nonconforming Structures.*** Many of the underlying mortgage loans may be secured by a mortgaged real property that is a legal nonconforming use or a legal nonconforming structure, as identified on Exhibit A-1. This may impair the ability of the related borrower to restore the improvements on a mortgaged real property to its current form or use following a major casualty. See "Description of the Underlying Mortgage Loans—Underwriting Matters—Zoning and Building Code Compliance" in this information circular.



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

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

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

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

We cannot assure you that the foregoing circumstances will not adversely impact operations at or the value of the related mortgaged real properties. In addition, we cannot assure you that all conditions at the mortgaged real properties requiring repair or replacement have been identified in these inspections, or that all building code and other legal compliance issues have been identified through inspection or otherwise, or, if identified, have been adequately addressed by escrows or otherwise. Furthermore, the condition of the related mortgaged real properties may have changed since the origination of the related underlying mortgage loans. Finally, with respect to certain mortgaged real properties, the loan documents may require the related borrower to make certain repairs or replacements on the improvements on the mortgaged real property within certain time periods. Some of these required repairs or replacements may be in progress as of the date of this information circular, and we cannot assure you that the related borrowers will complete any such required repairs or replacements in a timely manner or in accordance with the requirements set forth in the loan documents.

***World Events and Natural Disasters Could Have an Adverse Impact on the Mortgaged Real Properties Securing the Underlying Mortgage Loans and Consequently Could Reduce the Cash Flow Available To Make Payments on the Offered Certificates.*** The economic impact of the United States’ military operations in various parts of the world, as well as the possibility of any terrorist attacks domestically or abroad, is uncertain, but could have a material adverse effect on general economic conditions, consumer confidence, and market liquidity. We 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 loans. 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 properties securing the underlying mortgage loans that back the offered certificates. The mortgaged real properties are 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. The underlying mortgage loans do not all require the maintenance of flood insurance for the related mortgaged real properties. We cannot assure you that any damage caused by hurricanes, windstorms, floods, tornadoes or oil spills would be covered by insurance.

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

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

Unless the related loan documents specifically require (and such provisions were not waived) the 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.

The mortgaged real properties may suffer casualty losses due to risks that are not covered by insurance or for which insurance coverage is inadequate. In addition, the mortgaged real properties are located in California, which has historically been at greater risk regarding acts of nature (such as hurricanes, droughts, floods and earthquakes) than other regions, as applicable. We cannot assure you that borrowers will be able to maintain adequate insurance. Moreover, if reconstruction or any major repairs are required, changes in laws may materially affect the borrower's ability to effect such reconstruction or major repairs or may materially increase the costs of reconstruction and repair. As a result of any of these factors, the amount available to make distributions on the offered certificates could be reduced.

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

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

Furthermore, various forms of insurance maintained with respect to any of the mortgaged real properties for the underlying mortgage loans, including casualty insurance, may be provided under a blanket insurance policy. That

blanket insurance policy will also cover other real properties, some of which may not secure underlying mortgage loans. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a property securing one of the underlying mortgage loans.

In general, earthquake insurance was not required with respect to the mortgaged real properties, all of which are located in seismic zones 3 or 4. Probable maximum loss assessments were not performed with respect to any of the mortgaged real properties.

***The Absence or Inadequacy of Terrorism Insurance Coverage on the Mortgaged Real Properties May Adversely Affect Payments on the Certificates.*** Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested. In order to provide a market for such insurance, the Terrorism Risk Insurance Act of 2002 was enacted on November 26, 2002, 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 Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Property Damage, Liability and Other 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 borrowers obtain 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 properties 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).

Because none of the related loan documents expressly require insurance against acts of terrorism, but permit the mortgagee to require insurance as it deems advisable, the related borrower may challenge whether maintaining

insurance against acts of terrorism is reasonable in light of all the circumstances, including the cost. The master servicer's efforts to require such insurance may be further impeded if the originating lender did not require the subject borrower to maintain such insurance, regardless of the terms of the loan documents.

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

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

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

***Compliance with Americans with Disabilities Act May Result in Additional Costs to Borrowers.*** Under the Americans with Disabilities Act of 1990 (the "ADA"), all existing facilities considered to be "public accommodations" are required to meet certain federal requirements related to access and use by disabled persons such that the related borrower is required to take steps to remove architectural and communication barriers that are deemed "readily achievable" under the ADA. Factors to be considered in determining whether or not an action is "readily achievable" include the nature and cost of the action, the number of persons employed at the related mortgaged real property and the financial resources of the borrower. Compared with borrowers of larger mortgage loans, borrowers of small balance mortgage loans generally have fewer resources to comply with the requirements imposed by the ADA. To the extent a mortgaged real property securing an underlying mortgage loan does not comply with the ADA, 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 ADA, which could result in the imposition of fines by the federal government or an award of damages to private litigants.

***Limited Information Causes Uncertainty.*** Certain of the underlying mortgage loans, as identified on Exhibit A-1, are loans that were made to enable the related borrower to acquire the related mortgaged real property. Accordingly, for certain of these underlying mortgage loans limited or no historical operating information is available with respect to the related mortgaged real property. As a result, you may find it difficult to analyze the historical performance of those properties.

***Litigation May Adversely Affect Property Performance.*** There may be pending or, from time to time, threatened legal proceedings against the borrowers under the underlying mortgage loans, the property managers of the related mortgaged real properties and their respective affiliates, arising out of the ordinary business of those borrowers, property managers and affiliates. 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 an Underlying Mortgage Loan" and "—Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan" above.

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

***Master Servicer and Special Servicer May Be Directed To Take Actions.*** In connection with the servicing of Specially Serviced Mortgage Loans by the special servicer and the servicing of non-Specially Serviced Mortgage Loans by the master servicer, the master servicer or the special servicer may, at the direction of the directing certificateholder, take actions with respect to such loans that could adversely affect the holders of some or all of the classes of certificates. The directing certificateholder may have interests that conflict with those of certain certificateholders. As a result, it is possible that the directing certificateholder 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 Pooling and Servicing Agreement provides that in certain circumstances the directing certificateholder may, at its own expense, request that a Directing Certificateholder 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 certain non-Specially Serviced Mortgage Loans. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to the directing certificateholder and any such recommendation provided will not be subject to the Servicing Standard. The Directing Certificateholder Servicing Consultant will have no duty or liability to any certificateholder other than the directing certificateholder in connection with any recommendation it gives the directing certificateholder or actions taken by any party as a result of such consultation services provided to the directing certificateholder as contemplated above. See “—The Master Servicer, the Special Servicer and the Sub-Servicer May Experience Conflicts of Interest” above.

***The Mortgage Loan Seller May Not Be Able To Make a Required Cure, Repurchase or Substitution of a Defective Mortgage Loan.*** The mortgage loan seller is the sole warranting party in respect of the underlying mortgage loans sold by it to us. Neither we nor any of our affiliates are obligated to cure, repurchase or substitute any underlying mortgage loan in connection with a material breach of the mortgage loan seller’s representations and warranties or any material document defects, if the mortgage loan seller defaults on its obligations to do so. We cannot assure you that the mortgage loan seller will effect any such cure, repurchase or substitution. 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, repurchase or substitution obligation. Any underlying mortgage loan that is not cured, repurchased or substituted and that is not a “qualified mortgage” for a REMIC may cause designated portions of the issuing entity to fail to qualify as one or more REMICs or cause the issuing entity to incur a tax.

With respect to six of the underlying mortgage loans identified on Exhibit A-1 as “14724 Inglewood Avenue,” “5255 Blakeslee Avenue,” “Dalton Historical Building,” “4055 And 4075 Briggs Street,” “4061-4067 Van Dyke Avenue” and “1049 Pine Avenue,” collectively representing 12.7% of the initial mortgage pool balance, the related mortgaged real properties are in redevelopment zones. If there is a taking or condemnation at any of the related mortgaged real properties and the statutory authority requires that the condemnation proceeds be used to restore the related mortgaged real property instead of to prepay the related underlying mortgage loan, and if, after giving effect to such taking or condemnation (but taking into account any proposed restoration), the loan-to-value ratio would be greater than 125%, then the mortgage loan seller will be obligated to use commercially reasonable efforts to cause the related borrower to pay down the related underlying mortgage loan by a “qualified amount” as provided in Revenue Procedure 2010-30 or successor provisions, and may also use its own funds to pay down such underlying mortgage loan. If such a paydown does not occur, and the related underlying mortgage loan is not timely sold as required by the Pooling and Servicing Agreement, the Trust REMICs may fail to qualify as REMICs.

See “Description of the Mortgage Loan Seller” and “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular. In addition, see the discussion under “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular.

***The Mortgage Loan Seller is Subject to Insolvency Laws That May Affect the Issuing Entity’s Ownership of the Underlying Mortgage Loans.*** In the event of an insolvency of the Mortgage Loan Seller, it is possible the Issuing Entity’s right to payment from or ownership of the underlying mortgage loans could be challenged, and if such challenge were successful, delays or reductions in payments on the certificates could occur, subject to the Freddie Mac Guarantee in the case of the Guaranteed Certificates.

The transfer of the underlying mortgage loans by the Mortgage Loan Seller in connection with this offering is not expected to qualify for the securitization safe harbor (the “FDIC Safe Harbor”) adopted by the Federal Deposit Insurance Corporation (the “FDIC”) for securitizations sponsored by insured depository institutions (12 C.F.R. § 360.6 (the “Rule”). However, the FDIC Safe Harbor is non-exclusive and an opinion of counsel will be rendered on the Closing Date, based on certain facts and assumptions and subject to certain qualifications, to the effect that the transfer of the interests in the underlying mortgage loans by the Mortgage Loan Seller would generally be respected as a sale in the event of an insolvency of the Mortgage Loan Seller. The legal opinion is not a guaranty as to what any particular court would actually decide, but rather an opinion as to the decision a court would reach if the issues are competently presented and the court followed existing precedent as to legal and equitable principles

applicable in bank insolvency cases. In this regard, legal opinions on bank insolvency law matters unavoidably have inherent limitations primarily because of the pervasive equity powers of bankruptcy courts, the overriding goal of reorganization to which other legal rights and policies may be subordinated, the potential relevance to the exercise of judicial discretion of future arising facts and circumstances, and the nature of the bank insolvency process.

As a result, the FDIC, or another interested party, could still attempt to assert that the transfer of the underlying mortgage loans was not a sale. If such party's challenge were successful, payments on the Certificates would be reduced or delayed, subject to the Freddie Mac Guarantee in the case of the Guaranteed Certificates. Even if the challenge is not successful, payments on the Certificates could be delayed while a court resolves the claim, subject to the Freddie Mac Guarantee in the case of the Guaranteed Certificates.

***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 any of the underlying mortgage loans that are secured by mortgaged real properties located where the "one action" rules could be applicable.

***Tax Considerations Related to Foreclosure.*** Under the Pooling and Servicing Agreement, the special servicer, on behalf of the issuing entity, among others, may acquire one or more mortgaged real properties pursuant to a foreclosure or deed-in-lieu of foreclosure. The special servicer will be permitted to perform or complete construction work on a foreclosed property only if such construction was more than 10% complete when default on the related underlying mortgage loan became imminent. In addition, any net income from the operation and management of any such property that is not qualifying "rents from real property," within the meaning of 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 one or more mortgaged real properties pursuant to a foreclosure or deed-in-lieu of foreclosure, upon acquisition of those mortgaged real properties, it may be required in certain jurisdictions, particularly in California and New York, to pay state or local transfer or excise taxes upon liquidation of such properties. Such state or local taxes may reduce net proceeds available for distribution to the certificateholders.

***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 an underlying mortgage loan was at significant risk of default and permitted one or more modifications otherwise consistent with the terms of the Pooling 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 the underlying 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 an 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 an 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 loans are insufficient. If the underlying mortgage loans are 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 loans are intended solely to provide liquidity and not credit support. The party making those advances will have a right to reimbursement, with interest, which is senior to your right to receive payment on the offered certificates.

***Credit Support Is Limited and May Not Be Sufficient To Prevent Loss on the Offered Certificates.*** Any use of credit support will be subject to the conditions and limitations described in this 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 loans may fall primarily upon those subordinate classes of certificates.

The Freddie Mac Guarantee is intended to provide credit enhancement to the offered certificates as described in this information circular by increasing the likelihood that holders of the offered certificates will receive (i) timely payments of interest, (ii) reimbursement of Realized Losses and any Additional Issuing Entity Expenses allocated to the Class A Certificates and (iii) ultimate payment of principal by the Assumed Final Distribution Date – No Prepayments to the holders of the Class A Certificates. If, however, Freddie Mac were to experience significant financial difficulties, or if the Conservator placed Freddie Mac in receivership and Freddie Mac's guarantee was repudiated as described in "—Risks Relating to the Guarantor" below, the credit enhancement provided by the Freddie Mac Guarantee may be insufficient and the holders of offered certificates may suffer losses as a result of the various contingencies described in this "Risk Factors" section and elsewhere in this 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 loans.

***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 certificates, and whether they are purchased at a premium or discount;
- variances in the anticipated rate of payments and other collections of principal on the underlying mortgage loans in the related Loan Group;
- reductions to the Weighted Average Net Mortgage Interest Rate of the underlying mortgage loans in the related Loan Group caused by prepayments of underlying mortgage loans with higher interest rates;
- changes in the level of the Index after the loan reset dates on the underlying mortgage loans in the related Loan Group to the extent the pass-through rates on the Class A Certificates are subject to caps based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group or, after the outstanding principal balance of the class B certificates has been reduced to zero, for the mortgage pool; and
- changes in the level of One-Month LIBOR on or after the applicable Class A Rate Change Date.

In addition, the amounts payable to the class X1 certificates will vary with changes in the total outstanding principal balances of the Principal Balance Certificates. The class X1 certificates will be adversely affected if underlying mortgage loans with relatively high mortgage interest rates experience a faster rate of principal payments than underlying mortgage loans with relatively low mortgage interest rates.

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

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 or 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 Prepayment Premiums. None of the master servicer, the special servicer or the sub-servicer will be required to advance and the Freddie Mac Guarantee does not cover any Prepayment Premiums or other prepayment premiums for the offered certificates.

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

Shortfalls in the Available Distribution Amount resulting from Net Aggregate Prepayment Interest Shortfalls will generally be allocated to all classes of interest-bearing certificates, on a *pro rata* basis, based on the amount of interest (exclusive of any applicable Additional Interest Accrual Amounts) to which such classes are entitled for such Distribution Date based on their respective pass-through rates. 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.

Factors affecting the rate, timing and amount of distributions cannot be predicted with any certainty. Accordingly, you may find it difficult to analyze the effect that those factors might have on the yield to maturity of the offered certificates. Prior to investing in the offered certificates, you should fully consider the associated risks, including the risk of failing to fully recover your initial investment, and review “Yield and Maturity Considerations” in this information circular.

***The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X1 Certificates To Cause the Waiver of Prepayment Premiums and Due to Limited Prepayment Protection.*** Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by the outstanding notional amount, of the class X1 certificates will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment of any underlying mortgage loan. Such right will be exercisable by the holders of a majority of the class X1 SPCs. First Foundation is expected to be the holder of a majority of the class X1 SPCs, and First Foundation has indicated that the likelihood of its waiver of a Prepayment Premium would increase in certain circumstances, such as if the prepayment is made in connection with a refinancing of an underlying mortgage loan that meets certain conditions. In addition, all of the underlying mortgage loans have prepayment consideration periods during which voluntary principal prepayments must be accompanied by a Prepayment Premium, after which each borrower may prepay its entire related underlying mortgage loan without payment of a Prepayment Premium. Borrowers do not have a disincentive to prepay the underlying mortgage loans if they are not required to pay a Prepayment Premium in connection with such a prepayment. As a result, the underlying mortgage loans may experience a higher than expected rate of prepayment, which may adversely affect the yield-to-maturity of the offered certificates. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—If the Master Servicer, the Sub Servicer or the Special Servicer Purchases Certificates, a Conflict of Interest Could Arise Between Their Duties and Their Interests in the Certificates” and “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” 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 loans and/or REO Properties in the issuing entity at the time and for the price described in “The Pooling and Servicing Agreement—Termination” in this information circular. We cannot assure you that the proceeds from a sale of the underlying mortgage loans and/or REO Properties will be sufficient to distribute the outstanding certificate balance plus accrued interest and any undistributed shortfalls in interest accrued on the 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 Pooling and Servicing Agreement—Termination” in this information circular.

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

***The Right of the Master Servicer and the Trustee To Receive Interest on Advances May Result in Additional Losses to the Issuing Entity.*** The master servicer and the trustee will each be entitled to receive interest on unreimbursed advances made by it. This interest will generally accrue from the date on which the related advance is made through the date of reimbursement. In addition, under certain circumstances, including a default by the borrower in the payment of principal and interest on an underlying mortgage loan, that 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 Trustee or the Certificate Administrator May Adversely Affect Collections on the Underlying Mortgage Loans and the Ability to Replace the Master Servicer, the Special Servicer, the Trustee or the Certificate Administrator.*** The master servicer, the special servicer, the trustee or the certificate administrator for the certificates may be eligible to become a debtor under the United States Bankruptcy Code or enter into receivership under the Federal Deposit Insurance Act. Should this occur, although the issuing entity may be entitled to the termination of any such party, such provision may not be enforceable. An assumption under the Bankruptcy Code of its responsibilities under the Pooling and Servicing Agreement 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 trustee or the certificate administrator would not adversely impact the servicing or administration of the underlying mortgage loans or that the issuing entity would be entitled to terminate any such party in a timely manner or at all.

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

***Inability To Replace the Master Servicer Could Affect Collections and Recoveries on the Mortgage Loans.*** 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 each underlying mortgage loan, it may be difficult to replace the master servicer at a time when the balance of the underlying mortgage loans has been significantly reduced because the fee may be insufficient to cover the costs associated with servicing the underlying mortgage loans and/or related REO Properties remaining in the mortgage pool. The performance of the underlying mortgage loans may be negatively impacted, beyond the expected transition period during a servicing transfer, if a replacement master servicer is not retained within a reasonable amount of time.

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

In addition, the underlying mortgage loans may permit the related borrower during some of the loan term to prepay the loan. In general, a borrower will be more likely to prepay its mortgage loan when it has an economic incentive to do so, such as obtaining a larger loan on the same mortgaged real property or a lower or otherwise more advantageous interest rate through refinancing. If an underlying mortgage loan includes some form of prepayment restriction, the likelihood of prepayment should decline. These restrictions may include a partial prohibition against voluntary prepayments during some of the loan term, during which the loan documents require that voluntary or involuntary prepayments (other than any prepayment occurring as the result of the application of any insurance proceeds or condemnation award) made during a specified period of time be accompanied by a Prepayment Premium.

In many cases, however, there will be no restriction associated with the application of insurance proceeds or condemnation proceeds as a prepayment of principal.

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 Prepayment Premium will be enforceable or, if enforceable, that the foreclosure proceeds will be sufficient to pay the Prepayment Premium in connection with an involuntary prepayment. In general, Prepayment Premiums will be among the last items payable out of foreclosure proceeds.

In addition, Hybrid ARM underlying mortgage loans may be subject to higher prepayment rates as the date on which they are scheduled to start accruing interest at an adjustable rate approaches. As a Hybrid ARM underlying mortgage loan approaches its initial loan reset date, the borrower may become more likely to refinance that loan to avoid an increase in the mortgage rate, even if prevailing fixed rate mortgage loans are only available at rates that are slightly higher than the mortgage interest rate before adjustment.

With respect to certain of the underlying mortgage loans, although the loan documents require the payment of a Prepayment Premium in connection with a partial prepayment of a underlying mortgage loan, the related borrowers have in the past been permitted by the lender to make partial prepayments of principal without an accompanying payment of the Prepayment Premium. The borrowers have been notified that they will no longer be permitted by the lender to make a partial prepayment unless it is accompanied by the Prepayment Premium. However, a borrower could argue that it has the right to continue the practice of making partial prepayments without the Prepayment Premium. Accordingly, we cannot assure you that the provision of any underlying mortgage loan requiring the payment of a Prepayment Premium will be enforceable.

***The Terms of the Underlying Mortgage Loans 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 loans, the amount, rate and timing of payments and other collections on those underlying mortgage loans will, to some degree, be unpredictable because of borrower defaults, borrower prepayments and because of casualties and condemnations with respect to the mortgaged real properties.

The investment performance of the offered certificates may vary materially and adversely from your expectations due to the following factors with respect to the underlying mortgage loans in the related Loan Group, in the case of the Class A Certificates, or all of the underlying mortgage loans, in the case of the class X1 certificates:

- the rate of prepayments and other unscheduled collections of principal on the underlying mortgage loans being faster or slower than you anticipated;
- the rate of defaults on the underlying mortgage loans being faster, or the severity of losses on the underlying mortgage loans being greater, than you anticipated;

- the actual net cash flow for the underlying mortgage loans being different than the underwritten net cash flow for the underlying mortgage loans as presented in this information circular; or
- the debt service coverage ratios for the underlying mortgage loans as set forth in the related loan documents being different than the debt service coverage ratios for the underlying mortgage loans 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.

***Prepayments on the Underlying Mortgage Loans 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 loans. Prepayments on the underlying mortgage loans in a Loan Group may result in a faster rate of principal payments on the related class of Class A Certificates, thereby resulting in a shorter average life for the offered certificates than if those prepayments had not occurred. The rate and timing of principal prepayments on pools of mortgage loans is influenced by a variety of economic, demographic, geographic, social, tax and legal factors. Prepayments may also occur as a result of a casualty or condemnation event. In addition, prepayments may occur in connection with a permitted partial release of a mortgaged real property. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Prepayment” in this information circular.

In addition, any repurchase of an underlying mortgage loan by the mortgage loan seller due to a defect or breach of a representation or warranty will have the same effect as a prepayment of such underlying mortgage loan. See “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular.

Accordingly, we cannot predict the rate and timing of principal prepayments on the underlying mortgage loans. 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.

***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 properties and may acquire additional properties in the future. Such other properties, similar to other third-party owned real estate, may compete with the mortgaged real properties for existing and potential tenants. We cannot assure you that the activities of the mortgage loan seller or the depositor’s affiliates with respect to such other properties will not adversely impact the performance of the mortgaged real properties.

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

The mortgage loan seller, the depositor and the depositor’s affiliates (including one of the placement agents of the SPCs and the initial purchaser of the Non-Guaranteed 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 loans or other similar loans or securities held on their balance sheet.

Each of the foregoing relationships should be considered carefully by you before you invest in any of the 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 of the 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 loans, 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 the 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 certificate administrator, the trustee, Freddie Mac or the directing certificateholder, and will have no authority to advise them or to direct their actions. Furthermore, the Placement Agent Entities may have ongoing relationships with, render services to, and engage in transactions with the borrowers, the sponsors of the borrowers and their respective affiliates, which relationships and transactions may create conflicts of interest between the Placement Agent Entities, on the one hand, and the issuing entity, on the other hand.

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

The Placement Agent Entities are playing several roles in this transaction. Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of the placement agents for the SPCs, will also be the initial purchaser of the Non-Guaranteed Certificates and is an affiliate of the depositor. 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 Pooling and Servicing Agreement, by the master servicer, the special servicer, the certificate administrator and the trustee. Any decision made by any of those parties in respect of the issuing entity in accordance with the terms of the Pooling 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 certificateholder and Freddie Mac or its designee have the right to exercise various rights and powers in respect of the issuing entity as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” and “The Pooling 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. Your interests as a certificateholder of a particular class may not be aligned with the interests of certificateholders of one or more other classes of certificates in connection with any such vote. In all cases, voting is based on the outstanding certificate balance, which is reduced by Realized Losses. These limitations on voting could adversely affect your ability to protect your interests with respect to matters voted on by certificateholders. See “Description of the Certificates—Voting Rights” in this information circular.

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

In certain instances, the directing certificateholder will be entitled under the Pooling and Servicing Agreement to receive a portion of certain borrower-paid transfer fees. The directing certificateholder may have an incentive to maximize the amount of fees it collects by approving borrower actions that will result in the payment of such fees. As a result, the directing certificateholder 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 Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular, the directing certificateholder may remove the special servicer, with or without cause, and appoint a successor special servicer chosen by it without the consent of the holders of any other certificates, the trustee, the certificate administrator or the master servicer, but with the approval of Freddie Mac, which approval may not be unreasonably withheld. In the absence of significant losses on the underlying mortgage loans, 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 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Directing Certificateholder” 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 Pooling 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 Properties.*** 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 properties if any such attacks occur, (ii) result in higher costs for insurance premiums, which could adversely affect the cash flow at the mortgaged real properties, (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 properties 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 loans, the liquidity and market value of the offered certificates may be impaired.

***The Volatile Economy and Credit Crisis May Increase Loan Defaults and Affect the Value and Liquidity of Your Investment.*** The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including 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 properties and, therefore, the offered certificates, may decline in value. Any further economic downturn may adversely affect the financial resources of the borrowers under the underlying mortgage loans and may result in the inability of the borrowers to make principal and interest payments on the underlying mortgage loans. In the event of default by a borrower under an 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 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 loans and accordingly the performance of the offered certificates. In addition, in connection with all the circumstances described above, you should be aware in particular that:

- such circumstances may result in substantial delinquencies and defaults on the underlying mortgage loans and adversely affect the amount of liquidation proceeds the issuing entity would realize in the event of foreclosures and liquidations;
- defaults on the underlying mortgage loans may occur in large concentrations over a period of time, which might result in rapid declines in the value of the certificates;
- although all of the underlying mortgage loans were recently underwritten and originated, the values of the mortgaged real properties may have declined since the related underlying mortgage loans were originated and may decline following the issuance of the 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 particular 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 loans; and this may be the case within a relatively short period following the issuance of the certificates;
- if underlying mortgage loans default (or in the case of the Class A Certificates, underlying mortgage loans in the related Loan Group default), then the yield on your investment may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the offered certificates; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which you earn interest on your investment; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay your receipt of principal and the interest on your investment may be insufficient to compensate you for that delay;
- even if liquidation proceeds received on Defaulted Loans are sufficient to cover the principal and accrued interest on those underlying mortgage loans, the issuing entity may experience losses in the form of special servicing fees and other expenses, and you may bear losses as a result, or your yield may be adversely affected by such losses;
- the time periods to resolve defaulted mortgage loans may be long, and those periods may be further extended because of borrower bankruptcies and related litigation; this may be especially true in the case of loans made to borrowers that have, or whose affiliates have, substantial debts other than the underlying mortgage loan, including related subordinate or mezzanine financing;
- trading activity associated with indices of CMBS may also drive spreads on those indices wider than spreads on CMBS, thereby resulting in a decrease in the value of such CMBS, including 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 Loans Included in the Issuing Entity Should Be Evaluated Separately from the Performance of the Mortgage Loans in Any of Our Other Trusts.*** While there may be certain common factors affecting the performance and value of income-producing real properties in general, those factors do not apply equally to all income-producing real properties and, in many cases, there are unique factors that will affect the performance and/or value of a particular income-producing real property. Moreover, the effect of a given factor on a particular mortgaged real property will depend on a number of variables, including but not limited to property type, geographic location, competition, sponsorship and other characteristics of the property and the related 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 pool of mortgage loans originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage pool originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the underlying mortgage loans independently from the performance of mortgage loans underlying any other series of certificates.

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

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

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

If you decide to sell the certificates, you may have to sell at a discount from the price you paid for reasons unrelated to the performance of the certificates or the related underlying mortgage loans. 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 nationally recognized statistical rating organization (“NRSRO”), as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to rate any class of 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 Guarantor**

***The Conservator May Repudiate Freddie Mac's Contracts, Including Its Guarantee and Other Obligations Related to the Offered Certificates.*** On September 6, 2008, the Federal Housing Finance Agency (“FHFA”) was appointed Freddie Mac's conservator by the FHFA director. See “Description of the 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 master servicer and as such is obligated to service the underlying mortgage loans. If the conservator were to transfer Freddie Mac's obligations as master servicer to another party, the holder of the certificates would have to rely on that party to service the underlying mortgage loans.

***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 Treasury in an amount at least equal to the deficiency amount under the senior preferred stock purchase agreement between FHFA, as conservator of Freddie Mac, and Treasury (as amended, the "Purchase Agreement"), the Director of FHFA will not make a mandatory receivership determination.

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

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

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

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

Moreover, if Freddie Mac's guarantee obligations were repudiated, payments of principal and/or interest to the holders of the offered certificates would be reduced in the event of any 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 Pooling and Servicing Agreement and mortgage loan purchase agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed.

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

If Freddie Mac is placed into receivership and does not or cannot fulfill its guarantee obligations or other contractual obligations under the Pooling 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.

### **DESCRIPTION OF THE ISSUING ENTITY**

The entity issuing the certificates will be FRESB 2015-SB8 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 Pooling and Servicing Agreement. The only activities that the issuing entity may perform are those set forth in the Pooling and Servicing Agreement, which are generally limited to owning and administering the underlying mortgage loans and any REO Property, disposing of defaulted mortgage loans and REO Property, issuing the certificates and making distributions and providing reports to certificateholders. Accordingly, the issuing entity may not issue securities other than the certificates, or invest in securities, other than investment of funds in certain accounts maintained under the Pooling and Servicing Agreement in certain short-term, high-quality investments. The issuing entity may not lend or borrow money, except that the master servicer or the trustee may make advances to the issuing entity only to the extent it deems such advances to be recoverable from the related underlying mortgage loan. Such advances are intended to be in the nature of a liquidity, rather than a credit facility. The Pooling and Servicing Agreement may be amended as set forth under "The Pooling and Servicing Agreement—Amendment" in this information circular. The issuing entity administers the underlying mortgage loans through the master servicer and the special servicer. A discussion of the duties of the servicers, including any discretionary activities performed by each of them, is set forth under "The Pooling and Servicing Agreement" in this information circular.

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

The depositor is contributing the underlying mortgage loans to the issuing entity. The depositor is purchasing the underlying mortgage loans from the mortgage loan seller pursuant to a mortgage loan purchase agreement, as described in "Description of the Underlying Mortgage Loans—Representations and Warranties" in this information circular.

As a common-law trust, it is anticipated that the issuing entity would not be subject to the Bankruptcy Code. In connection with the sale of the underlying mortgage loans from the depositor to the issuing entity, a legal opinion is required to be rendered to the effect that if the depositor were to become a debtor in a case under the Bankruptcy

Code, a federal bankruptcy court, which acted reasonably and correctly applied the law to the facts as set forth in such legal opinion after full consideration of all relevant factors, would hold that the transfer of the underlying mortgage loans from the depositor to the issuing entity was a true sale rather than a pledge such that (i) the underlying mortgage loans, and payments under the underlying mortgage loans and identifiable proceeds from the underlying mortgage loans would not be property of the estate of the depositor under Section 541(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 certificates. 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 under the Investment Company Act contained in Section 3(c)(5) of the Investment Company Act although there may be additional exclusions or exemptions available to the issuing entity. 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 Banc of America Merrill Lynch Commercial Mortgage Inc., a Delaware corporation. The depositor is an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which is one of the placement agents for the SPCs and will be the initial purchaser of the Non-Guaranteed Certificates. The depositor maintains its principal office at One Bryant Park, New York, New York 10036. Its telephone number is (704) 386-5478. The depositor does not have, nor is it expected in the future to have, any significant assets or liabilities.

The depositor will have minimal ongoing duties with respect to the offered certificates and the underlying mortgage loans. The depositor’s duties pursuant to the Pooling 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, 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 Pooling 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 Pooling and Servicing Agreement—Certain Indemnities” in this information circular.

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

Neither we nor any of our affiliates will guarantee any of the underlying mortgage loans. Furthermore, no governmental agency or instrumentality will guarantee or insure any of those underlying mortgage loans.

### **DESCRIPTION OF THE MORTGAGE LOAN SELLER**

All of the underlying mortgage loans were sold to us by First Foundation Bank, a California state-chartered bank (“First Foundation”), the mortgage loan seller, and each such underlying mortgage loan was originated by First Foundation.

First Foundation is a California state-chartered bank that commenced operations in October 2007, and conducts a commercial banking business. It is wholly-owned by First Foundation Inc., a publicly traded Delaware corporation. First Foundation’s executive offices are located at 18101 Von Karman Avenue, Suite 750, Irvine, California 92612. First Foundation also maintains offices in El Centro, Newport Beach, Palm Desert, Pasadena, San Diego and West Los Angeles, California, Las Vegas, Nevada and Honolulu, Hawaii. First Foundation provides loan products and other business and personal banking services, primarily in Southern California, including single family and multifamily residential real estate loans, commercial real estate loans, commercial term loans and lines of credit. It conducts all of its loan processing, underwriting and servicing at its administrative office in Irvine, California.

This transaction is First Foundation’s first securitization of assets of any type. Since it commenced operations in October 2007, First Foundation has held in its own portfolio and serviced all of the loans that it has originated. Although First Foundation has not previously securitized any of its assets, four of its employees have extensive experience from their work at other institutions originating multifamily residential mortgage loans that were securitized by those institutions. First Foundation is, and expects to continue, securitizing a portion of its multifamily residential mortgage loan portfolio in order to manage its loan asset type concentration levels while continuing to originate high quality multifamily residential mortgage loans in its primary lending areas.

The aggregate outstanding balance of First Foundation’s loan portfolio as of September 30, 2015, was approximately \$1.6 billion. Approximately 56% of that loan portfolio consisted of commercial real estate loans as defined by its regulators, including its multifamily residential mortgage loan portfolio. As of June 30, 2015, First Foundation’s overall loan portfolio consisted of 35.60% multifamily residential mortgage loans, 30.55% single-family residential mortgage loans and 18.47% commercial real estate loans, with the remainder split among home equity lines of credit, consumer loans, business loans and a small amount of construction loans. Except for two purchases of multifamily residential loan pools, with an aggregate total of \$38 million, during the first years of its operations, First Foundation has originated its entire multifamily residential mortgage loan portfolio, which was more than \$500 million as of September 30, 2015.

First Foundation originates multifamily residential mortgage loans substantially in accordance with its underwriting standards. For the first nine months of 2015, First Foundation’s loan portfolio had an overall loan default rate of 0.03%. As of June 30, 2015, First Foundation’s multifamily residential mortgage loan portfolio had an average loan-to-value ratio of 57.12% and a debt service coverage ratio of 1.52x, and its single family residential mortgage loan portfolio had an even lower average loan-to-value ratio of 54.73%. As of June 30, 2015, First Foundation’s Commercial Real Estate (non-owner user) loan portfolio had an average loan-to-value ratio of 49.89% and a debt service coverage ratio of 1.53x.

First Foundation is not presently aware of any financial condition which would materially and adversely affect its ability repurchase any underlying mortgage loan. Information concerning the financial condition of First Foundation can be found as part of the SEC filings made by its parent, First Foundation Inc., a Delaware corporation, and reports required by its federal regulators. Neither the SEC filings nor the regulatory reports referred to above are incorporated by reference in this information circular.

First Foundation is expected to purchase all of the class B and class X2 certificates and all of the class X1 SPCs.

The foregoing information set forth in this section “Description of the Mortgage Loan Seller” has been provided by First Foundation. Neither the depositor nor any other person other than First Foundation makes any representation or warranty as to the accuracy or completeness of such information.

## DESCRIPTION OF THE GUARANTOR

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

Freddie Mac's statutory purposes are:

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

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

### Freddie Mac Conservatorship

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

Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets, and succeeded to the title to all books, records and assets of Freddie Mac held by any other legal custodian or third party. During the conservatorship, the Conservator has delegated certain authority to Freddie Mac's Board of Directors to oversee, and to Freddie Mac's management to conduct, day-to-day operations so that Freddie Mac can continue to operate in the ordinary course of business. There is significant uncertainty as to whether or when Freddie Mac will emerge from conservatorship, as it has no specified termination date, and as to what changes may occur to Freddie Mac's business structure during or following conservatorship, including whether Freddie Mac will continue to exist. While Freddie Mac is not aware of any current plans of its Conservator to significantly change its business structure in the near term, there are likely to be significant changes beyond the near-term that will be decided by 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 Pooling and Servicing Agreement and other transaction documents. However, Freddie Mac's obligations under the Freddie Mac Guarantee would continue to be the obligations of Freddie Mac in its capacity as guarantor of the Guaranteed Certificates.

### **Litigation Involving 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 Servicing Standards**

*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. Following the Closing Date, the master servicer and the special servicer will be required to service the underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans pursuant to, among other things, the Guide, as described in “The Pooling and Servicing Agreement—Servicing Under the Pooling and Servicing Agreement” in this information circular.

## **DESCRIPTION OF THE UNDERLYING MORTGAGE LOANS**

### **General**

The assets of the issuing entity will consist primarily of 51 underlying mortgage loans, secured by 51 multifamily properties. We refer to these loans that we intend to include in the issuing entity collectively in this information circular as the “underlying mortgage loans.” The underlying mortgage loans will have an initial total outstanding principal balance of approximately \$102,026,095 as of their applicable Due Dates in November 2015 (which will be November 1, 2015, subject, in some cases, to a next succeeding business day convention) (which we refer to in this information circular as the “Cut-off Date”), subject to a variance of plus or minus 5%.

The pool of underlying mortgage loans will consist of three loan groups, Loan Group 5YR, Loan Group 7YR and Loan Group 10YR, for the purpose of calculating principal and interest distributions on the Class A Certificates. Loan Group 5YR will consist of 33 underlying mortgage loans, collectively representing approximately 71.8% of the initial mortgage pool balance. Loan Group 7YR will consist of 12 mortgage loans, collectively representing approximately 16.8% of the initial mortgage pool balance. Loan Group 10YR will consist of 6 mortgage loans, collectively representing approximately 11.3% of the initial mortgage pool balance.

The Cut-off Date Principal Balance of any underlying mortgage loan is equal to its outstanding principal balance as of the Cut-off Date, after application of all monthly debt service payments due with respect to the underlying mortgage loan on or before that date, whether or not those payments were received. The Cut-off Date Principal Balance of each underlying mortgage loan is shown on Exhibit A-1.

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

You should assume that each of the underlying mortgage loans is recourse only to the related borrower or the related mortgaged real property. In the event of a payment default by the borrower, you should assume that recourse will be limited to the corresponding mortgaged real property or properties and any other assets of the borrower for satisfaction of that borrower’s obligations. You should assume that none of the underlying mortgage loans will be insured or guaranteed by any governmental entity or by any other person. See “—Additional Loan and Property Information— Borrower Structures” below.

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

- All numerical information provided with respect to those underlying mortgage loans is provided on an approximate basis.

- All weighted average information provided with respect to those underlying mortgage loans or the underlying mortgage loans in any Loan Group reflects a weighting by their respective Cut-off Date Principal Balances. We show the Cut-off Date Principal Balance for each of the underlying mortgage loans on Exhibit A-1.
- In calculating the Cut-off Date Principal Balances of the underlying mortgage loans, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loans on or before their respective Due Dates in November 2015, are timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to any underlying mortgage loans during the period from their Due Dates in October 2015 up to and including November 1, 2015.
- Whenever we refer to the initial mortgage pool balance in this information circular, we are referring to the total Cut-off Date Principal Balance of the entire mortgage pool.
- Whenever we refer to the initial loan group balance in this information circular, we are referring to the total Cut-off Date Principal Balance of the related Loan Group.
- Whenever we refer to an Exhibit, we are referring to an Exhibit to this information circular, unless otherwise indicated.
- When information with respect to mortgaged real properties is expressed as a percentage of the initial mortgage pool balance or the initial loan group balance, the percentages are based upon the Cut-off Date Principal Balances of the related underlying mortgage loans.
- Statistical information regarding the underlying mortgage loans may change prior to the Closing Date due to changes in the composition of the mortgage pool prior to that date.

### **Mortgage Loans with Affiliated Borrowers**

The issuing entity will include six groups of underlying mortgage loans that are made to related borrowers. The table below sets forth the number of underlying mortgage loans in each such group and the related Loan Group of each such group.

<b>Related Borrower Loan Groups</b>			
<b>Related Borrower Group #</b>	<b>Loan Group</b>	<b>Number of Underlying Mortgage Loans<sup>(1)</sup></b>	<b>% of Initial Mortgage Pool Balance<sup>(2)</sup></b>
1	5YR	5	11.9%
2	5YR	2	4.4
3	5YR	2	3.5
4	5YR	2	3.1
5	5YR	2	2.8
6	7YR	2	2.3
<b>Total</b>			<b>28.0%</b>

(1) See Exhibit A-1.

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

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

*Due Dates.* Subject, in some cases, to a next succeeding business day convention, monthly installments of principal and/or interest will be due on the first day of the month with respect to each of the underlying mortgage loans (the “Due Dates”).

*Mortgage Interest Rates; Calculations of Interest.* Each of the underlying mortgage loans bears interest on a 30/360 Basis at a mortgage interest rate that, in the absence of default or modification, is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan).

The table below presents the number of underlying mortgage loans that have the following initial loan reset dates:

<b>Initial Loan Reset Date</b>	<b>Number of Underlying Mortgage Loans</b>	<b>% of Initial Mortgage Pool Balance</b>
5-years .....	33	71.8%
7-years .....	12	16.8
10-years .....	6	11.3
<b>Total .....</b>	<b>51</b>	<b>100.0%</b>

All of the underlying mortgage loans in Loan Group 5YR have initial loan reset dates that are five years after their respective origination dates.

All of the underlying mortgage loans in Loan Group 7YR have initial loan reset dates that are seven years after their respective origination dates.

All of the underlying mortgage loans in Loan Group 10YR have initial loan reset dates that are ten years after their respective origination dates.

With respect to each underlying mortgage loan, beginning with the first loan reset date, the mortgage interest rate will reset based on an index (each, an “Index”) that is either (i) Six-Month LIBOR or (ii) Twelve-Month Treasury Average, in each case, with the sum rounded to the nearest 0.125%. If the Index is no longer available, the lender will be required to choose a new index based upon comparable information. Before each loan reset date, the lender will be required to calculate the new mortgage interest rate by adding a margin that is set forth on Exhibit A-1 and ranges on a loan-by-loan basis from 2.250% to 2.750% to the Index, which amount will be the mortgage interest rate until the next loan reset date; *provided, however*, that such mortgage interest rate may not be (a) less than the initial mortgage interest rate or (b) except for a change on the first loan reset date increased or decreased by more than 1.000% from the mortgage interest rate from the preceding loan reset date; *provided further* that, in the absence of default, the mortgage interest rate for each underlying mortgage loan is subject to a cap, as set forth on Exhibit A-1 and ranging from 9.500% to 10.250%. With respect to each underlying mortgage loan, each loan reset after the first loan reset date will occur at six month intervals. The current mortgage interest rate for each of the underlying mortgage loans is shown on Exhibit A-1.

None of the underlying mortgage loans provides for negative amortization or for the deferral of interest.

All of the underlying mortgage loans accrue interest on a 30/360 Basis.

“Six-Month LIBOR” means, (i) with respect to certain of the underlying mortgage loans and any applicable loan reset date, the average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market, commonly known as “Six Month LIBOR,” as published by The Wall Street Journal that is in effect on the related Six-Month LIBOR Determination Date, and (ii) with respect to the class B certificates and any applicable Interest Accrual Period, the IBA’s six month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page, as determined on the related Six-Month LIBOR Determination Date. With respect to the applicable underlying mortgage loans and each loan reset date, Six-Month LIBOR for the underlying mortgage loans will be determined by the master servicer. With respect to the certificates and each Interest Accrual Period, Six-Month LIBOR for the pass-through rates on the certificates will be determined by the Calculation Agent.

“Six-Month LIBOR Determination Date” means (i) as to the underlying mortgage loans that bear interest during certain time periods based on Six-Month LIBOR and any applicable loan reset date, the 20<sup>th</sup> day preceding such loan reset date for which Six-Month LIBOR has been published by The Wall Street Journal or released by the IBA or

(ii) as to the class B certificates, with respect to the Interest Accrual Period relating to the Class B First Rate Change Date and each Interest Accrual Period thereafter, the last day for which Six-Month LIBOR has been released by the IBA prior to the most recent February or August Interest Accrual Period.

“LIBOR Index Page” means the Bloomberg L.P., page “BBAM,” or such other page for One-Month LIBOR or Six-Month LIBOR as may replace page BBAM on that service, or at the option of the Calculation Agent (i) the applicable page for One-Month LIBOR or Six-Month LIBOR on another service which electronically transmits or displays IBA LIBOR rates, or (ii) any publication of One-Month LIBOR or Six-Month LIBOR rates available from the IBA. In the event the IBA ceases to set or publish a rate for One-Month LIBOR or Six-Month LIBOR, the Calculation Agent will designate an alternative index, and such alternative index will constitute the LIBOR Index Page.

“Calculation Agent” means, for so long as any of the certificates remain outstanding, an agent appointed to calculate One-Month LIBOR with respect to each class of Class A Certificates and Six-Month LIBOR with respect to the class B certificates in respect of each Interest Accrual Period. The Certificate Administrator will be the initial Calculation Agent.

“Twelve-Month Treasury Average” means, with respect to certain of the underlying mortgage loans and any applicable loan reset date, the average over a twelve-month period of the average yield for a full calendar month on United States Treasury securities adjusted to a constant maturity of one year, as published in Federal Reserve Statistical Release H.15 or commonly known as “12 MAT” or “12” MTA”. With respect to the applicable underlying mortgage loans and each loan reset date, Twelve-Month Treasury Average for the applicable underlying mortgage loans will be determined by the master servicer.

“Twelve-Month Treasury Average Determination Date” means as to the underlying mortgage loans that bear interest during certain time periods based on Twelve-Month Treasury Average and any applicable loan reset date, the 20<sup>th</sup> day preceding such loan reset date.

Many of the underlying mortgage loans are subject to rent control or stabilization laws or regulations or other similar statutory programs. For example, a number of the mortgaged real properties located in the Los Angeles area are subject to rent control ordinances that may limit the maximum annual rent increase to less than 2% in some instances.

*Term to Maturity.* All of the underlying mortgage loans have initial terms to maturity of 30 years.

*No Balloon Loans.* All of underlying mortgage loans fully amortize over their terms and do not have any balloon payments of principal on their respective maturity dates.

*Additional Amortization Considerations.* None of the underlying mortgage loans provide for an interest-only period prior to its maturity date.

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

- a prepayment consideration period during which any principal prepayments (other than any prepayment occurring as the result of the application of any insurance proceeds or condemnation award) must be accompanied by a Static Prepayment Premium, followed by;
- an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

One of the underlying mortgage loans, representing 2.0% of the initial mortgage pool balance, permits partial prepayment of up to 10% of the unpaid principal balance of the underlying mortgage loan in any given 12- month period without the payment of a prepayment premium.

The length of the open prepayment period with respect to the underlying mortgage loans varies and will begin 241 to 325 payment periods prior to the payment period in which the underlying mortgage loan matures.

The prepayment terms of the underlying mortgage loans are more particularly described on Exhibit A-1.

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

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

With respect to certain of the underlying mortgage loans, although the loan documents require the payment of a Prepayment Premium in connection with a partial prepayment of a underlying mortgage loan, the related borrowers have in the past been permitted by the lender to make partial prepayments of principal without an accompanying payment of the Prepayment Premium. The borrowers have been notified that they will no longer be permitted by the lender to make a partial prepayment unless it is accompanied by the Prepayment Premium. However, a borrower could argue that it has the right to continue the practice of making partial prepayments without the Prepayment Premium.

We do not make any representation as to the enforceability of the provision of any underlying mortgage loan requiring the payment of a Prepayment Premium, or of the collectability of any Prepayment Premium and the Freddie Mac Guarantee excludes the payment of Prepayment Premiums.

With respect to the prepayment of a loan in full, the loan documents require borrowers to pay interest through the Due Date following the prepayment date if such voluntary prepayment is not made on a Due Date. The loan documents permit the borrowers to make partial prepayments of the loans subject to the payment of the Prepayment Premium and payment of accrued interest.

Casualty and Condemnation. In the event of a condemnation or casualty at the mortgaged real property securing any of the underlying mortgage loans, the lender may, at the lender's discretion, hold any insurance or condemnation proceeds to reimburse the borrower for the cost of restoring the mortgaged real property or apply such proceeds to the repayment of debt. If the lender applies the condemnation award or insurance proceeds to the repayment of debt, such payment will not require payment of any prepayment premium.

With respect to six of the underlying mortgage loans identified on Exhibit A-1 as "14724 Inglewood Avenue," "5255 Blakeslee Avenue," "Dalton Historical Building," "4055 And 4075 Briggs Street," "4061-4067 Van Dyke Avenue" and "1049 Pine Avenue," collectively representing 12.7% of the initial mortgage pool balance, the related mortgaged real properties are in redevelopment zones. Generally, in those cases, this title issue was analyzed by the Originator and determined not to materially affect the respective mortgaged real property for its intended use. However, we cannot assure you that any such analysis in this regard is correct, or that such determination was made in each and every case. If there is a taking or condemnation at any of the related mortgaged real properties and the statutory authority requires that the condemnation proceeds be used to restore the related mortgaged real property instead of to prepay the related underlying mortgage loan, and if, after giving effect to such taking or condemnation (but taking into account any proposed restoration), the loan-to-value ratio would be greater than 125%, then the mortgage loan seller will be obligated to use commercially reasonable efforts to cause the related borrower to pay down the related underlying mortgage loan by a "qualified amount" as provided in Revenue Procedure 2010-30 or successor provisions, and may also use its own funds to pay down such underlying mortgage loan.

*Lockboxes.* None of the underlying mortgage loans provide for a lockbox or any form of cash management arrangement.

*Escrow and Reserve Accounts.* The underlying mortgage loans generally do not provide for the establishment of escrow and/or reserve accounts.

*Release of Property Through Prepayment.*

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

*Due-on-Sale and Due-on-Encumbrance Provisions.* All of the underlying mortgage loans contain provisions stating that, upon any event of default thereunder, including granting any security interest in or transferring the mortgaged real property in contravention of the mortgage loan documents, the lender may declare the entire outstanding principal balance of the underlying mortgage loan due and payable.

In general, without the lender’s prior written consent, which may not be unreasonably withheld, the underlying mortgage loan documents do not allow (i) the borrower to sell or transfer all or any part of the underlying mortgaged real property or any right, title or interest in the underlying mortgaged real property or (ii) if the borrower is a corporation, partnership or limited liability company, the owners of more than 49% of the voting stock, partnership interests or limited liability interest of the borrower or any controlling interest in such entity to transfer such interests. Further, the underlying loan documents generally prohibit borrowers from granting any additional security interest in, or mortgage of, all or any portion of the mortgaged real properties.

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

- a transfer that occurs by devise, descent, or by operation of law upon the death of a natural person;
- any transfer of an interest in an applicable borrower or any interest in a controlling entity, such as the transfers set forth below;
- a sale or transfer to one or more of the transferor’s immediate family members (a spouse, parent, child or grandchild);
- a sale or transfer to any trust having as its sole beneficiaries the transferor and/or one or more of the transferor’s immediate family members (a spouse, parent, child or grandchild);
- a sale or transfer from a trust to any one or more of its beneficiaries who are immediate family members (a spouse, parent, child or grandchild) of the transferor;
- the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member (a spouse, parent, child or grandchild) of the transferor;
- a sale or transfer to an entity owned and controlled by the transferor or the transferor’s immediate family members (a spouse, parent, child or grandchild); or
- a transfer of non-controlling ownership interests in the related borrower to an individual or entity that has an existing interest in such borrower;

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

Notwithstanding the above, in general, the underlying loan documents allow a one-time transfer of interest in the underlying mortgaged real property with the lender’s prior consent, which may not be unreasonably withheld, but subject to certain conditions including, but not limited to (i) the underlying mortgage loan not being in default, (ii) the lender’s approval of the transferee based on the lender’s then-current underwriting standards, (iii) the underlying mortgaged real property meeting all standards as to physical condition, occupancy and net operating income as are customarily applied by the lender, (iv) the payment of a transfer fee generally equal to 1.00% of the

outstanding principal balance of the underlying mortgage loan, and (v) the payment of all costs and expenses of the lender in connection with the assumption.

The underlying mortgage loans generally prohibit subordinate financing secured by the related mortgaged real properties, *provided* that one of the underlying mortgage loans, representing 2.6% of the initial mortgage pool balance, had permitted subordinated financing secured by the related mortgage real property as of the origination date of such underlying mortgage loans as more particularly described in Exhibit A-1. However, the master servicer could waive this prohibition. See “The Pooling Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” in this information circular.

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

*Permitted Additional Debt.*

General. The underlying mortgage loans generally prohibit borrowers from incurring any additional debt secured by the related mortgaged real properties, *provided* that one of the underlying mortgage loans, representing 2.6% of the initial mortgage pool balance, had permitted subordinated financing secured by the related mortgage real property as of the origination date of such underlying mortgage loans as more particularly described in Exhibit A-1.

The borrowers under certain of the underlying mortgage loans may have incurred or may in the future incur unsecured indebtedness other than in the ordinary course of business which is or may be substantial in relation to the amount of the underlying mortgage loan. Each unsecured debt creditor could cause the related borrower to seek protection under applicable bankruptcy laws. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Type of Borrower May Entail Risk” in this information circular.

*Property Damage, Liability and Other Insurance.* The loan documents for each of the underlying mortgage loans generally require that, with respect to the related mortgaged real property, the related borrower maintain insurance for property damage, flood (to the extent any of the subject property improvements are situated in a flood zone) and commercial general liability as required by, and in the amounts determined by, lender.

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

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

The underlying mortgage loans generally provide that insurance and condemnation proceeds may be applied, at lender’s option, to—

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

The special servicer will be required to maintain for REO Properties one or more insurance policies sufficient to provide no less coverage than was previously required of the borrower under the related loan documents or any such lesser amount of coverage previously required by the master servicer when such REO Loan was a non-Specially



Serviced Mortgage Loan or, at the special servicer's election and with the directing certificateholder's consent (which consent is subject to certain limitations and a specified time period as set forth in the Pooling and Servicing Agreement), coverage satisfying insurance requirements consistent with the Servicing Standard, *provided* that such coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest. The special servicer, to the extent consistent with the Servicing Standard, may maintain earthquake insurance on REO Properties, *provided* that coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest.

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

### **Mortgage Pool Characteristics**

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

### **Additional Loan and Property Information**

#### *Borrower Structures.*

With respect to all of the underlying mortgage loans, the underlying mortgage loan documents do not require the related borrower to be a single purpose entity or a single asset entity.

Certain of the underlying mortgage loans have borrowers that are legal entities, certain of the underlying mortgage loans have borrowers that are individuals or revocable trusts and certain of the underlying mortgage loans have borrowers that are tenants-in-common. See Exhibit A-1. Except with respect to two of the underlying mortgage loans, representing 3.5% of the initial mortgage pool balance where the recourse to the borrower is limited, the underlying mortgage loans include full recourse to the borrower, and may include payment guarantees from a sponsor of the borrower. However, for purposes of this information circular, such guarantees should not be considered in evaluating the underlying mortgage loans and each of the underlying mortgage loans should be considered recourse only to the related borrower or mortgaged real property.

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

*Delinquencies.* None of the underlying mortgage loans were, as of November 1, 2015, 30 days or more delinquent with respect to any monthly debt service payment.

*Title Issues.* Certain oil, gas or water estates may affect a property. Generally, in those cases, the respective title issue was analyzed by the Originator and determined not to materially affect the respective mortgaged real property for its intended use. However, we cannot assure you that any such analysis in this regard is correct, or that such determination was made in each and every case.

## **Underwriting Matters**

*General.* Each underlying mortgage loan was originated by the Originator in accordance with its standards and was re-underwritten by Freddie Mac as described below. In connection with the underlying mortgage loans, Freddie Mac evaluated the corresponding mortgaged real property or properties in a manner generally consistent with the standards described in this “—Underwriting Matters” section.

The information provided by us in this information circular regarding the condition of the mortgaged real properties, any environmental conditions at the mortgaged real properties, valuations of or market information relating to the mortgaged real properties or legal compliance of the mortgaged real properties is based on the underwriting described below under “—Environmental Assessments,” “—Physical Inspections,” “—Appraisals and Market Studies” and “—Zoning and Building Code Compliance,” and certain reports provided by certain third-party independent contractors as described below. Such reports have not been independently verified by any of the parties to the Pooling and Servicing Agreement, Freddie Mac or the affiliates of any of these parties and were, in general, obtained from the Originator in connection with the purchase of the underlying mortgage loans.

The appraisals and environmental assessments described in this section were generally performed in connection with the origination of the underlying mortgage loans, which were originated within the last 56 months prior to the Closing Date, as set forth on Exhibit A-1. Neither we nor Freddie Mac obtained updated appraisals or environmental assessments in connection with this securitization. We cannot assure you that the information in such appraisals and environmental assessments reflect the current condition of or estimate of the value of the mortgaged real properties.

*Environmental Assessments.* With respect to all of the mortgaged real properties securing the underlying mortgage loans, the environmental reports obtained by the Originator in connection with the origination of the underlying mortgage loans were reviewed in connection with the acquisition of the underlying mortgage loans. To the extent any environmental report identified any recognized environmental conditions at the subject property, a search of environmental databases was conducted with respect to the underlying mortgaged real property. We cannot assure you that the environmental assessments performed in conjunction with the preparation of the environmental reports or any environmental database searches identified all environmental conditions and risks at, or that any environmental conditions will not have a material adverse effect on the value of or cash flow from, one or more of the mortgaged real properties.

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

*Physical Inspections.* Freddie Mac performed property inspections with respect to 50 of the 51 of the mortgaged real properties, securing underlying mortgage loans collectively representing 98.7% of the initial pool balance, within 4 months prior to the Closing Date. These property inspections included a physical exterior inspection of the mortgaged real property, inspection of the immediate area surrounding the mortgaged real property and the market in which the mortgaged real property is located. In addition, with respect to ten of the mortgaged real properties, Freddie Mac conducted physical interior inspections of certain units.

We cannot assure you that a more detailed inspection or a physical risk report by a third-party engineering firm would not have discovered maintenance problems or risks, or arrived at different, and perhaps significantly different, judgments regarding the problems and risks associated with the physical condition of the mortgaged real properties than the mortgage loan seller did.

*Appraisals and Market Studies.* An independent appraiser conducted an appraisal in connection with the origination of each underlying mortgage loan, in order to establish an appraised value with respect to all of the mortgaged real properties. Those appraisals are the basis for the Appraised Values for the respective mortgaged real properties set forth on Exhibit A-1 and were performed on the dates 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 Values shown on Exhibit A-1, is the contemplation of a sale at a specific date and the passing of ownership from seller to buyer under the following conditions:

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

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

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

In the case of any underlying mortgage loan, the related borrower may have 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 acquisition of each underlying mortgage loan, Freddie Mac examined information obtained by the Originator with respect to the use and operation of the related mortgaged real property to determine if such mortgaged real property was in material compliance with zoning, land-use and building ordinances applicable to the mortgaged real property at origination. Evidence of this compliance may have been in the form of certifications and other correspondence from government officials or agencies, appraisals, engineering or consulting reports, recorded documents, temporary or permanent certificates of occupancy and/or representations by the related borrower.

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**

First Foundation Bank originated all of the underlying mortgage loans. For further information regarding First Foundation, see "Description of the Mortgage Loan Seller" in this information circular.

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

### **Assignment of the Underlying Mortgage Loans**

On or before the Closing Date, the mortgage loan seller will transfer the underlying mortgage loans to us, and we will transfer all of those underlying mortgage loans to the trustee. The trustee will hold those underlying mortgage loans for the benefit of the certificateholders and Freddie Mac. In each case, the transferor will assign the underlying mortgage loans, without recourse, to the transferee.

In connection with these transfers, on the Closing Date or at such later date as is permitted under the Pooling 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 each of the underlying mortgage loans, 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 any related loan agreement (if separate from the related mortgage);
- an executed original assignment of the related mortgage instrument in favor of the trustee or in blank, in recordable form except for any missing recording information relating to that mortgage instrument;
- originals or copies of all assumption agreements, modification agreements, written assurance agreements and substitution agreements, if any, in those instances where the terms or provisions of the related 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 a borrower or mezzanine borrower permitted under the related 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 mezzanine loan documents or preferred equity documents, and a copy of the promissory note relating to such other debt (if such other debt is also secured by the related mortgage);
- original letters of credit, if any, relating to the underlying mortgage loans 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 properties 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 related underlying mortgage loan to the trustee; and
- the original or a copy of any ground lease and any related estoppel certificates, if available.

The custodian is required to hold all of the documents delivered to it with respect to the underlying mortgage loans in trust for the benefit of the certificateholders under the terms of the Pooling and Servicing Agreement. Within a specified period of time following that delivery, the custodian will be further required to conduct a review of those documents. The scope of the custodian's review of those documents will, in general, be limited solely to confirming that they have been received, that they appear regular on their face (handwritten additions, changes or corrections will not be considered irregularities if initialed by the borrower), that (if applicable) they appear to have been executed and that they purport to relate to an underlying mortgage loan. None of the trustee, the certificate administrator 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, Repurchases and Substitutions" below.

Within a specified period of time as set forth in the Pooling and Servicing Agreement, the mortgage loan seller or a third-party independent contractor will be required to submit for recording in the real property records of the applicable jurisdiction each of the assignments of recorded loan documents in the trustee's favor described above. Because some of the underlying mortgage loans are newly originated, many of those assignments cannot be completed and recorded until the related mortgage instrument, reflecting the necessary recording information, is returned from the applicable recording office.

## **Representations and Warranties**

As of the Closing Date (or as of the date otherwise indicated on Exhibit C-1 or in the mortgage loan purchase agreement), the mortgage loan seller will make, with respect to each underlying mortgage loan that it is selling to us for inclusion in the issuing entity, representations and warranties that are expected to be generally in the form set forth on Exhibit C-1, subject to exceptions that are expected to be generally in the form set forth on Exhibit C-2. The final forms of those representations and warranties and those exceptions will be made in the mortgage loan purchase agreement between the mortgage loan seller and us, and will be assigned by us to the trustee under the

Pooling 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, Repurchases and Substitutions” below.

### **Cures, Repurchases and Substitutions**

If the mortgage loan seller has been notified of, or itself has discovered, a defect in any mortgage file or a breach of any of its representations and warranties that, in either case, materially and adversely affects the value of any underlying mortgage loan (including any REO Property acquired in respect of any foreclosed mortgage loan) 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 affected mortgage loan at the Purchase Price; or
- replace the affected mortgage loan with a Qualified Substitute Mortgage Loan; *provided* no such substitution may occur after the second anniversary of the Closing Date; or
- for certain breaches, reimburse the issuing entity for certain costs.

If the mortgage loan seller replaces an affected mortgage loan with a Qualified Substitute Mortgage Loan, then it will be required to pay to the issuing entity the amount, if any, by which—

- the price at which it would have had to purchase the removed mortgage loan, as described in the second bullet of the preceding paragraph, exceeds
- the Stated Principal Balance of the Qualified Substitute Mortgage Loan as of the Due Date during the month that it is added to the issuing entity.

The mortgage loan seller must generally complete the cure, repurchase or substitution 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 any 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, such loan is not then a Specially Serviced Mortgage Loan and the missing or defective document is not needed to adequately pursue the lender’s rights prior to such time, then the mortgage loan seller will generally be entitled to as much as an additional 90 days to complete that cure, repurchase or substitution (unless such material breach or material document defect causes any mortgage loan to not be a “qualified mortgage” within the meaning of the REMIC Provisions) if any underlying mortgage loan is required to be repurchased or substituted as contemplated above.

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

- the absence from the mortgage file of the original signed mortgage note, unless the mortgage file contains a signed lost note affidavit, indemnity and endorsement;

- the absence from the mortgage file of the 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 any 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 or substitute the affected 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, substitute a Qualified Substitute Mortgage Loan or reimburse the issuing entity will constitute the sole remedies available to the certificateholders and the trustee for any defect in a mortgage file or any breach on the part of the mortgage loan seller of its representations or warranties regarding the underlying mortgage loans.

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

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

The following discussion contains a summary of certain legal aspects related to the underlying mortgage loans. 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 loans.

Various states have imposed statutory prohibitions or limitations that limit the remedies of a mortgagee under a mortgage or a beneficiary under a deed of trust. Investors should assume that the underlying mortgage loans are recourse only to the related borrowers or mortgaged real properties and, therefore, recourse will generally be limited to the corresponding mortgaged real properties. The limitations described below may restrict the ability of the master servicer or the special servicer, as applicable, to realize on the underlying mortgage loans and may adversely affect the amount and timing of receipts on the underlying mortgage loans.

*Certain Legal Aspects of Mortgaged Real Properties Located in California.* Mortgage loans in California are generally secured by deeds of trust on the related real estate. Foreclosure of a deed of trust in California may be accomplished by a non-judicial trustee's sale (so long as it is permitted under a specific provision in the deed of trust) or by judicial foreclosure, in each case subject to and 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.

### **Changes in Mortgage Pool Characteristics**

The description in this information circular of the mortgage pool is based upon the mortgage pool as it is expected to be constituted at the time the offered certificates are issued, with adjustments for the monthly debt service payments due on the underlying mortgage loans on or before their respective Due Dates in November 2015. Prior to the issuance of the offered certificates, one or more mortgage loans may be removed from the mortgage pool if we consider the removal necessary or appropriate. A limited number of other mortgage loans may be included in the mortgage pool prior to the issuance of the offered certificates, unless including those underlying mortgage loans would materially alter the characteristics of the mortgage pool as described in this information circular. We believe that the information in this information circular will be generally representative of the characteristics of the mortgage pool as it will be constituted at the time the offered certificates are issued. However, the range of mortgage interest rates and maturities, as well as the other characteristics of the underlying mortgage loans described in this information circular, may vary, and the actual initial mortgage pool balance may be as much as 5% larger or smaller than the initial mortgage pool balance specified in this information circular.

## **DESCRIPTION OF THE CERTIFICATES**

### **General**

The certificates will be issued on the Closing Date pursuant to the Pooling 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 loans;
- any and all payments under and proceeds of the underlying mortgage loans received after their respective Due Dates in November 2015, in each case exclusive of payments of principal, interest and other amounts due on or before that date;
- the loan documents for the underlying mortgage loans;
- our rights under the mortgage loan purchase agreement;
- any REO Properties acquired by the issuing entity with respect to Defaulted Loans; and
- those funds or assets as from time to time are deposited in the collection account described under “The Pooling and Servicing Agreement—Collection Account” in this information circular, the special servicer’s REO accounts described under “The Pooling and Servicing Agreement—Realization Upon Mortgage



Loans—REO Properties” in this information circular, the distribution account described under “—Distribution Account” below or the servicing accounts (in the case of a servicing account, to the extent of the issuing entity’s interest in that servicing account).

The certificates will include the following classes:

- the class A-5, class A-7 and class A-10 certificates (collectively, the “Class A Certificates”) and the class X1 certificates, which are the classes of the certificates that are offered by this information circular and have the benefit of the Freddie Mac Guarantee and are sometimes referred to as the “Guaranteed Certificates”; and
- the class B, X2 and R certificates, which are the classes of the 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 Certificates and the class 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 related assets of the issuing entity or, with respect to the Class A Certificates, the Freddie Mac Guarantee. Accordingly, on each Distribution Date, the outstanding principal balance of each of these certificates will be permanently reduced by any principal distributions actually made with respect to the certificates on that Distribution Date. 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 loans and default-related and otherwise unanticipated issuing entity expenses. See “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

The class X1, X2 and R certificates will not have principal balances, and the holders of those certificates will not be entitled to receive distributions of principal. However, each of the class X1 and X2 certificates will have a notional amount for purposes of calculating the accrual of interest with respect to that certificate. The class X1 and X2 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, total notional amount for the class X1 certificates and the total notional amount for the class X2 certificates will be equal to the then total outstanding principal balances of the Principal Balance Certificates.

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

### **Registration and Denominations**

The offered certificates will be issued to Freddie Mac in physical form in original denominations of not less than \$10,000 initial principal balance and in any whole dollar denomination in excess of \$10,000. The class X1 certificates will be issued to Freddie Mac in physical form in original denominations of not less than \$1,000,000 initial notional amount and in any whole dollar denomination in excess of \$1,000,000.

## 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 Pooling 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 Pooling 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 loans and any REO Properties in the issuing entity on deposit in the collection account as of close of business on the second business day prior to the Remittance Date, exclusive of any portion of those payments and other collections that represents one or more of the following:
  1. monthly debt service payments due on a Due Date subsequent to the end of the related Collection Period;
  2. payments and other collections received after the end of the related Collection Period;
  3. amounts that are payable or reimbursable from the collection account to any person other than the certificateholders, in accordance with the terms of the Pooling and Servicing Agreement, including—
    - (a) amounts payable to the master servicer (or a sub-servicer), the special servicer, the directing certificateholder or any Affiliated Borrower Loan Directing Certificateholder as compensation, including master servicing fees, sub-servicing fees, special servicing 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 and similar charges and, to the extent not otherwise applied to cover interest on advances and/or other Additional Issuing Entity Expenses with respect to the related underlying mortgage loan, Default Interest and late payment charges, or as indemnification;
    - (b) amounts payable to the master servicer (for itself or on behalf of certain indemnified sub-servicers) and the special servicer;
    - (c) amounts payable in reimbursement of outstanding advances, together with interest on those advances; and
    - (d) amounts payable with respect to other issuing entity expenses including, without limitation, fees, expenses and indemnities of the 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 and/or the trustee with respect to that Distribution Date.
- Any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period.

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

The certificate administrator will be authorized, but will not be obligated, to invest or direct the investment of funds held in the distribution 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 Pooling 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 Pooling 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 Pooling 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;
- to reimburse the guarantor for any unreimbursed Guarantor Reimbursement Amounts from any liquidation fees, workout fees, servicing fees, special servicing fees or other fees or amounts collected in connection with the liquidation or other disposition of an underlying mortgage loan solely to the extent that the party entitled to any such amount has already been paid such amount from other collections on such underlying mortgage loan and the original payment of such amount resulted in a Deficiency Amount (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts);
- to pay the guarantor the Guarantee Fee;
- without duplication, to pay indemnity amounts to itself, the custodian, the trustee, the depositor, the master servicer (including on behalf of certain indemnified sub-servicers), the special servicer, Freddie Mac (in its capacity as servicing consultant) and various related persons, subject to the relevant Aggregate Annual Caps, as described under “The Pooling 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 Pooling and Servicing Agreement, to the extent that the issuing entity is responsible for the cost of such opinions of counsel under the Pooling 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 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 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—REO Properties” in this information circular; 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 Prepayment Premiums collected on the underlying mortgage loans during the related Collection Period, which will be paid to the holders of the class X1 certificates, as described under “—Distributions—Distributions of Prepayment Premiums” below. In no circumstances will Prepayment Premiums be payable to the class B certificates as Additional Interest Distribution Amounts.

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

## Fees and Expenses

The amounts available for distribution on the certificates on any Distribution Date will generally be net of the amounts set forth in the table below, which are payable to the master servicer, the special servicer, the trustee, the certificate administrator, the custodian, the guarantor or the directing certificateholder, as applicable. As used in the table below, the term “general collections” refers to general collections on the entire mortgage pool.

<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 each underlying mortgage loan multiplied by the master servicing fee rate of 0.0500% (calculated using the same interest accrual basis of such underlying mortgage loan) and the Stated Principal Balance of each underlying mortgage loan multiplied by the sub-servicing fee rate of 0.2500% (calculated using the same interest accrual basis of such underlying mortgage loan)	monthly	interest payments on related loan or, with respect to liquidated loans, general collections if liquidation proceeds are not sufficient
Additional Servicing Compensation / Master Servicer	<ul style="list-style-type: none"> <li>all late payment fees and default interest (other than on Specially Serviced Mortgage Loans) not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related mortgage loans</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>60% of any Transfer Fees collected on or with respect to any non-Specially Serviced Mortgage Loans for transfers or substitutions that require the consent or review of the directing certificateholder or Affiliated Borrower Loan Directing Certificateholder and 100% of such fees for non-Specially Serviced Mortgage Loans for certain transfers or substitutions, such as granting an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, including subordination of the related Loan to such easement, right of way or similar agreement, that do not require the consent or review of the directing certificateholder or Affiliated Borrower Loan Directing Certificateholder (a portion of which may be payable to a sub-servicer under a related sub-servicing agreement)</li> </ul>	from time to time	the related fee

Type/Recipient	Amount	Frequency	Source of Funds
	<ul style="list-style-type: none"> <li>all Transfer Processing Fees collected on or with respect to any underlying mortgage loans that are not Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related sub-servicing agreement)</li> <li>all investment income earned on amounts on deposit in the collection account and certain escrow and reserve accounts</li> </ul>	<p>from time to time</p> <p>monthly</p>	<p>the related fee</p> <p>investment income</p>
Special Servicing Fee / Special Servicer	the Stated Principal Balance of each Specially Serviced Mortgage Loan or REO Loan multiplied by the special servicing fee rate of 0.7500% (calculated using the same interest accrual basis of such underlying mortgage loan), provided if such special servicing fee would, in the aggregate, be less than \$1,000 in any given month, the special servicing fee for such month will be \$1,000	monthly	general collections
Workout Fee / Special Servicer	1.50% (with respect to underlying mortgage loans with outstanding principal balances of \$2,000,000 or more) or 1.75% (with respect to underlying mortgage loans with outstanding principal balance of less than \$2,000,000) of each collection of principal and interest on each Corrected Mortgage Loan	monthly	the related collections of principal and interest
Liquidation Fee / Special Servicer	1.50% (with respect to underlying mortgage loans with outstanding principal balances of \$2,000,000 or more) or 1.75% (with respect to underlying mortgage loans with outstanding principal balance of less than \$2,000,000) of each recovery of net Liquidation Proceeds, except as specified under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular	upon receipt of Liquidation Proceeds	the related Liquidation Proceeds
Additional Special Servicing Compensation / Special Servicer	<ul style="list-style-type: none"> <li>all late payment fees and net default interest on Specially Serviced Mortgage Loans not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related mortgage loans</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>• 100% of commercially reasonable fees actually paid by the related borrower on modifications, extensions, earnouts, consents and other actions for Specially Serviced Mortgage Loans</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>• 100% of assumption application fees, assumption fees, substitution of collateral consent application fees and related fees on Specially Serviced Mortgage Loans, when received from the borrower for such purpose</li> </ul>	from time to time	the related fee
	<ul style="list-style-type: none"> <li>• all investment income received on funds in any REO account</li> </ul>	from time to time	investment income
	<ul style="list-style-type: none"> <li>• other customary charges related to actions for which only the special servicer is responsible</li> </ul>		
Fees / Directing Certificateholder or any Affiliated Borrower Loan Directing Certificateholder	40% of any Transfer Fees collected on or with respect to any non-Specially Serviced Mortgage Loans for transfers or substitutions, which require the consent or review of the directing certificateholder or the Affiliated Borrower Loan Directing Certificateholder	from time to time	the related fee
Trustee Fee / Trustee	0.0050% multiplied by the Stated Principal Balance of the underlying mortgage loans (calculated using the same interest accrual basis as each underlying mortgage loan)	monthly	general collections
Certificate Administrator Fee / Certificate Administrator	0.0190% multiplied by the Stated Principal Balance of the underlying mortgage loans (calculated using the same interest accrual basis as each underlying mortgage loan)	monthly	general collections
Guarantee Fee / Guarantor	0.2500% multiplied by the outstanding principal balance of the Class A Certificates (calculated on a 30/360 Basis)	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><u>Expenses</u></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 related 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 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 related loan, or if not recoverable, from general collections
Interest on P&I Advances / Master Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from default interest/late payment fees, then from general collections
Indemnification Expenses / Depositor, Trustee, Certificate Administrator/Custodian, Master Servicer, Special Servicer and Freddie Mac	amounts for which the depositor, the trustee, the certificate administrator/custodian, the master servicer (for itself or on behalf of certain indemnified sub-servicers), Freddie Mac (in its capacity as the servicing consultant) and the special servicer are entitled to indemnification, in each case, up to any related Aggregate Annual Cap in each calendar year until paid in full	from time to time	general collections
Interest on Unreimbursed Indemnification Expenses / Depositor, Trustee, Custodian, Certificate Administrator, any Third Party Master Servicer, Special Servicer 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, 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 Net Aggregate Prepayment Interest Shortfall for that Distribution Date that is allocable to that class of certificates.

If the holders of any interest-bearing class of 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 (such unpaid amount being referred to as “Unpaid Interest Shortfall”), subject to the Available Distribution Amount for those future Distribution Dates and the distribution priorities described below.

The portion of any Net Aggregate Prepayment Interest Shortfall for any Distribution Date that is allocable to reduce the current accrued interest then payable with respect to any particular interest-bearing class of the certificates will be allocated to the Class A Certificates and the class X1, B and X2 certificates based on the amount of interest (exclusive of any applicable Additional Interest Accrual Amounts) to which such classes are entitled for such Distribution Date based on their respective pass-through rates.

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

If, for any Distribution Date on or after the Class B First Rate Change Date, the Class B Pass-Through Rate is capped at the Class B Capped Rate, the class B certificates will be entitled to an Additional Interest Accrual Amount for such class and such Interest Accrual Period, to the extent funds are available for such purpose, as described below.

The “Class B First Rate Change Date” is the Distribution Date in December 2019.

The Additional Interest Accrual Amount distributed on the class B certificates for any Distribution Date may not exceed the Class X1 Interest Accrual Amount for the related Interest Accrual Period.

The amount of interest payable to the class X1 certificates on any Distribution Date will be the Class X1 Interest Distribution Amount. The “Class X1 Interest Distribution Amount” means, for each Distribution Date, an amount equal to the excess, if any, of (1) the sum of (a) the excess, if any, of the Class X1 Interest Accrual Amount for such Distribution Date over the Additional Interest Accrual Amount, if any, for the class B certificates with respect to such Distribution Date, and (b) the amount described in clause (a) above for all prior Distribution Dates that remains unpaid on such Distribution Date, over (2) the Additional Interest Shortfall Amount for such Distribution Date.

To the extent that funds are not available to pay any Additional Interest Accrual Amount on any Distribution Date on the class B certificates, such Additional Interest Accrual Amount will be distributable on future Distribution Dates as an Additional Interest Shortfall Amount with respect to such class.

*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 6. However, the initial pass-through rate identified in such table with respect to the class X1 certificates is approximate.

The pass-through rate for the class X2 certificates for each Interest Accrual Period will remain fixed at the initial pass-through rate for such class shown on page 6.

The pass-through rate for the class A-5 certificates will be equal to:

- (a) for each Distribution Date occurring prior to the Distribution Date in August 2020 (the “Class A-5 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 2.4200% and (ii) the Class A-5 Capped Rate; and
- (b) for each Distribution Date occurring on and after the Class A-5 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-5 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.

The “Class A-5 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such Distribution Date; or
- (b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-5 Capped Rate be less than zero.

The pass-through rate for the class A-7 certificates will be equal to:

- (a) for each Distribution Date occurring prior to the Distribution Date in April 2022 (the “Class A-7 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 2.7000% and (ii) the Class A-7 Capped Rate; and
- (b) for each Distribution Date occurring on and after the Class A-7 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-7 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.

The “Class A-7 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such Distribution Date; or
- (b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-7 Capped Rate be less than zero.

The pass-through rate for the class A-10 certificates will be equal to:

- (a) for each Distribution Date occurring prior to the Distribution Date in September 2025 (the “Class A-10 Rate Change Date”), a *per annum* rate equal to the lesser of (i) 3.2900% and (ii) the Class A-10 Capped Rate; and

- (b) for each Distribution Date occurring on and after the Class A-10 Rate Change Date, a *per annum* rate equal to the lesser of (i) One-Month LIBOR plus 0.7000% and (ii) the Class A-10 Capped Rate;

*provided*, that in no event may such pass-through rate be less than zero.

The “Class A-10 Capped Rate” will be a per annum rate equal to the excess, if any, of:

- (a) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such Distribution Date; or
- (b) for any Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for such Distribution Date; over
- (c) in the case of both clause (a) and clause (b), the sum of the Guarantee Fee Rate and the Class X2 Pass-Through Rate;

*provided*, that in no event may the Class A-10 Capped Rate be less than zero.

The pass-through rate for the class B certificates (the “Class B Pass-Through Rate”) will be equal to:

- (a) for each Distribution Date occurring prior to the Class B First Rate Change Date, a *per annum* rate equal to the Class B Capped Rate for such Distribution Date;
- (b) for each Distribution Date occurring on and after the Class B First Rate Change Date but prior to the Distribution Date occurring in December 2024 (the “Class B Second Rate Change Date”), a *per annum* rate equal to the lesser of (i) Six-Month LIBOR plus 7.5000% and (ii) the Class B Capped Rate for such Distribution Date;
- (c) for each Distribution Date occurring on and after the Class B Second Rate Change Date but prior to the Distribution Date occurring in December 2029 (the “Class B Third Rate Change Date”), a *per annum* rate equal to the lesser of (i) Six-Month LIBOR plus 9.5000% and (ii) the Class B Capped Rate for such Distribution Date; and
- (d) for each Distribution Date occurring on and after the Class B Third Rate Change Date, a *per annum* rate equal to the lesser of (i) Six-Month LIBOR plus 11.5000% and (ii) the Class B Capped Rate for such Distribution Date;

*provided*, that in no event may such pass-through rate be less than zero.

The “Class B Capped Rate” for any Distribution Date will be a *per annum* rate equal to the excess, if any, of:

- (a) (1) the sum of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 5YR for such Distribution Date multiplied by the Class B Component 5 Balance, (ii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 7YR for such Distribution Date multiplied by the Class B Component 7 Balance, and (iii) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 10YR for such Distribution Date multiplied by the Class B Component 10 Balance, divided by (2) the outstanding principal balance of the class B certificates immediately prior to such Distribution Date; over
- (b) the sum of (1) the Class X2 Pass-Through Rate and (2) the CREFC<sup>®</sup> Intellectual Property Royalty License Fee Rate;

*provided*, that in no event may the Class B Capped Rate be less than zero.

For purposes of calculating the Class B Capped Rate, the class B certificates will be comprised of three components, and each component will correspond to a Loan Group and will have a component balance calculated as follows:

- The “Class B Component 5 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 5YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-5 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 5 Balance may be a negative number.
- The “Class B Component 7 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 7YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-7 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 7 Balance may be a negative number.
- The “Class B Component 10 Balance” for any Distribution Date means the aggregate Stated Principal Balance of the underlying mortgage loans in Loan Group 10YR immediately prior to such Distribution Date minus the outstanding principal balance of the class A-10 certificates immediately prior to such Distribution Date. For avoidance of doubt, the Class B Component 10 Balance may be a negative number.

To the extent that the Class B Pass-Through Rate for any Distribution Date on or after the Class B First Rate Change Date is capped at the Class B Capped Rate, the holders of such certificates will be entitled to any additional interest payment calculated at a *per annum* rate equal to the excess, if any, of (i) the interest rate described in clauses (b)(i), (c)(i) or (d)(i), as applicable, of the definition of Class B Pass-Through Rate over (ii) the Class B Capped Rate, to the extent of funds available for such payment from interest otherwise distributable on the class X1 certificates, as described in this information circular. We cannot assure you that any such Additional Interest Distribution Amounts will ever be payable. See “Description of the Certificates—Distributions” in this information circular.

“Additional Interest Distribution Amount” with respect to any Distribution Date is the lesser of (x) the Additional Interest Accrual Amount, if any, with respect to the class B certificates and (y) the amount, not less than zero, of interest distributable in respect of the Class X1 Interest Accrual Amount for such Distribution Date minus the Class X1 Interest Distribution Amount.

For purposes of calculating the accrual of interest as of any date of determination, the total notional amount for the class X1 certificates and the total notional amount for the class X2 certificates will be equal to the then total outstanding principal balances of the Principal Balance Certificates.

The pass-through rate for the class X1 certificates for any Interest Accrual Period will equal the weighted average of the Class X1 Strip Rates (weighted based upon the relative sizes of their respective components). The “Class X1 Strip Rates” means, for the purposes of calculating the pass-through rate for the class X1 certificates, the rates *per annum* at which interest accrues from time to time on the four components of the total notional amount of the class X1 certificates outstanding immediately prior to the related Distribution Date. One component will be comprised of the outstanding principal balance of the class A-5 certificates, one component will be comprised of the outstanding principal balance of the class A-7 certificates, one component will be comprised of the outstanding principal balance of the class A-10 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 X1 certificates for each Interest Accrual Period, the applicable Class X1 Strip Rate for each such Interest Accrual Period will be a rate *per annum* equal to (1) in the case of each component related to a class of Class A Certificates, (a) the excess, if any, of (i)(I) for each Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the Loan Group related to such class of Class A Certificates for the related Distribution Date or (II) for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool for the related Distribution Date, over, in the case of both clause (I) and clause (II), (ii) the pass-through rate for such class of Class A Certificates for such Distribution Date, minus (b) the sum of the Class X2 Pass-Through Rate and the Guarantee Fee Rate, and (2) in the case of the component related to the class B certificates, the excess, if any, of (i) the Class B

Capped Rate for the related Distribution Date over (ii) the Class B Pass-Through Rate for such Distribution Date; *provided*, that in no event may any Class X1 Strip Rate be less than zero.

The pass-through rate for the class X2 certificates (the “Class X2 Pass-Through Rate”) for any Interest Accrual Period will equal a *per annum* rate equal to 0.2500%.

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.

So long as no Waterfall Trigger Event has occurred and is continuing, principal collections on or with respect to the underlying mortgage loans (including principal advances) will be allocated *pro rata* between the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) and the class B certificates, based on their respective outstanding principal balances immediately prior to the applicable Distribution Date, that generally equal an amount (in any event, not to exceed such outstanding principal balances) equal to the Performing Loan Principal Distribution Amount for such Distribution Date; *provided* that distributions to the class B certificates will follow reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates. However, if a Waterfall Trigger Event has occurred and is continuing, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) will be entitled to the entire Performing Loan Principal Distribution Amount for each Distribution Date until the outstanding principal balance of each class of Class A Certificates has been reduced to zero. Thereafter, following reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates, any remaining portion of the Performing Loan Principal Distribution Amount on the applicable Distribution Date will be allocated to the class B certificates until its outstanding principal balance has been reduced to zero.

Further, the Class A Certificates (subject to the allocation among the classes of Class A Certificates described below) will always be entitled to the entire portion of the Specially Serviced Loan Principal Distribution Amount for each Distribution Date until the outstanding principal balance of each class of Class A Certificates has been reduced to zero, at which time, following reimbursement to Freddie Mac of guarantee payments with respect to the Guaranteed Certificates, the class B certificates will be entitled to receive any remaining portion of the Specially Serviced Loan Principal Distribution Amount until its outstanding principal balance has been reduced to zero.

For any Distribution Date, the portion of the Principal Distribution Amount for such Distribution Date allocated to the Class A Certificates will be allocated to each class of Class A Certificates based on the Loan Group Principal Attribution Percentage for such class; *provided* that for each Distribution Date on or after the Distribution Date on which the outstanding principal balance of a class of Class A Certificates has been reduced to zero, any further allocations of the Principal Distribution Amount to such class will instead be allocated to the other outstanding classes of Class A Certificates *pro rata*, based on their respective outstanding principal balances after giving effect to all prior payments of principal; and *provided, further*, that for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Principal Distribution Amount for such Distribution Date will be allocated to each class of Class A Certificates *pro rata*, based on the outstanding principal balance for each such class immediately prior to such Distribution Date.

“Loan Group Principal Attribution Percentage” means, with respect to each class of Class A Certificates and each Loan Group, as applicable, and any Distribution Date, a percentage equal to (i) the portion of the Principal Distribution Amount attributable to the Loan Group related to such class, divided by (ii) the Principal Distribution Amount.

If the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans (thereby reducing the Principal Distribution Amount otherwise distributable on the certificates on the related Distribution Date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans. See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling 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 any class of Class A 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 X1 certificates and a corresponding reduction in the notional amount of the class X2 certificates. The Freddie Mac Guarantee does not cover any Prepayment Premiums or any other prepayment fees or charges related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X1 certificates following a reduction in their notional amount resulting from a reduction of the outstanding principal balance of any class of Principal Balance Certificates. In addition, Freddie Mac will be entitled to the Guarantee Fee. 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-5, A-7, A-10 and X1	Interest up to the total interest distributable on those classes based on their respective pass-through rates (including Unpaid Interest Shortfalls from prior Distribution Dates), <i>pro rata</i> based on such entitlements to interest, <i>provided</i> that if the amount available for distribution pursuant to this priority 1 <sup>st</sup> on any Distribution Date is insufficient to pay in full such respective interest entitlements, then the amount available for distribution pursuant to this priority 1 <sup>st</sup> will be allocated to those classes on a <i>pari passu</i> basis in an amount equal to (a) in the case of any class of Class A Certificates, the lesser of (i) such amount available for distribution multiplied by a fraction whose numerator is that class's entitlement to interest as described in this priority 1 <sup>st</sup> for such Distribution Date and whose denominator is the sum of the aggregate entitlement to interest of the Class A Certificates as described in this priority 1 <sup>st</sup> for such Distribution Date and the Class X1 Interest Distribution Amount for such Distribution Date and (ii) that class's entitlement to interest as described in this priority 1 <sup>st</sup> for such Distribution Date or (b) in the case of the class X1 certificates, the balance of such amount to be distributed, subject to the payment of Additional Interest Distribution Amounts, <i>provided</i> , further, that the amount distributable pursuant to this priority 1 <sup>st</sup> on the class X1 certificates will be distributed pursuant to the first full paragraph immediately following this table
2 <sup>nd</sup>	A-5, A-7 and A-10	In the following order of priority: <i>first</i> , (x) so long as no Waterfall Trigger Event has occurred and is continuing, the <i>pro rata</i> share of Performing Loan Principal Distribution Amounts the Class A Certificates are entitled to receive based on the total outstanding principal balances of the Class A Certificates relative to the total outstanding principal balances of the Principal Balance Certificates or (y) if a Waterfall Trigger Event has occurred and is continuing, up to the Performing Loan Principal Distribution Amount, and <i>second</i> , up to the Specially Serviced Loan Principal Distribution Amount, if any, with the total of the amounts set forth in priorities <i>first</i> and <i>second</i> to each class of Class A Certificates (1) for any Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, allocated based on the Loan Group Principal Attribution Percentage for such class; <i>provided</i> that for any Distribution Date on or after the Distribution Date on which the outstanding principal balance of a class of Class A Certificates has been reduced to zero, any further allocations of the amounts set forth in priorities <i>first</i> and <i>second</i> to such class will instead be allocated to the other outstanding classes of Class A Certificates <i>pro rata</i> , based on their respective outstanding principal balances after giving effect to all prior payments of principal; or (2) for any Distribution Date thereafter, allocated <i>pro rata</i> , based on the respective outstanding principal balance of each such class immediately prior to such Distribution Date, in each case of <u>clauses (1) and (2)</u> , until the outstanding principal balance of each such class has been reduced to zero
3 <sup>rd</sup>	A-5, A-7 and A-10	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for each class of Class A Certificates <i>pro rata</i> , based on the respective outstanding principal balance of each such class immediately prior to such Distribution Date
4 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Amounts relating to the Guaranteed Certificates, other than Guarantor Timing Reimbursement Amounts relating to the Class A Certificates
5 <sup>th</sup>	Guarantor	Any Guarantor Timing Reimbursement Amounts relating to the Class A Certificates
6 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Interest Amounts relating to the Guaranteed Certificates
7 <sup>th</sup>	X2	Interest up to the total interest distributable on that class based on its pass-through rate (including Unpaid Interest Shortfalls from prior Distribution Dates)
8 <sup>th</sup>	B	Interest up to the total interest distributable on that class (excluding Additional Interest Distribution Amounts) based on its pass-through rate (including Unpaid Interest Shortfalls from prior Distribution Dates)
9 <sup>th</sup>	B	In the following order of priority: <i>first</i> , (x) so long as no Waterfall Trigger Event has occurred and is continuing, the <i>pro rata</i> share of Performing Loan Principal Distribution

Order of Distribution	Recipient	Type and Amount of Distribution
		Amounts such class is entitled to receive based on that class's outstanding principal balance relative to the total outstanding principal balances of the Principal Balance Certificates or (y) if a Waterfall Trigger Event has occurred and is continuing, up to the Performing Loan Principal Distribution Amount remaining after the distribution of the Performing Loan Principal Distribution Amount pursuant to priority 2 <sup>nd</sup> above on such Distribution Date and <i>second</i> , up to the Specially Serviced Loan Principal Distribution Amount, if any, remaining after the distribution of the Specially Serviced Loan Principal Distribution Amount pursuant to priority 2 <sup>nd</sup> above on such Distribution Date; in each case, until the outstanding principal balance of such class has been reduced to zero
10 <sup>th</sup>	B	Reimbursement up to the loss reimbursement amount, if any, for such class
11 <sup>th</sup>	B	The Additional Interest Shortfall Amount, if any, payable on such Distribution Date
12 <sup>th</sup>	R	Any remaining portion of the funds in the Lower-Tier REMIC, Middle-Tier REMIC or Upper-Tier REMIC

The amount of interest allocated on each Distribution Date for distribution on the class X1 certificates pursuant to priority 1<sup>st</sup> in the table above will be distributed in the following order of priority:

- *first*, to the class X1 certificates in an amount up to the Class X1 Interest Distribution Amount,
- *second*, in the event that there remains a shortfall in any amount payable to the guarantor pursuant to priorities 4<sup>th</sup>, 5<sup>th</sup> or 6<sup>th</sup> in the table above (the “Outstanding Guarantor Reimbursement Amounts”) on such Distribution Date, the amount of any Outstanding Guarantor Reimbursement Amounts, will be payable to the guarantor (which amount will be allocated to reduce the Outstanding Guarantor Reimbursement Amount in order of the priorities set forth in the table above),
- *third*, to the class B certificates, in an amount up to the amount of any shortfall in the amount distributed on such class on such Distribution Date pursuant to priority 8<sup>th</sup>, in the table above,
- *fourth*, to the class B certificates in an amount up to the Additional Interest Distribution Amount, if any, payable on such Distribution Date, and
- *fifth*, to the class B certificates in an amount up to the amount of any shortfall in the amount of Additional Interest Shortfall Amount payable to such class on such Distribution Date pursuant to priority 11<sup>th</sup> in the table above.

However, payments on the Guaranteed Certificates will be covered by the Freddie Mac Guarantee, to the extent described in this information circular. Prepayment Premiums will not be allocated or taken into account for purposes of the distribution priorities described in the preceding paragraph.

*Subordination.* As and to the extent described in this information circular, the rights of holders of the class B certificates to receive distributions of amounts collected or advanced on the underlying mortgage loans will be subordinated to the rights of holders of the Guaranteed Certificates and the class X2 certificates and the rights of the guarantor to be reimbursed for payments on the Guaranteed Certificates. In addition, as and to the extent described in this information circular, the rights of holders of the class X2 certificates to receive distributions of amounts collected or advanced on the underlying mortgage loans will be subordinated to the rights of holders of the Guaranteed Certificates and the rights of the guarantor to be reimbursed for payments on the Guaranteed Certificates. See “—Priority of Distributions” above.

The credit support provided to the Guaranteed Certificates, as and to the extent described above, by the subordination described above of the applicable classes of Subordinate Certificates is intended to enhance the likelihood of timely receipt by the holders of the more senior classes of the 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 classes of Class A Certificates (based on each such class’s Loan Group Principal Attribution Percentage) for so long as they are outstanding of the entire Principal Distribution Amount for each Distribution Date during the continuation of a Waterfall Trigger Event, and the allocation to the classes of Class A Certificates (based on each such class’s Loan Group Principal Attribution Percentage) of any Specially Serviced Loan Principal Distribution Amount for so long as such class of Class A Certificates is outstanding, will generally have the effect of reducing the outstanding principal balances of the applicable classes of Class A Certificates at a faster rate than would be the case if principal payments were allocated *pro rata* to the Principal Balance Certificates. Thus, as principal is distributed to the holders of the Class A Certificates during the continuation of a Waterfall Trigger Event, and any Specially Serviced Loan Principal Distribution Amount is allocated to the holders of the Class A Certificates, the percentage interest in the issuing entity evidenced by the Class A Certificates will be decreased, with a corresponding increase in the percentage interest in the issuing entity evidenced by the class B certificates. This will cause the outstanding principal balance of the class B certificates to decline more slowly thereby increasing, relative to their respective outstanding principal balances, the subordination afforded to the Guaranteed Certificates by the class B certificates.

*Distributions of Prepayment Premiums.* If any Prepayment Premium is collected during any particular Collection Period in connection with the prepayment of any of the underlying mortgage loans, the certificate administrator will be required to distribute that Prepayment Premium, on the Distribution Date corresponding to that Collection Period, to the holders of the class X1 certificates. Prepayment Premiums will not be payable to the class B certificates as Additional Interest Distribution Amounts.

As described under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, if any Prepayment Premium is collected in connection with a liquidation of an underlying mortgage loan or REO Property, a liquidation fee may be payable on the amount collected.

We do not make any representation as to—

- the enforceability of any provision of the underlying mortgage loans requiring the payment of any prepayment consideration;
- whether or not such provision would be waived by holders representing a majority interest in the class X1 certificates (see “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular); or
- the collectability of that prepayment consideration.

See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

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

### **Treatment of REO Properties**

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

- distributions on the certificates;
- allocations of Realized Losses 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 Pooling and Servicing Agreement.

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

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

- *first*, to pay, or to reimburse the master servicer, the special servicer, the certificate administrator and/or the trustee for the payment of, any costs and expenses incurred in connection with the operation and disposition of the REO Property, and
- *thereafter*, as collections of principal, interest and other amounts due on the related underlying mortgage loan.

To the extent described under “—Advances of Delinquent Monthly Debt Service Payments” below, the master servicer and the trustee will be required to advance (subject to a nonrecoverability determination) delinquent monthly debt service payments with respect to each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property, in all cases as if that underlying mortgage loan had remained outstanding.

**Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses**

As a result of Realized Losses and the application of principal collections on the underlying mortgage loans to pay Additional Issuing Entity Expenses, the total outstanding principal balance of the Principal Balance Certificates could exceed the total Stated Principal Balance of the mortgage pool. If this occurs following the distributions made to the certificateholders on any Distribution Date, then the respective outstanding principal balances of the following classes of the certificates are to be sequentially reduced in the following order, until the total outstanding principal balance of those classes of certificates equals the total Stated Principal Balance of the mortgage pool that will be outstanding immediately following the subject Distribution Date; *provided* that the total Stated Principal Balance of the mortgage pool will be decreased, for this purpose only, by the amount of any unreimbursed Timing Guarantor Payments and increased, for this purpose only, by amounts of principal attributable to the mortgage pool previously used to reimburse nonrecoverable advances and certain advances related to rehabilitated mortgage loans, as described under “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling 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 mortgage loans that have since become liquidated loans, that will be outstanding immediately following that Distribution Date.

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

Any Realized Losses allocated to the Class A Certificates will be allocated to each class of Class A Certificates *pro rata*, based on its respective outstanding principal balance.

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 loans and those classes of Principal Balance Certificates. However, Freddie Mac will be required under its guarantee to pay the holder of any Class A Certificates an amount equal to any such loss allocated to its Class A Certificates as described under “—Distributions—Freddie Mac Guarantee” above.

The loss, if any, in connection with the liquidation of a Defaulted 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 any of the underlying mortgage loans is forgiven, whether in connection with a modification, waiver or amendment granted or agreed to by the master servicer or the special servicer or in connection with the bankruptcy, insolvency or similar proceeding involving the related borrower, the amount forgiven, other than Default Interest, also will be treated as a Realized Loss.

The following items, to the extent that they are paid out of collections on the mortgage pool (other than late payment charges and/or Default Interest collected on the underlying mortgage loans) in accordance with the terms of the Pooling 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 loans and the administration of the other assets of the issuing entity;
- any unanticipated expenses of the issuing entity, including—
  1. any reimbursements and indemnifications to the trustee and the custodian and the certificate administrator and various related persons and entities, as described under “The Pooling and Servicing Agreement—Certain Indemnities” in this information circular,
  2. any reimbursements and indemnification to the master servicer, the special servicer, the depositor, Freddie Mac (in its capacity as servicing consultant) and various related persons and entities, as described under “The Pooling 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 any mortgaged real property securing a Defaulted Loan, as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

Late payment charges and Default Interest collected with respect to any underlying mortgage loan are to be applied to pay interest on any advances that have been or are being reimbursed with respect to that underlying mortgage loan. In addition, late payment charges and Default Interest collected with respect to any underlying mortgage loan are also to be applied to reimburse the issuing entity for any Additional Issuing Entity Expenses previously incurred by the issuing entity with respect to that underlying mortgage loan. Late payment charges and Default Interest collected with respect to any underlying mortgage loan that are not so applied to pay interest on advances or to reimburse the issuing entity for previously incurred Additional Issuing Entity Expenses 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 sum of (i) all scheduled monthly debt service payments (other than Default Interest, late payment charges and Prepayment Premiums) and (ii) assumed monthly debt service payments, in each case net of master servicing fees and sub-servicing fees, that—

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

However, if it is determined that an Appraisal Reduction Amount exists with respect to any 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 that 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 any underlying mortgage loan as to which there exists an Appraisal Reduction Amount, will equal the product of—

- the amount of the interest portion of that monthly debt service advance that would otherwise be required to be made for the subject Distribution Date without 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 outstanding principal balance of the class B certificates has been reduced to zero.

With respect to any Distribution Date, the master servicer will be required to make monthly debt service advances either out of its own funds or, subject to replacement as and to the extent provided in the Pooling 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.

If the master servicer fails to make a required monthly debt service advance and the trustee is aware of that failure, the trustee will be obligated to make that advance.

The master servicer and the trustee will each be entitled to recover any monthly debt service advance made by it out of its own funds (together with interest accrued on such amount) from collections on the underlying mortgage loan as to which the advance was made. Neither the master servicer nor the trustee will be obligated to make any monthly debt service advance that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the trustee), would not ultimately be recoverable out of collections on the related underlying mortgage loan. If the master servicer or the trustee makes any monthly debt service advance with respect to any of the underlying mortgage loans (including any such advance that is a Workout-Delayed Reimbursement Amount), 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 that underlying mortgage loan (or, if such advance is a Workout-Delayed Reimbursement Amount, out of collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (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 mortgage pool. See “Description of the

Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling 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 or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable P&I Advance (including interest accrued on such amount) as described in the second preceding sentence will be deemed to be reimbursed first from payments and other collections of principal on the mortgage pool (thereby reducing the Principal Distribution Amount otherwise distributable on the certificates on the related Distribution Date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The 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.

However, instead of obtaining reimbursement out of general collections on the mortgage pool immediately for a Nonrecoverable P&I Advance, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for such Nonrecoverable P&I Advance over a period of time (not to exceed six months without the consent of the directing certificateholder or 12 months in any event), with interest continuing to accrue on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement for such Nonrecoverable P&I Advance from general collections on the mortgage pool (including, without limitation, interest collections) immediately. In general, such a reimbursement deferral will only be permitted under the Pooling and Servicing Agreement if and to the extent that the subject Nonrecoverable P&I Advance, after taking into account other outstanding Nonrecoverable Advances, could not be reimbursed with interest out of payments and other collections of principal on the mortgage pool during the current Collection Period. The fact that a decision to recover a Nonrecoverable P&I Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling and Servicing Agreement by any party to the Pooling and Servicing Agreement or a violation of any duty owed by any party to the certificateholders.

In addition, in the event that any monthly debt service advance with respect to a Defaulted Loan remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status and the amount of such advance becomes an obligation of the related borrower under the terms of the modified loan documents (a “Workout-Delayed Reimbursement Amount”), the master servicer or the trustee will be entitled to reimbursement for that advance and interest accrued on such advance (even though that advance is not deemed a Nonrecoverable P&I Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance (thereby reducing the Principal Distribution Amount otherwise distributable on the certificates on the related Distribution Date), prior to any distributions of principal on the certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, then the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement out of general collections as a Nonrecoverable Advance in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

The master servicer and the trustee will each be entitled to receive interest on 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. Subject to the discussion in the two preceding paragraphs, interest accrued with respect to any monthly debt service advance on an underlying mortgage loan will be payable out of general collections on the mortgage pool.

A monthly debt service payment will be assumed to be due with respect to each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property.

The assumed monthly debt service payment deemed due on any underlying mortgage loan described in the prior sentence will equal, for its maturity date (if applicable) and for each successive Due Date following the relevant event that it or any related REO Property remains part of the issuing entity, the sum of (a) the principal portion, if any, of the monthly debt service payment that would have been due on the underlying mortgage loan on the relevant date if the related mortgaged real property had not become an REO Property 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 related 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 Pooling 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 loans and the related mortgaged real properties. 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 loans. 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 subordinate mortgage debt is being serviced by the master servicer or the master servicer receives the necessary information from the applicable servicer of such subordinate mortgage debt, and if not prohibited by the terms of the related subordinate mortgage debt loan documents or any servicing agreement with respect to the related subordinate mortgage debt (i) the master servicer will include information on such 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 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 subordinate mortgage debt in reports or files as contemplated under the terms of the Pooling 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 subordinate mortgage debt or by Freddie Mac.

*Information Available Electronically.* To the extent the "deal documents," "periodic reports," "additional documents" and "special notices" listed in the following bullet points are in the certificate administrator's possession and prepared by it or delivered to it in an electronic format, the certificate administrator will be required to make available to any Privileged Person via the certificate administrator's website in accordance with the terms and provisions of the Pooling 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;
- (c) the Pooling and Servicing Agreement;
- (d) the mortgage loan purchase agreement; and
- (e) 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 an 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 Pooling 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) any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan unless such person is the directing certificateholder, (1) any asset status report, inspection report or appraisal, (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 or appraisal relating to any Affiliated Borrower Loan. The certificate administrator’s website will initially be located at <https://tss.sfs.db.com/investpublic>. Access will be provided by the certificate administrator to Privileged Persons upon receipt by the certificate administrator from such person of an investor certification in the form(s) described in the Pooling and Servicing Agreement, which form(s) may also be located on and submitted electronically via the certificate administrator’s website. The parties

to the Pooling 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) 735-7777.

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

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

*Other Information.* The Pooling 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 certificate, originals or copies, in paper or electronic form, of, among other things, the following items, to the extent such documents have been delivered to the certificate administrator or the custodian, as applicable:

- any 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 Pooling and Servicing Agreement, including its exhibits, and any amendments to the Pooling 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 Pooling 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 Pooling and Servicing Agreement—Evidence as to Compliance" in this information circular;
- any and all modifications, waivers and amendments of the terms of an underlying mortgage loan entered into by the master servicer or the special servicer and delivered to the custodian pursuant to the Pooling and Servicing Agreement (but only for so long as the affected underlying mortgage loan is part of the issuing entity);
- any and all officer's certificates delivered to the 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 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 loans; 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 Pooling 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 Pooling 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 a borrower or an affiliate of a borrower under the underlying mortgage loan, (iv) will keep the information confidential, and (v) will indemnify the certificate administrator, the trustee, the custodian, the master servicer, the special servicer, the issuing entity and the depositor from any damage, loss, cost or liability (including legal fees and expenses and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure of the information. The certificate administrator, the custodian, the master servicer, the special servicer and any sub-servicer may not provide to (a) any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan unless such person is the directing certificateholder, (i) any asset status report, inspection report or appraisal, (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 or appraisal relating to any Affiliated Borrower Loan. However, such restrictions on providing information will not apply to the master servicer, the special servicer and any sub-servicer if the applicable loan documents expressly require such disclosure to such person as a borrower under an underlying mortgage loan.

*Reports to Freddie Mac.* On or before the third business day prior to each Distribution Date, the certificate administrator will be required, in accordance with the terms of the Pooling 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 loans 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 <https://tss.sfs.db.com/investpublic>; 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 Principal Balance Certificates, in proportion to the respective outstanding principal balances of those classes;
- 1% of the voting rights will be allocated to the class X1 certificates; and
- 0% of the voting rights will be allocated to the class R and X2 certificates.

Voting rights allocated to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class. However, solely for the purposes of giving any consent, approval or waiver pursuant to the Pooling and Servicing Agreement with respect to the rights, obligations or liabilities of the trustee, the certificate administrator, the master servicer, the special servicer or Freddie Mac, any certificate registered in the name of such trustee, certificate administrator, master servicer, special servicer, Freddie Mac or any affiliate of any of them, as applicable, will be deemed not to be outstanding, and the voting rights to

which it is entitled will not be taken into account in determining whether the requisite percentage of voting rights necessary to effect any such consent, approval or waiver has been obtained. Such restriction will not apply to (i) the selection of the Controlling Class 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 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 loans in the related Loan Group, in the case of the Class A Certificates, or all of the underlying mortgage loans, in the case of the class X1 certificates;
- whether a Waterfall Trigger Event occurs;
- the rate and timing of defaults, and the severity of losses, if any, on the underlying mortgage loans in the related Loan Group, in the case of the Class A Certificates, or all of the underlying mortgage loans, in the case of the class X1 certificates;
- 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 Prepayment Premiums with respect to all of the underlying mortgage loans, in the case of the class X1 certificates; and
- servicing decisions with respect to the underlying mortgage loans.

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

*Freddie Mac Guarantee.* Although the Freddie Mac Guarantee will mitigate the yield and maturity considerations with respect to the offered certificates discussed in this information circular, the Freddie Mac Guarantee is not backed by the full faith and credit of the United States. If the guarantor were unable to pay under the Freddie Mac Guarantee, such mitigation would not apply.

*Pass-Through Rates.* On and after the applicable Class A Rate Change Date, the yield to maturity on the Class A Certificates will be highly sensitive to changes in the level of One-Month LIBOR such that the decrease in the level of One-Month LIBOR will have a negative effect on the yield to maturity of the holders of such certificates. In addition, whether the Class A Certificates are purchased at a premium or discount, variances in the anticipated rate of payments and other collections of principal on the underlying mortgage loans in the related Loan Group, reductions to the Net Mortgage Interest Rate of the underlying mortgage loans caused by prepayments on the underlying mortgage loans in the related Loan Group, changes in the level of the Index after the loan reset dates on

the underlying mortgage loans to the extent the pass-through rates on the Class A Certificates are subject to caps based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group or, after the outstanding principal balance of the class B certificates has been reduced to zero, for the mortgage pool, and changes in the level of One-Month LIBOR on and after the applicable Class A Rate Change Date may affect the yield to maturity on the Class A Certificates. In addition, prevailing market conditions may increase the interest rates or the interest rate margins over One-Month LIBOR at which comparable securities are being offered, which would cause the Class A Certificates to decline in value. Investors in the Class A Certificates should consider the risk that lower than anticipated level of One-Month LIBOR could result in a lower yield to investors than the anticipated yield and the risk that higher market interest rate margins above One-Month LIBOR could result in a lower value of the Class A Certificates.

The yields on the Class A Certificates could also be adversely affected if underlying mortgage loans in the related Loan Groups with higher interest rates or interest rate margins over the Index pay faster than underlying mortgage loans in the related Loan Groups with lower interest rates or interest rate margins over the Index. Since each class of Class A Certificates bears interest at a rate limited by the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group or, after the outstanding principal balance of the class B certificates has been reduced to zero, for the mortgage pool, minus the Guarantee Fee Rate and the Class X2 Pass-Through Rate, the pass-through rate on such class of Class A Certificates may be limited by that pass-through rate cap, even if principal prepayments do not occur. A decline of the Index relative to One-Month LIBOR may also cause the pass-through rates on the Class A Certificates be limited by those pass-through rate caps. See “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

The yield to investors on the class X1 certificates will be highly sensitive to the rate and timing of principal payments, including prepayments, on the underlying mortgage loans. If you are contemplating an investment in the class X1 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 loans could result in your failure to recoup fully your initial investment.

The pass-through rate for the class X1 certificates is calculated based upon (1) for each Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for each of the Loan Groups or (2) for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool. As a result, the pass-through rate (and, accordingly, the yield to maturity) on the class X1 certificates would be adversely affected by reductions in the level of Six-Month LIBOR. In either case, the yield to maturity on the class X1 certificates could be adversely affected if the interest rates on the underlying mortgage loans reset to relatively high interest rates because they may be more likely to experience a faster rate of principal payment than underlying mortgage loans with relatively low interest rates. The yield to maturity on the class X1 certificates will also be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary and involuntary prepayments and liquidations of the underlying mortgage loans following default. The Weighted Average Net Mortgage Pass-Through Rates will not be affected by modifications, waivers or amendments with respect to the underlying mortgage loans, except for any modifications, waivers or amendments that increase the mortgage interest rate margin. As discussed below under “—Additional Interest Accrual Amounts,” the yield to maturity on the class X1 certificates will be adversely affected by Additional Interest Distribution Amounts payable to the class B certificates and by Outstanding Guarantor Reimbursement Amounts Payable to the guarantor.

*Additional Interest Accrual Amounts.* To the extent there are Additional Interest Accrual Amounts on the class B certificates, such Additional Interest Accrual Amounts will be paid from amounts that would otherwise be distributable to the class X1 certificates on any Distribution Date on and after the Class B First Rate Change Date. The class X1 certificates will not be entitled to reimbursement of such amounts. Therefore, the yield on the class X1 certificates will be sensitive to any event that causes Additional Interest Accrual Amounts to be distributed on the class B certificates, such as the prepayment of underlying mortgage loans with relatively higher interest rates or the extension of underlying mortgage loans with relatively lower interest rates, as described under “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

The pass-through rates of the Principal Balance Certificates will be capped by (a) with respect to any class of Class A Certificates, (1) for each Distribution Date on or prior to the Distribution Date on which the outstanding

principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group or (II) for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, the Weighted Average Net Mortgage Pass-Through Rate for the mortgage pool, minus, in the case of both clause (I) and clause (II), the sum of (A) the Guarantee Fee Rate (B) and the Class X2 Pass-Through Rate (provided that in no event will the pass-through rate for any class of Class A Certificates be less than zero) and (b) with respect to the class B certificates, the Class B Capped Rate (provided that in no event will the Class B Pass-Through Rate be less than zero), as described in this information circular. To the extent the Weighted Average Net Mortgage Pass-Through Rate for the Loan Group or the mortgage pool remains constant or declines, which may be due to the prepayment of underlying mortgage loans with relatively higher interest rates or the extension of the maturity dates of the underlying mortgage loans in such Loan Group or the mortgage pool with relatively lower interest rates, the pass-through rates of one or more classes of Principal Balance Certificate may be capped. Although in such circumstances the class B certificates, to the extent they have an outstanding principal balance, will be entitled to Additional Interest Accrual Amounts as described in this information circular, such Additional Interest Accrual Amounts are limited, in the aggregate, to amounts that would otherwise be distributable to the class X1 certificates on any Distribution Date. To the extent that funds are not available to pay any Additional Interest Accrual Amounts on any Distribution Date on the class B certificates, such Additional Interest Accrual Amounts will be distributable on future Distribution Dates as an Additional Interest Shortfall Amount.

*Rate and Timing of Principal Payments.* The yield to maturity of the class X1 certificates will be extremely sensitive to, and the yield to maturity on any Class A Certificates purchased at a discount or a premium will be affected by, the rate and timing of principal distributions made in reduction of the 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 Class A Certificates will be directly related to the rate and timing of principal payments on or with respect to the underlying mortgage loans in the related Loan Group, the rate and timing of principal that is collected or advanced in respect of certain Specially Serviced Mortgage Loans in the related Loan Group, and whether or not a Waterfall Trigger Event has occurred and is continuing. Finally, the rate and timing of principal payments on or with respect to the underlying mortgage loans will be affected by their amortization schedules and the rate and timing of principal prepayments and other unscheduled collections on them, including for this purpose, collections made in connection with liquidations of underlying mortgage loans due to defaults, casualties or condemnations (including principal paydowns in connection with condemnations) affecting the mortgaged real properties, pay downs of loans due to failure of the related property to meet certain performance criteria or purchases or other removals of underlying mortgage loans from the issuing entity.

Prepayments and early liquidations of the underlying mortgage loans in any Loan Group will result in distributions on the related class of Class A Certificates of amounts that would otherwise be paid over the remaining terms of the underlying mortgage loans. This will tend to shorten the weighted average lives of such class of Class A Certificates and accelerate the rate at which the notional amounts of the corresponding components of the class X1 certificates are reduced. Defaults on the underlying mortgage loans in any Loan Group, particularly at or near their maturity dates, may result in significant delays in distributions of principal on the underlying mortgage loans and, accordingly, on the related class of Class A Certificates, while workouts are negotiated or foreclosures are completed, subject to the Freddie Mac Guarantee. These delays will tend to lengthen the weighted average lives of such class of Class A Certificates. See “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular.

The extent to which the yield to maturity on any Class A Certificates may vary from the anticipated yield will depend upon the degree to which the Class A Certificates are purchased at a discount or premium and when, and to what degree payments of principal on the underlying mortgage loans in a Loan Group are in turn paid in a reduction of the outstanding principal balance of the related class of Class A Certificates. If you purchase Class A Certificates at a discount, you should consider the risk that a slower than anticipated rate of principal payments on the underlying mortgage loans in the applicable Loan Group could result in an actual yield to you that is lower than your anticipated yield. If you purchase the class X1 certificates or Class A Certificates at a premium, you should consider the risk that a faster than anticipated rate of principal payments on the underlying mortgage loans could result in an actual yield to you that is lower than your anticipated yield.

The rate of prepayment on the underlying mortgage loans is likely to be affected by prevailing market interest rates or margins over the Index for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate or margin over the Index is below the annual rate or margin over the Index at which an underlying mortgage loan accrues interest, the related borrower may have an increased incentive to refinance that underlying mortgage loan. Conversely, to the extent prevailing market interest rates or margins over the Index exceed the annual rate or margin over the Index at which an underlying mortgage loan accrues interest, the borrower may be less likely to voluntarily prepay that underlying mortgage loan.

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

We make no representation or warranty regarding:

- the particular factors that will affect the rate and timing of prepayments and defaults on the underlying mortgage loans;
- the relative importance of those factors;
- the percentage of the total outstanding principal balance of the underlying mortgage loans that will be prepaid or as to which a default will have occurred as of any particular date;
- whether the underlying mortgage loans that are in a prepayment lockout period, including any part of that period when prepayment with a Prepayment Premium is allowed, will be prepaid as a result of involuntary liquidations upon default or otherwise during that period;
- the overall rate of prepayment or default on the underlying mortgage loans; or
- whether the Loan Groups will experience prepayments at similar rates and times.

We are not aware of any publicly available relevant and authoritative statistics that set forth principal prepayment experience or prepayment forecasts of commercial mortgage loans over an extended period of time. Floating rate commercial mortgage loans may be subject to a greater rate of principal prepayments in a declining interest rate environment. We cannot assure you as to the rate of prepayments on the underlying mortgage loans in stable or changing interest rate environments.

Because the rate of principal payments on or with respect to the underlying mortgage loans will depend on future events and a variety of factors, no particular assurance can be given as to that rate or the rate of principal prepayments. Accordingly, you may find it difficult to analyze the effect of prepayments on the yield to maturity of the offered certificates.

*Delinquencies and Defaults on the Underlying Mortgage Loans.* The rate and timing of delinquencies and defaults on the underlying mortgage loans will affect—

- the amount of distributions on the offered certificates;
- the yield to maturity of the offered certificates;
- the notional amount of the class X1 certificates;
- the rate of principal distributions on the applicable class of Class A Certificates based upon the Loan Groups that include the affected underlying mortgage loans; and
- the weighted average lives of the offered certificates.

Delinquencies on the underlying mortgage loans may result in shortfalls in distributions of interest and/or principal on the offered certificates for the current month, subject to the Freddie Mac Guarantee. See “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 loans in the applicable Loan Groups 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 applicable classes of offered certificates, then your actual yield to maturity will be lower than your anticipated yield and could, under some scenarios, be negative.

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

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

In addition, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans (thereby reducing the Principal Distribution Amount otherwise distributable on the certificates on the related Distribution Date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling 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 loans:

- prevailing interest rates and prevailing margins over the Index after the first loan reset date for the underlying mortgage loans;
- the terms of the underlying mortgage loans, including—
  - (a) provisions that require Prepayment Premiums (and whether the payment of Prepayment Premiums is waived by holders representing a majority interest in the class X1 certificates); and
  - (b) due-on-sale/encumbrance provisions;
- the demographics and relative economic vitality of the areas in which the mortgaged real properties are located;
- the general supply and demand for multifamily rental space and living facilities of the type available at the mortgaged real properties in the areas in which those properties are located;
- the quality of management of the mortgaged real properties;
- the servicing of those underlying mortgage loans;
- changes in tax laws; and
- other opportunities for investment.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans,” “—The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X1 Certificates To Cause the Waiver of Prepayment Premiums and Due to Limited Prepayment Protection,” “Description of the Underlying Mortgage Loans” and “The Pooling and Servicing Agreement” in this information circular.

*Delay in Distributions.* Because monthly distributions will not be made on the offered certificates until the Distribution Date following the Due Dates 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 Life 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 November 24, 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 any class of Class A Certificates is determined by:

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

Accordingly, the weighted average life of a class of Class A Certificates will be influenced by, among other things, the rate at which principal of the underlying mortgage loans in the related Loan Group 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 class.

The Class A Certificates will receive principal distributions as described under “Descriptions of the Certificates—Distributions—Principal Distributions” and “—Priority of Distributions” in this information circular. As a consequence of such distributions priorities, if a Waterfall Trigger Event occurs or if Specially Serviced Loan Principal Distribution Amounts are received or advanced, the weighted average lives of the applicable classes of Class A Certificates will be shorter, and the weighted average lives of the class B certificates will be longer, than would otherwise be the case if no Waterfall Trigger Event occurs or no Specially Serviced Loan Principal Distribution Amounts are received.

The tables set forth on Exhibit D show with respect to each class of Class A Certificates, the weighted average life of such class, and the percentage of the initial principal balance of such class that would be outstanding after each of the specified dates, based upon each of the indicated levels of CPR and the Modeling Assumptions.

The actual characteristics and performance of the underlying mortgage loans will differ from the Modeling Assumptions used in calculating the tables on Exhibit D. The tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the tables on Exhibit D and the actual characteristics and performance of the underlying mortgage loans, or their actual prepayment or loss experience, will affect the percentages of initial principal balances outstanding over time and the weighted average lives of the Class A Certificates.

We cannot assure you that—

- the underlying mortgage loans will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;

- the underlying mortgage loans will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loans will not experience losses;
- whether or not a Waterfall Trigger Event will occur or amounts distributable as Specially Serviced Loan Principal Distribution Amount will be received; or
- the underlying mortgage loans that are prepayable during any period with a Prepayment Premium will not prepay, whether voluntarily or involuntarily (including as a result of involuntary liquidation upon default), 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 X1 Certificates**

If you purchase the class X1 certificates, your yield to maturity will be particularly sensitive to reductions to the notional amounts of those certificates. Each distribution of principal in reduction of the outstanding principal balance of any of the Principal Balance Certificates will result in a reduction in the total notional amount of the class X1 certificates. Your yield to maturity may also be adversely affected by—

- the repurchase of any underlying mortgage loans by the mortgage loan seller in connection with a material breach of a representation and warranty or a material document defect, as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular;
- the purchase of a Defaulted Loan by the directing certificateholder pursuant to its purchase option under the Pooling and Servicing Agreement;
- the purchase of a Defaulted Loan by any Junior Loan Holder pursuant to its purchase option under the related intercreditor agreement
- the timing of defaults and liquidations of underlying mortgage loans;
- a Condemnation Sale; and
- the termination of the issuing entity, as described under “The Pooling and Servicing Agreement—Termination” in this information circular.

The table set forth on Exhibit E shows pre-tax corporate bond equivalent yields for the class X1 certificates based on the Modeling Assumptions, except that the optional termination is exercised, and further assuming the specified purchase price and the indicated levels of CPR. The assumed purchase price is exclusive of accrued interest.

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

- determining the monthly discount rate that, when applied to the assumed stream of cash flows to be paid on the class X1 certificates would cause the discounted present value of that assumed stream of cash flows to equal—
  1. the assumed purchase price for the class X1 certificates, plus
  2. accrued interest at the initial pass-through rate for the class X1 certificates, from and including November 1, 2015 to but excluding the assumed settlement date of November 24, 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 X1 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 X1 certificates when reinvestment rates are considered.

In addition, the actual characteristics and performance of the underlying mortgage loans will differ from the Modeling Assumptions used in calculating the table on Exhibit E. The table is hypothetical in nature and is provided only to give a general sense of how the cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the table on Exhibit E and the actual characteristics and performance of the underlying mortgage loans, or their actual prepayment or loss experience, will affect the yield on the class X1 certificates.

We cannot assure you that—

- the underlying mortgage loans will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;
- the underlying mortgage loans will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loans will not experience losses;
- the underlying mortgage loans that are prepayable during any period with a Prepayment Premium, will not prepay, whether voluntarily or involuntarily, during any such period; or
- the purchase price of the class X1 certificates will be as assumed.

It is unlikely that the underlying mortgage loans will prepay as assumed at any of the specified CPR levels until maturity or that all of the underlying mortgage loans will so prepay at the same rate. Actual yield to maturity for investors in the class X1 certificates may be materially different than those indicated in the table on 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 X1 certificates

## THE POOLING AND SERVICING AGREEMENT

### General

The certificates will be issued, the issuing entity will be created and the underlying mortgage loans will be serviced and administered under a Pooling and Servicing Agreement, to be dated as of November 1, 2015, by and among the depositor, the master servicer, the special servicer, the trustee, the certificate administrator, the custodian and Freddie Mac (the “Pooling and Servicing Agreement”). Subject to meeting certain requirements, the Originator has the right and is expected to appoint itself or its affiliate as the sub-servicer of the underlying mortgage loans. First Foundation is the Originator for each underlying mortgage loan.

The certificate administrator will provide a copy of the Pooling and Servicing Agreement to a prospective or actual holder or beneficial owner of an offered certificate, upon written request from such party or a placement agent and the completion of an appropriate confidentiality agreement in the form attached to the Pooling and Servicing Agreement and, at the certificate administrator’s discretion, payment of a reasonable fee for any expenses. The Pooling 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 servicing consultant 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.

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 certain related provisions of the Pooling and Servicing Agreement are described under "—Servicing Under the Pooling 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 loans and the effect of that ability on the potential cash flows from the underlying mortgage loans are described under "—Modifications, Waivers, Amendments and Consents" below.

Certain terms of the Pooling and Servicing Agreement regarding the master servicer'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. The master servicer's rights and obligations as master servicer with respect to indemnification, and certain limitations on the master servicer's liability as master servicer under the Pooling and Servicing Agreement, are described under "—Liability of the Servicers" and "—Certain Indemnities" below.

## The Special Servicer

Situs Holdings, LLC, a Delaware limited liability company (“Situs Holdings”), will be appointed as the special servicer of the underlying mortgage loans pursuant to the Pooling and Servicing Agreement. Situs Holdings is a wholly owned subsidiary of an affiliated entity of Stone Point Capital LLC (“Stone Point”). Stone Point is a global private equity firm that has raised over \$13 billion of committed capital. Stone Point targets investments in the global financial services industries, including insurance underwriting and distribution, mortgage services, benefits and healthcare, outsourcing services, specialty lending, asset management and retirement savings, and banking and depository institutions

The principal executive office of Situs Holdings is located at 5065 Westheimer Suite 700E, Houston, Texas 77056 and its telephone number is (713) 328-4400. Situs Holdings maintains its principal special servicing office at 2 Embarcadero Center, Suite 1300, San Francisco, California 94111.

Situs Holdings has a current special servicer rating for “CSS2” from Fitch, “MOR CS1” from Morningstar and is on S&P’s Select Servicer list as a United States Commercial Mortgage Special Servicer ranked “Above Average.” Situs Holdings is approved by Moody’s as a special servicer for CMBS transactions. As of September 30, 2015, Situs Holdings is also the named operating advisor for 27 CMBS transactions with an aggregate outstanding principal balance of approximately \$28 billion.

Situs Holdings and its affiliates (collectively “Situs”) are involved in the commercial real estate advisory business and engages principally in:

- Real estate consulting
- Primary Servicing
- CMBS Special Servicing
- Asset Management
- Due Diligence and Underwriting

Since 1985, Situs has provided commercial real estate advisory, due diligence and business solutions to the lending and real estate industries. Situs has major offices located across the U.S. in San Francisco, New York, and Houston as well as offices in London, Copenhagen and Frankfurt. Situs provides services to financial institutions investors and servicers as well as to agencies of the United States government.

The table below sets forth information about Situs’ portfolio of specially serviced loans as of the dates indicated below:

Special Servicing	As of 12/31/2012	As of 12/31/2013	As of 12/31/2014	As of 09/30/2015
<b>CMBS Pools (excluding SFR)</b> .....	12	17	16	14
By Approximate Number .....	1,743	1,677	1,472	1,033
Named Specially Serviced Portfolio By Approximate				
Aggregate Unpaid Principal Balance <sup>(1)</sup> .....	\$22,993,057,257	\$21,480,019,760	\$18,479,130,452	\$12,616,911,973
Actively Specially Serviced Portfolio By Approximate				
Number of Loans <sup>(2)</sup> .....	148	97	54	42
Actively Specially Serviced Portfolio By Approximate				
Aggregate Unpaid Principal Balance <sup>(2)</sup> .....	\$2,238,277,922	\$1,240,315,264	\$640,519,957	\$476,354,783
<b>CMBS SFR Pools</b> .....	0	1	8	11
By Approximate Number .....	0	1	8	11
Named Specially Serviced Portfolio By Approximate				
Aggregate Unpaid Principal Balance <sup>(1)</sup> .....	\$0	\$479,137,000	\$4,839,311,570	\$6,555,147,319
Actively Specially Serviced Portfolio By Approximate				
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 loans in Situs’ portfolio for which Situs is the named special servicer, regardless of whether such loans are, as of the specified date, specially-serviced loans

(2) Includes only those loans in the portfolio that, as of the specified date, are specially-serviced loans.

As of September 30, 2015, Situs Holdings had 24 personnel involved in the special servicing of commercial real estate assets, of which 17 were dedicated to the special servicing business unit. As of September 30, 2015, Situs specially serviced a portfolio which included approximately 129 loans throughout the United States with a then-current face value in excess of \$942 million, all of which are commercial or multifamily real estate assets.

Those commercial real estate assets included mortgage loans secured by the same types of income producing properties as those securing the underlying mortgage loans backing the certificates. Accordingly, the assets that Situs services as well as assets owned by its affiliates may, depending upon the particular circumstances, including the nature and location of such assets, compete with the mortgaged real properties securing the underlying mortgage loans for tenants, purchasers, financing and so forth.

Situs has developed policies and procedures for the performance of its special servicing obligations in compliance with applicable servicing criteria set forth in Item 1122 of Regulation AB, including managing delinquent loans and loans subject to the bankruptcy of the borrower. Situs has recognized that technology can greatly improve its performance as a servicer and special servicer, and Situs' infrastructure provides improved controls for compliance with pooling and servicing agreements, loan administration and procedures in workout/resolution.

Situs occasionally engages consultants to perform property inspections and provide certain asset management functions. Situs does not have any material primary advancing obligations with respect to the CMBS pools as to which it acts as servicer and/or special servicer and accordingly Situs does not believe that its financial condition will have any adverse effect on the performance of its duties under the Pooling and Servicing Agreement nor any material impact on the underlying mortgage loan performance or the performance of the certificates.

Situs will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. On occasion, Situs may have custody of certain of such documents as necessary for enforcement actions involving particular underlying mortgage loans or otherwise. To the extent that Situs has custody of any such documents, such documents will be maintained in a manner consistent with the Servicing Standard. There are currently no legal proceedings pending; and no legal proceedings known to be contemplated by governmental authorities, against Situs or of which any of its property is the subject, which is material to the holders of the certificates. Situs is not an affiliate of the depositor, the mortgage loan seller, the master servicer, the trustee or the certificate administrator.

There are no specific relationships involving or relating to this transaction or the underlying mortgage loans between Situs or any of its affiliates, on the one hand, and 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 the subject securitization transaction—between Situs or any of its affiliates, on the one hand, and 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 certificates.

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

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

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

Certain duties and obligations of the special servicer, and certain related provisions of the Pooling and Servicing Agreement, are described under “—Servicing Under the Pooling 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 loans and the effect of that ability on the potential cash flows from the underlying mortgage loans are described under “—Modifications, Waivers, Amendments and Consents” below.

The special servicer will, among other things, oversee the resolution of an underlying mortgage loan during a special servicing period and the disposition of REO Properties. Certain of the special servicer’s duties as the special servicer under the Pooling and Servicing Agreement, including information regarding the processes for handling delinquencies, losses, bankruptcies and recoveries (such as through a liquidation of an underlying mortgage loan, the sale of an underlying mortgage loan or negotiations or workouts with the borrower under an underlying mortgage loan) are set forth under “—Realization Upon Mortgage Loans” below.

Certain terms of the Pooling and Servicing Agreement regarding the special servicer’s removal, replacement, resignation or transfer as special servicer are described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—Rights Upon Event of Default” below. The special servicer’s rights and obligations as special servicer with respect to indemnification, and certain limitations on the special servicer’s liability as special servicer under the Pooling and Servicing Agreement, are described under “—Liability of the Servicers” and “—Certain Indemnities” below.

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 special servicer as described under “—Certain Indemnities” below.

### **The Sub-Servicer**

First Foundation will become the sub-servicer to the master servicer with respect to the underlying mortgage loans pursuant to a sub-servicing agreement between the master servicer and First Foundation. The principal commercial mortgage servicing offices of First Foundation are located at 18101 Von Karman Avenue, Suite 750, Irvine, California 92612.

Since it commenced operations in October 2007, First Foundation has held in its own portfolio and serviced all of the loans that it has originated. Servicing the underlying mortgage loans will not require any material changes to the servicing policies or procedures that First Foundation has applied over the past three years to servicing the multifamily residential mortgage loans in its portfolio. The only additional servicing responsibility arising from this transaction will be investor reporting, which First Financial has already beta tested and for which First Financial has hired a new loan servicing manager with experience handling investor reporting for other large institutions to oversee the rollout.

As sub-servicer for the underlying mortgage loans, First Foundation will be responsible for billing, accepting and remitting payments, accounting and investor reporting. All of the underlying mortgage loans will be multifamily residential mortgage loans, no advances of further funds to the borrowers are allowed or anticipated, and there are no special or unique factors involved in servicing this particular type of assets. Although First Foundation has its own special assets division, it will not act as the special servicer for the underlying mortgage loans.

First Foundation is not presently aware of any financial condition which would materially and adversely affect its ability to service the underlying mortgage loans.

For further information regarding First Foundation, see “Description of the Mortgage Loan Seller” in this information .

The foregoing information set forth in this section “—The Sub-Servicer” has been provided by First Foundation. Neither the depositor nor any other person other than First Foundation makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of First Foundation as a sub-servicer, and the provisions of the sub-servicing agreement, are described under “—Summary of Sub-Servicing Agreement” below.

Certain terms of the Pooling and Servicing Agreement regarding First Foundation’s removal as sub-servicer are described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—Rights Upon Event of Default” below. First Foundation’s rights and obligations with respect to indemnification, and certain limitations on First Foundation’s liability under the Pooling and Servicing Agreement, are described in this information circular under “—Liability of the Servicers,” “—Summary of Sub-Servicing Agreement” and “—Certain Indemnities” below.

### **Summary of Sub-Servicing Agreement**

Pursuant to the terms of a sub-servicing agreement between First Foundation and the master servicer, the sub-servicer will perform certain primary servicing functions with respect to all of the underlying mortgage loans. The sub-servicer may delegate its duties to agents or subcontractors so long as the related arrangements with such agents or subcontractors are consistent with the sub-servicing agreement and the Pooling and Servicing Agreement.

The sub-servicer will service in accordance with the Servicing Standard under the Pooling and Servicing Agreement. Generally, the sub-servicer will perform the following services in connection with the underlying mortgage loans in accordance with its sub-servicing agreement and the Pooling and Servicing Agreement:

- (a) establishing and maintaining collection and escrow accounts, including deposits into and remittances from such accounts;
- (b) collecting payments from the borrowers, including follow up on any past due payments and any penalty charges;
- (c) monitoring the status and payment of taxes, other assessments and insurance premiums for compliance with the underlying loan documents;
- (d) conducting inspections of the mortgaged real properties and delivering to the master servicer a written report of the results of such inspection (other than with respect to Specially Serviced Mortgage Loans);
- (e) preparing (i) monthly reports using the CREFC® reporting format and (ii) quarterly and annual CREFC® Net Operating Income Adjustment Worksheet and the CREFC® Operating Statement Analysis Report based on the operating statements, budgets and rent rolls with respect to the mortgaged real properties and delivering the same to the master servicer; and
- (f) notifying the master servicer upon becoming aware that a Servicing Transfer Event may have occurred with respect to any underlying mortgage loan.

With respect to any proposed assumptions, due-on-sale clause waivers, modifications, transfers and certain other borrower requests, (1) the sub-servicer will not permit or consent to any such action without the prior written consent of the master servicer, (2) the sub-servicer will perform and deliver to the master servicer any analysis, recommendation and other information required under the Pooling and Servicing Agreement (accompanied by an officer’s certificate from the sub-servicer), and (3) the master servicer, not the sub-servicer, will deal directly with the directing certificateholder in connection with obtaining any necessary approval or consent from the directing certificateholder.

As compensation for its activities under the sub-servicing agreement, the sub-servicer will be paid a sub-servicing fee and will be entitled to certain additional servicing compensation, all to the extent that the master servicer is entitled to such amounts under the Pooling and Servicing Agreement. See “Description of the Certificates—Fees and Expenses” in this information circular.

The master servicer and the sub-servicer each agrees in the sub-servicing agreement to indemnify and hold harmless each other (including any of their general or limited partners, directors, officers, shareholders, members, managers, employees, agents or affiliates) from and against any and all liability, claim, loss, out-of-pocket cost

(including reasonable attorneys' fees), penalty, expense, fee, forfeiture, judgment, or damage resulting from (i) any breach of any representation or warranty made by it in the sub-servicing agreement or (ii) any willful misconduct, bad faith, fraud or negligence by the indemnitor in the performance of its obligations or duties under the sub-servicing agreement or by reason of negligent disregard of such obligations and duties. Pursuant to the terms of the Pooling and Servicing Agreement, the sub-servicer will be indemnified by the trust, to the extent the master servicer shall be entitled to such indemnification, subject to annual liability caps of any Third Party Master Servicer or sub-servicer as more particularly described in the Pooling and Servicing Agreement. See “—Certain Indemnities” below.

The sub-servicer will at all times be a Freddie Mac approved servicer. The sub-servicer will not be an affiliate of the trustee and, should the sub-servicer become an affiliate of the trustee, the sub-servicer will immediately provide written notice to the master servicer, Freddie Mac, the certificate administrator and the trustee of such affiliation. The master servicer will have the right to terminate the sub-servicer after certain termination events under the sub-servicing agreement have occurred and have not been remedied or at the direction of Freddie Mac upon a determination made by Freddie Mac, in accordance with the provisions of the Guide, that such sub-servicer should not sub-serve the underlying mortgage loan. See “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and the Sub-Servicer” below.

### **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 loans will not be an obligation of, or be insured or guaranteed by the master servicer or the special servicer. In addition, the master servicer and the special servicer (including in its capacity as the Affiliated Borrower Loan Directing Certificateholder) will be under no liability to the issuing entity, the other parties to the Pooling and Servicing Agreement or the certificateholders for any action taken, or not taken, in good faith pursuant to the Pooling and Servicing Agreement or for errors in judgment. However, the master servicer and the special servicer will not be protected against any breach of warranties or representations made in the Pooling 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 Pooling 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 errors and omissions insurance (“E&O Insurance”) with an insurer that meets the qualifications set forth in the Pooling and Servicing Agreement with coverage amounts consistent with the Servicing Standard; *provided* that, for so long as Freddie Mac is acting as master servicer, the master servicer may elect not to maintain E&O 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 E&O Insurance with an insurer that meets the qualifications set forth in the Pooling and Servicing Agreement. Such policy must meet certain requirements as to coverage set forth in the Pooling 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 Pooling 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 E&O 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 Pooling 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 Pooling 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 certificate administrator and the trustee, the cost of which, together with any other expenses of such resignation, are required to be borne by the resigning party. No resignation by the master servicer 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 Pooling and Servicing Agreement in accordance with this paragraph.

*Removal of the Master Servicer, the Special Servicer and the 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 Pooling and Servicing Agreement. Any successor special servicer must satisfy the Successor Servicer Requirements (including Freddie Mac's approval, which may not be unreasonably withheld or delayed). In addition, the trustee must receive an opinion of counsel to the effect that the removal of the special servicer is in compliance with the terms of the Pooling 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, 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, (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, and any reasonable and customary expenses incurred by any Third Party Master Servicer (if applicable) in connection with such transfer of servicing will be paid by Freddie Mac. Subject to the sub-servicer's right to retain



accrued but unpaid sub-servicing fees, in no event will Freddie Mac, the depositor, the master servicer, the special servicer, the trustee, the certificate administrator, the issuing entity or the trust fund be liable to the sub-servicer for any termination or other fees, costs and expenses associated with the removal of such sub-servicer.

*Transfer of Servicing Duties.* In connection with such appointment and assumption of a successor to the master servicer or the special servicer as described in this information circular, subject to the right of the predecessor master servicer or special servicer to retain certain fees earned by it prior to the subject event of default, the trustee may make such arrangements for the compensation of such successor out of payments on the underlying mortgage loans as it and such successor agree. However, no such compensation with respect to a successor master servicer or successor special servicer, as the case may be, will be in excess of that paid to the terminated master servicer or special servicer, as the case may be, under the Pooling and Servicing Agreement. The trustee, the master servicer, the special servicer and such successor are required to take such action, consistent with the Pooling and Servicing Agreement, as will be necessary to effectuate any such succession. Any reasonable costs and expenses associated with the transfer of the servicing function (other than with respect to a termination without cause of the special servicer by the directing certificateholder as described above under “—Removal of the Master Servicer, the Special Servicer and the Sub-Servicer”) under the Pooling and Servicing Agreement will be required to be borne by the predecessor master servicer or special servicer. However, if such predecessor master servicer or special servicer, as applicable, fails to pay such costs and expenses after reasonable efforts to obtain payment, then such costs and expenses will be an expense of the issuing entity.

If the master servicer or special servicer, as the case may be, is terminated pursuant to the terms of the Pooling and Servicing Agreement, it is required to promptly provide the trustee with all documents and records requested by it to enable the trustee or another successor to assume the master servicer’s or special servicer’s, as the case may be, functions under the Pooling and Servicing Agreement, and is required to reasonably cooperate with the trustee in effecting the termination of the master servicer’s or special servicer’s, as the case may be, responsibilities and rights under the Pooling and Servicing Agreement, including, without limitation, the prompt transfer to the trustee or another successor for administration by it of all cash amounts which are at the time, or should have been, credited by the master servicer to the collection account or any other account held by it on account of the underlying mortgage loans or credited by the special servicer to an REO account, as the case may be, or which thereafter are received with respect to any underlying mortgage loan or any REO Property.

### **The Trustee, Certificate Administrator and Custodian**

Deutsche Bank Trust Company Americas, a New York banking corporation (“DBTCA”), will act as trustee, certificate administrator, custodian and certificate registrar under the Pooling and Servicing Agreement. DBTCA is a New York banking corporation with its offices for notices under the Pooling and Servicing Agreement located at 1761 East St. Andrew Place, Santa Ana, California 92705-4934, Attention: Trust Administration – FRESB 2015-SB8, and its telephone number is (714) 247-6000.

DBTCA and its affiliates have provided corporate trust services since 1991. DBTCA and its affiliates have previously been appointed to the role of trustee for over 1,900 mortgage-backed transactions and have significant experience in this area. DBTCA will act as custodian of the mortgage files pursuant to the Pooling and Servicing Agreement. DBTCA and its affiliates have performed this custodial role in numerous mortgage-backed transactions since 1991. DBTCA will maintain the mortgage files in secure, fire-resistant facilities. DBTCA will not physically segregate the mortgage files from other mortgage files in DBTCA’s custody but will keep them in shared facilities. However, DBTCA’s proprietary document tracking system will show the location within DBTCA’s facilities of each mortgage file and will show that the mortgage loan documents are held on behalf of the issuing entity.

In its capacity as trustee on commercial mortgage securitizations, DBTCA is generally required to make an advance if the related master servicer or special servicer fails to make a required advance. In the past three years, DBTCA, in its capacity as trustee, has not been required to make an advance on a domestic CMBS transaction.

DBTCA has been named as a defendant in civil litigation concerning its role as trustee of certain residential mortgage backed securities (“RMBS”) trusts. On June 18, 2014, a group of investors (“Plaintiff Investors”) filed a civil action against DBTCA and Deutsche Bank National Trust Company (“DBNTC”) in New York State Supreme Court purportedly on behalf of and for the benefit of 544 private-label RMBS trusts asserting claims for alleged violations of the Trust Indenture Act of 1939, breach of contract, breach of fiduciary duty and negligence based on

DBTCA's and DBNTC's alleged failure to perform their obligations as trustees for the trusts (the "NY Derivative Action"). An amended complaint was filed on July 16, 2014, adding Plaintiff Investors and RMBS trusts to the NY Derivative Action. On November 24, 2014, the Plaintiff Investors moved to voluntarily dismiss the NY Derivative Action without prejudice. Also on November 24, 2014, substantially the same group of Plaintiff Investors filed a civil action against DBTCA and DBNTC in the United States District Court for the Southern District of New York (the "SDNY Action"), making substantially the same allegations as the New York Derivative Action with respect to 564 RMBS trusts (542 of which were at issue in the NY Derivative Action). The SDNY Action is styled both as a derivative action on behalf of the named RMBS trusts and, in the alternative, as a putative class action on behalf of holders of RMBS representing interests in those RMBS trusts. DBTCA is vigorously defending the SDNY Action. DBTCA has no pending legal proceedings (including, based on DBTCA's present evaluation, the litigation disclosed in this paragraph) that would materially affect its ability to perform its duties as trustee on behalf of the certificateholders.

The foregoing information set forth in this section "—The Trustee, Certificate Administrator and Custodian" has been provided by DBTCA. Neither the depositor nor any other person other than DBTCA makes any representation or warranty as to the accuracy or completeness of such information. DBTCA is providing the information in the foregoing paragraphs at our request in order to assist us with the preparation of this information circular and, other than with respect to the information in the foregoing paragraphs, assumes no responsibility or liability for the contents of this information circular.

See also "—Rights Upon Event of Default," "—Matters Regarding the Trustee, the Certificate Administrator and the Custodian" and "—Certain Indemnities" below.

#### **Resignation and Removal of the Trustee and the Certificate Administrator**

Each of the trustee and the certificate administrator will be permitted at any time to resign from its obligations and duties under the Pooling and Servicing Agreement by giving written notice to the depositor, master servicer, special servicer, Freddie Mac, the trustee or the certificate administrator, as the case may be, and all certificateholders. Upon receiving a notice of resignation, the depositor will be required to promptly appoint a qualified successor trustee or certificate administrator acceptable to the master servicer and Freddie Mac. If no successor trustee or certificate administrator has been so appointed and has accepted an appointment within 30 days after the giving of the notice of resignation, the resigning trustee or certificate administrator may petition any court of competent jurisdiction to appoint a successor trustee or certificate administrator, as applicable.

Each of the trustee and the certificate administrator must 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 Pooling and Servicing Agreement, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority and may not be an affiliate of the depositor, the master servicer (but only with respect to the trustee) or the special servicer (except during any period when the trustee is acting as, or has become successor to, a master servicer or special servicer, as the case may be), (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) (provided that, with respect to DBTCA, and for so long as the master servicer maintains ratings of "A2" or higher by Moody's, with respect to long term unsecured debt, or "P-1" or higher by Moody's, with respect to short-term unsecured debt obligations, the applicable ratings for purposes of clause (iii)(a) will be (i) "A" or higher by Fitch and (ii) "Baa2" or higher by Moody's, with respect to long-term senior unsecured debt, or "P-2" or higher by Moody's, with respect to short-term unsecured debt obligations (provided that this proviso does not impose on the master servicer any obligation to maintain such rating)) or (b) is otherwise acceptable to the directing certificateholder and Freddie Mac.

If at any time the trustee or the certificate administrator ceases to be eligible to continue as the trustee or the certificate administrator under the Pooling 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 Pooling 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 Pooling 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 Pooling and Servicing Agreement, including 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 Loans**

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 loans 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 loans from the mortgage loan seller, except for certain rights to receive notices regarding demands for the mortgage loan seller to repurchase or replace any of the underlying mortgage loans.

### **Servicing Under the Pooling and Servicing Agreement**

*General.* The master servicer and the special servicer must diligently service and administer the underlying mortgage loans and any REO Properties owned by the issuing entity for which it is responsible under the Pooling and Servicing Agreement directly, through sub-servicers or through an affiliate as provided in the Pooling and Servicing Agreement, in accordance with—

- any and all applicable laws,
- the terms of the Pooling and Servicing Agreement,
- the terms of the respective underlying mortgage loans and any applicable intercreditor, co-lender or similar agreements, and
- to the extent consistent with the foregoing, the Servicing Standard.

In general, the master servicer will be responsible for the servicing and administration of all underlying mortgage loans that do not constitute Specially Serviced Mortgage Loans. The special servicer will be responsible for the servicing and administration of all Specially Serviced Mortgage Loans and any REO Property, subject to specified requirements and certain consultation, consent and approval rights of the directing certificateholder contained in the Pooling and Servicing Agreement.

However, with respect to Specially Serviced Mortgage Loans the master servicer will be required:

- 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 Mortgage Loans; and
- otherwise, to render other incidental services with respect to any Specially Serviced Mortgage Loans.

The master servicer will transfer servicing of an underlying mortgage loan to the special servicer upon the occurrence of a Servicing Transfer Event. The special servicer will return the servicing of that underlying mortgage loan to the master servicer if and when that Servicing Transfer Event ceases to exist and that underlying mortgage loan has become a Corrected Mortgage Loan.

The Pooling and Servicing Agreement provides that in certain circumstances the directing certificateholder may, at its own expense, request that a Directing Certificateholder Servicing Consultant prepare and deliver a recommendation relating to a requested waiver of any “due-on-sale” or “due-on-encumbrance” clause or a requested consent to certain modifications, waivers or amendments for certain non-Specially Serviced Mortgage Loans. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to the directing certificateholder and any such recommendation provided will not be subject to the Servicing Standard, even if the Directing Certificateholder Servicing Consultant is the special servicer or the sub-servicer. The Directing Certificateholder Servicing Consultant will have no duty or liability to any certificateholder other than the directing certificateholder in connection with any recommendation it gives the directing certificateholder or actions taken by any party as a result of such consultation services provided to the directing certificateholder as contemplated above. However, this will not limit any liability that the Directing Certificateholder Servicing Consultant may have to the directing certificateholder with respect to the performance of its obligations to the directing certificateholder. 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 Certificateholder Servicing Consultant and any sub-servicer may consult with Freddie Mac with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans, but will not be bound by any such consultation. Freddie Mac will be acting as a “servicing consultant” in connection with such consultations. Any sub-servicer will be required to inform the master servicer of any such consultation with Freddie Mac. Freddie Mac (in its capacity as the servicing consultant) may contact the related borrower to request any necessary documentation from such borrower in order to provide consultation to any Third Party Master Servicer, the Directing Certificateholder Servicing Consultant or any sub-servicer with respect to the proper application of Freddie Mac Servicing Practices (a copy of such documentation will also be provided by Freddie Mac to any Third Party Master Servicer, to the extent not already provided by such borrower).

## **The Guide**

In addition to the specific requirements of the Pooling 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 loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans in accordance with Freddie Mac Servicing Practices, an important component of which is the Guide (including the “SBL Addendum”). 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 loans;
- 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 Loans—The Master Servicer and the Sub-Servicer Will Be Required To Service Certain Underlying Mortgage Loans in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Sub-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 each underlying mortgage loan including (without duplication)—
  1. any Specially Serviced Mortgage Loan, and
  2. any underlying mortgage loan, as to which the related mortgaged real property has become an REO Property.
- in the case of each underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at a master servicing fee rate of 0.0500% *per annum*,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on that underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

A sub-servicing fee:

- will be earned with respect to each underlying mortgage loan, including (without duplication) Specially Serviced Mortgage Loans and each underlying mortgage loan, if any, as to which the related mortgaged real property has become an REO Property, and
- in the case of each underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at a sub-servicing fee rate of 0.2500% *per annum* on the Stated Principal Balance of the related underlying mortgage loan,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that underlying mortgage loan, and

4. be payable monthly from amounts received with respect to interest on that underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

In the event that any Third Party Master Servicer resigns or is terminated as master servicer, such Third Party Master Servicer 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 any 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 Pooling and Servicing Agreement.

*Prepayment Interest Shortfalls.* The Pooling 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 one or more underlying mortgage loans during any Collection Period, then the master servicer must make a payment prior to the related Distribution Date in an amount equal to the aggregate of such Prepayment Interest Shortfalls for such Collection Period up to an amount not to exceed the master servicing fee for such Collection Period, with no right to reimbursement. This obligation to cover Prepayment Interest Shortfalls will not apply with respect to a principal prepayment accepted by the master servicer (i) with respect to any Specially Serviced Mortgage Loan, (ii) subsequent to a default under the related loan documents (*provided* that the master servicer reasonably believes that acceptance of such prepayment is consistent with the Servicing Standard), (iii) pursuant to applicable law or a court order, (iv) in respect of a payment of insurance and condemnation proceeds or (v) pursuant to any term of the related loan documents that allows such prepayment to be made without the payment of a full month's interest.

In addition, if Prepayment Interest Shortfalls are incurred during any Collection Period with respect to any underlying mortgage loan serviced by the master servicer and the master servicer's payment in respect of such Prepayment Interest Shortfalls as contemplated by the prior paragraph is less than the entire amount of Prepayment Interest Shortfalls, then the master servicer (i) must apply any Prepayment Interest Excesses received during that Collection Period with respect to other underlying mortgage loans to offset such Prepayment Interest Shortfalls and (ii) in any event, may retain, as additional compensation, any such Prepayment Interest Excesses that are not needed to accomplish such offset.

No other master servicing compensation will be available to cover Prepayment Interest Shortfalls, and the master servicer's obligation to make payments to cover Prepayment Interest Shortfalls in respect of a particular Collection Period will not carry over to any subsequent Collection Period.

Any payments made by the master servicer with respect to any Distribution Date to cover Prepayment Interest Shortfalls, and any Prepayment Interest Excesses applied to offset Prepayment Interest Shortfalls, will be included in the Available Distribution Amount for that Distribution Date, as described under "Description of the Certificates—Distributions" in this information circular. If the amount of Prepayment Interest Shortfalls incurred with respect to the mortgage pool during any Collection Period exceeds the sum of—

- any payments made by the master servicer with respect to the related distribution date to cover those Prepayment Interest Shortfalls, and
- any Prepayment Interest Excesses applied to offset those Prepayment Interest Shortfalls,

then the resulting Net Aggregate Prepayment Interest Shortfall will be allocated among the respective interest-bearing classes of the 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. each underlying mortgage loan, if any, that is being specially serviced, and
  2. each underlying mortgage loan, if any, as to which the related mortgaged real property has become an REO Property;
- in the case of each underlying mortgage loan described in the foregoing bullet, will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at a special servicing fee rate of 0.7500% *per annum*, and
  3. accrue on the Stated Principal Balance of that underlying mortgage loan outstanding from time to time, *provided* if such special servicing fee would, in the aggregate, be less than \$1,000 in any given month, the special servicing fee for such month will be \$1,000; and
- will generally be payable to the special servicer monthly from general collections on the mortgage pool.

Workout Fee. The special servicer will, in general, be entitled to receive a workout fee with respect to each Specially Serviced Mortgage Loan that has 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 (i) 1.50% with respect to any underlying mortgage loan with an outstanding principal balance of \$2,000,000 or more and (ii) 1.75% with respect to any underlying mortgage loan with an outstanding principal balance of less than \$2,000,000, to each payment of interest (other than Default Interest or late payment charges) and principal (including, without limitation, scheduled payments, prepayments, 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 underlying mortgage loan. The workout fee with respect to any worked-out underlying mortgage loan will cease to be payable if a new Servicing Transfer Event occurs with respect to that underlying mortgage loan. However, a new workout fee would become payable if the underlying mortgage loan again became a 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 underlying mortgage loans that were (or were close to being) worked out by it during the period that it acted as the special servicer and as to which no new Servicing Transfer Event had occurred as of the time of that termination. The successor special servicer will not be entitled to any portion of those workout fees.

Although workout fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any workout fee will reduce amounts payable to the certificateholders.

Liquidation Fee. The special servicer will be entitled to receive a liquidation fee with respect to each Specially Serviced Mortgage Loan for which it obtains a full, partial or discounted payoff from the related borrower. The special servicer will also be entitled to receive a liquidation fee with respect to any Specially Serviced Mortgage Loan or REO Property as to which it receives any liquidation proceeds, except as described in the next paragraph. A liquidation fee will also be payable in connection with the repurchase or replacement of any worked-out underlying mortgage loan for a material breach of a representation or warranty or a material document defect, as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular, if the repurchase or substitution occurs after the end of the applicable cure period (and any permitted applicable extension of the applicable cure period). As to each Specially Serviced Mortgage Loan and REO Property, the liquidation fee will generally be payable from, and will be calculated by application of a liquidation fee rate of (i) 1.50% with respect to any underlying mortgage loan with an outstanding principal balance of \$2,000,000

or more and (ii) 1.75% with respect to any underlying mortgage loan with an outstanding principal balance of less than \$2,000,000, to the related payment or proceeds, exclusive of liquidation expenses.

However, no liquidation fee will be payable based on, or out of, proceeds received in connection with—

- the purchase of a Defaulted Loan if the purchaser is the directing certificateholder and it purchases such underlying mortgage loan within 90 days after the special servicer provides the initial Fair Value Notice described in “—Realization Upon Mortgage Loans—Purchase Option” below, or at any time if the purchaser is Freddie Mac or the related Junior Loan Holder as described under “—Realization Upon Mortgage Loans—Purchase Option” below;
- the repurchase or replacement of any underlying mortgage loan for a material breach of a representation or warranty or a material document defect as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular, within the applicable cure period (and any permitted applicable extension of the applicable cure period);
- the purchase of all of the underlying mortgage loans and REO Properties in the issuing entity by the master servicer, the special servicer or holders of more than 50% of the percentage interests of the Controlling Class in connection with the termination of the issuing entity, as described under “—Termination” below; or
- the purchase of a Specially Serviced Loan by the special servicer or any affiliate unless the purchase price with respect thereto includes the liquidation fee.

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 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 under the Pooling and Servicing Agreement, *provided*, that any such assignment or provision will not be binding on any successor special servicer or any other party to the Pooling and Servicing Agreement.

*Additional Servicing Compensation.* The master servicer may retain, as additional compensation, any Prepayment Interest Excesses received with respect to the underlying mortgage loans, but only to the extent that such Prepayment Interest Excesses are not needed to offset Prepayment Interest Shortfalls, as described under “—Prepayment Interest Shortfalls” above. The master servicer may also retain all the Transfer Processing Fees collected on or with respect to any underlying mortgage loans that are not Specially Serviced Mortgage Loans (a portion of which will be payable to the sub-servicer under the sub-servicing agreement).

Any late payment charges and Default Interest actually collected on an underlying mortgage loan and that are not otherwise applied as described in the last paragraph under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular, will be allocated between the master servicer and the special servicer as additional compensation in accordance with the Pooling and Servicing Agreement.

Transfer Fees collected on the underlying mortgage loans (other than Specially Serviced Mortgage Loans) will be allocated between the master servicer (a portion of which will be payable to the sub-servicer under the sub-servicing agreement) and the directing certificateholder 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 Specially Serviced Mortgage Loans 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 Pooling 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 Pooling 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, 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 a borrower for consent, modification, waiver or indulgence or any other matter or thing pursuant to the terms of the related loan documents (including any transaction, matter or request involving the full or partial condemnation of the related mortgaged real property or any borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose and/or Permitted Transfers), require that such borrower pay to it, or otherwise accept, as additional servicing compensation or otherwise (i) any additional 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 and, if applicable, any NRSRO.

The special servicer will be authorized to invest or direct the investment of funds held in its REO account in Permitted Investments. See “—Realization Upon Mortgage Loans—REO Account” below. The special servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the special servicer’s benefit, but the special servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding the REO accounts so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Pooling 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 Pooling and Servicing Agreement.

*Servicing Advances.* With respect to each underlying mortgage loan, in accordance with the Servicing Standard, the master servicer will be obligated, if and to the extent necessary, to advance all such amounts as are necessary to pay, among other things, (i) certain premiums on insurance policies with respect to the related mortgaged real property; (ii) operating, leasing, managing and liquidation expenses for the mortgaged real property after it has become an REO Property; (iii) the cost of required 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 that underlying mortgage loan, including foreclosure and similar proceedings; (vi) the cost of required appraisals with respect to such mortgaged real property and (vii) any other amount required to be paid as a servicing advance or deemed to be a servicing advance under the Pooling and Servicing Agreement (each, a “Servicing Advance”). The special servicer will have no obligation to make any Servicing Advances.

With respect to any underlying mortgage loan that has a related subordinate loan and is subject to an intercreditor agreement that allows the lender for the underlying mortgage loan to cure defaults on the related

subordinate loan, any advance made by the master servicer or the special servicer to exercise the issuing entity's rights under such intercreditor agreement to cure any such default on the subordinate loan will be limited to the monthly debt service payments on the subordinate loan and will be deemed to be a Servicing Advance. This monthly debt service payment limitation does not apply to defaults under the related subordinate loan which are also defaults under the senior underlying mortgage loan and as to which the Servicing Advance is being made pursuant to the related underlying mortgage loan documents and not solely to cure the default on the subordinate loan. In addition, with respect to any underlying mortgage loan that has a related subordinate loan, any Servicing Advance that is made or proposed to be made in order to cure a default on such subordinate loan will be subject to the same application, reimbursements and nonrecoverability determinations as any other Servicing Advance under the Pooling 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 any of the mortgaged real properties) incurred by the master servicer or special servicer in connection with the servicing of an underlying mortgage loan if a default, delinquency or other unanticipated event has occurred or is reasonably foreseeable, or in connection with the administration of any REO Property in the issuing entity, will be Servicing Advances. Servicing Advances will be reimbursable from future payments and other collections, including insurance proceeds, condemnation proceeds and liquidation proceeds, received in connection with the related underlying mortgage loan or REO Property, except as described below with respect to Nonrecoverable Servicing Advances.

The special servicer will request the master servicer to make required Servicing Advances with respect to a Specially Serviced Mortgage Loan or REO Property on a monthly basis (except for Servicing Advances required on an emergency basis). The special servicer must make the request not less than five business days prior to the date the subject advance is required to be made (except for Servicing Advances required on an emergency basis). The master servicer must make the requested Servicing Advance within a specified number of days following the master servicer's receipt of the request. The special servicer will be required to provide the master servicer any information in its possession as the master servicer may reasonably request to enable the master servicer to determine whether a requested Servicing Advance would be recoverable from expected collections on the Specially Serviced Mortgage Loan or REO Property.

To the extent that the master servicer fails to make a Servicing Advance that it is required to make under the Pooling 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 Pooling and Servicing Agreement no later than one business day following the master servicer's failure to make such Servicing Advances by expiration of the applicable cure period as described under "—Events of Default" below.

Despite the foregoing discussion, neither the trustee nor the master servicer will be obligated to make Servicing Advances that, in its judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer, or in accordance with good faith business judgment in the case of the judgment of the trustee), would not be ultimately recoverable from expected collections on the related underlying mortgage loan or REO Property. If the master servicer or the trustee makes a Servicing Advance with respect to any underlying mortgage loan or related REO Property (including any such Servicing Advance that is a Workout-Delayed Reimbursement Amount), that 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 (or, if such advance becomes a Workout-Delayed Reimbursement Amount, out of collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (any such Servicing Advance, a "Nonrecoverable Servicing Advance"), it may obtain reimbursement for that advance, together with interest on that advance, out of general collections on the mortgage pool. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan, (ii) the obligations of the borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its "as is" condition, (iv) future expenses and (v) the timing of

recoveries. Any reimbursement of a Nonrecoverable Servicing Advance (including interest accrued on such amount) as described in the preceding sentence will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loans (thereby reducing the Principal Distribution Amount otherwise distributable on the certificates on the related Distribution Date) prior to the application of any other general collections on the mortgage pool against such reimbursement. The 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.

However, instead of obtaining reimbursement out of general collections on the mortgage pool immediately, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for a Nonrecoverable Servicing Advance over a period of time (not to exceed six months without the consent of the directing certificateholder or 12 months in any event), with interest on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement from general collections on the mortgage pool immediately. In general, such a reimbursement deferral will only be permitted under the Pooling and Servicing Agreement if and to the extent that the subject Nonrecoverable Servicing Advance, after taking into account other outstanding Nonrecoverable Advances, could not be reimbursed with interest out of payments and other collections of principal on the mortgage pool during the current Collection Period. The fact that a decision to recover a Nonrecoverable Servicing Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling and Servicing Agreement by any party to the Pooling and Servicing Agreement, or a violation of any duty owed by any party to the Pooling and Servicing Agreement, to the certificateholder.

In addition, in the event that any Servicing Advance becomes a Workout-Delayed Reimbursement Amount, the master servicer or the trustee, as applicable, will be entitled to reimbursement for such advance and interest accrued on such advance (even though that advance is not deemed a Nonrecoverable Servicing Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, prior to any distributions of principal on the certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement as a Nonrecoverable Advance from general collections on the mortgage pool in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

The master servicer is permitted (or is required to, at the direction of the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved) to pay directly out of its collection account any servicing expense that, if advanced by the master servicer, would not be recoverable from expected collections on the related underlying mortgage loan or REO Property. This is only to be done, however, when the master servicer, or the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved, has determined in accordance with the Servicing Standard that making the payment is in the best interests of the certificateholders as a collective whole.

The master servicer and the trustee will be entitled to receive interest on Servicing Advances made by them. The interest will accrue on the amount of each Servicing Advance for so long as the Servicing Advance is outstanding, at a rate *per annum* equal to the Prime Rate. Interest accrued with respect to any Servicing Advance made with respect to any underlying mortgage loan or the related mortgaged real property will be payable in connection with the reimbursement of that Servicing Advance—

- *first*, out of any Default Interest and late payment charges collected on that underlying mortgage loan subsequent to the accrual of that advance interest, and
- *then*, at the time or after the 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 Specially Serviced Mortgage Loans, and the master servicer, with respect to the other underlying mortgage loans, each will be required to determine, in a manner consistent with the Servicing Standard, whether to exercise or waive any right the lender may have under either a due-on-sale or due-on-encumbrance clause to accelerate payment of that underlying mortgage loan. Generally, the master servicer or the special servicer (in the case of any Specially Serviced Mortgage Loan), will be required to enforce a due-on-sale clause, unless the master servicer or the special servicer, as applicable, determines, in accordance with the Servicing Standard, and subject to the applicable provisions of the Pooling and Servicing Agreement, that (i) not declaring an event of default (as defined in the related loan documents) or (ii) granting its consent, in its reasonable judgment, would be consistent with the Servicing Standard. Generally, the master servicer or special servicer (in the case of any Specially Serviced Mortgage Loan) will determine whether to enforce any due-on-encumbrance clause or grant its consent (provided the conditions for a waiver of a due-one-encumbrance clause, if any, are met) 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 related borrower or a third party, but in no event the issuing entity, pays all related expenses with respect to such waiver. Furthermore, neither the master servicer nor the special servicer may waive its rights or grant its consent under any due-on-sale or due-on-encumbrance clause, other than as expressly permitted pursuant to the Pooling and Servicing Agreement, without the consent of the directing certificateholder (subject to the last paragraph of “—Realization Upon Mortgage Loans—Asset Status Report” below), *provided* that the directing certificateholder provides such consent within the time period specified in the Pooling 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 certificateholder and Freddie Mac in accordance with the Pooling and Servicing Agreement, and provided the directing certificateholder with its written recommendation and analysis and any other information and documents reasonably requested by the directing certificateholder. The directing certificateholder’s approval must be obtained prior to any such waiver. However, the directing certificateholder’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.

The mortgage loans generally prohibit subordinate financing secured by the mortgaged real properties. However, if the master servicer waives this prohibition and consents to any subordinate financing, the master servicer will enter into an intercreditor agreement with the holder of such proposed subordinate debt on terms acceptable to the master servicer and in accordance with the Servicing Standard. Such an intercreditor agreement would generally provide that the holder of the subordinate debt is granted the option to purchase the related underlying mortgage loan in the event that such underlying mortgage loan becomes a Defaulted Loan. Any such intercreditor agreement will be required to be substantially in the form attached to the Pooling and Servicing Agreement.

Subject to the five business day period described above, the Pooling and Servicing Agreement provides that the directing certificateholder may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver to it a recommendation relating to such waiver request. In providing a recommendation in response to any such request, the Directing Certificateholder Servicing Consultant will be acting as a consultant to the directing certificateholder and any such recommendation provided will not be subject to the Servicing Standard. The Directing Certificateholder Servicing Consultant will have no duty or liability to any certificateholder other than the directing certificateholder in connection with any recommendation it gives the directing certificateholder or actions taken by any party as a result of such consultation services provided to the directing certificateholder as

contemplated above. In no event will any expenses incurred by the Directing Certificateholder Servicing Consultant be an expense of the issuing entity.

With respect to any non-Specially Serviced Mortgage Loan and in connection with the master servicer's review, consent and/or approval of any Transfer Processing Fee Transaction, the master servicer may as a condition to reviewing any such request by a borrower require that such borrower pay to it as additional servicing compensation, or otherwise, the Transfer Processing Fee. In addition, if the related loan documents require lender consent to a borrower's request for an assumption or waiver of a "due-on-sale" clause with respect to any loan, the master servicer may require that such borrower pay to it as additional servicing compensation, or otherwise, the Transfer Fee prescribed in the loan documents, which is generally equal to 1.000% of the outstanding principal balance of the related underlying mortgage loan as of the date of the Transfer; *provided* that the directing certificateholder will be entitled to a portion of such fee to the extent set forth above under "Description of The Certificates—Fees and Expenses." Neither the master servicer nor the sub-servicer is permitted to waive any Transfer Fee set forth in the related loan documents without the consent of the directing certificateholder if the consent or review of the directing certificateholder is required with respect to the related Transfer.

### **Modifications, Waivers, Amendments and Consents**

The master servicer or special servicer, as applicable, will be required to perform all of its obligations described in this "—Modifications, Waivers, Amendments and Consents" section in accordance with the Servicing Standard and any related intercreditor agreement.

*Requirements for Review of Borrower Consent Requests.* With respect to all actions described in this "—Modifications, Waivers, Amendments and Consents" section, as well as any waiver of a due-on-sale or due-on-encumbrance clause as discussed above under "—Enforcement of "Due-on-Sale" and "Due-on-Encumbrance" Clauses", the master servicer or the special servicer, as applicable will be required to comply with each of the following requirements:

- require all borrower requests that require a modification, waiver or amendment of any underlying mortgage loan to be in writing (except for waivers of late payment charges or Default Interest);
- not consent to a borrower request unless the borrower or a third party, but in no event the issuing entity, has paid all related expenses with respect to the borrower request, to the extent not prohibited by the loan documents;
- not consent to a borrower request unless it has determined that the borrower request will not cause an Adverse REMIC Event (as defined below under "—REMIC Qualification Determination"), or as otherwise set forth below under "—REMIC Qualification Determination";
- obtain directing certificateholder review and approval, in the manner as set forth under "—Directing Certificateholder Review and Approval" (no special servicer consent will be required on non-Specially Serviced Loans);
- except with respect to waivers of late payment charges or Default Interest, notify the master servicer or the special servicer, as applicable, the sub-servicer, the directing certificateholder, the certificate administrator, and the trustee, in writing, of the completion and date of any modification, waiver or amendment of any term of any underlying mortgage loan (including fees charged to the borrower) and will deliver to the custodian (with a copy to the master servicer) an original counterpart of the agreement relating to such modification, waiver or amendment, within 30 business days following the execution of the applicable document(s) for deposit in the related mortgage file;
- charge and collect all additional servicing compensation due to the master servicer in accordance with the terms of the Pooling and Servicing Agreement; and
- the special servicer may, as a condition to granting any request by a borrower for consent, modification, waiver or indulgence or any other matter or thing the granting of which is within its discretion pursuant to the terms of the related loan documents and is permitted by the terms of the Pooling and Servicing

Agreement, require that such 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 such 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 the special servicer actually collects such payment from the related borrower.

*REMIC Qualification Determination.* Prior to consenting to any borrower request, the master servicer or the special servicer, as applicable, must make a determination that approval of any borrower request will not (a) cause any Trust REMIC to fail to qualify as a REMIC or (b) result in the imposition of a tax under the REMIC Provisions upon any Trust REMIC (including the tax on prohibited transactions as defined in Section 860F(a)(2) of the Code and the tax on contributions to a REMIC set forth in Section 860G(d) of the Code, but not including the tax on net income from foreclosure property imposed by Section 860G(c) of the Code) (either such event, an “Adverse REMIC Event”). In addition, no modification, waiver or amendment may (i) constitute a “significant modification” of such underlying mortgage loan pursuant to Treasury Regulations Section 1.860G-2(b) or (ii) otherwise cause an Adverse REMIC Event to any Trust REMIC. In making such determinations, the master servicer or the special servicer, as applicable, may rely on an opinion of counsel (at the expense of the borrower if such expense may be imposed on the borrower pursuant to the applicable loan agreement). The determination of the master servicer or the special servicer, as applicable, will be evidenced by an officer’s certificate to such effect delivered to the trustee, the certificate administrator, and the master servicer or special servicer, as applicable, describing in reasonable detail the basis for the master servicer’s or the special servicer’s determination and the considerations of the master servicer or the special servicer, as applicable, forming the basis of such determination. The officer’s certificate must address satisfactory evidence of value, and such evidence may include (i) information related to income and expense statements, rent rolls, occupancy status, and property inspections and/or (ii) an appraisal or a broker’s opinion of value of the related mortgaged real property; provided, such method is a commercially reasonable method of valuation permitted to a REMIC.

In connection with (i) the release of any portion of the mortgaged real property securing any underlying mortgage loan from the lien of the related mortgage loan or (ii) the taking of any portion of the mortgaged real property securing any 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 related borrower of) the loan-to-value ratio of the remaining mortgaged real property securing such underlying mortgage loan or the fair market value of the real property constituting the remaining mortgaged real property securing such underlying mortgage loan, for purposes of REMIC qualification of the related 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 such underlying mortgage loan, which value must first be reduced by (a) the outstanding principal balance of any loan secured by the same mortgaged real property that is at a higher level of priority with the underlying mortgage loan and (b) a proportionate amount of the outstanding principal balance of any loan secured by the same mortgaged real property that is at the same level of priority with the underlying mortgage loan. If following any such release or taking, the loan-to-value ratio is greater than 125%, the Applicable Servicer shall, to the extent required by the REMIC Provisions, either (1) require a payment of principal by a “qualified amount” as determined under Revenue Procedure 2010-30 or successor provisions or (2) in the case of a taking with respect to a Condemnation Loan, cause the sale of such underlying mortgage loan pursuant to a Condemnation Sale (as defined below) unless the related borrower provides or the master servicer or the special servicer, as applicable, otherwise receives an Opinion of Counsel that if such amount is not paid the related Loan will not fail to be a “qualified mortgage” within the meaning of Section 860G(a)(3) of the Code.

With respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as “14724 Inglewood Avenue,” “5255 Blakeslee Avenue,” “Dalton Historical Building,” “4055 And 4075 Briggs Street,” “4061-4067 Van Dyke Avenue” and “1049 Pine Avenue,” collectively representing 12.7% of the initial mortgage pool balance, the related mortgaged real properties are in redevelopment zones. If there is a taking or condemnation at any of the related mortgaged real properties, the statutory authority may require that the condemnation proceeds be used to restore the related mortgaged real property. If, after giving effect to a taking or condemnation at any of those mortgaged real properties (but taking into account any proposed restoration), the loan-to-value ratio (as calculated pursuant to the preceding paragraph) would be greater than 125%, and if the related underlying mortgage loans (each, a “Condemnation Loan”) are not in default, the applicable servicer will be

required to promptly notify the mortgage loan seller that a paydown by a “qualified amount” is required. The mortgage loan seller will be obligated under the mortgage loan purchase agreement to promptly use commercially reasonable efforts to cause the related borrower to make a payment of principal by a “qualified amount”. In addition, under the mortgage loan purchase agreement the mortgage loan seller may, but is not obligated to, use its own funds (with respect to any such underlying mortgage loan, not in excess of 10% of the Cut-off Date principal balance of such underlying mortgage loan) to pay down the outstanding principal balance of such Condemnation Loan for the account of (and with the consent of) the related borrower if such a payment will be sufficient to effect a payment of a “qualified amount.”

If such underlying mortgage loans are in default, or if a paydown of a “qualified amount” is not made by the borrower or the mortgage loan seller in accordance with the preceding paragraph or if the special servicer is otherwise unable to apply the condemnation proceeds to pay down the related underlying mortgage loans, the special servicer will be required to sell the Condemnation Loans. If such underlying mortgage loans are in default, Freddie Mac, the directing certificateholder and any related Junior Loan Holder will have purchase options (“Condemnation Purchase Options”) to purchase such Condemnation Loans. Such Condemnation Purchase Options will generally be as described under “—Realization Upon Mortgage Loans—Purchase Option” below (but with references in such description to “Defaulted Loan” or “Defaulted First Lien Loan” being understood to refer to the Condemnation Loan). However, any sale of such Condemnation Loan is required to be consummated prior to the release of the taken or condemned mortgaged real property from the lien of the Condemnation Loan resulting from the taking or condemnation.

If no such Condemnation Purchase Option is exercised, the special servicer will be required to use reasonable efforts to solicit offers for such Condemnation Loan in a manner that will be reasonably likely to realize a fair price. The sale will be required to occur before the release of the taken or condemned mortgaged real property from the lien of the Condemnation Loan resulting from the taking or condemnation. If the special servicer reasonably believes that it will be unable to realize a fair price for such Condemnation Loan within the time constraints imposed under the Pooling and Servicing Agreement, the special servicer will be required to dispose of such Condemnation Loan within such time constraints on such terms as it reasonably deems necessary and desirable to maximize the recovery on such Condemnation Loan. Freddie Mac will only be permitted to purchase the Condemnation Loan for a price equal to the Fair Value. The sale of the Condemnation Loan by the special servicer as described in this paragraph or through the exercise of a Condemnation Purchase Option is referred to as a “Condemnation Sale”. The applicable servicer will be required to determine whether a “prohibited transactions” tax within the meaning of Code Section 860F(a) has been incurred in connection with a Condemnation Sale.

*Directing Certificateholder Review and Approval.* In connection with obtaining directing certificateholder review and approval for actions described in this “—Modifications, Waivers, Amendments and Consents” section, as well as any waiver of a due-on-sale or due-on-encumbrance clause as discussed above under “—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses”, with respect to any underlying mortgage loan or Specially Serviced Mortgage Loan, the master servicer or the special servicer, as applicable, will be required to take each of the following actions:

- provide to the directing certificateholder its written recommendation and analysis and any other information or documents reasonably requested by the directing certificateholder;
- if the directing certificateholder approves the recommendation, process the required documentation to complete the transaction;
- if the directing certificateholder does not approve or disapprove the recommendation within 5 business days following its receipt of the master servicer’s or the special servicer’s, as applicable, recommendation, analysis, and the documents, then the master servicer’s or the special servicer’s recommendation shall be deemed approved, and the master servicer or the special servicer, as applicable, shall process the required documentation to complete the transaction; and
- if the directing certificateholder concludes that such action does not satisfy the criteria set forth in the loan documents, then within 5 business days following its receipt of the master servicer’s or the special servicer’s, as applicable, recommendation and analysis, the directing certificateholder shall so indicate to the master servicer or the special servicer, in writing, citing the specific criteria for its determination.

Subject to the 5 business day time period described above, the directing certificateholder may, at its own expense, request that the Directing Certificateholder Servicing Consultant prepare and deliver to the directing certificateholder a recommendation relating to such waiver request. No expenses incurred by the Directing Certificateholder Servicing Consultant will be considered an expense of the issuing entity.

However, if the master servicer or special servicer, as applicable, determines that emergency action is necessary to protect the related mortgaged real property or the interests of the Certificateholders, or if a failure to take any such action at such time would be inconsistent with the Servicing Standard, the master servicer or special servicer, as applicable, may take actions with respect to the related mortgaged real property before the expiration of such five business day period referenced above without the consent of the directing certificateholder if the master servicer or the special servicer, as applicable, determines in accordance with the Servicing Standard that failure to take such actions before the expiration of such period would materially and adversely affect the interest of the Certificateholders and the master servicer or special servicer, as applicable, has made efforts consistent with the Servicing Standard to contact the directing certificateholder, without success. The foregoing will not relieve the master servicer or the special servicer, as applicable, of its duties to comply with the Servicing Standard.

To the extent not inconsistent with the limitations to modifications and consents contained in the Pooling and Servicing Agreement, the master servicer or the special servicer, as applicable, may, consistent with the Servicing Standard and without the consent of any other party (subject, with respect to any Specially Serviced Mortgage Loan, to the consent rights of the directing certificateholder with respect to a request initiated by the related borrower to replace a property manager, as described under “—Realization Upon Mortgage Loans—Asset Status Report” below), (i) modify, waive or amend the terms of any underlying mortgage loan, in accordance with the Servicing Standard, in order to (A) cure any non-material ambiguity or mistake in the related loan documents, (B) correct or supplement any non-material provisions in any related loan documents, which may be inconsistent with any other provisions in the related loan documents, or correct any non-material error or (C) waive non-material covenant defaults or (ii) effect other non-material waivers, consents, modifications or amendments in the ordinary course of servicing an underlying mortgage loan, including any of the following:

- waiver of late payment charges and Default Interest;
- approvals of routine retail leasing activities that affect less than 10% of the net rentable area of the related mortgaged real property;
- approvals of annual budgets to operate the mortgaged real property;
- temporary waivers of any requirements in the related loan documents with respect to insurance deductible amounts or claims-paying ability ratings of insurance providers;
- consenting to a change in the property manager; or
- granting a non-material easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, including subordination of the related underlying mortgage loan to such a non-material easement, right of way or similar agreement.

*Amendment of Borrower Organizational Documents.* With respect to any underlying mortgage loan that permits the related borrower, with the consent or grant of a waiver by the mortgagee, to amend or modify the related borrower’s organizational documents, the master servicer or the special servicer, as applicable, may consent to such action, or grant a waiver with respect thereto, *provided, however*, with respect to any such amendment or modification that the master servicer or the special servicer, as applicable, determines is material, the master servicer or the special servicer, as applicable, may grant such consent only if (i) it obtains the consent of the directing certificateholder and (ii) it determines that such consent or grant of waiver is likely to result in an equal or greater recovery on a net present value basis (discounted at the related mortgage rate) than the withholding of such consent or grant of waiver.

*Permitted Transfers.* In addition to the requirements described above under “—Requirements for Review of Borrower Consent Requests”, with respect to a Permitted Transfer, the master servicer will be required to process the documentation required in connection with the Permitted Transfer within 10 days following receipt of such



documentation, including receipt of additional documents requested by the master servicer on behalf of Freddie Mac.

*Subordinate Financing.* In addition to the provisions requirements described above under “—Requirements for Review of Borrower Consent Requests”, upon receipt of a request from any borrower for subordinate financing, the master servicer may consider, in accordance with the Servicing Standard, waiving any prohibition in the applicable loan documents thereby allowing the related mortgaged real property to be encumbered by a junior lien, with the consent of the directing certificateholder.

During an Affiliated Borrower Loan Event, in accordance with the Guide and the Servicing Standard, the master servicer will be required to make the determination to approve or disapprove a request from a borrower for subordinate financing on an Affiliated Borrower Loan.

Without limiting any of the directing certificateholder’s consent rights described in the second preceding paragraph, the master servicer will be required to (i) execute the intercreditor agreement substantially in the form attached to the Pooling and Servicing Agreement on behalf of and in the name of the issuing entity and (ii) provide the trustee, the certificate administrator and the special servicer written notice (with a copy to the directing certificateholder) of the terms of any subordinate financing within 10 days after master servicer executes the intercreditor agreement relating to the subordinate financing.

*Specially Serviced Loans – Permitted Actions by Special Servicer.* With respect to Specially Serviced Loans, the Special Servicer may take any of the following actions (subject to the consent rights of the directing certificateholder, as set forth in “—Realization Upon Mortgage Loans—Directing Certificateholder” and “—Asset Status Report” below):

- reduce the amounts owing under any such underlying mortgage loan by forgiving principal and/or accrued interest (including late payment charges or Default Interest) and/or any Prepayment Premium;
- reduce the amount of the monthly payment on any such underlying mortgage loan, including by way of a reduction in the related mortgage rate;
- forbear in the enforcement of any right granted under any note or other loan document relating to any such underlying mortgage loan;
- subject to the discussion under “—Realization Upon Mortgage Loans—Asset Status Report” below, extend the maturity of any such underlying mortgage loan;
- permit the release or substitution of collateral for any such underlying mortgage loan; provided that in the case of a such a release, the underlying mortgage loan continues to be a “qualified mortgage” within the meaning of the REMIC Provisions; and/or
- accept a Principal Prepayment during any lockout period for any such underlying mortgage loan;

provided that the related borrower is in payment default with respect to such underlying 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).

*Prohibited Modifications.* With respect to any underlying mortgage loan that is not a Specially Serviced Mortgage Loan, subject to the requirement to obtain directing certificateholder consent described above under “—Requirements for Review of Borrower Consent Requests” and the discussion under “—REMIC Qualification Determination above, neither the master servicer nor the special servicer may agree or consent to, any modification, waiver or amendment of any term of any underlying mortgage loan if such modification, waiver or amendment would—

- affect the amount or timing (except as set forth below under “—Extension of Maturity Date—Deferral of Interest”) of any scheduled payments of principal, interest or other amounts (including Prepayment

Premiums) payable under the underlying mortgage loan, with limited exceptions generally involving the waiver of Default Interest and late payment charges, or change the mortgage interest rate;

- reduce or increase the outstanding principal balance (except for reductions resulting from actual payments of principal);
- affect the obligation of the related borrower to pay a Prepayment Premium or permit a principal prepayment, unless (i) the master servicer or the special servicer also collects interest on such underlying mortgage loan through the Due Date following the date of such prepayment; (ii) that prepayment is otherwise permitted under the related loan documents; (iii) that principal prepayment would not result in a Prepayment Interest Shortfall; (iv) that principal prepayment is accepted by the master servicer or the special servicer at the request of or with the consent of the directing certificateholder (subject to the last paragraph of “—Realization Upon Mortgage Loans—Asset Status Report” below), 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;
- permit a principal prepayment during any period in which the related mortgage note prohibits principal prepayments;
- result in a release of the lien of the related mortgage on any material portion of such mortgaged real property without a corresponding principal prepayment, except as expressly provided by the related loan documents, in connection with a pending or threatened condemnation or in connection with a material adverse environmental condition at the related mortgaged real property; or
- in the judgment of the master servicer or the special servicer, as applicable, materially impair the security for the underlying mortgage loan or reduce the likelihood of timely payment of amounts due on such underlying mortgage loan.

*Extension of Maturity Date; Deferral of Interest.* The master servicer may extend the scheduled maturity date of any underlying mortgage loan that is not a Specially Serviced Mortgage Loan for up to 60 days (or, with the consent of the special servicer and the directing certificateholder, 120 days) provided that such extension may be made only if the related borrower is diligently pursuing refinancing or sale and has delivered a firm commitment to refinance or purchase and sale contract that is acceptable to the master servicer, within 45 days after the scheduled maturity date) and such borrower is making its assumed scheduled payment.

Neither the master servicer nor the special servicer may extend the scheduled maturity date of any underlying mortgage loan at an interest rate less than the lower of (A) the interest rate in effect prior to such extension, or (B) the then prevailing interest rate for comparable loans, as determined by the applicable servicer by reference to available indices for commercial mortgage lending.

With respect to any underlying mortgage loans secured by leasehold mortgages, neither the master servicer nor the special servicer may extend the scheduled maturity date of any underlying mortgage loan beyond the date that is 20 years prior to the expiration of the ground lease (after accounting for any extension options).

The master servicer may not defer interest due on any underlying mortgage loan in an amount in excess of 5% of the Stated Principal Balance of such underlying mortgage loan.

Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by outstanding notional amount, of the class X1 certificates will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Prepayment Premium in connection with any prepayment in full of any underlying mortgage loan. The consent of the directing certificateholder will not be required for any such waiver.

The ability of the master servicer or the special servicer to agree to modify, waive or amend any of the terms of any underlying mortgage loan will be subject to the discussions under “—Realization Upon Mortgage Loans—Directing Certificateholder” and “—Asset Status Report” below.

## Required Appraisals

Within 60 days following the occurrence of any Appraisal Reduction Event with respect to any of the underlying mortgage loans or such other reasonably longer period as agreed to in writing by the directing certificateholder and Freddie Mac, the special servicer must use reasonable efforts—

- with respect to underlying mortgage loans with outstanding principal balances equal to or greater than \$2,000,000, to obtain an MAI appraisal of the related mortgaged real property from an independent appraiser meeting the qualifications imposed in the Pooling and Servicing Agreement; and
- with respect to underlying mortgage loans with outstanding principal balances of less than \$2,000,000, to calculate the value by multiplying the outstanding principal balance of each such underlying mortgage loan by the applicable Delinquency Percentage (such calculation, a “Delinquency Percentage Calculation”).

As a result of any appraisal described above, the master servicer may determine that an Appraisal Reduction Amount exists with respect to the subject underlying mortgage loan. If an appraisal with respect to any underlying mortgage loan with an outstanding principal balance equal to or greater than \$2,000,000 is not received within the time period specified above, the Appraisal Reduction Amount for the related 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. With respect to any underlying mortgage loan with an outstanding principal balance less than \$2,000,000, the Delinquency Percentage Calculation will result in an Appraisal Reduction Amount. An Appraisal Reduction Amount is relevant to the determination of the amount of any advances of delinquent interest required to be made with respect to the affected underlying mortgage loan. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

If an Appraisal Reduction Event occurs with respect to any 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 (with respect to underlying mortgage loans with outstanding principal balances equal to or greater than \$2,000,000) or a new Delinquency Percentage Calculation (with respect to underlying mortgage loans with outstanding principal balances less than \$2,000,000) as described above. 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 subject underlying mortgage loan. This ongoing obligation will cease if and when—

- the underlying mortgage loan has become a worked-out underlying mortgage loan as contemplated under “—Servicing Under the Pooling and Servicing Agreement” above and has remained current for 12 consecutive monthly payments under the terms of the workout; and
- no other Servicing Transfer Event or Appraisal Reduction Event has occurred with respect to the underlying mortgage loan during the preceding three months.

However, the special servicer will not be required to obtain an appraisal or perform a Delinquency Percentage Calculation, as described above, with respect to an underlying mortgage loan if the special servicer has obtained an appraisal with respect to such underlying mortgage loan within the 12 month period immediately prior to the occurrence of the related Appraisal Reduction Event, unless the special servicer, in the exercise of its reasonable judgment, has reason to believe there has been a material adverse change in the value of the related mortgaged real property.

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 loans. Each collection account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling 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 Pooling 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 borrowers and other collections on the underlying mortgage loans, or as otherwise required under the Pooling and Servicing Agreement, the following payments and collections received or made by or on behalf of the master servicer with respect to the underlying mortgage loans for which it is responsible, subsequent to the 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, and in respect of late payment charges and Default Interest, net of amounts used to offset interest on any advances);
- any Prepayment Premiums;
- any proceeds received under any property damage, flood, title or other insurance policy that provides coverage with respect to a mortgaged real property or the related underlying mortgage loan, and all proceeds received in connection with the condemnation or the taking by right of eminent domain of a mortgaged real property, in each case to the extent not required to be applied to the restoration of the related mortgaged real property or released to the related borrower;
- any amounts received and retained in connection with the liquidation of Defaulted Loans by foreclosure, deed-in-lieu of foreclosure or as otherwise contemplated under “—Realization Upon Mortgage Loans” below, in each case to the extent not required to be returned to the related borrower;
- any amounts paid by the mortgage loan seller in connection with the repurchase or replacement of, or the curing of any breach of a representation and warranty with respect to, an underlying mortgage loan by that party as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular;
- any amounts paid to purchase or otherwise acquire all the underlying mortgage loans and any REO Properties in connection with the termination of the issuing entity pursuant to the clean-up call as contemplated under “—Termination” below;
- any amounts required to be deposited by the master servicer in connection with losses incurred with respect to Permitted Investments of funds held in its collection account;
- all payments required to be paid by the master servicer or received from the special servicer with respect to any deductible clause in any blanket property damage insurance policy or master force placed property damage insurance policy, as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Property Damage, Liability and Other Insurance” in this information circular; and
- any amount transferred by the special servicer from its REO account with respect to the REO Properties.

Upon its receipt of any of the amounts described in the prior paragraph (other than in connection with a clean-up call) with respect to any Specially Serviced Mortgage Loan, 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 Pooling 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 loans and any REO Properties that are then on deposit in the collection accounts, exclusive of any portion of those payments and other collections that represents one or more of the following—
  - (a) monthly debt service payments due on a Due Date after 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 mortgage pool, as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, with that reimbursement to be made out of collections on the underlying mortgage loan or REO Property as to which the advance was made;
3. to pay itself any accrued and unpaid master servicing fees or sub-servicing fees with respect to each underlying mortgage loan, with the payments to be made out of collections on that underlying mortgage loan or REO Loan, as applicable, that represent payments of interest;
4. to pay itself any master servicing fees and sub-servicing fees with respect to each 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 such underlying mortgage loan or the related REO Property and the deposit into the collection account of all amounts received in connection with such final recovery determination;
5. to pay the special servicer, out of general collections, accrued and unpaid special servicing fees with respect to each underlying mortgage loan that is either a Specially Serviced Mortgage Loan or an REO Loan;
6. to pay the special servicer accrued and unpaid workout fees and liquidation fees to which it is entitled, with that payment to be made from the sources described under “—Servicing and Other Compensation and Payment of Expenses” above;
7. to reimburse itself or the trustee, as applicable, out of general collections on the mortgage pool, for any unreimbursed advance made by that party with respect to the mortgage pool as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, which advance has been determined not to be ultimately recoverable under clause 2. above (or, if the subject underlying mortgage loan has been worked out and returned to performing status, is not recoverable under clause 2. above by the time it is returned to performing status) out of collections on the related underlying mortgage loan or REO Property; *provided* that any such reimbursement is required to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of a Servicing Advance, or “Description of the 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, out of general collections on the mortgage pool unpaid interest accrued on any advance made by that party with respect to the mortgage pool (generally at or about the time of reimbursement of that advance); *provided* that, in the case of any advance reimbursed as described in clause 7. above, the payment of any interest on such advance is to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of interest on any such advance that is a Servicing Advance, or “Description of the Certificates—Advances of Delinquent

Monthly Debt Service Payments” in this information circular, in the case of interest on any such advance that is a P&I Advance;

9. to pay itself, the special servicer, the directing certificateholder or any Affiliated Borrower Loan Directing Certificateholder, as applicable, any items of additional servicing compensation on deposit in the collection account as discussed under “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above;
10. to pay any unpaid liquidation expenses incurred with respect to any liquidated mortgage loan or REO Property in the issuing entity;
11. to pay, out of general collections on the mortgage pool, any servicing expenses that would, if advanced, be nonrecoverable under clause 2. above;
12. to pay, out of general collections on the mortgage pool, for costs and expenses incurred by the issuing entity due to actions taken pursuant to any environmental assessment, in accordance with the Pooling and Servicing Agreement;
13. to pay Freddie Mac (in its capacity as servicing consultant), itself (and certain indemnified sub-servicers), the special servicer, the trustee, the certificate administrator, the depositor or any of their or our respective affiliates, directors, general or limited partners, members, managers, shareholders, officers, employees, controlling persons and agents, as the case may be, out of general collections on the mortgage pool, any of the reimbursements or indemnities to which we or any of those other persons or entities are entitled, subject to the relevant Aggregate Annual Cap, as described under “—Certain Indemnities” below;
14. to pay, out of general collections on the mortgage pool, for (a) the costs of various opinions of counsel related to the servicing and administration of mortgage loans not paid by the related borrower; (b) expenses properly incurred by the trustee 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 a Defaulted Loan;
15. to reimburse itself, the special servicer, the depositor, 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 an underlying mortgage loan giving rise to a repurchase obligation of the mortgage loan seller or other party, or the enforcement of such obligation, under the mortgage loan purchase agreement;
16. to pay for—
  - (a) the cost of the opinions of counsel for purposes of REMIC administration or amending the Pooling and Servicing Agreement; and
  - (b) the cost of obtaining an extension from the IRS for the sale of any REO Property;
17. to pay, out of general collections for any and all U.S. federal, state and local taxes imposed on any 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 loans on or prior to the Cut-off Date or, in the case of a replacement mortgage loan, during or before the month in which that loan was added to the issuing entity;
19. to withdraw amounts deposited in the collection account in error, including amounts received on any mortgage loan or REO Property that has been purchased or otherwise removed from the issuing entity;
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 Pooling and Servicing Agreement.

The master servicer will be required to keep and maintain separate accounting records, on a loan by loan and property by property basis, for the purpose of justifying any withdrawal from the collection account.

### **Realization Upon Mortgage Loans**

*Purchase Option.* The Pooling and Servicing Agreement grants the directing certificateholder (subject to the last paragraph of this section “—Purchase Option”) and Freddie Mac, and with respect to Defaulted Loans 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 Defaulted Loans 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 Purchase Option to any person.

Promptly after the determination that an underlying mortgage loan has become a Defaulted Loan, the master servicer will be required to notify the trustee, the certificate administrator, the special servicer, Freddie Mac, any related Junior Loan Holder and the directing certificateholder of such determination. Subject to the last paragraph of this section “—Purchase Option” in the case of any Affiliated Borrower Loan, any party exercising its Purchase Option will then have the right to exercise its Purchase Option at a cash price equal to the Option Price until the earlier of the applicable Expiration Date or the automatic termination of such Purchase Option (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 or (iii) upon purchase of the Defaulted Loan by any other purchase option holder with a prior right to purchase during its respective option period.

Within the later of 60 days after an 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 such underlying mortgage loan in accordance with the Servicing Standard and consistent with the guidelines contained in the Pooling 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 a Defaulted Loan if (i) the special servicer obtains knowledge of changed circumstances, new information or otherwise, in accordance with the Servicing Standard or (ii) at the time of the exercise of a Purchase Option the current Fair Value determination was calculated more than 90 days prior to such exercise. In either case, the special servicer will be required to confirm or revise the Fair Value determination, which Fair Value may be higher or lower.

All reasonable costs and expenses of the special servicer in connection with the determination of the Fair Value of a Defaulted Loan will be paid by the master servicer and be reimbursable as Servicing Advances. The special servicer will be required to give prompt written notice (the “Fair Value Notice”) of its Fair Value determination and any subsequent change to such determination of Fair Value to the trustee, the certificate administrator, the master servicer, Freddie Mac or its assignee (the “Freddie Mac Purchaser”), the related Junior Loan Holder or its assignee (the “Junior Loan Holder Purchaser”) and the directing certificateholder or its assignee (the “DCH Purchaser”). If, after receiving the Fair Value Notice, and subject to the last paragraph of this section “—Purchase Option,” the DCH Purchaser elects to purchase such Defaulted Loan from the issuing entity, such party must notify the special servicer, the trustee, the certificate administrator, the master servicer and Freddie Mac of such election and specify the Defaulted Loan Fair Value Purchase Price.

With respect to any Defaulted Loan, the Junior Loan Holder Purchaser (only with respect to any Defaulted Loan for which the related Junior Loan Holder is the holder of a subordinate priority lien (a “Defaulted First Lien Loan”)), the DCH Purchaser and the Freddie Mac Purchaser (in that order) will each (i) have 5 business days to elect to purchase such Defaulted Loan at the Purchase Price or (ii) solely with respect to the DCH Purchaser and the Freddie Mac Purchaser, upon receipt of a Fair Value Notice, have 5 business days to elect to purchase the Defaulted Loan at the Fair Value of the Defaulted Loan (the “Defaulted Loan Fair Value Purchase Price”)(in each instance, an “Expiration Date”). Any purchase is required to be consummated no later than 10 business days after notice is given by the option holder of its election to exercise such Purchase Option. Any purchase is required to be consummated no later than 10 business days after notice is given by the option holder of its election to exercise such Purchase

Option. In the event that any of the Junior Loan Holder Purchaser, the DCH Purchaser or the Freddie Mac Purchaser consummates the purchase within such 10 business day period, the Purchase Option will terminate.

If the Junior Loan Holder Purchaser, the DCH Purchaser or the Freddie Mac Purchaser that proposes to purchase a Defaulted Loan or Defaulted First Lien Loan, as applicable, is an affiliate of the special servicer, the trustee will be required, upon receipt of notice of the exercise of its Purchase Option by such option holder, to determine whether the special servicer's determination of Fair Value for such Defaulted Loan constitutes a fair price in its reasonable judgment. The trustee will be required to give prompt written notice to the special servicer (and any affiliate of the special servicer), the certificate administrator, the master servicer and each option holder if the trustee makes a determination that such offer does not constitute a fair price for any Defaulted Loan and what the fair price amount is (which may be a higher or lower Fair Value). In making such determination, the trustee may conclusively rely on an opinion of an appraiser or other independent expert in real estate matters, in each case, appointed with due care and obtained at the expense of such affiliate of the special servicer proposing to purchase such Defaulted Loan or Defaulted First Lien Loan, as applicable. The trustee, in making a Fair Value determination in accordance with the third preceding sentence, will be entitled to receive from the special servicer all information in the special servicer's possession relevant to making such determination and will be further entitled to a \$1,500 fee payable by the issuing entity in connection with each such Fair Value determination. All reasonable costs and expenses of the trustee in connection with the determination of the Fair Value of a Defaulted Loan will be paid by the master servicer and be reimbursable as Servicing Advances, or if not so paid by the master servicer, will be reimbursed by the issuing entity as Additional Issuing Entity Expenses.

Subject to the discussion above and the last paragraph of this section “—Purchase Option,” each holder of a Purchase Option may, at its option, purchase the subject Defaulted Loan from the issuing entity at a price (the “Option Price”) equal to—

- if the special servicer has not yet determined the Fair Value of that Defaulted Loan or the purchaser is the Junior Loan Holder Purchaser, the Purchase Price; or
- if the special servicer has made such Fair Value determination and the purchaser is the DCH Purchaser or the Freddie Mac Purchaser, the Defaulted Loan Fair Value Purchase Price.

However, any party exercising its Purchase Option will only be able to purchase an Affiliated Borrower Loan from the issuing entity at a cash price equal to the Purchase Price.

Unless and until a Purchase Option with respect to a Defaulted Loan is exercised, the special servicer will be required to pursue such other resolution strategies available under the Pooling and Servicing Agreement, including workout and foreclosure, in a manner consistent with the Servicing Standard, but it will not be permitted to sell the Defaulted Loan, other than to an option holder pursuant to the exercise of the Purchase Option until the final Expiration Date. After the final Expiration Date, the special servicer may sell such Defaulted Loan in accordance with the Servicing Standard and subject to directing certificateholder consent as set forth below under “—Asset Status Report.”

*Foreclosure and Similar Proceedings.* Pursuant to the Pooling and Servicing Agreement, if an event of default on an underlying mortgage loan has occurred and is continuing, the special servicer, on behalf of the issuing entity, may at any time institute foreclosure proceedings, exercise any power of sale contained in the related mortgage or otherwise acquire title to the related mortgaged real property. The special servicer may not, however, acquire title to any mortgaged real property or take any other action with respect to any mortgaged real property that would cause the trustee, for the benefit of the certificateholders or any other specified person to be considered to hold title to, to be a “mortgagee-in-possession” of or to be an “owner” or an “operator” of such mortgaged real property within the meaning of certain federal environmental laws, unless the special servicer has previously received a report prepared by a person who regularly conducts environmental audits (the cost of which report will be a Servicing Advance) and either—

- such report indicates that (i) the mortgaged real property is in compliance with applicable environmental laws and regulations and (ii) there are no circumstances or conditions present at the mortgaged real property for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or



- the special servicer, based solely (as to environmental matters and related costs) on the information set forth in such report, determines that taking such actions as are necessary to bring the mortgaged real property into compliance with applicable environmental laws and regulations and/or taking the actions contemplated by clause (ii) of the preceding bullet, is reasonably likely to increase the net proceeds of the liquidation of such mortgaged real property, than not taking such actions.

A borrower's failure to make required mortgage loan payments may mean that operating income from the mortgaged real property is insufficient to service the mortgage debt, or may reflect the diversion of that income from the servicing of the mortgage debt. In addition, a borrower that is unable to make mortgage loan payments may also be unable to make timely payments of taxes or otherwise to maintain and insure the mortgaged real property. In general, the special servicer will be required to monitor any Specially Serviced Mortgage Loan serviced by it, evaluate whether the causes of the default can be corrected over a reasonable period without significant impairment of the value of the mortgaged real property, initiate corrective action in cooperation with the borrower if cure is likely, inspect the mortgaged real property and take such other actions as it deems necessary and appropriate. A significant period of time may elapse before the special servicer is able to assess the success of any such corrective action or the need for additional initiatives. The time within which the special servicer can make the initial determination of appropriate action, evaluate the success of corrective action, develop additional initiatives, institute foreclosure proceedings and actually foreclose, or accept a deed to a mortgaged real property in lieu of foreclosure, on behalf of the certificateholders may vary considerably depending on the particular circumstances with respect to the related underlying mortgage loan, the mortgaged real property, the 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 a borrower files a bankruptcy petition, the special servicer may not be permitted to accelerate the maturity of the Defaulted Loan or to foreclose on the related mortgaged real property for a considerable period of time and may be required by the court to materially extend the term of the loan paid to the final maturity date, lower significantly the related interest rate and/or reduce the outstanding principal balance of the loan.

*REO Properties.* If title to any mortgaged real property is acquired by the special servicer on behalf of the issuing entity, the special servicer will be required to sell that property as soon as practicable, but not later than the end of the third calendar year following the year of acquisition, unless—

- the IRS grants an extension of time to sell the property;
- an extension of time to sell the property has been timely requested from the IRS and (i) the IRS has not denied such request (in which event the property is required to be sold by the end of the extended time period requested, but not more than three additional years), or (ii) if the IRS denies such request (in which event, the property is required to be sold within 30 days after the date of such denial); or
- the special servicer obtains an opinion of independent counsel generally to the effect that the holding of the property subsequent to the end of the third calendar year following the year in which the acquisition occurred will not result in the imposition of a tax on the assets of the issuing entity or cause any Trust REMIC created under the Pooling and Servicing Agreement to fail to qualify as a REMIC under the Code.

The special servicer will be required to use reasonable efforts to solicit cash offers for any REO Property held in the issuing entity in a manner that will be reasonably likely to realize a fair price for the property within the time periods contemplated by the prior paragraph. Such solicitation will be required to be made in a commercially reasonable manner. The special servicer will be required to accept the highest cash offer received from any entity for such REO Property in an amount at least equal to the Purchase Price for such REO Property. In the absence of any such offer, the special servicer will be required to accept the highest cash offer received from any entity that is determined by the special servicer to be a fair price for such REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer determines that the offers being made with respect to such REO Property are not in the best interests of the certificateholders, in each case, taken as a collective whole, and that the end of the period referred to in the prior paragraph with respect to such 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 any REO Property will be determined by the special servicer, if the highest offer is from a person other than the special servicer or an affiliate of the special servicer, and by the

trustee, if the highest offer is from the special servicer or an affiliate of the special servicer. In determining whether any offer received from the special servicer or an affiliate of the special servicer represents a fair price for any REO Property, the trustee will be required to obtain, and may conclusively rely on, the opinion of an appraiser (the fees and costs of which will be required to be covered by a servicing advance by the master servicer) retained by the trustee. In determining whether any offer constitutes a fair price for any REO Property, the trustee will be required to request that such appraiser take into account, as applicable, among other factors, the occupancy level and physical condition of the REO Property, the state of the local economy and the obligation to dispose of any REO Property within the time period specified in the second preceding paragraph. The Purchase Price for any REO Property will in all cases be deemed a fair price.

The special servicer, at the expense of the issuing entity, will be required to retain an independent contractor to operate and manage any 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 any REO Property.

In general, the special servicer or an independent contractor employed by the special servicer will be obligated to operate and manage any REO Property held by the issuing entity solely for the purpose of its prompt disposition and sale, in a manner that maintains its status as “foreclosure property” within the meaning of Code Section 860G(a)(8).

Subject to the Servicing Standard and any other limitations imposed by the Pooling and Servicing Agreement, the special servicer will be permitted, with respect to any REO Property, to incur a tax on net income from foreclosure property, within the meaning of Code Section 857(b)(4)(B).

To the extent that income the issuing entity receives from an REO Property is subject to a tax on net income from foreclosure property, that income would be subject to U.S. federal tax at the highest marginal corporate tax rate, which is currently 35%.

The determination as to whether income from an REO Property held by the issuing entity would be subject to a tax will depend on the specific facts and circumstances relating to the management and operation of each REO Property. Any tax imposed on the issuing entity’s income from an REO Property would reduce the amount available for payment to the 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 any REO Property held by the issuing entity separate and apart from its own funds and general assets. If an REO Property is acquired by the issuing entity, the special servicer will be required to establish and maintain an account for the retention of revenues and other proceeds derived from that REO Property. That REO account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling 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 each REO Property held by the issuing entity. The funds held in this REO account may be held as cash or invested in Permitted Investments. Any interest or other income earned on funds in the special servicer’s REO account will be payable to the special servicer, subject to the limitations described in the Pooling and Servicing Agreement. See “—Servicing Compensation and Payment Expenses—Additional Servicing Compensation” above.

The special servicer will be permitted to withdraw from its REO account funds necessary for the proper operation, management, leasing, maintenance and disposition of any REO Property administered by it, but only to the extent of amounts on deposit in the account relating to that particular REO Property. Promptly following the end of each Collection Period, the special servicer will be required to withdraw from its REO account and deposit, or deliver to the master servicer for deposit, into the collection account the total of all amounts received in respect of each REO Property administered by it during that Collection Period, net of:

- any withdrawals made out of those amounts, as described in the preceding sentence; and
- any portion of those amounts that may be retained as reserves, as described in the next paragraph.

The special servicer may, subject to the limitations described in the Pooling and Servicing Agreement, retain in its REO account in accordance with the Servicing Standard such portion of the proceeds and collections on any REO Property administered by it as may be necessary to maintain a reserve of sufficient funds for the proper operation, management, leasing, maintenance and disposition of that property, including the creation of a reasonable reserve for repairs, replacements, necessary capital improvements and other related expenses.

The special servicer will be required to keep and maintain separate records, on a loan-by-loan and a property-by-property basis, for the purpose of accounting for all deposits to, and withdrawals from, its REO account.

*Liquidation Proceeds.* To the extent that liquidation proceeds collected with respect to any underlying mortgage loan are less than the sum of—

- the outstanding principal balance of that underlying mortgage loan,
- interest (other than Default Interest) accrued on that underlying mortgage loan,
- interest accrued on any monthly debt service advance made with respect to that underlying mortgage loan,
- the aggregate amount of outstanding reimbursable expenses (including any unreimbursed Servicing Advances and unpaid and accrued interest on such advances) incurred with respect to that underlying mortgage loan, and
- any and all servicing compensation and trustee fees and certificate administrator fees due and payable with respect to that underlying mortgage loan,

then the issuing entity will realize a loss in the amount of such shortfall (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee).

The trustee, the certificate administrator, the master servicer and/or the special servicer will be entitled to reimbursement out of the liquidation proceeds recovered on an underlying mortgage loan, prior to the distribution of such liquidation proceeds to certificateholders, of any and all amounts that represent unpaid servicing compensation, certificate administrator fees or trustee fees in respect of that underlying mortgage loan, certain unreimbursed expenses incurred with respect to that underlying mortgage loan and any unreimbursed advances made with respect to that underlying mortgage loan. In addition, amounts otherwise distributable on the certificates will be further reduced by interest payable to the master servicer or the trustee, as applicable, on any such advances.

If any mortgaged real property suffers damage such that the proceeds, if any, of the related property damage insurance policies or flood insurance are insufficient to restore fully the damaged property, the master servicer will not be required to make Servicing Advances to effect such restoration unless—

- the special servicer determines 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 the special servicer receives the consent of the directing certificateholder; and
- the master servicer determines that such expenses will be recoverable by it from related liquidation proceeds.

*Specially Serviced Mortgage Loans.* With respect to any underlying mortgage loan as to which a Servicing Transfer Event has occurred, the master servicer will transfer its servicing responsibilities to the special servicer, but will continue to receive payments on such underlying mortgage loan (including amounts collected by the special servicer), to make certain calculations with respect to such underlying mortgage loan and to make remittances and prepare and deliver certain reports to the certificate administrator with respect to such underlying mortgage loan.

The special servicer will continue to be responsible for the operation and management of an REO Property. The master servicer will have no responsibility for the performance by the special servicer of its duties under the Pooling and Servicing Agreement.

The special servicer will return the full servicing of a Specially Serviced Mortgage Loan to the master servicer when all Servicing Transfer Events with respect to that underlying mortgage loan have ceased to exist and that underlying mortgage loan has become a Corrected Mortgage Loan.

*Directing Certificateholder.* The “directing certificateholder” will generally be a certificateholder or any designee, in either case, selected by holders of certificates representing a majority interest in the class B certificates, until the outstanding principal balance of such class of certificates is less than 3.0% of the aggregate of the outstanding principal balances of the Principal Balance Certificates. Thereafter, Freddie Mac will act as the directing certificateholder for so long as any class of the Guaranteed Certificates is outstanding. 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. In addition, 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 Pooling and Servicing Agreement. For the purpose of determining whether the directing certificateholder is an affiliate of a borrower (or any proposed replacement borrower) with respect to any 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 may take actions, and the Directing Certificateholder Servicing Consultant may provide recommendations, that favor the interests of one or more classes of certificates over other classes of certificates, (ii) the directing certificateholder and the Directing Certificateholder Servicing Consultant may have special relationships and interests that conflict with those of holders of some classes of certificates, (iii) the directing certificateholder and the Directing Certificateholder Servicing Consultant will have no liability to any certificateholder for any action taken or not taken, or any recommendation provided, as applicable, and (iv) each certificateholder agrees to take no action against the directing certificateholder or the Directing Certificateholder Servicing Consultant as a result of any such action or omission, recommendation or special relationship or conflict. See “Risk Factors—Risks Related to the Offered Certificates—The Interests of the Directing Certificateholder or Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders” in this information circular.

It is anticipated that First Foundation or its affiliate will be designated to serve as the Initial Directing Certificateholder. As of the Closing Date, no Affiliated Borrower Loan Event is expected to exist with respect to the Initial Directing Certificateholder.

As and to the extent described under “—Asset Status Report” below, the directing certificateholder may direct the master servicer or special servicer with respect to various servicing matters involving each of the underlying mortgage loans. However, upon the occurrence and during the continuance of any Affiliated Borrower Loan Event with respect to any Affiliated Borrower Loan, the directing certificateholder’s (i) right to approve and consent to certain actions with respect to such underlying mortgage loan, (ii) right to purchase any such Defaulted Loan from the issuing entity and (iii) access to certain information and reports regarding such underlying mortgage loan will be restricted as described in “—Asset Status Report” below and “—Purchase Option” above, as applicable. Upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the special servicer, or the master servicer, if both the directing certificateholder and the special servicer are affiliated with the borrower, as the Affiliated Borrower Loan Directing Certificateholder, will be required to exercise any approval, consent, consultation or other rights with respect to any matters related to an Affiliated Borrower Loan as described in “—Asset Status Report” below.

At any time when the class B certificates are the Controlling Class, the holder of certificates representing a majority interest in the class B certificates may waive its right to act as or appoint a directing certificateholder and to exercise any of the rights of the directing certificateholder or cause the exercise of any of the rights of the directing certificateholder set forth in the Pooling and Servicing Agreement, by written notice delivered to the depositor, the

certificate administrator, the trustee, the master servicer, the special servicer and Freddie Mac. Any such waiver will remain effective with respect to such holder and such class until such time as that holder of a majority interest in the class B certificates has (i) sold a majority interest in the class B certificates to an unaffiliated third party and (ii) certified to the depositor, the certificate administrator, the trustee, the master servicer, the special servicer and Freddie Mac that (a) the transferor retains no direct or indirect voting rights with respect to the class B certificates that it does not own, (b) there is no voting agreement between the transferee and the transferor and (c) the transferor retains no direct or indirect economic interest in the class B certificates that it does not own. Following any such transfer, the successor holder of a majority interest in the class B certificates, if class B certificates are the Controlling Class, will again have the rights to act as or appoint a directing certificateholder and to exercise any of the rights of the directing certificateholder or cause the exercise of any of the rights of the directing certificateholder set forth in the Pooling and Servicing Agreement without regard to any prior waiver by the predecessor certificateholder. Such successor certificateholder will also have the right to waive its right to act as or appoint a directing certificateholder and to exercise any of the rights of the directing certificateholder or to cause the exercise of any of the rights of the directing certificateholder. No such successor certificateholder described above in this paragraph will have any consent rights with respect to any underlying mortgage loan that became a Specially Serviced Mortgage Loan prior to its acquisition of a majority of the class B certificates that had not also become a Corrected Mortgage Loan prior to such acquisition until such underlying mortgage loan becomes a Corrected Mortgage Loan.

*Asset Status Report.* The special servicer is required to prepare and deliver a report to the master servicer, the directing certificateholder and Freddie Mac (the “Asset Status Report”) with respect to any underlying mortgage loan that becomes a Specially Serviced Mortgage Loan within 60 days of the special servicer’s receipt of the information it reasonably requires after a Servicing Transfer Event.

Any Asset Status Report prepared by the special servicer will set forth the following information, to the extent reasonably determinable:

- a summary of the status of the Specially Serviced Mortgage Loan;
- a discussion of the legal and environmental considerations reasonably known to the special servicer, consistent with the Servicing Standard, that are applicable to the exercise of remedies and whether outside legal counsel has been retained;
- a current rent roll and income or operating statement available for the related mortgaged real property;
- the appraised value of the mortgaged real property, together with the assumptions used in the calculation of the appraised value, 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 related mortgaged real property, any proposed workouts with respect to the Specially Serviced Mortgage Loan and the status of any negotiations with respect to those workouts and an assessment of the likelihood of additional events of default on such underlying mortgage loan; and
- such other information as the special servicer deems relevant in light of the Servicing Standard.

If, within ten business days following delivery of the Asset Status Report, the directing certificateholder does not disapprove in writing of any action proposed to be taken in that Asset Status Report or, upon delivery of a finalized Asset Status Report as described below, the special servicer is required to implement the recommended action as outlined in such Asset Status Report. If the directing certificateholder 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 certificateholder fails to disapprove the revised Asset Status Report within ten business days of receipt, (b) the special servicer determines that an extraordinary event has occurred with respect to the mortgaged real property 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 directing certificateholder, Freddie Mac, 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 related mortgaged real property, take any action set forth in such Asset Status Report before the expiration of a ten business day approval period without the consent of the directing certificateholder 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 efforts consistent with the Servicing Standard to contact the directing certificateholder, without success, and (ii) in any case, must determine whether any affirmative disapproval by the directing certificateholder 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 Certificateholder Servicing Consultant, if selected to serve in such capacity) may not take any action inconsistent with an Asset Status Report, unless that action would be required in order to act in accordance with the Servicing Standard. The special servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement that report, *provided* that the revised report has been prepared, reviewed and not rejected pursuant to the terms described above.

In addition to the foregoing, each of the special servicer and the master servicer, as applicable, are required to, subject to the Servicing Standard and the terms of the Pooling and Servicing Agreement, obtain the consent of the directing certificateholder and respond to any reasonable request for information from Freddie Mac prior to the taking by the special servicer or the master servicer of the following actions (the “Consent Actions”)—

- instituting any foreclosure upon or comparable conversion of (which may include acquisitions of an REO Property) the ownership of the property or properties securing any Specially Serviced Mortgage Loans as come into and continue in default;
- any modification, amendment or waiver of a monetary term (including any change in the timing of payments but excluding the waiver of Default Interest and late payment charges), any material non-monetary term or any waiver of a due-on-sale or due-on-encumbrance clause of an underlying mortgage loan (other than any non-material easement, right of way or similar agreement);
- any acceptance of a discounted payoff with respect to a Specially Serviced Mortgage Loan;
- instituting any sale of an REO Property out of the issuing entity for less than the Purchase Price for, the related underlying mortgage loan or instituting any sale of a Defaulted Loan out of the issuing entity other than in connection with the exercise of a Purchase Option or, with respect to an REO Property or a Defaulted Loan, in connection with a termination of the issuing entity as described under “—Termination” below;
- any determination to bring an REO Property held by the issuing entity into compliance with applicable environmental laws or to otherwise address hazardous material located at the REO Property;
- any release of real property collateral for an underlying mortgage loan, other than in accordance with the specific terms of, or upon satisfaction of, that underlying mortgage loan; *provided, however* that the directing certificateholder’s consent to any release of non-material parcels of the mortgaged real property must not be unreasonably withheld;
- any acceptance of substitute or additional real property collateral for an underlying mortgage loan, other than in accordance with the specific terms of that underlying mortgage loan;
- any approval of releases of earn-out reserves or related letters of credit with respect to a mortgaged real property securing an underlying mortgage loan other than in accordance with the specific terms of that underlying mortgage loan;

- the release of any reserves in excess of the threshold set forth in the Pooling and Servicing Agreement;
- the consent to any subordinate financing pursuant to Pooling and Servicing Agreement;
- solely with respect to a Specially Serviced Mortgage Loan, the consent to a determination by the special servicer that a Servicing Advance to effect a restoration should be made by the master servicer; and
- solely with respect to a Specially Serviced Mortgage Loan, the consent to a request initiated by the related borrower to replace a property manager.

However, no direction of the directing certificateholder, and no failure to consent to any action requiring the consent of the directing certificateholder under the Pooling and Servicing Agreement, may (i) require or cause the master servicer or the special servicer to violate the terms of the subject Specially Serviced Mortgage Loan, applicable law or any provision of the Pooling and Servicing Agreement or any related intercreditor agreement; (ii) result in the imposition of a “prohibited transaction” (other than a sale of an underlying mortgage loan pursuant to a Condemnation Sale as described under “—Modifications, Waivers, Amendments and Consents” above) or “prohibited contribution” tax under the REMIC Provisions; (iii) expose the master servicer, the special servicer, the trustee, the certificate administrator, the custodian, the depositor, Freddie Mac, the issuing entity or any of various other parties to any claim, suit or liability or (iv) materially expand the scope of the special servicer’s or the master servicer’s responsibilities under the Pooling and Servicing Agreement. The master servicer or the special servicer, as the case may be, will not (x) follow any such direction of the directing certificateholder, (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 certificateholder, if the failure to take such action if following such directions, 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 Freddie Mac within two business days after the occurrence of such Affiliated Borrower Loan Event. In addition, the directing certificateholder will be required to provide written notice to the trustee, the certificate administrator, the master servicer, the special servicer and Freddie Mac of the termination of any Affiliated Borrower Loan Event within two business days after the termination of such Affiliated Borrower Loan Event. Prior to its receipt of any notice from the directing certificateholder of the occurrence of an Affiliated Borrower Loan Event (or, following its receipt, if any, of the termination of any Affiliated Borrower Loan Event, prior to its receipt of any notice of the occurrence of another Affiliated Borrower Loan Event), the master servicer, the special servicer, the trustee, the certificate administrator and Freddie Mac may conclusively assume that no Affiliated Borrower Loan Event exists, unless a responsible officer of the trustee or certificate administrator, as applicable, or a servicing officer of the master servicer or the special servicer, as applicable, has actual knowledge of any Affiliated Borrower Loan Event. The master servicer, the special servicer, the trustee, the certificate administrator and Freddie Mac may rely on any such notice of the occurrence or the termination of an Affiliated Borrower Loan Event without making any independent investigation. Notwithstanding anything to the contrary in the Pooling and Servicing Agreement, upon the occurrence and during the continuance of an Affiliated Borrower Loan Event, the directing certificateholder will not have any approval, consent, consultation or other rights under the Pooling and Servicing Agreement with respect to any matters related to any Affiliated Borrower Loan, and the Affiliated Borrower Loan Directing Certificateholder upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event, and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event (i) will be required to exercise any such rights in its sole discretion and in accordance with the Servicing Standard and on behalf of the certificateholders as a collective whole, without seeking the consent or consultation of any other party, except that the Affiliated Borrower Loan Directing Certificateholder may consult with Freddie Mac with respect to any matters related to the Affiliated Borrower Loan, but will not be bound by any such consultation with Freddie Mac and (ii) will be entitled to any fees that would otherwise be payable to the directing certificateholder under “Description of the Certificates—Fees and Expenses” in this information circular but for the occurrence of the Affiliated Borrower Loan Event. Upon receipt of written notice from the directing certificateholder, or any party on its behalf, of the occurrence of any Affiliated Borrower Loan Event and prior to receipt of written notice from the directing certificateholder, or any party on its behalf, of the termination of such Affiliated Borrower Loan Event, none of the trustee, the certificate administrator, the master servicer or the special servicer will be permitted under

the Pooling 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 any Affiliated Borrower Loan. In addition, for so long as an Affiliated Borrower Loan Event exists with respect to any Affiliated Borrower Loan, and to the extent the certificate administrator has actual knowledge of such Affiliated Borrower Loan Event, the certificate administrator may not provide to the directing certificateholder any asset status report, inspection report or appraisal related to such Affiliated Borrower Loan. In addition, for so long as an Affiliated Borrower Loan Event exists with respect to any underlying mortgage loan, the trustee, the certificate administrator, the master servicer and the special servicer may withhold from the directing certificateholder any information with respect to such underlying mortgage loan that the trustee, the certificate administrator, the master servicer or the special servicer, as applicable, determines, in its sole discretion, is related to the workout of such underlying mortgage loan.

### **Inspections; Collection of Operating Information**

The master servicer, at its own expense (or, with respect to each Specially Serviced Mortgage Loan and REO Property, the special servicer, at the expense of the issuing entity) will be required to physically inspect or cause a physical inspection of each mortgaged real property (i) initially, annually within the calendar quarter of the anniversary of the origination date of the related underlying mortgage loan and, thereafter, at least once every 24 months or (ii) if the related underlying mortgage loan becomes a Specially Serviced Mortgage Loan, as soon as practicable and thereafter at least once every 12 months for so long as such underlying mortgage loan remains a Specially Serviced Mortgage Loan. For each underlying mortgage loan, such 12 month period or 24 month period, as applicable, will begin on such date as is consistent with the Guide. The master servicer and the special servicer will be required to prepare or cause the preparation of a written report of each inspection performed by it that generally describes the condition of the particular mortgaged real property and, upon request, deliver such written report in electronic format to (i) the certificate administrator and (ii) the master servicer (if such written report was prepared by the special servicer).

All mortgages require annual property operating statements. However, we cannot assure you that any operating statements required to be delivered will in fact be delivered, nor is the special servicer or the master servicer likely to have any practical means of compelling such delivery in the case of an otherwise performing mortgage loan.

### **Servicer Reports**

As set forth in the Pooling and Servicing Agreement, on a date preceding the applicable Distribution Date, the master servicer is required to deliver to the certificate administrator, the directing certificateholder and Freddie Mac a servicer remittance report setting forth the information necessary for the certificate administrator to make the distributions set forth under “Description of the Certificates—Distributions” in this 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 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 Pooling 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 Pooling and Servicing Agreement in all material respects throughout the preceding calendar year or the portion of that year during which the certificates were outstanding (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such



failure); (iii) that the master servicer or the special servicer, as the case may be, has maintained an effective internal control system over the servicing of mortgage loans, including the underlying mortgage loans; (iv) whether the master servicer or the special servicer has received any notice regarding qualification of or challenge to the status of any Trust REMIC as a REMIC or the Grantor Trust as a “grantor trust”, 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 such 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.

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 Pooling and Servicing Agreement:

1. any failure by the master servicer to make (a) any required deposit into its collection account or any other account created under the Pooling 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 Pooling and Servicing Agreement on the business day prior to the related Distribution Date, which failure continues unremedied until 11:00 a.m. (New York City time) on the related Distribution Date; or (b) any required Servicing Advance within the time specified in the Pooling and Servicing Agreement, which failure remains uncured for 15 days (or such shorter time as is necessary to avoid the lapse of any required insurance policy for any mortgaged real property or the foreclosure of any tax lien on the related mortgaged real property);
2. any failure by the special servicer to deposit into the REO account, or to remit to the master servicer for deposit in the collection account, any such deposit or remittance required to be made by the special servicer, when so required under the Pooling 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 Pooling 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 any 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 Pooling 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 not less than 25% of the percentage interests of any class of certificates; *provided, however*, if such failure (other than a failure to pay insurance policy

premiums for any mortgaged real property) is not capable of being cured within such 30-day period and the master servicer or special servicer, as applicable, is diligently pursuing such cure, then such 30-day period will be extended for an additional 30 days;

4. any breach by the master servicer or the special servicer of a representation or warranty contained in the Pooling 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 Pooling 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 not less than 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. admission by the master servicer or the special servicer in writing of its inability to pay its debts generally as they become due, the filing of a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, the making of an assignment for the benefit of its creditors, or the voluntary suspension of payment of its obligations or take any corporate action in furtherance of the foregoing;
8. failure of any Third Party Master Servicer to provide the certificate administrator with certain periodic information pertaining to the underlying mortgage loans as required under the Pooling 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.

### **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 Pooling and Servicing Agreement in and to the underlying mortgage loans and proceeds of the underlying mortgage loans, other than any rights the defaulting party may have (i) as a certificateholder or (ii) in respect of compensation, indemnities and reimbursements accrued by or owing to such defaulting party on or prior to the date of termination or due to such defaulting party thereafter for services rendered and expenses incurred. Upon any such termination, the trustee must either:

- succeed to all of the responsibilities, duties and liabilities of the defaulting party under the Pooling and Servicing Agreement; or

- appoint an established mortgage loan servicing institution to act as successor to the defaulting party under the Pooling and Servicing Agreement that meets the Successor Servicer Requirements;

subject, in both cases, to (a) the right of the directing certificateholder to appoint a successor special servicer as described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” above and (b) the right of certificateholders entitled to at least 66<sup>2</sup>/<sub>3</sub>% of the voting rights allocated to each class of certificates affected by any event of default to waive such event of default as described below.

If the trustee is unwilling or unable to act as the permanent successor master servicer or special servicer or does not satisfy the Successor Servicer Requirements, it may (or, at the written request of certificateholders entitled to not less than 25% of the voting rights will be required to), promptly appoint, or petition a court of competent jurisdiction to appoint as successor to the master servicer or the special servicer, as applicable, an established mortgage loan servicing institution, which satisfies the Successor Servicer Requirements.

In general, certificateholders entitled to at least 66<sup>2</sup>/<sub>3</sub>% of the voting rights allocated to each class of certificates affected by any event of default may waive the event of default. However, the events of default described in clauses 1 and 2 under “—Events of Default” above may only be waived by all of the holders of the affected classes of certificates, the trustee and Freddie Mac. Furthermore, if the certificate administrator or the trustee is required to spend any monies in connection with any event of default or any waiver of that event of default, then that event of default may not be waived unless and until the certificate administrator or the trustee has been reimbursed for such amounts by the party requesting the waiver. Upon any waiver of an event of default, the event of default will cease to exist and will be deemed to have been remedied for every purpose under the Pooling and Servicing Agreement.

No certificateholder will have the right under the Pooling and Servicing Agreement to institute any proceeding with respect to the Pooling 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 Pooling 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 Pooling 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 Pooling 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 Pooling and Servicing Agreement or the certificates, except in the manner provided in the Pooling 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 Pooling 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 Pooling 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, 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 the fees described under “Description of the Certificates—Fees and Expenses” in this information circular.

The certificate administrator will initially be the custodian of the mortgage files. The certificate administrator may appoint, at the certificate administrator’s own expense, one or more custodians to hold all or a portion of the mortgage files on behalf of the trustee; however the certificate administrator will be required to inform the master servicer, the trustee and Freddie Mac of such appointment and the appointment of any custodian will require the approval of Freddie Mac. Each custodian will be required to (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 any 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 E&O Insurance, each in such form and amount as is customarily required of custodians acting on behalf of Freddie Mac or Fannie Mae. Each custodian will be subject to the same obligations, standard of care, protections and indemnities as would be imposed on, or would protect, the certificate administrator under the Pooling 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 Pooling 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 (including in its capacity as the Affiliated Borrower Loan Directing Certificateholder) and any officer, director, general or limited partner, shareholder, member, manager, employee, agent, affiliate or controlling person of the depositor, the master servicer, the special servicer or the servicing consultant will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, the Pooling and Servicing Agreement, the transactions contemplated by the

Pooling 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 Pooling and Servicing Agreement or (ii) incurred by reason of a breach of any representation or warranty by the depositor, the master servicer or the special servicer, as applicable, under the Pooling and Servicing Agreement, or by reason of the willful misconduct, bad faith, fraud or negligence of the depositor, the servicing consultant, the master servicer or the special servicer, as applicable, in the performance of its respective duties under the Pooling and Servicing Agreement or negligent disregard of its respective obligations or duties under the Pooling 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 or the special servicer, as applicable, to reimbursement for ordinary costs or expenses incurred by the servicing consultant, the master servicer or the special servicer, as applicable, in connection with its usual and customary performance of its duties and obligations under the Pooling and Servicing Agreement that are not expressly payable or reimbursable to the servicing consultant, the master servicer or the special servicer, as applicable, under the Pooling and Servicing Agreement. The master servicer, on behalf of an indemnified sub-servicer, will be entitled to pursue the issuing entity under the Pooling and Servicing Agreement for any indemnification due to an indemnified sub-servicer under the terms of the related sub-servicing agreement. The master servicer will be required to promptly upon receipt and identification remit such indemnification amounts to the affected indemnified sub-servicer upon reimbursement of such amounts from the collection account or (upon receipt from the trustee) the distribution account, as applicable. If the master servicer determines that a claim for indemnification submitted by a sub-servicer should not be pursued under the terms of the related sub-servicing agreement or the Pooling 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 Pooling and Servicing Agreement), the certificate administrator (in each of its capacities under the Pooling 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 Pooling and Servicing Agreement, the transactions contemplated by the Pooling 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 Pooling 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 Pooling 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 Pooling and Servicing Agreement or negligent disregard of its obligations or duties under the Pooling 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, the master servicer (for itself or certain indemnified sub-servicers, as applicable), the special servicer and their respective general or limited partners, members, managers, shareholders, affiliates, directors, officers, employees, agents and controlling persons will not exceed an amount equal to the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and the certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and the certificate administrator/custodian), the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap or the Special Servicer Aggregate Annual Cap, as applicable. Any amounts payable in excess of the relevant Aggregate Annual Cap will be required to be paid, to the extent the funds are available, in the subsequent 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 together 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 Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap, the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap, the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap or the Special Servicer Aggregate Annual Cap upon the written request (which request, in the case of certain indemnified sub-servicers, is required to be accompanied by notice to any Third Party Master Servicer) of the depositor, the trustee, the certificate administrator, the Third Party Master Servicer, certain indemnified sub-servicers or the special servicer, as applicable. At any time that Freddie Mac is acting as master servicer, there will be no aggregate annual cap for the master servicer.

## Termination

The obligations created by the Pooling and Servicing Agreement will terminate following the earliest of—

- (a) the final payment or advance on, or other liquidation of, the last underlying mortgage loan or related REO Property remaining in the issuing entity;
- (b) the purchase of all of the underlying mortgage loans and REO Properties remaining in the issuing entity 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; and
- (c) 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 all of the underlying mortgage loans and each REO Property remaining in the issuing entity.

Written notice of termination of the Pooling 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 all of the underlying mortgage loans and all other property remaining in the issuing entity on any Distribution Date on which the total Stated Principal Balance of the mortgage pool is less than 5.0% of the initial mortgage pool balance, upon written notice to the trustee and the other parties to the Pooling 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 all the underlying mortgage loans and REO Properties remaining in the issuing entity is required to be made at a price equal to:

- the sum of—
  1. the Purchase Price of all the underlying mortgage loans then included in the issuing entity, exclusive of REO Loans;
  2. the appraised value of all REO Properties then included in the issuing entity, as determined by an appraiser mutually agreed upon by the master servicer and the special servicer;
  3. without duplication, any unreimbursed Additional Issuing Entity Expenses; and
  4. any Unreimbursed Indemnification Expenses; minus

- solely in the case of a purchase by any Third Party Master Servicer or the special servicer, the total of all amounts payable or reimbursable to the purchaser under the Pooling 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 total Stated Principal Balance of the mortgage pool be less than 5.0% of the initial mortgage pool balance. The termination price, exclusive of any portion of the termination price payable or reimbursable to any person other than the certificateholders, will constitute part of the Available Distribution Amount for the final Distribution Date. Any person or entity making the purchase will be responsible for reimbursing the parties to the Pooling 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 all of the underlying mortgage loans and each REO Property remaining in the issuing entity, the Sole Certificateholder will be required to deposit in the collection account all amounts due and owing to the depositor, the master servicer, the special servicer, the certificate administrator, the custodian and the trustee under the Pooling and Servicing Agreement through the date of the liquidation of the issuing entity, but only to the extent that such amounts are not already on deposit in the collection account. In addition, the master servicer will be required to remit to the 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 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 its designee the mortgage files for the underlying mortgage loans and execute all assignments, endorsements and other instruments furnished to it by the Sole Certificateholder necessary to effectuate transfer of the underlying mortgage loans and REO Properties remaining in the issuing entity to the Sole Certificateholder, and the issuing entity will be liquidated. In connection with any such exchange and liquidation of the issuing entity, the holders of the class R certificates will be required to surrender their class R certificates.

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 Pooling and Servicing Agreement may be amended by mutual agreement of the parties to the Pooling and Servicing Agreement without the consent of any of the holders of the certificates (except as set forth in item (7) 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 Pooling and Servicing Agreement which may be inconsistent with this information circular;
3. to correct, modify or supplement any provision in the Pooling 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 Pooling and Servicing Agreement that are not inconsistent with the existing provisions of that document;
5. with an opinion of counsel delivered to the trustee, the certificate administrator, the master servicer and the special servicer, to relax or eliminate (a) any requirement under the Pooling and Servicing Agreement imposed by the REMIC or grantor trust provisions of the Code 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;

6. with an opinion of counsel delivered to the trustee, the certificate administrator, 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 any Trust REMIC or the grantor trust;
7. 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 loans sold by the mortgage loan seller to the depositor under applicable accounting standards;
8. to modify the procedures in the Pooling and Servicing Agreement relating to Rule 15Ga-1 under the Exchange Act; or
9. to modify, alter, amend, add to or rescind any of the provisions contained in the Pooling 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 (7) may adversely affect in any material respect the interests of any certificateholder or any third party beneficiary to the Pooling and Servicing Agreement or any provision of the Pooling 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 Pooling and Servicing Agreement may be amended by the parties to the Pooling and Servicing Agreement with the consent of the holders of not less than 51% of the voting rights allocated to all of the classes that are materially affected by the amendment, to (a) add to, change or eliminate any of the provisions of the Pooling 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 loans and/or REO Properties which are required to be distributed on any certificate, without the consent of the holder of such certificate;
2. adversely affect in any material respect the interests of the holders of any class of certificates in a manner other than as described in clause (1) above, without the consent of the holders of all certificates of such class;
3. modify the amendment provisions of the Pooling 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 Pooling and Servicing Agreement without the consent of such third party beneficiary.

The Pooling and Servicing Agreement provides that any amendments made to it must be accompanied by an opinion of counsel stating that the amendment will not adversely affect the REMIC status of any Trust REMIC created under the terms of the Pooling and Servicing Agreement.

## **CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

### **General**

The following is a general discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the offered certificates. The discussion below does not purport to address all



federal income tax consequences that may be applicable to particular categories of investors, some of which (such as banks, insurance companies and foreign investors) may be subject to special rules. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. This discussion reflects the applicable provisions of the Code, as well as regulations (the “Treasury 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 three separate REMICs within the meaning of Code Section 860D (the “Lower-Tier REMIC”, the “Middle-Tier REMIC” and the “Upper-Tier REMIC”, and collectively, the “Trust REMICs”). The Lower-Tier REMIC will hold the underlying mortgage loans, the proceeds of the related underlying mortgage loans, the related portion of the collection account, the related portion of the distribution account and other related accounts, and the portion of any property that secured a related underlying mortgage loan that was acquired by foreclosure or deed-in-lieu of foreclosure, and will issue (i) certain uncertificated classes of “regular interests” (the “Lower-Tier REMIC Regular Interests”) as classes of “regular interests” in the Lower-Tier REMIC and (ii) the sole class of “residual interests” in the Lower-Tier REMIC, represented by the class R certificates. The Middle-Tier REMIC will hold the Lower-Tier REMIC Regular Interests and the related portion of the distribution account and will issue (i) certain uncertificated classes of “regular interests” (the “Middle-Tier REMIC Regular Interests”) as classes of “regular interests” in the Middle-Tier REMIC and (ii) the sole class of “residual interests” in the Middle-Tier REMIC, represented by the class R certificates. The Upper-Tier REMIC will hold the Middle-Tier REMIC Regular Interests and the related portion of the distribution account and will issue (i) uncertificated classes of “regular interests,” corresponding to the class A-5, A-7, A-10, B, X1 and X2 certificates (the “Upper-Tier REMIC Regular Interests”) as classes of “regular interests” in the Upper-Tier REMIC and (ii) 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 Pooling and Servicing Agreement, and (iii) compliance with any changes in the law, including any amendments to the Code or applicable Treasury Regulations thereunder, in the opinion of Cadwalader, Wickersham & Taft LLP, counsel to the depositor, each of the Trust REMICs will qualify as a REMIC on the Closing Date and thereafter. Additionally, the portion of the issuing entity (the “Grantor Trust”) consisting of the Upper-Tier REMIC Regular Interests, the right of the class B certificates to receive, and the obligation of the class X1 certificates to pay, Additional Interest Distribution Amounts (the “Basis Risk Contract”) and the related amounts held from time to time in the distribution account will be treated as a grantor trust under the subpart E, part I of subchapter J of the Code, and the class A-5, A-7, A-10, B, X1 and X2 certificates will represent undivided beneficial interests in their respective portions of the Grantor Trust. References in this information circular to “REMIC” refer to either the Lower-Tier REMIC, the Middle-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. As used in this information circular, the term “Regular Certificates” refers to the class A-5, A-7, A-10, B, X1 and X2 certificates, to the extent such classes represent beneficial interests in the related classes of Upper-Tier REMIC Regular Interests, and without regard to any right to receive, or obligation to pay, as applicable, any Additional Interest Distribution Amounts.

### **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 Treasury Regulations applicable to REMICs (“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 Pooling and Servicing Agreement will provide that no legal or beneficial interest in the class R certificates may be transferred or registered unless certain conditions, designed to prevent violation of this requirement, are met.

A qualified mortgage is any obligation that is principally secured by interest in real property and that is either transferred to the REMIC on the Startup Day or is either purchased by the REMIC within a three-month period thereafter or represents an increase in the loan advanced to the obligor under its original terms, in either case, pursuant to a fixed price contract in effect on the Startup Day. Qualified mortgages include whole mortgage loans or participation interests in whole mortgage loans, such as the underlying mortgage loans, and regular interests in another REMIC, such as the Lower-Tier REMIC Regular Interests that are held by the Middle-Tier REMIC and the Middle-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 outstanding principal balance of the related underlying mortgage loan either at origination or as of the Startup Day (a loan-to-value ratio of not more than 125% with respect to the real property security) or (ii) substantially all the proceeds of an underlying mortgage loan were used to acquire, improve or protect an interest in real property that, at the origination date, was the only security for the underlying mortgage loans. If an underlying mortgage loan was not in fact principally secured by real property or is otherwise not a qualified mortgage, it must be disposed of within 90 days of discovery of such defect, or otherwise ceases to be a qualified mortgage after such 90-day period.

Permitted investments include cash flow investments, qualified reserve assets and foreclosure property. A cash flow investment is an investment, earning a return in the nature of interest, of amounts received on or with respect to qualified mortgages for a temporary period, not exceeding 13 months, until the next scheduled distribution to Holders of interests in the REMIC. A qualified reserve asset includes any intangible property held for investment that is part of any reasonably required reserve maintained by the REMIC to provide for payments of expenses of the REMIC or amounts due on the regular or residual interests in the event of defaults (including delinquencies) on the qualified mortgages, lower than expected reinvestment returns, prepayment interest shortfalls and certain other contingencies. The Trust REMICs will not hold any reserve funds. Foreclosure property is real property acquired by a REMIC in connection with the default or imminent default of a qualified mortgage and maintained by the REMIC in compliance with applicable rules, *provided* the depositor had no knowledge or reason to know as of the Startup Day that such a default had occurred or would occur. Foreclosure property may generally not be held after the close of the third calendar year beginning after the date the REMIC acquires such property, with one extension that may be granted by the IRS. In addition, a Condemnation Loan will fail to be a qualified mortgage on the date of the release from the lien of such Condemnation Loan of the portion of the mortgaged real property subject to the taking or condemnation unless there is an accompanying paydown of such Condemnation Loan by a “qualified amount” as determined under Revenue Procedure 2010-30 or successor provisions. See “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular. If such paydown does not occur as provided in Revenue Procedure 2010-30 or successor provisions and such Condemnation Loan is not timely sold, the Trust REMICs may fail to qualify as REMICs.

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, unanticipated 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 and that is designated as a residual interest. Accordingly, the Upper-Tier REMIC Regular Interests represented by the Regular Certificates will constitute classes of regular interests in the Upper-Tier REMIC; the Middle-Tier REMIC Regular Interests will constitute classes of regular interests in the Middle-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 class of residual interests in the Lower-Tier REMIC, the Middle-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 provide relief 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**

Except as provided below, Regular Certificates held by a real estate investment trust will constitute “real estate assets” within the meaning of Code Section 856(c)(5)(B) and interest on the Regular Certificates will be considered “interest on obligations secured by mortgages on real property or on interests in real property” within the meaning of Code Section 856(c)(3)(B) in the same proportion that, for both purposes, the assets of the issuing entity would be so treated. For purposes of Code Section 856(c)(5)(B), payments of principal and interest on the underlying mortgage loans that are reinvested pending distribution to Holders of Regular Certificates qualify for such treatment. Regular Certificates held by a domestic building and loan association will be treated as “loans...secured by an interest in real property which is...residential real property” within the meaning of Code Section 7701(a)(19)(C)(v). For purposes of the foregoing tests, the Trust REMICs are treated as a single REMIC. If at all times 95% or more of the assets of the Trust REMICs qualify for each of the foregoing treatments, the Regular Certificates will qualify for the corresponding status in their entirety. Regular Certificates held by certain financial institutions will constitute an “evidence of indebtedness” within the meaning of Code Section 582(c)(1).

The foregoing treatments will not apply to the extent of the portion of the basis of the holder of a class B certificate that is allocable to the Basis Risk Contract. In addition, because the class B certificates and the class X1 certificates also represent the right to receive and the obligation to make, respectively, payments under the Basis Risk Contract, they may not be suitable for inclusion in another REMIC.

### **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). The Holder of a class B certificate must allocate its basis between its related Upper-Tier REMIC Regular Interest and its right to receive payments under the Basis Risk Contract (to the extent such rights have value). See “—Taxation of the Basis Risk Contract” below. 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 (in each case, to the extent not allocable to the Basis Risk Contract, if any) 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 the class X1 certificates will be the price thereof, plus the amount, if any, deemed received for providing the Basis Risk Contract. 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. Specific rules apply to debt instruments with multiple variable rates (including debt instruments that bear one or more fixed rates and one or more variable rates), as described below. Because the Upper-Tier REMIC Regular Interests represented by the Class A Certificates bear interest at rates that change for different periods, some of the interest paid on such Upper-Tier REMIC Regular Interest may not be qualified stated interest. Because the interest rate on the Upper-Tier REMIC Regular Interest represented by the class B certificates is expected to be based on a single objective rate (the Class B Capped Rate), interest paid on such Upper-Tier REMIC Regular Interest is expected to be qualified stated interest. In addition, because there is no penalty or default remedy in the case of nonpayment of interest with respect to a Regular Certificate, it is possible that no interest on any class of Regular Certificates will be treated as qualified stated interest. However, because the underlying mortgage loans provide for remedies in the event of default, it is anticipated, unless required otherwise by applicable Treasury Regulations, and as limited by the rules applicable to variable rate debt instruments described below, that the certificate administrator will treat all payments of stated interest on the Regular Certificates (other than the class X1 and X2 certificates) as qualified stated interest. It is possible that the IRS might take a different position with respect to these determinations and conclude that some different amount or all of the interest payable on the Class A Certificates and the class B certificates does not constitute qualified stated interest. Investors should consult their own tax advisors regarding the proper characterization of payments of interest on the Class A Certificates and the class B certificates. Based on the foregoing, it is anticipated that the Upper-Tier REMIC Regular Interests represented by the Class A Certificates will not be issued with OID.

Although unclear under the OID Regulations, the certificate administrator will report income on the basis that the Upper-Tier REMIC Regular Interests represented by the Class A Certificates are "variable rate debt instruments". More specifically, in the case of the Upper-Tier REMIC Regular Interest represented by each class of Class A Certificates, the interest rate will be, prior to a specific date, a fixed rate and thereafter, a qualified floating rate (i.e., LIBOR plus the specified margin). Accordingly, interest and OID accruals on the Upper-Tier REMIC Regular Interest represented by each class of Class A Certificates will generally be determined as follows:

First, the issuing entity will determine a "floating rate substitute" for the fixed rate applicable to the Upper-Tier REMIC Regular Interest represented by each class of Class A Certificates. The "floating rate substitute" is the floating rate that would apply such that the fair market value of the Upper-Tier REMIC Regular Interest represented by each class of Class A Certificates as of the Closing Date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the "floating rate substitute" rather than the fixed rate. The "floating rate substitute" is then treated as a qualified floating rate for purposes of the next step.

Second, the issuing entity will determine a "fixed rate substitute" for each qualified floating rate (including the "floating rate substitute" determined in the previous step). The "fixed rate substitute" for each qualified floating rate is generally a fixed rate equal to the value of LIBOR as of the Closing Date plus the specified margin, if any, with respect to the Upper-Tier REMIC Regular Interest.

Third, the issuing entity will construct the “equivalent fixed rate debt instrument” using the “fixed rate substitutes” described above. An “equivalent fixed rate debt instrument” is a debt instrument that provides for the “fixed rate substitutes” in lieu of the qualified floating rates (including the “floating rate substitute” determined in the first step) on the Upper-Tier REMIC Regular Interest represented by each class of Class A Certificates and otherwise has the same terms as such Upper-Tier REMIC Regular Interest.

Fourth, the issuing entity will determine the amount of qualified stated interest and OID with respect to the “equivalent fixed rate debt instrument,” as described above.

Fifth, the issuing entity will adjust for actual variable rates during the applicable accrual period. In other words, the amount of qualified stated interest and OID, as applicable, for each accrual period shall be increased or decreased, respectively, if the interest actually accrued or paid during the accrual period exceeds or is less than, respectively, the interest assumed to be accrued or paid on the “equivalent fixed rate debt instrument” during the applicable accrual period.

It is anticipated that the certificate administrator will treat the Upper-Tier REMIC Regular Interests represented by the class X1 and X2 certificates as having no qualified stated interest. Accordingly, the Upper-Tier REMIC Regular Interests represented by the class X1 and X2 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 (without regard to the payment of Additional Interest Distribution Amounts) over their respective issue prices (including accrued interest). Any “negative” amounts of OID on such classes attributable to rapid prepayments with respect to the underlying mortgage loans will not be deductible currently. A Holder of the class X1 or X2 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 the related Upper-Tier REMIC Regular Interest, assuming no further prepayments. In the alternative, it is possible that rules similar to the “noncontingent bond method” of the contingent interest rules of the OID Regulations may be promulgated with respect to the class X1 or X2 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 loans, *i.e.*, a 5% CPR prepayment speed until each underlying mortgage loan’s initial loan reset date, at which time the underlying mortgage loan is assumed to pay off in full, and that there are 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.

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, (ii) events (including actual prepayments) that have occurred prior to the end of the accrual period, (iii) in the case of the Class A Certificates, the “fixed rate substitutes” on the related “equivalent

fixed rate debt instrument” and, in the case of the class B, X1 and X2 certificates, the assumption that interest will be payable for the life of such class based on the initial pass-through rate (or, if different, the pass-through rate used for pricing) and (iv) the assumption that the remaining payments will be made in accordance with the original Prepayment Assumption. For these purposes, the adjusted issue price of a Regular Certificate at the beginning of any accrual period equals the issue price of the Regular Certificate, increased by the aggregate amount of OID with respect to the Regular Certificate that accrued in all prior accrual periods and reduced by the amount of distributions included in the Regular Certificate’s stated redemption price at maturity that were made on the Regular Certificate that were attributable to such prior periods. The OID accruing during any accrual period (as determined in this paragraph) will then be divided by the number of days in the period to determine the daily portion of OID for each day in the period. The OID allocable to the short first accrual period will be computed based on the exact method.

Under the method described above, the daily portions of OID required to be included as ordinary income by a Certificateholder generally will increase to take into account prepayments on the related Regular Certificate as a result of prepayments on the underlying mortgage loans. Due to the unique nature of interest-only REMIC regular interests, the preceding sentence may not apply in the case of the class X1 or X2 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. Based on the foregoing, it is anticipated that the Upper-Tier REMIC Regular Interests represented by the Class A Certificates will be issued at a premium. Because the stated redemption price at maturity of the class X1 and X2 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, other than with respect to Holders of the class X1 and X2 certificates, 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 related 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 X1 or X2 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 related Upper-Tier REMIC Regular Interest (in the case of (i) a class B certificate, allocated based on the relative fair market values of the related Upper-Tier REMIC Regular Interest and the Basis Risk Contract, and (ii) the class X1 certificates, inclusive of the unamortized value of the right to receive premiums for the Basis Risk Contract). The adjusted basis of a related Upper-Tier REMIC Regular Interest generally will equal the cost of the related Regular Certificate to the seller, allocable to such Upper-Tier REMIC Regular Interest, 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 the Basis Risk Contract**

The Pooling and Servicing Agreement will provide that (i) each Holder of a class B certificate is intended to be treated for federal income tax purposes as having entered into its proportionate share of the rights of such class under the Basis Risk Contract and (ii) each Holder of a class X1 certificate will also be deemed to have entered into



the obligation to make payments under the Basis Risk Contract. Each Holder of a class B and X1 certificate will have agreed to the foregoing characterization and to treat the Basis Risk Contract as a notional principal contract under applicable Treasury Regulations, beneficially owned by the Holders of the class B certificates through the Grantor Trust.

The Holders of the class B certificates must allocate the price they pay for their certificates between their interests in the related Upper-Tier REMIC Regular Interest and the Basis Risk Contract based on their relative fair market values. The portion, if any, allocated to the Basis Risk Contract will be treated as a cap premium (“Cap Premium”) paid by the Holders of the class B certificates. Such Cap Premium will reduce the purchase price allocable to the related Regular Certificate. In the case of the class X1 certificates, any Cap Premium deemed received with respect to the obligation to make payments under the Basis Risk Contract will be treated as Cap Premium received and will increase the purchase price of the Upper-Tier REMIC Regular Interest owned by the holder of the class X1 certificates. The initial amounts of such Cap Premium will be furnished by the depositor to the trustee for federal income tax reporting purposes, but such amounts may differ for purchasers after the initial issuance of the class B certificates. A Holder of a class B certificate or a class X1 certificate will be required to amortize any Cap Premium under a level payment method as if the Cap Premium represented the present value of a series of equal payments made (or in the case of the class X1 certificates, received) over the life of the Basis Risk Contract (adjusted to take into account decreases in notional principal amount), discounted at a rate equal to the rate used to determine the amount of the Cap Premium (or some other reasonable rate). Prospective purchasers of class B or X1 certificates should consult their own tax advisors regarding the appropriate method of amortizing any related Cap Premium. Under current law, Treasury Regulations treat a non-periodic payment made under a notional principal contract as a loan for federal income tax purposes if the payment is “significant”. It is not anticipated that any Cap Premium would be treated in part as a loan under currently applicable Treasury Regulations. However, under temporary Treasury Regulations and recent IRS guidance, any non-periodic payments under notional principal contracts entered into on or after the later of (i) January 1, 2017 and (ii) six months after the publication of final Treasury Regulations (possibly including transfers of class B or X1 certificates occurring after that date) will be treated as a loan for federal income tax purposes, but it is not clear whether this provision of the temporary Treasury Regulations will apply to the Basis Risk Contract. Investors should consult their own tax advisors regarding the application of these temporary Treasury Regulations.

Under Treasury Regulations (i) all taxpayers must recognize periodic payments with respect to a notional principal contract under the accrual method of accounting, and (ii) any periodic payments received under the Basis Risk Contract (or made, in the case of the class X1 certificates) must be netted against payments deemed made to the related counterparty (or deemed received, in the case of the class X1 certificates) as a result of the related Cap Premium over the recipient’s taxable year, rather than accounted for on a gross basis. Net income or deduction with respect to net payments under a notional principal contract for a taxable year should constitute ordinary income or ordinary deduction. The IRS could contend the amount is capital gain or loss, but such treatment is unlikely, at least in the absence of further regulations. Any regulations requiring capital gain or loss treatment presumably would apply only prospectively. Individuals, trusts and estates may be limited in their ability to deduct any such net deduction and should consult their tax advisors prior to investing in the class B certificates.

Any amount of proceeds from the sale, redemption or retirement of a class B certificate that is considered to be allocated to the Holder’s rights under the Basis Risk Contract would be considered a “termination payment” allocable to that certificate under Treasury Regulations. A Holder of a class B certificate will have gain or loss from such a termination equal to (i) any termination payment it received or is deemed to have received minus (ii) the unamortized portion of any Cap Premium paid (or deemed paid) by the Holder of a class B certificate or (iii) plus the unamortized portion of any Cap Premium received (or deemed received) by the Holder of a class X1 certificate upon entering into or acquiring its interest in the notional principal contract. Gain or loss realized upon the termination of the Basis Risk Contract will generally be treated as capital gain or loss. Moreover, in the case of the bank or thrift institution, Code Section 582(c) would likely not apply to treat such gain or loss as ordinary.

The class B certificates, representing a beneficial ownership in the related Upper-Tier REMIC Regular Interest and the Basis Risk Contract, may constitute positions in a straddle, in which case the straddle rules of Code Section 1092 would apply. A selling Holder’s capital gain or loss with respect to such Upper-Tier REMIC Regular Interest would be short term because the holding period would be tolled under the straddle rules. Similarly, capital gain or loss realized in connection with the termination of the Basis Risk Contract would be short term. If the Holder

of a class B certificate incurred or continued to incur indebtedness to acquire or hold such certificate, the Holder would generally be required to capitalize a portion of the interest paid on such indebtedness until termination of the Basis Risk Contract.

### **Taxation of Prepayment Premiums**

A portion of certain Prepayment Premiums actually collected on the underlying mortgage loans will be paid to the class X1 certificates as and to the extent described in this information circular. It is not entirely clear under the Code when the amount of 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 Prepayment Premiums as income to the holders of the class X1 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 Prepayment Premiums be included in payments projected to be made on the class X1 certificates and that the taxable income be reported based on a projected constant yield to maturity. Therefore, the projected Prepayment Premiums would be included prior to their actual receipt by holders of the class X1 certificates. If the projected Prepayment Premiums were not actually received, presumably the holder of a class X1 certificate would be allowed to claim a deduction or reduction in gross income at the time the unpaid Prepayment Premiums had been projected to be received. Moreover, it appears that 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 the class X1 certificates consult their own tax advisors concerning the treatment of 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 any of the Trust REMICs will engage in any prohibited transactions; *provided, however*, if the Condemnation Loan is sold pursuant to a Condemnation Sale (as described under "The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular), such sale will be a prohibited transaction and the net income from such sale will be subject to such tax.

*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 any 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 U.S. 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 U.S. 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

and, on or after January 1, 2019, gross proceeds from the sale or other disposition of debt obligations that give rise to U.S.-source interest 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.” Treasury Regulations require the certificate administrator to file an annual information return with the IRS and to furnish to holders of the Regular Certificates their respective shares of income and expenses with respect to their interests in the Grantor Trust.

The IRS has published final regulations that establish a reporting framework for interests in “widely held fixed investment trusts” and place the responsibility of reporting on the person in the ownership chain who holds an interest for a beneficial owner. A widely-held fixed investment trust is defined as an arrangement classified as an “investment trust” under Treasury Regulations Section 301.7701-4(c), in which any interest is held by a middleman, which includes, but is not limited to (i) a custodian of a person’s account, (ii) a nominee and (iii) a broker holding an interest for a customer in street name.

Under these regulations, the certificate administrator will be required to file IRS Form 1099 (or any successor form) with the IRS with respect to holders of the Regular Certificates who are not “exempt recipients” (a term that includes corporations, trusts, securities dealers, middlemen and certain other non-individuals) and do not hold such Regular Certificates through a middleman, to report the trust’s gross income and, in certain circumstances, unless the certificate administrator reports under the safe harbor as described in the last sentence of this paragraph, if any trust assets were disposed of or certificates are sold in secondary market sales, the portion of the gross proceeds relating to the trust assets that are attributable to such Certificateholder. The same requirements would be imposed on middlemen holding such Regular Certificates on behalf of the related Certificateholders. Under certain circumstances, the certificate administrator may report under the safe harbor for widely-held mortgage trusts, as such term is defined under Treasury Regulations Section 1.671-5.

These regulations also require that the certificate administrator make available information regarding interest income and information necessary to compute any original issue discount to (i) exempt recipients (including middlemen) and non-calendar year taxpayers, upon request, in accordance with the requirements of the regulations and (ii) applicable Certificateholders who do not hold their certificates through a middleman. The information must be provided to parties specified in clause (i) on or before the later of the 44th day after the close of the calendar year to which the request relates and 28 days after the receipt of the request. The information must be provided to parties specified in clause (ii) on or before March 15 of the calendar year following the year for which the statement is being furnished.

DUE TO THE COMPLEXITY OF THESE RULES AND THE CURRENT UNCERTAINTY AS TO THE MANNER OF THEIR APPLICATION TO THE ISSUING ENTITY AND CERTIFICATEHOLDERS, IT IS PARTICULARLY IMPORTANT THAT POTENTIAL INVESTORS CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

#### **STATE AND OTHER TAX CONSIDERATIONS**

In addition to the federal income tax consequences described in “Certain Federal Income Tax Consequences,” potential investors should consider the state, local and other income tax consequences of the acquisition, ownership, and disposition of the certificates. State and local income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state, local or other jurisdiction. Therefore, potential investors should consult their own tax advisors with respect to the various tax consequences of investments in the certificates.

#### **USE OF PROCEEDS**

We will use the net proceeds from the sale of the offered certificates to pay part of the purchase price of the underlying mortgage loans.

#### **ERISA CONSIDERATIONS**

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

The regulation makes it clear that Freddie Mac and other persons, in providing services for the assets in the pool, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, or the prohibited transaction provisions of Section 406 of ERISA or Code Section 4975, merely by reason of the plan’s investment in a certificate.

The offered certificates should qualify as “guaranteed governmental mortgage pool certificates.”

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

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

#### **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 the 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 (“Cadwalader”). Cadwalader 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 twelve 30-day months.

“Accepted Servicing Practices” means servicing and administering the underlying mortgage loans and/or REO Properties:

- To the higher of the following standards: (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 loans and, in the case of the special servicer, if an underlying mortgage loan comes into and continues in default and if, in the judgment of the special servicer, no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on that underlying mortgage loan to the certificateholders (as a collective whole), on a net present value basis; but
- 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 related borrower, the mortgage loan seller or any other party to the Pooling and Servicing Agreement,
  - (ii) the ownership of any certificate or subordinated 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 special servicer, as the case may be, or any affiliate of the master servicer or special servicer, as applicable,
  - (vii) 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 Pooling and Servicing Agreement—Termination” in this information circular,
  - (viii) any obligation of the master servicer (in its capacity as a mortgage loan seller or as a mortgage loan originator, if applicable) to cure a breach of a representation or warranty or repurchase the underlying mortgage loan, or
  - (ix) any debt extended to any borrower by the master servicer or special servicer, as the case may be, or any of their affiliates.

Unless otherwise specified in the Pooling and Servicing Agreement, all net present value calculations and determinations made pursuant to the Pooling and Servicing Agreement with respect to the underlying mortgage loans or a mortgaged real property or REO Property (including for purposes of the definition of “Accepted Servicing Practices”) will be made in accordance with the loan documents or, in the event the loan documents are silent, using a discount rate appropriate for the type of cash flows being discounted, namely (a) for principal and interest payments on an underlying mortgage loan or the sale of a Defaulted 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 related appraisal (or update of such appraisal).

“Additional Interest Accrual Amount” with respect to any Distribution Date on or after the Class B First Rate Change Date, if any, by which interest on the outstanding principal balance of the class B certificates for the related Interest Accrual Period calculated at the rate described in clauses (b)(i), (c)(i) or (d)(i), as applicable, of the definition of Class B Pass-Through Rate exceeds the amount of interest accrued on the outstanding principal balance of such class at the Class B Capped Rate.

“Additional Interest Distribution Amount” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Additional Interest Shortfall Amount” means, with respect to any Distribution Date and the class B certificates is an amount equal to the aggregate amount of any Additional Interest Distribution Amounts for all prior Distribution Dates that was not distributed on the class B certificates on such prior Distribution Dates and remains unpaid immediately prior to the current Distribution Date.

“Additional Issuing Entity Expense” means an expense (other than master servicing fees, sub-servicing fees, the Guarantee Fee, 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 an underlying mortgage loan or an otherwise unanticipated event affecting the issuing entity, whether or not related to a particular underlying mortgage loan;
- is not covered by a Servicing Advance, a corresponding collection from the related borrower or indemnification from another person; and
- to the extent that it is allocable to a particular underlying mortgage loan, is not covered by late payment charges or Default Interest collected on that 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.

“Adverse REMIC Event” has the meaning assigned to such term under “Description of the Certificates—Modifications, Waivers, Amendments and Consents” in this information circular.

“Affiliated Borrower” means any borrower that controls, is controlled by or under common control with the directing certificateholder. For the purposes of this definition, “control” means the power to direct the management and policies of such borrower or directing certificateholder, as applicable, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Affiliated Borrower Loan” means any underlying mortgage loan with an Affiliated Borrower.

“Affiliated Borrower Loan Directing Certificateholder” means the special servicer or, if both the directing certificateholder and the special servicer are or become affiliated with a borrower, the master servicer with respect to the related Affiliated Borrower Loan.

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



related borrower (or any proposed replacement borrower) or any of the foregoing persons becomes aware that the directing certificateholder, any of its managing members or any of its affiliates is an affiliate of the related borrower (or any proposed replacement borrower).

“Aggregate Annual Cap” means, with respect to any Third Party Master Servicer and certain indemnified sub-servicers, the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap; with respect to the special servicer, the Special Servicer Aggregate Annual Cap; with respect to the trustee, the Trustee Aggregate Annual Cap; with respect to the certificate administrator and the custodian, the Certificate Administrator/Custodian Aggregate Annual Cap; and with respect to the depositor, the Depositor Aggregate Annual Cap; *provided*, that if the same person or entity is the trustee and the certificate administrator/custodian, Aggregate Annual Cap will refer to the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, and not the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap.

“Aggregate Annual Cap Termination Date” means the earlier to occur of (i) the Determination Date in August 2044 and (ii) any Determination Date on which the master servicer determines that the aggregate amount of Unreimbursed Indemnification Expenses (with interest on such amounts) and other outstanding Servicing Advances (with interest on such amounts), debt service advances (with interest on such amounts), nonrecoverable advances (with interest on such amounts), Workout-Delayed Reimbursement Amounts (with interest on such amounts) and Additional Issuing Entity Expenses (excluding special servicing fees, liquidation fees and workout fees) equals or exceeds an amount equal to 50% of the outstanding principal balance of the mortgage pool on such Determination Date (after the application of all payments of principal and/or interest collected during the related Collection Period).

“Appraisal Reduction Amount” means, for any Distribution Date and for any underlying mortgage loan as to which any Appraisal Reduction Event has occurred, subject to the discussion under “The Pooling and Servicing Agreement—Required Appraisals” in this information circular, an amount equal to the excess, if any, of (1) the Stated Principal Balance of the underlying mortgage loan and the sum of (i) to the extent not previously advanced by the master servicer or trustee, all unpaid interest on such underlying mortgage loan at a *per annum* rate equal to the mortgage rate, (ii) all unreimbursed advances in respect of such underlying mortgage loan, together with advance interest thereon 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 such underlying mortgage loan, net of any amounts currently escrowed for such amounts (which taxes, assessments, premiums, ground rents and other amounts have not been subject to an advance by the master servicer or the trustee), over (2) the sum of (i) either (A) with respect to any underlying mortgage loan with an outstanding principal balance equal to or in excess of \$2,000,000, or any underlying mortgage loan with an outstanding principal balance less than \$2,000,000 as to which the special servicer has obtained an appraisal with respect to the related mortgaged real property within the 12-month period immediately prior to the occurrence of such Appraisal Reduction Event, 90% of the appraised value (as such appraised value 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 appraised value or such other information as the special servicer deems relevant) of the related 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) or (B) with respect to any underlying mortgage loan with an outstanding principal balance less than \$2,000,000 as to which the special servicer has not obtained an appraisal with respect to the related mortgaged real property within the 12-month period immediately prior to the occurrence of such Appraisal Reduction Event, the value determined by performing a Delinquency Percentage Calculation, plus (ii) any letter of credit, reserve, escrow or similar amount held by the master servicer which are posted as additional security for payments due on the underlying mortgage loan; provided, that if a required appraisal has not been obtained within the period required under the Pooling and Servicing Agreement with respect to such underlying mortgage loan, then until such appraisal is obtained, the Appraisal Reduction Amount will be equal to 25% of the Stated Principal Balance of such underlying mortgage loan as of the date of the related Appraisal Reduction Event; and provided, further, that if the related mortgaged real property has become an REO Property, then references to the “underlying mortgage loan” in this definition will include any successor REO Loan.

“Appraisal Reduction Event” means, with respect to any underlying mortgage loan, 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 an underlying mortgage loan;
- the date on which a reduction in the amount of monthly payments on an underlying mortgage loan, or a change in any other material economic term of the underlying mortgage loan (other than an extension of its scheduled maturity date for a period of six months or less), becomes effective as a result of a modification of such underlying mortgage loan by the special servicer;
- 60 days after a receiver or liquidator has been appointed and remains undismissed for the related borrower or immediately after a receiver has been appointed for the related mortgaged real property;
- 30 days after a borrower declares bankruptcy;
- 60 days after the borrower becomes the subject of an undischarged and unstayed decree or order for a bankruptcy proceeding; and
- immediately after such underlying mortgage loan becomes an REO Loan;

*provided, however*, that there will be no reduction in any advance for delinquent monthly debt service payments if an Appraisal Reduction Event occurs at any time after the outstanding certificate balance of the class B certificates have been reduced to zero.

“Appraised Value” means for any mortgaged real property securing an underlying mortgage loan, the “as is” value as determined by the most recent appraisal obtained or conducted, as appropriate, pursuant to the Pooling and Servicing Agreement or obtained in connection with the origination of the underlying mortgage loan.

In general, the amount of costs assumed by the appraiser for these purposes is based on—

- an estimate by the individual appraiser;
- an estimate by the related borrower;
- the estimate set forth in the physical risk report conducted in connection with the origination of the related mortgage loan; or
- a combination of these estimates.

“Asset Status Report” means the report designated as such and described under, “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

“Assumed Final Distribution Date” means, with respect to any class of certificates, the date set forth for such class in the table on page 6 of this information circular.

“Assumed Final Distribution Date – No Prepayments” means, with respect to any class of certificates, the date set forth for such class in the table on page 6 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 of (without duplication) (i) the aggregate amount received on or with respect to the underlying mortgage loans and any related REO Properties on or prior to the related Determination Date, (ii) the aggregate amount of revenues and other proceeds derived from REO Properties (net of amounts necessary for the proper operation, management, leasing, maintenance and disposition of such REO Properties) for such Distribution Date, (iii) the aggregate amount of any P&I Advances, which P&I Advances will not include any master servicing fees and sub-servicing fees, made by the master servicer and/or the trustee, as applicable, for such Distribution Date, (iv) any payments made by the

master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period, and (v) 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 Pooling and Servicing Agreement for the payment of certain expenses, fees, indemnities and reimbursements, (iii) all 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, and (vi) 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 any anticipated initial investor in the class B certificates.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“Basis Risk Contract” means a contract identified as such and described under “Certain Federal Income Tax Consequences” in this information circular.

“BBA” means The British Bankers’ Association.

“Calculation Agent” means, for so long as any of the certificates remain outstanding, an agent appointed to calculate One-Month LIBOR with respect to each class of Class A Certificates and Six-Month LIBOR with respect to the class B certificates in respect of each Interest Accrual Period. The Certificate Administrator will be the initial Calculation Agent.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

“Certificate Administrator/Custodian Aggregate Annual Cap” means \$100,000 *per annum* in the aggregate with respect to the certificate administrator and the custodian.

“Class A Rate Change Date” means the Class A-5 Rate Change Date, the Class A-7 Rate Change Date or the Class A-10 Rate Change Date, as applicable.

“Class A-5 Capped Rate” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class A-5 Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class A-7 Capped Rate” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class A-7 Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class A-10 Capped Rate” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class A-10 Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Capped Rate” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Component 5 Balance” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Component 7 Balance” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Component 10 Balance” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B First Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

“Class B Pass-Through Rate” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Percentage” means, as of any Distribution Date, a fraction, the numerator of which is the class principal balance of the class B certificates immediately prior to such Distribution Date and the denominator of which is the aggregate of the class principal balances of the Principal Balance Certificates immediately prior to such Distribution Date.

“Class B Second Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class B Third Rate Change Date” has the meaning assigned to such term under “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

“Class X1 Interest Distribution Amount” has the meaning assigned to such term under “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

“Class X1 Interest Accrual Amount” means, for each Distribution Date, an amount equal to interest accrued during the related Interest Accrual Period on the notional amount of the class X1 certificates immediately prior to such Distribution Date at the pass-through rate for the class X1 certificates, minus any Net Aggregate Prepayment Interest Shortfalls allocated to the class X1 certificates. The Class X1 Interest Accrual Amount will be calculated on a 30/360 Basis.

“Class X1 Strip Rates” has the meaning assigned to such term under “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

“Class X2 Pass-Through Rate” means a *per annum* rate equal to 0.2500%.

“Class Final Guarantor Payment” means any payment made by the guarantor in respect of clause (c) of the definition of Deficiency Amount.

“Closing Date” means the date of initial issuance for the certificates, which is expected to be on or about November 24, 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 on the Cut-off Date and ending on and including the Determination Date in December 2015.

“Condemnation Loan” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular.

“Condemnation Purchase Options” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular.

“Condemnation Sale” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Modifications, Waivers Amendments and Consents” in this information circular.

“Consent Actions” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

“Controlling Class” means, as of the Closing Date, the class B certificates, until the outstanding principal balance of such class is less than 3.0% of the aggregate of the outstanding principal balances of the Principal Balance Certificates, 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 any underlying mortgage loan that was a Specially Serviced Mortgage Loan (other than an REO Loan) but that is determined by the special servicer to have become current and remained current for three consecutive monthly payments (for such purposes taking into account any modification or amendment of the subject underlying mortgage loan) ; *provided* that no additional Servicing Transfer Event has occurred and is continuing or is foreseeable in the reasonable judgment of the special servicer.

“Cost Approach” means the determination of the value of a mortgaged real property arrived at by adding the estimated value of the land to an estimate of the current replacement cost of the improvements, and then subtracting depreciation from all sources.

“CPR” means an assumed constant rate of prepayment each month, which is expressed on a *per annum* basis, relative to the then-outstanding principal balance of a pool of mortgage loans for the life of those loans. The CPR model is the prepayment model that we use in this information circular.

“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 Pooling 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 outstanding class principal balance 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 five 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 and (v) CREFC<sup>®</sup> Special Servicer Loan File;
- (b) the following 11 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> Servicer Watchlist, (vii) CREFC<sup>®</sup> Operating Statement Analysis Report, (viii) CREFC<sup>®</sup> NOI Adjustment Worksheet, (ix) CREFC<sup>®</sup> Comparative Financial Status Report, (x) CREFC<sup>®</sup> Reconciliation of Funds Report and (xi) the CREFC<sup>®</sup> Advance Recovery Report; and
- (c) such other reports as are currently part of, or that CREFC<sup>®</sup> may designate as part of the “CREFC Investor Reporting Package<sup>®</sup>” from time to time generally and which are approved by the directing certificateholder, Freddie Mac and the master servicer.

“CREFC<sup>®</sup> Website” means the website located at “www.crefc.org” or such other primary website as the CREFC<sup>®</sup> may establish for dissemination of its report forms.

“Cut-off Date” means, with respect to each underlying mortgage loan, the Due Date in November 2015 (which will be November 1, 2015, subject, in some cases, to a next succeeding business day convention). November 1, 2015 is considered the Cut-off Date for the issuing entity.

“Cut-off Date Balance/Unit” means, with respect to any 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 related mortgaged real property.

“Cut-off Date Loan-to-Value Ratio” or “Cut-off Date LTV” means, with respect to any 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 related mortgaged real property.

“Cut-off Date Principal Balance” or “Cut-off Date Loan Amount” means, with respect to any underlying mortgage loan, the outstanding principal balance of such underlying mortgage loan as of the Cut-off Date.

“DBTCA” means Deutsche Bank Trust Company Americas, a New York banking corporation, and its successors-in-interest.

“Default Interest” means any interest that—

1. accrues on a Defaulted Loan solely by reason of the subject default (other than late payment charges or prepayment consideration); and
2. is in excess of all interest at the regular mortgage interest rate for the underlying mortgage loan.

“Defaulted First Lien Loan” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Defaulted Loan” means any underlying mortgage loan (a) that is at least 60 days delinquent in respect of its monthly payments, without giving effect to any grace period permitted by the related mortgage, loan agreement or mortgage note, (b) as to which 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 will be deemed delinquent if less than ten dollars of all amounts due and payable on such underlying mortgage loan has not been received.

“Defaulted Loan Fair Value Purchase Price” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Deficiency Amount” means, with respect to any Distribution Date and any class of Guaranteed Certificates, the sum of:

- (a) 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;
- (b) the amount, if any, of Realized Losses and Additional Issuing Entity Expenses allocated to the Class A Certificates; and
- (c) on the Assumed Final Distribution Date – No Prepayments for the Class A Certificates, the outstanding principal balance of such class on such Assumed Final Distribution Date – No Prepayments (after giving effect to all amounts distributable and allocable to principal on such class but prior to giving effect to any Guarantor Payment for such class on such Assumed Final Distribution Date – No Prepayments).

“Delinquency Percentage Calculation” means, with respect to any underlying mortgage loan, a calculation of value performed by multiplying the outstanding principal balance by the applicable Delinquency Percentage.

“Delinquency Percentage” means, with respect to any underlying mortgage loan with an outstanding principal balance of less than \$2,000,000 as to which an Appraisal Reduction Event has occurred, (i) if the underlying mortgage loan is at least 60 days delinquent, but not more than 180 days delinquent, in respect of any scheduled payment of principal and/or interest, 75%, (ii) if the underlying mortgage loan is more than 180 days delinquent, but not more than 360 days delinquent, in respect of any scheduled payment of principal and/or interest, 50%, (iii) if the underlying mortgage loan is more than 360 days delinquent, but not more than 720 days delinquent, in respect of any scheduled payment of principal and/or interest, 25%, (iv) if the underlying mortgage loan is more than 720 days delinquent in respect of any scheduled payment of principal and/or interest, 0%, and (v) if the related mortgaged real property has become an REO Property, 25% or such lesser percentage as would apply pursuant to clause (iv) above if the subject underlying mortgage loan was still outstanding.

“Depositor Aggregate Annual Cap” means \$100,000 *per annum*.

“Determination Date” has the meaning assigned to such term under “Summary of Information Circular—Significant Dates and Periods—Determination Date” in this information circular.

“DCH Purchaser” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Directing Certificateholder Servicing Consultant” has the meaning assigned to such term under “Summary of Information Circular—Relevant Parties/Entities—Directing Certificateholder Servicing Consultant” in this information circular.

“Distribution Date” has the meaning assigned to such term under “Summary of Information Circular—Significant Dates and Periods—Distribution Date” in this information circular.

“Dodd-Frank Act” means The Dodd-Frank Wall Street Reform and Consumer Protection Act.

“Due Dates” has the meaning assigned to such term under “Description of The Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Due Dates” in this information circular.

“Due Diligence Requirement” has the meaning assigned to such term under “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.

“E&O Insurance” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Liability of the Servicers” in this information circular.

“EEA” means the European Economic Area.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Estimated Annual Operating Expenses” means, for each of the mortgaged real properties securing an underlying mortgage loan, the historical annual operating expenses for the property, adjusted upward or downward, as appropriate, to reflect, among other things, any expense modifications made as discussed below.

For purposes of calculating the Estimated Annual Operating Expenses for any mortgaged real property securing an underlying mortgage loan:

- the “historical annual operating expenses” for that property normally consist of historical expenses that were generally obtained/estimated—
  1. from operating statements relating to a complete fiscal year of the borrower for the prior three calendar years or a trailing 12-month period ended in one such year,

2. by annualizing the most recent partial calendar year amount of operating expenses for which operating statements were available, with adjustments for some items deemed inappropriate for annualization,
  3. by calculating a stabilized estimate of operating expenses which takes into consideration historical financial statements and material changes in the operating position of the property, such as newly signed leases and market data, or
  4. if the property was recently constructed, by calculating an estimate of operating expenses based upon the appraisal of the property or market data; and
- the “expense modifications” made to the historical annual operating expenses for that property often include—
    1. assuming, in most cases, that a management fee, equal to approximately 2.5% to 5.0% of total revenues, was payable to the property manager,
    2. adjusting historical expense items upwards or downwards to reflect inflation and/or industry norms for the particular type of property,
    3. the underwritten recurring replacement reserve amounts, 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 each of the mortgaged real properties securing an underlying mortgage loan is shown in the table titled “Engineering Reserves and Recurring Replacement Reserves” on Exhibit A-1. The underwritten recurring replacement reserve amounts shown on Exhibit A-1 are expressed as dollars per unit.

By way of example, Estimated Annual Operating Expenses generally include—

- salaries and wages;
- the costs or fees of—
  1. utilities,
  2. repairs and maintenance,
  3. replacement reserves,
  4. marketing,
  5. insurance,
  6. management,
  7. landscaping,
  8. security, if provided at the property, and
- the amount of taxes, general and administrative expenses and other costs.

Estimated Annual Operating Expenses generally do not reflect, however, any deductions for debt service, depreciation and amortization or capital expenditures or reserves for any of those items, except as described above.



Estimated Annual Operating Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Estimated Annual Operating Expenses set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, Freddie Mac, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Operating Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Operating Expenses for a mortgaged real property, the mortgage loan seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Operating Expenses.

“Estimated Annual Revenues” generally means, for each of the mortgaged real properties securing an underlying mortgage loan, the base estimated annual revenues for the property, adjusted upward or downward, as appropriate, to reflect any revenue modifications made as discussed below.

For purposes of calculating the Estimated Annual Revenues for any mortgaged real property securing an underlying mortgage loan:

- the “base estimated annual revenues” for that property were generally assumed to equal the annualized amounts of gross potential rents; and
- the “revenue modifications” made to the base estimated annual revenues for that property often include—
  1. adjusting the revenues downwards by applying a combined vacancy and rent loss, including concessions, adjustment that reflected then current occupancy or, in some cases, a stabilized occupancy or, in some cases, an occupancy that was itself adjusted for historical trends or market rates of occupancy with consideration to competitive properties,
  2. adjusting the revenues upwards to reflect, in the case of some tenants, increases in base rents scheduled to occur during the following 12 months,
  3. adjusting the revenues upwards for estimated income consisting of, among other items, late fees, laundry income, application fees, cable television fees, storage charges, electrical pass throughs, pet charges, janitorial services, furniture rental and parking fees, and
  4. adjusting the revenues downwards in some instances where rental rates were determined to be significantly above market rates and the subject space was then currently leased to tenants that did not have long-term leases or were believed to be unlikely to renew their leases.

Estimated Annual Revenues for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Estimated Annual Revenues set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Revenues for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Revenues for a mortgaged real property, the mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Revenues.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Specially Serviced Mortgage Loan” means any Specially Serviced Mortgage Loan for which all of the following conditions are satisfied:

- it has not been a Specially Serviced Mortgage Loan for more than one Distribution Date;
- it is a Specially Serviced Mortgage Loan solely due to the occurrence of an event described in the fifth or sixth bullet of the definition of “Servicing Transfer Event” below; and
- the borrower under the Specially Serviced Mortgage Loan has not failed to make any monthly payment in full since the underlying mortgage loan became a Specially Serviced Mortgage Loan.

For the avoidance of doubt, a Specially Serviced Mortgage Loan will cease to be an Excluded Specially Serviced Mortgage Loan no later than the day immediately following the first Distribution Date to occur after such loan became an Excluded Specially Serviced Mortgage Loan.

“Expiration Date” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Fair Value” means the amount that, in the special servicer’s judgment, exercised in accordance with the Servicing Standard, and taking into account the factors specified in the Pooling and Servicing Agreement, is the fair value of a Defaulted Loan.

“Fair Value Notice” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Fannie Mae” means the Federal National Mortgage Association or any successor thereto.

“FHFA” means the Federal Housing Finance Agency.

“Fidelity Insurance” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Liability of the Servicers” in this information circular.

“First Offeror” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“First Foundation” means First Foundation Bank, a California state-chartered bank, and its successors-in-interest.

“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 Pooling and Servicing Agreement, as described under “Description of the 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) purchaser of the Guaranteed Certificates;
- (ii) guarantor of the Guaranteed Certificates pursuant to the Freddie Mac Guarantee; and
- (iii) 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 Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Freddie Mac Increased Offer Notice Period” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Freddie Mac Purchaser” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Freddie Mac Servicing Practices” means, with regard to the servicing of the underlying mortgage loans and/or REO Properties by the master servicer, any sub-servicer or the special servicer, and only to the extent such practices have been made available in writing or communicated in writing by Freddie Mac to the master servicer, such sub-servicer or the special servicer, as applicable, servicing and administering the underlying mortgage loans and/or REO Properties in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily small balance mortgage loans owned by it, which will include servicing and administering the underlying mortgage loans and/or REO Properties in accordance with the Guide and any Freddie Mac written policies, procedures or other communications made available in writing by Freddie Mac to the master servicer, any sub-servicer or special servicer, as applicable, including written communications from Freddie Mac as servicing consultant, pursuant to the Pooling and Servicing Agreement.

“GAAP” means generally accepted accounting principles.

“Grantor Trust” means the portion of the trust fund exclusive of the Trust REMICs constituting a “grantor trust” under subpart E, part I, subchapter J, chapter 1 of subtitle A of the Code.

“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 outstanding principal balance of the Class A 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 0.2500%.

“Guaranteed Certificates” means the Class A Certificates and the class X1 certificates.

“Guarantor Payment” means any payment made by the guarantor in respect of a Deficiency Amount.

“Guarantor Reimbursement Amount” means, with respect to any Distribution Date and any class of Guaranteed Certificates, the sum of all amounts paid by the guarantor in respect of Deficiency Amounts for such class of Guaranteed Certificates 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 A Certificates, the portion of any Guarantor Reimbursement Amount related to any Timing Guarantor Payment for the Class A Certificates, together with any related Timing Guarantor Interest.

“Guide” means the Freddie Mac Multifamily Seller/Servicer Guide, including those chapters identified therein as the “SBL Addendum”, as amended or supplemented from time to time. If, at any time, Freddie Mac creates a separate Multifamily Seller/Servicer Guide specifically to address “small balance loans”, then the term “Guide” will refer only to such separate Guide. To the extent the Freddie Mac Multifamily Seller/Servicer Guide is no longer published by Freddie Mac, either directly or indirectly, “Guide” will refer to any successor guide as prescribed by Freddie Mac, which will be provided by Freddie Mac upon request if not otherwise reasonably accessible to the parties to the Pooling 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 Pooling and Servicing Agreement will be deemed to refer to the last version of the “Guide” published by Freddie Mac. For purposes of the Pooling 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.

“Hybrid ARM” means, with respect to any underlying mortgage loan, that such underlying mortgage loan has a mortgage interest rate that, in the absence of default, is fixed for an initial period that expires 5, 7 or 10 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan.

“IBA” means Intercontinental Exchange Benchmark Administration Limited, or any successor to it.

“Income Approach” means the determination of the value of a mortgaged real property by using the discounted cash flow method of valuation or by the direct capitalization method. The discounted cash flow analysis is used in order to measure the return on a real estate investment and to determine the present value of the future income stream expected to be generated by the mortgaged real property. The future income of the mortgaged real property, as projected over an anticipated holding period, and the resulting net operating incomes or cash flows are then discounted to present value using an appropriate discount rate. The direct capitalization method generally converts an estimate of a single year’s income expectancy, or, in some cases, a hypothetical stabilized single year’s income expectancy, into an indication of value by dividing the income estimate by an appropriate capitalization rate. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value. In utilizing the Income Approach, the appraiser’s method of determination of gross income, gross expense and net operating income for the subject property may vary from the method of determining Underwritten Net Operating Income for that property, resulting in variances in the related net operating income values.

“Increased Offer Notice” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Index” means Six-Month LIBOR or Twelve-Month Treasury Average, as applicable

“Initial Directing Certificateholder” means First Foundation or its affiliate, and its successors-in-interest.

“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 Holder” means the holder of a future subordinate loan secured by a lower priority lien on any mortgaged real property, if, after the Closing Date, the master servicer waives the prohibition (with the consent of the directing certificateholder) on subordinate financing secured by the related mortgaged real property and consents to any such future subordinate financing as described under “The Pooling Servicing Agreement—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” in this information circular.

“Junior Loan Holder Purchaser” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“LIBOR” means One-Month LIBOR or Six-Month LIBOR, as applicable.

“LIBOR Index Page” means the Bloomberg L.P., page “BBAM”, or such other page for One-Month LIBOR or Six-Month LIBOR as may replace page BBAM on that service, or at the option of the Calculation Agent (i) the applicable page for One-Month LIBOR or Six-Month LIBOR on another service which electronically transmits or displays IBA LIBOR rates, or (ii) any publication of One-Month LIBOR or Six-Month LIBOR rates available from the IBA. In the event the IBA ceases to set or publish a rate for One-Month LIBOR or Six-Month LIBOR, the Calculation Agent will designate an alternative index, and such alternative index will constitute the LIBOR Index Page.

“Liquidation Proceeds” means cash amounts (other than income, rents and profits derived from the ownership, operation or leasing of an REO Property) actually received, net of expenses, in connection with: (i) the liquidation of a mortgaged real property or other collateral constituting security for a defaulted mortgage loan, through trustee’s sale, foreclosure sale, REO disposition or otherwise, exclusive of any portion of cash amounts required to be released to the related borrower; (ii) the realization upon any deficiency judgment obtained against a borrower; (iii) the purchase of a Defaulted Loan by the DCH Purchaser or affiliate, the Freddie Mac Purchaser or the Junior Loan Holder Purchaser in accordance with the Pooling and Servicing Agreement; (iv) the repurchase or replacement of an underlying mortgage loan by or on behalf of the mortgage loan seller pursuant to defect in any mortgage file or a breach of any of its representations and warranties; or (v) the purchase of all of the underlying mortgage loans and REO Properties remaining in the issuing entity 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 Pooling and Servicing Agreement.

“Loan Group” means Loan Group 5YR, Loan Group 7YR or Loan Group 10YR, as applicable.

“Loan Group 5YR” means all of the underlying mortgage loans that have a mortgage interest rate in the absence of default that is fixed for an initial period that expires approximately 5 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan.

“Loan Group 7YR” means all of the underlying mortgage loans that have a mortgage interest rate in the absence of default that is fixed for an initial period that expires approximately 7 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan.

“Loan Group 10YR” means all of the underlying mortgage loans that have a mortgage interest rate in the absence of default that is fixed for an initial period that expires approximately 10 years following the origination date of such underlying mortgage loan, and thereafter is adjustable on semi-annual loan reset dates during the remaining term of such underlying mortgage loan.

“Loan Group Principal Attribution Percentage” has the meaning assigned to such term under “Description of the Certificates— Distributions” in this information circular.

“Lower-Tier REMIC” means the REMIC identified as such and described under “Certain Federal Income Tax Consequences” in this information circular.

“Maturity Balance” means, with respect to any underlying mortgage loan, the outstanding principal balance of the underlying mortgage loan immediately prior to its maturity, according to the payment schedule for the underlying mortgage loan and otherwise assuming no prepayments, defaults or extensions.

“Maturity Loan-to-Value Ratio” or “Maturity LTV” means, with respect to any underlying mortgage loan, the ratio of—

1. the Maturity Balance of the underlying mortgage loan, to
2. the most recent Appraised Value of the related mortgaged real property.

“Middle-Tier REMIC” means the REMIC identified as such and described under “Certain Federal Income Tax Consequences” in this information circular.

“Modeling Assumptions” means, collectively, the following assumptions regarding the certificates and the underlying mortgage loans:

- the underlying mortgage loans have the characteristics set forth on Exhibit A-1 and the initial mortgage pool balance is approximately \$102,026,095;
- 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;
- One-Month LIBOR remains constant at 0.2000%, Six-Month LIBOR remains constant at 0.6500% and Twelve-Month Treasury Average remains constant at 0.3700%;
- there are no delinquencies, modifications or losses with respect to the underlying mortgage loans;
- no underlying mortgage loan is a Specially Serviced Mortgage Loan;
- there are no modifications, extensions, waivers or amendments affecting the monthly debt service by borrowers on the underlying mortgage loans;
- there are no Appraisal Reduction Amounts with respect to the underlying mortgage loans;
- there are no casualties or condemnations affecting the corresponding mortgaged real properties;
- each of the underlying mortgage loans provides monthly debt service payments to be due on the first day of each month, regardless of whether the subject date is a business day or not;
- monthly debt service payments on the underlying mortgage loans are timely received on their respective due dates in each month, regardless of whether the subject date is a business day or not;
- no voluntary or involuntary prepayments are received as to any underlying mortgage loan during that underlying mortgage loan's Static Prepayment Premium Period;
- except as otherwise assumed in the immediately preceding bullet, prepayments are made on each of the underlying mortgage loans at the indicated CPRs set forth in the subject tables or other relevant part of this information circular, without regard to any limitations in those underlying mortgage loans on partial voluntary principal prepayments;
- all prepayments on the underlying mortgage loans are assumed to be—
  1. accompanied by a full month's interest, and
  2. received on the applicable Due Date of the relevant month;
- no Prepayment Premiums are collected with respect to the underlying mortgage loan identified on Exhibit A-1 as "8876 Olive Lane";
- no person or entity entitled under the Pooling and Servicing Agreement exercises its right of optional termination as described under "The Pooling and Servicing Agreement—Termination" in this information circular unless footnoted otherwise;
- none of the underlying mortgage loans is required to be repurchased or replaced by the mortgage loan seller or any other person, as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular;
- the only issuing entity expenses are the trustee fee, the certificate administrator fee, the master servicing fee, the sub-servicing fee (as set forth on Exhibit A-1), 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 December 2015;

- there is no optional termination; and
- the offered certificates are settled on an assumed settlement date of November 24, 2015.

“Moody’s” means Moody’s Investors Service, Inc., and its successors-in-interest.

“Most Recent EGI” generally means, for any mortgaged real property that secures an underlying mortgage loan, the revenues received (effective gross income), or annualized or estimated in some cases, in respect of the property for the 12-month period ended as of the Most Recent Financial End Date, based upon the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related borrower. For purposes of the foregoing, revenues generally consist of all revenues received in respect of the property, including rental and other revenues.

In determining the Most Recent EGI for any property, the mortgage loan seller may have made adjustments to the financial information provided by the related borrower similar to those used in calculating the Estimated Annual Revenues for that property.

Most Recent EGI for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Most Recent EGI set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent EGI for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Most Recent EGI for a mortgaged real property, the mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent EGI.

“Most Recent Expenses” means, for any mortgaged real property that secures an underlying mortgage loan, the expenses incurred, or annualized or estimated in some cases, for the property for the 12-month period ended as of the most recent operating statement date, based upon the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related borrower.

Expenses generally consist of all expenses incurred for the property, including—

- salaries and wages,
- the costs or fees of—
  1. utilities,
  2. repairs and maintenance,
  3. marketing,
  4. insurance,
  5. management,
  6. landscaping,
  7. security, if provided at the property, and

- the amount of—
  1. real estate taxes,
  2. general and administrative expenses, and
  3. other costs.

For purposes of the foregoing, expenses do not reflect, however, any deductions for debt service, depreciation, amortization or capital expenditures.

In determining the Most Recent Expenses for any property, the mortgage loan seller may have made adjustments to the financial information provided by the related borrower similar to those used in calculating the Estimated Annual Operating Expenses for that property. Most Recent Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Most Recent Expenses set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real property based on historical operating statements. In determining the Most Recent Expenses for a mortgaged real property, the mortgage loan seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent Expenses.

“Most Recent Financial End Date” means, with respect to each of the underlying mortgage loans, the date indicated on Exhibit A-1 as the Most Recent Financial End Date with respect to that underlying mortgage loan. In general, this date is the end date of the period covered by the latest available annual or, in some cases, partial-year operating statement for the related mortgaged real property.

“Most Recent NCF” or “Most Recent Net Cash Flow” means, with respect to each mortgaged real property that secures an underlying mortgage loan, the Most Recent Net Operating Income, less the most recent replacement reserve amounts.

“Most Recent NOI” or “Most Recent Net Operating Income” means, with respect to each of the mortgaged real properties that secures an underlying mortgage loan, the total cash flow derived from the property that was available for annual debt service on the related underlying mortgage loan, calculated as the Most Recent EGI less Most Recent Expenses for that property.

“Net Aggregate Prepayment Interest Shortfall” means, with respect to any Distribution Date, the excess, if any, of:

- the total Prepayment Interest Shortfalls incurred with respect to the mortgage pool during the related Collection Period, over
- the sum of—
  1. the total payments made by the master servicer to cover any Prepayment Interest Shortfalls incurred during the related Collection Period; and
  2. the total Prepayment Interest Excesses collected during the related Collection Period that are applied to offset Prepayment Interest Shortfalls incurred during the related Collection Period.



The master servicer will not make payments to cover, or apply Prepayment Interest Excesses received on the underlying mortgage loans to offset, Prepayment Interest Shortfalls incurred with respect to the underlying mortgage loans.

“Net Mortgage Interest Rate” means, with respect to any underlying mortgage loan or REO Loan, as of any date of determination, the related mortgage interest rate then in effect reduced by the sum of the annual rates at which the master servicing fee, sub-servicing fee, the certificate administrator fee and the trustee fee are calculated.

“Net Mortgage Pass-Through Rate” means, with respect to any underlying mortgage loan (including any successor REO Loan) for any Distribution Date, a rate *per annum* equal to the Net Mortgage Interest Rate for such underlying mortgage loan; *provided*, that if the mortgage interest rate for such underlying mortgage loan is decreased in connection with a subsequent modification of such underlying mortgage loan after the Cut-off Date, the Net Mortgage Interest Rate for such underlying mortgage loan will not give effect to any such decrease.

“Nonrecoverable Advance” means any Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance or any portion of such Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance.

“Nonrecoverable P&I Advance” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“Nonrecoverable Servicing Advance” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

“NRSRO” means a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act.

“Occupancy %” means the percentage of units of the subject property that were occupied or leased as of the approximate date of the original underwriting of the related 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 Certificates and the class X1 certificates.

“One-Month LIBOR” means, for any Interest Accrual Period and each class of Class A Certificates, the IBA’s one month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page, as determined on the related One-Month LIBOR Determination Date.

“One-Month LIBOR Determination Date” means, as to each class of Class A Certificates, with respect to the Interest Accrual Period relating to the applicable Class A Rate Change Date and each Interest Accrual Period thereafter, the first day preceding the beginning of such Interest Accrual Period for which One-Month LIBOR has been released by the IBA.

“Option Price” means the cash price at which any Defaulted Loan may be purchased under the related Purchase Option, as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

“Originator” means First Foundation.

“Outstanding Guarantor Reimbursement Amounts” has the meaning assigned to such term under “Description of the Certificates—Distributions—Priority of Distributions” in this information circular.

“P&I Advance” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“PILOT” has the meaning assigned to such term under “Risk Factors—Risks Related to the Underlying Mortgage Loans—All of the Underlying Mortgage Loans Are Secured by Multifamily Rental Properties, Thereby

Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties” in this information circular.

“Par Purchase Notice” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

“Performing Loan Principal Distribution Amount” means, with respect to any Distribution Date, the excess, if any, of the Principal Distribution Amount for such Distribution Date over the Specially Serviced Loan Principal Distribution Amount, if any, for such Distribution Date.

“Permitted Encumbrances” means, with respect to any mortgaged real property securing an underlying mortgage loan, any and all of the following—

- the lien of current real property taxes, water charges, sewer rents and assessments not yet delinquent or accruing interest or penalties,
- covenants, conditions and restrictions, rights of way, easements and other matters that are of public record,
- exceptions and exclusions specifically referred to in the related lender’s title insurance policy or, if that policy has not yet been issued, referred to in a *pro forma* title policy or marked-up commitment, which in either case is binding on the subject title insurance company,
- other matters to which like properties are commonly subject,
- the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related mortgaged real property, and
- if the subject mortgaged real property is a unit in a condominium, the related condominium declaration.

“Permitted Investments” means the U.S. government securities and other obligations specified in the Pooling and Servicing Agreement.

“Permitted Transfer” means any Requested Transfer as to which the related borrower satisfies (without modification or waiver) all the applicable requirements in the related loan documents, *provided* that such satisfaction is determined without requiring the exercise of discretion by the master servicer or the special servicer.

“Placement Agent Entities” means the placement agents for the SPCs and their respective affiliates.

“Pooling and Servicing Agreement” means the Pooling and Servicing Agreement, to be dated as of November 1, 2015, among Banc of America Merrill Lynch Commercial Mortgage Inc., as depositor, Freddie Mac, as master servicer, Situs Holdings, as special servicer, DBTCA, as trustee, certificate administrator and custodian, and Freddie Mac.

“Prepayment Assumption” means an assumption that there is a 5% CPR prepayment speed until each underlying mortgage loan’s initial loan reset date, at which time the underlying mortgage loan is assumed to pay off in full, and that there are no extensions of the underlying mortgage loans.

“Prepayment Interest Excess” means, with respect to any full or partial prepayment of an underlying mortgage loan made by the related borrower or otherwise in connection with a casualty or condemnation during any Collection Period after the Due Date for that underlying mortgage loan, the amount of any interest collected on that prepayment for the period from and after that Due Date, less the amount of master servicing fees and sub-servicing fees payable from that interest collection, and exclusive of any Default Interest included in that interest collection.

“Prepayment Interest Shortfall” means, with respect to any full or partial prepayment of an underlying mortgage loan made by the related borrower that is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment or otherwise in connection with a casualty or condemnation during any Collection Period prior to the Due Date for that underlying mortgage loan, the amount of any uncollected interest that would have accrued on that prepayment to, but not including, such

Due Date, less the amount of master 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.

“Prepayment Premiums” means any Static Prepayment Premium.

“Prime Rate” means an annual rate equal to the “prime rate” as published in the “Money Rates” section of The Wall Street Journal (or, if such section or publication is no longer available, such other comparable publication as is determined by the certificate administrator in its sole discretion, in consultation with the master servicer) as may be in effect from time to time (or if the “Prime Rate” is not published on any calculation date, then the “Prime Rate” for such day will be the most recently published “Prime Rate” prior to such calculation date), or if the “Prime Rate” no longer exists, such other comparable rate (as determined by the certificate administrator, in its reasonable discretion, in consultation with the master servicer) as may be in effect from time to time. If the certificate administrator and the master servicer cannot agree on a comparable publication or comparable rate, the certificate administrator will have the sole right to determine such publication or rate.

“Principal Balance Certificates” means the Class A Certificates and the class 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 Pooling 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 Pooling 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) and (iii) any principal collections used to reimburse unreimbursed Guarantor Reimbursement Amounts pursuant to the terms of the Pooling and Servicing Agreement during the related Collection Period.

“Principal Distribution Amount” means:

- for any Distribution Date other than the final Distribution Date, an amount equal to the total, without duplication, of the following—
  1. all payments of principal, including voluntary principal prepayments, received by or on behalf of the issuing entity with respect to the underlying mortgage loans during the related Collection Period, exclusive of any portion of those payments that represents a late collection of principal for which an advance was previously made for a prior Distribution Date or that represents a monthly payment of principal due on or before the Due Date for the related underlying mortgage loan in November 2015 or on a Due Date for the related underlying mortgage loan subsequent to the end of the related Collection Period,
  2. all monthly payments of principal received by or on behalf of the issuing entity with respect to the underlying mortgage loans prior to, but that are due during, the related Collection Period,
  3. all other collections, including Liquidation Proceeds, condemnation proceeds and insurance proceeds, that were received by or on behalf of the issuing entity with respect to any of the underlying mortgage loans or any related REO Properties during the related Collection Period and that were identified and applied by the master servicer as recoveries of principal of the subject underlying mortgage loan or, in the case of an REO Property, of the related underlying mortgage loan, in each case net of any portion of the particular collection that represents a late collection of principal for which an advance of principal was previously made for a prior Distribution Date or that represents a monthly payment of principal due on or before the Due Date for the related mortgage loan in November 2015, and

4. all advances of principal made with respect to the underlying mortgage loans for that Distribution Date; and
- for the final Distribution Date, an amount equal to the total Stated Principal Balance of the mortgage pool outstanding immediately prior to that final Distribution Date.

However, the Principal Distribution Amount will be reduced on any Distribution Date by an amount equal to the Principal Distribution Adjustment Amount calculated with respect to such Distribution Date. The Principal Distribution Amount will be increased on any Distribution Date by the amount of any recovery occurring during the related Collection Period of an amount that was previously advanced with respect to any underlying mortgage loan, but only if and to the extent such advance was previously reimbursed from principal collections that would otherwise have constituted part of the Principal Distribution Amount for a prior Distribution Date in a manner that resulted in a Principal Distribution Adjustment Amount for such prior Distribution Date. In addition, if any insurance proceeds, condemnation proceeds or liquidation proceeds were received and/or a final recovery determination were made with respect to any underlying mortgage loan during any particular Collection Period, then the portion of the Principal Distribution Amount for the related Distribution Date that is specifically attributable to that underlying mortgage loan will be reduced (to not less than zero) by any special servicing fees or liquidation fees payable in connection therewith.

“Privileged Person” means each party to the Pooling and Servicing Agreement, the initial purchaser of the certificates, and, upon receipt by the certificate administrator of an investor certification in the form required by the Pooling and Servicing Agreement, each holder, beneficial owner or prospective purchaser of a certificate or a SPC. Any Privileged Person that is a borrower or an affiliate of a 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.

“Purchase Agreement” means the senior preferred stock purchase agreement between FHFA, as conservator of Freddie Mac, and Treasury.

“Purchase Option” means, with respect to any Defaulted Loan, the purchase option described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

“Purchase Price” means, with respect to any underlying mortgage loan or REO Property if it is to be purchased as contemplated under the Pooling and Servicing Agreement, a price equal to the outstanding principal balance (or deemed outstanding principal balance) of such underlying mortgage loan or REO Property as of the date of purchase, plus (i) accrued and unpaid interest on such underlying mortgage loan or REO Property through and including the end of the related mortgage interest accrual period in which such purchase is made (which would include accrued and unpaid master servicing fees and sub-servicing fees), (ii) related special servicing fees and, if applicable, liquidation fees payable to the special servicer (to the extent accrued and unpaid or previously paid by the issuing entity), (iii) all related unreimbursed Servicing Advances or Additional Issuing Entity Expenses related to such underlying mortgage loan or REO Property, (iv) all related Servicing Advances that were previously reimbursed from general collections on the mortgage pool, (v) all accrued and unpaid interest on related Servicing Advances and P&I Advances, (vi) all interest on related Servicing Advances and P&I Advances that was previously reimbursed from general collections on the mortgage pool, (vii) solely if such underlying mortgage loan or REO Property is being purchased by the related borrower or an affiliate of such borrower, all default interest, late payment fees, extension fees and similar fees or charges incurred with respect to such underlying mortgage loan or REO Property and all out-of-pocket expenses reasonably incurred (whether paid or then owing) by the master servicer, the special servicer, the depositor, the custodian, the certificate administrator and the trustee in respect of such purchase, including, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such underlying mortgage loan or REO Property, and (viii) solely if such underlying mortgage loan or REO Property is being purchased by or on behalf of the mortgage loan seller pursuant to or as contemplated by 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, 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 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 or REO Property; *provided* that, with respect to a Defaulted Loan, if a Fair Value determination has been made, the Purchase Price must equal at least the Fair Value of such Defaulted Loan.

“Qualified Substitute Mortgage Loan” means a mortgage loan in the same lien position as the underlying mortgage loan to be replaced that must, on the date of substitution: (i) have an outstanding principal balance, after application of all scheduled payments of principal and/or interest due during or prior to the month of substitution not in excess of the Stated Principal Balance of the deleted underlying mortgage loan as of the Due Date in the calendar month during which the substitution occurs; (ii) prior to its first loan reset date have a mortgage interest rate not less than the mortgage interest rate of the deleted underlying mortgage loan prior to its first loan reset date, and on or after its first loan reset date have an interest rate margin over the Index not less than the interest rate margin over the Index of the deleted underlying mortgage loan, and have the same Index as the deleted underlying mortgage loan; (iii) have the same Due Date as the deleted underlying mortgage loan; (iv) accrue interest on a 30/360 Basis; (v) have a remaining term to stated maturity not greater than, and not more than two years less than, the remaining term to stated maturity of the deleted underlying mortgage loan; (vi) have an original loan-to-value ratio not higher than that of the deleted underlying mortgage loan and a current loan-to-value ratio not higher than the then current loan-to-value ratio of the deleted underlying mortgage loan; (vii) materially comply as of the date of substitution with all of the representations and warranties set forth in the applicable purchase agreement; (viii) have an environmental report with respect to the related mortgaged real property that indicates no material adverse environmental conditions with respect to the related mortgaged real property and which will be delivered as a part of the related mortgage file; (ix) have an original debt service coverage ratio not less than the original debt service coverage ratio of the deleted underlying mortgage loan and a current debt service coverage ratio not less than the current debt service coverage ratio of the deleted underlying mortgage loan; (x) be determined by an opinion of counsel to be a “qualified replacement mortgage” within the meaning of Code Section 860G(a)(4); (xi) have been approved by each of the directing certificateholder and Freddie Mac in its sole discretion; and (xii) not be substituted for a deleted underlying mortgage loan if it would result in the termination of the REMIC status of any Trust REMIC established under the Pooling and Servicing Agreement or the imposition of tax on any Trust REMIC created under the Pooling and Servicing Agreement other than a tax on income expressly permitted or contemplated to be received by the terms of the Pooling and Servicing Agreement as determined by an opinion of counsel. In the event that one or more mortgage loans are substituted for one or more deleted underlying mortgage loans simultaneously, then the amounts described in clause (i) are required to be determined on the basis of aggregate outstanding principal balances and the rates described in clause (ii) above (*provided* that no Net Mortgage Interest Rate will be less than the pass-through rate of any class of Class A Certificates or the class B certificates) and the remaining term to stated maturity referred to in clause (v) above will be determined on a weighted average basis. When a Qualified Substitute Mortgage Loan is substituted for a deleted underlying mortgage loan, the mortgage loan seller will be required to certify that the mortgage loan meets all of the requirements of the above definition and send the certification to the trustee and the certificate administrator, which may conclusively rely on such certification.

“Realized Losses” means losses on or with respect to the underlying mortgage loans arising from the inability of the master servicer and/or the special servicer to collect all amounts due and owing under those mortgage loans, including by reason of the fraud or bankruptcy of a borrower or, to the extent not covered by insurance, a casualty of any nature at a mortgaged real property. We discuss the calculation of Realized Losses under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular.

“Record Date” has the meaning assigned to such term under “Summary of Information Circular—Significant Dates and Periods—Record Date” in this information circular.

“Reform Act” means the Federal Housing Finance Regulatory Reform Act.

“Regular Certificates” has the meaning assigned to such 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 an underlying mortgage loan deemed to be outstanding with respect to an REO Property. For purposes of the Pooling and Servicing Agreement, an REO Loan will be deemed to be outstanding for so long as the related REO Property remains part of the issuing entity, and will be deemed to provide for assumed scheduled payments on each Due Date and otherwise have the same terms and conditions as its predecessor underlying mortgage loan, including with respect to the calculation of the mortgage rate in effect from time to time (such terms and conditions to be applied without regard to the default on such predecessor underlying mortgage loan). Each REO Loan will be deemed to have an initial outstanding principal balance and, if applicable, Stated Principal Balance equal to the outstanding principal balance and, if applicable, Stated Principal Balance, respectively, of its predecessor underlying mortgage loan, as of the day on which such REO Property was acquired by the issuing entity.

“REO Property” means any mortgaged real property that is acquired by the special servicer for the benefit of the certificateholders through foreclosure, deed-in-lieu of foreclosure or otherwise following a default on the related underlying mortgage loan.

“Requested Transfer” means, with respect to any underlying mortgage loan, a request for the transfer of an interest in the related mortgaged real property or the related borrower, 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.

“S&P” means Standard & Poor’s Ratings Services, and its successors-in-interest.

“Sales Comparison Approach” means a determination of the value of a mortgaged real property based upon a comparison of that property to similar properties that have been sold recently or for which listing prices or offering figures are known. In connection with that determination, data for generally comparable properties are used and comparisons are made to demonstrate a probable price at which the subject mortgaged real property would sell if offered on the market.

“SEC” means the 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.

“Servicing Advance” has the meaning assigned to such term under “The Pooling 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 loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling and Servicing Agreement or the terms of the respective underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering the underlying mortgage loans 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 REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling and Servicing Agreement or the terms of the respective underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering such underlying mortgage loans in accordance with Accepted Servicing Practices; *provided, however,* that for Specially Serviced Mortgage Loans, to the extent consistent with applicable law, the terms of the Pooling and Servicing Agreement and the terms of the respective underlying mortgage loans and any applicable intercreditor or co-lender and/or similar agreement(s), the special servicer or the master servicer may, in its sole discretion, require the applicable 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 Pooling and Servicing Agreement, the terms of the Pooling and Servicing Agreement will govern and be applicable.

“Servicing Transfer Event” means, with respect to any underlying mortgage loan, any of the following events, among others:

- a payment default has occurred at its scheduled maturity date (except, if the borrower is making its normal monthly payment and is diligently pursuing a refinancing or a sale to a party that is not a Borrower Affiliate and in connection therewith delivers within 45 days of such maturity date a firm commitment to refinance or a fully executed purchase and sale contract, as applicable, acceptable to the master servicer (subject to the last paragraph of “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular), in which case a Servicing Transfer Event would not occur as to such underlying mortgage loan until 60 days after such payment default, which may be extended to 120 days, with the consent of the special servicer and the directing certificateholder; *provided,* that the master servicer will not follow any such direction, or refrain from acting based upon the lack of any such direction, of the directing certificateholder, if following any such direction of the directing certificateholder or refraining from taking such action based upon the lack of any such direction of the directing certificateholder would violate the Servicing Standard;
- any monthly principal and/or interest payment is 60 days or more delinquent;
- the related borrower has—
  - (i) filed for, or consented to, bankruptcy, appointment of a receiver or conservator or a similar insolvency proceeding;
  - (ii) become the subject of a decree or order for such a proceeding which is not stayed or discharged within 60 days; or
  - (iii) has admitted in writing its inability to pay its debts generally as they become due;
- the master servicer or special servicer has received notice of the foreclosure or proposed foreclosure of any other lien on the mortgaged real property;

- in the judgment of (i) the master servicer (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 certificateholder, subject to the last paragraph of “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular), (a) a default under any underlying mortgage loan is reasonably foreseeable, (b) such default will materially impair the value of the related mortgaged real property as security for such underlying mortgage loan or otherwise materially adversely affect the interests of certificateholders, and (c) the default either would give rise to the immediate right to accelerate the underlying mortgage loan or such default is likely to continue unremedied for the applicable cure period under the terms of such underlying mortgage loan or, if no cure period is specified and the default is capable of being cured, for 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 such Third Party Master Servicer is waiting for Freddie Mac’s approval), such Third Party Master Servicer’s servicing obligations with respect to such underlying mortgage loan will be to service such underlying mortgage loan as a non-Specially Serviced Mortgage Loan; or
- 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 certificateholder (subject to the last paragraph of “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular), the special servicer, has materially and adversely affected the value of the related underlying mortgage loan or otherwise materially and adversely affected the interests of the certificateholders and has continued unremedied for 30 days (irrespective of any grace period specified in the related mortgage note) and, *provided* that failure of the related borrower to obtain all-risk casualty insurance for terrorist or similar act will not apply with respect to this clause if the special servicer has determined in accordance with the Servicing Standard that either—
  - (1) such insurance is not available at commercially reasonable rates and that such hazards are not commonly insured against for properties similar to the mortgaged real property and located in or around the region in which such mortgaged real property is located, or
  - (2) such insurance is not available at any rate.

A Servicing Transfer Event will cease to exist, if and when a Specially Serviced Mortgage Loan becomes a Corrected Mortgage Loan.

“Situs Holdings” means Situs Holdings, LLC, a Delaware limited liability company, and its successors-in-interest.

“Six-Month LIBOR” has the meaning assigned to such term under “Description of The Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular.

“Six-Month LIBOR Determination Date” has the meaning assigned to such term under “Description of The Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular

“Sole Certificateholder” means the holder (or holders provided they act in unanimity) of, collectively, 100% of the class B, X1 and X2 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 classes of certificates; *provided, however*, that at the time of determination the class principal balance of each class of Class A Certificates has been reduced to zero.

“SPCs” means Freddie Mac’s series SB-008 structured pass-through certificates.

“Special Servicer Aggregate Annual Cap” means \$100,000 *per annum*.

“Specially Serviced Loan Principal Distribution Amount” means, with respect to any Distribution Date, any portion of the Principal Distribution Amount that was collected or advanced with respect to any Specially Serviced



Mortgage Loan other than an Excluded Specially Serviced Mortgage Loan. For the avoidance of doubt, the Specially Serviced Loan Principal Distribution Amount will be reduced by the Principal Distribution Adjustment Amount applicable to such Specially Serviced Mortgage Loan.

“Specially Serviced Mortgage Loan” means any underlying mortgage loan as to which a Servicing Transfer Event has occurred and is continuing, including any REO Loan or Defaulted Loan.

“Stated Principal Balance” means, with respect to any 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 such underlying mortgage loan or with respect to a Qualified Substitute Mortgage Loan, the outstanding principal balance of such Qualified Substitute Mortgage Loan after application of all scheduled payments of principal and interest due on or before the applicable Due Date in the month of substitution, whether or not received, minus (ii) the sum of:

- (a) the principal portion of each monthly payment due on such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable Due Date during the month of substitution), to the extent received from the related borrower or advanced by the master servicer or the trustee, as applicable, and distributed to the certificateholders, on or before such date of determination;
- (b) all principal prepayments received with respect to such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable Due Date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (c) the principal portion of all insurance and condemnation proceeds and liquidation proceeds received with respect to such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable Due Date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (d) any reduction in the outstanding principal balance of such underlying mortgage loan resulting from a valuation of the related mortgaged real property in an amount less than the then outstanding principal balance of such underlying mortgage loan by a court of competent jurisdiction, initiated by a bankruptcy proceeding and that occurred prior to the Determination Date for the most recent Distribution Date; and
- (e) any reduction in the outstanding principal balance of such underlying mortgage loan due to a modification by the special servicer pursuant to the Pooling and Servicing Agreement, which reduction occurred prior to the Determination Date for the most recent Distribution Date.

However, the “Stated Principal Balance” of any 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 that underlying mortgage loan or any related REO Property have been received.

With respect to any REO Loan, as of any date of determination, “Stated Principal Balance” means an amount equal to (i) the Stated Principal Balance of the predecessor underlying mortgage loan (determined as set forth above), as of the date the related REO Property is acquired by the issuing entity, minus (ii) the sum of:

- (a) the principal portion of any P&I Advance made with respect to such REO Loan on or after the date the related REO Property is acquired by the issuing entity, to the extent distributed to certificateholders on or before such date of determination; and
- (b) the principal portion of all insurance and condemnation proceeds, liquidation proceeds and all income, rents and profits derived from the ownership, operation or leasing of the related REO Property received with respect to such REO Loan, to the extent distributed to certificateholders, on or before such date of determination.

“Static Prepayment Premium” means a form of prepayment consideration payable in connection with any voluntary or involuntary principal prepayment that is calculated solely as a specified percentage of the amount prepaid, which percentage may change over time.

“Static Prepayment Premium Period” means, with respect to any mortgage loan that at any time permits voluntary prepayments of principal, if accompanied by a Static Prepayment Premium, the period during the loan term when such voluntary principal prepayments may be made if accompanied by such Static Prepayment Premium.

“Subordinate Certificates” means the class B and X2 certificates. The class B and X2 certificates are not being offered hereby and will not have the benefit of the Freddie Mac Guarantee.

“Sub-Servicing Agreement” means the Sub-Servicing Agreement, dated as of November 1, 2015, between Freddie Mac and First Foundation, or if additional or other sub-servicers are appointed, each sub-servicing agreement between the master servicer and the related sub-servicer relating to servicing and administration of underlying mortgage loans by such sub-servicer as provided in the Pooling and Servicing Agreement.

“Successor Servicer Requirements” has the meaning assigned to such term under “The Pooling 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.

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

“Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap” means \$100,000 *per annum* with respect to any Third Party Master Servicer and any indemnified sub-servicers under the Pooling and Servicing Agreement, collectively.

“Timing Guarantor Interest” means, with respect to any Distribution Date and each class of Class A Certificates, the sum of (a) an amount equal to interest at the Weighted Average Net Mortgage Pass-Through Rate (for the related Loan Group for each Distribution Date on or prior to the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero, or for the mortgage pool for each Distribution Date after the Distribution Date on which the outstanding principal balance of the class B certificates has been reduced to zero) and 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 A Certificates, any Class Final Guarantor Payment.

“Total Units” means, the estimated number of apartments at the particular property, regardless of the number or size of rooms in the apartments as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value is based.

“Transfer” generally means, with respect to any underlying mortgage loan, the sale, assignment, transfer or other disposition or divestment of any interest in, change of ownership of, or encumbrance of, the related borrower or the related mortgaged real property, as set forth in the related loan documents.

“Transfer Fee” means, with respect to any underlying mortgage loan, a fee payable under the related loan documents when a Transfer is completed.

“Transfer Processing Fee” means, with respect to any underlying mortgage loan and any Transfer Processing Fee Transaction, any fee required to be paid by the related borrower under the terms of the related loan documents for the review or processing of the Transfer Processing Fee Transaction (which may also be referred to in the loan documents as a “Transfer Review Fee”).

“Transfer Processing Fee Transaction” means, with respect to any underlying mortgage loan, any transaction or matter involving (i) the transfer of an interest in the related mortgaged real property, the related borrower, any person that controls the borrower or any person that executes a guaranty pursuant to the terms of the related loan documents, which transfer requires the master servicer’s review, consent and/or approval, including, without

limitation, a borrower's request for an assumption or waiver of a "due-on-sale" clause with respect to any loan pursuant to the Pooling and Servicing Agreement, (ii) a borrower's request for a waiver of a "due-on-encumbrance" clause with respect to any underlying mortgage loan pursuant to the Pooling and Servicing Agreement and/or (iii) a borrower's request for subordinate mortgage debt; *provided, however*, that any transaction or matter involving (i) the full or partial condemnation of the mortgaged real property or any borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose and/or (ii) Permitted Transfers 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 REMIC" means any of the three separate REMICs referred to in this information circular as the "Lower-Tier REMIC," the "Middle-Tier REMIC" and the "Upper-Tier REMIC."

"Trustee Aggregate Annual Cap" means \$50,000 *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, \$100,000 *per annum* with respect to such person or entity.

"Twelve-Month Treasury Average" has the meaning assigned to such term under "Description of The Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest" in this information circular.

"Twelve-Month Treasury Average Determination Date" has the meaning assigned to such term under "Description of The Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest" in this information circular

"U.S. Person" means a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States, any State in the United States or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury Regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

"Underwritten Debt Service Coverage Ratio" means, with respect to any underlying mortgage loan, the ratio of—

1. the Underwritten Net Cash Flow for the related mortgaged real property, to
2. 12 times the monthly debt service payment for that underlying mortgage loan due on the related Due Date in November 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 such underlying mortgage loan will be either (a) if that interest-only period extends to maturity, the aggregate of the first 12 monthly debt service payments to be due on such underlying mortgage loan or (b) if that interest-only period ends prior to maturity, 12 times the monthly debt service payment to be due on such underlying mortgage loan on the first Due Date after amortization begins.

"Underwritten Debt Service Coverage Ratio (IO)" means, with respect to any underlying mortgage loan that is currently in an interest-only period, the ratio of—

1. the Underwritten Net Cash Flow for the related mortgaged real property, to
2. an amount equal to the aggregate of the first 12 monthly debt service payments due on such underlying mortgage loan.

“Underwritten Net Cash Flow” means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the estimated total cash flow from that property expected to be available for annual debt service on the related underlying mortgage loan. In general, that estimate:

- was made at the time of origination of the related underlying mortgage loan or in connection with the transactions described in this information circular; and
- is equal to the excess of—
  1. the Estimated Annual Revenues for the property, over
  2. the Estimated Annual Operating Expenses for the property.

The management fees and reserves assumed in calculating Underwritten Net Cash Flow differ in many cases from actual management fees and reserves actually required under the loan documents for the related underlying mortgage loans. In addition, actual conditions at the mortgaged real properties will differ, and may differ substantially, from the conditions assumed in calculating Underwritten Net Cash Flow. Furthermore, the Underwritten Net Cash Flow for each of the mortgaged real properties does not reflect the effects of future competition or economic cycles. Accordingly, we cannot assure you that the Underwritten Net Cash Flow for any of the mortgaged real properties shown on Exhibit A-1 will be representative of the actual future net cash flow for the particular property.

Underwritten Net Cash Flow and the revenues and expenditures used to determine Underwritten Net Cash Flow for each of the mortgaged real properties are derived from generally unaudited information furnished by the related borrower. However, in some cases, an accounting firm performed agreed upon procedures, or employees of the Originator performed cash flow verification procedures, that were intended to identify any errors in the information provided by the related borrower. Audits of information furnished by borrowers could result in changes to the information. These changes could, in turn, result in the Underwritten Net Cash Flow shown on Exhibit A-1 being overstated. Net income for any of the mortgaged real properties as determined under GAAP would not be the same as the Underwritten Net Cash Flow for the property shown on Exhibit A-1. In addition, Underwritten Net Cash Flow is not a substitute for or comparable to operating income as determined in accordance with GAAP as a measure of the results of the property’s operations nor a substitute for cash flows from operating activities determined in accordance with GAAP as a measure of liquidity.

“Underwritten Net Operating Income” means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the Underwritten Net Cash Flow for the property, increased by any and all of the following items that were included in the Estimated Annual Operating Expenses for the property for purposes of calculating that Underwritten Net Cash Flow:

- underwritten recurring replacement reserve amounts; and
- capital improvements, including recurring capital improvements.

“United States” or “U.S.” means the United States of America.

“Unpaid Interest Shortfall” has the meaning assigned to that term under “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

“Unreimbursed Indemnification Expenses” means indemnification amounts payable by the issuing entity to the depositor, any Third Party Master Servicer, Freddie Mac acting as the servicing consultant, the master servicer, the special servicer, the custodian, the certificate administrator or trustee in excess of the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and certificate administrator/custodian), the Third Party Master Servicer/Sub-Servicer Aggregate Annual Cap and the Special Servicer Aggregate Annual Cap, 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.

“Waterfall Trigger Event” means, with respect to any Distribution Date, the existence of any of the following: (a) the aggregate Stated Principal Balances of the underlying mortgage loans (other than Specially Serviced Mortgage Loans) as of the related Determination Date is less than or equal to 15.0% of the aggregate Cut-Off Date Principal Balance of all underlying mortgage loans held by the issuing entity as of the closing date, (b) as of the related Determination Date, the aggregate Stated Principal Balance of underlying mortgage loans that are Waterfall Trigger Loans is greater than 3.0% of the aggregate Stated Principal Balance of all underlying mortgage loans held by the issuing entity or (c) the Class B Percentage on such Distribution Date is less than 7.5%, *provided* that with respect to this clause (c) such Waterfall Trigger Event will continue to exist until such time as the Class B Percentage is equal to or greater than 10.0% immediately prior to such Distribution Date. No previously existing Waterfall Trigger Event will continue to exist on future Distribution Dates unless a condition described in one of clauses (a), (b) or (c) of this definition of Waterfall Trigger Event continues to exist with respect to such future Distribution Dates.

“Waterfall Trigger Loan” means an underlying mortgage loan that is at least 60 days delinquent in respect of any monthly payments following the applicable Due Date without giving effect to any grace period permitted by the related loan documents.

“Weighted Average Net Mortgage Pass-Through Rate” means, for any Loan Group or for the mortgage pool, as applicable, and any Distribution Date, the weighted average of the respective Net Mortgage Pass-Through Rates with respect to all of the underlying mortgage loans (including any related REO Loans) in that Loan Group or in the mortgage pool, as applicable, for that Distribution Date, weighted on the basis of their respective Stated Principal Balances immediately prior to that Distribution Date.

“Workout-Delayed Reimbursement Amount” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“Year Built” means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when construction of the property was principally completed, as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

“Year Renovated” means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when the most recent substantial renovation of the property, if any, was principally completed, as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

**EXHIBIT A-1**

**CERTAIN CHARACTERISTICS OF THE UNDERLYING  
MORTGAGE LOANS AND THE RELATED MORTGAGED REAL PROPERTIES**

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Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Originator	Street Address	Property City	Property State	Zip Code	County	Property Type	Property Subtype	Year Built	Year Renovated	Total Units	Cut-Off Date Balance/Unit	Unit of Measure	Occupancy %	Occupancy As of Date
1	5YR		1	Solana Pointe Apartments	First Foundation Bank	766 South Nardo Avenue	Solana Beach	CA	92075	San Diego	Multifamily	Garden	1975	N/A	32	138,929	Units	90.6%	9/30/2015
2	5YR		1	1020 Pine Street	First Foundation Bank	1020 Pine Street	San Francisco	CA	94109	San Francisco	Multifamily	Mid Rise	2009	N/A	8	456,451	Units	100.0%	4/23/2015
3	5YR		1	14724 Inglewood Avenue	First Foundation Bank	14724 Inglewood Avenue	Lawndale	CA	90260	Los Angeles	Multifamily	Garden	1961	N/A	50	70,619	Units	100.0%	8/17/2015
4	5YR		1	645 East Clarenday Street	First Foundation Bank	645 & 661 East Clarenday Street	Glendora	CA	91740	Los Angeles	Multifamily	Garden	1963	N/A	32	107,724	Units	100.0%	9/1/2015
5	5YR		1	644-660 East Clarenday Street	First Foundation Bank	644 & 660 East Clarenday Street	Glendora	CA	91740	Los Angeles	Multifamily	Garden	1963	N/A	32	106,248	Units	96.9%	9/1/2015
6	5YR		1	1401 Palisades Beach Road	First Foundation Bank	1401 Palisades Beach Road	Santa Monica	CA	90401	Los Angeles	Multifamily	Garden	1912	N/A	10	335,638	Units	100.0%	8/31/2015
7	5YR		1	Woodpark Apartments	First Foundation Bank	4424 Woodman Avenue	Sherman Oaks	CA	91423	Los Angeles	Multifamily	Garden	1971	2011	30	108,799	Units	93.3%	9/30/2015
8	10YR		1	6202 South Pacific Coast Highway	First Foundation Bank	6202 South Pacific Coast Highway	Redondo Beach	CA	90277	Los Angeles	Multifamily	Garden	1961	2014	25	129,657	Units	100.0%	6/26/2015
9	5YR		1	1920 Hillcrest Road	First Foundation Bank	1920 Hillcrest Road	Los Angeles	CA	90068	Los Angeles	Multifamily	Garden	1961	2014	20	156,602	Units	100.0%	8/24/2015
10	7YR		1	10529 Floralta Avenue	First Foundation Bank	10529 Floralta Avenue	Sunland	CA	91040	Los Angeles	Multifamily	Garden	1965	2013	49	57,810	Units	100.0%	9/1/2015
11	5YR		1	250 Cliff Drive	First Foundation Bank	250 & 260 Cliff Drive	Laguna Beach	CA	92651	Orange	Multifamily	Garden	1950	2010	20	141,047	Units	100.0%	5/11/2015
12	5YR		1	5255 Blakeslee Avenue	First Foundation Bank	5255 Blakeslee Avenue	Los Angeles	CA	91601	Los Angeles	Multifamily	Garden	1964	N/A	26	108,464	Units	96.2%	11/12/2014
13	5YR		1	10114 Scott Avenue	First Foundation Bank	10114 Scott Avenue	Whittier	CA	90603	Los Angeles	Multifamily	Garden	1959	N/A	24	111,535	Units	100.0%	4/7/2015
14	5YR		1	Dalton Historical Building	First Foundation Bank	41925 5th Street	Temecula	CA	92590	Riverside	Multifamily	Mid Rise	2007	N/A	24	109,316	Units	100.0%	9/1/2015
15	5YR		1	Walnut Gardens Apartments	First Foundation Bank	24969 Walnut Street	Santa Clarita	CA	91321	Los Angeles	Multifamily	Garden	1974	2012	24	101,925	Units	96.6%	5/31/2015
16	7YR		1	145 East 18th Street	First Foundation Bank	145 East 18th Street	Costa Mesa	CA	92627	Orange	Multifamily	Garden	1959	N/A	19	123,090	Units	100.0%	6/23/2015
17	10YR		1	2881-2885 Bush Street	First Foundation Bank	2881-2885 Bush Street	San Francisco	CA	94115	San Francisco	Multifamily	Mid Rise	1909	N/A	11	196,500	Units	100.0%	7/21/2014
18	5YR		1	852 17th Street	First Foundation Bank	852 17th Street	Santa Monica	CA	90403	Los Angeles	Multifamily	Garden	1969	N/A	6	353,580	Units	100.0%	12/31/2014
19	5YR		1	8876 Olive Lane	First Foundation Bank	8876 Olive Lane	Santee	CA	92071	San Diego	Multifamily	Garden	1978	N/A	36	57,984	Units	100.0%	1/28/2015
20	5YR		1	505 North Alfred Street	First Foundation Bank	505 North Alfred Street	West Hollywood	CA	90048	Los Angeles	Multifamily	Garden	1962	2012	8	258,861	Units	100.0%	7/31/2014
21	10YR		1	Potomac Square Apartments	First Foundation Bank	6325-6383 Potomac Street	San Diego	CA	92139	San Diego	Multifamily	Garden	1969	N/A	53	38,819	Units	100.0%	8/18/2015
22	5YR		1	340-350 Wisconsin Avenue	First Foundation Bank	340-350 Wisconsin Avenue	Long Beach	CA	90814	Los Angeles	Multifamily	Garden	1962	N/A	16	121,851	Units	93.8%	11/30/2014
23	5YR		1	4055 And 4075 Briggs Street	First Foundation Bank	4055 And 4075 Briggs Street	Jurupa Valley	CA	92509	Riverside	Multifamily	Garden	1979	2013	47	37,926	Units	100.0%	3/1/2015
24	5YR		1	1515 North Hayworth Avenue	First Foundation Bank	1515 North Hayworth Avenue	Los Angeles	CA	90046	Los Angeles	Multifamily	Garden	1927	N/A	6	294,054	Units	100.0%	10/1/2015
25	5YR		1	4924 Tujunga Avenue	First Foundation Bank	4924 Tujunga Avenue	Los Angeles	CA	91601	Los Angeles	Multifamily	Garden	1957	N/A	12	143,489	Units	91.7%	11/12/2014
26	5YR		1	1168-1184 Holly Avenue	First Foundation Bank	1168-1184 Holly Avenue	Imperial Beach	CA	91932	San Diego	Multifamily	Garden	1960	N/A	13	128,145	Units	100.0%	1/28/2015
27	5YR		1	140 North Hamilton Drive	First Foundation Bank	140 North Hamilton Drive	Beverly Hills	CA	90211	Los Angeles	Multifamily	Garden	1938	N/A	8	204,889	Units	100.0%	3/1/2015
28	7YR		1	3565 Dimond Avenue	First Foundation Bank	3565 Dimond Avenue	Oakland	CA	94602	Alameda	Multifamily	Garden	1960	N/A	30	50,098	Units	100.0%	2/15/2015
29	5YR		1	1360-1364 Valencia Street	First Foundation Bank	1360-1364 Valencia Street	San Francisco	CA	94110	San Francisco	Multifamily	Mid Rise	1904	N/A	12	125,276	Units	91.7%	7/22/2014
30	5YR		1	3843 3853 West 27th Street	First Foundation Bank	3843-3853 West 27th Street	Los Angeles	CA	90018	Los Angeles	Multifamily	Garden	1923	N/A	16	93,170	Units	100.0%	4/1/2015
31	5YR		1	330 Roosevelt Street	First Foundation Bank	330 Roosevelt Street	Chula Vista	CA	91910	San Diego	Multifamily	Garden	1960	N/A	14	104,903	Units	100.0%	12/1/2014
32	10YR		1	1831 Camden Avenue	First Foundation Bank	1831 Camden Avenue	Los Angeles	CA	90025	Los Angeles	Multifamily	Garden	1962	N/A	14	104,579	Units	100.0%	4/17/2015
33	5YR		1	1820 North La Brea Avenue	First Foundation Bank	1820 North La Brea Avenue	Los Angeles	CA	90046	Los Angeles	Multifamily	Garden	1955	2011	10	146,305	Units	100.0%	8/26/2015
34	5YR		1	361 East Navilla Place	First Foundation Bank	361 East Navilla Place	Covina	CA	91723	Los Angeles	Multifamily	Garden	1962	2013	12	117,501	Units	100.0%	9/1/2015
35	5YR		1	945 Beacon Avenue	First Foundation Bank	945 Beacon Avenue	Los Angeles	CA	90015	Los Angeles	Multifamily	Garden	1922	2014	38	35,470	Units	100.0%	3/3/2015
36	7YR		1	The Toledo Apartments	First Foundation Bank	5337 East The Toledo	Long Beach	CA	90803	Los Angeles	Multifamily	Garden	1946	N/A	6	224,460	Units	100.0%	9/29/2015
37	5YR		1	23751 Arlington Avenue	First Foundation Bank	23751 Arlington Avenue	Torrance	CA	90501	Los Angeles	Multifamily	Garden	1984	N/A	12	110,558	Units	100.0%	4/4/2015
38	7YR		1	940-942 South Flower Street	First Foundation Bank	940-942 South Flower Street	Inglewood	CA	90301	Los Angeles	Multifamily	Garden	1955	N/A	24	54,172	Units	100.0%	11/30/2012
39	7YR		1	707-723 Colina Lane	First Foundation Bank	707-723 Colina Lane	Santa Barbara	CA	93103	Santa Barbara	Multifamily	Garden	1973	2008	10	128,160	Units	100.0%	9/11/2014
40	5YR		1	381 East Navilla Place	First Foundation Bank	381 East Navilla Place	Covina	CA	91723	Los Angeles	Multifamily	Garden	1963	N/A	10	127,807	Units	100.0%	9/1/2015
41	5YR		1	350 South Hobart Boulevard	First Foundation Bank	350 South Hobart Boulevard	Los Angeles	CA	90020	Los Angeles	Multifamily	Garden	1960	N/A	9	135,448	Units	100.0%	2/24/2015
42	5YR		1	Dickens Apartments	First Foundation Bank	1514 Dickens Street	Sherman Oaks	CA	91403	Los Angeles	Multifamily	Garden	1960	2011	11	110,212	Units	81.8%	9/30/2015
43	10YR		1	3141-3143 Wabash Avenue	First Foundation Bank	3141-3143 Wabash Avenue	Los Angeles	CA	90063	Los Angeles	Multifamily	Garden	1962	N/A	24	61,007	Units	95.8%	3/17/2014
44	10YR		1	Barbara Worm Villas	First Foundation Bank	1609 West Barbara Worth Drive	El Centro	CA	92243	Imperial	Multifamily	Garden	1994	N/A	44	26,806	Units	90.9%	4/4/2014
45	5YR		1	24522 Walnut Street	First Foundation Bank	24522 1/2 Walnut Street	Santa Clarita	CA	91321	Los Angeles	Multifamily	Garden	1985	N/A	10	116,729	Units	90.0%	9/1/2014
46	7YR		1	1245 Brockton Avenue	First Foundation Bank	1245 Brockton Avenue	Los Angeles	CA	90025	Los Angeles	Multifamily	Garden	1961	N/A	9	128,383	Units	100.0%	11/19/2014
47	7YR		1	4061 & 4067 Van Dyke Avenue	First Foundation Bank	4061 & 4067 Van Dyke Avenue	San Diego	CA	92105	San Diego	Multifamily	Garden	1970	N/A	16	69,477	Units	100.0%	1/13/2015
48	7YR		1	3719 South Canfield Avenue	First Foundation Bank	3719 South Canfield Avenue	Los Angeles	CA	90034	Los Angeles	Multifamily	Garden	1988	2011	8	135,382	Units	100.0%	6/23/2015
49	7YR		1	2510 South Anchovy Avenue	First Foundation Bank	2510 South Anchovy Avenue	Los Angeles	CA	90732	Los Angeles	Multifamily	Garden	1989	2011	16	67,518	Units	83.8%	7/31/2013
50	7YR		1	Muir Apartments	First Foundation Bank	5034-5040 & 5042-5046 Muir Avenue	San Diego	CA	92107	San Diego	Multifamily	Garden	1948	2011	12	89,864	Units	91.7%	11/8/2014
51	7YR		1	1049 Pine Avenue	First Foundation Bank	1049 Pine Avenue	Long Beach	CA	90813	Los Angeles	Multifamily	Garden	1924	N/A	21	49,651	Units	100.0%	8/31/2015



Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Loan Purpose (Acquisition, Refinance)	Entity Type	Borrower Type	Condo Ownership (% or N/A)		Crossed Loans	Related Borrower Loans <sup>(2)</sup>	Payment Date	Late Charge Grace Period	Note Date	First Payment Date	Maturity Date	Original Loan Amount	Cut-Off Date Loan Amount	% of Cut-Off Date Pool Balance	
								TIC (Y/N)	Guarantor (Y/N)											
1	5YR		1	Solana Pointe Apartments	Refinance	SAE	LP	N/A	No	Yes	N/A	N/A	1	10	7/6/2011	9/1/2011	8/1/2041	4,800,000	4,445,713	4.4%
2	5YR		1	1020 Pine Street	Refinance	MAE	LLC	100.0%	No	Yes	N/A	N/A	1	10	5/23/2014	7/1/2014	6/1/2044	3,750,000	3,651,608	3.6%
3	5YR		1	14724 Inglewood Avenue	Refinance	MAE	Trust, LP	N/A	Yes	Yes	N/A	N/A	1	10	10/10/2014	12/1/2014	11/1/2044	3,600,000	3,530,964	3.5%
4	5YR		1	645 East Clarendon Street	Refinance	MAE	Corp.	N/A	No	Yes	N/A	Group 1	1	10	11/5/2012	11/1/2013	12/1/2042	3,650,000	3,447,171	3.4%
5	5YR		1	644-660 East Clarendon Street	Refinance	MAE	Corp.	N/A	No	Yes	N/A	N/A	1	10	11/5/2012	11/1/2013	12/1/2042	3,600,000	3,359,850	3.3%
6	5YR		1	1401 Palisades Beach Road	Refinance	SAE	GP	N/A	No	Yes	N/A	N/A	1	10	5/22/2014	8/1/2014	7/1/2044	3,445,000	3,356,381	3.3%
7	5YR		1	Woodpark Apartments	Refinance	MAE	LLC	N/A	No	Yes	N/A	Group 2	1	10	4/19/2012	6/1/2012	5/1/2042	3,500,000	3,263,961	3.2%
8	10YR		1	6202 South Pacific Coast Highway	Refinance	SAE	LP	N/A	No	Yes	N/A	N/A	1	10	9/17/2014	11/1/2014	10/1/2044	3,300,000	3,241,421	3.2%
9	5YR		1	1920 Hillcrest Road	Refinance	MAE	Corp.	N/A	Yes	Yes	N/A	N/A	1	10	12/15/2014	2/1/2015	1/1/2045	3,186,000	3,133,038	3.1%
10	7YR		1	1050 Floralta Avenue	Refinance	SPE	LLC	N/A	No	Yes	N/A	N/A	1	10	7/22/2013	9/1/2013	8/1/2043	2,950,000	2,832,705	2.8%
11	5YR		1	250 Cliff Drive	Refinance	SAE	LLC	N/A	No	Yes	N/A	N/A	1	10	5/24/2012	7/1/2012	6/1/2042	3,028,000	2,820,942	2.8%
12	5YR		1	5255 Blakeslee Avenue	Refinance	N/A	Trust	N/A	No	Yes	N/A	N/A	1	10	2/2/2015	4/1/2015	3/1/2045	2,888,000	2,820,074	2.8%
13	5YR		1	10114 Scott Avenue	Refinance	N/A	Trust	N/A	No	Yes	N/A	N/A	1	10	6/16/2014	8/1/2014	7/1/2044	2,750,000	2,676,237	2.6%
14	5YR		1	Dalton Historical Building	Refinance	MAE	Corp.	N/A	No	Yes	N/A	Group 1	1	10	3/11/2013	5/1/2013	4/1/2043	2,750,000	2,623,593	2.6%
15	5YR		1	Walnut Gardens Apartments	Refinance	MAE	Individual; Individual; Corp.	N/A	Yes	Yes	N/A	N/A	1	10	8/21/2013	10/1/2013	9/1/2043	2,550,000	2,446,197	2.4%
16	7YR		1	145 East 18th Street	Refinance	SAE	LP	N/A	No	Yes	N/A	N/A	1	10	3/31/2014	6/1/2014	5/1/2044	2,400,000	2,338,704	2.3%
17	10YR		1	2881-2885 Bush Street	Refinance	MAE	Trust	N/A	No	Yes	N/A	N/A	1	10	9/16/2014	11/1/2014	10/1/2044	2,200,000	2,161,501	2.1%
18	5YR		1	852 17th Street	Refinance	SAE	LP	N/A	No	Yes	N/A	N/A	1	10	2/25/2015	4/1/2015	3/1/2045	2,150,000	2,121,478	2.1%
19	5YR		1	8876 Olive Lane	Refinance	N/A	Trust	N/A	Yes	Yes	N/A	N/A	1	10	4/8/2015	6/1/2015	5/1/2045	2,125,000	2,087,420	2.0%
20	5YR		1	505 North Alfred Street	Refinance	N/A	Individual	N/A	No	No	N/A	Group 3	1	10	9/3/2013	11/1/2013	10/1/2043	2,151,500	2,070,888	2.0%
21	10YR		1	Potomac Square Apartments	Refinance	MAE	LP	N/A	No	Yes	N/A	N/A	1	10	11/16/2011	1/1/2012	12/1/2041	2,200,000	2,057,422	2.0%
22	5YR		1	340-350 Wisconsin Avenue	Refinance	MAE	LLC	N/A	No	Yes	N/A	N/A	1	10	6/2/2014	8/1/2014	7/1/2044	2,200,000	1,949,621	1.9%
23	5YR		1	4055 And 4075 Briggs Street	Refinance	MAE	Trust	N/A	Yes	Yes	N/A	N/A	1	10	4/14/2015	6/1/2015	5/1/2045	1,800,000	1,782,509	1.7%
24	5YR		1	1515 North Hayworth Avenue	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	9/3/2013	11/1/2013	10/1/2043	1,833,000	1,764,322	1.7%
25	5YR		1	4924 Tujunga Avenue	Refinance	N/A	Individual	N/A	No	No	N/A	Group 5	1	10	1/15/2015	3/1/2015	2/1/2045	1,748,000	1,721,869	1.7%
26	5YR		1	1188-1184 Holly Avenue	Refinance	MAE	LLC	N/A	No	Yes	N/A	Group 4	1	10	3/20/2015	5/1/2015	4/1/2045	1,685,000	1,665,879	1.6%
27	5YR		1	140 North Hamilton Drive	Refinance	MAE	Trust	N/A	No	Yes	N/A	N/A	1	10	6/16/2015	8/1/2015	7/1/2045	1,650,000	1,630,112	1.6%
28	7YR		1	3565 Dimond Avenue	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	4/22/2011	6/1/2011	5/1/2041	1,634,500	1,502,942	1.5%
29	5YR		1	1360-1364 Valencia Street	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	9/23/2011	11/1/2011	10/1/2041	1,630,000	1,503,309	1.5%
30	5YR		1	3843 3853 West 27th Street	Refinance	MAE	LLC	N/A	No	Yes	N/A	N/A	1	10	6/23/2015	8/1/2015	7/1/2045	1,500,000	1,490,724	1.5%
31	5YR		1	330 Roosevelt Street	Refinance	MAE	LLC	N/A	No	Yes	N/A	Group 4	1	10	3/20/2015	5/1/2015	4/1/2045	1,461,250	1,464,441	1.4%
32	10YR		1	1831 Camden Avenue	Refinance	SAE	LLC	N/A	No	Yes	N/A	N/A	1	10	4/3/2014	6/1/2014	5/1/2044	1,900,000	1,464,108	1.4%
33	5YR		1	1820 North La Brea Avenue	Acquisition	N/A	Individual	N/A	No	No	N/A	Group 3	1	10	9/16/2013	11/1/2013	10/1/2043	1,520,000	1,463,049	1.4%
34	5YR		1	361 East Navilla Place	Refinance	MAE	Corp.	N/A	No	Yes	N/A	Group 1	1	10	4/30/2014	7/1/2014	6/1/2044	1,448,000	1,410,012	1.4%
35	5YR		1	945 Beacon Avenue	Refinance	MAE	Trust	N/A	Yes	Yes	N/A	N/A	1	10	2/26/2015	5/1/2015	4/1/2045	1,363,000	1,347,859	1.3%
36	7YR		1	The Toledo Apartments	Refinance	SAE	LLC	N/A	No	Yes	N/A	N/A	1	10	5/9/2014	7/1/2014	6/1/2044	1,380,000	1,346,763	1.3%
37	5YR		1	23751 Arlington Avenue	Refinance	N/A	Trust	N/A	No	Yes	N/A	N/A	1	10	4/2/2015	6/1/2015	5/1/2045	1,340,000	1,326,699	1.3%
38	7YR		1	940-942 South Flower Street	Refinance	MAE	LLC	N/A	No	Yes	N/A	Group 6	1	10	2/11/2013	4/1/2013	3/1/2043	1,365,000	1,300,126	1.3%
39	7YR		1	707-723 Colina Lane	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	2/5/2014	4/1/2014	3/1/2044	1,320,000	1,281,598	1.3%
40	5YR		1	381 East Navilla Place	Refinance	MAE	Corp.	N/A	No	Yes	N/A	Group 1	1	10	4/30/2014	7/1/2014	6/1/2044	1,312,500	1,278,067	1.3%
41	5YR		1	350 South Hobart Boulevard	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	4/1/2015	6/1/2015	5/1/2045	1,231,000	1,210,032	1.2%
42	5YR		1	Dickens Apartments	Refinance	MAE	LLC	N/A	No	Yes	N/A	Group 2	1	10	4/19/2012	6/1/2012	5/1/2042	1,300,000	1,212,329	1.2%
43	10YR		1	3141-3143 Wabash Avenue	Refinance	MAE	Trust	N/A	No	Yes	N/A	N/A	1	10	7/22/2015	9/1/2015	8/1/2045	1,470,000	1,464,172	1.4%
44	10YR		1	Barbara Worth Villas	Refinance	MAE	GP	N/A	No	Yes	N/A	N/A	1	10	9/11/2014	11/1/2014	10/1/2044	1,200,000	1,179,447	1.2%
45	5YR		1	24522 Walnut Street	Acquisition	N/A	Individual	N/A	No	No	N/A	Group 5	1	10	12/15/2014	3/1/2015	2/1/2045	1,185,000	1,167,285	1.1%
46	7YR		1	1245 Brockton Avenue	Refinance	SAE	LLC	N/A	No	Yes	N/A	N/A	1	10	2/13/2015	4/1/2015	3/1/2045	1,170,000	1,155,445	1.1%
47	7YR		1	4061-4067 Van Dyke Avenue	Acquisition	N/A	Trust	N/A	No	Yes	N/A	N/A	1	10	2/15/2013	4/1/2013	3/1/2043	1,168,335	1,111,628	1.1%
48	7YR		1	3719 South Canfield Avenue	Refinance	N/A	Trust	N/A	No	Yes	N/A	N/A	1	10	4/11/2012	6/1/2012	5/1/2042	1,155,000	1,083,060	1.1%
49	7YR		1	2510 South Anchoy Avenue	Refinance	SAE	LLC	N/A	No	Yes	N/A	Group 6	1	10	4/26/2012	7/1/2012	6/1/2042	1,150,000	1,080,289	1.1%
50	7YR		1	Muir Apartments	Refinance	MAE	LLC	N/A	No	Yes	N/A	N/A	1	10	3/28/2012	6/1/2012	5/1/2042	1,150,000	1,078,365	1.1%
51	7YR		1	1049 Pine Avenue	Refinance	N/A	Individual	N/A	No	No	N/A	N/A	1	10	6/26/2013	9/1/2013	8/1/2043	1,085,000	1,042,668	1.0%

Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Maturity Balance <sup>(2)</sup>	Mortgage Type (Fixed/Hybrid ARM)	Initial Fixed Rate Period (Hybrid ARMs)	Balance After Fixed Rate Period <sup>(4)</sup>	Interest Adjustment Period (months)	First Interest Adjustment Date In Trust <sup>(5)</sup>	Rate Index <sup>(6)</sup>	Margin	Gross Interest Rate <sup>(7)</sup>	Administration Fee Rate <sup>(8)</sup>	Net Mortgage Interest Rate	Rate Rounding Methodology	Interest Accrual Period Day Of Month (Start/End) <sup>(9)</sup>
1	5YR		1	Solana Pointe Apartments	0	Hybrid ARM	60	4,375,580	6	8/1/2016	12-MTA	2.550%	4.500%	0.3240%	4.1760%	Rounded to the nearest .125%	First/Last (Arrears)
2	5YR		1	1020 Pine Street	0	Hybrid ARM	60	3,377,900	6	6/1/2019	6-MO LIBOR	2.550%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
3	5YR		1	14724 Inglewood Avenue	0	Hybrid ARM	60	3,229,095	6	11/1/2019	6-MO LIBOR	2.550%	3.500%	0.3240%	3.1760%	Rounded to the nearest .125%	First/Last (Arrears)
4	5YR		1	645 East Glaraday Street	0	Hybrid ARM	60	3,287,822	6	12/1/2017	12-MTA	2.500%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
5	5YR		1	644-660 East Glaraday Street	0	Hybrid ARM	60	3,242,784	6	12/1/2017	12-MTA	2.500%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
6	5YR		1	1401 Palisades Beach Road	0	Hybrid ARM	60	3,090,064	6	7/1/2019	6-MO LIBOR	2.550%	3.500%	0.3240%	3.1760%	Rounded to the nearest .125%	First/Last (Arrears)
7	5YR		1	Woodpark Apartments	0	Hybrid ARM	60	3,152,706	6	5/1/2017	12-MTA	2.500%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
8	10YR		1	6202 South Pacific Coast Highway	0	Hybrid ARM	120	2,836,175	6	10/1/2024	6-MO LIBOR	2.550%	4.420%	0.3240%	4.0960%	Rounded to the nearest .125%	First/Last (Arrears)
9	5YR		1	1920 Hillcrest Road	0	Hybrid ARM	60	2,844,420	6	9/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
10	7YR		1	10529 Floritalia Avenue	0	Hybrid ARM	84	2,546,017	6	8/1/2020	6-MO LIBOR	2.550%	4.125%	0.3240%	3.8010%	Rounded to the nearest .125%	First/Last (Arrears)
11	5YR		1	250 Cliff Drive	0	Hybrid ARM	60	2,716,028	6	6/1/2017	12-MTA	2.500%	3.500%	0.3240%	3.1760%	Rounded to the nearest .125%	First/Last (Arrears)
12	5YR		1	5255 Blakeslee Avenue	0	Hybrid ARM	60	2,552,387	6	3/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
13	5YR		1	10114 Scott Avenue	0	Hybrid ARM	60	2,466,869	6	7/1/2019	6-MO LIBOR	2.550%	3.500%	0.3240%	3.1760%	Rounded to the nearest .125%	First/Last (Arrears)
14	5YR		1	Dalton Historical Building	0	Hybrid ARM	60	2,482,293	6	4/1/2018	12-MTA	2.500%	4.125%	0.3240%	3.8010%	Rounded to the nearest .125%	First/Last (Arrears)
15	5YR		1	Walnut Gardens Apartments	0	Hybrid ARM	60	2,296,971	6	9/1/2018	6-MO LIBOR	2.550%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
16	7YR		1	145 East 18th Street	0	Hybrid ARM	84	2,077,173	6	5/1/2021	6-MO LIBOR	2.550%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
17	10YR		1	2881-2885 Bush Street	0	Hybrid ARM	120	1,761,967	6	10/1/2024	6-MO LIBOR	2.550%	4.500%	0.3240%	4.1760%	Rounded to the nearest .125%	First/Last (Arrears)
18	5YR		1	852 17th Street	0	Hybrid ARM	60	1,520,095	6	3/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
19	5YR		1	8876 Olive Lane	0	Hybrid ARM	60	1,897,769	6	5/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
20	5YR		1	505 North Alfred Street	0	Hybrid ARM	60	1,945,978	6	10/1/2018	6-MO LIBOR	2.550%	4.000%	0.3240%	3.6760%	Rounded to the nearest .125%	First/Last (Arrears)
21	10YR		1	Potomac Square Apartments	0	Hybrid ARM	120	1,775,993	6	12/1/2021	12-MTA	2.750%	4.750%	0.3240%	4.4260%	Rounded to the nearest .125%	First/Last (Arrears)
22	5YR		1	340-350 Wisconsin Avenue	0	Hybrid ARM	60	1,797,769	6	7/1/2019	6-MO LIBOR	2.550%	3.625%	0.3240%	3.3010%	Rounded to the nearest .125%	First/Last (Arrears)
23	5YR		1	4055 And 4075 Briggs Street	0	Hybrid ARM	60	1,611,067	6	5/1/2020	6-MO LIBOR	2.550%	3.375%	0.3240%	3.0510%	Rounded to the nearest .125%	First/Last (Arrears)
24	5YR		1	1515 North Hayworth Avenue	0	Hybrid ARM	60	1,657,903	6	10/1/2018	6-MO LIBOR	2.550%	4.000%	0.3240%	3.6760%	Rounded to the nearest .125%	First/Last (Arrears)
25	5YR		1	4924 Tujunga Avenue	0	Hybrid ARM	60	1,561,082	6	2/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
26	5YR		1	1188-1184 Holly Avenue	0	Hybrid ARM	60	1,508,129	6	4/1/2020	6-MO LIBOR	2.550%	3.375%	0.3240%	3.0510%	Rounded to the nearest .125%	First/Last (Arrears)
27	5YR		1	140 North Hamilton Drive	0	Hybrid ARM	60	1,473,662	6	7/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
28	7YR		1	3565 Diamond Avenue	0	Hybrid ARM	84	1,444,676	6	5/1/2018	12-MTA	2.750%	5.250%	0.3240%	4.9260%	Rounded to the nearest .125%	First/Last (Arrears)
29	5YR		1	1360-1364 Valencia Street	0	Hybrid ARM	60	1,480,165	6	10/1/2016	12-MTA	2.750%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
30	5YR		1	3843 3853 West 27th Street	0	Hybrid ARM	60	1,348,327	6	7/1/2020	6-MO LIBOR	2.550%	3.625%	0.3240%	3.3010%	Rounded to the nearest .125%	First/Last (Arrears)
31	5YR		1	330 Roosevelt Street	0	Hybrid ARM	60	1,325,766	6	4/1/2020	6-MO LIBOR	2.550%	3.375%	0.3240%	3.0510%	Rounded to the nearest .125%	First/Last (Arrears)
32	10YR		1	1831 Camden Avenue	0	Hybrid ARM	120	1,206,114	6	5/1/2024	6-MO LIBOR	2.550%	4.625%	0.3240%	4.3010%	Rounded to the nearest .125%	First/Last (Arrears)
33	5YR		1	1820 North La Brea Avenue	0	Hybrid ARM	60	1,374,802	6	10/1/2018	6-MO LIBOR	2.550%	4.000%	0.3240%	3.6760%	Rounded to the nearest .125%	First/Last (Arrears)
34	5YR		1	361 East Navilla Place	0	Hybrid ARM	60	1,304,320	6	6/1/2019	6-MO LIBOR	2.550%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
35	5YR		1	945 Beacon Avenue	0	Hybrid ARM	60	1,222,571	6	4/1/2020	6-MO LIBOR	2.550%	3.500%	0.3240%	3.1760%	Rounded to the nearest .125%	First/Last (Arrears)
36	7YR		1	The Toledo Apartments	0	Hybrid ARM	84	1,194,375	6	6/1/2021	6-MO LIBOR	2.550%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
37	5YR		1	23751 Arlington Avenue	0	Hybrid ARM	60	1,196,711	6	5/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
38	7YR		1	940-942 South Flower Street	0	Hybrid ARM	84	1,178,072	6	3/1/2020	12-MTA	2.500%	4.125%	0.3240%	3.8010%	Rounded to the nearest .125%	First/Last (Arrears)
39	7YR		1	707-723 Colina Lane	0	Hybrid ARM	84	1,142,445	6	3/1/2021	6-MO LIBOR	2.550%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
40	5YR		1	381 East Navilla Place	0	Hybrid ARM	60	1,182,265	6	6/1/2019	6-MO LIBOR	2.550%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
41	5YR		1	360 South Hobart Boulevard	0	Hybrid ARM	60	1,101,784	6	5/1/2020	6-MO LIBOR	2.550%	3.375%	0.3240%	3.0510%	Rounded to the nearest .125%	First/Last (Arrears)
42	5YR		1	Dickens Apartments	0	Hybrid ARM	60	1,171,005	6	5/1/2017	12-MTA	2.500%	3.750%	0.3240%	3.4260%	Rounded to the nearest .125%	First/Last (Arrears)
43	10YR		1	3141-3143 Wabash Avenue	0	Hybrid ARM	120	1,177,315	6	8/1/2025	6-MO LIBOR	2.550%	4.500%	0.3240%	4.1760%	Rounded to the nearest .125%	First/Last (Arrears)
44	10YR		1	Barbara Worth Villas	0	Hybrid ARM	120	964,892	6	10/1/2024	6-MO LIBOR	2.550%	4.625%	0.3240%	4.3010%	Rounded to the nearest .125%	First/Last (Arrears)
45	5YR		1	24522 Walnut Street	0	Hybrid ARM	60	1,058,285	6	2/1/2020	6-MO LIBOR	2.550%	3.250%	0.3240%	2.9260%	Rounded to the nearest .125%	First/Last (Arrears)
46	7YR		1	1245 Brocton Avenue	0	Hybrid ARM	84	998,043	6	3/1/2022	6-MO LIBOR	2.250%	3.625%	0.3240%	3.3010%	Rounded to the nearest .125%	First/Last (Arrears)
47	7YR		1	4061-4067 Van Dyke Avenue	0	Hybrid ARM	84	1,005,463	6	3/1/2020	12-MTA	2.500%	4.000%	0.3240%	3.6760%	Rounded to the nearest .125%	First/Last (Arrears)
48	7YR		1	3719 South Canfield Avenue	0	Hybrid ARM	84	999,639	6	5/1/2019	12-MTA	2.500%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
49	7YR		1	2510 South Anchoy Avenue	0	Hybrid ARM	84	995,312	6	6/1/2019	12-MTA	2.500%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
50	7YR		1	Muir Apartments	0	Hybrid ARM	84	995,312	6	5/1/2019	12-MTA	2.500%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)
51	7YR		1	1049 Pine Avenue	0	Hybrid ARM	84	939,055	6	8/1/2020	6-MO LIBOR	2.550%	4.250%	0.3240%	3.9260%	Rounded to the nearest .125%	First/Last (Arrears)

Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Maximum Interest Adjusted (Lifetime) <sup>(2)</sup>	Rate Cap (Lifetime) <sup>(3)</sup>	Periodic Cap <sup>(10)</sup>	Rate Floor (Lifetime)	Accrual Basis	Loan Amortization Type	Monthly Debt Service Amount (Amortizing)	Monthly Debt Service Amount (IO)	Monthly Debt Service Amount (at Cap) <sup>(11)</sup>	Amortization Term (Original)	Amortization Term (Remaining)	Loan Term (Original)	Loan Term (Remaining)	IO Period	Seasoning	Prepayment Provision <sup>(12)</sup>
1	5YR		1	Solana Pointe Apartments	4.500%	10.000%	1.000%	4.500%	30/360	Fully Amortizing	24,321	N/A	39,761	360	309	360	309	0	51	3%(23) 2%(24) 1%(12) O(30)
2	5YR		1	1020 Pine Street	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	17,367	N/A	30,695	360	343	360	343	0	17	3%(23) 2%(24) 1%(12) O(30)
3	5YR		1	14724 Inglewood Avenue	6.500%	10.000%	1.000%	3.500%	30/360	Fully Amortizing	16,166	N/A	29,343	360	348	360	348	0	12	3%(23) 2%(24) 1%(12) O(30)
4	5YR		1	645 East Clarendon Street	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	16,304	N/A	29,676	360	325	360	325	0	35	3%(23) 2%(24) 1%(12) O(30)
5	5YR		1	644-660 East Clarendon Street	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	16,672	N/A	29,467	360	325	360	325	0	35	3%(23) 2%(24) 1%(12) O(30)
6	5YR		1	1401 Palisades Beach Road	6.500%	10.000%	1.000%	3.500%	30/360	Fully Amortizing	15,470	N/A	28,079	360	344	360	344	0	16	3%(23) 2%(24) 1%(12) O(30)
7	5YR		1	Woodpark Apartments	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	16,209	N/A	28,649	360	318	360	318	0	42	3%(23) 2%(24) 1%(12) O(30)
8	10YR		1	6202 South Pacific Coast Highway	5.580%	10.000%	1.000%	4.420%	30/360	Fully Amortizing	16,564	N/A	25,440	360	347	360	347	0	13	5%(23) 4%(24) 3%(24) 2%(24) 1%(24) O(24)
9	5YR		1	1920 Hillcrest Road	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	13,861	N/A	26,947	360	350	360	350	0	10	3%(23) 2%(24) 1%(12) O(30)
10	7YR		1	10529 Floralta Avenue	5.875%	10.000%	1.000%	4.125%	30/360	Fully Amortizing	14,297	N/A	23,606	360	333	360	333	0	27	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
11	5YR		1	250 Cliff Drive	6.500%	10.000%	1.000%	3.500%	30/360	Fully Amortizing	13,597	N/A	24,681	360	319	360	319	0	41	3%(23) 2%(24) 1%(12) O(30)
12	5YR		1	5255 Blakeslee Avenue	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	12,438	N/A	23,194	360	352	360	352	0	8	3%(23) 2%(24) 1%(12) O(30)
13	5YR		1	10114 Scott Avenue	6.500%	10.000%	1.000%	3.500%	30/360	Fully Amortizing	12,349	N/A	22,415	360	344	360	344	0	16	3%(23) 2%(24) 1%(12) O(30)
14	5YR		1	Dalton Historical Building	5.875%	10.000%	1.000%	4.125%	30/360	Fully Amortizing	13,328	N/A	22,647	360	329	360	329	0	31	3%(23) 2%(24) 1%(12) O(30)
15	5YR		1	Walnut Gardens Apartments	5.750%	9.500%	1.000%	3.750%	30/360	Fully Amortizing	11,809	N/A	20,069	360	334	360	334	0	26	3%(11) 2%(12) 1%(12) O(32)
16	7YR		1	145 East 18th Street	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	11,807	N/A	19,259	360	342	360	342	0	18	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
17	10YR		1	2881-2885 Bush Street	5.500%	10.000%	1.000%	4.500%	30/360	Fully Amortizing	11,147	N/A	17,003	360	347	360	347	0	13	5%(23) 4%(24) 3%(24) 2%(24) 1%(24) O(24)
18	5YR		1	852 17th Street	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	9,357	N/A	17,448	360	352	360	352	0	8	3%(23) 2%(24) 1%(12) O(30)
19	5YR		1	8876 Olive Lane	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	9,248	N/A	17,245	360	354	360	354	0	6	3%(23) 2%(24) 1%(12) O(30)
20	5YR		1	505 North Alfred Street	6.000%	10.000%	1.000%	4.000%	30/360	Fully Amortizing	10,272	N/A	17,683	360	335	360	335	0	25	3%(23) 2%(24) 1%(12) O(30)
21	10YR		1	Potomac Square Apartments	5.250%	10.000%	1.000%	4.750%	30/360	Fully Amortizing	11,476	N/A	17,138	360	313	360	313	0	47	5%(11) 4%(12) 3%(12) 2%(12) 1%(48) O(26)
22	5YR		1	340-350 Wisconsin Avenue	6.375%	10.000%	1.000%	3.625%	30/360	Fully Amortizing	9,121	N/A	16,336	360	344	360	344	0	16	3%(23) 2%(24) 1%(12) O(30)
23	5YR		1	4055 And 4075 Briggs Street	6.625%	10.000%	1.000%	3.375%	30/360	Fully Amortizing	7,958	N/A	14,640	360	354	360	354	0	6	3%(23) 2%(24) 1%(12) O(30)
24	5YR		1	1515 North Hayworth Avenue	6.000%	10.000%	1.000%	4.000%	30/360	Fully Amortizing	8,751	N/A	15,065	360	335	360	335	0	25	3%(23) 2%(24) 1%(12) O(30)
25	5YR		1	4924 Tujunga Avenue	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	7,607	N/A	14,186	360	351	360	351	0	9	3%(23) 2%(24) 1%(12) O(30)
26	5YR		1	1188-1184 Holly Avenue	6.625%	10.000%	1.000%	3.375%	30/360	Fully Amortizing	7,449	N/A	13,704	360	353	360	353	0	7	3%(23) 2%(24) 1%(12) O(30)
27	5YR		1	140 North Hamilton Drive	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	7,181	N/A	13,390	360	356	360	356	0	4	3%(23) 2%(24) 1%(12) O(30)
28	7YR		1	3565 Dimond Avenue	5.000%	10.250%	1.000%	5.250%	30/360	Fully Amortizing	9,026	N/A	13,644	360	306	360	306	0	54	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
29	5YR		1	1360-1364 Valencia Street	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	8,019	N/A	13,450	360	311	360	311	0	49	3%(23) 2%(24) 1%(12) O(30)
30	5YR		1	3843 3853 West 27th Street	6.375%	10.000%	1.000%	3.625%	30/360	Fully Amortizing	6,841	N/A	12,252	360	356	360	356	0	4	3%(23) 2%(24) 1%(12) O(30)
31	5YR		1	330 Roosevelt Street	6.625%	10.000%	1.000%	3.375%	30/360	Fully Amortizing	6,549	N/A	12,047	360	353	360	353	0	7	3%(23) 2%(24) 1%(12) O(30)
32	10YR		1	1831 Camden Avenue	5.375%	10.000%	1.000%	4.625%	30/360	Fully Amortizing	7,712	N/A	11,639	360	342	360	342	0	18	5%(23) 4%(24) 3%(24) 2%(24) 1%(24) O(24)
33	5YR		1	1820 North La Brea Avenue	6.000%	10.000%	1.000%	4.000%	30/360	Fully Amortizing	7,257	N/A	12,493	360	335	360	335	0	25	3%(23) 2%(24) 1%(12) O(30)
34	5YR		1	361 East Navilla Place	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	6,706	N/A	11,852	360	343	360	343	0	17	3%(23) 2%(24) 1%(12) O(30)
35	5YR		1	945 Beacon Avenue	6.500%	10.000%	1.000%	3.500%	30/360	Fully Amortizing	6,120	N/A	11,110	360	353	360	353	0	7	3%(23) 2%(24) 1%(12) O(30)
36	7YR		1	The Toledo Apartments	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	6,789	N/A	11,074	360	343	360	343	0	17	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
37	5YR		1	23751 Arlington Avenue	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	5,832	N/A	10,875	360	354	360	354	0	6	3%(23) 2%(24) 1%(12) O(30)
38	7YR		1	940-942 South Flower Street	5.875%	10.000%	1.000%	4.125%	30/360	Fully Amortizing	6,615	N/A	10,923	360	328	360	328	0	32	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
39	7YR		1	707-723 Colina Lane	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	6,494	N/A	10,593	360	340	360	340	0	20	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
40	5YR		1	381 East Navilla Place	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	6,078	N/A	10,743	360	343	360	343	0	17	3%(23) 2%(24) 1%(12) O(30)
41	5YR		1	360 South Hobart Boulevard	6.625%	10.000%	1.000%	3.375%	30/360	Fully Amortizing	5,442	N/A	10,012	360	354	360	354	0	6	3%(23) 2%(24) 1%(12) O(30)
42	5YR		1	Dickens Apartments	6.250%	10.000%	1.000%	3.750%	30/360	Fully Amortizing	6,021	N/A	10,641	360	318	360	318	0	42	3%(23) 2%(24) 1%(12) O(30)
43	10YR		1	3141-3143 Wabash Avenue	5.500%	10.000%	1.000%	4.500%	30/360	Fully Amortizing	7,448	N/A	11,381	360	357	360	357	0	3	5%(23) 4%(24) 3%(24) 2%(24) 1%(24) O(24)
44	10YR		1	Barbara Worth Villas	5.375%	10.000%	1.000%	4.625%	30/360	Fully Amortizing	6,170	N/A	9,311	360	347	360	347	0	13	5%(23) 4%(24) 3%(24) 2%(24) 1%(24) O(24)
45	5YR		1	24522 Walnut Street	6.750%	10.000%	1.000%	3.250%	30/360	Fully Amortizing	5,157	N/A	9,617	360	351	360	351	0	9	3%(23) 2%(24) 1%(12) O(30)
46	7YR		1	1245 Brocton Avenue	5.875%	9.500%	1.000%	3.625%	30/360	Fully Amortizing	5,336	N/A	8,912	360	352	360	352	0	8	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
47	7YR		1	4061-4067 Van Dyke Avenue	6.000%	10.000%	1.000%	4.000%	30/360	Fully Amortizing	5,578	N/A	9,322	360	328	360	328	0	32	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
48	7YR		1	3719 South Canfield Avenue	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	5,682	N/A	9,268	360	318	360	318	0	42	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
49	7YR		1	2510 South Anchoy Avenue	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	5,657	N/A	9,228	360	319	360	319	0	41	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
50	7YR		1	Muir Apartments	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	5,657	N/A	9,228	360	318	360	318	0	42	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)
51	7YR		1	1049 Pine Avenue	5.750%	10.000%	1.000%	4.250%	30/360	Fully Amortizing	5,338	N/A	8,707	360	333	360	333	0	27	5%(11) 4%(12) 3%(12) 2%(12) 1%(36) O(27)



Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	2nd Most Recent NCF	3rd Most Recent Financial End Date	3rd Most Recent EGI	3rd Most Recent Expenses	3rd Most Recent NOI	3rd Most Recent NCF	Lien Position	Title Vesting (Fee/Leasehold/Both)	Zoning Status
1	5YR		1	Solana Pointe Apartments	327,612	12/31/2013	657,421	247,362	410,059	400,224	First Mortgage	Fee Simple	Legal Non-Conforming
2	5YR		1	1020 Pine Street	301,076	12/31/2012	364,724	82,478	282,246	281,976	First Mortgage	Fee Simple	Conforming
3	5YR		1	14724 Ingleswood Avenue	352,937	12/31/2012	470,790	161,337	309,453	309,453	First Mortgage	Fee Simple	Legal Non-Conforming
4	5YR		1	645 East Glaraday Street	328,186	3/31/2014	455,281	141,634	316,647	316,647	First Mortgage	Fee Simple	Legal Non-Conforming
5	5YR		1	644-660 East Glaraday Street	333,073	3/31/2014	455,209	155,794	299,415	299,415	First Mortgage	Fee Simple	Legal Non-Conforming
6	5YR		1	1401 Palisades Beach Road	194,027	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
7	5YR		1	Woodpark Apartments	254,215	12/31/2012	448,743	158,309	290,434	290,434	First Mortgage	Fee Simple	Legal Non-Conforming
8	10YR		1	6202 South Pacific Coast Highway	186,404	12/31/2013	385,139	128,454	256,685	247,613	First Mortgage	Fee Simple	Legal Non-Conforming
9	5YR		1	1920 Hillcrest Road	206,602	12/31/2013	279,537	45,872	233,665	198,851	First Mortgage	Fee Simple	Legal Non-Conforming
10	7YR		1	10529 Floralta Avenue	241,186	12/31/2013	489,740	160,164	329,576	329,576	First Mortgage	Fee Simple	Legal Non-Conforming
11	5YR		1	250 Cliff Drive	283,888	12/31/2012	371,402	75,887	295,515	295,515	First Mortgage	Fee Simple	Legal Non-Conforming
12	5YR		1	5255 Blakeslee Avenue	199,083	12/31/2012	285,307	79,976	205,331	178,553	First Mortgage	Fee Simple	Legal Non-Conforming
13	5YR		1	10114 Scott Avenue	202,410	12/31/2012	314,612	126,943	187,669	187,669	First Mortgage	Fee Simple	Legal Non-Conforming
14	5YR		1	Dalton Historical Building	283,179	3/31/2014	432,462	160,027	272,435	272,435	First Mortgage	Fee Simple	Legal Non-Conforming
15	5YR		1	Walnut Gardens Apartments	174,689	12/31/2013	333,735	116,515	217,220	210,577	First Mortgage	Fee Simple	Legal Non-Conforming
16	7YR		1	145 East 18th Street	139,994	12/31/2012	292,784	107,551	185,233	164,773	First Mortgage	Fee Simple	Legal Non-Conforming
17	10YR		1	2881-2885 Bush Street	187,933	12/31/2012	238,112	69,945	168,167	168,167	First Mortgage	Fee Simple	Legal Non-Conforming
18	5YR		1	852 17th Street	55,544	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
19	5YR		1	8876 Olive Lane	205,534	12/31/2012	402,851	170,593	232,258	224,102	First Mortgage	Fee Simple	Legal Non-Conforming
20	5YR		1	505 North Alfred Street	173,869	12/31/2013	233,690	77,960	155,730	155,730	First Mortgage	Fee Simple	Legal Non-Conforming
21	10YR		1	Potomac Square Apartments	458,021	12/31/2013	689,015	279,692	409,323	409,323	First Mortgage	Fee Simple	Legal Non-Conforming
22	5YR		1	340-350 Wisconsin Avenue	152,178	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
23	5YR		1	4055 And 4075 Briggs Street	121,725	12/31/2012	351,855	176,711	175,144	175,144	First Mortgage	Fee Simple	Legal Non-Conforming
24	5YR		1	1515 North Hayworth Avenue	145,819	12/31/2012	201,302	92,259	109,043	109,043	First Mortgage	Fee Simple	Legal Non-Conforming
25	5YR		1	4924 Tujunga Avenue	109,631	12/31/2012	176,908	50,171	126,738	105,724	First Mortgage	Fee Simple	Legal Non-Conforming
26	5YR		1	1188-1184 Holly Avenue	138,049	10/31/2012	174,388	24,886	149,502	149,502	First Mortgage	Fee Simple	Conforming
27	5YR		1	140 North Hamilton Drive	123,279	12/31/2013	190,866	55,435	135,430	127,278	First Mortgage	Fee Simple	Legal Non-Conforming
28	7YR		1	3565 Dimond Avenue	176,664	12/31/2012	301,449	159,930	141,519	138,039	First Mortgage	Fee Simple	Legal Non-Conforming
29	5YR		1	1360-1364 Valencia Street	138,403	12/31/2012	191,522	82,591	108,931	108,931	First Mortgage	Fee Simple	Legal Non-Conforming
30	5YR		1	3843 3853 West 27th Street	159,504	12/31/2013	231,546	71,821	159,726	159,726	First Mortgage	Fee Simple	Legal Non-Conforming
31	5YR		1	330 Roosevelt Street	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Conforming
32	10YR		1	1831 Camden Avenue	157,657	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
33	5YR		1	1820 North La Brea Avenue	99,282	12/31/2013	49,853	30,047	19,807	19,807	First Mortgage	Fee Simple	Legal Non-Conforming
34	5YR		1	361 East Navilla Place	105,002	3/31/2014	155,791	45,936	109,855	109,855	First Mortgage	Fee Simple	Legal Non-Conforming
35	5YR		1	945 Beacon Avenue	116,747	12/31/2012	287,439	155,491	131,948	131,948	First Mortgage	Fee Simple	Legal Non-Conforming
36	7YR		1	The Toledo Apartments	113,858	12/31/2013	150,291	42,593	107,698	96,627	First Mortgage	Fee Simple	Legal Non-Conforming
37	5YR		1	23751 Arlington Avenue	186,838	12/31/2012	221,268	65,667	155,601	150,169	First Mortgage	Fee Simple	Legal Non-Conforming
38	7YR		1	940-942 South Flower Street	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
39	7YR		1	707-723 Colina Lane	156,343	12/31/2012	215,073	49,180	165,893	165,893	First Mortgage	Fee Simple	Legal Non-Conforming
40	5YR		1	381 East Navilla Place	115,766	3/31/2014	151,640	45,182	106,658	106,658	First Mortgage	Fee Simple	Legal Non-Conforming
41	5YR		1	350 South Hobart Boulevard	N/A	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Conforming
42	5YR		1	Dickens Apartments	102,492	12/31/2012	149,728	45,219	104,509	104,509	First Mortgage	Fee Simple	Legal Non-Conforming
43	10YR		1	3141-3143 Wabash Avenue	165,813	12/31/2013	198,145	65,479	132,667	132,667	First Mortgage	Fee Simple	Legal Non-Conforming
44	10YR		1	Barbara Worth Villas	189,904	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
45	5YR		1	24522 Walnut Street	76,878	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
46	7YR		1	1245 Brockton Avenue	65,057	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
47	7YR		1	4061-4067 Van Dyke Avenue	85,043	12/31/2012	164,916	39,653	125,263	117,263	First Mortgage	Fee Simple	Legal Non-Conforming
48	7YR		1	3719 South Canfield Avenue	91,767	12/31/2013	143,866	51,589	92,277	92,277	First Mortgage	Fee Simple	Conforming
49	7YR		1	2510 South Anchovy Avenue	79,494	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
50	7YR		1	Muir Apartments	71,988	N/A	N/A	N/A	N/A	N/A	First Mortgage	Fee Simple	Legal Non-Conforming
51	7YR		1	1049 Pine Avenue	81,808	12/31/2012	159,976	60,702	99,274	99,274	First Mortgage	Fee Simple	Legal Non-Conforming

Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Ground Lease Maturity Date	Engineering Escrow/Deferred Maintenance	Tax Escrow (Initial)	Tax Escrow (Monthly)	Insurance Escrow (Initial)	Insurance Escrow (Monthly)	Replacement Reserve (Initial)	Replacement Reserve (Monthly)	Replacement Reserve - Contractual - Cap (\$ or N/A)	Environmental Escrow	Other Escrow (Initial)
1	5YR		1	Solana Ponte Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	5YR		1	1020 Pine Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	5YR		1	14724 Ingelwood Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	5YR		1	645 East Claraday Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	5YR		1	644-660 East Claraday Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	5YR		1	1401 Palisades Beach Road	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	5YR		1	Woodpark Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	10YR		1	6202 South Pacific Coast Highway	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	5YR		1	1920 Hillcrest Road	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	7YR		1	10529 Floralta Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	5YR		1	250 Cliff Drive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	5YR		1	5255 Blakeslee Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	5YR		1	10114 Scott Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	5YR		1	Dalton Historical Building	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15	5YR		1	Walnut Gardens Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	7YR		1	145 East 18th Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17	10YR		1	2881-2885 Bush Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	5YR		1	852 17th Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	5YR		1	8876 Olive Lane	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	5YR		1	505 North Alfred Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
21	10YR		1	Potomac Square Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
22	5YR		1	340-350 Wisconsin Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
23	5YR		1	4055 And 4075 Briggs Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
24	5YR		1	1515 North Hayworth Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	5YR		1	4924 Tujunga Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	5YR		1	1188-1184 Holly Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	5YR		1	140 North Hamilton Drive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	7YR		1	3565 Dimond Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	5YR		1	1360-1364 Valencia Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	5YR		1	3843 3853 West 27th Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
31	5YR		1	330 Roosevelt Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	10YR		1	1831 Camden Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	5YR		1	1820 North La Brea Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	5YR		1	361 East Navilla Place	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	5YR		1	945 Beacon Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	7YR		1	The Toledo Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	5YR		1	23751 Arlington Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38	7YR		1	940-942 South Flower Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
39	7YR		1	707-723 Colina Lane	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	5YR		1	381 East Navilla Place	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	5YR		1	350 South Hobart Boulevard	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	5YR		1	Dickens Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
43	10YR		1	3141-3143 Wabash Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	10YR		1	Barbara Worth Villas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	5YR		1	24522 Walnut Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	7YR		1	1245 Brockton Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	7YR		1	4061-4067 Van Dyke Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	7YR		1	3719 South Canfield Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
49	7YR		1	2510 South Anchovy Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	7YR		1	Muir Apartments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	7YR		1	1049 Pine Avenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Other Escrow (Monthly)	Other Escrow Reserve Description	Springing Reserve Type	Springing Reserve Amount	Seismic Insurance if PML >= 20% (Y/N)	Monthly Rent Per Unit	Secondary Financing In Place (existing) (Y/N)	Secondary Financing Amount (existing)
1	5YR		1	Solana Pointe Apartments	N/A	N/A	N/A	N/A	N/A	1,806	No	N/A
2	5YR		1	1020 Pine Street	N/A	N/A	N/A	N/A	N/A	4,300	No	N/A
3	5YR		1	14724 Inglewood Avenue	N/A	N/A	N/A	N/A	N/A	862	No	N/A
4	5YR		1	645 East Claraday Street	N/A	N/A	N/A	N/A	N/A	1,346	No	N/A
5	5YR		1	644-660 East Claraday Street	N/A	N/A	N/A	N/A	N/A	1,305	No	N/A
6	5YR		1	1401 Palisades Beach Road	N/A	N/A	N/A	N/A	N/A	3,021	No	N/A
7	5YR		1	Woodpark Apartments	N/A	N/A	N/A	N/A	N/A	1,485	No	N/A
8	10YR		1	6202 South Pacific Coast Highway	N/A	N/A	N/A	N/A	N/A	1,492	No	N/A
9	5YR		1	1920 Hillcrest Road	N/A	N/A	N/A	N/A	N/A	1,665	No	N/A
10	7YR		1	10529 Floralta Avenue	N/A	N/A	N/A	N/A	N/A	914	No	N/A
11	5YR		1	250 Cliff Drive	N/A	N/A	N/A	N/A	N/A	1,793	No	N/A
12	5YR		1	5255 Blakeslee Avenue	N/A	N/A	N/A	N/A	N/A	1,028	No	N/A
13	5YR		1	10114 Scott Avenue	N/A	N/A	N/A	N/A	N/A	1,230	No	N/A
14	5YR		1	Dalton Historical Building	N/A	N/A	N/A	N/A	N/A	989	Yes	\$3,000,000
15	5YR		1	Walnut Gardens Apartments	N/A	N/A	N/A	N/A	N/A	1,233	No	N/A
16	7YR		1	145 East 18th Street	N/A	N/A	N/A	N/A	N/A	1,447	No	N/A
17	10YR		1	2881-2885 Bush Street	N/A	N/A	N/A	N/A	N/A	1,931	No	N/A
18	5YR		1	852 17th Street	N/A	N/A	N/A	N/A	N/A	4,411	No	N/A
19	5YR		1	8876 Olive Lane	N/A	N/A	N/A	N/A	N/A	1,011	No	N/A
20	5YR		1	505 North Alfred Street	N/A	N/A	N/A	N/A	N/A	2,567	No	N/A
21	10YR		1	Potomac Square Apartments	N/A	N/A	N/A	N/A	N/A	1,146	No	N/A
22	5YR		1	340-350 Wisconsin Avenue	N/A	N/A	N/A	N/A	N/A	1,346	No	N/A
23	5YR		1	4055 And 4075 Briggs Street	N/A	N/A	N/A	N/A	N/A	702	No	N/A
24	5YR		1	1515 North Hayworth Avenue	N/A	N/A	N/A	N/A	N/A	3,529	No	N/A
25	5YR		1	4924 Tujunga Avenue	N/A	N/A	N/A	N/A	N/A	1,368	No	N/A
26	5YR		1	1168-1184 Holly Avenue	N/A	N/A	N/A	N/A	N/A	1,242	No	N/A
27	5YR		1	140 North Hamilton Drive	N/A	N/A	N/A	N/A	N/A	2,025	No	N/A
28	7YR		1	3565 Dimond Avenue	N/A	N/A	N/A	N/A	N/A	1,016	No	N/A
29	5YR		1	1360-1364 Valencia Street	N/A	N/A	N/A	N/A	N/A	1,152	No	N/A
30	5YR		1	3843 3853 West 27th Street	N/A	N/A	N/A	N/A	N/A	1,295	No	N/A
31	5YR		1	330 Roosevelt Street	N/A	N/A	N/A	N/A	N/A	1,033	No	N/A
32	10YR		1	1831 Camden Avenue	N/A	N/A	N/A	N/A	N/A	1,845	No	N/A
33	5YR		1	1820 North La Brea Avenue	N/A	N/A	N/A	N/A	N/A	2,138	No	N/A
34	5YR		1	361 East Navilla Place	N/A	N/A	N/A	N/A	N/A	1,275	No	N/A
35	5YR		1	945 Beacon Avenue	N/A	N/A	N/A	N/A	N/A	783	No	N/A
36	7YR		1	The Toledo Apartments	N/A	N/A	N/A	N/A	N/A	2,443	No	N/A
37	5YR		1	23751 Arlington Avenue	N/A	N/A	N/A	N/A	N/A	1,679	No	N/A
38	7YR		1	940-942 South Flower Street	N/A	N/A	N/A	N/A	N/A	950	No	N/A
39	7YR		1	707-723 Colina Lane	N/A	N/A	N/A	N/A	N/A	2,060	No	N/A
40	5YR		1	381 East Navilla Place	N/A	N/A	N/A	N/A	N/A	1,365	No	N/A
41	5YR		1	350 South Hobart Boulevard	N/A	N/A	N/A	N/A	N/A	1,416	No	N/A
42	5YR		1	Dickens Apartments	N/A	N/A	N/A	N/A	N/A	1,408	No	N/A
43	10YR		1	3141-3143 Wabash Avenue	N/A	N/A	N/A	N/A	N/A	845	No	N/A
44	10YR		1	Barbara Worth Villas	N/A	N/A	N/A	N/A	N/A	828	No	N/A
45	5YR		1	24522 Walnut Street	N/A	N/A	N/A	N/A	N/A	1,213	No	N/A
46	7YR		1	1245 Brockton Avenue	N/A	N/A	N/A	N/A	N/A	1,465	No	N/A
47	7YR		1	4061-4067 Van Dyke Avenue	N/A	N/A	N/A	N/A	N/A	1,065	No	N/A
48	7YR		1	3719 South Canfield Avenue	N/A	N/A	N/A	N/A	N/A	1,636	No	N/A
49	7YR		1	2510 South Anchovy Avenue	N/A	N/A	N/A	N/A	N/A	1,115	No	N/A
50	7YR		1	Muir Apartments	N/A	N/A	N/A	N/A	N/A	1,112	No	N/A
51	7YR		1	1049 Pine Avenue	N/A	N/A	N/A	N/A	N/A	684	No	N/A

Loan No. / Property No.	Loan Group <sup>(1)</sup>	Footnotes	Number of Properties	Property Name	Secondary Financing Description (existing)	Future Subordinate Financing (Y/N)
1	5YR		1	Solana Pointe Apartments	N/A	N/A
2	5YR		1	1020 Pine Street	N/A	N/A
3	5YR		1	14724 Inglewood Avenue	N/A	N/A
4	5YR		1	645 East Claraday Street	N/A	N/A
5	5YR		1	644-660 East Claraday Street	N/A	N/A
6	5YR		1	1401 Palisades Beach Road	N/A	N/A
7	5YR		1	Woodpark Apartments	N/A	N/A
8	10YR		1	6202 South Pacific Coast Highway	N/A	N/A
9	5YR		1	1920 Hillcrest Road	N/A	N/A
10	7YR		1	10529 Floralta Avenue	N/A	N/A
11	5YR		1	250 Cliff Drive	N/A	N/A
12	5YR		1	5255 Blakeslee Avenue	N/A	N/A
13	5YR		1	10114 Scott Avenue	N/A	N/A
14	5YR		1	Dalton Historical Building	Subordinated loan payable to the Redevelopment Agency of the City of Temecula, CA secured by a subordinated deed of trust.	N/A
15	5YR		1	Walnut Gardens Apartments	N/A	N/A
16	7YR		1	145 East 18th Street	N/A	N/A
17	10YR		1	2881-2885 Bush Street	N/A	N/A
18	5YR		1	852 17th Street	N/A	N/A
19	5YR		1	8876 Olive Lane	N/A	N/A
20	5YR		1	505 North Alfred Street	N/A	N/A
21	10YR		1	Potomac Square Apartments	N/A	N/A
22	5YR		1	340-350 Wisconsin Avenue	N/A	N/A
23	5YR		1	4055 And 4075 Briggs Street	N/A	N/A
24	5YR		1	1515 North Hayworth Avenue	N/A	N/A
25	5YR		1	4924 Tujunga Avenue	N/A	N/A
26	5YR		1	1188-1184 Holly Avenue	N/A	N/A
27	5YR		1	140 North Hamilton Drive	N/A	N/A
28	7YR		1	3565 Dimond Avenue	N/A	N/A
29	5YR		1	1360-1364 Valencia Street	N/A	N/A
30	5YR		1	3843 3853 West 27th Street	N/A	N/A
31	5YR		1	339 Roosevelt Street	N/A	N/A
32	10YR		1	1831 Camden Avenue	N/A	N/A
33	5YR		1	1820 North La Brea Avenue	N/A	N/A
34	5YR		1	361 East Navilla Place	N/A	N/A
35	5YR		1	945 Beacon Avenue	N/A	N/A
36	7YR		1	The Toledo Apartments	N/A	N/A
37	5YR		1	23751 Arlington Avenue	N/A	N/A
38	7YR		1	940-942 South Flower Street	N/A	N/A
39	7YR		1	707-723 Colina Lane	N/A	N/A
40	5YR		1	381 East Navilla Place	N/A	N/A
41	5YR		1	350 South Hobart Boulevard	N/A	N/A
42	5YR		1	Dickens Apartments	N/A	N/A
43	10YR		1	3141-3143 Wabash Avenue	N/A	N/A
44	10YR		1	Barbara Worth Villas	N/A	N/A
45	5YR		1	24322 Walnut Street	N/A	N/A
46	7YR		1	1245 Brockton Avenue	N/A	N/A
47	7YR		1	4061-4067 Van Dyke Avenue	N/A	N/A
48	7YR		1	3719 South Canfield Avenue	N/A	N/A
49	7YR		1	2510 South Anchovy Avenue	N/A	N/A
50	7YR		1	Muir Apartments	N/A	N/A
51	7YR		1	1049 Pine Avenue	N/A	N/A



## Footnotes to Exhibit A-1

- (1) With respect to Loan Group, each group is a sub-pool of mortgaged loans as follows: (i) Loan Group 5YR consists of Hybrid ARM loans with an initial 5-year fixed rate period; (ii) Loan Group 7YR consists Hybrid ARM loans with an initial 7-year fixed rate period; and (iii) Loan Group 10YR Hybrid ARM loans with an initial 10-year fixed rate period.
- (2) The related groups of underlying mortgage loans were made to either the same borrower or to separate borrowers under common ownership.  
  
For discussion of the risks associated with related borrower loans, see *"Risk Factors - Risks Related to the Underlying Mortgage Loans"* in this Information Circular.
- (3) The Maturity Balance is the balance on the Maturity Date for each of the underlying mortgage loans based on the respective loan amortization schedules and assuming no voluntary or involuntary prepayments.
- (4) The Balance After Fixed Rate Period is the unpaid principal balance as of the First Interest Adjustment Date In Trust.
- (5) The Gross Interest Rate will reset on the First Interest Adjustment Date In Trust and every six months thereafter. The new interest rate is calculated by adding the Margin to the then current six month London Interbank Offered Rate ("6-Month LIBOR") or Twelve Month Treasury Average ("12-MTA") with the sum to be calculated rounded to the nearest 0.125%.
- (6) Beginning with the First Interest Adjustment Date In Trust and continuing every six months thereafter, the interest rate will be based on the 6-Month LIBOR or 12-MTA. For each loan with a 6-Month LIBOR index, LIBOR is determined as the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market, as published by the Wall Street Journal that is effective twenty days before the applicable rate change date. For each loan with a 12-MTA index, the index known as the 12-MTA is the average over a twelve-month period of the index values. The index value is the average yield for a full calendar month on United States Treasury securities adjusted to a constant maturity of one year, as published in the Federal Reserve Statistical Release H.15. The current index is calculated by adding 12 consecutive index values (ending with the most recent index value that was available twenty (20) days before the applicable rate change date) and dividing the sum by 12.
- (7) The Gross Interest Rate is the initial fixed interest rate charged on unpaid principal until the First Interest Adjustment Date In Trust.
- (8) The Administration Fee Rate includes the master servicing fee rate, sub-servicing fee rate, trustee fee rate and the certificate administrator fee rate applicable to each underlying mortgage loan.
- (9) Maximum Interest Adjustment (Lifetime) represents the maximum increase in Gross Interest Rate that can be incurred by the borrower following the Initial Fixed Rate Period (Hybrid ARMs) for Hybrid ARM mortgage loans. The Gross Interest Rate plus the Maximum Interest Adjustment (Lifetime) equals the Rate Cap (Lifetime).
- (10) Beginning on the First Interest Adjustment Date In Trust, the Gross Interest Rate will not be greater than the Rate Cap (Lifetime) nor less than the Rate Floor (Lifetime). Except for a change on the First Interest Adjustment Date In Trust, the interest rate will not on any loan reset date, increase or decrease by more than 1.0% from the interest rate from the preceding loan reset date.
- (11) The Monthly Debt Service Amount (at Cap) calculation is based on the Rate Cap (Lifetime) during the adjustable rate period following the Initial Fixed Rate Period (Hybrid ARMs). The Rate Cap (Lifetime) is equal to such mortgage loan's Gross Interest Rate plus a range from 5.000% to 6.750%.
- (12) Prepayment Provision is shown from the respective mortgage loan origination date.

With respect to all of the underlying mortgage loans that have prepayment consideration periods during which voluntary principal prepayments must be accompanied by a prepayment premium, certificateholders representing a majority, by outstanding notional amount, of the Class X1 certificates will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a prepayment premium in connection with any prepayment of any underlying mortgage loan. The Prepayment Provision characteristic for these mortgage loans does not reflect this prepayment option.

**EXHIBIT A-2**

**CERTAIN MORTGAGE POOL INFORMATION**

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## Stratifications of the Underlying Mortgage Loans

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Mortgage Pool Rate Type	% of Initial Mortgage Pool Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
Solana Pointe Apartments	1	Garden	Solana Beach, CA	\$4,445,713	Hybrid ARM	4.4%	1.20x	60.1%	4.500%
1020 Pine Street	1	Mid Rise	San Francisco, CA	3,651,608	Hybrid ARM	3.6	1.40x	59.9%	3.750%
14724 Inglewood Avenue	1	Garden	Lawndale, CA	3,530,964	Hybrid ARM	3.5	1.43x	66.6%	3.500%
645 East Claraday Street	1	Garden	Glendora, CA	3,447,171	Hybrid ARM	3.4	1.42x	68.9%	3.750%
644-660 East Claraday Street	1	Garden	Glendora, CA	3,399,950	Hybrid ARM	3.3	1.37x	68.0%	3.750%
1401 Palisades Beach Road	1	Garden	Santa Monica, CA	3,356,381	Hybrid ARM	3.3	1.11x	63.3%	3.500%
Woodpark Apartments	1	Garden	Sherman Oaks, CA	3,263,961	Hybrid ARM	3.2	1.58x	65.3%	3.750%
6202 South Pacific Coast Highway	1	Garden	Redondo Beach, CA	3,241,421	Hybrid ARM	3.2	1.27x	51.2%	4.420%
1920 Hillcrest Road	1	Garden	Los Angeles, CA	3,132,038	Hybrid ARM	3.1	1.22x	55.4%	3.250%
10529 Floralita Avenue	1	Garden	Sunland, CA	2,832,705	Hybrid ARM	2.8	1.61x	53.7%	4.125%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$34,301,911</b>		<b>33.6%</b>	<b>1.35x</b>	<b>61.4%</b>	<b>3.846%</b>

### Mortgage Pool Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,042,668 - \$1,999,999	30	\$41,496,728	40.7%	1.55x	58.0%	3.878%
\$2,000,000 - \$2,999,999	12	29,060,161	28.5	1.61x	56.7%	3.837%
\$3,000,000 - \$3,999,999	8	27,023,493	26.5	1.35x	62.5%	3.709%
\$4,000,000 - \$4,445,713	1	4,445,713	4.4	1.20x	60.1%	4.500%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.11x - 1.19x	1	\$3,356,381	3.3%	1.11x	63.3%	3.500%
1.20x - 1.29x	11	21,945,010	21.5	1.23x	58.0%	3.935%
1.30x - 1.39x	8	17,492,216	17.1	1.34x	64.1%	3.614%
1.40x - 1.49x	14	30,317,521	29.7	1.43x	62.8%	3.863%
1.50x - 1.74x	7	12,938,777	12.7	1.62x	56.7%	4.033%
1.75x - 1.99x	5	7,977,343	7.8	1.81x	55.1%	3.884%
2.00x - 3.14x	5	7,998,848	7.8	2.51x	41.0%	3.881%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<i>Southern California</i>	47	93,206,736	91.4	1.51x	58.8%	3.808%
<i>Northern California</i>	4	8,819,359	8.6	1.36x	60.2%	4.275%
<b>Total/Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Collateral Locations



### Mortgage Pool Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
35.3% - 59.9%	25	\$47,877,194	46.9%	1.65x	50.8%	3.882%
60.0% - 64.9%	9	18,795,246	18.4	1.31x	62.0%	4.113%
65.0% - 69.9%	13	28,079,927	27.5	1.41x	67.0%	3.667%
70.0% - 74.9%	3	5,809,556	5.7	1.37x	71.9%	3.433%
75.0% - 76.1%	1	1,464,172	1.4	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	51	\$102,026,095	100.0%	1.50x	0.0%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>0.0%</b>	<b>3.848%</b>

### Mortgage Pool Mortgage Rates

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.250% - 3.499%	12	\$22,147,836	21.7%	1.45x	56.0%	3.285%
3.500% - 3.749%	8	18,331,173	18.0	1.50x	61.5%	3.531%
3.750% - 3.999%	8	20,109,295	19.7	1.40x	66.0%	3.750%
4.000% - 4.249%	7	13,166,311	12.9	1.59x	57.9%	4.064%
4.250% - 4.499%	9	13,996,177	13.7	1.43x	55.3%	4.289%
4.500% - 4.749%	5	10,714,941	10.5	1.46x	56.8%	4.531%
4.750% - 5.250%	2	3,560,363	3.5	2.43x	47.6%	4.961%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3%, 2%, then 1% penalty	33	\$73,303,733	71.8%	1.44x	60.8%	3.644%
5%, 4%, 3%, 2%, then 1% penalty	18	28,722,362	28.2	1.65x	54.0%	4.371%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	48	\$98,284,133	96.3%	1.50x	58.8%	3.852%
Acquisition	3	3,741,963	3.7	1.59x	62.0%	3.766%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total/Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	10	\$20,048,332	19.7%	1.62x	58.3%	4.215%
324 - 336	11	23,502,297	23.0	1.51x	62.5%	3.948%
337 - 349	14	30,869,429	30.3	1.43x	59.1%	3.943%
350 - 357	16	27,606,037	27.1	1.49x	56.1%	3.392%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	51	\$102,026,095	100.0%	1.50x	58.9%	3.848%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	10	\$20,048,332	19.7%	1.62x	58.3%	4.215%
324 - 336	11	23,502,297	23.0	1.51x	62.5%	3.948%
337 - 349	14	30,869,429	30.3	1.43x	59.1%	3.943%
350 - 357	16	27,606,037	27.1	1.49x	56.1%	3.392%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3 - 4	3	\$4,594,008	4.5%	1.52x	59.9%	3.770%
5 - 11	13	23,012,029	22.6	1.48x	55.3%	3.317%
12 - 17	11	25,785,019	25.3	1.40x	61.6%	3.861%
18 - 23	3	5,084,410	5.0	1.62x	46.6%	4.358%
24 - 35	11	23,502,297	23.0	1.51x	62.5%	3.948%
36 - 54	10	20,048,332	19.7	1.62x	58.3%	4.215%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	47	\$92,086,085	90.3%	1.51x	58.9%	3.823%
Mid Rise	4	9,940,010	9.7	1.36x	58.8%	4.088%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1904 - 1950	8	\$14,304,779	14.0%	1.38x	59.6%	3.901%
1951 - 1970	20	39,692,328	38.9	1.51x	61.9%	3.793%
1971 - 1980	2	6,533,134	6.4	1.49x	54.2%	4.101%
1981 - 1990	2	2,493,985	2.4	1.82x	54.4%	3.250%
1991 - 2000	1	1,179,447	1.2	2.59x	44.0%	4.625%
2001 - 2010	4	10,377,741	10.2	1.58x	56.3%	3.839%
2011 - 2015	14	27,444,682	26.9	1.45x	57.3%	3.865%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>

### Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
81.8% - 89.9%	1	\$1,212,329	1.2%	1.23x	67.4%	3.750%
90.0% - 94.9%	9	17,389,860	17.0	1.44x	60.4%	4.009%
95.0% - 99.9%	4	10,130,393	9.9	1.35x	68.5%	3.719%
100.0%	37	73,293,514	71.8	1.54x	57.1%	3.830%
<b>Total / Wtd. Average</b>	<b>51</b>	<b>\$102,026,095</b>	<b>100.0%</b>	<b>1.50x</b>	<b>58.9%</b>	<b>3.848%</b>



## Loan Group 5YR

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
Solana Pointe Apartments	1	Garden	Solana Beach, CA	\$4,445,713	Hybrid ARM	6.1%	1.20x	60.1%	4.500%
1020 Pine Street	1	Mid Rise	San Francisco, CA	3,651,608	Hybrid ARM	5.0	1.40x	59.9%	3.750%
14724 Inglewood Avenue	1	Garden	Lawndale, CA	3,530,964	Hybrid ARM	4.8	1.43x	66.6%	3.500%
645 East Claraday Street	1	Garden	Glendora, CA	3,447,171	Hybrid ARM	4.7	1.42x	68.9%	3.750%
644-660 East Claraday Street	1	Garden	Glendora, CA	3,399,950	Hybrid ARM	4.6	1.37x	68.0%	3.750%
1401 Palisades Beach Road	1	Garden	Santa Monica, CA	3,356,381	Hybrid ARM	4.6	1.11x	63.3%	3.500%
Woodpark Apartments	1	Garden	Sherman Oaks, CA	3,263,961	Hybrid ARM	4.5	1.58x	65.3%	3.750%
1920 Hillcrest Road	1	Garden	Los Angeles, CA	3,132,038	Hybrid ARM	4.3	1.22x	55.4%	3.250%
250 Cliff Drive	1	Garden	Laguna Beach, CA	2,820,942	Hybrid ARM	3.8	1.80x	58.8%	3.500%
5255 Blakeslee Avenue	1	Garden	Los Angeles, CA	2,820,074	Hybrid ARM	3.8	1.31x	65.6%	3.250%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$33,868,802</b>		<b>46.2%</b>	<b>1.37x</b>	<b>63.2%</b>	<b>3.689%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,167,285 - \$1,999,999	17	\$25,406,118	34.7%	1.50x	59.3%	3.575%
\$2,000,000 - \$2,999,999	8	19,669,830	26.8	1.51x	59.3%	3.578%
\$3,000,000 - \$3,999,999	7	23,782,072	32.4	1.36x	64.0%	3.612%
\$4,000,000 - \$4,445,713	1	4,445,713	6.1	1.20x	60.1%	4.500%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.11x - 1.29x	8	\$17,664,659	24.1%	1.21x	61.1%	3.695%
1.30x - 1.39x	8	17,492,216	23.9	1.34x	64.1%	3.614%
1.40x - 1.49x	9	22,581,881	30.8	1.43x	62.6%	3.648%
1.50x - 1.59x	1	3,263,961	4.5	1.58x	65.3%	3.750%
1.60x - 1.79x	3	4,718,095	6.4	1.69x	56.1%	3.882%
1.80x - 2.36x	4	7,582,921	10.3	2.06x	48.7%	3.387%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<i>Southern California</i>	31	68,148,816	93.0	1.45x	60.9%	3.625%
<i>Northern California</i>	2	5,154,917	7.0	1.38x	60.1%	3.896%
<b>Total/Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
41.7% - 59.9%	13	\$26,706,065	36.4%	1.60x	52.0%	3.519%
60.0% - 64.9%	6	14,862,482	20.3	1.27x	61.8%	3.975%
65.0% - 69.9%	11	25,925,630	35.4	1.39x	66.9%	3.630%
70.0% - 74.1%	3	5,809,556	7.9	1.37x	71.9%	3.433%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date	Weighted Average Gross Rate (Initial Fixed)
0.0%	33	\$73,303,733	100.0%	1.44x	0.0%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>0.0%</b>	<b>3.644%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.250% - 3.499%	12	\$22,147,836	30.2%	1.45x	56.0%	3.285%
3.500% - 3.749%	7	17,175,728	23.4	1.52x	62.3%	3.525%
3.750% - 3.999%	8	20,109,295	27.4	1.40x	66.0%	3.750%
4.000% - 4.249%	4	7,921,852	10.8	1.52x	58.5%	4.041%
4.250% - 4.500%	2	5,949,023	8.1	1.23x	60.3%	4.437%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3%, 2%, then 1% penalty	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	31	\$70,673,399	96.4%	1.44x	60.9%	3.643%
Acquisition	2	2,630,334	3.6	1.51x	58.7%	3.667%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total/Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
309 - 323	5	\$13,246,254	18.1%	1.44x	61.8%	4.005%
324 - 336	7	17,215,170	23.5	1.44x	63.8%	3.884%
337 - 349	7	17,855,889	24.4	1.35x	65.2%	3.602%
350 - 356	14	24,986,420	34.1	1.51x	55.2%	3.317%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	33	\$73,303,733	100.0%	1.44x	60.8%	3.644%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
309 - 323	5	\$13,246,254	18.1%	1.44x	61.8%	4.005%
324 - 336	7	17,215,170	23.5	1.44x	63.8%	3.884%
337 - 349	7	17,855,889	24.4	1.35x	65.2%	3.602%
350 - 356	14	24,986,420	34.1	1.51x	55.2%	3.317%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
4 - 7	9	\$14,023,676	19.1%	1.69x	52.9%	3.369%
8 - 11	5	10,962,744	15.0	1.27x	58.1%	3.250%
12 - 23	7	17,855,889	24.4	1.35x	65.2%	3.602%
24 - 35	7	17,215,170	23.5	1.44x	63.8%	3.884%
36 - 51	5	13,246,254	18.1	1.44x	61.8%	4.005%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 5YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	30	\$65,525,223	89.4%	1.45x	61.1%	3.605%
Mid Rise	3	7,778,510	10.6	1.40x	59.1%	3.973%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1904 - 1950	5	\$9,753,848	13.3%	1.38x	59.0%	3.683%
1951 - 1960	5	8,750,457	11.9	1.34x	67.7%	3.389%
1961 - 1980	9	25,080,458	34.2	1.42x	61.7%	3.698%
1981 - 1990	2	2,493,985	3.4	1.82x	54.4%	3.250%
1991 - 2010	3	9,096,143	12.4	1.54x	58.7%	3.781%
2011 - 2012	5	10,456,424	14.3	1.47x	63.8%	3.834%
2013 - 2014	4	7,672,419	10.5	1.45x	53.1%	3.415%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
81.8% - 92.4%	5	\$10,050,505	13.7%	1.23x	62.5%	4.013%
92.5% - 94.9%	2	5,213,582	7.1	1.54x	65.2%	3.703%
95.0% - 99.9%	3	8,666,221	11.8	1.34x	67.2%	3.587%
100.0%	23	49,373,425	67.4	1.49x	58.9%	3.572%
<b>Total / Wtd. Average</b>	<b>33</b>	<b>\$73,303,733</b>	<b>100.0%</b>	<b>1.44x</b>	<b>60.8%</b>	<b>3.644%</b>

## Loan Group 7YR

### Ten Largest Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
10529 Floralita Avenue	1	Garden	Sunland, CA	\$2,832,705	Hybrid ARM	16.5%	1.61x	53.7%	4.125%
145 East 18th Street	1	Garden	Costa Mesa, CA	2,338,704	Hybrid ARM	13.6	1.41x	57.0%	4.250%
3565 Dimond Avenue	1	Garden	Oakland, CA	1,502,942	Hybrid ARM	8.8	1.46x	64.4%	5.250%
The Toledo Apartments	1	Garden	Long Beach, CA	1,346,763	Hybrid ARM	7.9	1.46x	61.4%	4.250%
940-942 South Flower Street	1	Garden	Inglewood, CA	1,300,126	Hybrid ARM	7.6	1.84x	53.4%	4.125%
707-723 Colina Lane	1	Garden	Santa Barbara, CA	1,281,598	Hybrid ARM	7.5	1.90x	39.1%	4.250%
1245 Brockton Avenue	1	Garden	Los Angeles, CA	1,155,445	Hybrid ARM	6.7	1.20x	50.2%	3.625%
4061-4067 Van Dyke Avenue	1	Garden	San Diego, CA	1,111,628	Hybrid ARM	6.5	1.79x	69.9%	4.000%
3719 South Canfield Avenue	1	Garden	Los Angeles, CA	1,083,060	Hybrid ARM	6.3	1.42x	61.9%	4.250%
2510 South Anchovy Avenue	1	Garden	Los Angeles, CA	1,080,289	Hybrid ARM	6.3	1.65x	52.7%	4.250%
<b>Top 10 - Total/Wtd. Average</b>	<b>10</b>			<b>\$15,033,259</b>		<b>87.6%</b>	<b>1.57x</b>	<b>56.2%</b>	<b>4.249%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,042,668 - \$1,999,999	10	\$11,982,883	69.9%	1.55x	57.2%	4.278%
\$2,000,000 - \$2,832,705	2	5,171,409	30.1	1.52x	55.2%	4.182%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.20x - 1.24x	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
1.25x - 1.39x	1	1,078,365	6.3	1.25x	52.3%	4.250%
1.40x - 1.49x	4	6,271,468	36.6	1.43x	60.6%	4.490%
1.50x - 1.90x	6	8,649,014	50.4	1.70x	55.1%	4.158%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<i>Southern California</i>	11	15,651,351	91.2	1.55x	55.8%	4.153%
<i>Northern California</i>	1	1,502,942	8.8	1.46x	64.4%	5.250%
<b>Total/Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 7YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
39.1% - 54.9%	6	\$8,728,528	50.9%	1.59x	50.8%	4.108%
55.0% - 64.9%	4	6,271,468	36.6	1.43x	60.6%	4.490%
65.0% - 69.9%	2	2,154,297	12.6	1.66x	68.6%	4.121%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	12	\$17,154,292	100.0%	1.54x	0.0%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>0.0%</b>	<b>4.249%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3.625% - 3.999%	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
4.000% - 4.249%	3	5,244,459	30.6	1.71x	57.1%	4.099%
4.250% - 4.499%	7	9,251,447	53.9	1.51x	55.8%	4.250%
4.500% - 5.250%	1	1,502,942	8.8	1.46x	64.4%	5.250%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
5%, 4%, 3%, 2%, then 1% penalty	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 7YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	11	\$16,042,664	93.5%	1.53x	55.7%	4.266%
Acquisition	1	1,111,628	6.5	1.79x	69.9%	4.000%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total/Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	4	\$4,744,656	27.7%	1.45x	58.4%	4.567%
324 - 336	4	6,287,127	36.7	1.67x	58.8%	4.124%
337 - 352	4	6,122,509	35.7	1.48x	52.9%	4.132%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
306 - 323	4	\$4,744,656	27.7%	1.45x	58.4%	4.567%
324 - 336	4	6,287,127	36.7	1.67x	58.8%	4.124%
337 - 352	4	6,122,509	35.7	1.48x	52.9%	4.132%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
8 - 11	1	\$1,155,445	6.7%	1.20x	50.2%	3.625%
12 - 23	3	4,967,065	29.0	1.55x	53.6%	4.250%
24 - 35	4	6,287,127	36.7	1.67x	58.8%	4.124%
36 - 54	4	4,744,656	27.7	1.45x	58.4%	4.567%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

## Loan Group 7YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	12	\$17,154,292	100.0%	1.54x	56.6%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1924 - 1980	7	\$9,798,275	57.1%	1.51x	60.0%	4.285%
1981 - 2010	1	1,281,598	7.5	1.90x	39.1%	4.250%
2011 - 2013	4	6,074,419	35.4	1.52x	54.7%	4.192%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
91.7% - 99.9%	2	\$2,158,654	12.6%	1.45x	52.5%	4.250%
100.0%	10	14,995,638	87.4	1.56x	57.2%	4.249%
<b>Total / Wtd. Average</b>	<b>12</b>	<b>\$17,154,292</b>	<b>100.0%</b>	<b>1.54x</b>	<b>56.6%</b>	<b>4.249%</b>



## Loan Group 10YR

### The Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	Loan Group Rate Type	% of Initial Loan Group Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Interest Rate (Initial Fixed)
6202 South Pacific Coast Highway	1	Garden	Redondo Beach, CA	\$3,241,421	Hybrid ARM	28.0%	1.27x	51.2%	4.420%
2881-2885 Bush Street	1	Mid Rise	San Francisco, CA	2,161,501	Hybrid ARM	18.7	1.23x	57.6%	4.500%
Potomac Square Apartments	1	Garden	San Diego, CA	2,057,422	Hybrid ARM	17.8	3.14x	35.3%	4.750%
3141-3143 Wabash Avenue	1	Garden	Los Angeles, CA	1,464,172	Hybrid ARM	12.7	1.40x	76.1%	4.500%
1831 Camden Avenue	1	Garden	Los Angeles, CA	1,464,108	Hybrid ARM	12.7	1.72x	36.4%	4.625%
Barbara Worth Villas	1	Garden	El Centro, CA	1,179,447	Hybrid ARM	10.2	2.59x	44.0%	4.625%
<b>Total/Wtd. Average</b>	<b>6</b>			<b>\$11,568,070</b>		<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
\$1,179,447 - \$1,999,999	3	\$4,107,727	35.5%	1.86x	52.7%	4.580%
\$2,000,000 - \$2,999,999	2	4,218,922	36.5	2.16x	46.7%	4.622%
\$3,000,000 - \$3,241,421	1	3,241,421	28.0	1.27x	51.2%	4.420%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1.23x - 1.24x	1	\$2,161,501	18.7%	1.23x	57.6%	4.500%
1.25x - 1.34x	1	3,241,421	28.0	1.27x	51.2%	4.420%
1.35x - 1.49x	1	1,464,172	12.7	1.40x	76.1%	4.500%
1.50x - 3.14x	3	4,700,976	40.6	2.56x	37.8%	4.680%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
California	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<i>Southern California</i>	5	9,406,569	81.3	1.93x	48.4%	4.562%
<i>Northern California</i>	1	2,161,501	18.7	1.23x	57.6%	4.500%
<b>Total/Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
35.3% - 49.9%	3	\$4,700,976	40.6%	2.56x	37.8%	4.680%
50.0% - 59.9%	2	5,402,921	46.7%	1.25x	53.8%	4.452%
60.0% - 76.1%	1	1,464,172	12.7%	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Maturity Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
0.0%	6	\$11,568,070	100.0%	1.80x	0.0%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>0.0%</b>	<b>4.551%</b>

### Loan Group Gross Interest Rate (Initial Fixed)

Range of Gross Rates (Initial Fixed)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
4.420% - 4.499%	1	\$3,241,421	28.0%	1.27x	51.2%	4.420%
4.500% - 4.750%	5	8,326,649	72.0%	2.01x	49.7%	4.601%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Rate Type

Rate Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Hybrid ARM	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
5%, 4%, 3%, 2%, then 1% penalty	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Refinance	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total/Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
313 - 323	1	\$2,057,422	17.8%	3.14x	35.3%	4.750%
324 - 347	4	8,046,476	69.6	1.53x	49.2%	4.509%
348 - 357	1	1,464,172	12.7	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
360	6	\$11,568,070	100.0%	1.80x	50.1%	4.551%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
313 - 323	1	\$2,057,422	17.8%	3.14x	35.3%	4.750%
324 - 347	4	8,046,476	69.6	1.53x	49.2%	4.509%
348 - 357	1	1,464,172	12.7	1.40x	76.1%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
3	1	\$1,464,172	12.7%	1.40x	76.1%	4.500%
13	3	6,582,368	56.9	1.49x	52.0%	4.483%
18	1	1,464,108	12.7	1.72x	36.4%	4.625%
47	1	2,057,422	17.8	3.14x	35.3%	4.750%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

## Loan Group 10YR

### Loan Group Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
Garden	5	\$9,406,569	81.3%	1.93x	48.4%	4.562%
Mid Rise	1	2,161,501	18.7	1.23x	57.6%	4.500%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
1909 - 1950	1	\$2,161,501	18.7%	1.23x	57.6%	4.500%
1951 - 1970	3	4,985,702	43.1	2.21x	47.6%	4.640%
1971 - 2000	1	1,179,447	10.2	2.59x	44.0%	4.625%
2014	1	3,241,421	28.0	1.27x	51.2%	4.420%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

### Loan Group Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group Balance	Weighted Average Underwritten DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Gross Rate (Initial Fixed)
90.9% - 94.9%	1	\$1,179,447	10.2%	2.59x	44.0%	4.625%
95.0% - 99.9%	1	1,464,172	12.7	1.40x	76.1%	4.500%
100.0%	4	8,924,451	77.1	1.77x	46.7%	4.549%
<b>Total / Wtd. Average</b>	<b>6</b>	<b>\$11,568,070</b>	<b>100.0%</b>	<b>1.80x</b>	<b>50.1%</b>	<b>4.551%</b>

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**EXHIBIT B**

**FORM OF CERTIFICATE ADMINISTRATOR'S STATEMENT TO CERTIFICATEHOLDERS**

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# Banc of America Merrill Lynch Commercial Mortgage Inc.

FRESB 2015-SB8 Mortgage Trust, Multifamily Mortgage Pass-Through Certificates, Series 2015-SB8

December 28, 2015

1761 E. St. Andrew Place  
Santa Ana, CA 92705

Website:  
<https://tss.sfs.db.com/investpublic>

Associated Files  
Supplements  
Pool Periodic  
Bond Periodic  
Loan Periodic  
Loan Setup  
Governing Documents  
Annex A

Factor Information:  
(800) 735-7777

Main Phone Number:  
714-247-6000

**Administrator**

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## Contacts

Depositor	Banc of America Merrill Lynch Commercial Mortgage Inc.
Master Servicer	Federal Home Loan Mortgage Corporation
Special Servicer	Situs Holdings, LLC
Underwriters	Merrill Lynch, Pierce, Fenner & Smith Incorporated Wells Fargo Securities, LLC
Trustee	Deutsche Bank Trust Company Americas
Certificate Administrator	Deutsche Bank Trust Company Americas

## Dates

<b>Current Distribution Date</b>	<b>12/28/2015</b>
<b>Distribution Count</b>	<b>1</b>
Prior Distribution Date	N/A
Next Distribution Date	01/25/2016
Trust Collection Period	11/01/2015 to 12/11/2015
Record Date	11/30/2015
Determination Date	12/11/2015
Cutoff Date	11/01/2015
Closing Date	11/24/2015
Initial Distribution Date	12/28/2015

*In connection with the Certificate Administrator's preparation of this Statement to Certificateholders, the Certificate Administrator is conclusively relying upon, and has not independently verified, information provided to it by various third parties, including the Master Servicer, Special Servicer and other parties to the transaction. The Certificate Administrator makes no representations as to the completeness, reliability, accuracy or suitability for any purpose of the information provided to it by such third parties.*



**Certificate Payment Report**

Class	Class Type	CUSIP	Balance and Principal Components				Interest		Pass-Through Rate		Credit Support		
			Original Balance	Beginning Balance	Principal	Non-Prin Adj/ Loss/Accretion	Ending Balance	Interest Distributed	Excess/ Shortfall	Current	Next	Original %	Current %
A-5													
A-7													
A-10													
X1													
X2													
B													
R													
<b>SubTotal</b>													
<b>Total</b>													

**Certificate Factor Report**

Class	Cusip	Accrual			Balance Factors			Payment Factors		
		Start Date	End Date	Methodology	Original Balance	Beginning Balance	Ending Balance	Interest Distributed	Principal Distributed	Total Distributed
A-5										
A-7										
A-10										
X1										
X2										
B										
R										

## Cash Reconciliation - Total

Servicer Remittance Non-Adjusted	Adjustments	Trust
<b>Principal</b>	<b>Principal</b>	<b>Trust Related Fees &amp; Expenses</b>
<b>A. Scheduled Principal</b>	<b>A. Excess Amounts</b>	Trustee Fee
Current Principal	Subsequent Recovery	Certificate Administrator Fee
Advanced Principal	Guarantor Reimbursement (1)	Trustee Fee Strips
Scheduled Maturity Payoff	Gain-on-Sale	CREFC® License Fee
		Collateral Administrator Fee
<b>B. Unscheduled Principal</b>	<b>B. Shortfalls Amounts</b>	Trust Expense(s)
Voluntary	Realized Loss	Guarantor Fee
Post-Maturity	Additional Loss Claim	Guarantor Deficiency Payment
Liquidation	Principal Deficiency (2)	Guarantor Reimbursement (3)
Curtailment		Unreimbursed Indemnification Expense
Defeasance		
Neg Am/Deferred		
<b>Principal Non-Adjusted</b>	<b>Net Excess/Shortfall</b>	<b>Trust Related Fees &amp; Expenses</b>
		<b>Deficiency/Reimbursement</b>
		<b>Principal</b>
		<b>Interest</b>
		<b>Total</b>
<b>Interest</b>	<b>Interest</b>	Prior Deficiency
<b>A. Scheduled Interest</b>	<b>A. Excesses</b>	Unpaid Deficiency
Current Interest	Penalties/Yield Maintain/Exit Fees	Paid Reimbursement
Delinquent Interest	Extension Interest (ARD)	Unpaid Reimbursement
	Default Interest	
	Prepay Interest Excess (PPIE)	
	Interest Recovery	
	ASER Recovered	
	Other Interest Proceeds	
	Guarantor Reimbursement (1)	
<b>B Servicing Fees &amp; Expenses</b>	<b>B. Shortfalls</b>	<b>Sister Agreements</b>
Current Servicer Fees	Gross PPIS (Prepay Interest Shortfall)	In-SWAP Payment
Delinquent Servicer Fees	Servicer PPIS Cap	Out-SWAP Payment
Sub-Servicer	Net PPIS	In-Equity Payment
Servicer Fee Strips	Deferred Interest	Out-Equity Payment
Surveillance Fee	Modification Shortfall	
Other Fee Strips (incl. Insurer)	ASER Applied	
Miscellaneous Fees	Special Servicer Fees	
<b>Scheduled Servicer Fees/Expenses</b>	Workout Fees	
	Liquidation Fees	
<b>Interest Non-Adjusted</b>	Non-Recoverable Advances	
<b>Principal &amp; Interest Non-Adjusted</b>	Interest on Prior Advances	
<b>Notes</b>	Various Expenses	
(1) Reimbursement to the Guarantor sourced from Servicer	Other Interest Loss	
(2) Timing Guarantor Payment (Balloon and/or Class Final)	<b>Net Excess/Shortfall</b>	
(3) Reimbursement to the Guarantor sourced from Trust for deficiency payments and amounts accrued thereon	Workout - Delayed Reimbursement Amount	
		<b>Interest Reserve Account</b>
		Deposit
		Cumulative Deposit
		Withdrawal
		<b>Summary</b>
		Principal Adjusted
		Scheduled Interest
		Servicer Fee & Expense
		Interest Shortfall Expense
		<b>Servicer Wire</b>
		Trustee Fee & Expense
		Guarantor Pmt/Reimbursement
		Sister Agreements
		Interest Reserve Account
		<b>Due to Certificates</b>

## Cash Reconciliation - Group 5YR

Servicer Remittance Non-Adjusted	Adjustments	Trust
<b>Principal</b>	<b>Principal</b>	<b>Trust Related Fees &amp; Expenses</b>
<b>A. Scheduled Principal</b>	<b>A. Excess Amounts</b>	Trustee Fee
Current Principal	Subsequent Recovery	Certificate Administrator Fee
Advanced Principal	Guarantor Reimbursement (1)	Trustee Fee Strips
Scheduled Maturity Payoff	Gain-on-Sale	CREFC® License Fee
		Collateral Administrator Fee
<b>B. Unscheduled Principal</b>	<b>B. Shortfalls Amounts</b>	Trust Expense(s)
Voluntary	Realized Loss	Guarantor Fee
Post-Maturity	Additional Loss Claim	Guarantor Deficiency Payment
Liquidation	Principal Deficiency (2)	Guarantor Reimbursement (3)
Curtailment		Unreimbursed Indemnification Expense
Defeasance		
Neg Am/Deferred		
<b>Principal Non-Adjusted</b>	<b>Net Excess/Shortfall</b>	<b>Trust Related Fees &amp; Expenses</b>
		<b>Deficiency/Reimbursement</b>
		<b>Principal</b>
		<b>Interest</b>
		<b>Total</b>
<b>Interest</b>	<b>Interest</b>	Prior Deficiency
<b>A. Scheduled Interest</b>	<b>A. Excesses</b>	Unpaid Deficiency
Current Interest	Penalties/Yield Maintain/Exit Fees	Paid Reimbursement
Delinquent Interest	Extension Interest (ARD)	Unpaid Reimbursement
	Default Interest	
	Prepay Interest Excess (PPIE)	
	Interest Recovery	
	ASER Recovered	
	Other Interest Proceeds	
	Guarantor Reimbursement (1)	
<b>B Servicing Fees &amp; Expenses</b>	<b>B. Shortfalls</b>	<b>Sister Agreements</b>
Current Servicer Fees	Gross PPIS (Prepay Interest Shortfall)	In-SWAP Payment
Delinquent Servicer Fees	Servicer PPIS Cap	Out-SWAP Payment
Sub-Servicer	Net PPIS	In-Equity Payment
Servicer Fee Strips	Deferred Interest	Out-Equity Payment
Surveillance Fee	Modification Shortfall	
Other Fee Strips (incl. Insurer)	ASER Applied	
Miscellaneous Fees	Special Servicer Fees	
<b>Scheduled Servicer Fees/Expenses</b>	Workout Fees	
	Liquidation Fees	
<b>Interest Non-Adjusted</b>	Non-Recoverable Advances	
<b>Principal &amp; Interest Non-Adjusted</b>	Interest on Prior Advances	
<b>Notes</b>	Various Expenses	
(1) Reimbursement to the Guarantor sourced from Servicer	Other Interest Loss	
(2) Timing Guarantor Payment (Balloon and/or Class Final)	<b>Net Excess/Shortfall</b>	
(3) Reimbursement to the Guarantor sourced from Trust for deficiency payments and amounts accrued thereon	Workout - Delayed Reimbursement Amount	
		<b>Interest Reserve Account</b>
		Deposit
		Cumulative Deposit
		Withdrawal
		<b>Summary</b>
		Principal Adjusted
		Scheduled Interest
		Servicer Fee & Expense
		Interest Shortfall Expense
		<b>Servicer Wire</b>
		Trustee Fee & Expense
		Guarantor Pmt/Reimbursement
		Sister Agreements
		Interest Reserve Account
		<b>Due to Certificates</b>

## Cash Reconciliation - Group 7YR

Servicer Remittance Non-Adjusted	Adjustments	Trust
<b>Principal</b>	<b>Principal</b>	<b>Trust Related Fees &amp; Expenses</b>
<b>A. Scheduled Principal</b>	<b>A. Excess Amounts</b>	Trustee Fee
Current Principal	Subsequent Recovery	Certificate Administrator Fee
Advanced Principal	Guarantor Reimbursement (1)	Trustee Fee Strips
Scheduled Maturity Payoff	Gain-on-Sale	CREFC® License Fee
		Collateral Administrator Fee
<b>B. Unscheduled Principal</b>	<b>B. Shortfalls Amounts</b>	Trust Expense(s)
Voluntary	Realized Loss	Guarantor Fee
Post-Maturity	Additional Loss Claim	Guarantor Deficiency Payment
Liquidation	Principal Deficiency (2)	Guarantor Reimbursement (3)
Curtailment		Unreimbursed Indemnification Expense
Defeasance		
Neg Am/Deferred		
<b>Principal Non-Adjusted</b>	<b>Net Excess/Shortfall</b>	<b>Trust Related Fees &amp; Expenses</b>
		<b>Deficiency/Reimbursement</b>
		<b>Principal</b>
		<b>Interest</b>
		<b>Total</b>
<b>Interest</b>	<b>Interest</b>	Prior Deficiency
<b>A. Scheduled Interest</b>	<b>A. Excesses</b>	Unpaid Deficiency
Current Interest	Penalties/Yield Maintain/Exit Fees	Paid Reimbursement
Delinquent Interest	Extension Interest (ARD)	Unpaid Reimbursement
	Default Interest	
	Prepay Interest Excess (PPIE)	
	Interest Recovery	
	ASER Recovered	
	Other Interest Proceeds	
	Guarantor Reimbursement (1)	
<b>B Servicing Fees &amp; Expenses</b>	<b>B. Shortfalls</b>	<b>Sister Agreements</b>
Current Servicer Fees	Gross PPIS (Prepay Interest Shortfall)	In-SWAP Payment
Delinquent Servicer Fees	Servicer PPIS Cap	Out-SWAP Payment
Sub-Servicer	Net PPIS	In-Equity Payment
Servicer Fee Strips	Deferred Interest	Out-Equity Payment
Surveillance Fee	Modification Shortfall	
Other Fee Strips (incl. Insurer)	ASER Applied	
Miscellaneous Fees	Special Servicer Fees	
<b>Scheduled Servicer Fees/Expenses</b>	Workout Fees	
	Liquidation Fees	
<b>Interest Non-Adjusted</b>	Non-Recoverable Advances	
<b>Principal &amp; Interest Non-Adjusted</b>	Interest on Prior Advances	
<b>Notes</b>	Various Expenses	
(1) Reimbursement to the Guarantor sourced from Servicer	Other Interest Loss	
(2) Timing Guarantor Payment (Balloon and/or Class Final)	<b>Net Excess/Shortfall</b>	
(3) Reimbursement to the Guarantor sourced from Trust for deficiency payments and amounts accrued thereon	Workout - Delayed Reimbursement Amount	
		<b>Interest Reserve Account</b>
		Deposit
		Cumulative Deposit
		Withdrawal
		<b>Summary</b>
		Principal Adjusted
		Scheduled Interest
		Servicer Fee & Expense
		Interest Shortfall Expense
		<b>Servicer Wire</b>
		Trustee Fee & Expense
		Guarantor Pmt/Reimbursement
		Sister Agreements
		Interest Reserve Account
		<b>Due to Certificates</b>

## Cash Reconciliation - Group 10YR

Servicer Remittance Non-Adjusted	Adjustments	Trust
<b>Principal</b>	<b>Principal</b>	<b>Trust Related Fees &amp; Expenses</b>
<b>A. Scheduled Principal</b>	<b>A. Excess Amounts</b>	Trustee Fee
Current Principal	Subsequent Recovery	Certificate Administrator Fee
Advanced Principal	Guarantor Reimbursement (1)	Trustee Fee Strips
Scheduled Maturity Payoff	Gain-on-Sale	CREFC® License Fee
		Collateral Administrator Fee
<b>B. Unscheduled Principal</b>	<b>B. Shortfalls Amounts</b>	Trust Expense(s)
Voluntary	Realized Loss	Guarantor Fee
Post-Maturity	Additional Loss Claim	Guarantor Deficiency Payment
Liquidation	Principal Deficiency (2)	Guarantor Reimbursement (3)
Curtailment		Unreimbursed Indemnification Expense
Defeasance		
Neg Am/Deferred		
<b>Principal Non-Adjusted</b>	<b>Net Excess/Shortfall</b>	<b>Trust Related Fees &amp; Expenses</b>
		<b>Deficiency/Reimbursement</b>
		<b>Principal</b>
		<b>Interest</b>
		<b>Total</b>
<b>Interest</b>	<b>Interest</b>	Prior Deficiency
<b>A. Scheduled Interest</b>	<b>A. Excesses</b>	Unpaid Deficiency
Current Interest	Penalties/Yield Maintain/Exit Fees	Paid Reimbursement
Delinquent Interest	Extension Interest (ARD)	Unpaid Reimbursement
	Default Interest	
	Prepay Interest Excess (PPIE)	
	Interest Recovery	
	ASER Recovered	
	Other Interest Proceeds	
	Guarantor Reimbursement (1)	
<b>B Servicing Fees &amp; Expenses</b>	<b>B. Shortfalls</b>	<b>Sister Agreements</b>
Current Servicer Fees	Gross PPIS (Prepay Interest Shortfall)	In-SWAP Payment
Delinquent Servicer Fees	Servicer PPIS Cap	Out-SWAP Payment
Sub-Servicer	Net PPIS	In-Equity Payment
Servicer Fee Strips	Deferred Interest	Out-Equity Payment
Surveillance Fee	Modification Shortfall	
Other Fee Strips (incl. Insurer)	ASER Applied	
Miscellaneous Fees	Special Servicer Fees	
	Workout Fees	
<b>Scheduled Servicer Fees/Expenses</b>	Liquidation Fees	
	Non-Recoverable Advances	
<b>Interest Non-Adjusted</b>	Interest on Prior Advances	
<b>Principal &amp; Interest Non-Adjusted</b>	Various Expenses	
<b>Notes</b>	Other Interest Loss	
(1) Reimbursement to the Guarantor sourced from Servicer	<b>Net Excess/Shortfall</b>	
(2) Timing Guarantor Payment (Balloon and/or Class Final)	Workout - Delayed Reimbursement Amount	
(3) Reimbursement to the Guarantor sourced from Trust for deficiency payments and amounts accrued thereon		
		<b>Interest Reserve Account</b>
		Deposit
		Cumulative Deposit
		Withdrawal
		<b>Summary</b>
		Principal Adjusted
		Scheduled Interest
		Servicer Fee & Expense
		Interest Shortfall Expense
		<b>Servicer Wire</b>
		Trustee Fee & Expense
		Guarantor Pmt/Reimbursement
		Sister Agreements
		Interest Reserve Account
		<b>Due to Certificates</b>

**Other Related Information**

**Disclosable Special Servicer Fees\***

- Commissions
- Brokerage fees
- Commissions
- Other

\*Fee-sharing arrangement

## Pool and Performance Detail - Total

Pool Detail				
Current	Amt	%	Cnt	%

Amortizing/Balloon  
IO/Amortizing/Balloon  
IO/Balloon

Smallest Balance  
Average Balance  
Largest Balance

Current
---------

### Beginning Balance

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

### Ending Balance

Cumulative
------------

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

WA Rates/Terms			
Cutoff	Prior	Current	Next

WAC  
WAMM  
AWAM

## Performance Snapshot

Current	3 Mo Avg		6 Mo Avg		12 Mo Avg	
	% Bal	% Cnt	% Bal	% Cnt	% Bal	% Cnt

Current  
30 Day  
60 Day  
90 Day Plus  
Foreclosures  
REOs  
Bankruptcies  
Liquidations  
Defeasances  
Modifications

## Advance Summary

Cumulative	Principal	Interest	Cnt	% Amt	% Cnt
------------	-----------	----------	-----	-------	-------

Prior Outstanding  
Current Amount  
Recovery (-)  
Current Outstanding  
Non-Recoverable

## Appraisal Reduction Summary

Prior Cumulative ASER  
Current ASER  
Recovery (-)  
Cumulative ASER

(\*) ARA Appraisal Reduction Amount (\*) ASER Appraisal Subordination Entitlement



## Pool and Performance Detail - Group 5YR

Pool Detail					
Current	Amt	%	Cnt		

Amortizing/Balloon  
IO/Amortizing/Balloon  
IO/Balloon

Smallest Balance  
Average Balance  
Largest Balance

Current
---------

### Beginning Balance

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

### Ending Balance

Cumulative
------------

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

WA Rates/Terms				
Cutoff	Prior	Current	Next	

WAC  
WAMM  
AWAM

## Performance Snapshot

Current	3 Mo Avg		6 Mo Avg		12 Mo Avg	
	% Bal	% Cnt	% Bal	% Cnt	% Bal	% Cnt

Current  
30 Day  
60 Day  
90 Day Plus  
Foreclosures  
REOs  
Bankruptcies  
Liquidations  
Defeasances  
Modifications

## Advance Summary

Cumulative	Principal	Interest	Cnt	% Amt	% Cnt
------------	-----------	----------	-----	-------	-------

Prior Outstanding  
Current Amount  
Recovery (-)  
Current Outstanding  
Non-Recoverable

## Appraisal Reduction Summary

Prior Cumulative ASER  
Current ASER  
Recovery (-)  
Cumulative ASER

(\* ) ARA Appraisal Reduction Amount (\* ) ASER Appraisal Subordination Entitlement

## Pool and Performance Detail - Group 7YR

Pool Detail					
Current	Amt	%	Cnt		

Amortizing/Balloon  
IO/Amortizing/Balloon  
IO/Balloon

Smallest Balance  
Average Balance  
Largest Balance

Current
---------

### Beginning Balance

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

### Ending Balance

Cumulative
------------

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

WA Rates/Terms				
Cutoff	Prior	Current	Next	

WAC  
WAMM  
AWAM

## Performance Snapshot

Current	3 Mo Avg		6 Mo Avg		12 Mo Avg	
	% Bal	% Cnt	% Bal	% Cnt	% Bal	% Cnt

Current  
30 Day  
60 Day  
90 Day Plus  
Foreclosures  
REOs  
Bankruptcies  
Liquidations  
Defeasances  
Modifications

## Advance Summary

Cumulative	Principal	Interest	Cnt	% Amt	% Cnt
------------	-----------	----------	-----	-------	-------

Prior Outstanding  
Current Amount  
Recovery (-)  
Current Outstanding  
Non-Recoverable

## Appraisal Reduction Summary

Prior Cumulative ASER  
Current ASER  
Recovery (-)  
Cumulative ASER

(\* ) ARA Appraisal Reduction Amount (\* ) ASER Appraisal Subordination Entitlement

## Pool and Performance Detail - Group 10YR

Pool Detail				
Current	Amt	%	Cnt	%

Amortizing/Balloon  
IO/Amortizing/Balloon  
IO/Balloon

Smallest Balance  
Average Balance  
Largest Balance

Current
---------

### Beginning Balance

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

### Ending Balance

Cumulative
------------

Scheduled Principal  
Voluntary Payoff  
Scheduled Maturity Payoff  
Post-Maturity Payoff  
Net Liquidation  
Realized Loss  
Curtailment  
Defeasance  
Negative Amortization/Deferred

WA Rates/Terms			
Cutoff	Prior	Current	Next

WAC  
WAMM  
AWAM

## Performance Snapshot

Current	3 Mo Avg		6 Mo Avg		12 Mo Avg	
	% Bal	% Cnt	% Bal	% Cnt	% Bal	% Cnt

Current  
30 Day  
60 Day  
90 Day Plus  
Foreclosures  
REOs  
Bankruptcies  
Liquidations  
Defeasances  
Modifications

## Advance Summary

Cumulative	Principal	Interest	Cnt	% Amt	% Cnt
------------	-----------	----------	-----	-------	-------

Prior Outstanding  
Current Amount  
Recovery (-)  
Current Outstanding  
Non-Recoverable

## Appraisal Reduction Summary

Prior Cumulative ASER  
Current ASER  
Recovery (-)  
Cumulative ASER

(\* ) ARA Appraisal Reduction Amount (\* ) ASER Appraisal Subordination Entitlement

**Bond Interest Reconciliation**

Class	Accrual				Beginning Balance	Pass-Through Rate	Prior Shortfall	Current Accrued	Current Additions	Current Deductions	Distributable Interest	Distributed Interest	Outstanding Shortfall
	Prior Due	Curr Due	Method	Days									
A-5													
A-7													
A-10													
X1													
X2													
B													
R													
<b>SubTotal</b>													
<b>Total</b>													

**Bond Reconciliation Detail**

Class	Principal Components				Interest Additions				Interest Deductions		
	Scheduled	Unscheduled	Current Loss	Cumulative Loss	PPY, PPYYM, Exit Fees	Interest Adjustment	Interest on Prior Shortfall	Interest on Prior Loss	Net PPIS	Deferred Accretion	Interest Loss Expense
A-5											
A-7											
A-10											
X1											
X2											
B											
R											
<b>SubTotal</b>											
<b>Total</b>											

**Bond Reconciliation Detail - Guaranteed Deficiency Detail**

Class	Deficiency Detail						Guarantor Reimbursable Amounts					
	Current Deficiency		Guarantee Payment		Outstanding Deficiency		Prior Reimbursable Amount		Guarantor Payment		Outstanding Reimbursable Amount	
	Principal (1)	Interest (2)	Principal	Interest	Principal	Interest	Principal (3)	Interest (4)	Current	Cumulative	Principal	Interest
A-5												
A-7												
A-10												
X1												
X2												
B												
R												

**Total**

- Notes:
- (1) Timing Guarantor Payment (Balloon/Final), plus Realized Loss/Trust Expense
  - (2) Accrued Certificate Interest Amount shortfall
  - (3) Timing Guarantor Payment plus Timing Guarantor Interest
  - (4) Guarantor Reimbursement Amount and interest thereon for non-Timing Guarantor Payments

**Performance History**

Dist Date Dist Cnt	Delinquency Categories						Impaired Loans						Unique Events						
	30 Day		60 Day		90 Day		Foreclosure		REO		Bankruptcy		Curr FC not SS/REO		Modification		Specially Serviced		
	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	Cnt	Bal	

**Delinquency Detail**

Investor No.	PTD	P&I Advances				Non-Advancing		Tracking		Status/Resolution w Relevant Dates						Loan Description		
		Prior Outstanding		Current Outstanding		ASER	Non-Recoverable	Mo (s) Delinq	Mo (s) Recov	Loan Status	Resoln Strategy	SS Tran Date	ARA Date	FC/REO Date	BK Date	Prop Type	DSCR	LTV
		Interest	Principal	Interest	Principal													

Totals

Resolution Strategy Code				Loan Status Code				Property Type Code					
1	Modification	6	DPO	10	Deed in Lieu Of Foreclosure	0	Current	3	90 Days Delinquent	MF	Multi-Family	OF	Office
2	Foreclosure	7	REO			A	Grace	4	Matured Balloon	RT	Retail	MU	Mixed Use
3	Bankruptcy	8	Resolved	11	Full Payoff	B	0 - 29 Days	7	Foreclosure	HC	Health Care	LO	Lodging
4	Extension	9	Pending Return to Master Servicer	12	Reps and Warranties	1	30 Days Delinquent	9	REO	IN	Industrial	SS	Self Storage
5	Note Sale			13	Other or TBD	2	60 Days Delinquent			WH	Warehouse	OT	Other
										MH	Mobile Home Park		





**Defeased Loan Level Detail**

Investor No.	Current P&I						Status		Static				Financial						
	Principal Components			Interest			PTD	Code	Prop Type	State	Amort Type	Cutoff Maturity	Most Recent				Cutoff		
	Beginning Bal	Principal	Ending Bal	Rate	Accrual	Interest							DSCR	LTV	OCC	NOI	DSCR	LTV	OCC

**Resolution Strategy Code**

1	Modification	6	DPO
2	Foreclosure	7	REO
3	Bankruptcy	8	Resolved
4	Extension	9	Pending Return to Master Servicer
5	Note Sale		

**Loan Status Code**

0	Current	3	90 Days Delinquent
A	Grace	4	Matured Balloon
B	0 - 29 Days	7	Foreclosure
1	30 Days Delinquent	9	REO
2	60 Days Delinquent		

**Property Type Code**

MF	Multi-Family	OF	Office
RT	Retail	MU	Mixed Use
HC	Health Care	LO	Lodging
IN	Industrial	SS	Self Storage
WH	Warehouse	OT	Other
MH	Mobile Home Park		

**REO Historical Detail**

Investor No.	REO		Balances		Appraisal Information				Static				Liquidation Detail			
	Date	Type	Scheduled	Actual	Most Recent Appraisal	Appraisal Date	Appraisal Redn Amt	DSCR	Prop Type	State	Amort Type	Cutoff Maturity	Liquidation Date	Net Liquidation Proceeds	Realized Loss	Type

REO Type

- 1 Paid-in-Full
- 2 Final Recovery Mode
- 3 Permitted Purchase

- 4 Final Recovery REO
- 5 Permitted Purchase of REO

Amortization Type

- 1 Fully Amortizing
- 2 Amortizing Balloon
- 3 Interest Only/Balloon

- 4 Interest Only/Amortizing
- 5 Interest Only/Amortizing/Balloon
- 6 Principal Only

**Historical Bond/Collateral Loss Reconciliation**

Investor No.	Period	Liquidation Summary		Certificate Level					Cash Adjustment		
		Beginning Balance (1)	Aggregate Loss (2)	Prior Certificate Writedown (3)	OC, Credit Support (4)	Shortfalls/ Excesses (5)	Modification, ARA Adjs (6)	Subseq Claims Recoveries (7)	Curr Certificate Writedown (8)	Cash Recovery (9)	Curr Certificate Writedown Adj.(10)

Loan Status Code

- 1 Current Scheduled Beginning Balance of the Loan at Liquidation
- 2 Aggregate Realized Loss on Loans
- 3 Prior Realized Loss Applied to Certificates
- 4 Amounts covered by Overcollateralization and other Credit Supports
- 5 Interest (Shortages)/Excesses applied to Realized Losses

- 6 Modification Adjustments/Appraisal Reduction Adjustments
- 7 Additional (Recoveries) Expenses applied to Realized Losses
- 8 Realized Loss Applied to Certificates to Date ((3) -(4) - (5) - (6) + (7))
- 9 Recoveries of Realized Losses Paid as Cash
- 10 Recoveries/Realized Losses applied to Certificate Interest

Note: In the initial period, the Realized Loss Applied to certificates to Date will equal Aggregate Realized Loss on Loans ( - (4) - (5) -(6) +(7)) versus ( (3) - (4) - (5) -(6) +(7))

**Historical Loss Liquidation**

Investor No.	Period	Liquidation Components (time of resolution)								Subsequent Adjustments			
		Begin Bal	Most Recent Appraisal	Liquidation Sales Price	Liquidation Proceeds	Liquidation Expense	Net Liquidation Proceeds	Loss to Trust	Loss Type	Adjustment Date	Adjustment Amount	Minor Adjustment	Adjusted Loss Cumulative

**Stratification - Mortgage Balances/Rates**

	Current		Original	
	Summation	Weighted Average	Summation	Weighted Average
Average				
Minimum				
Maximum				

	Current		Original	
	Summation	Weighted Average	Summation	Weighted Average

**Stratification - Amortization Terms**

Amortizing/Balloon

Summation		Current						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Summation		Original						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Average  
Minimum  
Maximum

Interest Only/Amortizing/Balloon

Summation		Current						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Summation		Original						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Average  
Minimum  
Maximum

Interest Only/Balloon

Summation		Current						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Summation		Original						
Cnt	Balance	%	Term	Rate	DSCR	LTV	OCC	

Average  
Minimum  
Maximum

**Stratification - Geographic Distribution**

	Summation	Weighted Average		Summation	Weighted Average
--	-----------	------------------	--	-----------	------------------

\_\_\_\_\_

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**Stratification - Financial Ratios and Others**

	Summation	Weighted Average	Summation	Weighted Average
Average				
Minimum			Max DSCR	Min DSCR
Maximum				
	Summation	Weighted Average	Summation	Weighted Average
			Max LTV	Min LTV
	Summation	Weighted Average	Summation	Weighted Average
			Max Occ	Min Occ

**Loan Level Detail**

Investor No.	Current P&I			Interest			Current Status			Additional Loan Interest Detail			Financial					
	Principal Components												Most Recent			Cutoff		
	Begin Bal	Principal	Ending Bal	Rate	Accrual	Interest	PTD	Loan Status	Rsln Strgy	Int on Adv	Default Int	Penalty Int	DSCR	LTV*	Phy Occ %	DSCR	LTV	Phy Occ %

\* The information might be from a prior reporting period

Resolution Strategy Code			Loan Status Code		Property Type Code				Amortization Type		
1 Modification	6 DPO	10 Deed in Lieu Of	0 Current	3 90 Days Delinquent	MF Multi-Family	OF Office			1 Fully Amortizing		
2 Foreclosure	7 REO	Foreclosure	A Grace	4 Matured Balloon	RT Retail	MU Mixed Use			2 Amortizing Balloon		
3 Bankruptcy	8 Resolved	11 Full Payoff	B 0 - 29 Days	7 Foreclosure	HC Health Care	LO Lodging			3 Interest Only/Balloon		
4 Extension	9 Pending Return	12 Reps and Warranties	1 30 Days Delinquent	9 REO	IN Industrial	SS Self Storage			4 Interest Only/Amortizing		
5 Note Sale	to Master Servicer	13 Other or TBD	2 60 Days Delinquent		WH Warehouse	OT Other			5 Interest Only/Amortizing/Balloon		
					MH Mobile Home Park				6 Principal Only		

**Specially Serviced Loan Detail**

Investor No.	Status/Resolutions				Balance/Rate/Terms					Static				Financial					
	Paid Through Date	Spec Serv Trans Date	Loan Status	Resoln Strategy	Scheduled Balance	Actual Balance	Note Rate	Remaining		Prop Type	State	Amort Type	Cutoff Maturity	Most Recent			Cutoff		
								Life	Amort					DSCR	LTV *	Phy Occ %	DSCR	LTV	Phy Occ %

Loan Status (0,A,B)  
Total

\* The information might be from a prior reporting period

Resolution Strategy Code			Loan Status Code		Property Type Code		
1 Modification	6 DPO	10 Deed in Lieu Of	0 Current	3 90 Days Delinquent	MF Multi-Family	OF Office	
2 Foreclosure	7 REO	Foreclosure	A Grace	4 Matured Balloon	RT Retail	MU Mixed Use	
3 Bankruptcy	8 Resolved	11 Full Payoff	B 0 - 29 Days	7 Foreclosure	HC Health Care	LO Lodging	
4 Extension	9 Pending Return	12 Reps and Warranties	1 30 Days Delinquent	9 REO	IN Industrial	SS Self Storage	
5 Note Sale	to Master Servicer	13 Other or TBD	2 60 Days Delinquent		WH Warehouse	OT Other	
					MH Mobile Home Park		

**Specially Serviced Loan Comments**

Investor No.	Status/Resolutions				Description
	PTD	Loan Status	Spec Serv Trans Date	Resoln Strategy	

**Appraisal Reduction Detail**

Investor No.	Status/Resolutions				Appraisal Reduction Components				Static				Most Recent			Cutoff		
	PTD	Spec Serv Trans Date	Loan Status	Resoln Strategy	Scheduled Balance	Appraisal Reduction Amt	ASER	Actual Balance	Prop Type	State	Amort Type	Cutoff Maturity	DSCR	LTV*	Phy Occ %	DSCR	LTV	Phy Occ %

\* The information might be from a prior reporting period

Resolution Strategy Code			Loan Status Code		Property Type Code			
1 Modification	6 DPO	10 Deed in Lieu Of Foreclosure	0 Current	3 90 Days Delinquent	MF Multi-Family	OF Office		
2 Foreclosure	7 REO		A Grace	4 Matured Balloon	RT Retail	MU Mixed Use		
3 Bankruptcy	8 Resolved	11 Full Payoff	B 0 - 29 Days	5 Non Performing	HC Health Care	LO Lodging		
4 Extension	9 Pending Return to Master Servicer	12 Reps and Warranties	1 30 Days Delinquent	Matured Balloon	IN Industrial	SS Self Storage		
5 Note Sale		13 Other or TBD	2 60 Days Delinquent	7 Foreclosure	WH Warehouse	GC Golf Course		
				9 REO	MH Mobile Home Park	OT Other		

**Appraisal Reduction Comments**

Investor No.	Status/Resolutions				Description
	PTD	Loan Status	Appraisal Redn Date	Resoln Strategy	

**Modifications/Extensions Detail/Description**

Investor No.	Modification		Modification Components								Description
			Modification Terms				Cutoff/Current				
	Date	Type	Balance	Rate	Maturity	P&I Amount	Balance	Rate	Maturity	P&I Amount	

Modification Type

- 1 Maturity Date
- 2 Amortization Change
- 3 Principal Write-off
- 4 Temporary Rate Reduction
- 5 Capitalization of Interest
- 6 Capitalization on Taxes
- 7 Other
- 8 Combination

**Material Breaches and Document Defects**

Investor No.	Status/Resolutions				Description
	PTD	Loan Status	Breach or Defect Date	Resoln Strategy	



**Property Detail (Default/Transfer)**

Property No.	Name	City	State	Status	Foreclosure Date	Valuation Amount	Valuation Date	Conveyance/ Transfer (Y/N)	Description

**Extraordinary Event**

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<b>Loan Event of Default</b>	<b>No</b>
<hr/>	
<b>Special Servicing Loan Event</b>	<b>No</b>
<hr/>	
<b>Servicer Termination Event</b>	<b>No</b>
<hr/>	
<b>Special Servicer Termination Event</b>	<b>No</b>

Information with respect to any declared bankruptcy of any Mortgage Loan Borrower

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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 each 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 loans, the mortgaged real properties or other matters. We cannot assure you that the underlying mortgage loans 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, after the mortgage loan seller’s having conducted such inquiry and due diligence into such matters as would be customarily required or expected of a prudent commercial mortgage lender making, originating, underwriting and/or servicing, as the case may be, a similar mortgage loan in the area where the related mortgaged real property is located. Capitalized terms not otherwise defined herein will have the meaning set forth in the mortgage loan purchase agreement.

The mortgage loan seller represents and warrants, subject to the exceptions set forth on Exhibit C-2, with respect to each 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) Crossed Loans.

The related mortgage note is not, and has not been since the date of origination of such underlying mortgage loan, secured by any collateral except any guarantees, the lien of the related mortgage, any related assignment of rents and leases and any related security agreement and escrow agreement; the security for such underlying mortgage loan consists only of the related mortgaged real property, any leases (including without limitation any credit leases) thereof, and any appurtenances, fixtures and other property located thereon; and such mortgaged real property does not secure any mortgage loan other than such underlying mortgage loan being transferred and assigned to purchaser hereunder. Such underlying mortgage loan is not cross-collateralized and/or cross-defaulted with one or more other mortgage loans.

(2) Preferred Equity/Mezzanine Financing.

With respect to any underlying mortgage loan payable by a mortgagor that is an entity, and not an individual, neither the Originator nor the mortgage loan seller has any knowledge of any so-called “mezzanine loan” or preferred equity encumbering the direct and/or indirect ownership interests in the related mortgagor and none of the related loan documents grants to the related mortgagor the right to create any such “mezzanine loan” or preferred equity encumbrance.

(3) Mortgagor Type.

(a) With respect to any underlying mortgage loan payable by a mortgagor that is an entity, and not an individual, the related mortgagor under the underlying mortgage loan was, as of the origination of the underlying mortgage loan, either a Single Purpose Entity or a Single Asset Entity, and the related loan

documents require the related mortgagor to remain a Single Purpose Entity or Single Asset Entity, as applicable, for at least as long as the underlying mortgage loan is outstanding. To the mortgage loan seller's knowledge, the related mortgagor remains a Single Purpose Entity or Single Asset Entity, as applicable, and has fully complied with the requirements of the related loan documents and the mortgagor's organizational documents regarding Single Purpose Entity or Single Asset Entity status. For this purpose, a "Single Purpose Entity" shall mean an entity, other than an individual, whose organizational documents provide substantially to the effect that it was formed or organized solely for the purpose of owning and operating one or more of the mortgaged real properties securing such underlying mortgage loan and prohibit it from engaging in any business unrelated to such mortgaged real property or mortgaged real properties, and whose organizational documents further provide, or which entity represented in the related loan documents, substantially to the effect that it does not have any assets other than those related to its interest in, and operation of, such mortgaged real property or mortgaged real properties, or any indebtedness other than as permitted by the related mortgage(s) or the other related loan documents, that it has its own books and records and accounts separate and apart from any other Person (other than a mortgagor for a underlying mortgage loan that is cross-collateralized and cross-defaulted with the related underlying mortgage loan), and that it holds itself out as a legal entity, separate and apart from any other Person. For this purpose, a "Single Asset Entity" shall mean an entity, other than an individual, whose organizational documents provide substantially to the effect that it is not permitted to (a) own any real or personal property other than the related mortgaged real property and personal property related to the operation and maintenance of the mortgaged real property, (b) operate any business other than the management and operation of the related mortgaged real property or (c) maintain its assets in a way that is difficult to segregate and identify.

- (b) With respect to any underlying mortgage loan payable by an individual or individuals, the related mortgagor(s) under the underlying mortgage loan is/are United States citizen(s) or permanent United States resident(s).

(4) Licenses, Permits and Authorization.

- (a) To the best of the Originator's and the mortgage loan seller's knowledge, based on due diligence that it customarily performs in the origination of comparable underlying mortgage loans, as of the date of the origination of the underlying mortgage loan and as of the Closing Date, the related mortgagor was in possession of all material licenses, permits, franchises, certificates of occupancy and other authorizations required by applicable law for the ownership and operation of the related mortgaged real property (including as it was, is currently and is anticipated to be operated); and all such licenses, permits, franchises, certificates of occupancy and other authorizations are valid and in full force and effect.
- (b) The related mortgagor covenants in the related loan documents that it will remain in material compliance with all material licenses, permits and other legal requirements necessary and required to conduct its business.

(5) Condition of Mortgaged Real Property.

- (a) To the best of the Originator's and the mortgage loan seller's knowledge, after appropriate review of its files, the related mortgaged real property has not been the subject of any casualty which has not been fully restored.
- (b) Each mortgaged real property is, to the mortgage loan seller's knowledge, free and clear of any damage (or adequate reserves therefor have been established based on the engineering report) that would materially and adversely affect its value as security for such underlying mortgage loan. Each mortgaged real property is in good repair and condition and all building systems contained therein are in good working order (or adequate reserves therefor have been established) and each mortgaged real property is free of structural defects, in each case, that would materially and adversely affect its value as security for such underlying mortgage loan as of the date hereof.

(6) Access, Public Utilities and Separate Tax Parcels.

The related mortgaged real property constitutes one or more separate tax and (where subdivision laws are in effect) subdivision parcels and is served by a dedicated and accepted road (or an irrevocable easement permitting ingress and egress) and public utilities, including without limitation water and sewer service (or a septic system) appropriate for the current or anticipated use of such mortgaged real property.

(7) Taxes and Assessments.

One of the following is applicable:

- (a) there are no delinquent or unpaid taxes, assessments (including assessments payable in future installments) or other outstanding governmental charges affecting any mortgaged real property that are or may become a lien of priority equal to or higher than the lien of the related mortgage, or
- (b) an escrow of funds has been established in an amount (including all ongoing escrow payments to be made prior to the date on which taxes and assessments become delinquent) sufficient to cover the payment of such unpaid taxes and assessments.

For purposes of this representation and warranty, real property taxes and assessments will not be considered unpaid until the date on which interest or penalties would be first payable.

(8) Ground Leases.

The related mortgaged real property consists of a fee simple estate in real estate or, if such underlying mortgage loan is secured in whole or in part by one or more ground leases, with respect to each such ground lease:

- (a) Such ground lease or a memorandum thereof such has been duly recorded. Such ground lease (or the related estoppel letter or lender protection agreement between mortgagee and the related ground lessor which is in the related mortgage loan file) does not prohibit the current use of the related mortgaged real property and does not prohibit the interest of the related mortgagor to be encumbered by the related mortgage. There have been no amendments or modifications to the terms of the ground lease since its recordation (including with respect to the payment terms thereof), with the exception of amendments or modifications reflected in written instruments which have been recorded and are part of the related mortgage loan file. Such ground lease may not be canceled, terminated, surrendered or amended without the prior written consent of mortgagee;
- (b) Except for the Permitted Encumbrances, the related mortgagor's interest in such ground lease is not subject to any liens or encumbrances superior to, or of equal priority with, the related mortgage;
- (c) The related mortgagor's interest in such ground lease is assignable to mortgagee upon notice to, but without the consent of, the ground lessor (or, if any such consent is required, it has been obtained prior to the Closing Date) and, in the event that it is so assigned, is further assignable by purchaser and its successors and assigns (including a securitization trust) upon notice to, but without the consent of, the ground lessor;
- (d) Such ground lease is in full force and effect, such ground lease provides that no material amendment to such ground lease is binding on a mortgagee unless the mortgagee has consented thereto, and no default has occurred under such ground lease and there is no existing condition which, but for the passage of time or the giving of notice, or both, could result in a default under the terms of such ground lease;
- (e) Such ground lease (or the related estoppel letter or lender protection agreement between mortgagee and the related ground lessor which is in the related mortgage loan file) requires the ground lessor to give notice of any default by the related mortgagor to mortgagee and require that no notice of termination given under such ground lease is effective against mortgagee unless a copy of the notice has been delivered to mortgagee in the manner described in the ground lease and the ground lessor has offered

or is required to enter into a new lease with mortgagee on terms that do not materially vary from the economic terms of such ground lease;

- (f) Mortgagee is permitted a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the related mortgagor under such ground lease) to cure any default under such ground lease, which is curable after the receipt of notice of any of the default, before the ground lessor thereunder may terminate such ground lease;
  - (g) Such ground lease has an original term (including any extension options set forth therein) which extends not less than twenty (20) years beyond the maturity date of the related underlying mortgage loan;
  - (h) Under the terms of such ground lease and the related mortgage, taken together, any related insurance and condemnation proceeds awarded to the holder of the ground lease interest will be applied either to the repair or restoration of all or part of the related mortgaged real property, with mortgagee or a trustee appointed by the related mortgage having the right to hold and disburse the proceeds as the repair or restoration progresses, or to the payment of the outstanding principal balance of the related underlying mortgage loan together with any accrued interest thereon;
  - (i) Such ground lease does not impose any restrictions on subleasing and such ground lease contains a covenant that the lessor thereunder is not permitted, in the absence of an uncured default, to disturb the possession, interest or quiet enjoyment of the lessee thereunder for any reason, or in any manner, which would materially adversely affect the security provided by the related mortgage;
  - (j) Such ground lease requires the ground lessor to enter into a new lease with mortgagee upon termination of such ground lease for any reason, including rejection of such ground lease in a bankruptcy proceeding; and
  - (k) Such ground lease may not be amended or modified or any such amendment or modification will not be effective against mortgagee without the prior written consent of the mortgage, and any such action without such consent is not binding on mortgagee, its successors or assigns; provided, however, that termination or cancellation without such consent may be binding on mortgagee if (i) an event of default occurs under such ground lease, (ii) notice is provided to mortgagee and (iii) such default is curable by mortgagee as provided in such ground lease but remains uncured beyond the applicable cure period.
- (9) Valid First Lien.
- (a) The related mortgage constitutes a valid and enforceable first priority lien upon the related mortgaged real property, including all buildings thereon and all fixtures attached thereto, prior to all other liens and encumbrances, except for (i) the lien of current real property taxes and assessments not yet due and payable, (ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record, (iii) exceptions and exclusions specifically referred to in the lender's title insurance policy described below, (iv) other matters to which like properties are commonly subject, none of which matters referred to in the foregoing items (ii), (iii) or (iv), individually or in the aggregate, materially interferes with the security intended to be provided by such mortgage, the marketability or current use or operation of the related mortgaged real property or the current ability of such mortgaged real property to generate operating income sufficient to service the underlying mortgage loan debt, and (v) if such underlying mortgage loan is a crossed underlying mortgage loan, the lien of the mortgage for the applicable other underlying mortgage loan (the foregoing items (i) through (v) being referred to herein as the "Permitted Encumbrances").
  - (b) The related mortgage, together with any separate security agreements, chattel mortgages or equivalent instruments, establishes and creates a valid and enforceable security interest in favor of the holder thereof in all of the related mortgagor's personal property used in, and reasonably necessary to operate, the related mortgaged real property. The mortgagor's personal property includes all personal property that a prudent commercial mortgage lender making a similar mortgage loan would deem reasonably

necessary to operate the related mortgaged real property as it is currently being operated. A Uniform Commercial Code financing statement has been filed and/or recorded in all places necessary to perfect a valid security interest in such personal property, to the extent a security interest may be so created therein, and such security interest is a first priority security interest, subject to any prior purchase money security interest in such personal property and any personal property leases applicable to such personal property. Neither the related mortgage note nor the related loan documents contains any restriction on the mortgage loan seller's or the purchaser's ability to assign and transfer such underlying mortgage loan to any other Person. Such underlying mortgage loan is not secured by multiple mortgaged real properties.

- (c) The related mortgaged real property is free and clear of any and all mechanics', materialmen's or similar liens or claims (and no rights are outstanding that under law could give rise to any such liens or claims) that are or may be prior, equal to, or coordinate with, the lien of the related mortgage, except, in each case, for liens insured against by the Title Policy referred to herein.
- (d) UCC financing statements have been filed and/or recorded, in all public places necessary to perfect a valid security interest in all items of personal property securing such underlying mortgage loan that are owned by the related mortgagor and either (i) are reasonably necessary to operate the related mortgaged real property or (ii) are material to the value of the related mortgaged real property (other than any personal property subject to a purchase money security interest or a sale and leaseback financing arrangement permitted under the terms of such underlying mortgage loan or any other personal property leases applicable to such personal property), to the extent perfection may be effected pursuant to applicable law by recording or filing, and the related mortgage, security agreements, chattel mortgages or equivalent documents related to and delivered in connection with such underlying mortgage loan establish and create a valid and enforceable first priority lien on and first priority security interest in on such items of personalty.

(10) Title Insurance.

An American Land Title Association (or a comparable form as adopted in the applicable jurisdiction) lender's title insurance policy (the "Title Policy") was issued in an amount not less than the original principal balance of such underlying mortgage loan after all advances of principal, insuring that the related mortgage constitutes a valid first priority lien on the related mortgaged real property, subject only to the Permitted Encumbrances. Such Title Policy is valid and in full force and effect, all premiums thereon have been paid and no claims have been made thereunder and no claims have been paid thereunder. No holder of the related mortgage has done, by act or omission, anything that would materially impair the coverage under such Title Policy, and has no knowledge of any such act or omission. Immediately following the transfer and assignment of such underlying mortgage loan to the purchaser, such Title Policy will inure to the benefit of the purchaser and without the consent of or notice to the insurer. Such Title Policy contains no material exclusions for, or affirmatively insures against, any losses arising from (i) failure to have access to a public road, (ii) material encroachments of any part of the related improvements over easements or onto property not constituting a portion of the related mortgaged real property, or (iii) to the extent that the mortgaged real property consists of two or more adjoining parcels, such parcels are contiguous. To the Originator's and the mortgage loan seller's knowledge, the insurer issuing such title insurance policy is qualified to do business in the jurisdiction in which the related mortgaged real property is located. The Originator, the mortgage loan seller and its or their successors and assigns are the sole named insureds under such Title Policy.

(11) Encroachments; Survey.

- (a) The mortgage loan file for each underlying mortgage loan includes a title survey, certified to the mortgage loan seller, its successors and assigns and the title company, which is prepared in accordance with the most recent minimum standards for title surveys as determined by ALTA and contains the signature and seal of a licensed engineer or surveyor affixed thereto.
- (b) To the best of the Originator's and the mortgage loan seller's knowledge (based on surveys and/or title insurance obtained in connection with the origination of such underlying mortgage loan), as of the date



of the origination of such underlying mortgage loan, all of the material improvements on the related mortgaged real property that were considered in determining the appraised value of such mortgaged real property lay wholly within the boundaries and building restriction lines of such mortgaged real property, except for encroachments that are insured against by the lender's Title Policy referred to herein or that do not materially and adversely affect the value or marketability of such mortgaged real property, and no improvements on adjoining properties materially encroached upon such mortgaged real property so as to materially and adversely affect the value or marketability of such mortgaged real property, except those encroachments that are insured against by the Title Policy referred to herein.

(12) Zoning.

Based on due diligence considered reasonable by prudent commercial mortgage lenders in the area where the related mortgaged real property is located, the improvements located on or forming a part of the such mortgaged real property comply with all applicable zoning laws and ordinances, building codes and land laws. Any non-conformity with zoning laws constitutes a legal non-conforming use or structure which, in the event of casualty or destruction of the related mortgaged real property, may be restored or repaired to the full extent of the use or structure immediately prior to such casualty, or for which law and ordinance insurance coverage has been obtained in amounts customarily required by prudent commercial mortgage lenders, or such non-conformity does not materially and adversely affect the use, operation or value of the related mortgaged real property. The related loan documents require the related mortgaged real property to comply with all applicable laws and ordinances.

(13) Environmental Conditions.

- (a) As of the origination date, the related mortgagor represented and warranted in all material respects that to its knowledge such mortgagor has not used, caused or permitted to exist (and will not use, cause or permit to exist) on the related mortgaged real property any "Hazardous Materials" (defined below) in any manner that violates federal, state or local laws, ordinances, regulations, orders, directives or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of hazardous materials or other environmental laws. The foregoing mortgagor representation and warranty was made subject to each of the following:
- (i) Exceptions set forth in certain "Physical Risk Report(s)" (defined below),
  - (ii) Hazardous Materials that are commonly used in the operation and maintenance of properties of similar kind and nature to the mortgaged real property,
  - (iii) Hazardous Materials that are commonly used in accordance with prudent management practices and applicable law, and
  - (iv) Hazardous Materials that are commonly used in a manner that does not result in any contamination of the mortgaged real property that is not permitted by law.
- (b) Each underlying mortgage loan requires the related mortgagor to comply, and to cause the mortgaged real property to be in compliance, with all "Hazardous Materials Laws" (defined below) applicable to the mortgaged real property.
- (c) Each underlying mortgage loan requires the related mortgagor (or an affiliate of such mortgagor) to indemnify, defend and hold lender and its successors and assigns harmless from and against losses, liabilities, damages, injuries, penalties, fines, expenses, and claims of any kind whatsoever (including attorneys' fees and costs) paid, incurred or suffered by, or asserted against, any such party resulting from a breach of the foregoing representations or warranties given by such mortgagor in connection with the underlying mortgage loan.
- (d) To the best of the mortgage loan seller's knowledge, in reliance on the Physical Risk Reports prepared in connection with the origination of each underlying mortgage loan, the related mortgaged real property is in material compliance with all Hazardous Materials Laws, and to the best of the mortgage

loan seller's knowledge, no notice of violation of such laws has been issued by any governmental agency or authority.

- (e) The mortgage loan seller has not taken any action that would cause the related mortgaged real property not to be in compliance with all Hazardous Materials Laws.

"Hazardous Materials" means

- (i) petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them,
- (ii) lead and lead-based paint,
- (iii) asbestos or asbestos-containing materials in any form that is or could become friable,
- (iv) underground or above-ground storage tanks that are not subject to a "no further action" letter from the regulatory authority in the related property jurisdiction, whether empty or containing any substance,
- (v) any substance the presence of which on the mortgaged real property is prohibited by any federal, state or local authority,
- (vi) any substance that requires special handling and any other "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" by or within the meaning of any Hazardous Materials Law, or
- (vii) any substance that is regulated in any way by or within the meaning of any Hazardous Materials Law.

"Hazardous Materials Law" means

- (i) any federal, state, and local law, ordinance and regulation and standard, rule, policy and other governmental requirement, administrative ruling and court judgment and decree in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the related mortgagor or to the mortgaged real property, and
- (ii) Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et. seq., and their state analogs.

"Physical Risk Report" means a Phase I Environmental Site Assessment report and/or a "Phase II" environmental investigation report, in either case meeting applicable ASTM International standards, or, in the absence of the foregoing, a report by a physical risk consultant that includes information (i) regarding any environmental sampling results, (ii) from environmental data base searches, (iii) regarding Hazardous Materials evidenced by a physical inspection, and (iv) on any recognized environmental conditions noted on any desktop review, disclosure or similar form of report used in connection with the origination of the underlying mortgage loan. A "Physical Risk Report" may include an environmental questionnaire in the same form as that attached as Appendix II to these representations and warranties, or a form substantially the same in all material respects, provided that such environmental questionnaire has been reviewed by a physical risk consultant and/or has been the subject of such follow-up investigations, inquiry or other actions as are indicated by the environmental questionnaire to be necessary or appropriate or would otherwise be considered necessary or appropriate by a prudent commercial mortgage lender making a similar mortgage loan.

(14) Insurance.

- (a) The related mortgaged real property is, and is required pursuant to the related mortgage to be, insured by insurance policies that meet or exceed in all respects the insurance requirements specified and described in Appendix I to these representations and warranties. In addition, for each mortgaged real property located in a Zone 3 or Zone 4 seismic zone, either: (i) a seismic report which indicated a PML of less than 20% was prepared, based on a 450- or 475-year lookback with a 10% probability of exceedance in a 50-year period, in connection with the origination of such underlying mortgage loan secured by such mortgaged real property or (ii) the improvements for such mortgaged real property are insured against earthquake damage. No notice of termination or cancellation has been received by the Originator or the mortgage loan seller, including any notice of nonpayment of premiums, that has not been cured. To the Originator's and the mortgage loan seller's knowledge, the insurer with respect to each policy described herein is qualified to write insurance in the relevant jurisdiction to the extent required.
- (b) The related all risk insurance policy and business interruption policy with respect to such underlying mortgage loan did not as of the date of the origination of such underlying mortgage loan and does not as of the Closing Dates, specifically exclude acts of terrorism from coverage. The related loan documents do not expressly waive or prohibit mortgagee from requiring coverage for acts of terrorism or damages related thereto, except to the extent that any right to require such coverage may be limited by commercially reasonable availability, or as otherwise indicated on Appendix I hereto.
- (c) The related loan documents for the underlying mortgage loan contain customary provisions consistent with the practices of prudent commercial mortgage lenders for similar properties requiring the related mortgagor to obtain such other insurance as the lender may require from time-to-time.

(15) Grace Periods.

The mortgage note relating to such underlying mortgage loan provides for level monthly payments (exclusive of the initial payment) and, with respect to any underlying mortgage loan that provides for a grace period during which remittance by mortgagor of any monthly payment may be deferred without the payment of any default interest or late charge therefor, such grace period is no longer than 10 days from the applicable monthly payment date.

(16) Due on Encumbrance; No Subordinate Loans.

- (a) The underlying mortgage loan does not permit the mortgaged real property to be encumbered by any lien (other than Permitted Encumbrances) superior, subordinate or coordinate with the lien of the related mortgage and neither the Originator nor the mortgage loan seller has any knowledge of any such liens (any such subordinate lien being, the "Subordinate Indebtedness").
- (b) If any underlying mortgage loan is subject to any Subordinate Indebtedness, the mortgagor has no obligation to make any payments of principal and/or interest on the Subordinate Indebtedness during the entire term of such Subordinate Indebtedness, such Subordinate Indebtedness does not have a maturity date prior to the maturity of the underlying mortgage loan and a default under such Subordinate Indebtedness does not give the related lender the right to accelerate maturity of such Subordinate Indebtedness and/or require the payment of all or any portion of the Subordinate Indebtedness prior to its stated maturity date.

(17) Recourse.

- (a) The loan documents for each underlying mortgage loan provide that such underlying mortgage loan constitutes the full recourse obligation of the related mortgagor.
- (b) The mortgagor for each underlying mortgage loan is an entity (e.g., a corporation, limited liability company, limited partnership, limited liability partnership, REIT, Delaware statutory trust, land trust, unincorporated business trust or other similar entity) and not an individual or natural person.

- (c) At least one guarantor has executed, delivered and is bound by a full recourse guaranty of the payment and performance obligations of the mortgagor under the related loan documents.
- (d) Each guarantor described in the foregoing clause (c) is a natural person.
- (e) If the recourse obligations of the related mortgagor with respect to any underlying mortgage loan are limited in any respect:
  - (i) the related mortgagor is at a minimum liable to the holder of the underlying mortgage loan for damages arising in the case of transfers of the related mortgaged real property or interests therein in violation of the terms of the applicable related loan documents and damages arising in the case of fraud or willful misrepresentation by mortgagor, misappropriation of rents, insurance proceeds or condemnation awards and breaches of the environmental covenants in the loan documents, and the loan documents further provide that the underlying mortgage loan will become full recourse in the event of a voluntary bankruptcy filing by such mortgagor, and
  - (ii) At least one natural person is jointly and severally liable with the related mortgagor with respect to the foregoing clause (e)(i).

(18) Financial Statements.

The related loan documents require the related mortgagor, in some cases at the request of mortgagee, to provide to the holder of such underlying mortgage loan operating statements and rent rolls (if there is more than one tenant) not less frequently than annually, and such other information as may be required therein.

(19) Due on Sale.

- (a) The related loan documents contain a “due on sale” clause, which provides for the acceleration of the payment of the unpaid principal balance of such underlying mortgage loan if, without the prior written consent of the holder of the mortgage, either the related mortgaged real property or any material portion thereof, or any equity interest in the related mortgagor, is directly or indirectly transferred, sold, pledged or otherwise encumbered, other than by reason of family and estate planning transfers, transfers by devise, descent or operation of law upon the death of a member, general partner or shareholder of the related mortgagor, transfers of less than a controlling interest in the related mortgagor; provided, however, that such underlying mortgage loan may provide for a mechanism for a one-time assumption of such underlying mortgage loan by a third party upon mortgagor’s satisfaction of certain conditions precedent, and upon payment of a transfer fee, if any, or transfer of interests in mortgagor or constituent entities of mortgagor to a third party or parties related to mortgagor upon mortgagor’s satisfaction of certain conditions precedent.
- (b) The related loan documents require mortgagor to pay all fees and expenses associated with securing the consent or approval of the holder of the mortgage for all actions requiring such consent or approval under the related mortgage, including the cost of counsel opinions relating to securitization and tax issues.

(20) Assignment of Leases.

- (a) The related assignment of rents and leases, whether included in the mortgage or recorded as a separate instrument, establishes and creates a valid, subsisting and enforceable first priority lien and first priority security interest in the related mortgagor’s interest in all leases and the related mortgagor has the full right to assign the same. No Person other than the related mortgagor owns any interest in any payments due under such leases that is superior to or of equal priority with mortgagee’s interest therein.
- (b) The related assignment of rents and leases or the related mortgage provides for rents to be paid directly to mortgagee.

- (c) Subject to applicable law, the related assignment of leases (whether as a part of the related mortgage or separately) provides for, upon an event of default under such underlying mortgage loan, the appointment of a receiver for the collection of rents or for the related mortgagee to enter into possession to collect the rents or for rents to be paid directly to mortgagee.

(21) Insurance Proceeds and Condemnation Awards.

- (a) The related mortgage loan provides that casualty insurance proceeds and condemnation awards will be applied, at the lender's option, (a) to the restoration or repair of the related mortgaged real property, (b) to the restoration or repair of the related mortgaged real property, with any excess insurance proceeds after restoration or repair being paid to the related mortgagor, or (c) to the reduction of the principal amount of such underlying mortgage loan. If the related underlying mortgage loan does not permit the lender to require a reduction of the principal amount of such underlying mortgage loan as described in the foregoing clause (c), then, if the fair market value of the related mortgaged real property following its planned repair and restoration (but taking into account any planned repair and restoration) is not equal to at least 80% of the remaining principal amount of the underlying mortgage loan, the related mortgagor can be required to apply the proceeds to prepay the underlying mortgage loan or to prepay the underlying mortgage loan in the amount required by the REMIC provisions of the Code and related regulations, and such amount may not, to such extent, be used to restore the related mortgaged real property or be released to the related mortgagor.
- (b) In the case of all casualty losses or condemnations resulting in proceeds or awards in excess of a specified dollar amount or percentage of the underlying mortgage loan amount that a prudent commercial mortgage lender would deem satisfactory or acceptable, the lender or a trustee appointed by it (if the lender does not exercise its right to apply the insurance proceeds or condemnation awards (including proceeds from settlement of condemnation actions) to the principal balance of the related underlying mortgage loan in accordance with the related loan documents) has the right to hold and disburse such proceeds or awards as the repairs or restoration progresses.
- (c) The mortgage loan seller has received no notice of the commencement of any proceeding for the condemnation of all or any material portion of the related mortgaged real property and to the best of the Originator's and the mortgage loan seller's knowledge, after appropriate review of its files, there is otherwise no proceeding pending or threatened for the condemnation of all or any material portion of the related mortgaged real property as of the Closing Date.

(22) Customary Provisions.

- (a) The related mortgage note or the related mortgage, together with applicable state law, contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the practical realization against the related mortgaged real property of the principal benefits of the security intended to be provided thereby, including realization by judicial or, if applicable, non-judicial foreclosure, and there is no exemption available to the related mortgagor which would interfere with such right to foreclose.
- (b) Neither the related mortgagor nor any guarantor or indemnitor was, as of the date of the origination of the underlying mortgage loan, or is a debtor in any state or federal bankruptcy or insolvency proceeding and, to the best of the Originator's and the mortgage loan seller's knowledge, each mortgagor, guarantor and indemnitor is a United States Person, and no mortgagor, guarantor or indemnitor is subject to any pending state or federal bankruptcy or insolvency proceeding.

(23) Litigation.

As of the date of the origination of the underlying mortgage loan and, to the best of the Originator's and the mortgage loan seller's knowledge, after due inquiry, as of the Closing Date, there are no pending actions, suits or proceedings before any court, administrative agency or arbitrator concerning such underlying mortgage loan, the related mortgagor or the related mortgaged real property that might adversely affect title to such mortgaged real property or the validity or enforceability of the related mortgage or that might

materially and adversely affect the value of such mortgaged real property as security for such underlying mortgage loan or the use for which the premises were intended, or materially and adversely affect the related mortgagor's performance under the terms of such underlying mortgage loan.

(24) Escrow Deposits.

All escrow deposits, reserves and payments relating to the underlying mortgage loan are in the possession, or under the control, of the mortgage loan seller, and all such amounts required to be deposited or paid by the related mortgagor have been so deposited or paid and there are no deficiencies with regard thereto. All such escrow deposits that have not been disbursed pursuant to the loan documents are being conveyed by the mortgage loan seller to the purchaser and identified with appropriate detail.

(25) Valid Assignment.

- (a) The related assignment of mortgage is in recordable form and constitutes a legal, valid and binding assignment, sufficient to convey to the purchaser all of the mortgage loan seller's right, title and interest in, to and under such mortgage.
- (b) The related assignment of rents and leases is in recordable form and constitutes a legal, valid and binding assignment, sufficient to convey to the purchaser all of the mortgage loan seller's right, title and interest in, to and under such assignment of rents and leases.
- (c) The related mortgage and the related assignment of rents and leases, if any, is freely assignable without the consent of the related mortgagor.

(26) Appraisals.

An appraisal of the related mortgaged real property was conducted in connection with the origination of the underlying mortgage loan and such appraisal (or an updated appraisal) is dated within 12 months of the Closing Date, and such appraisal or updated appraisal satisfied the guidelines in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as in effect on the date such underlying mortgage loan was originated.

(27) Inspection of Mortgaged Real Property.

The mortgage loan seller (or if the mortgage loan seller is not the Originator of such mortgaged loan, the Originator) has inspected or caused to be inspected the related mortgaged real property in connection with the origination of such underlying mortgage loan and within twelve (12) months prior to the Closing Date.

(28) Qualification To Do Business.

To the extent required under applicable law, the Originator and each subsequent mortgagee or holder of the related mortgage note (including, without limitation, the mortgage loan seller) was authorized to transact and do business in the jurisdiction in which the related mortgaged real property is located at all times when it held such underlying mortgage loan.

(29) Ownership.

Immediately prior to the transfer to the purchaser of the underlying mortgage loan, the mortgage loan seller had good title to, and was the sole owner of, such underlying mortgage loan. The mortgage loan seller has full right, power and authority to transfer and assign such underlying mortgage loan to or at the direction of the purchaser and has validly and effectively conveyed (or caused to be conveyed) to the purchaser or its designee all of the mortgage loan seller's legal and beneficial interest in and to such underlying mortgage loan free and clear of any and all pledges, liens, charges, security interests and/or other encumbrances. Upon the consummation of the transactions contemplated by this agreement, the mortgage loan seller will have validly and effectively conveyed to the purchaser all legal and beneficial interest in and to such underlying mortgage loan free and clear of any pledge, lien, charge, security interest or other encumbrance. The sale of such underlying mortgage loans to the purchaser or its designee does not require the mortgage

loan seller to obtain any governmental or regulatory approval or consent that has not been obtained. None of the related loan documents restricts the mortgage loan seller's right to transfer such underlying mortgage loan to the purchaser or to a trustee in a securitization.

(30) Deed of Trust.

If the related mortgage is a deed of trust, (i) a trustee, duly qualified under applicable law to serve as such, is properly designated and serving under such mortgage, and (ii) no fees or expenses are or will become payable to the trustee by the mortgage loan seller, the purchaser or any transferee thereof, except in connection with a trustee's sale after default by the related mortgagor or in connection with any full or partial release of the related mortgaged real property or the related security for such underlying mortgage loan.

(31) Validity of Loan Documents.

Each of the related mortgage note, mortgage, assignment of leases and the other related loan documents executed in connection therewith is genuine and is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms, except as such enforcement may be limited by (1) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (2) general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and there is no valid defense, counterclaim or right of offset or rescission available to the related mortgagor or any guarantor with respect to such mortgage note, mortgage, assignment of leases or other loan document, including the obligation of mortgagor to pay the unpaid principal of and interest on the mortgage note. To the mortgage loan seller's knowledge, no offset, defense, counterclaim or right of rescission, abatement or diminution has been asserted by the related mortgagor or any guarantor.

(32) Compliance with Laws.

All federal, state and local laws, rules, statutes and regulations applicable to such underlying mortgage loan, including without limitation, those relating to equal credit opportunity, real estate settlement procedures or disclosure, have been satisfied or complied with in all material respects as of the date of the origination of the underlying mortgage loan. Such underlying mortgage loan complied with (or is exempt from) all applicable usury laws in effect as of the date of the origination of such underlying mortgage loan.

(33) No Shared Appreciation.

- (a) The underlying mortgage loan does not contain any equity participation by the lender or provide for negative amortization or for any contingent or additional interest in the form of participation in the cash flow of the related mortgaged real property.
- (b) There is no difference for any period between the amount of interest accrued on such underlying mortgage loan and the amount of interest payable thereon; and such underlying mortgage loan does not provide for any contingent interest, shared equity or shared appreciation.

(34) Whole Loan.

- (a) The underlying mortgage loan is not a participation interest, but instead is a whole loan, all of the interest in which is conveyed hereunder. Neither the Originator, the mortgage loan seller nor any party related to or affiliated with the mortgage loan seller holds any preferred equity interest or other equity interest in such underlying mortgage loan.
- (b) Such underlying mortgage loan is evidenced by a single mortgage note and there is no other evidence of indebtedness relating thereto (including no subordinate notes (i.e., B notes) and no pari passu notes/splits (A1/A2 notes)) and neither such underlying mortgage loan nor such mortgage note is subject to any participation, co-lender or similar agreement.

(35) Loan Information.

The information with respect to the underlying mortgage loan set forth on the mortgage loan schedule is true, correct and complete in all material respects.

(36) Full Disbursement.

The proceeds of the underlying mortgage loan have been fully disbursed and there is no requirement for future advances thereunder, and any and all requirements as to completion of any on-site or off-site improvements that must be satisfied as a condition to disbursements of any funds escrowed for such purpose have been complied with as of the Closing Date, or any such funds so escrowed have not been released.

(37) No Advances.

No advance of funds has been made by the Originator, the mortgage loan seller nor any holder of the underlying mortgage loan to the related mortgagor, and no advance of funds have, to the mortgage loan seller's knowledge, been received (directly or indirectly) from any Person other than the related mortgagor for or on account of payments due on the underlying mortgage loan.

(38) All Collateral Transferred.

The related mortgage note for such underlying mortgage loan is not secured by a pledge of any collateral that has not been assigned to the purchaser.

(39) Loan Status; Waivers and Modifications.

(a) The related mortgage has not been satisfied, cancelled, rescinded or subordinated in whole or in part, and the related mortgaged real property has not been released from the lien of such mortgage, in whole or in part, nor has any instrument been executed that would affect any such satisfaction, cancellation, subordination, rescission or release. None of the terms of the related mortgage note, the related mortgage, the related assignment of leases or any of the other related loan document has been impaired, waived, altered, amended, modified or supplemented, except by written instruments which have been recorded, if necessary, to protect the interest of the purchaser and which are otherwise included in the related mortgage loan file.

(b) The related mortgagor or guarantor or indemnitor has not been released, in whole or in part, from its obligations under the related mortgage note, mortgage or any guaranty or indemnity or other loan document related to such mortgage note, as the case may be, other than pursuant to releases previously approved in writing by the mortgage loan seller or any affiliate thereof, copies of which have been delivered to the purchaser. The related mortgaged real property has not been released from the lien of the related mortgage, in whole or in part, nor has any instrument been executed that would affect any such satisfaction, cancellation, subordination, rescission or release.

(40) Defaults.

To the best of the Originator's and the mortgage loan seller's knowledge, after due inquiry, (i) there exists no default, breach, violation or event of acceleration existing under the related mortgage, mortgage note or other related loan documents and neither the Originator, the mortgage loan seller nor any servicer on their behalf has waived any such default, breach, violation or event of acceleration, (ii) no event has occurred which, with the passing of time or the giving of notice, would constitute such a default, breach, violation or event of acceleration and (iii) pursuant to the terms of the loan documents, no Person or party other than the holder of the related mortgage and mortgage note may declare an event of default or accelerate the related indebtedness under such loan documents.



(41) Payments Current.

No scheduled payment of principal and interest under any underlying mortgage loan was past due as of the Closing Date, and no underlying mortgage loan was five days or more delinquent in the twelve-month period immediately preceding the Closing Date.

(42) Qualified Loan.

- (a) Each underlying mortgage loan is a “qualified mortgage” as such term is defined in Section 860G(a)(3) of the Code (without regard to Treasury Regulations Section 1.860G-2(f)(2), which treats certain defective mortgage loans as qualified mortgages). Such underlying mortgage loan has never been rejected (x) from any prospective pool of mortgage loans proposed for pass-through transfer or whole loan transfer (including with respect to any securitization, any collateralized debt obligations or other asset-backed structured financial products) or (y) from any pool of mortgage loans after any pass-through transfer or whole loan transfer which included all or a portion of such underlying mortgage loan or an interest therein (including with respect to any securitization, any collateralized debt obligations or other asset-backed structured financial products).
- (b) Any prepayment premiums and yield maintenance charges payable under the terms of such underlying mortgage loan, in respect of voluntary prepayments, constitute customary prepayment premiums and yield maintenance charges for commercial mortgage loans, all within the meaning of Treasury Regulations Section 1.860G-1(b)(2).

(43) Prepayment Upon Condemnation.

In the event of a taking of any portion of the related 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 related 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 related mortgagor 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 related mortgaged real property or be released to the related mortgagor.

(44) Releases of Mortgaged Real Property.

- (a) Neither the related mortgage note nor the related mortgage permits mortgagee to release all or any material portion of the related mortgaged real property that was included in the appraisal for such mortgaged real property and/or generates income from the lien of the related mortgage, except upon payment in full of all amounts due under the related underlying mortgage loan.
- (b) If any underlying mortgage loan requires mortgagee to grant releases of all or portions of the related mortgaged real properties, such underlying mortgage loan does not permit or require the full or partial release or substitution of collateral except upon (a) the satisfaction of certain legal and underwriting requirements and/or (b) the payment of a release price and prepayment consideration in connection therewith. Any such release or substitution of collateral is permitted or required only upon mortgagor’s providing to mortgagee or servicer an opinion of tax counsel to the effect that such release or substitution of collateral (1) would not constitute a “significant modification” of such underlying mortgage loan within the meaning of Treas. Reg. §1.860G-2(b)(2) and (2) would not cause such underlying mortgage loan to fail to be a “qualified mortgage” within the meaning of Section 860G(a)(3)(A) of the Code. The related loan documents require the related mortgagor to bear the cost of such opinion.

(45) Origination and Servicing.

- (a) In connection with the origination of the underlying mortgage loan, the Originator followed its underwriting procedures in effect as of the date of origination for newly originated commercial mortgage loans, and otherwise in accordance with customary industry procedures used by reasonable, prudent commercial mortgage lenders generally. In the origination (or acquisition, if such underlying mortgage loan was not originated by the mortgage loan seller or any of its affiliates) and servicing of such underlying mortgage loan, neither the Originator or the mortgage loan seller nor, to the Originator's or the mortgage loan seller's knowledge, any prior holder of such underlying mortgage loan participated in any fraud or intentional misrepresentation with respect to such underlying mortgage loan.
- (b) The servicing and collection practices used by the mortgage loan seller or any prior holder or servicer of such underlying mortgage loan have been in all material respects legal, proper and prudent and have met customary industry standards.

(46) Loan Proceeds.

The gross proceeds of the underlying mortgage loan to the related mortgagor at origination did not exceed the non-contingent principal amount of such underlying mortgage loan and either: (a) such underlying mortgage loan is secured by an interest in real property having a fair market value (i) at the date such underlying mortgage loan was originated, at least equal to eighty percent (80%) of the original principal balance of such underlying mortgage loan or (ii) at the Closing Date, at least equal to eighty percent (80%) of the principal balance of such underlying mortgage loan on such date; provided that for purposes hereof, the fair market value of the real property interest must first be reduced by (x) the amount of any lien on the real property interest that is senior to such underlying mortgage loan and (y) a proportionate amount of any lien that is in parity with such underlying mortgage loan (unless such other lien secures a mortgage loan that is cross-collateralized with such underlying mortgage loan, in which event the computation described in clauses (a)(i) and (a)(ii) of this paragraph shall be made on a pro rata basis in accordance with the fair market values of the mortgaged real properties securing such cross-collateralized underlying mortgage loans); or (b) substantially all the proceeds of such underlying mortgage loan were used to acquire, improve or protect the real property that served as the only security for such underlying mortgage loan (other than a recourse feature or other third party credit enhancement within the meaning of Treasury Regulations Section 1.860G- 2(a)(1)(ii)).

(47) Multi-Family Property.

The underlying mortgage loan is directly secured by a mortgage on a multi-family property as set forth on the mortgage loan schedule with respect to such underlying mortgage loan; provided, however, that, for purposes of this paragraph, a multi-family property may include a non-residential component (e.g., commercial, retail or professional office space), provided that the amount of space devoted to any such non-residential use may not exceed, in the aggregate, 20% of the total leaseable square footage of the mortgaged real property, and the gross rental income derived from such space may not exceed 20% of the total gross rental income of the mortgaged real property. No portion of the underlying mortgage loan is secured by manufactured housing. The related mortgaged real property consists of a single parcel of real property upon which is located a multifamily residential property containing five or more residential units (or, in the case of New York, six or more residential units, and, in the case of New Jersey, seven or more residential units) and otherwise meets the requirements for eligibility under the Secondary Mortgage Market Enhancement Act of 1984, as amended.

(48) Adjustable Rate Underlying Mortgage Loan.

If the underlying mortgage loan is an adjustable rate loan or a hybrid loan that is currently in (or has prior to the Closing Date been in) an adjustable rate phase, the Originator and the mortgage loan seller have properly calculated adjustments in the interest rate and monthly payment for each adjustment date occurring during any adjustable rate phase prior to the Closing Date and have notified the related mortgagor of such adjustments, all in accordance with the related mortgage note and applicable law.

(49) Leases.

If the underlying mortgage loan is secured by mortgaged real property which is leased to tenants:

- (a) to the best of the Originator's and the mortgage loan seller's knowledge, (i) the mortgaged real property is not subject to any leases other than the ground leases, leases, subleases, licenses, occupancy agreements and other agreements pursuant to which any Person is entitled to occupy, use or possess all or any portion of the related mortgaged real property (hereinafter referred to as the "Leases") described in the rent roll contained in the mortgage loan file, (ii) such rent roll is accurate and complete in all material respects, including amount and description of the rent, term, pay through date, commencement date and termination date and (iii) no Person has any possessory interest in the mortgaged real property or right to occupy the same except under and pursuant to the provisions of the Leases. Each Lease of all or any portion of the mortgaged real property is subordinate to the mortgage. None of the space in the related mortgaged real property is demised to mortgagor or any of its affiliates pursuant to a so-called "master lease";
- (b) no Lease contains any option to purchase, any right of first refusal to purchase, or any other similar provisions which adversely affect the mortgaged real property or which might adversely affect the rights of any holder of such underlying mortgage loan. To the Originator's and the mortgage loan seller's knowledge and in reliance on the tenant estoppels contained in the mortgage loan file corresponding to such underlying mortgage loan, (i) all of the Leases are in full force and effect and have not been modified or amended other than by documents contained in such mortgage loan file, and (ii) such mortgage loan file contains true and complete copies of the Leases; and
- (c) to the best of the Originator's and the mortgage loan seller's knowledge, (i) neither mortgagor (landlord) nor any tenant under any Lease is in default under any of the terms, covenants or provisions of such Lease and (ii) no event has occurred which, but for the passage of time or the giving of notice or both, would constitute an event of default under any such Lease.

(50) Originator.

The mortgage loan seller (and the Originator of each underlying mortgage loan, if different) is and was at all applicable times a savings and loan association, savings bank, commercial bank, credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act.

(51) No Mortgagor Origination.

To the Originator's and the mortgage loan seller's knowledge, no mortgagor or guarantor or any of their respective affiliates originated the underlying mortgage loan.

(52) No Required Capital Contribution.

Neither the Originator, the mortgage loan seller nor any affiliate thereof has any obligation to make any capital contributions to the related mortgage under the underlying mortgage loan.

(53) Regulatory Agreements and REAs.

No mortgaged real property is subject to any regulatory agreement, declaration of restrictive covenants, land use restriction agreement, extended use agreement or other similar agreement that imposes certain tenant income and/or rent affordability restrictions and, in some cases, certain other operating restrictions, on all or a portion of the units in the mortgaged real property. Any other reciprocal easement, operating or similar agreement with respect to the related mortgaged real property is in full force and effect and, to the knowledge of the Originator and the mortgage loan seller, there are no defaults thereunder by mortgagor or any other party thereto and there is no requirement for the mortgage loan seller to provide notice to any party thereunder as the result of the transactions contemplated by this agreement. No such reciprocal

easement, operating or similar agreement has been amended or modified except pursuant to written instruments which are reflected as an exception to the related title insurance policy or which are otherwise contained in the related mortgage loan file.

(54) No Condominium; No Cooperative.

No portion of the related mortgaged real property is (i) a condominium or is otherwise subject to any condominium regime or (ii) a cooperative or is otherwise subject to any cooperative regime.

(55) Prescribed Laws.

As of the date of the origination of the underlying mortgage loan and, to the knowledge of the Originator and the mortgage loan seller, as of the date of the origination of such underlying mortgage loan and as of the Closing Date, the related mortgagor and its affiliates comply in all material respects with Prescribed Laws. The mortgage loan seller complies in all material respects with Prescribed Laws.

For this purpose, “Prescribed Laws” shall mean, collectively, (a) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as restored by the USA Freedom Act of 2015 (The USA PATRIOT Act), (b) Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, (c) the International Emergency Economic Power Act, 50 U.S.C. §1701 et. seq. and (d) all other Legal Requirements relating to money laundering or terrorism.

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**APPENDIX I TO EXHIBIT C-1**  
**HAZARD INSURANCE REQUIREMENTS**

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## HAZARD INSURANCE REQUIREMENTS

First Foundation Bank ("Lender") requires the Borrower to satisfy the following minimum hazard insurance requirements for all loans. **The Borrower must deliver the original Insurance Policy prior to the close of escrow for all refinance loans. Borrower also acknowledges responsibility to maintain fire and other types of insurance at Borrower's expense upon the Real Property.** It is important that the insurance be carefully selected to protect the investment and avoid loss.

1. **Acceptable Insurance Companies:** The Insurer must be licensed to do business in the state where the property is located. Lender shall have the right to approve or, for reasonable cause, disapprove the insurer selected to underwrite insurance. An Insurer having a minimum general policyholder's rating of "B++ , Class VII" or better in the most current Best's Key Rating Guide, or B++ by Standard and Poor shall underwrite the policy evidencing coverage.
2. **Policy Amount** The amount of insurance must be at least the lesser of: 1) the aggregate sum of the outstanding balance of the first mortgage, or 2) 100% of the replacement cost of the improvements on the property as established by the property insurer. This may be provided as a new policy or an endorsement to the existing policy. **Co-insurance is not acceptable.**
3. **Policy Submission and Inception Date:** At least five (5) days prior to the scheduled loan closing, the following must be received and approved by Lender: (1) the original insurance policy together with all required endorsements; or (2) a certified copy of the insurance policy together with all required endorsements; or (3) upon approval by Lender, an original Certificate or Evidence of Insurance. **Lender must also be in receipt of proof of payment of premiums.** For purchase loans, the annual premium must be paid either prior to or at close of escrow. For refinance loans only, Lender must verify that original policy on file conforms to hazard insurance requirements. Policies on new loans must show an inception date prior to or corresponding with the date of the loan funding. Policies replacing existing insurance must have an inception date not later than the expiration date of the policy it replaces. **All documents must reflect the Lender's assigned loan number.**
4. **Policy and Premium Term:** Single Property Policies: If you are refinancing the property and have a policy which expires within one (1) year of closing, you must present verification that the premium has been paid and the remaining policy period is in excess of six (6) months from the date of closing. Blanket Policies: **Blanket policies are acceptable if the policy or certificate is issued by the insurer specifically identifies the property, assigns the minimum coverage and names Lender and its assigns as additional insured.** If you maintain a blanket policy, Lender must still receive the original policy (or a certified copy). **If the unexpired term of the blanket policy is less than six (6) months beyond the date the loan closes, the Lender must receive proof of payment for a minimum of six (6) months beyond the date of loan closing.**
5. **Maximum Deductibles:** The maximum deductible must not exceed the lower of \$5,000.00 or one percent of the applicable amount of coverage. The borrower may carry a lesser deductible if the borrower so chooses.
6. **Loss Payable Endorsement** The policy is to name First Foundation Bank, its successors, assigns and beneficiaries, specifically as the first beneficiary. Lender's Loss Payable Endorsement (Form No 438 BFU NS, CP 1 2) or its equivalent must be attached to the policy. Please use the following address:

**First Foundation Bank  
Its Successors, Assigns, and Beneficiaries  
18101 Von Karman, Suite 750  
Irvine, CA 92612**

7. **Policy Coverage:** The policy must cover all units (garages, outbuildings, etc.) by direct mention or allowance in the policy. The policy must cover the additional equipment listed as follows only when said equipment is a part of the improvements on the property. Boiler and machinery insurance is required covering loss of occupancy or use of property arising from any breakdown or other malfunction in pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning, elevator equipment and escalator equipment. Lender must receive such other insurance, insuring against hazards including, but without limitation, damage to plate glass, in such forms and in such amounts (including changes in the form and amount of insurance otherwise required hereunder), as may from time to time be reasonably required by Lender. If any personal property is encumbered to Lender under a Security Agreement and Financing Statement, the insurance policy must also cover any personal property owned by the Borrower and used in the operations of the Property.
8. **Fire and Extended Coverage:** The policy must be issued insuring Lender against loss or damage to the improvements on the property and borrower's insurable interest, if any, in any related parking facilities or structures by fire, lightning, and all other risks covered by insurance of the type known as "fire and extended coverage", with vandalism and malicious mischief coverage, in an amount equal to the loan balance of the first mortgage, or not less than one hundred percent (100%) of the full replacement cost of the improvements and parking facilities (exclusive of the cost of excavations, foundations, and footings below the lowest basement floor) without deduction for depreciation, whichever is lesser. Replacement cost is allowed only on those properties meeting current zoning requirements, and such policies of insurance shall contain the "Replacement and Cost Endorsements." Any blanket policies shall have an "Agreed Amount Endorsement."
9. **Loss of Rents:** Lender must receive loss of "rental value" insurance (including relocation costs), against loss of income arising out of damage or destruction to the improvements on the property by any risk or hazard insured against under "fire and extended coverage" insurance in an amount equal to actual loss sustained or twelve (12) consecutive months gross income (or for such greater time period as Lender may require) generated by the property.
10. **Public Liability:** Lender must receive comprehensive Commercial General Liability Insurance (including coverage for elevators and escalators, if any, on the property and, if any construction of new improvements occurs after the execution of the loan documents, completed operations coverage for two years after construction of the new improvements has been completed) on an occurrence basis against claims for bodily injury, property damage and personal injury in the minimum amount of \$1,000,000.00 and \$2,000,000.00 in the aggregate. \$3,000,000.00 aggregate is the minimum required for elevator buildings. Lender reserves the right to require higher coverage amounts for larger projects or for projects that Lender believes have a higher liability risk. When a steam boiler or other pressure vessel is in operation, the minimum liability per accident must at least equal the lesser of \$2,000,000.00 or the insurable value of the building(s) housing the boiler or machinery.

**11. Flood Insurance:** If the property shall at anytime be located in an identified "flood prone area" or in an identified "flood plain area" in which flood insurance has been made available pursuant to the Flood Disaster Protection Act of 1973 ("Flood Act") or other applicable or successor legislation, then Lender must receive flood insurance sufficient to satisfy the requirements of the Flood Act and, if commercially available, Lender may require Borrower to procure such flood insurance covering the lesser of the outstanding principal balance or the maximum coverage allowed. The policy deductible may not exceed the lower of \$5,000.00 or one percent of the applicable amount of coverage. In the event a renewal policy is not received prior to the expiration of the existing coverage, Lender may order insurance meeting its requirements.



- 12. Earthquake insurance:** Earthquake Insurance coverage may be required on a case-by-case basis.
- 13. Borrower's Authorization:** All policies, when submitted, must be accompanied by an authorization signed by the owners of record of the insured property if there is a change of agent from the one shown on Lender's records.
- 14. Renewal Policy:** Any renewal policy or certificate must be received at least thirty (30) days prior to the expiration of the existing coverage. The Lender may order insurance meeting its requirements if acceptable coverage is not received by the expiration of the existing coverage.
- 15. Notice of Cancellation:** All policies must guarantee that Lender will receive thirty (30) days advance notice prior to cancellation and ten (10) days notice for nonpayment of premiums. If a notice of cancellation is received on an existing policy and not reinstated or replaced with an acceptable policy, within the allotted time, Lender may order replacement coverage at Borrower's expense.
- 16. Borrower's Responsibility:** Borrower shall pay all premiums on all policies and renewals when due and shall furnish Lender with written evidence of such payment. All policies shall provide that such policy or policies, on behalf of the Lender, will not be cancelled or materially changed without thirty (30) days prior written notice to Borrower." At the Lender's request, a renewal form renewing or extending expiring insurance shall be delivered to the Lender at least 30 days before the expiration date.
- 17. Failure to Maintain Insurance:** If Borrower fails to maintain insurance in accordance with Lender's requirements, Lender may, but need not obtain insurance on Borrower's behalf; this insurance is called "force placed insurance." For instance, without limitation, Lender may obtain force placed insurance if Borrower allows insurance covering the property to lapse, the amount of insurance is reduced below Lender's requirements, the deductible is increased or the insurance company issuing the policy does not meet Lender's insurance company rating requirements.
- Force placed insurance may cover only the improvements and will be only in the amount required by Lender. This may not be comparable to your former coverage; in addition to other differences, the amount of coverage on the force placed insurance may be less than your policy and may not cover your equity in the property, the deductibles may be higher and there will not be personal property/contents or personal liability, medical or special risks coverage.
- Force placed insurance is typically more expensive than insurance Borrower may obtain through Borrower's own agent. Borrower will also be assessed a policy issuance fee (currently \$80.00 but subject to increase without notice) as well as any other costs incurred by Lender relating to the failure to maintain insurance in accordance with Lender's requirements. Borrower is encouraged to contact your insurance agent to advise them of the Lender's insurance requirements and to assure that you maintain acceptable coverage throughout the life of the loan.
- If the Lender obtains force placed insurance, this insurance may be cancelled when Borrower obtains insurance that is acceptable to the Lender. While the force placed insurance policy may be cancelled, Borrower may be entitled to a prorata refund of premiums paid; however, Borrower will be charged for any time period for which there was a lapse of acceptable coverage provided by Borrower, any cancellation fee assessed by the insurer, any costs Lender incurs as a result of the failure to maintain adequate insurance, as well as a policy issuance fee.
- 18. General Insurance Not Required:** In the event Borrower obtains insurance coverage not required hereunder which insures any interest in property or rights securing Lender's interest in the Loan; Borrower agrees Lender will be named a Loss Payee on the policy and such policy shall include a Loss Payable Endorsement as set forth herein.

**ACKNOWLEDGED:**

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**Applicant's signature** **Date**

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**Applicant's signature** **Date**

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**Applicant's signature** **Date**

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**Applicant's signature** **Date**

**APPENDIX II TO EXHIBIT C-1**  
**ENVIRONMENTAL QUESTIONNAIRE**

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## Environmental Questionnaire

Applicant, as identified below, has applied for a loan from First Foundation Bank ("Lender") to be secured by a Deed of Trust or Mortgage ("Security Instrument") on the real property identified below. As a condition of Lender's consideration of the loan request, Lender requires that Applicant complete this Questionnaire. Applicant acknowledges that Lender will rely upon the responses to this Questionnaire in connection with Lender's analysis of this loan request. Applicant represents to Lender that the answers provided to the questions are to the best of Applicants' knowledge. Applicant agrees that Lender may provide a copy of the completed Questionnaire to any environmental consultant who, on behalf of Lender, performs an environmental assessment of the Property in connection with the requested loan and that such consultant may rely on Applicant's responses.

Applicant: \_\_\_\_\_

Property Address: \_\_\_\_\_

### CURRENT AND FUTURE USES OF THE PROPERTY

The present owner(s) of the property is/are: \_\_\_\_\_

The present occupant(s) of the property is: (Please attach rent roll if there are multiple tenants) \_\_\_\_\_

Year of construction: \_\_\_\_\_ Size of lot: \_\_\_\_\_ Size of lot: \_\_\_\_\_ Building to Lot coverage: \_\_\_\_\_ %

The present use(s) of the adjacent properties are:

Apartment/Residential  Office  Retail  Industrial  Automotive  R & D  Other: \_\_\_\_\_

Has the property or any adjacent property been used for industrial, manufacturing, refining or processing purposes?  Yes  No

If so, please describe: \_\_\_\_\_

Has the property been leased to commercial tenants who may have used toxic chemicals (dry cleaner, print shop, service station, etc.)?  Yes  No

If so, please describe: \_\_\_\_\_

### PROPERTY HISTORY

Past Owner \_\_\_\_\_ from: \_\_\_\_\_ to: \_\_\_\_\_

Use \_\_\_\_\_

Past Owner \_\_\_\_\_ from: \_\_\_\_\_ to: \_\_\_\_\_

Use \_\_\_\_\_

Past Owner \_\_\_\_\_ from: \_\_\_\_\_ to: \_\_\_\_\_

Use \_\_\_\_\_

### POLYCHLORINATED BEMENYLS ("PCBs") and PERCHLOROETHYLENE ("PCEs")

Are there or have there been electrical transformers, capacitors, or hydraulic equipment potentially containing PCBs on the property?

Yes  No  Unknown Description and Location: \_\_\_\_\_

Is there evidence of leakage on or around this equipment?  Yes  No  Unknown

Description: \_\_\_\_\_

Has PCE's been used as a solvent in dry cleaning or for removal of grease from metals?  Yes  No  Unknown

If so, please describe: \_\_\_\_\_

### STORAGE TANKS AND DRUMS

Are any above or below ground gasoline, diesel, waste, or heating oil or other storage tanks located on the property?  Yes  No  Unknown

Description and Location: \_\_\_\_\_

Have any tanks been inspected or tested for leakage?  Yes (Inspection or test results are attached)  No  Unknown

Has any tanks leaked in the past?  Yes  No  Unknown

Description and Location: \_\_\_\_\_

Are any chemicals stored on the property in drums or other containers?  Yes  No  Unknown

Description and Location: \_\_\_\_\_

Are any drums or other containers known to have leaked in the past?  Yes  No  Unknown

Description and Location: \_\_\_\_\_

Is there evidence of the following conditions on the property or neighboring sites: stressed vegetation, stained soil, foul fumes or smells, oily ponds, etc.?

Yes  No  Unknown Description and Location: \_\_\_\_\_

## Environmental Questionnaire (continued)

<b>ASBESTOS CONTAINING MATERIALS</b>				
Do any buildings or other improvements on the property contain asbestos?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description and Location: _____				
Have any asbestos survey been conducted for the property?		<input type="checkbox"/> Yes (copy of survey results are attached)	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
<b>LEAD-BASED PAINT</b>				
Is there any visible or documented evidence of peeling paint on the floors, walls, or ceiling of tenant or common areas?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description and Location: _____				
Have any lead-based survey been conducted for the property?		<input type="checkbox"/> Yes (copy of survey results are attached)	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
<b>WATER AND WATER DISCHARGES</b>				
Is water for the property provided directly from a well?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Describe all sources of wastewater discharges to surface waters, septic systems, leach fields or holding ponds. (Do not include conventional wastewater discharge to city or county sewer systems).				
Description: _____				
<b>WASTE DISPOSAL</b>				
Describe the types of liquid wastes (other than waste water previously described) and solid waste generated at the property.				
Describe how the liquid and solid wastes generated at the property are disposed.				
<b>PESTICIDES, HERBICIDES AND AGRICULTURAL CHEMICALS</b>				
Have pesticides, herbicides or other agricultural chemicals been applied to the property?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description: _____				
Have pesticides, herbicides or other agricultural chemicals ever been mixed, formulated, rinsed or disposed of on the property?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description: _____				
<b>ENFORCEMENT AND CLEAN UP ACTIONS</b>				
Has any public agency ever investigated or cited the property for violation of any environmental law or commented an enforcement or clean up action under environmental law with respect to the property?		<input type="checkbox"/> Yes (Documentation attached)	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description: _____				
Has any public agency ever listed the property as a site requiring or qualifying for clean up under any environmental law?		<input type="checkbox"/> Yes (Documentation attached)	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description: _____				
Has any litigation proceeding been brought or threatened by any party alleging the presence, disposal, or threatened release of any hazardous substances or petroleum products on, from, or under the property?		<input type="checkbox"/> Yes (Documentation attached)	<input type="checkbox"/> No	<input type="checkbox"/> Unknown
Description: _____				

**Please attach any permits from public agencies and complete copies of any test, study, report, or assessment that are required or have been completed with respect to the property's soil, air, or groundwater conditions or hazardous materials storage.**

Applicant represents and warrants

- a. That, to the best of Applicant's knowledge, Applicant, its tenants and all others with rights relating to the use of all or any portion of the Property are currently in compliance with all federal, state, and local laws, rules, regulations and ordinances, regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage treatment and removal, handling or disposal of hazardous or toxic substances or other materials.
- b. That, except as set forth in this Questionnaire, Applicant has no knowledge of any presence, disposal, release or threatened release of any hazardous or toxic materials on, from, or under the Property that has occurred in the past, either during the period that Applicant has had an interest in the Property or prior to such period of time.

By executing this Environmental Questionnaire, Applicant agrees to be bound by the representations and warranties set forth herein, and Applicant certifies that the information provided herein is true and correct, to the best of Applicant's knowledge.

Applicant's Signature	Date	Applicant's Signature	Date
Applicant's Signature	Date	Applicant's Signature	Date

**EXHIBIT C-2**

**EXCEPTIONS TO MORTGAGE LOAN SELLER'S REPRESENTATIONS AND WARRANTIES**

<b>Representation and Warranty</b>	<b>Loan Number*</b>	<b>Mortgaged Real Property Name</b>	<b>Issue</b>
3(a) (Mortgagor Type)	2	1020 Pine Street	The loan documents do not require the borrower(s) to be or continue to be a Single Purpose Entity (“SPE”) or a Single Asset Entity (“SAE”) as defined under Exhibit C-1. The borrower is neither an SPE nor an SAE.
	3	14724 Inglewood Avenue	
	4	645 East Claraday Street	
	5	644-660 East Claraday Street	
	7	Woodpark Apartments	
	9	1920 Hillcrest Road	
	12	5255 Blakeslee Avenue	
	13	10114 Scott Avenue	
	14	Dalton Historical Building	
	15	Walnut Gardens Apartments	
	17	2881-2885 Bush Street	
	19	8876 Olive Lane	
	21	Potomac Square Apartments	
	22	340-350 Wisconsin Avenue	
	23	4055 And 4075 Briggs Street	
	26	1168-1184 Holly Avenue	
	27	140 North Hamilton Drive	
	30	3843 3853 West 27th Street	
	31	339 Roosevelt Street	
	34	361 East Navilla Place	
	35	945 Beacon Avenue	
	37	23751 Arlington Avenue	
	38	940-942 South Flower Street	
	40	381 East Navilla Place	
	42	Dickens Apartments	
	43	3141-3143 Wabash Avenue	
	44	Barbara Worth Villas	
47	4061-4067 Van Dyke Avenue		
48	3719 South Canfield Avenue		
50	Muir Apartments		
3(b) (Mortgagor Type)	20	505 North Alfred Street	The underlying mortgage loan is made to individual borrower(s) who are foreign nationals.
	24	1515 North Hayworth Avenue	
	33	1820 North La Brea Avenue	
4 (Licenses, Permits and Authorization)	6	1401 Palisades Beach Road	The mortgaged real property contains an unpermitted converted studio unit and an unpermitted unit.
	15	Walnut Gardens Apartments	
11 (Encroachments; Survey)	1-51	All underlying mortgage loans listed on Exhibit A-1	No surveys were required.
12 (Zoning)	6	1401 Palisades Beach Road	The mortgaged real property contains an unpermitted unit.
12 (Zoning)	15	Walnut Gardens Apartments	The mortgaged real property contains an illegally converted studio unit.

<b>Representation and Warranty</b>	<b>Loan Number*</b>	<b>Mortgaged Real Property Name</b>	<b>Issue</b>
14 (Insurance)	1-51	All underlying mortgage loans listed on Exhibit A-1	No seismic insurance was required.
16(a) (Due on Encumbrance; No Subordinated Loans)	14	Dalton Historical Building	\$3,000,000 subordinated loan payable to the Redevelopment Agency of the City of Temecula, California secured by a subordinated deed of trust is encumbering the mortgaged real property.
17 (Recourse)	20 24 28 29 39 51	505 North Alfred Street 1515 North Hayworth Avenue 3565 Dimond Avenue 1360-1364 Valencia Street 707-723 Colina Lane 1049 Pine Avenue	The borrower(s) are individual(s).
17 (Recourse)	21 32	Potomac Square Apartments 1831 Camden Avenue	The borrower(s) is/are limited recourse.
17 (Recourse)	33	1820 North La Brea Avenue	The borrower(s) are individual(s) who reside in Japan, making the underlying mortgage loan effectively non-recourse.
17 (Recourse)	25 41 45	4924 Tujunga Avenue 350 South Hobart Boulevard 24822 Walnut Street	The borrower(s) are noted to be individual(s).
22(b) (Customary Provisions)	9	1920 Hillcrest Road	The underlying mortgage loan is made to corporate borrower with individual guarantors that are foreign nationals.
22(b) (Customary Provisions)	20 24 33	505 North Alfred Street 1515 North Hayworth Avenue 1820 North La Brea Avenue	The borrowers are individual foreign nationals.

<b>Representation and Warranty</b>	<b>Loan Number*</b>	<b>Mortgaged Real Property Name</b>	<b>Issue</b>
27 (Inspection of Mortgaged Real Property)	1	Solana Pointe Apartments	The mortgaged real property is not inspected within 12 months prior to the Closing Date.
	2	1020 Pine Street	
	4	645 East Claraday Street	
	5	644-660 East Claraday Street	
	6	1401 Palisades Beach Road	
	8	6202 South Pacific Coast Highway	
	9	1920 Hillcrest Road	
	10	10529 Floralita Avenue	
	11	250 Cliff Drive	
	12	5255 Blakeslee Avenue	
	13	10114 Scott Avenue	
	14	Dalton Historical Building	
	16	145 East 18th Street	
	17	2881-2885 Bush Street	
	18	852 17th Street	
	19	8876 Olive Lane	
	21	Potomac Square Apartments	
	22	340-350 Wisconsin Avenue	
	23	4055 And 4075 Briggs Street	
	25	4924 Tujung Avenue	
	26	1168-1184 Holly Avenue	
	27	140 North Hamilton Drive	
	28	3565 Dimond Avenue	
	29	1360-1364 Valencia Street	
	31	339 Roosevelt Street	
	32	1831 Camden Avenue	
	34	361 East Navilla Place	
	35	945 Beacon Avenue	
	37	23751 Arlington Avenue	
	38	940-942 South Flower Street	
	39	707-723 Colina Lane	
40	381 East Navilla Place		
41	350 South Hobart Boulevard		
43	3141-3143 Wabash Avenue		
44	Barbara Worth Villas		
45	24822 Walnut Street		
46	1245 Brockton Avenue		
47	4061-4067 Van Dyke Avenue		
48	3719 South Canfield Avenue		
49	2510 South Anchovy Avenue		
50	Muir Apartments		
51	1049 Pine Avenue		
43 (Prepayment Upon Condemnation)	3	14724 Inglewood Avenue	The mortgaged real property is located in a redevelopment zone.
	12	5255 Blakeslee Avenue	
	14	Dalton Historical Building	
	23	4055 And 4075 Briggs Street	
	47	4061-4067 Van Dyke Avenue	
51	1049 Pine Avenue		
47 (Multi-Family Property)	14	Dalton Historical Building	Commercial income is more than 20% of the mortgaged real property's income.
	29	1360-1364 Valencia Street	



<b>Representation and Warranty</b>	<b>Loan Number*</b>	<b>Mortgaged Real Property Name</b>	<b>Issue</b>
53 (Regulatory Agreements and REAs)	14 47	Dalton Historical Building 4061-4067 Van Dyke Avenue	The mortgaged real property is noted to have a Redevelopment Agreement and a Regulatory Agreement on title.
53 (Regulatory Agreements and REAs)	3 51	14724 Inglewood Avenue 1049 Pine Avenue	The mortgaged real property is noted to have a Redevelopment Agreement on title.
53 (Regulatory Agreements and REAs)	12 23	5255 Blakeslee Avenue 4055 And 4075 Briggs Street	The mortgaged real property is noted to be within a Redevelopment Area on title.
54 (No Condominium; No Cooperative)	2	1020 Pine Street	The mortgaged real property is a condominium.

\* As specified on Exhibit A-1.

**EXHIBIT D**

**DECREMENT TABLES FOR THE CLASS A CERTIFICATES**

**Percentage of Initial Principal Balance Outstanding For:**

**Class A-5 Certificates**

0% CPR During Static Prepayment Premium Periods  
— Otherwise at Indicated CPR

**Prepayments**

<b><u>Following the Distribution Date in—</u></b>	<b><u>0% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>50% CPR</u></b>	<b><u>75% CPR</u></b>	<b><u>100% CPR</u></b>
Closing Date.....	100%	100%	100%	100%	100%
November 2016.....	98%	97%	96%	94%	87%
November 2017.....	96%	91%	86%	82%	75%
November 2018.....	94%	82%	73%	65%	55%
November 2019.....	91%	71%	57%	47%	31%
November 2020.....	89%	54%	32%	16%	0%
November 2021.....	86%	39%	15%	4%	0%
November 2022.....	84%	29%	7%	1%	0%
November 2023.....	81%	21%	3%	0%	0%
November 2024.....	78%	15%	1%	0%	0%
November 2025.....	75%	11%	*	0%	0%
November 2026.....	72%	8%	0%	0%	0%
November 2027.....	69%	5%	0%	0%	0%
November 2028.....	66%	3%	0%	0%	0%
November 2029.....	63%	2%	0%	0%	0%
November 2030.....	59%	1%	0%	0%	0%
November 2031.....	56%	*	0%	0%	0%
November 2032.....	52%	0%	0%	0%	0%
November 2033.....	48%	0%	0%	0%	0%
November 2034.....	44%	0%	0%	0%	0%
November 2035.....	40%	0%	0%	0%	0%
November 2036.....	36%	0%	0%	0%	0%
November 2037.....	31%	0%	0%	0%	0%
November 2038.....	27%	0%	0%	0%	0%
November 2039.....	22%	0%	0%	0%	0%
November 2040.....	17%	0%	0%	0%	0%
November 2041.....	11%	0%	0%	0%	0%
November 2042.....	6%	0%	0%	0%	0%
November 2043.....	2%	0%	0%	0%	0%
November 2044 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years).....</b>	<b>16.47</b>	<b>5.85</b>	<b>4.26</b>	<b>3.64</b>	<b>3.02</b>

\* The percentage outstanding is less than 0.5% but greater than 0%.

**Class A-7 Certificates**

0% CPR During Static Prepayment Premium Periods  
— Otherwise at Indicated CPR

**Prepayments**

<b><u>Following the Distribution Date in—</u></b>	<b><u>0% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>50% CPR</u></b>	<b><u>75% CPR</u></b>	<b><u>100% CPR</u></b>
Closing Date.....	100%	100%	100%	100%	100%
November 2016.....	98%	98%	98%	98%	98%
November 2017.....	96%	96%	96%	96%	96%
November 2018.....	94%	93%	91%	89%	86%
November 2019.....	92%	86%	81%	75%	66%
November 2020.....	89%	75%	63%	51%	30%
November 2021.....	87%	58%	37%	21%	1%
November 2022.....	84%	43%	19%	4%	0%
November 2023.....	82%	31%	8%	0%	0%
November 2024.....	79%	23%	3%	0%	0%
November 2025.....	76%	16%	1%	0%	0%
November 2026.....	73%	11%	0%	0%	0%
November 2027.....	70%	8%	0%	0%	0%
November 2028.....	67%	5%	0%	0%	0%
November 2029.....	63%	3%	0%	0%	0%
November 2030.....	60%	2%	0%	0%	0%
November 2031.....	56%	1%	0%	0%	0%
November 2032.....	52%	0%	0%	0%	0%
November 2033.....	48%	0%	0%	0%	0%
November 2034.....	44%	0%	0%	0%	0%
November 2035.....	40%	0%	0%	0%	0%
November 2036.....	35%	0%	0%	0%	0%
November 2037.....	30%	0%	0%	0%	0%
November 2038.....	25%	0%	0%	0%	0%
November 2039.....	20%	0%	0%	0%	0%
November 2040.....	15%	0%	0%	0%	0%
November 2041.....	9%	0%	0%	0%	0%
November 2042.....	4%	0%	0%	0%	0%
November 2043 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years).....</b>	<b>16.43</b>	<b>7.04</b>	<b>5.53</b>	<b>4.92</b>	<b>4.30</b>

**Class A-10 Certificates**

0% CPR During Static Prepayment Premium Periods  
— Otherwise at Indicated CPR

**Prepayments**

<b><u>Following the Distribution Date in—</u></b>	<b><u>0% CPR</u></b>	<b><u>25% CPR</u></b>	<b><u>50% CPR</u></b>	<b><u>75% CPR</u></b>	<b><u>100% CPR</u></b>
Closing Date.....	100%	100%	100%	100%	100%
November 2016.....	98%	98%	98%	98%	98%
November 2017.....	96%	96%	96%	96%	96%
November 2018.....	94%	94%	94%	94%	94%
November 2019.....	92%	92%	92%	92%	92%
November 2020.....	90%	86%	82%	78%	74%
November 2021.....	88%	81%	77%	74%	72%
November 2022.....	86%	77%	73%	71%	62%
November 2023.....	83%	74%	70%	65%	60%
November 2024.....	81%	66%	57%	43%	0%
November 2025.....	78%	50%	27%	3%	0%
November 2026.....	75%	35%	6%	0%	0%
November 2027.....	72%	24%	0%	0%	0%
November 2028.....	69%	16%	0%	0%	0%
November 2029.....	66%	10%	0%	0%	0%
November 2030.....	63%	5%	0%	0%	0%
November 2031.....	59%	2%	0%	0%	0%
November 2032.....	56%	0%	0%	0%	0%
November 2033.....	52%	0%	0%	0%	0%
November 2034.....	48%	0%	0%	0%	0%
November 2035.....	44%	0%	0%	0%	0%
November 2036.....	39%	0%	0%	0%	0%
November 2037.....	35%	0%	0%	0%	0%
November 2038.....	30%	0%	0%	0%	0%
November 2039.....	25%	0%	0%	0%	0%
November 2040.....	20%	0%	0%	0%	0%
November 2041.....	14%	0%	0%	0%	0%
November 2042.....	9%	0%	0%	0%	0%
November 2043.....	3%	0%	0%	0%	0%
November 2044 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years).....</b>	<b>17.22</b>	<b>9.62</b>	<b>8.27</b>	<b>7.71</b>	<b>7.12</b>

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**Exhibit E**

**PRICE/YIELD TABLE FOR CLASS X1 CERTIFICATES**

**Corporate Bond Equivalent (CBE) Yield of the Class X1 Certificates at Various CPRs\***  
**0.4128%\*\* *Per Annum* Initial Pass-Through Rate**  
**\$102,026,095 Initial Notional Amount**

0% CPR During Static Prepayment Premium Periods  
 — Otherwise at Indicated CPR

<b>Price (%)***</b>	<b>0% CPR CBE Yield (%)</b>	<b>25% CPR CBE Yield (%)</b>	<b>50% CPR CBE Yield (%)</b>	<b>75% CPR CBE Yield (%)</b>	<b>100% CPR CBE Yield (%)</b>
3.0000	18.75	2.19	-14.72	-29.26	-44.18
3.0625	18.40	1.77	-15.23	-29.86	-44.87
3.1250	18.06	1.36	-15.73	-30.45	-45.54
3.1875	17.73	0.96	-16.21	-31.02	-46.19
3.2500	17.41	0.58	-16.68	-31.57	-46.82
3.3125	17.10	0.21	-17.14	-32.11	-47.44
3.3750	16.81	-0.16	-17.59	-32.63	-48.04
3.4375	16.51	-0.51	-18.02	-33.14	-48.62
3.5000	16.23	-0.86	-18.44	-33.64	-49.19
Weighted Average Life (in years)	16.54	6.44	4.92	4.32	3.74

\* Assumes the exercise of the right to purchase the underlying mortgage loans in the event the total Stated Principal Balance of the mortgage pool is less than 5.0% of the initial mortgage pool balance, as described under “The Pooling and Servicing Agreement—Termination” in this information circular.

\*\* Approximate.

\*\*\* Exclusive of accrued interest.

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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**\$91,822,000**  
(Approximate)

# Freddie Mac

**Structured Pass-Through Certificates (SPCs)**  
**Series SB-008**



*Sole Lead Manager and Bookrunner*

**BofA Merrill Lynch**

*Co-Manager*

**Wells Fargo Securities**

**November 13, 2015**